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The Money Market.

Friday, December 31, 1920

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates :—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6½	—	—
Bank Bills	6 11/16	6 11/16	6¾	6¾
Trade Bills	—	7-7½	7½-½	7½

YEAR-END CONDITIONS.

BEING the last week of the year, borrowers were prepared for a trying time in the Money market, but, on the whole, the week passed very quietly, considering that end of the year arrangements had to be financed, and also that the banks were laying up liquid funds for balance-sheet purposes. The extent of this latter operation was rather large, as shown by the Bank return, and, in order to facilitate it, it is probable that large quantities of Treasury bills were allowed to run off. At any rate, the Government appears to have been considerably embarrassed, and had to borrow heavily on Ways and Means. The amount borrowed from the Bank by the market must be considered moderate, in view of the circumstances here mentioned, as also the level of rates ruling in the open market. The fall in commodity prices and the slowing-down of production are at present the predominating influences in the market, and to these must be attributed the present absence of stringency, as explained in these columns last week. The present aspect of the market spells comparatively easy conditions in January. It is not probable, however, as suggested in some quarters, that the Bank Rate will be reduced. The raising of the Bank Rate in April last was partly a matter of necessity, but for the greater part was the result of a definite policy; to lower it now would involve a change of this policy, and hopes founded on such a change are likely to meet with disappointment. This view includes the corollary that the banks will not change their attitude towards speculative activities. It may be remarked that a somewhat similar position obtains at present in the United States. In that country the fall in prices, which has of late attained a great rapidity, coupled with an improvement in the railroad situation, was instrumental in saving the banks from the very difficult situation which confronted them at the beginning of 1920. At the present time monetary conditions are comparatively easy, but the Federal Reserve Board have declared their intention of continuing their policy of deflation despite this fact. Of course, as the United States still maintains its gold standard, and as the regulations compelling the banks to publish weekly statements and to keep minimum ratios of reserve to liabilities are still in force, the necessity for United States banks to restrict their credit operations is much more cogent than in the case of British banks. For this reason it is probable that deflation will not be pushed so rapidly here as in the U.S., but this does not mean that it will be discontinued altogether.

The amount borrowed at the Bank during the week was probably greater than the conditions warranted; at any rate, the pressure in the open market for accommodation over the turn of the year at 6½ to 6¾ per cent. was not very marked, and day-to-day money was plentiful at rates ranging from five to six per cent. Yesterday surplus balances could be obtained at as low as three per cent. To-day the amount borrowed at the central institution seemed to be smaller than on previous days, and, for the last day of the year, conditions were quite comfortable. The

Discount market was unusually quiet, but rates remained firm.

Foreign Exchanges. One of the most outstanding features of the week in the Foreign Exchange market was a rise in the Paris, Rome, and Brussels quotations to new high record levels. On Tuesday the quotation for French francs was 60.42½; for Belgian francs, 57.37½; and for Italian liré, 106. Subsequently there was a recovery, but to-day a further reaction occurred, the quotations being respectively 59.67½, 56.85, and 101.75. It is believed that the movements are due to Continental buying of our currency in order to remit to the United States. This view is supported by the fluctuations during the week in the New York rate. After its recent firmness it stood at as low as 3.50¾ on Monday; this, however, was the lowest point reached, and it has since recovered steadily, being to-day 3.54. The Portuguese escudo rose from 6*d*. on the beginning of last week to 7½*d*. on Tuesday, but the improvement was later altogether lost, to-day's quotation being again 6*d*. News of Portuguese banking troubles are of a conflicting nature, but it is probable that the decline during the week in the value of the escudo was due to unfavourable reports. Other features were a continuance of the improvement in the value of the Finnish mark to a quotation of 115, and a favourable movement in the Yokohama rate to 2*s*. 8⅛*d*. The Madrid rate was as high as 26.81½ on Tuesday, but has since declined to 26.45. The Scandinavian group moved sharply against us during the past two days. The Rio 90-days' rate fell to 9⅛*d*.

Income and Expenditure. The statement of public income and expenditure for the week to Saturday last is of a more unfavourable nature than the return for the previous week, but less so than would be warranted by the proximity of the New Year. There was again some borrowing on Ways and Means, but the bulk of this was received from Public Departments, only a small amount being obtained from the Bank of England. As might be expected, a large amount of Treasury bills was allowed to run off; £50,000,000 fell due for repayment, and of this only £38,875,000 was renewed, leaving a deficit of £11,125,000 to be provided for. This was not met by revenue, which left a surplus of only £215,235, after meeting ordinary expenditure. The respective amounts of revenue and expenditure for the week were £20,484,750 and £20,269,515, as compared with £24,296,941 and £17,861,407 respectively for the previous week. Even this small surplus in revenue would not have been available but for the receipt of over £4.6 million from sales of assets. £10,858,000 had to be borrowed on Ways and Means. Advances by the Bank were increased by £2¾ million to £53,000,000, and advances by Public Departments rose by £8,108,000 to £220,772,000. The net change in the floating debt was a decrease of £372,000 to £1,394,121,000. As compared with a year ago Bank of England advances show an increase of £20,000,000, but Treasury bills are £1,175,000 lower. The total floating debt shows a rise of £47,009,400, as compared with December 27, 1919.

Currency Notes. The Currency Notes Return shows the customary fall in the circulation after the Christmas holidays. The movement was not of great magnitude, however, the combined circulation of notes and certificates declining by only £580,480 to £364,924,767. The actual note circulation itself increased, fresh issues, at £5,841,158, exceeding cancellations by £509,520; cancellations of currency note certificates, on the other hand, were £1,090,000 above the amount issued. This movement brought the fiduciary issue down by £580,480 to £316,974,767, or £3,625,233 below the maximum. Last week's fiduciary issue, then, £317,555,247, becomes the maximum for 1921, this being the highest for the year just elapsed. The amount of notes outstanding on Wednesday last is £8,772,745 above the total on December 29, 1919.

Bank of England. The usual conditions obtaining at the end of a year are reflected faithfully in the Bank Return. The chief feature is an increase in the amount of the reserve due to a further gain in gold and a net return of notes from circulation. The effect of this on the reserve ratio, however, was more than offset by an increase in deposit liabilities, doubtless in order to make a good showing in the banks' balance-sheets now being prepared. The result was a decline in the reserve ratio from 7.8 per cent. to 7.3 per cent., this latter being a fresh low record.

As to details, the note circulation fell by £1,731,000 to £132,851,000, this figure comparing with £91,350,000 on December 31, 1919. The gain to the holdings of coin and bullion was £506,000, making a total of £5,121,000 for the past eight weeks, and bringing the present total up to £128,267,000, which is, of course, the highest ever reached. The reserve in consequence of these movements rose by £2,238,000 to £13,866,000. Government deposits show a gain of £535,000, and "other deposits" rose by £39,524,000 to £175,554,000. This brings the total expansion in this item during the past fortnight to £49,484,000, and the present total is, with one exception, the highest for the year. That exception is the figure returned on June 30, £175,967,000, when the last half-yearly balance sheets were in preparation. The Government must have been borrowing very heavily from the Bank during the week, for Govern-

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ment securities rose by £30,687,000 to £107,865,000, this being the highest since the commencement of 1919. This movement was probably in order to meet further large amounts of unrenewed Treasury bills, a feature that generally marks the closing week of the year, for the reason already explained. The market also increased its indebtedness to the Bank by £7,114,000.

Bullion. All arrivals in the gold market were taken for the United States. To-day's price is 116*s.* 1*d.* per ounce fine, the same as on Friday last.

Though the intervention of the holidays restricted business in the silver market, fluctuations were as violent as previously. Smallness of supplies, coupled with a moderate amount of buying on Chinese account in connection with exchange operations and some "bear" covering, caused a recovery in the price to 43*d.* on December 29. Yesterday, however, there was a reaction to 41⅝*d.* under the influence of resales, and to-day the quotation declined again to 40⅞*d.*, as compared with 42*d.* a week ago. Forward silver has been at a premium of ⅛*d.* since Wednesday.

Recent movements in the Indian Currency Returns are shown below:—

1920		Notes in Circulation	Silver in India	Gold in India	Gold Coin and Bullion Held Outside India	Gold Coin and Bullion Held in India	Gold Coin and Bullion Held by Government of India	Gold Coin and Bullion Held by Government of British Dominions
		Lacs	Lacs	Lacs	Lacs	Notes	Lacs	Lacs
Dec. 22	...	[illegible]	[illegible]	2,379	—	52·4	[illegible]	[illegible]
Dec. 15	..	[illegible]	[illegible]	2,379	—	52·4	6,807	[illegible]
Dec. 7	...	[illegible]	[illegible]	2,378	—	52·4	[illegible]	[illegible]
Nov. 30	...	[illegible]	[illegible]	[illegible]	—	52·4	[illegible]	[illegible]
Nov. 22	...	15,9[illegible]	[illegible]	2,372	—	52·[illegible]	6,807	[illegible]
Nov. 15	.	[illegible]	[illegible]	[illegible]	—	[illegible]	6,807	[illegible]
Nov. 7		[illegible]	[illegible]	[illegible]	—	52·1	[illegible]	[illegible]
Oct. 31		[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Oct. 26	.	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Oct. 15	..	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Oct. 7	.	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Sept. 30	..	[illegible]	[illegible]	[illegible]	—	[illegible]	4,714	[illegible]
Sept. 22	..	[illegible]	[illegible]	[illegible]	—	[illegible]	4,714	[illegible]
Aug. 31	..	[illegible]	[illegible]	[illegible]	—	[illegible]	4,734	[illegible]
July 31	..	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
June 30	...	16,434	4,555	4,348	249	55·7	3,525	3,727
March 31	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jan. 7	...	[illegible]	4,257	3,421	243	[illegible]	[illegible]	[illegible]

NEW YORK.

The latest weekly statements of the United States banks reflect the increased demand for accommodation customary at the end of the year, in an expansion in loans and a diminution of reserves.

The New York City banks and Trust Companies show a decline in reserves, following upon an improvement during the previous week. The movements are of little significance, however, for they denote merely that last week the Federal Reserve Bank was able to improve its position at the expense of the member banks, the process being the reverse of that which occurred during the previous week. The aggregate reserves of the New York Associated Banks show a fall of $21,090,000 to $544,410,000. Reserve requirements, however, were lower on account of a decline of $79,640,000 to $3,984,010,000 in net demand deposits, so that the average excess reserve for the week is only $10,660,000 below that of the previous week at $16,730,000. It is worthy of remark that the figure given here for net demand deposits is, with two exceptions, the lowest since the commencement of the year, and is, in fact, $80,040,000 below that returned for the week ending December 27, 1919. Towards the end of the week the position improved, the actual excess reserve at the close of business on Friday last being as high as $30,560,000. Loans, discounts, and investments rose by $46,680,000 during the week, the present total being $5,281,720,000, or $18,054,000 above that for the last week of 1919. United States deposits again rose by $92,960,000 to $182,840,000.

The New York Reserve Bank more than recovered its loss of the previous week. Gold holdings were increased by $38,990,000 to $199,490,000, and total reserves by $30,420,000 to $612,940,000. At the same time both net deposits and Federal Reserve note liabilities show an expansion: the former rose by $37,170,000 to $657,140,000, and the latter increased by $9,350,000 to $880,870,000. Despite these movements the reserve ratio improved from 39.1 per cent. to 39.9 per cent.

The combined statement of the twelve Federal Reserve Banks shows movements rivalling in extent those which characterised the height of the autumn crop-moving season. The most striking feature is an expansion of $60,600,000 in the circulation of Federal Reserve notes, the latest total being the highest ever recorded at $3,404,930,000; it is $46,680,000 above the previous high record, and $347,280,000 above the level ruling a year ago. Rediscounts for member banks also show the remarkable expansion of $134,940,000 to $2,731,690,000, this being $95,140,000 below the high record of the week ending November 5 last. Deposits other than Government deposits show an increase of $21,880,000 to $1,523,300,000. The increase in liabilities, however, was to some extent offset by an expansion in reserves. Gold reserves rose by $1,430,000 to $2,055,800,000, the highest since the commencement of the year. Total reserves, at $2,236,750,000, are the largest since June 11, 1919, and are $101,220,000 above the figure returned for the week ending December 26, 1919. The ratio of total reserves to net deposit and Federal Reserve note liabilities combined is recorded at 45.1 per cent., as against 45.6 per cent. for the previous week, and 44.8 per cent. a year ago. It may be noted that this is the first occasion in the year just passed in which the reserve ratio exceeded that for the corresponding week of 1919.

An important aspect of the fall in the prices of agricultural products, now a prominent topic of discussion in American circles, is that the slump in values, in many cases to levels below cost of production, has greatly diminished the buying power of the farming community. The position, indeed, is so serious that various relief measures are being proposed. These include a relaxation of the financial policy of the authorities in favour of the farmers, but this the Federal Reserve Board is disinclined to permit. Recently we announced that a tariff was placed on certain imported farm products. The most probable direction in which efforts will be directed, however, is towards assisting the buying power of outside countries. This will probably involve the establishment of foreign trade corporations under the Edge Law, as well as extending direct credits to European countries. The res[illegible] should be to make the United States more interested in Europe's recovery.

[illegible] reaction after last week's relapse in quotations, but the movement is merely due to transient influences. Call-money rates ranged from 6 to 7 per cent.

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and
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Stock Exchange.

For the last week of the year the House has displayed an optimism which stands in strong contrast to the tone prevailing during the previous quarter. Prices in all sections exhibited a rising tendency, and a cheerful activity characterised many hitherto dull spots. Responsible authorities have already heralded the revival in Share values, and the public has certainly evinced an increased interest in the Stock markets. Last week's movements, however, were more nominal than real. Window-dressing and hopes for easier money conditions in the New Year were responsible for some buying, and a temporary check to the recent flood of liquidation restored a measure of stability to quotations; but that this condition will be permanent is most unlikely. On the whole, 1921 is being ushered in under most inauspicious circumstances.

The tone of the Gilt-edge market improved under the influence of purchases by the Government broker, and a falling off in selling orders. All descriptions showed better on the week, Victory Bonds being marked up 1¼ on Wednesday alone.

A further decline in the sterling value of the franc and the news of banking difficulties in Barcelona caused a renewal of Continental liquidation in the Foreign Bonds department. South American varieties, and French War Loans in particular, sagged at the commencement of the week, but a hardening tendency asserted itself eventually, and Argentine prices in many cases recovered to opening levels. Quotations for Japanese bonds fluctuated with the dollar exchange, and finished somewhat lower on balance.

Home Rails were a centre of moderate activity. In view of the despondent atmosphere which has so long characterised this section of the House, the buoyancy of prices during the past week was remarkable. Midland Deferred and South Eastern Deferred opened with a downward movement, but recovered later, and most of the other leading stocks were marked up. The recommendation of the Railway Rates Advisory Committee that the present system of rate-fixing should be replaced by one providing a "fair return" on capital after covering all costs has improved the outlook considerably, though the indefiniteness of the phrase "fair return" introduces an element of uncertainty.

In common with the other sections, Foreign Rails exhibited a more optimistic tone, though business was limited. Argentine stocks registered an all-round appreciation. Brazilian and Chilian descriptions developed an easier tendency, however, and Paraguay "D" Debentures again receded.

A temporary halt in the recent heavy liquidation helped the Industrial market to present a firmer front, and the appearance of outside buyers imparted a generally cheerful tone, which gradually disappeared, however, before the close. Textiles showed distinctly better, Courtaulds, Fine Spinners, Calico Printers, Bleachers, and Bradford Dyers being all marked up. Iron and Steel shares remained dull, but Birmingham Small Arms, Vickers, South Durham, Bolckow Vaughan, and Armstrong shares appreciated fractionally. Motor and Shipping issues continued heavy. Brunner Monds improved on demand, but Dunlops again reacted sharply.

The Oil market opened firm, Shells and Royal Dutch being outstanding features of strength, but a reaction ensued later, and the close was marked by unsettled conditions. The Mexican Eagle report attracted buyers, with a consequent levering up of prices, the gains being eventually shaded down, however. Scottish-Americans and Tankers fluctuated slightly, but showed no net alteration. The leading Trinidad issues moved up, and Kern Rivers was also a feature of consistent strength. Assams are now merged with the Burmah Company, the requisite majority of shareholders having agreed to the sale on the basis of £2 per share.

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Mining Topics.

With the holiday atmosphere still with us it was not surprising to find a conspicuous absence of business in the Mining market this week. The tone at the re-opening on Tuesday was, however, favourable. The small stream of realisations that set in was confined principally to the Finance issues, and was reflected in the reaction of Rand Mines to 2⅞ and of Central Mining to 7⅜. De Beers constituted a bright feature with an advance of ⅜ to 12¾ on Paris support. No trace of liquidation from this quarter was in evidence. Wednesday found the Continent still buying, with the result that the leading producers hardened whilst Rand Mines recovered to 2½ and Johnnies to 24*s*. De Beers were still in favour, moving up to 13½. On Thursday, however, the market began to fear a resumption of Paris selling, influenced no doubt by the reappearance of liquidation in the oil section, and prices were marked down in advance. The only marked relapse was in De Beers, which reacted to 12¾.

The rally in silver to 43*d*. per ounce in the early part of the week gave a certain degree of vitality to the Mexican section. Santa Gertrudis moved up from 10*s*. 9*d*. on Tuesday to 11*s*. 3*d*. on Wednesday, whilst Camp Birds advanced from 6*s*. to 7*s*. 6*d*., and Esperanzas put on 1/6 to 1 1/6. There was a sharp reaction in silver to 41¾*d*. per ounce on Thursday, and the upward movement slackened, though the tone still remained firm. Relapses were recorded in Esperanzas to £1 and Camp Birds to 7*s*.

Tin shares were slow to respond to the recovery in the price of tin, which was quoted at £207½ on Thursday. The heavy liability of 10*s*. per share involved in the new capital issue by Dolcoath forced the shares down to the low level of 9*d*. on Tuesday. Later on there was a rally to 10½*d*. On Wednesday the news that an official receiver had been appointed caused Tin Areas to break to 9*d*. More favourable movements were recorded by Ropps, which advanced on Thursday to 6*s*. 3*d*., and by Anglo-Continentals and Mongus, which recovered to 1/6.

For November the gold output of Southern Rhodesia dropped to 46,782 oz., as against 47,343 oz. in October. There was, however, a substantial improvement in the gold premium, since the value of the gold was returned at £282,237, as compared with £248,085 in the previous month.

TRANSVAAL GOLD MINING ESTATES.

Yr. to	Ore Milled	Yield per Ton	Working Costs per Ton	£	Yield per Ton	Net Profit £	Dividends £	
1915...	161,910	50 5	21 11	28,872	28 6	184,378	181,267	50
1916...	164,315	47 11	22 11	164,041	[illegible]	98,406	151,845	20
1917...	193,905	41 5	23 10	109,287	17,5	115,994	75,529	12½
1918...	182,085	36 10	24 0	117,310	12 10	67,417	52,874	8½
1919...	141,245	32 1	27 3	34,813	4,10	[illegible]	15,106	2½
1920...	[illegible]	[illegible]	25 9	55,882‡	[illegible]	61,81[illegible]§	67,975	11¼

[illegible]

For this South African gold-mining concern the year ended March 31, 1920, was a period of rather exceptional difficulty. The effects of the influenza epidemic, which caused such mediocre results for the previous

year, were still in evidence for some months, with the result that the supply of labour was not fully adequate, although it improved gradually throughout the period. Furthermore, the general rise in price levels, in conjunction with the higher wages demanded, reacted unfavourably on the margin of profit available for distribution. That under such circumstances the quantity of ore crushed during the year rose from 144,245 tons to 190,060 tons is a very creditable achievement. Unfortunately, the grade of the ore continued to deteriorate, the average yield per ton, based on the standard value of gold for purposes of effective comparison, worked out only at 31*s.* 7*d.*, as against 32*s.* 1*d.* in the previous year. This was entirely due to the falling-off in the yield from the Central Mines, the main producer of the group. For 1918-19 the ore milled in this section yielded an average revenue of 50*s.* 8.6*d.* per ton, as compared with 28*s.* 7.5*d.* for the year under review. However, owing to the increase in the tonnage treated from 112,482 tons to 153,366 tons, working costs, despite the rise in price levels, dropped from 26*s.* 7.3*d.* per ton to 25*s.* per ton. Nevertheless, the profit per ton fell from 4*s.* 1.3*d.* per ton to 3*s.* 7.5*d.* per ton. Deducting from this the proper proportion of prospecting and administrative expenses, the fact remains that this section barely paid its way. On the other hand, owing to improved results from Vaalhoek and Elandsdrift, the total results were more satisfactory. The increase in tonnage is reflected in the decline in working costs from 27*s.* 3*d.* per ton in 1918-19 to 25*s.* 9*d.* per ton in the year under review. Hence there results a net profit of £55,882, or 5*s.* 10*d.* per ton, as against £34,813, or 4*s.* 10*d.* per ton, in 1918-19. In contrast, however, with 1917-18, the previous normal year, when £117,310 were secured, equivalent to 12*s.* 10*d.* per ton, the result is by no means favourable. And from the point of view of dividends the year would not have been any more remunerative than the previous one were it not for the premium on gold which ruled for over eight months. In virtue of this additional revenue there accrued an extra profit of £55,318, almost equal to that secured by the working results on the basis of the par value of gold. Thus the total working profit reached £111,200, which compares much more favourably with the total for 1917-18. Furthermore, the revenue per ton increased by 5*s.* 9¾*d.* to 37*s.* 5*d.* per ton, whilst the working profit per ton rose by a similar amount to 11*s.* 8½*d.* Hence, as against a net loss of £8,060 in 1918-19, there was recorded a net profit of £61,819. Accordingly the dividend advanced in amount from £15,106 to £67,975, and in rate from two and a-half per cent. to eleven and a-quarter per cent. Consequently, the amount carried forward to the next accounts was reduced by £6,156 to £109,034.

Prospecting work during the year involved an outlay of £17,082. Yet the results were admittedly incommensurate. The outstanding feature of the work continues to be the opening up of low-grade ore, which, whilst enabling the Central mill to be worked fully, will not afford a very great margin of profit. At present there is no reason for anticipating ore of a higher grade in this section, though the hope of a better discovery is still entertained. Vaalhoek is also characterised by low-grade ore, but its development prospects are slightly more encouraging. Yet in the light of the rather high costs prevailing nowadays, it is stated that neither of these mines would be payable in the absence of the gold premium. On the other hand, the small Elandsdrift mine could pay with gold at a par value, high-grade ore being steadily opened up. The position of the ore reserves of those three areas is embodied in the following table:—

	Mar. 31, 1920		Mar. 31, 1919		Mar. 31, 1918	
	Tons	Value Dwt. per Ton	Tons	Value Dwt. per Ton	Tons	Value Dwt. per Ton
Central Mines ...	501,392	7·44	408,873	8·5	408,638	8·9
Elandsdrift Mine ...	74,000	16·05	70,700	15·2	73,810	14·8
Vaalhoek Mine ...	87,262	8·69	51,041	8·73	35,083	8·1
Totals	662,754	8·6	530,614	9·2	517,531	9·7

It is obvious that the progressive deterioration of the ore in the Central Mines must cause the directors much anxiety. Yet with a reduction in costs there is a large body of ore of 7 dwt. average value in sight (*i.e.*, equivalent to 29*s.* 9*d.* per ton) which at present cannot be worked profitably. Failing that reduction, which is by no means likely just now, the working of much of this low-grade ore is entirely dependent upon the condition of the gold premium. Whilst rather low during the June quarter, the net price of gold, after deducting realisation charges, has improved steadily, till for October the mines valued the output at 117*s.* 6*d.* per ounce. Consequently, during the first half of the current year the working profit amounted to £40,747, excluding £4,785 representing adjustment of gold premium for part of the year under review. In view, however, of the universal stringency of funds the directors wisely decided to conserve their resources. Therefore, whilst the results would justify an interim dividend of three and three-quarters per cent., they decided to declare only a dividend of two and a-half per cent., absorbing £15,106. The outlook for the December quarter is very encouraging. The October returns reveal the record profit of £12,979, and there is good reason for believing that the November returns will be at least nothing worse. A final dividend of ten per cent. for the year is by no means out of the question. Financially the position of the Company is very sound. Outstanding Debentures were reduced to £4,000 by March 31, 1920, and will disappear before the close of the year. Moreover, as against £14,940 required for redemption in the year under review, there will only be required a sum not exceeding £4,000, whilst the reduction in interest is by no means trivial. Thus a greater proportion of the profits will be available for distribution. Again, current liabilities on March 31, 1920, did not exceed £94,201, and were more than amply covered by gold and cash to a total of £141,947. Quoted in the market at 9*s.*, the £1 shares afford, on the basis of a final dividend of ten per cent., a yield for the current year of nearly 22¼ per cent.

BRISEIS TIN.

Results for Years to December 31.

	Output of Ground Treated	Metallic Tin	Av. Price Realised per Ton	Working Costs per Ton	Working Profit Amount	Working Profit Per Ton	Net Profit*	Dividends Amount	Dividends %
	Cub. Yds	Tons	£	£	£	£	£	£	
1916...	930,100	330·8	183·32	83·67	32,968	99·35	32,617	15,000	2½
1917...	632,300	241·2	238·80	105·81	32,071	132·99	28,566	30,000	5
1918...	546,953	234·3	319·63	110·70	48,951	208·95	46,950	30,000	5
1919...	340,100	128·0	242·26	199·14	5,736	13·12	3,198	15,000	2½

* Including sundry revenue and proceeds of gold winning.

The report of the Briseis Tin and General Mining Company for the year ended December 31, 1919, is in keeping with the views expressed by the Chairman at the annual meeting in 1919. On that occasion shareholders were informed that until the re-diversion of the Ringarooma River had been completed a restriction of output was inevitable. For the year under review the area of ground treated fell to 340,000 cubic yards, as against 546,953 cubic yards in 1918. Whilst mainly due to the concentration of work on this all-important re-diversion, this decline in the ground treated was accentuated by the remarkably low rainfall of the year, which only amounted to 36.09 inches, as compared with 42.59 inches in 1918, thus reducing considerably the available supply of water. As regards the re-diversion, until it was finished "tin winning," to quote the Chairman, "was to all intents and purposes suspended" during the last six months of the year. Thus it came to pass that the output of tin concentrates fell from 328.6 tons in 1918 to 180 tons in 1919, corresponding to a decline in the output of metallic tin from 234.3 tons to 128 tons. This reduction was reflected in the sharp rise in working costs from £111 to £199 per ton. The increase was most pronounced in the Briseis area, where the area of ground treated dropped from 197,000 cubic yards to 88,500 cubic yards, in consequence of which the working costs amounted to £89·3 per ton of concentrate, as

compared with £38.5 in 1918. The slighter reduction from 311,000 cubic yards to 251,600 cubic yards caused the working costs per ton of concentrate to rise in the Ringarooma section from £72.8 to £93.9. It was unfortunate that this rise in the cost of production should synchronise with a fall in the price of tin, the average price realised by the Company working out only at £242 5*s.* 3*d.* per ton, as against £319 12*s.* 6*d.* per ton in 1918. Accordingly, a working profit per ton of nearly £209 is replaced by the low record of £43; whilst the total of £5,736 stands in contrast with the 1918 return of £48,951. The exhaustion of the gold-winning properties is reflected in the decline in revenue from this source to £99, as against £3,762 in 1918. Hence the net profit drops to the low level of £3,198, in contrast with £46,050 in the previous year. Under such circumstances the payment of the dividend of two and a-half per cent., absorbing £15,000, could only be made by drawing upon the balance brought forward from 1918 of £13,840. After meeting this payment and the charge of £4,046 involved by depreciation and taxation, there is carried forward to the next accounts a debit balance of £2,008.

The outlook of this Australian tin-mining Company for the current year is by no means encouraging. The diversion of the river supplied the Company with some 430,000 cubic yards, estimated to contain 500 tons of concentrates. It is in this region that the bulk of the extraction will take place for the next year or two. Returns so far indicate that the operations, while somewhat in advance of 1919, are still being handicapped by lack of water. For the first ten months the output of tin ore did not exceed 207 tons. The total for the year is not likely to be greater than 260 tons, as against 180 tons in 1919. Assuming that the assay remains unchanged at seventy-three per cent., the yield of metallic tin will not exceed 190 tons. There is no reason for anticipating any great decline in the working costs. On the other hand, the continued depression in the Tin market since the first quarter of 1920 renders it wellnigh certain that the average sale price will be less favourable than in 1919. Under such conditions, and bearing in mind the adverse balance of £2,008 carried forward, it is very unlikely that any dividend will be forthcoming. Yet, granted a normal recovery in the price of tin, the more distant prospects of the Company are much brighter. In addition to this area now being exploited, the Company claims, on expert estimation, to hold some 5,250,000 cubic yards, containing some 3,700 to 4,000 tons of concentrates, and it is said that this estimate is conservative. Furthermore, this forecast takes into account only the portion of Ringarooma Hill which is "in sight," ignoring a large area which may yet prove to be workable. The Wallace gold areas having been worked out, efforts are now being made to discover other properties upon which the two dredges left over can be employed. Preliminary investigations into two alluvial gold properties in Victoria, upon which options were acquired, have yielded satisfactory results. Financially the position of the Company, as revealed in the balance sheet at the end of 1919, is sound. Current liabilities not exceeding £6,881 are amply covered by liquid assets in the form of cash, investments, sundry debtors and tin to a total of £41,276. The unfavourable nature of the current prospects are reflected in the market quotation of 3*s.* 7*d.* for the £1 shares.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, December 29, 1920.

Issue Department.

Notes Issued	£144,934,400	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,484,400
	£144,934,400		£144,934,400

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£107,864,798
Rest	3,339,587	Other Securities	86,029,242
Public Deposits	14,304,787	Notes	12,083,250
Other Deposits	175,554,567	Gold and Silver Coin	1,783,270
Seven-day and other Bills	7,639		
	£207,759,580		£207,759,580

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Dec. 29	132.8	128.2	14.3	175.5	107.3	86.0	13.8	7·3	7	8½
Dec. 22	134.6	127.7	13.7	136.0	77.1	78.9	11.5	7·8	7	6¾
Dec. 15	131.2	126.8	19·4	128.1	77.1	72.2	14.0	9·6	7	6¾
Dec. 8	130.4	126.8	22.4	128.4	80.7	74.1	13.9	9·3	7	6½
Dec. 1	130.4	124.9	21.6	142.6	93.8	75.3	12.9	7·9	7	6¾
Jly22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8% Aug. 8, 5% July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 8, 1918, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Dec. 29, 1920	Dec. 31, 1919	Jan. 1, 1919	Jan. 2, 1918	Dec. 28 1910
Circulation	£132.8	£91.3	£70.2	£46.6	£33.0
Public Deposits	14.3	19.2	26.3	32.1	11.7
Other Deposits	175.5	180.8	214.9	158.4	44.2
Government Securities	107 8	92.4	124.3	70.8	15.9
Other Securities	86.0	106.7	106.5	106.5	36.8
Reserve	13.8	18.4	28.2	31.1	21.2
Ratio to Liabilities	7 3%	9·2%'	11·71%	16·30%	37·88%
Coin and Bullion	128.2	91.3	80.0	59.2	31.4
Money:					
Bank of England Rate	7%	6%	5%	5%	4½%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	5⅛%	3⅛%	4%	3⅛%
Exchanges:					
Paris Cheque	59·70	41·12	25·97	27·22½	25·27
New York 60 days	3·49½	3·73½	4·73	4·72	4·82½
Bombay Telegraphic Transfers	1/5½	2/4½	1/6⅝	1/4⅜	1/4⅝
Prices:					
Consols 2½% Cash	44⅛	51	59	55½	78⅛
French Rentes 3% Money	58 00	59·95	61·65	58·50	97·07
Silver, London spot os.	40⅛d.	75½d.	48⅞d.	44½d.	26⅛d.
Wheat, *Gazette* average qr.	85/11	72/6	72/3	71/1	30/7
Cotton, Mid Upland lb.	10·95d.	32·00d.	21·32d	23·00d.	6·17d.
Iron, Scotch pig ton	231/0	168/0	101/0	101/0	55/10

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Dec. 29, '20	6,291,158	6,871,638	364,924,767	28,500,000	19,450,000	13·1
Dec. 22, '20	14,533,082	5,403,818	365,505,247	28,500,000	19,450,000	13·1
Dec. 31, '19	6,403,195	8,481,831	356,152,022	28,500,000	—	7·9
Dec. 31, '18	5,379,913	5,783,812	325,940,501	28,500,000	—	8·8
Jan. 2, '18	6,789,445	7,120,790	312,450,950	28,500,000	—	13·4
Jan. 3, '17	4,428,135	5,801,872	148,770,440	28,500,000	—	19·2

Balance Sheet, December 29, 1920.

Notes outstanding—	£	Advances—	£
One Pound	287,978,853	Other Bankers ...	—
Ten Shilling	43,935,914	Trustee Savings Banks	—
Certificates outstanding ...	33,060,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	364,924,767	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,701,116	Government Securities ...	338,501,227
Investments Reserve A/c ...	16,962,683	Balance at Bank of England	134,338
Total	384,588,585	Total	384,588,585

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Dec. 25	£20,485	£20,289	£216‡	£187,688	£168,982	£3,534
Dec. 18	24,297	17,861	6,436‡	75,436	79,813	4,813
Dec 11	14,781	15,307	518	71,956	71,250	2,555
269 days '20-21	875,350	816,759	58,591‡	4,125,133	4,193,394	— 5,835
271 days '19-20	684,484	1,103,174	418,710	4,620,830	4,214,419	— 9,121
Yr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,783,507	8,368
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,799
Yr. '17-18	707,234	2,698,221	1,988,987	7,499,604	3,816,023	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
Dec. 25	£6,166	£1,957	£2,972	£3,390	£5,114	£332	£14,825
Dec. 18	14,625	1,535	3,360	4,777	1,926	100	15,836
Dec. 11	5,239	1,404	4,197	4,253	7,335	623	7,349
269 days '20-21	248,247	153,127	154,389	319,857	280,205	15,993	520,554
271 days '19-20	203,038	132,866	200,275	148,285	265,810	9,978	823,386
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,387	289,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,988

FLOATING DEBT.	[000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Dec.	25 1920 ...	£1,120,549	£273,772	£1,394,121	£17,815
Dec.	18, 1920 ...	1,131,579	262,914	1,394,493	17,240
Dec.	11, 1920 ...	1,137,804	260,264	1,397,658	16,570
Dec.	4, 1920 ...	1,126,729	266,414	1,393,143	15,755
June	30, 1919 ...	798,100	774,287	1,570,387†	—

*Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS ‡

[In £'s Sterling—000's omitted.

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Dec. 16, '20 ...	10,660	1,114	11,774	24 872	240,221	45,797
Dec. 22, '20 ...	10,860	1,013	11,873	28,070	240,079	48,905

	Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*						
Nov. 30, '20...	£398,741	£84,277	£74,161	£90,184	£456,111	£46 098
Dec. 7, '20...	398,746	83,187	75,702	92,184	455,917	44,003
Dec. 15, '20...	398,749	82,445	76,491	93,621	453,375	50,227

	Cash—Gold	Cash—Silver	Cash—Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.							
July 31, '14 ...	£4,100	£341	£4,441	£8,197	£788	£8,693	£47
Oct. 30, '20 ...	12,644	139	12,783	15,353	1,080	32,114	2,984
Nov. 30, '20 ...	12,644	145	12,789	14,328	757	30,845	3,305
Nov. 29, '19 ...	11,787	190	11,977	10,426	1,547	28,208	2,393
Nov. 30, '18 ...	10,424	144	10,568	3,826	4,338	24,466	736

	Gold—In Bank	Gold—Abroad	Total Cash incl'e Silver	Bills	Circulation	Deposits—Public	Deposits—Private
FRANCE.							
July 30, '14 ...	£165,654		£190,687	£97,768	£287,327	£15,302	£37,903
Dec. 23, '20 ...	142,064	77,935	230,830	130,150	1,497,774	3,185	140,859
Dec. 30, '20 ...	142,076	77,935	230,864	132,357	1,516,081	2,261	140,735
Dec. 26, '19 ...	144,010	79,131	233,862	50,730	1,490,982	3,060	135,084
Dec. 26, '18 ...	137,618	81,484	231,836	41,851	1,209,984	4,167	94,848

	Cash—Gold	Cash—Silver	Cash—Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.							
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Dec. 7, '20...	54,578	345	54,923	1,026,273	2,500,127	3,234,232	578,064
Dec. 15, '20...	54,577	294	54,871	1,057,986	2,704,958	3,757 359	791,255
Dec. 15, '19...	54,481	1,052	55,533	504,911	1,719,080	1,643,782	547,884
Dec. 14, '18...	115,224	1,015	116,239	224,251	1,213,901	1,000,290	670,296

	Cash—Gold	Cash—Silver	Cash—Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Dec. 20, '20 ...	53,012	1,746	54,758	20,183	22,028	89,419	6,454
Dec. 27, '20 ...	53,012	1,766	54,778	20,798	21,986	89,506	7,105
Dec. 27, '19 ...	53,110	509	53,619	18,101	21,863	86,203	8,529
Dec. 28, '18 ...	57 453	712	58,165	21,052	11,626	89,249	7,373

	Cash—Gold	Cash—Silver	Cash—Total	Other Cash	Loans & Cash Discounts	Circulation	Deposits
ITALY.							
July 31, '14 ...	—	—	£48,456		£25,017	£89,204	£3,037
Oct. 26, '20 ...	£32,191	£2,999	35,190	11,804	215,313	606,576	79 451
Oct. 30, '20 ...	32,768	2,999	35,767	14,075	230,472	611,158	74,207
Oct. 31, '19 ...	32,200	3,006	35,206	26,417	89,476	478,217	74,473
Oct. 31, '18 ...	32,697	3,078	35,775	5,283	62,386	358,445	56,877

	Gold	Discounts	Advances	Notes	Deposits—Public	Deposits—Private
JAPAN.						
Aug. 1, '14 ...	£21,887	£1,829	£7,863	£32,722	£13,818	£1,521
Nov. 13, '20 ...	104,618	7,452	13,830	103,748	118,884	10,525
Nov. 20, '20 ...	103,232	6,439	15,446	103,982	107,107	13,843
Nov 22, '19 ...	82,027	8,613	33,908	111,397	108,178	4,476
Nov. 23, '18 ...	68,057	1,976	41,792	84,137	99,141	4,348

	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387.165	£1,720
Dec 18, '20 ...	£19,388†	113,110	1,047,008	£812,850	£49,158	879,984	5,478
Dec. 24, '20 ...	19,633†	108,882	1,056,344	798,922	48,398	881,888	3,346
Dec. 27, '19 ...	21,646†	111,890	1,034,302	833,928	50,188	925,852	3,804
Dec. 28, '18 ...	22,082†	109,478	932,522	780,284	28,938	850,636	6,320

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£8,752	£793
Dec. 15, '20 ...	8,115	3,097	578	24,195	25,382	4,928
Dec. 22, '20 ...	8,115	3,075	578	26,192	27,180	5,035
Dec. 22, '19 ...	8,141	4,082	674	20,596	26,009	2,916

	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.						
Sept. 22, '20 ...	£1,908	£3,921	£5,827	£28,808	£115,547	£4,314
Sept. 29, '20 ...	1,908	3,921	5,827	30,783	118,361	5,253
Sept. 3, '19 ...	1,905	3,924	5,829	7,846	66,556	6,774
Sept. 4, '18 ...	1,905	3,742	5,647	10,795	54,45)	2,357

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
Sept. 11, '20 ...	£86,009	£20,847	£3,663	£24,510	£289,256
Sept. 18, '20 ...	104,009	20,664	3,697	24,361	304,147
Sept. 25, '20 ...	104,009	20,652	4,810	25,462	306,814
Sept. 27, '19 ...	47,792	7,963	2,367	10,330	143,228

	Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 28, '17...	128,523	230,865	378 205	1,869,559	1,836,217	15,783	345,550

	Cash—Gold	Cash—Silver	Cash—Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13.778	£77,557	£18,955
Dec. 18, '20 ...	98,232	23,438	121,670	95.107	13.779	169.001	145,635
Dec. 24, '20 ...	98,246	23,343	121,589	95,741	13,779	169.493	46,716
Dec. 27, '19 ...	87,832	25,220	123,052	88,453	13,778	154,252	41,403
Dec. 28, '18 ...	89,134	25,686	114,820	66,860	13.777	132,649	46,148

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Dec. 18, '20 ...	15,871	5,998	1,903	34,220	40,433	12,637
Dec. 27, '20 ...	15,888	6,887	1,903	31,666	40,621	3,359
Dec. 27, '19 ...	15,621	6,743	2,687	30,139	40,085	11,438
Dec. 28, '18 ...	15,882	16,974	3,055	24,970	43,933	7,086

	Cash—Gold	Cash—Silver	Cash—Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 23, '14 ...	£7,202	£758	£7,960	£4,617	£10,718	£2,028
Dec. 15, '20 ...	21,675	4,813	26,448	15,619	36,906	5,433
Dec. 23, '20 ...	21,709	4,829	26,538	17,612	36,616	5,456
Dec. 23, '19 ...	20,650	2,845	23,495	18,671	38,607	6,664
Dec. 23, '18 ...	15,855	2,318	18,173	23,364	36,662	6 152

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS	Gold—Held by Banks	Gold—With Agents	Total Cash	Bills Discount'd	Bills Accept-ances.	Deposits—Govt.	Deposits—Total. Net.	Circulation.
Dec 20,'20 ...	£410.674		£448.894	£519,350	£46.922	£10.631	£316.918	£868.866
Dec. 27,'20 ...	411.160		447.350	546 333	48.234	5.210	309 870	880 985
Dec. 29,'19 ...	143 312		272.374	427.106	438.976	117.042	14.472	340.894	611.530
Dec. 27,'18 ...	143.590		274.464	429.244	340.588	60.734	12.674	310.578	537.048

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	6	Nov. 4,'20
Berne	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay	7	Nov. 12,'20	Petrograd ...	6	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	7	Nov. 19,'20	Stockholm ...	7½	Sept. 16,'20
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—	Dec. 31, '20	Dec. 23, '20	Dec. 17, '20	Dec. 10, '20
Berlin ..... Cable	257m.	255m.	255m.	257m.
Brussels ..... Cheques	56fr. 85c.	56fr. 55c.	55fr. 10c.	55fr. 70c.
Denmark ..... Cable	23kr. 10	23kr. 20	23kr. 22	23kr. 50
Holland ..... do.	11fl. 25c.	11fl. 26c	11fl. 18c.	11fl. 30c.
Italy ..... do.	101fr. 75	103fr.	99fr. 00	98fr. 12
Lisbon and Oporto do.	7d.	6d.	6½d.	7½d.
New York ..... do.	$3 54	$3 54½	$3 53	$3 45½
— ..... Cheques	$3 55	$3 55½	$3 54½	$3 46½
Norway ..... Cable	23kr. 10	23kr. 20	23kr. 65	23kr. 80
Paris ..... 3 mos.	60fr. 42c.	60fr. 35c.	58fr. 85c.	59fr. 45c.
— ..... Cable	59fr. 67c.	59fr. 60c	58fr. 10c.	58fr. 70c.
Spain (Bank places) 3 mos.	45½d.	42½d.	44d.	44½d.
— ..... Cable	26p. 45	27p. 40	26p. 95	27p. 05
Sweden ..... do.	17kr. 67	17kr. 90	17kr80.	17kr. 85
Switzerland ..... 3 mos.	23fr. 67c.	24fr. 00c	23fr. 55c.	22fr. 75c.
— ..... Cable	23fr. 17c.	23fr. 25c.	23fr. 05c.	22fr. 25c.

ON LONDON—	Dec. 31, '20	Dec. 23, '20	Dec. 17, '20	Par.
Alexandria ..... Sight	97¼pi.	97½pi.	97½pi.	97½pi.
Amsterdam ..... Cheques	11fl. 26c.	11fl. 26½c.	11fl. 18c.	12·107½
Athens ..... Cable	48dr. 12	48dr. 75	47dr. 50	25dr. 22½
Bombay ..... Transfers	1s. 5 7d.	1s. 5¾d.	1s. 5 1d.	2s.*
Brussels ..... Cheques	56f. 85c.	56f. 51c.	55f. 12c.	25f. 22½c.
Buenos Ayres..... Transfers	51 ⅛d.	52⅜d.	53d.	47·58d.
Calcutta ..... do.	1s. 5 1d.	1s. 5¼d.	1s. 5 1d.	2s.*
Christiania ..... Sight	23kr. 05	23kr. 17½	23kr. 66	18·159kr.
Copenhagen ..... do.	23kr. 12	23kr. 09	23kr. 24	18·159kr.
Helsingfors ..... Cable	117m.	130m.	145m.	25m. 22½
Hong Kong..... Transfers	3s. 2 d.	3s. 1¾d.	3s. 1 d.	—
Italy ..... Sight	101fr. 50c.	102fr. 75c.	99fr. 12c.	25fr. 22½c.
Lisbon ..... do.	6½d.	6½d.	6¾d.	53½d.
Madras ..... do.	1s. 5 1d.	1s. 5½d.	1s. 5½d.	2s.*
Madrid ..... do.	26p. 48	27p. 39	26p. 93	25p. 22½
Montevideo ..... Transfers	50d.	—	52 d.	51d.
Montreal ..... Cable	$4 10	$4 18	$4 14	$4 86⅝
New York ..... Sight	$3 51	$3 52	$3 48	—
— ..... 60 days	$3 49	$3 50	$3 46	—
— ..... Cable	$3 52	$3 53	$3 48	$4 86⅝
Paris ..... Cheques	59f. 70c.	59f. 60c.	58f. 10c.	25f. 22½c.
Rio de Janeiro ..... 90 days	-	10 d.	10 d.	16d.
Shanghai..... Transfers	4s. 0 d.	4s. 0¼d.	4s. 1 d.	—
Singapore ..... Sight	2s. 3 d.	2s. 3⅛d.	2s. 3 d.	—
Stockholm ..... do.	17kr. 69	17kr. 90	17kr. 78	18·159kr.
Switzerland ..... do.	23f. 16c.	23f. 25½c.	23f. 07c.	25f. 22½c.
Valparaiso ..... 90 days	9½	—	—	18d.
Yokohama ..... Sight	2s. 8 d.	2s. 8 d.	2s. 9 d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current*—Dec. 31, '20	Rate Current*—Dec. 23, '20	Par as usually Quoted	Rate July 3
Amsterdam, sight ...	31·25c.	31·30c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	25·375c.	25·38c.	48 66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	130·0	130·25i		
Christiania, cheques ...	15·70c.	14 95c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	15 70c.	15 05c.	26·80c. for 1 kroner	26·85c.
Greece, cheques ...	7 10c.	7·40c.	19·295c. for 1 drachma	
Hongkong, cheques ...	56·00c.	54·50c.	74·59c. for Mex. $1	46·4c.
Italy, sight	33 65l.	34·25l.	5·18½ lire for $1	5·17l.
Lima, cheques ...	4·42l.	4 42l.	4·8665 $ for 1 libra	
Manila, cheques ...	46·00c.	42·00c	50c. for 1 peso	49·8c.
Montreal	13·625% disc.	15·50% disc.	Premium per $100	Par
Paris, sight	17·3fr.	16 96fr.	5·18½ francs for $1	5·16fr.
Rio de Janeiro, cheques	7·4md.	7·2md.	3 032 milreis for $1	
Shanghai, cheques ...	75 25c.	74·50c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42 00c.	56 77c. for $1	57·12c.
Spain, cheques	13 35c.	12 90c.	19·30c. for 1 peseta	
Stockholm, cheques ...	19 75c.	19 75c.	26·80c. for 1 kroner	
Switzerland, cheques ...	6 50fr.	6 50fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	16 00c.	17 00c.	20·61c. for 1 peso	
Yokohama, cheques ...	47 75c.	48 20c.	49 84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Aggr.	Inc. or Dec.*
	1920	[In £'s sterling, 000's omitted.]			%
BIRMINGHAM ...	Dec. 24	£2,517	+ £617	£185,821	+ £40,745 + 28·1
BRISTOL	,, 24	1,678	+ 690	91·038	+ 14·437 + 18·8
DUBLIN	,, 24	6,958	+ 2,412	418.036	+ 61,834 + 16·0
LEEDS	,, 24	1,177	+ 195	87.291	+ 18.984 + 27·8
LEICESTER	,, 24	705	+ 79	62.229	+ 10.786 + 21·0
LIVERPOOL ...	,, 24	11,500	+ 1,834	820.820	+ 157.276 + 23·7
MANCHESTER ...	,, 24	16,338	+ 486	1,456.498	+ 524.928 + 56 2
NEWCASTLE	,, 24	2,429	+ 1,037	156.022	+ 39.208 + 33·6
NOTTINGHAM ...	,, 24	—	—	—	— —
SHEFFIELD	,, 24	1,176	+ 434	85.012	+ 21.927 + 34·7
LONDON—	1920				
TOWN	Dec. 29	450,544	+ 16.756	32.525.378	+ 9.310.693 + 41·0
METROPOLITAN	,, 29	28.304	+ 3,577	2,083.118	+ 269.189 + 14·9
COUNTRY	,, 29	44.863	+ 3,498	4.048.139	+ 651.371 + 19·7
TOTAL	Dec. 29	523.711	+ 15.831	38.656.635	+10.241.253 + 36·1

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1920 Dec. 31	1920 Dec. 23	1913 Dec. 30
Alex. to U.K. ...	—	—	7/6
Aust. to U.K. ...	—	100/0	30 6
Bilbao to Cardiff	13 0	13 0	—
Bombay to p.p. ...	50/3d.w.	—	18/0
Burmah to U.K....	—	—	23 9
Calcuttatop.p.(jute)	—	—	l.w.20·6
Danube to U.K. ...	—	—	8/3
R. Plate to U.K....	42/6	37/6	12/0

* Per ton.

Homewards.—*Cont.*	1920	1920	1913
U.S. Atl. Ports to Cont.	Dec. 31	Dec. 23	Dec. 30
(coal)	$4*	$5*	—
U.S. to U.K. (gr.)	7/6	8/6	1 9†
Gulf Ports to U.K. Cont. (cotton to Havre)	—	—	12/0*
OUTWARDS.—Cardiff to			
Port Said ...	15/0	15/0	7/0
River Plate ...	22/6	22/6	13/0
St. Vincent ...	—	—	7/9

† Per quarter.

Time Charter, nominal.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	DEC. 31, 1920	JAN. 2, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	241 0	166 0	57 0
— Middlesbro' warrants ...ton	225 0	160 0	51 0
- Hematite warrants ...ton	260 0	200 0	61 0
— Staffordshire bars, London ton	£33 10	£25—£26	£8 10
- Common bars ...ton	£30 -£30 10	£23	£6 16
Steel Rails ...ton	£23 –£25	£16	£6 2 6
Galvanised Sheets ...ton	£32—£34	£39—£40	£16 17 1
Copper—Standard ...ton	£72	£116	£66
Tin—English Ingots ...ton	£203 -£204	£345	£142 15
Straits ...ton	£211 10	£348 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	37/0—38/0	53/0 .. 11/10½	—12/0
Lead—Soft Foreign ...ton	£23 10—£24 5	£46	£19
Spelter—Ord. Foreign ...ton	£26—£27 10	£59	£21 7/9
Quicksilver—(75lb.) ...bottle	£14 10—£15 10	£23 10	£7
Aluminium ...ton	nom.	£150	£82
Antimony—Regulus Foreign ...ton	£33—£35	£60	£27 10
— English ...ton	£45—£48	£62	— —
Coal—(best) Yorkshire ...ton	37 2—38 2	19 6—20 6	17 6
— Steam (best) Newcastle ...ton	50 2 55 2	46 0 51 0	14 6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	12 6	9 6	7 4
Soda—Crystals ex wharf ...ton	140 0	129 0 130 0	42 6 45 0
Copra—Malay and States ...ton	£38	£64 10	£23 15 £24 7 6
Gambier—Good marks ...cwt.	37/6 -40/0	48/0	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£41	£108	£25 5
Linseed—Calcutta, spot ...ton	£22 10	£52	£13 16/9
- Cakes, U.K. made, ex mill ...ton	£18 10	£24 10—£25	£7 17/6—£8
Olive Oil—Spanish ...ton	—	nom.	£49 10
Palm Oil—Lagos ...ton	£45 10 -£46	£92	£31 10
Petroleum—American ...gallon	2 3½	1 9	7½d.
Rape Oil—Refined English ...ton	nom.	£111	£32
Soya Oil—Refined ...ton	nom.	£106	£24 10
Tallow—Imported ...cwt.	58 0—75/0	98/0—108/0	29/3 -33/3
Turpentine—American ...cwt.	£100	156/0	33 7½
Rape Seed—Toria ...ton	£22 10	£45	£13 5
Rubber—Para, spot ...lb.	1 1	2 7½	2 9½
- Fine plantation (stnd. crepe) lb.	11d.	2 7½	2/2
— World's Production† Oct. tons	26,620	31,795	8,467
Shellac—T.N. Orange, fair ...cwt.	360 0	820 0	63 0 64 0
TEXTILES.			
Cotton—Middling Upland ...lb.	10 95d.	32 00d.	7 53d.
— Egyptian good fair ...lb.	17 00	52 00d.	8 75d.
— Pernambuco fair ...lb.	9 95d.	35 50d.	7 73d.
— Midland Upl. New York... lb.	15 00c	39 25c	13 25c
Stock, Liverpool (Dec. 17) bales	936,640	828,660	934,600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£54	£54	£25 10
- Manilla fair ...ton	£56	£58	£26 10
Jute—First Marks ...ton	£39	£65	£26 15
— Red Sort ...ton	£35	£55	£24 15
Silk—Common, New Style ...lb.	26 0	40 0	12/0—12/6
Wool—Pat. Philip unwashed av. lb.	2/10	5/6 .. 11½d.	—1/0
— Lincoln Half Hogs ...lb.	1 3½	2 4½	1 0½
Hides—Eng. Ox. best, 70lb. up lb.	7½ ..	15½d.—16½d.	7½d.
Leather—Dressing Hides ...cwt.	2/6 3 0	3/3—3 9	1/4—1 8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	96,350,000	125,208,000	34,640,000
— Red, price, N.Y. 60lb....bushel	205c	238c	67½c
— English Gazette, aver. 480lb. qr.	85 11	72 6	34 3
Flour—G.R. ...280lb.	82 0	44 3	28 6
Barley—Eng. Gaz., aver. 400lb. qr.	74 2	105 10	25 4
Oats—Eng. Gaz., aver. 312 lb. qr.	42 4	57 2	20 0
Maize—N.Y. (new bushel)....56lb.	92½c	168½c	76½c
— Amer. mixed, Liverpool...480lb.	50 0	nom	32 4
— La Plata ...480lb. qr.	54 0	65 0	25/9
Potatoes—Good English ...ton	195 0	240 0	70 0—75/0
Rice—Bassein ...cwt.	25/0	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	34/0—36/0	35/0	14/0—17/8
Hay—best ...2,018lb. load	—	—	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hindqrs....8lb.	6 8	9 0	3 8—3/10
- Scotch sides ...8lb.	11 6	10 0	4/6—5/0
— English ...8lb.	11/6	10/0	4/2—4/5
Mutton—Scotch wethers...8lb.	12 8	10 6	5/8—6/0
— English wethers ...8lb.	12 8	10 6	4/6—5/4
— New Zealand frozen ...8lb.	4/0—6/0	7/0	2/4—3/2
Pork—English and Irish ...8lb.	9/1	10 8	3 6—4 0
Bacon—Irish, delivered ...cwt.	†250/0	200 6	60/0—74/0
— Danish ...cwt.	†230/0	†187 0	58 0—68 0
— Canadian, ex Port ...cwt.	†225 0	†187 0	—
— American, ex Port ...cwt.	†185/6 192 0	†187 0	72/0 -74 0
Hams—Amer. long cut, ex Port cwt.	†220 0	†190 0	75/0—79 0
— — short cut, ex Port ...cwt.	†220 0	†190 0	71 0—74 0
Lard—Amer. boxes, ex Port ...cwt.	†158/6	†198/6	51/9—52 9
Butter—Danish ...cwt.	†336 0	†252 0	117/0—120 0
— French ...cwt.	†336 0	†252 0	96/0—108/0
— Australian ...cwt.	†336 0	252 0	98/0—110/0
— New Zealand ...cwt.	†336 0	252 6	108 0—114 0
Cheese—Canadian ...cwt.	148 0—154 0	†145 0	66 0—68 0
— United States ...cwt.	—	†145 0	—
— Dutch ...cwt.	†168/0—230 0	†145 0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Nov. 30 ...cwt.	24,692,068	28,869,711	19,777,254
— Home consumpt'n to Nov. 30 cwt.	20,906,343	27,643,426	17,272,000
— In Bond Nov. 30 ...cwt.	6,382,000	6,663,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	37/0	53/0	10 3
— — Yellow crystals ...cwt.	72/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	84 0	72 0	18 0
Coffee—Imports to Nov. 30 ...cwt.	716,909	1,016,805	720,360
— Home consumpt'n to Nov. 30 cwt.	283,222	293,909	141,410
— Exports to Nov. 30 ...cwt.	462,760	597,155	340,250
— In Bond Nov. 30 ...cwt.	634,000	735,000	484,000
— Price, Costa Rica gd. to fine cwt.	120 0—150 0	158/0—164 0	80 0—93/0
— - Brazil (Santos) good ...cwt.	70 0-75 0	130/0—132 0	41/6
Tea—Imports to Nov. 30 ...lb.	405,371,572	437,286,881	123,230,277
— Home consumpt'n to Nov. 30 lb.	362,612,654	360,242,900	155,447,972
— Exports to Nov. 30 ...lb.	38,551,150	27,206,719	26,561,765
— In Bond Nov. 30 ...lb.	227,903,000	169,861,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	—	1/5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.		1 6	8½d.
— — Common Congou ...lb.		1 3	5½d.
Cocoa—In Bond Nov. 30 ...cwt.	1,123,000	979,000	309,000
— Grenada, good to fine ...cwt.	58 0—60 0	85 0	52/6—56 0

* Estimated. † Controlled. ‡ Decontrolled Price Ex Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or — on Year	Net	+ or — on Year
Central Pacific ...	Nov.	$23,799,000	+ 6,432,000	4,673,000	+ $1,223,000
	11 *mos.* to Nov.	196,037,000	+3613400(	50,931,000	— 320,000
Grand Trunk ...	Oct.	£1,796,600	+ £330,200	£219,000	— £63,000
	10 *mos.* to Oct.	13,499,400	+1,897,400	849,100	— 613,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August* 5, 1914, *the Government assumed control of the railways of Great Britain under warrant, renewable monthly, issued in pursuance of Regulations of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January* 1 1917.

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Nov. 20	1,044	R2,55,614	+ 22,962	7	16,48,966	— 1,18,988
Barsi Light ...	Dec. 4	118	21,100	— 11,500	35	9,68,900	— 56,800
Bengal & N.W.	Nov. 27	2,067	5,72,070	+ 39,546	8	36,97,160	— 49,353
Bengal Dooars	Nov. 20	158	35,590	— 33,047	7	2,33,513	— 2,02,493
Bengal Nagpur	Dec. 4	2,695	11,89,000	— 33,000	29	4,25,60,546	— 8,01,223
Bomb. Baroda	Dec. 18	2,871	18,42,000	— 2,68,000	11	2,12,84,000	+ 13,55,000
Burma ...	Nov. 20	1,342	5,85,336	+ 42,847	7	1,75,96,141	— 4,16,930
Del. Um. Kalk.	Dec. 11	239	1,03,000	— 15,809	10	11,13,487	+ 73,724
East Indian ...	Dec. 18	2,772	25,11,000	— 10,000	11	3,10,76,000	+ 15,34,000
Gt. Indian Pen	Dec. 18	3,121½	30,07,400	+ 2,25,800	11	2,99,55,200	+ 23,98,341
Madras & S.M.	Nov. 27	3,152	10,70,000	+ 34,541	8	4,12,81,068	+ 39,555
Nizam's Guar.	Nov. 23	900	2,04,049	+ 28,902	3	7,31,399	+ 94,421
Rohil. & Kumn.	Nov. 27	576	97,778	— 3,958	8	7,49,342	+ 27,808
South Indian	Nov. 13	1,852½	7,07,016	+ 32,522	32	2,63,96,361	+ 14,62,476
South Punjab	Aug.	716	9,03,903	+ 202,049	5*m*	43,78,299	+ 8,75,629
COLONIAL							
Can. Northern	Dec. 21	9,704	$1,565,800	+ 350,500	49	63,681,223	+ 12,157,624
Can. Pacific ...	Dec. 21	13,388	4,484,000	+ 769,000	49	210,640,000	+ 39,290,000
Grand Trunk	Dec 21	3,616	£338,560	+ 84,781	49	16,200,393	+ 2,551,044
Mashonaland	Sept.	810	76,301	- 10,132	12*m*	—	—
Mid. W. Aust.	Oct.	277	12,825	+ 1,991	4*m*	41,430	+ 5,424
New Cape Cent.	Dec. 4	205	2,374	- 337	49	140,121	+ 17,108
Rhodesia Rlys	Sept.	1,397	134,117	+ 16,209	12*m*	1,387,433	+ 288,980
Temiscouata...	Oct.	—	$48,120	+ 18,466	10*m*	357,059	+ 50,889
FOREIGN.							
Argentine.							
Arg. N. East...	Dec. 18	752	£ 10,600	— 2,400	25	293,900	— 4,500
Arg. Transand	Dec. 25	111	£ 3,174	— 56	25	66,640	+ 8,714
B.A. & Pacific	Dec. 25	3,536	£ 117,000	— 31,000	26	3,080,000	— 646,000
B.A.G.T. South	Dec. 25	3,792	£ 173,000	— 5,000	26	3,739,000	— 697,000
Do.	Dec. 25	Net	£ 33,000	— 30,000	26	406,000	— 1,062,000
B.A. Western	Dec. 25	1,882	£ 70,000	— 24,000	26	1,854,000	— 667,000
Do.	Dec. 25	Net	—	— 33,000	26	148,000	— 748,000
B.A. Central	Oct.	190	£ 49,718	+ 4,967	4*m*	213,037	+ 29,682
Cent. Argent.	Dec. 25	3,305	£ 185,000	— 3,000	26	5,061,000	+ 632,000
Cord. Central	Dec. 25	1,205	£ 52,200	— 8,100	26	1,439,100	— 118,900
Entre Rios ...	Dec. 18	811	£ 21,600	— 5,400	25	525,500	— 23,900
Brazilian.							
Brazil Gt. South	Nov.	110	M 41,300	— 3,700	11*m*	495,000	— 49,671
Brazil Railway	Dec.	3,530	M4,859,000	— 141,277	12*m*	57,772,000	+ 7,619,243
Gt. W. Brazil	Dec. 18	1,010	£ 20,800	— 10,700	50	1,070,900	+ 89,500
Leopoldina ...	Dec. 18	1,831	£ 36,800	— 22,700	50	2,551,760	+ 372,139
Minas Geraes	Dec.	1,180	M1,561,000	— 956,490	12*m*	22,967,000	— 2,474,651
Paulista ...	Dec.	766	M2,680,000	— 906,000	12*m*	32,479,000	— 1,225,892
San Paulo ...	Dec. 26	153½	£ 36,106	— 4,494	51	2,292,440	+ 531,409
Sorocabana ...	Dec.	1,003	M1,749,000	— 246,168	12*m*	21,963,000	+ 976,69
Sul Bahias, W	Nov.	52	M 153,000	+ 14,000	11*m*	1,213,000	+ 125,000
Chilean and Peruvian.							
Antofagasta (...	Dec	19	838	£ 47,605	+ 22,095	50	2,330,590	+ 1,056,985
Arequipa ...	June		84½	£ 12,000	+ 500	6*m*	76,000	+ 10,700
Nitrate (2wks)	Dec. 15		390	£ 41,660	+ 33,495	48	954,940	+ 515,141
Peruvian Corp.	Nov		1,140	S 935,050	— 349,950	5*m*	5,633,655	— 38,239
Talcal ...	Nov		180	£ 11,750	+ 687	5*m*	144,834	+ 73,502
Cuban.							
Cuban Central	Dec. 25		362	£ 25,782	— 1,469	26	559,283	+ 104,939
Cuba Railroad	Sept.		—	$ 1,184,589	+ 99,618	3*m*	3,436,374	+ 364,541
Havana Cent.	Dec. 18		70	£ 14,415	+ 4,081	25	327,448	+ 74,527
U. of Havana	Dec. 25		681	£ 65,155	— 7,338	26	1,627,135	+ 157,508
W. of Havana	Dec. 25		155	£ 10,810	+ 592	26	274,347	+ 49,074
Uruguayan.							
Cent. Uruguay	Dec. 18		273	£ 22,903	— 4,076	25	484,674	— 61,068
,, (E. Ext.)	Dec. 18		311	£ 5,938	— 769	25	125,707	— 9,833
,, (N. Ext.	Dec. 18		185	£ 3,420	— 228	25	70,285	— 19,795
,, (W. Ext.)	Dec. 18		211	£ 2,785	- 241	25	62,236	— 4,165
Mid. Uruguay	Nov.		319	£ 17,660	- 3,936	5*m*	86,006	— 12,331
N.W. Uruguay	Nov.		113	$ 5,957	— 1,706	5*m*	29,266	— 4,486
Uru. North	Nov.		73	£ 1,979	— 873	5*m*	10,187	— 1,136
Miscellaneous							
Assoy & Gradas	Dec. 18		33	Ps. 14,500	+ 7,000	50	686,500	+ 166,400
Barsi ...	Nov.		15	£ 2,224	— 718	11*m*	35,870	+ 7,792
Bolivar ...	Nov		136	£ 7,930	- 689	11*m*	108,625	— 12,771
Colombia Natnl.	Nov.		86	£ 20,160	+ 5,200	11*m*	209,960	+ 56,880
Costa Rica ...	Oct.		189	£ 19,861	- 6,969	4*m*	99,986	— 8,596
Dorada Ext.	Nov.		70	£ 16,250	- 2,500	11*m*	184,178	+ 58,528
Egyptian Delta	Nov.	30	559½	£ 14,766	— 2,673	34	346,188	+ 111,717
Gt. S. of Spain	Dec. 18		104	Ps. 89,535	+ 54,297	48	4,460,247	— 601,762
Lautaro & Co.	Nov.		22½	£ 11,380	+ 1,710	11*m*	150,740	+ 54,580
Ottoman Ry.	Dec. 18		379	£ 8,894	—	—	—	—
Paraguay Cent.	Dec. 18		274	£ 4,010	— 1,130	25	122,690	— 13,350
Puerto Cabello	Nov.		34	£ 4,250	—	11*m*	56,750	+ 7,375
Salvador ...	Dec.	25	100	£ 4,284	+ 1,126	26	84,522	+ 7,140
Santa Fé Prov.								
French Rys	Oct.		1,181	£ 162,800	+ 7,944	10*m*	1,631,136	+ 21,777
Sinaloa & Sonora	Nov.		80	£ 5,750	- 1,912	11*m*	144,023	+ 13,049
Zafra & Huelva	Nov.		112	£ 14,892	+ 3,135	11*m*	142,732	+ 27,070
TRAMS.								
Anglo-Argent.	Dec.	23	400	£ 82,930	+ 12,844	51	3,918,608	+ 870,831
Anglo Italian Elec.	June	30	27	—	—	52	292,502	— 2,063
Bombay Elec.	Sept.		39	R. 8,49,038	+ 1,15,373	9*m*	73,27,000	+ 10,06,847
Buenos Ayres Trac.	Nov.		378½	M13,442000	+ 3,462,000	11*m*	110,107,000	+ 16,568,000
Barcelona Elec.	Nov.		40½	£ 46,115	+ 3,155	11*m*	505,455	+ 72,575
Brit. Columbia	Oct.		334	$ 781,706	+ 71,301	4*m*	3,035,398	+ 330,788
B. A. Lacroze	Nov.		51	£ 56,746	+ 6,111	5*m*	273,428	+ 35,725
Calcutta ...	Dec.	25	35½	R 97,288	+ 4,652	50	46,97,291	+ 2,74,060
Cape Electric	Oct.		42½	£ 32,698	+ 5,955	4*m*	120,814	+ 35,922
Corth & Herr.	Nov.		9	£ 2,714	+ 168	11*m*	44,797	+ 15,279
Chatham & Dist.	Dec.	16	15	£ 1,455	+ 27	50	86,472	+ 11,004
Havana Elect.	Sept.		86	$ 961,934	— 169,611	9*m*	8,312,325	+ 1,587,478
Isle of Thanet	Dec.	22	20½	£ 482	— 86	12	6,915	+ 498
Kalgoorlie ...	Sept.		20½	£ 3,361	+ 356	9*m*	27,609	+ 2,967
Lanarkshire ...	Dec.	16	28½	£ 3,933	+ 114	50	211,924	+ 25,618
Lima Light ...	Sept.		85	£ 56,513	+ 7,369	9*m*	518,414	+ 83,182
London C.C. ...	Dec.	29	141½	£ 91,493	+ 25,949	37	3,499,966	+ 377,435
Madras 2wks.	Dec.	15	15½	R 50,134	+ 2,698	16	11,33,420	+ 1,64,439
Manila Electric	Oct.		55	$ 327,652	+ 85,211	10*m*	2,823,018	+ 749,175
Pernambuco...	Dec.	26	59	£ 5,200	— 3,659	50	334,949	+ 44,123
Provincial ...	Dec.	18	21½	£ 2,646	— 198	12	14,899	— 61
Rangoon Elec.	Oct.		25	£ 7,405	— 223	10*m*	78,350	+ 12,200
Shanghai Elec.	Nov.		26½	$ $161,300	+ 21,300	11*m*	1,666,811	+ 239,811
Singapore Elec.	Oct.	30	26½	$ 13,897	— 1,919	33	963,844	+ 283,869
Tel. Montevid.	Nov.		90½	£ 43,845	+ 3,538	1*m*	—	—

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The Statist.

LONDON, SATURDAY, JANUARY 1, 1921.

RAILWAY RATES REVISION.

The report presented by the Rates Advisory Committee this week may be said to constitute a landmark in the history of the development of railway rates and charges in the United Kingdom. Hitherto the practice has been for each railway to determine not only the conditions upon which it would accept traffic, but also the rates to be charged thereon. It is true that Parliament, in the interests of the country as a whole, placed certain desirable limitations on what must otherwise have proved to be a most arbitrary power. Thus the Railway and Canal Traffic Acts of 1854 and 1888 decided that railway companies could only limit their liability as carriers by conditions which were reasonable. Similarly from the beginning each railway had a maximum scale of rates which it could not exceed without securing Parliamentary consent. In 1894 a further limitation was imposed on this power to fix rates. The Railway and Canal Traffic Act of that year declared that, where a company since December 31, 1892, had increased, or would subsequently increase, any rate or charge, the company, in the case of any complaint that the rate was unreasonable, had to justify the increase, and for this purpose it was not sufficient to reply that the rate or charge was within the statutory limitations. Whatever may have been the intentions of the framers of this Act, the result in practice was that in such cases the company was obliged to prove that the cost of carrying the particular goods in question had increased since December 31, 1892, to such an extent as to justify the increase in the rate, and it was not sufficient to prove that an increase in the general expenses or a decline in the [illegible] increased the expenses for the particular [illegible] an increase of such rates as could [illegible] it. Actuarially, as those familiar with railway accounting will readily admit, this involved a calculation which, where it was not actually impossible, was one of extreme difficulty. Consequently, whilst the Act did afford an extra degree of protection to the trader, it destroyed any elasticity in railway rates, for once a rate was fixed the companies found themselves [illegible] to [illegible] practically proof before their action [illegible] hope to raise it again. In effect, the Act of 1894 sterilised the possibility of adjusting rates to changing commercial conditions. Hence it prevented progress, for it hindered any experimental rates on the part of the companies, owing to the difficulty of reverting to the old rate. The result was the rates in force between 1892 and 1914 did not differ substantially from those in operation in 1870.

This was the position at the outbreak of the War. As a result of the Acts of 1891 and 1892 especially, a certain degree of uniformity had been attained by the adoption of a uniform classification of goods into the well-known eight classes designated by the letters A, B, C and the numbers 1, 2, 3, 4 and 5. But beyond this, the element of variety was more pronounced. Inside the limitation of its maximum scale of charges, each company had fixed its own rates for each class and determined the conditions on which the traffic would be accepted. It may come as a surprise to many people to learn that, with the exception of coal and coke, about seventy-five per cent. of the total traffic of the railways was carried at rates lower than those fixed publicly by the companies. These exceptional rates were fixed by agreement between the individual trader and the company concerned. Financially this heterogeneous system of rates worked well. During 1913 the revenue of railway companies in the United Kingdom from passenger and goods traffic amounted to £134,650,000, and this, after deducting the [illegible] expenditure of £86,000,000, gave a net revenue of £48,650,000, which [illegible] approximately a return of four and a-quarter per cent. upon the invested capital. During the period of the War, whilst the railways were under Government control, they were guaranteed their pre-war net income. By 1919, however, not only had working expenses increased considerably with the [illegible] of price levels since 1914, but the increase had been aggravated by the necessary concessions to railwaymen in questions of hours and wages. The only increase in revenue was that provided by the suppression of cheap tickets and the addition of fifty per cent. to passenger fares in 1917. Consequently, whilst the gross receipts of the railways had risen to £199,878,000 in 1919, the total expenditure had mounted up to £187,058,000, leaving the Government to provide £35,736,000 in respect of their guarantee. To remedy this defect an increase in rates of a little over fifty per cent. was enforced after January 1920, and this was estimated to yield £50,000,000. Further rises in wages and in general working costs necessitated another revision, and passenger fares were raised after August 6, 1920, to amounts seventy-five per cent. in excess of pre-war figures and goods rates after September 1, 1920, to amounts averaging 112 per cent. above pre-war figures. It was stated recently in the House of Commons that as a result of these revisions the gross receipts of the controlled railways would be £325,000,000 per annum, as against an estimated expenditure of £275,000,000. But both these revisions, being made under the powers conferred by the Ministry of Transport Act, 1919, only enable the companies to charge these rates up to February 15, 1922. "It is accordingly necessary," runs the report, "that, to avoid bankruptcy on the part of the railway companies, provision should be made enabling them as from February 1923, to charge rates and [illegible] will

be sufficient to provide the money required to pay their expenses and make a reasonable distribution by way of interest and dividend upon their Debenture and capital stocks."

It was to assist in the accomplishment of this task that the Rates Advisory Committee was requested by the Minister of Transport to undertake an arduous inquiry on February 6, 1920. They were asked to report at the earliest practicable date not merely as to the principles which should govern the fixing of railway rates and charges, but also as to the classification of merchandise traffic and the actual rates and charges to be fixed. The report now issued is confined entirely to the first part of the reference—the principles which should govern the fixing of railway rates and charges—as it was found impossible to include the other parts if the recommendations of the Committee were to be in the hands of the Minister of Transport in time for inclusion in the Transport Bill of next session.

The procedure recommended in this report is not only at considerable variance with that hitherto in use, but is also a marked improvement upon it. The most revolutionary charge is undoubtedly the removal from the individual railway companies of the powers of fixing the rates and the conditions under which they would accept traffic. The keystone of the report consists in the suggested appointment of a new tribunal, upon which these and other enumerated duties are to be imposed. It is important to emphasise that the report was unanimous in all its recommendations. The tribunal is to consist of three permanent paid members—an experienced railwayman, an experienced business man, and an experienced lawyer holding no judicial office and unconnected with railway or trading concerns, who is to act as chairman. In addition, there are to be two panels—a traders' panel, nominated by the Minister on the advice of the various trade federations and Chambers of Commerce; and a railway panel, nominated by the same Minister on the advice of the Railway Companies' Association. The tribunal is to be increased by one member from each panel for the hearing of any particular case if required by the parties, or should the permanent members consider it advisable. Moreover, the Rates Advisory Committee has wisely decided that these additional members are entitled to vote on every question submitted to them. This is the independent body which, it is suggested, in future should have the power to decide the conditions upon which traffic should be carried, the actual rates to be charged, including the difficult problems of delivery and terminal charges, and, should it not have been determined by Parliament beforehand, the new classification of goods. Furthermore, it is proposed that this body should have power to alter these conditions and rates, subject to certain rights of appeal, without having again recourse to Parliament. This introduces the sadly-needed element of elasticity into our system of railway rates. For the present it is contemplated that this new tribunal should exist side by side with the Railway and Canal Commission, which should continue to exercise the majority of the functions it now performs. The idea conveyed, though not definitely expressed, in the report, is that ultimately it may be found possible to dispense with the older body. For the settlement of minor grievances the report recommends the formation of local tribunals as conciliation courts, but without any coercive power. Panels of local traders and local railway officials are to be appointed, each with its own chairman. The local tribunal is to consist of a minimum of two representatives from each panel, presided over by the chairmen of the panels alternately.

Such is the new machinery advocated by the report, and the general nature of the work entrusted to it. However, the new tribunal is not required to tackle this immense problem of railway rates and charges *ab initio*. The exhaustive inquiry conducted by the Rates Advisory Committee has enabled it to lay down certain well-defined principles and to suggest some very important modifications in the existing system. As in the course of the inquiry nobody examined took exception to the general system of charging rates or suggested any new system, it was assumed, with reason, that, generally speaking, the trading community as a whole approved of it. Accordingly it is enunciated for the guidance of the new tribunal that there are two main principles governing the fixing of railway rates and charges for the carriage of merchandise: (1) As a minimum the rate must cover the cost of the services rendered by the railway company; (2) as a maximum the rate must not exceed the value of the services to the trader. The latter principle will be, perhaps, more easily recognised under the familiar heading of "charging what the traffic will bear." With a view to the simplification of the existing heterogeneous system of rates, the railway companies have been requested to submit by the end of 1920 their suggested reclassification of merchandise. It is generally believed that the division will embrace twenty-one classes instead of eight as at present. This scheme will be published for the benefit of the trading community, who will be asked to submit criticisms and suggestions either to the Rates Advisory Committee or the new tribunal should it be in existence, after which the final classification will be fixed authoritatively. The railway companies will then be asked to submit a scale of rates for the new classification, and their scheme, after criticism by traders and examination by the tribunal, will be utilised in determining the final rates to be fixed. The elasticity of the new scheme is again illustrated in the provision whereby goods sent in large consignments can be placed in a lower classification than that accorded to the same goods in smaller quantities. Another important innovation, from which traders will derive much benefit, is the proposed computation of the rate on the basis of continuous mileage when goods are carried over the lines of more than one railway company. Again, it is suggested that neither standard nor exceptional rates should include, as they do at present, charges for collection and delivery. This will save traders the trouble hitherto involved in claiming cartage rebates. Furthermore, it is proposed that all new rates and exceptional rates as far as possible should show separately the amounts included for conveyance and terminals respectively. Finally, whilst it is generally recognised that exceptional rates cannot be abolished, every effort is to be made to reduce the number by utilising the lower classification in respect of larger consignments. Exceptional rates which are less than ten per cent. below the standard rate are to be disallowed, and where the exceptional rate is more than forty per cent. below the standard rate it is not to be granted without the direct sanction of the new tribunal. Should this plan be adopted, it will assuredly make for a greater uniformity in rates, especially in view of the scheme for grouping the lines.

On the question of the return which should be assured to the railway companies the report is somewhat inconclusive. The suggestion of the railway representatives was that, taking the companies as a whole, the net annual income should be sufficient to give a return of five per cent. on the existing aggregate capital expenditure. Unable to decide on this point, the Committee propose that Parliament should indicate what it regards as "a fair return" upon the capital employed, as a basis upon which the new tribunal should work in fixing the standard rates. The net revenue thus secured is to be divided among the railway companies or groups on the basis of their pre-War revenue.

The problem of port to port rates proved to be so complicated that the Committee found it impossible to come to any conclusion in the present report. The evidence, however, placed beyond all doubt the influence of effective water competition in reducing

railway rates. Between Bristol and Oxford, a distance of sixty-six miles, grain was carried by canal at 9s. 10d. per ton; whilst owing to an alternative route being under the rate was only 7s. per ton between Bristol and Worcester, again a distance of sixty-six miles. The report emphatically declares in favour of the continuance of carriage by existing vessels and canals as a wholesome incentive to efficiency on the part of the railways. We suggest that when they come to discuss this aspect of the case in greater detail they should consider the existing ownership of the canals by the railway companies. Obviously so long as this state of affairs persists, it is difficult to see how water competition, especially by canals, can be really effective. It is contrary to human nature to expect that the railway should compete with itself.

Reverting to the main scheme outlined above, the success or failure of it hinges to a large extent upon the nature of the permanent members of the new tribunal. It is not in the interests of the nation as a whole that the men appointed to represent the traders or the railways should be selected merely because they can be counted upon to defend vigorously the section they represent. A partisan attitude of this description will wreck the scheme from the beginning. Consequently, we propose that the names of the three permanent members of the Commission should be submitted to the House of Commons for approval. This will help to ensure the selection of competent men rather than mere partisans.

REVIEW OF 1920 AND PROSPECTS FOR 1921.

THE year just closed will long be remarkable, not only here, but in all the leading countries of the world, as witnessing the first tangible signs of a return to sounder financial methods after five and a half years of almost uninterrupted inflation. Even the briefest comparison of present conditions with those obtaining a year ago will show how marked a change has been wrought by the events of the past twelve months. A year ago commerce and industry were on the summit of an unprecedented wave of prosperity: to-day they are fast dropping into the slough of depression. The year 1919 was notable as a period of reorganisation of industry after the irruption caused by the War; 1920 saw an analogous development in the domain of finance.

In order to see the features of the year in their true perspective it is necessary to take a cursory survey of previous events since the Armistice. In 1919 capital began to be restored and the productive energies of the nation were turned once more to their peace-time activities. The world was faced with a great shortage of commodities, and this alone would have allowed production a long lease of expansion without fear of outstripping consumption. The War-time legacy of extravagance, however, tended to give an unhealthy aspect to the demand for commodities, and though it seemed at the time as if industry was destined to enjoy a prolonged period of prosperity, yet it was apparent to the thoughtful that that demand could not maintain its strength indefinitely. Under the circumstances there was a rapid growth in speculative activities. Stocks of commodities were being continually held up for higher prices, and in the Stock Exchange values were being advanced to levels which assumed the sequence of many more years of abnormal profits. As there was no restraining influence on the creation of fresh credits, the movement was assisted by the banks, and as a great volume of loans were made for unproductive purposes, inflation began afresh and the War-time economic disease of expansion in currency, followed by an increase in prices and a rise in wages, reappeared in a more virulent form.

The process continued without interruption from April 1919 until April 1920, prices rising by forty-four per cent. during those twelve months. By the beginning of 1920 the upward movement in prices had developed an [illegible] momentum that it became [illegible] to those in charge of the situation that [illegible] must be taken at once, not only to check [illegible] but also there must be a reversal of its steps by the process of liquidation. The existing level of prices could not be sustained indefinitely, consistently with prudent banking. Besides, there were not wanting signs in the early months of 1920 that the consumer was beginning to revolt against the repeated inroads made in his purchasing capacity. All the time that prices were rising the buying power of the general public was becoming more and more diminished, and those who reaped the profits arising out of the production and marketing of commodities were attracting an ever-increasing proportion of the wealth of the community at the expense of the general mass of consumers. That a period of readjustment must ensue was apparent to the far-seeing.

It would be difficult to say when deflation definitely began, but at all events its first tangible results appeared in May, when the general level of wholesale prices suffered a decline for the first time for over twelve months. About that time too banking loans for speculative purposes were being considerably restricted. In his Budget speech in April the Chancellor left no doubt as to his determination to bring about some measure of deflation, and he made provision for the reduction of the floating debt by £70,000,000, and a total debt reduction of over £234,000,000 during the financial year.

There were two outstanding events also which foreshadowed the general trend of developments: the first was the fixing of the fiduciary issue of currency notes for 1920 at £320,600,000, and the second was the raising of the Bank-rate from six per cent. to seven per cent. on April 15. As regards the former, the [illegible] of the Treasury in fixing a maximum fiduciary issue were obviated largely by the expedient of placing Bank of England notes in the Currency Note reserve. The total amount so placed during the twelve months was £15,000,000, so that in reality the control exercised over the note circulation through the medium of setting a limit to the uncovered portion of the issue was to a large extent merely nominal. Actually the amount of currency notes in circulation was greater than during any previous year. Taking the combined issues of Bank of England notes and currency notes, and excluding the bank notes in the Currency Notes Redemption account, the average weekly amount in circulation was £448,960,000 during 1920, as compared with £421,760,000 during 1919, an increase of £27,200,000. In practice, however, the fixing of a limit to the fiduciary issue was of great importance, as it had the effect of committing the Government to a definite policy of deflation; in order to control the note circulation they had to take measures to restrict credit creations, eliminate speculation, and force down the price-level.

As regards the raising of the Bank-rate, it is now clear that it was decided upon as a matter of policy on the part of the Government in conjunction with the banks. The precise effect of this measure is, of course, difficult to determine, but subsequent events seem to show that, though it may not have been a powerful factor *per se*, it at all events placed the banks in a better position for carrying on the policy of deflation.

The first results of the change in conditions were seen in an unloading of speculative holdings of commodities, chiefly minerals and textiles, and in the termination of the boom in the Stock Exchange, followed by a gradual readjustment of values. The attitude of the consumer had the effect of impairing the demand, at first for luxuries, and later on for nearly all classes of commodities. The inevitable decline in prices which followed was slow in the beginning, but from August onwards assumed an increasing rapidity. The actual monthly movements in the general price-level as well as in certain groups of commodities are shown below. The figures given are THE STATIST'S index-

numbers, based on the wholesale prices of forty-five of the most representative commodities, average prices during the eleven years, 1866-77, being made equal to 100.

Monthly Index-Numbers of Wholesale Prices of Commodities during 1920.

1920	Vegetable Food	Animal Food	Sugar, Tea and Coffee	Foodstuffs	Minerals	Textiles	Sundry Materials	Materials	General Index-Number
Jan.	190·4	229·3	190·7	226·8	282·8	288·1	260·3	276·9	245.3
Feb.	206·2	236·4	222·2	226.7	295·1	304·2	274·8	289.4	260.4
Mar.	237·6	230·4	210·7	231.5	291·1	302·5	265·9	283.9	261.8
Apr.	240·6	264·1	242·9	242.8	299·6	297·7	267·7	283.1	266.1
May	243·4	242·9	253·3	245.3	301·3	258·8	260·0	276.7	260.0
June	249·5	243·4	265·7	250.7	297·0	259·0	235·7	259.4	255.7
July	257·9	278·8	227·8	250.9	305·2	251·0	231·6	257.4	254.6
Aug.	229·1	293·4	216·2	246.4	310·4	250·6	231·9	258.8	253.5
Sept.	221·9	289·4	178·7	237.7	312·7	240·4	233·1	256.8	248.7
Oct.	252·0	288·7	157·8	333.4	305·5	219·6	224·0	244.6	239.9
Nov.	214·1	292·1	127·4	224.7	293·0	178·0	211·4	223.1	223.8

Percentage Monthly Movements in Wholesale Prices during 1920.

1920	Vegetable Food	Animal Food	Sugar, Tea and Coffee	Foodstuffs	Minerals	Textiles	Sundry Materials	Materials	General Index-Numbers
	%	%	%	%	%	%	%	%	%
Jan.	+ 1·6	+ 0·8	+ 5·7	−2·1	−9·1	− 2·7	+5·4	−5.5	+4.2
Feb.	+ 8·2	+ 3·0	+16·5	+7.7	−4·1	+ 5·5	+5.5	+5.2	+6.1
Mar.	+15·2	—	— 5·2	+4.8	—1·5	— 0.7	- 3·5	—1.9	+0.5
Apr.	+ 1·3	+11·7	— 0·4	+4.9	—0·2	— 1.5	- 0·7	- 0.3	+ 1·6
May	+ 1·2	— 8·0	—20·7	+1.0	+3·7	—13·1	—2·9	—4.4	—2.3
June	+ 2·5	+ 0·2	+ 4·9	—2·2	—1·4	+ 0·8	—9·3	—4.2	—1.7
July	— 4·6	+14·5	—14·3	+0.1	+2·8	— 3·1	—1·7	—0.8	—0.4
Aug.	— 7·4	+ 5·2	— 5·1	—1.8	+1·7	— 0·1	+0·1	+0.5	—0.4
Sept.	+ 0·7	— 1·4	—17·3	—2.3	+0·7	— 4·2	+0·5	—0.8	—1.9
Oct.	— 4·9	— 0·2	—22·9	—1.8	—2·3	— 8·7	—3·9	—4.8	—3.5
Nov.	— 7·7	+ 1·2	— 7·5	—3.7	—4·1	+18·9	—5·6	—8.8	—6.7

On account of the raising of the Bank-rate, open-market rates were, of course, higher in 1920 than in 1919. Average rates for the year are given below. They represent the average of the quotations for the 304 days on which business was transacted in 1920 up to and including December 29:—

Bank of England Rate of Discount, raised from 6 to 7 per cent. on April 15; average, 6.71 per cent.

Rate of Discount for Treasury Bills, raised from 5½ to 6½ per cent. on April 14; average for three months' bills, 6.22 per cent.; average for six months' bills, 5½ per cent. (discounted March 12).

Deposit Allowances by Banks, raised from 4 to 5 per cent. on April 15.

Deposit Allowances (*at Call*) by Discount Houses, raised from 4 to 5 per cent. on April 15.

Deposit Allowances (*at Notice*) by Discount Houses, raised from 4¼ to 5¼ per cent. on April 15.

Market Rates of Discount:—

Money (Bankers' Bills)	Average 6·15
3 months'	6·40
4 ,,	6·48
6 ,,	6·59

Loans:—

Day to day	4·66%
Short period	5·22%

Discount Rates for Fine Trade Bills:

3 months' bills	Average 6·88
4 ,,	7·06%
6 ,,	7·27%

The present trade depression is not confined to this country alone, but has manifested itself all over the world, and any attempt to forecast the trend of events in the coming year must take account of this fact, for under present abnormal conditions changes may come about with great rapidity, and our position may, and indeed has been, profoundly affected by events abroad. In this connection one need only point to the manner in which our foreign trade is at present being hampered by changes which have taken place in the value, internal and external, of the currencies of other countries. It is clear, then, that any practical steps that may be taken by the Financial Committee of the League of Nations towards the re-establishment of more stable conditions on the Continent will have a powerful influence in shaping the course of future developments.

Apart from this consideration a broad view of the phenomena we have experienced since the Armistice will help us to form an idea of what the future trend of events is going to be. The first point to be emphasised is that, unlike any other great industrial crisis in our history, there is at present not a surplus, but a world-wide shortage of commodities. Normal conditions will not be restored until this shortage is remedied and supply and demand will have reverted once more to their pre-War equilibrium. What actually happened was that the reconstruction of industry was pushed forward too rapidly and suddenly, and the present depression, entailing a slowing down of productive activities, is but a temporary set-back. When conditions will have readjusted themselves somewhat production can again resume its course. In all probability it will take many years before we return to pre-War conditions, but we are concerned just now only with the duration of this passing phase in the progress of reconstruction.

In considering this question the first point to be observed is that the course of events over 1921 will be shaped largely by the policy of the banks, who in their turn will be influenced by the varying fortunes of the national finances. Some incline to the belief that the present deflation campaign will continue more or less uninterruptedly until prices have reverted to the pre-War standard; but a little reflection will show that it is idle to think that we can get back the price-level to anywhere near that ruling before the War while our National Debt, and especially the floating debt, maintains its present gargantuan proportions. The probability is that when the general level of prices will have come down to about the level ruling at the Armistice the readjustment will have proceeded sufficiently far for the time being, the Armistice price-level being one that can conveniently be supported by the present banking resources of the community, allowing also for a gradual reduction of the floating debt.

Just as the first phase of the present deflation period was a decline in wholesale prices, the second phase will be an extension of this movement to retail prices, to be followed in due course by a reduction of wages. The general level of retail prices has been rising instead of falling up to October, for, of course, a reduction in wholesale prices does not affect the cost to the consumer until some months later. Now, however, retail prices are everywhere declining, and in time money wages will have to be reduced in accordance with the decrease in the cost of living. This last phase has already appeared in the United States, and there are signs that it will soon manifest itself in this country.

Regarding the more immediate outlook for the Money market, it is to be noted that the falling off that has taken place in production will tend to diminish the demand for loans, while the fall in commodity prices will enable the same amount of credits to do a greater amount of work than previously. The effect of this will be more fully felt later, when retail prices will have fallen commensurately with the decline in wholesale quotations, and this will also tend to increase the velocity of circulation of credits and currency. On the other hand, the idea of any pronounced ease is negatived by the fact that Revenue will be very heavy until the end of March; and it seems more than ever likely this year that the banks will be called upon for loans to enable the demands of the tax collector to be met. Later on, if production revives, demand will again increase. It is to be noted, also, that, on account of the developments above described, the necessity for controlling the fiduciary issue of currency notes will not exercise as strong an influence on the banking position in the coming year as it did in 1920. Indeed, it seems at present that no difficulty will be experienced in this regard, as the maximum for 1921 is only slightly under that for 1920. Finally, when more stable conditions are restored in commerce and industry, the banks can operate with greater freedom and confidence. On the whole, it seems likely that Money market conditions will be easier in 1921 than in the year just gone.

It is almost superfluous to remark that, just as a

period of inflation is one of great prosperity to commerce and industry, so deflation reacts on them with a severity commensurate with its rapidity. It is not surprising, therefore, to find that everywhere at the present day business firms are feeling the strain, production is being curtailed, and unemployment is increasing. To say that matters will not get worse in the near future would be merely giving rise to illusory hopes. There has been a tendency in some quarters to lay the blame at the door of the banks, but this is erroneous. The cause of the trouble was the abnormal rise in prices and profits during 1919, and the present depression is but in the nature of a readjustment. It is true that the banks restricted credit facilities, but they were forced into this course out of consideration for their depositors, and it is a mistake to look upon the events of the past twelve months as a clash between the interests of finance and industry.

After all, the trade cycle which has intervened since the Armistice is of a similar nature to that which follows all great wars, and, on the whole, considering the magnitude of the difficulties which confronted the nation after the world-War, rather than deplore the present depression, we should congratulate ourselves that it has not been more severe. In fact, the smoothness with which the deflation campaign was conducted is in itself a tribute to the prudence of the banks; and a comparison of present conditions with those obtaining during similar crises in the past brings into bold relief the solidity of our financial structure, which has been built up by a century of prudent banking, and leaves us to-day, despite the War, the premier financial Clearing House of the world.

AMERICAN RAILROAD EARNINGS IN 1919.

The complexity of the American railroad system invests with special interest any statistics based on pooling the results for the various lines. In the United States the railroads are divided into different classes, of which the first is the most important. It embraces 203 railways, composed of 186 carriers and 17 switching and terminal companies, all having annual revenues in excess of one million dollars. In 1919 these companies operated an average of 233,992 miles of line, according to the statement of the Bureau of Railway Economics. They worked completely under Government supervision, as in the previous year, and their aggregate revenue, therefore, showed little expansion. The combined working results for the various lines are summarised in the following table:—

Item	1919 (000 omitted)	1918 (000 omitted)	Test period average 1915-17 (000 omitted)	Per cent. increase or decrease, 1919 compared with 1918	Per cent. increase or decrease, 1919 compared with Test period
Operating Revenues ...	$5,184,230	$4,926,594	$3,395,231	5·2	52·7
Freight	3,556,734	3,458,191	2,380,943	2·8	49·4
Passenger	1,178,120	1,032,671	689,410	14·1	70·9
Mail	57,441	53,563	83,236	7·3	d31·0
Express	127,664	126,232	59,891	1·1	113·2
All other	264,271	256,937	181,751	3·3	45·4
Operating Expenses ...	4,419,989	4,017,210	2,297,162	10·0	92·4
Maint. of Way and Structures	778,105	656,601	407,111	18·5	91·1
Maint. of Equipment	1,232,702	1,110,280	567,665	11·0	117·2
Traffic	47,538	48,741	61,741	d2·5	d23·0
Transportation ...	2,193,264	2,056,479	1,158,763	6·7	89·3
General	125,437	112,319	82,538	11·7	52·0
All other	42,943	32,790	19,344	31.0	122·0
Net Operating Revenue	764,241	909,384	1,098,069	d16·0	d 30·4
Taxes	199,194	186,966	152,427	6·5	30·7
Uncollectible	917	614	721	49·3	27·2
Operating income ...	564,130	721,804	944,921	d21·8	d40·3
Net Rentals	Dr 48,337	Dr 28,693	Dr 39,761	d68·5	d 21·6
Net Operating Income	515,793	693,111	905,160	d 25·6	d43·0
Operating Ratio ...	85·26	81·54	67·66	—	—

(d) Decrease.

The total operating revenue in 1919 reached $5,184,230,000, an increase of $257,636,000, or 5.2 per cent. compared with 1918. Freight revenue rose by 2.8 per cent., and passenger revenue by 14.1 per cent. On the other hand, operating expenses amounted to $4,419,989,000, an increase of $402,779,000, or ten per cent. over 1918. Maintenance of way expenditure increased by 18.5 per cent., maintenance of equipment by 11 per cent., and transportation by 6.7 per cent. The operating ratio, on the results published by the Bureau of Railway Economics, worked out at 85.26 per cent. in 1919, or nearly four per cent. higher than in 1918, when it was 81.54 per cent. Net operating revenue showed a big decline of sixteen per cent. to $764,241,000. In conformity with the experience of previous years, taxes have again risen, and in the twelve months to December 31 last, amounted to $199,194,000.

Under the Railroad Control Act the standard return guaranteed to the roads was the annual average of the three years ended June 30, 1917. In 1919 the net operating income, as may be seen from the table, fell to $515,793,000, a decrease of $177,318,000, or 25.6 per cent. compared with 1918. It was below the guaranteed average by almost $390,000,000. If we compare the net operating income earned during the two years 1918 and 1919 with the Government guarantee, based on the test period, a total deficit of $601,416,000 is revealed, the figure for 1918 being $212,049,000 and for 1919, $389,367,000. As the Bureau points out, the accounts of the railways included in Class I. exclude both the smaller lines and various transportation agencies, such as the Pullman Company, the express companies, and steamship lines. Neither is any allowance made for increase in the guarantee in 1919, due to a return on capital expenditures since January 1, 1918. The totals of operating expenses that figure in the table herewith do not take account of the cost of maintaining the corporate organisations of the railways. This cost amounted in 1918 to the substantial sum of $10,000,000, and in 1919 to probably over $20,000,000. Corporate expenses formed part of the operating expenses in the test period, but the United States Railroad Administration excluded them from the corresponding accounts for 1918 and 1919. To enable an exact comparison to be made between the results of these two years and of the test period, corporate expenses should, in the case of 1918 and 1919, be added to operating expenses, and this would help to swell the deficit, as compared with the test period. The annual cost of the Railroad Administration since it was constituted is another item which should rank for admission in order to ensure an accurate tabulation of results over the various years. War taxes assessed against the several railroad corporations and paid by them out of their own treasuries in 1918 and 1919 are, for the most part, excluded from the figures given for taxation in the table, and when exact details are available these may also affect the comparison slightly, though they will only help to increase the large deficit of $601,416,000 recorded for the two years.

The rate of return on property investment was, on the Bureau's showing, 2.66 per cent., as against 5.28 per cent. during the test period, and 3.81 per cent. in 1918. These rates are only approximate, as it is difficult to ascertain the amount of investment in 1918 and 1919. The investment utilised for 1919 is as it stood on October 31 of that year, and includes the cost of allocated equipment.

CAPITAL ISSUES IN DECEMBER.

The advent of the Christmas holiday season would normally lead to a reduction in business in the Capital market. The decline in new issues during December was, however, the result of much stronger influences than mere holiday distractions. November had witnessed a remarkable number of highly attractive offers to the public, but the amounts left with the underwriters were disappointingly large. Even issues of undoubted status, yielding a high return and commanding a wide market, met with a poor reception in the market, and the Seven Years Loan issued at the end of the month demonstrated conclusively that the bulk of investors not only would not, but could not, buy

The total offerings for December amounted to £13,026,924, against £36,845,863 for November. Deducting the amounts subscribed for National Savings Certificates and Treasury, and Housing, Bonds, the actual amount offered by private enterprise was but £7,515,130. Of this the Commercial and Industrial section is responsible for £3,626,205, a figure which had been more than trebled in the previous month. The largest issue was £1,000,000 Eight per Cent. Six-Year Convertible Secured Notes at par by The National Diamond Factories, Limited. British Tobacco (Australia), Limited, comes next with an offer of 839,511 new Ordinary £1 shares at par to shareholders. Issues by iron, steel, coal, and engineering undertakings display a notable decline from £8,897,562 in November to £50,000 in December. The latter figure represents an issue by Drake and Gorham, Limited, electrical engineers, of Ten per Cent. Seven-Year Notes, which was oversubscribed. The large increase in flotations by financial, land and investment interests is mainly the result of the issue at par of 1,000,000 10*s.* shares by the Imperial and Foreign Corporation to shareholders, and 60,000 £5 shares at par, also to holders, by the Australian, Mercantile, Land and Finance Company. Motor manufacturers made no applications for fresh capital, though in the corresponding month of the previous year they came on the market for £3,584,750. The demands of oil companies have also shrunk to a very modest figure at £226,000, against £1,304,913 for November and £6,820,000 for the previous December. The Mexican Eagle Oil Company announced during the month an issue to shareholders of 4,488,642 Ordinary shares of ten pesos Mexican (£1 8*s.*) each, but as payment will not be made till January we have, of course, omitted it from our figures.

The purposes for which money was supplied in the last four months of 1920, and in December of the two previous years will be seen from the statement below:

Purposes for which Capital (a) was subscribed by United Kingdom.

	1920				1919	1918
	September	October	November	December	December	December
Government	1,645,000	8,730,[illegible]	6,250,921	5,236,784	[illegible]	[illegible]
Municipal	5,440,000	820,185	5,343,321	675,000	...	nil
Railways	nil	nil	1,[illegible]	...	...	[illegible]
Banks ...	800,000	nil	nil	403,054	1,[illegible]	nil
Breweries	625,000	800,000	598,[illegible]	200,000	nil	nil
Commercial and Industrial	8,241,335	12,653,111	11,628,690	3,626,205	5,326,114	3,553,275
Electric Lighting and Power ...	nil	nil	nil	987,000	1,500,[illegible]	nil
Financial Investment & Trusts	45,[illegible]06	108,270	50,600	842,610	5,[illegible]0,200	nil
Gas and Water ...	85,000	155,500	2,752,000	89,055	30,000	nil
Insurance	nil	nil	nil	nil	5,411,000	nil
Iron, Coal, Steel and Engineering	210,000	637,027	8,897,562	50,000	2,414,[illegible]	627,500
Mines ...	3,400,000	1,916,250	614,950	258,706	726,909	nil
Motor Mfg. & Traction	nil	300,000	nil	nil	3,584,750	195,000
Oil ...	200,000	2,075,000	1,304,913	226,000	6,820,000	nil
Rubber, Tea and Coffee ...	270,562	80,038	224,500	432,500	570,839	nil
Shipping	nil	nil	nil	300,000	1,961,000	nil
Telegraphs and Telephones	nil	nil	nil	nil	4,556,000	nil
Total	21,276,503	28,342,279	36,845,863	13,426,924	60,241,922	104,010,775

(a) Calculated [illegible] Excludes conversion loans and bonus shares.

PROFITABLE STATE INVESTMENT IN BANKING.—At the half-yearly shareholders' meeting of the Bank of New Zealand, at Wellington, Mr. Watson (director) said the recent capital rearrangement had properly recognised the shareholders' property. The New Zealand Government was the Bank's best customer, and its partnership was greatly strengthened. In a crisis the Dominion Government had paid £875,000 for Bank shares with a controlling interest. These have since earned large dividends. The Right Hon. Mr. Massey recently stated that the Government could easily get £2,000,000 in the open market for its shares.

INDIA'S TRADE WITH AMERICA, JAPAN AND GERMANY.

AN interesting statement was recently made by the President of the Board of Trade to the effect that much of Britain's pre-War trade with the Dominions had been lost to America and Japan. In India also these two countries have since the outbreak of War increased their shares in the total trade from twelve and a-half per cent. in 1913-14 to twenty-six per cent. in 1919-20, as will be seen from the following table:—

Total Trade (Annual Figures).

	1913-14	1918-19	1919-20
	%	%	%
America	6	11·7	13·8
Japan	6·5	14·9	12·3
Total	12·5	26·6	26·1

In 1919-20, however, Japan has lost to a considerable extent the position won during the War in the import trade, her share which rose to nearly twenty per cent. in 1918-19 from two and a-half per cent. in 1913-14, fell to nine per cent. in 1919-20. It will be noted that India has not lost much ground in her trade with the British Empire, which had fifty-one per cent. of the total trade in 1919-20, as against fifty-four per cent. in 1918-19, and fifty-two per cent. in the pre-War year. The United Kingdom's share was thirty-eight per cent., as against thirty-five per cent. in the preceding year, and forty-one per cent. in 1913-14.

The latest statistics for the six months, April to September, 1920, show that sixty-three per cent. of the total imports came from the United Kingdom, as against forty-five per cent. in the same period of 1919, and sixty-five per cent. in that of 1913. America and Japan each had nine per cent. of the import trade, as against sixteen and ten per cent. respectively in the corresponding period of the previous year and over 2½ per cent. each in the same period of the pre-War year. In the export trade the United Kingdom's share in the six months of 1920 was twenty-one per cent., as against thirty-one per cent. in 1919 and twenty-five per cent. in 1913.

The following table shows the position at a glance:—

	Exports in the Six Months April to Sept.			Imports in the Six Months April to Sept.		
	1913	1919	1920	1913	1919	1920
	%	%	%	%	%	%
United Kingdom ...	25	31	21	65	45	63
America	8	19	15	26	16	9
Japan	10	13	11	2·7	10	9

The recent trade with Germany is of considerable interest at the present moment. The following statistics show in a nutshell the increase that has taken place in the last six months. It is to be noted that the exports to Germany and the imports from Germany set out below refer to direct transactions, *i.e.*, goods imported or exported without interruption in transit.

The imports from Germany in the six months, April to September, 1920, were valued at Rs.1.39 lakhs, as against Rs.8,000 only in the same period of 1919, and Rs.5.90 lakhs in that of the pre-War year 1913. This was eleven per cent. of the total import trade, as against seven per cent. in the pre-War period. The quantity and value of the more important articles imported in the six months of 1920, as compared with the same period of the pre-War year are shown in the following statement:—

Imports from Germany in the six months, April to September.

	April to Sept. 1913		April to Sept. 1920	
	Quantity	Value Rs.	Quantity	Value Rs.
Alizarine and aniline dyes (lbs.)	6,[illegible]4,000	42,67,[illegible]0	1,71[illegible]	41,28,000
Steel bars ... ... (Tons)	30,700	32,32,000	3,900	11,23,000
Iron or steel sheets not galvanised or tinned ... ... (Tons)	12,400	15,07,000	800	2,92,000
Salt ... ... (Tons)	37,600	6,55,000	23,500	11,18,000
Hardware	—	35,96,000	—	8,79,000
Glass and glassware	—	14,64,000	—	5,30,000
Motor wagons ... ... (No.)	—	—	13	3,55,000
Ale, beer and porter (Gals.)	292,900	7,32,000	47,500	1,[illegible]2,000
Machinery and mill work ...	—	21,07,000	—	2,01,000
Cotton piece goods (coloured) (Yds)	3,049,000	17,66,000	37,000	1,32,000

The exports to Germany in the six months of 1920 were valued at Rs.3.22 lakhs, as against Rs.77,000 in

the same period of 1919, and Rs. 11,41 [illegible] of the pre-War year 1913. [illegible] six months of 1913. The following statement shows the principal articles exported to Germany in the six months of 1920, as compared with the same period of the pre-War year:—

Exports [illegible] Germany in the Six Months ended April 30th.

September.

	April to September.		April to September.	
	—1913—			
	Quantity.	Value.	Quantity.	Value.
		£		£
Cotton, raw	[illegible]	[illegible]	[illegible]	1,142,000
Jute, raw	[illegible]	[illegible]	[illegible]	[illegible]
Rags, used	[illegible]	[illegible]	[illegible]	[illegible]
Hides, raw	[illegible]	1,457,000	1,000	15,000
Rice, not in the husk	[illegible]	[illegible]	[illegible]	[illegible]
Pulse, not specified	[illegible]	[illegible]	[illegible]	[illegible]
Machines, clothes	[illegible]	[illegible]	[illegible]	[illegible]
Hemp, raw	[illegible]	[illegible]	[illegible]	[illegible]
Skins	[illegible]	[illegible]	[illegible]	1,111

MEXICAN PROSPECTS.

Mr. Vincent W. Yorke presided just before the holidays at the meeting of the Mexican Railway Company. Readers may have observed that the meeting was reported in our issue published just before Christmas. Mr. Yorke [illegible] position as reported to him by the Company's agents [illegible] Mexico. [illegible] readers realise what an immense amount of information [illegible] public companies. If a company is engaged in any particular trade, say, here in England or in any part of [illegible] speaker, will be able to throw an illuminating light upon the condition of that industry which it is not possible for anyone to possess who is not engaged in the particular trade. When one is dealing, as Mr. Yorke was, with a railway company operating in a distant country, he is necessarily furnished with a mass of information which, in the nature of the case, could not be available to anyone who was not actually engaged in working a railway in Mexico. The railway runs between the Capital and Vera Cruz, the principal seaport of Mexico, and its traffic, its business, its existence, one might say without any exaggeration, depends upon the general political and economic situation prevailing in the particular territory in which the railway happens to be operating. Of course, the reader will say, this is true of all railways. Quite so! But, all the same, one obtains a great mass of information by reading the accounts given by the chairmen at the different railway company meetings of the particular countries in which the Company is operating. One obtains that information, moreover, in a form that it would be almost impossible for any average reader to obtain. Wealthy corporations can, of course, if they are prepared to go to the expense, obtain information more or less respecting the conditions of any country. But for the ordinary reader, for the mere price of buying a newspaper, to obtain the amount of information that is given, say, at a meeting such as that we are discussing, it would cost a sum which few readers are in a position to appreciate.

We wrote some time ago on the position in Mexico and what Senor Huerta, the then President, was doing. General Obregon, who has recently been elected President of the Republic, appears to be exceedingly favourable to foreign enterprise in Mexico. Mr. Yorke, at the meeting referred to, said "With regard to political and general conditions in Mexico, all accounts received point to an immense improvement in the last six months, and there can be no doubt that the whole country is in a far more settled state than at any time during the last ten years" (that is since the outbreak of the revolution). "There appear to be no organised forces in any part of the Republic operating against the present Government, and there have been, during the last six months, no disturbances of any sort, so far as I know, in the southern regions which our railway serves." Senor de la Huerta, as we have already said, has carried out the somewhat difficult duties attaching to his position as *ad interim* President since the downfall of ex-President Carranza with no little skill. He has, as we have already said, been succeeded by General Obregon, who seems clearly well-disposed to foreigners and determined, as far as possible, to improve the condition of his country. As we have pointed out again and again, scarcely anyone at any time, past or present, has risen to high office in his own country or in a foreign country without desiring to do the best he can for that country. It is not sufficient, therefore, to say that the incoming President is anxious to do the best he can for Mexico. Almost anybody who is President of a Republic, King of a country, Governor, or whatever position he might hold which gives him the predominant place, would almost necessarily, and as a matter of course, desire to do the best he could for that country. There seems no reasonable doubt now that ex-President Carranza was as anxious to do right for Mexico, so far as he saw what was right, as was the celebrated ex-President Diaz. But his antecedents and environment were so unfavourable that he was never able to get a real and effective control of any appreciable part of the enormous territories over which he nominally ruled. So far as we are able to obtain information here in London, General Obregon seems to have complete control over the whole territory of Mexico. As far as we are aware, there is no force, big or small, in actual armed opposition to the existing Government; and, consequently, the new President has an advantage which no President has had during the past ten years in Mexico. Like all far-seeing Governors of a country in the economic and political condition of Mexico at the present time, General Obregon is anxious as far as possible to attract foreign capital and foreign enterprise, because he sees, what is evident to anyone who knows anything of Mexico, that without it Mexico never will progress in any political or economic sense.

It is a remarkable fact that Mexico, which is one of the two countries of Spanish America which was highly civilised before Europeans had anything to do with the country, has had such an unfortunate history. This is, of course, due to the wicked and unscrupulous manner in which the Spanish conquerors exploited that country. Mexico, like Peru, appears to have just gone through what we should call a revolution almost immediately preceding the conquest. Montezuma, who was king of the country, and who was the head of the dominant tribe, held a very insecure control over the vast mass of the Mexican people. Without, in fact, the assistance of his rebellious subjects there can be no reasonable doubt that Cortez would

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never have reached Mexico City at all; and, moreover, had it not been for the fact of their disaffection and insubordination to the central Government, Cortez would never have been in a position to have retrieved his terrible mistake of the Night of Sadness. Coming in as conqueror, with a large portion, if not the actual majority, of the population disaffected to the central Government, Cortez had a remarkable advantage in establishing his authority. At first all that was really necessary was to adopt the ancient Roman maxim of "Divide and conquer." This is what he actually did. Otherwise he could not have secured the position which he attained. This policy, however, should have been followed by an honest endeavour to improve the economic development of the country. But, in reality, no attempt was made in this direction. No sooner had the Spaniards subdued the native Mexicans than they set about getting as much treasure as they could from the rich silver mines which then, as now were such an important feature in Mexican economics.

As things are at present Mexico is a country more than three times the size of France as she existed before the outbreak of the recent European War. She has, however, a population of between fifteen and sixteen millions, eighty per cent. of which is either of pure Indian descent or a mixture of Indian and Spanish descent, the balance being more or less pure Spaniards. As we have already pointed out, when we speak of Mexican Indians we are speaking of a race which in its day was amongst the most civilised in the whole of Spanish America. But, on the other hand, we must remember that the more promising spirits were gradually killed off under the disastrous system imposed by Spain upon her colonies, and, in addition, those who remained had to suffer three centuries of bitter oppression. This being so, the country requires a Government which, while being primarily benevolent, will not be swerved from its purpose of maintaining order. Otherwise, as recent experience has shown, and as experience in all backward countries does show, the tendency is for such countries to revert to barbarism. Mexico, in a sense, is one of the most remarkable countries in the world. It forms the base or concluding portion of the North American continent, and stretches into Central America. It is bordered on both sides by a great range of mountains—the range which becomes the Andes later on, in South America, and the eastern range, which is also a feature of South America. Between these is the great plain on which the products of Mexico are grown. Mexico in the coast regions is low-lying and hot, and in those regions it is capable of growing, and does in fact grow, cane-sugar, cocoa, cotton, and a variety of tropical and sub-tropical products. In the centre and around Mexico City, where the elevation is some 8,000 feet above the sea, the country is capable of growing, and does under favouring circumstances grow, very large quantities of the cereals to which we are accustomed in the temperate zone. Finally, Mexico is, and always has been, one of the world's great cattle ranches. Naturally, the cattle were destroyed to a very large extent during the recent revolution. As things have developed, however, it is mainly upon her mineral resources that the wealth of Mexico depends. Silver-mining ever since Spanish colonial times has been, and still is, one of the great industries of the Republic. In our time, perhaps, we value Mexico more for her petroleum than for anything else. The rich fields of the Tampico area produce an appreciable proportion of the world's supply of oil. There is reason to believe that on the Pacific or west coast the fields which as yet have not been developed are even still richer, and many geologists argue that Mexico is capable of taking the place of the United States and producing a greater supply of oil than is now raised by that country.

MEAT SUPPLY.

The net imports of meat, excepting poultry and game, into the United Kingdom in 1919 were valued at approximately £161 million. Of this total beef and veal and mutton and lamb accounted for approximately £68 million, or forty-two per cent., and this amount sufficiently indicates our dependence on outside sources for much of the supply of some very important varieties of meat. Still, large as this latter sum is, it is only the smaller part of this particular meat bill, inasmuch as we count on native pastures for the fulfilment of more than half our needs. The position may be grasped from the following table, which details, for the twelve months ended June 4, 1914, the amounts of beef, veal, mutton, and lamb received from the usual sources of supply:—

	Beef & Veal		Mutton & Lamb		Total	
	Tons	%	Tons	%		%
Home-raised ...	730,000	59·7	280,000	70·3	1,010,000	56·8
Imported:—						
British Dominions ...	95,800	7·8	210,600	37·8	306,400	17·2
Foreign Countries ...	397,200	32·5	66,200	11·9	463,400	26·0
Total ...	1,223,000	100·0	556,800	100·0	1,779,800	100·0

Of our meat requirements for this period, 1,779,800 tons, 56.8 per cent. was produced at home, 17.2 per cent. was supplied by the Dominions, and twenty-six per cent. came from foreign countries. It will be evident from a consideration of the table that the high percentage credited to foreign countries is built up mainly of their exports of beef and veal; of mutton and lamb they contribute but a small portion—11.9 per cent. of the total supply. Amongst these foreign countries South America is the present great source of beef supplies. In the Argentine Republic there are about twenty-nine million cattle, the number having remained stationary during the War, and between fifty million and sixty million sheep. Uruguay maintains about eight million cattle and about eleven million sheep. Brazil has an unknown number of cattle, usually estimated at about thirty million, but the great majority of them are not suitable for the British market, though the meat, like that of Uruguay, is acceptable in Continental markets. Venezuela has, during the War, exported frozen meat to France. Colombia, though at present undeveloped, offers the possibility of a trade of moderate dimensions, and the American meat companies have begun to develop Paraguay. Including output from works under construction, a recent estimate puts the meat-exporting capacity of these countries as follows:—

	Beef Tons	Mutton Tons
Argentina and Uruguay ...	600,000	70,000
Patagonia (Argentine and Chile) ...	—	30,000
Brazil ...	250,000	—
Venezuela ...	8,000	—
Paraguay ...	5,000	—
	863,000	100,000

To South America we must look for the greater proportion of imported beef, and the conditions under which the trade is operated there have given rise to some anxiety in the United Kingdom during recent years. Competition for the meat trade of the Argentine and Uruguay—that of Brazil is largely in their hands—has been signalised by an ever-growing encroachment on the part of the American companies, popularly known as the Meat Trust, with headquarters in the United States. These companies, acting in co-operation, have by dint of frequent price wars forced the British companies to concede various concessions in the trade domain. The trade allotments agreed to in 1918 were in the case of the American, British, and Argentine companies 68.1 per cent., 22.1 per cent., and 9.8 per cent. respectively. The predominant position of the American companies in South America will thus be readily recognised. Attention has also been paid to the consolidation of their position in the United Kingdom itself, and the strong organisation they have set up here embraces a large number of wholesale depôts. They were stated in

1913 to control forty-five per cent. of the supply of all beef, home-raised and imported, at Smithfield market, and this control is held by many sections of the trade to impair the security of obtaining beef at reasonable prices, particularly if the British companies operating in the Argentine yield more ground to the pressure of their opponents. The evidence, however, tendered by representatives of the trade before the Sub-Committee on Meat, which has recently issued an interim report, inclines to the belief that it was impossible even for the strongest combination —and the American companies deny they act in combination—to control prices in Smithfield for more than a few days, partly because climatic reasons and the deterioration of chilled beef in storage forced quick sales, and partly because a rise in prices speedily evoked an increased supply of home-raised beef. At most what the companies had tried to do was to agree not to sell below a certain price up to a particular hour, but even that limited control broke down more often than not. The trade also believed that the companies fixed the quantities of meat that were to be put on the market weekly, these quantities depending to some extent on the meat that was afloat, but the large butchers at least regarded such regulation as a good thing, since it tended to stabilise prices. It was also pointed out that the regulation of the market so as to force up prices would require the limitation of shipments from South America, and, with the known expansibility of home supplies, trading would thus be reduced to a gamble, in which the importers would be as likely to lose as to gain. No complaint was made of unfair trading on the part of the American companies, except that in developing trade or in clearing surplus stocks they would make no limit in cutting prices, and most of the witnesses praised them for their enterprise in placing cheap meat of good quality before the public and for giving good service to their customers.

Up to the present it is evident that as regards the United Kingdom the charge of arbitrary interference with prices cannot be made good against the American companies. Uneasiness still, however, exists in the Sub-Committee's mind as to their future course of action, and as the transportation of meat is mainly in the hands of British shipowners, it suggests that if insulated shipping were subjected to some form of control to be exercised in case of emergencies, it would be possible to prevent the development of further control of British meat markets by foreign combinations. We doubt if this proposal has been adequately considered from the viewpoint of the American companies. By them it might, if adopted, be translated as an arrangement between the British Government and British meat interests to attack their trade at will in the weakest part of their organisation, and, in order to prevent such an eventuality, they might feel tempted to run insulated shipping under their own flag. Needless to say, this would be of no benefit to British shipowners, and on the same ground objections might be urged against the proposal that "such" relations should be established between the Government and British shipowners as would remove from the latter any temptation, through the offer of higher freights, to divert part of our meat supplies to other countries, or to sell their insulated ships to foreign meat or shipping companies. The American companies would act very foolishly if they endeavoured to set up an artificial scale of prices here by means of a restriction of supplies. In the first place, there would be an increase sooner or later of home and Colonial supplies to redress the balance, and secondly, in view of the importance attached to the safeguarding of food supplies during the War, both Government and people would be touched on a very tender spot, and it would scarcely be good business to risk their enmity for the sake of a temporary accession of profits.

Extent and Produce of Irish Grain Crops, 1920.

The estimated extent and estimated total produce of the grain crops in Ireland in 1920 appear underneath. Figures for 1919 are given for purposes of comparison

	1919		1920	
	Estimated Extent Acres	Estimated Total Produce Cwts.	Estimated Extent Acres	Estimated Total Produce Cwts.
Wheat	69,663	1,313,568	50,252	751,357
Oats	1,442,458	24,310,126	1,352,550	18,682,309
Potatoes ...	186,925	3,482,149	206,888	3,225,760

SHIPPING STATISTICS.

UNITED KINGDOM.

STATISTICS relating to the working of the principal ports are now available for the month of October, and are set out in the annexed tables in comparison with the figures for the preceding month. The net registered tonnage of vessels arriving and departing, with cargo and in ballast, in the coasting and foreign trades is shown below. Figures for the United Kingdom, as a whole, are given in respect of the last four months:—

Month, 1920	Arrived Total Net Registered Tonnage	Departed Total Net Registered Tonnage
July ...	11,104,136	11,392,173
August ...	11,169,259	10,548,995
September ...	10,814,856	11,323,170
October ...	8,561,913	8,726,048

The decline in the October figures is due mainly to the effect of the coal strike; the departures after the strike was declared falling to sixty-two per cent. of those in the early part of the month. The figures for the two periods are shown below:—

Date	Arrived Total Net Registered Tonnage	Departed Total Net Registered Tonnage
1st 16th October ...	5,197,369	5,279,109
17th 31st October (coal strike)	3,364,544	3,072,899

The tonnages of both imports and exports continue to decline in comparison with 1913 figures; but the October 1920 figures are only slightly below those of the preceding month, and it is probable that the full effects of the coal strike will not be apparent until the November figures are available. This is partly due to the method of compiling the returns, exporters being allowed six days after the vessel clears the port in which to render the particulars to the Customs authorities. The annexed statement shows the estimated weight of imports and exports for the United Kingdom, based on Board of Trade Returns, during the month of September and October 1920, with corresponding figures for 1913:—

Month	Imports			Exports		
	1913 Tons	1920 Tons	Decrease %	1913 Tons	1920 Tons	Decrease %
October ...	5,517,000	4,076,000	26·12	8,556,000	2,707,000	68·36
September	5,084,000	4,174,000	17·90	7,793,000	2,815,000	63·88

It will be noticed that, though imports and exports both mark a decline compared with 1913, the falling-off in exports is much more pronounced, amounting to

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as much as 68.36 per cent. in October last. The contraction in coal shipments is, of course, largely responsible for the lesser weight of goods now sent out of the country.

The tonnages of imports and exports at the leading ports during October and September 1920 were as follows, but no comparative figures are available for previous years:—

Port	Month 1920	Imports Tons	Exports Tons	Re-exports Tons	Total Imports & Exports Tons
London ...	October ...	908,480	232,178	90,248	1,231,906
	September ...	1,008,732	275,754	69,153	1,503,639
Liverpool ...	October ...	664,002	229,225	39,168	930,395
	September ...	624,765	260,320	36,080	921,165
Cardiff ...	October ...	104,697	523,397	17	628,111
	September ...	133,359	616,850	735	750,944
Newcastle (Tyne Ports)	October ...	77,797	334,923	398	413,121
	September ...	128,031	274,870	555	403,456
Glasgow ...	October ...	249,635	103,994	867	354,496
	September ...	219,935	85,260	3,773	308,968
Hull ...	October ...	344,814	59,313	3,331	407,478
	September ...	338,507	113,045	2,732	449,284
Newport ...	October ...	55,231	171,880	8	227,119
	September ...	66,491	168,855	48	235,394
Swansea ...	October ...	22,382	331,341	115	353,838
	September ...	29,366	268,201	—	297,567
Manchester ...	October ...	186,176	19,417	1,135	206,728
	September ...	217,369	16,995	1,343	295,707
Bristol ...	October ...	184,590	24,267	122	208,979
	September ...	156,257	21,614	93	177,964

The decline witnessed in the general tonnage returns of trade for the United Kingdom is here brought out even more clearly. There were some unexpected increases, indeed, in the case of the Tyne Ports, Glasgow, Swansea, and Bristol, but in the six other ports included in the table trade fell away materially. Cardiff suffered particularly as it depends mainly on its export trade, and the latter in turn depends on coal. The prohibition of coal exports during the miners' strike thus brought the business of the port almost to a standstill.

MOROCCAN PHOSPHATES.

The protest that has been raised in the United States against the alleged parcelling-out of oils and phosphates amongst the European Allies, without regard to American interests, can certainly have no reference to Morocco, where French hegemony, always more or less effective, was practically recognised as far back as 1912. Morocco is rich in phosphates, and, according to the *Dépêche Marocaine*, a decree dated November 11 has been published in the *Journal Officiel*, authorising the beginning of the works in connection with their exploitation. A sum of thirty-six millions of francs is to be devoted to the initial establishment of the phosphate industry, according to the report of our Consul-General at Tangier.

It is of vital importance that the Shereefian Government should be in a position to export the phosphates as soon as possible, and the authorities are taking all possible steps to hasten the exploitation and to secure a good output by the time that the normal-gauge railway is completed.

While making all preparations for the future, the authorities expect to be able to exploit the district to some extent by using the narrow-gauge military railway, which runs very close to the locality of the proposed works. A loan is to be raised to carry out the new scheme, but, pending this, the Protectorate will have to find the money for the works in 1920 and 1921 from its own surplus funds—one million francs this year and four millions next year. The project, if effectively handled, should prove successful; and, provided the initial indications are borne out, the world's supply of phosphates should on the full exploitation of the deposits be substantially augmented.

In recent years Morocco has made progress in more than one direction, and the great increase that has taken place in industrial activity is shown by the following figures:—

	1918	1920
Industrial works	157	165
Capital involved (Francs) ...	... 36,240,000	56,348,000
Workmen	2,666	3,256

There are thirty-six factories for ice, soda-water and lemonade, twenty-five flour-mills, twenty-four furniture factories and carpentry works, ten printing works, ten brick factories, and ten forges and works for the repair of agricultural machinery. The number of factories engaged in making vegetable fibre is nine, and there are four water-mills and electric works.

The following figures, taken from the *Dépêche Marocaine*, give the amount of capital involved in the various branches of industry:—

	Francs
Oil	5,400,000
Joinery and carpentry	5,493,000
Water and Electric light	6,800,000
Saw mills ...	1,960,000
Lime and cement factories ...	3,200,000
Mining exploitation ...	3,000,000

The manufacture of foodstuffs employs 768 workers, with thirty-two establishments and a total capital of 22,271,000 francs; for building there are twenty-one firms, with 958 workmen, representing a capital of 11,585,000 francs, while metalwork, which is still in its infancy, has only seventeen factories, with 256 workmen and a capital of 2,080,000 francs.

SOUTH AND CENTRAL AMERICA.

CHICLE.

Mr. Eyre Hutson, C.M.G., the Governor of British Honduras, has been for some time over here on leave, but he has been far from neglecting the interests of the Colony. In reality, Mr. Hutson has been endeavouring, both in official circles and amongst the trading community who have interests in British Honduras or in neighbouring territories, to promote the welfare of the Colony of which he is Governor. Mr. Eyre Hutson sailed in the middle of last month for Belize, the capital of British Honduras, where he is anxious to promote new trading enterprises.

British Honduras, until quite recently, was one of the most neglected, and perhaps the most backward, of all the British Colonies. Its trade, such as it was, consisted in the export of mahogany wood. It has only one short railway, twenty-five miles long, which is used for the transport of mahogany, cedar, and log wood. The total area of the Colony is 8,500 square miles, and it has a population, according to the latest census, of 42,000. The coast land about Belize is somewhat swampy, and consequently subject to malaria; but the interior highlands are wonderfully healthy for a tropical country so little developed as British Honduras.

Mr. Eyre Hutson is anxious to develop a growing industry, that of chicle. Chicle gum is a valuable article of commerce to British Honduras. It is used as the basis of the chewing gum of commerce, and is obtained from the sapodillo tree, found in the forests of Mexico, the north of Guatemala, and British Honduras. The trees abound in certain regions, and are bled on the same principle as are rubber trees. The milk or gum is collected in the forest and cooked there in large iron cauldrons. The native gum dealers press the gum taken from the cauldron, after all water has been evaporated by the process of cooking, into soap boxes—a ready made and useful mould. These square blocks of gum, which is really a valuable form of rubber, are transported to Belize, the shipping port, by mules and by river. There is a local tradition in British Honduras that the true sapadilla chicle gum tree is not to be found in the areas of the Colony south of the Belize River, and the trees found in the forest south of that area are described as bastard sapodilla. This theory is disputed, and the true species is now supposed to be from the mountains in the hinterland, in the southern part of the Colony. The quantity exported to the United States and Canada in the season 1920 was approximately 3,300,000 lb., from which a local revenue of approximately 100,000 dollars was obtained by an

export duty on the [illegible] per lb. The great bulk of chicle so exported [illegible] Mexico and Guatemala in transit through Belize.

While the Government of the Colony naturally values the industry highly as a revenue-producing one, it [illegible] interesting effect on the large portion of the male creole and aboriginal Indian population, because the agents employed by the large American companies interested in the trade follow the long-standing local custom of making heavy advances of money to the gum dealers. These men have no difficulty in receiving at the proper seasons, once a year, advances of 150 to 200 dollars in cash without security before they go off into the forest. The bleeders as a rule make good, and so do the agents. The industry is demoralising only to the extent that, with the certainty of a liberal advance of cash and with good results at the end of the season, it is difficult to attract a sufficient number of labourers to work in ordinary agricultural pursuits. The Colony proposes to take steps to attract bona-fide agricultural labourers from Jamaica or elsewhere.

A large proportion of the raw gum is exported to Canada through the United States in bond. For some reason it is considered advisable to carry on the manufacturing process in Canada instead of in the United States. It is hoped that the product will in a short time be shipped, dried, to a Canadian port by the steamers of the Canadian Dominion Line, when the new service is opened in the early part of this year. In 1917 the exports of chicle from British Honduras amounted to 2,266,621 lb., of which 1,394,538 lb. were of foreign origin and 872,038 lb. the produce of British Honduras itself. The total value of the exports of chicle in that year was 878,246 dollars.

Mr. [illegible] Hutson during his visit to England did not confine his interests to promoting the chicle industry, but lost no opportunities of making known the requirements of British Honduras, which Colony should enjoy a revival of prosperity as a result of the recent trade agreement with Canada. The question of British steamship communication has at last been solved by the establishment of a line of steamers connecting Belize, Jamaica, and the Bahamas with Canada. Mr. Hutson during his visit succeeded in interesting the Admiralty with a view to improving telegraphic communication between the Mother Country and the Colony. Up to the present there has been little or no telegraphic communication at all. There was, and is, a wireless station at Belize, but this apparently can only communicate with a wireless station belonging to the United Fruit Company of the United States. In other words, such telegraphic communication as the Colony has enjoyed up to the present was for practical purposes in foreign hands. Recently, as we mentioned when writing on British Honduras, an Agricultural Department, which has long been advocated by Mr. Hutson, has been established at Belize.

As will be readily understood from what we have said, the Colony has hardly been exploited up to the present. Indications, however, exist in various parts of the Colony of the presence of petroleum. A geologist is about to be appointed to make a survey of the Colony, and his instructions are to pay special attention to indications of the existence of petroleum. It is understood that certain British oil interests are carefully watching the prospects of petroleum indications.

A cable received by the Anglo-South American Bank, Ltd., in London, dated December 23, states that the recent earthquake in Argentina occurred about fifteen miles from Mendoza. In the agricultural regions the material damage is estimated at a million dollars. The loss of life is estimated at 100. The cable adds that the City of Mendoza and the Transandine Railway have not been affected.

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[illegible]

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London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES: [illegible]

Financial Notes.

British Debt to U.S. Government.

A NEW YORK message states that [illegible] Treasury is expected there for a conference with the United States financial authorities, with the object of arranging a scheme for funding our short-term indebtedness to the United States Government. For some time past proposals of this nature have been mooted on the other side of the Atlantic, but, if the report speaks true, this will be the first practical step taken in this direction. Something was accomplished when the interest on European indebtedness to the U.S. Government was funded for a number of years, but, judging by the tone of recent discussions in reference to the subject in the United States, it is apparent that since this concession was obtained opinion has become more hostile to operations of this nature. If the proposal is put before Congress it will in all probability meet with considerable opposition. If carried into effect it will remove an element of uncertainty from our Money market, as the sum concerned is very large. The sterling equivalent (converted at par) of our debt to the U.S. Government stood at £1,046,774,000 on March 31, 1920, and of [illegible]

Barcelona Bank Difficulties.

The present international crisis continues to bring a crop of reports of failures and difficulties on the part of industrial and financial concerns of all countries. It is satisfactory, however, that so far nothing serious of this nature has occurred. The latest report, a not unexpected one here, states that the Banco de Barcelona, one of the oldest banking houses in Spain, has temporarily suspended payment. Towards the end of November it may be recalled that a minor bank in Barcelona was reported to be in difficulties, it being understood that the Bank of Spain had come to its relief with 15,000,000 pesetas. In this case also the Government is taking action to prevent the total failure of the Bank, and it is believed that the situation will shortly be relieved. The first [illegible] threatening other smaller banks, but later cables report a more confident atmosphere. The suspension is said to be due to losses in exchange operations and to a difficulty in calling in loans on account of the fall in commodity prices. The assets are understood to exceed the liabilities which are given as 1,500,000,000 pesetas (equivalent to £60,000,000 at par). The Bank was founded in 1844, and during recent years experienced a rapid expansion in its business. The balance sheet as on December 31, 1919, shows paid-up capital [illegible] 25,000,000 pesetas, and deposit and current accounts amounted to 549,758,256 pesetas. The assets included cash, 43,328,812 pesetas; bills and investments, 68,884,757 pesetas; and loans to customers 474,457,440 pesetas. The event is of little concern for London, as

the Bank has no branches here, and the amount of its paper here is negligible.

Commodity Prices in U.S.A.

A more severe decline in the general level of commodity prices occurred in the United States during November than during any previous month since last February, when the present fall in prices commenced. The total decline during the month, according to Bradstreet's index-numbers, was thirteen per cent., bringing the general price-level to 34.6 per cent. below the peak of February 1, 1920. The latest index-number for the end of November is the lowest for over four years, and is below the level ruling in the months preceding the rupture of the United States with Germany over the submarine warfare. Bradstreet's final and group index-numbers for September, October, and November of 1920, and for November 1919 are as follows:—

Wholesale Prices of Commodities in United States—September-November.

(Bradstreet's Index-Numbers.)

The figures refer to the end of the month.

	November 1920	October 1920	September 1920	November 1919
	$	$	$	$
Breadstuffs	.1620	1890	.1942	.2080
Live stock	.5325	.5840	.5985	.6625
Provisions	3.7901	4.1191	1.2106	4.6641
Fruits	.4235	.4385	.1485	.1206
Hides and leather	1.8500	1.9800	2.4200	2.8000
Textiles	3.2989	4.4237	4.8494	6.4276
Metals	.7180	.8391	.9368	.9756
Coal and coke	.0183	.0191	.0228	.0137
Oils	.7177	.8012	.8609	1.0076
Naval stores	.1654	.2099	.2175	.2674
Building material	.2172	.2345	.2370	.2182
Chemicals and drugs	1.1297	1.1722	1.2122	1.1750
Miscellaneous	.6039	.6447	.7016	1.2450
Total	13.6263	15.6750	16.9094	20.1756

This decline compares with a fall of 6.7 per cent. in the price-level in the United Kingdom during November, according to THE STATIST's index-numbers, the total decline in our own case since the high record of April last being 15.9 per cent. In the United States the deflation movement is several stages in advance of this country, and it would be unwise not to assume that prices here in the next few months will, following developments in U.S.A., show a more rapid downward trend than during recent months. It is not suggested that the movements here will be as great as in the United States; this, indeed, appears improbable when account is taken of the many essential differences in existing conditions in the two countries; but, at the same time, it is unlikely, as seems to be thought in some quarters, that the worst of the recession in commodity prices has been witnessed in the United Kingdom. When THE STATIST's index-numbers for December are prepared it will probably be found that the decline during that month was greater than in any previous month since the present readjustment of prices began in May last. The following table affords a comparison of the course of prices in the United States and the United Kingdom. It will be noticed that the increase since 1913 up to the end of November was only 49.9 per cent. in the United States, as compared with 163·3 per cent. in our own case.

Comparison of Wholesale Prices of Commodities in United States and United Kingdom.

	The Statist's Index Numbers	Bradstreet's Index Numbers	Expressed as percentage of 1913	
			U.K.	U.S.
1913	85·0	9·2415	100·0	100·0
1914	85·0	8·9024	100·0	96·7
1915	108·0	9·8550	127·1	107·0
1916	136·0	11·8237	160·0	128·1
1917	175·0	15·6285	205·9	170·0
1918	192·0	18·7117	225·9	203·2
1919	206·0	18·6682	242·4	202·7
1920				
January	245·3	20·8796	288·0	226·6
February	260·1	20·7950	306·5	225·7
March	261·8	20·7124	308·0	224·9
April	266·1	20·7341	313·1	225·1
May	260·0	19·8752	305·9	215·8
June	255·7	19·3528	300·8	210·1
July	251·6	18·8273	299·5	204·4
August	253·5	17·9746	298·2	195·1
September	248·7	16·9094	292·6	183·6
October	239·9	15·6750	282·2	170·2
November	223·8	13·6263	263·3	147·9

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American Topics.

DECLINING TRADE.

READERS may have observed that in our issue published just before the Christmas holidays we gave in our Tabular Appendix our usual list of commodity prices. Therein it will have been noted that the price of cotton in New York at the end of June 1914 was the equivalent of 6*d*. It was obtainable at that time in this country at the equivalent of 7½*d*.; that is to say, freight and overhead charges accounted only for ¾*d*. in the cost of cotton delivered at Liverpool. According to the latest prices we are able to obtain the price of cotton in New York is the equivalent of 7½*d*., but on this side the equivalent price of American cotton is just over 1*s*. This, of course, is due primarily to the adverse exchange and to increased freight and overhead charges. In these circumstances it is not surprising that the demand for American cotton in this country has fallen off to an alarming extent. Whereas before the War we had to pay only ¾*d*. a pound in excess of the New York price, we have to-day, according to the list of prices we have been able to collect, to pay 4½*d*. in excess of the American price. The Lancashire cotton trade is an exceedingly peculiar trade. Whereas we are dependent, or were before the War, and to a large extent still are, to the extent of nearly eighty per cent. upon the United States for supplies of the raw material, the existence of the industry on its present magnitude is dependent also to the extent of eighty per cent upon our ability to sell yarn, cotton piece-goods, and other more or less finished products in foreign markets. The contrary is the case with regard to wool. The bulk of the supplies of wool are grown within the British Empire. And although we do sell large quantities of woollen goods abroad, nevertheless the Yorkshire woollen manufacturers find the bulk of their customers in the home market.

A useful table was recently compiled by Mr. Austin, the statistician of the National City Bank of New York, in which he showed that whereas before the War the United States exported over seventy per cent. of the cotton produced in that country, last year she was only able to spare somewhat less than half the total amount of cotton raised throughout the Cotton Belt of the various States of the Union. A *Central News* telegram published this week by most

of our daily contemporaries, stated that there are at present something like two and a-half millions of workpeople unemployed in the United States. This is, of course, not wholly due to stagnation in the textile industry. On the contrary, it is due to declining trade in nearly every branch of industry throughout the United States, notably in the motor trade. In Detroit alone, it is said that a very large proportion of the workers are either working on short time, or find it very difficult to get employment at all. At the same time there seems little reasonable doubt that the exports of American automobiles for the calendar year just ended will amount in value to between 300 and 400 million dollars. It is interesting, however, to inquire to whom these automobiles have been sold. For the most part they have gone to the East, to South America, and to various countries which have lately been enriched by the sale of vast amounts of produce to European countries owing to the great demand occasioned by the late War. It is notorious that those countries are themselves all now passing through a period of very severe depression. There has been, as the reader is aware, a heavy fall in the price of silver, due entirely to the falling off in the demand from the East, which lately required silver in connection with the supplying of food and raw materials to the recent belligerents. Recent experience has tended to show that while formerly the foreign trade of the United States consisted almost entirely in the export of food and raw materials, it has in the recent past tended more and more to consist of the export of manufactured goods, supplemented by food and raw materials. As far as we are able to gather from the figures which have been published, it would appear that quite recently the export of manufactured goods has been quite equal, if it has not actually exceeded, in value the exports of food and raw materials. Was this, however, not mainly due to causes connected with the recent great European War, and the inability of the belligerent countries either to supply themselves with food or to manufacture for the needs of the military and civil requirements of the various countries concerned? Is it reasonable to suppose that the United States, if she can no longer supply food and raw materials upon the economic basis upon which Europe has been accustomed heretofore to obtain them, can supplement that trade to an equivalent extent by the export of manufactures? Who is likely to be the purchasers of her manufactures upon such a scale as would compensate her for the loss of trade in the export of articles of primary necessity?

Europe is not a continent mainly inhabited by people who have retired from business, and are in the enjoyment of ample means. On the contrary, the great bulk of the European population is desperately poor. It is evident that neither this country nor any of the other countries of Europe can for any considerable time continue to purchase the manufactures of the United States unless we are in a position to export goods or render services to an equivalent extent. It would seem evident that the same remark applies to the economically newer countries of the world. The extraordinary prosperity which South America and the East have recently enjoyed is due to the exigencies of the recent European War, in which we expended a very large part of the mobilisable capital we had accumulated in the recent past and in which we mortgaged a large part of that capital which we hope to save in the future. South America and the East can only continue to buy manufactures from any country provided they are themselves in a position to sell articles of primary necessity which constitute the bulk of the products which, in their present state of economic development, they are able to supply. If the United States is to be the principal source from which these newer countries are to obtain their supplies of manufactured goods, how will it be possible for those new countries to render equivalent services? At present the United States furnishes her own people with the bulk of the foodstuffs and also of the raw materials which are consumed by her people and in her factories. She at present only imports a comparatively small amount of those products which her climate and situation do not admit of her raising within her own borders. They consist for the most part of tropical products other than sugar and of silk and jute obtained from the East.

We showed last week that the advantages which the United States obtained from the enormous amount of trade which she enjoyed during the War period was more apparent than real. She sold immense quantities of foodstuffs, raw materials, and munitions required for the conduct of the War; but she was not paid in equivalents which could readily be used for increasing her own economic development. Of course, it is conceivable that the United States might invest, as we formerly did, upon such a scale in the newer countries of the world that she would create a demand for her manufactures and be in a position to take raw products in enormous quantities from these new countries. If she did so, however, how would it be possible for her to develop her own natural resources? The United States is in area about three-quarters the size of Europe; and she has, all told, a population of only a little over 100 millions. In order to carry on a great trade such as she contemplates it would be necessary, if not wholly to reorganise, to at least increase upon a great scale her transportation facilities; and to do that would presumably absorb the greater portion of any savings she is likely to make in the near future. What, moreover, would be the effect upon the newer countries of the world in general, and upon the United States in particular, of Europe relapsing into such a position of economic stagnation that she was no longer able to purchase any appreciable supplies from outside, whether from the United States or elsewhere? Eastern Europe, if she is to recover at all, must remain mainly a source of supply of articles of primary necessity. But Western Europe, and this country in particular, can only hope to maintain anything like their present populations and, indeed, economic existence upon the scale which we know it if they can find a market for their manufactures, and find employment for the services which we and they are prepared to render. It would seem that unless we are able to find a market for our goods, at least to some extent, in the United States, an indefinite period must elapse before Europe in general, and this country in particular, will be in a position to liquidate their heavy indebtedness to that country.

The fall in the quotation of cotton during the last couple of days does not alter the relative position of the American and English price of the raw material.

It is with regret we record the death, on Wednesday last, of Mr. Alexander J. Hemphill, chairman of the Guaranty Trust Company of New York. Born at Philadelphia, Pennsylvania, in 1856, his service with the Guaranty began in 1905; he served as President of the institution from 1909 to 1915; and has been chairman since the latter year. Mr. Hemphill was a director of more than a score of important railroad companies, banks, trust companies, and investment corporations, and was deeply interested in charitable and relief work.

Financial Difficulties in South America.—The exchange crisis and the collapse of commodity prices has created a serious dislocation of trade in many parts of South America. Chilian merchants have been considering the advisability of appealing to the Government to impose a moratorium, dropping the project later when it became apparent that political interests would not accord a favourable reception to the idea. A similar rumour has been current concerning Brazilian affairs, but the Brazilian Ambassador has officially announced that his Government has never had any intention of imposing a moratorium.

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Rubber Topics.

DEPRESSION has now become such a common feature of the Rubber market that one has come to regard it as inevitable, and to look to the New Year for a brighter outlook. However, the Old Year has evidently decided to leave more pleasant memories behind it. Consequently, when the market resumed operations on Tuesday the characteristic dull and reacting tendency was absent, and members found themselves face to face with a distinctly cheerful tone. Realisations were few and far between, whilst there were inquiries for shares in more than one quarter. Hence prices, which hitherto had dropped to unexpected levels, began to move up. There was pronounced activity in Anglo-Dutch, which advanced $\frac{1}{8}$ to 21*s.* 3*d.*, whilst a similar gain left Highlands at 1$\frac{7}{8}$, Linggi at 1$\frac{1}{2}$, and Rubber Trusts at 17*s.* 9*d.* Furthermore, the movement was not a mere flash in the pan, as it continued throughout the week; whilst the commodity responded on Thursday with a rise to 10$\frac{1}{4}$*d.* for crêpe and 9$\frac{1}{4}$*d.* for smoked sheet. On that day Linggi had recovered to 31*s.* 10$\frac{1}{2}$*d.*, Anglo-Dutch to 22*s.* 4$\frac{1}{2}$*d.*, Vallambrosa to 12*s.* 9*d.*, Bukit Rajah to 23*s.* 9*d.*, Golden Hope to 32*s.* 6*d.*, and Kuala Lumpur to 37*s.* 6*d.* Let us hope that this recovery, however late, may be looked upon as a good augury for 1921.

LANGKAPOERA (SUMATRA).

Issued Capital: £63,500 in Ordinary Shares of £1 each; £1,990 in Preference Shares of £1 each.
Convertible Debentures: £13,010.

Results for Years to June 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All in" Cost per lb.	Net Profit £	Dividends Amount £	Dividends %
1916-17	1,378	827	198,211	240	2 6¦	1 0½	†6,984‡	12,750	20
1917-18	1,392	—	249,174	—	1 4	1 2	1,316	3,175	5
1918-19	1,464	—	236,187	—	1 5½	1 0 8§	7,485‖	6,449	10
1919-20	1,641*	—	280,553	—	1 8	1 5 2§	14,175‡	6,499	10

* Partly interplanted with coffee. † Including £8,057 from coffee crop.
‡ Including £11,309 from 8,000 wt. of coffee. § f.o.b.
‖ Including £5,615 from coffee crop.

Price of Shares, 19/0. Market Capitalisation per planted acre, £46.

A MARKED improvement is recorded in the report of Langkapoera (Sumatra) Rubber Estate, Limited, for the year ended June 30, 1920. From the point of view of profit rubber has now assumed the more important position. Thus for the year in question the receipts from the coffee crop, after deducting all f.o.b. expenses, amounted to £8,657, as against £10,481 from the rubber crop under similar conditions. Despite this ascendancy of the rubber crop, the results have to some extent fallen short of expectations. The crop amounted to 280,553 lb., or some 44,000 lb. greater than that of 1918-19. Yet it was considerably short of the estimate of 341,786 lb. To begin with, it is now stated that this estimate was unduly optimistic. Nevertheless, the deficiency was greater than could have been reasonably anticipated, owing to the variety of adverse factors at work during the year. The increased cost of living caused desertions on all the estates in South Sumatra, and this deficiency of labour accounted for a certain falling off in the crop. The effect was accentuated by the fact that it was some of the most skilled tappers that left the estate. Consequently, the results in the early months of the year were far from satisfactory. Furthermore, the severe wintering occasioned by the dry weather necessitated for part of the time a complete cessation of tapping. Added to this, it was found necessary to change to a more conservative system of tapping. All these factors involved as a logical sequence a smaller crop. Thus they made for an increased cost of production per unit. And this increase was made still more pronounced by the higher prices of stores and materials, in particular of chemicals, fuel, and packing materials, whilst the heavy outlay on rice for the coolies and the greater expenditure on recruiting alone sufficed to add 3*d.* per lb. to the f.o.b. cost. In the light of these facts the growth in the f.o.b. cost from 10.8*d.* per lb. to 1*s.* 3.29*d.* per lb. becomes much more intelligible. This unduly high figure for f.o.b. cost was thus the outcome of very abnormal conditions, which are not likely to be found in combination very frequently. Again, it is well to remember that all general expenses have been debited to revenue, whereas only three-quarters of the planted area was in bearing. Moreover, part of the loss thus incurred was offset by the improvement in the average price secured for the crop from 1*s.* 5½*d.* to 1*s.* 8*d.* On the other hand, the coffee crop exceeded expectations. The estimate of 2,200 piculs was exceeded with a return of 2,563 piculs. Apart from a considerable improvement in the price realised—the revenue from coffee, before deduction of expenses amounting to £10,860, as against £7,546 in 1918-19—the increase in the crop was reflected in a reduction in the general working costs other than administration expenses from 17*s.* 10*d.* per picul to 17*s.* 2*d.* per picul. Of the other items of revenue and expenditure two alone call for comment—the new corporation profits tax necessitated an allocation of £425, whilst the exchange transactions, which involved a loss of £293 in 1918-19, resulted in a profit of £1,737 in the year under review. The ultimate result is the net profit of £14,175, as against £7,485 in the previous year. However, the dividend remains unchanged at ten per cent., but the balance carried forward to the next accounts is increased substantially to £13,438, as compared with £5,762 brought forward from 1918-19.

The dominant factor in the outlook for the current year is undoubtedly the prolonged depression which has for months characterised the Rubber market. With the raw material selling below 1*s.* per lb. it is obvious that the margin of profit has disappeared in so far as this Company is concerned. Such a contingency could not, of course, have been foreseen when it was decided to cut out the coffee on some 200 acres. As a result of this transference the area under rubber alone rose during the year from 425 to 788 acres, whilst the area interplanted with coffee dropped from 1,038 to 853 acres. Another, and in view of the present situation a rather regrettable, consequence is the reduction in the estimate of the coffee to 1,600 piculs. In the absence of a marked recovery in the price of rubber the coffee crop alone is likely to yield revenue during the current year. To this extent it is fortunate that the Company can rely on the coffee crop to assist it in financing the general requirements of the estate, and thus obviate the necessity of realising the rubber at a loss. The return of 305 piculs for the first four months of the year leaves much headway to be made up if even this reduced estimate is to be secured. As regards the rubber crop, the first estimate, believed to be rather optimistic, was 380,293 lb. The return after four months of unrestricted tapping gives a total of 68,225 lb. In view of the restriction of twenty-five per cent. monthly now in force, it is now stated that the crop will not be much in excess of that for the year under review. However, the cost of production is likely to be less, especially as there has been a marked fall in the price of rice, which factor was one of the primary reasons

for the heavy f.o.b. cost of 1*s.* 3.29*d.* per lb. Financially a sound position is disclosed in the balance sheet dated June 30, 1920. Liquid assets exceeding £28,259 are available to meet current liabilities amounting only to £17,973. In view of the necessity of having funds on hands to finance operations without having recourse to the unprofitable expedient of realising stocks under present conditions, it is gratifying to note that cash and gilt-edged investments amounted to £19,864. The uncertainty of the dividend outlook accounts for the market quotation of 19*s.* for the £1 shares, which is equivalent to the very low market capitalisation of £46.

SUNGEI DANGAR (MALAY).

Issued Capital: £65,961, in shares of £1 each, and £20,000 in 7½% Convertible Debenture stock.

				—Results for Years to June 30.—				
	Total Planted Acres	Area in Bearing Acres	Rubber Out, ut lb.	Yield per Bearing Acre lb.	Av. Price Realised per lb	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1917	1,491	—	128,022	—	2/3·36*	1/3·05	1,149	—	—
1918	1,491	—	198,032	—	1/8·38†	1/7·76	4,016	—	—
1919	1,491	—	269,748	—	1/8·08†	1/5	7,172	—	—
1920	1,377	—	325,574	—	1/9·90†	1/5·64	8,178	—	—

* Average gross price. † Average net price.

Price of Share, 20-3. Market Capitalisation per planted acre, £63, allowing for Debenture issue.

Despite the fact that Sungei Dangar (Malay) Rubber Company has not yet entered on the dividend-paying stage, shareholders have good reason to be satisfied with the condition of affairs revealed in the report for the year ended June 30, 1920. For the previous three years the Company was only getting into its strides, and consequently in these periods costs proved correspondingly high. The results for 1917-18 in particular reflect the adverse circumstances of that period, when shortage of shipping facilities not only caused a restriction of output, but also lowered unduly the price secured for the rubber produced. In part these factors operated also during the succeeding year, with the result that the average net price secured for the crop fell from 1*s.* 8.38*d.* per lb. to 1*s.* 8.08*d.* per lb. Nevertheless, the growth in the crop to 269,748 lb. consequent on the return to normal tapping after the end of 1918 rendered it possible to effect a gratifying reduction in the "all-in" cost from 1*s.* 7.76*d.* per lb. to 1*s.* 5*d.* per lb. The existence of the £20,000 Seven and a-Half per Cent. Debenture stock involved in all these years a prior charge on the profits, and this charge was increased by the interest on the loan from the well-known financing house of Messrs. Harrisons and Crossfield, which fluctuated from £10,528 in 1917 to £13,999 in 1918, and stood at £11,074 in 1919. The total charge in this respect varied from £2,575 in 1917 to £2,893 in 1919. The directors very wisely decided to utilise the balance of the mediocre profits to write off over this period of three years all preliminary expenses connected with the flotation and the issue of Debenture stock. In 1916-17 allocations of this description called for £3,407, leaving only the nominal balance of £117 to be carried forward. The amount written off in 1918 was £1,000, and the balance carried forward stood at £290. The next year witnessed the final allocation of £1,500 and the carrying forward of the more substantial balance of £3,019. For the year under review the results, on the whole, show a general improvement. The crop of 325,574 lb. is 35,574 lb. in excess of the estimate, and nearly 56,000 lb. greater than that of 1918-19. The one discordant feature is the increase in the "all-in" cost from 1*s.* 5*d.* to 1*s.* 5.64*d.* per lb., notwithstanding the growth in the crop. But this advance is entirely the outcome of the difficulties of the year in question. Stores and materials involved a heavier outlay, owing to the marked rise in price levels. The inaccessibility of the estate enabled the Chinese workers to demand exorbitant rates of pay. Furthermore, the general shortage of the rice crop involved a loss of about ½*d.* per lb. of the rubber output. On the other hand, the price secured by the sale of the crop rose from 1*s.* 8.08*d.* per lb. to 1*s.* 9.90*d.* per lb. However, despite all these handicaps the net profit rose from £7,172 to £8,178. Of this the corporation profits tax called for £160, expenses in connection with the increase of capital and the new issue for £270, and Debenture charges and interest £2,229, whilst an allocation of £1,000 was made to the income tax reserve. Bearing in mind the general conditions now ruling in the Rubber market, the directors decided to refrain from declaring any dividend (a dividend of ten per cent. would have absorbed £6,596), and carried forward to the next accounts the substantial balance of £7,538.

It is, however, the financial position of the Company that shows the most marked improvement. In February the authorised capital was increased from £70,000 to £150,000, and an issue was made at par of 17,500 shares of £1 each to existing shareholders. Of these applications were made for 15,961, thereby increasing the issued capital to £65,961. The funds thus secured were utilised to repay the loan of £11,074 from Messrs. Harrisons and Crossfield. The position was further strengthened by the disposal of eighty-five acres of rubber for £3,962, the estate account being reduced by this amount. This is part of the area of old rubber which, being planted on land that had been for a long time under pineapples, was never likely to give a very high yield. Furthermore, it was decided to abandon thirty-one and a-half acres of swampy land, which, although cultivated, could never have been sufficiently productive to repay for the outlay. As a result the planted area is now reduced to 1,377 acres. The internal difficulties of the estate are now well under control. Additional factory accommodation is now available for the efficient treatment of the crop; the low yield from the older plantations is now being offset by the planting of rubber in fertile jungle land; and the inaccessibility of the estate, which made it difficult to attract labour, has been conquered by the construction, now under way, of a new road to link up with a new Government road. Under normal circumstances the crop for the current year was estimated at 362,000 lb., of which four months of unrestricted tapping yielded 84,548 lb. The subsequent restriction of twenty-five per cent. means that the ultimate crop is not likely to exceed 280,000 lb. The improved financial position of the Company will enable it to pass through the present crisis much more favourably than would otherwise have been possible. The balance sheet dated June 30, 1919, showed liquid assets amounting to £9,248, against current liabilities of £18,195 (including the loan of £11,074). The balance sheet dated June 30, 1920, reveals a much sounder financial position. With the repayment of the loan current liabilities have dropped to £2,991, whereas the sale of the eighty-five acres of rubber, the proceeds of the capital issue other than the amount devoted to the discharge of the loan, and the conservative policy of the directors in declaring no dividend out of the improved profits of the year have increased the total of liquid assets available to £19,322. And of these cash and Treasury bills account for over £12,000.

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Insurance Notes.

CLERICAL, MEDICAL AND GENERAL LIFE ASSURANCE SOCIETY.

In The Statist of August 21 last particulars were given of an agreement whereunder the Employers' Liability Assurance Company offered to purchase the shares of the Clerical, Medical and General Life Assurance Society as from to-day's date. It was announced by the Chairman at the annual meeting of the last-named institution on October 14 that this offer had been accepted by more than ninety-nine per cent. of the C., M., and G. shareholders. Thus as from to-day the fusion as designed between these two important companies becomes complete. As regards the C., M., and G. business, the main thing that has happened is a change of proprietors, which should be useful in assisting the procuration of new life business and in the development of the Society's operations. The new proprietors are in the same position as were those from whom they purchased their shares—their proportion of profits remains unaltered; and the C., M., and G. policyholders benefit from the fact that their Society's funds have been increased by a special donation of £45,000, payable in the form of an annuity spread over a term of years, as a substantial token of goodwill from those with whom they are now associated.

The arrangement referred to is in accordance with a general movement for even the best of offices, restricting their operations to life assurance, either to extend their powers to other departments or to seek alliances with composite insurance companies. The movement is quite a natural one, and carries in its train some apparent advantages, for it makes it possible, for example, for a life company to secure the undivided allegiance of agents who transact insurance business of other kinds. The many well-wishers of the C., M., and G. Society have reason to believe that to-day marks a further advance in a career of great and of rarely approached prosperity amongst institutions of its kind. In a few years the Society will be able to celebrate its centenary. Its primary object when it was originally founded was to enable persons whose conditions as regards health and family history were on medical grounds believed to be more or less below the average standard to obtain the benefits of life assurance on equitable terms, and, in order that these terms might be arranged in the light of the best knowledge and experience, a considerable number of eminent medical practitioners have always been given places on the board of directors. The system then adopted has given eventual counterbalancing advantages to those policyholders who were subjected to higher rates of premium on medical grounds in cases where they attained greater longevity than assumed when their policies were effected, and it has conferred great benefits on many people who in former days might have found great difficulty in getting their lives assured at all. But the great majority of the Society's policyholders have always been treated as average lives, accepted at the ordinary tabular rates, and these persons have themselves benefited by the infusion of their equitably surcharged associates, owing to the success with which the higher ratings have been adjusted. In every way the Society has been admirably conducted. Its administration has been economical, its finances have been conducted with exceptional skill, and consistently large profits have been made from every source to which policyholders may legitimately look for profits. As a result, the bonus history of the Society is one of the best amongst British offices. It is one of very few contemporary life offices which were able at a quinquennial valuation made during the War to maintain their bonus declarations at former standards (and the standard in this case was remarkably high), without weakening the basis on which their valuation reserves were estimated. It is not to be supposed, of course, that the Society was unaffected by the War; and, indeed, but for consequent happenings the bonuses might have reached even a higher figure than in the past. Why the C., M., and G. succeeded, where many of its contemporaries had failed, in maintaining its bonuses, was due to the very conservative manner in which its valuations had been made in pre-War days, from which in stormy times it was enabled to reap the advantages which go to those who most carefully husband all their available resources.

Another quinquennial valuation falls due in this Society in the course of the present year, and it is well to hear from what passed at the last general meeting that the prospects of its participating policyholders remain good. Before referring to the reasons given for these expectations, a glance may be taken at the annual report referring to the fourth year of the current quinquennium, the last which will wholly run under the former conditions as regards the proprietary.

During the financial year referred to, which ended on June 30, 1919, the Society's new life assurance business exceeded in amount its own best records, and it is clear that it has obtained a fair share in the revival of the demand for life policies following the termination of the War. 2,089 policies were issued assuring £1,791,996, of which £141,000 was reassured, the net amount retained at the sole risk of the Society thus being £1,650,996, as compared with £1,185,650 in the immediately preceding financial year. The total net life premium income amounted to £542,650 (showing the large increase of £45,953), in addition to which the sum of £16,426 was received by the Society as consideration for new annuities granted. On the other side of the revenue account the claims by death amount to £296,514. These are less by £71,072 than in 1918-19, and it is stated that "a large mortality profit has accrued to the Society" during the year. Expenses of management, after allowing for the cost of the annuity business, are reported as being about 16.2 per cent. of the premium income. This is about two per cent. higher than in 1918-19; but, apart from other causes influencing every life office, some increase was to be expected owing to the higher but reproductive expenditure involved in the procuration of so largely increased a new business. The net interest yield on the life assurance fund, after deduction of the heavy income tax, was £3 16*s.* 7*d.* per cent., as compared with £3 15*s.* 2*d.* per cent. in 1918-19. The life assurance fund at the close of the year amounted to £6,439,749, after deduction of £160,067, representing balance of loss on realised securities, and applying £207,471

towards writing down investments. During the year the directors sold permanent and long-dated Stock Exchange securities of a value of about £2,300,000, and reinvested the proceeds in short-dated securities, mainly National War Bonds, maturing in 1922 and 1923, and Treasury bills. The sinking fund and capital redemption account shows a premium income of £10,522, and a fund of £152,079 at the close of the financial year. The shareholders' funds, inclusive of paid-up capital of £50,000, amounted to £67,317. The total assets in the balance sheet, amounting to £6,763,570, are certified to be in the aggregate in the directors' belief fully of the value set forth.

The directors report that after providing for all depreciation, the position at the close of the financial year was "such that if the profits of the current financial year reach the average standard, the bonus prospects for 1921 give promise that the pre-War standard may be maintained."

In an interesting and instructive speech delivered by the Society's new Chairman, Mr. Francis E. J. Smith, at the last annual meeting, the reasons are given for confidence in the next bonus declaration, which will probably be made in the autumn. As against the losses which the Society has sustained through the payment of claims due to the War and to depreciation in the market value of securities, whether sold or retained, the fact has to be borne in mind that new conditions will permit some variation in the valuation standard. The writing down of securities brings about automatically a higher productive rate of interest, and, under changed circumstances, it seems unnecessary to the directors that it should be assumed, as in the past, that the whole of the premiums will accumulate at a rate of interest not exceeding two and a-half per cent. It is proposed that this rate shall still be made applicable to participating policies, but, in the directors' view, the basis for the non-participating business, looking to the rate now actually realisable and likely to be realisable for a good many years to come, might fairly be increased to three per cent. This will apparently, should no sinister features intervene between now and the close of the current quinquennium, enable former rates of bonus on participating policies to be maintained while leaving scope for the accretion of large profits in future. Non-participating policyholders enjoy the valuable option in this Society of being at any time able to convert their contracts to the participating description for the future through agreeing to the simple addition to their payments of the difference between the with- and without-profit premiums.

A cable received on Thursday by the London office of the National Mutual Life Association of Australasia, Limited, states that the total new business for the past year amounted to £6,496,606, against £5,630,415 last year; the annual income total, £2,342,054, against £2,116,510; the claims and maturities, £666,688, against £914,233; and the amount added to funds, £1,234,031, against £815,518. The net rate of interest earned was £5 3s. 8*d*. per cent., against £5 3s. 1*d*. per cent.

Consequent upon the resignation of Mr. J. C. Cornelius on his appointment to another company, Mr. F. R. Shrewsbury has been appointed branch manager of the Mincing Lane office of the Liverpool and London and Globe Insurance Company, Limited. Mr. Shrewsbury received his early training with the Ocean Accident and Guarantee Corporation, Limited, and after a period of service with the Commercial Union Assurance Company, Limited, joined his present Company on January 1, 1908, as chief inspector of the accident department in London. During the last two years of the War Mr. Shrewsbury was in charge of the Mincing Lane branch, with the title of acting branch manager.

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Commercial.

THE LEATHER TRADE.—I.

THE leather industry, in common with every leading British textile trade, has had, during the past year, both its "fat" and its "lean" time. The latter, however, has had a preponderating effect, with the result that the whole year's trading has proved decidedly disappointing. After so many really active years during the War period such a reversal of conditions is apt to be taken with a rather bad grace, and a feeling of depression is probably being felt beyond that actually warranted by the facts and the future outlook.

THE RAW GOODS SECTION.

English Hides and Skins.—The year opened with an extremely active demand for raw material in consequence of a similar demand for leather of all grades. Values were then unaffected thereby as the goods, except sheep and lamb pelts and linings, were under Government control. Prices of ox and heifer firsts and seconds were 18½*d*. per lb. and 17½*d*. per lb. respectively. Cows and bulls firsts opened at 15¾*d*. and 15½*d*. per lb.; calf skins (squares), heavy, 20*d*. per lb. 17 24 lb., 29*d*. per lb.; and 9 16 lb., 36*d*. per lb. Decontrol was sanctioned as from February 29, the only restriction being that exports were still prohibited. Such a decision naturally caused indignation among the influential butcher interest, who at once approached the Board of Trade for a free and unrestricted market. The Ministry of Food, as a beneficiary from the high prices secured from tanners for hides and skins, arranged for further possible increment by stipulating that any improved values obtained as a result of free, unfettered trading, should come to them by the simple expedient of adding such estimated increased value per hide to the cost of the live animal. The butcher had to pay it first before receiving it from the tanner.

The second quarter proved a less remunerative and active period for the tanner, owing to the quietude in the leather trade, and to the financial strain that was then beginning to be felt as a result of the Treasury decision that all banks should curtail, as much as

possible, their overdrafts and credit facilities to producers of all commodities. It is at once easily seen that with raw material costing 200 per cent. above normal, and tanning materials probably as much, also labour on a higher level, the capital required to run a tannery or leather manufactory, where the process is a long and costly one, is necessarily greater than under pre-War conditions. Instead, therefore, of further monetary assistance, tanners and others found their resources cut down. The only alternative was to restrict inputs and production generally, consequently by the end of April hide purchases began to decline and values accordingly. As a matter of fact, hides reached their highest point on April 8 at 19½*d.* per lb., cows and bulls at 16⅝*d.* and 16½*d.* per lb. respectively.

From the end of June to the end of December the tendency has been a continuously declining one until ox and heifer firsts and seconds were quoted at 7*d.* and 5¼*d.* per lb., cows at 6*d.* per lb., and bulls at 5*d.* per lb., calf squares, heavy, at 9*d.*, 17/24 lb. at 12½*d.*, 9/16 lb. at 13*d.*, and 8 lb. and under at 10½*d.* per lb.—a series of remarkably low prices.

Sheep Pelts (Fellmongered). These goods had been free of control through most of the previous year—1919—which probably accounted for the high prices realised during the current year. Starting at 96*s.* to 99*s.* per doz. for "Best Extras," and at 72*s.* to 78*s.* per doz. for "Firsts" they climbed in July to 116*s.* and 90*s.* per doz. respectively, and have since slumped to 40*s.* to 46*s.*, and 30*s.* to 36*s.* per doz. respectively. The state of the sheep leather trade is such at the moment of writing that tanners hesitate to pay these low levels, whilst linings, for the chamois trade, are practically unsaleable. Splitters are therefore compelled to get the chamois leather dressers to dress the linings for them instead of selling them to the dressers in the ordinary way.

IMPORTED HIDE SECTION.

This section opened very strongly on an advancing market on the excellent demand for leather referred to above. The River Plate market was also very active as a result of United States dealings, so that in March there were 17,000 Liebegs sold at the record figure of 29½*d.* per lb., or its equivalent. The Raw Materials Department were not slow to literally make capital out of such a state of affairs, for, as imported South American hides advanced, they regularly raised the prices of English controlled market hides, in order, as they stated, that the disparity between the two classes might be lessened—and incidentally to their great advantage.

The actual market value of the respective hides—English and South American—was, in fact, still more in favour of English, for the reason that the latter are the best in the world—a fact that is not generally known—for the South American hides are thick in the belly and thin on the back, whereas English are the reverse, and just where the substance is required. The South American defect is attributed to climatic reasons, therefore apparently irremediable. It is consequently easy to see that English tanners preferred their native hides, especially at about 10d. per lb. less than South American wet-salted.

Dry hides have proved a slow and declining market from all quarters, mainly by reason of the fact of the big accumulations caused by prohibition of tanning of same during the War in order to concentrate on better-class leather, and also to the big accumulations of dry-hide leather that appeared soon after the prohibition was removed. Values have shown some remarkable declines, whilst those for Colonial hides are none the less noticeable. Where the latter were making only 9¾*d.* to 10*d.* per lb. in 1915, they jumped to 23*d.* and 25*d.* per lb., only to fall recently to 12*d.*, 11*d.*, and 9½*d.* per lb.

The Indian hide and skin market, always one of the most important, has proved very flat all through the year for various reasons. The tremendous stocks held by the Raw Materials Department for impossible prices have prevented free dealings, as buyers were never clear as to the Department's intentions. Home trade and that on the Continent, also the over-production of leather of similar kinds in America, have been the main causes for the slow and unsatisfactory demand. The reason assigned by Indian traders—viz., the export duty—has had but very little influence on the fact, as both America and Germany and its neighbours would have taken all they so badly want if only the first-named really wanted raw material and if the latter countries could have seen their way to pay for it.

Our imports of hides and undressed skins for the eleven months ending November 1913-19-20 were:—

	1913	1919	1920
	£	£	£
Imports	13,961,213	27,122,923	30,657,937
Re-exports ...	7,862,365	10,086,536	14,923,373
For home consumption	6,098,848	17,036,387	15,734,564

Our exports of same goods for the same periods were:—

1913 ... £1,696,229 1919 ... £1,333,856 1920 ... £3,893,001

Dry and wet hides were imported in less quantities by about fifty and twenty per cent. respectively as compared with 1919.

LIVE-STOCK.

FOUNDED nearly a century and a-half ago, the Smithfield Club, which held its annual meeting as usual this year at the Agricultural Hall, Islington, has been copied by all the principal countries of the world interested in improving the breed of their cattle. Those who are familiar with the late Professor Thorold Rogers' remarkable collection of prices, extending over a period of six centuries, will remember that as an introduction to one of his volumes he describes the sheep and cattle as they were in mediæval England. Those who have studied further, and are more or less familiar with the sources from which Professor Thorold Rogers and his numerous imitators have derived their information will be aware that there has been a remarkable change in the cattle and sheep, not merely since the Middle Ages, but within a period extending only to the last two or three generations. The cattle of the early nineteenth century were not to be compared with the type of beasts which many of our readers will have witnessed as exhibited at the recent cattle shows held in different parts of the country, as, for example, the one at Islington, to which we have just referred. The Smithfield Club each year gives prizes exceeding £4,000. It was founded for the purpose of inducing country gentlemen, farmers and others interested in stock-raising in this country to improve the breed of cattle, which at the time when the Club was founded very much needed improvement. With the growth of wealth that followed the suppression of the Jacobite rising and the introduction of the industrial period, people began to feel that they were entitled to a better quality of food than their fathers had been accustomed to. Ancient English fare was very much like what is known in South America as xarque beef. The Smithfield Club primarily, and similar institutions in a measure, contributed to the improvement of the breed of live-stock all over England. Unfortunately, this came to an end with the outbreak of the long war against revolutionary France. The pre-revolutionary war England had grown rich and was anxious to be well fed. The post-revolutionary war England, like the post-War England of to-day, had to economise; and whereas the stock-breeder in the closing quarter of the nineteenth century had taken a keen interest in the improvement of the breed of his cattle, agriculture and stock-raising ceased to attract the attention of the post-War public. It was not until England had recovered from the effects of the great revolutionary wars that attention was once more directed to improving the breed of our cattle, and it is almost within living

memory that the remarkable improvement which has been recently witnessed has taken place.

Roughly, it may be said that we in the United Kingdom raise a little less than half the amount of meat we consume, and are dependent upon overseas sources for the balance. It will be remembered that about two years ago we collected and published a series of tables showing the live-stock population of the world. It surprised ourselves, and it must have surprised many of our readers who have given some attention to the subject, that the world's total cattle population, which we were able to estimate from the various returns—Governmental, private, and from other sources—was considerably under 400 millions. The world's sheep population did not much exceed 600 millions. It became at once evident what a comparatively small proportion of the population of the world were meat consumers, and, still more, how few people were able to afford beef. Now, during the progress of the recent War the beef-producing areas of the world were ransacked with the object of obtaining supplies for the armies in the field. In the sequel, herds were depleted to a very serious extent, and, as every reader knows, the prices of animal food of any kind rose to extravagant levels. There were the usual control scandals, which, seem inevitable when Government takes a hand in trading operations. These were succeeded by a period of complete disorganisation in the trade, and for a time it seemed as though the trader had, during the control period, completely forgotten the practice of his own business, and that we should either have to return to the baneful operations of the Control Board or try to induce the trader to re-learn his business from the beginning. As the result showed, we were unduly impatient, and gradually the trade came to right itself. Even now home-grown produce is so extravagantly dear that it is evident that all attempts on the part of the Government to bolster up home agriculture are doomed to failure if it is proposed to maintain anything like the present population inhabiting the area of these islands. Consequently, it is all the more important that the breed of the various herds in different parts of the world should be improved if overseas supplies are to be maintained at the level to which we became accustomed during the period that preceded the outbreak of the recent War. Our mutton supplies in the recent past have come mainly from our own colonies of Australasia. But for beef, other than home-grown, we have been mainly dependent upon South America.

In South America the two great countries naturally best fitted to produce cattle upon a great scale are Argentina and Brazil. Both these countries are fully alive to the importance of producing cattle of approved strains. Both countries have imported animals which have secured valuable prizes in this country. The Shorthorn, the Devon, and the Hereford are as familiar in South America as they are with us. Anyone who is acquainted with the cattle shows annually held in the capitals of the two great countries to which we have just referred is well aware that these countries are at least as appreciative as we can pretend to be of the importance of improving the native breeds of cattle. Both countries have immense herds roaming about their plains, descended from cattle which were originally taken over by the Spanish and Portuguese adventurers who peopled those countries in the remote past. Owing to lack of care and to indifferent feeding on the rough grasses growing on the virgin plains, there had been a great deterioration in the beasts, if we are to assume, as some writers would have us do, that the cattle originally taken over were a particularly fine breed. This must remain a very doubtful matter in the absence of evidence showing the type of cattle which it was possible to ship across the Atlantic three centuries ago. However this may be, the great estancia owners in South America are now doing everything that is practicable, by the crossing of the native breeds with imported animals [illegible] France, but particularly from this country, to improve the native *criollo*, as they are called. The total cattle population of these two countries was estimated in the table to which we have referred at some sixty million head. A very large proportion of these cattle are totally unfit for the freezing-houses. But with the encouragement of such institutions as the Smithfield Club, in London, and similar clubs at the capitals of the two countries, they are gradually improving, and will ere long be able to supply us with an adequate quantity of choice beef on a relatively much lower economic basis of values than it is possible for us to produce supplies here at home

DIVIDENDS ANNOUNCED THIS WEEK.

	1920	1919	1918	1917	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BANKS:					
Lond. B. of E. & S.E., £10 ...	4½	3	3½	3½	4
BREWERIES AND DISTILLERIES:					
Home & Col., £10 ...	7½	5	10	5	5
K. & A. Brewery ...	10/-				
M. Walker Distillery, £10 Ord. Stk.	20/-	4	5	7	
Robinson's Brewery ... (20%)	17½	5		7½	5
Walker & Homfrays ...	3/07	2	1/5	1/5	2/-
COMMERCIAL:					
Avery (W. & T.) ...	5/-	1/-	1/-	1/-	1/-
Brotherhood, Copper	5/-				
Crosse & Blackwell ... (12½)	20/-	5/-	1/5	1/-	17/-
Crosse & Blackwell, £2 5s. Ord.	7½	10	7½	7½	5/-
Imperial Tobacco of Canada ... 8%	2½	2	2	2	1½
Stanley (Thomas)	5/-	2/-	12½	1/-	
FINANCIAL:					
Imperial Cont. Gas Assn. Stk.	5/-	4	3	3½	3/-
New Investment Stk.	2½	4	3½	3½	3½
Port Swettenham Rubber Trust	1/-	-	-	-	-
IRON, COAL AND STEEL:					
Bolsover Colliery ...	20/-	15	5	—	7/6
Consett Iron ...	5½	1/-	1½	1/-	3/-
Dowlais, £100 Shares ... (10%)	5½	4	3½	3/-	3/7½
Hulton & Co. ... ... (15%)	12/-	-		—	—
Monk Coniers ...	5/-	4/-	6/-	6/-	—
Wash Main Colliery	5/6	1/5	1/5	1/6	
MINING:					
Lancegoomby Malaya Tin ...	1/-				-
Malacca Tin Dredging ...	1/-				
Siamese & Malay Prospecting ...	1/-	1/-	1/-	1/-	2 11½
Sungei Nyior	1/-	1/-	1/6	1/-	1/-
NITRATE:					
Barquito Nitrate	1/6	-	-		3/-
OIL:					
British Burmah Petroleum ...	5/-	1/-			1/6
Mexican Eagle, $10 shs. ...	5/-	1/-	-		1/-
RAILWAYS—AMERICAN:					
Northern Pacific	1/-		-	7/-	6/-
RAILWAYS—INDIAN:					
Bengal & North Western ... (11%)	1/-	1/-	1/-	1/-	1/-
TEA, COFFEE AND RUBBER:					
Dodoo Tea	5/-			1/-	
TRAMWAYS AND OMNIBUS:					
Galway General Omnibus ...	5/-				

[illegible] Total for 1920 [illegible]
(A) Bonus on [illegible] shares for which [illegible] are held.

The Tata Industrial Bank, Ltd., has opened a Branch at Delhi.

An illustrated address on "The Alluvial Diamondiferous Deposits of South and South-West Africa" will be given before the Royal Society of Arts (Colonial Section) on Monday afternoon, January 3, by Mr. Fred. C. Cornell, O.B.E. The chair will be taken by Sir Humphrey Leggett, R.E., D.S.O.

It is with interest we note that Mr. John Ames, General Secretary of the Industrial League and Council, has been appointed [illegible] Panel of the Appointments Department of the Ministry of Labour. Mr. Ames' long and varied experience in connection with labour matters renders him eminently suitable to assist in connection with the work which will devolve on this panel. During the last two years, [illegible] the King's Fund, of which Lord Parmoor was the Chairman. Mr. Ames [illegible] successful.

Industrial Companies.

INTERNATIONAL TEA STORES.

Issued Capita: £850,000 in Ordinary Shares of £1 each; £250,000 in 7% Cumulative "A" Preference shares of £1 each; £600,000 in 6% Cumulative First Preference Shares of £5 each.

	Results for Years to April 24							
	Trading Profit	Administrative Expenses	Depreciation	Sundry Allocations	Preference Divs.	Ord. Div. Amount	Ord. Div. %	Carried Forward
	£	£	£	£	£	£	%	£
1917 ...	171,491	30,602	22,000	20,000	36,000	50,666	10	19,563
1918 ...	229,696	22,955	20,000	40,000	36,000	60,000	12	70,014
1919 ...	185,259	28,128	20,000	20,000	36,000	60,000	12	50,549
1920 ...	273,602	32,628	20,000	35,171	16,702	102,000	12	78,928

THAT large-scale organisation efficiently directed commands success where individual effort oft times fails, or at best maintains a hard struggle in the face of adverse circumstances, is in our days so generally recognised that we are apt to pass over the more salient illustrations that now and again cross our horizon. It is good, therefore, occasionally to trace the progress of such institutions that from their success the all-important lesson of efficiency—whether it be applied to production, distribution or finance, is immaterial—may be the more thoroughly appreciated. In so far as the complex organism of multiple shops is concerned, the International Tea Stores furnishes as good an illustration as could be desired. Here assuredly is a type of large-scale business organised for the wholesale and retail distribution of groceries and provisions. The trading results for four years are embodied in the table at the head of this article. There was a setback experienced in the trading profit for the year ended April 26, 1919, but allowing for the difficulties of the period in question, the drop of £44,000 as compared with the previous year becomes readily intelligible. In the first instance, this was the critical period of the War, during which labour available for non-military purposes was reduced to a low ebb. Furthermore, Government restriction handicapped necessary improvements and controlled the distribution of many of the commodities handled by this concern. Again, on the signing of the Armistice and the subsequent partial relaxation of food control, there was an undue slump in prices. Hence although the turnover of the Company was greater than that of any previous period in the history of the Company, the trading profit fell to £185,259. The report for the year ended April 24, 1920, emphasises by its figures the temporary nature of the difficulties just enumerated. There is not merely a recovery to the record trading profit of 1917-18, but that figure is out-Heroded by a total of £273,602. And this progress was not due to rising prices and, consequently, higher profits on a smaller output, since it is definitely stated that the turnover for the year under review was again in excess of the record established in the previous year. The growth in administrative expenses, to £32,628, is due entirely to the higher rate of interest which had to be paid for loans, the charge in this respect calling for £14,868, as against £10,988 in 1918-19. The allowance for depreciation remains unchanged at £20,000; whilst sundry allocations are increased to £35,471. As on previous occasions, the reserve gets £20,000, and the remainder is utilised to write off the expenses involved in the new issue of shares. Similarly, the expansion in the amount required to meet the Preference dividends is due to the participation of the new issue of seven per cent. Cumulative Preference shares. In the summer of 1919, 250,000 of these shares of £1 each were successfully issued at par, thereby providing the Company with the extra working capital it needed for its extending business. Earlier in the year the Ordinary share capital had been increased from £500,000 to £850,000 by the issue of 350,000 fully-paid shares as a bonus amongst the existing holders. As these shares are privately held, the bonus did not produce the customary effect on the market in the absence of any quotation. The operation was financed out of the reserve fund, which was consequently reduced from £454,906 to £104,906. Notwithstanding this expansion in the capital, the dividend paid to the Ordinary shareholders remained unchanged at twelve per cent. as in 1919, but absorbed £102,000 instead of £60,000. Allowing for the bonus distribution, the dividend on the shares was actually over twenty per cent. Furthermore, this increase in the amount of the dividend did not involve any deduction in the amount carried forward, which, on the contrary, was increased from £50,549 to £78,928. This balance is, however, liable to deduction in respect of the excess profits duty and the corporation tax. In 1917-18, with a trading profit of £229,696, the liability for excess profits duty amounted to £40,297.

The main changes in the position of the Company as seen from its balance sheets can best be studied from the following table:—

	Total Issued Capital	Current Liabilities	Fixed Assets (exc. Goodwill)	Goodwill	Stock	Liquid Assets other than Stock	Surplus of Liquid Assets over Current Liabilities
	£	£	£	£	£	£	£
1917	1,100,000	580,629	553,421	626,675	569,630	405,758	334,159
1918	1,100,000	478,907	568,063	626,675	569,982	400,108	431,183
1919	1,100,000	704,790	585,086	626,675	619,168	493,660	408,038
1920	1,700,000	651,772	643,212	626,675	822,820	462,899	633,947

* Including dividends declared but not paid at date of Balance Sheet and Temporary Loans (interest thereon).
† Including stock.

The increase in the issued capital is due, as already described, to the capitalisation of £350,000 of the reserve and the issue of a corresponding amount in Ordinary shares as a bonus, and to the issue of £250,000 in seven per cent. Cumulative Preference shares of £1. The growth in fixed assets, from £585,086 in 1919 to £643,212, is explained by the policy of the Company to convert the tenancies of its various properties into freeholds and long leaseholds. Between 1917 and 1920 freehold property increased from £391,583 to £470,283, and the interest in long leasehold premises from £27,700 to £47,235. Meanwhile the book-value of other leases, fixtures, plant and machinery, which had been reduced annually by £20,000, fell from £154,351 to £125,694. The expansion in the stock, especially the rapid growth from £619,168 in 1919 to £822,820 in 1920, is a development that calls for careful supervision. However, bearing in mind the programme of expansion which the directors have in view, and the fact that retail prices on the whole have hitherto shown little tendency to fall to any great extent, this movement does not appear to be out of proportion in a concern catering for some 450 branches. Furthermore—and this is a good test—the expansion in the stock has not been at the expense of the other liquid assets, which only dropped from £493,660 to £462,899 during the year; and was evidently rendered feasible by the capital provided by the issue of Preference shares. Again, these funds enabled a reduction in the loans to the Company from £251,749 to £205,307. Consequently, whilst current liabilities have fallen from £704,790 to £651,772, the surplus of liquid assets has risen from £408,038 to £633,947. This marked improvement in the financial position of the concern is a particularly gratifying feature in view of the present financial stringency in the markets and the consequent curtailment of advances by the banks. It will be noted that goodwill figures in the accounts at the rather high estimate of £626,675. Normally speaking, the existence of this intangible asset must be regarded as an undesirable feature. In this case, however, it does not call for much comment, since both the capital and the dividends of the Preference shareholders are well secured. As the Ordinary shares are held privately by a relatively small number of shareholders, the question of goodwill is a matter primarily for their consideration. Should, however, the Ordinary shares ever come to be quoted, we are of opinion that the price would be unfavourably influenced by the existence of such a large goodwill. However,

when, if ever, that day arrives, the directors who have brought the concern to its present pinnacle of success can be trusted to take the necessary steps for the writing down of this item.

This celebrated firm of high-class multiple shop grocers and provision merchants is now well established all through the home counties and the south-east of England. It purchases directly from all the big growers and manufacturers all over the world. At Southall, in Middlesex, it has erected its own factories for the production of jams, confectionery, pickles, sauces and preserved food; whilst at Bethnal Green it is engaged in the manufacture of cakes. Boasting of some 450 branches capably managed and well-organised, it proposes to extend the sphere of its activities throughout the rest of the United Kingdom as the opportunity offers. The present depression must tend, of course, to restrict any big scheme of extension at the moment. But it can scarcely exercise a very marked influence on the profits of the concern for the current year. Whether a particular trade be brisk or slack, the average housekeeper must continue to purchase groceries and provisions. Moreover, it is well to recollect that any loss that does result from the depression falls upon the Ordinary shares. The interest of the general public is confined to the Preference issues, the dividends on which call for only £53,500, or less than one-third the smallest trading profit of the years 1917-20. Quoted in the market at 76*s.* 3*d.*, the six per cent. Preference shares of £5 each afford a return of nearly eight per cent., whilst at 16*s.* 3*d.* the seven per cent. Preference shares of £1 each give a yield of nearly nine per cent.

MEXICAN EAGLE OIL COMPANY.

Nothing succeeds like success. The accounts published by the Mexican Eagle Oil Company for the past five years would seem to imply that this celebrated oil producer has adopted this maxim as its motto. Few there are who are yet unaware of the unlimited potentialities of oil. Consequently, the progress of this Company under the direction of a highly efficient administration, in which the elements of enterprise in production and conservatism in the distribution of profits were admirably contained, was taken more or less for granted. But as the gross profit of $17,000,000 for the trading period 1915-16 gave way to the $19,900,000 in 1916-17, and this in turn was replaced by $28,200,000 in 1917-18, it began to be perceived that what the Company was attaining was not merely progress, but progress at an ever-increasing rate. This belief was supported by the 1919 return of $37,200,000; whilst the monthly returns issued for the year ended June 30, 1920, indicated in no uncertain manner that this rate of progress was not merely being maintained, but was being, in fact, out-Heroded. Once again expectations have not only been realised, but we believe that the record gross profit of $59,453,574 for the year under review has even surprised the most sanguine speculator. How this magnificent profit has been utilised may be seen from the following table:—

Year to June	1920	1919	1918	1917	1916
Mexican Currency.	$	$	$	$	$
Gross profit	59,453,574	37,191,127	28,255,111	19,870,618	17,084,386
Depreciation &c.†	4,794,357	7,686,002	7,422,909	6,922,220	6,795,780
Net profit ...	54,659,217	29,508,125	20,832,202	12,948,398	10,268,606
Allocations:					
Pref. dividend ...	5,100,000 (60%)	3,825,000 (45%)	2,125,000 (25%)	1,700,000 (20%)	1,360,000 (16%)
Ord. dividend	45,130,349 (60%)	20,983,491 (15%)	10,563,797 (25%)	8,300,000 (20%)	6,646,000 (16%)
Reserves	4,157,961	3,376,406	12,427,769	2,072,420	1,463,432
Total	54,388,310	28,183,897	25,116,566	12,072,420	9,463,432
Surplus profit	270,907	1,324,228	Dr 4,284,364	876,978	805,174
From & forward	3,543,282	2,219,054	6,503,419	5,627,441	4,359,269
Carried forward	3,814,189	3,543,282	2,219,054	6,503,419	5,627,441

* After allowing for [illegible]
† Debit—redemption fund [illegible]

It will be noticed that the total allocations for depreciation have fallen by nearly $3,000,000 to $4,794,357. This decline, as well as the fact that no allocation has been made to the Subsoil Rights Redemption account, which was increased by $1,000,000 out of the profits of 1918-19, are both explained by a study of the balance sheet. To begin with, the drop in the first total to $4,794,357 is due entirely to the smaller amount transferred out of the profits to the Field Redemption account, the amount in question of $2,204,867 being less than half the reserve of 1918-19 of $5,186,301. On the other hand, the amount set aside for the depreciation reserve account has increased by $89,489 to $2,589,489. But in the balance sheet it is seen that the redemption account has been increased to $52,798,708 by the transfer of $9,284,356 of the reserve from Debenture conversion, which was created the previous year out of the premiums secured on the exchange of Debentures into Ordinary shares. In view of this substantial increase, it was obviously unnecessary to draw upon the profits of the year to such a great extent as previously. The resulting net profit of $54,659,217 is not only a record achievement, exceeding that of the year 1918-19 by over eighty-three per cent., but is also over $4,000,000 in excess of the combined net profits of 1917-18 and 1918-19. From this, allocations to reserves other than those for depreciation amounted to $4,157,961, as against $3,375,406 in the previous year. The Provident Fund gets $1,500,000 as compared with $1,000,000, whilst the legal reserve account absorbs $2,657,961, instead of $1,375,406. Shareholders participated fully in the prosperity of the year, securing the record dividend of sixty per cent., or fifteen per cent. more than that of 1918-19. The expansion in the capital during the year, as a result mainly of the bonus issue, is reflected in the growth of the amount required to pay the dividend. In 1919 a total dividend of forty-five per cent. was met by less than $25,000,000: in the year under review over $50,000,000 were required to pay the dividend of sixty per cent. This increase alike in the amount and rate of the dividend did not involve any reduction in the sum carried forward, which, on the contrary, was increased from $3,453,282 to $3,814,189.

The remarkable financial strength of the Company is the salient feature of the balance sheet, as will readily be perceived from the following table:—

June 30 -	1920	1919	1918	1917	1916
LIABILITIES.	Mex.$	Mex.$	Mex.$	Mex.$	Mex.$
Paid-up capital	86,277,290	55,556,790	50,755,890	50,[illegible]	50,[illegible]
Cons. Mort. bonds			14,693,878	14,693,877	14,693,877
Reserves ...	15,558,525	9,922,696,298	10,461,302	3,020,947	1,830,062
Debts				3,449,078	4,105,261
Sundry creditors	17,543,728	7,701,365	4,945,000	3,078,017	3,094,454
Profit balance ...	46,[illegible]	29,988,150	18,058,289	11,552,422	12,578,053
ASSETS					
Property, plant &c.	13,230,[illegible]	24,547,727	[illegible]	18,945,[illegible]	21,[illegible]
Subsoil rights, land, &c. (a) ...	1,000,000	8,279,548	11,896,469	16,266,387	21,086,065
Exploration & field expenditure (b)					
Lease plant & equip.	2,645,[illegible]	2,[illegible]	1,[illegible]	1,[illegible]	1,140,446
Securities & inv.	2,448,847	1,747,473	2,[illegible]	1,[illegible]	1,540,287
Sundry debtors & cash	74,816,023	c29,633,780	20,224,391	12,[illegible]	11,536,764
Stocks of oil, &c.	18,174,063	14,588,204	13,954,677	11,[illegible]	8,979,380
Investments	[illegible]	18,104,152	18,593,483	16,[illegible]	[illegible],424,789
	165,449,404	108,942,612	98,914,359	87,793,941	86,604,707

(a) Less [illegible] (b) Less reserve for [illegible] (c) Including $8,[illegible] from Debenture conversion.

The expansion in the issued capital from $55,556,790 is due, as already mentioned, mainly to the issue during the year of one share at par for every two shares held. The reserves which appear to show a decline of over $7,000,000 are really over $2,000,000 greater, because the 1919 total included the Debenture reserve of £9,362,094 which has almost entirely been transferred to the redemption account. The expansion [illegible] in sundry creditors to $17,543,728 is [illegible] consequence of the growth in trading connections and is far more than counteracted by the increase in sundry debtors and cash to $74,816,023. It is a tribute to the undoubted financial stability of this Company that this total amply provides not merely for sundry creditors, but for the final dividend of forty-nine per cent.

which does not require more than $42,276,000, and for the interim dividend of five per cent. which has been declared in respect of the current year. In this connection it is of importance that investors should realise the benefit to be derived by having their coupons cashed in New York. Those who elect to get paid in London the total of fifty-four per cent. will receive only 11*s.* per share less tax. In New York the dividend amounts to $2.6865, which at $3.50 to the £1 is equivalent to 15*s.* 4*d.* per share. To revert to the balance sheet, the growth in the property account to $43,236,801 is explained by the developments reported during the year. Thus as a result of drilling operations wells Nos. 5, 9, and 10, with an estimated daily production of 50,000, 90,000, and 60,000 barrels respectively, were successfully brought in during November 1919 in the Naranjos Field, and subsequently wells 12, 14, and 15, with an estimated daily capacity of 20,000, 50,000, and 35,000 barrels respectively. Another remarkable feature of the accounts is the reduction, mainly owing to the transfer of the Debenture conversion reserve, to $1,000,000 of the value of the subsoil rights, State concessions, plant and equipment on the fields, &c.

For those who have followed the rapid development, especially since the War, of oil as fuel, it is not necessary to dilate at length upon the prospects of such a celebrated producer as the Mexican Eagle Oil Company. Not merely has experience proved the efficiency of oil as fuel for steamers as well as the greater economy of space which it permits; but time after time recent reports from South American railways refer to the conversion of their engines to oil burning. A further impetus to the normal demand will be given by the reduction of 7*d.* per gallon now about to take place in the price of petrol. To meet any such expansion adequate steps have been taken by the Company. During the year under review it added to its steamers, which were valued in the balance sheet at $2,448,807, as against $1,747,473, and to meet any further demands for transport orders for 207,000 tons d.w. capacity have been placed of which the bulk will be delivered in 1921. By the middle of the same year the capacity of the topping plant at Tuxpam will have been increased from 15,000 to 25,000 barrels daily. Similarly, arrangements have been made to increase the throughput at the Tampico Refinery from 45,000 to 90,000 barrels daily, and at the Minatitlan Refinery from 12,000 to 15,000 barrels daily. As the supply of crude oil is in excess of the present pipe line capacity of 110,000 barrels daily, a third line into Tampico will be constructed which will enable a daily total of 140,000 barrels to be delivered to Tampico and Tuxpam. It would appear, too, as if the available supply was increasing at a less rapid pace; for during October 1920, a new pool now called Zacamixtle was located south of Naranjos, well No. 1, with a capacity of no less than 75,000 barrels daily, having been successfully brought in and capped. Granted adequate transport facilities, there is no reason why this Company should not return a monthly export of 3,000,000 barrels by the close of the current year.

As in 1919, there is another increase announced in the share capital. The authorised capital is being raised to 160,000,000 pesos Mexican by the creation of 4,488,642 Ordinary shares of 10 pesos Mexican cash. Existing shareholders are being offered a bonus of one Ordinary share at par for every two shares, either Preference or Ordinary, held by them. The price of the new share in terms of sterling is fixed at 28*s.*, and is payable on application. Shareholders will note that by drawing their dividend of fifty-four per cent. in New York, at any exchange rate of $3.50 to the £1 they receive 30*s.* 8*d.* per two shares already held, which is more than enough to discharge their capital liability on the bonus issue. In the light of this fact, as well as of the bright prospects of the Company for the current year, we consider that the current market price of £10$\frac{1}{32}$ for the Ordinary shares is unduly low, especially when it is remembered that during 1920 they have been quoted as high as 12$\frac{3}{8}$. This was the closing price on Thursday, after which the shares will be quoted ex-div.

THE BRITISH AUTOMATIC COMPANY, LTD.

Issued Capital: £400,000, in Ordinary Shares of £1 each.

Year to Sept. 30	Net Profit	Written Off	Reserve	Pension Fund	Dividend Amount	Dividend %	Carried Forward
1913 ...	37,919	6,083	5,000		25,000	6¼	6,944
1914 ...	32,779	1,804	5,000	—	25,333	6⅓	6,585
1915 ...	43,048	2,122	5,000	—	30,000	7½	7,511
1916 ...	52,606*	—	10,000	—	40,000	10	10,117
1917 ...	56,633*	—	15,000	—	40,000	10	11,751
1918 ...	49,882*	—	10,000	—	40,000	10	11,633
1919 ...	64,050*	—	10,000	15,000	40,000	10	10,683
1920 ...	81,966†	10,000‡	10,000	10,000	50,000	12½§	12,649

* After providing for Excess Profits Duty.
† After providing for Excess Profits Duty and Corporation Tax.
‡ Applied in writing down machines and fittings, patents and goodwill.
§ Includes bonus of 2½ per cent.

An eminently satisfactory showing is made by the report of this Company for the twelve months to September 30 last. As shown in the above table, the net profit, after providing for Corporation tax and excess profits duty, amounted to £81,966, as compared with £64,050 in 1918-19 and £49,882 in 1917-18 in which years provision was made for excess profits duty only. In the division of the profit the reserve and the pension fund are each allotted £10,000, and an appropriation of £10,000 has also been made for the purpose of writing down the value of machines and fittings, patents, and goodwill. The dividend is maintained at ten per cent., but there is an additional payment this year of two and a-half per cent. by way of bonus, involving a total distribution of £50,000, and leaving a balance of £12,649 to be carried forward, as compared with £10,683 brought in from last year.

The balance sheet presents few alterations of any importance. The reserve fund with this year's allocation amounts to £110,000, or twenty-seven and a-half per cent. of the capital of the Company. The item of sundry creditors shows a reduction of £9,000, at £84,699. This figure does not include the provision made for taxation, which, in accordance with the usual practice of the Company, is deducted instead from the holdings of War Loan and Treasury Bills. With the deduction made this year the valuation attached to machines and fittings, patents, and goodwill is reduced to £240,000. This valuation does not include the cost of new machines and fittings, as it has been the policy of the Company to charge such outlay against revenue. The valuation attached to patents and goodwill is not indicated. The investment in the subsidiary concern—Reeves, Limited—remains unchanged at £135,000. Stocks have increased by over £6,000 to £38,633, and sundry debtors by £47,620 to £56,607, whilst investments in War Loan and Treasury Bills (less provision for taxation) figure at £41,156, as against £68,522 last year, and the cash balance has been reduced by £26,422 to £17,653. The reserve fund investments amount to £110,908. A summary of the various items shows that the liquid assets, excluding stocks and trade investments, exceed current liabilities (including dividends due) by over £111,600, as against £101,308 at the date of the previous balance sheet.

The prospects for the current financial year do not appear to be very encouraging. At the general meeting of the Company on November 25 last it was stated that, although the receipts from the automatic business compared favourably with those of the same period of last year, a falling-off had occurred in the manufacturing business. This decline in the manufacturing activities of the Company is not surprising, in view of the general trade depression prevailing at present and the existence of strong foreign competition.

The shares of the Company are now quoted at 20*s.* 6*d.*, yielding a return of 9.8 per cent., calculated on the basis of a dividend of ten per cent.

VICKERS, LIMITED.

Issued Capital: £20,663,237 in 12,311,597 £1 Ordinary shares; 6,851,640 5% Cumulative Preference shares of £1 each; 750,000 5% Preference shares of £1 each; and 750,000 5% Preferred stock.

4% 1st Mortgage Debenture stock, £1,250,000.

Year to Dec. 31	Net Profit*	Pref. and Preferred	Ordinary	Reserve	Special Appropriations	Carried forward
	£	£	£	£	£	£
1911...	641,686	70,625	370,000	–	100,000	205,031
1912...	872,053	70,625	370,000	200,000	200,000	231,459
1913...	911,996	70,625	370,000	300,000		222,816
1914...	1,019,035	69,219	693,750	250,000	–	228,876
1915...	1,099,677	65,053	693,750	250,000	—	319,750
1916						
1917						
1918	7,693,726	3,967,112		3,200,000		
1919						

* After provision for Debenture interest, depreciation, and Income tax on dividends. † Tax free up to 5s. in the £.

Having reached a final settlement with the Government, the directors of this Company are at last able to present their report covering the four years to December 31, 1919. The directors state that it has been found impossible to present separate accounts for each year, and the four years are therefore taken together and dealt with as one period. The accounts show a profit of £7,693,726, after charging Debenture interest, depreciation, and Government taxation (including income tax on dividends). No information is contained in the report as to the amount of these charges, but from statements at the general meeting held on December 30 it appears that income tax on dividends amounted to over £1,250,000, and that payments of excess profits duty alone amounted to £4,750,000, in addition to which further instalments were due at the date of the accounts. From the profit of £7,693,726 an allocation of £3,200,000 is made to "works reserve," representing an average reserve appropriation of £800,000 a year, as compared with an average of £250,000 for each of the four years to December 31, 1915. It is stated that the appropriation now made represents profits which, owing to excessive taxation, are locked up in the increased value of the buildings and plant, and are consequently not available for dividend purposes. It should be noted that this huge allocation of profits to reserve has also been subject to income tax. Regarding the dividend payments, the total amount distributed for the four years is given at £3,967,112 (excluding the income tax paid on the Ordinary and Cumulative Preference dividends). The Ordinary dividend was maintained at twelve and a-half per cent., free of tax, in 1916 and 1917; in 1918 and 1919 the dividend was at the rate of twelve and a-half per cent. and eleven and a-quarter per cent. respectively, tax-free up to 5*s.* in the £. The large increase in the amount distributed is explained by the expansion in the Ordinary capital and the issue of Five per Cent. Cumulative Preference shares in April 1919. The undivided balance of £846,364 which is carried forward to the current year compares with £319,750 brought in from 1915.

Some idea of the remarkable growth of the enterprise may be obtained from the following summary of recent balance sheets:—

LIABILITIES.

Dec. 31	Share Capital	Loan Capital	Reserves	Pref. Liabilities	Current Liabilities	Total
	£	£	£	£	£	£
1919 ...	20,663,188	1,250,000	6,669,159*	816,504	1,087,895	12,516,546
1915 ...	7,049,784	2,508,200	2,064,261*	317,750	12,221,444	22,963,439
1914 ...	7,049,262	2,426,800	1,761,000	228,877	2,633,818	14,102,757
1913 ...	5,040,000	2,540,200	1,050,000	252,810	2,558,250	12,331,260
1912 ...	5,200,000	2,648,500	1,000,000	250,149	2,241,587	11,340,236
1911 ...	5,200,000	2,752,000		205,031	1,401,719	9,558,750

ASSETS.

Dec. 31	Cost.	Debtors	Investments Quoted	Investments Other	Stocks and Work in Progress	Land Buildings & Plant	Other
	£	£	£	£	£	£	£
1919	3,381,057	9,050,344	17,250,917	795,748	3,911,685	7,314,094	12,516,546
1915	875,426	14,215,629	5,448,754	916,160	785,962	5,724,487	22,963,439
1914	792,820	2,885,908	1,750,000	580,000	913,889	4,141,226	14,102,757
1913	260,850	1,852,536	1,225,413	150,000	1,656,761	4,296,184	12,331,260
1912	261,736	1,488,769	1,000,002	–	1,121,779	5,757,950	11,340,236
1911	162,226	1,451,947	3,884,650	–	339,615	3,518,245	9,558,750

Including share premium account, 1919, £2,215,882; 1914, £1,587,000; 1913, £370,000.

It will be seen that since 1915 the issued share capital has been increased by £13,613,404 to £20,663,188, the Ordinary capital being increased by £1,850,000 in November 1918 by the issue of shares at a premium of fifty per cent., and by £4,911,597 by a further issue in April 1919; when the Preference capital was also increased by the issue of 6,851,640 Five per Cent. Cumulative Preference shares. The issues last year were made in connection with the acquisition of the shares in the Metropolitan Carriage, Wagon, and Finance Company. The redemption of the Second and Third Mortgage Debentures had led to a reduction of £1,058,200 in the loan capital, which is now represented in the balance sheet by the First Mortgage Debenture stock of £1,250,000. It should be noted, however, that an issue was made in July last of £1,500,000 Seven per Cent. Secured Notes. A net increase of £4,604,898 to £6,669,159 is shown in the reserves. The general reserve now amounts to £1,200,000, and the works reserve to £3,200,000 whilst the share premiums account and the insurance reserve figure at £2,215,882 and £53,277 respectively. Current liabilities, which include provision for taxation and final dividends, show the comparatively moderate expansion of £866,391. The book value of the fixed assets, after providing for depreciation, amounts to £7,314,094, representing a net increase of £1,589,607 since December 31, 1915. Stocks and work in progress figure at £3,911,685, as compared with £785,000 in the previous balance sheet, whilst interests in subsidiary and connected companies have risen by £11,787,783 to £17,236,516. Practically the whole of this huge increase is due to the purchase of the shares of the Metropolitan Carriage, Wagon, and Finance Company, which included a controlling interest in the British Westinghouse Electrical and Manufacturing Company, with its subsidiaries and holdings in other electrical undertakings. Investments in marketable securities have fallen by £183,412 to £732,748, and trade debtors figure for £254,085 less than in the 1915 accounts. The cash balance stands at the large figure of £3,361,957. The liquid assets, excluding stocks and interests in other companies, show a surplus of £966,415 over current liabilities as compared with a deficiency of £216,229 at December 31, 1915. The balance sheet presents an appearance of remarkable strength, but it is symptomatic of the heavy demands upon the liquid resources of the Company that it was found necessary in July last to make a fresh capital issue. This stringency in liquid capital has largely been responsible for the non-payment of the usual interim dividend this year. The Chairman, at the general meeting on December 30, referred at length to the numerous difficulties with which the Company had to contend. The change from armament to peace work has been one of exceptional difficulty, particularly with regard to the adaptation of the plant and machinery to new and unfamiliar industries. The position was still further complicated by labour and transport difficulties, and by the recent industrial depression, which has been especially pronounced in the engineering trade. Operations during 1920 are not, therefore, likely to show very satisfactory results. Confidence, however, is expressed in the prospects for 1921, and with an improvement in the present industrial and financial conditions shareholders are likely to reap the full benefits of the extremely conservative policy which has been adopted by the directorate.

The Ordinary shares are now quoted at 15*s.* 6*d.*, the 5 per cent. non-Cumulative Preferred Stock at 59 (yield 8½ per cent.), the 5 per cent. non-Cumulative Preference shares at 12*s.* (yield 8¹ per cent.).

FRENCH LOAN. Despite the [illegible] tained that the loan recently floated by our Ally would prove an undoubted success. Our confidence in the [illegible] fully justified by the [illegible] that the total applications, including new money and [illegible] exceed 27 [illegible] amount received in new money has come up to expectations.

MEETINGS
OF PUBLIC COMPANIES.

IMPERIAL BANK OF PERSIA.

Unsettled Political Position: The Outlook.

THE thirty first ordinary general meeting of the members of this Bank was held on December 29 at Cannon Street Hotel, E.C., Sir Hugh S. Barnes, K.C.S.I., K.C.V.O. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said: The political situation in Persia has again been very unsettled during the past year. Unfortunately, the hope that the Bolsheviks would abstain from further aggression has not been realised. Our Bank staff, nevertheless, remained steadily at their posts under the Manager, Mr. Eldrid, up to the close of our financial year, in September. Since then the situation has become worse, and in November our Chief Manager deemed it advisable to close the branch and to recall our staff. Meanwhile, I need hardly say that the Bank has done all in its power, consistent with the prudence required of a commercial institution, to assist the Government of the day, and will continue to do so, but the assistance we can give is, of course, limited. I imagine that every Persian Ministry is well aware that the great needs of the moment are sound financial administration and an increase of revenue sufficient, at the very least, to meet the necessary requirements of defence, especially if, as Mr. Lloyd George has stated, the small British force in North-West Persia is to be withdrawn in the spring. It is reported that the Persian Cossack Brigade is to be reorganised on more efficient lines, but this will not be possible unless funds are forthcoming. Therefore, it is obvious that very prompt and decisive action in the direction of financial and administrative reform is required. The members of the Mejliss have an opportunity of rendering a signal service to their country by adopting wise measures to secure this end.

As regards the proposed railway from the Mesopotamian border to Teheran, to which I referred last year, I am told that the survey has been rapidly pushed on by the railway syndicate, and is approaching completion. The construction of the line must, however, largely depend on the course of events in Mesopotamia.

The Balance Sheet.

With regard to the balance sheet, our figures show the inevitable reaction following the conclusion of hostilities and the diminution of the extraordinary expenditure incurred during the War, which has affected all classes of business. In this contraction we have been concerned as much as our neighbours.

I will now take the figures, commencing with the liabilities side. Capital remains the same and needs no comment, but, in view of the board's earnest desire to add year by year to the strength of the Bank, we have again placed £30,000 to reserve account, bringing it up to its present amount viz., £230.0 0 a record not reached before, and one your directors hope may be passed in the years to come. Notes in circulation are lower this year by £428,997, at £670,204. I do not view this fall with any dissatisfaction. In a country like Persia the fluctuations in circulation are often considerable and frequent, and this year the unsettled period through which Persia is now passing partly explains the reduction. Also, although we know that the popularity of our notes remains unimpaired, we think our chief manager is wise, at times like the present, to keep the circulation well under control and limited to such a figure as is considered prudent. The closing of the Resht and Tabriz branches and the calling in of the issue of these two centres has also contributed to the decline now shown. Deposits at £3,228,336 show an increase of £398.272, which is, I think, quite satisfactory, while bills payable, endorsements and adjustments have fallen from £5,184.733 to £3,378,404, showing a decrease of £1,806,329 from last year's figures—a not unwelcome reduction for the time being. The profit and loss figure of £54,051 shows but a slight change from the £52,809 of a year ago.

The Assets.

On the assets side of the account cash stands at £3,339.574, as against the previous year's figures of £2,103.003, but, if you will note that the million of Treasury bills appearing in last year's account has been turned into cash, the increase of some £1,236,571 is not remarkable. Investments and bills discounted, loans and advances, are both lower at £1,535,222 and £1,738.789 respectively. The decrease in the first item is brought about by the need for a liquid state of assets at the present time, when the holders of gilt-edged stocks have the rueful experience of watching their steady depreciation day by day. We have, therefore, realised a proportion of our patriotic investments. In regard to the remainder, they have been adjusted to the market price of the day we closed our books.

With regard to the second item, bills discounted, loans, and advances, since the beginning of 1920, when it was becoming evident that the temporary boom in trade had reached its height, we endeavoured to keep abreast of the times by adopting a system of rationing our customers, both here and abroad, and we are in the happy position to-day of being able to show a very liquid balance sheet. In addition to proportionately high cash resources, we have in bills receivable at £1,591,989, as against £987,733 last year, an increase of £604,256 of easily marketable assets. As you will see from the short explanatory note printed in the balance sheet, on the date to which our account was made up we had discounted of those bills £625,459, of which up to December 18 the contingent liability on £493,000 had run off.

I trust you will look upon these results as satisfactory, in view of the by no means easy circumstances under which banking generally, and in Persia in particular, has been conducted during the past year. (Hear, hear.)

The report and accounts were adopted, the retiring directors and auditors were re-elected, and the proceedings terminated with a vote of thanks to the Chairman, directors, and staff.

BRITISH-AMERICAN TOBACCO COMPANY, LIMITED.

Trade Depression a Temporary Phase.

THE eighteenth annual meeting of this Company was held on December 30 at the offices of the Company, Westminster House, 7 Millbank, S.W. 1, under the presidency of Mr. Joseph Hood, M.P., one of the Deputy-Chairmen.

The Chairman: Ladies and gentlemen,—Since we last met, Mr. Hallward, one of the members of the board, has, unfortunately, had to resign on account of ill-health. The directors extremely regret the cause of his resignation, and hope that the rest will prove beneficial, and that he will be restored to health.

Another director, Mr. J. A. Thomas, who had charge of our business in China for a number of years past, and has rendered very valuable services to the Company, has taken the opportunity of the formation of British-American Tobacco Company (China), Limited, to resign his directorship of this Company, and we wish him every success in the banking business into which he has entered.

The directors have filled the vacancies by the election of Mr. Harry Herbert Neale, the Chief Accountant, and Mr. William Francis Alexander, who will come up for re-election at a later stage of the meeting.

Last year when we had the pleasure of meeting the shareholders we had not resumed the occupation of the offices vacated by the Ministry of Pensions, but we are glad to welcome the shareholders here again for our annual meeting to-day.

The Balance Sheet.

As you are aware, it is usual at our annual meeting to go through the various items in the balance sheet and make some comments thereon.

Taking the assets side of the balance sheet first, you will observe that the item—real estate and buildings at cost, less provision for amortisation of leaseholds, £541,986 6*s.* 2*d.*, shows an increase of £66,538. The greater part of this increase is due to extensions to our Liverpool factory and the purchase of adjoining land. While we have also purchased land at Southampton for the erection of an additional factory, yet we have reluctantly come to the conclusion, owing to conditions as to building, that it is not an opportune time to start the erection of a factory.

Plant, machinery, furniture, and fittings at cost or under, £419,500 15*s.*, shows a decrease of £40 853, which is more than accounted for by the disposal of a factory in New York which we have sold. On the other hand, the machinery at our Norfolk, Virginia, branch shows a material increase, but, on the whole, the item is reduced by the amount I have mentioned.

Goodwill, trade-marks, and patents stands at the same figure as last year—namely, £505,114 18*s.* 6*d.* We have come to the conclusion that this is not a fitting time to further decrease this item.

Loans to, and current account with, associated companies, £7,194,957 12*s.* 2*d.*, shows an increase of £1,127,433. This, again, is due to increased supplies to the associated companies, and the replenishment of their stocks which had become depleted, together with additional advances to them. It is also to some extent due to the postponement of remittances owing to the adverse rate of exchange.

Investments in associated companies, £11,356,132 1*s.* 11*d.*, is also up by £2,664,432. This is the largest item on the

assets side, and the increase represents additional investment in associated companies.

Other investments, £607,922, is increased by £453,813, due to investments in War Bonds.

Reduction in Price of Raw Leaf.

Stocks of leaf, manufactured goods, and materials at cost or under, £7,021,185 3*s.* 6*d.*, shows a reduction of £1,176,308. We have hitherto carried in our stocks of leaf, manufactured goods and materials at cost or under, but for some years past, as you will readily understand with rising prices, cost or under has been lower than the market value. As you will probably have seen from the newspapers, there has recently been a material reduction in the price of raw leaf. The auction sales in America begin about August and continue until the end of the year. Our balance sheet, of course, is as of September 30 last, and we have taken in stocks this year at market value as at that date, which is a continuance of our policy of carrying them in at the lower figure of the two. In this case the market value is less than cost by a substantial amount.

Sundry debtors (less provision for doubtful debts) and debit balance, £2,531,176 10*s.* 3*d.* is reduced as compared with last year by £241,538, because as at the date of the balance sheet less money was owing to us.

Cash at bankers and in transit, the last item on the assets side, £2,856,119 12*s.* 7*d.*, shows a decrease of £1,280,854. The explanation of this reduction is that we had less funds in hand, and it is reflected on the other side in the items of creditors and credit balances, where there is a decrease of outstanding liabilities.

The Liabilities.

Turning to the liabilities side of the balance sheet, the issued capital of 4,500,000 Preference shares remains the same, but the issue of Ordinary shares has increased from 8,501,911 to 16,002,523. You will remember that in April last we made an issue at par of one share in two, and in respect of that issue 4,264,484 shares were taken up by the Ordinary shareholders up to September 30. In addition, 21,500 shares had been issued to certain directors in January last, in pursuance of the authority given by the articles of association and the resolutions of the shareholders of May 19, 1919, out of the 34,704 then authorised.

Beyond that there were issued 17,532 shares in response to belated acceptances of the offer of one in three made in June 1919.

It will also be within your recollection that in July last we made a further issue to the Ordinary shareholders of one share in four, in respect of which 3,197,096 shares had been accepted and issued up to September 30 last.

I will refer to this matter again when I deal with the last item—namely, profit and loss account

The item of creditors and credit balances is reduced from £9,918,597 to £5,678,938, a very substantial reduction. This is mainly accounted for by the reduction of cash at bankers and in transit on the other side of the account, to which I have referred, and to the adjustment of our liability in respect of excess profits duty to the date of the balance sheet.

The increase in reserves for buildings, machinery, and materials, £630,164 12*s.* 11*d.*, is due to the ordinary provisions under this heading. The item is strengthened to the extent of £87,342.

Premium on Ordinary shares issued, £391,039, shows an increase of £23,375. Of that amount £21,500 was received as the premium on that number of shares from directors to whom they were allotted in pursuance of the authority given on May 19, 1919, and £1,875 was received as the difference between the £2 per share received by the Company on issue and the amount realised on the surrender by Mr. Hallward of certain shares allotted to him under his agreement which became saleable on his resignation and were sold for the benefit of the Company.

Provision for the redemption of coupons, £55,834 6*s.*, shows a small reduction of £4,882.

The Reserves.

Special reserve, £1,198,727 4*s.*, shows an increase of £41,739 17*s.*, due almost entirely to a sum realised in respect of the liquidation of some shares in excess of the amount standing on our books.

General reserve, to provide against possible losses arising from the War, amounts to £1,500,000. As I mentioned at the meeting last year, with the consent of the Government we sold, shortly after the War commenced, our shares in German companies and loans to those companies and officials connected with them. The greater part of our claims resolve themselves into two categories—(1) loans and current accounts, and (2) shares in the German companies. The amount of the loans and current accounts have now been agreed, and we expect to receive shortly a sum approximately amounting to £1,280,000, which includes interest on the amount up to the date of payment—payable under the contract we made. So soon as this substantial amount is received, it will be unnecessary to maintain this general reserve at the figure at which it stands in our balance sheet, but that is a matter which will have to be dealt with next year. Payment for the amount (roughly over five million marks) of the claim owing to us for the sale of the shares in German companies has yet to be completed. We hope that will be done at an early date.

That brings me to the last item—namely, the profit and loss account. You will remember that last year we carried forward a balance of £4,912,733 12*s.* 1*d.*, out of which we paid a final dividend of six per cent., amounting to £512,421 19*s.* 2*d.*, which left us with a disposable balance of £4,400,311 12*s.* 11*d.* In May last the directors purchased the 641,000 shares of the Garland Steamship Corporation at a cost of $1,900,000, equal to £475,437 19*s.*, and in pursuance of extraordinary resolutions of the shareholders of May 10 last this sum was written off and the shares of Garland Steamship Corporation distributed among the Ordinary shareholders.

In addition the shareholders decided to capitalise £3,202,853, or such other sum as might be necessary to give one share in four out of the undivided profits of the Company, and to apply the sum in making payment in full at par for Ordinary shares which were to be allotted to and distributed rateably among the holders of Ordinary shares in proportion to their holdings, so that each holder of Ordinary shares would receive one new share in respect of every four Ordinary shares held by him, and fractional certificates in respect of any shares less than four. In pursuance of that resolution the directors allotted up to September 30 3,197,096 shares at par, which amount is deducted from the disposable balance, leaving £727,777 13*s.* 11*d.* It would, perhaps, be as well if I explained that the whole of the holders of share warrants to bearer have not yet presented their coupons, and there was as at September 30 a contingent liability to issue 3,410 further Ordinary shares. Since that date coupons have been lodged, and some of the 3,410 shares have been allotted.

Profits and Dividends.

To the £727,777 13*s.* 11*d.*, the direct profits and dividends for the year, after deducting all charges and expenses for management and providing for income tax and corporation profits tax and adjusting the liability in respect of excess profits duty, will have to be added, amounting to £4,879,177 3*s.* 3*d.*, less Preference dividend of £225,000 and the four interim dividends amounting to £2,305,086 4*s.* 3*d.*, which leaves a disposable balance of £3,076,868 12*s.* 11*d.*, out of which the directors recommend the distribution on January 10 next of a final dividend (free of British income tax) on the issued Ordinary shares of nine per cent., amounting to £1,440,405 14*s.* 5*d.*, leaving £1,636,462 18*s.* 6*d.* to be carried forward.

This final dividend of nine per cent. will make thirty per cent. for the year upon the Ordinary shares which were in existence a year ago, and upon the others which have been issued since the amount, of course, varies with the date of their actual issue.

The directors trust that the shareholders will consider the result of the year's trading has been satisfactory. (Hear, hear.)

Current Year's Prospects.

It is usual to make some comments upon the business since the close of the year, and it will be true to say that in some parts of the world there has been a reduction in sales since September 30 last. That result is not confined to us—it seems to be world-wide. The directors, however, hope that it is only a temporary phase, and they have no reason to believe that they will be unable to present a satisfactory balance sheet a year hence. As there still seems to be some misapprehension as to our trading, it may not be out of place to again point out that we do not sell any goods for consumption in the United Kingdom. All the goods we manufacture here are manufactured in bond and exported.

I now formally beg to move the adoption of the report and

BARCLAYS BANK LIMITED

Head Office: 54 LOMBARD STREET, LONDON, E.C. 3.

Over 1,500 Branches in England and Wales.

AUTHORISED CAPITAL	£20,000,000
PAID-UP CAPITAL	£15,355,002
RESERVE FUND	£8,000,000
DEPOSITS	£314,240,722

June 30th, 1920.

EVERY DESCRIPTION OF BRITISH AND FOREIGN BANKING BUSINESS TRANSACTED.

DRAWING ACCOUNTS are opened on the terms usually adopted by Bankers.

DEPOSIT ACCOUNTS: Deposits are received from customers and others and interest allowed thereon at such rates and for such periods as may be agreed. Deposit books are issued when required.

EXECUTORSHIPS AND TRUSTEESHIPS UNDERTAKEN.

STRONG ROOM ACCOMMODATION PROVIDED.

Affiliated Banks:

THE BRITISH LINEN BANK. Head Office, Edinburgh.

THE UNION BANK OF MANCHESTER, LIMITED. Head Office, Manchester.

THE ANGLO-EGYPTIAN BANK, LIMITED. Head Office, 27 Clements Lane, London, E.C. 4.

balance sheet for the year ended September 30, 1920, including the payment on January 10 next of a final dividend of nine per cent. upon the issued Ordinary shares (free of British income tax).

I may also mention that the directors have declared for the year 1920-21 an interim dividend of four per cent. (free of British income tax), also payable on January 10, so that the shareholders will receive on that date thirteen per cent.

I now ask Sir Hugo Cunliffe-Owen to second the resolution, and when that has been done, if there are any questions to be put or any comments to be made on the balance sheet, it will be a convenient time to do so. (Applause.)

Sir Hugo Cunliffe-Owen, Bart. : I have much pleasure in seconding the resolution.

The Chairman : Now is the time for questions. (After a pause.) You all seem to be satisfied, so that I will formally put the resolution to the meeting.

The resolution was carried unanimously.

Re-election of Directors.

The Chairman : The next business, ladies and gentlemen, is the re-election of the retiring directors, and I will ask someone from the body of the hall kindly to propose their re-election.

Mr. W. W. Waldron : Mr. Chairman, I beg to propose that Messrs. William Francis Alexander, Harry Herbert Neale, Samuel Jordan Gillchrest, Joseph Hood, Montague Law Whishaw, and George Alfred Wills be re-elected directors of the Company until the annual general meeting to be held for the year ending September 30, 1923.

Mr. David Holt : I have very great pleasure in seconding the proposition.

The resolution was unanimously agreed to.

The Chairman : The next business is the re-election of the auditor, and before I ask Mr. Simpson kindly to propose it I may say that the fee up to the present for the auditor has been £1,000, but we have come to the conclusion, after consideration, that, having regard to the amount of work to be done, that fee is not commensurate with the work, and therefore we have suggested that it should be increased to £1,500.

Mr. W. A. Simpson: I beg to propose that Sir William Plender, G.B.E., be re-elected auditor to the Company for the present year at an inclusive fee of £1,500 for the audit.

Mr. J. Gracey seconded the motion, which was passed unanimously.

Mr. G. W. Reynolds : Ladies and gentlemen, I think we have substantial reasons for feeling thankful and for expressing our obligations to the directors and to the staff for the measure of success to which they have brought this great Company, and particularly to Mr. Joseph Hood, our Chairman of to-day, for his lucid explanation of a most wonderful set of accounts. (Hear, hear.) I beg to propose that a vote of thanks be accorded to the Chairman for his conduct in the chair and to the directors and the staff for their efficient management of the affairs of the Company during the past year. (Applause.)

Mr. T. Saunders : I have very great pleasure in seconding that. I consider we ought to be very proud of our Chairman and directors. The financial power of this business must have been a wonderful thing during the past year, and I second the proposal with the greatest pleasure.

The vote was unanimously accorded.

The Chairman : Ladies and gentlemen, I am sure that all the directors are extremely gratified at the resolution which you have been good enough to pass and at the kind words in which it has been proposed and seconded. We appreciate that token very much, and we will not fail to convey to the management and the staff your expression of goodwill. We hope to deserve your resolution and to be able to present a good balance sheet at the end of the current year. (Applause.)

The proceedings then terminated.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED.

Financial Position : The Company's Interests.

The annual meeting of this Company was held in Johannesburg on Tuesday, November 23, 1920.

The Chairman (Mr. John Munro), in moving the adoption of the report and accounts for the year ended June 30, said : Gentlemen,—Our permanent Chairman, Mr. S. B. Joel, had fully intended to preside at our meeting to-day, and it was a great disappointment to him, and I am sure to all of us, that he was unavoidably prevented from doing so.

The period covered by the accounts has been one of steady progress and expansion, and I am pleased to be able to report that our financial position to-day is stronger than at any time during the history of the Company.

It was with great pleasure that your directors again felt justified in increasing the annual dividend from seven and a-half per cent. to ten per cent., and in addition to declare a bonus of two and a-half per cent., making a total distribution of twelve and a-half per cent. for the year, free of income tax, which I trust will meet with the approval of the shareholders.

The Company's Assets.

Assets : Stocks and Shares, £3,683,113—Our investments in stocks and shares reflect an increase of £158,000, being the difference between the value of shares acquired and sold less the amount written off for depreciation. Such of our shareholdings as stood in the books at more than their market value were written down to their market value at June 30, 1920, but such shareholdings as stood below market value were left unchanged. The aggregate of the market value of our shareholdings at to-day's prices over their book value represents a very large amount, but no credit is taken for this in our accounts.

Mining Properties and Advances to Mining Companies, £384,063—As I foreshadowed last year, this account shows a substantial increase of £329,000, being for further advances made to the Randfontein Estates G.M. Company, Limited. There is still considerable capital expenditure to be incurred at Randfontein, but whether further advances will be required or not depends upon circumstances which it is difficult to foretell.

Real Estate and Buildings, £434,164—This amount is made up as follows :—

Johannesburg Properties	£270,063
Johannesburg Suburban Estates	55,131
	£325,194
Other Properties in South Africa and London...	108,970
Total	£434,164

Financial Position.

Loans on Mortgage and Real Estate, £161,869.

Pre War Loans, £2,522—A further amount of £32,000 has been paid off these loans during the year under review

Loans at Short Call on Market Securities, £778,244.

Sundry Debtors and Dividends Accrued, £1,052,207—This account reflects an increase of £665,000.

Cash at Bankers, £293,747.—This amount naturally varies from day to day according to our requirements, and does not call for special comment.

Financial Position.—As stated in your directors' report, the financial position of your Company is one of exceptional strength. The total book value of your assets at June 30, 1920, exclusive of the large appreciation on our shareholdings, to which I have already referred, was £6,797,311, reflecting an increase of £1,394,211, as compared with June 30, 1919: and a surplus of £3,792,526 over our liabilities to the public, inclusive of the dividend of 10 per cent. and the bonus of two and a-half per cent. declared on June 23, and our contingent liabilities. The liquid assets amount to £2,124,199—roughly speaking, about thirty per cent. of the total.

Profit and Loss Account.—The gross profit for the year, after allowing for depreciation written off and making pro-

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THREE NUNS
is a similar but milder blend
Both are sold everywhere at the same price
Packets : 1-oz. 1/2, 2-oz. 2/4—Tins : 2-oz. 2/5, 4-oz. 4/8

"THREE NUNS" CIGARETTES

	10's	20's	50's	100's
MEDIUM	6d	1/-	2/5	4/8
HAND MADE	8d	1/4	3/4	6/8

Stephen Mitchell & Son, Branch of the Imperial Tobacco Company (of Great Britain and Ireland), Limited, 36 St. Andrew Square, Glasgow
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vision for all bad and doubtful debts and income tax, amounts to £528,320, an increase of £182,135 on last year. Satisfactory increases of profit have been made in nearly all departments. On the debit side our working expenses—amounting to £29,126—reflect an increase of only £3,405. In view of the increased cost of living we have had to materially increase the remuneration of our staff. This, I am sure, will meet with your approval.

Deducting from our gross profit of £528,000 our working expenses of £29,000, we are left with a balance of £499,000 to carry to the profits appropriation account. To this must be added the balance of £186,000 brought forward from last year, making a total of £685,000.

The payment of the dividend and bonus absorbs £494,000 of this amount, leaving £191,000 to be carried forward to the current year's account.

Diamonds.—Your Company still retains important interests in the main diamond-producing mines of the Union, which yield large returns on the capital invested.

The Company's Interests.

Consolidated Langlaagte Mines, Limited.—For the year ended December 31, 1919, this mine made a profit of £147,243, and declared dividends of five per cent. and seven and a-half per cent. in June and December respectively. In the earlier months of this year profits were not so good, but they have since improved and a dividend of five per cent. was declared in June last. Shaft-sinking is pushed ahead in both the east and west shafts. The east shaft has reached the horizon of the 15th level; and the west shaft the horizon of the 14th level. On the whole, the development in the lower levels of the mine has been disappointing.

Government Gold Mining Areas (Modderfontein) Consolidated, Limited.—Last year a profit of £1,226,995 was made at this time. The Government received £605,370, and dividends of seventeen and a-half per cent. and twenty per cent. were declared in June and December respectively. In June of this year a dividend of 20 per cent. was declared.

This year the profits have fluctuated with the gold premium and other factors, but in the last few months they have been steadily rising. In September the profit was £161,106, and in October £180,474, both of which were record profits. The working costs for October were just under 20*s.* 2*d.* per ton, including 2*s.* 7*d.* for development, which must be considered as very satisfactory under the conditions now prevailing.

Langlaagte Estate and Gold Mining Company, Limited.—During the last calendar year this mine made a profit of £131,561, and paid two dividends each of seven and a-half per cent. In June a dividend of two and a-half per cent. was declared. The development in the bottom of the mine disclosed very satisfactory values, and the prospects are hopeful for the future.

New State Areas, Limited. Excellent progress has been made at this mine in the sinking of the two shafts, and, as you are aware, the reef was struck in the south shaft last month at a depth of 3,676 feet, and gave the high average value of 89.8 dwt. over 18.9 inches. The cutting of the station and travelling ways is being proceeded with. Sinking at the north shaft reached a depth of 3,285 feet at the end of October, and it is hoped that the reef will be struck before the end of the year.

The Randfontein Deep ground was taken over as from July 1. Prospecting has been going on there since with a view to working the battery reef series, which has proved so helpful on the West Rand Consolidated mine. The results obtained have been satisfactory, and two incline shafts will be started at an early date. It is expected that this property will prove a valuable asset to the Randfontein Central, and that it will yield a large tonnage of moderate grade ore.

Van Ryn Deep, Limited.—Last year this mine made a profit of £634,831, and declared two dividends, one of twenty-two and a-half per cent. in June, and the other of twenty-five per cent. in December. The profits were adversely affected in the early part of this year owing to the causes already explained, but since then results have been gratifying. A dividend of twenty-five per cent. was declared in June.

The mine is in a very sound position. The ore reserves exceed 3,000,000 tons of an average grade of 9.1 dwt. over 72 inches of reef, and the Company is in a very strong financial position.

Concerning Coal.

Coal.—Your directors, ever alert in widening the field of the Company's operations, have recently acquired various coal interests in South Africa. They consist of the Cape and Carlchew Collieries, which have been amalgamated as the Consolidated Collieries, Limited, the Witrand Colliery and the Springs Colliery in the Transvaal, and of the Natal Cambrian and Burnside Central Collieries in Natal. We also hold certain options over other coal-bearing properties, which we are either prospecting or intend to prospect at an early date. The collieries in the Transvaal are all producing, but on a small scale—it is intended to reorganise them and increase their output; the Consolidated Collieries in particular is capable of yielding a large monthly output. The Natal Cambrian has been a steady producer of high-class coal for years, but its output is capable of being materially increased.

We have also acquired the business of J. R. Macduff and Company, Limited, an established coal export broker, and



"A Hard Nut to Crack"!

Gentlemen,

Between Saturday evening, September 23rd, and Monday, September 25th, our premises in Gt. Clowes Street, Broughton, were entered by burglars. They made a most determined attempt to force the safe. The handle was broken to pieces, the spindle badly bent, and an attempt had been made to drive in the lock. We are pleased to inform you that the safe withstood all attacks.

We found the contents intact, and the following message written on the safe :—"A hard nut to crack, this, Mate."

Yours truly,

Secretary and General Manager.

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14

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shipping business, and this Company is being reconstructed with a capital of £1,000,000 fully issued.

It should also be remembered that the presence of deposits of coal which can be worked comparatively cheaply must tend to the establishment of industries in this country. In fact, coal is the basis of all industrial development, and this is another reason why the railway administration should increase their facilities for handling the coal output of the country.

Vote to the Chair.

Mr. J. Dale Lace proposed a vote of thanks to the chair, which was carried unanimously.

The Chairman expressed his thanks to those present for the resolution.

This terminated the proceedings of the meeting.

BRITISH PLATINUM AND GOLD CORPORATION, LIMITED.

Strong Financial Position—Favourable Dredging Results.

THE ordinary general meeting of the shareholders of this Corporation was held on December 29 at River Plate House, Finsbury Circus, E.C., Mr. Thomas J. Ive (Chairman and Managing Director) presiding.

The Chairman said: Ladies and Gentlemen,—The accounts presented are for the period of nine months ended July 31 of this year. You will recollect that, on the last occasion when I had the pleasure of addressing you, you unanimously approved of the proposals of the board to increase the capital of the Corporation to £1,000,000, in order to provide the additional shares needed to purchase the assets and rights of Paris (Transvaal) Gold Mines, Limited; to permit of the issue of further shares for the provision of extra working capital; and to leave in reserve 400,000 shares of £1 each for future issue, if required at any time. As you are aware, these various arrangements were successfully carried through.

The Accounts.

I will now deal with the balance sheet. Taking the liability side, the changes, compared with last year, are the increase of the nominal capital from £250,000 to £1,000,000, and the issue of 350,000 £1 shares for the purposes before mentioned. It will be observed that at July 31 there were calls outstanding of £11,258 in respect of the issue of the additional working capital shares, a small item compared with the total amount of money—namely, £235,000—provided by this new issue. The amount outstanding now on account of calls in respect of this issue is only £2,475 odd. The item of £6,150 balance of share purchase consideration payable to Paris (Transvaal) Gold Mines, Limited, is the amount of the shares yet to be issued to shareholders of that Company. I now come to the premiums on shares account, which last year stood at £18,750, and has now been increased to £64,819, which I am sure you will agree is quite a respectable sum, that will be of material service in the future. On the assets side of the balance sheet the purchase consideration for interests, properties, and rights have been increased from £74,281 to £252,520 odd by the acquisition of the before-mentioned assets of Paris (Transvaal) Gold Mines, Ltd., and by £3,612 in respect of other properties. Dredgers, machinery, plant, tools, stores, &c., account for £113,940; buildings, furniture, and fittings for £4,976 odd. Dividends and interest, less tax, &c., received by the Corporation amount to £3,740, and the sale of tribute platinum to £2,686, leaving in hand and in transit additional tribute platinum of the value of £2,622. The liquid assets and British Government securities, which comprise National War Bonds, War Loan, &c., amount to £91,728. Cash in London, on deposit and at short call, and on current account, together with cash in Colombia, amounts to £138,699, making a total in liquid assets of over £220,000, which you will agree is a very sound and strong financial position.

Dredging Results.

I now come to the dredgers Nos. 1, 2, and 3. As you are informed in the directors' report the placing of the contract for the No. 3 dredger has been held in abeyance for the time. With regard to the No. 2 dredger, the final consignment of the sections left Liverpool for Colombia on December 4, and is now well on the way. The previous shipments have arrived in Colombia, and are now in course of transit up the river. All the necessary preliminary steps for the reception of this dredger and its re-erection are well in hand. A motor launch tug and two additional special cargo boats have also been dispatched. This launch and the boats have been specially designed to suit the conditions existing in the Choco, and they will materially facilitate the transport of machinery, supplies, &c. With regard to dredger No. 1 you will remember that there was some delay in its construction and shipment owing to strikes on the Clyde, strikes in the shipping trade, and want of sufficient transport. Afterwards, it was found that some parts of the machinery had been lost in transit, and these had to be duplicated. All precautions were taken, but these things will happen. However, it is satisfactory to know that the dredger commenced working out of the dam on December 1, the crew working one shift per day only, preliminary to the full running period of three shifts in twenty-four hours. I have the great pleasure now to inform you that we have received a cablegram giving us the result in platinum and gold of the first forty-nine hours' workings of the dredger through this ground. The workings show a yield of 32 oz. of platinum and 10 oz. of gold. This result is highly satisfactory. As you are aware, the Choco District of Colombia, outside of Russia, is the only other country in which platinum can be mined commercially. The eyes of the world have been focussed upon this district, with the result of a considerable increase in prospecting and development, while the erection of dredgers and setting up of other necessary machinery have required a larger labour force, with the consequent shortage referred to in the report. I now beg to move: "That the report and accounts, as presented, for the period ending July 31, 1920, be, and are hereby, received and adopted."

Mr. Walter Conan seconded the resolution, and after the Chairman had answered a few questions it was put to the meeting, and carried unanimously.

The Chairman then proposed the re-election of Messrs. Ewen Cattanach, and G. H. Short as directors. This was seconded by Mr. Samuel T. Cohn, and unanimously agreed to.

SAMUEL ALLSOPP AND SONS, LIMITED.

THE thirty-second annual ordinary general meeting of Samuel Allsopp and Sons, Limited, was held on December 30 at the Cannon Street Hotel, E.C., Sir Wm. Barclay Peat, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said their divisible profits remained the same as in the previous year, but the amount carried to reserve was only £50,000, as compared with £70,000. In the result it enabled them to pay seven and three-quarters per cent. on the Participating Preference shares and five and three-quarters per cent. on the Ordinary stock, to provide a fund for the redemption of the income certificates, to add £50,000 to their reserve, and to redeem £8,500 of the Prior Lien certificates. He did not think that that was a bad result; on the contrary, he thought it was a result which he would like to see carried on in perpetuity. Every manufacturer in the country had had to face the cumulative effect of rising prices. The more labour which had to be put on to the production of an article the more the ultimate cost was raised, so that rising labour costs were cumulative in their effect until when the article reached the consumer the result was remarkable and staggering. Every commercial concern in this country—and probably in every manufacturing country—had felt the effect of rising wages applied to every change in a commodity from the raw material to the finished article. The result was that every commodity which this Company bought and every commodity which it sold had increased in cost three or four fold—sometimes more—owing to the rise in the cost of labour. He considered that it was a vicious circle—rising prices pushing up labour and the rising cost of labour pushing up prices. Until that state of things was remedied and there was a general fall in prices and wages, so far as this country was concerned, they were not likely to have prosperous or stable trade.

He proceeded to deal with the report issued by Colonel Willey, M.P., in which that gentleman expressed the opinion that the prohibition movement in the United States was a success. He wished to point out that there were other opinions besides Colonel Willey's. There was an inquiry conducted by the *New York World* and other independent organisations on the same subject. The result was a report in which it was stated, "In every city and town whisky, gin, and beer can be obtained if one has the price, and in the country districts the farmers make their own, in utter defiance of the Government Authorities. Despite the indignant denials of Government officials, there is no doubt that prohibition cannot be enforced." The same correspondent in June reported that "the United States, while 'dry' legally, was very 'wet' actually, and it is believed that it will remain so, the law notwithstanding, until the present generation at least has given place to a new human species." Although they might have trying times ahead, there was no reason why they should not look forward hopefully to the future.

The report and accounts were adopted.

SLATERS, LIMITED.

THE twenty-sixth ordinary general meeting of the shareholders of Slaters, Limited, was held on December 29 at the Cannon Street, Hotel, E.C., Mr. W. E. Catesby, J.P., Chairman of the Company, presiding.

The Chairman said: If you will kindly turn to the profit and loss account, you will notice that the first five items are for the first time divided up instead of being grouped together. These five items are general expenses, management, salaries and travelling expenses, office salaries, office rates, taxes, insurances, &c., and auditors' fees, and they amount

together to £15,196 19*s.* 10*d.*, as compared with £11,401 2*s.* 2*d.* last year for the same items—an increase of £3,795 17*s.* 8*d.* The cost of living has gone up considerably, and, therefore, your office staff and manager's staff have had to have increased wages in order to meet that increased cost of living, so that out of that £3,795 £2,100 has gone in that direction. The next item is reserve for depreciation of investments, £2,505. This loss is entirely due to the fall in value of those gilt-edged securities, the Five per Cent. War Loan and the Four per Cent. Victory bonds. The last item on the profit and loss account is the balance of profit to be carried forward to the balance sheet, and that is £48,481, as, compared with £41,947 0*s.* 11*d.*, or about £6,500 increase. In 1901 the profit shown was £48,959, but that profit of £48,959 included £31,680 for the sale of 329 Strand, so that if you look at your trading profit for that year it only shows £17,279. In 1904 the profit was £84,226, but there was included in that profit an amount of £44,813 for premiums on shares, so that really the trading profit was £39,413. If you will refer to the credit side of the same account, the trading profits are £81,306 10*s.* 6*d.*, compared with £68,611 19*s.* 1*d.* last year—an increase of £12,694. Dividends on investments and rents are £4,265 12*s.* 2*d.*, as against £3,072 11*s.* 3*d.*—an increase of nearly £1,200.

Perhaps we had better turn to the report of the directors in order to see what is to be done with the £48,481 profit made during this year. First, you must deduct the deficit carried forward from the previous year, and that will leave an available balance of £37,166 1*s.* 5*d.* Of that amount we paid £8,400 last Christmas, and we suggest that the three and a-quarter years' dividends on the Preference shares which were due up to September should be paid off on December 31st this year.

That leaves us only £15,116 1*s.* 5*d.* Of that amount it is suggested—and I am going to move that you approve of this recommendation—that a four-per-cent. dividend, less income tax, be paid to the Ordinary shareholders. Up to March last trade was booming, and if the boom had continued at that rate the dividend would have been more, but a slump has taken place in things generally. In spite of that we are able to maintain our trade sufficiently to provide a four-per-cent. dividend on the Ordinary shares, which will take £7,140, leaving a balance of £7,976 1*s.* 5*d.* to carry forward to next year's account.

VICKERS, LIMITED.

Mr. Douglas Vickers, Chairman of Vickers, Limited, presided at a meeting at Sheffield on December 30 to consider the directors' reports and balance sheet for the four years ended December 31 last.

He said the office staff was cut down by the continual demands for men for the Front, with the result that the accounts got very much into arrear. Dividends paid to shareholders during the four years amounted to £3,967,112, and, in addition, income tax amounting to £1,250,000 was paid on these dividends on the shareholders' behalf. It was necessary to state this because some shareholders did not seem to realise the great burden of income tax paid for them. Wages during the four years amounted to £46,000,000, compared with £5,250,000 of dividends and income tax thereon. That was, the workmen received about nine times as much as the shareholders. The balance sheet showed that an allocation of £3,200,000 had been made to the works reserve account out of profits. That was at the rate of £800,000 a year, as compared with about £250,000 a year in pre-War times. Other firms, continued the Chairman, have, of course, been subject to the same laws and taxation, but in our opinion they have imposed a much heavier and an unjust burden on this firm because of the enormous capital sums we spent, and because no account was taken of the knowledge and experience which we had acquired before the War, and which we put at the disposal of the country, with the result that material to our designs was manufactured in very large quantities by makers both at home and abroad without return to us. It should be remembered also that Vickers were a controlled firm at a very early period, and that their prices were checked and profits limited in many cases to a percentage that was adequate for trades involving relatively small capital, but was not, in the opinion of the board, sufficient in the complicated and difficult manufactures on which they were so largely engaged. Taking the whole of the figures on the assets side of the balance sheet, and deducting once more the Debenture stock and creditors, the figure resulting was £28,178,712. The good trade conditions to which he alluded last April did not last long, wages and raw materials, and consequently selling prices, still rose, the difficulty of quoting fixed prices continued, and relatively the financial position of foreign buying countries grew worse and worse. These combined influences brought about in the summer a decline in trade which had culminated in the present financial crisis.

The question of the eventual disposition of armour-plate and gun plant had been a source of anxiety. The Japanese order had cleared the situation for the time, but it was clear the Company could not carry indefinitely a charge that ought to be met by the country. As to dividends, the balance sheet showed a very strong position and a large carry forward from last year, and shareholders might ask why an interim dividend for 1920 was not declared. The Chairman having replied to several questions, the [illegible] were adopted.

RIO DE JANEIRO LAND MORTGAGE AND INVESTMENT AGENCY COMPANY, LTD.

Housing Developments in Brazil.

The sixth ordinary general meeting of the shareholders of this Company was held on December 29 at 11 Angel Court, E.C., the Earl of Orkney (the Chairman of the Company) presiding.

The Secretary (Mr. C. N. Cook, A.S.A.A.) read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the report, said that the Company's holding in the shares of subsidiary land companies amounted to £478,177. Investments might be turned into cash at practically any moment. Administration expenses had been kept as low as possible. As to the Company's holding of shares in subsidiary land companies, during the year the board had effected a change in that respect. At the close of their last financial year the Company owned the total share capital of two Brazilian land companies. Having the gradual extension of the Company's business in view, which it was proposed should consist principally of transactions in landed property, either by direct holdings or indirectly by holding securities in other companies, the board considered it advisable to enlarge their sphere of activity and include operations on the Continent in their programme. They had, therefore, taken preliminary steps for the realisation of their ultimate object in actively assisting in the formation of a Belgian company, the Credit Foncier Belgo-Bresilien, with a capital of Fr.10,000,000, the whole of which had been subscribed and issued.

It was quite possible that the creation of this concern, in consequence of the unusual economic conditions now prevailing throughout the world, and therefore to some extent also in Belgium, might not be of immediate advantage to the Company, but they took this step at the commencement of their career, and were looking forward to deriving considerable benefit from it whenever conditions had again resumed a somewhat normal aspect.

Extensive Town Planning.

In the course of the year complete surveys had been made of the properties owned by the Company's subsidiaries, and the board had, after most careful consideration, resolved immediately to develop one of these properties—namely, Boa Esperanca, on which town planning on a fairly large scale was being carried out. It was proposed to construct roads, streets, and squares of over 1,000,000 square metres, and to create through this construction actual building land measuring over 4,000,000 square metres, equal to about 1,000 acres. The property had been divided into four sections.

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Player's Gold Leaf Navy Cut.
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PER 1/- OZ.

Player's "White Label" Navy Cut.

PER 10½D. OZ.

Also PLAYER'S NAVY CUT DE LUXE, a development of Player's Navy Cut packed in 2oz and 4oz. airtight tins at 2/4 and 4/8 respectively.

JOHN PLAYER & SONS,
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and it was hoped that it would be possible to complete a large part of the first section by the end of 1921, and, should the demand for building plots justify it, they might start also on another section in the course of the same year.

Prospects of Early Sales.

Several months ago all necessary documents and plans were submitted to the Federal District authorities with a view to receiving their approval for the opening up of this estate. The Company were advised that they were likely to obtain the necessary permission almost at once. As soon as that was obtained the estate might be thrown open for sales of building plots, so that it was anticipated they might see a partial return of their expenditure in the immediate future. Although the economic conditions of Brazil had, in common with those of the world at large, taken a turn for the worse, the board were advised that the demand for building land continued to be good, and prices for land did not seem to have declined.

Demand for Land in Rio de Janeiro.

The housing question was just as acute as it was a year ago, and it was reported from Rio de Janeiro that various projects were on foot with a view to building habitations for the working classes on a large scale.

Until recently the Government and municipal authorities seemed disinclined to undertake any direct responsibility in such projects, and preferred to leave them to private enterprise, which, however, might perhaps be subsidised. Whether such legislation would be carried out or not, there was hardly any doubt that building land in the suburban parts of Rio de Janeiro continued to be in demand. With regard to the state of the Company's finances, it would be seen that they had a certain amount of money in hand and coming to them, but the balance sheet did not show the total of their resources, inasmuch as their subsidiary companies had a considerable amount of liquid funds in hand, totalling, even at the present depreciated rate of exchange, about £23,000, so that they might expect that, given ordinary conditions, their resources were sufficient to continue the development for the present. Any sales of building land would, of course, increase their liquid funds. Their subsidiary companies had no other liabilities than ordinary business expenditure, and their properties remained unencumbered.

Mr. R. Logan seconded the resolution, which was unanimously adopted, and the retiring director and the auditors were re-elected.

UROZ OILFIELDS, LIMITED.

The annual ordinary general meeting of the Uroz Oilfields, Limited, was held on December 30 at River Plate House, Finsbury Circus, E.C., Mr. H. W. Sillem (Chairman of the Company) presiding.

The Chairman said: Ladies and Gentlemen,—The past year has, I am pleased to say, been a period of steady and continuous development and successful progress. Operations generally on our French properties have been confined to proving the extent of their coal deposits and making arrangements for a large commercial production, and I am sure you will all be gratified to learn that these operations have been successful. In moulding their policy for development, your directors did not have in mind an immediate production of large quantities of coal, though, of course, these would have commanded a ready market on the spot. We were advised that by far the better and more remunerative plan would be to install up-to-date machinery for the purpose of handling our output and manufacturing briquettes at the mine, thus taking advantage of the higher market prices. You will be interested to learn that the plant for treating and briquetting two hundred tons of this coal per day is already on the ground and being erected, and your directors anticipate that it will be in operation within the next two or three months at the outside. The anthracite deposit on the Mines de Veux and Frejus-Nord properties are justifying the high expectations expressed when last we met, and though operations during the year have been somewhat materially retarded owing to the unavoidable delays in the delivery of the necessary field supplies, progress has, on the whole, been very satisfactory. Turning briefly to your interests in the Trinidad Oilfields, you will recollect that last December the capital of this Company was increased in order that we should be in a position to develop the properties we had acquired in the island of Trinidad, which, as you all know is this Empire's most promising great oilfield. We are now engaged in sinking several wells, and one of these had reached such a depth, and in drilling such phenomena were met with, that advices of successful results were awaited. Before I sit down perhaps a few comments upon the balance sheet will assist you to understand it more clearly. In September 1918 negotiations were commenced for the acquisition of the Vaux and Frejus-Nord concessions. About that time the vendors of the Galician leases were in a position to sell the Company the French concessions just mentioned. This they agreed to do, and in view of the unfortunate circumstances associated with the Galician business, they accepted as the purchase consideration merely a nominal sum. Therefore the book value of our French concessions appears in the balance sheet as a nominal figure, which compensates for the large item in respect of the Galician properties.

You will also notice that during the year a further 412,000 shares have been allotted, thus bringing up the total issued shares to 982,207, representing £491,103 10*s*.

Dividend Prospects.

It will be obvious that we are within measurable distance of this much-to-be-desired period of every Company's career. The first unit of our briquetting plant will shortly be in operation, and inasmuch as this will be capable of producing 200 tons of briquettes per day of twenty-four hours, it will be seen that its yearly capacity—taking only 250 days per year—should be in the neighbourhood of 50,000 tons. Making full allowances for operating costs and also allowing for a decrease in the present high market values, your management estimate that the profit per ton of briquettes will be between £2 and £3. But, apart from this, the anthracite coal and the Trinidad sections of your Company's business may each be expected to contribute substantial profits as time goes on, so that it should be very clear that our enterprise is rapidly approaching that stage when dividends may be anticipated from what will be steadily increasing revenue.

In conclusion I should like to refer to the able and zealous manner in which our managers and staff, both in France and Trinidad, have performed their duties during a difficult period, and I trust it will be your pleasure to join the board in an expression of thanks for the loyal and ungrudging service rendered by our people in both areas of operations. I now have pleasure in formally moving the adoption of the report and accounts.

Mr. W. R. Lester seconded the motion.

HOTEL CECIL, LIMITED.

The twenty-fourth ordinary general meeting of the shareholders of the Hotel Cecil, Limited, was held on December 30 in the Victoria Hall of the Hotel Cecil, Strand, W.C., Col. Ernest Villiers (the Chairman of the Company) presiding.

The Chairman said: Ladies and Gentlemen,—As we tell you in the report, the hotel will be reopened for business on Friday. The banqueting business was reopened on October 1 last, and although the volume of business done since that time in the banqueting department has been very considerable, you will thoroughly and easily understand that as only a portion of the hotel was opened, the service for it and all the engagements for it were almost as great in number as if the whole hotel had been opened. Consequently we cannot anticipate very profitable results from that volume of business, as it has, of course, had to bear the expense of the staff necessary for the whole building. It is a gratifying feature that so many of our old clients have returned to us during that time, or are proposing to return to us to-morrow.

GENERAL

A PROBLEM SOLVED.

For theatre parties;
For football and other teams playing "away";
For day or evening outings of any kind.

HIRE

A PRIVATE MOTOR-BUS
OR CHAR-A-BANC

To take the whole party there and back.

Quotations for any journey on application to—

THE GENERAL PASSENGER AGENT,
ELECTRIC RAILWAY HOUSE,
BROADWAY, WESTMINSTER,
S.W. 1.

R 228

With reference to the staff, it has been the policy of your directors to reinstate where possible old members of the staff, having due regard to nationality, and where vacancies have occurred we have filled them wherever possible with Englishmen. I may take the opportunity of mentioning here that the manager of the banqueting department is an Englishman; I mention that because reports have appeared in the Press to the contrary. With regard to the future policy, and especially with regard to tariffs, this subject has given your board very considerable anxiety, we having been, so to speak, out of business for four years, and those four years being a period in which conditions have entirely changed, you will realise that there is considerable difficulty in fixing a tariff which will, while being moderate to our clients, at the same time protect the interests of the shareholders. There is another paragraph in the report which, if you pass it to-day, will agree to the recommendation which your directors make for the payment of the dividend on the Preference shares for the year ended August 31 last. With these remarks I beg to move that the report be received and adopted, and I will ask Sir Henry Kimber, Bart., our Vice-Chairman, to second the motion.

Sir Henry Kimber, Bart., seconded the motion, which was carried unanimously.

S. SMITH AND SONS (MOTOR ACCESSORIES), LTD.

Presiding on December 31 at the sixth annual general meeting of this Company, Mr. C. P. Newman said he thought that the result of last year's trading called for some measure of congratulation, in view of the difficulties which had been experienced. The profits had been seriously affected by strikes and labour unrest generally, but the expectations of the board had been fulfilled, and, had it not been for the strike at the Cricklewood works, the profits available for dividend would have been very considerably in excess of the sum now shown. The company possessed one of the most modern and best-equipped factories within some miles of London, and the directors believed that the Company could compete with any factory in the world, from the point of view of both economy and quality.

With regard to the outlook, he was glad to say that at present there was no difficulty with labour. During the five months which had elapsed since the end of the financial year the turnover had exceeded by fifty per cent. that for the corresponding five months of the last financial year. It did not appear, therefore, that the motor industry was dead, and in the view of the directors the motor industry to-day was passing through a phase no better and no worse than the majority of other industrial enterprises. In July last their figures for turnover were extremely large, and he estimated they were then making a profit of £20,000 per month. In August there was a slackening in the demand, and since then undoubtedly the demand which had been foreshadowed had not been realised. It seemed to him that the falling-off was the economic result which must follow as a consequence of a great war, coupled with excessive taxation—taxation which was higher than that imposed upon any other community in the world to-day.

As soon as it became evident that the slackening in demand was serious, the board took immediate steps to cancel such orders as it was possible to cancel, and to refrain from placing orders for raw material, except where absolutely necessary to meet firms' orders about which there was no question as to their being carried through, but the Company was left with a very heavy stock which had to be financed, and the board had no alternative but to seek further temporary facilities from the bankers. The shareholders were now asked to give their consent to an issue of a sum not exceeding £600,000 in First Mortgage Debentures, but it had not yet been decided whether those Debentures would be offered for subscription or would be placed with the bank as security. Although the times were anxious and there were difficulties to overcome, the board was convinced that, with judicious handling, the general position of the trade would shortly be righted. It was hoped that as soon as money conditions became easier and the heavy stocks were reduced it would be possible to pay an interim dividend for the present year.

The report was unanimously adopted, and a resolution providing for the issue of Debentures was approved.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

The original series of Treasury bonds having terminated on November 1, a new issue, identical in detail with the previous, was created. The bonds are on offer at £100 per cent. payable on application, and are repayable at par on May 1, 1935, or on May 1 of any of the years 1925 to 1934 inclusive, on twelve months' notice being given either by the Treasury or by the holders. The interest, which is to be paid on May 1 and November 1 at a minimum rate of five per cent. per annum, may be further increased during the period ending May 1, 1925, as follows:—If in any half-year ended May 1 or November 1, the average rate of discount on Treasury bills is over five and a-half per cent. and under six and a-half per cent. per annum, the bonds will bear additional interest at the rate of one per cent. per annum in respect of the following half-year; if the rate of discount is six and a-half per cent. per annum or over, the additional interest will be at the rate of two per cent. per annum. The rate of interest payable on May 1, 1921, will be seven per cent. per annum. Allotments may be obtained in Registered form or in Bonds to Bearer.

LONDON HOUSING BONDS.

These bonds, available in amounts of £5 each and multiples thereof, bear interest at the rate of six per cent. (payable on September 30 and March 31), and are redeemable at par on the expiration of five, ten, or fifteen years. They are secured upon all the property and revenues of the L.C.C. and the rates of the Council outside London. Payment may be made in instalments for Bonds to the value of £20 or multiples thereof.

BUENOS AIRES TOWN AND DOCKS TRAMWAYS, LIMITED.

Offer at ninety-two and a-half per cent. of £100,000 Seven per Cent. Debenture stock. Yield, £7 10*s.* 6*d.* per cent. per annum.

Under the scheme for the reorganisation of the Buenos Aires Port and City Tramways, Limited, the property of the latter will be auctioned and the new Company will bid at the sale. In the absence of any higher offers, the purchase price will be £511,000, payable £51,100 in cash and £459,900 in £1 shares. The present issue is being made in order to provide the cash portion of the purchase price and expenses. The stock will be secured by trust deed as a floating charge on the assets and undertaking, and will be redeemed by a cumulative sinking fund of one per cent. per annum. The receiver will transfer to the Company £35,174, net cash on hand, in exchange for fully-paid shares. On completion of the transaction, Debenture stockholders of the original undertaking will be allotted 242,207, and Extension bond-holders 252,867, shares in the new Company. Except for those directly interested in the reconstruction, the offer does not possess attractions.

THE CROYDON GAS COMPANY.

Offer at ninety-four per cent. of £115,000 Seven per Cent. Twenty-Year Debenture stock, redeemable at par on December 31, 1940, or at 102 per cent. on June 30 or December 31 of any year previous, subject to six months' notice. Flat yield £7 8*s.* 11*d.* per cent. per annum. Minimum yield with redemption, £7 11*s.* 10*d.* per cent. per annum.

The Company, which was incorporated by Act of Parliament in 1847, supplies gas to an area of over seventy square miles in the Croydon district. The authorised capital is £696,000, of which £549,036 has been issued and paid. The loan capital at present issued amounts to £151,850, of which £141,850 is irredeemable. The present issue is being made in order to repay bankers' loans and to provide additional works and mains. The restrictions on the gas industry as a whole has reduced net earnings by the present Company since 1914, despite a continual increase in the volume of gas sold. Even under present conditions, however, the £330,000 Ordinary stocks that are subject to the "sliding scale" receive a dividend of ten and seven per cent. respectively. The operation of the Gas Regulation Act, 1920, will probably allow an increase in charges and further add to the security of the Debenture holders. The balance of profit and revenue account for the year ended June 30, 1920, was £48,800, thus giving ample cover for the £14,670 required annually as interest on the Debenture and Mortgages (including that on the present issue). The stock now offered will rank for interest *pari passu* with the existing loan capital. It offers an attractive yield for a security of its class, but investors will note the absence of a statement as to a pending quotation on the Stock Exchange. The lists close on Saturday, January 15.

ISSUES TO SHAREHOLDERS.

Modderfontein East.—183,706 £1 shares at par.

Siak (Sumatra) Rubber Estates.—£15,000 (part of an authorised issue of £25,000) Ten per Cent. Convertible Second Debenture stock at par redeemable at 105 on or before January 1, 1931.

BANK OF MONTREAL

Established in 1817.
Paid-up Capital, $ ... 00,000.
Rest, $ ... 00,000.
Undivided Profits, $1,851,850.
Total Assets (30th Oct., 1920), $ 50,150,81 .

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, C.M.G., M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq., K.C., General Sir Arthur Currie, G.C.M.G., K.C.B., Hon. Sir Lomer Gouin, K.C.M.G.

Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.
PARIS AGENCY: BANK OF MONTREAL (FRANCE),
17 Place Vendome, Paris.
London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago, San Francisco and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico, and France.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869.

Capital Paid up	$19,000,000
Reserve Funds	$19,000,000
Total Assets	$584,000,000

Head Office—MONTREAL.

Sir HERBERT S. HOLT, *President*. E. L. PEASE, *Vice-President & Managing Director*.
C. E. NEILL, *General Manager*.

730 Branches in Canada and Newfoundland; in Cuba, Porto Rico, Dominican Republic, Haiti, Guadeloupe, Martinique, Costa Rica, Venezuela, and Colombia.

IN BRITISH WEST INDIES AT:
Antigua, Barbados, Grenada, St. Kitts, Bahamas, Dominica, Jamaica, Trinidad, British Guiana, British Honduras.

ARGENTINE ...	Buenos Aires.
BRAZIL	Rio de Janeiro, Santos.
URUGUAY	Montevideo, Sao Paulo
BARCELONA, SPAIN ...	Plaza de Cataluna 6.
NEW YORK AGENCY ...	68 William Street.
LONDON OFFICE ...	Princes Street, E.C. 2.

FRENCH AUXILIARY.
THE ROYAL BANK OF CANADA (FRANCE)
PARIS, 28 Rue du Quatre Septembre.

Kansallis-Osake-Pankki.

NATIONAL JOINT-STOCK BANK.
Head Office: Helsinki (Helsingfors) Finland.
Branches: 120 all over Finland.

Paid-up Capital ..	Fmk. 150,000,000
Reserve Funds ..	,, 88,000,000

Every kind of Banking and Exchange Business Transacted.

Telegraphic Address: "Kansallispankki."
London Agents: London Joint City & Midland Bank.

BANQUE NATIONALE DE CREDIT.

CAPITAL	Frs. 500,000,000
RESERVE FUND	,, 90,000,000
DEPOSITS	,, 2,400,000,000

Head Office:
— PARIS. —

300 Branches in France.
4 Branches in the Rhenish Provinces.

GENERAL BANKING BUSINESS.

THE
Merchants Bank of Canada

Total Deposits (30th Oct., 1920) $170,000,000
Total Assets (30th Oct., 1920) $209,000,000

COMPLETE BANKING SERVICE

399 Branches in Canada.

Special Department at Montreal gives manufacturers and merchants opening up in Canada all information regarding Water Power, Sites, Tariffs, etc.

LONDON OFFICE: 53, CORNHILL.

J. B. DONNELLY, D.S.O., *Manager*.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C. 2.

Paid-up Capital	£4,765,700
Reserve Fund	3,275,000
Reserve Liability of Proprietors	4,765,700
	£12,806,400
Aggregate Assets, 31st March, 1920	£75,544,242

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers, Negotiates and Collects Bills of Exchange, Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM,
Assistant Manager.

THE CANADIAN BANK OF COMMERCE.

HEAD OFFICE ... ... TORONTO.

Paid-up Capital ...	$15,000,000 (£3,082,192)
Reserve Fund ...	$15,000,000 (£3,082,192)

President:
SIR EDMUND WALKER, C.V.O., LL.D., D.C.L.
Vice-President and General Manager: SIR JOHN AIRD.
Assistant General Manager: H. V. F. JONES.

Over 520 Branches throughout CANADA, and in NEWFOUNDLAND, THE UNITED STATES and MEXICO.

LONDON OFFICE: 2 LOMBARD STREET, E.C.

A general Banking Business conducted with **ALL POINTS IN NORTH AMERICA.**

C. CAMBIE, Manager.

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital ... ... (25,000 Shares of £10 each)	**£250,000 0 0**
Reserve Fund	**£725,000 0 0**
Reserved Profits ...	**£20,562 0 0**
Reserve Liability of Shareholders,	**£250,000.**

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,
The Bank of Adelaide, 11 Leadenhall Street, E.C.

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ...	$3,000,000.00
SHAREHOLDERS' LIABILITY	$3,000,000.00
SURPLUS AND PROFIT ...	$7,500,000.00

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travellers' Checks
available throughout the World.
Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States.
Correspondence Solicited.

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LONDON JOINT CITY & MIDLAND BANK, LIMITED.
LLOYDS BANK LIMITED.
Cable Address—"FOURBANK."

NATIONAL BANK OF INDIA, LIMITED.

Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE:
26 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES:

Calcutta	Cochin (S. India)	Zanzibar	
Bombay	Chittagong	Mombasa	Kenya Colony
Madras	Rangoon	Nairobi	British E.A.
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point		
Amritsar	Colombo	Entebbe	Uganda
Delhi	Kandy	Kampala	
Tuticorin	Newera Eliya	Jinja	
Dar-es-Salaam, Tanga			Tanganyika Territory.

SUBSCRIBED CAPITAL	£4,000,000
PAID-UP CAPITAL	£2,000,000
RESERVE FUNDS	£2,300,000

LONDON BANKERS.—Bank of England, National Provincial and Union Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C. 3.

Authorised Capital (200,000 Shares of £10 each)	£2,000,000
Called up	£1,000,000
Reserve Liability of Shareholders	£1,000,000
Reserve Fund	£225,000

Branches: AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

BOARD OF DIRECTORS.

The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
SIR JAMES LEIGH-WOOD, K.B.E., C.B., C.M.G., JAMES H. BATTY, ESQ., G. BROMLEY-MARTIN, ESQ., EMILE FRANÇQUI, ESQ., J. S. HASKELL, ESQ., MEYER SASSOON, ESQ.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for one year at 6 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager*.

THE UNION DISCOUNT COMPANY OF LONDON, LIMITED.

Telegrams: "Udisco, London." **39 CORNHILL, LONDON, E.C. 3.** *Telephones*: 514 Avenue (3 lines).

Capital Authorised and Subscribed	**£2,000,000**
Capital Paid up - - - -	**£1,000,000**
Reserve Fund - - - - -	**£1,000,000**

Rates of Interest allowed for Money on Deposit.

At Call - - - - 5%
At 7 and 14 days' notice - 5¼%
Terms for longer periods can be ascertained on application to the Company.

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NATIONAL BENEFIT
ASSURANCE COMPANY, LTD.
All classes of INSURANCE, including LIFE, FIRE MARINE, MOTORS, ACCIDENT, PROPERTY INVESTMENT, EMPLOYERS' LIABILITY, &c., at very favourable rates.
PROSPECTUS ON APPLICATION.
ASSETS EXCEED £1,500,000.
MANAGING DIRECTOR: J. R. NICOL, O.B.E., J.P.
Head Office: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.
Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C.3.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1919.
Annual Income Exceeds - £5,400,000
Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

Subscription to "The Statist," to include all Special Numbers.
Payable in advance.

Inland (Post Free):
One Year (52 weeks) £1 12 0
Half-Year (26 weeks) 16 0

Colonies and Abroad (within Postal Union, Post Free):
One Year (52 weeks) £1 17 4
Half-Year (26 weeks) 18 6

Offices: 51 CANNON STREET, LONDON, E.C.4

The Statist.
LONDON, SATURDAY, JANUARY 8, 1921.

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The Money Market.

Friday, January 7, 1921

	Current Rate — %	Fixed	Previous Rate — %	Fixed
Bank of England Rate	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5¼	(Apr. 15, '20)	4¼	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6½	—	—
Bank Bills	6-6¼	6⅛-¼	6⅛	6¼
Trade Bills	—	7-7¼	7⅛-⅓	7⅓

JANUARY PROSPECTS.

THE expected recurrence of ease in the Money market after the turn of the year could hardly be said to have materialised, except in the earlier portion of the week, and latterly conditions were characterised by a growing firmness. The explanation of this is not far to seek. As indicated by the Bank return, large sums of money were let out by the banks, but these were used in purchasing March bills. There was a brisk demand for this maturity in the early part of the week in contrast with the recent protracted dulness of the Discount market. Latterly, however, this influence disappeared, but, again, a reference to the Bank return reveals the existence of other factors. The Government have been able to effect a large reduction in Ways and Means Advances since the beginning of the year, connoting a large revenue or heavy sales of Treasury bills. Either event would account for the comparative firmness of rates, but it is probable that both influences were in operation. Besides this, the repayment to the Bank of the amounts borrowed in the last week of 1920 had a considerable influence in postponing the hoped-for reduction of quotations. For the remaining weeks of January it is probable that the tendency will be easier, though a pronounced surplus of loanable funds is not to be looked for as the ingathering of revenue will be on a large scale, the volume of Ways and Means Advances outstanding will be reduced, and the banks will prefer to invest their resources in Treasury bills. Again, there was much talk during the week of a reduction in the Bank Rate, but the possibility of such an event still appears remote, and, as we pointed out in these columns recently, it would be unwise to build on a lowering of the Rate under present conditions. It may be recalled that a rise in the Bank Rate was predicted in the same quarters early in October last with equal confidence on unequally uncertain grounds.

Foreign Exchanges.

Movements in the Foreign Exchange market during the week were on the whole satisfactory, and included such features as an improvement in the value of the £ sterling in New York, Yokohama, Montreal, and South American centres. In other directions changes were of an unfavourable nature, as, for instance, a further depreciation in the currencies of the war-stricken Continental countries. The most notable feature was a rise in the New York rate to 3.63¼, as compared with 3.54 a week ago. Yesterday, however, the improvement was more marked, the highest rate being 3.66¼. Yesterday's quotation was, in fact, the highest since the middle of August last. Canadian dollars showed a remarkable fall in value, to-day's [illegible] In general these movements may be attributed to a reduction in exports from the countries concerned. The influence of this factor at any rate is pronounced in [illegible] shown a remarkable disimprovement. Yesterday's Yokohama rate was 2*s.* 7¾*d.*, the lowest since the end of July last. Other Eastern rates were without much

change. The Indian rupee hardened to 1*s.* 6⅛*d.* yesterday, but fell again to-day to 1*s.* 3¼*d.* The Scandinavian group moved adversely. Among other neutral countries a feature was the rise to 27.45 in the Spanish rate. To-day's quotations for francs and lire were: Paris 61.15, Brussels 58.12½, Italy 104½, as against 59.67½, 56.80, and 101¾ respectively a week ago. Finnish marks after their recent improvement again took a turn for the worse, but the Roumanian leu showed a better tendency.

Income and Expenditure.

The last week of 1920 was a very unfavourable one for the National Accounts, for, in addition to a large deficit in ordinary revenue, maturities of Treasury bills were heavily in excess of sales and renewals. The result was that the Government had to borrow a large amount on Ways and Means Advances. Expenditure for the week at £25,931,132 showed an increase of £5,661,617, while revenue was £7,330,862 lower at £13,153,888, being £12,777,244 below ordinary expenditure. Customs and Excise receipts, as well as income-tax payments, showed a decline, but receipts in respect of excess profits duty were higher than on the preceding week. Special miscellaneous receipts were only £500,000, as against £4,610,427. Maturities of Treasury bills were at the comparatively high figure of £71,335,000, as against £38,875,000 on the previous week. This, of course, was due to the fact that the banks bought freely of three months' Treasury bills in the last week of September, in order to have copious funds for the preparation of the end-of-the-year balance sheets. It might have been expected that this contingency would have been prepared for by the Government, but, as evidenced by the revenue figures, they have seldom been in a worse position to meet an emergency of this nature as during last week. Of the maturing bills, £18,645,000 was allowed to run off, this, combined with the deficit in revenue, making a total of £31,422,244 to be met by borrowing on Ways and Means. The actual increase in the amount of temporary advances outstanding was £32,200,000. It was unfortunate that £2,050,000 net had to be repaid to Public Departments, as this left £34,250,000 to be advanced by the Bank of England. The amounts outstanding of borrowings on the credit of Ways and Means from the Bank and from Public Departments were respectively £87,250,000 and £218,722,000 on Saturday last. The net movement in the floating debt was an increase of £13,960,000 to £1,408,081,000. A more extended review of the National Accounts will be found under the heading of Financial Notes.

Currency Notes.

The currency notes statement for the week ending on the 5th inst. shows a return of notes from circulation amounting to £11,381,560, this being £5,776,372 in excess of fresh issues. The total of currency notes and certificates outstanding was reduced to £357,938,395, a decline of £6,986,372 on the week. As compared with January 7, 1920, this total shows an increase of £9,932,653. The fiduciary issue was correspondingly reduced to £309,988,395, this being £7,566,852 below the highest for 1920. The net decline during the week in the combined circulation of Bank of England notes and currency notes was £8,268,262. As the returns included the last two days of the Old Year, when presumably notes were not coming in as rapidly as after January 1, it is probable that next week's statements will show a substantially greater contraction in the circulation than those of the current week. The total outstanding of currency notes and Bank-notes on Wednesday last, excluding the amount of Bank of England notes in the Currency Note Redemption Account, was £470,057,655, as against £434,343,732 on January 7, 1920, an expansion of £35,713,923; as compared with the average for 1920 it shows an expansion of £14,616,268.

Bullion.

The United States again took the moderate arrivals in the Gold market. To-day's parity price was 113*s.* 3*d.* per oz. fine, as against 116*s.* 1*d.* a week ago.

Business was again rather dull in the Silver market, but the tone was firmer than for many weeks past. This was due to a recurrence of buying on Indian and Chinese account, combined with a reduction in Continental offerings. As a result, the trend of quotations was upwards. From 40⅞*d.* on December 31, the quotation for spot was carried to 42½*d.* on the 5th inst., this being also yesterday's price. To-day, however, there was a sharp reaction to 41½*d.* Forward silver rose to a premium of ¼*d.* to-day.

Recent movements in the Indian Currency Returns are shown below:—

1920	Note Circulation Lacs	Silver In India Lacs	Gold In India Lacs	Gold Elsewhere Lacs	% of Metallic Res. to Notes	Government Securities Indian Lacs	Government Securities British Lacs
Dec. 31 ...	16,140	6,109	2,389	—	52·7	6,807	835
Dec. 22 ...	16,160	6,085	2,379	—	52·9	6,807	835
Dec. 15 ...	16,062	6,041	2,379	—	52·4	6,807	835
Dec. 7 ...	16,024	6,004	2,378	—	52·3	6,807	835
Nov. 30 ...	16,021	5,993	2,386	—	52·3	6,807	885
Nov. 22 ...	15,920	5,899	2,379	—	52·0	6,807	835
Nov. 15 ...	15,943	5,923	2,379	—	52·1	6 807	834
Nov. 7 ...	15,963	5,941	2,380	—	52·1	6,807	835
Oct. 31 ...	15,958	5,941	2,375	—	52·1	6,807	835
Oct. 22 ...	15,880	5,860	2,378	—	51·9	6,807	835
Oct. 15 ...	15,853	5,835	2,376	—	51·8	6,807	835
Oct. 7 ...	15,753	5,817	2,589	—	52·1	6,712	835
Sept. 30 ...	15,763	5,806	3,615	—	59·8	4,714	1,628
June 30 ...	16,431	4,555	4,348	249	55·7	3,525	3,727
March 31 ...	17,452	3,985	4,437	345	50·2	1,959	6,672
Jan. 7 ...	18,621	4,257	3,421	943	46·3	1,750	8,250

Bank of England.

A good improvement in the Bank's reserve position is recorded in the latest return, for the week ending on Wednesday last. The amount of the reserve rose by £1,299,000 on the week to £15,165,000, this being the highest for fifteen weeks. The movement was caused by a further net return of notes from circulation amounting to £1,281,890, in conjunction with another slight addition to the stock of gold. The latter now stands at £128,285,000. The present amount of the note circulation is £131,569,000, showing an expansion of £41,221,000 as compared with a year ago. Bankers' balances were apparently drawn upon rapidly after the turn of the year, for "other" deposits are £20,567,000 lower on the week. Government deposits show an increase of £2,414,000. Government securities fell by £18,104,000 to £89,761,000. It is probable that the reduction in the outstanding Ways and Means Advances by the Bank indicated by this movement was made possible by an excess in sales of new Treasury Bills over maturities. At any rate, the banks appeared to be buying these rather heavily during the earlier part of the week. Other securities declined by £1,299,000 to £84,729,000. In the last two days of

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the year, it may be recalled, the volume of the market's borrowings from the Bank was smaller than on previous days. This would account for this feature, as, of course, the Bank was being repaid since Monday last. The smallness of the movement, however, seems to indicate that borrowing from the Bank just at the close of the year was heavier than was generally believed. The ratio of reserves to liabilities is now 8.8 per cent., as compared with 7.3 per cent. last week and 12.2 per cent. a year ago.

NEW YORK.

THE combined statement of the twelve Federal Reserve Banks for the last week of 1920 shows a further improvement in the reserve position. Gold reserves rose by $3,530,000 to $2,059,330,000, and total reserves rose by $12,410,000 to $2,249,160,000, the largest since June 13, 1919. Re-discounts fell by $12,560,000 to $2,719,130,000, but this movement was offset by an increase of $14,530,000 in the holdings of bills bought in open market. Deposits, excluding Government deposits, rose by $53,250,000 to $1,576,550,000, but the effect of this on the reserve position was counteracted by a decline of $60,240,000 to $3,344,690,000 in the Federal Reserve note circulation. The net result was an improvement from 45.1 per cent. to 47.4 per cent. in the ratio of total reserves to net deposit and Federal Reserve note liabilities combined. The following table affords a comparison of the condition of the Federal Reserve Banks at the close of the last two calendar years: –

(Thousands of dollars)

	1920 Dec. 30	1919 Dec. 26	Inc. (+) or Dec. (–) 1920 on 1919
Rediscounts	2,719,130	2,194,880	+524,250
Total bill holdings	2,971,830	2,780,090	+194,740
Govt. deposits	27,640	72,360	– 44,720
Other deposits	1,576,550	1,632,110	– 55,560
F.R. note circulation	3,344,690	3,057,650	+287,040
Gold reserves	2,059,330	1,662,741	+396,589
Total reserves	2,249,160	1,708,424	+540,736
Reserve ratio	47.4	44.8	+ 2.6

Little change in the situation developed after the turn of the year. At first the Stock markets were inclined to be more optimistic in tone, but the changes in quotations which occurred were of little significance. Call money ranged from six to seven per cent., and prime mercantile paper was called seven and three-quarters to eight per cent.

Demands of the farmers for Government support are becoming more insistent, and it seems not unlikely that Congress will be forced to take action. It is reported that the declaration of a twelve months' moratorium for the benefit of Southern cotton growers is a proposal likely to come before the Legislature of Georgia.

CLEARING HOUSE RETURNS.

THE annual statement of the amount of bills, cheques, &c., paid at the Bankers' Clearing House during 1920 records a marked increase over the previous year, as can be seen from the table given herewith:

	1920 £	1919 £	Incr. in 1920 £
Grand Total	39,018,905,000	28,415,382,000	10,603,521,000
Town Clearings, Total	32,852,953,000	23,214,685,000	9,638,268,000
Metropolitan Clearing, Total	2,093,750,000	1,813,929,000	279,821,000
County Cheque Clearings, Total	4,072,220,000	3,386,768,000	685,452,000

The principal rise took place in the Town Clearing. The total expansion, which amounted to £10,603,521,000, was very unevenly spread over the four quarters. In the first quarter the figures represent an increase of seventy-three per cent., as compared with the corresponding period in 1919; in the second quarter the increase was fifty-eight per cent., in the third quarter twenty-four per cent., and in the fourth quarter eight and a-half per cent. These figures closely follow the course of trade. The development in the turnover as compared with 1919 is, however, large, and is to be attributed principally to the rise in wholesale commodity prices till May and in retail commodity prices till November, to the maturity and continual renewal of big amounts of Treasury bills, to the enormous number of public issues of capital, to great trade activity in the early part of the year, and consequent briskness in foreign exchange dealings, and, finally, to the rise in wages and in payments for almost all other forms of service.

With regard to Provincial Clearings, the combined totals of the six centres which report to the Bankers' Clearing House, namely, Birmingham, Bristol, Leicester, Liverpool, Manchester and Newcastle, show an increase as compared with 1919 of £765,721,000. Each Clearing returned an advance in the first three quarters of the year, but Birmingham, Leicester, Liverpool and Manchester registered declines in the fourth quarter.

Taking the value of the dollar as four shillings, the turnover of the New York Clearing House for the twelve months ended November 30, 1920, was approximately £48,895,067,000, an increase of £3,298,699,000, as compared with the year ended November 30, 1919.

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Stock Exchange.

THE recovery in sentiment which has characterised the Stock markets over the year-end is again the outstanding feature during the past week.

The Gilt-edge market registered a consistent all-round appreciation during the week, Victory Bonds adding another two points to their rise in the previous five days. A gain of over two points in Consols was even more remarkable, representing as it did an increase of over four per cent. on the opening price. A dull tone came in evidence towards the close, and Funding Loan, War Fives, and Victory Bonds were scaled down slightly on profit-taking. Irish Land stock continued in demand throughout, but Local Loans showed no activity. India Threes and Three and a-Halfs were firm features, but alterations were not so marked as elsewhere. County and Corporation stocks attracted little attention, the only movements of note being the marking up of Plymouth and Portsmouth varieties on Thursday. Colonial issues were quiet, with some inquiry for Australian descriptions.

The Foreign Bonds market exhibited irregular tendencies, but on the whole showed improvement. The cessation of Continental selling stabilised South American quotations, though movements were confined to fairly narrow limits. Japanese issues declined with the fall in the sterling value of the dollar, hardening, however, on the eventual recovery of the dollar. French War Loan fluctuated with the value of the franc and finished weak. Chilean issues declined appreciably, while Venezuela Deferreds ceased to appear

trend. Mexican bonds exhibited comparatively little change on balance, despite the statement that the International Committee for the Protection of Holders of Mexican Securities does not consider that the Mexican position has developed sufficiently yet to make it desirable to call for the deposit of Mexican Government securities. Bondholders are assured that keen attention is being paid to the situation and that necessary action will be taken as soon as circumstances justify it.

Home Rails retained the bright tone which has marked this department since Christmas. Among the Heavies, and particularly among the prior stocks, a general appreciation was recorded. Business at no time assumed more than moderate proportions, but the presence of a small body of bargain-hunters, attracted by the high yields and the near approach of dividend dates, was sufficient to lever up prices, and the eventual falling-off in demand created a weakening tendency on Friday. In view of the firmer tone prevailing in Gilt-edge circles it is remarkable that Home Rails have not enjoyed an even greater activity than has actually been the case. The yields at present prices are unusually high in many cases, and the recent report of the Rates Advisory Committee has substantially improved the outlook. Much depends, of course, on the fate of the railways when Government control ceases next August, and a definite statement on the matter would remove a large source of anxiety.

Business in the Foreign Rails market did not assume large proportions, but the tone remained firm throughout. Argentine stocks, after an initial relapse, improved fractionally, and Brazilian descriptions moved in sympathy. Great Western of Brazil moved up slightly on the receipt of a cable announcing that the revision of the contract with the Government had been finally registered, that the accounts for 1919, in accordance with the revised contract, will be proceeded with, and that the necessary meetings of Debenture- and share-holders will be held as soon as possible.

With the decline of the recent heavy liquidation the Industrial section succeeded in making a further recovery. Buyers were not numerous, but as elsewhere quotations were sensitive to the most moderate inquiries. Iron and steel shares were without much interest and fluctuated irregularly towards the close. Shipping securities were a better market, with an active demand for Furness Withys, Western Counties, Indo-China Deferred, and P. & O. Deferred. Cunards were also marked up on the strong situation revealed in the prospectus for the issue of £4,000,000 Debenture stock. Among textiles, Amalgamated Cotton Mills developed fresh activity on the report of an important deal in shares with important Lancashire interests. Textile Corporations, Bleachers, Calico Printers and Courtaulds advanced fractionally, but British Cellulose came on offer and again receded. Bank and Insurance shares were in request, the dividend announcements of the London Joint City and Midland and of Barclays contributing to the improvement in sentiment. Tobacco issues continued depressed, Imperials and British Americans being pressed for sale on the announcement of the short-time arrangements in the B.A.T. Liverpool factory. Dunlops reacted sharply in the early days of the week on the largely circulated statement of a pending Debenture issue, but rallied on the official denial of the rumour.

The Oil market failed to develop any decided tendency during the week, and the tone on the whole was quiet. Mexican Eagles were bid up to 6⅛ on Monday, but eased away later. Royal Dutch and Shells improved on Monday and Tuesday, but prices were forced down by sales from New York on Wednesday, recovering again on the resumption of American buying.



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Mining Topics.

The steady recovery in the New York rate during the week witnessed a sharp relapse in the price of gold from 115*s.* 11*d.* to 112*s.* 2*d.* At the same time the Paris cheque began to approach 61.50. Neither of these factors were conducive to bull operations in the Mining market. Yet the tone remained distinctly firm. A small stream of liquidation on Continental account caused only mild reactions. Thus Rand Mines oscillated around 2⅞, whilst De Beers, after rising to 13½, finished strong at 13¼ on Thursday. Chartered provided the *pièce de résistance*, moving up on expectations of the result of the Cave Commission from 13*s.* 3*d.* on Monday to 15*s.* 6*d.* on Wednesday, but reacting on Thursday to 14*s.* 9*d.* The market is still awaiting assay results from the new striking of the reef in New State Areas at a depth of 3,578 feet in the north shaft. Dividend anticipations caused Indian shares to harden and were confirmed to some extent by the 4*d.* per share declared by Champion Reef.

NEW LAFON TIN.

Year to Sept. 30	Tin Output Tons	Total Revenue £	Total Expenditure £	Net Profit £	Appropriations £	Dividends Amount £	Dividends %	Carried Forward £
1917 ...	44	8,690	6,694	1,996				2,507
1918 ...	151	28,099	14,195	14,514	1,272	9,185	25	1,127
1919 ...	2371	26,058	18,048	7,990	1,500	7,518	20	1,552
1920 ...		7,150	2,567	1,587		3,215	12½	3,651

* Debit balance. † For ten months only.

In so far as the actual production of tin is concerned this Nigerian tin-mining Company ceased functioning after August 1, 1919, having disposed of its tin producing property in exchange for 356,000 fully-paid share of 5*s.* in the Associated Nigerian Tin Mines, Limited, which was formed about that date to take over the properties of New Lafon, Kassa Kopp Tin and

Yelwa. Consequently its accounts for the year ended September 30, 1920, cannot be directly compared with those of the preceding periods. Apart from the proceeds of the stock of tin of £9,474 on hand at the close of the previous year, its revenue consisted of dividends, interest, and profit on realisation of investments. Being, so to speak, transformed into a holding Company, as distinct from a producer, its expenses being purely administrative drop to £2,567, as against £18,048 in the year 1918-19. Consequently it is really only when we come to net profit that a comparison in any way valid can be made. In this case the net profit of £1,583 compares with £7,990 in 1918-19. Having finally disposed of its preliminary expenses and underwriting commission by allocations out of the profits of the two previous years, no deduction is necessary in the year under review. However, in view of the lower profits—the prices secured for tin, and consequently the dividends payable by tin-producing companies were less favourable in the year in question than in 1918-19—the dividend paid to shareholders drops from twenty per cent. to twelve and a-half per cent.

The balance sheet reflects also the transition from a producing to a holding Company. The property account of £31,569 in the 1919 accounts is replaced by a figure of £26,918, which is described as balance of property account less the reserve account of £3,899, and is stated to be represented entirely by the holding of 356,000 fully-paid shares of 5*s.* in the Associated Nigerian Tin Mines. Sundry creditors have vanished from the liability side, which is now confined to the balance of profit and loss and to the issued capital of £36,711 in shares of 2*s.* It is of interest to note that the 367,407 shares of 2*s.* each are practically equal in number to 356,000 shares of 5*s.* each in the Associated Nigerian Tin Mines. Thus the exchange seems to have been effected on a profitable basis. Again, as mentioned above, these shares worth nominally £89,000 figure in the 1920 balance sheet of New Lafon at less than £27,000. Taking even the present depreciated market quotation of 2*s.* 6*d.*, they are worth a minimum of £44,500. Thus financially the change has been distinctly advantageous giving New Lafon a concealed reserve of at least £17,000. The balance sheet shows, too, the presence of ample liquid capital, cash, sundry debtors, and investments other than the Associated shares accounting for £16,688, whereas current liabilities in respect of the dividend to shareholders did not exceed £3,215. It is to the good also that an agreement has been reached setting aside the option given to the Rayfield (Nigeria) Tin Fields to subscribe for the remaining unissued capital of the Company. Consequently, any benefit derived from the issue of shares at a premium will now accrue to the Company itself. So far no properties have been acquired by New Lafon in place of those disposed of, although several mining propositions in Nigeria were offered to them during the year. Yet none of these was considered sufficiently attractive. It is the intention of the directors, however, to acquire and work any property which holds out promise of development. At present the shortage of labour in Nigeria in conjunction with transport difficulties debars any efforts in this direction. These difficulties, too, added to the abnormally low price to which tin has fallen recently, makes the outlook for the current year rather dark. Because of its greater size, the Associated Nigerian Tin Mines is better able to cope with the situation; but so long as an inadequate railway service holds up the delivery of essential machinery progress will necessarily be slow. The continued slump in the price of tin has already resulted in the Government of the F.M.S. fixing a minimum price of over £240 a ton for the metal, thus relieving the producers in that region. In the absence of a rapid recovery in price, which is by no means likely, action should be taken by the Nigerian producers to secure the fixation of a reasonable price. The uncertainty of the outlook at the moment is reflected in the sharp fall of New Lafon shares to 1*s.* 1½*d.* In view of the strong financial position disclosed in the latest balance sheet the shares possess merits as a lock-up investment.

NOURSE MINES.

Issued Capital—£827,821.

Year to June 30	Tons Milled	Cash Working Cost per Ton	Working Profit per Ton	£	Dividend Paid per Ton	Net Profit £	Dividend Paid £	Dividend Paid %
1915 ...	602,100	26/3	21/0	158,043	5/5	130,151	113,825	13¾
1916 ...	663,490	23/4	19/11	114,203	3/6	97,816	82,782	10
1917 ...	495,100	28/1	23/3	113,873	4/10	119,595	103,478	12½
1918	471,000	29/2	23/8	58,180	2/-	19,750	82,782	10
1919 ...	457,800	27/1	26/7	11,291	-/6	15,394	Nil	—
1920 ...	477,300	34/5	29/5	46,783	2/0	85,607	62,086	7½

* Excluding premium on gold equivalent to profit of 5*s.* 7*d* per ton.
† Loss. ‡ Including £134,753 in respect of gold premium.

The report of this South African gold-mine for the year ended June 30, 1920, reveals on examination the cause of its prompt reappearance as a dividend-payer. The labour supply, though still far from adequate, showed a slight improvement as compared with the previous year. Moreover, the irregularity of the supply was to some extent counteracted by the introduction of an additional number of Jack Hammer drills. Consequently, the quantity of ore treated increased from 457,800 tons to 477,300 tons. The gold recovered is stated to be 154,084 oz., which, at the rate of 85*s.* per oz., was equivalent to a yield per ton of 27*s.* 5*d.*, thereby showing a small advance on the grade of the ore, as compared with 27*s.* 1*d.* for 1918-19. On the other hand, notwithstanding the increase in the quantity of ore milled, the working costs continued to mount up, the average cost per ton working out at 29*s.* 5*d.*, as against 26*s.* 7*d.* in 1918-19. A variety of factors contributed to this marked expansion in expenditure. The employees of the gold-mines in general availed themselves of the higher prices secured for gold after July 1919 to claim a substantial advance in wages. These allowances, sanctioned by the Transvaal Chamber of Mines as from November 1, 1919, in order to meet the high cost of living, were reflected in the return of 9*s.* 3*d.* for white wages per ton of ore, as against 7*s.* 7*d.* in the previous year. Similarly, the higher prices commanded by stores and materials involved an increase of £15,624, although, owing to the growth in the tonnage crushed, these worked out only at 8*s.* 7*d.* per ton instead of 8*s.* 3*d.* in 1918-19. The increased burden of the new Miners' Phthisis legislation worked out at 11*d.* per ton, as against 3*d.* per ton. Thus, instead of a working profit of 6*d.* per ton for 1918-19, there resulted a working loss of 2*s.* per ton for the year under review, and a working loss of £46,783 replaced a working profit of £11,291. Such is an analysis of the operations of the year under review, as compared with the previous year, in the absence of the premium on gold. But as this premium was in existence after July 1919, the Company secured an additional revenue, which revolutionised the whole position and converted a serious working loss into a substantial working profit. From the middle of July to the close of 1919 the gold premium brought in £59,072. For the remainder of the financial year it was included in the returns published monthly, in which the estimated net value of gold varied from 106*s.* 6*d.* per oz. in January to 95*s.* per oz. in April. Generally speaking, the estimate was conservative, and this necessitated an addition of £16,072 in respect of under-valuation for the first quarter of 1920. In all, the total receipts from the gold premium taken credit for in the accounts amounted to £134,753. Including this, the gold revenue per ton is increased to 33*s.* 1*d.*; the working loss per ton of 2*s.* is replaced by a working profit per ton of 3*s.* 8*d.*; and a working profit of £87,970 is recorded, as against £11,291 in 1918-19. Similarly, the net profit of £85,607 is a considerable advance on the previous return of £15,394. Accordingly, it was possible to declare two dividends of three and three-quarters per cent., absorbing £62,086.

On the whole the results of the development work

were more satisfactory, as will be perceived from the following table:—

Ore Reserves.

At June 30	Main Reef—Leader— Tons	Assay Value	Main Reef Leader Tons	Assay Value	South Reef Tons	Assay Value	Total Tons	Assay Value
1917...	407,300	23/9	817,000	28/11	936,100	27/2	2,160,400	27/2
1918...	104,400	24/7	797,300	30/0	611,900	27/6	1,513,600	28/10
1919...	128,900	25/1	778 000	30/2	619,200	28/6	1,526,100	28/11
1920...	58.300	23,9	770,740	30/2	723 210	29/4	1,550,250	29,9

Developments.

Year	Main Reef— Feet Driven	Width In.	Value	M. R. Leader— Feet Driven	Width In.	Value	South Reef— Feet Driven	Width In.	Value
1917 ...	460	60	29,9	4,360	22	80 9	1,950	32	56/1
1918 ...	150	51	33/2	3,180	19	101/6	1,110	29	54/10
1919 ...	144	43	37/10	3,280	17	89'3	2.241	27	63/10
1920	150	49	26,4	3,920	24	63/3	2,170	33	59.0

There was a slight increase in the total footage from 15,009 to 16,115 feet. Moreover, 8,920 feet, or fifty-five per cent., were payable, as against 7,190 feet or forty-eight per cent. in 1918-19. Values disclosed on the Main Reef continue to be disappointing; on the other hand, an increase in the width of the Main Reef Leader and in the South Reef almost compensates for the fall in the values; whilst in the former the distance sampled has risen from 3,280 to 3,920 feet. The increase in the ore reserves is explained by the growth in the quantity of ore developed. The estimated tonnage of payable ore developed during the year amounted to no less than 556,000 tons, or over 245,000 tons more than in 1918-19; whilst the quantity of ore mined was only some 6,600 tons more at 525,635 tons. At the same time, the reduction of the ore reserves in the Main Reef to 56,300 tons is largely due to the exclusion of blocks from last year's reserves that were found to be unpayable on stoping.

According to the Consulting Engineer, the outlook for the current year is dependent mainly upon two factors: (1) Lower working costs; (2) a satisfactory gold premium. The importance of the first factor is easily intelligible in the light of the results of the year under review. With an average yield per ton of less than 27*s.* 6*d.* on the basis of the par value of gold, losses are inevitable as long as working costs keep in the neighbourhood of 29*s.* 5*d.* Improvement is possible with active co-operation on the part of employers and employed. As a result of a conference towards the close of the year under review, the men promised to increase the output as far as possible, and this has already produced satisfactory results. However, as long as the cost of living continues high, prospects of economies in this quarter are sharply limited. Hence profits must also depend upon the price realised by the sale of the gold. Since June this factor has definitely turned out more favourable, as the bumper December dividends from the Rand testify. Not only has gold risen steadily to 122*s.* an ounce, but realisation charges have been reduced to normal dimensions and the exchange situation has swung vigorously in favour of the mines. The monthly returns show that, for the five months ended November 30, 1920, Nourse Mines made a working profit of £61,738. This represents a considerable improvement even on the results of 1919-20. Moreover, it is well to recollect the conservative tendency in the valuation of the output as evidenced in the addition of £16,072 for the first quarter of 1920. At present gold exhibits a tendency to oscillate around 116*s.* an ounce, and there is no reason for believing that it will fall below 110*s.* before June. Thus, on the whole, the prospects for the current year are very promising. Already the operations of the first half of the year have justified the declaration of an interim dividend of five per cent. Financially the position of the Company, as disclosed in the balance sheet dated June 30, 1920, is satisfactory. Liquid assets in the form of gold, cash, and gilt-edged securities are available to a total of £164,161 to cover current liabilities not exceeding £93,837. Assuming a final dividend of five per cent., the £1 shares yield, at the existing quotation of 9*s.*, the attractive return of over twenty-two per cent.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 5, 1921.

Issue Department.

Notes Issued	£144,934,650	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,484,650
	£144,934,650		£144,934,650

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£89,760,831
Rest	3,386,079	Other Securities	84,729,122
Public Deposits	16,719,245	Notes	13,365,390
Other Deposits	154,987,508	Gold and Silver Coin	1,800,410
Seven Day and other Bills	9,921		
	£189,655,753		£189,655,753

Comparison with Previous Four Weeks [000,000's omitted.]

Date	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
1921.	£	£	£	£	£	£	£			%
Jan. 5	131.5	128.2	16.7	154.9	89.7	84.7	15.1	8 8	7	6⅝
1920.										
Dec. 29	132.8	128.2	14.3	175.5	107.8	86.0	13.8	7 3	7	6½
Dec. 22	134.6	127.7	13.7	136.0	77.1	78.9	11.5	7·8	7	6½
Dec. 15	131.2	126.8	19.4	126.1	77.1	72.2	14.0	9 6	7	6½
Dec. 8	130.4	125.8	22.4	126.4	80.7	72.1	13.9	9·3	7	6½
Jan. 22 '14	29·3		40.2	13.7	42.2	11.0	33.6	29.3	52 40	3	2⅝

July 30, 1914 — to 4½ ; July 31, 8 ; Aug. 1, 10 ; Aug. 6, 6 ; Aug. 8, 5 ; Jan. 13, 1916, 6 ; Jan. 18, 1917, 5½ ; Nov. 5, 5 ; Nov. 6, 1919, 6 ; Apr. 15, 1920, 7 .

Comparison of Bank Returns, Exchanges, Prices, &c.

	Jan. 5	Jan. 7	Jan. 6	Jan. 7	Jan. 4
Bank of England (in £'s sterling 000,000's omitted):	1921	1920	1919	1918	1911
Circulation	£131.5	£90.3	£70.1	£45.7	£28.5
Public Deposits	16.7	21.4	28.2	37.9	12.5
Other Deposits	154.9	137.2	140.2	123.5	49 2
Government Securities	89.7	60.9	71.9	56.9	17.4
Other Securities	84.7	96 2	85.5	90.7	40.4
Reserve	15 1	19.3	28.8	31.8	21.9
Ratio to Liabilities	8 8 %	12·2%	17·12%	19·71%	35·40%
Coin & Bullion	128 2	91.2	80.5	59.1	31.9
Money:					
Bank of England Rate	7	6 %	5%	5%	4½%
Bank of France Rate	6	5%	5%	5%	3%
Rate 3 month Bills London	6⅛	5⅝%	3½%	4 4⅛%	3½%
Exchanges:					
Paris Cheque	61 13	41 90	25·97	27·21	25·29
New York 60 days	3·63	3·73	4·73	4·72½	4 82
Berlin Telegraphic Transfers	1 5⅛	2 3⅛	1 5⅝	1·4⅜	1/4⅜
Prices:					
Consols 2½ Cent.	47½	57½	59	55½	79⅝
British Funds 3½ Money	58 30	59 95	61 55	58·25	97·57
Silver, London spot	41⅝	78½d.	48⅝d	47·5d.	25⅝d.
Wheat, Gazette Average	84 11	72 7	72/2	71/2	30/5
Cotton, Mid Upland lb.	12·15d.	31·24d.	20·90d.	23·49d.	8·61d.
Iron, Scotch pig ton	231 0	181/0	101 0	101·0	56/1½

CURRENCY NOTE ISSUE.

Week to	Note Issues £	Notes Circulation £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Jan. 5 '21	5,635 188	12,621,560	357,938,395	28,500,000	19,450,000	13·2
Dec. 29, '20	6,291,158	6,871,638	364,924,767	28,500,000	19,450,000	13·1
Jan. 7, '20	4,395,427	12,551,717	347,995,732	28,500,000	—	8·1
Jan. 8, '19	4,994,091	10,394,764	317,930,528	28,500,000	—	9·0
Jan. 8, '18	3,996,765	4,617,577	211,830,078	28,500,000	—	13·5
Jan. 10, '17	3,407,687	6,192,866	145,985,261	28,500,000	—	19·5

Balance Sheet, January 5, 1921.

	£		£
Notes outstanding:		Advances	
One Pound ...	283,007,005	Other Purposes	—
Ten Shillings	43,081,390	Trustee Savings Banks ...	—
Certificates outstanding ...	31,850 000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	357,938 395	Bank of England Notes ...	19,450,000
Notes called in but not yet cancelled ...	2,676,447	Government Securities ...	329,584,164
Investments Reserve A/c ...	17,074,093	Balance at Bank of England ...	154,771
Total ...	377,688,935	Total ...	377,688,935

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Dec. 31 ...	£13.154	£25.931	£12.777	£11,055	£100,000	£3,011
Dec. 25 ...	20.485	20.269	216‡	167,688	168,982	3.534
Dec. 18 ...	24.297	17.861	6,436‡	75.436	79,813	4,613
275 days '20-21	8·8,804	842.690	46,114‡	4,247,557	4,293,671	—6,358
275 days '19-20	696,252	1,125,981	429,729	4,636,287	4,236,558	—8,628
Yr. '20-21*	1,418,300	1,184,102	234,194‡	—	—	—
Yr. '19 20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue— Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Expenditure— Int., &c., on Debt	Misc. Expend.	Supply Services
Dec. 31 ...	£2.576	£3.665	£1,935	£4.948	£2.248	£52	£23.631
Dec. 25 ...	6.166	1.957	2.972	9.390	5.112	332	14.825
Dec. 18 ...	14.625	1.535	3.360	4.777	1.926	100	15.835
275 days '20-21	250.823	156,822	156.354	324,815	282.456	16,052	544,185
275 days '19-20	206.133	137.144	202,626	170,149	242,039	10.344	843.598
Yr. '20 21*	348.650	385.800	220.000	463,850	345.000	31.198	807.904
Yr. '19-20	283.023	359.099	290.045	407.404	332.034	16,171	1,317.568
Yr. '18-19	162.220	291.186	285.028	150.587	269.964	11.380	2,297.956
Yr. '17-18	110.033	239 509	220.214	137.478	189.851	11.401	2.494 968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Dec. 31, 1920 ...	£1,102.109	£305,972	£1,408,081	£18,260
Dec. 25, 1920 ...	1,120,349	273,772	1,394,121	17,815
Dec. 18, 1920 ...	1,131·579	262.914	1,394,498	17.240
Dec. 11, 1920 ...	1,137.604	260,264	1,397,868	16,570
June 30, 1919 ...	796,150	774.237	1,570.387†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling —000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	c10 977	c633	c11.610	£41,925	£51 800	£6.263
Dec. 22, '20	...	10 660	1.013	11.673	28.670	240.079	48.905
Dec. 29 '20	...	10.661	1.116	11.777	30.257	244.769	45.951

		Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Dec. 7, '20	...	£396.748	£83.197	£75.702	£92.144	£455.917	£41.003
Dec. 15, '20	...	396.749	82,445	76.491	93.621	453.375	59.227
Dec. 23, '20	...	396.755	8..409	80.152	95.973	457 435	55.077

		Cash — Gold	Cash — Silver	Cash — Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4.100	£341	£4.441	£8.197	£786	£8.693	£47
Oct. 30, '20	...	12.644	139	12.783	15.353	1.680	32.114	2.984
Nov. 30, '20	...	12.644	145	12.789	14.328	757	30.845	3.305
Nov. 29, '19	...	11.787	190	11.977	10.426	1.547	26.208	2.393
Nov. 30, '18	...	10.424	144	10.568	3.826	4.338	24.456	736

		Gold — In Bank	Gold — Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits — Public	Deposits — Private
FRANCE.								
July 30, '14	...		£165.654	£190.667	£97.768	£267.327	£15.302	£37.903
Dec. 30, '20	...	142.076	77.935	230.664	132.357	1.516.064	2.261	140.735
Jan. 6, '21	...	142.091	77.931	230.675	131.738	1.542.584	3.334	143.119
Jan. 8, '20	...	144.035	79.131	233.742	64.637	1.5 0.396	1.534	125 039
Jan. 9, '19	...	138.208	81.484	232.388	60.924	1.262.674	1.625	97.042

		Cash — Gold	Cash — Silver	Cash — Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£67.843	£16.727	£84.570	£5.279	£40.055	£94.545	£47.198
Dec. 15, '20	...	54.577	294	54.871	1.057.996	2.704.958	3.257.359	791.255
Dec. 23, '20	...	54.577	289†	54.866	1.073.383	2.637.755	3.336 236	7.8.211
Dec. 23, '19	...	54.475	1.039	55.514	525.726	1.743.317	1.706.330	557.348
Dec. 23, '18	...	113.131	1.007	114.138	244.990	1.223.418	1.058.216	574.194

		Cash — Gold	Cash — Silver	Cash — Total	Discounts	Advances	Circulation	Deposits
HOLLAND.*								
Aug. 1, '14		£13.496	£249	£13.745	£13.422	£10.332	£35.660	£1.437
Dec. 27, '20	...	53.012	1.766	54.778	20.798	21.986	89 506	7.105
Jan. 3, '21	...	53.012	1.738	54.8 0	21.755	24.946	93.798	7.657
Jan. 3, '20	...	53.110	547	5 .657	2 .482	21.66	89. 60	7.69
Jan. 4, '19	.	57.620	715	58.335	21.804	12.492	9..905	7.476

		Cash — Gold	Cash — Silver	Cash — Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	..			£43.456—		£25.017	£69.204	£8.887
Oct. 20, '20	...	£32.191	£2.999	35.190	11.604	215.313	606.576	79.451
Oct. 30, '20	...	32.768	2.999	35.767	14.075	230.472	611.158	72.207
Oct. 31, '19	...	32.200	3.006	35.206	26.417	89.476	478.217	74.473
Oct. 31, '18	..	32.697	3.078	35.775	5.283	62.386	358.445	56.877

		Gold	Discounts	Advances	Note Circulation	Deposits — Public	Deposits — Private
JAPAN.							
Aug. 1, '14	...	£21.867	£1.029	£7.863	£32,722	£13.818	£1.521
Nov. 20, '20	..	103.232	6.439	15.446	103.982	107.107	13.843
Nov. 27, '20	...	103.757	7.637	14.270	111.835	103.819	9.185
Nov. 29, '19	...	84.557	19.628	31.333	124.370	108.599	4.414
Nov. 30, '18	...	72.051	4.315	45.629	95.793	98.199	4.703

		Cash Own Vaults	Aggregate Reserve	Loans, Discts., Invest., &c.	Net Deposits — Demand	Net Deposits — Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14...		—	£89.883	£411.238	—	—	£887.165	£1.720
Dec. 18, '20...		£19.388†	113.110	1.047.008	£812.850	£49.153	879.984	5.478
Dec. 24, '20...		19,636†	108.832	1.056.344	796.922	48 398	881 388	3.346
Dec. 27, '19...		21.646†	111.890	1.034.302	833.928	50.188	925.862	3.804
Dec. 28, '18...		22.082†	109.478	932.522	780.284	26.838	850.836	6.320

		Gold	Balance Abroad	Norw.& For. Govt. Secs. & Loans	Disc'nts & Advances	Circulation	Deposits
NORWAY.*							
July 31, '14	...	£2.960	£1.678	£493	£4.868	£6.752	£793
Dec. 15, '20	...	8.115	3.097	578	24.195	25.362	4.928
Dec. 22, '20	...	8.115	3.075	578	26.192	27.180	5.035
Dec. 22, '19	...	8,141	4.082	674	20,596	26.009	2.916

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
Oct. 6, '20	...	£1.906	£3.921	£5,827	£26.899	£119.830	£4,774
Oct. 13, '20	...	1.906	3.921	5.827	29.347	119,490	4.502
Sept. 3, '19	...	1.905	3.924	5.829	7.846	66.556	6,774
Sept. 4, '18	...	1.905	3.742	5.647	10.795	54.450	2.357

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Sept. 25, '20	...	£104.009	£20.652	£4,810	£25.462	£306.814
Oct. 2, '20	...	108.003	21.154	5,276	26,430	314,700
Oct. 9, '20	...	112.008	24.630	4.651	29.291	324.600
Oct. 11, '19	...	43,872	7,909	2,403	10,312	146.469

		Gold — In Bank	Gold — Abroad	Total Cash incl'g Silver	Loans & Discts.	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14...		£190.114	£14.395	£181.892	£76.081	£163.411	£6.589	£109.911
Oct. 29, '17...		129,523	230.865	378.205	1.869.559	1.836.217	15.783	345.550

		Cash — Gold	Cash — Silver	Cash — Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21.804	£29.187	£50.991	£40.572	£13.778	£77.557	£18.955
Dec. 24, '20	...	98.246	23.343	121.589	95.741	13.779	169.493	46.716
Dec. 31, '20	...	98.236	22.943	121.229	93.583	13.779	173.050	46.779
Jan. 3, '19	...	97.920	25.199	123.019	90.585	13.779	155.507	43.185
Jan. 4, '18	...	89.133	25.629	114.762	63.0 9	13.777	134.184	46.542

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5.717	£6.150	£1.555	£7.495	£13.432	£3.903
Dec. 18 '20	...	15.671	5.998	1.903	34.220	40.433	12.687
Dec. 27, '20	...	15.688	6.587	1.903	31.666	40,621	9.359
Dec. 27, '19	...	15.621	6.743	2.687	30,139	40.085	11.438
Dec. 28, '18	...	15.862	6.974	3.055	24.970	43.933	7.086

		Cash — Gold	Cash — Silver	Cash — Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7.202	£758	£7.960	£4.817	£10.716	£2.026
Dec. 23, '20	...	21.709	4.829	26.538	17.612	38.616	5.436
Dec. 31, '20	...	21.7 6	4.833	26 579	20.949	40.918	6.526
Dec. 31, '19	...	20.630	2.946	23.626	21.764	41.445	7.012
Dec. 31, '18	...	16,589	2.336	18.925	25.357	39.028	7.348

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

		Gold — Held by Banks	Gold — With Agents	Total Cash	Bills Discounted	Bills Accepted	Deposits — Govt.	Deposits — Net	Circulation.
U. STATES FED. RES. BANKS.									
Dec. 20,'20 ...		—£410.674—		£416.894	£519.350	£46 922	£10.634	£316.918	£663.868
Dec. 27,'20 ...		—411.169—		447.350	546 338	48.234	5.210	309 870	680.986
Dec. 29.'19 ...		143 312	272.374	427.106	438 976	117.042	14 472	340.894	611.530
Dec. 27,'18 ...		143.590	274.464	429.244	340.593	60.734	12.674	310.578	537.048

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon ...	5½	Jan. 15,'14
Berlin ...	5	Dec. 23,'14	Madrid ...	6	Nov. 4,'20
Berne ...	5	Aug 21,'19	Paris ...	6	Apr. 8'20
Bombay ...	7	Nov. 12,'20	Petrograd	6	July 29,'14
Brussels ...	5½	Apr. 28,'20	Rome ...	5	May 12,'20
Calcutta ...	7	Nov. 19,'20	Stockholm	7½	Sept. 16,'20
Christiania	7	June 25,'20	Tokio ...	8 03	Nov. 18,'19
Copenhagen	7	Apr. 16,'20	Vienna ...	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan. 7, '21	Dec. 31, '20	Dec. 23, '20	Dec. 17, '20
Berlin	Cable	263m.	257m.	255m.	255m.
Brussels	Cheques	56fr. 12c.	56fr. 85c.	56fr. 55c	55fr. 10c.
Denmark	Cable	22kr. 35	23kr. 10	23kr. 20	23kr. 22
Holland	do.	10fl. 36c.	11fl. 25c	11fl. 26c	11fl. 18c.
Italy	do.	104fr. 50	101fr. 75	103fr.	99fr. 00
Lisbon and Oporto	do.	6¾d	7d.	6d.	6½d.
New York	do.	$3 63	$3 54	$3 54½	$3 53
—	Cheques	$3 65	$3 55½	$3 55½	$3 54½
Norway	Cable	22kr. 45	23kr. 10	23kr. 20	23kr. 65
Paris	3 mos.	61fr. 90c.	60fr. 42c.	60fr 35c.	58fr. 85c.
—	Cable	61fr. 15c	59fr. 67c.	59fr. 60c	58fr. 10c.
Spain (Bank places)	3 mos.	42¾.	45½.	42½.	44d.
—	Cable	27p. 45	26p. 45	27p. 40	26p. 95
Sweden	do.	17kr. 58	17kr. 67	17kr. 90	17kr80.
Switzerland	3 mos.	24fr. 07c	23fr. 67c.	24fr. 00c	23fr. 55c.
—	Cable	23fr. 57c	23fr. 17c.	23fr. 25c.	23fr. 05c.

ON LONDON—		Jan. 7, '21	Dec. 31, '20	Dec. 23, '20	Par.
Alexandria	Sight	97¼pi.	97¼pi.	97¼pi.	97¼pi.
Amsterdam	Cheque	11fl. 35c.	11fl. 26c.	11fl. 26¼c.	12·1078.
Athens	Cable	49dr. 40	48dr. 12	48dr. 75	25dr. 22½
Bombay	Transfers	1s. 5d.	1s. 5 d.	1s. 5½d.	2s.*
Brussels	Cheques	57fr. 05c.	56fr. 85c.	56fr. 51c.	25fr. 22½c.
Buenos Ayres	Transfers	51½d.	51½d.	52⅛d.	47·58d.
Calcutta	do.	1s. 5¾d.	1s. 5¾d.	1s. 5¼d.	2s.*
Christiania	Sight	23kr. 45	23kr. 05	23kr. 17½	18·159kr.
Copenhagen	do.	23kr. 09	23kr. 12	23kr. 09	18·159kr.
Helsingfors	Cable	118m.	117m.	130m.	25m. 22½
Hong Kong	Transfers	3s. 1⅛d.	3s. 2⅛d.	3s. 1⅛d.	—
Italy	Sight	104fr. 50c.	101fr. 50c.	102fr. 75c.	25fr. 22½c.
Lisbon	do.	6¾d.	6¾d.	6¼d.	53½d.
Madras	do.	1s. 5¾d.	1s. 5¾d.	1s. 5¼d.	2s.*
Madrid	do.	27p. 37	26p. 48	27p. 39½	25p. 22½
Montevideo	Transfers	51d.	50d.	—	51d
Montreal	Cable	$4 25	$4 10½	$4 18½	$4 86⅔
New York	Sight	$3 65½	$3 51½	$3 52½	—
—	60 days	$3 63	$3 49⅞	$3 50⅛	—
—	Cable	$3 66	$3 52½	$3 53⅛	$4 86⅔
Paris	Cheque	61f. 13c.	59f. 70c.	59f. 60c.	25f. 22½c.
Rio de Janeiro	90 days	—	—	10 5/16d.	16d.
Shanghai	Transfers	4s. 1⅛d.	4s. 0⅛d.	4s. 0⅛d.	—
Singapore	Sight	2s. 3 3/16d.	2s. 3 3/16d.	2s. 3 3/16d.	—
Stockholm	do.	17kr. 81	17kr. 69	17kr. 90	18·159kr
Switzerland	do.	23f. 50c.	23f. 16c.	23f. 25½c.	25f. 22½c.
Valparaiso	90 days	9 7/16	9 5/16	—	18d.
Yokohama	Sight	2s. 8d.	2s. 8 1/16d.	2s. 8⅛d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current* Jan. 7, '21	Rate Current* Dec. 31, '20	Par as to Money Quoted	Rate July 3
Amsterdam, sight ...	31 75c.	31 25c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	27 50c.	25 375c.	48·66c. for 1 rupee	33·00c
Buenos Ayres, cheques...	122·5	130·0		
Christiania, cheques ...	16 00c.	15·70c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	16 00c.	15 70c.	26·80c. for 1 kroner	26·85c
Greece, cheques ...	6 40c.	7·10c.	19·295c. for 1 drachma	
Hongkong, cheques ...	56·00c.	56·00c.	74·59c. for Mex. $1	46·4c.
Italy, sight	35·05f.	33·65f.	5·18¼ lire for $1	5·17f.
Lima, cheques ...	4 42f.	4 42f.	4 8665 $ for 1 libra	
Manila, cheques ...	46 00c.	46·00c.	50c. for 1 peso	49·8c.
Montreal	15·50% disc.	13 625% disc.	Premium per $100	Par
Paris, sight	16 66fr.	17·3fr.	5·18¼ francs for $1	5·16fr.
Rio de Janeiro, cheques	7 1 mil.	7 4 mil.	3 082 milreis for $1	
Shanghai, cheques ...	76·50c.	75·25c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42 00c.	56·77c. for $1	57·12c.
Spain, cheques	13 35c.	13 35c.	19 30c. for 1 peseta	
Stockholm, cheques ...	20 60c.	19 75c.	26 80c. for 1 kroner	
Switzerland, cheques ...	6 48fr.	6 50fr.	5·18¼ francs for $1	5·18¼fr.
Valparaiso, cheques ...	15 00c.	16 00c.	20 61c. for 1 peso	
Yokohama, cheques ...	43 00c.	47 75c.	49 84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Amt.	Inc. or Dec.*
	1921	[In £'s sterling—000's omitted.]			%
BIRMINGHAM ...	Jan. 1	£2.646	— £1,212	£2.646	£1,212 — 31 4
BRISTOL	,, 1	1.026	— 83	1 026	— 83 — 8·7
DUBLIN	,, 1	6.043	— 2,045	6.043	2.045 — 25·3
LEEDS	,, 1	1.397	— 407	1.397	407 + 41·1
LEICESTER	,, 1	596	— 87	596	87 — 12·7
LIVERPOOL ...	,, 1	10.085	— 17	10.085	17 — ·2
MANCHESTER ...	,, 1	13.357	— 5.300	13.357	5.300 — 28·4
NEWCASTLE	,, 1	3.175	— 1.007	3.175	1.007 — 46·4
NOTTINGHAM ...	,, 1	436	— 748	436	748 — 63·2
SHEFFIELD	,, 1	—	—	—	—
LONDON—	1921				
TOWN	Jan. 5	770.042	— 124.385	770.042	124.385 + 19·3
METROPOLITAN	,, 5	38 740	— 7.894	38 740	7.894 — 16·9
COUNTRY	,, 5	68.411	— 25.108	68.411	25.109 — 26·8
TOTAL	Jan. 5	877.193	— 91.583	877.193	91.583 — 17·3

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Anglier & Co., Ltd.

HOMEWARDS.	1921 Jan. 7	1920 Dec. 31	1914 Jan. 2
Alex. to U.K. ...	19 0	—	7 0
Aust. to U.K. ...	—	—	33 0
Bilbao to Cardiff	13 0	13 0	—
Bombay to p.p.	—	50 0 w.	18 0
Burmah to U.K....	—	—	23.6
Calcuttatop.p.(nte)	—	—	1.w.20 6
Danube to U.K.	—	—	8/3
R. Plate to U.K....	45 0	42 6	12 8

* Per ton.

Homewards. —	1921	1920	1914
U.S.A. (Atl. coast)	$4 *	$4*	—
U.S. to U.K. (gr.)	7/6	7/6	1·9†
Gulf ports to U.K. Cont.			
(grain cargo) ...	—	—	12/6*
OUTWARDS.—Cardiff to			
East Coast ...	14 6	15'0	7/0
River Plate ...	—	22 6	13 0
St. Vincent ...	13·0	—	7/9

† Per quarter.

Time Charter, 10/0.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JAN. 7, 1921	JAN. 9, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	231 0	181 0	57 0
— Middlesbro' warrants ...ton	225 0	175 0	51 0
— Hematite warrants ...ton	260 0	220 0	61 0
— Staffordshire bars, London ton	£33 10	£25—£26	£8 10
— Common bars ...ton	£27 10	£23	£6 16
Steel Rails ...ton	£25	£17	£6 2/6
Galvanised Sheets ...ton	~30	£48	£16 17/1
Copper—Standard ...ton	£73	£117 10	£66
Tin—English Ingots ...ton	£207—£208	£370	£142 15
Straits ...ton	£226	£370 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	37/0 —38/0	56/0	11/10½—12/0
Lead—Soft Foreign ...ton	£23 10—£24	£47 15	£19
Spelter—Good Foreign ...ton	£25 7 6 —£26 2 6	£59—£61	£21 7/9
Quicksilver—(75lb.) ...bottle	£12 10—£13	£23 10	£7
Aluminium ...ton	nom.	£165	£82
Antimony—Regulus Foreign ...ton	£33 —£35	£60	£27 10
— English ...ton	£45 —£48	£60	—
Coal—(best) Yorkshire ...ton	37 2 38 2	19/6 - 20/6	17/6
— Steam (best) Newcastle ...ton	50/2 55 2	46/0- 51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	12 6	12 9	7 4
Soda—Crystals ex wharf ...ton	140 0	130 0 140 0	42 6 45 0
Copra—Malay and States ...ton	£37	£68	£23 15 £24 7 6
Gambier—Good marks ...cwt.	37/6 -40 0	48 0	16 10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£40	£107	£25 5
Linseed—Calcutta, spot ...ton	£22	£52	£13 16 9
— Cakes, U.K. made, ex mill ...ton	£18 10	£24 17/6 £25	£7 17/6 £8
Olive Oil—Spanish ...ton	—	nom.	£49 10
Palm Oil—Lagos ...ton	£45	£96	£31 10
Petroleum—American ...gallon	2/31	1 9	7½d.
Rape Oil—Refined English ...ton	nom.	£116	£32
Soya Oil—Refined ...ton	nom.	£106	£24 10
Tallow—Imported ...cwt.	50/0—70/0	103/0—105 0	29/3—33/3
Turpentine—American ...cwt.	£100	165 0	33/7½
Rape Seed—Toria ...ton	£22 10	£45	£13 5
Rubber—Para, spot ...lb.	1/1½	2 7½	2 9½
— Fine plantation (stnd.crepe) lb.	1/	2 8½	2 2
— World's Production* Oct. tons	26,620	31,795	8,467
Shellac—T.N. Orange, fair ...cwt.	340 0	830 0	63 0 64 0
TEXTILES.			
Cotton—Middling Upland ...lb.	12 15d.	31 24½	7 53d.
— Egyptian good fair ...lb.	15 50d	55 50d.	8 75d.
— Pernambuco fair ...lb.	11 15d	34 64½	7 73d.
— Midland Upl. New York ...lb.	16 50c	39 25c.	13 25c.
— Stock, Liverpool (Dec. 31) bales	1,911,600	856,100	934,600
Flax—Petrograd, Yarapol ...ton			£28
Hemp—New Zealand ...ton	£54	£56	£25 10
— Manila fair ...ton	£60	£60 10	£26 10
Jute—First Marks ...ton	£40	£70	£26 15
— Red SCO ...ton	£35	£56	£24 15
Silk—Common, New Style ...lb.	25 0	45 0	12 0—12 6
Wool—Pt. Philip unwashed av. lb.	2 10	5 6	11½d. 1 0
— Lincoln Half Hogs ...lb.	1 3½	2 4½	1 0½
Hides—Eng. Ox. best, 70lb. up lb.	7½d.	15½d.—16½d.	7½d.
Leather—Dressing Hides ...lb.	2/6—3/0	3/3—3/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	92,468,000	122,097,000	34,640,000
— Red, price, N.Y. 60lb....bushel	269	255	67½
— English Gazette, aver. 480lb. qr.	84 11	72 7	34 3
Flour—G.B. ...280lb.	80 0	44 3	28 6
Barley—Eng. Gaz., aver. 400lb. qr.	73 5	107 1	25 4
Oats—Eng. Gaz., aver. 312 lb. qr.	41 5	57 8	20 0
Maize—N.Y. (new bushel)....56lb.	92	168	76½
— Amer. mixed, Liverpool ...480lb.	47 6	[illegible]	32 4
— La Plata ...480lb. qr.	52 0	65 0	25 9
Potatoes—Good English ...ton	200 0	240 0	70 0 —75 0
Rice—Bassein ...cwt.	25 0	26 0	7 0—7/3
Tapioca—Pearl, medium ...cwt.	34/0 -36 0	37 0	14 0 17 8
Hay—best ...2,018lb. load			82 6
Hops—English ...cwt.			£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	6 8	8 0	3/8 -3/10
— Scotch sides ...8lb.	12 0	10 0	4/6—5 0
— English ...8lb.	12 0	10 0	4/2—4/5
Mutton—Scotch wethers...8lb.	15 8	10 6	5/8—6/0
— English wethers ...8lb.	15/8	10/6	4/6—5/4
— New Zealand frozen ...8lb.	4/0 —6 0	10 6	2/4—3/2
Pork—English and Irish ...8lb.	14/8	10 8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†230/0	200 6	60/0—74/0
— Danish ...cwt.	†230/0	†187 0	58/0—68 0
— Canadian, ex Port ...cwt.	†225/0	†187 0	—
— American, ex Port ...cwt.	†185/6—192/0	†187 0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†220 0	†190/0	75/0 79 0
— — short cut, ex Port ...cwt.	†220 0	†190 0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†158/6	†198 6	51/9—52/9
Butter—Danish ...cwt.	†336/0	†252 0	117/0—120/0
— French ...cwt.	†336 0	†252 0	96/0—108/0
— Australian ...cwt.	†336 0	†252 0	98/0—110/0
— New Zealand ...cwt.	†336/0	†252 0	108/0—114/0
Cheese—Canadian ...cwt.	148/0—154/0	†145/0	66 0—68/0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt.	†168/0—230/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Nov. 30. ...cwt.	24,682,068	28,869,711	19,777,254
— Home consump'n to Nov. 30 cwt.	20,806,343	27,643,426	17,272,000
— In Bond Nov. 30 ...cwt.	6,382,000	6,663,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	37/0	53/0	10/3
— — Yellow crystals ...cwt.	72/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1...cwt.	84/0	72/0	18/0
Coffee—Imports to Nov 30 ...cwt.	716,809	1,016,805	720,360
— Home consumpt'n to Nov. 30 cwt.	283,222	293,909	141,410
— Exports to Nov. 30 ...cwt.	462,760	597,155	340,250
— In Bond Nov. 30 ...cwt.	684,000	735,000	484,000
— Price, Costa Rica gd. to fine cwt.	120/0—150/0	158/0—164/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	70/0	130/0—132/0	41/6
Tea—Imports to Nov. 30 ...lb.	405,371,572	437,286,881	123,230,277
— Home consump'n to Nov. 30 lb.	362,612,654	360,242,900	155,447,972
— Exports to Nov. 30 ...lb.	38,551,150	27,206,719	26,561,765
— In Bond Nov. 30 ...lb.	227,903,000	169,861,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	6d.	1 5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	5½d.	1 6	8½d.
— — Common Congou ...lb.	—	1/3	5½d.
Cocoa—In Bond Nov. 30 ...cwt.	1,123,000	979,000	309,000
— Grenada, good to fine ...cwt.	55 0—58/0	85 0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Nov.	$23,799,000	+ 6,432,000	$4,073,000	+ $1,223000
	11 *mos.* to Nov.	196,037,000	+ 36134000	30,931,000	— 320,000
Grand Trunk	Nov.	£1,609,200	+ £357,300	£142,000	+ £38,700
	11 *mos.* to Nov.	15,108,600	+ 2,254,700	991,000	— 575,100

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Nov. 27	1,044	R2,33,571	+ 13,212	8	18,76,537	— 1,05,696
Bast Light ..	Dec. 4	118	21,100	— 11,500	35	9,68,900	— 56,800
Bengal & N.W.	Nov. 27	2,067	5,72,078	+ 39,546	8	36,97,160	— 49,353
Beng. Doors	Dec. 4	158	34,283	— 7,76	9	3,04,592	— 2,26,892
Bomb. Nagpur	Dec. 4	2,695	11,89,000	— 33,000	29	4,25,60,546	— 8,01,223
Bomb. Baroda	Dec. 25	2,871	18,78,000	— 2,32,000	12	2,31,62,000	+ 11,23,000
Burma	Nov. 27	1,342	6,00,138	+ 9,032	8	46,16,841	— 4,02,331
Del. Um. Kalk	Dec. 25	239	93,000	— 18,162	12	12,94,487	+ 31,995
East Indian ...	Jan. 1	2,772	27,54,000	+ 1,77,000	13	3,64,74,000	+ 18,11,000
Gt. Indian Pen	Dec. 25	3,121	31,05,900	+ 80,400	12	3,30,61,100	+ 26,48,427
Madras & S.M.	Dec. 4	3,152	11,00,600	— 23,489	9	4,23,81,068	+ 16,066
Nizam's Guar.	Nov. 23	900	2,04,049	+ 28,909	3	7,31,399	+ 94,421
Rob. & Kumn.	Nov. 27	576	97,778	— 3,958	8	7,49,342	+ 27,808
South Indian	Nov. 20	1,852½	7,33,587	+ 27,144	33	2,70,59,948	+ 14,89,620
South Punjab	Aug.	716	9,03,903	+ 202,049	5m	43,78,259	+ 8,75,629
COLONIAL.							
Can. Northern	Dec. 31	9,704	$2,364,660	+ 633,000	52	66,046,082	+ 12,760,284
Can. Pacific ...	Dec. 31	13,388	5,540,000	+ 137,000	52	216,455,000	+ 39,596,000
Grand Trunk	Dec. 31	3,616	£533,855	+ 148,555	52	16,734,258	+ 2,699,597
Mashonaland	Sept.	810	76,301	— 10,132	12m	—	—
Mid. W. Aust.	Oct.	277	12,825	+ 1,991	4m	41,430	+ 5,424
New Cape Cent	Jan. 11	205	2,991	— 145	50	143,112	+ 16,963
Rhodesia Rlys	Sept.	1,397	134,117	+ 16,200	12m	1,387,433	+ 288,980
Temiscouata..	Oct.	—	$48,120	+ 18,466	10m	357,059	+ 50,889
FOREIGN.							
Argentine.							
Arg. N. East..	Jan. 1	752	£ 10,400	— 1,900	27	312,900	— 8,500
Arg. Transand.	Jan. 1	111	£ 2,976	— 2,114	27	63,616	+ 6,600
B.A. & Pacific	Jan. 1	3,536	£ 117,000	— 24,000	27	3,197,000	— 870,000
B.A. Gt. South	Jan. 1	3,792	£ 165,000	— 16,000	27	3,904,000	— 713,000
Do.	Jan. 1	Net	£ 25,000	— 37,000	27	431,000	— 1,099,000
B.A. Western	Jan. 1	1,882	£ 73,000	— 11,000	27	1,927,000	— 678,000
Do.	Jan. 1	Net	£ 1,000	— 28,000	27	149,000	— 776,000
B. A. Central	Nov.	190	£ 47,981	+ 4,230	5m	262,319	+ 35,213
Cent. Argent..	Jan. 1	3,305	£ 180,000	— 6,000	27	5,241,000	+ 626,000
Cord. Central	Jan. 1	1,205	£ 48,200	— 9,500	27	1,487,300	— 128,400
Entre Rios ..	Jan. 1	811	£ 22,400	— 1,800	27	570,000	— 28,900
Brazilian.							
Brazil Gt. South	Nov.	110	M 41,300	— 3,700	11m	495,000	— 49,671
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	Jan. 1	1,010	£ 14,300	— 11,500	1	—	—
Leopoldina ..	Jan. 1	1,831	£ 33,125	— 29,636	1	—	—
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,967,000	— 2,474,651
Paulista	Dec.	766	M 2,650,000	— 906,000	12m	32,479,000	— 1,225,892
S. to Paulo ..	Jan. 2	153	£ 22,875	— 13,587	1	—	—
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,166	12m	21,953,000	+ 976,69
S. of Bahia & W	Nov.	52	M 153,000	+ 14,000	11m	1,213,000	+ 125,000
Chilean and Peruvian.							
Antofagasta..	Jan. 2	838	£ 40,495	— 6,535	1	—	—
Arica	June	84	£ 12,000	— 500	6m	76,000	+ 10,700
Nitrate (2 wks)	Dec. 15	390	£ 41,666	+ 33,489	48	954,940	+ 515,141
Peruvian Corp.	Dec.	1,140	~ 1,328,940	+ 17,976	6m	6,982,495	- 20,279
Tacna	Nov.	180	£ 11,750	+ 687	5m	144,834	+ 73,502
Cuban.							
Cuban Central	Jan. 1	362	£ 23,823	— 8,771	27	583,106	+ 96,168
Cuba Railroad	Sept.	—	$ 1,194,589	+ 99,618	3m	3,426,374	+ 264,541
Havana Cent.	Dec. 25	70	£ 15,375	+ 3,154	26	340,819	+ 77,681
U. of Havana	Jan. 1	681	£ 62,549	— 13,526	27	1,689,680	+ 143,982
W. of Havana	Jan. 1	155	£ 9,549	+ 250	27	283,896	+ 49,324
Uruguayan.							
Cent. Uruguay	Dec. 25	273	£ 24,652	— 2,079	26	569,226	— 63,147
,, (E. Ext.)	Dec. 25	311	£ 7,464	- 387	26	133,171	— 10,016
,, (N. Ext.)	Dec. 25	185	£ 3,341	— 277	26	73,696	— 20,072
,, (W.Ext.)	Dec. 25	211	£ 3,631	— 168	26	65,857	— 4,333
Mid. Uruguay	Nov.	319	£ 17,660	— 3,936	5m	86,006	— 12,331
N.W. Uruguay	Nov.	113	$ 5,957	- 1,706	5m	29,966	— 4,486
Urug. Northn.	Nov.	73	£ 1,979	— 873	5m	10,187	— 1,136
Miscellaneous.							
Alcoy & Gandia	Jan. 1	33	Ps. 13,300	+ 5,300	52	719,800	+ 183,200
Bilbao	Dec.	15	£ 3,322	+ 2,047	12m	39,409	+ 9,810
Bolivar	Nov.	136	£ 7,930	- 659	11m	108,695	— 12,771
Colomb. Natnl.	Nov.	86	£ 20,160	+ 5,200	11m	209,960	+ 56,880
Costa Rica ...	Nov.	189	£ 21,371	— 5,559	5m	121,357	+ 3,038
Dorada Ext.	Nov.	70	£ 16,250	+ 2,500	11m	184,178	+ 58,528
Egyptian Delta	Dec. 20	559	£ 14,843	+ 883	36	376,026	+ 107,549
Gt. S. of Spain	Dec. 25	104	Ps. 78,304	+ 34,721	51	4,538,551	- 567,041
La Guaira & Ca.	Nov.	22	£ 11,380	+ 1,710	11m	150,740	+ 54,580
Ottoman Ry.	Dec. 25	379	£ 10,423	—	—	—	—
Paraguay Cent	Dec. 25	274	£ 3,630	— 1,180	26	126,320	— 14,530
Puerto Cabello	Nov.	34	£ 4,250	—	11m	58,750	+ 7,375
Salvador	Jan. 2	100	£ 2,987	— 443	27	87,509	+ 6,697
Santa Fé Prov.							
French Rys.	Nov.	1,181	£ 143,792	— 22,504	11m	1,764,928	— 1,832
S'm'na & S'ti'go	Nov.	80	£ 5,750	— 1,912	11m	144,023	+ 13,049
Zafra & Huelva	Nov.	112	£ 14,892	+ 3,135	11m	142,732	+ 27,070
TRAMS.							
Anglo-Argent.	Dec. 31	400	£ 96,157	+ 16,150	52	4,014,765	+ 886,981
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,063
Bombay Elec.	Sept.	39	R. 8,49,038	+ 1,15,373	8m	73,27,000	+ 10,06,847
Brazilian Trac.	Nov.	378	M 13,442,000	+ 3,462,000	11m	110,107,000	+ 16,568,000
Brisbane Elec.	Nov.	40½	£ 46,115	+ 3,155	11m	505,455	+ 72,575
Brit. Columbia	Oct.	334	$ 781,706	+ 71,301	4m	3,035,399	+ 330,788
B. A. Lacroze	Nov.	51	£ 56,746	+ 6,111	5m	273,429	+ 35,725
Calcutta	Dec. 25	35½	R 97,288	+ 4,652	50	46,97,291	+ 2,74,060
Cape Electric	Oct.	42½	£ 32,698	+ 5,955	4m	120,814	+ 35,922
Carth. & Herr.	Nov.	9	£ 2,714	+ 168	11m	44,797	+ 15,279
Chatham & Dist.	Dec. 23	15	£ 1,750	— 301	51	88,922	+ 11,304
Havana Elect.	Sept.	86	$ 961,934	— 169,617	9m	8,312,325	+ 1,587,478
Isle of Thanet	Dec. 29	20½	£ 654	+ 47	13	7,573	+ 545
Kalgoorlie ...	Sept.	20½	£ 3,361	+ 356	9m	27,609	+ 2,967
Lanarkshire	Dec. 23	28½	£ 4,173	+ 184	51	216,097	+ 25,802
Lima Light	Sept.	85	£ 56,513	+ 7,369	9m	518,414	+ 83,182
London C.C....	Jan. 5	141	£ 101,667	+ 24,589	38	3,601,162	+ 411,151
Madras (2 wks.)	Dec. 31	15½	R 58,980	+ 5,913	18	11,97,400	+ 1,70,048
Manila Electric	Oct.	55	$ 327,652	+ 85,211	10m	2,823,018	+ 749,176
Pernambuco...	Jan. 2	59	£ 4,875	— 3,771	1	—	—
Provincial	Dec. 25	21½	£ 2,809	— 73	13	17,707	— 182
Rangoon Elec.	Oct.	25	£ 7,405	— 223	10m	78,350	+ 12,200
Shanghai Elec.	Dec.	26½	¥ X. $153,300	+ 13,300	12m	1,820,111	+ 253,111
Singapore Elec.	Nov. 13	26½	$ 15,122	— 1,873	35	933,158	+ 218,876
U. of Montevid.	Nov.	90	£ 43,846	+ 3,538	1m	—	—

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NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid up Capital and Surplus - - $50,000,000
Total Assets more than - - - $800,000,000

The Statist.

LONDON, SATURDAY, JANUARY 8, 1921.

THE STATE OF IRELAND.

"It is of the utmost moment not to make mistakes in the use of strong measures; and firmness is only a virtue when it accompanies the most perfect wisdom." Thus Burke in his "Thoughts on the Cause of the Present Discontents." The fault which he finds in the rulers of his time is being repeated to-day in every phase of Government policy in Ireland, and for these faults the present Cabinet is largely, though not solely, responsible. Burke's liberalism, as everyone knows, betrayed strong leanings on the conservative side, and no shade of opinion will therefore quarrel with his analysis of the question of responsibility for public unrest. "I am not one of those who think that the people are never in the wrong. They have been so, frequently and outrageously, both in other countries and in this. But I do say that in all disputes between them and their rulers the presumption is at least upon a par in favour of the people. Experience may perhaps justify me in going further. When popular discontents have been very prevalent it may well be affirmed that there has been generally something found amiss in the constitution or in the conduct of government. The people have no interest in disorder. When they do wrong, it is their error and not their crime. But with the governing part of the State it is far otherwise. They certainly may act ill by design, as well as by mistake." Were Burke alive to-day he would see his words come true in Ireland, where Government servants, with the connivance, if not the deliberate sanction, of the authorities, have established over large areas a *régime* of terrorism and bloodshed which must shock the conscience of all civilised communities when the full details of present occurrences are spread abroad. A horde of undisciplined mercenaries shoot, plunder and harass the inhabitants in a manner that recalls the methods used against the Scottish Covenanters. Persecution always fails of its objects, and of the ultimate failure of the present *régime* no doubt can be entertained. It may lead to a temporary acquiescence with present conditions, but there can be no permanent settlement until a genuine effort is made to conciliate general Irish opinion. The only section of opinion which has hitherto been hearkened to is that of a small minority, but the underlying principle of all modern democracies is that the will of the majority must be accounted supreme. Principles of every kind seem, however, to be spurned when the British Government comes to deal with Ireland. The Irish people have grown tired of constitutionalism since, in regard to the political aspirations of the nation, it produced nothing but a series of broken promises and violated pledges. Yet the Prime Minister speaks of the time when Irishmen "will be free to return to those constitutional methods by which alone their rightful aspirations can be attained." The irony, possibly unconscious, of this utterance will not be lost on the people to whom the appeal is addressed. It shows a complete lack of knowledge of the elements of the Irish situation. The Irish have lost faith in constitutionalism, and have become more than ever attached to the idea of independence as a result, partly, of recent history, and partly of the resurgent tide of nationalism that has swept over the world in recent years.

Despite his professions of regard for constitutionalism, Mr. Lloyd George has so far refused to meet the constitutionally elected representatives of the majority of the Irish people. We are glad to notice a departure from this attitude in his recent pronouncements, but if he sincerely desires a solution of the present *impasse* he should facilitate a meeting of the Irish representatives by granting at least a provisional amnesty to all who take part in the deliberations. If advantage is not taken of the present favourable atmosphere to bring about peace, the policy of violence will continue and the results for both sides will be disastrous. We in England largely cherish the mistaken belief that Sinn Fein represents a small section of malcontents and irreconcilables in Ireland. Nothing could be more at variance with the facts. The deliberations of the General Council of Irish County Councils may be taken as a reflex of what is passing in the minds of the people, and one of its recent resolutions was to the effect that the only authority in Ireland authorised by the people to negotiate a political settlement on their behalf was Dail Eireann. Such an authoritative expression of popular sentiment cannot be lightly set aside, and unless we wish to perpetuate a tragedy that has already darkened many homes in Ireland and brought odium on our name abroad, we must not hesitate to negotiate with those whose counsel will carry weight with the Irish electorate.

The statement made in some quarters yesterday that Mr. de Valera had been invited to London to confer with the Premier has not been substantiated, and it is possible that official action on this side, as distinct from mere *ballons d'essai*, will be deferred until the Irish Leader's expected manifesto to the people has been published. The delay here is due to the uncompromising hostility of a certain political section to any settlement in Ireland; and it is being urged in the hope that some unwise statement in the impending manifesto can be seized upon as a ground for breaking off all negotiations, even unofficial, with Sinn Fein and for carrying on with all possible vigour our present insensate policy of repression.

CAPITAL ISSUES IN 1920.

THE year 1919 witnessed a vast reorganisation of industry on a peace basis. The leeway of the War period had to be made up at home, and the dearth of goods in Europe gave hopes of providing large outlets for our manufactures. Ambitious schemes were adopted by most of the large industrial firms, and the policy of expansion was facilitated by the ease in the Money market and the eagerness displayed by investors. Like conditions ruled in the early part of 1920, and from January to April industrial flotations exceeded the total for the whole of the preceding twelve months. The bulk of the issues were made by companies already possessing large capitals, and consisted generally of prior charge securities yielding from 6½ to 7½ per cent. The public readily took up the shares offered, and though the more prudent confined their attention to Preference and Debenture emissions, a large section were attracted to the more speculative varieties, particularly in oil, mining, and rubber undertakings. The raising of the Bank rate in April had a steadying effect on the market. Companies were reluctant to create permanent charges at a high rate of interest, and chose to finance their operations by means of bankers' loans until more favourable conditions for obtaining capital should arise. The policy of credit restriction subsequently adopted by the banks gradually eliminated this alternative, and after a temporary slackening public appeals again increased until the summer holiday period arrived. As the months passed by the hoped-for reduction in the Bank rate became more and more distant, and business interests felt an increasing necessity for liquid resources, but for reasons radically different from those that operated six months previously. Funds had been locked up in plant and stocks in anticipation of ready markets. The continual rise in the cost of living, however, diminished the purchasing power of the consumer, and the latter, who had been expecting an opposite trend in prices, went "on strike." Foreign markets failed even more signally to come up to expectations, mainly on account of the erratic tendencies of the exchanges. Coupled with this shrinkage of sales, directorates found themselves faced with increased demands by labour and extortionate taxation by the State. Cash resources were dried up, and in default of accommodation by the banks the only other method of financing stocks over a period of falling markets was to obtain the necessary funds by public appeal. Consequently the autumn witnessed a revival in new issues, but though these were mostly fixed-interest stocks yielding from 7½ to 9 per cent. per annum, and under high-class guarantee, underwriters were left with increasingly large proportions of their commitments, amounting in the case of the Rotherham loan to 99 per cent. The break in markets was felt most keenly by textile, engineering, tin, rubber and tea interests, and these were the most numerous applicants towards the close of the year. As the replacement of bankers' loans by permanent charges on revenue was not an attractive prospect, the device of short-term notes became increasingly common. In all there were issued during the year £21,523,250 of this type of security, £15,853,500 being

PURPOSES FOR WHICH CAPITAL HAS BEEN SUBSCRIBED BY GREAT BRITAIN SINCE 1912.*

Class of Security	1920	1919	1918	1917	1916	1915	1914	1913	1912
Government—	£	£	£	£	£	£	£	£	£
United Kingdom ...	38,550,718	880,400,000	1,341,400,000	1,899,093,106	701,000,000	1,105,944,250	193,802,500	6,098,020	4,200,708
Colonial	11,970,000	11,237,500	5,369,750	13,870,726	597,000,000	16,273,750	43,425,583	26,888,924	14,896,534
Foreign		3,542,234	630,000	710,000		48,950,000	24,672,082	28,027,165	11,114,495
Total	**50,520,718**	**895,179,734**	**1,347,399,750**	**1,913,673,832**	**1,298,000,000**	**1,171,168,000**	**261,900,165**	**61,014,109**	**30,211,737**
Municipal—									
United Kingdom ...	58,553,160	1,020,600	1,920,959	Nil	495,000	Nil	3,045,810	920,000	378,750
Colonial	Nil	Nil	Nil	Nil	Nil	350,000	7,818,511	14,810,371	6,290,386
Foreign	Nil	Nil	Nil	Nil	Nil	Nil	10,606,169	8,536,570	10,643,495
Total	**58,533,160**	**1,020,600**	**1,920,959**	**Nil**	**495,000**	**350,000**	**21,470,490**	**24,266,941**	**17,307,681**
Railways									
United Kingdom ..	Nil	Nil	Nil	Nil	1,678,956	4,290,517	8,019,340	5,486,328	4,892,376
Colonial	2,616,000	Nil	2,970,000	Nil	Nil	5,940,000	25,299,644	38,303,563	19,507,057
Foreign	Nil	Nil	915,000	490,000	240,000	2,940,000	17,240,931	30,816,846	25,685,298
Total	**2,616,000**	**Nil**	**3,885,000**	**490,000**	**1,918,956**	**13,170,517**	**50,559,915**	**74,605,737**	**50,084,731**
Banks	15,762,072	17,374,928	3,206,568	1,500,000	285,000	106,996	1,415,395	3,393,715	8,253,387
Breweries	2,759,170	1,500,000	Nil	650,000	299,020	Nil	911,500	24,500	1,387,040
Canals and Docks	Nil	225,000	995,000	Nil	Nil	Nil	Nil	727,000	400,000
Commercial, Indust., &c. ...	160,355,843	78,947,594	6,160,441	4,297,368	3,596,179	2,592,829	16,175,425	33,255,435	28,701,538
Electric Light & Power ...	3,797,589	5,294,876	2,197,750	114,000	25,500	677,950	4,803,997	4,427,581	6,096,590
Fin., Land, Inv. & Trust ...	8,412,714	12,217,503	168,750	30,000	3,750	47,500	8,128,183	11,129,882	14,923,327
Gas and Water	3,986,005	4,226,092	1,343,717	314,500	86,513	122,736	1,590,650	1,633,910	2,431,687
Insurance	2,502,341	11,199,267	Nil	150,000	75,000	40,000	297,161	454,130	418,750
Iron, Coal, Steel & Eng. ...	39,108,521	19,791,444	13,676,859	1,834,272	1,858,750	245,930	4,038,390	7,587,489	8,526,463
Mines	7,746,059	5,616,779	443,125	325,791	32,500	41,250	2,367,362	4,011,257	5,892,923
Motor Traction & Mfg. ...	6,985,262	12,648,676	595,000	261,387	396,000	120,000	2,009,160	1,581,250	556,812
Nitrate	100,000	172,150	192,500	30,000	Nil	Nil	285,000	359,300	Nil
Oil	21,145,194	11,436,910	1,007,000	1,125,000	51,251	25,000	3,189,309	5,683,700	6,384,742
Rubber, Tea and Coffee ...	7,077,503	2,371,488	25,000	14,375	42,721	195,954	901,796	1,643,287	9,344,337
Shipping	16,420,635	6,643,500	160,000	82,080	1,424,419	588,900	6,694,750	4,857,474	10,023,812
Telegraphs and Telephones	3,039,650	5,405,000	Nil	437,500	76,853	Nil	244,000	2,455,210	2,821,303
Tramways	64,300	200,000	115,700	100,000	Nil	432,000	6,448,236	5,125,000	13,954,962
Total	**299,760,358**	**194,971,207**	**30,287,410**	**11,366,273**	**8,252,456**	**5,237,045**	**59,500,314**	**88,350,420**	**113,732,881**
Grand Total ..	**411,430,236**	**1,091,171,541**	**1,383,493,119**	**1,925,530,105**	**1,308,666,412**	**1,189,925,562**	**393,430,884**	**248,237,207**	**211,336,980**

Calculated at prices of issue, and excluding all conversion loans, bonus shares and shares issued to vendors.

THE CAPITAL SUBSCRIPTIONS OF GREAT BRITAIN DURING 1920.*

	January	February	March	April	May	June	July	August	September	October	November	Decembe
	£	£	£	£	£	£	£	£	£	£	£	£
Government ..	9,270,000	2,200,000	1,160,000	800,000	5,075,000	6,355,000	2,155,000	1,364,000	1,645,000	8,730,000	6,230,924	5,240,794
Municipal ..	1,038,916	953,094	8,984,157	12,197,932	6,876,144	5,804,015	10,099,152	1,478,768	5,061,345	766,908	5,086,289	337,751
Railways	1,116,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1,500,000	Nil
Banks	3,775,000	5,478,826	360,142	600,000	2,531,250	188,500	Nil	925,000	800,000	Nil	Nil	403,054
Breweries	Nil	222,471	375,799	Nil	71,000	Nil	Nil	Nil	625,000	866,900	398,000	200,000
Commercial & Industrial	21,498,026	12,6 8,398	35,122,457	8,071,544	19,244,861	14,607,835	12,354,881	778,500	8,241,335	12,653,111	11,628,690	3,626,205
Electric Light & Power	Nil	167,707	802,400	750,000	Nil	25,482	1,050,000	15,000	Nil	Nil	Nil	987,000
Fin., Land, Inv. & Trust	720,232	2,925,631	1,002,500	861,775	901,000	60,000	449,492	Nil	450,606	108,270	50,600	942,610
Gas & Water	382,500	Nil	28,000	65,000	152,700	143,250	10,000	125,000	83,000	155,500	2,752,000	89,055
Insurance	919,915	50,000	1,072,396	137,500	Nil	Nil	Nil	322,500	Nil	Nil	Nil	Nil
Iron, Coal, Steel & Eng.	5,415,797	4,471,875	5,665,000	5,582,829	910,320	1,108,349	4,503,250	1 656,512	210,000	637,027	8,897,562	50,000
Mines	1,333,406	459,778	314,719	155,000	68,250	50,000	100,000	20,000	3,400,000	971,250	614,950	258,706
Motor Mfg. & Traction...	1,196,762	2,420,000	1,350,000	200,000	857,500	Nil	601,000	60,000	Nil	300,000	Nil	Nil
Nitrate	Nil	Nil	100,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Oil	297,500	2,853,401	1,180,000	205,000	250,000	5,500,000	74,560	560,000	200,000	2,075,000	1,304,913	226,000
Rubber, Tea & Coffee ...	1,179,187	688,168	1,550,249	520,899	1,538,912	266,250	67,500	252,738	276,562	80,038	224,500	432,500
Shipping	2,042,660	6,240,104	3,730,500	666,121	1,531,250	1,910,000	Nil	Nil	Nil	Nil	Nil	300,000
Telegraphs & Telephones	Nil	Nil	3,039,650	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Tram & 'Bus	Nil	Nil	Nil	34,300	Nil	Nil	Nil	30,000	Nil	Nil	Nil	Nil
Total ...	**50,185,931**	**41,659,453**	**66,138,269**	**30,847,898**	**40,008,187**	**42,447,501**	**31,464,835**	**7,578,018**	**20,992,848**	**29,234,004**	**38,688,428**	**12,942,364**
Home	39,890,598	37,036,235	58,921,151	28,091,475	37,470,025	36,246,251	30,642,403	5,935,280	15,865,680	24,785,696	28,517,815	9,352,983
Colonial	9,187,469	2,453,567	5,068,749	2,504,736	2,088,162	5,896,250	697,872	967,738	4,434,312	2,351,770	8,720,700	2,412,381
Foreign	1,098,864	2,169,651	2,148,369	251,687	450,000	305,000	124,560	675,000	692,856	2,096,538	1,449,913	1,177,000

* Calculated at prices of issue, and excluding all conversion loans, bonus shares and shares issued to vendors.

created during the last quarter. They were on the whole a pronounced failure and met with a flood of criticism, much of it uninformed. Their lack of success may be chiefly ascribed to their novelty, their short currency, and the general weakness of the Capital market.

The tabular analyses opposite show the monthly variations for the different sections during the year under review and the annual changes for the last nine years. The bulk of the new money was required by general commercial and industrial interests, the total for the year amounting to £160,355,843. Of this, the textile industry was responsible for £20,918,450; tobacco, £15,799,944; dry-goods stores, £10,106,800; paper, £5,934,750; cinemas, £5,376,100; glass, £2,481,000; hotels and restaurants, £2,479,700; and the leather trade, £1,047,000. In view of the housing crisis it is notable that public appeals by housing companies came to less than a million and were mostly of an unattractive nature. Reference to the annexed table of the principal issues shows that the largest individual emission was that of the Imperial Tobacco Company, amounting to £11,234,664. The Lever interests, including the Niger Company, made a series of successful flotations, however, amounting in all to £19,868,750. The Dunlop Company ranks next in importance with a total of £12,500,000, followed by British-American Tobacco with £4,250,000. Over three-fourths of the total commercial and industrial emissions were made in the first six months of the year, and almost one-half in the first three months. The complete offerings in this section were more than double the amount of those in 1919 and over six times the pre-war standard. The average for the last six years is, however, only 42.6 millions, while that for the six pre-war years was 25.7 millions. Allowing for the altered value of money, the increase does not seem disproportionate, and demonstrates clearly that the recent expansion in capital issues, huge though it is, is not a direct cause of the collapse in share values.

Municipal loans rank next in importance on the list with the total of £58,533,160. The very marked increase on the previous year is largely due to the fact that the Government has left the solution of the housing problem almost completely at the discretion of local authorities, but it is in no small measure the result of the growing invasion of private enterprise by public bodies. Most of the loans took the shape of six per cent. redeemable stock offered at par in the early part of the year, and at a discount of about four and a-half per cent. towards the closing months. The Sheffield issue in March was the only one to be oversubscribed; of the others the underwriters had to nurse a gradually increasing proportion which, in the case of the Seven Towns Loan in November, amounted to 90.7 per cent. in the aggregate. The total Government figures amount to only £50,520,718, of which £11,970,000 went to the Colonies. The large drop is accounted for by the absence of the heavy loans characteristic of previous years, the only loan placed directly on the market being the issue of £15,000,000 Local Loan stock at 50, making net cash receipts of £7,500,000. The bulk of the remainder consists of the net cash subscriptions to Savings Certificates and Treasury bonds. No figures are included for Treasury bills or other short-dated issues, and due allowance has been made for the conversion of Exchequer bonds into Treasury Bonds.

Coal, iron, steel and engineering firms made appeals approximating to £40,000,000, more than twice as much as in 1919 and over four times the pre-war average. The new capital supplied to oil companies amounted to £21,143,000, or more than that for the whole of the last seven years. The Shell and Kern River emissions, the United Kingdom participation in the Royal Dutch issue and the private subscriptions to Steaua Romana (British), Limited, account for over two-thirds of the total. Shipping issues, at £16,420,000, are more than double the previous figure.

The appended table gives details of the principal issues made during 1920:—

GOVERNMENT:			
		Oct.	7,500,000
Gold Coast ...			4,000,000
	£1,000,000 ,, ,,		
MUNICIPAL			
Birmingham ...			
			1,960,000
Essex ...	Red. Stk. at 95½		
			1,910,000
			1,432,500
	,000 5½% Bonds at 94½		
			1,196,250
Bristol ...	,000 ,, ,, ,,		1,437,500
BANKS:			
			1,275,000
			5,005,344
British - American Tobacco			4,250,000
British Glass ...			
British Glues ...			
Crosfield (J.)			
	2,625,321 7½% £1 Cum. Pref. at par	,,	2,625,321
Dunlop Rubber			
Explosives Trades	Notes at 96½	Oct.	2,885,000
	1,225,000 £1 Ordinary at 30s. † ...		1,836,500
Harrods		July	
		May	11,[illegible]
		Nov.	0
Lyons ...		June	
Lever Bros. ...	4,000,000 7% £1 Cum. "C" Prf. at par		
	4,000,000 £1 "A" Cum. Prf. at par	June	4,000,000
	4,500,000 5s. 20% Cum. Prf. Ord.		
		Nov.	
		June	
	£2,500,000 7-Yr. Notes at 98 ...	Nov.	2,450,000
		Dec.	
Provincial Cinemas		May	
Roberts & Sons	1,500,000 £1 8% Cum. Prf. at par	July	1,500,000
	1,000,000 £1 10% Cum. Prf. Ord. at par		
		Nov.	
Union Cold Storage ...			
	700,000 £1 10% "A" Cum. Prf. at par	Mar.	2,910,000
WATER:			
Metropolitan Water ...	£2,500,000 "C" Stock at 92	Nov	
IRON, STEEL, COAL AND ENGINEERING:			
Armstrong, Whitworth	£2,000,000 6½% [illegible] Mort. Deb. Stk. at 95	July	1,900,000
B.S.A. ...	£2,500,000 7% Notes at 99 ...	Jan.	2,475,000
Bolckow, Vaughan ...	£1,000,000 8% Debs. at par ...	Nov.	1,000,000
Dorman Long ...	3,000,000 £1 Ord. at par† ...	Apr.	3,000,000
Ebbw Vale ...	3,000,000 8% Notes at 98½ ...	Nov.	2,955,000
English Electric ...	1,250,000 8% 5-Yr. Sec. Notes at 98 ...	,,	1,225,000
General Electric Co.	1,[illegible] 7½% £1 "B" Cum. Prf. at par	Mar.	1,600,000
Thomas & Co. ...	1,500,000 £1 6% Cum. Prf. at par	,,	1,500,000
United Strip & Bar Mills	1,500,000 £1 8% Gtd. Cum. Prf. at par		1,500,000
Vickers	1,500,000 7% 7-Yr. Notes at 95	July	1,425,000
Workman & Clark ...	£3,000,000 7% 1st Mt. Debs. at 95	Feb.	2,850,000
MINES			
Burma Corp.	£1,000,000 8% Conv. Mort. Deb. Stk. at par	Sept.	1,000,000
Broken Hill Propry.	£1,[illegible] 7% Debs. at [illegible] 420,000 £1 Ordinary at £2 5s.	,,	2,400,000
MOTORS			
Austin ...	1,[illegible] £1 Pref. Ord. at par		
Willys Overland ...	1,000,000 10% £1 Cum. Prf. Ord. at 21s. 6d.		
SHIPPING:			
African Steamship ...	[illegible] £20 shares at par		
Furness & Leith Steam Packet	1,500,000 £1 Pref. Prf. at par	May	
Orient ...	1,485,403 £1 shares at 30s.†		
Royal Mail ...	£[illegible] 6% Cum. Prf. Stk. at 110		
	900,000 6½% £1 Prf. at par ...		
Lindsay	1,[illegible] £1 Cum. Pref. Ord. at par		
	1,[illegible] £1 Ord. at par		
Western Counties ...	1,000,000 £1 Ordinary at par	May	
TELEGRAPHS			
Western Telegraph	[illegible] £1 shares at par †	May	
Eastern Telegraph	[illegible] £1 shares at par		
Eastern Extension Aust. & China Telegraph	1,[illegible] £20 shares at par		1,000,000
OIL			
International Petroleum	1,333,[illegible] £1 shares in part	June	
Indo-Burma Petroleum	1,[illegible] £1 shares at par		
Kern River	1,[illegible] £1 shares at par	Nov.	
Royal Dutch	1,[illegible] £1 shares at par	Jan. to Dec.	
Shell Transport	6,428,820 £1 shares at par†		
Steaua Romana	[illegible] £1 Ordinary at par ...	Oct.	

† Bonus. To shareholders.

A RETROSPECT OF THE YEAR IN THE UNITED STATES.—I.

THE United States occupies to-day an unique position among the great nations of the world in that, while its internal economic organisation and its relations with outside countries have been profoundly affected by the War, financial conditions in the country are essentially the same as in pre-War days. In most other countries the maintenance of the gold standard in war-time conditions was found impossible and had to be superseded by a *fiat* currency, this giving a virtually unlimited scope to banking operations. In the United States, on the contrary, the fundamental position of a gold standard was never abandoned, the pre-War banking regulations prescribing minimum ratios of reserve to liabilities, and the issuing of weekly statements of condition continued to be enforced throughout, and at a most critical period the peace-time principles of finance were confirmed uncompromisingly by the restoring of New York to its old position as a free gold market.

On reviewing the position of the country during the year just past it will be found that developments there were of the same character as those which reproduced themselves all over the world, having proceeded from the same fundamental causes. In the United States, indeed, was first begun the process of economic readjustment which we witnessed in 1920, and the peculiar financial situation of the country, just described, was, as we shall find, at once an immediate cause of this readjustment and was responsible for carrying it to a far greater length than in other countries.

Adherence to the principles re-affirmed by the removal of the embargo on the export of gold on June 10, 1919, was later to put on the Federal Reserve System a strain unparalled since its inception. Previous to that date a very large portion of the world's stock of gold had gravitated to the United States, but immediately on the removal of the embargo the accumulated holdings of the precious metal began to be drained away with great rapidity by those countries with whom the United States had to support an adverse trade balance, and the exchanges on which were, in consequence, unfavourable. The countries in order of importance were:—Argentina, Uruguay, Spain, China, Japan and the Dutch East Indies. Between August 1914 and June 1919, $1,101,019,000 in gold was gained by the country; from June 1919 until December 31, 1919, nearly $302,000,000 of this surplus was lost, and in the first quarter of 1920 a further $104,000,000 was exported in excess of imports. During the twelve months prior to June 1919 the average monthly exports of gold were a little over $3,000,000, but in June the exports rose to nearly $83,000,000. The following table shows how the gold position changed:—

U.S. Gold Movements since June 1919.

Excess of imports over exports Aug. 1, 1914-June 30, 1919, $1,101,019,000.

	Imports $	Exports $	Net Imports $	Net Exports $
1919				
July 1-Dec. 31	52,222,473	334,119,576		281,897,103
1920				
Jan. 1-Mar. 31	33,476,133	137,853,640	-	104,377,507
Total from July 1 to Mar. 31	85,699,606	492,005,216	-	406,305,610
April	41,580,812	43,784,610	2,203,798	-
May 1-June 30	165,280,614	121,476,285	43,804,329	-

These movements in themselves were sufficient to alarm the authorities, but towards the end of 1919 and the beginning of 1920 there were many other aspects of the situation which threatened to increase the strain on the banking system of the country. The huge sums disbursed in respect of interest and dividends at the close of 1919 did not, as in former years, return to the great Reserve centres on the turn of the New Year. One of the main causes of this tying up of credits was a great shortage of freight cars involving a congestion of commodities in many centres all over the country, these commodities having to be carried on borrowed money. Moreover, the labour situation was such as to cause a great delay in the production and transportation of goods, speculative activities both in commodities and securities were at an unprecedented volume, and prices were successively rising to levels never previously attained in the history of the country. Conditions abroad were going from bad to worse; the depreciation of the currencies of European countries in terms of dollars was growing rapidly; and, in consequence, the buying power of the foreign customers of the United States was steadily diminishing. Independently of its effect on the banking position, the high price-level was beginning to produce effects in other directions early in 1920, which, in conjunction with other things, heralded the bad time that was in store for industry. These resulted in a growing restriction of consumption all over the country following on a period of extravagance in 1919; and in other countries also were, to a large extent, responsible for the present economic depression. In the United States the "consumers' strike" was more powerful and better organised than in other countries, and its action was more swift and far-reaching.

Such were the conditions prevailing at the opening of 1920, and the Federal Reserve Board were not slow to perceive that if the autumn demands for banking credits to finance the crop movements were to be made, either the currency and banking organisation of the country should be entirely changed, or, if retained, a drastic policy of deflation must be embarked upon. The latter was the alternative adopted. They lost no time in issuing a warning to the business community of the troublous times ahead, they declared their determination of forcing a reduction in prices by a severe curtailment of credit facilities, and, as a practical step in the campaign, the New York, Boston, and Philadelphia Federal Reserve Banks announced a drastic increase in discount rates on January 22, 1920. The rate for advances on commercial paper not exceeding fifteen days (except bankers' acceptances) was raised from four and three-quarters per cent. to six per cent.; the rate for loans not exceeding fifteen days secured by Liberty Bonds and Victory Notes, and for rediscounts (not exceeding ninety days) was increased from four and three-quarters per cent. to five and a-half per cent.; the rate for loans not exceeding fifteen days and rediscounts (not exceeding ninety days) secured by bankers' acceptances, from four and three-quarters per cent. to five per cent. The history of the rest of the year is characterised by a rigid and unswerving adherence to this policy of deflation; loans for speculative purposes were refused, and even in the case of loans for industrial purposes a discrimination was made against "non-essential" in favour of "essential" industries. This latter distinction was a very arbitrary one, the passenger automobile industry, for instance, being classed as "non-essential," and the result was that many deserving enterprises had to suffer. From about April onwards the bankers had the situation well in hand, and many elements of relief began to appear. The most important of these, perhaps, was a change in the gold situation. A reference to the above table shows that after March the country began to gain gold, instead of losing it as previously. This was due to two distinct developments. In the first place, large amounts of gold were shipped to New York from London and Paris to prepare for the retirement of the Anglo-French Loan on October 15, 1920, and when imports on this account began to fall off, purchases were made in the London market on United States account. In the second place, those exchanges which had formerly been adverse turned in favour of the country in the latter part of the spring, with the result that the huge exports of the precious metal from the country began to fall off very rapidly. Besides these events, the railroad system was being gradually though slowly improved, and the huge volume of "frozen credits" entailed by the holding-up of commodities at the great distributing centres began to circulate.

RUBBER POSITION AND PROSPECTS.

Looking back on the year which has just closed it must certainly be admitted that it failed to realise the high expectations held—and held with much justification—at the opening. For rubber, however, 1920 has been a year of marked and unprecedented depression, not equalled even by the dismal experience of 1918. In that year, when the world War was reaching its most critical stage, the vital necessity of sacrificing everything to the greater need was widely recognised, and the subsequent restriction of cultivation and slump in the price of the raw material were received with philosophical resignation. But at the dawn of 1920, however carefully the horizon was scanned, little was to be seen to foretell the coming storm. On the contrary, stimulated by the prosperous results of 1919, there was a general tendency to forecast a bright future for the rubber industry. Transport conditions were rapidly becoming more normal and rubber could consequently be shipped to the markets where it was in best demand. Moreover, the world was doing its best to resume peace-time production. Furthermore, everywhere there were expectations of a boom in the motor industry, especially here and in the United States. France and Belgium would be able to exert an increased demand; Germany was looked upon as a potential customer; and there were even optimists who foretold the resumption of trading activities with Russia. Confidence reached such a height that statistics were invoked showing how the existing supply of rubber could with difficulty cater for the demand, and that the possibility of a shortage of rubber was rapidly becoming a question of practical importance. There was no question of purchasers being held back by exorbitant prices; for even in January, when the raw material stood at 2*s*. 10¼*d*. per lb., rubber was commanding a price below its pre-War level. To-day it is easy to criticise such an outlook; wisdom always comes—after the event. But it is undoubtedly true that this optimism had a firm basis, and as the early months of the year continued to witness the publication of satisfactory reports and the declaration of record dividends, the prosperity of the rubber industry in 1920 began to be regarded as a *fait accompli*.

However, as the year progressed the signs of the forthcoming depression slowly appeared. The steady fall in the price of the raw material from the outset at first attracted little attention. Fluctuations of this description were looked upon as the customary seasonal changes. Furthermore, rubber was still selling at levels better than those prevailing in 1919. Thus, in June 1919 plantation crêpe reached its lowest level of 1*s*. 8*d*. per lb.; in June 1920 price fluctuations were only between 2*s*. 1*d*. and 1*s*. 10¾*d*. Moreover, the anticipated boom in the motor industry appeared to have been realised, at least as far as the United States was concerned, for shipments of rubber to America, according to official statistics, amounted to 137,008 tons for the first five months of 1920, as against 97,410 tons for the corresponding period of 1919. At home, however, the situation was by no means so cheerful. The Budget of 1920 provided trade in general, and the rubber industry in particular, with a nasty shock. Instead of the disappearance of the inequitable excess profits duty, the trading community were faced not only with the corporation profits tax of five per cent., but also with the increasing of the excess profits duty from forty per cent. to sixty per cent. And this heavy burden of taxation was imposed at a time when trade and commerce found themselves face to face with a period of financial stringency inaugurated by the banks, who, acting on the advice of the Government, began to restrict advances, differentiating—and what a delicate differentiation it is—between those loans which were for essential and those which were for non-essential industries and for speculation. Then began a policy of deflation, slowly it is true, but none the less difficult on that account. Earlier a like policy was inaugurated in America by the Federal Reserve Board. Briefly, the effect of this policy was to curtail the purchasing power of the community as a whole; to render it more difficult for traders to finance extended operations; and, in so far as the rubber industry was concerned, to reduce the demand for rubber. The situation was further complicated by the violent fluctuations of the foreign exchanges. Continental rates moving in favour of the United Kingdom did not encourage exports therefrom. On the other hand, the depression in the motor industry in the United States became so pronounced that the adverse New York rate failed to encourage the importation of rubber. Not only did exports to America decline—as against an average monthly import of 27,400 tons of rubber in the first five months of 1920, the average monthly import for the first ten months of 1920 was only 20,361 tons—but subsequently America found herself apparently overstocked and began to unload the raw material on a market already depressed. It is important to realise that this condition of affairs was brought about mainly by financial factors outside the control of the rubber industry. Inherently the industry was on a very stable basis, and in the absence of this policy of deflation and of inequitable taxation would have probably realised the expectations held at the beginning of the year.

The severity of the depression may best be gauged from the fluctuations in the price of the commodity itself. January witnessed the highest levels with plantation crêpe oscillating between 2*s*. 10¼*d*. and 2*s*. 7½*d*. per lb. Thenceforward there was a steady decline, until by August the limits were 1*s*. 9¼*d*. to 2*s*. per lb. From the autumn onwards the fall in price became much more acute, and by the close of the year plantation crêpe had achieved the undesirable record of being quoted as low as 10*d*. per lb. With smoked sheet the relapse was no less pronounced, the price of 9*d*. per lb. ruling in December. Para proved no exception, although the decline in this case was not so marked. Nevertheless, during the year the price ranged from the maximum of 2*s*. 8*d*. per lb. in January to 1*s*. 0¾*d*. per lb. in December.

This slump in the Commodity market brought rubber producers face to face with a very grave crisis. Apart from this fact they had already difficulties of their own to meet. Early in the year, counting on the promising outlook, not only had excellent dividends been declared, but there was a general tendency to distribute scrip bonuses on a large scale. Reconstructions became the order of the day, in which shareholders received—to quote the extreme cases of Pataling and Batu Caves—as many as ten fully-paid shares for every share originally held. Hence there were subsequently larger capitals ranking for dividends at the same time that undivided profits had been largely depleted to finance the transaction. In other cases extensive planting schemes were undertaken and shares issued to provide funds. The actual working operations were by no means devoid of difficulties. In numerous cases the companies complained of the shortage of labour in the F.M.S.; of the loss incurred on subsidising the rice supplied to the native labourers, and, particularly in the case of Ceylon companies, of the loss involved in the unfavourable exchange situation. All those factors meant an increase in the "all-in" cost at a time when the sale price of the product was steadily dropping. With few companies producing at an "all-in" cost of less than 1*s*. per lb. it became evident to the astute that the margin of profit was fast receding. As early as July the Rubber Growers' Association advocated the adoption of alternate daily tapping to meet the shortage of labour and with a view to reduce the cost of working necessitated by the higher wages demanded and the loss on the rice crop. Towards the end of September, however, more drastic steps were taken and the Rubber Growers' Association proposed a reduction of the crop by twenty-five per cent. immediately, beginning with

November. The urgency of the remedy may best be measured by the prompt adherence to this proposal not only of the members of the Association, but also of the Malayan and Ceylon companies and of the powerful group of Dutch producers represented by the International Association for Rubber Cultivation in the Netherlands Indies. But this time it was evident that the world production had temporarily outstripped the artificially restricted world demand to such an extent as to leave an unusually large surplus on hand. According to figures supplied by the Rubber Growers' Association, not more than 350,000 tons of rubber were likely to be required during the year, as against an estimated output of 377,000 tons, thereby increasing the stock in the possession of the producing countries by 27,000 tons. And this increase was independent of the surplus held in the consuming countries, which owing to the slump was known to have increased considerably also. As a result of the restriction, the 1920 output is not expected now to exceed 358,000 tons, the returns for the eleven months ended November amounting only to 309,142 tons. But it is equally likely that the estimate of the world consumption at 350,000 tons will have to be reduced by a like amount. At any rate, it is clear that the stocks in London at the close of 1920 exceeded 50,000 tons, as against less than 23,000 tons at the end of 1919. In some quarters the total visible supply, in which is included stocks retained in London, America and Singapore, is said to be in the neighbourhood of 200,000 tons.

In the Share market the trend of events was closely analogous to that in the Commodity market. At first, when record dividends were being disbursed and substantial scrip bonuses were being allotted, share prices moved steadily upwards. However, as the banks began to call in loans for speculative purposes and the price of rubber continued to fall steadily, share prices began to react. It is a tribute, however, to the wisdom of the shareholders that the slump in the Commodity market did not give rise to any panic-stricken stream of liquidation. Realising that the industry itself was substantially sound, but was suffering at the moment from the evils of a world-wide financial readjustment, shareholders, except where forced by circumstances, refused to unload their shares. Accordingly, though there was depression in the Share market, it was a depression due to the absence of buyers rather than to the plethora of sellers. At the same time, it is undoubtedly true that share prices were pruned down to levels hitherto undreamt of. Even allowing for the bonus issue, no one would have prophesied that Anglo-Dutch would fall below par, having been quoted actually at 19*s.* 4½*d.* Similarly, Kuala Lumpur, which had risen as high as 5⅝, fell to 1½; whilst Linggi fluctutated between the wide limits of 74*s.* 4½*d.* and 27*s.* 3*d.*

The dismal history of the year under review teaches the wisdom of conservatism in estimating the outlook for 1921. Admittedly the situation is still very serious. Evidently producers have now decided that a reduction of twenty-five per cent. in the output is not sufficient, and even before the end of 1920 many requests for a more drastic curtailment were made by the chairmen of the various companies whose annual meetings were held at this period. Some advocated a reduction of fifty per cent.; others proposed a complete cessation of tapping during the winter season. It is now definitely announced that the Council of the Rubber Growers' Association have cabled in support of a request made by producers in Malaya to the local authorities to impose by legislation a restriction of fifty per cent. on the output. The fact that the Government of the F.M.S. is prepared to consider such a scheme is not at all surprising. Already it has come to the rescue of the tin industry by fixing a minimum price at which it will purchase tin from the producers. But once this drastic curtailment is adopted in the F.M.S. it will very rapidly spread to Ceylon; whilst Sumatra had previously decided to take a similar course. The effect of this policy is already reflected in the recovery which has taken place both in the Commodity and the Share markets this week. Standard crêpe and Para have once again advanced to 1*s.* 3½*d.* per lb., and to 1*s.* 0½*d.* per lb. respectively, and smoked sheet to 1*s.* 1½*d.* Similarly, in the Share market Anglo-Dutch have recovered to 28*s.*, Rubber Trusts to 22*s.*, and Linggis to 37*s.* 6*d.* In well-informed quarters both movements are largely ascribed to "bear" covering. Nevertheless, it is to the good that the New Year should witness a turn in the tide. Much ground has yet to be covered before rubber will reach a price at which it will pay the producers to market it. Yet we believe that the worst of the depression has been experienced. Set-backs there will be during 1921, but on the whole shareholders can console themselves with the knowledge that an essential commodity like rubber cannot remain indefinitely at a price not only abnormally below its pre-War level, but also below its cost of production. And in the interval, by conserving their resources and refusing to declare dividends, the companies are building up a strong financial position and are being enabled to meet current expenditure without being obliged to sacrifice their stocks at the present knock-out prices. As the effects of the restriction begin to be felt more clearly there is no doubt but that the price of rubber will advance. We do not look to 1921 as a year for large dividends; but we do look to it as a year from which the rubber industry will emerge in a much stronger condition. In 1920 rubber reached its maximum price in January, and its unparalleled minimum in December. We are optimistic enough to believe that the price ruling at the opening of 1921 will be the minimum, and that the price quoted next December will at least be such as to prove reasonably remunerative to the average producer.

THE GAS INDUSTRY.

The preparation of raw coal by carbonisation processes for use in domestic and industrial lighting and heating is almost entirely in the hands of two great branches of industry—gas-making and coke-making. In round figures the amounts of coal carbonised annually in gas-works are about eighteen million tons and in coke-works about twenty million tons. In the former the primary object is to obtain from the coal carbonised the maximum yield of gas of standard quality, the coke, tar, and ammonia which are obtained being regarded as by-products. In coke-works hard metallurgical coke is the primary product, and the hydrocarbon gas, tar, and ammonia are regarded as by-products.

A progressive improvement has been maintained in the methods and processes employed in the gas industry, and the technique of to-day is markedly in advance of that employed even in the later decades of last century. The War, by checking the free flow of the capital so urgently required for plant and general equipment, has, it is true, done much to retard this development, but, in compensation, it has shed much light on the possibility of the application of gas to wider fields of action. Development in the gas industry must continue to be conditioned to a great extent by the fact that the right to distribute "town gas" is a monopoly secured by Acts of Parliament and hedged round by the imposition of certain standards of quality and price. From both a legal and technical standpoint "town gas" is, therefore, the principal product of the industry, and any proposed improvement in processes or apparatus employed in its manufacture has to be scrutinised very closely by Parliament, which has to consider the standards and responsibilities involved in the supply of this particular product. Apart from this factor the future of the industry must also depend on an adequate supply of coal of good quality, and, unfortunately, the output of the mines in this connection is still far below the pre-War figure. The remarkable progress of the industry

since 1882 is indicated in the subjoined table, which, however, only refers to authorised undertakings in the United Kingdom other than those of local authorities:—

Gas Undertakings in the United Kingdom.

	1882	1900	1913	1919
No. of authorised undertakings	352	351	349	339 (a)
Total capital sunk (or loan and premium capital, prior to) (b)	28,589,148	59,638,877	78,005,298	82,191,479
Total loan capital issued (b)	1,315,787	11,775,612	16,209,157	18,418,512
Receipts (b)	(c)	17,668,905	25,296,963	42,961,484
Expenditure (b)	(c)	15,864,808	18,580,794	39,114,309
Quantity of coal carbonised (tons)	4,928,695	8,126,853	10,118,500	10,599,697
Quantity of gas sold (thousand cubic feet)	45,481,910	87,687,174	130,175,199	145,880,443
Length of gas mains (miles)	(c)	6,748	23,697	24,959
No. of consumers	1,055,009	1,915,825	4,214,863	4,614,595

(a) Excluding six undertakings not furnishing returns.
(b) No information.

Between 1913 and 1919 the loan and share capital invested in gas undertakings has shown but a slight increase. This finds its explanation in the fact that, especially during the latter part of the War, the capital expenditure of these undertakings was greatly restricted and schemes for expansion and new constructions were regarded with a very unfavourable eye by the Board of Trade. In any case the raising of capital would have been a difficult task owing to the low return occasioned by the existence of a statutory scale of charges. In proof it may be observed that the difference between receipts and expenditure in 1913 amounted to £4,716,169, or 4.9 per cent. on the total loan and share capital, as against £3,903,175 in 1919, or 3.8 per cent. The price at which gas undertakings were obliged to retail their gas to the public was manifestly insufficient to cover the expenditure entailed by the increased cost of coal and other items and to give a fair return to shareholders. Between 1913 and 1919, expenditure advanced by 110 per cent., while receipts only expanded by eighty-four per cent. The receipts per 1,000 cubic feet of gas sold—the proceeds from the sale of by-products are included therein—worked out at 3.5*s.* in 1913 and 5.9*s.* in 1919, and this increase of 68 per cent. lags far behind the percentage decrease in the purchasing power of money occurring between these two periods. Under the terms of the Gas Regulation Act, 1920, the Board of Trade may, on application, authorise such an addition to the standard price of gas as may reasonably cover the increase in the costs incidental to the production and supply of gas experienced since 1914. This piece of legislation is a recognition of the insufficiency of the prices charged for gas since the commencement of the War, and its tardy appearance gives point to the grievances of those interested in undertakings—not only gas, but water, dock, tramways and railways—whose charges are regulated by statutory provisions.

For purposes other than illumination and domestic heating, coal gas forms a very convenient fuel for gas engines of moderate size; its use compares favourably with that of suction gas, and as a substitute for petrol in motor transport its capabilities have been largely tested in recent years. During the past decade much progress has been made in the employment of gas for industrial heating, in the melting of metals and in crucible furnace work generally. As regards motor traction, however, petrol, by reason of its superior portability, possesses a great advantage over gas. Other circumstances, relative cost, for example, being equal, the utilisation of the latter may receive an impetus from the establishment of charging stations. It is calculated that coal gas at 4*s.* per 1,000 cubic feet is equivalent to petrol at 1*s.* a gallon. A heavier consumption of gas would appreciably help to lessen its cost, as the capital expense of distribution in a modern works is now greater than that on the carbonising plant. Gas holders alone are stated to account, at present, for approximately one-quarter of the entire cost. Bearing on this point it is satisfactory to note that the returns for 1919 indicate that a much larger quantity has been sold, 145,880,443 thousand cubic feet, as compared with 130,175,199 thousand cubic feet in 1913, in spite of the severe competition experienced from electricity. This increase in consumption has, of course, been accompanied by expenditure on mains, services, meters and fittings, but it is to be hoped, so far as the future of the industry is concerned, that the cost of this factor per unit consumed will tend towards a progressive diminution.

FOREIGN TRADE ON A PER HEAD BASIS.

The peculiar circumstances of a nation naturally determine the degree of importance it attaches to its foreign trade. Amongst a group of countries it is possible to discern in the case of any one member certain characteristics which serve to distinguish it sharply from its neighbour. Area and economic resources are, of course, important considerations, but when examining the probable nature of a country's trading relations with others such factors as population and physical configuration have also to be taken into account. Furthermore, there has to be borne in mind the plentifulness or otherwise of the supply of capital and the energy with which the human element is gifted. The wants of the Hindu native and the European are not measurable by the same standard, and neither is their industrial capacity. For a study of the cumulative effect of these various factors the following table, which sets forth the total foreign trade *per capita* of nineteen countries in 1913 and 1919 affords some interesting data. The figures have been converted into dollars at par in 1913 and at approximately the average current rate of exchange in 1919.

Foreign Trade per Head (in Dollars).

	1913	1919
Holland	151	297
Belgium	241	131
New Zealand	188	314
Switzerland	165	311
Australia	155	187
Canada ...	141	237
United Kingdom	128	216
Denmark	128	211
Norway	125	
Sweden ...	78	170
France ...	75	132
Finland ...	55	80
South Africa	50	59
U.S.A. ...	41	107
Italy	34	61
Brazil	26	72
Spain	22	
Japan	15	28
India	6	9

Note.—Countries are listed in order of value of trade in 1913.

Confining our attention for the present to 1913, when trading proceeded along settled channels, it will be observed that the small European countries have a very large foreign trade. This is explained, in the first instance, by the fact that these countries do a big transit business in goods destined for other countries; the relations between Belgium and Holland, on the one hand, and Germany and France, on the other, are

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well known. Apart from this, however, smaller countries, owing to the limited range of their own resources, are under the necessity of importing heavily from external sources, and this, taken in conjunction with relatively long frontiers in proportion to their area, offers an explanation of the strong ties that bind them to foreign markets. New Zealand, Canada, and Australia also occupy a leading position in the list. These countries possess a great variety of natural resources, they do an immense export trade in raw materials, and are thereby enabled to procure from abroad the many manufactured products they require. Internal trade is still largely undeveloped, large sections of the population are engaged in the production of precisely the same classes of goods—foodstuffs, raw wool, and timber—but presuming the continuous growth of manufacturing activity, which received such a strong stimulus during the War, and the diversion of labour from the agricultural sphere, internal trading would be encouraged and a lesser degree of importance assigned to foreign trade. The progress of this movement will, however, be slow unless the population increases at a very rapid rate. Physical conditions in Canada on the whole favour the extension of internal trade, but the deserts of Central Australia offer little incentive for the promotion of transportation facilities, and to that extent contribute to the isolation of each of its component States. Holland and India occupy opposite ends of the scale; the foreign trade of the former is $454 per head of the population, but that of the latter, $6 per head, is insignificant in comparison. Their respective sizes are markedly in contrast, but this contrast is further heightened by the variety of climatic belts over India's huge area, her tremendous resources, and the simple wants of her inhabitants. The total value of the large internal trade of India amounts to nearly two and a-half times that of her foreign commerce. But this does not take into account the trade by rail and river between the internal divisions of provinces, nor the unrecorded rail-borne traffic between one station and another within the same internal division or trade block of a province. As it is, the total imports and exports making up this inland trade were calculated at sixty million tons, of a value of nearly £546 million in pre-War days. Imports of food and raw materials and exports of manufactured goods distinguish the foreign trade of the United Kingdom, which at $128 per head in 1913 is only exceeded by six other countries. The inclusion of Ireland in our trade statistics is largely responsible for the curious fact that the foreign trade per head of the United Kingdom is less than that of Great Britain alone. Ireland does but little direct foreign trade; her trade is mainly carried on with Great Britain, and were she treated as a separate entity, her imports therefrom and exports thereto would be defined as foreign trade from the standpoint of the larger island. Ireland's total external trade per head is actually larger than the foreign trade of the United Kingdom as a whole, the respective figures for 1912 being £30 17*s.* 6*d.* per head and £24 10*s.* 8*d.* per head.

With the exception of Holland and Belgium every country in the foregoing list, disregarding those which do not supply particulars, augmented its foreign trade in 1919. The reasons for the retardation of Belgium's recovery are well known, but it might be mentioned that both countries experienced in that year a considerable loss of their usual transit trade. Comparison between the two years is complicated by the decrease in the value of the dollar as measured by its purchasing power, experienced during the later term, for it can scarcely be argued that the increase in monetary value has been accompanied by a corresponding increase in the volume of the total trade. The part played by imports and exports in building up this monetary value, as indicated below, gains some interest from the demoralisation of many European exchanges

Trade per Head in 1913 *and* 1919 (*in Dollars*).

	Imports 1913	Imports 1919	% Inc. or Dec.	Exports 1913	Exports 1919	% Inc. or Dec.
Holland	254	178	— 29	200	89	- 55
Belgium	118	91	— 22	93	40	-- 56
New Zealand ...	94	115	+ 22	94	199	+111
Switzerland ...	96	162	+ 68	69	152	+120
Australia ...	79	72	— 8	76	115	+ 51
Canada	85	104	+ 22	56	133	+137
United Kingdom ...	71	138	+ 94	57	75	+ 31
Denmark ...	70	161	+130	58	50	— 13
Argentine ...	61			61	--	—
Sweden	40	104	+160	38	66	+ 73
France	41	105	+156	34	27	— 20
Finland	30	60	+100	25	20	— 20
South Africa	31	29	— 6	22	30	+ 36
U.S.A.	17	35	+105	24	72	+200
Italy	20	16	+130	14	15	+ 7
Brazil	13	12	— 7	13	20	+ 53
Spain	12		-	10	--	—
Japan	7	19	+170	6	19	+216
India	3	4	+ 33	3	5	+ 66

In only five instances in the above table has there been a decrease in imports per head of the population—Holland, Belgium, Australia, South Africa, and Brazil—the percentages working out at twenty-nine, twenty-two, eight, six, and seven respectively. Bearing particularly on Belgium is the reduction in the numbers of the population. Of these five countries, Holland and Belgium alone failed to increase their exports per head, the respective declines being calculated at fifty-five per cent. and fifty-six per cent. The increase in imports is very evident as regards European countries in general, as all were imperatively obliged to replenish the stocks of food, raw materials and manufactured products exhausted by the exigencies of war. The neutral countries of Switzerland and Denmark lead the way in this respect, but, in all probability, they would have been followed more closely by France, Italy, and the United Kingdom had not adverse exchanges and Government prohibition of certain imports failed to curtail their purchasing power. The prominence of the Japanese statistics, increase of imports by 170 per cent., and exports by 216 per cent., emphasises the prosperity which shone on the Island Empire during the War and the great enlargement of her manufactures. With the exception of Switzerland the increase in the exports of European countries, wherever mentioned, lags very perceptibly behind that of imports. On the other hand, the great providers of foodstuffs and raw materials coming under the head of British Possessions—New Zealand, Canada, Australia, South Africa, and India—have markedly reversed this tendency, the percentage increase in exports being much in advance of that of imports. The newly created States of Southern Europe, Czecho-Slovakia, Yugo-Slavia, Kingdom of the Croats, Serbs and Slovenes, and New Hungary find no place in the table. In these States much of what would formerly be classed as internal trade would now be classed as external, and it is to be feared that owing to racial jealousies and commercial barriers the trade of the region as a whole has been sensibly diminished.

CHILI.

A SET-BACK.

The nitrate situation is in a sense unsatisfactory and very disappointing. It is, however, far from desperate. The sales of this famous fertiliser have been on a very considerable scale; and although the amount sold compares very unfavourably with the quantity disposed of in the years that preceded the outbreak of the great European War, it is by no means inconsiderable if we bear in mind that Chili's principal customers for nitrate are in a state of the gravest economic embarrassment, and if we bear in mind, moreover, that the whole world is passing through a very severe financial and commercial crisis. We desire this week to call attention once more to the important fact that it is very undesirable for any country to be more or less wholly dependent for the prosperity of its international

trade upon the export of a single article of produce. It has been pointed out by ourselves, as well as in various other quarters, that in normal times—that is, for example, periods like that which preceded the outbreak of the recent War—a period of trade depression or of trade activity affected the aggregate commerce of Great Britain only to the extent of about three per cent. This was due not merely, or even primarily, to the magnitude of our trade operations, but to their extreme diversity. In periods of active trade a very large part of our mobilisable resources were naturally devoted to purposes connected with the import of raw materials and the export of finished products. When a period of active trade was followed, as it inevitably is after a time, by a period of comparative depression, money accumulated in the great financial centres, and was available for the purpose of creating new wealth. New issues were brought out in large numbers, some with the object of improving our methods of production at home, the creation of new plant and various devices for the purpose of increasing production with a minimum of labour, and with a considerably reduced employment of capital per unit of production. A further part was devoted openly and avowedly to the purpose of opening up new countries and of obtaining increased supplies of the raw materials upon which the various industries of this country were carried on. It usually in the past took the form of building railways into territories that previously yielded little or no produce. The result of the building of the railways in giving transportation facilities to the newer countries was to attract settlers from various parts of the world, and these in turn raised produce which was available for the great consuming markets, and particularly for that country, which was often ourselves, which furnished means whereby the territory was opened up. In addition, we were accustomed, and still are accustomed, to render certain services, primarily in shipping, insurance, and in banking. When it was no longer possible to employ banking deposits to advantage in the home trade of this country it was found, and is still found, advantageous to draft that capital to some other country where the rate of interest, as the phrase is, ruled considerably higher than anything that could be obtained in the London market. As a result, while there might be depression, say, in the cotton trade, or the woollen trade, or even a heavy fall in freights, owing to the diversity of the operations in which our financiers and traders, taken as a composite whole, were engaged the aggregate loss to the community, that is to the whole people of Great Britain, was only to the relatively small extent which we have above quoted. Now, of course, it is evident that in a country so new in an economic sense, so extensive in area, and having so small a population as that of Chili it is not possible that it could have a large diversity of commercial interests, such as is practicable for a country which has been engaged in trade of some sort for several centuries, as was the case with England.

There is, however, a great difference between having an enormous diversity of interests, which is only possible to a country comparatively highly developed in an industrial sense, as is the case with England, and being dependent upon one single source of industry so far as its volume of trade is concerned, which is practically the case with Chili. We do not, of course, mean to say that Chili has no foreign trade outside of nitrate. But the Chilian nitrate industry, which exports minerals to a value of between twenty-five and thirty millions sterling each year, forms, as will be seen by anyone who will turn up the foreign trade returns of the Republic, more than half the total value of the whole exports of the country. Moreover, the Central Government is dependent for its revenue to the extent of between 63⅓ and seventy-five per cent. upon the export tax levied on this fertiliser at the various Chilian ports through which it is exported. This is a wholly unsatisfactory state of things as a permanent basis for the commerce of any country to rest upon. It means an undue measure of commercial depression and an abnormal number of unemployed in a period of trade stagnation. Moreover, it casts upon those responsible for carrying on the Government of the country a very severe burden. Any policy which the Chilian Government decides to carry out is dependent for its success upon the revenue which that Government is able to levy upon the export of nitrate. A good nitrate season means a full exchequer at Santiago, while a bad nitrate season places a very severe strain upon the resources of the National Exchequer. If Chili were a barren waste, having nothing to export but nitrate of soda, such a state of things, though highly regrettable, would, of course, have to be submitted to. Chili, however, is very far from being a barren waste, and is capable, in fact, of very great industrial development. Her agricultural area is relatively small compared with the total extent of the area of the Republic But even in the agricultural zone, as it is called, which is the centre of the Republic, more than three-quarters of the area remains yet to be developed. Apart from what is known as the agricultural area, strictly speaking, there is an exceedingly extensive, although very narrow, area in the south, for the most part forest-covered. The value of this timber has never yet been accurately surveyed; but it is believed to be very great. We believe we are right in saying that experiments are being made at the present time with a view to seeing what proportion of the timber of the south is suitable for pulp-making. If any considerable portion of the timber proves to be suitable for this purpose, as is generally believed to be the case, it should have an important influence upon the well-being of Chili, owing to the great scarcity of wood pulp for paper-making at the present time. Chilians aim at making their country a great manufacturing centre. But this will only be possible when certain conditions have been fulfilled, nearly all of which are awaiting fulfilment at present. Chili has not inappropriately been described as a vast mine. We will refer later to the influence which the immense mineral resources of the Andean region of the Republic offer for the development of the country. Meanwhile, we propose to recall to the mind of the reader who is, perhaps, not very familiar with Chili the aspect of the country and the small number of its inhabitants to its very extensive area. Northern Chili starts actually in the tropics on the 17th parallel of south latitude, and extends almost to the 56th parallel south of the Line in Tierra del Fuego, seven-eighths of the island forming part of the territory of the Republic. In other words, Chili is practically 2,700 miles long and extends for a distance comparable in northern latitudes to a distance, say, from the Bight of Benin in West Africa up to the Firth of Forth in Scotland. It will readily be imagined that over so extensive a coastal area the variations of climate are very great. As we have said, the northern regions extend into the actual tropics. But, unfortunately, these northern regions, apart from the nitrate lands, are veritable deserts. It will only be possible to make them fruitful when the population of Chili has increased to such an extent as will make irrigation upon an extensive scale really practicable. Even in these arid regions there are the snows of the Andes, which develop into rivulets, and in some cases into rivers. These could be conducted, and in some cases have been conducted, to irrigate the arid parts of the north. Those who are familiar with the Pacific ports from which nitrate of soda is exported will appreciate the potentialities of irrigation in the sense that we have endeavoured to indicate, provided that adequate capital and a sufficient number of labourers were available. Meanwhile, as we have said, the country extends for some 2,700 miles. In some places it is very little more than fifty miles broad, and in no instance is it 300 miles broad. But the total area extends to some 295,000 square miles. The total population, however, is under four millions; and, consequently, there is a perennial

shortage of labour throughout the whole area of the Republic. Until means are found whereby the population can be increased a real development of Chili is hardly practicable. Economic conditions as they exist in the Republic at present are not favourable to immigration. From natural causes the population grows exceedingly slowly. There is, as is common in many a new country, a very high birth-rate; but the advantage derivable from this is almost wholly neutralised by an exceedingly heavy death-rate, particularly amongst the infants and younger children born in the Republic.

Two factors should favour the Chilian or foreign capitalist who would aim at the economic development of the Republic. As we have already said, Chili may be described, and not inappropriately, as one vast mine. The Andean chain of mountains to the west of the Chilian plains contains copper, gold, silver, tin, borate of lime, lead, cobalt, vanadium, coal, salt and sulphur. Of all these minerals, only copper and coal are mined to any appreciable extent. The Chilian copper mines are famous, and produce some 70,000 tons of metal each year. The collieries about Coronel yield for South America an exceedingly valuable fuel. We have not yet before us the actual figures of recent output from these collieries. But they are amongst the most extensive in South America. They have made the fortunes of two great families associated with that district. They employ a large amount of capital, a great deal of enterprise, and a large number of workers, while the Chilian colliers from the harbour of Coronel are to be seen throughout the year at the various ports of the Republic. None of the metals, with the exception of these two—of course, not including nitrate—are worked to any appreciable extent. But the Andean region is so rich in all the various minerals we have enumerated that each one is capable of being worked, provided capital and labour were available, to yield a handsome profit to those who would engage in the enterprise.

Now one of the great difficulties—in fact, one of the most serious propositions—confronting anyone possessed of resources and able and willing to engage in the promotion of new enterprises at the present time is the abnormal cost of obtaining power per unit of productivity. Imported coal is so costly at present that it may for all practical purposes be ruled out altogether. The Coronel coalfields, as we have said, are exceedingly extensive and rich in, for South America, a very high grade of coal. Nevertheless, if Chilian mining enterprise is to await that period when it will be possible to develop the various mineral deposits of the Andes by means of Chilian coal, it is exceedingly doubtful if they will ever be developed within the period in which we, or our readers, are likely to be interested in this world's affairs. It happens, however, that owing to the configuration of Chili there is an available, or at least potential, source of power which might be developed, yielding a high productive force per unit at a relatively low economic price. The country is bisected altogether by some twenty-seven different rivers. These rivers at certain seasons of the year are very little better than roaring torrents, speaking generally and ignoring exceptions like the Bio-Bio River. They are, also speaking generally, of hardly any use for purposes of navigation. But as a potential source of water-power they are deserving of the most careful study by the engineer who has made a study of the possibilities of water controlled by hydro-electric plant. Of course, it is very easy to write of the potentialities of these numerous rivers in Chili. But it is a totally different proposition when anyone having the available resources and being willing to employ them comes to consider the actual cost of the erection of hydro-electric plant for the control of any one, or some, of the rivers above mentioned, with a view to developing a copper or silver mine, or any other mineral deposit in the Andes. At the present time he would find that the prime cost of a suitable hydro-electric plant capable of dealing with large quantities of ore would in itself result in a heavy first charge upon the undertaking. Once the plant were erected, provided the particular mineral selected for exploitation proved to be rich in the district in which the plant is working, the average cost per unit of separating the ore contents from the débris would be relatively small. But it has to be borne in mind that the annual charge upon the original cost of erecting the plant would be considerable. Consequently, it would take a long time before such an expenditure could hope to repay itself.

SOUTH AND CENTRAL AMERICA.

Owing to pressure upon our space we are compelled to hold over till next week our usual article under the above heading.

The Bankers' Almanac and Year-book, 1920-21. Edited by Sir Thomas Skinner. Price 42s. net. (London: Thomas Skinner and Company and Waterlow and Sons, Limited.) This useful work of reference is too well known to need any introduction to the reader. It continues to grow, and now exceeds 2,200 pages. In his preface Sir Thomas points out that the year has been one of considerable anxiety for bankers. Trade has suffered the inevitable set-back, which, however, has been adequately provided for by bankers. Greatly as home conditions demand attention, the position abroad fills one with misgiving. The foreign exchanges are demoralised, and the Budgets of most, if not all, European countries will this year show appalling deficits. A number of bankers of various countries petitioned their respective Governments to convene a conference of international bankers to deal with this vital question of depreciated currencies, with the result that the recent Conference was held in Brussels. It is to be hoped that the Conference will do something to alleviate a position which so long as it exists can only portend bankruptcy for some countries.

A Bank Catechism. By Mr. Stuart H. Patterson, Comptroller of the Guaranty Trust Company of New York. This pamphlet is written in the simplest possible language, and contains a certain amount of information regarding banking practice in the United States which should prove useful to business men on this side.

The Industrial Bank of Japan.—The measures taken by the banking institutions of Japan to deal with the recent financial crisis are graphically described in the report of the Industrial Bank of Japan for the half-year ended June 30, 1920. In March the collapse of rice, silk and cotton prices resulted in a general industrial deadlock and a consequent strain on financial resources. Far from restricting credits, the principal banks (under the leadership of the Bank of Japan) formed syndicates for the special purpose of supplying liquidation funds to stock and sugar dealers, cotton-exchange funds to the smaller banks, and cocoon-purchase funds to reeling concerns. The Industrial Bank of Japan increased its resources by making a call, amounting to 10,000,000 yen, on its new shares, and issued 34,200,000 yen Debentures. The main features of the loans made by this Bank alone were 26,307,000 yen to shipping and shipbuilding, 18,350,000 yen to railroads, 3,621,000 yen to mining enterprises, 2,900,000 yen to paper mills, 2,630,000 yen to salt manufacturing, 1,610,000 yen to silk-reeling, and 1,550,000 yen to electric industries. Net profits for the period amount to 1,907,467 yen, against 4,100,241 yen for the previous half-year. Despite the reduction in net profits, however, the dividend payment is eight per cent. (actual), as compared with seven per cent. for the two preceding periods. As a consequence, the allocation of the reserve against loss has dropped from 2,838,470 yen to 153,000 yen. Total resources have increased by nearly twenty-five per cent. since the close of 1919. Cash on hand has fallen from 3,389,528 yen to 2,361,793 yen, and money at short notice from 1,040,236 yen to 883,054 yen, but money at call shows a remarkable expansion from 150,000 yen to 2,442,750 yen, and affords an index as to the actual nature of the accommodation extended to the community during the financial crisis.

STERLING EXCHANGES— AUGUST 1920 TO JANUARY 1921.

During December the movements in the foreign exchange market were somewhat irregular, but on the whole the value of sterling showed an improvement. Continental currencies in particular developed weakness, especially towards the end of the month when new high records were established by Rome, Paris and Brussels. The decline in the sterling value of the lira is doubtless attributable to the disquieting reports recently to hand from private sources as to the internal position in Italy. Similar causes brought about a fall in the Polish mark, and another unfavourable factor operating was the continued purchase of sterling for the settlement of debts in the United States. The German mark was, indeed, rated somewhat higher in December than in the previous month, but too much significance might easily be attached to minor fluctuations in the value of a currency that stands at such an enormous discount. The following tables set forth the principal centres where the pound is quoted, the actual quotation together with the percentage premium or discount on sterling being shown in each case:—

Exchanges favourable to U.K.

	Par.	Jan. 3, 1921	1920 Aver. for Dec.	Average for Nov.	Average for Oct.	Average for Sept.	Average for Aug.
Athens ...	25·22½ dr.	49·50	46·37	38·42	35·14	33·11	32·0
Berlin ...	20·43 m.	261	253	268	237	203	173
Brussels ...	25·22½ fr.	57·65	55·71	54·34	50·31	48·67	47·43
Christiania ...	18·159 kr.	22·67	23·71	25·71	25·24	25·28	24·32
Copenhagen ...	18·159 kr.	22·60	23·57	25·70	25·03	25·19	24·36
Helsingfors ...	25·22½ m.	118½	142	159	140⅛	114⅞	114
Lisbon ...	53⅛ d.	61½	64¹³/₁₆	8⅞	10⅜	11¹/₁₆	12¹⁵/₁₆
Madrid ...	25·22½ pes.	26·95	26·88	26·65	—	—	—
Monte Video ...	51 d.	50⅛	—	—	—	—	—
Paris ...	25·22½ fr.	60·56	58·73	57·62	53·05	52·29	50·54
Rio de Janeiro...	16d.	9¹³/₁₆	11¹/₁₆	11¾	11⁷/₁₆	12½	13¹⁵/₁₆
Rome ...	25·22½ lire	102·875	97·69	94·87	88·72	80·44	75·09
Valparaiso ...	18 d.	9¹¹/₁₆	9¾	9²⁵/₃₂	10¼	11½	12⁹/₃₂

Exchanges against U.K.

Amsterdam ...	12·107 fl.	11·26½	11·28	11·36	11·25	11·22	11·00
Berne ...	25·22½ fr.	23·19	22·79	22·12	21·87	21·63	21·75
Buenos Ayres ...	47·58 d.	51⅛	53⅝	53¹/₁₆	56¼	57¼	57¹/₁₆
Madrid ...	25·22½ pes.	--	—	—	24·23	23·86	24·00
Monte Video ...	51 d.	—	·53	53¹¹/₁₆	57¹⁵/₁₆	57⅜	57⅛
Montreal ...	4·86⅔ $	4·14	4·08	3·85½	3·82⅜	3·88⅜	4·07
New York ...	4·86⅔ $	3·54	3·51⅛	3·45	3·47⅜	3·52	3·60½
Stockholm ...	18·159 kr.	17·65	17·85	18·03	17·65	17·42	17·62
Yokohama ...	24·58 d.	2/8½	2/10¹³/₁₆	2/11⅝	2/11⅛	2/10⅞	2/9⅞

Percentage Premium.

	%	%	%	%	%	%
Athens	96·2	83·8	52·3	39·3	31·2	26·8
Berlin	1,176·0	1,138·3	1211·8	970·1	893·6	746·8
Brussels...	128·5	120·8	115·4	99·4	92·5	88·0
Christiania	24·8	30·5	41·5	38·9	39·2	33·9
Copenhagen	24·4	29·5	41·4	37·8	38·7	33·9
Helsingfors	369·7	462·9	530·3	456·2	355·4	351·9
Lisbon	719·2	661·8	510·8	413·2	369·7	336·8
Madrid	6·8	6·6	5·9	—	—	—
Monte Video	·9	—	—	—	—	—
Paris	140·8	132·8	128·4	110·3	107·3	100·3
Rio de Janeiro... ...	62·8	44·6	36·2	33·5	28·0	15·1
Rome	307·8	287·3	278·2	251·7	218·9	197·7
Valparaiso	92·7	84·6	83·7	67·4	56·5	49·6

Percentage Discount.

Amsterdam	6·9	6·8	6·5	7·1	7·4	9·2
Berne	8·1	9·7	12·4	23·3	14·3	13·8
Buenos Ayres	6·8	10·8	10·6	15·4	16·9	16·5
Madrid	--	—	—	3·9	5·5	4·9
Monte Video	—	3·8	5·3	10·9	11·5	10·9
Montreal	14·9	16·2	20·8	21·6	20·2	16·4
New York	27·3	27·9	29·1	28·6	27·7	26·0
Stockholm	2·8	1·7	·8	2·8	4·1	3·0
Yokohama	23·8	29·1	30·7	29·9	29·5	27·8

As may be seen from the figures above given, the Greek drachma has drooped consistently since August last, political conditions and the unfavourable balance of trade being largely responsible. A feature of the month has been a movement in the Scandinavian exchanges adverse to the United Kingdom. Swedish kronor, which averaged 18.03 to the £1 in November, fell to 17.85 in December, and on the 5th inst. had further declined to 17.57. The change was not altogether expected as the Swedish pig-iron and paper-making industries have been passing through a rather lean period in most sections. In the case of Norway, however, the excess of exports over imports has been steadily growing. The improvement in the value of Danish kronor was probably due in part to the decision favourable to that country given by the Compensation Committee. The Germans had previously made a heavy claim against Denmark in respect of the proportion of the German and Prussian National Debts which should be paid by the latter on account of the cession of Schleswig-Holstein, but portion of the claim was disallowed. Another factor making for temporary improvement was the success of Danish borrowings in the United States. There has been a noticeable decline in imports from the United Kingdom into Scandinavian countries, and this has also tended to favour a fall in sterling.

Amongst exchanges where the pound stands at a discount, the greatest interest attaches naturally to the dollar rates. At the commmencement of December the New York quotation was rather irregular, but towards the middle of the month the value of our currency improved as conditions eased in the New York Money market, and provision was made, without fully withdrawing balances deposited abroad, for the usual end-of-the-year disbursements. The Montreal quotation moved similarly in our favour, and the Japanese yen, being on a gold basis, naturally acted in sympathy with the United States. With regard to the other Far Eastern exchanges, which are on a silver basis, it is noticeable that, consequent on the decline in the price of silver, sterling values appreciated. With a recovery in the value of the metal in mid-December the Shanghai tael, the Hongkong dollar and the rupee all made a better showing, but subsequent movements were not very marked. We append a table showing the quotations for sterling in certain important centres on December 31, 1918, and subsequent years together with the highest and lowest quotations in 1919 and 1920. It will be seen that in the year just closed the violence which characterised the movements of the previous year was even more marked.

	1918	1919			1920		
	Dec. 31	Highest	Lowest	Dec. 31	Highest	Lowest	Dec. 31
Amsterdam ...	11·13	11·87½	10·09	10·09	11·48	8·70	11·26
Berlin	—	182	96½	187½	356	147	257½
Berne	22·80	25·07	18·90	21·14	23·34	19·52	23·17
Buenos Ayres...	51½	50⅝	63¼	61¹³/₁₆	50¾	73½	51
Copenhagen ...	17·66	20·55	17·70½	19·95	25·85	19·67	23·15
Madrid ...	23·71	23·70½	19·20	19·79	25·85	19·20	26·42
New York ...	4·75⅞	4·76½	3·81½	3·81½	3·97½	3·19½	3·54
Paris	25·97	42·15	25·97	40·46	68·50	40·95	59·75
Rio de Janeiro	13½	13¾	18²⁵/₃₂	17½	18⅝	9¾	9¹³/₁₆
Rome	31·31½	50·00	30·31½	49·37½	106	50·12½	101·75
Yokohama ...	2/2	2/1½	2/8	2/7½	2/4½	3/0	2/8½

Army Banking.—Though the Army has been reduced to a shadow of its former self, the balance sheet totals of Messrs. Cox and Company still continue to grow. The accounts for the half-year ended September 30, 1920, show capital and reserves unaltered at £1,250,000, but current, deposit, and other accounts have increased from £20,670,051 in the preceding half-year to £22,237,472. Against this liability, cash on hand and short notice at £8,948,916 discloses a more than ordinary liquidity. An innovation in the latest balance sheet is the division of Bills of Exchange into Bills Receivable and Documentary Bills Negotiated. This departure, which reduces the task of calculating from the balance sheet the value of liquid assets, will be welcomed by the public, and will, it is to be hoped, form a precedent for other banks.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Sorabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlement, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

The National Finances.

No one anticipated that the course of Exchequer financing during the first three quarters of the current financial year would show anything but an improvement as compared with the corresponding period of 1919, but it can certainly not be said that the improvement that has actually appeared justifies the optimistic attitude of the Government in April last. In some directions the present position of the national finances is distinctly disappointing, and the probability of the Budget estimates for the whole financial year being realised appears remote, especially on consideration of the present slowing-down of production of commodities, with its corollary of a reduced national income. For this unfavourable aspect of the situation the present trade depression is largely responsible, but in this regard it is hard to segregate cause and effect; it is, perhaps, defensible to maintain that the large burden of taxation played its part in producing that depression. It must also be emphasised, in this connection, that it is only recently that this factor has begun to affect the ingathering of revenue, that its influence will become stronger according as time progresses and the depression deepens, and that its full effects will not be felt until next financial year. Apart from the consideration of the changed fortunes of industry in relation to the National Accounts, it will appear, on reviewing the position since March last, that the increases in some items of taxation have resulted in a smaller and not a greater net revenue. In fact, the showing made by revenue as a whole gives support to the contention that the present scale of taxation is greater than the country can bear; in the light of subsequent events, the Government, in increasing taxation last April, seem to have been guided more by empiricism than by scientific principles. The subjoined table affords a comparison of revenue and expenditure for the first three quarters and, separately, for the third quarter, of the current financial year, with the corresponding periods of last year:—

(In thousands of £'s.)

	April 1 to Dec. 31		Incr. + or decr. −	Oct. 1 to Dec. 31		Incr. + or decr. −
	1920	1919		1920	1919	
Revenue ..	888,804	696,252	+192,552	269,504	237,253	+32,251
Expenditure ..	842,690	1,125,981	283,291	301,019	385,637	84,618
Excess of:—						
Revenue ..	46,114					
Expenditure		429,729		31,515	148,384	

The results shown in the table appear more unsatisfactory when we deduct from the revenue in each case the amount of "miscellaneous receipts," these being of a non-recurring nature, representing chiefly sales of Government assets. When this adjustment is made revenue for the nine months to December 31, 1920, shows an increase of only £44,467,000, as compared with the corresponding period of 1919, while revenue for the last quarter of 1920 shows not an increase, but a decrease of £467,000 as compared with the last quarter of 1919. In connection with the statement made in a previous paragraph regarding the revenue prospects for the whole year, it must be understood that if ordinary revenue does not come up to expectations the loss to the Exchequer will be repaired by the inclusion of proceeds of the sales of Government assets above referred to. A more detailed analysis of revenue is presented in the following tabular statement:—

(In thousands of £'s.)

	April 1 to Dec. 31		Incr. (+) or decr. (−)	Oct. 1 to Dec. 31		Incr. (+) or decr. (−)
	1920	1919		1920	1919	
Customs	101,333	111,477	−10,144	33,499	39,597	6,098
Excise	149,490	94,656	+54,834	60,644	43,431	+17,123
Income tax ...	156,822	137,144	+19,678	30,487	27,627	+ 2,860
Excess Profits Duties ...	156,354	202,826	−46,472	72,939	46,954	- 25,985
Miscellaneous Reps.	217,630	69,605	+148,085	57,559	24,841	+32,717

The large decrease in excess profits duty receipts has before now attracted considerable attention, but on the whole, though disappointing, the results here shown are not as unfavourable as was generally believed. It must be remembered, however, that the full effect of the fall in industrial profits has yet to be reckoned with, and it seems likely that this justly-criticised impost will soon become a source of considerable embarrassment to the Government.

The Floating Debt.

One of the most unsatisfactory features of the national finances is the present position of the floating debt. Here there has been no improvement, though the Chancellor of the Exchequer expected to reduce this incubus by £70 million during the current financial year; on the contrary, the position has grown worse, and a review of the changes shows that the various reductions in other items of unfunded debt made during the year have been effected, for the greater part, by borrowing on the credit of Ways and Means. The changes that have occurred in the floating debt are set out in the following table:—

(In thousands of £'s.)

	Amount outstanding on			Incr. (+) or decr. (−) since	
	Dec. 31, 1920	Mar. 31, 1920	Dec. 31, 1919	Mar. 31 1920	Dec. 31, 1919
Ways and Means Advances:					
By Bank of England	87,250	Nil	56,000	+87,250	+31,250
By Public Departments	218,722	204,887	187,174	+ 13,835	+31,548
Total ...	305,972	204,887	243,174	+101,085	+62,798
Treasury Bills ..	1,102,109	1,107,318	1,106,150	−5,209	−4,041
Total Floating Debt	1,408,081	1,312,205	1,349,324	+ 95,876	+58,757

It will be noticed that such increases as have taken place have been altogether in the Ways and Means Advances outstanding, the most undesirable constituent of the floating debt. Comparing the total amount of the floating debt as on December 31, 1920, with March 31, 1920, an increase of £95,876,000 is shown, despite a surplus revenue during the period of £46,114,000. Up to September 30 a substantial reduction was made, and it was only in the last quarter that the disimprovement took place. Between September 30 and December 31, £162,858,000 net was borrowed on Ways and Means. The chief purposes for which this huge sum was required were as follows: Deficit in revenue, £31,515,000; Treasury bills allowed to run off, £36,685,000; cost of repayment of the British portion of the Anglo-French loan, £59,229,221, and War Loans, Exchequer Bonds, &c., surrendered in payment of excess profits duties and death duties, £17,641,000. It is probable that the liability under Ways and Means Advances will be reduced in the present quarter, but unless sales of Government assets are very large the possibility of a reduction on the scale originally anticipated by the Chancellor is a remote one.

End of the Year Conditions in Japan.

General trade conditions continued dull towards the close of 1920 in Japan, despite the fact that stocks of commodities had been declining somewhat previously. Owing to the fall in the price of silver and the dulness of the oversea

markets, the export trade has fallen severely of late, and the foreign exchanges have moved adversely. Although the general level of prices is still falling, there appears no sign of a revival in demand or in trade activities. Generally speaking, the Money market was also exceptionally quiet. Owing to the demand for remittances to the local districts and for the annual settlement of accounts, firm conditions prevailed for a while, but an easier tone reappeared later, and the end of the year, contrary to expectations, passed very quietly. The Stock markets, as well as the Cotton and Rice markets, were firm in anticipation of a better tone in the beginning of the New Year. The Silk (yarn) market, however, was very dull, there being no inquiries from abroad. A joint-stock bank, named the Yokohama Koshin Ginko, was established in Yokohama for the purpose of adjusting the assets and liabilities of the Seventy-Fourth Bank, which suspended payment some months ago. The new bank began to refund to some of the depositors of the latter bank on December 26. The foreign trade position in 1920 is as follows:—

Exports, Jan. 1, 1920 to Dec. 25	. .	Yen 1,928,000,000
Imports, " " " "	. .	2,320,000,000
Excess of imports	...	Yen 392,000,000

Banking Difficulties in Mexico.

Cable advices from Mexico City report the prevalence of banking troubles there similar to those recently announced from Barcelona. It appears that several "runs" have been made on the banks, with the result that the Mercantile Banking Corporation had to suspend business following heavy depletion of deposits. The Banque Française du Mexique is also stated to be involved in the crisis. The position, on the whole, does not seem to warrant the conditions of panic which prevail, and to relieve the situation it is rumoured that a moratorium will be declared.

Empire Coal Resources.

At the present time the question of coal is of great importance, and it is fully recognised that the nation whose coal production is largest will be in a dominant position. The new monograph of the Imperial Institute ("Coal," by J. H. Ronaldson, M.I.M.E., London, John Murray, 6s.) on this subject is, therefore, most opportune. It is the fifth of the series of Monographs on Mineral Resources with special reference to the British Empire, which are being issued under the direction of the Mineral Resources Committee of the Institute. The volume contains full information on the coal deposits of the Empire, localities being shown on twelve specially drawn maps. The geology of the deposits is fully described, and a large number of analyses of coal are recorded. The estimated reserve of coal, and, in those countries where coal-mining is carried on, the statistics of coal production are recorded. There is an interesting description of the origin and growth of the coal industry in each country, and of the great progress made in the chief producing countries during the last fifty years, which is graphically shown by diagrams. There are also general tables giving the annual coal production for recent years of the principal countries of the world, their domestic consumption, imports and exports, and their actual and probable reserves; also a table of coal reserves shown by continents, the British and foreign totals being separately tabulated. The most important coal resources of the world are to be found in the Northern Hemisphere, and generally in countries near the Atlantic Ocean.

SOME 1920 BANKING RESULTS.

PRELIMINARY figures have now been published by some British banks in respect of last year's operations, and the results make a satisfactory showing. In practically all cases the dividends declared in 1920 remain at the same level as in the previous year, despite an increase in profits. This increase has gone largely to provide for additional working expenses and for continued depreciation in investments. Our three leading discount houses have increased their distributions, and the success with which their operations were conducted reflects the profitable use made of their resources in the Bill market. Commercial paper was freely tendered, especially in the early part of the year, and rates ruled high, while Treasury bills at high discounts were obtainable throughout most of the year, the Treasury bill rate having been raised to six and a-half per cent. on April 14 last.

Our table, besides giving details as to the 1919 and 1920 dividends, also shows the prices on December 31, on which basis the yields are calculated. The prices include generally the accumulated interest, and this accounts for the seemingly small yields in certain instances.

SOME 1920 BANKING RESULTS.

	Amount of Share £	Paid-up per Share £	Distribution in respect of 1919: Final % per annum	Distribution in respect of 1919: Total %	Distribution in respect of 1920: Final % per annum	Distribution in respect of 1920: Total %	Price at end of 1920 £	Yield % £ s. d.	Observations.
Barclays "A" ...	1	4	10	10	10	10	6	6 15 4	Net profits £2,927,526 (1919, £2,122,192). To investment reserve £650,000; to premises account £200,000 (1919, £150,000); to contingency account £500,000 (1919, £650,000); carry-forward £565,602 (1919, £505,150). "A" shares held by staff ranking d. under Ln. "B" shares.
Do. "B" ...	1	1	20	20	14	14	2	7 0 0	
Equitable Bank (Halifax)	4, 2 & 1	1	16	16	16	16	—	— —	To reserve £25,000 (1919, £25,000); carry-forward £101,000 (1919, £88,867).
Lancashire and Yorkshire	20	10	22	19	22	19	—	— —	
London Joint City and Midland	12	2½	18	18	18	18	6½	6 18 5	Net profits, after provision for all bad and doubtful debts and bonus to staff, £2,851,871. To reserve, for depreciation of War loans and future contingencies, £1,200,000 (1919, £1,000,000); to bank premises redemption fund, £250,000 (1919, £250,000); carry-forward £741,619 (1919, £726,852).
Do. Do.	2½	2½	18	18	18	18	6½	6 13 4	
Manchester and Liverpool District	15	3	18½	18½	18½	18½	7½	7 1 11	Net profits after providing for the writing-down of securities, £561,758 (1919, £415,878). Carry-forward £264,152 (1919, £156,197).
Provincial of Ireland	100	12½	13½	13½	13½	13½	—	—	
Do.	20	10	13½	13½	13½	13½	—	— —	
Williams Deacon's "A"	5	1	12½	12½	12½	12½	1½	7 2 10	Net profit £163,653 (1919, £79,481). To reserve £100,000 (1919, £75,000); to bank premises account, £25,000 (1919, £25,000); carry-forward £24,230 (1919, £19,932).
Do. "B"	1	1	12½	12½	12½	12½	1½	6 13 4	
Alexanders Discount Co.	10	5	14	13½	29‡	17.35‡	8½	10 4 2	To reserve £20,000 (1919, £15,000); carry-forward £20,554.
National Discount Co.	25	5	12	12	16	14	6½	10 7 5	Carry-forward £11,000 (1919, £10,000).
Union Discount Co. of London	10	5	16½‡	15‡	19‡	16‡	9½	9 2 3	Carry-forward £15,000 (1919, about £12,000).

* Subject to income tax. † Including equivalent of 2 per cent. tax-free bonus. ‡ Including equivalent of 1 per cent. tax-free bonus.
(a) Converted in 1920 from £2 shares, £1 paid.

American Topics.

THE CUBAN-AMERICAN SUGAR CO.

After a period of unexampled prosperity, followed by the wildest speculation, the Cuban sugar industry has lately had to pass through a very severe crisis. For reasons into which it is not necessary to enter here Cuba suddenly found herself, as one result of the recent War, one of the great sources of supply of sugar for the international markets of the world. We have not space here to enter fully into the causes and effects which led to, and resulted from, this condition of things. We have endeavoured upon various occasions to explain that, like nearly all artificial regulations brought about purely by the action of Governments, it was unfortunate for the sugar industry, and did not even really benefit the few countries selected for favourable treatment. Before the War nearly half the supply of sugar known to the international markets of the world was provided by the beet sugar-growing interests of the European continent; and it was from the supplies derived from this source that we were mainly dependent for the sugar we consumed before the War in this country. Virtually, the net result of the War has been to reduce the total supply of sugar available for the world's markets by very nearly four million tons. Those engaged in the growth of cane-sugar had, or appeared to have, in the early days of the War an opportunity of establishing so sound a position as the main source of supply of the world's markets that it would be very difficult for the beet interests to dislodge them whenever conditions of peace were restored. Owing to the policy adopted, however, during the whole course of the War, and during the two years which have elapsed since the signing of the Armistice in November 1918, the total production of cane-sugar known to the world's markets has increased by barely two million tons. This, as we have explained quite recently, although a miserable showing, does not reflect in any way upon the enterprise and energy of those responsible for the growth of cane-sugar. Attempts were made in various parts of the world to increase supplies, only to meet the reward that there was practically none other than a local market for the supplies thus raised.

In Cuba itself the result has been far from satisfactory. The privileged position which that island enjoyed naturally led to the making of large fortunes by various interests concerned in the growing of sugar and in its distribution. In the sequel, however, this led, as we have just said, to a period of wild speculation, accompanied by a period of extravagance, from which the island is now only slowly recovering.

We have before us the report of the Cuban-American Sugar Company for the fiscal year ended September 30, 1920. The production of raw sugar during the year by the Company was 256,127 tons of 2,000 lb. to the ton, a decrease of approximately eighteen per cent. as compared with the previous year. The decrease was caused by a drought that extended throughout the growing season from September well into the spring of 1920, not only unusual in its extent and effect, but without precedent in the Company's experience. The total amount of raw sugar produced in the season 1919-20 was 1,600,797 bags of 320 lb. to the bag, or, as we have said above, 256,127 tons. This compares with 1,965,641 bags in the preceding season, or 314,503 tons. The net profit of the Company for the fiscal year amounted to $12,117,191, after deducting $6,500,000 for income and excess profits taxes, and reducing the value of refined sugar unsold as at September 30 to the prevailing market price. The usual provision has also been made for doubtful accounts and the year's proportion of cane plantings, also for depreciation on buildings, machinery and equipment. The regular quarterly dividends of 1¾ per cent. have been paid on the Preferred stock, and an amount equivalent to four dollars per share for the year was paid on the new shares of the Common stock of $10 par value. The First Lien Six per Cent. Serial Gold Notes (Series B) for two million dollars with coupons attached were retired at maturity on January 1, 1920. The two million dollars Gold Notes (Series C) maturing on January 1, 1921, together with coupons attached, are payable by the Central Union Trust Company, 80 Broadway, when presented, on or after January 3 of the current year. The report states that the further development of the railroad lines belonging to the Company is in keeping with the increased growth of population and industry, and the equipment in cars and locomotives is sufficient for handling the increased tonnage which is evidently in sight for the coming season. The Company's factories and their mechanism, with ample railway equipment on every estate, are fully prepared for their required tasks in the course of the Company's active operations. The year under review has been the most erratic and sensational in the wide fluctuations of values in Cuba's history. During the two years in which the United States was engaged in war Cuba sold her entire production of sugar at the lowest prices that prevailed for any existing food product in the world, and so contributed her full strength to the needs of the time. With the conclusion of the Armistice, and in the absence of an understanding between the American and Cuban Governments, the industry witnessed in the year under review a fever of speculation which not only interfered with the normal distribution of sugars to importing countries where needed and accustomed to buy from Cuba, but diverted to the island from producing countries in various parts of the world sugars which usually went elsewhere, or which were required in the growing countries for home consumption. On the whole, says the report, the prospects for the coming season are not unfavourable. The cane fields are well advanced, but from recent general rains are full of moisture and the cane low in sugar contents. Under these conditions, time must be allowed for the sugar to improve, and the sugar contents may be expected to increase as the season advances.

The Right Hon. The Viscount Wimborne, P.C., formerly an Advisory Director, has joined the Board of Barclays Bank Limited, and Sir James Hill, Bart., Chairman of the Bradford Local Board, and Mr. Charles F. Wood, Chairman of the Colonial Bank, have been appointed Advisory Directors.

The Publicity Branch of the Department of Colonisation and Development of the Canadian Pacific Railway is issuing reliable literature concerning Canada, its possibilities and progress. A monthly *Bulletin* covering every phase of national development and progress and a weekly news-sheet are printed and freely distributed. Special articles are written, and pamphlets on work pertaining to the Department's aims are drawn up. Various branches of the Department combine in forming the Bureau of Canadian Information, through which information is given to inquirers. A Reference Library has been established at the head European Office, 62 Charing Cross, S.W. 1.

The London Office of the Commonwealth Bank of Australia has received advice from its Head Office in Sydney that the business of the Queensland State Savings Bank has been absorbed as from the 8th instant, the last published record of the amount at credit of depositors in the State Savings Bank being £16,501,325. Advice has also been received that, in accordance with an Act recently passed in the Commonwealth Parliament, the control of the whole of the note issues of Australia has passed to a new department of the Commonwealth Bank created by the Act, which department is controlled by a special Board of five directors, the Chairman being the Governor of the Commonwealth Bank—Sir Denison Miller.

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Insurance Notes.

PRESIDENTIAL ADDRESS AT THE INSTITUTE OF ACTUARIES.

In June of every other year a new President of the Institute of Actuaries is elected, and he delivers a Presidential Address at the first meeting of the Institute in its home at Staple Inn at the commencement of the ensuing Winter Session. The new President, Sir Alfred William Watson, K.C.B., unlike the great majority of his predecessors, is not officially connected with a British life office, but the experience gained by him, first as the actuary of the largest friendly society in the country, and subsequently as actuarial adviser to the Government, is of a different and probably wider range than that of most of his professional colleagues. Prominence was naturally given by him in his recent address to the extraneous problems apart from life assurance with which actuaries are more and more called upon to deal, and a perusal of the paper must impress every reader with the importance of men of insurance and actuarial knowledge and training being consulted with regard to a vast number of schemes affecting the well-being of the whole community.

As befits the position which he holds alike as a civil servant and as the present head of his profession, Sir Alfred seems to approach each of these problems in an eminently judicial spirit. His attitude is one of philosophical calm and detachment from prejudice, and he rightly stands uncommitted to definite conclusions as regards all matters where it seems to him further research and investigation are necessary. The address is to a large extent an appeal to the members of the Institute, so that he may enlist their individual and collective experience and judgment in the elucidation of these problems. Here, he seems to say, are a batch of questions of great social and national importance awaiting your expert and careful consideration—think them carefully over, and please do, some of you, write papers on them for discussion at our meetings. If this advice is followed there should be no lack of variety and interest in the sessional deliberations.

The greater part of the address is taken up with such questions, and, indeed, the remainder is only of domestic interest to the Institute itself. It opens up a wide field for investigation and structural endeavour outside the walls of insurance offices. First in order, although not perhaps in importance, Sir Alfred refers to the work of actuaries in departmental committees appointed by the Legislature to advise on railway and municipal superannuation schemes, and also to similar work in connection with the Royal Commission on Income Tax and on Decimal Coinage. In view of forthcoming legislation, following the report of the Departmental Committee on Workmen's Compensation, he points out that actuarial science must play a large part in the fixing of future premiums if the proposals of the Committee are adopted, and especially if a compulsory basis is decided upon. In this respect the collection and analysis of statistics derived from the experience of the companies hitherto engaged in this department of insurance seem, as he suggests, to be very much needed. He recommends as fitting subjects for actuarial discussion an inquiry into the principles governing the assessment of reserves for incumbent liabilities, and the proposals of the Committee as to reinsurance of the liability for children's allowances in cases of fatal accident.

In connection with old-age pensions it may be remembered that the Parliamentary Committee recommended not only that substantial additions should be made to the pensions, but that an inquiry should be made into the possibility of extending the present system of national insurance so as to make adequate provision thereunder for all cases of invalidity and disability arising before the age of seventy. This is a subject to which Sir Alfred invites the attention of "any courageous young actuary who may be disposed to survey the growing ramifications of our system of public assistance."

The report of the Departmental Committee on the system of industrial assurance is of more immediate importance to a considerable number of insurance actuaries. Notwithstanding this, discussions at Staple Inn on this subject have hitherto been few in number. Most people will agree that more actuarial light and leading on the principles which should underlie the valuation of the liabilities, such as the suitability of the old English Life No. 3 Table so much used in the past as a mortality standard in this branch, and on other matters in this connection, are much to be desired.

A thorough investigation of all available statistics in connection with our mortality experiences during the Great War is recommended. All previous war mortality statistics are hopelessly out of date, and, looking to the continual changes in methods of warfare, it would be impossible to draw definite conclusions as regards war risks from such an inquiry, but the effort should certainly be made.

Sir Alfred refers to the changes which circumstances have occasioned in views as to the adequacy of annuity rates. Each succeeding investigation into the mortality statistics of annuitants shows some increased longevity, and a further inquiry of the kind seems overdue. If this movement is shown to have continued, this factor by itself would militate in favour of a reduction of annuity benefits; but, on the other hand, the improved interest yield, although largely discounted by taxation, works in the contrary direction. A movement towards better terms for annuitants from insurance companies was general two or three years ago, but has apparently been checked, and the heavy fall in the price of Consols has led to a revision of Government annuity terms in a favourable sense to the public to an extent will which [illegible] assurance companies at present seem disinclined to enter into competition.

The President of the Institute is on ground very familiar to himself in discussing the future of National Health Insurance, for he was for many years the actuary of the great friendly society whose statistics were largely employed in the compilation of rates. The calculations employed [illegible]

adjusted on account of the compulsory nature of the system, but the scheme on the whole, with minor defects which are in process of adjustment, has worked out in a manner which is creditable to the prescience of the eminent actuaries who assisted in the initiation of this great and untried experiment. There remain, however, to be considered many questions in which actuarial science will be helpful, and the collated experience of approved societies should be most valuable not only in this respect, but in relation to some other social experiments, such as unemployment insurance. The latter problem is increased in difficulty by the fact that periods of unemployment recur from time to time with varying intensity, and the necessity of strong reserves is paramount. One detail meriting more scientific research than has yet been given to it is the equitable adjustment of the shares of the premiums under such schemes between the State, the employers, and the employed.

The last part of the Presidential Address refers to the provisions of the Census Act, 1920, in accordance wherewith the forthcoming Census will be taken. This Act differs from former enactments of the kind in so far as it sets up permanent machinery, and that Parliamentary sanction will not be required for future decennial or other Censuses. The Act, however, provides that a Census shall not be made at shorter intervals than five years. Sir Alfred says: "In view of the cost of a Census and of the time absorbed by the tabulation and presentation of its results, it is reasonable to doubt whether the full inquiry to which we are accustomed will, or need be, repeated at shorter intervals than ten years, as heretofore, but the power to make even a limited enumeration of the people at intervals of five years should be of great value." But the thought suggests itself, why should an annual numbering of the people (without elaborate particulars) be impossible? It would certainly be very useful, and after the machinery has been set up it should not be very costly. For rationing purposes the nation was numbered during the War. Every year the Parliamentary Register of Voters, which now embraces nearly one-half of the population, is compiled and numerically adjusted. The question of trouble and expense in this matter would not appear to be serious in the light of these circumstances.

The National Benefit Assurance Company, Limited, announce a total of over £560,000 in new life business for the year ending December 31, 1920, covered by 1,343 new policies.

The retirement is announced of Mr. A. Player Fedden, the Managing Director of the Fine Art and General Insurance Company, Limited. Mr. Fedden became General Manager in 1895, and in 1914 joined the Board and was appointed Managing Director.

The United Kingdom Temperance and General Provident Institution announces that the sum assured by new policies issued during 1920 was £2,046,491, of which £44,000 was reassured. The net amount of business retained was therefore £2,002,491. With the exception of the new business completed in 1919, the present returns represent the largest year's business in the history of the institution.

"Handbook for Investors." A pocket record of Stock Exchange prices and dividends for the past ten years of selected securities. (Southard Gilbey and Co., 2 Copthall Buildings, E.C. 2.)

Messrs. Price, Waterhouse and Co. and Messrs. W. B. Peat and Co. announce that jointly they have opened an office in South Africa. The business will be conducted under the style of Price, Waterhouse, Peat and Co., at Standard Bank Chambers, Johannesburg, with Mr. Frederick Benjamin Gibbins as Resident Partner. Mr. Gibbins has been associated with Messrs. W. B. Peat and Co., in London, for upwards of twenty-six years.

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Rubber Topics.

ANNUAL REPORTS ANALYSED.

BIDOR (PERAK).

Issued Capital: £50,000 in £1 Shares.

Results for Years to March 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1917...	1,378	1,030*	419,536	407	2 6.4	1,0¾	29,742	25,000	50
1918...	1,380	1,150*	454,000	400*	1 11½	1/2	21,687	10,000	20
1919...	1,381	"	328,000†	—	1 7	1/2·54	8,026	10,000	20
1920...	1,381	"	471,000	—	2 0·8	1/0·36	25,688	17,500	35

* Estimated. † Tapping restricted.

Price of Shares, 40/7½. Market Capitalisation per planted acre, £74.

As we anticipated last year, the report of this rubber Company for the year ended March 31, 1920, has proved to be very satisfactory. No longer held back by the restrictions on output, which were responsible for the small crop of 328,000 lb. in the previous year, the Manager estimated the crop for the year under review at 482,000 lb. The crop actually harvested reached 471,000 lb., the deficiency of 11,000 lb. being mainly due to the marked shortage of labour and, to a lesser extent, to the adoption of a more conservative system of tapping to economise bark reserves. Nevertheless, the average yield per acre worked out at 387 lb. from the 1,216 acres in bearing. With an addition of nearly fifty per cent. to the crop of 1918-19, it is not surprising to find that the "all-in" cost dropped from 1*s.* 2.54*d.* per lb. to 1*s.* 0.36*d.* per lb. This movement coincided with a still more satisfactory advance in the average price realised by the sale of the crop, which worked out at 2*s.* 0.84*d.* per lb., as against 1*s.* 7.02*d.* per lb. in the previous year. In the general items debited to profit and loss account loss on exchange figures for £84, as compared with a profit of £2 in 1918-19. However, in view of the substantial increase in the output and in the profit per lb. from 4.48*d.* to 1*s.* 0.48*d.*, the net profit jumped from £8,026 to £25,688. It was further increased by the addition of £7,997, representing the refund of excess profits duty owing to the mediocre results of 1918-19. This sum the directors wisely decided to transfer to a special reserve, to meet any future liability in respect of this tax. The expenditure on development for the year to the amount of £2,078, as well as the expenditure on buildings and machinery to the extent of £700, was written off out of profits. Still, shareholders received the generous distribution of thirty-five per cent., as against twenty per cent. in the two previous years. The balance carried forward to the next accounts is increased from £2,923 to £8,333.

The persistent depression in the Rubber market, which has necessitated the reduction of output by twenty-five per cent. since November, makes the outlook for the current year by no means so bright. According to the report, the estimated crop was 520,000 lb. Yet, even before the introduction of the restrictions, the labour shortage, which still continued, rendered it unlikely that this crop would be secured. The returns for seven months of normal

tapping only amounted to 249,200 lb. Allowing for the reduction now in force, the final crop is not likely to exceed 425,000 lb., which implies some increase in the cost of production per unit. And this increase is aggravated by the higher wages to which the competition for the inadequate supply of workers has given birth, in conjunction with the loss on exchange remittances, which renders employment in the Federated Malay States less attractive to the coolies. In this respect some alleviation may be forthcoming in the reduction in labour force which the restrictions may permit. On the other hand, the loss in rice continues to inflict a heavy burden on this as on many other companies. Rice retailing at forty cents before the War now costs $1.25. The net result is that the "all-in" cost will inevitably tend to increase. Already it is over 1*s.*, and any increase means that the margin of profit available at the current price of rubber will be reduced to trivial dimensions if it does not entirely vanish. Of course, any recovery in the Rubber market in the next few months will help to redress the balance, as will also any forward contracts at the more advantageous prices ruling earlier in the current year; but no reference is made in the report in this connection. The general condition of the estate gives no ground for anxiety. According to the latest report, "the rubber is looking well and healthy," and thinning operations are being continued with good results, whilst the conservative tapping in force is rendering the trees less susceptible to attacks of disease. Thus it is the immediate present rather that is the cause of anxiety. Financially the Company is well able to weather the crisis. Current liabilities, including the final dividend of £10,000, did not exceed £12,867 on March 31, 1920; whereas liquid assets were available to a total of £29,756, and of these cash balances alone stood at £16,056. In the market the £1 shares are quoted at 40*s.* 7½*d.*, equivalent to the low market capitalisation of £74 per acre, which is merely the outcome of the current depression.

CHANGKAT SALAK.

Issued Capital: £87,442, in 42,500 10% Preferred Ordinary shares of £1 each and 44,942 Deferred Ordinary Shares of £1 each.

	Results for Years to December 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised Per lb.	"All-in" Cost per lb.	Net Profit £	Dividends Amt. £	Dividends %
1916	2,407	2,014	805,810	400	2/5	1/0½	57,281	21,296	20* 20†
1917	2,571	2,100	1,016,070	423	2/3½	1/0·1	67,556	17,221	25* 15†
1918	2,810	—	810,000	—	1/9½	1/3½	25,274	30,110	35* 25†
1919	2,995	2,330	1,095,000	470	2/0·64	1/0·14	66,340	39,483	40* 30†

* Preferred dividend. † Deferred dividend.

An eminently satisfactory report is presented by this Scotch controlled rubber Company for the year ended December 31, 1919. Its continued progress up to 1917 received a set back as a result of the restrictions imposed on output during 1918. Yet despite the reduction in the crop from 1,016,070 lb. to 810,000 lb., and in the net profit from £67,556 to £25,274, the Company was in such a strong financial position that it was able to avail itself of the brighter outlook for 1919 by paying an increased dividend of thirty-five per cent. and twenty-five per cent. respectively, to the Preferred and Deferred shareholders. This confidence in the results for 1919 has been adequately justified by the report covering that period. With tapping no longer restricted artificially there was harvested a record crop of 1,095,000 lb. Moreover, had the weather been more propitious in November and December the total crop would have considerably exceeded the estimate of 1,100,000 lb. The efficiency of the administration is reflected in the return to a more normal cost of production, the "all-in" cost dropping from 1*s.* 3¾*d.* per lb. in 1918 to 1*s.* 0.14*d.* per lb. in the year under review. Again, with a better market for rubber, the average price realised by the sale of the crop improved from 1*s.* 9¾*d.* per lb. to 2*s.* 0.64*d.* per lb. Thus the 1918 profit of 6*d.* per lb. was more than doubled. Earned on a substantially larger crop this profit of 1*s.* 0¼*d.* per lb. was equivalent to a total of £66,340, as against £25,274 in 1918. It is not surprising, therefore, that a return should be made to the 1915 record dividends of forty per cent. to the Preferred and thirty per cent. to the Deferred shareholders. Moreover, this generous distribution was made after adding £8,000 to the reserve, thereby raising the total to £21,000, and writing off £2,000 for depreciation on plant and machinery, which more than counterbalances the additions made during the year to the total of £1,780. There is carried forward to the next accounts the substantial balance of £30,415, which is subject to deduction in respect of excess profits duty for 1919. The liability for this tax for 1917 and 1918 has apparently now been settled at £34,753. Bearing in mind the higher rates ruling in those years, as compared with forty per cent. for 1919, it is evident that ample provision is made for the charge for 1919.

As we have frequently stated, this Company ranks as first-class amongst rubber producing concerns. Expenditure for development purposes has always been on an adequate scale. Consequently, it is but natural to learn that the condition of the estate is excellent: that pests and disease are well under control: and that the new areas are rich in promise. Arrangements have been made to plant an additional 300 acres in 1920: to add several necessary improvements to the permanent buildings, and to construct an improved water scheme for the whole estate. Originally the estimate for 1920 anticipated a crop of 1,150,000 lb. However, during the first four months certain labour difficulties were experienced, and these in conjunction with a very severe wintering resulted in a very mediocre output. Consequently, the estimate was revised to 1,130,000 lb. In view of the restriction of twenty five per cent. in force since November, a further reduction is inevitable. The crop secured during the ten months of unrestricted tapping ended October amounted to 860,000 lb. Allowing for the restricted output of the last two months of the year, the final crop is not likely to exceed that of 1919. However, the marked slump in the price of rubber renders it almost certain that this Company, with its characteristically conservative policy, will refrain from declaring any interim dividend. It is in a very strong financial position: well equipped to weather the present storm. The balance sheet dated December 31, 1919, shows that, with the inclusion of the final dividend of £17,488 and the income-tax reserve of £5,000, the current liabilities did not exceed £42,371; whereas liquid assets were available to a total of £88,824. Furthermore, a share premium account of £24,971 and a reserve account of £21,000—in all over fifty per cent. of the issued capital—figure in the balance sheet. We have no doubt that once the present crisis in the Rubber market has disappeared that this first-class producer will be amongst the earliest to resume the payment of record dividends. In addition to being controlled in Scotland, the shares are mainly held there, too, as they are not quoted on the London Stock Exchange, but figure in the Glasgow List.

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London, E.C. 4.
Actuary and Secretary:
Chas. Windett.

Commercial.

THE LEATHER TRADE.—II.

LEATHER SECTION.

In reviewing the Leather Section for the past year both the commercial and industrial sides deserve equally the maximum amount of consideration, as conditions in both have shown remarkable changes. It may be a brief summing-up to say that both received an excellent start by reason of the highly satisfactory state of trade generally, which enabled the public to satisfy its desires for good-grade clothing, and also to the fact that the home trade for footwear had been badly neglected during the five previous years and its stocks seriously depleted.

For the first quarter business proved quite brisk, as leather users had the benefit of a good home demand, whilst export trade was being pushed as hard as possible in accordance with Government recommendation. Tanners were, therefore, able to steadily advance their prices from time to time. In sole leathers tanners found the demand in excess of the supply, and even "odd lots" were snapped up. Wet-salted bends in 10/12 lb. average and English first and second qualities commanded the best trade. Common foreign bends were not so much rushed after, as the public demand was not then on those sorts. East India kips in prime selections realised record prices at the public sales, whilst commons, third and fourth, were comparatively neglected. The Upper Leather Section was another example of the demand running upon best-class stuff, which, however, was in very short supply, and fetched record figures—5*s.* to 6*s.* per foot for black glacé, and coloured to nearly 8*s.* per foot. At that period glacé-kid manufacturers were so busily engaged that they had to decline new customers. There were special reasons for the scarcity of best-grade upper leathers, one of which, the prohibition of imports of American sole and upper leathers (except for Government account), whilst materially benefiting British producers, had a very drastic effect upon importers and consumers of American leathers. There were vast purchases in the aggregate made, and duly paid for, by British importers under the belief that, with the War at an end, the goods would be permitted to be shipped. This was not the Government's intention, as it would have effectually spoiled the market for their own immense surplus stocks. The result was that, in addition to loss of interest on capital thus expended, importers lost their market, as their buyers could not wait indefinitely for deliveries. Eventually importers had to witness a falling market, frequently before they could get shipments over. In the meantime comparatively small allocations of Government upper leather were made from time to time at prices that gave big profits to the Department.

The second quarter was not nearly so satisfactory a period for the tanners and leather manufacturers. There were evident signs that the home demand for footwear had been fully satisfied, as the average tanners' outputs were on the wartime capacity, and those of the boot manufacturers on an equally large scale. It was during the month of May that there were far larger stocks of leather than could be utilised, consequently producers were in need of the financial facilities that had been theirs for so many years past. It was at this time that, owing to the ever advancing rates of Continental exchange, Continental orders were cancelled or repudiated in wholesale manner. In many instances the leather was specially prepared to customer's order, and when returned, after knocking about ports and wharves and exposed to all weathers, plus all the expenses, they were found very unsuitable for home-trade purposes, and proved a financial handicap to many firms. To reach a climax, the banks were notified by the Treasury to curtail all credits and overdrafts, as an effective means of preventing speculation. What it really did was to stop production and start the unfortunate era of unemployment, which has probably never before been so serious as at the present time. The first important practical step to be taken in order to cut down the weekly expenditure was "to curtail *inputs* of hides, both English and imported, and an agreement was signed by about ninety per cent. of tanners in the Tanners' Federation not to purchase more than fifty per cent. of their normal supply of market hides, nor to pay over a certain fixed price. The "recommendation" of the Federation was not, however, strictly adhered to by a section of the members who were better placed for business than others. As the third quarter progressed the majority had to curtail even their fifty per cent. input. One of the adverse features of this period was the accumulation of dry-hide leather (bends and shoulders and bellies), as a result, partly of the big supplies of imported dry hides that tanners were not permitted to tan during the War, in order to use the short supply of tanning material for better-class stock, and, secondly, to the very slow sale of common sole leathers which were neglected for English and wet-salted sole leathers.

The third quarter of the year proved a less favourable period than its predecessor. The general trade of the country was beginning to feel the adverse effects of high costs of living, and all industries were compelled to reduce production, consequently unemployment was increasing week by week. Demand for leather for all home needs fell off considerably, and under the monetary stringency, high costs of overhead expenses, increased taxation, and local and railway rates manufacturers and retailers were forced to sell stock at ever declining prices. Towards the close of September the coal crisis disorganised matters by unsettling conditions, and tanners deemed it the more prudent course to curtail their production. This entailed loss of labour, and further short time working; in fact several tanneries abruptly closed down indefinitely. The immense stocks of Departmental leathers—sole and upper—were a perpetual menace, as it was never known what the official intentions might be under Treasury pressure. At this time the East India kip section was greatly perturbed by the reported sale of 35,000 bales of kips to Germany, which afterwards proved to be only 4,000 bales, valued at about £400,000. The trade view, of course, was that English curriers should have had preferential treatment, at any rate, before our late enemy. At the present time, the question of the disposal of Government kips is exercising the minds of both the Department and the Kip Committee, as the "hold-up" of these goods is prejudicing Indian tanners' prospects, in view of the temporary cessation of business with India's customers—Germany, Central Europe, and America.

The Dressing Leather Section proved very dull both on home and export accounts, principally to Europe, split hides dropping fully thirty-five per cent. on top values, and is still very slow and weak. Dressing and shaved hides feel the quietude in the motor and carriage trades, also the practical cessation of the accoutrement leather demand. The Upper Leather Section fell from its high estate by September, semi-chrome box

and willow sides and hides being frequently sold at not only under cost, but under replacement prices, which, in view of the shortage in sheep skins, are very low to-day. The double difficulty that tanners of upper leathers have to face is the very slow demand, coupled with an absolute lack of a proper idea of values. Buyers make a sporting offer for a line of semi-chrome sides on one day, and find in a few days that still lower prices have been accepted. They, therefore, simply decline to take up stock that is ever dwindling in value. This is the trouble that buyers of all kinds of leather have to face at the moment.

The last quarter has very little that is new or interesting to recount. The Annual Shoe and Leather Fair in October provided a welcome break in the quietude, but after a few weeks makers reverted to their old, sad, slow way.

Among the sections that have suffered severe setbacks in values has been the sheep leather trade. Values certainly had reached a dangerously high level —some grades of skins making 120s. to 130s. per dozen, or about 200 per cent. above 1914 prices. The new quotations that have been issued show very substantial cuts in prices. The demand, however, is very slow, now that the Christmas trade has been supplied. Stout skins, for the hat and cap trade, are expected to make a move early in the New Year.

The East India Tanned Goat and Sheep Skin Section has experienced, on the whole, a very disappointing year, with values substantially downward. These were also on a far too high level for stability, and are now in a healthy condition, provided the future demand is of normal proportions.

Our total imports of "Leather and Manufactures thereof" for the eleven months ending November 1913-19-20 were:—

	1913	1919	1920
	£	£	£
Imports	20,714,553	35,906,298	19,664,853
Re-exports	1,955,984	2,348,953	3,145,557
For home consumption ..	18,759,569	33,557,345	16,519,296

Our "Exports of Leather and Manufactures thereof" for the same periods were:—1913, £4,830,361; 1919, £5,989,010; 1920, £11,117,750.

These can be readily accepted as very satisfactory, and in marked contrast to the results of the home section. It should be observed that, despite adverse exchanges, large supplies have been forwarded to European countries (France, Belgium, Germany, Italy.) It follows that much more can be done with these countries as their buying power increases. Our sales to United States have been quite important, mainly by reason of the exchange operating in their favour. This market should, therefore, be assiduously worked whilst conditions are so favourable.

Industrial Companies.

BRITISH-AMERICAN TOBACCO, LIMITED.

Issued Capital: £20,502,523, in 4,500,000 5% Cum. Pref. and 16,002,523 Ordinary Shares of £1 each.

Yr. to Sept. 30	Net Profit(a)	Div. on 5% Cum. Pref.	Profit for Ord.	Div. on Ord. —Tax Free—		Special Appropriations	Carried Forward
	£	£	£	£		£	£
1913...	2,161,836	116,681	2,035,155	2½	1,719,938	Nil	1,973,996
1914...	2,177,422	188,297	1,988,725	2½	1,562,538	1,500,000	900,219
1915...	1,856,059	225,000	1,625,068	2½	1,407,254	Nil	1,118,157
1916...	2,733,302	225,000	2,508,302	30	1,876,296	257,229	1,522,994
1917...	2,545,002(c)	225,000	2,320,002	30	1,876,296	Nil	1,966,700
1918...	3,140,174(d)	225,000	2,915,174	30	1,876,296	Nil	3,005,578
1919...	3,776,508(d)	225,000	3,551,508	30	2,156,774	Nil	4,400,312
1920...	4,879,177(d)	225,000	4,654,177	30	2,745,192	Nil	1,656,46

(a) After income tax and reserves for buildings, machinery, &c.
(b) After excess profits duty for year.
(c) After excess profits duty for 1915-16 and 1916-17.
(d) After excess profits duty and corporation tax.
(e) Reduced in 1920 to £727,778, by appropriation of £475,438 for purchase of shares of Garland Steamship Corporation which were subsequently distributed as scrip bonus, and by bonus share distribution of £3,197,096.

SHAREHOLDERS of this progressive Company have ample reason to congratulate themselves upon the trading results of the past financial year. As shown in the above table the net profit amounted to £4,879,177 after providing for Income Tax, the liability in respect of dividends) and corporation profits tax, and adjusting the liability in respect of excess profits duty. This result compares with £3,776,508 for 1918-19, and with £3,141,174 for 1917-18. It should be noted that the net profits do not include the Company's proportion of the undivided profits of the associated undertakings. The dividend on the Preference shares requires the usual sum of £225,000, whilst the final dividend of nine per cent. on the Ordinary shares brings the total dividend up to thirty per cent., free of British income tax, the same as in the four preceding years. The amount absorbed, however, is £1,588,718 more than in 1918-19, owing to the increase in the capital from £8,501,911 to £16,002,523. It will be remembered that in April 1920 an issue at par was made of one share for every two held, and in respect of that issue 4,264,484 shares were taken up by the Ordinary shareholders up to September 30, 1920. In addition, the Ordinary holders in July 1920 received £3,197,096 in Ordinary shares as a bonus dividend out of the undivided profits. An appropriation of £475,438 was also made for the purchase of shares in the Garland Steamship Corporation, which were subsequently issued as a scrip bonus. The balance of £1,626,463 which is carried forward compares with £727,778 brought in, after deducting the bonus distributions referred to above.

The following is an analysis of the balance-sheet figures at the end of the last three financial years, and on September 30, 1914:—

Balance-Sheet Figures at September 30.

LIABILITIES.

	Capital— Pref.	Ord.	Reserves and Carry-forward
	£	£	£
1914	4,500,000	6,254,320	2,853,597
1918 ...	4,500,000	6,254,320	6,322,339
1919 ..	4,500,000	8,501,911	7,967,785
1920 .	4,500,000	16,002,523	5,356,594

ASSETS.

	Fixed Assets	Goodwill, &c.	Stocks	Trade Investments and Loans	Surplus Liquid Assets
	£	£	£	£	£
1914 ...	916,322	879,064	3,493,349	9,579,442	*1,260,260*
1918 ...	1,166,489	879,065	8,654,042	10,568,550	*4,156,487*
1919 ...	955,801	505,115	8,197,493	14,750,225	3,427,9[illegible]
1920 .	961,487	505,115	7,921,185	18,551,9[illegible]	1,179,991

* Deficiency of cash, debtors, and "other investments," as against current liabilities.

The reserves for buildings, machinery and materials now amount to £630,165, or £87,342 more than in the previous balance sheet. The share premiums account at £391,039 shows an increase of £23,375, mainly representing premiums received on issue of shares to directors. The provision for redemption of coupons has been further reduced by £4,882 to £55,834. The special reserve has been increased by £41,740 to £1,198,727, mainly by profits realised upon sales of investments, whilst the general reserve, created to provide against possible losses arising from the War, remains unaltered at £1,500,000. In this connection it was stated at the general meeting on December 30 last that the amount of the Company's claim against the Deutsche Bank on loan and current account has now been agreed, and it is expected that a sum amounting to about £1,280,000 will shortly be received. It is pointed out that so soon as payment is obtained it will not be necessary to maintain the general reserve at the present figure. Payment of the amount (roughly over five million marks) of the claim in respect of the sale of the shares in German companies "has yet to be completed." It should be borne in mind that excess profits duty is payable upon any sums which may be recovered, although losses incurred by default or on exchange can be offset against such liability. The item of creditors (including estimated liability for excess profits duty) has been reduced by nearly £4,239,700 to £5,678,939. On the other side of the balance sheet, land and buildings at cost, less provision for amortisation of leases, figure for £961,487, more than in 1918-19, due to extensions at Liverpool, whilst the item of plant and machinery, valued at cost or under, shows a net decrease of £40,853 to £419,501.

which is more than accounted for by the sale of one of the Company's factories at New York. The item of goodwill remains unchanged at £505,115, to which it was reduced in 1919, when the Company's interests in China were sold to a subsidiary undertaking. Stocks have fallen from £8,197,403 to £7,021,185, and are valued at less than cost in consequence of the recent reduction in the price of raw leaf. The amount due on loan and current account by associated concerns has been further increased by £1,127,433 to £7,194,958, and the investments therein by £2,664,432 to the large total of £11,356,132. Other investments figure at £607,922, representing a net increase of £453,813, which is due to the purchase of War bonds. Sundry debtors have been reduced by £241,538 to £2,531,176, and the cash balance at £2,856,120 is over £1,280,800 less than at September 30, 1919. Taking only the items of "other investments" sundry debtors and cash to represent the liquid assets there is as against current liabilities (including final dividend payments) a deficiency of £1,179,961, as compared with £3,427,938 in the previous balance sheet. Including the liability of associated companies on loan and current account, however, there is a surplus of almost £6,015,000.

Regarding the prospects for the current financial year, the Chairman of the Company at the general meeting on December 30 last, referring to the sale of the Company's manufactures, stated that "in some parts of the world there has been a reduction in sales since September 30, 1920," but that "there is no reason to believe that the directors will be unable to present a satisfactory balance sheet a year hence." Notices posted at the Liverpool factory on Wednesday last stated that, owing to a material falling-off of sales and the loading up of stocks, it was considered necessary to dismiss a large number of employees. It should be noted that even if profits are maintained at the same level as in 1919-20, the maximum dividend that can be paid without reducing the carry-forward is 28½ per cent., as the additional capital will rank fully for the current financial year. In this connection it is rather significant that the first interim dividend for 1920-21 is at the rate of four per cent. instead of six per cent. Assuming that the total dividend will be at the rate of twenty-five per cent., and allowing for the interim distribution already declared, the Ordinary shares at a quotation of 70*s.* ex-dividend give a return of six per cent. free of British income tax, or 8.6 per cent. subject to tax. The Five per Cent. Cumulative Preference shares, quoted at 16*s.* 6*d.*, afford a yield of 6.1 per cent.

SLATERS LIMITED.

Issued Capital: £355,000, in 100,000 6% Cumulative Preference Shares of £1 each and 255,000 Ordinary Shares of £1 each. First Mortgage 4½% Debenture Stock, £100,000.

Year to Sept. 30							
	£	£	£	£	£	£	£
1915	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	21,232	21,147	[illegible]	[illegible]	[illegible]
1917	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11 [illegible]
1920	[illegible]	[illegible]	[illegible]	[illegible]	22,[illegible]	[illegible]	[illegible]

[illegible]

In common with other catering concerns this Company experienced heavy losses during the period of the War, a debit balance of £53,261 being accumulated between 1915 and 1918. A remarkable improvement, however, was shown in the report for the financial year to September 30, 1919, as a result of which the debit balance was reduced to £11,315. The report now presented for the twelve months ended September 30 last shows that this improvement has been very well maintained. The trading profit has increased from £68,612 to £81,306, and miscellaneous income from £3,193 to £5,076, whilst the growth in administrative and general expenses does not exceed £4,128. After charging Debenture interest the profit works out at £62,039, as against £52,231 in 1918-19. A sum of £1,437 is set aside for general depreciation, and £2,505 for investment depreciation, whilst an appropriation of £9,616 is made to the reserves for leases and dilapidations. The balance permits of a Preference distribution of £22,050, clearing off all arrears, and of an Ordinary dividend of four per cent., amounting to £7,140. As against a debit balance of £11,315 brought in from 1919 there is carried forward a sum of £7,976, which is subject to corporation profits tax.

The balance sheet reflects the improvement which has occurred in the general position of the Company. The leases reserve and provision for dilapidations together amount to £119,665, representing a net increase of £8,238, whilst the general reserve fund and the special reserve remain unchanged at £47,781 and £5,753 respectively. Sundry creditors show a small increase at £45,643. The net additions to properties during the year amounted to £39,511, mainly representing extensions and improvements in premises. Investments in Government securities figure at £22,156, or £9,500 more than in the previous balance sheet, whilst other investments have been correspondingly reduced to £36,320. The items of debtors and stocks amount to £20,153 and £46,072 respectively, representing an increase in each case of over £5,000. The valuation attached to goodwill remains unaltered at £124,500. The liquid assets taken together exceed current liabilities (including dividends payable) by £31,197, as compared with £47,305 at September 30, 1919.

As the large debit balance and all arrears of Preference dividend have been cleared off, the maintenance of profits during the current financial year would allow of a very substantial return on the Ordinary shares. The adoption of a conservative policy, however, is necessary, especially in view of the large item of goodwill which figures in the balance sheet. Assuming a dividend of six per cent. the Ordinary shares, which are now quoted at 15*s.* 6*d.*, yield a return of 7.8 per cent., whilst the Six per Cent. Cumulative Preference shares, quoted 14*s.* 9*d.*, yield 8.1 per cent. The Four and a-Half per Cent. First Mortgage Debenture stock is quoted at 57, yielding a return of over 7.9 per cent.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

THE CUNARD STEAM SHIP COMPANY, LIMITED.

Offered for sale at ninety per cent. of £4,000,000 Seven per Cent. Mortgage Debenture stock, redeemable on August 1, 1941, at par, or at any time after January 1, 1926, subject to six months' notice being given to holders. Flat yield, £7 15*s.* 7*d.* per cent. per annum; minimum yield with redemption, £8 0*s.* 7*d.* per cent. per annum.

The authorised capital of the Cunard Company is £7,000,020, £6,956,209 of which has been issued. In addition, there are £910,000 First Mortgage Debenture stock issued to the Government and specifically charged upon the steamships *Mauretania*, *Aquitania*, and *Brescia*, and £1,000,000 Five and a-Half per Cent. Mortgage Debenture stock created to provide in part for the purchase of the Commonwealth and Dominion Line, and repayable on December 31 next. The former will be redeemed during the next seven years, and the latter will be repaid out of the proceeds of the stock now offered. The Seven per Cent. Mortgage Debenture stock is being constituted in order to consolidate the Debenture holdings and to provide for the development of the undertakings of the Cunard Company and its allies—the Anchor, Brocklebank, Commonwealth and Dominion Lines. The issue is limited to an amount not exceeding forty per cent. of the value of the vessels

or other approved assets vested by first mortgage in the trustees, and is further secured as a floating charge on the whole of the assets and the undertaking subject to the claims of the Government Debenture stock. Upon final redemption in 1927 of the last mentioned stock the present issue will be additionally secured as a floating charge on the assets released. The Company's fleet now consists of 22 ocean-going steamships representing 228,468 tons gross, and it has building and due on delivery before the end of 1922 twelve ships, representing an addition of 214,200 tons gross. The fleets of the subsidiary undertakings include sixty-four existing ships and eleven partly completed vessels, totalling 575,706 tons gross. The Chairman states that the value of the net assets amounts to £8,011,706, after allowing for all existing charges. Net profits increased from £887,161 in 1910 to £2,339,752 in 1916; during the following two years they fell to approximately £1,000,000, but in 1919 rose again to £1,724,920. The slump in freights will undoubtedly reduce the current profits of the Company, but there is little probability of their falling below a million. The interest on the Seven per Cent. Debenture stock has, therefore, excellent security. The lists close on January 17.

THE COLNE VALLEY WATER COMPANY.

Offer at par of £50,000 Seven per Cent. Redeemable Debenture stock, redeemable January 1, 1931. Flat yield, £7 4*s*. 4*d*. per cent. per annum; yield with redemption, £7 8*s*. 10*d*. per cent. per annum.

The Company, incorporated in 1873, supplies water to an area of over ninety square miles. The water rental has increased during the past ten years from £47,566 in 1910 to £65,689 in 1919, and an increase of twenty-five per cent. on charges to meet increased working expenses has been permitted by the Board of Trade as from June 24, 1920. The authorised loan capital is £245,000, of which £77,500 has already been issued. Net revenue for the year ended June 30 last amounted to £23,760 approximately four times the interest on the existing Debenture stock and the present issue. The stock is a full trustee investment, but will not possess a Stock Exchange quotation. The lists close on Monday, January 10.

LIGHTING TRADES, LIMITED.

In accordance with Stock Exchange regulations, the directors of Lighting Trades, Limited, have issued a public statement during the week. The Company was incorporated in 1920 to acquire the incandescent gas mantle branch of Messrs. Curtis and Harvey, the Volker Lighting Corporation, and the Ramie Company (including therein the British Thorium Syndicate), manufacturers of gas-mantles and accessories. The combine has an issued capital of £677,002, divided into 336,497 Preference and 340,505 Ordinary shares, and owns factories in London, Derby, Surrey, Kent, and Cheshire. It is engaged in the manufacture of yarn, thorium nitrate, and gas-mantles, and claims to be the largest undertaking of its kind in the British Empire, with an extensive selling organisation at home and in the Colonies. It appears from the advertised statement that aggregate net profits for the past three years have been sufficient in each year to pay the Preference dividend three times over, and that the anticipated economies of amalgamation will allow of an increased margin of profits. No actual figures of past returns are included, however, and the information provided does not permit of an estimate as to future dividend prospects.

THE ASSAM RAILWAYS AND TRADING COMPANY LIMITED.

Offer at seventy-three per cent. of £300,000 Five per Cent. Mortgage Debenture stock, redeemable at par on July 1, 1931. Flat yield, £6 17*s*. per cent. per annum; minimum yield with redemption, £9 per cent. per annum.

The Company, formed in 1881, owns a railway 108 miles in length, collieries, timber areas, and a tea-garden in Assam (all held under concessions from the Indian Government), and sawmills and brick- and pottery-works. It also holds shares in the Makum Tea, the Namdang Tea, the Rivers Steam Navigation, and the Assam Oil, Companies. The share capital is £1,160,000, and there is £600,000 Debenture stock already issued, £500,000 of which ranks prior to that now offered. The latter will be secured by trust deed as a mortgage on the railways, collieries, and concessions, subject to existing mortgage claims, and as a floating charge on the general undertaking. Net profits, after allowing for current Debenture interest, have fluctuated between £79,901 and £87,535 during the last eleven years. As the interest on the Five per Cent. stock will amount to only £20,000, it seems amply secured. Certified net assets, at £909,720, appear to give equally satisfactory cover as to capital. It is to be noted, however, that the issued capital of £1,160,000 is represented by net assets of only £909,719, and that there is no mention of reserves.

The lists close on January 8, 1921.

THE CLIVE TRANSPORT COMPANY, LIMITED.

Offer at par of 5,000 Ordinary shares of Rs.100 each.

The Company has been formed to take over the transport department of the Clive Engineering and Motor Works, Delhi, and will engage in the carriage of passengers and goods by motor throughout India. The authorised capital is Rs.75,00,000, divided into 75,000 Ordinary shares of Rs.100 each. The present issue consists of 20,000 shares, of which 15,000 are offered in India. Subscriptions will be accepted on the basis of £295 16*s*. 8*d*. per 100 shares. The directors and their friends have already applied for 5,000 shares. The information given in the prospectus is not sufficiently detailed to allow of a definite opinion on the status of the emission.

THE AMALGAMATED TRADING AND INDUSTRIAL CORPORATION, LIMITED.

Offer for sale at par of 160,000 Ten per Cent. Convertible Bearer Bonds of £5 each. Holders will be entitled to exchange the bonds for fully-paid Ordinary shares at any time before the expiration of ten years.

The Corporation has been formed for the purpose of acquiring the whole of the issued share capital of £40,000 of the British Manchurian Corporation, with the object of developing the business of merchants, contractors, and concessionnaires in the Far East. No mention is made in the lengthy prospectus as to the value of the assets to be acquired. The purchase consideration is £200,000, in ten per cent. bonds, or five times the original capital. No details of previous earnings are revealed, but it is stated that "transactions relating to the sale and purchase of wheat show a return of forty per cent. on the capital of that Corporation (the British Manchurian), subject to the usual trade risks of realisations of the shipments now proceeding to Europe." It is difficult to understand how a return has been obtained on grain not yet realised. As a further indication of high future profits, it is announced that, by being domiciled in Jersey, the Company will have no excess-profits liability. The share capital of the new undertaking is £2,000,000 in £1 shares, one-half of which is reserved for conversion purposes and the other for issue in China and elsewhere. The present issue of bonds will be secured by a capital redemption policy to be entered into with the Sun Life Assurance Company of Canada in consideration of a single premium of £50,000. Under the policy £710,000 will be repaid between 1931 and 2001, £140,000 in 2011, and £780,000 in 2016. Considering that the bulk of the repayment will be postponed for nearly a hundred years, and that the assurance company is merely guaranteeing repayment in case of default by the Corporation, the premium seems unduly large, and affords an index to the risks involved. Lord Louth, the Chairman of the vendor Corporation, is to receive £10,625 in bonds in exchange for his holding of £212 in Deferred shares of the original undertaking, and other directors are treated in a similarly generous manner. The Pax Syndicate, which has "underwritten" the present issue, has a capital of £9,250, and on this deal alone will receive a net fee of £2,500, all the preliminary expenses being paid by the Corporation. The financial organisation of the enterprise, the vagueness of trading prospects, and the deferred nature of the security behind the bonds are not calculated to attract investors. The lists close on Tuesday, January 11.

ISSUES TO SHAREHOLDERS.

Korale Tea Estates – £18,000 Twelve per Cent. Debenture stock at par, redeemable at 110 on or before June 30, 1925.

Sir H. W. Tritton and Company – 75,000 £1 Ordinary shares at par in the proportion of one new share for every two Ordinary or Preference held.

THE CUBAN-AMERICAN SUGAR CO.

ANNUAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1920.

NEW YORK, December 15, 1920.

To the Stockholders of the Cuban American Sugar Company:

Your Board of Directors submit the following report for the fiscal year ending September 30, 1920.

The production of raw sugar during the year was 256,127 tons (of 2,000 lb.), a decrease of approximately eighteen per cent. as compared with the previous year. This decrease came from a drought that extended throughout the growing season from September well into the spring of the present year, not only unusual in its extent and effect, but without precedent in our experience.

The tonnage of the cane ground and the year's output of raw and refined sugar for the last two years appear in the following table:—

	1919-20.	1918-19.
Cane Ground	2,217,614 Tons	2,715,551 Tons
Raw Sugar Produced	(Bags 320 lb.)	(Bags 320 lb.)
Chaparra	427,152 Bags	559,505 Bags
Delicias	587,781 ,,	712,735 ,,
Tinguaro	254,538 ,,	275,663 ,,
Unidad	80,951 ,,	83,451 ,,
Mercedita	117,230 ,,	129,716 ,,
Constancia	127,975 ,,	204,575 ,,
Total	1,600,797 Bags or 256,127 Tons	1,965,641 Bags or 314,503 Tons
Refined Sugar Production		
Cardenas Refinery, Cuba ...	75,674,874 lb.	43,163,954 lb.
Gramercy Refinery, La. ..	205,449,920 lb.	143,589,696 lb.

The net profits of the Company for the fiscal year amounted to $12,117,191.09, after deducting $6,500,000 for income and excess profits taxes, and reducing the value of refined sugar unsold as of September 30 to the present prevailing market price. The usual provision has also been made for doubtful accounts and the year's proportion of cane plantings, also for depreciation on buildings, machinery, and equipment.

Regular quarterly dividends of one and three quarters per cent. were paid on the Preferred stock, and an amount equivalent to $4 per share for the year was paid on the new shares of the Common stock of $10 par value.

The First Lien Six Per Cent. Serial Gold Notes (Series B) for $2,000,000 with coupons attached, were retired at maturity, January 1, 1920.

The $2,000,000 Gold Notes (Series C) maturing January 1, 1921, together with coupons attached, will be paid by the Central Union Trust Company, 80 Broadway, when presented on and after January 3, 1921.

The further development at Chaparra and of our railroad lines is in keeping with the increased growth of population and industries, and the equipment in cars and locomotives is sufficient for handling the increased tonnage which is evidently in sight for the coming campaign.

Our factories and their mechanism, with ample railway equipment on every estate alike, are fully prepared for their required tasks in the course of our active operations.

The year under review has been the most erratic and sensational in the wide fluctuations of values in Cuba's history. By general agreement for the two years of the War, Cuba sold her entire production of sugar at the lowest prices that prevailed for any existing food product in the world, and so contributed her full strength to the needs of the time.

In the absence of an understanding between the American and Cuban Governments, we have witnessed in the year now closing a fever of speculation which not only interfered with the normal distribution of sugars to importing countries where needed and accustomed to buy from us, but diverted to us from producing countries in every part of the globe, sugars which usually went elsewhere, or the growers required for their own consumption. This artificial situation and the consequent congestion of supplies in American markets will soon pass: while distribution lags, actual home consumption continues at a satisfactory rate in this country, and the European demand for Cuba's sugar, it is confidently believed, will exceed that of the year now closing.

Concerning Cuba's output to meet these needs and our own relation to the year's work, in the season we are now entering, our active operations will begin later than usual, and this applies to nearly every part of Cuba. Our cane fields are well advanced, but from recent general rains are full of moisture and the cane low in sucrose: under these conditions we will await the improved sugar contents which at this season steadily increases. It should also be noted that the prices of the day exercise an influence in delaying the industry as a whole, this enforced attitude of the producer and distributor on both counts can have but one result, the market must inevitably react to higher levels, otherwise the output of sugar will largely decrease, and the field be left to those most favourably situated and prepared for every contingency. In our state of development and readiness your organisation is confident of maintaining its place among the most economical producers in the sugar world, and the year's output should prove at least equal to our highest record.

Respectfully submitted by order of the Board.

R. B. HAWLEY,
President.

CONSOLIDATED BALANCE SHEET, September 30, 1920.

ASSETS.		
Capital Assets:		
Lands	$9,391,747 76	
Buildings, Machinery, Railroad Tracks, Rolling Stock, &c.	24,600,837 58	
Investment in Other Companies ...	675,984 57	
		$34,668,569 91
Goodwill		3,929,340 28
Work Animals, Live Stock and Equipment		1,518,623 71
Current Assets and Growing Cane:		
Planted and Growing Cane	$3,399,366 21	
Advances to Colonos and Contractors (after deducting Reserve for Bad and Doubtful Accounts)	5,500,238 81	
Raw Materials, Supplies and Merchandise in Stores	6,494,370 23	
Raw and Refined Sugar	9,009,563 85	
Accounts and Bills Receivable (after deducting Reserve for Bad and Doubtful Accounts)	3,042,085 72	
Victory Loan [illegible] Serial Gold Notes	445,000 00	
Cash in Banks, with Fiscal Agents and on hand	1,837,830 64	
		32,819,660 11
Other Assets:		
Advances in connection with Contracts for Future Delivery of Fuel Oil	$688,715 61	
Discount on Serial Gold Notes	7,537 12	
Prepaid Insurance, Taxes, &c.	423,631 54	
		1,119,884 27
		$74,056,078 61
LIABILITIES.		
Capital Stock:		
Common (Authorised $10,000,000), 1,000,000 shares of $10 each	$10,000,000 00	
Seven per Cent. Cumulative Preferred Stock (Authorised $10,000,000), 78,938 shares of $100 each	7,893,800 00	
		$17,893,800 00
First Lien 6% Serial Gold Notes Outstanding:		
Due on January 1, 1921		2,000,000 00
Real Estate Mortgages and Censos ..		462,192 76
Current Liabilities:		
Bills Payable	$2,171,865 83	
Bankers' Loans	2,164,346 74	
Accounts Payable	3,103,570 [illegible]	
Salaries and Wages Accrued	120,178 78	
Interest Accrued	38,769 90	
		7,598,890 98
Reserve for Income & Excess Profit-Taxes [illegible]		9,229,713 55
Reserve for Depreciation		6,989,716 41
Surplus, per annexed statement		29,931,764 91
		$74,056,078 61

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the Year ended September 30, 1920.

Raw and Refined Sugars Produced, less Commissions, &c.	$90,413,119 33	
Molasses Produced	1,028,104 50	
Interest Received	426,982 22	
Profit on Stores, Cattle, &c.	876,149 33	
		$92,744,415 38
Less: Expenses of Producing, Manufacturing, Selling, &c., of Raw and Refined Sugars		70,461,756 47
		$22,282,658 91
Deduct: Reserve for Income and Excess Profits Taxes based on Returns [illegible] Stocks Raised 1920	$8,700,000 00	
Provision for Depreciation	1,09 97 01	
Discount on Serial Gold Notes	45,833 33	
Interest on Serial Gold Notes	145,80[illegible] 33	
Interest on Bills Payable, Current Accounts, &c.	307,323 15	
Loss on Liberty Bonds sold	69,406 00	
		10,165,467 82
Net Profit for Year		$12,1 7,191 09

CONSOLIDATED SURPLUS ACCOUNT for the Year ended September 30, 1920.

Balance, October 1, 1919		$22,367,139 82
Add: Profit for the year ended September 30, 1920, per annexed Account		12,117,191 09
Deduct:		$34,484,330 91
Dividends on 7% Preferred Stock:		
Paid Jan. 2, 1920, for 3 months to Jan. 1, 1920—1¾% ...	$138,141 50	
Paid April 1, 1920, for 3 months to April 1, 192[illegible] 1¾%	138,141 50	
Paid July 1, 19[illegible], for 3 months to July 1, 19[illegible]0—1¾%	138,141 50	
Paid Sept. 30, 1920, for 3 months to Oct. 1, 19[illegible]0—1¾%	138,141 50	
	$552,566 00	
Dividends on Common Stock:		
Paid Jan. 2, 19[illegible]0 for 3 months to Jan. 1, 1920—2½% ...	$250,000 00	
Paid April 1, 1920, for 3 months to April 1, 19[illegible]0—2½% ...	250,000 00	
Paid July 1, 1920, for 3 months to July 1, 19[illegible]0—$1 [illegible] per share	1,750,000 00	
Paid Sept. 30, 19[illegible]0, for 3 months to Oct. 1, 19[illegible]0—$1 75 per share	1,750,000 00	
Equivalent to $4 per share for the year on the new shares of $10 par value ...	1,000,000 00	
		4,552,566 0
Surplus at September 30, 1920		$29,931,764 91

MEETINGS
OF PUBLIC COMPANIES.

CHINESE ENGINEERING AND MINING, CO., LTD.
Share Bonus Approved.

An extraordinary general meeting of the Chinese Engineering and Mining Company, Ltd., was held on Tuesday at Winchester House, E.C., Mr. W. F. Turner (the Chairman) presiding.

The Secretary (Mr. Alfred W. Berry) read the notice convening the meeting.

The Chairman said: Gentlemen.—The object of this meeting is to confirm an extraordinary resolution which was passed on December 16, 1920, and to consider and pass three other resolutions. There is nothing to be added to what I said on that occasion, and I will therefore move that the following resolution be confirmed:—

"That the articles of association of the Company be altered by inserting the following new article next after Article 121, namely:—

"121A. A general meeting may direct the capitalisation of the whole or any of the profits for the time being of the Company, or any accumulations of profits carried to reserve or any sum carried to reserve as the result of a sale or revaluation of the assets or goodwill of the Company, or any part thereof, or any sum received by way of premium on the issue of any shares, Debentures or Debenture stock of the Company, by the distribution among the holders of the Ordinary shares of the Company of paid-up shares, Debentures or Debenture stock of the Company, and the board shall give effect to such resolution and shall apply such portion of the profits or reserve fund as aforesaid as may be required for the purpose of making payment in full at par for the shares, Debentures or Debenture stock of the Company so distributed, provided that no such distribution shall be made unless recommended by the board. Where any difficulty arises with regard to the distribution the board may settle the same as they think expedient, and may determine that cash payments may be made to any members in order to adjust the rights of all parties, and generally may make such arrangements for the allotment, acceptance, and sale of such shares, Debentures or Debenture stock, and otherwise, as they may think fit. Where required a proper contract shall be filed in accordance with the provisions of the Companies (Consolidation) Act, 1908, and the board may appoint any person to sign such contract on behalf of the holders of the Ordinary shares participating in such distribution, and such appointment shall be effective, and the contract may provide for the acceptance by such holders of the shares to be allotted to them respectively in satisfaction of their claims in respect of the sum so capitalised."

Mr. Edmund Davis seconded the resolution, which was carried unanimously.

The Chairman then proposed the following resolutions, which were seconded by Mr. Edmund Davis and unanimously adopted:—

(1) "That the directors be and they are hereby authorised to increase the capital of the Company to £2,000,000 by the creation of 1,000,000 new shares of £1 each, ranking in all respects *pari passu* with the existing shares of the Company."

(2) "That the sum of £400,000, being part of the undistributed profits of the Company, be capitalised by the distribution among the holders (at the closing of the transfer books on such date as may be fixed by the board of directors) of the existing shares of the Company of 400,000 of the new shares of £1 each of the Company, all of which 400,000 new shares are to be issued as fully paid at the rate of two such fully paid new shares in respect of every five shares held, and that the said sum of £400,000 be applied in paying up in full at par the 400,000 new shares of £1 each of the Company to be distributed as aforesaid."

(3) "That such holders shall be entitled if they so desire to have issued to them free of charge duly stamped share warrants to bearer in respect of the shares to be allotted to them under the last preceding resolution, such warrants to be issued in such denominations as the board may determine, provided that no share warrant will be issued in respect of a fraction of a share."

The proceedings then terminated.

NATIONAL OMNIBUS AND TRANSPORT CORPN., LTD.

The tenth annual general meeting of this Corporation was held on January 4 at the Great Eastern Hotel, E.C., Mr. Kenneth P. Hawksley (Chairman of the Company) presiding.

The Chairman said: You will recollect that when we last met here we reported having closed down the London services and sold the garages early in November. We were thus left with our London fleet and two country businesses at Chelmsford and Bedford. The transfer from London to the rural towns was not a simple matter. The country habits and road conditions are very different; also garages had to be provided; so there was a lot of spade work to be carried out, in addition to the ordinary management of a running undertaking.

During the past year Mr. Clarkson, as joint managing director of the Company, has been carrying on his experiments at the Chelmsford works of the Company, and the results he has obtained are, in his opinion, so encouraging that he has asked to be relieved of his duties with the Company so as to devote the whole of his time to his new steam chassis. Consequently, Mr. Clarkson has resigned his seat on the board, and will, after the end of the present year, terminate his engagement with the Company. The profit of nearly £30,000 for the year from our omnibus service is, in our opinion, exceedingly gratifying, and is much in excess of what I personally had anticipated six months ago. Out of the divisible balance of £32,102 it is recommended that £10,000 be set aside for depreciation of rolling-stock, that a dividend at the rate of eight per cent., less income tax, be paid, and that the balance of £7,420 be carried forward. I now move: "That the report and accounts and the dividend recommended therein be approved," and ask Colonel Clare to be kind enough to second this.

Lieut.-Colonel O. C. Clare, D.S.O., M.C., in seconding the motion, said that the Chairman had covered the ground very thoroughly, with one slight omission. He had stated that the number of the Company's petrol vehicles went up from twenty-two to eighty-five, but he did not mention that to-day the number was actually 120. He thought he might refer again to the bad luck which seemed to dog the Company's progress. No sooner had they decided to use paraffin, which was the cheapest form of fuel, than it started to rise. The first contracts of the Company were 2¾*d.* a gallon, and it had since risen to 1*s.* 11*d.* per gallon. The directors then decided to use creosote as an alternative, and that had increased from 5*d.* to 1*s.* 3*d.* per gallon within a very few weeks after they installed it. Taking everything into consideration, the petrol vehicle had proved to be the most economical to run that they knew of at present.

After a brief discussion the resolution was carried unanimously.

NEW MODDERFONTEIN GOLD MINING COMPANY, LTD.
(Incorporated in the Transvaal.)

The twenty-third ordinary general meeting of shareholders was held in Johannesburg on Tuesday, December 7, 1920.

The Chairman, Mr. J. R. Leisk, C.M.G., said: Gentlemen,—The salient features of the work at New Modderfontein during the twelve months to June 30 last are as follows: We crushed 968,500 tons of ore, which produced 499,786 ounces of fine gold; the value of the gold thus recovered was £2,555,466 and it cost £1,061,622 to produce it, so the working profit for last financial year was £1,493,844, as against £1,089,891 in the year preceding. These results must be a source of satisfaction to shareholders.

Of course the working profit which I have just given you takes account of the gold premium obtaining during the past financial year. This factor accounts for, roughly, £460,000 of our 1919-20 profits. As you will perceive from the directors' report, our working costs for last financial year exceeded by 1*s.* 9*d.* per ton milled the working costs of the year preceding—the figures being respectively 21*s.* 11*d.* and 20*s.* 2*d.* per ton. Although there is evidence that in certain minor respects costs are about to decline, the general tendency is still upward in regard to those services which represent the bulk of the expenditure upon mining operations. The development operations during 1919-20 exhibit a substantial increase, the total footage being 17,449, or nearly 8,000 feet more than in the previous year. In this connection it should be noted that rather more than one-half of this footage is developed ore—the remainder consisting of main haulage roads, cross-cuts, ore passes, &c. The payable ore developed during the year is estimated at 1,113,800 tons of an average value of 10.1 dwt. per ton. At the end of June last the total ore reserves amounted to 8,869,700 tons of an average value of 8.4 dwt. over a stoping width of 67 inches.

FURNITURE
for Cash.
The best stock in London at
LOWEST PRICES
for excellence of Quality and Design.
Wm. SPRIGGS & Co., Ltd.
238-241 Tottenham Court Road, W. 1.

Company's Financial Transactions.

The accounts and report give a clear and comprehensive picture of the financial transactions of the New Modderfontein Company during the past financial year. If you will look at the appropriation account you will see that we started the year 1919-20 with a balance in hand of £255,866 19*s.* What we might term our net trading profits for the year—that is to say, the balance of our working expenditure and revenue account—amounted to £1,518,187 18*s.* 2*d.*, and credit is also taken for some £1,650 odd in respect of forfeited dividends. These three items aggregate £1,775,708 3*s.* 2*d.*, which sum was disposed of as follows :—

Net capital expenditure—*less* Bewaarplaats receipts	£25,159	5	3
Government and provincial taxes ...	251,523	4	11
Dividend No. 27 of 37½ per cent. ...	525,000	0	0
Dividend No. 28 of 45 per cent. ...	630,000	0	0
Leaving an unappropriated balance of ...	344,025	13	0
	£1,775,708	3	2

These remarks give a general review of the position of the New Modderfontein Company for the financial year ended June 30 last, and shareholders will be glad to know that the operations during the expired portion of the current year continue to exhibit most gratifying results. Development generally is exceedingly satisfactory. For instance, the 13th level west cross-cut, through dyke, cut the hanging wall leader in excellent values; so far the reef has been proved for 240 feet, giving a value of 15.5 dwt. over a stoping width of 115 inches. In this section a raise of 105 feet on the footwall gave a value of 1,290 inch-dwt.

Taking the crushing operations for the four months to the end of October, we find that the monthly average exceeds by almost 2,000 tons the average of the previous six months.

Speaking generally, the New Modderfontein mine is now in a more satisfactory position, on the surface as well as underground, than at any time in its previous history. Our handsome ore reserves and the substantial prospects of being able to add to them, both in tonnage and value, together with the long life ahead of the mine, put your Company in a very strong and attractive position.

With regard to the dividend for the current half-year, your directors have the matter under consideration at the moment, and are merely awaiting completion of certain figures before coming to a decision. I may say, however, that it is improbable that the declaration will be less than fifty-five per cent., or 5*s.* 6*d.* per share.

The Question of Enemy Holdings.

With regard to the question of enemy holdings in our Company, shareholders are no doubt aware that the Union Government have intimated their intention to receive tenders for such of these shares as are controlled within the Union. According to the information supplied to us by the authorities, there are 429,000 shares controlled by the Union's Custodian of Enemy Property. It is these shares that are offered for tender by the Government. We are told, however, that the Public Trustee in London also holds a substantial block of these enemy shares, which will similarly be offered for tender in the Union, if the British Government agree to the Custodian here assuming control of them. The board find themselves, therefore, in a position of considerable embarrassment, because, until an agreement is arrived at between the Union and British Governments as to the treatment of the Public Trustee's holding, we have nothing to guide us respecting the number of shares that will actually be available for purchase from the local authorities. It will be obvious that without definite information upon this point it is virtually impossible to frame a tender in response to the Union Government's invitation. Your directors' embarrassment is accentuated by the fact that, notwithstanding this absence of agreement between the two Governments, tenders are required to be lodged at Pretoria by the end of this month—and, further, by the fact that successful tenderers must be prepared to pay for their purchases within twelve months. Various alternatives are open to us under existing Union legislation, and these alternatives are receiving careful attention. A couple of months ago your directors had the privilege of entertaining the Right Honourable the Prime Minister on your property. General Smuts spent a good deal of time going over the plant at the Circular Shaft, and on completion of his visit expressed his deep interest in all that he had seen. I now beg to move that the directors' report, balance sheet, and accounts for the year ended June 30, 1920, laid before the meeting, be received and adopted.

There being no questions, the motion was put to the meeting and carried unanimously.

FRANCE our Ally, is now offering us at a MODERATE price



GOLDEN GUINEA

THE FINEST SPARKLING MUSCATEL

Golden Guinea is superior to many of the finest Vintage Champagnes and obtainable at half the cost
From all leading Wine Merchants.

DIVIDENDS ANNOUNCED THIS WEEK.

	1920 %	1919 % p.a.	1918 % p.a.	1917 % p.a.	Price Jan. 6
BANKS.					
Alexander's Discount ... (16½†)	7½(i)K	13½	—	—	8½
B. of Bombay, Rs.500 shs. ...	7½(i)A	21	19	18	—
Barclay's Bank, "A" £1 sh.s. (10†)	5(i)	10	10	10	6 5/16
Do. do. "B" £2 shs., £1 pd. (14†)	7(i)	19	10⅝	8½	42 3
Equitable Bank	8(i)	16	16	16	—
Lancashire & Yorkshire B., £20 shs., £10 pd.	11(i)	18	17⅓	16	—
London Joint City & Midland, £12 shs., £2½ pd.	9(i)	18	18	18	6½
Manchester & Liverpool District, £15 shs., £3 pd.	9½(i)	18½	17½	17½	8 3/32
National Discount, £25 shs., £5 pd. ... ... (14†)	6 6/8	12	11½	10	7 5/16
Provincial B. of Ireland, £20 shs., £10 pd.	6½	13½	13	12½	18 5/16
Ulster Bank	21½†	21½	21½	—	—
Union B. of Australia, £15 shs., £5 pd.	7½(i)*	14C	14	14	11⅝
Union Discount Co. of London, £10 shs., £5 pd.	7(i)*B	14½	14	14	9 3/32
Williams Deacon's "A" £5 shs., £1 pd. ... ... (12½†)	6¼	6¼	—	—	35/9
BREWERIES AND DISTILLERIES:					
Combrook Brewery	5½(i)*	—	—	—	—
Stones (William)	5(i)*	10D	15	15	—
Strood Brewery, £10 shs.... (12½†)	5(i),L	15	10M	10	—
COMMERCIAL:					
Belgravia Dairy	3½(i)	6	6	1	12 7½
Bell, Brothers	5(i)	—	—	—	—
Crane & Sons	5(i)	—	—	—	—
East Kent Road Car	10†	—	—	—	—
Electron Salt & Soda	5o†	45	60	25	1½
Lancash Sewing Cotton	2½(i)	25N	20	20	33 5½
Farmers' & Cleveland Dairies ...	5(i)*	—	—	—	—
Fore Street Warehouse, £14½ shs., £9½ pd.	2½(i)E	10	10	10	8
Gaiety (Glasgow Alhambra) ...	12½†	—	50	27½	—
Hall & Co.	2½(i)	11½	10	7½	20 3
Hoffnung (S.) & Co., 5½ % Cum. Pref. Pref.	5½(i)	7½	7½	7½	17 6
Hunters, Tea Teamen	10(i)*	15	15	12½	—
Imperial Tobacco of Canada, $5 shs.	1½(q)	7	7	7	18 6
Lovell & Christmas, £5 shs. ...	5(i)	10	10	10	21 1½
Meller, Ravner & Haydon ...	7½(i)	—	—	—	—
Mellor (James)	10½*	—	—	—	—
Rhodesia Junction Four Mills ...	8½(i)*F	20	20	20	58 9
Robert (L. F. & H.) ... (12½†)	5 mL	10	10	8½	—
Rogers (R. H. & S.) ... (10†)	6½(i)	10	5	5	17 6
Scarborough Cold Storage ...	15½*G	—	—	—	—
Scottish Motor Traction	5(i)	10	7½	7½	—
Van Gruisen (N. L.)	5(i)	—	—	—	—
ELECTRIC LIGHTING AND POWER:					
Victoria Falls & Transvaal Power, 6% Cum. Pref.	5(i)	10	10	10	16 7½
FINANCIAL:					
Canadian Northern Prairie Lands, $5 shs.	4(i)H	—	—	—	30 2½
River Plate & Gen. Invest. Def. Stk ... ... (10†)	6(i)	10	10	10	112
Trinidad Leaseholds	12½†	—	—	—	—
Trustees Corporation, Ord. Stk. ...	2½(i)	6	5	5	75
United States Mort. of Scotland Def. Stk	5(i)	10	10	10	—
INSURANCE:					
General Life Assurance, £100 shs., £5 pd.	5(i)	10	10	10	7
IRON, COAL AND STEEL:					
Guest, Keen & Nettlefold ...	2½(i)*	15	15	15	34/3
International Coal...	7½(i)	12½	10I	15	44/-
Natal Navigation Collieries ...	10†	10	7½	7½	32/-
Sheepbridge Coal & Iron ...	2½(i)*	5J	6¼	7½	30 9
United National Collieries ...	1¼(i)*	25	25	25	41 6
MINING:					
Alaska Goldfields	4 16(i)*	—	—	—	7 -
Champion Reef, 2*s.* 6*d.* shs. ...	13½†	13½	32½	40	2 10½
Tekka	1½(i)	42½	50	37½	19 9
OIL:					
Royal Dutch Petroleum, £8¼ shs.	7½(i)	10	48	38	53⅜d.
SHIPPING:					
Brabi Steamship ... ... (10†)	2½(i)*	—	—	—	—
Knohvral Mail Steamship ...	15(i)	20	20	20	113/-
TEA, COFFEE AND RUBBER:					
Lumut Rubber ... ... (12½†)	5(i)	—	—	—	39 4½
Sendayan (F. M. S.) Rubber ...	10†	—	—	—	37 6
TELEGRAPHS AND TELEPHONES:					
Anglo-American Telegraph Ord. Stk.	1½(q)	3·8	3½	3½	43½
Do. do. Def. Stk. ...	1½†	1·7	1½	1½	15⅝
TRAMWAYS AND OMNIBUS:					
Provincial Tramways	4 16(i)	10	10	10	15 3
WATERWORKS:					
Ramsey Waterworks ... (5½†)	3	—	—	—	—

* Tax free. † Total for 1920. (i) Half-yearly actual. (q) Quarterly actual. (A) Plus ½% bonus. (B Plus 2/- bonus. (C £75 shs., £25 pd., sub-divided. (D) Bonus 1 new sh. for 2 held. (E) Plus 10s. 9*d.* bonus. (F Plus 5% bonus, tax free. (G) Plus bonus 1 new sh. for 10 held. (H) Plus 2% bonus. (I £5 shs. sub-divided. (J) Bonus, 1 new sh. for 3 held. (K) Plus 2% bonus, tax free. (L) Plus 2½% bonus. (M) Bonus, 1 new sh. for 5 held. (N) Bonus, 1 new sh. for each sh. held.

Books Received.

Post Office London Directory, 1921. The 122nd edition of this immense work has now appeared. It reflects great credit upon the firm of Kelly's Directories, Limited, that they are able to produce such a colossal work so promptly to date each year. This they have succeeded in doing for nearly a century and a-quarter. Especially is this no small achievement in these days of great changes and of labour unsettlement. With regard to the present volume, it should be stated that it has been found necessary to make more than a quarter of a million corrections, which exceeds all previous records by more than 30,000. To the casual observer it may, perhaps, be a matter for some surprise that there should be in London such an enormous number of changes in the course of a year, but to the business man these figures must necessarily show that it is essential that he should be in possession of the latest edition of a book of this nature.

The new edition of the *Literary Year-Book for* 1921 will be issued on January 10 by its new proprietor and editor, Mr. Mark Meredith, from the Year-Book Offices, 67 Dale Street, Liverpool. The usual well-known features, such as the Directory of Authors and Artists, Classified Lists of Periodicals, Publishers, &c., have been retained, but a number of special articles are interspersed throughout the book, which runs to over 600 pages. The price remains at 8*s.* 6*d.* net. A unique feature is the establishment of a Literary Information Bureau, where queries on all matters connected with journalism and literature are dealt with free.

The Statist

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Four per Cent. Guaranteed Stock	**£529,988**
"A" Preference Shares issued to N.Z. Government	**500,000**
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Paid up Capital ... £6,000,000.
Rest, £6,000,000.
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Total Assets (31st Oct., 1920) ... £90,150,812.

BOARD OF DIRECTORS.

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ESTABLISHED 1869.

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Reserve Funds	$19,000,000
Total Assets	$584,000,000

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C. E. NEILL, *General Manager.*

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BRAZIL	Rio de Janeiro, Santos,
URUGUAY	Montevideo (Sao Paulo.
BARCELONA, SPAIN ...	Plaza de Cataluna 6.
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PARIS—28 Rue du Quatre Septembre.

THE BANK OF ADELAIDE.

(Incorporated by Act of Parliament, 1865.)

Paid-up Capital	£625,000
Reserve Fund	600,000
	£1,225,000
Reserve Liability of Proprietors...	625,000
	£1,850,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.
Sydney Office: 105 PITT STREET.
Melbourne Office: 267 COLLINS STREET.
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PERCY ARNOLD, O.B.E., *Manager.*

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CAPITAL	Frs. 500,000,000
RESERVE FUND „	90,000,000
DEPOSITS	„ 2,400,000,000

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SVENSKA HANDELSBANKEN 1871

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Established 1817.
LONDON OFFICE: 29 Threadneedle Street, E.C. 2

Paid-up Capital	£4,765,700
Reserve Fund	3,275,000
Reserve Liability of Proprietors	4,765,700
	£12,806,400
Aggregate Assets, 31st March, 1920	£75,544,242

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers, Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods or terms which may be known on application, and conducts every description of Australasian Banking Business.

H. MILLDRUM,
Assistant Manager.

NATIONAL BANK OF NEW ZEALAND.

LIMITED.

HEAD OFFICE—17 Moorgate Street, E.C. 2	
AUTHORISED CAPITAL	£2,000,000
SUBSCRIBED CAPITAL	1,500,000
PAID-UP CAPITAL	1,000,000
RESERVE FUND	1,000,000
UNCALLED CAPITAL	2,000,000

Receives Deposits of £50 and upwards for 1, or 3 years at rates to be ascertained on application.

Drafts, Letters of Credit and Wire Remittances granted, and Bills on New Zealand purchased or sent on collection.

ARTHUR WILLIS,
Secretary & London Manager.

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Head Office: 15 Gracechurch St., London, E.C.3

Capital Authorised...	£3,000,000
Capital Paid up	1,050,000
Reserve Fund & Undivided Profits	1,146,430

Branches:
INDIA, BURMAH, CEYLON, STRAITS SETTLEMENTS, CHINA AND PORT LOUIS, MAURITIUS.

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On current accounts interest is allowed at 2 per cent. per annum on daily balances.

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STERLING RESERVE, held in London at Exchange of 2s. per $ =£1,500,000	$15,000,000
SILVER RESERVE ...	23,000,000
	$38,000,000
RESERVE LIABILITY OF PROPRIETORS	$15,000,000

Head Office—HONGKONG.
Chief Manager—A. G. STEPHEN.

BRANCHES and AGENCIES:
Amoy, Bangkok, Batavia, Bombay, Calcutta, Canton, Colombo, Foochow, Hankow, Harbin, Hongkew (Shanghai), Ipoh, Johore, Kobe, Hiogo, Kuala Lumpur, London, Lyons, Malacca, Manila, Nagasaki, New York, Peking, Penang, Rangoon, Saigon, San Francisco, Shanghai, Singapore, Sourabaya, Tientsin, Tsingtao, Vladivostok, Yokoha, Yokohama.

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W. M. BLACKIE, Accountant.
9 Gracechurch Street, London, E.C.

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SURPLUS AND PROFIT ...	$7,500,000.00

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Madras	Rangoon		
Karachi	Mandalay		
Cawnpore	Aden and		
Lahore	Aden Point		
Amritsar	Colombo	Entebbe, Kampala, Jinja	Uganda
Delhi	Kandy		
Futtegorin	Newera Eliya		
	Dar-es-Salaam, Tanga	Tanganyika Territory	

SUBSCRIBED CAPITAL	£4,000,000
PAID UP CAPITAL	£2,000,000
RESERVE FUNDS	£2,700,000

LONDON BANKERS.—Bank of England, National Provincial and Union Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

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Head Office:
4 CROSBY SQUARE, LONDON, E.C. 3

Authorised Capital (200,000 Shares of £10 each)	£2,000,000
Called up	£1,000,000
Reserve Liability of Shareholders	£1,000,000
Reserve Fund	£225,000

Branches: AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

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The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for one year at 6 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

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Established 1832.

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Reserve Fund	$18,000,000
Total Assets	$240,000,000

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The Right Hon. the EARL OF DUNMORE, V.C., 33 Gloucester Sq., W.
RICHARD J. PALL, Esq., 12 Hyde Park Place, W.
The Hon. JASPER RIDLEY, 31 Gloucester Place, W.
Sir CLARENCE SMITH, J.P., 19 Ferlingham Gardens, Folkestone.
W. SINGLETON HOOPER, *Manager and Secretary.*

Assets - - £6,842,000
Claims paid - £21,500,000

Accident and Illness Insurance. Employers' Liability. Fidelity Guarantees. Fire and Burglary. Motor Cars. Public Liability. Inspection and Insurance of Boilers, Engines, Electrical Plant and Lifts. Executorships and Trusteeships.

Head Office: MOORGATE STREET, LONDON, E.C. 2.

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ASSURANCE COMPANY, Ltd.

Life and Endowment Assurance business in all branches.

Annual Income..£2,300,000 Total Funds..£5,900,000
Total Claims Paid .. £14,800,000

Chief Offices: Broad Street Corner, Birmingham.

REFUGE
ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1919.

Annual Income Exceeds - £5,400,000
Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

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Half-Year (26 weeks)		18	8

Offices: 51 CANNON STREET, LONDON, E.C. 4.

IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

THE STATIST,
51 Cannon Street, London, E.C. 4.

Telegrams: "Statist Cent. London." *Telephone: City 5258-5259.*

The Statist.

LONDON, SATURDAY, JANUARY 15, 1921.

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The Money Market.

Friday, January 14, 1921.

	Current Rate %	Current Rate Fixed	Previous Rate %	Previous Rate Fixed
Bank of England Rate...	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6½	—	—
Bank Bills	6⅛	6 11/14	6 11/16	6⅝
Trade Bills	—	7–7¼	7¼–⅜	7⅜

GOVERNMENT FINANCING AND THE MARKET.

It need hardly be emphasised that the influence of the national finances on the Money market during the remainder of the financial year will be much greater, and at the same time much more steady, than during any previous quarter of the year. It will be of interest to inquire into the extent of this influence and in what direction it is likely to be exercised. Broadly speaking, we may expect to see revenue coming in at a much faster rate than heretofore, while the floating debt will be steadily reduced, and these movements will have the effect of lessening the supply of loanable funds in the market. This will be in sharp contrast to the features of the quarter just passed, when the influence exercised by Government financing was in the direction of increasing the supply of credits, as revenue was on a small scale, Treasury bills were being allowed to run off, and borrowing on Ways and Means was heavily increased. Already we may see, from the income and expenditure returns, and also from the Bank of England's weekly statement, commented on below, how events are likely to shape themselves between this and March next. Since the beginning of January a considerable amount of Ways and Means Advances have been repaid, but it is important to note

that this reduction has been made not with a surplus of ordinary revenue, but with an excess in receipts for new Treasury bills over maturities. Last quarter £162,858,000 net was borrowed on Ways and Means, while the amount of Treasury bills outstanding was reduced by £36,685,000. This quarter a considerable portion of Ways and Means Advances should be repaid; in fact, the liability to the Bank under this head should be altogether cancelled in the near future. Last week the amount of Treasury bills outstanding was increased by £45,259,000, and, if the figures of the Bank return afford any indication, a similar expansion is probable during the current week. Now, however desirable it is that Ways and Means Advances, especially by the Bank, should be repaid, it remains that the Chancellor of the Exchequer will not have fulfilled the Budget programme unless the huge volume of Treasury bills now outstanding shows a substantial reduction by the end of next March. At present the banks are taking away their "window-dressing" funds from the central institution and locking them up in three months' Treasury bills, partly because under present trade conditions these are preferable to commercial paper, despite the smaller discount margin on account of their greater security, and partly because the demand for credits has diminished owing to the dulness of trade, the fall in commodity prices, the depression in the Stock markets, and the check to issues of new capital. The question to be determined as regards Treasury bills is whether revenue will flow into the Exchequer in sufficient volume to allow of the floating debt, including Treasury bills, being reduced. If revenue is very heavy the banks will have little choice but to replenish funds by allowing bills to run off; if not, Treasury bills may be increased still further. The crux of the question, then, is whether the Budget expectations will be realised. The original estimate of surplus revenue available for debt redemption was £234,194,000; with the supplementary votes passed last quarter, this surplus was reduced to £184,658,000. Ignoring for the moment changes that have taken place in the floating debt, the total reduction of unfunded debt up to the 8th inst. since April 1, 1920, including the amount set aside for depreciation fund, is £173,889,000. This was made up as follows: Cost of retirement of our portion of the Anglo-French loan, £59,229,000; Government securities surrendered in payment of excess profits duty and death duties, £49,641,000; principal of Exchequer Bonds repaid, £26,397,000; net repayment of short-term foreign debt, £16,342,000; and depreciation fund under the Finance Act, 1917, £22,280,000. The unsatisfactory nature of the present position is revealed when we come to inquire how this reduction was effected. Taking the major items in the accounts, it will be seen that the floating debt was increased by £96,676,000; surplus revenue amounted to £47,629,000; Treasury Bond receipts were £18,635,000; the net encashment in respect of Savings Certificates was £5,881,000, and balances in Exchequer were reduced by £6,180,000, making in all £175,001,000. Thus in reality the net redemption of debt up to date is not £173,889,000, but £47,629,000, and the amount yet to be reduced if the Government programme is to be completed is not £10,769,000, but £137,029,000. Now, of this we may allow £25,000,000 for cancellation of War Loan, Exchequer Bonds, &c., tendered as revenue, for the depreciation fund, and for retirement of foreign debt. This would leave about £112,000,000 for reduction of the floating debt. Incidentally it may be noted that even if this reduction is made in the floating debt between this and March 31, 1921, the net decrease during the financial year will be only £15,353,000, or £64,647,000 below the original estimate of the Chancellor.

But in order to make this reduction, during the period January 8 to March 31, expenditure must not exceed an average weekly rate of £31.1 million, while revenue must be, on an average, about £42.8 million each week, leaving an average weekly surplus of £11.7 million. Such a showing on the part of revenue is by no means impossible, but considering the very poor returns during the last quarter, the extent of the trade depression, and the likelihood that industry will suffer yet more severely in the current quarter, it certainly appears improbable that revenue will be as high as the figure mentioned above. Moreover, on account of the present state of trade the sales of Government assets will not avail to help the Exchequer as much as, for instance, during the corresponding period of 1920, while the money provided by the sales of Saving Certificates and Treasury Bonds does not promise to be considerable.

The Money market, then, assuming that we have judged correctly, is faced with the prospect of a reduction of the floating debt between this and the end of the financial year, of perhaps less than £80,000,000.

It is not hard to visualise what this means. Undoubtedly, the greater portion, if not all, of the redemption to be effected will be in the amount of Ways and Means Advances outstanding. This will, of course, act towards strengthening the tone of the market, but, on the other hand, the amount of Treasury bills maturing is so large that any stringency which may arise owing to the former contingency or from the in-gathering of revenue can be quickly made to disappear by allowing Treasury bills to run off. Conditions, have, in fact, changed so much since a year ago that the market now controls the Government instead of the Government controlling the market.

The comments which we made recently on the outlook for money rates in January were justified by conditions in the market during the current week. While there was no actual scarcity of funds, yet the demand for accommodation was quite sufficient to absorb the available supply of floating credits. The ruling rate for day-to-day money was five per cent., and it was seldom that balances below this figure could be obtained, while in not a few instances more than five per cent. was paid. Fixtures were in fair request at five per cent. The Discount market was steady to firm; three-months bills were dealt in at 6⅝ to 6½ per cent. February maturities were rather wanted by the banks at rates as low as 5⅝ per cent.

Foreign Exchanges.

In present conditions all over the world, when reports are numerous of banking difficulties and trade depression in most States of Europe and America, it is not surprising to find that foreign exchange values fluctuate with great violence. From our point of view, however, it can hardly be said that up to the present the general nature of the movements is unsatisfactory. Of late, for instance, we have witnessed a steady appreciation of the value of sterling in New York, in South American centres, in the Far East, and in many important European centres. During the present week this favourable tendency continued, the movements being characterised by an increase in the value of our currency in terms of the currencies of the most important countries abroad. Most notable was the improvement in the New York exchange. To-day's middle rate, 3.76½, is the highest for the week, and, indeed, for any day since the end of last July. As compared with a week ago, it shows a rise of 10 points. Similarly, the Buenos Ayres telegraphic transfer rate declined to 50⅛*d.*; Montevideo transfers became cheaper at 49¼*d.*; the Lima discount fell to 11½ per cent., and the Rio ninety-days rate receded to 10*d.* Again, of European countries the Swiss cable rate was to-day quoted at 23.95, and on the 12th inst. it was as high as 24.02, while the Madrid rate moved in our favour to 28.29. The Scandinavian group, exceptionally, showed an adverse movement. Among Eastern rates Yokohama transfers, following the movement of the U.S. dollar, fell to 2*s.* 7*d.*; Hong Kong dollars fell to 2*s.* 11¾*d.*, and Shanghai taels to 3*s.* 10½*d.* But

though movements such as these may be described as "favourable," there were again other changes, which though in the direction of an increase in the value of sterling, must be regarded as unsatisfactory. These were a further depreciation of the currencies of France, Belgium, and Italy. The latter was particularly weak, to-day's rate on Rome being 108⅛, this constituting a new high record. The Paris rate rose to 61.32½, and the Brussels rate to 58.32½. These rates, however, which are to-day's quotations, are not the highest for the week, and show an improvement as compared with yesterday's rates. Austrian crowns and Polish marks again disimproved, but German marks, Czecho-Slovak crowns, Roumanian lei, and Finnish marks maintained their steadiness of recent weeks.

Income and Expenditure.

The National Accounts for the first week of January provide a foretaste of the heavy cash movements in connection with Government financing, which usually occur in the last quarter of the financial year. In contrast with the movements that took place in the last week of the Old Year, during the week under review revenue showed a considerable increase, there was a large surplus in Treasury bill sales over maturities, and Ways and Means Advances outstanding were reduced. Ordinary expenditure, as well as revenue, showed an increase, so that though, at £28,589,834, revenue was £15,485,946 higher on the week, the surplus over expenditure was only £1,515,123. The surplus in Treasury bill receipts was, however, at the high figure of £44,919,000, maturities being £105,720,000, and sales of new bills £150,639,000. Other receipts and issues were not important, so that a substantial reduction was made in the liability under borrowings on Ways and Means. On the previous week, it may be recalled, £31,422,244 net was borrowed under this head; last week much more than this was repaid—£44,450,000. Of this £41,500,000 went towards reducing the liability to the Bank of England, which, in consequence, stood at £45¾ million on Saturday last; the remaining £2,950,000 reduced outstanding advances by public departments to £215,772,000. At £1,408,881,000 the total floating debt is £800,000 higher on the week; as compared with January 10, 1920, it shows an increase of £54,926,000.

Currency Notes.

During the week to the 12th inst. the reduction in the currency note circulation was slightly less than during the previous week, being £6,969,586, as compared with £6,986,372. This decrease brings the fiduciary issue down to £303,018,809, or over £14½ million below the maximum for 1921—£317,555,247. The ratio of bank notes and gold to the total outstanding of currency notes and certificates rose from 13.2 per cent. to 13.6 per cent. The present amount of notes and certificates outstanding is £350,968,809, as compared with £338,722,363 on January 14, 1920, an increase of £12,246,446. As compared with the highest for 1920, reached on December 22, it shows a decline of £14,536,438; it is still above the amount returned on December 1.

Bank of England.

The features appearing in the Bank's statement for the week ending January 5 were repeated in a more marked form in the return for the week ending on Wednesday last. Notes in circulation were reduced by £1,735,000 to £129,834,000, this latter total being the lowest since November 24, 1920. Contrary to the experience of eight previous weeks, the total coin and bullion was reduced slightly to £128,280,000. Following the contraction in the note circulation the amount of the reserve rose by £1,730,000 to £16,895,000, the highest since July 21 last. The improvement in the ratio of the reserve to liabilities was much greater than allowed by the increase in the reserve as "other deposits" were again substantially reduced. The actual reduction in this item was £31,850,000, as against £20,567,000 during the previous week. The result was a rise in the reserve ratio from 8.8 per cent. to 12.2 per cent., this being the highest recorded since September 22. Significant of the improved trend in the national finances is a decline of £30,521,000 to £59,240,000 in Government securities. The repayment of the remainder of the amounts borrowed by the market before the turn of the year caused a decrease of £3,938,000 to £80,791,000 in "other securities."

Bullion.

A moderate amount of gold offering in the market was taken for United States account. Following the improvement in the New York Exchange the parity price rose to 109*s.* 8*d.* to-day, as against 113*s.* 3*d.* a week ago. In the Silver market the trend of quotations was again towards lower levels. Continental supplies were freely offered, and on the demand side the bear interest was predominant. The only real support to the market came from the Indian Bazaars; China was both buying and selling. From 41½*d.* on Friday last the cash price gave way steadily to 39½*d.* on Tuesday; on Wednesday there was a recovery to 40*d.*, but ½*d.* was lost on the following day. The premium on forward silver obtaining at the end of last week, disappeared and was replaced by a discount of ¼*d.* on Monday, widening to ½*d.* yesterday. To-day's quotations for spot and forward silver were respectively 40*d.* and 39¾*d.*, as compared with 41½*d.* and 41⅝*d.* respectively a week ago.

NEW YORK.

THE return of funds after the turn of the year is reflected in the average statement of the New York Clearing Banks for the week ending on the 8th inst. in a rise of $133,940,000 to $4,108,330,000 in net demand deposits, this total being the highest since the end of October last. As regards the reserve position, the effect of this movement was more than counteracted by a gain of $21,540,000 to $567,430,000 in the aggregate reserve, and the excess over legal requirements is $3,910,000 higher on the week at $23 million. The actual excess reserve at the close of business on Saturday last, however, was $13,870,000 below the average figure at $9,130,000. The total here given for the aggregate reserve is, it is interesting to note, the highest recorded since the week ending on July 3 last, and the latest excess reserve returned is also the highest since that date, with the single exception of that for the week ending on December 18. On this latter date the reserves were increased at the expense of the New York Federal Reserve Bank in order to prepare for withdrawals and advances in connection with the quarterly tax payments on December 15, and the actual excess reserve on December 18 was at the unusually low level of $8,220,000, which is not much above the figure for Saturday last given above. It is reasonable to assume that the reserve position will make a less favourable showing in the return for the current week.

That the improvement in the Associated Banks'

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position was effected again at the expense of the Reserve Bank is shown by the return of the latter for the first week of January. Despite a significant decline of $24,890,000 to $839,630,000 in the Federal Reserve note circulation, the gold reserves fell by over $10 million, and the total reserves at $587,660,000 are $22,580,000 lower. In addition, deposit liabilities rose by $5,320,000 to $667,590,000, so that the reserve ratio declined to 39 per cent.

This return, taken in conjunction with that of the New York City Banks and Trust Companies, would indicate that the banking strain will not be relieved as rapidly as was generally expected. It is worthy of note, however, that no increase in lending operations is reported. In fact, in the statement of the twelve Federal Reserve banks for the week to last Friday the most prominent feature is a large reduction in the holdings of bills, both rediscounts for member banks and open-market purchases. The former declined by $111,780,000 to $2,607,350,000, and the latter show a fall of $20,940,000, making a total reduction of $132,720,000. The present total of rediscounted bills held is the lowest since December 20, and is $175,584,000 below the high record reached at the beginning of November last. Another satisfactory feature of the statement is a contraction of $74,670,000 in the active circulation of Federal Reserve notes, following the reduction in the volume of credit extensions. The present circulation is the smallest since the end of last August, and, at $3,270,020,000, is $107,928,000 below that for the last week of 1920, which was the highest ever reported. This movement in the note circulation is clear evidence of the fact that, with the peak of the demand for banking accommodation passed and the volume of credits beginning to be reduced, the recession in commodity prices is at last beginning to produce effects on the financial position. The ratio of the total reserves of the Federal Reserve banks to the combined net deposit and note liabilities rose again to 46.4 per cent., the highest since that recorded for the week ending December 19, 1919.

A decided improvement in tone was witnessed in the Stock markets this week. This, however, does not appear to herald a general revival, being rather due to the fact that the "bear" drive during December was overdone, the view of the outlook generally taken during that month now proving to have been too pessimistic. A factor inspiring caution is the comparatively high rates for money still prevailing, due to the fact that funds disbursed before the turn of the year are not returning as rapidly as was expected. The range of rates for call funds was six to seven per cent. on most days, but latterly there was an easier tendency, the ruling rate declining to six per cent.

The course of events in the United States in the near future deserves to be studied carefully here, for, just as the first signs of the present world-crisis appeared on the other side of the Atlantic, so the first portents of recovery will come from there.

Stock Exchange.

THE cheery note of the earlier weeks of the New Year is not now so much in evidence. Gilt-edge securities showed better on balance during the past week, but elsewhere firm features were difficult to discover. Previous periods of industrial depression have been responsible for a transference of funds from industrial channels to the Stock markets, but past experience is of little value as a guide to market tendencies under the present abnormal conditions. The strength of the Gilt-edge section is in many quarters ascribed to an expectation of an early reduction in the Bank rate. There is little in present conditions to indicate such a probability, and the more likely explanation is that Government issues have made a natural recovery from the undue depression effected by the recent forced liquidation.

Business in the Gilt-edge section was of meagre proportions, but prices showed a general tendency to improve on last week's rise, despite the announcement of the pending issue of £15,000,000 Three per Cent. Local Loans Stock at 50. Funding Loan and several War Loan issues opened with a downward movement, but quotations recovered later, and the only item showing lower on the week was the old Local Loans Stock. County and Corporation issues were quiet. Colonial securities developed more activity than usual, particularly in Australian descriptions, but transactions were not very numerous.

The outstanding movement among Foreign Bond quotations was that in Brazilian varieties. A more optimistic view of the financial situation in Brazil and the falling-off in Continental liquidation resulted in a steady appreciation of prices. Attempts are being made to secure assistance from the United States, but so far the negotiations do not appear to have met with any measure of success, the lukewarmness of reception of the Brazilian proposals in New York being due to the undoubted deterioration in the economic position of the country. At present prices Brazilian bonds afford a cheap though somewhat speculative bargain, and quotations may go lower if the Government should further inflate the currency in the endeavour to equate the Budget and to provide for the programme of railway and public works construction to which semi-official sanction has already been given. The decreased sterling value of the dollar caused Japanese issues to be scaled down, but the eventual reaction in the American exchange caused a partial rally before the close.

Home Rails failed to maintain the cheerful atmosphere of previous weeks. Numerous declines of a minor order were registered, and alterations in favour of holders were conspicuously few.

Foreign Rails presented a firmer front, but the volume of business was not very large. Argentine varieties in particular were marked up on inquiry, and Brazil descriptions benefited from the generally improved outlook for that country. Mexicans attracted little attention. Grand Trunks fluctuated with the dollar exchange.

The Industrial market opened quiet, and public interest was not much in evidence. Changes were on the whole narrow and irregular, but the general tone seemed weaker towards the close. Among Iron and Steel shares Guest Keens, United Steel, and Bengal Iron were features of strength on Monday and Tuesday. No other appreciations of note were registered in the following days, and the general trend was towards lower levels. In the shipping division P. & O. Deferred were marked up, and Cunards showed firmer, but other movements generally favoured buyers. Textiles maintained an appearance of steadiness, Joshua Hoyles and Coats hardening to slightly higher levels. Bank shares again enjoyed a steady investment inquiry on the favourable results of the Big Five, but an uncertain tendency came in evidence before the close, many fractional declines being registered. Hongkong and Shanghais drooped on the dividend announcement and the new capital proposals. Recurrent rumours of an unfavourable nature caused another slump in Dunlops.

The Oil market remained in a stagnant condition, and business was almost entirely of a professional nature. Buyers who had recently come in on the expectation of a recovery in prices proceeded to reduce commitments, thus scaling down values anew. Anglo-Egyptian "B" and Lobitos showed better on balance, but Royal Dutch, Mexican Eagles, Shells, Scottish-Americans, and Tankers were all lower on the week. Oil shipments from Mexico in the eleven months to the end of November last make a favourable showing, amounting to 138,064,474 barrels, though for the last month of the period a decline of 900,000 barrels was registered, as compared with October.

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Mining Topics.

The tendency of the Mining market to open firm was quickly counteracted by the rise in the Paris cheque to 61.45, and the relapse in the price of gold to 112*s.* 6*d.* These two factors dominated the market on Monday to such an extent that the favourable batch of December returns passed unnoticed. A feature of the week was undoubtedly the sharp fall in the price of gold as a result of the pronounced recovery in the New York rate. On Tuesday gold had dropped to 108*s.* 10*d.*, but by Thursday there had been a recovery to 110*s.* 6*d.* Accordingly in the early portion of the week prices were pruned in the Kaffir Circus as a precaution against liquidation. Realisations, however, on the whole were few and far between. Yet Rand Mines dropped from 2⅝ to 2⅞, and on Wednesday Central Mining weakened to 6⅞. De Beers lost ½ to 13, and were then quoted at 12½, ex 10*s.* dividend. Chartered, however, again provided the *pièce de résistance*. The initial proceedings of the Cave Commission proved a "bear" point, and the shares dropped to 14*s.* 6*d.* on Tuesday. By Wednesday there had been a recovery to 15*s.*; whilst on Thursday an active demand, largely on Colonial account, it was said, brought the price up to 16*s.* Amongst the producers attention was largely directed to Village Main Reef, the shares in which recovered to 6*s.* 6*d.* Here the demand was based on expectations of a liquidation value of 15*s.*

The cable at the end of last week announcing the opening up of ore averaging 8 oz. gold and 105 oz. silver for a width of 16 inches over an extension of 13 feet in the north drive of the now famous 5th level, imparted vitality to Esperanzas. At the opening the shares moved up to 1⅝, and by Tuesday a price of 1⅞ was quoted, after which the market remained firm until Thursday. On that day realisations became rather marked, and the shares dropped to 1⅜. This rather sudden stream of liquidation engendered a doubt in the market as to whether any news had leaked out concerning the next cable.

It is announced that the Rhodesian mining companies have distributed during 1920 the record total of £1,056,840 in dividends. Not merely is this a record in the history of the companies, but it exceeds the previous record of 1917 of £691,981 by nearly £400,000. Of this total no less than £257,457 is credited to that celebrated producer Lonely Reef, whose dividends amount to ninety-five per cent. for the year. Globe and Phœnix, with a rate of 114⅔ per cent., constitutes a good second, the total amount distributed reaching £228,571. Rhodesian and General Asbestos Corporation ranks third with a dividend of 48¾ per cent., and a total of £195,000. Shamva comes next, distributing £180,000, with a rate of 30 per cent.

DECEMBER OUTPUTS.

The Christmas holidays during December have produced their customary effect upon the output of the gold mines during the month. According to the Transvaal Chamber of Mines, the Rand output for December amounted only to 632,215 ounces of gold. On the whole the decline of 1,522 ounces, as compared with November, is by no means pronounced. Nevertheless, the total is the second lowest for the year, being outdone only by the February yield of 625,330 ounces. However, in view of the marked shortage of labour from which the mines suffered throughout the greater part of 1920, the total gold secured from the Rand in 1920 reached the low-water mark of 8,153,625 ounces, as against 8,330,091 ounces in 1919. Not since 1910, when the total was only 7,527,108 ounces, has a lower total been recorded. Whilst it is largely due to the labour position, the deficiency must in part be also attributed to the closing down of a number of the low-grade mines, such as Princess Estate, Jupiter, and New Heriot; and, subsequently, because of accidents, Knights Deep and Village Main Reef. Working on the par value of gold, the 1920 output would be worth £34,643,900, as against £35,384,000 in 1919. However, owing to the gold premium, the value was £44,678,140, calculating on the basis of 109*s.* 10*d.*, which is the average of the monthly prices at which gold was taken in the returns issued by the "Johnnies" group. Thus, whilst in quantity 1920 was a year with a low record, in value, as the bumper dividends testified, it was a record high year in the history of the Rand. It is of interest to note that not only in the Transvaal is the quantity of gold produced annually showing a tendency to decline. Indian returns betray the same feature, the total of 444,532 ounces for the Indian gold mines in 1920 comparing with 461,171 ounces for 1919. And both these movements are merely typical of the decline that is taking place slowly but steadily in the world's output of gold.

As far as the "Johnnies" group as a whole are concerned, the holiday season did not react very unfavourably on the tonnage treated, which amounted to 416,000 tons, as compared with 418,100 tons in November. Alterations within the group were, however, somewhat varied. The quantity of ore treated by Randfontein Central, Van Ryn Deep and New Unified rose, whilst declines were registered by the other members. Randfontein Central stood out with a rise of 4,000 tons to 105,000 tons; whilst the fall was most pronounced in the instance of Langlaagte Estate, whose tonnage was only 36,000, as against 38,400 tons. Owing to the small decline in the total quantity of ore worked in the group the estimated value of the product only fell from £854,593 to £847,035. During the month, however, the price of gold was by no means so favourable as in November, fluctuating only between the limits of 115*s.* 9*d.* to 119*s.* Accordingly, the value of the gold is calculated in the return at 115*s.* only, as against 117*s.* 6*d.* per ounce in the previous month, with the result that the estimated profit dropped from £360,236 to £345,020. To this Government Areas contributes £180,692, as against £181,315. Evidently, higher grade ore was being treated, for, despite the reduction in tonnage from 130,500 to 128,500 tons, the estimated value of the output rose from £309,569 to £311,797. With Van Ryn Deep the reverse phenomenon was in evidence. The quantity of ore milled rose from 46,600 to 47,600 tons, whilst the value of the output fell from £142,289 to £138,319, and the estimated profit from £90,024 to £81,523.

The Rand Mines coterie provided a special feature of interest in the value at which the output is taken. Departing from the figure of 115*s.* common to the others, this group calculate their revenue on the basis of 119*s.*, which figure is stated to allow for exchange and realisation charges. As already mentioned, gold did not rise above 119*s.* during December, and the adoption of such a high average is regarded in well-informed circles as an attempt to adjust the more conservative valuations of previous months. Notwithstanding the holiday season increases in the quantity of ore milled were recorded in six instances. The salient increase was in the case of City Deep, where 73,500 tons were crushed, as against 58,500 tons in November, which month was, however, unfavourably affected by a strike of six days. The decline is most

marked in the case of New Modderfontein, which crushed only 90,000 tons instead of 93,000 tons. Accordingly, whilst this mine still ranks as the main contributor in the group, the profit fell from £165,230 to £151,097. Crown Mines takes second place with the large total of £99,526 as against £91,393. Modder B has to be content with third place, the profit dropping from £97,232 to £83,573. City Deep retains fourth place, but owing to the resumption of normal conditions registers a profit of £70,139, whereas in November it was only credited with £40,423. With Modder East a slight decline in tonnage to 25,700 tons, in conjunction with a falling off in the grade of the ore and higher working costs, accounts for the profit of £25,849, as against £30,968 in the previous month. Similarly, owing to the lower grade of the ore worked, profits in the case of Consolidated Main Reef drop from £22,119 to £16,087.

In the return furnished by the General Mining and Finance Corporation interest, as usual, centres on the figures for Meyer and Charlton. Although the output was valued only at 115*s.*, as against 117*s.* 6*d.* in November, the product is estimated at £46,282, in contrast with £46,426. Since the ore treated dropped from 13,300 tons to 12,760 tons, this comparative increase in value indicates that ore of a higher grade was being worked. The profit amounts to £28,922, as against £28,779 in November. Van Ryn was also milling higher grade ore, for, despite the reduction in tonnage from 31,160 tons to 30,600 tons, the profit has increased from £15,232 to £15,489. The drop in the profits of Aurora West from £1,216 to £858 is attributed to an inadequate supply of native labour.

Returns from Modder Deep record a profit of £78,661 on the basis of 115*s.* per ounce, which compares with a profit of £83,503 in November, when the output was valued at 117*s.* 6*d.* per ounce. Under similar conditions the profit of Geduld is given as £36,604, as against £38,753. In the case of Springs and Brakpan the valuation is at 115*s.* per ounce, less 6*d.* realisation charges, plus an undisclosed amount for premium on remittance. Springs made a profit of £39,353, or £4,118 less than in November. In the case of Brakpan it was decided to take credit for the gold in reserve to the total of £15,641 at book value. This will enable the December profit of £54,071 to exceed that of November instead of being, as it would otherwise have been, £8,847 less. The well-known Rhodesian mine, Lonely Reef, calculates the value of its gold for December at the conservative figure of 107*s.* 6*d.* per ounce. Even at this level its profit reaches £13,647. Not only are satisfactory values disclosed by development operations on No. 23 level, but it is announced that the reef has been struck on No. 24 level. With gold at par Globe and Phœnix returns a profit of £15,278, whilst development results include ore of 49 dwt. for 12 feet on No. 14 level.

Prospects for the current month are, on the whole, encouraging. At last the long-desired change in the labour situation is beginning to manifest itself. After a long period of persistent decline in the number of native workers the tide has turned, and at the end of December native workers employed on the Rand gold mines had increased by 898 to 159,671. Should this increase follow its customary course, the mines should be able to record better outputs for the coming months. Accustomed as we have been since July last to a steady upward movement in the price of gold, we are apt to regard the recent relapse in a somewhat pessimistic light. It is true that, as compared with December, the price of gold has so far been much less favourable. Whilst it has not risen above 116*s.* since the dawn of the New Year, it has dropped as low as 108*s.* 10*d.* Yet it is well to remember that the average price at which gold was valued in the returns for January 1920 was only 107*s.* 6*d.*, and whilst February witnessed a rise to 110*s.*, the adverse exchange rate on South Africa soon brought the level down to 102*s.* 6*d.* Hence the outlook is more favourable than it proved to be in the early months of 1920. The reversion to such an unfavourable exchange rate as ruled in the first half of the year is by no means likely. On the other hand, it is equally certain that the recent premium on remittances to South Africa cannot be maintained. The loss of revenue in this direction will be partially offset by the widening of the Share market, for with a normal exchange rate it will be open to South Africa to operate on the Stock Exchange here.

ABOSSO GOLD.

Results for Years to June 30.

	Ore Milled Tons	Gold Rev. Per Ton	Working Costs Per Ton	Working Profit Amt.	Working Profit Per Ton	Net Profit	Dividend Amt.	Dividend %
		s. d.	*s. d.*	£	*s. d.*	£	£	
1917 ...	112,460	29/9	29/1¼	23,902	5/7½	10,416	—	—
1918 ...	102,256	29/9½	29/0½	6,354	-/9	1,795*	—	—
1919 ...	80,075	33/0½	32/7	2,910	-/5½	6,332*	—	—
1920 ...	82,588	34/8†	29/6	22,321†	5/-†	50,039‡	50,000	12½

* Loss. † Excluding premium on gold equivalent to 8*s.* 4½*d.* per ton, or a total of £33,620. ‡ Including gold premium.

It is not only the Rand gold producers that are benefiting by the extensive premium on gold which has come into existence since July 1919. To the West African mining companies, this premium has come as a veritable boon at a moment when most of them were reaching a stage of pronounced depression. How this additional source of revenue has influenced so favourably the destinies of West African gold producers is excellently illustrated by the case of the Abosso Gold Mining Company. After 1916 the adverse influences of the War began to affect this Company, with the result that dividend declarations ceased. With gold retailed at 85*s.* per ounce, and working costs advancing rapidly with rising prices and with the shortage of native labour, the year 1917-18 witnessed the nominal working profit of 9*d.* per ton, and an actual net loss of £1,795. The following year the inadequacy of the supply of labour was aggravated by the influenza epidemic and with a marked decline in the quantity of ore milled from 102,256 tons to 80,075 tons, there was left the trivial working profit of 5½*d.* per ton, which allowance for depreciation converted into a total loss of £6,332. The year under review, ended June 30, 1920, saw the advent of the premium on gold after July 1919. The labour situation still continued somewhat difficult, but nevertheless a slight improvement was reflected in the increase in the quantity of ore milled to 82,588 tons. Working on the basis of the par value of gold in order to maintain an effective comparison, it appears that ore of a higher grade was crushed, the yield per ton increasing from 33*s.* 0½*d.* to 34*s.* 8*d.* The outstanding feature of the report is undoubtedly the marked decline in working costs from 32*s.* 7*d.* to 29*s.* 6*d.* per ton. It is obvious that such a reduction cannot be explained by the addition of some 2,500 tons to the quantity of ore treated; neither is it to be sought in the decline in the cost of stores and materials. During the greater part of the year indeed price levels continued high and the subsequent relapse after March 1920 occurred too late to produce the above marked fall. In the main this reduction was the outcome of economies secured by the efficient administration of the general manager. Thus in place of the nominal working profit of 5½*d.* per ton in 1918-19, there was secured for 1919-20 the satisfactory profit of 5*s.* 2*d.* per ton. However, in view of the comparatively small tonnage worked, the total working profit of £22,321, whilst considerably in excess of those of the two previous years, yet fell short of that registered in 1916-17. Consequently, in the absence of the gold premium, it is unlikely that this Company would have re-entered the list of dividend-payers. Thanks to this premium the gold disposed of by the Company after July 1919 realised an average premium of over twenty per cent. thus adding £33,690 to the working profit, raising the total to £56,011, or 13*s.* 6½*d.* per ton. Hence was recorded the gratifying net profit of £50,039, which, in view of the cessation of dividends for three

years, the Company decided to distribute to the bill amongst the shareholders, who accordingly received the satisfactory dividend of 12½ per cent. The balance carried forward to the next accounts is increased slightly to £17,974.

Good results were achieved for the development work of the year. The main feature was the satisfactory exposure in No. 13 level on the west reef, which has been continued during the current year until by the end of October there had been opened up for 720 feet ore averaging 43*s.* per ton over a width of fifty-one inches. Furthermore, a winze from this level revealed ore of 37*s.* 6*d.* per ton for a depth of 203 feet over a width of fifty inches. The consequent improvement in the position of the ore reserves can be seen from the following table:—

June 30	Ore Reserves Tons	Width	Average Value	Stated on the
1917	265,100	72	32 6	2,310
1918	280,930	64	33 3	2,128
1919 ...	58[illegible],950	62	33 6	2,067
1920	360,000	61	31 6	2,100

The general position of the mine has been improved by the acquisition of the adjoining claims of the Wassau Company for £20,000. The purchase includes a valuable timber concession of twelve square miles. The reef on the claims thus secured is the same as and is continuous with that of Abosso, and can therefore be conveniently worked. A considerable proportion of the plant and machinery included in the transaction can be utilised for this purpose. The concession is estimated to hold reserves of 275,000 tons of ore, averaging on the basis of the par value of gold 32*s.* per ton. Thus one well-defined result will be to add considerably to the life of the Company.

Prospects for the current year have been rendered somewhat uncertain by the acute shortage of labour, from which this Company is again suffering since July. Mainly because of the marked demand for native workers on the part of the Government for the execution of extensive public works and railway extensions, the mines in this region find their supply of labour unduly depleted. Consequently Abosso has been compelled to run the mill for only part of the time since July. Thus in the period July to November inclusive the average monthly tonnage crushed has fallen below 4,500 tons, as against nearly 6,900 tons for 1919-20. Hence working costs have risen abnormally, that of July working out at 48*s.* 10*d.* per ton. The final result is reflected in an average monthly profit for the period of £760, as against £4,000. Accordingly the directors have considered it wise to refrain from declaring any interim dividend. Prospects for the remainder of the year thus depend entirely on the supply of native labour, and urgent requisitions have been made to the Government to facilitate recruiting. The continuance of the gold premium at a reasonable level seems to be assured. Hence any improvement in the number of native workers available will help to ensure a dividend at the close of the year. Financially the position of the Company as disclosed in the balance sheet dated June 30, 1920, is very satisfactory. Liquid assets exceeding £36,128 are available to meet current liabilities to the amount of £21,159. Quoted in the market at 9*s.* 3*d.*, the £1 shares afford a return of nearly eleven per cent. on the basis of a dividend of five per cent.

CANADA'S
Grand Trunk Railway System
in connection with the Canadian National Railways, now operates Daily Coast to Coast Service—Halifax, Quebec, Montreal, Toronto, Winnipeg, Saskatoon, Edmonton, Vancouver, Victoria, Prince Rupert.
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LONDON, E.C. —4-4 Leadenhall Street. GLASGOW.—75 Union Street.
FRED. C. SALTER, European Traffic Manager.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 12, 1921.

Issue Department.

Notes Issued	£144,948,845	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,498,845
	£144,948,845		£144,498,845

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£59,240,506
Rest	3,340,554	Other Securities	80,791,567
Public Deposits	15,683,853	Notes	15,114,580
Other Deposits	123,137,108	Gold and Silver Coin	1,781,374
Seven Day and Other Bills	8,512		
	£156,928,027		£156,928,027

Comparison with Previous Four Weeks [00,000's omitted.]

Date	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Fiduciary Issue Reserve Liabilities	Bank Rate	Open Market Rate
1921.	£	£	£	£	£	£	£			
Jan. 12	129.8	123,2	15.8	123.1	59.2	80.7	16.8	12.2	7	6½
Jan. 5	131,5	128,2	16.7	134.9	89.7	84.7	15.1	8.8	7	6½
1920.										
Dec. 29	132.8	128.2	14.3	175.5	107.8	86.0	13.8	7.3	7	6⅛
Dec. 22	134.6	127,7	13.7	136.0	77.1	76.9	11.5	7.8	7	6
Dec. 15	131,2	126.8	19.4	126.1	77,1	72.2	14.0	9.6	7	6
Jly.22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52.40	3	2

July 30, 1914 — to 4%; July 31, 8 %; Aug. 1, 10 %; Aug. 6, 6%; Aug. 8, 5 %; July 13, 1916, 6 %; Jan. 18, 1917, 5½ %; Apr. 5, 5% Nov. 6, 1919 6 %; Apr. 15, 1920, 7 %.

Comparison of Bank Returns, Exchanges, Prices, &c,

Bank of England (in Sterling, 00,000's omitted)	Jan. 12 1921	Jan. 14 1920	Jan. 15 1919	Jan. 16 1918	Jan. 11 1911
Circulation	£129.8	£8[illegible].2	£89.7	£4[illegible].3	£27.9
Public Deposits	15.8	16.6	25.2	41.4	8.8
Other Deposits	123.1	127.4	124.8	121.6	40 2
Government Securities	59.2	54.7	62.5	56.8	15.4
Other Securities	80.7	64.7	78.9	92.3	26.2
Reserve	16 8	24.4	28.2	31.9	23.4
Ratio to Liabilities	12 2%	16·8%	19·1%	19·5%	47·8%
Coin and Bullion	128.2	94.2	80.5	58.8	32.9
Money:					
Bank of England Rate	7 %	6%	5%	5%	4½
Bank of France Rate	6%	5%	5%	5%	3
Rate 3 months' Bills London	6⅛ %	5⅛%	3½ %	4 4 %	3½ %
Exchanges:					
Paris Cheque	61·27	42·60	25·97½	27·07½	25·30
New York 60 days	3 67	3 69½	4·73	4·72½	4 8½
Berlin Telegraphic Transfers	1 5½	2 0⅝	1 54½	1 41½	1/4½
Prices:					
Consols 2½ % Cash	47⅜	53⅛	59	55	79⅞
French Rentes 3 % Money	57 85	52 50	62·30	58·25	97·60
Silver, London Spot oz.	40d.	77 d.	48 d.	44 d.	25 d.
Wheat, Gazette Average qr.	84 7	72 6	72 6	71/2	30.6
Cotton, Mid Upland lb.	12·49d.	30·96 l.	20·56d.	23·44d.	8·02d.
Iron, Scotch pig ton	231 0	13. 0	101 0	101 0	55.10

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Outstanding £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes
Jan. 12, '20	4,803,353	11,777,939	350,938,809	28,500,000	19,450,000	13·6
Jan. 5, '21	5,635,188	12,621,360	357,938,395	28,500,000	19,450,000	13·2
Jan. 14, '20	3,267,801	12,941,163	338,722,363	28,500,000	—	8·4
Jan. 15, '19	3,793,611	9,738,629	312,0[illegible],510	28,500,000	—	9·1
Jan. 16, '18	4,230,654	5,369,218	21[illegible],4[illegible],334	28,500,000	—	13·5
Jan. 17, '17	3,644,824	4,313,633	14[illegible],310,[illegible]96	28,500,000	—	19·6

Balance Sheet, January 12, 1921.

	£		
Notes outstanding		Advances—	
One Pound	277,542,720	Other Bankers'	--
Ten Shillings ...	42,335,089	Trustee Savings Banks ...	--
Certificates outstanding ...	31,090,000	Currency Note Redemption Acct.—	
		Gold Coin and Bullion ...	28,500,000
Total	350,968,809	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,643,814	Government Securities ...	32[illegible],4[illegible],459
Investments Reserve Acct ...	16[illegible],7,540	Balance at Bank of England	137,724
Total	370,235,163	Total	370,235,163

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Jan. 8,'21...	£28,59[illegible]	£27,475	£[illegible],[illegible]1[illegible]	£[illegible],121	£16[illegible],4[illegible]8	£5,189
Dec. 31,'20...	15,134	[illegible],331	12,77[illegible]	11,[illegible]55	1[illegible],00	[illegible],11
Dec. 25,'20...	20,435	20,269	[illegible]6[illegible]	167,633	163,982	3,534
283 days.'20 21	917,393	85[illegible],764	4[illegible],0[illegible]	4,3[illegible],309	4,45[illegible],[illegible]8	—6,230
2[illegible] days.'19 20	736,[illegible]11	1,1[illegible],[illegible]75	4[illegible],[illegible]64	4,[illegible]34,6[illegible]	4,4[illegible],[illegible]03	—8,[illegible]68
Yr. '20 21*	1,418,300	1,[illegible]33,642	[illegible],[illegible]3[illegible]	—	—	—
Yr. '19 20	1,339,571	1,665,773	326,202	6,09[illegible],709	5,763,507	9,369
Yr. '18 19	869,021	2,[illegible]79,301	1,[illegible]0[illegible],280	7,[illegible]0[illegible],402	[illegible],[illegible]01,[illegible]83	12,798
Yr. '17 18	707,234	2,693,221	1,[illegible]86,987	7,[illegible]0[illegible],[illegible]04	[illegible],[illegible]15,023	21,030

Principal Items of Revenue and Expenditure.

Week to	Customs & Excise	Income Tax, &c.	Death Duties, &c.	Stamps	Land Tax, &c.	Miscellaneous	Post Office Revenue	Telegraph Revenue
Jan. 8,'21...	£5,053	£3,[illegible]13	£[illegible],[illegible]04	£[illegible],377	£[illegible],[illegible]93	£[illegible],01	£20[illegible]1	[illegible]
Dec. 31,'20...	[illegible],[illegible]78	[illegible],[illegible]65	1,[illegible]0[illegible]	[illegible],[illegible]43	[illegible]44	[illegible]2	[illegible],[illegible]81	[illegible]
Dec. 25,'20...	6,166	1,957	2,972	9,390	5,113	332	[illegible]3[illegible]	[illegible]
283 days.'20-21	255,389	163,56[illegible]	161,[illegible]38	3 3,69[illegible]	288,[illegible]1	16,[illegible]51	[illegible]4[illegible]	[illegible]
283 days.'19 20	2,[illegible]87	1,[illegible]4[illegible]4	2,4,031	156,903	2,[illegible]0,51	10,782	[illegible]3	[illegible]
Yr. '20 21*	343,650	385,800	220,000	463,850	345,000	31,198	807,904	[illegible]
Yr. '19 20	233,023	333,[illegible]91	2,[illegible]0[illegible]5	4[illegible],[illegible]04	[illegible]1	16,171	1,317,568	[illegible]
Yr. '18 19	162,[illegible]40	291,[illegible]65	2[illegible],[illegible]63	[illegible],[illegible]07	2[illegible],[illegible]84	11,380	2,297,956	[illegible]
Yr. '17 18	110,033	233,[illegible]10	223,214	[illegible],[illegible]13	[illegible],[illegible]41	[illegible],[illegible]41	[illegible],[illegible]65	[illegible]

FLOATING DEBT. (000's omitted)	Treasury Bills	Ways & Means Advances	Treasury Bond Receipts
Jan. 8, 1921 ...	£1,[illegible],[illegible]39	[illegible],6[illegible],[illegible]2	£1,4[illegible],881
Dec. 31, 1920 ...	1,102,109	[illegible],[illegible]72	1,[illegible]8,[illegible]01
Dec. 25, 1920 ...	1,[illegible],[illegible]43	[illegible],[illegible]72	1,394,121
Dec. 15, 1920 ...	1,[illegible],[illegible]79	[illegible],[illegible]4	[illegible],[illegible]43
June 30, 1919	793,150	774,237	[illegible],[illegible]67

* Budget estimates. [illegible]

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

BELGIUM.	Gold	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Dec. 22, '20 ...	10,660	1,013	11,673	28,070	240,079	48,905
Dec. 29, '20 ...	10,681	1,116	11,677	30,267	244,769	46,951

CZECHO-SLOVAKIA.*	Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
Dec. 15, '20 ...	£396,749	£82,445	£76,491	£93,621	£453,375	£50,227
Dec. 23, '20 ...	396,755	81,419	80,452	96,878	457,435	55,077
Dec. 31, '20 ...	396,755	81,185	83,980	96,780	470,355	46,426

DENMARK.	Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Nov. 30, '20 ...	12,644	145	12,789	14,328	757	30,845	3,305
Dec. 31, '20 ...	12,643	145	12,788	13,395	522	30,928	3,823
Dec. 31, '19 ...	12,605	184	12,789	12,803	1,640	27,188	3,995
Dec. 31, '18 ...	10,812	135	10,947	4,473	4,976	25,002	809

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation Public	Deposits Private
July 30, '14 ...	£165,854		£190,667	£97,768	£267,327	£15,302 £37,903
Jan. 6, '21 ...	142,091	77,834	230,675	133,788	1,543,584	3,334 143,119
Jan. 13, '21 ...	142,017	77,934	230,624	121,791	1,538,517	3,506 138,532
Jan. 15, '20 ...	144,045	79,131	233,629	68,200	1,516,024	1,897 121,241
Jan. 16, '19 ...	138,364	81,484	232,523	53,374	1,267,996	865 101,325

GERMANY.	Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14 ...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,188
Dec. 23, '20 ...	54,577	289	54,866	1,073,588	2,817,735	3,306,218	7 8,211
Dec. 31, '20 ...	54,577	293	54,870	1,171,915	3,031,923	3,440,250	1,116,356
Dec. 31, '19 ...	54,482	1,052	55,514	551,362	2,087,724	1,784,818	863,583
Dec. 31, '18 ...	113,100	999	114,099	263,500	1,371,100	1,109,400	664,000

HOLLAND.	Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13,496	£249	£13,745	£13,422	£10,332	£35,680	£1,437
Jan. 3, '21 ...	53,012	1,738	54,810	21,715	24,916	93,298	7,657
Jan. 10, '21 ...	53,012	1,401	54,816	20,809	27,281	90,418	6,845
Jan. 10, '20 ...	52,917	581	53,498	20,876	19,882	87,201	7,892
Jan. 11, '19 ...	57,535	723	58,258	21,140	12,112	90,066	8,148

ITALY.	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	—£48,456—		£25,017	£69,204	£8,887
Oct. 20, '20 ...	£32,191	£2,999	35,190	11,604	215,313	606,576	79,451
Oct. 30, '20 ...	32,768	2,999	35,767	14,075	230,472	611,158	72,207
Oct. 31, '19 ...	32,200	3,006	35,206	26,417	89,476	478,217	74,473
Oct. 31, '18 ...	32,697	3,078	35,775	5,283	62,386	358,445	56,877

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,029	£7,863	£32,722	£13,818	£1,521
Nov. 20, '20 ...	103,232	6,439	15,446	103,988	107,107	13,843
Nov. 27, '20 ...	103,757	7,637	14,270	111,835	103,819	9,885
Nov. 29, '19 ...	81,557	19,628	31,333	124,370	108,599	4,414
Nov. 30, '18 ...	72,051	4,315	45,629	93,793	98,199	4,703

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits Demand	Net Deposits Time	Total	Excess Reserve
Aug., 1, '14...	—	£89,838	£411,238	—	—	£887,165	£1,720
Dec. 31, '20...	£19,842†	109,173	1,0 2,334	£794,878	£51,162	85 ,040	3,818
Jan. 8, '21...	19,361†	113,485	1,052,476	821,668	52,764	891,196	4,600
Jan. 10, '20...	22,592†	116,724	1,073,322	834,010	50,694	947,478	5,888
Jan. 11, '19...	22,634†	115,578	950,340	780,816	23,582	854,428	11,604

NORWAY.	Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'ts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Dec. 31, '20 ...	8,115	3,041	578	27,581	26,356	7,038
Jan. 7, '21 ...	8,115	3,004	578	26,265	29,134	6,965
Jan. 7, '20 ...	8,133	3,935	673	20,713	23,915	4,936

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Oct. 6, '20 ...	£1,906	£3,921	£5,827	£26,899	£119,830	£4,774
Oct. 13, '20 ...	1,906	3,921	5,827	29,347	119,490	4,502
Sept. 3, '19 ...	1,905	3,924	5,829	7,846	66,556	6,774
Sept. 4, '18 ...	1,905	3,742	5,647	10,795	54,450	2,357

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Oct. 2, '20 ...	£108,008	£21,154	£5,276	£26,430	£314,700
Oct. 9, '20 ...	112,008	24,630	4,661	29,291	324,600
Oct. 16, '20 ...	119,003	25,670	4,922	30,592	323,938
Oct. 18, '19 ...	49,512	7,656	2,443	10,099	143,436

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£150,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...	129,523	239,885	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ..	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Dec. 31, '20 ...	93,216	27,943	121,229	93,583	13,779	17 ,0 0	46,779
Jan. 8, '21 ...	93,318	22,724	121,042	106,301	13,779	174, 82	46, 67
Jan. 10, '20 ...	97,920	25,173	123,093	90,175	13,779	156,065	42,865
Jan. 11, '19 ...	89,140	25,538	114,728	67,933	13,777	135,012	45,219

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Dec. 31, '20 ...	15,854	5,781	705	31,077	42,215	9,529
Jan. 8, '21 ...	15,651	5,712	705	30,577	38,557	11,014
Jan. 10, '20 ...	15,801	5,685	2,686	27,782	37,525	11,284
Jan. 11, '19 ...	15, 58	6,311	3,034	21,507	41,098	6,332

SWITZERLAND.	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Dec. 31, '20 ...	21,776	4,833	26,579	20,949	40,918	6,525
Jan. 7, '21 ...	21,716	4,929	26,645	17,929	38,457	5,833
Jan. 7, '20 ...	20,678	2,971	23,649	19,090	33,0 8	6,560
Jan. 7, '19 ...	16,562	2,366	18,928	23,673	36,434	7,903

* Converted at 24 crowns to £1.
† Net reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Bills Accept-ances	Deposits Govt.	Deposits Total Net	Circulation
Jan. 3, '21 ...	—£411,666—		£449 932	£543,828	£61,140	£5,522	£326,838	£868,938
Jan. 10, '21 ...	—416,056—		455,370	521 470	46,952	5,118	326 908	854,004
Jan. 12, '20 ...	144,778	263,496	420,420	415 952	114,944	5,560	343,178	582,874
Jan. 10, '19 ...	164,222	264,592	432,380	351,616	55,580	7,458	315,468	518,136

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1, '15	Lisbon	7	Sept. 3, '20
Berlin	5	Dec. 23, '14	Madrid	6	Nov. 4, '20
Berne	5	Aug 21, '19	Paris	5	Apr. 8 '20
Bombay	7	Nov. 12, '20	Petrograd ...	6	July 29, '14
Brussels	5½	Apr. 28, '20	Rome	6	May 12, '20
Calcutta	7	Nov. 19, '20	Stockholm ...	7½	Sept. 16, '20
Christiania ...	7	June 25, '20	Tokio	8·03	Nov. 18, '19
Copenhagen ...	7	Apr. 16, '20	Vienna	5	Apr. 12, '15

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan. 14, '21	Jan. 7, '21	Dec. 31, '20	Dec. 23, '20
Berlin	Cable	257m.	262m.	257m.	255m.
Brussels	Cheques	58fr. 32c.	58fr. 12c.	56fr. 85c.	56fr. 56c.
Denmark	Cable	21kr. 10	22kr 35	23kr. 10	23kr. 20
Holland	do.	11fl. 37c	10fl. 36c	11fl. 25c	11fl. 26c
Italy	do.	108lr. 12	104lr. 50	101lr. 75	103lr.
Lisbon and Oporto	do.	6½d	6½d	7d.	6d.
New York	do.	$3 74	$3 63	$3 54	$3 54½
—	Cheques	$3 76	$3 65	$3 55	$3 55
Norway	Cable	21kr. 75	22kr. 45	23kr. 10	23kr. 20
Paris	3 mos.	62fr. 07c.	61fr 90c	60fr. 42c.	60fr. 35c.
—	Cable	61fr. 32c.	61fr. 15c	59fr. 67c.	59fr. 60c
Spain (Bank places)	3 mos.	42¾d.	42¾d.	45¼d.	42¼d.
—	Cable	28p. 20	27p. 45	26p. 45	27p. 40
Sweden	do.	17kr 51	17kr. 58	17kr. 67	17kr. 90
Switzerland	3 mos.	24fr. 45c	24fr. 07c	23fr. 67c.	24fr. 00c
—	Cable	23fr. 95c	23fr. 57c	23fr. 17c.	23fr. 25c.

ON LONDON—		Jan. 14, '21	Jan. 7, '21	Dec. 31, '20	Par
Alexandria	Sight	97¼pi.	97¼pi.	97¼pi.	97¼pi.
Amsterdam	Cheques	11fl. 36¼c	11fl. 35c.	11fl. 26c.	12·107c.
Athens	Cable	51dr. 25nom.	49dr. 46	48dr. 12	25dr. 22½
Bombay	Transfers	1s. 5d.	1s. 5¼d.	1s. 5¼d.	2s.*
Brussels	Cheques	58f. 30c.	57f. 05c.	56f. 85c.	25f. 22½c.
Buenos Ayres	Transfers	50¾d.	51¼d.	51⅝d.	47·58d.
Calcutta	do.	1s. 5¾d.	1s. 5¼d.	1s. 5⅛d.	2s.*
Christiania	Sight	21kr. 75	22kr 51	23kr. 05	18·159kr.
Copenhagen	do.	21kr. 15	22kr. 27	23kr. 12	18·159kr
Helsingfors	Cable	122m.	118m.	117m.	25m. 22½
Hong Kong	Transfers	2s. 11⅛d.	3s. 1¼d.	3s. 2⅝d.	—
Italy	Sight	108lr. 62c.	104lr. 50c	101lr. 50c.	25lr. 22½c.
Lisbon	do.	6¼d.	6¼d.	6¼d.	53½d.
Madras	do.	1s. 5¾d.	1s. 5¼d.	1s. 5⅛d.	2s.*
Madrid	do.	28p. 20	27p. 37	26p. 48	25p. 22½
Montevideo	Transfers	—	51⅛	50d.	51d
Montreal	Cable	$4 28½	$4 25	$4 10½	$4 86⅔
New York	Sight	$3 71⅝	$3 65⅛	$3 51⅞	—
—	60 days	$3 67	$3 63	$3 49⅛	—
—	Cable	$3 72⅛	$3 66	$3 52⅜	$4 86⅔
Paris	Cheques	61f. 27c.	61f. 13c.	59f. 70c.	25f. 22½c
Rio de Janeiro	90 days	10¼d.	—	—	18d.
Shanghai	Transfers	3s. 11⅞d.	4s. 1⅛d.	4s. 0¼d.	—
Singapore	Sight	2s. 3⅝d.	2s. 3⅝d.	2s. 3⅝d.	—
Stockholm	do.	17kr. 46	17kr. 81	17kr. 69	18·159kr.
Switzerland	do.	23f. 97c	23f. 50c.	23f. 16c.	25f. 22½c
Valparaiso	90 days	8 ⅝	9⅞	9⅛	18d.
Yokohama	Sight	2s. 5⅝d.	2s. 8d.	2s. 8¼d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current* Jan. 14, '21	Rate Current* Jan. 7, '21	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	32 65c.	31 75c.	40 20c. for 1 guilder	40·25c.
Bombay, cheques ...	27·75c.	27 50c.	48·66c. for 1 rupee	33·00c.
Buenos Ayres, cheques ..	127·0	122·5		
Christiania, cheques ...	16·95c.	16 00c.	26 80c. for 1 kroner	
Copenhagen, cheques ...	17 25c.	16 00c.	26 80c. for 1 kroner	26·86c.
Greece, cheques ...	7 40c.	6 40c.	19·295c. for 1 drachma	
Hongkong, cheques ...	57·50c.	56·00c.	74 59c. for Mex. $1	48·4c
Italy, sight	34·60l.	35·05l.	5·18½ lire for $1	5·17l.
Lima, cheques ...	4·42½	4 42½	4 8665 $ for 1 libra	
Manila, cheques ...	46·00c.	46·00c.	50c. for 1 peso	49·80c.
Montreal	13% disc.	15·50% disc.	Premium per $100	Par
Paris, sight	16·65fr.	16·66fr.	5·18¼ francs for $1	5·16fr.
Rio de Janeiro, cheques	6 5md.	7 1md.	3 082 milreis for $1	
Shanghai, cheques ...	75·50c.	76·50c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42 00c.	56 77c. for $1	57·12c.
Spain, cheques	13·30c.	13 35c.	19 30c. for 1 peseta	
Stockholm, cheques ...	24 40c.	26 60c.	26·80c. for 1 kroner	
Switzerland, cheques ...	6 42fr.	6 43fr.	5 18¼ francs for $1	5·18¼ fr.
Valparaiso, cheques ...	15 00c.	15 00c.	20 61c. for 1 peso	
Yokohama, cheques ...	48 00c.	48 00c.	49 84c. for 1 yen	49·80c

* According to Barnard's Price Currency of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1921 Aver.	Inc. or Dec.*
	1921	[In £'s sterling, 000's omitted.]			%
BIRMINGHAM ..	Jan. 8	£4,274	+ £977	£6,920	- £235 - 3·3
BRISTOL	,, 8	2,075	- 640	3 101	- 567 - 15·4
DUBLIN	,, 8	9·321	833	15·364	- 2·678 - 15·7
LEEDS	,, 8	—	—	—	— —
LEICESTER	,, 8	1,067	360	1.663	- 387 - 18·9
LIVERPOOL ...	,, 8	18·895	+ 2,362	28·980	+ 2,399 + 8·6
MANCHESTER ...	,, 8	22·391	— 7,815	35·748	- 13·115 — 26·6
NEWCASTLE	,, 8	2·612	+ 62	3·787	+ 1·069 + 22·7
NOTTINGHAM ...	,, 8	1,220	— 154	1,656	- 902 — 35·2
SHEFFIELD	,, 8	2,424	+ 1,062	2,424	— 98 - 3·8
LONDON—	1921				
TOWN	Jan. 12	621,088	— 14,883	1,391,130	+ 109,497 + 8·6
METROPOLITAN	,, 12	39,866	— 2,411	78·606	— 10·305 — 11·6
COUNTRY	,, 12	84,830	+ 4,782	155·241	- 20·326 11·6
TOTAL	Jan. 12	745,784	12,517	1,632,977	+ 78,866 + 5·1

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1921 Jan. 14	1921 Jan. 7	1914 Jan. 9
Alex. to U.K. ...	18/	19/0	6/9]
Aust. to U.K. ...	85/	—	32 9
Bilbao to Cardiff	12/6	13/0	—
Bombay to p.p. ...	—	—	18/0
Burmah to U.K....	—	—	23 6
Calcuttatop.p.(Jute)	—	—	1.w.20/6
Danube to U.K.	37/6	—	
R. Plate to U.K....	40 0	45 0	13/6

Homewards.—Cont.	1921 Jan. 14	1921 Jan. 7	1914 Jan. 9
U.S.Atl.PortstoCont. (coal)	$45*	$45*	—
U.S. to U.K. (gr.)	6.9	7/6	2/9†
Gulf Ports to U.K. Cont. cotton and grain)	—	—	19/6*
OUTWARDS.—Cardiff to			
Port Said ...	15/0	14/6	8/0
River Plate ...	20/0	—	14/9
St. Vincent ...	13/0	13/0	7/9

* Per ton. † Per quarter.

Time Charter, etc., etc.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JAN. 14, 1921	JAN. 16, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	..... 231 0	..... 181 0	..... 57 0
— Middlesbro' warrants .....ton	..... 225 0	..... 175 0	..... 51 0
— Hematite warrants .....ton	..... 240 0	..... 220 0	..... 81 0
— Staffordshire bars, London ton	..... £31 10	..... £25—£26	..... £8 10
— Common bars .....ton	... £27 10 —£28	..... £23	..... £6 16
Steel Rails .....ton	..... £23—£25	..... £18 15	..... £6 2/6
Galvanised Sheets .....ton	..... £30 10	..... £48	..... £16 17/1
Copper—Standard .....ton	..... £73	..... £119	..... £66
Tin—English Ingots .....ton	..... £198	£199 ..... £374	..... £142 15
— Straits .....ton	..... £215	..... £378	..... £139 10
Tinplates, I.C. Coke, S. Wales...box	... 37/0 38/0	..... 56/0 .. 11/10½	—12/0
Lead—Soft Foreign .....ton	... £23 10 —£24	..... £47 15	..... £19
Spelter—Ord. Foreign .....ton	£24 17/6 —£26	... £58 15 —£6	..... £21 7/9
Quicksilver —(75lb.) .....bottle	... £12 10—£13	..... £22	..... £7
Aluminium .....ton	..... nom.	..... £116	..... £82
Antimony—Regulus Foreign ...ton	.....£33—£35	..... £61	.....£27 10
— English .....ton	.....£45—£48	..... £63	..... —
Coal—(best) Yorkshire .....ton	..... 37/2—38/2	..... 21/6 —22/6	..... 17/6
— Steam (best) Newcastle.....ton	..... 50/2—55/2	..... 46/0 51/0	..... 14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	..... 12/0	..... 13/3	..... 7/4
Soda—Crystals ex wharf .....ton	..... 140 0	.. 130 0—140 0	..... 42/6—45/0
Copra—Malay and States .....ton	.....£36 15	..... £72	.£23 15 £24 7/6
Gambier—Good marks.....cwt.	..... 37/6	..... 48/0	..... 16/10½
Indigo—Bengal good to fine ....lb.	..... 11/6 —14/6	..... 9/0—11/0	..... 3/2—3/8
Linseed Oil—Raw .....ton	..... £ 6	..... £107 10	..... £25 5
Linseed—Calcutta, spot .....ton	... £22 10s om.	..... £52	..... £13 16 9
— Cakes, U.K. made, ex mill ...ton	..... —	..... £25	... £7 17/6—£8
Olive Oil—Spanish .....ton	..... —	..... nom.	..... £49 10
Palm Oil—Lagos .....ton	..... £44 10	..... £58	..... £31 10
Petroleum—American .....gallon	..... 2 3½	..... 1/9	..... 7½d.
Rape Oil—Refined English .....ton	..... nom.	..... £116	..... £32
Soya Oil—Refined .....ton	..... nom	..... £108	..... £24 10
Tallow—Imported .....cwt.	..... 45 0 —53 0	.. 103/0—105/0	..... 29/3—33/3
Turpentine—American .....cwt.	..... £100	..... 190/0	..... 33/7½
Rape Seed—Toria .....ton	..... £20	..... £49	..... £13 5
Rubber—Para, spot .....lb.	..... 1/0½	..... 2/7	..... 2/9½
— Fine plantation (standcrepe) lb.	..... 1/	..... 2/8½	..... 2/2
— World's Production* Oct. tons	 26,620	 31,795	 8,467
Shellac—T.N. Orange, fair ...cwt.	..... 55 0	..... 830 0	..... 63/0—64/0
TEXTILES.			
Cotton—Middling Upland .....lb.	..... 12 47d.	..... 30 96	..... 7 53d.
— Egyptian good fair .....lb.	..... 17 57d.	..... 66 01	..... 8 75d.
— Pernambuco fair .....lb.	..... 11 74d.	..... 34 71	..... 7 73d.
— Midland Upl. New York.....lb.	..... 17 6	..... 39 25	..... 13 25.
— Stock, Liverpool (Jan. 7) bales	1,033,670	 835,000	 934,600
Flax—Petrograd, Yarapol .....ton	.....	..... —	..... £28
Hemp—New Zealand .....ton	..... £54	..... £56	..... £25 10
— Manilla fair .....ton	..... £57	..... £63	..... £26 10
Jute—First Marks .....ton	.....£40—£41	..... £66	..... £26 15
— Red SOO .....ton	..... £34	..... £56	..... £24 15
Silk—Common, New Style .....lb.	..... 24 0	..... 50/0	..... 12/0—12/6
Wool—Pt. Philip unwashed av. lb.	..... 2 7	..... 5 6	..... 11½d.—1/0
— Lincoln Half Hogs .....lb.	..... 1 1	..... 2/4½	..... 1/01
Hides—Eng. Ox. best, 70lb. up lb.	..... 7½	.. 15½d.—16½d.	..... 7½d.
Leather—Dressing Hides .....lb.	..... 2/0—2/6	... 3/3 —3/9	..... 1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	 92,497,000	... 114,358,000	 34,640,000
— Red, price, N.Y. 60lb. ...bushel	 211	..... nom	..... 67½
— English Gazette, aver. 480lb. qr.	..... 84 7	..... 72 6	..... 34 3
Flour—G.R. .....280lb.	..... 80 0	..... 44 3	..... 28 6
Barley—Eng. Gaz., aver. 400lb. qr.	..... 74 1	..... 109 7	..... 25 4
Oats—Eng. Gas., aver. 312 lb. qr.	..... 43 1	..... 57 7	..... 20 0
Maize—N.Y. (new bushel)....56lb.	..... 93½	..... 173½	..... 76½
— Amer. mixed, Liverpool...480lb.	..... 43 0	..... nom.	..... 32 4
— La Plata .....480lb. qr.	..... 53 6—55 0	..... 65 0	..... 25/9
Potatoes—Good English .....ton	..... 200 0	..... 245 0	..... 70.0—75/0
Rice—Bassein .....cwt.	..... 20 0	..... 26 0	..... 7 0—7/3
Tapioca—Pearl, medium .....cwt.	..... 34 0—36 0	..... 36 6	..... 14 0—17/8
Hay—best .....2,018lb....load	.....	..... —	..... 82/6
Hops—English.....cwt.	..... —	..... —	..... £6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	..... 6 8	..... 9 0	..... 3/8 —3/10
— Scotch sides .....8lb.	..... 11/8	..... 10/0	..... 4/6—5/0
— English .....8lb.	..... 11/8	..... 10/0	..... 4/2—4/5
Mutton—Scotch wethers.....8lb.	..... 14 0	..... 10/6	..... 5/8—6/0
— English wethers .....8lb.	..... 14 0	..... 10/6	..... 4/6—5/4
— New Zealand frozen .....8lb.	..... 4/0—6 0	..... 4/0—6/0	..... 2/4—3/2
Pork—English and Irish .....8lb.	..... 12/0	..... 10/8	..... 3/6—4/0
Bacon—Irish, delivered .....cwt.	..... †220/0—230/0	..... 200/6	..... 60/0—74/0
— Danish .....cwt.	..... †230 0	..... †187/0	..... 58/0—68/0
— Canadian, ex Port .....cwt.	..... †225 0	..... †187/0	..... —
— American, ex Port .....cwt.	..... †150/0—156 6	..... †187/0	... 72/0—74/0
Hams—Amer. long cut, ex Port cwt.	..... †180/0	..... †190/0	..... 75/0—79/0
— — short cut, ex Port .....cwt.	..... †175/0	..... †190 0	..... 71/0—74 0
Lard—Amer. boxes, ex Port ...cwt.	..... †138/0	..... †198/6	..... 51/9—52/9
Butter—Danish .....cwt.	..... †336/0	..... †252/0	... 117/0—120/0
— French .....cwt.	..... †336/0	..... †252/0	..... 96/0—108/0
— Australian .....cwt.	..... †336/0	..... †252/0	..... 98/0—110/0
— New Zealand .....cwt.	..... †336/0	..... †252/0	..... 108/0—114/0
Cheese—Canadian .....cwt.	..... 148.0 —154/0	..... †145/0	..... 66.0—68.0
— United States .....cwt.	..... —	..... †145 0	..... —
— Dutch .....cwt.	..... †168/0—230/0	..... †145/0	..... 53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Dec. 31...cwt.	 27,311,881	 32,089,127	 19,777,254
— Home consumpt'n to Dec. 31 cwt.	 22,118,787	 30,635,904	 17,272,000
— In Bond Dec. 31 .....cwt.	 8,040,000	 6,378,000	 6,308,000
— Price, Java, 96° Pol. .....cwt.	..... 37/0	..... 53/0	..... 10/3
— — Yellow crystals .....cwt.	..... 65 0	..... 63/6	..... 12/6—14/0
— — Tate's Cubes, No. 1.....cwt.	..... 76 0	..... 72/0	..... 18/0
Coffee—Imports to Dec. 31 ....cwt.	 746,701	 1,066,046	 720,360
— Home consumpt'n to Dec. 31 cwt.	 306,412	 315,475	 141,410
— Exports to Dec. 31 .....cwt.	 495,916	 630,431	 340,250
— In Bond Dec. 31 .....cwt.	 657,000	 734,000	 484,000
— Price, Costa Rica gd. to fine cwt.	.. 125/0—157 0	.. 158 0 164 0	..... 80 0 —93 0
— — Brazil (Santos) good ...cwt.	..... 67/0—70/0	..... 130 0 —132 0	..... 41 6
Tea—Imports to Dec. 31 .....lb.	 431,717,976	 494,353,466	 123,230,277
— Home consump'n to Dec. 31 lb.	 392,823,757	 388,464,435	 155,447,972
— Exports to Dec. 31.....lb.	 41,280,187	 29,536,461	 26,561,765
— In Bond Dec. 31 .....lb.	 220,433,000	 213,083,000	 78,292,000
— Price, Indian, Pek. Soug. gd. lb.	..... 6½	..... 1 5½	..... 8½d
— — Ceylon, Pek. Soug. ord. lb.	..... 5½d.	..... 1 6	..... 8½d.
— — Common Congou .....lb.	..... —	..... 1/3	..... 5½d.
Cocoa—In Bond Dec. 31 .....cwt.	 1,097,000	 738,000	 309,000
— Grenada, good to fine .....cwt.	..... 54 0—56 0	..... 85 0	..... 52/6—56 0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex Factory.

VII.—RAILWAY REVENUE STATEMENTS

	Period	Gross	+ or −	Net	+ or −
Canadian Pacific	Nov.	$23,799,000	+ 6,432,000	$4,073,000	+ $1,223000
	11 *mos.* to Nov.	196,037,000	+36134000	30,931,000	-- 320,000
Grand Trunk	Nov.	£1,603 200	+ £357 300	£142.000	+ £38 700
	11 *mos.* to Nov.	15.108.630	+ 2.254.760	931.000	- 575.100

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

**** No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under powers, renewable weekly, issued on proclamation of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or − on Year Ago	No. Wks	Aggregate Receipts.	+ or − on Year Ago
Assam Bengal	Dec.	11	1.044	R2 13 289	5.477	10	23.17.131 — 99.439
Barsi Light ...	Dec.	18	118	20.700 —	7.500	47	10.10.800 — 68.900
Bengal & N.W.	Dec.	11	2.067	4.82.180 +	18.037	10	46.75.542 — 1.150
Beng. Doors	Dec.	4	158	34.283 —	7.76	9	3.04.593 — 2.26.892
Benr. Nagpur	Dec.	18	2.695	11.61.000 —	1.80.000	31	4.48.95.546 — 10.71.985
Bomb. Baroda	Jan.	1	2.871	16.50.000 —	1.14.000	13	2.48.42.000 + 7.09.000
Burma	Dec.	11	1.342	5.24.617 —	68.472	10	57.10.616 — 4.91.950
Del.Um. Kalk.	Jan.	1	239	95.000 —	4.920	13	13.89.487 + 27.675
East Indian ...	Jan.	8	2.772	27.22.000 +	2.33.000	24	3.91.96.000 + 19.41.000
Gt. Indian Pen	Jan.	1	3.121	28.40.470	32.300	13	3.57.05.824 + 21.09.463
Madras & S.M	Dec.	18	3.152	11.40.000 —	80.423	11	1.43.75.915 + 70.797
Nizam's Guar	Nov.	23	900	2.04.049 +	28.900	3	7.31.399 + 94.421
Rohi & Kotah	Dec.	11	576	31.963 —	11.832	10	9.61.286 + 36.445
South Indian	Dec.	4	1.852	5.49 668	1.91.210	35	2.82.77.840 + 12.34.894
South Punjab	Sept.		716	9.68.745 +	1 96.13	6	55.48.044 + 10.72.764
COLONIAL.							
Can. Northern	Jan.	7	9.704	$1.040.800 +	18.700	1	— —
Can. Pacific ..	Jan.	7	13.388	3.333.000 +	132.000	1	— —
Grand Trunk	Dec.	31	3.616	£533.835 +	148.553	52	16.734.258 + 2.699.597
Mashonaland	Sept.		810	76.301 —	10.132	12m	— —
Mid. W. Aust	Dec.		277	12.825 +	1 991	4m	41.430 + 5.424
New Cape Cent	Dec.	18	205	4.569 -	178	51	147.682 + 17.138
Rhodesia Rlys	Sept.		1,397	134.117 +	16 30	12m	1.387.433 - 288.980
Temiscouata...	Oct.		—	$48.120 +	18.466	10m	357.059 + 50.889
FOREIGN.							
Argentine.							
Arg. N. East...	Jan.	8	752	£ 10.100 +	1.400	28	325 000 — 7.100
Arg. Transand	Jan.	8	111	£ 2.976 —	1.324	28	66.592 + 5.276
B.A. & Pacific	Jan.	8	3.425	£ 112.000 —	20.000	28	3.369.000 — 890.000
B.A.Gt. South	Jan.	8	3.903	£ 168.000 +	6.000	28	4.072.000 — 707.000
Do.	Jan.	8	Net	£ 28.000 —	7.000	28	456.000 — 1.106.000
B.A. Western	Jan.	8	1.882	£ 72.000 —	3.000	28	1.999.000 — 682.000
Do.	Jan.	8	Net	£ — —	27.000	28	149.000 — 803.000
B. A. Central	Nov.		190	£ 47.981 +	4.230	5m	262.319 + 35.213
Cent. Argent.	Jan.	8	3.305	£ 181.000 —	2.000	28	5,422.000 + 624.000
Cord. Central	Jan.	8	1.205	£ 48 420 —	7.400	28	1.535.700 — 135.800
Entre Rios ...	Jan.	8	811	£ 24.300 —	—	28	594.300 — 49.400
Brazilian.							
Brazilian South	Nov.		110	M 41.300 —	3.700	11m	495.000 — 49.671
Brazil Railway	Dec.		3.530	M4 859.000 —	141.271	12m	57.772.000 + 7.619.243
Gt. W. Brazil	Jan.	8	1.010	£ 15.100 —	12.300	2	17.100 — 21.400
Leopoldina ...	Jan.	1	1.831	£ 33.125 —	22.636	1	— —
Mogyana	Dec.		1.180	M1.561.000 —	956.490	12m	22.267.000 — 2.474.651
Paulista	Dec.		766	M2.650.000 —	906.038	12m	32.479.000 — 1.225.892
San Paulo ..	Jan.	9	153	£ 36.770 —	2.263	2	69 625 — 15.550
Sorocabana ...	Dec.		1 003	M1 749.000 —	246.168	12m	21.953.000 + 976.69
S.of Bahia S.W	Nov.		52	M 153 000 +	14.000	11m	1.213.000 + 125.000
Chilean and Peruvian.							
Antofagasta...	Jan.	9	838	£ 32.730 —	24.090	2	35.090 — 37.760
Arauco	June		84	£ 12.000 +	500	6m	76.000 + 10.700
Nitrate (2wks)	Dec.	31	390	£ 44.300 +	10.825	52	999.240 - 525.966
Peruvian Corp.	Dec.		1.140	£ 1.328.840 +	17.976	6m	6.962.495 20.279
Tattal	Dec.		180	£ 30.548 +	4.763	8m	175.382 + 78.265
Cuban.							
Cuban Central	Jan.	1	362	£ 23.823 —	8.771	27	583.106 + 96.168
Cuba Railroad	Sept.		—	$ 1.194.589 +	99.618	3m	3.436.374 + 364.541
Havana Cent.	Dec.	25	70	£ 15.375 +	3.154	26	342 819 + 77.681
U. of Havana	Jan.	8	681	£ 68.520 —	18.567	28	1.758.203 + 125.415
W. of Havana	Jan.	8	155	£ 11.919 +	2.367	28	295.815 + 51.711
Uruguayan.							
Cent. Uruguay	Jan.	1	273	£ 27 601 +	3.802	27	535.927 — 59.345
" (E. Ext.)	Jan.	1	311	£ 7.420 +	138	27	140.591 — 9.877
" (N. Ext.)	Jan.	1	185	£ 3.676 +	628	27	77.302 — 19.444
" (W.Ext.)	Jan.	1	211	£ 3.197 +	732	27	69.054 — 3.600
Mid. Uruguay	Nov.		319	£ 17.660 —	3.936	5m	86.006 — 12.331
N.W. Uruguay	Nov.		113	$ 5.957 —	1.706	5m	29.266 — 4.486
Urug. Northn	Nov.		73	£ 1.979 —	873	5m	10.187 — 1.136
Miscellaneous							
Alcoy & Gandia	Jan.	8	33	Ps. 12.000 +	4.000	2	13.900 + 1.900
Bilbao	Dec.		15	£ 3.322 +	2,047	12m	39.409 - 9.810
Bolivar	Nov.		136	£ 7 930 —	659	11m	108.625 — 12.771
Colomb. Natnl.	Nov.		86	£ 20.160 +	5.200	11m	209.960 + 56.880
Costa Rica ...	Nov.		189	£ 21.371 -	5.559	5m	121 357 + 3.038
Dorada Ext.	Nov.		70	£ 16.250 +	2.500	11m	184.178 + 58.528
Egyptian Delta	Dec.	20	559	£ 14.843 +	883	36	376.026 + 107.549
Gt. S. of Spain	Dec.	1	104	Ps. 87.179 +	18.473	52	4.619.730 — 548.568
La Guarra & Ca.	Nov.		22	£ 11.380 +	1.710	11m	150.740 + 54.580
Ottoman Ry.	Jan.	1	379	£ 10.461	—	—	— —
Paraguay Cent	Jan.	8	274	£ 2.930 -	1.090	28	132.610 - 15.560
Puerto Cabello	Nov.		34	£ 4.250	—	11m	56.750 + 7 375
Salvador	Jan.	8	100	£ 2 924 —	781	28	90.433 + 5.916
Santa Fé Prov.							
French Rys.	Nov.		1,181	£ 143.792 —	22,504	11m	1.764.928 1.832
S'm'na & S'ti'go	Nov.		80	£ 5.750 —	1.912	11m	144.023 - 13.049
Zaura & Huelva	Nov.		112	£ 14.892 +	3.135	11m	142.732 + 27.070
TRAMS.							
Anglo-Argent	Jan.	7	400	£ 85.871 +	18.176	1	— —
Auckland Elec.	June	30	27	—	—	52	292.502 — 2.063
Bombay Elec.	Sept.		39	R. 8.49.038 +	1.15.373	9m	73.27.000 - 10.06.847
Brazilian Trac	Nov.		378	M13 442000 -	3.462.000	11m	110.107.000 - 16.568.000
Brisbane Elec.	Dec.		401	£ 48 430 -	3.716	12m	553.975 + 77.288
Brit. Columbian	Oct.		334	$ 781.706 +	71.301	4m	3.035.399 + 330.788
B. A. Lacroze	Dec.		51	£ 64.857 +	6.924	6m	336.286 + 42.709
Calcutta	Jan.	8	35	R 97.389 +	2.016	1	— —
Cape Electric	Oct.		42	£ 32.698 +	5.955	4m	120.814 + 35.922
Carth. & Hern	Dec.		9	£ 5.586 -	2.637	12m	50.357 + 17.916
Chrtham & Dist	Dec.	31	15	£ 1.857 +	695	52	9.080 + 11.999
Havana Elect.	Sept.		86	$ 961.934 —	169.617	9m	8.31[illegible] — 1.587.478
Isle of Thanet	Jan.	5	20	£ 870 +	92	14	8.163 + 637
Kalgoorlie ...	Sept.		20	£ 3.361 +	306	9	27 609 + 2.967
Lanarkshire...	Dec.	31	28	£ 5.467 +	1.927	52	221.564 + 27.729
Lima Light ..	Sept.		85	£ 56.513 +	7.369	9m	518.414 + 83.182
London O.O...	Jan.	12	141	£ 102.837 +	6.384	39	3.704.349 + 428.886
Madras (2wks)	Dec.	31	15	R 56.980 +	5.913	18	11.97.400 + 1.70.048
Montevideo ..	Oct.		55	$ 327.652 +	85.211	10m	2.823.018 + 749.175
Penang Electric	Jan.	9	59	£ 4.512 —	3.145	2	5.905 - 6.702
Provincial ...	Dec.	25	21	£ 2.809 —	731	13	17 705 - 182
Rangoon Elec.	Nov.		25	£ 6.964 —	415	11m	85.314 + 11.785
Shanghai Elec.	Dec.		26	$ 153.300 +	13.300	12	1.820.111 + 253.111
Singapore Elec.	Nov.	13	264	$ 15.122 —	1.873	35	983 158 + 218.870
U. of Montevid.	Dec.		90	£ 48.935 +	4.560	2	92.781 + 8.098

UNION BANK OF CANADA

HEAD OFFICE - WINNIPEG.

56th ANNUAL STATEMENT.

PROFIT AND LOSS ACCOUNT, 30th November, 1920.

Balance at credit of account 29th November, 1919		$198,222.87	
Net profits for the year, after deducting expenses of management, interest due Depositors, reserving for interest and exchange, and making provision for bad and doubtful debts and for rebate on bills under discount, have amounted to		1,603,842.39	
		$1,802,065.26	
Which has been applied as follows:—			
Dividend No. 132, 2½ per cent., paid 1st March, 1920			$198,247.45
Dividend No. 133, 2½ per cent., paid 1st June, 1920			199,988.80
Dividend No. 134, 2½ per cent., paid 1st September, 1920			199,996.30
Dividend No. 135, 2½ per cent., payable 1st December, 1920			200,000.00
Bonus to Shareholders of 2 per cent., payable 1st December, 1920			160,000.00
Transferred to Rest Account			400,000.00
Written off Bank Premises			150,000.00
Contribution to Officers' Pension Fund			50,000.00
Contribution to Sick Benefit Fund			15,000.00
War Tax on Bank Note Circulation to 30th November, 1920			79,536.24
Balance of Profits carried forward			149,296.47
			$1,802,065.26

LIABILITIES, 30th November, 1920.

Capital Stock		$8,000,000.00
Rest Account	$6,000,000.00	
Balance of Profit and Loss Account carried forward	149,296.47	
	$6,149,296.47	
Unclaimed Dividends	17,838.68	
Dividend No. 135, payable 1st December, 1920	200,000.00	
Bonus to Shareholders payable 1st December, 1920	160,000.00	
		6,527,135.15
		$14,527,135.15
Notes of the Bank in circulation	$12,673,644.00	
Deposits not bearing interest	49,714,051.67	
Deposits bearing interest	85,610,464.14	
Balances due to other Banks in Canada	627,615.47	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	2,601,010.53	
		151,226,785.81
Acceptances under Letters of Credit		3,450,511.93
Liabilities not included in the foregoing		1,012.50
		$169,205,445.39

ASSETS, 30th November, 1920.

Gold and Silver Coin	$1,609,944.49	
Dominion Government Notes	16,976,372.00	
		$18,586,316.49
Deposit with the Minister of Finance for the purposes of the Circulation Fund		365,000.00
Deposit in the Central Gold Reserves		5,000,000.00
Notes of other Banks		818,333.00
Cheques on other Banks		9,180,179.97
Balances due by other Banks in Canada		158,330.90
Balances due by Banks and Banking Correspondents elsewhere than in Canada		4,551,868.87
Dominion and Provincial Government Securities not exceeding market value		8,790,636.23
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian		11,900,843.26
Railway and other Bonds, Debentures and Stocks not exceeding market value		3,581,988.10
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks		5,418,177.66
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada		3,119,133.31
Demand Loans in Canada Secured by Grain		10,732,755.47
		$82,203,563.26
Loans to Governments and Municipalities		7,648,176.39
Other Current Loans and Discounts in Canada (less rebate of interest)		69,849,784.93
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		4,496,251.20
Real Estate other than Bank Premises		229,079.49
Mortgages on Real Estate sold by the Bank		135,499.43
Overdue Debts, estimated loss provided for		162,403.97
Bank Premises, at not more than cost, less amounts written off		985,969.61
Liabilities of Customers under Letters of Credit, as *per contra*		3,450,511.93
Other Assets not included in the foregoing		44,205.18
		$169,205,445.39

JOHN GALT, President.

H. B. SHAW, General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE UNION BANK OF CANADA.

In accordance with the provisions of Sub-sections 19 and 20 of Section 56 of the Bank Act, we report to the Shareholders as follows:—We have audited the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank. In addition to our verification at the 30th November, we have, during the year, checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches and found them to be in agreement with the entries in the books of the Bank relating thereto. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank.

Winnipeg, 20th December, 1920.

T. HARRY WEBB, E. S. READ, Auditors, of the firm of GEORGE A. TOUCHE & CO.

The Bank has over 400 Branches in CANADA, and AGENTS IN THE PRINCIPAL CITIES IN AMERICA.

GENERAL BANKING BUSINESS TRANSACTED.

LONDON OFFICES: 6 PRINCES STREET, E.C. 2. 26 HAYMARKET, S.W. 1.

NEW YORK AGENCY : 49 WALL STREET.
PARIS AGENTS : : PARK-UNION FOREIGN BANKING CORPORATION, 1 RUE TAITBOUT.

Trade with the Near East

THE

BANK OF ATHENS

Paid-up Capital, £1,920,000 (£1 = Drs. 25)

with its offices in all the principal towns of Greece, in EGYPT, SMYRNA, CYPRUS, Crete, and in Constantinople, extends **Exceptional Facilities for Export and Import Trade between Great Britain and the Near East generally,** and invites enquiries and correspondence relating thereto.

HEAD OFFICE: ATHENS

London Office: 22 Fenchurch Street, E.C. 3

Manchester: Portico Building, 57 Mosley Street

The Statist.

LONDON, SATURDAY, JANUARY 15, 1921.

EXPORT CREDITS SCHEMES.

The growing surplus of manufactured goods that is now accumulating in the United Kingdom, and the increase in unemployment, with its attendant possibilities of grave social and economic disturbance, are compelling the Government to seek further improvement in the scheme to which Parliamentary sanction was granted last autumn. Under the Overseas Trade (Credit and Insurance) Act then passed credits to the extent of £26,000,000 could be granted by the Board of Trade out of funds voted by Parliament in respect of exports of British manufactured goods to the following countries: Esthonia, Lithuania, Latvia, Finland, Poland, Czecho-Slovakia, Rumania, Serb-Croat-Slovene State, Georgia, and Armenia. Advances may be given in approved cases up to 100 per cent. of the value of the goods, and in the event of failure by the importer to meet his obligations recourse can be had against the exporter in respect of twenty per cent. of the advance. Under earlier arrangements, which obtained prior to the passing of the Act, advances could be made only up to eighty per cent. of the cost of the goods, including freight, insurance and commission paid to the Export Credits Department, such advance being without recourse against the exporter.

After careful consideration of the scheme it appears to us that more than one objection may be urged against it. The principle of non-recourse is undesirable, as it may encourage speculative trading by exporters unless rigid supervision is exercised over importers abroad. Such close supervision is from the nature of the case almost impossible. Secondly, the Government has to bear all the loss, while it is deprived of any share in profits. Any deficiencies that occur must ultimately be made good from the taxpayers' pocket, and this is certainly to be deprecated at a time when many, to meet the demands of tax-gatherers, are compelled to seek assistance from the banks.

The system here described has not been long in operation, but it is admittedly inadequate to cope with the temporary paralysis that has now overtaken trade, and fresh proposals for its extension, embodying in some respects a radical departure from present practice, are being discussed. The co-operation of banking, insurance, and trading interests is being urged by the Government, and from the conferences that have taken place there is reasonable hope of a workable scheme being evolved. Though the problem is complex in character, certain fundamental factors stand out clearly. The surplus of British production and the unemployment with which we are confronted in the United Kingdom are, from one standpoint, the results of the decreased purchasing power of the British public. But purchasing power abroad has declined similarly, and in some countries to a much greater extent than here. The mere question of credits is, therefore, not the only one that arises. We are faced with stagnant markets abroad as well as at home. True there is an almost world-wide shortage of commodities, but this does not prevent redundancy in many centres. Of effective purchasing power there is certainly a much greater shortage. A tentative scheme is at present under discussion by some of the leading clearing-banks in London and some foreign banks with a view to relieving the various markets to some extent of their surplus stocks. The scheme will, we understand, be submitted to the Government and ultimately, perhaps, to the Supreme Economic Council, and as its main features constitute an improvement on the other proposals above outlined they deserve mention. Our Government is to ascertain, through official and other channels, the nature and extent of the merchandise and commodity requirements of impoverished countries that can be satisfied from the United Kingdom. As information comes along they are to make the necessary purchases from our merchants and manufacturers at average market prices. The consideration would take the shape of "Government Export Credit Bonds," having a currency of, say, two years, and bearing interest at five or six per cent. The Government would then proceed to sell the goods in return for such securities and guarantees as were obtainable from the foreign Governments, further secured by the guarantee of foreign banks and foreign buyers. In arriving at the selling price our Government would add to the initial cost the expense of storage, transit, &c., plus a fair trading profit of, say, ten to twenty per cent. By this means a reserve would be created to provide against such contingencies as non-fulfilment of engagements by foreign clients. It is estimated that the fund so formed, added to the twenty-six millions mentioned in the Overseas Trade (Credit and Insurance) Act, would constitute an ample reserve against loss. If the Government, at the end of the two years for which the bonds would run, were unable to secure payment, fresh bonds could be issued for such additional period as seemed desirable.

The scheme here outlined has the merit of being easily and immediately workable if the interests concerned would operate in unison. The banks should, of course, be prepared to make advances approaching nearly to the face value of the bonds, to those who had accepted them in payment for goods. Otherwise the liquid funds needed to resume trading and manufacturing could not be procured. A difficulty here arises as, where a low rate of interest attaches to the bonds, their open-market value will necessarily be some way below par. Furthermore, bankers cannot afford, out of regard for the interests of their depositors, to impair the liquidity of their resources by locking them up in trade advances.

FURTHER 1920 BANKING RESULTS.

In continuation of the table published last week we analyse in tabular form, with comparative data, the results for other British banks that have been announced during the week. The available figures are an encouraging indication of the soundness of the British banking position and of the profit-earning capacity of the banks; and when these considerations have been properly appreciated by the market it is not unlikely that quotations for the leading bank shares, making the necessary allowances for accumulated interest, will improve from their present relatively low levels. During 1920 bank shares were, generally speaking, neglected, especially in the earlier part of the year, as public interest was largely centred on issues possessing speculative possibilities. Besides, the large uncalled liability acted as a deterrent to investors with limited funds. The buying activity that has manifested itself from various quarters in consequence of the favourable progress now revealed by the banks and of the maintenance of rates of dividend has found the market somewhat short of stock, and has had the effect of causing a fractional rise in several quotations, as the following table shows:—

BANK SHARES.

Name of Bank (*b*)	1919 High	1919 Low	1920 High.	1920 Low	Mean Price Dec. 13, 1920	Mean Price Jan. 13 1921
Bank of Liverpool & Martins £20 (£2½)	7⅛	6½	£7 0 9	£5 4 6	5¼	5⅝xd
Barclays "A" £4 (£1)	7¾	6½	7⅜	5⅝	6¾	6½
Do. "B" £1 (£1)	7 7/8	6 7/8	51/-	39/3	2	2⅛
Lloyds Bank £1 (£1)	28½	25⅝	49/1	43/-	2⅛	2⅛
London County Westminster and Parr's, £20 (£5)	19½	15½	16⅝	12⅝	13¼	13¼xd
Do. £1 (£1)	13/6	12/-	15/-	35/-	1⅜	1⅜xd
London Joint City and Midland £12 (£2½)	8⅞	7⅞	8¼	5⅝	6¾	6
Do. £2½ (£2½)	8⅛	7⅛	9⅜	6	6¼	7
Manchester & Liverpool District, £15 (£3)			8½	7⅛	7½	8
National Provincial & Union, £25 (£5½)	9	8½	8½	6⅝	7½	7⅜xd
Do. £20 (£4)	10⅛	9¼	10⅝	7⅝	8	8½xd
Do. £5 (£5)					11	11xd
Provincial of Ireland, £100 (£12½)	24⅜	24⅜	26 1/6	18 5/6	18 5/6‡	18 5/6‡
Do. £20 (£10)			20	20	20*a*	20*a*
Williams Deacon's "A" £5 (£1)	44/	39 6/4	43/-	32/9	1½	1¼xd
Do. "B" £1 (£1)	43/9	41/3	42/6	31	1⅜	1¼xd
Alexanders Discount Co. £10 (£5)	9½	8½	9 3/8	8½	8½	8½
National Discount Co. £25 (£5)	8⅛	7⅞	7 1/16	6⅜	6¼	7
Union Discount Co. of London £10 (£5)	11 11/32	10 3/16	11⅛	9⅛	9¼	9¼

† Converted in 1920 from £2 shares (£1 paid). ‡ £50 shares (£8 paid). ‖ Nov. 24. (*a*) July 2. (*b*) The amounts following the name of each Bank represent the denomination of the share and (in parentheses) the amount paid up.

On more than one occasion last year we pointed out that bank earnings were not subject to the fluctuations usually associated with other joint-stock concerns. A period of trade depression is frequently one of scarcity and dearness of money, and thus, while Produce and Commodity markets generally are idle, the banker finds the demand for loans and general banking accommodation not materially slackened, and he can utilise his funds to advantage. The effect of the higher Bank rate in 1920 was, of course, reflected all through the Money market, and, while allowing for the increased amount of funds employed, this was one of the principal reasons for the increase in net profits shown by our five leading banks, viz., Lloyds Bank, 1920, £3,237,742, 1919, £2,876,303; Barclays Bank, 1920, £2,927,523, 1919, £2,122,192; London County Westminster and Parr's Bank, 1920, £2,915,708, 1919, £2,455,007; London Joint City and Midland Bank, 1920, £2,831,861, an increase, it is understood, of £477,600. The figures of profits of the National Provincial and Union Bank are not yet available. The additional provision for investment depreciation made by the five banks is £4,750,000, as compared with £3,300,000 for the year 1919, and, on account of the large sums earmarked for this purpose and the continued increase in working expenses, the dividends except for a few minor alterations consequent on capital rearrangement, remain unchanged. The appropriations for various purposes, such as contingency fund, pensions fund and bank premises account, have been raised. From the prudence that has been displayed in the allocation of profits the shareholders will ultimately benefit. Conservatism is, indeed, a matter of necessity rather than of grace, owing to the present uncertain course of trade and the obscurity of the financial outlook; but that the investments held by the banks will appreciate beyond the present levels no one can doubt. Besides, their holdings consist largely of Government war issues redeemable within a comparatively short period at or above par. The writing down of these holdings to present market values constitutes, therefore, a distinct element of strength in the banks' position, and shareholders, though not immediately benefiting, will reap a reward ultimately when the securities come to be redeemed. An enhanced income from investments will naturally raise the amount of distributable profits. As may be gathered from the results shown last week, discount companies, which all increased their distributions to shareholders, were not so much troubled as banking institutions proper by the decline in investment values. Their funds are generally put into short-dated maturities, and thus a serious source of loss was largely avoided.

The determining factor in bankers' profits is the margin between the rates paid on deposits and received in respect of loans and discounts and other accommodation extended to customers. Early last year a general change took place consequent on the rise in the Bank rate from six per cent. to seven per cent. on April 15. Immediately the rate allowed on deposits was raised by banks and discount houses from four per cent. to five per cent., five and a-quarter per cent. being given by discount houses on deposits subject to notice. As showing the profitable uses to which money could be put, the daily average of various rates of discount for 1920 worked out as follows: Treasury bills: 3 months, 6.22 per cent.; 6 months, 5½ per cent. Market rates: bankers' drafts, 60 days, 6.15 per cent.; 3 months, 6.40 per cent.; 4 months, 6.48 per cent.; 6 months, 6.59 per cent. Fine trade bills: 3 months, 6.86 per cent.; 4 months, 7.09 per cent.; 6 months, 7.27 per cent. The margin between borrowing and lending was, therefore, fairly ample, and if continued in the present year will lead to further increases in bankers' profits consonant with the additional capital employed. It is possible, however, that a fall in the Bank rate may supervene; but this, even

1920 BANKING RESULTS.

	Amt. of Share £	Paid-up per Share £	Distribution in respect of 1919 Final % per annum	1919 Total %	1920 Final % per annum	1920 Total %	Price at end of 1920 £	Yield % £ s. d.
Bank of Liverpool & Martins	20	2½	-	16*a*	16	16	5½	7 5 5
Lloyds Bank	5	1	21⅞†	20†	16⅝	16⅝	2⅛	7 12 5
London County Westminster & Parr's	20	5	20	20	20	20	13½	7 10 11
	1	1‡	12½§	6¼§	12½	12½	1⅝	6 13 4
Manchester & County	20	1	15	15	17½	16½		—
Munster & Leinster	5	2	20	20	20	20		-
National Provincial & Union	25	3½	16	16	16	16	7¼	7 11 6
	20	4	16	16	16	16	8	8 0 0
	5	5	—	—	16⅝	8	11	7 5 5

OBSERVATIONS.

Profits £850,236. To investment reserve, £350,000. Carry forward £124,413 (1919, £114,287).

Net profit £3,237,742 (1919, £2,876,303). To premises account £250,000 (1919, £200,000); to special contingency account for writing down investments £1,250,000 (1919, £1,150,000). Carry-forward £543,864 (1919, £505,420).

Net profit £2,915,708 (1919, £2,455,007). To investment depreciation £1,300,000 (1919, £1,000,000); to premises account, £200,000 (1919, £100,000); to reserve, £253,718 (1919, £165,721). Carry-forward £460,914 (1919, £414,926).

Net profit £296,077 1919, £240,372). To write down investments £80,000 (1919, £70,000). Carry-forward £106,238 (1919, 72,618).

To investment contingency account £40,000 (Jan. 1920, £15,000 to reserve); to reduction of bank premises account £10,000 (Jan. 1920, £5,000). Carry forward £30,562 (Jan. 1920 £24,256).

To reserve £500,000 (1919, £500,000); to contingencies £350,000 (1919, £150,000). Carry-forward £824,870 1919, £630,859).

‡ Subject to income tax. † On old £50 share. ‡ Maximum dividend 12½%, § Dividend for half-year. (*a*) For financial year ended June 30, 1919.

from the narrow banking standpoint, would not in itself be unwelcome. Bankers' credits for various purposes, both in the Stock and Commodity markets, were restricted last year at the desire of the Government, and bankers thereby lost many opportunities for employing funds with profit to themselves and to the community. A reduction in the Bank rate would be taken as a sign of the discontinuance of the official policy of deflation, and possibly bankers would again feel free to disregard the ethical aspect of loans and simply accommodate clients according to their standing and the security offered. The deflation policy has had embarrassing effects in an over-rapid decline in commodity prices, a general curtailment of production, and consequent large-scale unemployment. The banks, in framing a policy during 1921, will naturally be to some extent guided by the Chancellor of the Exchequer, whose decisions will in turn be influenced by the condition of the national finances. A continued fall in prices would ultimately react unfavourably on the banks, as production would be contracted, the demands of trade and commerce for accommodation would be lessened, and at the same time larger amounts of commodities could be financed with reduced funds.

THE STOCK EXCHANGE IN 1920.

The opening months of 1920 constituted for the Stock Exchange a period of activity, attended by a healthy optimism unequalled in the somewhat varied history of that institution. Industrial and commercial share values had soared in 1919 in anticipation of a widespread resumption of trade with the Continent. Industrial reconstruction had not proceeded very far in the year succeeding the Armistice, and yet the return on productive effort had been on the whole more than satisfactory. The investing public, on a survey of the situation, inclined to the belief that the return would increase rather than diminish as the consuming capacity of the world's markets gradually improved. A flood of new issues had, however, a somewhat disconcerting effect, and the early Spring witnessed a slight falling-off in business in the Stock markets. The increase of the Bank rate in April, in addition to automatically depressing the values of fixed interest-bearing securities, sounded a note of warning as to the lean days ahead. Thereafter the history of the year is an almost uninterrupted series of declines in all departments of the House. The gradual restriction by the banks of credits which might be used to further speculative activities helped towards this end, and the ever-growing weakness of wholesale prices for commodities, combined with the general stringency of company finances, necessitated in numerous cases the creation of high interest-bearing prior issues. These various adverse factors induced a still more widespread feeling of pessimism. The shrinkage in demand for securities was not so much the determining factor in the downward trend of quotations as was the tremendous increase in supply. In the absence of bankers' accommodation, and with a growing difficulty of obtaining fresh money through the capital market, companies were compelled to liquidate the securities in which their reserves were invested. At the same time the decline in the sterling value of Continental currencies, particularly those of France and Belgium, encouraged operators abroad to unload their holdings in London. The consequent flood of selling orders continuing month after month further depressed values. The brunt of the pressure had to be borne by those stocks whose intrinsic merits deserved it least because their very status had created for them a wide market. The increase in the dollar value of the pound might have transferred much of the burden from London to New York had the American Stock Exchange been of the same international character as our own. In addition, of course, the United States was passing through a period of severer deflation than Great Brifain, and even for the limited number of securities quoted selling conditions were not favourable. The only issues to benefit by the appreciation of the dollar were a comparatively small selection of fixed-interest sterling bonds, the interest on which was payable in gold in New York at the par rate of exchange. In the final weeks of the year a new element of cheerfulness was discernible. Gilt-edged prices appreciated in a marked fashion, and other varieties, despite the existence of only a modicum of business, all showed well above the worst. In many quarters, where the wish was father to the thought, the revival in market values was heralded with a blare of trumpets. Not much examination was necessary, however, to reveal that the causes were largely of an artificial and transient nature. The rumour of an increase in the death duties created a demand for Victory Bonds (which may be tendered in lieu of cash at ninety-five per cent. of their nominal value), and a resuscitation of the belief in a pending reduction of the Bank rate lent attraction to the gilt-edged group in general. The cessation of the flood of sales in other sections, combined with the operations of a small coterie of bargain-hunters, imparted a measure of stability to the rest of the House, but the volume of business done afforded no index as to the real tone prevailing. Owing to the very nature of the selling campaign many first-class industrial issues were scaled down unduly, and that they should recover in the eventual "shake-out" is only to be expected; but present conditions afford little indication of a general recovery in share values towards boom levels within the coming year.

The Gilt-edge market displayed a weakening tendency from the very beginning of the year, and a marked depreciation had been recorded before the increase in the Bank rate in April. The latter event caused a sharp decline in quotations, a movement which was pushed beyond its limits by the anxiety of holders to realise before bottom had been touched. A reaction, after the weight of the selling pressure had been removed, sent prices back to somewhat higher levels, and this was followed in the late summer by a further shrinkage, which became gradually more accentuated in the autumn. The Christmas period witnessed a partial recovery, already referred to, and the movement has continued into 1921. The appended table contains a selected list of gilt-edge issues, colonial and foreign bonds and home rail prior stocks, showing the price-range during the past year and the current quotation and yield:—

Type of Security	1920 High.	1920 Low.	Quotation Dec. 31 1921	Yield £ s. d.	Yield with Redemption £ s. d.
British Funds, &c.					
2½% Consols ...	59	44¾	47	5 6 1	—
3½% War Loan (1925-28) ...	86¼	79¼	83¾	4 5 10	6 3 7
4½% War Loan, Stk. 1925-45	84¼	75¼	77	5 16 1	6 7 3
5% War Loan, 1929-47	92¼	81	85¼	5 17 10	6 5 8
4% War Loan, 1929-42	102¾	91¼	92	4 6 11	4 12 —
4% Funding Loan, 1960-90 ...	76¼	66⅝	67¼	5 18 5	5 18 8
4% Victory Bonds ...	83¼	73⅝	74¼	5 7 5	5 4 6
5% Nat. War Bonds, 1922 (1st Call)	96¼	86¼	88	5 5 6	7 1 5
,, ,, ,, 1923 (2nd Call)	93	84¼	87	5 5 1	6 15 1
,, ,, ,, 1928 (3rd ,,)	99	88¼	95	5 7 6	6 12 2
,, ,, ,, 1929 (4th ,,)	100¼	89	96	5 5 6	5 11 11
5% Exchequer Bonds, 1919-22	98¼	95¼	97½	5 2 7	6 7 6
3% Gtd. Stk. (Irish Land) ...	55¼	45¾	50	6 — 0	—
3% Local Loans Stk. ...	57¼	49¼	52	5 17 8	—
3½% India Stk.	61¼	51	56	6 5 —	
Colonial and Provincial Government					
Canada 5% Bds.	98	84½	91	4 13 —	5 7 —
Canada 3½% Bds.	76¼	70	75	4 13 1	6 1 —
N.S. Wales 5½% Inscr.	99¾	1	93¾	5 18 11	6 11 —
New Zealand 4½% Bds.	91¼	80	89¼	5 — 6	5 3 —
Ontario 4% Bds.	82¼	72¾	78	5 2 6	5 19 —
S. Africa 4% Gtd. Inscr.	92¼	85¼	89¼	4 9 3	4 11 —
Foreign Stocks Bonds &c.					
Argentine 4% Ry. Bonds, Issue 1886	87	67¼	70	7 11 0	
Belgium 3% Start. Loan 1914	38	19¾	23	11 1	—
Brazil 5% Funding Bonds ...	77¼	61½	65	7 13 1	—
Brazil 5% Loan, 1913 ...	65	44	49	10 2 —	—
Chinese 4½% Gold Loan, 1898	79¼	60	61	7 7 6	8 6 —
,, 5% Gold Loan, 1912	74½	55¾	58¼	8 11 0	8 13 11
,, 5% Reorg. Loan, 1913	79¾	64¼	66	7 18 9	8 5 5
Japan 5% Stg. Loan, 1907	85	64½	65	7 13 10	8 6 6
,, 4½% ,, 1910	65¼	49	50	7 11 0	7 14 10
,, 4% ,, 1905	57¼	46	49	8 1 8	6 15 9

Type of Security British Railways *Pref. and Deb. Stocks.*	1920 High.	1920 Low.	Quotation Jan. 11 1921	Flat Yield £ s. d.
Cal. 4% Cons. Pref. No. 1	66	52	61	6 11 2
L. & Y. 5% Cons. Pref.	52¾	4 ¼	45½	6 11 10
L. & N.W. 4% Cons. Pref. ...	71	57	65	6 3 1
L.B. & S.C. 5% Cons. Pref. ...	81¼	65	76	6 11 8
N.E. 4% Pref.	69½	55½	65½	6 2 2
S.E. 4½% Pref.	51½	41	55½	6 10 10
G.C. 5% Deb. Stk. . .	84½	71½	72	6 18 10
G.E. 4% Deb. Stk.	70½	[illegible]	63	6 7 0
G.N. 5% Deb. Stk. . . .	56	47	54½	5 19 6
G.W. 4% Deb. Stk. . . .	76	63¾	68	5 17 7
L. & N.W. 5% Deb. Stk.	57	48½	61½	5 16 6
L. & S.W. 3% Deb. Stk.	55½	47¼	49½	6 1 2

The market in first-class industrial prior-charge securities opened much stronger than the gilt-edge department, but weakness set in very early in the year and remained throughout the summer. The transference of funds from the more speculative holdings brought an accession of strength to Debenture and Preference quotations towards early autumn, but enforced liquidation and the heavy flotations of new issues of this type again weakened prices during the last quarter. Investment values in oil, rubber, tin, mining, and speculative undertakings in general reached the peak of the boom late in January, but the ensuing decline was not very marked until the proposal for an increase in the excess profits duty took definite shape. The imposition of a sixty per cent. duty proved an unexpected and crushing burden, and share prices collapsed continuously during the remainder of the year.

The appended table shows the price-range during 1920, and the current values of a selected list of industrial issues:—

	1920 High.	1920 Low.	Price Jan. 11, 1921	Last Dividend	Yield £ s. d.
Iron, Steel and Engineering.					
B.S.A. Ord. £1	24/6	11/9	15/6	5	6 11 8
Beardmore Ord. £1 ...	57/6	[illegible]	35/-	17½	10 0 0
Austin Motor "B" Pref. £1...	20/7½	7/-	7/6	6	16 0 0
Rolls Royce Ord. £1 ...	51/10½	20/1½	24/-	15	12 10 0
Armstrong-Whitworth Ord. £1	37/6	17/7½	20/3	12½	11 18 2
Baldwins Ord. £1	38/9	24/-	25/8	12½	9 7 4
Beardmore 6% Pref. £1 ...	18/-	13/9	14/2½	6	8 [illegible] 0
Bolckow Vaughan Ord. £1	34/1½	18/9	21/-	12	11 8 8
Cargo Fleet Ord. £1 ...	31/-	14/6	15/9	5	6 6 4
Dorman, Long Ord. £1 ...	39/-	17/9	19/7	10*	10 4 6*
Ebbw Vale Ord. £1 ...	38/9	19/6	21/6	15	12 19 0
Ensom[illegible] Ord. £1	19/3	14/9	15/-	8	10 13 4
Guest, Keen Ord. £1 .	37/6	26/3	35	15*	8 11 5*
Hadfield's Ord £1 ...	45/6	22/6	23/7½	10	8 9 6
Staveley Coal Ord £1 ...	49/-	29/3	34/-	11½*	6 12 4*
Swan, Hunter Ord. £1 ...	70/-	23/1½	27/-	10	7 8 0
Workman, Clark 7% Deb. Stk.	86½	81	83	7	8 8 8
Shipping.					
Cunard Def. £1 . .	37/6	18/3	21/6	10	9 6 0
P. & O. Def. Ord. £100 ...	665	345	365	15*	4 2 6*
Textiles.					
Bleachers' Ord. £1 ...	57/6	28/9	32/-	20	12 2 6
Bradford Dyers' Ord. £1...	70/7½	36/9	39/6	24	12 3 2
British Cellulose, Ptg. Pref. Ord. £1	15/-	8/4½	8/7½		—
British Dyestuffs & Wool Dyers' Ord. £1	16/10½	5/6	6/-	1	8 6 8
British Dyestuffs 7% Pref. £1...	16/10½	10/-	12/3	7	11 8 10
Calico Printers' Ord. £1 ...	46/6	18/9	21/6	10	9 6 0
Courtaulds & Co.	58/-	43/6	44/-	17½	8 2 8
Crosfield (Jos.) 7½ "A" Pref. £1	24/6	18/-	18/3	7½	8 4 10
English Sewing Cotton Ord. £1...	122/6	29/10½	35/4½	15	12 4 1
Fine Cotton Spinners' Ord. £1.	141/-	37/6	43/6	20	9 3 6
Linen Thread 6% Pfd. Ord. £1...	17/6	15/-	16/7½	6	7 4 7
Lister Ord. £1 .	41/7½	21/-	22/6	15	13 6 8
Miscellaneous.					
A.P.C. Ord. £1	106/3	29/-	32/5	25	15 8 9
Imp. Tobacco Ord. £1 ..	75/9	45/3	47/6	15*	6 6 4*
Lever Bros. 7% Cum. Pref. £1	19/3	16/3	16/8	7	8 8 0
Lyons 7% Cum. Pref. £1 ...	22/3	18/6	20/-	7	7 0 0
Maypole Dairy 7% Pfd. Ord. 5s.	15/1½	12/6	12/9	20	7 16 4
Niger Co. 8% Cum. Pref. £1	16/9	15/-	16/6	8	9 14 0
Selfridge 6% Pref. £1 ...	25/-	18/6	20/-	6	6 0 0
Van den Bergh 10% Pfd. Ord. 5s.	8/9	6/4½	7/-	15	10 14 3
Wallpaper Mfg. Ord. £1 ...	25/3	18/-	18/-	10	11 2 2

* Tax free.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

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THERE are at present signs in abundance that the economic and financial readjustment through which the world in general is passing is, for this country in particular, rapidly approaching its most crucial stage. In December the acuteness of the evils always entailed by a period of rapid deflation:- the frequency of business failures, the spread of unemployment, and the slackening of productive activities, conspired to focus public attention on the progress of developments in the economic sphere. To none who have kept in touch with the situation will it come as a surprise that the general level of commodity prices fell more severely last month than during any previous month since the commencement of the downward movement. The actual decline during December as registered by our index-numbers was a fall of 16.6 points, or 7.4 per cent.; out of the forty-five commodities on which the calculations are based, forty-one show a decline, and the index-numbers for the different categories of commodities, as tabulated below, record recessions ranging from 16.6 per cent. in vegetable foods down to 2.1 per cent. in sundry materials:—

	Dec. 31, 1919	Nov. 30, 1920	Dec. 31, 1920	June 30, 1914	—+ or —% Dec. 1920 on Nov.	Dec. 1920 on Dec. 1919	Dec. 1920 on June 1914
Vegetable food	175·6	224·1	187·3	66·5	—16·6	— 4·6	+181·6
Animal food	260·4	262·1	227·3	97·5	—34·8	+14·6	+167·1
Sugar, coffee and tea	113·8	127·7	180·3	51·8	—13·9	—36·9	+119·7
Foodstuffs	195·1	224·7	200·5	74·8	—24·1	+ 4·7	+168·8
Minerals ...	280·4	293·0	259·2	96·7	— 4·3	+ 8·2	+190·0
Textiles ...	172·3	178·0	133·5	80·6	— 3·2	—38·6	+113·8
Sundries ...	207·1	211·4	246·8	82·5	— 2·1	—16·1	+151·0
Materials	215·3	223·1	206·5	85·7	— 3·5	—17·4	+151·2
Totals ...	207·2	223·8	235·2	81·2	—7·4	—11·9	+155·2

However desirable we may regard the deflation movement, now in progress for upwards of eight months, current events force one to consider whether the evils it has produced do not outweigh its advantages. We are well aware that some measure of deflation was necessary—was, in fact, inevitable—and that the price-level must recede much farther before we can restore our free gold market and recover our pre-War financial position; but, to be successful, deflation must be spread over a period sufficiently extended to allow industry to undergo the strain with the minimum of inconvenience, and it cannot be too strongly emphasised at this juncture that, if too rapid, it may defeat its own ends. A slackening of production is always undesirable: it involves either a lessening of the sum-total of wealth in the country or a diminution of savings, with its corollary of a slackening of the rate at which fresh capital is being created. If very pronounced, it affects profoundly the general development of the country: it lowers the standard of living by decreasing wages and salaries, hinders the spread of education, impairs the national efficiency and retards the growth of population. National progress must wait on the production of wealth, and when the output of commodities and the accumulation of capital are seriously curtailed in any great crisis, instead of advancement there is a retrogression whose effects are not merely temporary but cumulative. It is this latter aspect that is peculiarly disquieting at the present time. Were deflation gradual, it would merely mean a more even distribution of wealth, and the consequent increase in the consuming power of the community as a whole would in time more than counterbalance the set-back to industry. The most cursory survey of the existing situation, however, will show that industry has suffered so severely from the fall in prices that production has been greatly restricted, and that unemployment has grown so

quickly that the general consuming power of the community has diminished instead of increasing. This is precisely where the danger of a too rapid deflation lies, and if, as would appear, the fall in prices is but gathering momentum, production will unquestionably receive a check from which it may take a long time to recover. The evils of the position are intensified by the fact that, unlike any other great economic crisis, even when, last year, Capital and Labour were working at fullest capacity, the rate of production was below that required to maintain the war-time or pre-War standard of living. Even now production is capable of a rapid recovery given a stable commodity value for money; but if the present rate of readjustment continues during the next few months the remarks here made will be found to correspond with the course of events.

We publish below the group and general index-numbers for each month since the outbreak of the War, and the annual figures since 1846:—

No. of Articles	8	7	4	19	7	8	11	26	45
Month 1914	Veg. Food (Corn, &c.)	Animal Food (Meat & Butter)	Sugar, Coffee & Tea	Food	Minerals	Tex-tiles	Sundries.	Mate-rials	Total
June ...	84.5	97.5	51.8	74.8	96.7	80.6	82.5	85.7	81.2
July ...	71·9	101·5	50·0	*78·2*	94·0	83·1	81·7	*85·5*	82.4
Aug. ...	81·9	103·6	67·7	*86·9*	98·4	83·0	86·4	*88·6*	87.9
Sept. ...	87·1	101·0	66·9	*88·0*	96·1	80·9	93·2	*90·2*	89.3
Oct. ...	86·7	100·1	65·0	*87·0*	94·2	82·5	96·8	*91·7*	89·8
Nov. ...	90·6	98·4	63·8	*87·8*	97·6	72·2	97·1	*89·6*	89.8
Dec. ...	93.2	104.3	63.0	90.9	97.8	77.8	97.7	92.1	91.6
1915									
Jan. ...	102·3	107·0	64·1	*96·3*	105·3	82·4	101·1	*96·5*	98.4
Feb. ...	109·3	112·1	66·4	*101·3*	109·1	86·5	105·4	*100·6*	100.9
Mar. ...	105·6	123·7	69·7	*104·7*	115·7	87·3	106·3	*103·0*	103.7
April ...	109·0	125·0	71·9	*107·1*	118·6	88·4	108·4	*105·0*	105.9
May ...	110·1	134·5	72·0	*111·1*	119·6	86·5	107·5	*104·3*	107.2
June ...	103·0	127·5	73·4	*105·8*	126·6	90·6	106·2	*106·9*	106.4
July ...	105·4	130·3	72·9	*107·7*	121·2	89·6	107·1	*105·5*	106.4
Aug. ...	105·6	131·8	71·4	*108·1*	119·6	92·6	107·7	*106·3*	107.0
Sept. ...	101·1	129·3	71·5	*105·2*	121·6	98·3	110·2	*109·6*	107.8
Oct. ...	110·3	123·4	67·7	*106·2*	123·9	100·2	114·7	*112·7*	110.0
Nov. ...	113·3	120·4	68·5	*106·5*	120·9	104·7	119·2	*117·9*	113.1
Dec. ...	117.6	128.1	69.8	111.4	136.0	111.7	123.9	123.4	118.4
1916									
Jan. ...	125·7	127·8	72·8	*115·3*	143·1	110·2	128·8	*129·7*	123.6
Feb. ...	127·2	137·5	79·0	*120·8*	149·2	116·9	131·1	*131·6*	127.0
Mar. ...	122·5	147·2	84·8	*123·7*	157·9	118·1	133·5	*135·3*	130.4
April ...	133·2	153·1	87·1	*130·8*	159·5	119·0	135·2	*136·7*	134.2
May ...	128·4	165·6	89·3	*133·9*	157·0	119·8	135·9	*136·6*	135.4
June ...	120·0	152·4	88·2	*125·4*	152·2	122·6	133·7	*135·3*	131.0
July ...	120·4	150·4	86·5	*124·3*	151·9	123·8	132·6	*135·1*	130.5
Aug. ...	129·4	154·7	85·6	*129·7*	154·8	128·9	133·8	*137·9*	134.5
Sept. ...	133·6	146·1	86·0	*128·1*	155·7	130·9	134·1	*138·9*	134.4
Oct. ...	152·3	154·1	90·1	*139·9*	157·6	137·0	137·5	*142·8*	141.5
Nov. ...	164·0	156·6	91·6	*146·0*	163·8	151·0	150·5	*150·3*	150.8
Dec. ...	173.1	168.7	95.0	155.0	158.9	150.4	152.9	153.8	154.3
1917									
Jan. ...	179·1	175·8	96·6	*160·5*	161·1	157·8	156·9	*158·3*	159.3
Feb. ...	177·4	184·3	100·2	*163·7*	163·0	167·7	162·5	*164·3*	164.0
Mar. ...	187·1	187·6	104·8	*170·0*	165·8	174·4	165·2	*168·2*	169.0
April ...	189·9	190·1	104·5	*172·0*	165·6	172·7	179·7	*173·8*	173.0
May ...	186·9	197·5	105·8	*173·7*	171·4	180·6	175·4	*176·0*	175.0
June ...	189·6	206·0	110·7	*179·0*	170·0	200·1	175·3	*181·5*	184.0
July ...	174·1	201·6	107·9	*170·3*	169·9	201·2	176·2	*181·8*	176.9
Aug. ...	168·0	193·7	116·5	*166·6*	168·9	198·7	179·1	*182·4*	175.7
Sept. ...	162·5	187·7	120·5	*163·0*	167·2	204·1	185·4	*186·2*	176.4
Oct. ...	162·9	189·7	131·8	*166·2*	169·6	213·4	188·7	*191·1*	180.6
Nov. ...	161·5	191·6	132·6	*166·5*	174·5	216·9	191·9	*194·9*	182.9
Dec. ...	160.8	196.7	135.1	168.6	173.9	216.5	197.3	197.1	185.1
1918									
Jan. ...	168·7	199·6	134·0	*172·8*	176·2	222·1	189·8	*196·1*	186.2
Feb. ...	170·0	199·6	136·2	*173·8*	178·9	221·8	190·8	*197·1*	187.3
Mar. ...	166·0	199·5	138·4	*172·5*	178·8	225·7	193·3	*199·4*	188.0
April ...	167·1	202·6	123·7	*171·0*	184·1	222·2	202·3	*203·5*	189.8
May ...	167·8	202·6	123·9	*171·4*	182·7	221·4	208·5	*205·5*	191.1
June ...	168·0	200·5	124·1	*170·7*	180·5	225·7	212·9	*208·1*	192.3
July ...	173·0	200·5	124·2	*172·8*	193·3	219·1	208·4	*207·6*	192.9
Aug. ...	178·0	200·5	123·4	*174·8*	191·6	233·6	207·8	*211·4*	195.9
Sept. ...	173·8	218·8	124·1	*180·0*	190·6	231·9	205·7	*209·7*	197.1
Oct. ...	176·2	229·6	125·2	*185·1*	191·5	223·5	205·1	*207·1*	197.8
Nov. ...	178·3	229·6	126·7	*186·3*	183·9	215·6	203·3	*201·8*	195.3
Dec. ...	178.3	229.6	126.4	184.2	177.3	217.3	209.2	203.1	196.0
1919									
Jan. ...	173·2	226·3	118·2	*181·2*	176·0	206·4	201·4	*196·1*	192.1
Feb. ...	173·5	218·8	119·0	*178·6*	172·8	203·9	196·4	*192·3*	187.5
Mar. ...	167·1	204·8	127·6	*172·6*	170·5	197·2	205·9	*193·6*	184.7
April ...	168·8	205·1	122·5	*172·4*	169·9	201·2	202·9	*193·5*	184.6
May ...	169·9	207·1	126·5	*174·5*	195·8	213·2	215·0	*209·3*	194.6
June ...	171·0	207·1	130·6	*178·9*	201·4	217·1	224·5	*216·8*	199.4
July ...	178·1	207·1	147·1	*178·5*	223·9	215·9	236·4	*226·7*	206.4
Aug. ...	176·9	207·1	171·4	*186·8*	227·3	229·8	256·0	*231·6*	212.7
Sept. ...	179·2	207·1	178·1	*186·1*	227·1	241·7	252·5	*233·8*	214.8
Oct. ...	180·4	225·3	179·7	*195·3*	245·6	256·2	257·5	*45·4*	224.3
Nov. ...	185·2	225·3	179·9	*198·8*	249·8	273·7	243·4	*254·4*	231.0
Dec. ...	187.3	227.3	180.3	200.5	259.2	280.5	246.8	260.5	235.2
1920									
Jan. ...	190·4	229·3	190·7	*204·8*	282·8	288·1	260·3	*274·9*	245.3
Feb. ...	206·2	236·4	222·2	*220·7*	295·4	304·2	274·8	*289·4*	260.4
Mar. ...	237·6	236·4	210·7	*231·5*	291·1	302·3	265·9	*283·9*	261.8
Apr. ...	240·6	264·1	209·9	*242·8*	290·6	297·7	267·7	*283·1*	266.1
May ...	243·4	242·9	258·3	*245·3*	301·3	258·8	260·0	*270·7*	260.0
June ...	249·5	243·4	265·7	*250·7*	297·0	259·0	235·7	*259·4*	255.7
July ...	237·9	278·8	227·8	*250·9*	305·2	251·0	231·6	*257·4*	254.6
Aug. ...	220·4	293·4	216·2	*246·4*	310·4	250·6	231·9	*258·8*	253.5
Sept. ...	221·9	289·4	178·7	*242·7*	312·7	240·4	233·1	*256·8*	248.7
Oct. ...	232·0	288·7	137·8	*233·4*	305·5	219·6	224·0	*244·6*	239.9
Nov. ...	214·1	292·1	127·7	*224·7*	293·0	178·0	211·4	*223·1*	223.8
Dec. ...	178.6	260.4	113.8	195.1	283·4	172.3	207.1	215·3	207.2

The "Statist's" Annual Index-Numbers.

Year	Aver. No.	Year	Aver. No.	Year.	Aver. No.	Year	Aver No.	Year	Aver No.
1920	248*								
1919	216								
1918	192	1903	69	1888	70	1873	111	1858	91
1917	175	1902	69	1887	68	1872	109	1857	101
1916	136	1901	70	1886	69	1871	100	1856	101
1915	108	1900	75	1885	72	1870	96	1855	101
1914	85	1899	68	1884	76	1869	96	1854	103
1913	85	1898	64	1883	82	1868	99	1853	95
1912	85	1897	62	1882	84	1867	100	1852	78
1911	80	1896	61	1881	85	1866	102	1851	75
1910	78	1895	62	1880	82	1865	101	1850	77
1909	74	1894	63	1879	83	1864	105	1849	74
1908	73	1893	68	1878	87	1863	103	1848	76
1907	80	1892	68	1877	94	1862	101	1847	95
1906	77	1891	72	1876	95	1861	98	1846	88
1905	72	1890	72	1875	96	1860	99	1845†	159
1904	70	1889	72	1874	102	1859	94	1810†	171
								1809†	189

* *For 1920 the average of the 12 monthly figures is taken provisionally; the Index-Numbers for other years represent the average of 53 weeks.*

† Jevons' numbers adjusted.

In the table showing the analysed movements during September it will be noticed that foodstuffs declined last month much more sharply than materials, the reverse of what occurred previously. In this connection it will be interesting to study the detailed movements for previous months since January 1920, as tabulated below:—

Percentage Monthly Movements in Wholesale Prices during 1920.

1920	Veg. Food	Animal Food	Sugar, Tea and Coffee	Food-stuffs	Mine-rals	Tex-tiles	Sundry Mate-rials	Mate-rials	General Index-Num-bers
	%	%	%		%	%	%		
Jan.	+ 1·6	+ 0·8	+ 5·7	+2.1	+9·1	+ 2·7	+ 5·4	+5.5	+4.2
Feb.	+ 8·2	+ 3·0	+16·5	+7.7	+4·4	+ 5·5		+5.2	+6.1
Mar.	+15·2	—	— 5·2	+4.8	—1·5	— 0.7	—3·3	—1.9	+0.5
Apr.	+ 1·3	+11·7	— 0·4	+4.9	—0·2	— 1.5	+0·7	—0.3	—1·6
May	— 1·2	— 8·0	—20·7	+1.0	+3·7	—13·1	—2·9	—4.4	—2.3
June	+ 2·5	+ 0·2	+ 4·9	—2·2	—1·1	+ 0·8	—9·3	—4.2	—1.7
July	— 4·6	+14·5	—14·3	+0.1	+2·8	— 3·1	—1·7	—0.8	—0.4
Aug.	— 7·1	+ 5·2	— 5·1	—1.8	+1·7	— 0·1	+0·1	+0.5	—0.4
Sept.	+ 0·7	— 1·4	—17·3	—2.3	+0·7	— 4·2	+0·5	—0.8	—1.9
Oct.	— 4·9	— 0·2	—22·9	—1.8	—2·3	— 8·7	—3·9	—4.8	—3.5
Nov.	— 7·7	+ 1·2	— 7·3	—3.7	—4·1	— 18·9	—5·6	—8.8	—6.7
Dec.	—16·6	—10·8	—12·5	—13·1	—4·3	— 3·2	—2·1	—3.5	—7.4
Dec. on April	—25·8	— 1.4	—43.9	—13.6	—3.5	—42.1	—22.6	—23.9	—22.1

It will be useful also to compare for each group the extent of the decline from the highest point attained as recorded in the subjoined statement:—

	Highest Level Reached		% above 1913	Decline from, to Dec. 31
		Date		
Veg. food		June 1920	261·6	28·5%
Animal food		Aug. 1920	196·4	11·2%
Sugar, tea and coffee		June 1920	392·0	57·2%
Foodstuffs		July 1920	225·8	22·2%
Minerals		Sept. 1920	181·7	10·6
Textiles		Feb. 1920	262·1	43·4%
Sundries		Feb. 1920	231·4	24·6%
Materials		Feb. 1920	218·6	20·6
Totals		April 1920	213·1	22·1

How prices are moving in some of the leading countries abroad may be seen below:—

International Wholesale Prices.

	Index-Numbers				Expressed as a Percentage of 1913			
	U.K. ("Statist")	America (Brad-street's)	Japan (Bank of Japan)	France	United Kingdom	United States	Japan	France
1913...	85·0	9·2115	132·2	115·6	100·0	100·0	100·0	100·0
1914...	85·0	8·9034	126·3	117·9	100·0	96·7	95·5	102·0
1915...	108·0	9·8530	127·8	161·6	127·1	107·0	96·7	139·8
1916...	136·0	11·8237	154·9	217·6	160·0	128·4	117·2	187·0
1917...	175·0	15·6385	196·4	302·4	205·9	170·0	148·5	261·6
1918...	192·0	18·7117	259·0	392·1	225·9	203·2	195·9	339·2
1919...	206·0	18·6683	316·6	411·8	242·4	202·7	239·5	355·6
1919								
June...	199·4	18·8964	295·0	380·0	235·0	205·2	223·1	329·0
July...	206·4	20·0017	319·0	403·0	242·8	217·2	241·3	349·0
Aug....	213·7	19·4720	324·0	401·7	250·2	211·5	245·1	347·0
Sept.	214·8	19·3215	352·0	415·9	252·7	211·9	251·1	359·8
Oct....	224·3	19·9026	352·1	441·1	264	216·1	266·3	382·0
Nov....	231·0	20·1756	370·2	428·5	272	219·0	280·0	405·0
Dec....	235·2	20·3658	381·5	488·6	276	221·1	288·6	422·7
1920								
Jan....	245·3	20·8690	397·9	562·7	288	226·6	301·1	486·9
Feb....	260·4	20·7950	413·8	600·3	306·3	225·7	313·6	521·5
Mar....	261·8	20·7124	453·1	641·0	308	224·9	342·8	554·5
April...	266·1	20·7341	466·6	679·2	313·1	225·1	300·0	587·5
May....	260·0	19·8752	328·0	639·2	305·9	215·8	248·1	553·0
June...	255·7	19·3928	337·0	566·6	300·8	210·1	254·9	492·7
July...	254·6	18·8278	317·0	572·9	299·5	204·4	239·8	495·6
Aug....	253·5	17·9746	311·0	579·5	298·2	195·1	235·3	501·3
Sept....	248·7	16·9084	305·0	607·7	292·6	183·6	230·7	525·7
Oct....	239·9	15·6770	298·7	580·6	282·2	170·2	225·8	502·1
Nov....	223·8	13·9093	292·7	554·0	263·3	147·9	221·4	480·2
Dec....	207·2	—	272·0	—	243·8	—	206·7	—

TRADE OF THE UNITED KINGDOM IN 1920.

In the realm of finance the year that has just closed has witnessed a definite attempt at deflation, both here and in America. Not merely has the Bank rate been raised in this country and the Federal Reserve Discount rate advanced in America, but also there had been inaugurated a definite policy on the part of the banks to call in all speculative advances, and to confine loans, as far as possible, to essential industries. In the face of such a financial policy and the wild fluctuations of the New York and the leading Continental exchanges, to conduct the foreign trade of the United Kingdom during 1920 became increasingly difficult as the year progressed, especially in the closing quarter. Moreover, the actual manufacturing operations themselves were impeded by the series of internal labour disputes that came to a head during the year, particularly by the coal strike that was declared towards the end of October. It is necessary that all these adverse factors should be kept well in the forefront in any attempt to measure the progress made in this direction in 1920. That progress has been made, and made on a very satisfactory scale, is evident from an analysis of the returns recently published by the Board of Trade.

Course of Foreign Trade.
(000's omitted.)

	December 1920.	Inc. or Dec on 1919.	Inc. or Dec on 1913.	12 Mos. to December 1920.	Inc. or Dec. on 1919.	Inc. or Dec. on 1913.
	Amount.			Amount.		
	£	£	£	£	£	£
Imports ...	142,785	−26,817	+ 71,670	1,936,742	+310,586	+1,168,007
Re-exports ...	12,699	−13,461	+ 2,971	222,406	+ 57,660	+ 112,839
Net imports	130 088	−13.356	+ 68,699	1,714,336	+252,926	+1,055,168
Exports ...	96,631	+ 5,772	+ 53,303	1,335,569	+536,931	+ 810,315
Exc. of imports	33,455	−19,128	+ 15,396	378,767	−284,005	+ 244,853

The total imports received by the United Kingdom during the year amounted to £1,936,742,000, as against £1,626,156,000 in 1919. To this increase of £310,586,000 all three classes into which the commodities are grouped in the official returns contributed. Class I., dealing with food, drink, and tobacco, accounted for £767,373,000, an increase of £48,250,000 as compared with 1919. Raw materials and articles mainly unmanufactured constitute Class II., and the value imported in this class rose from £606,784,000 to £711,501,000. But it is in Class III., in which are found all manufactured goods, that the most marked expansion took place, the value of the imports being £454,823,000, as against £295,955,000.

The increase in the imports of food, drink and tobacco to £767,373,000 in 1920 covered some varied movements in Class I. The outstanding feature was undoubtedly the sharp rise in the value of grain and flour imported from £151,676,000 in 1919 to £231,713,000. This is mainly due to the increase in the imports of wheat, maize and flour, but as much to the rise in price levels as to the rise in quantity. It is, however, principally the import from America that reflects the latter movement owing to the adverse exchange rate. Thus the total import of wheat rose from 71,443,000 cwt. worth £68,423,000 to 109,404,000 cwt. worth £146,845,000. Further examination reveals that the American import, which reached 31,769,000 cwt. valued at £30,901,000 in 1919, expanded to 45,422,000 cwt. valued at £69,838,000 in 1920. On the other hand, the growth in the import from Argentina, from 6,819,000 cwt. to 30,907,000 cwt., coincided more closely with the rise in value from £6,354,000 to £38,456,000. The figures for flour again show the increase in the price as regards America; in quantity the import dropped from 10,274,000 cwt. to 5,837,000 cwt.; in value the decline was only from £14,924,000 to £10,872,000. Furthermore, whilst the price of Australian wheat did not advance appreciably on the average, Canadian wheat proved much more expensive. In 1919, 17,865,000 cwt. were purchased for £17,509,000; it required £15,582,000 to pay for 10,189,000 cwt. in 1920. The other increase in Class I. was registered in the section dealing with non-dutiable food and drink, the value of the import rising from £162,613,000 to £174,759,000. This increase covered some pronounced and varied movements in the section. The import of butter rose from £19,854,000 to £24,634,000 mainly because of the remarkable expansion in the Danish import from £3,948,000 to £11,762,000, corresponding to a similar increase in quantity. Similarly, the growth in the import of eggs from £8,613,000 to £11,579,000 reflects the large Danish import, valued at £7,032,000, as against £2,776,000 in 1919.

Declines in Class I. were registered in four groups. The import of meat dropped by nearly £34,000,000 to £141,557,000. Here the explanation was furnished by the decrease in the import of bacon and hams. The value of the bacon import fell from £73,592,000 to £50,367,000, and that of the import of hams from £16,090,000 to £2,958,000. Bacon from the U.S.A. was received in 1919 to the value of £52,115,000, and in 1920 to the value of £29,454,000; whilst the trade in hams declined from £15,264,000 to £2,599,000. It is likewise to drop in the American import that accounts for the fall in the import of tobacco from £41,654,000 to £35,677,000. The import of feeding stuffs fell from £11,811,000 to £8,899,000, and that of dutiable food and drink from £175,948,000 to £174,768,000.

Imports of raw materials show an expansion from £606,784,000 to £711,501,000. Only two declines are registered in this class. The import of wool was only valued at £93,957,000, as against £104,753,000 in 1919. The other decline is registered by Group J dealing with oil seeds, nuts, oils, &c., the total of £82,225,000, being over £9,250,000 less than in 1919. The salient increase is found in the import of cotton, which expanded from £190,771,000 to £256,765,000. Here again the adverse influence of the New York exchange is in evidence. In 1919 the import of cotton from the U.S.A. reached 13,707,407 bales valued at £125,484,000; in 1920, as much as £164,916,000 were required to pay for 13,903,337 bales.

The growth in the import of manufactures from £295,955,000 to £454,823,000 was the cumulative result of rises in all groups of Class III. The import of iron and steel manufactures rose from £11,613,000 to £29,006,000. Woollen yarns and manufactures were received to a total of £17,702,000, as against £3,171,000. Silk accounted for £36,916,000, as compared with £22,945,000. The import of chemicals, drugs, dyes, and colours advanced from £21,042,000 to £35,315,000. The expansion in the imports of vehicles from £9,816,000 to £27,233,000 reflects entirely the growth in the imports of motors and parts thereof, which have risen from £5,121,000 to £23,459,000.

It is, however, in the export trade that our recovery stands out most clearly. Exports of the produce and manufactures of the United Kingdom in 1920 amounted to £1,335,569,000, as against £798,638,000 in 1919; whilst re-exports of foreign and colonial merchandise rose from £164,746,000 to £222,406,000. The pronounced depression of all sections of trade during December is eloquently reflected in the decline in exports during that month. The total of British produce and manufactures exported fell from £119,365,000 in November to £96,631,000, the lowest total for the year with the exception of the February return of £85,961,000.

The remarkable increase of £536,931,000 in the value of the exports of British produce and manufactures in 1920 was the outcome of a general expansion in trading activity. Exports of food, drink, and tobacco increased from £33,771,000 to £50,893,000. The rise in Class II. from £111,291,000 to £145,655,000 represented a wide range of advances. Coal is credited with an increase from £83,214,000 to

£99,627,000, although the quantity exported fell from 35,250,000 tons to 24,932,000 tons. The export of cotton and cotton waste is revived and figures at £3,099,000. It is gratifying, however, to record that the export of British manufactures jumped from £641,484,000 to £1,120,732,000. All sections of Class III. contributed, though in varying proportions, to this increase. Proportionately the outstanding feature was the expansion in the export of vehicles, mainly owing to a large export trade in ships, from £13,931,000 to £69,166,000. Most sections of the iron and steel trades doubled their 1919 exports: the trade in general manufactures of this group rising from £64,424,000 to £128,943,000. The boom in Lancashire is reflected in an export of £401,683,000, as against £238,845,000, whilst Yorkshire replaced £95,634,000 with £134,969,000.

Excess of Imports into United Kingdom.

Month	1920 £	1919 £	1918 £	1917 £	1916 £
Jan. ...	52,154,000	82,615,000	54,202,000	35,301,000	29,348,000
Feb ...	61,946,000	55,039,000	57,214,000	24,668,000	22,470 000
Mar. ...	45,918,000	43,715,000	68,042,000	29,465,000	39,707,000
April ...	40,495,000	40,382,000	77,621,000	40,244,000	30,805,000
May ...	26,753,000	59,318,000	77,516,000	37,852,000	25,786,000
June ...	34,015,000	46,120,000	64,176,000	35,999,000	30,780,000
July ...	8,042,000	76,068,000	63,525,000	35,703,000	22,515,000
Aug. ...	24,981,000	58,748,000	64,435,000	46,220,000	20,632,000
Sept. ...	21,886,000	66,376,000	56,094,000	39,870,000	26,842,000
Oct. ...	21,460,000	54,783,000	72,768,000	39,405,000	28,781,000
Nov. ...	11,780,000	36,188,000	70,732,000	62,621,000	39,310,000
Dec. ...	33,450,000	52,717,000	74,797,000	44,450,000	29,434,000

From the point of view of foreign trade, the United Kingdom can look back upon 1920 with a degree of pride. The satisfactory expansion alike in the exports of British produce and manufactures and of foreign and colonial merchandise far outstripped the increase in imports. It is true that the adverse balance of December jumped up by over £21,000,000 to £33,455,000. But that was regarded as inevitable in the light of the trade depression, which had begun to manifest itself in the autumn. Yet, despite this set-back, the total excess of imports over exports fell to £378,767,000, as compared with £669,207,000 in 1919, and the record figure of £783,786,000 in 1918. This remarkable recovery places the trade of the kingdom once again on a stable basis. Despite the invisible exports, 1918 revealed an adverse balance, and the most optimistic estimate of these for 1919 did not quite cover the total of £669,207,000. For 1920 the Board of Trade estimated the invisible exports at £600,000,000. Even if this figure has to be reduced by as much as one-third, there is still left a balance of over £27,000,000 in favour of the United Kingdom; whilst if the estimate is in anyway realised the position is still more favourable. The heavy depression through which all branches of trade and commerce are now passing, as evidenced in the serious increase in unemployment, does not augur well for the opening months of 1921. Signs, however, are not wanting to indicate that the bottom of the depression has almost been touched, and in well-informed quarters the opinion is held that by the spring a return to more normal conditions may be expected.

External Trade of the U.K. since 1914.

(000's omitted).

Year	Imports £	Re-Exports £	Net Imports £	Exports £	Excess of Imports £
1920					
Dec. ...	142,785	12,699	130,086	96,631	33,455
Nov. ...	144,260	13,115	131,145	119,365	11,780
Oct. ...	149,889	16,134	133,755	112,295	21,460
Sept. ...	152,692	13,350	139,342	117,456	21,886
Aug. ...	153,255	13,368	139,887	114,903	24,984
July ...	163,342	17,848	145,494	137,452	8,042
June ...	170,491	20,124	150,367	116,352	34,015
May ...	166,334	20,260	146,074	119,319	26,755
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	85,964	61,946
Jan. ...	183,498	25,464	158,034	105,880	52,154
Year					
1920 ...	1,936,742	222,106	1,714,236	1,335,569	378,767
1919 ...	1,631,902	164,322	1,467,580	798,373	669,207
1918 ...	1,316,150	30,945	1,285,205	501,419	783,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	170,440

IRISH CROPS AND PRICES.

The political situation, strained relations with labour, and the relaxation of the tillage regulations go far to explain the serious decline in the area under crops in Ireland in 1920. The total crop acreage in that year, 5,251,304 acres, is down by 75,133 acres, or 1.4 per cent., compared with 1919, and by no less than 458,608 acres, or eight per cent., compared with the bumper season of 1918. Corn crops in 1920, at 1,596,268 acres, have decreased by 109,389 acres, or 6.4 per cent., on 1919, and 336,525 acres or 17.4 per cent., on 1918; green crops at 987,377 acres in the same year have fallen by 2,098 acres, or 0.2 per cent., and 157,467 acres, or 13.8 per cent., respectively on the two previous years; the decline in hay, 5,251,304 acres in 1920, is 1,776 acres, or 0.1 per cent., and 47,963, or 1.9 per cent., and this is on a small scale. Flax acreage in 1920, at 127,227 is down by 31,617, or 33.1 per cent., compared with 1919, but as regards 1918 is down by 16,128, or 11.3 per cent. Fruit, however, at 22,112 acres, has increased by 2,317 acres, or 11.7 per cent. and 3,609, or 19.5 per cent., respectively, and constitutes the only instance of an improvement on the 1918 standard. Amongst the main causes enumerated above for this general disimprovement we would not be inclined to attach very great importance to politics as the political crisis only became acute several months after seeding-time. Relations between the farmers and labour have not been harmonious since the latter improved their organisation, and in many sections of the country the complaint is universal that the average labourer does not give a fair day's work. Still, the advance in the wages of the ordinary farm labourer—from an average of 12*s.* per week in 1914 to 28*s.* 5*d.* per week in 1919, or 136 per cent., according to a return recently published by the Department of Agriculture—is far behind the rise in the wholesale prices of commodities—176 per cent.—for the same period, and it must also be remembered that the retail prices then charged in numerous parts of the country were absolutely unjustifiable. On the other hand, the labourer was often allowed some perquisities which substantially supplemented his cash earnings.

A further explanation of the decline in the crop acreage is to be sought in the fact that much pasture land brought under tillage by official regulations has now reverted to its former and, possibly, more economical use; moreover, many agriculturists, influenced by difficulties with labour, shortage of fertilisers and high cattle prices, regarded cattle raising as a more remunerative branch of farming.

Adhering to the order of value in the normal year of 1912, the principal Irish crops may be arranged in the following manner: hay, potatoes, oats, barley, flax, and grass seed. Returns, as given in the following table, are now complete for the first four named; and the estimated quantities and values at the farm

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of these crops in Ireland in that year are of importance. Hay, the first on the list, with a quantity of 65,911,280 cwt. was valued at £13,894,000; potatoes, 50,940,000 cwt. were valued at £8,771,000; oats, 19,105,000 cwt. at £6,391,000; barley, 3,111,000 cwt. at £1,337,000, and wheat, which occupies a low place in the scale of value, 838,000 cwt. valued at £325,000. The estimated extent, total produce, and the average estimated yield per statute acre for these crops for the years 1920 and 1919 are shown herewith:—

	1919			1920		
	Extent acres	Produce cwt.	Average yield per acre (cwt.)	Extent acres	Produce cwt.	Average yield per acre (cwt.)
Hay	2,520,006	96,192,900	38	2,518,320	110,945,420	44
Potatoes	588,802	51,931,760	94	584,316	39,718,200	68
Oats	1,142,458	21,440,126	16·9	1,332,050	18,682,309	14
Barley	186,625	3,482,149	18·7	206,888	3,225,700	15·6
Wheat	69,663	1,313,568	18·9	50,252	751,333	15·0

With the single exception of barley the area under the above crops has declined. In hay alone has there been an increase in produce, and an increase in the estimated yield per acre. The heavy fall in potato produce has been ascribed to lateness of planting, unfavourable weather up to and during the spraying period, and the sudden and early termination to growth caused by the widespread attack of blight. The long spells of unusually wet weather in the early spring and midsummer considerably retarded the growth, ripening and saving of the grain crops. Compared with 1912 there have been decreases in the potato, oats, and wheat produce, but increases in barley and, particularly, hay. On the basis of the values obtaining in 1912 the 1920 crops listed in the above table would fetch in round figures £38,083,000, an advance of twenty-four per cent. on the total valuation—£30,718,000—made for similar crops in the former year. The course of prices since 1912 may not, consequently, be without interest, and below are furnished some details of the prices in the last quarter of 1912 and in November of 1919 and 1920:—

Average Prices of Some Categories of Agricultural Produce Sold at Irish Markets.

	Last quarter of 1912 per cwt.	Nov. 1919 per cwt.	Nov. 1920 per cwt.	% Increase Nov. 1920 on 1912.
	s. d.	s. d.	s. d.	
Hay (1st and 2nd years)	3 4	9 11	7 1	112
,, meadow	2 4	8 0	5 5	125
Potatoes	3 10	6 6	9 9	156
Oats:				
Black	6 3	15 0	15 7	144
White	6 11	16 6	16 8	140
Barley	8 9	24 4	22 5	156
Wheat	7 8	17 3	23 1	202

The percentage increases in the last column have some significance in view of the fact that wholesale prices in general between 1912 and November 1920, according to the index-numbers published in this Journal, rose by 163 per cent. This percentage is only exceeded in one instance in the above table, and then by the least important Irish crop. Hay, the most valuable product on pre-War values, is credited with the most insignificant increase. This induces the conclusion, cursorily, at any rate, that the level of prices ruling in November 1920 might easily be more remunerative for the Irish farmer.

A RETROSPECT OF THE YEAR IN THE UNITED STATES.—II.

THE most important influence towards relieving the strain on banking resources was the fall in the general level of prices, a direct result of the policy inaugurated by the Federal Reserve Board. The peak of high prices according to Bradstreet's index-numbers was reached at the beginning of February, at a level 126.6 per cent. above that for 1913. From February onwards prices began to fall. At first the movement was slow, but towards the end of the year it gathered momentum, until in November the price level fell by over thirteen per cent. The following table shows the movements in prices month by month during 1920, according to Bradstreet's index-numbers:—

Wholesale Prices of Commodities in U.S.A. during 1920.

1920	Index-Numbers	Expressed as a Percentage of the Average for 1913	+ or — % in each Month
Jan. 1	$20·3638*	221·1	+ 1·0
Feb. 1	20·8690	226·6	+ 2·4
Mar. 1	20·7950	225·7	— 0·4
Apr. 1	20·7124	224·9	— 0·4
May 1	20·7341	225·1	+ 0·1
June 1	19·8752	215·8	— 4·1
July 1	19·3528	210·1	— 2·6
Aug. 1	18·8273	204·4	— 2·7
Sept. 1	19·9746	195·1	— 4·5
Oct. 1	16·9094	183·6	— 5·9
Nov. 1	15·6750	170·2	— 7·3
Dec. 1	13·6263	147·9	— 13·1

* The Index-numbers represent the sum-totals of the prices per pound of 96 articles of common consumption.

The total decline between February 1 and December 1 was 34.7 per cent., and the level of November 1 is less than fifty per cent. above that for 1913. Naturally so severe a fall in prices could not have been effected without causing great hardship to trade and industry. Reduced productive activities and the growth of unemployment are also, as elsewhere, amongst the evils arising out of the depression. In the case of the United States, however, unemployment was to some extent relieved by the fact that labour began to drift back from the great industrial centres to the land, a movement the reverse of that which occurred just after the Armistice. The subjoined table shows the business failures during the first nine months of 1920, as compared with the corresponding period of thirty-eight preceding years:—

Business Failures in U.S.A. as Reported to Bradstreet's: 1882-1920.

(First nine months of each year)

Year	Number of Failures	Assets $	Liabilities $	% Assets to Liabilities
1920	**4,885**	**118,394,342**	**218,013,462**	**63·4**
1919	4,214	44,630,323	90,690,377	49·2
1918	7,557	51,047,879	107,459,961	50·3
1917	10,080	66,389,326	126,102,318	52·3
1916	12,619	66,694,037	136,453,696	56·4
1915	14,699	129,237,331	219,926,657	58·7
1914	11,576	152,786,525	275,077,917	55·5
1913	10,400	120,146,059	208,746,746	57·5
1912	10,706	78,172,527	152,910,159	51·1
1911	9,295	77,286,852	138,049,423	56·0
1910	8,561	65,752,040	136,837,905	47·7
1909	8,768	54,463,124	107,911,968	50·4
1908	**10,691**	**143,326, 35**	**244,835,494**	**58·5**
1907	6,882	61,295,259	111,248,058	55·1
1906	6,866	41,316,174	89,522,183	49·1
1905	7,421	46,224,640	87,749,938	52·6
1904	7,718	62,127,790	114,805,852	54
1903	6,898	43,668,809	88,878,695	49
1902	7,452	36,466,826	76,784,151	47
1901	7,805	46,728,251	97,967,935	47
1900	7,093	41,027,586	86,754,988	47
1899	7,075	29,230,931	65,856,218	44
1898	8,855	52,742,809	102,197,887	51
1897	9,833	65,454,923	118,484,659	55
1896	11,280	99,613,765	171,350,292	58
1895	9,299	61,162,107	109,756,723	56
1894	9,251	59,707,031	110,674,934	54
1893	**11,140**	**227,373, 31**	**327,273,108**	**70**
1892	7,378	39,209,701	76,971,771	51
1891	8,866	71,811,320	138,811,510	51
1890	7,538	44,450,712	92,541,950	48
1889	8,334	50,751,994	101,755,518	50
1888	7,330	44,649,552	83,941,991	53
1887	6,958	44,545,000	93,642,000	49
1886	7,618	37,397,000	77,110,000	48
1885	8,433	43 864,000	90,976,000	48
1884	8,303	108,452,000	195,951,000	55
1883	7,358	65,262,000	123,054,000	52
1882	5,307	36,542,000	71,162,000	51

It will be noticed that the average size of the businesses involved in 1920 was the largest during the period covered by the table, while the ratio of assets to liabilities was abnormally high, a feature that is characteristic of failures generally in times of crisis, as witnessed by the years 1893 and 1908. The data available for later months of 1920 show that the failures have become more serious since September, the amount of liabilities involved in November last being larger than for November of any previous year.

Money rates during 1920 for all classes of transactions rose to new high records. The rates for call

money and for prime mercantile paper each week since July 1919 are shown in the following table:—

Money Rates in New York.

Week ended 1919.	Range of Rates for Call Loans. %	Discount Rate—Prime Mercantile Paper. %
August 2 ...	5 -18	5½-5¾
,, 9 ...	3 - 6	5½-5¾
,, 16 ...	3½- 6	5½-5¾
,, 23 ...	3½- 8	5½-5¾
,, 30 ...	5 - 6	5½-5¾
Sept. 6 ...	4½- 6	5½-5¾
,, 13 ...	5½- 7	5½-5¾
,, 20 ...	4 - 6	5½-5¾
,, 27 ...	5½- 9	5½-5¾
Oct. 4 ...	6 -15	5½-5¾
,, 11 ...	6 12	5½-5¾
,, 18 ...	6 -15	5½-5¾
,, 25 ..	4 - 8	5½ 5¾
Nov. 1 ...	4½- 9	5½-5¾
,, 8 ...	2 - 9	5 - ½
,, 15 ...	6 -30	5½-5¾
,, 22 ...	6 -12	5½ 5¾
,, 29 ...	6 -10	5½-6
Dec. 6 ...	5½-7	5¾-6
,, 13 ...	6 -15	5¾-6
,, 20 ...	5 - 9	5¾-6
,, 27 ...	7 -18	5¾-6
1920		
Jan. 3 ...	6 -25	6
,, 10 ...	6 -10	6
,, 17 ...	6 -18	6
,, 24 ...	6 - 8	6
,, 31 ...	7 -20	6
Feb. 7 ...	10 -25	6 -6½
,, 14 ...	6 -14	6½-6¾
,, 21 ...	6 - 7	6½-6¾
,, 28 ...	6 -15	6½-6¾
March 6 ...	6 -10	6½-6¾
,, 13 ...	7 -15	6¾-6¾
,, 20 ...	6 - 9	6¾-6¾
,, 27 ...	6 -14	6¾-6¾
April 3 ...	8 -12	6¾-6¾
,, 10 ...	6 -10	6¾-6¾
,, 17 ...	6 -15	6¾-7
,, 24 ...	6 - 9	6¾-7
May 1 ...	7 -15	6¾-7
,, 8 ...	6 - 9	6¾-7
,, 15 ...	7 -12	7¼
,, 22 ...	6 - 8	7¼
,, 29 ...	6 - 7	7¼
June 5 ...	6 -10	7¼
,, 12 ...	6 -12	7¼
,, 19 ...	6 - 9	7¼
,, 26 ...	7 -14	7¼
July 3 ...	7 -15	7¼
,, 10 ...	7 -10	7¼
,, 17 ...	8 -11	7¼
,, 24 ...	8 - 9	8
,, 31 ...	7 -10	8
August 7 ...	6 - 8	8
,, 14 ...	6 - 7	8
,, 21 ...	7 - 9	8
,, 28 ...	7 -10	8
Sept. 4 ...	6 -10	8
,, 11 ...	6 - 8	8
,, 18 ...	6 - 7	8
,, 25 ...	7	8
Oct. 2 ...	7 - 9	8
,, 9 ...	7 - 8	8
,, 16 ...	6 -10	8
,, 23 ...	6 -10	8
,, 30 ...	8 -10	8
Nov. 6 ...	9 -10	8
,, 13 ...	7 -10	8
,, 20 ...	6 - 9	7¾-8
,, 27 ...	5 - 7	7¾-8
Dec. 4 ...	6 - 7	7¾-8
,, 11 ...	7	7¾-8
,, 18 ...	7	7¾-8
,, 24 ...	7	7¾-8
,, 31 ...	7	7¾-8

A prominent feature of the rates for call money is that the range of quotations was very wide towards the end of 1919, and for a large portion of 1920, but latterly fluctuations have become much less violent in accordance with the gradual elimination of speculative activities.

The present widespread depression has evoked bitter criticism on the part of business interests of the action of the Federal Reserve Board. To a certain extent this is perhaps justified, for deflation seems to have been too rapid as well as being uneven. The farming community, for instance, are faced with the necessity of selling their products below cost of production, and the result has been a serious curtailment of their purchasing power. It must also be said that the Government did nothing to relieve the strain which the deflation policy was inevitably to bring upon industry, by a reduction of the burden of taxation. It cannot be maintained, however, that the banks did not extend credit up to their full capacity. In point of fact the volume of loans during the year reached dimensions never previously attained, while the proportion of banking reserves to liabilities descended to new low records. The average position each month since June 1919 of the Federal Reserve Banks and New York Clearing Banks are set out in the subjoined tables:—

Twelve Federal Reserve Banks.

(000's omitted.)

1920	Rediscounts for Member Banks $	F.R. Notes in Circulation $	Total Gold Reserves $	Total Reserves $	% of Total Reserves to F.R. Note & Net Deposit Liabilities Combined %
Dec. ...	2,705,520	3,343,273	2,042,030	2,220,458	44·9
Nov. ...	2,755,095	3,329,060	2,010,595	2,181,313	43·8
Oct ...	2,685,944	3,337,516	1,997,884	2,160,735	43·1
Sep ...	2,658,448	3,277,033	1,975,378	2,133,490	43·2
Aug. ...	2,606,325	3,172,353	1,974,038	2,128,803	43·8
July ...	2,493,694	3,144,798	1,975,080	2,119,880	43·8
June ...	2,453,785	3,115,258	1,964,403	2,102,760	43·4
May ...	2,522,158	3,088,472	1,942,052	2,079,456	42·5
April ...	2,414,355	3,074,885	1,953,183	2,084,760	43·1
March ...	2,372,263	3,041,233	1,935,695	2,057,213	42·8
Feb. ...	2,452,103	2,961,993	1,979,148	2,056,4 8	43·2
Jan. ...	2,147,768	2,891,628	2,037,436	2,097,900	44·7
1919					
Dec. ...	2,109,380	2,958,935	2,089,448	2,151,235	45·9
Nov. ...	2,166,990	2,821,168	2,116,468	2,183,553	47·2
Oct. ...	2,101 570	2,750,148	2,136,095	2,205,336	47·8
Sept. ...	1,829,252	2,643,544	2,096,202	2,166,088	51·1
Aug. ...	1,791,725	2,551,780	2,077,108	2,145,635	50·8
July ...	1,884,992	2,622,770	2,107,300	2,174,070	50·4
June ...	1 836,193	2,499,938	2,177,295	2,245,765	52·8

New York City Banks and Trust Companies associated with the New York Clearing House.

(000's omitted.)

1920	Loans, Discounts, Investments, &c. $	Net Demand Deposits $	Aggregate Reserve $	Excess Reserve over Legal Requirements $
Dec. ...	5,231,206	3,999,182	548,474	15,548
Nov. ...	5,261,500	4,036,603	551,820	15,938
Oct. ...	5,429 715	4,159,860	564,182	12,502
Sept. ...	5,21 ,805	4,040,895	548,825	12,830
Aug. ...	5,130,315	4,021,348	433,910	7,600
July ...	5,149,340	4,[illegible]15	561,990	14,578
June ...	5,135,838	4,187 563	578,785	24,243
May ...	5,142,138	4,[illegible]18	576,438	21,575
April ...	5,160,660	4,184,862	583,036	27,114
March ...	5,104,073	4,129,288	5[illegible]5	24,678
Feb. ...	5,144,525	4,118,063	5[illegible]5	23,808
Jan. ...	5,306,744	4,160,444	565,630	28,844
1919				
Dec. ...	5,156,018	4,112,230	579,073	32,545
Nov. ...	5,270,343	4,201,985	600,345	41,495
Oct. ...	5,380,184	4,199,134	584,[illegible]2	24,254
Sept. ...	5,170,470	4,168,595	586,443	32,928
Aug. ...	4,967,690	4,030,048	559,[illegible]8	8,190
July ...	4,963,356	4,111,894	568,718	30,300
June ...	5,025,530	4,082,248	576,595	39,508

Though criticism may properly be directed against the financial authorities in some directions, it will yet be seen, when the present situation will have been cleared, that on the whole they acted in the best interests of the country. Though painful, deflation was a necessary operation, and to-day the position is inherently sounder than before the depression started. The manner in which the Federal Reserve system has stood the strain affords a striking tribute to its intrinsic soundness. To-day the United States is financially the soundest country in the world; it holds the strategic position in regard to future international commercial relations, and with wise direction, it bids fair to occupy the position which we held before the War.

For Europe one result of the depression in the United States is that the country has abandoned its position of indifference to the condition of the Continental countries, and has come to realise that the economic solidarity of the nations is to-day more important than ever before. A persistence in the former policy of aloofness would produce incalculable loss, not only for Europe but for the United States itself, for no country can give more help towards the reconstruction of the war-stricken regions, and no country is more interested in their recovery than the United States—the premier creditor nation of the world.

ARGENTINA.

A RICH HARVEST.

READERS who have any knowledge of Argentina, or are interested in any economic sense in the fortunes of the Republic, must have been alarmed by the somewhat sensational cablegrams which came through regarding the recent tremors of earthquake at Mendoza. Fortunately, later advices prove them to have been very greatly exaggerated. Now no one who has felt even the slightest tremor of earthquake will attempt to belittle its effects. We are so imperfectly acquainted with the causes which lead to earth tremors and the probable effects of an earthquake and the feeling inspired is so dreadful that few people who have ever experienced it can forget the effect throughout the whole period of their lives. Having said so much, we may now add that fortunately, according to the cables recently received, the destruction which actually took place in the region of Mendoza was comparatively slight, and its effect upon the economic interests of the Argentine Republic hardly to be regarded as serious.

Mendoza, it will be remembered, is situated some 2,000 feet above the sea, at the approach of the foothills of the Andes, on the direct path to Chili. It is a great sugar- and fruit-raising area. The soil is naturally exceedingly rich and fertile, but it lacks moisture. In the remote past it was regarded as little better than a sandy desert, the rainfall, particularly in certain seasons, being exceedingly small. Fortunately, running through the city is an important river, and it was comparatively early discovered that with irrigation the apparently sandy

desert became rich and fruitful land, in which it was possible to grow sub-tropical products. As the importance of irrigation came to be appreciated by the colonists, and later by the Argentine people when they had ceased to be subjects of the Spanish Crown, efforts were made to increase the fertility of the area by means of irrigation from waters flowing from the Andes themselves. These attempts met with a large measure of success, and this region now produces the great bulk of the sugar and a large part of the fruits and vines grown in the Republic. This part of Argentina contains some of the finest wine-making plant to be found anywhere in the world—of an extent, in fact, three times greater than anything with which it might be compared now existing in Europe. Up to the present the cost of production in Argentina has been so considerable that it has never been found profitable to export Argentine wine to any marked extent except to neighbouring countries. Until the outbreak of the recent War the local produce was regarded as only suitable for local consumption; and for ceremonial occasions, even in Argentina itself, wines of European origin were always used. With the outbreak of the War, and the impossibility of importing foreign wines, this prejudice gradually disappeared, and now the local-grown wines have established a position throughout the Republic from which it would be difficult to dislodge them. Unless, however, wine is produced upon a very much greater scale than at present, there seems very little prospect of it being exported, at any rate to Europe, for a considerable time to come.

Fortunately, as we have said, very little of the sugar area and very little of the vine area has been injured by the recent earthquake. The city of Mendoza itself has, according to latest advices, been wholly unaffected. Outlying portions, and particularly outlying villages, have been very seriously affected. What seemed so alarming in the telegrams to which we have just referred was the report that between 400 and 500 houses had been totally destroyed. Of course it entirely depends upon what one means by a house. As a matter of fact, the houses that have fallen down were simply mud huts in villages far removed from Mendoza itself, made of what is known in South America as *adobe*. It will be neither difficult nor costly to replace the houses destroyed, according to the latest information received. There was, unfortunately, some loss of life, and of course this cannot be replaced.

So far as the Republic is concerned, taken as a composite whole, the great dominant economic factor is the favourable nature of the crops throughout the whole area of the Republic. The secondary factors are the smallness of the population and the check which the needed expansion of transportation facilities has received as a result of the recent European War. It has to be remembered that the total area of the Republic is about ten times that of the United Kingdom. The cultivated area is about equivalent to that of the island of Great Britain alone. For reasons into which we have not space to enter now, but which we have explained fully on various occasions, certain economic factors have been developed in the Republic to a remarkable extent, bearing in mind the small population, which even at the highest estimates is considerably under nine millions, and the comparative lack of transportation facilities. For example, Argentina is the greatest exporter, as well as the greatest producer, of linseed used for making linseed oil and cattle-feeding products, as distinct from the other variety which is cultivated for the purpose of making flax. No method has yet been discovered which would make it possible to cultivate the plant for both purposes. As we have just said, only a small part of the Republic is so far cultivated. In the early days, when as yet no means were known whereby food and raw materials could be sent in large quantities from a country so remote as the Argentine Republic to the great consuming centres of Europe or the East, which were in those days the only densely populated areas of the earth, Argentina's foreign trade consisted almost entirely in the export of raw hides. Cattle, if we may use the phrase, were raised, or perhaps it would be more correct to say were allowed to grow up, simply for the purpose of selling their hides, very much as is done now in certain of the less accessible areas of various of the other nine Republics of the South American continent. Gradually it came to be seen that means existed whereby it was possible to ship food and raw materials upon a great scale from La Plata to be consumed in England. When this came to be realised money was poured into the country by the investing classes here and railways were built connecting the principal towns south and west of the Republic with the capital. As a result Argentina became a great source of supply of chilled and frozen beef; a great source of supply of wool; and, more recently, a great source of supply of wheat. Up to the present comparatively little development has taken place outside the great Metropolitan Province of Buenos Ayres, which, by the way, we may add, is in extent considerably larger than the whole area of the United Kingdom. As we have said, by means of irrigation from the Mendoza River, and by utilisation of the waters coming down from the Andes, a great area around and about Mendoza has been brought into cultivation in connection with the production of the vine, the sugar-cane, and various fruits, of which the most important are oranges, lemons, peaches, plums, figs, and apples. Altogether it is estimated that something between 400 and 500 million litres of wine are raised each year in this district, and much of it wine of exceedingly good quality. Outside this area, as we have said, development has been mainly confined to the Province of Buenos Ayres, for the reason that it is naturally the richest and is most accessible to the Port of Buenos Ayres, from which the great bulk of Argentina's produce is shipped, partly because it is the capital, partly because the railways centre at Buenos Ayres, and partly because the facilities offered at Buenos Ayres are out of all proportion greater than at any other port of the Republic. Those who know the Argentine coast are, of course, aware that it is exceedingly flat and low-lying, and is extremely difficult of approach. Those of our readers who are old enough will remember the time when it was impossible to approach the city of Buenos Ayres itself in any boat drawing any considerable depth of water; and even some readers may remember the time when, after unloading from the steamer lying far out in the river to lighters, it was further necessary to unload again into those peculiar high-wheeled carts which are familiar to visitors who know the country districts of the Republic. Quite recently Argentina has become a great source of supply of wool. It is estimated that the total sheep population of the Republic closely approaches that of Australia. It is a remarkable fact, too, that the sheep are raised upon a comparatively infertile and more or less rainless country, as is the case in the Commonwealth. South of Bahia Blanca it would not, perhaps, be fair to say that the land is infertile, because we have seen in various parts of the Republic, as well as in various other parts of the world, what it is possible to do by means of irrigation. Bahia Blanca, the great naval arsenal of the Republic, itself affords an illustration of what it is possible to do by means of irrigation. Certain it is, however, that the rainfall, which does not average above five inches, is totally inadequate for the operations of agriculture upon any considerable scale in that area. Sheep breeding, however, has been carried on with great success; and the result is that Argentina is one of the great wool-producing countries of the world. Up to the present the British Empire has been the principal source of supply for wool, producing, in fact, owing to the vast flocks of Australasia, something like eighty per cent. of the total. Unfor-

tunately, the policy adopted by the Government during the War has threatened our pre-eminence in this matter. A new scheme is in course of adoption which it is hoped will assist the difficult position largely created by the Government itself. The proposal is to bring about partial decontrol by our own and the colonial Government concerned, and to assist to stabilise the sale of the product by means of a company. It is to be hoped that such a proposal will not merely delay the difficulties inevitable from decontrol of the enormous stocks accumulated at the desire of the Government in this country and in Australia. In our opinion, the best course would be to free the markets and allow the traders to settle the question by themselves. However this may be, South America is being afforded a great opportunity for improving her breeds of sheep. The sheep country south of Bahia Blanca is not at all unlike Northern Europe. It is bleak and cold, and sheep accustomed to the northern parts of our islands, and, indeed, to the northern parts of Europe generally, would be expected to, and do, in fact, thrive exceedingly well on the windswept plateaus of Patagonia. Already, as we have said, the Patagonian regions of the South American continent breed fully twenty per cent. of the world's fleeces. Up to the present the wool has never succeeded in commanding as high prices as that obtained from fleeces coming from Australia. The climate of Australia may, of course, have something to do with this, but we are inclined to think it is much more a question of breed than of climate. This, of course, is merely a matter of opinion, and will, in due course, decide itself. Flock-masters in Patagonia both East and West of the Andes are of the opinion we have already expressed, and they are doing everything they can to improve the breed of their flocks. If the opinion proves to be well based, South American fleeces should, in due course, command as high prices as those from any other part of the world.

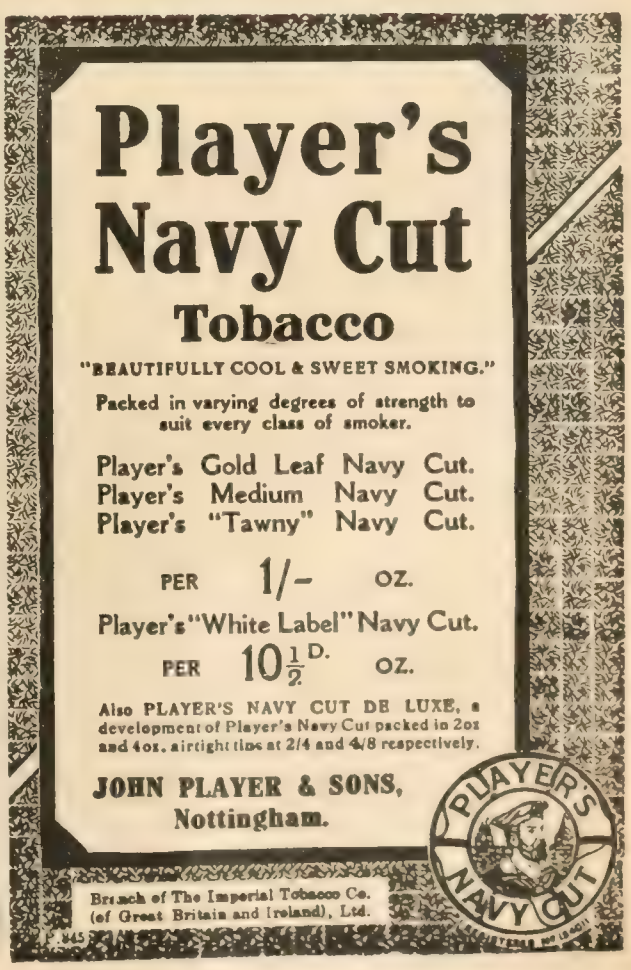
SOUTH AND CENTRAL AMERICA.

MEXICAN BONDS.

An important note has been issued by the International Committee formed for the protection of Mexican bondholders. The Note is signed by the representatives of the British group on that Committee. It is stated that the Committee have had under consideration the question of calling for a deposit of Mexican Government securities. At present it is felt that the situation in Mexico has not sufficiently developed to make such action desirable. The Committee adds, however, that it is paying careful attention to events in Mexico, and will be prepared to take any steps which it demands in the interests of the bondholders.

So far as it goes this statement is quite admirable. We might say more, and, in fact, are disposed to say more. In some quarters the Note has been described as telling us exactly what we already knew. In a sense this is, of course, quite true. But in another sense it does not give the whole of the truth. What the Committee really means is that, after sounding the Mexican Government, they have come to the conclusion that the present Administration under President Obregon means to do so far as in its power lies what is just and right by the bondholders. Of course, it will be clearly understood that after ten years of revolution no President, and no Government, however anxious to do what is reasonable, can coolly sign a draft for the accrued interest of all Government obligations during the past ten years, and instruct their agents in London or elsewhere to pay it off as though they had just acquired some immense amount in readily mobilisable securities. It will take the Mexican Government a very considerable time before it is possible to pay off the aggregate liabilities which have accumulated during the past ten years. All that the Note means, and all that can reasonably be expected, is that the present Mexican Government, believing itself to be, and appearing to be, in full possession and control of the whole area of the Republic, is anxious to do what is reasonable and just in the economic interests of the Republic itself, as well as in those of the bondholders. It realises, as every country comes to realise sooner or later, that the borrower who will not pay his debts can only hope to borrow at usurious rates, and ultimately at rates which mean that he will be exploited, and unmercifully exploited at that, by his creditors. No one who means to play fairly with a debtor who cannot pay, and has no intention of paying, will lend money. Consequently, an impecunious debtor who plays fast and loose with his creditor can only expect very unfavourable terms.

Mexico will, of course, require assistance to enable her gradually to put herself into such a situation as will permit of her meeting the liabilities already incurred. This remark applies to, and throws a lurid light upon, the situation in the devastated areas of Europe as a result of the recent War. Where assurances which can reasonably be accepted from a responsible Government, and from a responsible body representing the great dominant economic interests of the country, are forthcoming there is no objection whatever to granting reasonable credit which will enable those debtors to meet, not the whole, because that is not possible, but a proportion of their liabilities. Mexico is finding at present very little difficulty in obtaining the necessary credits to enable her to develop the oil and other mineral industries in which so many of her creditors are interested. In the same way those countries of Europe which are seeking assistance should have little difficulty in obtaining credit provided they are in a position to satisfy both the creditor Governments and the financial institutions acting in concert with those Governments that there is a real desire to meet liabilities, and that those undertaking the responsibilities for the creditor countries are themselves in a position, and likely for some reasonable time to remain in a position, to fulfil those liabilities.



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The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Coal Output and Exports.

The output of coal within the United Kingdom in the first three quarters of 1920 displays a declining tendency, which was only slightly checked during the third quarter. In the following table, in addition to the tonnage, the number of persons employed and the average amount of coal raised per head are given:—

Quarter ended	Output in tons	Average number of persons employed	Average Output per person in tons
March 31, 1920	62,103,000	1,188,500	52·26
June 30, 1920	58,166,000	1,200,300	54·46
September 30, 1920 ...	59,251,000	1,207,800	49·06

Since the first three months of the year there has been a decrease in output of 3.2 tons for each person employed. The returns for the final quarter are not yet available, but from the weekly figures it may be forecasted that the aggregate will fall below 50,000,000 tons, equivalent to less than forty tons per person employed. The strike from mid-October to mid-November was largely responsible for the decline, but since then outputs have risen. In the week ended November 20, for the first time since the commencement of the year, the coal raised exceeded 5,000,000 tons, and in the week to December 18 it reached the record level of 5,307,000 tons. Coincident with this increase there was a decline in the home demand for industrial purposes, and hence the Inland Supplies Co-ordinating Committee, which is charged with seeing that all inland requirements for coal are fully met, has considered it advisable to relax export restrictions. The Secretary for Mines has permitted certain District Committees, as from Monday last, to export coal, coke, and patent fuel without restriction either of quality or quantity. Home requirements will still, of course, receive priority, and collieries must obtain permission to export from their local Coal and Coke Supplies Committee. At the same time, to the intense relief of all shipping interests, the restrictions on bunkering set forth on the official Order of November 8 last have been altogether suspended. London shipowners, who had to bunker exclusively from South Wales, will particularly welcome the change.

Iron and Steel Production.

The British make of pig iron in December amounted to 675,300 tons, and of steel to 745,400 tons, as compared with 403,200 tons and 505,100 tons respectively in the previous month. Comparative figures for other months are shown in the annexed table:—

	Pig Iron		Steel Ingots & Castings	
	1919	1920	1919	1920
January ..	661,000	665,000	718,000	754,000
February	62[illegible],000	645,000	734,000	798,000
March	691,000	699,000	758,000	840,000
April ...	647,000	671,000	668,000	794,000
May ...	671,000	739,000	755,000	846,000
June ...	658,000	726,000	631,000	845,000
July	641,000	750,600	618,000	789,900
August ..	521,000	752,400	474,000	709,200
September .	581,000	741,000	718,000	884,700
October ..	415,000	535,00	433,000	544,300
November ..	624,000	403,200	695,000	505,100
December .	632,000	675,300	692,000	745,400
Total	7,398,000	8,000,700	7,894,000	9,055,600

During the past twelve months the output of pig iron reached 8,000,700 tons, and of steel ingots and castings 9,055,600 tons, an increase of 602,700 tons and 1,161,600 tons respectively on 1919. The improvement is perceptible, though of small dimensions, and it would have undoubtedly been more marked had not the coal strike intervened. The December outputs are, however, above the monthly average for the year, but it is probable that the decline in industrial activity at home and the decrease in the exports of manufactured iron and steel goods in December will be reflected in a contraction in the January outputs.

Foreign Loans in New York.

It is now quite a considerable time since any foreign loan was offered for subscription in New York, but as monetary conditions on the other side of the Atlantic have eased considerably since the turn of the year, and are likely to continue so during the next few months unless a marked revival in the Stock markets occur, we may soon expect to see further applications there for funds on the part of foreign governments and municipalities. Of recent issues of this nature a few stand at a discount in Wall Street, but the majority command a premium. It is interesting to note that among the latter is an issue of Eight per Cent. Seven-year Gold Bonds made by the well-known Belgian company manufacturing carbonate of soda and its derivatives, Solvay et Cie., while among those quoted under par the Norwegian External Eight per Cent. Loan, 1940, and the recent Danish Government eight per cent. issue are conspicuous. It will be of interest to enumerate some yields obtainable at current New York prices on this class of securities. Taking Wednesday's closing prices, the flat yields were as follows: Cities of Lyons, Marseilles, and Bordeaux Fifteen-year Six per Cent., 1934, 7.7 per cent.; Swedish Government Six per Cent. Gold Bonds, 1939, 7.3 per cent.; Swiss Government Five-and-a-Half per Cent. Loan, 1929, 6.4 per cent.; City of Copenhagen Five-and-a-Half per Cent., 1944, 7.3 per cent.; Belgian Government Six per Cent. External Gold Bonds, 1925, 6.5 per cent.; Norwegian Government Six per Cent., 1923, 6.5 per cent.; Belgian Government External Seven-and-a-Half per Cent. Loan, 1921-45, 7.6 per cent.; French Republic External Eight per Cent. Loan, 1945, 7.9 per cent.; Norwegian Government External Eight per Cent. Loan, 1940, 8.08 per cent.; Solvay et Cie. Eight per Cent. Gold Bonds, 1927, 7.9 per cent.; Danish Government External Eight per Cent. Loan, 1945, 8.3 per cent.

The Banker as Lender.

The first Gilbart Lecture, by Mr. F. E. Steele, assistant general manager of the London County Westminster and Parr's Bank, on "The Banker as Lender," was delivered at King's College, Strand, on Monday, and repeated on Thursday. The lecturer approached the subject from the point of view of the bank's balance sheet, of the various items in which he gave a lucid explanation. Taking a typical balance sheet, he described in detail what proportion should be borne by the various assets—cash, money at call and short notice, &c.—to the total liabilities, and showed how the policy of a bank was determined by the necessity of maintaining this proportion. He also had some interesting and informative remarks to make concerning the new form of monthly balance sheet which the clearing banks have agreed to adopt for the current year.

ANGLO-SOUTH AMERICAN BANK, LIMITED.—In our International Banking Section, published last month, reference was made to the representation of this Bank in Yorkshire. We shall be glad if our readers will note that since the commencement of 1920 the Bank has had its own branch in Bradford, situated at 69 Market Street.

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UNITED STATES FOREIGN TRADE.

As is the case with Europe, the returns just to hand of the foreign trade of the United States for the month of November show an apparent decline. The exports are lower measured in money values by some ten per cent. when compared with the figures for the month of October. The imports into the United States during November were four per cent. lower measured in money values when compared with the October figures. These declines are partly accounted for by the general fall in prices which has taken place in the United States to a greater extent than is the case upon this side of the Atlantic. It is partly, also, accounted for by a known reduction in the export of various commodities, notably wheat and cotton. In imports the decline is really very small, and even in exports, bearing in mind the lower level of prices, the decline is not really appreciable. The November total for imports, however, exceeds forty per cent. compared with the highest figures recently recorded. During the month of November the exports of various products from the United States amounted in money value to $675,000,000. The imports for the same month amounted in money value to $321,000,000. There was, therefore, measured in money values, an excess of exports over imports amounting to $354,000,000. In June 1919 the value of the exports of various products from the United States exceeded $928,250,000 in value, while the value of the imports was well under $300,000,000. In other words, the excess of exports over imports in June last year considerably exceeded in value $600,000,000.

For the eleven months of the calendar year the total value of the exports somewhat exceeded $7,500,000,000, a gain of 3.7 per cent. over the record total for the same period of 1919; while exports exceeded in value $5,000,000,000, a gain of more than forty per cent. compared with 1919. The total trade for the eleven months exceeded $12,500,000,000, being a gain of some $1,700,000,000, or sixteen per cent., in excess of the record figures for 1919. That is to say, measured in dollars, the value of the foreign trade for the first eleven months of the current year was the greatest in the recorded history of the United States of America. More than eighty per cent. of the increase in these enormous figures is due to an expansion in the import trade of the United States, although the total value of the exports exceeded those of the imports by nearly $2,500,000,000. *Bradstreet's* ventures to estimate that the total value of the United States foreign trade for the full calendar year just ended will exceed $13,500,000,000, which would compare with $11,800,000,000 last year. These figures are arrived at on an estimate exceeding $8,000,000,000 as the value of the exports and $5,300,000,000 as the value of the imports. If these figures are substantiated when the returns are available for the calendar year 1920 they would show an excess of exports over imports, measured in money values, exceeding $2,800,000,000. It would appear from these immense figures that, in spite of the heavy sales of securities, chiefly from Europe to the United States, that country has still to remit in the form of exports interest upon investments still existing on account of foreigners in the various States of the Union. The excess value of the exports over the imports amounted in 1915 to over $1,700,000,000. The figures rose in 1916 to $3,000,000,000, in 1917 they were $3,200,000,000, in 1918 $3,100,000,000, and in 1919 they amounted to $4,000,000,000. It will be seen that if *Bradstreet's* estimate is realised there has been an appreciable decline in the excess of exports over imports for the year 1920 as compared with the later years of the War, as well as for the two years which have elapsed since the signing of the Armistice in November 1918. This has been mainly due to the enormous increase which has taken place in the imports from abroad into the United States of America. It might be contended, and was in fact true, that the Allies obtained extensive credits from the United States, which might account for the enormous excess of exports over imports during the War years. This, however, would not account for the persistent excess of exports over imports shown in the official figures before us, issued from the Bureau of Foreign and Domestic Commerce at Washington, and maintained right up to the end of last year. We have had in this country for nearly three generations an excess of imports over exports, which is the reverse of the experience of the United States of America. This wide difference in the value of our imports as compared with the value of our exports was accounted for by interest to which we were entitled from our investments abroad, as well as by services which we were able to render. This is what is called invisible exports. No country can for long import large quantities of commodities in excess of the value of its exports unless it is entitled to a return from investments or payment for services rendered, or to both. It seems to follow conclusively that no country, on the other hand, will continue to export large quantities of commodities in excess of the value of its imports unless it has obligations to meet beyond the seas.

According to a Reuter's telegram which appeared in the Press during the week from Lawrence, Massachusetts, the American Woollen Company announced a wage reduction of twenty-two and a-half per cent., giving as a reason for this step general business conditions. This reduction in wages is on account of the New England cotton mills. It is by no means, however, confined to the textile industries. Similar, and even greater, reductions are announced in the iron and steel trades.

There can be no reasonable doubt that the directors of industry, supported by the leading Labour Associations, are taking measures to check the decline in trade which is becoming apparent in the United States, with a view to stimulating its revival at as early a date as may prove practicable. There can be equally little doubt that we in this country shall have to follow the example if we are to check the falling off in trade and the growing measure of unemployment, which is becoming very serious.

Those responsible for conducting industry in the United States realised far more quickly than was the

case here the imperative necessity of reducing cost of production if trade was not to encounter a serious set-back, and certain branches of it were not to come to an end altogether. Measures were taken early in the autumn of last year in the United States to cut prices rigorously. Bankers and manufacturers then endeavoured to adapt themselves to the altered conditions of trade. Wages are now apparently being readjusted, with the object of reducing the cost of production. It has come to be realised in the United States, and will have to be realised elsewhere, that if the trader is to continue in business he can only hope to dispose of the commodities he has to sell upon a basis suitable to the earning capacity of his customers.

DIVIDENDS ANNOUNCED THIS WEEK.

	1920	1919	1918	1917	Price Jan. 13
		% p.a.	p.a.	p.a.	
BANKS:					
Alexanders Discount, £10 shs., £5 pd. (14¼†)	7½(0)A	13½	10	10	8⅞
Banco de Espanio (26†)	13(0)G	25	21H	20	-
Banco Espanol del Rio de La Plata $100 shs.	4(0)	6	5½	5	9 3/16
B. of Liverpool & Martins, £20 shs., £2½ pd. (16†)	8(0)	16	15	15	5¼
B. of New South Wales, £20 shs.	2½(q)o	10	10	10	24⅞
Belfast Discount	3(0)	—	—	—	—
Hongkong & Shanghai B. Corpn. $125 shs. (64†)	10(0)	64	47·2	42·4	116
Lancashire & Yorkshire B. £20 shs., £10 pd. (19†)	11(0)	18	17⅓	16	
Lloyds B. £50 shs., £8 pd. (163†)	8½(0)	20	18½	18⅓	46, 7½
London County West. & Parr's B. £20 shs., £5 pd. (20†)	10(0)	20	20	18	13 5/8
Do. £1 shs. (123†)	6¼(0)	12½	—	-	36 7½
Manchester & County B., £20 shs., £4 pd. (163†)	7½(0)B	15	15	13⅓	9 13/32
Merchants B. of Canada, $100 shs.	3(q)	13	11½	10	-
Munster & Leinster B., £5 shs., £2 pd. (20†)	10(0)	19	17	16	
National Discount, £25 shs., £5 pd. (14†)	6(0)C	12	11½	10	7
Nat. Prov. & Union B. of England, £12 shs., £4 pd. (16†)	8(0)	16(0	16	16	8⅝
Union Discount, £10 shs., £5 pd. (14)	7(0)A	14½	14	14	9⅛
BREWERIES AND DISTILLERIES:					
Crown Brewing (7†)	3½(0) J			-	
Distillers Co., £10 shs.	10(0)	10	10	10⅝	13
Lloyd & Yonath, £10 shs (10†)	5(0)	12½	15	10½	
Seager, Evans, £1¼ shs.	5(0)	24	20	10	50
COMMERCIAL AND INDUSTRIAL:					
Baker (G. P. & J.) (10†)	5(0)			—	
Cardiff Pure Ice, £10 shs (12†)	9(0)	12	9	5	
Clarence Hotels, 6% Pref., £1 shs.	6†	12	6	Nil	-
Gloucester Railway Carriage and Wagon	5(0)	10	10	15F	37/-
Guard Bridge Paper, £5 shs.	8(0)*	25	23	20½	
National Safe Deposit, £1 shs.	3†	3½	3	3	
Manchester Dock & Warehouse Exten., £10 shs.	2½(0)	5	5½	5½	
Manchester Palace of Varieties	7½(0)	15	10	7½	
Manchester Ship Canal Warehouses, £10 shs.	2½(0)	6	6	6	
St. Neots Paper Mills	5(0)				
Spratt's Patent (11½†)	6½(0)	11½	11½	11½	21 10½ 96 3
United Tobacco (35†)	15(0)K	30	20		
ELECTRIC LIGHTING AND POWER:					
Adelaide Electric Supply... (12½†)	5(0)				
Kamnistiquia Power Cap. Stk...	2(q)	8	8	7½	90
FINANCIAL:					
Atlantic Trust, 2s. shs.	7½(0)	15	5		
British American Land "A" Shs.	10(0)†	25	37½	37½	60
Central Bahia Rly. Trust, "B" Certs. Stk.	4(0)	3	2	2	10†
Debenture Corporation (6†)	3(0)	5	5½	4	61
North of Scotland Canadian Mort., £10 shs. £2 pd.	11½(0)	15	18½	18½	95/-
North Queensland Mortgage	5½*L				16/-
Peel River Land & Mineral Cons. Stk. (10†)	5(i)*	10	10	10	136
Status Investment Trust	7½(0)	15	17½	15	-
U. States Mort. Co. of Scotland, Def. Stk.	5(i)	10	10	10	
IRON, COAL AND STEEL:					
Dundee Coal	6½(i)	20	20	15	26/3
RAILWAYS AMERICAN:					
Atchison, Topeka & Santa Fe	1½(q)	6	6	6	113½
RAILWAYS HOME:					
London & Greenwich, Ord. Stk.	28 3/0	56 6			12½
RAILWAYS INDIAN:					
South Behor, Stock	2½(0)	5	5	5	50
TRAMWAYS AND OMNIBUS:					
British Columbia Elect. Rail., Def. Ord. Stk. (0½†)	2 7/16 (i)	Nil	Nil	Nil	53½
Dublin United Tramway (1896) Ord. Stk. (5½†)	3½(i)	6	5	4½	58
Shanghai Elect. Construction, £10 shs.	6(i)	16	12½	11	15⅛

* Tax free. † Total for 1920. (i) Half yearly actual. (q) Quarterly actual. (A) Plus 2s. bonus, *tax free*. (B) Plus 1½% bonus. (C) Plus 2s. bonus. (D) £60 shs., £12 pd., subdivided. (E) Bonus, one new share for two held. (F) £7 shares subdivided. (G) Plus 10% bonus in 6% bonds or cash. Bonds convertible into shares when bank is authorised to increase share capital. The rate of 4% payable on the existing bonds raised to 6%. Existing bonds are for 30,000,000 pesetas, while the new bonds will be for 15,000,000 pesetas, a total of 45,000,000 pesetas. As the share capital of the bank is 150,000,000 pesetas, the result of the conversion of the old and the new bonds will be to augment the total capital to 195,000,000 pesetas. (H) Plus 30,000,000 pesetas in form of bonds. (J) Plus 5% bonus, *tax free*. (K) Plus interest dividend for new year of 5% *tax free*. (L) Plus 2½ bonus, *tax free*.

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CORRESPONDENCE INVITED.

Rubber Topics.

DESPITE a partial tendency to react in the earlier portion of the week especially, the Rubber market presented a much firmer appearance. Plantation crêpe moved up from 1*s.* 1*d.* per lb. at the opening to 1*s.* 2*d.* on Wednesday, whilst smoked sheet responded with a recovery from 11½*d.* to 1*s.* 0½*d.* per lb. The effects of the restriction are now being reflected not merely in the upward movement of price levels but also in the reduction of the quantity of rubber that is added weekly to the stock in London. The latest addition of 431 tons represents a marked decline from the weekly average of over 1,000 tons for some time past. However, the stock is still as high as 51,706 tons, as against 21,559 tons for the corresponding period of 1920.

Movements in the Share markets followed the course of the Commodity market. After reacting from 27*s.* 6*d.* to 23*s.* 9*d.*, Anglo-Malay recovered to 27*s.* 6*d.*, but closed a little weaker on Thursday at 26*s.* 3*d.* The investment demand was more pronounced. Rubber Trusts, after weakening to 19*s.* 9*d.*, were quoted on Thursday at 20*s.* 9*d.* Vallambrosa stood out with a recovery to 17*s.* 6*d.*, having risen to 18*s.* 1½*d.* Kuala Lumpur advanced 3/16 to 2⅛. A number of interim reports from Indian tea and rubber companies make a much more favourable showing than would have been anticipated in view of the double depression. The Consolidated Tea Lands Company states that sales to December 31, 1920, include 4,745,843 lb. of tea at 10.78*d.* per lb., as against 18.28*d.* in 1919. On the other hand, out of a crop of 789,800 lb. of rubber, there has been sold 553,069 lb. at the satisfactory average of 1*s.* 10*d.*, as against 2*s.* 1½*d.* per lb. in the previous year. Rather favourable results are also reported by the Anglo-American Direct Tea Trading Company and the Amalgamated Tea Estates Company.

GRAND CENTRAL (CEYLON).

Issued Capital: £1,225,000 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916...	13,887*	12,800‡	1,142,472	322	2/7.12	1/1·9	285,956	171,500	14
1917...	14,074	12,800*	4,759,400	370‡	2/4	1/1½	266,916	122,500	10
1918...	11,072	–	3,982,936	—	1/11·12	1/0½	135,916	110,250	9
1919...	14,220	13,041	5,164,927	396	2/0·4	1/1·31	776,627	183,750	15

* Including small rubber and tea area. ‡ Estimated.

Price of Shares, 20/9. Market Capitalisation per planted acre, £89.

WITH a reversion to normal tapping the report presented by this celebrated rubber producer for 1919 reveals a genuinely satisfactory achievement. Not only was the crop of 5,164,927 lb. in excess of the original estimate, but it represented a considerable advance on the previous record of 1917. Furthermore, this substantial crop was harvested in a year in which climatic conditions were by no means favourable. During the latter half of the year there was such an excessive rainfall as to restrict the num-

ber of available tapping days. It appears that the yield of the oldest rubber reached as high as 564 lb. per acre. There were adverse factors other than the weather, and these made their influence felt adversely on the cost of production. Under normal conditions an increase in the crop from 3,982,936 lb. to 5,161,927 lb. would have resulted in a marked reduction in the cost of production per unit. The accounts reveal no such decline; on the contrary, it is recorded therein that the f.o.b. cost advanced from 10.27*d.* per lb. to 11.676*d.* per lb., and the "all-in" cost from 1*s.* 0¼*d.* per lb. to 1*s.* 1.34*d.* per lb. It is within the memory of all that 1919 was a year of high prices, and in the case of this Ceylon rubber Company the effects were accentuated by the steady rise in the rupee exchange and by the still more serious loss involved in supplying rice to the native workers below cost price. For the year in question the loss in the latter respect alone amounted to £12,800. However, this increase in the "all-in" cost was more than offset by the improvement in the average price realised by the sale of the crop from 1*s.* 11.12*d.* per lb. to 2*s.* 0.94*d.* per lb. Accordingly the profit per lb. rose from 10.87*d.* to 11.96*d.*, and in total from £135,916 to £236,627. From this a sum of £1,450 was set aside to meet the depreciation in Government securities and an allocation of £6,066 was made to the coast advances reserve account. This latter addition enables this reserve to cover fully all such advances outstanding, which is a very wise step in view of the contemplated legislation of the Ceylon Government requiring the writing off of such advances. In view of the restoration of the profit to normal proportions shareholders received the satisfactory dividend of fifteen per cent., as against nine per cent. in 1918 and ten per cent. in 1917. The balance carried forward to the next accounts is increased from £68,740 to £114,101, but the latter includes provision for the excess profits duty, which is estimated at £40,000.

The outlook for 1920 has been somewhat modified by the slump in the price of rubber during the latter half of the year. The effect of the depression will have been aggravated by the continued rise in the price of rice. Not only has the ration for Ceylon been further reduced to 280,000 tons, but the price has been increased by nearly sixty per cent. The only concession secured has been a reduction of three rupees per cwt. as far as 180,000 cwt. are concerned. In view of these facts it is satisfactory to note that the Company has sold by forward contracts 1,344,000 lb. of the 1920 crop at the satisfactory price of 1*s.* 11⅝*d.* per lb. ex-warehouse Colombo. This will provide them with the funds necessary to tide over the more critical period of the depression. On account of the participation in the restriction in force since November the final crop reached only 5,215,789 lb., as against the original estimate of 5,485,000. The refusal to declare an interim dividend was but to be expected in view of the slump in the Rubber market. The possibility of a final dividend must largely hinge on the recovery that takes place during the first half of the current year. Of the financial stability of the Company there is no doubt. The balance sheet at the end of 1919 showed liquid assets exceeding £398,488 to meet current liabilities which, including the final dividend for that year absorbing £122,500, amounted to £216,596. Moreover, the Company is well secured by forward contracts against the more serious effects of the depression. During 1921 it has sales covering 1,612,800 lb. of crêpe at 1*s.* 11¾*d.* per lb. ex-godown Colombo and 268,800 lb. smoked sheet at 1*s.* 11½*d.* per lb. ex-godown Colombo. Thus it can readily secure the funds required to finance its current operations without being compelled to realise its stocks at the present unremunerative prices. Hence, when a more normal price-level for rubber is reached the Company can quickly resume the payment of satisfactory dividends. In the light of these facts the shares of £1 each appear cheap at 26*s.* 9*d.*

KAMPONG KUANTAN.

Issued Capital: £35,000 in Shares of 2s. each.

	Area in		Yield per	Av. "All-		
	Total Planted Acres	Bearing Acres	Rubber Output lb.	Acre Realised per lb.	"All-in" Cost per lb.	Net Profit £	Div. Amt. £
1917 ..	2,100		363,000	1*s.* 7.99*d.*	1*s.* 1*d.*	19,728	9,000
1918 ..	2,100	—	291,000	1*s.* 5.54*d.*	1*s.* 0.69*d.*	9,909	9,000
1919 ..	2,088	—	372,500	2*s.* 0.94*d.*	1*s.* 1.63*d.*	19,130	17,500

Price of Shares, 8/9. Market Capitalisation, per planted acre, £74.

For the shareholders in this rubber Company the year ended December 31, 1919, has been a period of marked prosperity. The crop of 372,500 lb. secured was not only considerably greater than the restricted crop of 1918, but it also exceeded the estimate by 12,500 lb. Thanks to this growth in the crop the f.o.b. cost dropped from 10.65*d.* per lb. to 10.07*d.* per lb., despite the additional expenditure involved in the planting up of land with foodstuffs, in supplying the native labour force with rice below its cost price, and "the cost of additional supervision owing to the absence of the Manager on leave." Thus far the accounts are clear and present no complications. But the report goes on to state that "the all-in cost, including the London administration expenses of the Company, but excluding the sum written off in the accounts for depreciation of buildings and machinery, amounts to 1*s.* 1.21*d.* per lb." We confess that we are unable to discover how this figure has been reached. We find from the accounts that the f.o.b. expenditure, plus the administration charges, plus the allowance for depreciation, works out at 11.63*d.* per lb., as against 1*s.* 0.69*d.* per lb. in 1918. And this is the result to be naturally expected from the increase in the crop by over 75,000 lb. As we give the average net price realised by the sale of the crop, we do not again include in the working cost the charges for freight, insurance, and sale expenses. Even if these are included, and the allowance for depreciation excluded, the cost per lb. does not reach 1*s.* 1*d.* We prefer, however, to give the net average price for the rubber and to include the depreciation allowance in the "all-in" cost. Consequently our table shows an actual reduction in the "all-in" cost for the year to 11.63*d.* per lb., as against 1*s.* 0.69*d.* per lb. Moreover, this reduction in cost coincided with an increase in the average net sale price from 1*s.* 5.54*d.* per lb. to 1*s.* 11.10*d.* per lb. Accordingly the net profit amounts to £19,130, as compared with £9,909 in 1918. Availing themselves of this satisfactory profit, the directors have increased substantially the dividends paid to shareholders, the 1917 and 1918 rate of thirty per cent. being replaced by a rate of fifty per cent. Furthermore, this generous dividend has not necessitated any reduction in the balance carried forward, which, on the contrary, is increased from £3,464 to £5,094.

It is satisfactory to learn, in the light of the depression, that forward sales at high prices have taken place to the extent required to provide funds for the expenditure in the Malay States. Originally the estimate forecasted a crop of 395,000 lb. The returns for the ten months ended October, when unrestricted tapping was in force, gave a total of 344,500 lb. Allowing for the reduction of twenty-five per cent. in November and December, the final crop will probably be in the neighbourhood of 380,000 lb. The possibility of a final dividend depends upon the extent to which the price has improved during the first quarter of 1921. Financially the position of the Company, as disclosed in the balance sheet dated December 31, 1919, is very sound. Owing to the conversion of the advances by shareholders into shares at par [illegible] issued capital has been increased during the year from £30,000 to £35,000, and the total premium of £10,000 has been added to the reserve, which now stands at £12,000. Including the final dividend, absorbing £10,500, current liabilities did not exceed £20,047, and were amply covered by liquid assets to a total of £36,513

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Insurance Notes.

THE DEVELOPMENT OF LIFE ASSURANCE.

One of the most hopeful signs of the times, as concerns the collective well-being of the community, is the immense development in life assurance operations which has taken place since the conclusion of hostilities with Germany. Now that full returns are available in respect of new business returns for 1919, we are better able to grasp the magnitude of this factor. The records of sixty British companies, including all of any importance engaged in this business, show that they issued life policies assuring a sum of £130,000,000 in that year. This is practically double the amount reported for 1913, the last complete year previous to the commencement of the Great War. The 1913 return was thought at the time very satisfactory, being as it was larger than any which had been previously chronicled since the business was initiated in this country about the middle of the eighteenth century. In 1914, which included five months of war, the record shrank from about 65 to about 57 millions. In both 1915 and 1916 it was well under 50 millions. In 1917 it recovered to the level of 1914, and in 1918 it reached about 71 millions, thanks in great measure to the efforts made by the companies to assist the public to take up War Loans with the help of life assurance facilities. The record for 1919 in itself is as large as the combined 1917 and 1918 records. The total amount of life assurance effected in the United Kingdom was probably a little more—perhaps by two or three per cent—than the figures above given, for a number of very small companies are not included in this survey. But as the comparison is made in respect of the same companies it may be taken as telling all that is worth knowing about the matter. In 1915 it would appear from the Board of Trade Returns that the total amount of ordinary life assurance in force in the United Kingdom amounted to about 870 millions. It will be seen that in 1919 the new life assurances were equal to about one-seventh of that amount. This is surely a very suggestive and satisfactory circumstance. It is the more so when it is remembered that life assurance companies passed through extraordinarily troublous times during the War. Owing to heavy claims through deaths from wounds which it had never been contemplated that a mass of our young civilians would be subjected to, to depreciation in securities mainly caused by the issue of Government War Loans at high interest rates, and to enormously increased taxation, most of our life offices had either materially to reduce or altogether to suspend their bonuses. The wonderful new business records for 1919 show, however, that the public is convinced, and it is rightly so, that this is only a temporary feature, and that it is absolutely satisfied in the strength and solvency of our great thrift institutions. The question of bonus has been relegated, in the meantime, to the background, and the immense new business returns have evidently been unaffected by the decisions of the companies in this matter.

In pre-War days it used to be thought a fine achievement for an office to transact new life assurances for a million sterling. Not more than about a dozen offices used to do so. It will be seen that the average amount in 1919 per office exceeded two millions. Forty-three out of the sixty offices, or more than two-thirds of the number, reported new policies for over a million. In twenty-seven cases, representing nearly a third of the number, the amount exceeded one and a-half million, in seventeen cases, or more than one-fourth, it exceeded two millions, in thirteen cases it exceeded two and a-half millions, in ten cases it exceeded three millions, in eight cases it exceeded three and a-half millions, in six cases it exceeded four millions, and in four cases it exceeded seven millions. The largest amount reported (by the altogether exceptional Prudential Company) exceeded twenty-two millions, representing about one-sixth of the total amount. Next (all between seven and eight millions) came the Pearl, Norwich Union Life, and Refuge. Next (each between four and four and a-half millions) the Sun Life and the Royal; next (between three and a-half and four millions) the Commercial Union and the North British and Mercantile; next (between three and three and a-half millions), the Gresham and the Legal and General; next (between two and a-half and three millions), the Scottish Widows' Fund, the Eagle Star and British Dominions, and the Scottish Provident. The offices whose records ran between two and two and a-half millions were the Alliance, the Phœnix, the United Kingdom Temperance and General, and the Royal London Auxiliary. In all above cases net amounts only are taken into account, no credit being given for portions at risk reassured with other companies.

It may be found interesting to analyse the new life business returns of 1919 into five clearly defined groups: (*a*) the non-commission paying mutual offices; (*b*) other mutual offices; (*c*) the proprietary companies restricting their operations to life assurance; (*d*) composite insurance companies transacting other classes as well as life assurance; (*e*) companies transacting industrial as well as life assurance business, only their ordinary life returns being taken into account.

(*a*) There are now only three mutual non-commission paying life offices. In 1919 their total new business returns amounted to about 2,370 millions, as compared with 1,242 millions in 1918. The increase in 1919 was about 83 per cent. So far this is satisfactory. But as the amount in 1919 was only about one-fiftieth part of the whole new British life business, it is clear that for the great development of the business in this country reliance must be placed on agents.

(*b*) There were twelve other mutual life offices which pay commission. Their combined new business in 1919 amounted to £24,379, as compared with £12,991 in 1918, showing an increase of eighty-nine per cent. They transacted about one-fifth of the total volume of new British life assurances.

(*c*) There were thirteen proprietary companies limiting (or which in 1919 limited) their operations to life assurance. Their total in 1919 amounted to £19,667, as compared with £11,654 in 1918, showing an increase of seventy per cent.

(*d*) There were twenty-five companies, transacting other classes of insurance, but not industrial business. Their new life assurances amounted in 1919 to £39,702, as compared with £19,317, the increase being over 100 per cent. This is the largest proportionate increase amongst these groups, which shows how successful this class is in getting into touch with the public, for all of whose ordinary insurance requirements most of the offices included here are able to cater.

(*e*) Seven companies transacting life and industrial business issued ordinary life policies in 1919 for £43,375, as compared with £25,454 in 1918, the increase in this case being seventy-two per cent. It will be seen that the amount is about one-third of the total of all offices in 1919, and it is nearly as much in itself as the total new life business which all British

offices could claim in 1915. This development is perhaps the most satisfactory of all. Industrial life offices have most successfully tapped a new class with which the agents of other companies rarely get into touch. The individual amounts assured per policy are comparatively small, but it is good to see that many thousands of wage-earners are becoming ordinary life assurance policyholders, as was rarely the case not long ago.

In the course of a few months it will be possible to estimate from published returns whether the improved development of British life assurance business has continued in 1920. Such business is believed to have been extraordinarily good for the first half of this year, but labour troubles and trade depression are thought to have led to some slackening in the autumn. Should the magnificent return of 1919 be exceeded, the achievement will be remarkable. Most companies will be content if they are nearly approached in their own cases

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Banque d'Hochelaga.—Formed in 1874 the Banque d'Hochelaga operates chiefly in the province of Quebec. Of late years it has extended its sphere of action towards the West, mainly in order to provide banking facilities to French-Canadians. The net profit for the year 1920 at $694,740—shows an increase of $38,635 over the 1919 figure. The dividend, which is paid quarterly, has been raised from nine per cent. to ten per cent. per annum, and after making special allocations of $242,000 the sum of $83,804 is carried forward to next year's account. The balance-sheet total—at $76,693,921—shows an increase of $4,176,114 over the corresponding figure for 1919. An addition of $100,000 is made to the reserve. The ratio of notes in circulation to total liabilities has fallen from 11.1 per cent. to 9.5 per cent., but this decrease is mainly offset by a rise in deposits from $54,875,924 to $59,697,832, or from 76.7 per cent. to 78.9 per cent. of the respective total liabilities. Acceptances at $148,877 are practically negligible, being only .2 per cent. of the total liabilities. As regards the assets, cash and notes show an increase of about $3 million; call and short loans a decrease of $1 million. Investments have fallen off considerably from $15,279,453 to $8,366,710, but loans and discounts have more than offset this by reaching the total of $43,702,723, an increase of $8,302,660 over the 1919 figure, while the amount deposited in the Central Gold Reserve is $3,600,000, or $300,000 less.

The Royal Bank of Australia.—The report for the half-year ended September 30, 1920, of the Royal Bank of Australia shows a net profit of £60,230. Of this £5,000 is placed to the staff fund, and £25,000 transferred to the reserve. A dividend at the rate of ten per cent. per annum is paid, after which there remains £5,230 to be added to the amount brought forward from the previous half-year, £23,996. During the half-year under review the capital was increased by the issue of 40,000 shares of £4 each, fully paid, at a premium of £1 per share. According to the balance sheet there are still certain instalments due. The reserve fund stands at £350,000, bills in circulation at £540,022, and deposits at £4,420,294. The liabilities total £6,556,579. As regards the assets, coin, bullion and notes total £163,843, balances due from other banks, bills and remittances £951,234. The ratio of capital and reserve to total liabilities is 15.7 per cent. while that of deposits is 67.4 per cent. On the assets side of the balance sheet the ratio of cash and notes to the total assets is 10.2 per cent., while that of balances and bills in transit is 14.5 per cent. Bills discounted and other advances, exclusive of provision for bad and doubtful debts, total £4,204,297, or 64.1 per cent. of the assets

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Commercial.

THE OIL PALM.

There is in the current number of the *Bulletin* of the Imperial Institute an exceedingly interesting article on the palm-oil industry, as it is carried on primarily in Africa, but also in various other tropical countries of the world. Practically the greater part of the area of the tropical world is available for the growth of palm kernels, from which the well-known oil of commerce is obtained. It is a fact, however, that the major part of the world's supply comes from the West Coast of Africa, and mainly from the Niger delta. Out of some 90,000 tons of oil exported in 1918 over 80,000 tons came from Nigeria alone. Out of some 250,000 tons of kernels exported some 200,000 tons also came from Nigeria. With a few exceptions, none of which are important, all the palm oil, as well as the palm kernels of commerce, are derived from various areas on the West Coast of Africa, and, as just said, the most important producing country is Nigeria. There are, in addition, as important contributors to the world's total supply, Sierra Leone, the Gold Coast, the Congo basin, Dahomey, the Ivory Coast, Togoland, and the Cameroons. The oil-palm area has a wide and extensive range of latitude in West Africa. It is found between the sixteenth parallel of latitude north of the Equator, and extends for more than twelve degrees south of the Line. It will be observed that the whole of the growth is confined entirely within the tropics. It flourishes on the high lands of the north in a comparatively equable climate, while it grows also in the very wet area known as the equatorial zone. Along the West Coast the palm extends from the Gambia to Angola, and although generally confined to a coast-belt less than 300 miles wide, it is common round the villages throughout the forest regions of the middle Congo. It extends as far south as the upper reaches of the White Nile and the Albert Nyanza. It is found as far inland as Lake Tanganyika, and it is also found on the banks of the Zambesi

In the Gold Coast Colony, which, as readers will remember, has lately become one of the great world sources of supply for cocoa, the palm-oil industry is carried on with an approximation to what we may call commercial lines—if, indeed, it be true to say that the principles of commerce have ever at any time or anywhere been applied to this industry. In the Gold Coast Colony, although the kernels may be collected in the primitive fashion that is common elsewhere, mechanical plant is actually used for crushing the kernels and for obtaining the oil. The bulk of the palm oil produced in West Africa generally is still prepared by the natives by the most primitive methods. The kernels are mainly obtained by cracking the nuts by hand, involving an enormous waste of labour and often resulting in obtaining a comparatively low grade of oil.

The conditions under which the industry is carried on would be amazing to anyone only acquainted with agricultural conditions as they prevail in the temperate zone. Few people who are unacquainted with the tropics can have any idea of the primitive, not to say easy-going, methods under which this industry is carried on.

We said when writing upon cane-sugar more than a year ago now, that it was practically the only form of tropical agriculture which has really been developed. The cane-fields had to be cleared, the canes planted, and an annual crop was raised very much as the Yorkshire farmer each season raises his crop of wheat. We said that other forms of tropical agriculture were little better than a kind of plantation industry. We considered the conditions under which cocoa was produced in Ecuador as an exception, but we divided tropical agriculture into two parts, cane-sugar-growing and the various forms of plantation industry. We must admit a third form into our classification. It is the haphazard, careless method of collecting palm kernels wherever Nature has allowed them to grow, and crushing them by methods that must have been of a hoary antiquity in the time of Noah. For the most part no attempt at plantation of any kind is made. There is no weeding or any kind of trouble taken with the various trees selected. Practically all that is done is to collect nuts as children do in the autumn in our own woods and plantations. The marked difference is that children here collect nuts for amusement, but the collecting of the fruit of the palm in Central Africa is one of the world's great industries.

One may condemn, and not unreasonably, the methods of the farmer as practised in various parts of the temperate zone, but it is very certain that no farmer in the temperate zone would ever survive a winter if he were content to pursue the methods we have endeavoured to indicate in connection with this very backward industry. At present one of the chief factors regarded as of importance even in the comparatively progressive Gold Coast Colony is, after getting the nuts from the wild trees, to provide machinery for preparing palm oil and for cracking the nuts in order to obtain kernels for export. Both palm oil and palm kernels are at present produced from trees growing wild in the forests of West Africa, and largely in British West Africa, where the industry is a most important one. Large quantities of palm oil are used as food by the natives, and, in addition, thousands of tons are sent annually to the United Kingdom and other countries, where the oil is used for the making of edible fats, for soap, and for the manufacture of candles. The export trade in palm kernels, which formerly were crushed on the Continent, but which are largely coming to be crushed in the neighbourhood of Hull, in England, is of value as a source of supply of that butter-substitute with which we all became so familiar during the progress of the recent War, margarine. It will hardly be credited that our margarine makers, our soap boilers, our candle manufacturers, have so long been dependent upon the haphazard methods we have already indicated for the supply of a large part of the raw materials on which the industry depends. It certainly is not farming in any sense in which the term is commonly understood. It cannot be described as a plantation industry, because no attempt is made to plant the trees, and, apparently, practically no attention is paid to their general well-being. It will surprise the reader who knows the difficulty of cultivating anything, if it is only a swede turnip, in our latitudes, and will give him some idea of the extraordinary fecundity of the tropical regions of the earth, that so important an industry as that of the preparing of palm oil and palm kernels can be carried on with the easy-going methods already referred to.

Owing to the extraordinary demand for fats of all kinds at present it is coming to be realised that the present state of things cannot last indefinitely. No industry based on picking up the raw material wherever it can be obtained rests upon a really sound basis. As we have said, the West Coast of Africa, and particularly British West Africa, is at present the main source of supply. It is almost purely a native industry so far as the actual production, or, one might say, collection, of the raw material is concerned. Experience has not unnaturally shown that planted palms yield far better results than can be obtained from the trees growing wild in the forests. Experiments are being made in palm-growing in the East, as well as in Africa, which appear to indicate that there is a great field for the palm-oil industry if plantation methods are adopted and the trees carefully cultivated.

Industrial Companies.

INDIA RUBBER, GUTTA PERCHA AND TELEGRAPH WORKS COMPANY, LIMITED.

Issued Capital: £1,000,000 in 250,000 5% Cumulative Preference Shares and 750,000 Ordinary Shares of £1 each.
5% Mortgage Debentures: £400,000.

Year to Sept. 30	Gross Profit	Depreciation	Net Profit(b)	Div. on Ord. —Tax Free—		Div. Subject to Tax	Special Allocations	Carried Forward
	£	£	£	£	%	%	£	£
1914 ..	101,964	23,957	18,922c	25,000	5	5·32	50,000	1,033
1915 ...	207,117	24,199	80,101	50,000	10	11·55	—	18,937
1916	288,937a	35,714	134,778	50,000	10	12·99	50,000	40,216
1917 ...	350,865a	28,113	162,149d	50,000	10	13·33	80,000	59,866
1918 ...	388,127a	44,807	143,589d	50,000	10	13·70	50,000	90,955
1919 ...	357,768a	44,931	71,913d	50,000	10	14·28	—	100,368
1920 ...	359,349a	28,889	73.3 [illegible]d	18,750	2½	3·6	—	142,418

(a) After providing for excess profits duty and reserve for war contingencies. (b) After deducting Debenture interest. (c) Loss. (d) After deducting income tax.

The report of this Company for the twelve months ended September 30, 1920, shows a gross profit of £359,349, after providing for excess profits duty and War contingencies. As indicated above, this result corresponds very closely with that for 1918-19. Administrative and general expenses have increased by £56,236 to £207,160, but the provision for depreciation has been reduced from £44,931 to £28,889, and the reserve for income tax from £70,000 to £30,000, so that the net profit, after providing the usual sum of £20,000 for Debenture interest, works out at £73,300, or £1,437 more than in the previous year. The Preference dividend absorbs £12,500 and an interim dividend of two and a-half per cent. (free of tax) on the Ordinary shares £18,750, leaving an available balance of £142,418, including the amount brought forward from 1918-19. It has been decided to defer recommending the payment of a further dividend on the Ordinary shares, owing to stringency of liquid capital, but the directors in their report express the hope that "it may be possible later on to pay a six months' dividend." It will be remembered that in April 1920 25,000 Ordinary shares of £10 each were issued to shareholders at a premium of £3 per share, the new shares ranking fully for dividend as from October 1, 1919. The payment of a balance dividend of seven and a-half per cent. (making a total of ten per cent. as in previous years) would therefore absorb £56,250

(tax free), leaving a final carry-over of £86,168, as compared with £100,368 brought in from 1919.

The changes which have occurred in the financial position during recent years are embodied in the following table:—

Balance Sheet Figures at Sept. 30.

LIABILITIES.		ASSETS.				
Capital(a)	Reserve and Carry-Forward	Fixed Assets	Investments*	Stock and Work Unfinished	Surplus Liquid Assets‡	Total
£	£	£	£	£	£	£
1914 ...1,150,000	351,033	566,056	99,753	305,209	580,015	1,501,033
1918 ...1,150,000	59 ,955	576,733	376,203	588,896	210,324	1,740,955
1919 ...1,150,000	600,368	610,061	270,235	518,440	351,632	1,750,368
1920 ...1,300,000	708,144 †	642,025	100,549	628,818	686,802	2,108,144

(a) Including Debentures.
* Including shares in other companies.
† Including share premiums.
‡ Includes "Cash, stocks, debts, &c.," at Persan and Branches, less liabilities (net amount, £1,097,293 at September 30, 1920; £811,595 at September 1919; £750,753, September 1918; £55,080, September 1914).

The premiums received on the capital issue referred to above amounted to £75,000, from which has been deducted the cost of issue, amounting to £9,274, leaving a balance of £65,726. The reserve fund remains unaltered at £500,000. The amount of the provision for "War contingencies" is not shown, being included among current liabilities, which have increased by £81,010 to £695,205. The fixed assets (less depreciation) show a net increase of £81,964, as compared with £34,328 in 1918-19, but it should be noted that the amount written off for depreciation is only £28,889, as against £44,931. The reduction of £169,636 in the item of investments has been entirely due to the sale of Government securities, and the present figure represents "shares in other companies" only. An increase of nearly £100,400 is shown in stocks and work in progress as compared with a reduction of £70,255 shown at September 30, 1919. The item of "Cash, stocks, debts, &c., at Persan (France) and other branches, less liabilities," amounts to £1,097,293, representing a further expansion of £285,698. Including this last item the surplus liquid assets amount to £686,802, as compared with £351,632 (excluding Government investments) at the date of the previous balance sheet.

In view of the general depression prevailing at present it is unlikely that earnings during the current year will be maintained at the same level as in 1919-20. It will be noted that during the past financial year establishment expenses showed a disproportionate increase, and that if the provisions for depreciation and income tax were as large as in 1918-19 the net profit would have worked out at over £56,000 less than in that year. Assuming a balance dividend of three per cent. for the past financial year and a dividend of five per cent. for the current year (both free of tax), the Ordinary shares, now quoted at 18*s.* 3*d.*, would yield a return of 8.8 per cent., tax free. The Five per Cent. Cumulative Preference shares, quoted at 13*s.* 9*d.*, ex-dividend, yield 7.3 per cent., and the Five per Cent. Debentures at their present quotation of 89 afford a return of 5.6 per cent.

"THE COVENTRY" CHAIN COMPANY, LTD.

Issued Capital: £380,000, in 70,000 6% Cumulative Preference Shares and 310,000 Ordinary Shares of £1 each.

Year to Aug. 31	Trading Profit	Depreciation	Government Tax	Net Profit	6% Pref. Div.	Ordinary Dividend Amount	Ordinary Dividend %	Carried Forward
	£	£	£	£	£	£		£
1916	76,564	12,948	13,142	50,104	3,395	19,554	15	38,558
1917...	117,870	16,180	68,446†	32,244	3,150	16,579	15	51,072
1918...	146,943	13,253	83,746†	49,944	3,062	15,997	15	81,957
1919...	52,674	25,519	6,557	20,599	2,940	15,175	15	10,685‡
1920...	73,080	8,901	15,902	48,277	2,940	27,122	12½	8,222(a)

* Including munitions levy, 1916.
† Including excess profits duty and munitions levy, 1917.
‡ After deducting excess profits duty, 1918, and issue expenses.
(a) After writing off issue expenses and transferring £15,000 to special reserve for contingencies, taxation, &c.

Consequent upon the difficulties of reverting to normal industrial operations this Company experienced a severe falling-off in profits during 1918-19. That these difficulties have since been successfully overcome is evidenced by the report which is now presented for the twelve months ended August 31, 1920. The trading profit after providing for directors' fees has come out at £73,080, as compared with £52,674 in 1918-19. The provision for depreciation is reduced from £25,519 to £8,901, but Government taxation, excluding any liability for excess profits duty, calls for £15,902, as against £6,557, leaving an available balance of £48,277, as compared with £20,599 in 1918-19. The Ordinary distribution is reduced from fifteen per cent. to twelve and a-half per cent., but the amount absorbed is £27,122, as compared with £15,475. This increase is due to the expansion in the Ordinary capital from £147,396 to £310,000 by the issue in January 1920 of 162,624 shares at a premium of 5*s.* each, the new shares ranking for dividend from the beginning of the financial year. It has been decided to write off the expenses, amounting to £678, in connection with this issue, together with the balance of £5,000 of the issue expenses incurred in 1915, and to allocate £15,000 to a special reserve for contingencies. The balance of £8,222 which is carried forward (subject to excess profits duty, if any) compares with £10,685 brought in from 1919.

In the balance sheet the premiums received on the new shares figure at £40,656, and it has been decided to transfer this sum to the reserve fund, which stands at £36,000. In addition there is now a special reserve for contingencies of £15,000, and other reserves of £23,159. Trade creditors figure at £23,742, and the liability for Government taxation is shown at £66,745. The net additions to the fixed assets during the year amounted to £13,258, the increase being due almost entirely to expenditure upon plant and machinery. Stocks have grown by £45,135 to £152,020, and investments at cost after deducting depreciation amount to £130,393, representing a net increase of £5,100. Debtors and bills receivable figure at £166,862, as compared with less than £73,400 in the previous balance sheet, whilst cash holdings have fallen by over £2,400 to £29,204. The liquid assets, excluding stocks, show a surplus of nearly £214,000 over current liabilities (including dividends due), as compared with a surplus of approximately £51,500 at August 31, 1919.

The severe depression prevailing in the engineering trades at present will naturally affect the earnings of the Company during the current financial year. On the other hand, the capital resources have been very considerably increased, and the recent formation of a subsidiary undertaking—French Chains, Limited—will facilitate the marketing of the Company's products in France and her colonies.

The Ordinary shares of the Company are now quoted at 17*s.*, yielding a return of ten per cent. on the basis of a dividend of eight and a-half per cent. The Six per Cent. Cumulative Preference shares afford a yield of nine per cent. at their present quotation of 13*s.* 6*d.*

WORTHINGTON AND CO., LIMITED.

Issued Capital: £1,570,000, in 80,400 £10 Ordinary Shares, 26,600 Cumulative 5½% Preference Shares and 50,000 Cumulative 5% "B" Preference Shares of £10 each
4½ Debenture Stock, £266,000, and Irredeemable 3½% "B" Mortgage Debenture Stock, £250,000.

Year to Sept. 30	Profit	Deb. Int. and Pref. Div.	Ord. Divs. Re-serve, &c.	Carried Forward	Creditors	Stocks	Liquid Assets	Surplus of Liquid Assets over Liabilities
	£	£	£	£	£	£	£	£
1914	152,110	65,658	46,592	295,844	488,141	215,950	1,337,760	[illegible]
1915	130,523	66,180	30,394	329,793	507,650	228,258	1,378,193	[illegible]
1916	152,321	70,768	41,288	369,058	578,971	[illegible]	[illegible]	[illegible]
1917	177,822	82,113	55,140	409,536	494,861	248,124	[illegible]	[illegible]
1918	180,286	74,777	98,000	417,045	520,185	196,444	1,325,441	[illegible]
1919	214,231	62,850	77,248	491,178	851,[illegible]	311,514	[illegible]	[illegible]
1920	157,886	62,850		486,214	1,[illegible]281	[illegible]	[illegible]	[illegible]

Exclusive of [illegible]. † Including [illegible]

The report of the proceedings for the twelve months ended September 30, 1920, shows a net profit of £157,886, which compares with over £214,200 for the previous financial year. The directors state that this sharp reduction in earnings is "mainly attributable to the increased cost of raw materials, railway

carriage, and wages." As usual, the accounts are presented in an extremely summarised form, which does not permit of any accurate analysis or comparison. The rate of dividend paid on the Ordinary capital is not stated in any year, but some idea of the amount distributed may be arrived at by deducting the balance brought forward from the amount to the credit of profit and loss at the end of the previous financial year. This difference, however, may also include other items, such as additions to the special reserves. It will be seen from the above table that after payment of the Debenture interest and Preference dividends, amounting to £62,850, there is an available balance, including the amount brought forward, of £246,584, which compares with £428,797 at September 30, 1919. It should be noted that the balance brought in from 1918-19 does not include the special reserves, which, apparently, have been entirely eliminated.

The Ordinary capital was increased from £268,000 to £536,000 in 1918-19 by a bonus share distribution of £268,000 from the reserve. Since then the capital has been again increased by the same amount, but no evidence is afforded of the manner in which this expansion has been effected. It may be pointed out that the Ordinary shares are held privately, and the interest of the investing public is, therefore, confined to the Debenture stock and Preference shares.

Besides the increase in capital, the balance sheet contains other important alterations to which reference may be made. Sundry creditors figure at £1,130,311, representing an increase of nearly £391,200; whilst mortgages on trade investments show a small increase at £115,971. The reserve has been reduced from £158,872 to £150,000. Additions to the fixed assets during the year amounted to £58,783, as compared with £6.737 in 1918-19. No reference is made to depreciation, but presumably adequate provision has been made under this heading. An increase of nearly 100 per cent. is indicated in stocks, which figure at £622,616. Book debts have grown from £228,223 to £361,015, but investments, loans, and cash, which are given as one total at £1,820,539, show a reduction of £33,500. The general financial position as shown in the balance sheet is satisfactory. The liquid assets (including trade investments) give a surplus of £935,273 over current liabilities, as against £1,227,941 at the date of the previous balance sheet, the reduction being more than accounted for by the heavy expenditure on the stocks and fixed assets.

In view of the present industrial situation it is not likely that the earnings of the Company during the current financial year will exceed the reduced figure for 1919-20. The maintenance of last year's profits, however, after providing the usual sum for Debenture interest and Preference dividends, would permit of a liberal return upon the Ordinary capital. The prices and yields of the prior securities are set out below:—

	Price £ s. d.	Yield %
4½% Mort. Debenture Stock	63 0 0	7.1
3½% Irredeemable "B" Mort. Deb. Stock... ...	45 8 0	7.8
5½% Cum. Preference Shares	6 5 0	8.8
5½% "B" Preference Shares	5 5 0	10.5

THE PERUVIAN CORPORATION, LIMITED.

The shareholders of the Peruvian Corporation can draw little comfort from the report recently published for the financial year ended June 30, 1920. Despite the increase in rates, the returns of the Company's railways in Peru are again of a very disappointing nature. Whilst the gross traffic receipts have increased by 2,099,758 soles, the working expenses have grown by 2,148,752 soles, representing a currency decrease of 48,994 soles. The net receipts of 3,697,461 soles are the lowest since 1914-1915. The position has been materially improved, however, by profit on the exchange, the average value of the Peruvian sole being 29¼*d.*, which is the highest average for many years and compares with 26½*d.* in 1918-19. As a result, the net receipts in sterling work out at £450,628, as against £413,671 in the previous year. The following tabular statement shows the traffic returns for the past seven years:—

Year	Gross Receipts. Peruvian Soles.	Working Expenses Peruvian Soles.	Net Receipts Peruvian Soles.	Rate of Exchange of Peruvian Soles. d.	Net Receipts Sterling at such Rate £
1913-14 ...	12,336,249	7,820,138	4,516,111	23⅝	449,259
1914-15 ...	8,304,769	5,669,953	2,634,816	22	241,525
1915-16 ...	9,970,002	6,105,365	3,864,637	23	370,361
1916-17 ...	11,358,167	7,535,242	3,822,925	25¼	400,212
1917-18 ...	12,869,337	8,492,614	4,376,723	26½	483,263
1918-19 ...	12,828,525	9,082,070	3,746,455	26½	413,671
1919-20 ...	14,928,283	11,230,822	3,697,461	29¼	450,628

The all-round increase of fifteen per cent. in rates did not come into force until the end of October 1919, and consequently the old rates were in operation for four months of the past financial year. Over a year ago it was clearly pointed out that the new rates were entirely inadequate, and as expenses have since shown a steady and continuous increase the mediocre results now disclosed are not very surprising. In comparing the returns with those in 1918-19 it should be noted that the large reduction in gross traffic receipts for that year arose mainly from the dislocation of Peruvian industry at the conclusion of the world war, railway difficulties being further accentuated by serious strikes and sabotage. The following table shows the income of the Corporation from its various sources of revenue for the past seven years:—

Year to June 30	Net Income from Railways, &c. £	From Peruvian Government £	Guano £	Miscellaneous £	Total £
1914 ..	431,655	80,000	126,642	13,833	652,130
1915 ...	222,336	40,000	136,843	7,536	406,715
1916 ...	347,051	10,000	87,457	21,684	466,192
1917 ...	372,622	110,000	—	42,411	525,033
1918 ...	458,641	110,000	—	29,338	597,979
1919 ...	386,364	95,000	—	31,642	513,006
1920 ...	426,390	130,591*	—	42,823	599,804

* Including £15,591 received in respect of old claims.

The total amount accruing out of the net income of the Railway Companies and steamers for the past financial year shows an increase of £40,026, mainly due to the improved traffic on the Central Railway. A sum of £15,591 has been received by this railway from the Peruvian Government in settlement of a claim, arising out of a revolutionary movement in 1908. In addition to the annuity of £80,000, the Government has also paid arrears amounting to £35,000 (exclusive of interest). Miscellaneous receipts, which are mainly represented by interest and profits on exchange, have increased by £11,181 to £42,823. The total income, which amounts to £599,804, approximates closely to the receipts for 1917-18 and compares with £513,006 in 1918-19. Administration expenses in London and Peru remain practically unaltered at £30,894. A sum of £68,305, as compared with £44,317, is required for income tax, however, and an appropriation of £20,650 is made for depreciation of investments, whereas no allocation was required for this purpose in 1918-19. Steamers' insurance figures at £4,000, the same as in the previous year. After providing for these various charges there is a net balance of £475,951, the distribution of which proceeds on the basis indicated in the following table:—

Year to June 30	Net Profit* £	Debenture Interest £	Debenture Interest %	Amortisation of Debentures £	Preference Dividend £	Preference Dividend %	Reserve £	Carried Forward £
1914 ...	592,739	324,000	6	54,000	71,567	1	50,000	150,553
1915 ...	338,660	270,000	5	54,000	18,642	¼	—	146,571
1916 ...	379,479	270,000	5	54,000	18,642	¼	—	183,407
1917 ...	418,687	324,000	6	54,000	71,573	1	—	149,521
1918 ...	502,462	324,000	6	54,000	111,861	1½	—	161,978
1919 ...	432,796	324,000	6	54,000	74,575	1	—	142,198
1920 ...	475,951	324,000	6	54,000	93,225	1¼	—	‡146,927

* After providing for income tax, depreciation of investments, &c.

† Including interest on amount of Debenture bonds available for amortisation.

‡ Subject to corporation profits tax—if any.

Debenture interest calls for a sum of £324,000, which includes the interest amounting to £40,509 on the Debentures available for amortisation. The larger balance available, after providing £54,000 for Debenture redemption, permits of an increase in the Preference dividend from one per cent. to one and a-quarter per cent., which leaves a balance of £146,927 to be carried forward subject to liability, if any, for corporation profits tax.

It will be seen from the statement of revenue that no income has been derived from the guano trade

since 1915-16. This trade was one of the principal sources of the Company's revenue in previous years, but as a result of the law passed by the Peruvian Government in 1915, the Corporation was prevented from collecting guano, as it was entitled to do under its original concession. The Company did not receive any compensation for this breach of agreement, but on December 30, 1919, it was announced that, subject to ratification by Congress, a settlement had been arrived at with the Government whereby the Corporation ceded the right to extract and export 762,872 tons of guano, still due to them, in consideration of a payment of £3,051,500, such sum to be payable quarterly at the rate of £80,000 per annum. The assent of Congress has not been obtained, however, but it is expected that this will be forthcoming immediately. Should such assent not be obtained during the present session, the Peruvian Government has undertaken to "reinstate in adequate form the regular exportation of guano by the Corporation during the guano open season of 1921 and subsequent years." The directors, in their report on December 2 last, stated that "a shipment of about 3,600 tons of guano is being made, the net proceeds of which are to be for account of the Corporation if the Bill now before Congress is not passed this year."

Reference was made a year ago to the investigation of certain oil properties in Southern Peru, and the directors, in their present report, state that favourable information has since been received regarding the probabilities of finding oil in payable quantities on certain claims adjacent to the Southern Railway. It is expected that initial drilling operations will shortly be commenced. It is not the intention of the board, however, to spend large sums on oil exploration, and the prospects of any contribution to revenue from such a source appears to be very remote.

Although the report contains some germs of hope for the future, it is clear that no material improvement can be anticipated until a drastic revision of railway rates has been effected. Efforts are being made to secure an adequate increase in tariffs, but it does not seem likely that any increase will be granted for some considerable time. In considering the prospects for the current financial year, allowance should be made for the effects on sterling receipts which would follow from any continued fall in the Peruvian exchange.

The following table shows the Capital of the Corporation, and the prices and yields of its various stocks:—

	Amount issued £	Price £ s. d.	Yield £ s. d.
Ordinary Stock	9,000,000	3 15 0	—
4½ Cum. Pref. Stock	7,500,000	19 0 0	8 0 0
Debenture Bonds	4,739,700†	75 10 0	8 0 0

* On basis of dividend of 1½%.
† Outstanding.

New Issues.

5 15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

THE RICKMANSWORTH AND UXBRIDGE VALLEY WATER COMPANY, LIMITED.

Offer at par of £38,530 Seven and a-half per Cent. Ten-Year Debenture stock to be redeemed at par on January 1, 1931.

The Company supplies water to an area of about 143 square miles. In addition to an issued share capital of £243,067, it has an authorised loan capital of £108,667, of which £42,190 has been issued. The present offer of stock is being made in order to meet the cost of enlarging the plant. Between 1914 and 1920 the water revenue increased from £20,969 to £31,830, and the Company has obtained an Order under the Statutory Undertakings (Temporary Increase of Charges) Act, 1918, to increase the water charges by thirty-three and one-third per cent. The net revenue for the year ended March 31, 1920, was £11,084, which gives ample cover for the £4,577 required as yearly interest on the existing Debenture stock and on that now offered. For those who do not require an active market, the present issue offers an attractive yield combined with sound security. The lists close on Wednesday, January 26.

THE TRAMWAYS LIGHT AND POWER COMPANY, LTD.

Issue of £200,000 Eight per Cent. Five-Year Secured Registered Notes, repayable at 105 on January 7, 1926.

The Company, formed in 1912, controls six electrical undertakings in the Midlands, which operate power stations of a total capacity of about 25,000 h.p. and own about thirty miles of tramways. The issued share capital is £750,000, and there are also outstanding £344,150 Five per Cent. Debenture stock, redeemable by a sinking fund now in operation. The present issue of notes has been purchased by the British Trusts Association at ninety-five and a-half per cent., less a commission of one per cent., and prior to obtaining a quotation on the Stock Exchange, the Company has issued the customary public statement. The notes will be secured by the deposit with the British Trusts Association, acting as trustees, of £46,500 Debenture bonds, £19,000 Preference, and £546,500 Ordinary, shares in subsidiary enterprises, and they will also constitute a floating charge on the whole assets of the Company. Net receipts for 1919 amounted to £43,947, for 1920 about £55,000, and are estimated at not less than £80,000 for the current year. These figures would seem to give ample cover for the £23,400 required to meet the annual interest charge on the five per cent. Debenture stock and the notes now issued, but intending buyers will require to know what amount, if any, of Debentures, other than those held by the trustees, have been issued by the subsidiary undertakings, what powers they possess to increase such issues, and by what amount net receipts are depleted each year by the sinking-fund arrangements of the Company's own Debenture stock. No return of asset values or of net receipts prior to 1919 is put forward, and the statement as a whole is not calculated to attract investors.

PALMAREJO OIL CONCESSIONS, LIMITED.

Issue at par of 500,000 Ordinary shares of 2*s.* each.

The Company has been formed to acquire exploration rights over part of the property of the Palmarejo and Mexican Gold Fields, Limited, with a view to securing a licence to search for and exploit oil and gas for a period of twenty-five years. In consideration for such rights, *plus* a commission of £7,000, the Company agrees to subscribe, or procure to be subscribed, £177,500 in 5*s.* shares of Palmarejo and Mexican Gold Fields, Limited. The property will be divided into blocks of one square mile each and each company will prospect alternate blocks, chess-board fashion. The prospectus gives no details as to previous exploratory work or boring results. Hopes seem to be largely based on the fact that the territory is situate in the Pacific oil zone of Mexico and that other companies are drilling in the neighbourhood. Considering the paucity of the information revealed and the peculiar nature of the financial arrangements, the issue will possess no interest except for those possessing first-hand knowledge of the territory to be exploited. The lists close on Monday, January 17.

ANGLO-CONTINENTAL GUANO WORKS, LIMITED.

The Company announce that in addition to the 225,000 Seven and a-half per Cent. Cumulative Preference shares of £1 each already issued to the public, a further 75,000 have been allotted at par.

ISSUES TO SHAREHOLDERS.

KERALA CALICUT ESTATES.—15,000 £1 shares.

OHLSSON'S CAPE BREWERIES.—120,000 £1 Ordinary shares *pro rata* to holdings.

JANTAR NIGERIA.—£25,000 Ten per Cent. Five-Year Debentures redeemable at 120 per cent. in December 1925.

PENDING ISSUES

BRITISH TREASURY.—£15,000,000 Three per Cent. Local Loan stock at 50.

AUSTIN MOTOR COMPANY.—£1,000,000 Seven per Cent. Tax-free First Mortgage Convertible stock at par, repayable at 105 on or before July 1, 1932.

HONGKONG AND SHANGHAI BANKING CORPORATION.—Subject to the amendment of the Bank Ordinance, an extraordinary meeting will be called later to sanction the creation of 40,000 new shares of $125 each, to be issued to shareholders at the price of £70 each.

MEETINGS
OF PUBLIC COMPANIES.

BANK OF NEW SOUTH WALES.

Considerable Business Activity : The Wool Situation.

At the half-yearly general meeting of the Bank of New South Wales, held at the Chief Banking House, Sydney, on Friday, November 26, 1920, the Chairman, the Hon. Sir Charles K. Mackellar, K.C.M.G., M.L.C., President of the Bank, in moving the adoption of the report, said :—

Gentlemen,—In moving the adoption of the report, I beg to call your attention to the figures which make up the balance sheet. You will notice that there has been considerable activity in the business and some important fluctuations.

Deposits have increased some £4,300,000 on the year, a very fair result considering the calls of our clients on their credit balances for various purposes during the year.

Note circulation in New Zealand is about £200,000 higher owing to the activity of the turnover in the Dominion.

The bills payable and other liabilities in that group show a decrease of about £600,000.

The capital and reserves, &c., show an increase of about £1,100 000 net.

These increments from our own capital, &c., and increases in deposits and other resources, have been fully absorbed temporarily on the other side of the balance sheet by increase in advances. The drought, in the first place, has caused clients to lean upon us for assistance to an unusual degree, as we have foreshadowed in our remarks at other recent half-yearly periods. This drought period has been a very trying one for all concerned, but recuperation has set in, and with fair seasons ahead for a year or two, as may be fairly expected, business should in this respect become normal again within a reasonable time, and our increased advances from this cause be largely reduced in the near future. The speed of this is contingent on the money return for our primary products. The wheat harvest promises to be a very good one. Assurance cannot be fully achieved till the wheat is in the bags, of course, but expectations of a very large harvest are fairly justified. Arrangements are under way for financing the crops, and this Bank is co-operating with other banks in effecting this. With wool the situation is not so clear. During the War, up to the season just ended, the British Government financed the wool by cash payments, which was a very great help to growers and finance generally, but this season there has been a reversion to the pre-War methods of local sales and drawings for same by sixty-day drafts under credits established from the other side. This would be all right if the wool was selling freely, but owing to the fact that the Imperial Government have something like 2 000.000 bales of past clips on hand to dispose of, and to the further difficulty which has arisen with regard to the sale of low class wool, for which the demand is very limited for the time being, the wool sales are languishing, and it is difficult at present to say when the market will right itself. This is distinctly an after-effect of the War, and it may take some time to bring about an adjustment in respect of this important side of the business. Other products, particularly dairy products, are being dealt with on fairly good lines, but meat and metals show some delay in moving, owing principally to shipping difficulties.

Increase in Imports.

At last half-year I referred to the large amount of money we had in London and the problem of getting it satisfactorily to this side, where our principal business is carried on. That problem has been solved for us by the extraordinary activity on the selling side by reason of the unusual increase in the importation of goods. It would almost seem as if the goods had been rushed into Australia by British manufacturers. At any rate the result has been that payment for imports has absorbed the large London balances which the majority of the banks held six months ago, and has converted plenty into scarcity at the London end. The delay in getting money for sale of our exports has contributed to this scarcity, and for the time being we and other banks have had to curb the operations of clients in respect of the importing business. The situation demanded such a course, for with very little going into London for the time, and abnormal drawings on our accumulated store of funds there, common prudence compelled practically all banks to adopt what may be termed a "rationing" process for the present. As time goes on and the bulk of our produce is converted into cash the normal position will be restored, but we cannot get away from the view that there have been excessive imports, amounting in some cases to over-trading, and that a check will be salutary, however brought about.

Heavy Drains on Bank's Resources.

The aggregate advances of the Bank have increased on the year by £6,900 000 net. Some of the causes have already been explained, but I may recapitulate; drought assistance in New South Wales and Queensland has approximately absorbed £2,000,000, which the board consider is fair proof of the Bank's determination to stand by the man on the land. Trading requirements for imports £3,000,000, and the balance has gone into the general business. A large portion of this will come back as exports are made and realised, and I may say that the increase is spread over the whole of the districts in which we operate. Notwithstanding these heavy drains on our resources, our first line figures stand at over £29 000,000, representing over 10s. in the £ of liabilities. But the composition of the first line has been much altered. Coin and cash are somewhat less, but Australian notes and Government securities are more. The principal change is in money at short call and short-dated securities in London, and the cause of the decrease in these has already been explained. The financial situation is largely affected by the transition from war to peace conditions, and the latter are very much influenced by delays in getting away our exports. Anything that can be done to expedite the turning of these into money must be energetically and systematically given effect to by all who have any control whatever over such matters.

The general outlook still calls for steady and continuous conservative control of finance. All the important money markets of the world are affected by severe stringency, and rates are high, with no immediate prospect of relief. The remarks that I made at the September 1919 half-year still hold good. "After War adjustments" are still in the transitional stage, and until the outstanding problems in connection with transport, labour, and other kindred interests are reduced to something like order, it is evident that banking and all other business must be kept within the most prudent lines possible, and that especially anything in the way of over-trading must be avoided—given reasonable working conditions the productiveness of Australasia is very great, and the trade founded on it should be sound if reasonable prudence is exercised, but attempts to make excessive drafts on the future are not calculated to benefit the country in the long run. In other words, the more we can finance within our current resources the better.



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MEDIUM	6d	1/-	2 5	4/8
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WESTERN AUSTRALIAN BANK.

THE one hundred and fifty-eighth half yearly meeting of the shareholders of the Western Australian Bank was held on Wednesday, November 3, 1920, at the Banking House, St. George's Terrace, Sir E. H. Wittenoom, Chairman of directors, presiding.

The Chairman, in moving the adoption of the report and balance sheet, said: At the previous half-yearly meeting he had said: "The volume of business has been fully maintained. It is proposed to pay the usual dividend and carry a substantial amount forward." He would repeat those words on this occasion, but would also add that, in addition, there was on this occasion £25,000 transferred to reserve fund, making a total of £725,000. The amount carried forward was about £18,000 less than the previous term, but, on the other hand, there was the £25,000 transferred to reserve fund. Deposits were a trifle less, but still an important sum, amounting to no less than £3,348,138. Advances were less by £91,000, but, on the other hand, specie, bullion, &c., had increased by over £100,000. They would also notice the large net balance due from other banks, being £161,000. After a careful perusal of the report and balance sheet he thought they would agree that the capital of the Bank was very fully employed. The termination of the wool scheme with the Imperial Government and the absence of any satisfactory alternative arrangement had caused a slump in the market, with the result that it was almost impossible to sell wool. Industrial troubles, especially in connection with shipping, had intensified the situation so much that numerous demands were being made for the Bank's assistance until matters resumed normal conditions. The pearling industry was being vigorously prosecuted, and although prices were not so good as they had been, there was hope that they would shortly improve.

Mr. A. G. Bird seconded the motion, which was carried.

BRITISH BURMAH PETROLEUM COMPANY, LTD.

THE adjourned tenth ordinary general meeting of this Company was held on January 11 at the Cannon Street Hotel, E.C., the Hon. Lionel Holland (the Chairman) presiding.

The Chairman said: You will have noticed in the profit and loss account that the balance brought in from revenue account is considerably less than the gross trading profit shown during the previous twelve months—over £150,000 below the exceptionally high figure shown in the accounts for the year ended July 1919. For this decline the reason is three fold. The first and chief contributing cause has been the fall during the twelve months in the price of benzine, owing to the expiration of a War contract. We shipped over 1,500 tons more than in the preceding year, but our sales brought us in over £100,000 less. The second cause that has operated to curtail profit has been the increased cost of production due to the enhanced cost of labour and plant. Our work has suffered no interruption from labour troubles; but India is no exception to the rule of higher wages, and the wages we pay for Indian labour were raised during the year under review by over twenty-five per cent. A drop of some 24,000 barrels in crude oil production during the year under review, as compared with the year before, is the third cause that helped to curtail profits. Not so much that it affected sales—indeed, we marketed burning oil and benzine in larger quantities—but the value of our stocks in hand of crude oil and oil products last July (standing at something over £50,000 on the credit side of the balance sheet now before you) is materially less than the figure of over £116,000 for July 1919. That there would be a temporary fall in production is only what we anticipated in consequence of the check put upon our development work by War conditions. From the Rangoon Oil Company—our associate Company in Burma—we received by way of dividend £11,719, against £4,272 in 1919, and this entry will be bettered again next year. Its production showed a slight increase and its revenue was substantially higher, enabling the Company to declare a dividend of fifteen per cent. on its issued share capital, after setting aside some £90,000 for depreciation and making due provision for its Debenture sinking fund.

Our total gross profit, then, is £526,353, as compared with £569,676 last year and £381,298 for the year 1918. Against this have to be debited administrative and other charges in Burma and London and Debenture interest. We have allocated £75,867—about £8,000 more than in 1919—to depreciation, which is now adequately provided for. The interim dividend payable last July absorbed £74,731, against £39,484 for the previous July. No less than £40,874 was applied to the redemption of Debentures, as compared with 33,443 on the last occasion

Having referred at some length to their oil interests outside India, the Chairman concluded by moving the adoption of the report, which was unanimously agreed to.

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CALDWELL'S PAPER MILL COMPANY, LIMITED.

First-rate Modern Mills.

A COMPLIMENTARY dinner was given on Saturday night to the staff and employees of Caldwell's Paper Mill Company, Limited, at the works, Inverkeithing, Fife, to celebrate the acquisition by the Company of the well-known Inveresk Paper Mills. Sir Robert Carlyle (Chairman of the Company) presided over a gathering of some 500 people.

Lord Morris submitted the toast of the "Imperial Forces of the Crown," which was replied to by Mr. J. R. Menzies.

Mr. William Elgin, proposing the toast of "Caldwell's Paper Mill Company, Limited," said the history of this Company formed one of the romances of industry. The first picture he had in his mind was of a tea merchant in London with a vision beyond his own business forming the idea of starting an undertaking on the site of that mill. He had to face competition, and, unfortunately, his project came to an end. In 1893 the Caldwell Bros. came on the scene and made steady progress till in 1913 a catastrophe in the shape of a fire occurred, which burned the whole mill down. This looked like an overwhelming catastrophe, but the board at that time planned out and resurrected the present mill, and since 1914 they had gone on increasing and bringing it up to what might be called one of the foremost mills in the country. (Applause.)

The Chairman, who replied, said: During the last few months I have travelled a good deal in this country and abroad, and have seen a great many mills. Some of the mills I have seen are of very high standing, and very few visitors are admitted. I am not an expert in the paper trade, but it does not require an expert to see that this mill is well laid down and well run, and I can say that I have seen very few mills which at all come up to this mill, and I have seen none which is better. (Applause.) I need hardly say that this could not have been achieved unless we had a very able managing director in Mr. Alex. Smith. Mr. Smith deserves the greatest credit for the way he has turned the disaster of 1913 into a success, and has converted an old-fashioned, poor mill into a first-rate modern one. (Applause.) Sir Robert added that the Company would be greatly strengthened by its acquisition of the famous old Inveresk Mills, which turned out a quality of paper which was without rival in the trade. (Applause.)

The British Paper Trade.

Mr. William Harrison, in submitting the toast of "The Paper Trade," said: The paper trade of this country is one of the four leading trades in the country, a fact which people do not seem to realise. During the last three months I have been sleeping either on steamers or in railway carriages, travelling on the Continent of Europe, including Scandinavia, on some occasions accompanied by my esteemed friend Sir Robert Carlyle. I spent in August and the early part of September of last year practically a month in Germany. The competition from that country at that time was insignificant. I found in August the mills in Germany closed for want of coal. Since then I have been in Scandinavia, and I have again been twice in Germany and in Belgium, because we have got to be alert in these days as directors of undertakings of this kind. We have to be alert because the Government have been so slow to realise that if the greatest vigilance is not exercised there will be a great and growing amount of unemployment in this country. I am not a politician. I do not want to be dragged into politics, but it is only right that in addressing the workers in this Company I should speak fearlessly and frankly. What is the position of Germany to-day? I was in Germany in December and I saw a vast difference between the Germany of August and the Germany of December. Factories were going at night. Many of our factories are not even going in the daytime. That certainly should not be. Let us look at the situation so far as the paper trade is concerned.

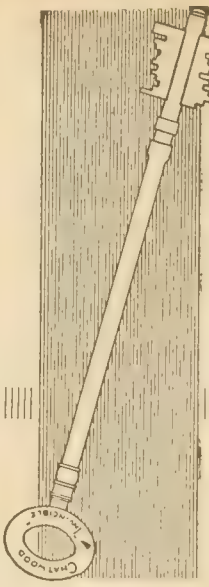
The False Position of the Exchanges.

The German mark, which was twenty to the £1 when war broke out, is to-day 260 to the £1. The German manufacturer is by this fact placed in a position to paralyse the industry of this country, and the large amount of unemployment that is prevalent to-day is to a great extent due to the false position of the German and other Continental exchanges.

Might I, in conclusion, just say that, given fair play and equal conditions, even unequal conditions of thirty-three per cent., the British paper trade should have nothing to fear from any mill on the Continent of Europe. We want optimism in this country, not pessimism. Let us have a little more of the spirit that won the War. Personally, I think the best thing the Government could do for 1921 would be to let us have a respite from excessive taxation.

Captain R. D. Oldham, M.C., representing the Inveresk Mill, expressed thanks to Mr. Harrison for the many interesting things he had said in regard to their trade. He knew that the representatives of both the Inverkeithing and Inveresk Mills were very pleased to know that the well-earned reputation of both these mills had passed into the capable hands of such a body of men as their new directors. (Applause.)

The Provost of Inverkeithing, Sir H. Foster, Mr. Alex. Smith, and Mr. McCrow (directors) were among the other speakers.



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Books Received.

The British Trade Review,. January, 1921. Price 1*s*. The current number of our excellent monthly contemporary deals with the industrial outlook, pointing out that the present depression is due to under-consumption, and not to over-production, and showing that when the fall in wholesale prices is reflected in retail prices great reservoirs of buying power will be unloosed, and mills and factories will soon get busy. A second article shows the financial and trade conditions existing in various parts of the world; while a special article is contributed by Mr. F. G. Kellaway, P.C., M.P., head of the Department of Overseas Trade, entitled "British Commerce and World Construction."

Economic History of Manchuria. Economic History of Chosen. Two volumes compiled in commemoration of the decennium of the Bank of Chosen. Copies can be obtained from the head offices of the Bank, Seoul, Chosen. The Bank of Chosen is to be congratulated on its enterprise in bringing to the notice of Europeans the great wealth and potentialities of the two principal countries in which the Bank is interested. As the Governor of the Bank points out in introducing the book on Chosen, the great European War has made the world so small that no portion of it is now so far distant from the others as to make knowledge of the one useless to another. Both works form interesting reading, and are very instructive, not to say impressive.

Coal Saving in the Chemical Industry: A Scientific Control of Steam Boiler Plant. By David Brownlie, B.Sc., Hons. (Lond.), F.C.S., A.I.Mech.E. This is a reprint from *The Chemical Trade Journal and Chemical Engineer*, giving the results of scientific investigations carried out during the past nine or ten years into the working of the steam boiler plants of sixty different chemical works in Great Britain. It is a very useful contribution to original literature dealing with the important subjects of fuel economy and steam generation. The net working efficiency of these sixty plants is only about fifty-eight per cent., and could quite easily be about seventy-two and a-half per cent., representing, therefore, a very serious national loss in coal in this one industry alone. Copies of the reprint can be obtained from the offices of the *Chemical Trade Journal* at the price of 2*s*. 6*d*.

The New Society. By Walter Rathenau. Translated from the German. Price 6*s*. net. (London: Williams and Norgate.) The author, well known as the head of the Allegemeine Electricitats-Gesellschaft, and who was responsible for the organisation for the supply of raw materials in Germany during the War, deals with the conditions of things as they exist in his own country; but as similar conditions prevail in all countries the work is not without interest outside of Germany.

Labour and Industry. A series of lectures by Percy Alden, J. B. Baillie, Gerald Bellhouse, J. R. Clynes, G. D. H. Cole, Sir Malcolm Delevigne, Sir D. Drummond Fraser, F. W. Goldstone, Percy J. Pybus, R. H. Tawney, Miss E. B. Voysey, and J. H. Whitley, delivered in the Department of Industrial Administration in the Colleges of Technology, Manchester, during the session 1919-20. (Manchester: University Press, and Longmans, Green and Company.)

The Cunard Steamship Company, Limited.—Issue of £4,000,000 Seven per Cent. Mortgage Debenture stock. The B. S. T., Limited, and the Mersey Investment Trust, Limited announce that the offer for sale of the above stock having been largely over-subscribed, the list was closed on Wednesday. Applications from the holders of the Five per Cent. Debenture stock and the Brocklebank Four and a-half per Cent. Debentures to convert into the new issue will be received up to and including the morning of the 15th instant. Letters of allotment and regret will be posted in due course.

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Reserve Fund	**3,275,000**
Reserve Liability of Proprietors	**4,765,700**
	£12,806,400
Aggregate Assets, 31st March, 1920	**£75,544,242**

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Lahore	Aden Point		
Amritsar	Colombo	Entebbe	Uganda
Delhi	Kandy	Kampala	
Tuticorin	Newera Eliya	Jinja	
Dar-es-Salaam, Tanga			Tanganyika Territory.

SUBSCRIBED CAPITAL	£4,000,000
PAID-UP CAPITAL	£2,000,000
RESERVE FUNDS	£2,300,000

LONDON BANKERS.—Bank of England, National Provincial and Union Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C. 3.

Authorised Capital (200,000 Shares of £10 each)	**£2,000,000**
Called up	**£1,000,000**
Reserve Liability of Shareholders	**£1,000,000**
Reserve Fund	**£225,000**

Branches: AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

BOARD OF DIRECTORS.
The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
SIR JAMES LEIGH-WOOD, K.B.E., C.B., C.M.G., JAMES H. BATTY, ESQ., G. BROMLEY-MARTIN, ESQ., EMILE FRANÇOIS, ESQ., J. S. HASELL, ESQ., MEYER SASSOON, ESQ.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for one year at 6 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager*.

THE UNION DISCOUNT COMPANY OF LONDON, LIMITED.

Telegrams: "Udisco, London." **39 CORNHILL, LONDON, E.C. 3.** *Telephones:* 514 Avenue (3 lines).

Capital Authorised and Subscribed	**£2,000,000**
Capital Paid up - - - -	**£1,000,000**
Reserve Fund - - - - -	**£1,000,000**

Rates of Interest allowed for Money on Deposit.

At Call - - - - 5%
At 7 and 14 days' notice - 5¼%

Terms for longer periods can be ascertained on application to the Company.

Printed by SPOTTISWOODE, BALLANTYNE & CO. LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C. 4, in the City of London, England.—*January* 15, 1921.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1919.

Annual Income Exceeds -	**£5,400,000**
Assets Exceed - - - -	**£17,300,000**
Claims Paid Exceed - - -	**£30,000,000**

IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

THE STATIST,
51 Cannon Street, London, E.C. 4.

Telegrams: "Statist Cent. London." *Telephone: City 5258-5259.*

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Offices: 51 CANNON STREET, LONDON, E.C. 4.

The Statist.

LONDON, SATURDAY, JANUARY 22, 1921.

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The Money Market.

Friday, January 21, 1921.

	Current Rate %	Current Rate Fixed	Previous Rate %	Previous Rate Fixed
Bank of England Rate...	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6⅝	—	—
Bank Bills	6¼	6 15/16	6 15/16	6⅞
Trade Bills	—	7-7¼	7¼-½	7⅝

THE BANK RATE.

THIS week there was a recurrence of rumours of a reduction of the official discount rate; in some quarters, in fact, the announcement of a change was confidently looked for after the meeting of the Governors of the Bank on Thursday, and also it is not unlikely that much of the buying of gilt-edged securities in the Stock markets was induced by the expectation of such an eventuality. We have recently in these columns more than once expressed the opinion that a reduction of the Bank rate in the near future is improbable, and no events have since occurred of a nature to lead us to a different conclusion. That a lower rate will rule before the end of 1921 is, of course, quite likely, unless circumstances take a turn now unforeseen; but the present is not the time for making the change, and we should be surprised if the Governors of the Bank contemplated doing so before the end of the financial year, as the financial authorities are not likely to adopt a changed policy before the next Budget is introduced. Originally the Bank rate was raised as a step towards putting a check to the almost reckless speculative activity that characterised the end of 1919 and the opening months of 1920. In itself the change from 6 per cent. to 7 per cent. was too small to have much effect on the course of trade and industry, but it paved the way for a vigorous policy of deflation. At present the speculative holding of stocks or commodities on borrowed money for an increased price is non-existent—indeed, with prices falling everywhere there is no room for such speculation—but, lest this should lead one to the conclusion that the authorities will relax their policy on that account, it must be pointed out that commodity prices have not yet touched bottom, and that, especially in the retail trade, prices in many lines have still a large margin for recession, while before the economic readjustment is completed, and until a lower price-level than that obtaining at the beginning of last year can be assured, money costs of production must everywhere be reduced. In other words, the deflation movement has not yet terminated. Until there is clear evidence that the revival of trade is at hand, it does not appear probable that monetary conditions will change materially.

But even if the Bank rate were now to be reduced it would in all probability affect the course of events but little. Some appear to believe that money will from now on become more and more plentiful, and that rates are merely being artificially kept up by the maintenance of a seven per cent. Bank rate; others think, apparently, that all that is wanting to bring about a revival in trade is the reduction of the Bank rate and freer lending on the part of the banks. It seems superfluous to remark in this connection that the present depression in trade has its origin in other powerful causes besides any monetary policy that may have been adopted, and that, consequently, anything wanting to institute a revival besides easier Money market conditions. The most important factor is a restoration of the buying power of the consumer, not only here, but all over the world, and what may be termed the inflationist countries of the Continent must

be forced into the difficult task of restoring sounder and more stable financial conditions.

Again, the belief that money will become very plentiful in the near future appears to be inconsistent with the facts. It still remains that the influence of national financing between this and the end of March next will be increasingly in the direction of continued deflation. Even if the Budget estimates fail to be realised, it can hardly be doubted that revenue will be so large as to absorb any surplus funds which would otherwise appear, while Ways and Means Advances outstanding are likely to undergo considerable reduction. Up to the present the effects of the ingathering of revenue were counteracted by the fact that the banks had large cash resources in hand as well as considerable balances at the central institution, accumulated in order to give a strong appearance to the year-end balance sheets. Now the bulk of these resources appears to have been drawn upon. Evidence towards this end is furnished by the latest Bank of England and Public Income and Expenditure Returns commented on below. In fact, the manner in which the ingathering of revenue is already affecting the market precludes the idea of a pronounced easing of the monetary situation before the end of the financial year. It would be unwise, therefore, to depend too much on the effects which the fall in commodity prices and the slackening of trade activity might, *a priori*, be supposed to have. In this connection, indeed, it should be noted that one effect of the trade depression is to retard the mobility of currency and credit, and this will, to a large extent, counteract the influence of the former factors.

On the other hand, it must not be supposed that a pronounced stringency is likely, as, should supplies of floating credits fall short of the demands, the banks can automatically replenish their resources from maturing Treasury bills. The excess in sales of Treasury bills over maturities which characterised the opening weeks of the month was considerably reduced last week, and before long we may expect to see the reverse process, namely, that bills will be allowed to run off.

Actual conditions in the Money market during the week can hardly be described as easy; supplies of floating credits were only just sufficient for requirements, and not infrequently difficulty was experienced in negotiating day-to-day loans at 5 to 5½ per cent. Bills were not plentiful in the Discount market, while there was a good inquiry for long-dated paper, and accordingly the tone was inclined to be easier.

Foreign Exchanges.

A glance at the course of Foreign Exchange rates in our Tabular Appendix will show a continuance during the week of a general movement which has become marked since the beginning of January, namely, a tendency on the part of the more important exchanges to return to more normal levels. In some important centres the value of the £ sterling improved, notably in New York and South American countries; in others its value diminished, especially in some European countries. A not unfavourable development has been a sharp improvement in the currencies of France, Belgium, and Italy. The New York rate rose from 3.74½ a week ago to 3.78¾ to-day. This welcome movement seems to have been due chiefly to speculative buying of sterling in New York. The improvement in the position of francs and lira may also be attributed to speculation; otherwise the changes are difficult to account for. It yet remains to be seen what has induced the buying of these currencies in New York, but at all events a helpful factor is the recurrence of easier money on the other side of the Atlantic. A sharp adverse movement has to be noted in the Scandanavian group; the Copenhagen rate declined from 21.10 to 19.25, Christiania fell from 21.75 to 19.40, and the Swedish kroner is also slightly dearer on the week at to-day's quotation of 17.47½. Presumably coincident with more favourable reports of the Spanish financial situation, the peseta improved from 28.20 to 28.05. Swiss francs depreciated. A significant movement was a decline in the Berlin cable rate from 257½ to 232. Other Central European currencies depreciated still further, Polish marks rising to the new high record quotation of 3,300 to the £.

Income and Expenditure.

The week ending on Saturday last proved a more favourable one for the National Finances than has been experienced for a considerable time, and the latest return of public income and expenditure exemplifies clearly what promise to be the dominating influences in the Money market during the coming quarter. Revenue, at £32,467,000, showed an increase of £3,877,000 on the week, and, at the same time, ordinary expenditure was £9,901,000 lower at £17,174,000. The previous week's surplus of £1,515,000 was thus increased to £15,293,000. The amount available for debt redemption was brought up to £22,379,000 by an excess in receipts from Treasury bill sales over maturities. This favourable position allowed a substantial reduction to be made in Ways and Means Advances; advances by the Bank of England were reduced by £9,500,000 to £36,250,000, and advances by Public Departments are £5,650,000 down at £210,122,000, making a total decline of £15,150,000 during the week in Ways and Means Advances outstanding. The total floating debt shows a decrease of £8,660,000 on the week at £1,400,221,000. Since a year ago it has increased by £54,196,000, and since the beginning of the financial year the expansion is £88,016,000. Besides the reduction in Ways and Means Advances there were other repayments of unfunded debt amounting to £5,609,057, made up as follows: net reduction of short-term foreign debt, £2,289,611, and cancellation of War Loan, Exchequer Bonds, &c., surrendered in payment of excess profits duties and death duties, £3,319,446.

Currency Notes.

The Currency Notes Return again registers a contraction in the total outstanding of notes and certificates, but the decline was slightly below that recorded on the previous week. The total on Wednesday last was £344,284,468, or £6,684,331 below that reported on the 12th inst. This reduction compares with £6,969,586 during the previous week. Fresh issues show a slight falling off, but returns from circulation were over £1 million lower on the week. The fiduciary issue is now £296,334,468, or £21,220,779 below the legal maximum. The reserve ratio is 13.8 per cent., as compared with 13.6 per cent. a week previously and 9.7 per cent. a year ago. The present circulation of currency notes and certificates is £11,690,702, and the present combined total of bank-notes and currency notes, excluding the amount of the former in the currency notes reserve, is £4,415,000 above the weekly average for 1920.

Bank of England.

The latest Bank return shows movements of a much less violent nature during the week to Wednesday last than during the two preceding weeks, but a further improvement in the reserve position is recorded. The note circulation declined by £1,293,000 to £128,541,000, and at £128,287,000 the gold reserves show an increase of about £7,000, making a total addition of £1,301,000 to the reserve. The amount of this on the 17th inst. was £18,196,000, the highest recorded since June 23, 1920, and £6,568,000 above the lowest for last year. Private balances at the Bank were again drawn upon to the extent of £3,125,000, this reduction comparing with £31,850,000 for the previous week and £20,567,000 for the week ending on January 5. At £120,012,000 "other" deposits now stand at £56,542,000 below the figure returned on December 29 last. The result of these changes on the proportion of reserves to liabilities was an improvement from 12.2 per cent. to 13.4 per cent., this latter being the

strongest for twenty-one weeks, or since August 25, 1920. Government deposits show a slight increase at £16,076,000. Government securities again show a decline, but it is significant that the decrease is only £4,730,000, as compared with £48,625,000 during the preceding fortnight. Other securities rose fractionally to £81,325,000.

On comparing the present position with that obtaining on January 21, 1920, it will be found that the disimprovement that has occurred during the year is less than might be expected, considering the trying period the Bank has just passed through. "Other" deposits are £20,239,000 lower, but, despite this reduction in liabilities, the reserve ratio shows a fall from 16.8 per cent. to 13.4 per cent. on account of a decline of just under £9 million in the amount of the reserve. This movement, in turn, was caused by an expansion of £40,447,000 in the note circulation, though it should be noted that £15,450,000 of this was placed in the Currency Notes Redemption Account. The real increase in the active circulation is, therefore, only a little under £25 million. On account of the gravitating of the country's gold resources to the Bank the total coin and bullion held shows an increase of nearly £31½ million during the year.

Bullion.

All arrivals in the Gold market were again shipped to the United States at the parity price, which was to-day 109*s.* 0*d.*, as against 109*s.* 8*d.* on the 14th inst.

No significant change occurred in the Silver market during the week, and price movements were again, for the greater part, due to speculative operations. China and India, however, showed greater readiness to buy at the lower quotations, but whatever influence this might have upon quotations is being destroyed by speculative reselling on a considerable scale from the same quarters. Continental sales were not large but, on the other hand, considerable supplies were sent from America, especially towards the end of the week. From the 15th inst. prices drooped consistently until yesterday, when there was a sharp reaction of ⅞*d.* under the influence of Chinese purchases. In view, however, of the amount of the metal held for resale, when the quotation recovers it seems improbable that any strong bidding-up of prices can take place. The following are the quotations for gold and for spot and forward silver each day since Saturday last:—

	Jan. 15	Jan. 17	Jan. 18	Jan. 19	Jan. 20	Jan. 21
Silver (per oz. std.):—						
Cash	40⅛*d.*	39⅝*d.*	39⅝*d.*	39⅝*d.*	40⅛*d.*	40*d.*
Forward	40⅜*d.*	39⅞*d.*	39⅝*d.*	39⅞*d.*	40⅛*d.*	39⅞*d.*
Gold (per oz. fine) ...	—	109·0	108·9	109·5	108·9	109·0

NEW YORK.

The returns of the New York Clearing Banks and the New York Federal Reserve Bank for the week ending on the 15th inst. show the effects of withdrawals of funds to interior centres.

The aggregate reserve of the Clearing Banks is $8,520,000 lower at $558,910,000. The effect of this decline on the excess reserve was almost altogether nullified by the depletion of net demand deposits to the extent of $62,950,000, leaving the present amount of this item at $4,045,380,000. At $22,340,000 the average excess reserve is only $660,000 lower on the week. The actual position at the end of the week, however, was much weaker than the average for the week; at the close of business on Saturday last the aggregate reserve was $2,070,000 below legal requirements. Loans, discounts, and investments were further reduced by $90,150,000 to $5,171,620,000, this being the lowest since the week ending December 11, 1920, and $314,510,000 below the high record of the week ending October 16.

A very favourable statement is presented by the twelve Federal Reserve Banks for the week ending on the 14th inst. It shows a large increase in reserves, a reduction in bill holdings, and a decline in liabilities. Total reserves now stand at $2,288,450,000, this figure being the highest ever recorded; gross deposits declined by $39,090,000 to $1,595,450,000. The Federal Reserve notes in actual circulation are $110,530,000 lower on the week at $3,159,490,000. This figure is the lowest since August 6, 1920; it is $245,440,000 below the total returned in the last week of December, the latter constituting a high record. As a result of these changes the ratio of total reserves to the combined net deposit and Federal Reserve note liabilities rose from 46.4 per cent. to 48.1 per cent., the highest since that recorded on October 24, 1919. The total reduction in bill holdings during the week was $189,160,000, and of this $157,810,000 was effected in the holding of bills rediscounted for member banks. The present total of this item is $2,449,540,000, the smallest since the week ending October 22 last.

No important development occurred in the Money market. Call money ranged from six per cent. to seven per cent. throughout the week, and actual loans were transacted at the lower quotation on most days. Funds, however, were more plentiful, and this imparted a more optimistic tone to the Stock markets. Commercial paper, prime names, was quoted at 7¾ per cent. to 8 per cent.

THE
ANGLO-SOUTH AMERICAN
BANK, LIMITED.
CAPITAL & RESERVES EXCEED £13,000,000
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BRADFORD OFFICE: 69, MARKET STREET.
AFFILIATIONS:
THE BRITISH BANK OF SOUTH AMERICA LIMITED
and
THE COMMERCIAL BANK OF SPANISH AMERICA LIMITED

Stock Exchange.

The outstanding feature of the week has been the continued strength of the Gilt-edge market, which is all the more surprising in face of the competition of the new issue of £15,000,000 Local Loans stock. The latter was heavily over-subscribed, and the lists closed early, the scrip being later quoted at a premium. Considering that the last emission left over 70 per cent. with the underwriters, the present result was unexpected, and acted as a general tonic to the House. The eager response to this and to the recent Cunard issue is evidence of the existence of heavy investment funds, and will without doubt attract many new flotations, held up during the recent slump, on the market during the coming weeks. That industrial issues will attain the same success remains to be proved, however. There is evidence that the extreme uncertainty of the industrial outlook is causing a very large transfer of funds into gilt-edge or quasi-gilt-edge securities, and this tendency is accentuated by an unfounded but fairly widely held expectation of an early rise in the Bank rate.

Interest in County and Corporation stocks revived to a slight extent, Bristol, Hereford, and Coventry varieties benefiting from some inquiry. Colonial descriptions remained inactive until Thursday, when an all-round minor advance was recorded.

The Foreign Bond market opened weak, but the appreciation [illegible]

optimistic outlook in Brazil contributed to a general hardening of quotations later. French issues were marked up on the higher sterling value of the franc, and German Threes improved with the mark. South American issues were not in much demand, but the falling-off in offerings of Brazilians resulted in a further recovery from the recent scaling down of quotations for these bonds. Chinese loans opened strong, but reacted later, while Japanese, pursuing an opposite course, closed with a hardening tendency.

Home Rails were slightly more active than usual, but no definite trend of prices was discernible. The first dividend of the season, that of the Metropolitan, was of a comparatively encouraging nature. At the rate of two per cent. per annum it makes one and a-half per cent. for the whole year, or one-fifth greater than that for 1919. The shares benefited with the announcement, and closed firm. Underground Electrics, both the Ordinary shares and Income Bonds, were also in demand, and finished with a considerable show of strength. Elsewhere a general weakening tendency was in evidence towards the end of the week, despite the near approach of dividend announcements. The Great Eastern, Great North of Scotland, Taff Vale, Great Northern, and Lancashire and Yorkshire dividends will be declared before the end of the month.

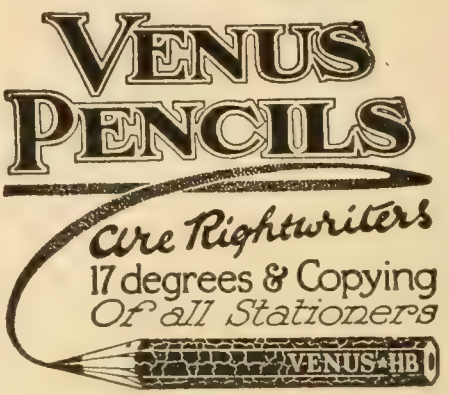
In the absence of buying support the balance of movements among Foreign Rails was downward, Grand Trunks being the only buoyant feature. Argentine and Brazilian prices were on the whole lower, but transactions were not numerous. Leopoldina stock reacted on the announcement of the claim for £120,000 preferred against the Company in respect of old duty-free imports.

The prevailing trade depression reflected itself in the Industrial department, and price movements, while confined to fairly narrow limits, were mainly against holders. The continued recovery in the Gilt-edge section eventually imparted a more cheerful tone, which did not, however, increase the volume of business. Iron and Steel shares continued on offer, and were frequently easier, the closing-down announcements of Guest, Keen and Nettlefolds, and of Palmer's Shipbuilding, and the news of price-cuts by Scotch steel-makers helped to depress the market. Vickers were the only firm feature of note towards the end of the week. Shipping securities developd little activity, and prices continued firm. Textiles were characterised by a consistent dulness, but no alterations of importance occurred. Amalgamated Cotton Mills Trusts and Textiles Corporations moved up slightly, and Courtaulds made a partial rally after an initial decline. Listers were not assisted by the report, and reacted further. Dunlops were actively dealt in, and the assurances that the pending statement will not be of an unsatisfactory nature increased values slightly. Bank shares came on offer, but movements were irregular; Insurance issues continued quiet and without much change.

Oil shares remained under a cloud for the greater part of the week, owing to heavy liquidation of the leaders, but the close, though unsettled, was marked by several sharp rallies. Royal Dutch, Shells, Mexican Eagles and Burmahs came heavily on offer, but all closed with a hardening movement, Shells being helped by the announcement that the Mexican subsidiary had brought in a record gusher in the Zacamixtle field with an estimated daily output of 75,000 barrels.

Tea shares, while remaining an inactive centre, have again exhibited a general rise in values. The cumulative effect of the steady though quiet demand in this market during the past month has brought quotations well above the worst, and the critical period would now seem to belong definitely to the past, despite the fact that huge low-grade stocks still remain to be disposed of.

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Mining Topics.

Interest in this market during the week was principally directed to Chartered. On Monday the demand for shares brought the price up steadily from 16*s.* 4½*d.* to 17*s.* Tuesday witnessed a temporary suspension of buying and a tendency to take profits, with the result that the price dropped to 16*s.* On Wednesday pessimistic anticipations of the Cave Report gave rise to further liquidation, and the shares changed hands until a quotation of 15*s.* was reached. The details of the report were received in the market with mixed feelings. Against a total claim of £7,866,117, in addition to a sum covering interest on its net expenditure when ascertained, which was made by the Company, the total award of the Commission amounts to £4,435,225, whilst the claim for interest was refused. At the outset disappointment was uppermost, and on Thursday the shares fell sharply to 13*s.* 9*d.* Ultimately, however, a more balanced judgment prevailed and the shares recovered to 14*s.* 3*d.* If allowance is made for the difficulty involved on arbitrating on such a complex problem and for the give and take which the policy of arbitration invariably involves, it will generally be admitted that the award on the whole is reasonable.

In the Kaffir Circus movements were sluggish, and comparatively few transactions took place. Attention was largely confined to mines in liquidation. The announcement that, owing to the disastrous collapse in October of 600 feet of the sixteenth level, Village Main Reef proposed to go into voluntary liquidation was reflected in a gradual improvement of the shares to 9*s.*, as the market believed—and with some reason—that the breaking-up value would at least reach this figure. City and Suburban were also in favour on Wednesday, moving up 9*d.* to 7*s.* 3*d.* Lonely Reef gained 1/6 at 2 7/6 on the rich assay values of 39.9 dwt. over 44 inches exposed on the new strike at No. 24 level.

Esperanzas were fairly active during the week, fluctuating around 1¼, but easing to 1⅛ on Thursday. Whilst poor values were disclosed in a further drive of ten feet on No. 5 level, ore of 1½ oz. gold and 38 oz. silver over a width of 23 inches was reported in a rise 223 feet north of the crosscut.

SOUTH KALGURLI CONSOLIDATED.

	Ore Milled Tons	Gold Revenue per Ton s. d.	Working Costs per Ton s. d.	Working Profit Amount £	Working Profit per Ton s. d.	Net Profit £	Dividends Amount £	Dividends ‰
1917	110,333	22 9	21 10	1811*	0 11	4,051	3,125	2½
1918	108,236	22 1½	22 2½	381*	0 0½*	956	-	-
1919	96,239	26 8½	23 8½	10,205	3 0½	9,655	9,375	7½
1920	71,309	27 5‡	28 11	8,350‡	1 6‡	9,388§	9,375	7½

* Loss. † Excluding premium on gold amounting to £18,021 or 5s. 1d. per ton.
‡ Loss excluding premium. § Profit including £18,021 in respect of gold premium.

The beneficent influence of the gold premium in enabling shareholders to obtain dividends, where otherwise such dividends could not have been declared, is not merely confined to mines operating in South Africa and Rhodesia. The report presented by South Kalgurli Consolidated for the year ended March 31, 1920, furnishes an excellent illustration of a gold mine in Western Australia that would, under existing conditions, have run at a loss for the year in question in the absence of this premium. The quantity of ore milled dropped sharply from 96,239 tons to 71,309 tons. In part this decline reflected the acute shortage of labour from which gold mines in this area, in common with those of the Rand, are suffering. But as regards South Kalgurli Consolidated, this decline was accentuated by the strike for two months at the end of 1919. There had been a slight improvement in the grade of the ore mined, with the result that the average revenue per ton—based on the par value of gold in order to maintain an effective comparison—rose from 26*s.* 8½*d.* to 27*s.* 5*d.* Now, in Australia as elsewhere, the year under review was characterised by rising price-levels for stores and materials as well as for wages. The effect of this factor in raising working costs was emphasised unduly by the unfortunate decline in the quantity of ore treated. Hence it came to pass that the average cost of working per ton of ore milled jumped up from 23*s.* 8¼*d.* to 28*s.* 11*d.* Accordingly, in the absence of the premium on gold there would have been a working loss of £8,350, or 1*s.* 6*d.* per ton, as against a profit of £10,205, or 3*s.* 0½*d.* per ton, in the previous year. This premium brought in, however, a total of £18,021, equivalent to an additional yield of 5*s.* 1*d.* per ton. Consequently, the gold revenue per ton is increased to 32*s.* 6*d.*, and there is secured a working profit of £9,671, or 3*s.* 7*d.* per ton. The dividend of seven and a-half per cent., as in 1918-19, absorbs £9,375, and is obviously paid out of the receipts of the premium on gold. The balance carried forward to the next accounts is increased slightly from £278 to £301.

An inadequate labour force, industrial disputes, and the high cost of supplies handicapped development work during the year. Results were most encouraging in the north drive thirty-nine feet east on the 1,350 feet level, where ore of good value was opened up. How the ore reserves were affected can be seen from the following table:—

Ore Reserves.

March 31	Actual Short Tons	Actual Value s. d.	"Probable" Short Tons	"Probable" Value s. d.
1917 ...	133,221	24 4	88,115	23 4
1918 ...	125,355	25 7	88,785	24 1
1919 ...	155,944	31 9	108,785	25 7
1920 ...	190,954	27 5	94,246	24 1

The decrease in the grade of the ore reserves is attributed to the falling off in the grade of the ore opened up on No. 3 east lode. Subsequently, development north and south at No. 15 level revealed ore of richer values, with the result that the average value of the above ore reserves (actual) was raised to 31*s.* 10*d.* A south drive in block 13P. exposed ore of 27¼ dwt. for eight feet over a width of sixty-nine inches, whilst an average of 9¼ dwt. was obtained over the same width for the next fifteen feet. Assay values as high as four oz. per ton were reported as a result of a north drive in block 12S. By the end of September last, the ore reserves were stated to be 135,900 tons actual, averaging 29*s.* 9*d.*, and 26,500 tons "probable," averaging 31*s.* 10*d.* This improvement in the grade of the ore is one of the factors which the consulting engineer in his report for the year under review stated to be essential if a profit was to result during the current year. The other factor was a reduction in working costs. The labour force is apparently still inadequate. Returns for the nine months ended December 31, 1920, show that only 65,224 tons of ore have been treated. During December the quantity, usually exceeding 7,000 tons, fell to 4,308 tons owing to industrial disputes. The railway strike, which was responsible for this suspension, was not settled till near the end of January. Consequently, returns for that month will be still lower. Financially, however, the results for the nine months to the end of 1920 were satisfactory. Even on the basis of the par value of gold, revenue showed a surplus over working costs of £914 for the period. The gold premium was announced on October 11, 1920, to have yielded a total of £17,298. Moreover, this premium reached greater heights during the December quarter. Accordingly, there is good reason for anticipating a dividend of seven and a-half per cent. for the current year, in the absence of unforeseen circumstances. Should conditions improve during the last quarter the dividend may be increased to ten per cent. One fact operating against this, however, is the recent award of the Arbitration Court increasing wages, which is estimated to involve an additional monthly expenditure of £1,500. Financially, a very sound position is disclosed in the balance sheet dated March 31, 1920. To meet current liabilities to a total of £10,608, liquid assets are available to the extent of £43,453. Quoted in the market at 5*s.* 6*d.*, the 10*s.* shares afford a return of nearly fourteen per cent.

TAQUAH MINING AND EXPLORATION.

	Ore Milled Tons	Gold Revenue per Ton	Working Costs per Ton	Working Profit Amount £	Working Profit per Ton	Net Profit £	Dividends Amount £	Dividends ‰
1917...	65,883	55 0	36 11	57,761	18 1	18,564	58,122	15
1918...	64,829	55 9½	36 11¼	62,323	18 9½	43,320	48,435*	12½
1919...	59,213	57/3	36 8	64,671	20 7	51,204	48,435	12½
1920...	53,844	51/10*	40 8½	31,309*	11 1¼	51,129†	48,435	12½

* Excluding premiums on gold amounting to £34,285 (equivalent to 6s. 4d. per ton) and yield of 12*s.* 9*d.* per ton.
† Including £34,285 in respect of gold premium.

Like its neighbour, the Abosso Gold Mining Company, this West African gold producer has been severely handicapped by the shortage of labour during the year ended June 30, 1920. In the words of the report, "The high cost of living, the attractions of cocoa-growing and carrying, of mahogany-cutting, and the unpopularity of paper currency in place of silver coin are all contributing factors." But, as in the case of Abosso, the most serious factor has been the heavy demand on the part of the Government for labour to carry out its programme of railways and public works. The cumulative effect of all these factors may be gauged in the falling-off in underground labour by thirty-four per cent. during the latter nine months of the year under review. Viewed in this light, the further decline in the quantity of ore crushed to 53,844 tons, as against 59,213 tons in the previous year, is by no means marked. However, the reduction in the quantity of ore milled coincided with a more serious decline in the grade of the ore. Working on the basis of the par value of gold in order to maintain an effective comparison, the yield per ton amounted only to 51*s.* 10*d.*, as compared with 57*s.* 3*d.* in 1918-19 and 55*s.* in 1916-17. Partly as a result of the smaller tonnage treated, and partly owing to the higher wages

paid to native workers, working costs rose from 36s. 8d. to 40s. 8½d. per ton. Consequently, as against a working profit of £64,674, or 20s. 7d. per ton, in 1918-19, there was secured for the year under review a working profit of only £31,309, or 11s. 1¾d. per ton. The main fact to note is the ability of the mine, even under adverse circumstances, to record a working profit in the absence of the gold premium. The advent of this premium, however, swelled the revenue of the Company by £34,285 during the year. Accordingly, the actual working profit realised reached £65,594, or 23s. 10¾d. per ton, whilst the yield per ton milled rose to 64s. 7d. Hence the net profit worked out at £51,129, as compared with £51,204 in 1918-19. Consequently, the dividend is maintained at twelve and a-half per cent., whilst the balance carried forward to the next accounts is increased from £24,717 to £27,412.

The development work also suffered from the inadequate supply of labour. A further barrier was provided by the dislocation of the reef in the bottom, which caused all development work in that area to be slow and difficult. Moreover, this necessitated the concentration of attention on work in the internal shaft area. The directors state that "the upward turn of the reef beyond No. 14 level in the internal shaft has been followed for 250 feet and drilling is in progress to locate its continuance." At 100 feet above this level ore averaging 54s. 3d. over a width of fifty-three inches has been exposed for 245 feet. However, there has been a rather marked drop in the ore reserves as a result of these difficulties, the falling-off being in value and width as well as in quantity.

Ore Reserves.

June 30	Tons	Value per ton	Width Inches	Value per inch
		s. d.		s. d.
1917 ...	[illegible]	56 10	57	3 [illegible]
1918 ...	211,069	57 0	57	3,249
1919 ...	194,146	54 9	54	2,957
1920 ...	182,226	52 6	53	2,785

The continued shortage of labour renders the prospects for the current year somewhat discouraging. Particularly as a result of severe Government competition the mill has been running at short time since June and development work has had to be further restricted. Returns for the first half of the year show that only 17,396 tons were crushed, or an average of less than 3,000 tons a month, as against an average of 4,487 tons. Working costs show no sign of declining; on the contrary the reduction in quantity makes for higher levels. Thus the reported profit for the first five months of the current year only amounts to £10,316, including the bulk of the gold premium, which was very favourable during this period. Altogether the net profit for the six months is not likely to exceed £12,000. The decision of the directors to refrain from declaring an interim dividend is but a logical consequence of this state of affairs. In the absence of a pronounced improvement in the labour situation, the likelihood of a final dividend seems somewhat remote. The Company is also interested in Abosso to the extent of 127,142 Ordinary shares and thus the producer is also handicapped by the same shortage of labour. More recently 80,000 shares of 5s. each have been acquired in the Taquah Central Mines, Limited. Operations in this mine have already revealed payable ore in a drive from No. 8 adit and it is stated that "there is every prospect of developing a long length of payable ground between it and the main shaft nearly 2,000 feet away." However, whilst the dividend outlook is at best uncertain, the financial position of the Taquah Mining and Exploration Company as seen in the balance sheet dated June 30, 1920, is very strong. Including the taxation reserve of £21,802, current liabilities did not exceed £64,514, whereas liquid assets, excluding stores valued at £26,306, but including the shareholding in Abosso at less than the market price, were available to a total of £152,242. At present the £1 shares of this Company are quoted in the market at 9s. 3d.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 19, 1921.

Issue Department.

Notes Issued	£144,950,015	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,500,015
	£144,950,015		£144,950,015

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£54,510,256
Rest	3,38[illegible],935	Other Securities	81,324,834
Public Deposits	16,076,294	Notes	16,409,310
Other Deposits	120,012,067	Gold and Silver Coin	1,787,480
Seven-day and other Bills	8,614		
	£154,031,880		£154,031,880

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1921.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	% d
Jan. 19	128.5	128.2	16.0	120.3	54.4	81.3	18.2	13·4	7	6⅞
Jan. 12	129.8	128.2	15.8	123.1	59.2	80.7	16.8	12·2	7	6⅞
Jan. 5	131.5	128.2	16.7	154.9	89.7	84.7	15.1	8·8	7	6⅞
1920.										
Dec. 29	132.8	128.2	14.3	175.5	107.8	86.0	13.8	7·3	7	6⅞
Dec. 22	134.6	127.7	13.7	136.0	77.1	78.9	11.5	7·8	7	6½
July 22, '14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%: July 31, 8%: Aug. 1, 10%: Aug. 6, 6%: Aug. 8, 5%
July 13, 1916, 6%: Jan. 18, 1917, 5½%: Apr. 5, 5%: Nov. 6, 1919, 6%: Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c,

	Jan. 19	Jan. 21	Jan. 22	Jan. 23	Jan. 18
Bank of England (in £ sterling, 00,000's omitted):	1921	1920	1919	1918	1911
Circulation	£128,5	£83,1	£69,0	£45,2	£27,4
Public Deposits	16,0	21,4	27,2	41,8	10,1
Other Deposits	120,0	140,3	128,6	124,4	40,0
Government Securities	54,5	68,1	62,9	56,8	15,0
Other Securities	81,3	84,4	79,0	95,2	27,5
Reserve	18,2	27,0	29,7	32,1	25,7
Ratio to Liabilities	13·4%	16·8%	19·32%	19·33%	51·23%
Coin and Bullion	128,2	96,8	80,3	58,9	34,7
Money:					
Bank of England Rate	7%	6%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	5⅝%	3½%	4⅛%	3⅜%
Exchanges:					
Paris on London	57·07	43·55	25·98½	27·15	29·25
New York 60 days	3·73¾	3·58¼	4·73	4·72½	4·82½
London Telegraphic Transfers	1·5⅞	2/3¾	1·54½	1·4⅛	1/4¼
Prices:					
Consols 2½, cash	48¼	51½	59½	54¼	79⅛
French Rentes 3% Money	58·55	58·90	63·25	58	97·42
Silver, London spot per oz.	40d.	79⅛d.	48⅝d.	42⅜d.	24⅝d.
Wheat, Gazette average per qr.	85 11	72/6	72/7	71/3	30/8
Cotton, Mid Upland lb.	11·18d.	29·51d.	19·76d.	23·31d.	8·06d.
Iron, Scotch pig ton	231 0	181 0	101 0	101/0	5/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Jan. 19, '21	4,338,412	11,022,753	344,284,468	28,500,000	19,450,000	13·8
Jan. 12, '20	4,808,353	11,777,939	350,968,809	28,500,000	19,450,000	13·6
Jan. 21, '20	4,189,877	10,318,474	332,593,766	28,500,000	4,000,000	9·7
Jan. 22, '19	4,482,283	8,279,196	308,218,627	28,500,000	—	9·2
Jan. 23, '18	4,386,255	4,984,668	210,142,981	28,500,000	—	13·6
Jan. 24, '17	4,170,443	5,820,111	143,660,728	28,500,000	—	19·8

Balance Sheet, January 19, 1921.

Notes outstanding—	£	Advances—	£
One Pound	273,090,717	Other Bankers	—
Ten Shilling	41,493,751	Trustee Savings Banks ...	—
Certificates outstanding ...	29,700,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	344,284,468	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,604,558	Government Securities ...	315,001,262
		Balance at Bank of England	144,585
Investments Reserve A/c ...	16,206,820		
Total	363,095,847	Total	363,095,847

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	'Other Issues	Cash Balance
Jan. 15,'21...	£32,467	£17,174	£15,293‡	£139,881	£154,860	£3,503
Jan. 8,'21...	28,590	27,075	1,515‡	160,121	161,458	3,189
Dec. 31,'20...	13,154	25,931	12,777	113,055	100,800	3,011
290 dys.'20-21	949,861	886,939	62,922‡	4,438,191	4,610,481	—5,866
292 dys.'19-20	775,940	1,187,638	411,698	4,942,013	4,543,115	—8,169
Yr. '20-21*	1,418,300	1,233,642	184,658‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,796
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int. &c., on Debt	Misc. Expend.	Supply Services
Jan. 15,'21...	£4,010	£12,365	£5,918	£10,174	£2,552	£362	£14,260
Jan. 8,'21...	5,066	9,743	4,894	7,877	6,293	501	20,281
Dec. 31,'20...	2,576	3,665	1,935	4,948	1,248	52	23,631
290 days'20-21	258,889	178,930	167,66	343,76	29,293	16,915	578,726
292 days'19-20	222,502	166,249	220,851	166,838	279,685	11,061	896,892
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Jan. 15, 1921 ...	£1,153,949	£246,272	£1,400,221	£19,055
Jan. 8, 1921 ...	1,147,359	261,522	1,408,881	18,635
Dec. 31, 1920 ...	1,102,109	306,972	1,408,081	18,260
Dec. 25, 1920 ...	1,120,349	273,772	1,394,121	17,815
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates, including supplementary grants. † Highest. ‡ Excess of revenue

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Dec. 22, '20	...	10,660	1,013	11,673	28,070	240,079	48,905
Dec. 29, '20	...	10,661	1,116	11,577	30,287	244,769	46,951

		Claim on Austro-Hung. Bank	Contingent Liab. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Dec. 23, '20	...	£396,755	£81,419	£80,152	£95,878	£457,435	£55,077
Dec. 31, '20	...	396,755	81,185	83,980	96,780	470,355	46,426
Jan. 7, '21	...	396,759	78,639	79,367	96,639	461,389	50,382

		Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4 1 0	£341	£4,441	£6,197	£786	£8,693	£47
Nov. 30, '20	...	12,644	145	12,789	14,328	757	30,845	3,305
Dec. 31, '20	...	12,643	145	12,788	13,395	522	30,928	3,623
Dec. 31, '19	...	12,605	184	12,789	12,803	1,640	27,186	3,995
Dec. 31, '18	...	10,812	135	10,947	4,473	4,976	25,002	809

		Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
FRANCE.								
July 30, '14	...	£165,654		£190,667	£97,769	£267,327	£15,302	£37,903
Jan. 13, '21	...	142,017	77,934	230,624	121,791	1,538,517	3,506	138,532
Jan. 20, '21	...	142,025	77,934	230,777	120,113	1,526,115	1,489	130,062
Jan. 22, '20	...	144,065	79,131	233,452	68,106	1,507,177	1,810	120,174
Jan. 23, '19	...	138,488	81,484	232,664	49,896	1,271,750	2,810	110,755

		Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Dec. 31, '20	...	54,577	293	54,870	1,173,915	3,031,923	3,440,250	1,116,355
Jan. 7, '21	...	54,577	324	54,901	1,079,446	2,825,151	3,393,819	625,482
Jan. 7, '20	...	54,433	1,056	55,489	550,371	1,775,473	1,781,650	539,318
Jan. 7, '19	...	113,009	969	113,978	285,819	1,299,114	1,116,842	593,484

		Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14		£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Jan. 3, '21	...	53,012	1,738	54,800	21,705	24,916	93,798	7,657
Jan. 10, '21	...	53,012	1,301	54,313	20,809	23,281	90,418	6,845
Jan. 10, '20	...	52,917	531	53,493	24,876	19,682	87,201	7,892
Jan. 11, '19	..	57,535	723	58,258	21,140	12,112	90,166	8,148

		Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	–	–	–	13,456	225,017	£69,204	£8,887
Oct. 20, '20	...	£32,191	£2,999	35,190	11,604	215,313	606,576	79,451
Oct. 30, '20	...	32,768	2,999	35,767	14,075	230,472	611,158	72,207
Oct. 31, '19	...	32,200	3,006	35,206	26,417	89,476	473,217	74,473
Oct. 31, '18	...	32,697	3,078	35,775	5,283	62,386	358,445	56,877

		Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,029	£7,863	£32,722	£13,818	£1,521
Dec. 4, '20	...	113,363	7,287	15,565	112,234	102,348	11,595
Dec. 11, '20	...	113,381	11,348	14,528	112,032	102,308	18,201
Dec. 13, '19	...	83,352	10,751	31,069	118,564	109,431	4,331
Dec. 14, '18	...	71,980	3,030	40,603	89,509	100,280	4,877

		Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits — Demand	Net Deposits — Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89,888	£411,238	—	—	£887,165	£1,720
Jan. 8, '21	...	£19,360†	113,483	1,052,436	£821,666	£52,764	891,196	4,600
Jan. 15, '21	...	19,120†	111,732	1,044,314	804,076	54,954	873,504	4,468
Jan. 17, '20	...	21,276†	115,639	1,069,318	823,060	52,354	933,782	5,408
Jan. 18, '19	...	21,446†	114,764	951,192	791,454	23,430	835,354	10,052

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£6,752	£793
Jan. 7, '21	...	8,115	3,004	578	26,265	29,134	6,965
Jan. 15, '21	...	8,115	3,191	578	24,903	24,002	6,702
Jan. 15, '20	...	8,137	2,931	673	19,766	23,163	4,807

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
Oct. 6, '20	...	£1,906	£3,921	£5,827	£26,898	£119,880	£4,774
Oct. 13, '20	...	1,906	3,921	5,827	29,347	119,490	4,502
Sept. 3, '19	...	1,905	3,924	5,829	7,846	66,556	6,774
Sept. 4, '18	...	1,905	3,742	5,647	10,795	54,450	2,357

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Oct. 2, '20	...	£108,003	£21,154	£5,276	£26,430	£314,700
Oct. 9, '20	...	112,003	24,633	4,661	29,294	324,600
Oct. 16, '20	...	112,003	25,670	4,922	30,592	323,938
Oct. 18, '19	...	49,512	7,656	2,443	10,099	148,436

		Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14	...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17	...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Jan. 8, '21	...	98,318	22,724	121,042	106,301	13,779	174,382	46,467
Jan. 15, '21	...	108,577	22,750	131,327	103,795	13,779	170,951	47,095
Jan. 17, '20	...	97,931	25,258	123,189	89,391	13,779	155,736	43,629
Jan. 18, '19	...	89,140	25,666	114,806	67,541	13,771	135,216	45,628

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Dec. 31, '20	...	15,654	5,731	705	31,077	42,215	9,529
Jan. 8, '21	...	15,651	5,712	705	30,577	38,557	11,014
Jan. 10, '20	...	15,811	5,685	2,686	27,782	37,525	11,184
Jan. 11, '19	...	15,558	6,311	3,034	21,507	41,093	6,332

		Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Dec. 31, '20	...	21,716	4,863	26,579	20,949	40,948	6,325
Jan. 7, '21	...	21,716	4,929	26,645	17,829	38,451	5,843
Jan. 7, '20	...	20,673	2,971	23,649	19,030	34,048	6,760
Jan. 7, '19	...	16,562	2,366	18,928	23,673	36,434	7,903

* Converted at 24 crowns to £1.
† Note reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discounted	Bills Accepted	Deposits Govt.	Deposits Net	Circulation
Jan. 10,'21 ...	£416,056	£4455,370	£5,21 17p	£46,652	£5,318	£226,938	£554,004	
Jan. 17,'21 ..	£117,090	£57,705	£81,903	£9,692	1,794	319,090	631,898	
Jan. 19,'20 ...	157,710	251,036	420,856	429,014	115,736	6,940	363,812	589,978
Jan. 17,'19 ...	145,616	274,893	434,030	329,232	54,726	9,874	310,758	502,594

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	7	Sept. 3,'20
Berlin	5	Dec. 23,'14	Madrid	6	Nov. 4,'20
Berne	5	Aug. 21,'19	Paris	5	Apr. 8,'20
Bombay	7	Nov. 12,'20	Petrograd ...	6	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	7	Nov. 19,'20	Stockholm ...	7½	Sept. 16,'20
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan. 21, '21	Jan. 14, '21	Jan. 7, '21	Dec. 31, '20
Berlin	Cable	232m.	257m.	282m.	257m.
Brussels	Cheques	54fr. 65c.	58fr. 32c.	58fr. 12c.	56fr. 85c.
Denmark	Cable	19kr. 25	21kr. 10	22kr. 35	23kr. 10
Holland	do.	11fl. 37c.	11fl. 37c.	10fl. 36c.	11fl. 25c.
Italy	do.	106fr.	108fr. 12	104fr. 50	101fr. 75
Lisbon and Oporto	do.	6¼d.	6¼d.	6¼d.	7d.
New York	do.	$3 77½	$3 [illegible]	$3 63	$3 55½
—	Cheques	$3 78	$3 76	$3 65	$3 55½
Norway	Cable	19kr. 40	21kr. 75	22kr. 45	23kr. 10
Paris	3 mos.	58fr. 05c.	62fr. 07c.	61fr. 90c.	60fr. 42c.
—	Cable	57fr. 30c.	61fr. 32c.	61fr. 15c.	59fr. 87c.
Spain (Bank places)	3 mos.	42¼.	42¼.	42¼.	45½d.
—	Cable	28p. 05	28p. 20	27p. 45	26p. 45
Sweden	do.	17kr. 47	17kr. 51	17kr. 58	17kr. 67
Switzerland	3 mos.	24fr. 57c.	24fr. 45c.	24fr. 07c.	23fr. 67c.
—	Cable	24fr. 07c.	23fr. 95c.	23fr. 57c	23fr. 17c.

ON LONDON—		Jan. 21, '21	Jan. 14, '21	Jan. 7, '21	Par.
Alexandria	Sight	97¼pi.	97¼pi.	97¼pi.	97¼pi.
Amsterdam	Cheques	11fl. 37c.	11fl. 36½c.	11fl. 35c.	12·107fl.
Athens	Cable	50dr. 62	51dr. 25 [illegible]	49dr. 40	25dr. 22½
Bombay	Transfers	1s. 5 7/16d.	1s. 5 [illegible]d.	1s. 5 3/16d.	2s.*
Brussels	Cheques	54f. 32c.	58f. 30c.	57f. 05c.	25f. 22½c.
Buenos Ayres	Transfers	50 3/4d.	59d.	51½d.	47·58d.
Calcutta	do.	1s. 5 1/16d.	1s. 5 1/16d.	1s. 5 1/16d.	2s.*
Christiania	Sight	19kr. 44	21kr. 75	22kr. 51	18·159kr.
Copenhagen	do.	19kr. 32	21kr. 15	22kr. 27	18·159kr.
Helsingfors	Cable	117m.	122m.	118m.	25m. 22½
Hong Kong	Transfers	2s. 11 3/16d.	2s. 11 3/16d.	2s. 11 3/16d.	—
Italy	Sight	105fr. 50c.	108fr. 62c.	104fr. 50c.	25lr. 22½c.
Lisbon	do.	6¼d.	6¼d.	8¼d.	53½d.
Madras	do.	1s. 5 7/16d.	1s. 5 1/16d.	1s. 5 1/16d.	2s.*
Madrid	do.	28p. 04	28p. 20	27p. 37	25p. 22½
Montevideo	Transfers	—	—	51¼.	51d.
Montreal	Cable	$4 29	$4 28½	$4 25	$4 86⅔
New York	Sight	$3 75½	$3 71⅝	$3 65½	—
—	60 days	$3 73¼	$3 67	$3 63	—
—	Cable	$3 76½	$3 72½	$3 66	$4 86⅔
Paris	Cheques	57f. 07c.	61f. 27c.	61f. 13c.	25f. 22½c.
Rio de Janeiro	90 days	—	10¾d.	—	16d.
Shanghai	Transfers	3s. 11½d.	3s. 11¼d.	4s. 1¼d.	—
Singapore	Sight	2s. 3½d.	2s. 3¼d.	2s. 3½d.	—
Stockholm	do.	17kr. 47	17kr. 46	17kr. 81	18·159kr.
Switzerland	do.	24f. 05c.	23f. 97c.	23f. 50c.	25f. 22½c.
Valparaiso	90 days	8¼	8⅛	9⅛	18d.
Yokohama	Sight	2s. 6¼d.	2s. 6⅛d.	2s. 8d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rates Current Jan. 21, '21	Rates Current Jan. 14, '21	Par as to Buying Quoted	Rate July 3
Amsterdam, sight ...	39·60c.	39·65c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	27·375c.	27·75c.	48·66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	127·30	127·00		
Christiania, cheques ...	18·10c.	16·95c.	26·80c. for 1 krone	
Copenhagen, cheques ...	16·35c.	17·25c.	26·80c. for 1 kroner	28·85c.
Greece, cheques ...	7·40c.	7·40c.	19·295c. for 1 drachma	
Hongkong, cheques ...	55·625c.	57·50c.	74·59c. for Mex. $1	48·4c.
Italy, sight	35·00l.	34·60l.	5·18½ lire for $1	5·17l.
Lima, cheques ...	4 4/8.	4 4/8.	4·8665 $ for 1 libra	
Manila, cheques ...	46·00c.	46·00c.	50c. for 1 peso	49·8c.
Montreal	12·25% disc.	13·% disc.	Premium per $100	Par
Paris, sight	15·51fr.	16·5fr.	5·18½ francs for $1	5·16fr.
Rio de Janeiro, cheques	6·98mil.	6·5mil.	3·082 milreis for $1	
Shanghai, cheques ...	74·375c.	75·50c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42·00c.	56·77c. for $1	57·12c.
Spain, cheques	13·42c.	13·30c.	19·30c. for 1 peseta	
Stockholm, cheques ...	21·45c.	21·40c.	26·80c. for 1 kroner	
Switzerland, cheques ...	6·39fr.	6·42c.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	14·75c.	15·00c.	20·61c. for 1 peso	
Yokohama, cheques ...	48·00c.	48·00c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.* 1920 Amt.	Inc. or Dec.*	%
	1921	(In £'s sterling—000's omitted.)			
BIRMINGHAM ...	Jan. 15	£2,938 —	£282	£9,858 — £517	— 4·9
BRISTOL	,, 15	1,676 —	252	4,777 — 839	— 14·9
DUBLIN	,, 15	3,150 —	862	23,514 — 3,740	— 13·7
LEEDS	,, 15	1,126 —	967	2,991 — 472	— 13·8
LEICESTER	,, 15	801 —	633	2,564 — 1,070	— 29·4
LIVERPOOL ...	,, 15	12,722 —	4,631	41,702 - 2,282	— 5·2
MANCHESTER ...	,, 15	17,195 —	13,919	52,943 - 27,034	— 33·8
NEWCASTLE	,, 15	2,332 —	912	8,119 + 157	+ 1·9
NOTTINGHAM ...	,, 15	714 —	352	2,370 — 1,151	— 31·3
SHEFFIELD	,, 15	[illegible]	[illegible]	[illegible]	—
LONDON—	1921				
TOWN	Jan. 19	653,851 —	40,640	2,044,981 + 150,117	+ 7·9
METROPOLITAN	,, 19	40,037 —	4,353	118,645 — [illegible]	— 10·9
COUNTRY	,, 19	70,863 —	13,057	224,104 — 33,383	— 12·8
TOTAL	Jan. 13	[illegible]	[illegible]	2,387,728 - [illegible]	+ 1·5

V.—FREIGHTS.—According to Messrs. [illegible] & Co., Ltd.

HOMEWARDS.	1921 Jan. 21	1921 Jan. 14	1914 Jan. 16
Alex. to U.K. ...	17/6	18/9	[illegible]
Aust. to U.K. ...	[illegible]	[illegible]	[illegible]
Baltic to Cont.	9 6	1 6	[illegible]
Bombay to p.p. ...	—	—	17 0
Burmah to U.K....	—	—	22 6
Calcuttatop.p.(jute)	—	—	[illegible]
Danube to U.K.	-	37 6	—
R. Plate to U.K....	40 0	40 0	[illegible]

Per ton.

Homewards.—*Cont.* 1921 Jan. 21 | 1921 Jan. 14 | 1914 Jan. 16

[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Gulf Ports to U.K. Cont.			
[illegible]	[illegible]	—	12/6†
OUTWARDS.—[illegible]			
[illegible]	[illegible]	15/0	7/6
[illegible]	[illegible]	20/0	14/0
[illegible]	[illegible]	15/0	7/6

† Per quarter.

Time Charter, [illegible]

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JAN. 21, 1921	JAN. 23, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	231 0	181/0	57/0
— Middlesbro' warrants .....ton	225 0	175/0	51/0
— Hematite warrants .....ton	240.0	220/0	61/0
— Staffordshire bars, London ton	£31 10	£25 –£26	£8 10
— Common bars .....ton	£27 10 –£28	£23	£6 16
Steel Rails .....ton	£23—£25	£18 15	£6 2/6
Galvanised Sheets .....ton	£29 –£33	£48	£16 17/1
Copper—Standard .....ton	£63 5	£115	£66
Tin—English Ingots .....ton	£176—£177	£384	£142 15
— Straits .....ton	£203	£390	£139 10
Tinplates, I.C. Coke, S. Wales...box	36/0	67/6	11/10½—12/0
Lead—Soft Foreign .....ton	£23 5—£23 15	£47	£19
Spelter—Ord. Foreign .....ton	£25 10—£26 10	£58 15	£21 7/9
Quicksilver—(75lb.) .....bottle	£12 10—£13	£23 10—£24	£7
Aluminium .....ton	nom.	£165	£82
Antimony—Regulus Foreign ...ton	£25	£65	£27 10
— English .....ton	£40—£42	£69	—
Coal—(best) Yorkshire .....ton	37 2 38 2	21 6 –22/6	17/6
— Steam (best) Newcastle .....ton	50/2 –55/2	46/0 –51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda -f.o.b. Chile, per quintal	12 6	13 6	7 4
Soda—Crystals ex wharf .....ton	140/0	130/0—140 0	42/6—45/0
Copra—Malay and States .....ton	£35	£69	£23 15 £24 7.6
Gambier—Good marks.....cwt.	35/0—37/6	51/0	16/10½
Indigo—Bengal good to fine ....lb.	11/6—14/6	13/0—16/6	3/2—3/8
Linseed Oil—Raw .....ton	£33	£106 15	£25 5
Linseed—Calcutta, spot .....ton	£25nom.	£51	£13 16/9
— Cakes, U.K. made, ex mill ...ton	—	£24	£7 17/6—£8
Olive Oil -Spanish .....ton		nom	£49 10
Palm Oil—Lagos .....ton	£43 10	£102	£31 10
Petroleum—American .....gallon	2.3½	1.9	7½d.
Rape Oil—Refined English .....ton	77/0—82/6	£116	£32
Soya Oil—Refined .....ton	nom.	£113 10	£24 10
Tallow—Imported .....cwt.	45/0—53/0	105/0—110/0	29/3—33/3
Turpentine—American .....cwt	£90	184 0	33 7½
Rape Seed—Toria .....ton	£20 10	£48 10	£13 5
Rubber—Para, spot .....lb.	11d.	2 8	2 9½
— Fine plantation (standard repd) lb.	10½	2 7½	2/2
— World's Production* Oct. tons	26.620	31.795	8.467
Shellac—T.N. Orange, fair ...cwt.	350/0	880.0	63/0—64 0
TEXTILES.			
Cotton—Middling Upland .....lb	11 18	29 51	7·53d.
— Egyptian good fair .....lb.	17 00	63 50	8·75d.
— Pernambuco fair .....lb.	10 63	38 26	7·73d.
— Midland Upl. New York ....lb	17 35	39 10	13·25c.
— Stock, Liverpool (Jan. 14) bales	1,037,410	905,120	934,600
Flax—Petrograd, Virapol .....ton			£28
Hemp—New Zealand .....ton	£53	£56	£25 10
— Manila fair .....ton	£55	£65 10	£26 10
Jute—First Marks .....ton	£38	£65	£26 15
— Red SCC .....ton	£33	£56 15	£24 15
Silk—Common, New Style .....lb.	24 0	53 0	12/0—12/6
Wool—Pt. Philip unwashed av. lb.	2 7	5/6	11½d.- 1 0
— Lincoln Half Hogs .....lb.	1/1	2 4½	1 0½
Hides—Eng. Ox, best, 70lb. up lb.	6¼	15½d.—16½d.	7½d.
Leather—Dressing Hides .....lb.	2 0 2 6	3/3—3/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	92,497.000	114.358.000	34.640.000
— Red, price, N.Y. 60lb. bushel	199	nom.	67½c.
— English Gazette, aver. 480lb. qr.	85 11	72/6	34 3
Flour—G.R. .....280lb.	79 0	44 3	28 6
Barley—Eng. Gaz., aver. 400lb. qr.	73 10	110 6	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	44 0	57 6	20/0
Maize—N.Y. (new bushel)....56lb.	89	168½c.	76½c.
— Amer. mixed, Liverpool...480lb.	49 0	nom.	32/4
— La Plata .....480lb. qr.	53 6 -55/0	65 0	25/9
Potatoes -Good English .....ton	190 0	245/0	70/0—75/0
Rice—Bassein .....cwt.	20 0	26 0	7/0—7/3
Tapioca—Pearl, medium .....cwt.	34.0—36 0	37 0	14/0—17/8
Hay—best .....2,018lb....load			82 6
Hops—English .....cwt.		—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	6/8	9/0	3/8—3/10
— Scotch sides .....8lb.	11/8	10 0	4 6—5 0
— English .....8lb.	11 8	10/0	4/2—4/5
Mutton—Scotch wethers .....8lb.	14 4	10 6	4 6—5 4
— English wethers .....8lb.	14/4	10 6	4 6—5 4
— New Zealand frozen .....8lb.	4.0—6/0	4/0 –6/0	2/4—3/2
Pork—English and Irish .....8lb.	12/4	10/8	3/6—4/0
Bacon—Irish, delivered .....cwt.	‡210/0	200/6	60/0—74/0
— Danish .....cwt.	‡207/0	†187/0	58/0—68/0
— Canadian, ex Port .....cwt.	‡198 0	†187.0	—
— American, ex Port .....cwt.	†150/0—166 6	†187/0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	†180/0	†190/0	75/0—79/0
— — short cut, ex Port .....cwt.	‡175.0	‡190 0	71 0—74 0
Lard—Amer. boxes, ex Port ...cwt.	†138/0	†198/6	51/9—52/9
Butter—Danish .....cwt.	‡336 0	270/8	117/0—120/0
— French .....cwt.	‡336 0	270/8	96/0—108 0
— Australian .....cwt.	‡336 0	270/8	88/0—110/0
— New Zealand .....cwt.	‡336 0	270/8	108/0—114/0
Cheese—Canadian .....cwt.	158 0 158 0	†145/0	66 0—68 0
— United States .....cwt.		†145.0	—
— Dutch .....cwt.	†168/0—230/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Dec. 31...cwt.	27,311,881	32,089,127	19,777,254
— Home consump'n. to Dec. 31 cwt.	22,118,787	30,635,904	17,272,000
— In Bond Dec. 31 .....cwt.	8.040.000	6.378.000	6,308,000
— Price, Java, 96° Pol. .....cwt.	37/0	53/0	10/3
— — Yellow crystals .....cwt.	65 0	63 6	12/6 -14 0
— — Tate's Cubes, No. 1.....cwt.	76 0	72 0	18 0
Coffee—Imports to Dec. 31 ...cwt.	746,701	1.066.046	720,360
— Home consumpt'n to Dec. 31 cwt.	306,412	315,475	141,410
— Exports to Dec. 31 .....cwt.	495.916	630.431	340,250
— In Bond Dec. 31 .....cwt.	657,000	734.000	484,000
— Price, Costa Rica gd. to fine cwt.	125/0—157/0	158/0—164 0	80/0—93/0
— — Brazil (Santos) good ...cwt.	65/0—70/0	130/0—132.0	41/6
Tea—Imports to Dec. 31 .....lb.	431,717,976	494.353,466	123,230,277
— Home consump'n. to Dec. 31 lb.	392,823,757	388,464,435	155,447,972
— Exports to Dec. 31.....lb.	41,280,187	29,536,461	26,561,765
— In Bond Dec. 31 .....lb.	220,433,000	213,033,000	78,292,000
— Price, Indian, Pek. Souc. gd. lb.	6½d.	1.5½	8½d.
— — Ceylon, Pek. Souc. ord. lb.	5½d.	1/6	8½d.
— — Common Congou .....lb.	6d.nom.	1/3	5½d.
Cocoa—In Bond Dec. 31 .....cwt.	1,097.000	738.000	309.000
— Grenada, good to fine .....cwt.	54 0 – 56 0	85 0	52 6—56 0

* Estimated. † Controlled. ‡ Decontrolled : Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Nov.	$23,799,000	+6.432.000	$4.073.000	+$1.223000
	11 *mos.* to Nov.	196,037,000	+36134000	30.931.000	— 320.000
Grand Trunk	Nov.	£1,609,200	+£357,300	£142,000	+ £38.700
	11 *mos.* to Nov.	15,108,600	+2.254.700	991.000	— 575.100

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August* 5, 1914, *the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January* 1, 1917.

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or —on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Dec. 18	1,044	R2,14,844	+ 10,762	11	25.31.975	— 88.677
Barsi Light ...	Dec. 25	118	27,800	+ 2.400	38	10,38.600	— 66.500
Bengal & N.W.	Dec. 18	2,067	4.77.760	+ 20.582	11	53,98,073	+ 1,64.205
Beng. Dooars	Dec. 18	158	26.209	— 10.224	11	3.55.283	— 2,51.598
Beng. Nagpur	Dec. 25	2,695	12.04.000	— 65.000	32	4,63,48.948	— 8,87,896
Bomb. Baroda	Jan. 8	2,871	15,24.000	— 4.79.000	14	2,63.66.000	+ 2.30.000
Burma	Dec. 11	1.342	5,24.647	— 68.472	10	57,10.618	— 4,91.950
Del.Um. Kalk.	Jan. 8	239	90.000	— 307	14	14.79.487	+ 26.768
East Indian ...	Jan. 15	2,772	28.41.000	+ 2,01.000	15	4,20.37.000	+ 21,42.000
Gt. Indian Pen	Jan. 8	3,121½	27,70.900	+ 13.600	14	3,84,76.724	+ 20,90.093
Madras & S.M.	Dec. 25	3,152	11,56.000	— 79,744	12	4,60.25.915	— 8.947
Nizam's Guar.	Dec. 25	900	3.01.894	— 18,869	12	32,38.032	+ 22.701
Rob. & Kumn.	Dec. 18	576	94.652	- 8.896	11	10,55.938	+ 27.099
South Indian	Dec. 18	1,852½	7,80.707	— 2,846	37	2,97,80.711	+ 11,64.140
South Punjab	Sept.	716	9,68.745	+ 1,96.133	6*m*	53,48,044	+ 10,72.764
COLONIAL							
Can. Northern	Jan. 14	9,704	$1,272.300	+ 193,300	2	2,331,600	+ 212.600
Can. Pacific ...	Jan. 14	13,388	3,276.000	— 55.000	2	6,579.000	+ 77.000
Grand Trunk	Jan. 14	3,616	£303.201	+ 50.698	2	596,212	+ 111,653
Mashonaland	Sept.	810	76.301	- 10.132	12*m*	—	—
Mid. W. Aust.	Oct.	277	12,825	+ 1.991	4*m*	41.430	+ 5,424
New Zealand	Dec. 18	205	4.569	+ 175	51	147.682	+ 17.138
Rhodesia Rlys	Sept.	1,397	134,117	+ 16,202	12*m*	1,387,433	+ 288.980
Temiscouata..	Oct.	—	$48.120	+ 18,466	10*m*	357,059	+ 50.889
FOREIGN.							
Argentine.							
Arg. N. East...	Jan. 8	752	£ 10.100	+ 1,400	28	323.000	— 7.100
Arg. Transand	Jan. 8	111	£ 2.976	— 1,324	28	66.592	+ 5.276
B.A. & Pacific	Jan. 15	3,425	£ 118.000	— 19.000	29	3,427.000	— 709.000
B.A.Gt. South.	Jan. 15	3.903	£ 185.000	— 2.000	29	4,257.000	— 709.000
Do.	Jan. 15	Net	£ 45.000	— 29.000	29	504.000	— 1,135.000
B.A. Western.	Jan. 15	1,882	£ 83.000	— 10.000	29	2,082.000	— 692.000
Do.	Jan. 15	Net	£ 11,000	— 17.000	29	160.000	— 820.000
B. A. Central	Nov.	190	£ 47.981	+ 4.230	5*m*	262,315	+ 35.213
Cent. Argent.	Jan. 15	3.305	£ 180.000	— 8.000	26	5,602.000	+ 616.000
Cord. Centl ...	Jan. 15	1.205	£ 46 200	— 6.900	29	1,591.600	— 135.000
Entre Rios ...	Jan. 8	811	£ 24.300	—	28	594,300	— 49.400
Brazilian.							
Brazilian South	Dec.	110	M 55.500	— 12.750	12*m*	556.500	— 62,421
Braz. Railway	Dec.	3.530	M4.859.000	— 141.271	12*m*	57,772,000	+ 7,619.243
Gt. W. Brazil	Jan. 16	1.010	£ 18.200	- 18.400	3	35.300	— 39.800
Leopoldina ...	Jan. 8	1.831	£ 32.341	— 20.539	2	37,073	— 22,393
Mogyana	Dec.	1,180	M1.561.000	— 956.490	12*m*	22.267.000	— 2,474.651
Paulista	Dec.	766	M2.660 000	— 906.038	12*m*	32,479.000	— 1.225.892
San Paulo ...	Jan. 16	153½	£ 34.036	— 6 861	3	103.661	— 22.411
Sorocabana ...	Dec.	1.003	M1.749.000	— 246.168	12*m*	21.953.000	+ 976.69
S. of Bahias, W	Dec.	52	M 160.000	+ 44.000	12*m*	1,373.000	+ 169.000
Chilean and Peruvian.							
Antofagasta...	Jan. 16	838	£ 31.975	— 32.840	3	67.065	70.600
Arauco	June	84½	£ 12.000	+ 500	6*m*	76.000	+ 10.700
Nitrate(2wks)	Dec. 31	390	£ 44.300	+ 10.825	52	999.240	+ 525.966
Peruvian Corp	Dec.	1,140	S 1,328.840	+ 17.976	6*m*	6.962.495	— 20.279
Taltal	Dec.	180	£ 30.548	+ 4.763	6*m*	175.382	+ 78.265
Cuban.							
Cuban Central	Jan. 15	362	£ 27.696	— 12.081	29	641.334	+ 76.911
Cuba Railroad	Sept.	—	$ 1,194.589	+ 99.618	3*m*	3.436.374	+ 364.541
Havana Cent.	Jan. 15	70	£ 15.964	+ 4.350	29	388.531	+ 88.256
U. of Havana	Jan. 15	681	£ 65.689	— 2.073	29	1.843.892	+ 123.342
W. of Havana	Jan. 15	155	£ 12.597	+ 911	29	308.412	+ 52.622
Uruguayan.							
Cent. Uruguay	Jan. 15	273	£ 29.954	+ 6.202	29	593.306	— 50.280
,, (E. Ext.)	Jan. 15	311	£ 6.488	— 661	29	152.122	— 13.037
,, (N. Ext.)	Jan. 15	185	£ 3.367	— 370	29	83.027	— 20.816
,, (W.Ext.)	Jan. 15	211	£ 2.673	— 27	29	73.940	— 4.110
Mid. Uruguay	Dec.	319	£ 20.213	— 1.656	6*m*	106.845	— 13.361
N.W. Uruguay	Dec.	113	$ 7.447	— 1	6*m*	36.992	— 4.508
Urug. Northn.	Dec.	73	£ 2.660	— 213	6*m*	12,874	— 1.324
Miscellaneous							
Alcoy & Gandia	Jan. 15	33	Ps. 20.000	+ 6.000	3	33.900	+ 7,900
Bilbao	Dec.	15	£ 3.322	+ 2.047	12*m*	39.409	+ 9.810
Bolivar	Dec.	136	£ 6.942	— 2.224	12*m*	115.689	— 14.873
Colomb. Natnl.	Nov.	86	£ 20.160	+ 5.200	11*m*	209.960	+ 56.880
Costa Rica ...	Nov.	189	£ 21.371	— 5.559	5*m*	121.357	+ 3.038
Dorada Ext.	Dec.	70	£ 16.750	+ 1.750	12*m*	200.928	+ 60.278
Egyptian Delta	Dec. 31	559½	£ 15.734	— 1.356	38	391.760	+ 106.193
Gt. S. of Spain	Jan. 8	104	Ps. 114.986	+ 46.913	1	—	—
La Guaira & Ca.	Nov.	22	£ 11.380	+ 1.710	11*m*	150.740	+ 54.580
Ottoman Ry..	Jan. 8	379	£ 9.146	-	—	—	—
Paraguay Cent	Jan. 8	274	£ 2.930	— 1.090	28	132.610	— 16.560
Puerto Cabello	Dec.	34	£ 4.000	— 506	12*m*	60.750	+ 6 875
Salvador	Jan. 15	100	£ 3.405	— 2.206	29	93.838	+ 3.710
Santa Fé Prov.							
French Rys.	Nov.	1,181	£ 143.792	— 22.504	11*m*	1.764.928	— 1.832
S'm'nca & St'go	Nov.	80	£ 5.750	— 1.912	11*m*	144.023	+ 13.049
Zafra & Huelva	Nov.	112	£ 14.892	+ 3.135	11*m*	142.732	+ 27.070
TRAMS.							
Anglo-Argent.	Jan. 14	400	£ 84,171	+ 15.624	2	170.042	+ 33.800
Auckland Elec.	June 30	27	—	—	52	292.502	— 2.063
Bombay Elec.	Sept.	39	R. 8.49.038	+ 1.15.373	9*m*	73.27.000	+ 10.06.847
Brazilian Trac.	Nov.	378½	M13,442000	+ 3.462.000	11*m*	110.107.000	+ 16.568.000
Brisbane Elec.	Dec.	40½	£ 48.430	+ 3.710	12*m*	553.975	+ 76.285
Brit. Columbia	Nov.	334	$ 805.633	+ 71.652	5*m*	3.841.032	+ 402.440
B. A. Lacroze	Dec.	51	£ 62.857	+ 6.984	6*m*	336.286	+ 42.709
Calcutta	Jan. 15	35½	R 1,02,159	+ 3.878	2	1,99,548	+ 8.105
Cape Electric	Oct.	42½	£ 32.698	+ 5.955	4*m*	120.814	+ 35.922
Carth. & Herr.	Dec.	9	£ 5.560	+ 2.637	12*m*	50.357	+ 17.916
Chatham & Dist	Jan. 6	15	£ 1.474	— 60	1	—	—
Havana Elect.	Oct.	86	$ 1.017.031	+ 145.410	10*m*	9.329.356	+ 1.732
Isle of Thanet	Jan. 12	20½	£ 551	+ 73	15	8.694	+ 710
Kalgoorlie ...	Oct.	20½	£ 3.094	— 1	10*m*	30,703	+ 3.070
Lanarkshire...	Dec. 31	28½	£ 5,467	+ 1,927	52	221.564	+ 27.729
Lima Light ...	Sept.	85	£ 56.513	+ 7.369	9*m*	518.414	+ 83.182
London O.C...	Jan. 12	141½	£ 102.837	+ 6.384	39	3.704.349	+ 428.886
Madrus (2wks.)	Jan. 15	15½	R 36,198	— 10.685	2	—	—
Manila Electric	Nov.	55	$ 320.345	+ 71.995	11*m*	3.104.695	+ 781.861
Pernambuco...	Jan. 16	59	£ 4.789	— 3.686	3	10.694	— 10.406
Provincial ...	Jan.	21½	£ 3.230	+ 166	15	24.165	+ 135
Rangoon Elec.	Nov.	25	£ 6,964	— 415	11*m*	85.314	+ 11.785
Shanghai Elec.	Dec.	26¾	$. $153.300	+ 13.300	12*m*	1.820.111	+ 253.111
Singapore Elec.	Dec. 11	26½	$ 12.049	— 8.591	39	983.318	+ 184.882
U. of Montevid.	Dec.	90½	£ 48.935	+ 4.560	2*m*	92,781	+ 8.096

Investment Suggestions

THE Bond Department of the London Office of the Guaranty Trust Company of New York has begun the publication of a monthly bulletin called "Investment Suggestions." In this are outlined the chief features of those high class securities, British and Foreign, which provide an acceptable medium for the investment of funds.

Copies of "Investment Suggestions" for January, 1921, will be sent on request.

Guaranty Trust Company of New York

32 LOMBARD STREET, LONDON, E.C.3.

PALL MALL OFFICE 50 Pall Mall, London, S.W.1 — LIVERPOOL OFFICE 27 Cotton Exchange Buildings

NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid up Capital and Surplus - - $50,000,000
Total Assets more than - - - $800,000,000

The Statist.

LONDON, SATURDAY, JANUARY 22, 1921.

GOVERNMENT TRADE POLICY.

ONE of the causes contributing to the present crisis is the reluctance of manufacturers to part with goods produced while raw material prices ruled high; and if factories and warehouses could be relieved of existing stocks, manufacturing might readily be resumed on the basis of current low prices for raw material. Unemployment would thus be relieved, and, further, consumption would be encouraged by the reduction in price-levels of manufactured articles. Government policy, however, with regard to our foreign trade seems to lie along two distinct lines that are mutually destructive. Public money is being, and has already been, spent in promoting exports, but at the same time imports will be artificially restricted under the new Anti-Dumping and Key Industries Bill, which is to be presented to Parliament in the coming session. The Dyestuffs (Import Regulations) Act, 1920, to which the Royal assent was recently given, is a foretaste of this new protective legislation, which is nothing but the reintroduction under a new guise of Government control of trade. The expression "key industry" is, indeed, so loose that almost every industrial process could claim to be covered by it. But the root objection to the new Bill, of which no draft is yet available, is that, in the event of its becoming law in the form suggested by authoritative quarters, it will have precisely the opposite effect to the Export Credits Act. By restricting imports it will in the end diminish exports, as it is an accepted law in economics that imports pay for exports. The [illegible] exceptions to the [illegible] be easily reconciled, and it is a factor in the situation the operation of which cannot be disregarded.

Self-contradiction in Government policy is further revealed when we consider that the new credits are designed to promote exports to countries whose currencies are abnormally inflated, and which in consequence suffer from a highly adverse rate of exchange. These are precisely the countries whose trade the new Imports Bill will check. A set-back to their export business will indefinitely delay their economic recuperation, and at the same time render it more than unlikely that the obligations undertaken by their Governments or by any of their nationals in respect of imports from the United Kingdom will be honoured. In case of default the British taxpayer will have to sustain a portion of, if not ultimately all, the loss.

Distrust of Government interference in trade is also manifest across the Atlantic, where the revival of the War Finance Corporation has evoked considerable opposition among financial interests. There, as here, a coherent policy seems to be lacking, and our Ministers appear to be proceeding to the Paris Conference, which will be held next week, with no very clear idea of the interconnection between trade, dumping, exchanges and reparations. The subsidies given in Germany, and also in Belgium, with a view to keeping down the price of living are helping to reduce wage-costs in the various industries; and exporters are further helped by the exchange position—that is to say, the internal commodity value of the mark or Belgian franc in relation to sterling is greater than is indicated by the actual exchange with Great Britain. As regards Germany, it is difficult to understand how evasion of the export duties is taking place. These were imposed for the purpose of conserving all the supplies necessary for the development of home industry, but Customs supervision at the ports is apparently very lax, and there have been some whispers of official dishonesty.

After the Paris deliberations it is expected that a Financial Conference between Allied and German delegates will assemble in Brussels. The German representatives will no doubt be informed of the decisions of the Supreme Council as regards the amount of reparations and the time and method of payment, but there is no indication of any intention to reverse the old contradictory policy of strangling the Central European export trade and demanding indemnities at the same time. In another connection the Austrian situation is to come up for review in Paris; and we sincerely trust that immediate and energetic relief action, on the general lines suggested by Sir William Goode, will be taken by the Council. Otherwise another bulwark against social anarchy may be removed, and all Western nations will in the end be losers.

Another criticism may legitimately be urged in connection with the new trade proposals of our own Government above outlined. It is of little use, apart from the philanthropic standpoint, with which we are not here concerned, to grant relief credits to European countries unless [illegible] by the participating Governments to restore their currencies and reach some semblance of order in their domestic finances. An attempt should be made to stabilise the internal value of the various currencies in terms of commodities, and such a result can be achieved only if public budgets are made to balance and the use of the printing press to supply deficits is abandoned. Joint action by all the States concerned is desirable in this matter, and it is therefore to be regretted that some more general scheme, such as that suggested by the Brussels Financial Conference and approved at the Geneva sitting of the League of Nations, has not been put into force. Present ills are too widespread to admit of piecemeal remedies, and we must learn to think internationally if we desire the [illegible] partial.

EXPORT CREDITS AND EUROPEAN TRADE.

The trade depression in this country and the United States, with the accompanying wave of unemployment, has made clear on both sides of the Atlantic the necessity of setting up some system of credit which will override the difficulties connected with the present exchanges and permit of the purchase of capital equipment, the indispensable preliminary of production, and of raw materials by nations, new and old, most seriously affected by the War. In all European countries, excepting Holland, Switzerland and Sweden, sterling at present stands at a heavy premium, and the fluctuations of exchange experienced by the States of Central and Southern Europe, where the native currencies have undergone considerable depreciation, leaves the importer of plant and materials in such uncertainty that the rehabilitation of the financial and economic life of these countries is a matter of great difficulty. From its geographical position and intimate associations with the Continent, the aid of the United Kingdom is indispensable in carrying out the work of reconstruction, and, without this aid, it is justifiable to say that the outlook before some European nations would be one of gloom. Judged by value, Europe claimed no less than 35.1 per cent. of our exports in 1913, the share assigned to neutrals being 9.7 per cent., to enemy countries 8.6 per cent., to allied countries (excluding Russia) 11.1 per cent., and to Southern and South-Eastern Europe 5.7 per cent.

Opinion in the United States, as with us, has favoured the establishment of some system to facilitate imports by countries in straitened circumstances, and thus to stimulate the employment market at home. Despite President Wilson's veto and the opposition of Wall Street, the Senate approved of the measure for the revival of the War Finance Corporation, and as was expected by its supporters the House of Representatives will act in a similar manner. As originally established, this Corporation, the capital stock of which was issued and held by the American Treasury, aimed at the provision of financial facilities for banking and industrial concerns whose operations were necessary to the prosecution of the War. But on March 3, 1919, the policy of the Corporation was altered to enable it to make advances to exporters and bankers engaged in the export trade. Up to March 25, 1920, the advances totalled $43,000,000, but on May 10 the Government decided to suspend further assistance, deeming intervention in the export trade no longer necessary, since private enterprise by means of the Edge Act of December, 1919, was free to organise such corporations as strictly limited their operations to the spheres of foreign and international commerce. In addition to the right of exercising ordinary banking functions the new bodies formed under this Act were permitted to advance cash to foreign purchasers of American goods on such security as a foreign manufacturing plant or similar collateral. A number of these corporations have already been created, and it is reasonable to conclude that promoters view with resentment the possibility of the intrusion of an organisation which they were led to believe had definitely abandoned the field.

To refer to our own efforts, the main object of the scheme, originally announced by the Prime Minister on August 18, 1919, was to supply long-term credits of one, two, or three years, and insurance against abnormal risks for the furtherance of trade in manufactured goods with Rumania, Finland, the Baltic Provinces, Poland, Czecho-Slovakia, Yugo-Slavia, and South Russia. Bulgaria, Georgia and Armenia were subsequently added to the list. Through the Export Credits Department of the Board of Trade the Government, out of a maximum of £26,000,000 provided for the purpose, was prepared to make advances to a duly authenticated British exporter up to eighty per cent. of the cost of the goods exported to those countries, provided, of course, certain conditions were fulfilled. The margin of safety has now been reduced, since in order to attract a larger circle of applicants the Department, early in November, modified the original scheme, with Parliamentary sanction, by agreeing to advance in approved cases up to 100 per cent., retaining recourse against the exporter in respect of twenty per cent.

The Government, as we pointed out last week, assisted by representatives of the banking and insurance interests, have been engaged in considering more effective measures to stimulate trade. The scheme submitted by M. Ter Meulen to the Brussels Financial Conference, and now under investigation by the League of Nations, suggested the formation of an international organisation, which would attend to the needs of a State desiring credit for essential imports. This credit would take the form of long-term bonds issued by the State particularly concerned and secured by certain assets, the gold value of which, as determined by the League of Nations, would control the amount of the issue. These bonds would represent a security which the importer could dispose of to a foreign merchant in return for goods supplied. They would presumably be guaranteed by the League of Nations, but it is doubtful whether this guarantee would secure their ready negotiability and the maintenance of their value, and they might not be acceptable to the banks here or elsewhere as collateral for advances. In the States formed from the old Austro-Hungarian Empire, administered by Governments new to their task, racial jealousies are at times acute, and the flow of commerce is not so unimpeded as of yore. The unsettled state of affairs would naturally create a distrust of the assets behind the bonds. The Governments concerned should accordingly, if they desire to hasten the economic restoration of their countries, give their foreign policies a new orientation. The Ter Meulen scheme has been redrafted by a committee of the League of Nations. So far as United Kingdom exporters are concerned, the suggested bond issue would carry a new value if it carried with it insurance guaranteed by British banks and insurance companies. Into the practicability of this the Government are now inquiring. This additional guarantee would, in all probability, facilitate trade, but the point has to be emphasised that this country as a whole is not prepared to suffer losses under the scheme; hence the desirability, on the part of the countries seeking credit accommodation, of action directed towards raising the value of their material assets. Up to the present it is doubtful whether the credit scheme sought by the Government is to be superimposed on the League of Nation's scheme or worked independently, though the latter course seems the more likely.

The trading activity of some European countries during certain months of 1920, as indicated by their exports and imports, is deserving of study.

Trade of Certain European Countries.

In 1,000 £'s Sterling.*

Imports for Home Consumption: Merchandise only.

	U.K.	France	Italy(d)	Belgium	Denmark	Netherlands(e)	Switzerland(f)
January ...	158,034	80,087(a)	40,060(c)	32,778	11,121	21,351	13,945
February	147,910	105,677(a)	45,621(c)	36,191	12,125	19,466	13,945
March ...	149,616	124,914(a)	57,258(c)	42,483	14,642	15,660	13,945
April ...	146,747	115,504(a)	54,517(c)	36,776	9,593	16,966	14,434
May ...	146,074	95,468(a)	56,046(c)	40,446	8,929	24,876	14,434
June ...	150,367	103,647(a)	83,052(c)	45,980	13,609	28,784	14,434
July ...	145,494	(b)	—	34,309	13,134	26,238	—
August ...	139,886	112,018(c)	—	35,669	14,923	22,330	—
September	139,342	105,115(c)	—	33,676	17,895	26,447	—
October ...	135,756	103,818(c)	—	35,849	—	—	—

Exports (Domestic Produce): Merchandise only.

January ...	105,880	28,896(a)	19,887(c)	17,902	5,359	11,328	11,546
February	85,964	52,953(a)	24,641(c)	23,631	4,129	9,442	11,544
March ...	103,699	53,506(a)	27,336(c)	27,444	7,514	5,684	11,546
April ...	106,252	55,076(a)	27,147(c)	30,797	4,269	8,287	11,970
May ...	119,319	48,401(a)	26,489(c)	32,361	7,978	14,199	11,970
June ...	116,352	72,375(a)	30,086(c)	33,707	8,012	14,057	11,970
July ...	137,452	(b)	—	30,793	7,517	14,760	—
August ...	114,903	95,980(c)	—	30,039	7,761	10,835	—
September	117,456	86,063(c)	—	30,992	8,925	13,830	—
October ...	112,295	93,302(c)	—	30,925	—	—	—

* Foreign currencies converted at approximately par rates.
(a) Valued at 1918 official rates. (b) No information. (c) Valued at 1919 official rates. (d) Including silver bullion. (e) Total trade including transit. (f) Monthly average for quarter.

In regard to Spain and Germany it is not possible to furnish monthly trade returns. Similar particulars are also, unfortunately, lacking for the States of Southern and Eastern Europe.

OTTOMAN INDEBTEDNESS.

BONDHOLDERS' PROSPECTS.

SINCE the seizure of Smyrna by the Greeks in May last year, and the Nationalist uprising which led to the cutting-off of Anatolia from the Central Administration, there has been a very serious decline in the receipts of the Council administering the Ottoman Public Debt. These receipts are derived from ceded revenues and permanent assignments. Some of the sources of revenue, such as salt, stamps, spirits, alcohol, alcoholic beverages, and silk, are directly administered by the Council, and others, such as the tobacco monopoly, are farmed. The Council has had charge of the Turkish Debt since the unification that took place in 1903; and it performed its functions without serious trouble until 1914. In September of that year the payment of coupons, as far as the subjects of Allied Powers were concerned, was suspended, and it was not until after the Armistice that Allied representatives resumed their functions at Constantinople. On their arrival the German and Austrian delegates left; and the Council at present consists of the British, French and Turkish representatives, together with a delegate from the Imperial Ottoman Bank.

The annual report of the Council for the year ended February 28, 1919, has now made a rather belated appearance, the delay being due to the difficulty of obtaining definite figures from the provinces, which were in part occupied by foreign armies and in part a prey to local disturbances. The report is prefaced by an able statement on the present position by Sir Adam Block, K.C.M.G., and in view of our recent references to chaotic conditions in Eastern Europe, we may quote his supporting testimony: "The state of Turkey has gone from bad to worse. If the existing state of things is allowed to continue, the situation, already critical, will be compromised beyond repair, to the detriment not only of the bondholders, but of the Great Powers interested in the trade and financial stability of the country, and who look to the amelioration of its finances in order to obtain payment for the cost of their Armies of Occupation and for reparation to their subjects for losses suffered during the War. It is incumbent on the Allied Powers to decide on their policy and to put it into execution without delay."

In 1918-19 the net receipts of the Council were £T.4,791,005, as compared with £T.4,644,852 in 1917-18, and £T.4,385,914 in 1913-14. From 1915-16 onwards, however, a paper currency was in circulation and the progressive depreciation of the £T. paper, and its falling exchange value naturally invalidate comparisons between different years. The receipts are now insufficient to cover the payment of coupons in London or Paris, and up to the date of the report the sum required to meet unpaid coupons of the Unified Debt was £6,906,032 sterling. Against this the Council held various amounts deposited in German and Austrian banks totalling £7,904,935 sterling, and other sums on hand in Constantinople, Paris, and London, making £7,377,858 sterling. On paper the position appears not unfavourable, but the above assets are calculated at the pre-War rates of exchange, and at present rates the real monetary value of all the resources mentioned would be only £811,677 sterling and £2,613,189 sterling respectively. In respect of the German assets, however, which are much more important than those lying in Austria, a claim has been lodged with the Clearing House set up under the Treaty of Versailles for repayment at the 1914 rate of exchange of sums deposited with German banks. Provided the claim is admitted and paid, all the arrears on the Unified Bonds could be discharged. If, however, the amounts at present held by the Council were realised at current rates, the proceeds would pay off only about three-eighths of the arrears of interest, and it is probable that funding certificates would have to be issued in respect of the balance.

The Peace Treaty with Turkey, which was not signed until August last, contains important provisions affecting the interests of bondholders. Under it a Financial Commission is to be appointed consisting of one representative each from the British Empire, France and Italy, with a Turkish Commissioner. No internal or external loan can be issued without the consent of this Commission, and it may take such steps as seem advisable to conserve and increase the revenues of Turkey. The Turkish budget must be submitted to it for approval; and to see that its wishes are carried out it is entrusted with the appointment of an Inspectorate of Finance. All the existing resources of Turkey, excepting revenues hypothecated to bondholders, are to be placed at the disposal of the Commission. The Council of the Debt is to continue to levy and administer all revenues conceded to it, but after 1922 it will probably be absorbed by the Commission. When the financial situation in Turkey allows, a sum equal to the arrears of any revenues devoted to the service of the Ottoman debt within the territories remaining Turkish is to be paid by the Turkish Government. The Treaty, therefore, gives formal recognition to the rights of the bondholders and amply safeguards their interests; but the non-enforcement of the financial clauses, due to political and diplomatic shuffling in Constantinople and elsewhere, has destroyed any benefits that might have accrued up to the present. The postponement is regrettable, and it is certainly the duty of the contracting Governments to protect the bondholding interests which they have formally recognised.

A statement of the outstanding amounts of the various Turkish loans quoted in London is appended:—

	Amount Outstanding	Last declared ex-div.	Price July 7, 1914	Price 1921 High.	Price 1921 Low.	Price Jan. 21, 1921
	£					
Turkish 4% Loan, 1902	7,130,910	July 14, 1914	82½	—	—	60
Turkish 4% Unified ...	52,517,000	Sept. 14, 1914	79	38½	25½	26
Turkish 4% Loan, 1908	1,091,800	July 14, 1914	65½	30½	14	14½
Turkish 4% Loan, 1909	5,895,630	June 15, 1914	69	32	18	18
Turkish Guaranteed 4% Loan, 1855	3,815,200	Aug. 3, 1920	103	—	—	67

It will be remembered that in 1903 a scheme of consolidation into a new Unified Four per Cent. Debt was accepted by existing Turkish creditors, the total of new bonds issued being £38,432,520. In common with the other loans, it is free of Turkish taxes. The last-mentioned loan of 1855, the interest on which is guaranteed by the British and French Governments, is secured upon the Egyptian tribute, and also upon the Customs duties of Smyrna and Syria, and interest payments have been met as they fell due. The outstanding bonds have all been drawn, as the drawings have continued regularly, despite the fact that no redemption has taken place since May 1875. The bonds are nominally redeemable by a sinking fund of one per cent., which commenced in 1859. The drawn bonds are, however, dealt in, as may be seen from the table, and legally they constitute a good delivery. Apart from this guaranteed loan, the immediate outlook for other bondholders, especially of the later issues, is unpromising. The Unified Debt constitutes a first charge on the ceded revenues, and subsequent loans are, for the most part, secured on the surplus. It is true that the Treaty of Sèvres, which may, however, be modified in the direction of greater leniency towards Turkey, recognises the right of bondholders to payment of all arrears and that a large portion of the ceded revenues will ultimately be paid by States which have gained territory at the expense of Turkey since 1912; but the delay in carrying out these provisions is likely to be serious.

BRITISH DEBT TO U.S.A.

LATE in 1919, when the financial embarrassments of the European Allies came to be understood and appreciated in the United States, it was decided to remit for three years all payment of interest on their American borrowings, on the understanding that at the end of that period the debtor countries should undertake the partial payment of the arrears due. Interest payments were gradually to be brought up to date, and the repayment of capital also undertaken. The period of grace expires in April 1922, a date when the United States Treasury, being called upon to make heavy interest disbursements on Liberty Bonds, will probably be in need of funds.

On March 31 last, according to the official statement, the total of our external debt, at par, was £1,278,714,000. At the present time we owe to the United States $4,196,000,000, or £840,000,000 approximately at par. The amount due in New York in interest from debtor countries when the funding of interest was agreed to in 1919 was $450,000,000, and at that time sterling across the Atlantic was at a discount of twenty per cent., Belgian francs at a discount of forty-eight per cent., French francs of forty-nine per cent., and Italian lire of fifty-nine per cent. Since then the exchanges have become much more adverse, and, moreover, money has become dearer, and the general financial condition of Europe has disimproved, rendering a further postponement, or funding of obligations, desirable. Refunding plans in respect of Allied indebtedness to Great Britain have been under discussion, and the present mission of Lord Chalmers to the United States is mainly to obtain similar treatment for our own debts to that country. Deferment on our part would obviously be out of the question unless the United States came to a reciprocal arrangement. If our European debtors fulfilled their interest and other obligations to us, we could easily fulfil ours to the United States, but, by reason of their default, we are ourselves precluded from meeting American demands as early or as easily as we would have wished. By the terms of the Victory Liberty Loan Act foreign Government borrowings under the first Liberty Bond Act and converted short-time notes are to mature not later than June 15, 1947, and all other borrowings will mature not later than October 15, 1938. Most of our debt falls under the latter category, and it is but fair that we should have the benefit of the full period of grace.

Though the American Treasury has, in effect, accepted the principle of a funding scheme, considerable opposition of a political character has manifested itself to the proposal. Further, people of some financial standing have asserted that while Great Britain, and likewise France, are meeting all claims for interest, &c., on internal War borrowings, they should pay their external creditors, who, if anything, ought to have first claim. It is noticeable that in all discussions in the American Press the idea of cancellation of inter-Allied indebtedness is vigorously scouted. In addition, the American Government has also adhered closely to the practice of dealing separately with the various debtor Governments. This, of course, prevents the substitution of foreign obligations in discharge of our own. At the same time, the American Government reserves to itself the right to use obligations held by it in settlement of War claims against the United States. The advances made by the American Government during the War to Allied countries in respect of their American purchases reached approximately 10,000 million dollars, and in all the war excess of unpaid-for exports from the United States to Europe and all other countries amounted to 18,000 million dollars. Naturally American financiers and the general public are anxious about this huge volume of outstanding credits, and are not desirous of increasing it. The confidence of informed people is greatest where Great Britain is concerned, and the agreement whereby the sum of 122 million dollars due to the United States for silver bought during the War is to be cleared off by 1924 has, though the amount involved is comparatively insignificant, sustained our credit. The purchase of bullion obtained from the melting of silver dollars, at the rate of $1 an ounce, according to the terms of the Pittman Act, was undertaken by our Government in the United States in order to relieve the silver shortage in India. The debt, with the exception of a small portion already paid, is to be cleared off in equal annual instalments from 1921 to 1924, in the proportion of sixty per cent. on April 15 and forty per cent. on May 15 of each year, with accrued interest at five per cent. from April 15, 1919. It is hoped that Lord Chalmers will be able to secure a five-per-cent. rate in funding the demand notes. The Harding Administration will probably not demand cash payments of interest until the expiration of the three years' period of deferment. The repayment of our share of the Anglo-French loan cost us £59.228,000, and, in addition, we have already repaid to the United States in respect of certain transactions during the current financial year $16,000,000. With these exceptions no payment of interest or principal had, up to the commencement of December last, been made to the United States, and the amount of interest in arrears to that date from May 1919 when postponement was effected, was approximately $314,500,000.

GERMAN PUBLIC FINANCE.

THE improvement in Germany's financial position which was anticipated to take place as a result of the decision to increase taxation, and especially to tax War-time increases of wealth, has failed to materialise; and, in the circumstances, the recent rally in German marks is all the more surprising. The Budget deficit is gradually assuming larger proportions, and no attempt is made to secure even an approximate equation between current revenue and expenditure. When income does not cover outlay the simple but vicious practice of increasing the floating debt is frequently resorted to to fill the deficiency. Various measures, most of them either unjust or inadequate, have been proposed to relieve the existing situation; and one that has found warm advocacy in certain quarters is the cessation by the State of interest payments on its various War and other borrowings. The remedy ignores the fact that the item attacked constitutes but a small portion of the outgoings of the State. The latest national accounts, made up to December 31 last, show that out of a total expenditure for the nine months of 79,000 million marks, 7,000 million were spent on the interest of the funded and floating debts and 72,000 million on general administration, including a subsidy of 11,000 million to the postal and telegraphic services and to railways. A further demand for wage advances has been presented by railway servants, and, if granted, it will entail an addition to the subsidy, thereby widening the already large gap between Government expenditure and income. Only a relatively small proportion of the current year's outlay will be covered by revenue, and the new floating debt so far created in the present financial year exceeds 60,000 million marks.

The first step to be taken in evolving order out of the present chaos is to make the public services self-supporting, even though it may be necessary, as estimated in some quarters, to double freights and fares on the railways, and similarly increase charges in the other services. Forecasts of the possible deficit when the year's accounts are closed are necessarily provisional. As with our own Government, supplementary estimates have been common, and the original calculations of the Finance Minister for a deficit of 50,000 million marks will be thrown altogether out of gear. Added to this is the unsatisfactory condition of the tax collection, which is largely due to continuous

inflation and its disturbing effect on the previously fixed basis for imposts. Thus, the exemption limit of income tax has had to be raised more than once as monetary values fell. The levy on war wealth was to operate on the excess capital held on June 30, 1919, as compared with 1913, but in the last eighteen months prices have increased so much that the revenue derived from the tax will not be very large when compared with the State's present outgoings. These outgoings naturally increase with the inflation of the currency, and a tax struck when the level of prices was low brings correspondingly less relief as prices advance. Weighing as well as one can the various factors at work, the Budget deficit at the end of the financial year is not likely to be less than 85,000 million marks.

A feature that has tended to make the situation in Germany more acute is the large falling off in the 1920 crops as measured by old standards. The production of food has declined in an amazing manner as compared with pre-War days. The two periods are, indeed, not strictly comparable on account of the loss of territory and the decline in population; but after making the necessary allowances the productivity of the land, estimated in terms of crop returns, has fallen by between one-quarter and one-third. Added to this are, of course, the disquieting features of the political situation, especially the imperious demands from France, and the growing feeling in Allied countries that partial reparation at least for the damages caused by the War must immediately be forthcoming. In the event of the occupation of the Ruhr district, or of the loss of the great industrial area of Upper Silesia to Poland, the recuperative powers of the country will also be seriously impaired. The recent improvement of German currency is rather difficult to explain in the light of these considerations. On October 10, 1919, the quotation for the £ was 114 marks, but by January 27 of the following year it had risen to 356 marks. It fell subsequently to 160 marks, rose again, and once more took a turn for the worse. Recent favourable movements are possibly due to the report that the United States may sanction a loan of 1,000 million dollars to help Germany; but similar reports are at present being circulated in regard to a number of countries both in Europe and South America. The Federal Government could not, even if it wished, grant financial assistance on the lavish scale demanded by needy applicants. It must take account of the security offered, and insure as far as possible against the risk of losing the interest on, or the capital of, its loans. The increase in German exports undoubtedly favours the appreciation of the mark, as does the possible slackness in sending remittances from Germany to satisfy the claims of Allied creditors. A further Act of the Reichstag forbidding, with certain exceptions, the export of capital has also been recently passed, and its operation may have exercised a beneficial influence. Despite these favourable omens the inflation of the currency, if persisted in, will inevitably make for a further fall in mark values abroad, and will intensify the difficulty of restoring the internal finances to any semblance of order.

EMPLOYMENT AND WAGES IN DECEMBER.

The Ministry of Labour returns for December reflect the deepening trade depression throughout the country. Last month employment showed a marked further decline. In some industries, including agriculture, coal-mining, pottery, and clay-working, it continued good, and was fair in the building, pig-iron, cutlery, and glass trades. In most of the other principal industries unemployment and short-time working were general, and towards the end of the month many works were closed down for extended holiday periods. The textile, clothing, boot and shoe, furniture, and leather trades were especially depressed.

According to the *Labour Gazette*, the percentage of unemployed among members of trade unions (mainly of skilled workpeople) from which returns are received rose from 3.7 at the end of November to 6.1 at the end of December, and the percentage unemployed among the 11,900,000 workpeople insured under the Unemployment Insurance Act rose from 3.7 to 5.8 in the same period. In addition, large numbers of workpeople were on short time.

The number of workpeople on the live registers of the Employment Exchanges on December 31 was approximately 748,000, of whom 500,000 were men, 188,000 were women, and the remainder were youths and girls. In addition, 186,000 males and 260,000 females were registered as working systematic short time, or as affected by extended holiday suspensions in such a way as to entitle them to benefit under the Unemployment Insurance Act.

The total number of trade disputes, involving stoppages of work, reported to the Department as beginning in December, was thirty-four. In addition, sixty-five disputes which began before December were still in progress at the beginning of that month. The total number of workpeople involved in all disputes in progress in December was about 72,000, as compared with 1,138,000 in the previous month, when about 1,100,000 workpeople were on strike in the coal-mining industry, and 110,000 in December 1919. Of the total number involved, the majority were accounted for by two disputes, one affecting 45,000 coalminers in the Rhondda district, and the other affecting 10,000 workpeople in shipyards throughout Great Britain, owing to a strike of joiners and carpenters against a proposed reduction in wages. The estimated aggregate duration of all disputes during the month was about 429,000 working days, as compared with 3,631,000 days in November 1920, when the coal strike was in progress, and 1,808,000 days in December 1919, when iron-founders in most districts were on strike throughout the month.

In the industries for which statistics are available, changes in rates of wages coming into operation in December affected about 120,000 workpeople. Of these, 115,000 received increases amounting to about £28,500 on their weekly wages, and over 4,000 sustained decreases amounting to over £2,000 per week. The number affected by increases is much smaller than that recorded for any previous month in 1920. Among the workpeople whose rates of wages were reduced were fishery coopers at various ports and hosiery operatives at Dumfries.

Orders made by the Minister of Labour under the Trade Boards Acts, fixing minimum rates of wages or raising minimum rates previously fixed, came into operation in December for certain classes of workpeople in the stamped- and pressed-metal ware trade

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AGRICULTURAL DEVELOPMENT IN IRELAND.

The task of supervising the welfare of agriculture in Ireland, securing the adoption of the most modern methods and encouraging the spread of new ideas is shared between the State and private associations. In these directions a considerable amount of useful work has been done; but much remains to be accomplished, and it is not too much to say that the comparative isolation of the Irish farmer is a formidable obstacle to the current of progress. Communion with his fellows through the medium of one society or another has done much to dissipate his ingrained conservatism and tenacious hold of old ideas; but, undoubtedly, his attitude towards innovations is still largely tinctured by distrust. To eradicate this frame of mind from many sections of the older generation would present some difficulty; but in regard to the younger every inducement should be forthcoming to enlist their aid in societies promoted for the benefit of all. Ideas will then begin to circulate, common discussion will detect their weak points, and up-to-date practices, if their merits outweigh their defects, will stand some chance of general acceptance. Experiments connected with the growing of crops and the feeding of live-stock have been conducted for many years by the Department of Agriculture. The results have been duly chronicled, but for the most part they pass into oblivion, as the people primarily affected are, owing to the absence of the necessary machinery, unable or unwilling to discuss their applicability to their own particular circumstances. The average Danish village, from serving as the headquarters of, perhaps, half-a-dozen different organisations interested in agriculture, brings the farmers of a wide area together frequently and stimulates the consideration of topics of common interest. In contrast, there are very few Irish villages or towns where such an interchange of views is at present likely to take place.

By urging agriculturists to participate in the formation of dairy, poultry and flax societies and credit banks the Irish Agricultural Organisation Society has placed the rural community under a debt of gratitude. The co-operative movement is in the main, however, confined to what may be termed small farmers, and although its adherents—these societies boast a membership of over 114,000—form a large proportion, due allowance being made for duplication of names, of the 383,167 returned at the Census of 1911 as farmers and graziers, it has still a wide field to cover. Its labours will be all the more welcome if there is manifest any general desire on the part of farmers to utilise machinery in common with the object of decreasing the cost of production and attaining a better bargaining position with labour. In concert with the Farmers' Union it might also bring about much-needed reforms in the packing of butter and eggs and other commodities. The former body is estimated to have a membership of 70,000 to 80,000. Its primary object is to secure united action amongst farmers in defence of their rights, but it does not hesitate to advocate the formation of these industrial enterprises, aiming in particular at the establishment of a dressed-meat trade, and the working up of the by-products, a task peculiarly appropriate to the agricultural sphere. By joint action these organisations would be enabled to disperse much useful information amongst their members and to assist in the promotion of practicable aims from the domain of thought to that of action. Further, both, by a closer association with the Irish Department of Agriculture, would give the research work and experiments conducted by this body a degree of publicity hitherto lacking, and their practical advice would do much to facilitate its labours. The operations of the Agricultural Branch of this Department cover a wide field and fall substantially under the following heads:—(*a*) Agricultural instruction, (*b*) improvement of live-stock, (*c*) agricultural experiments and investigations, (*d*) administration of special laws in agricultural matters, (*e*) loans for agricultural purposes, and (*f*) forestry. As regards (*a*) to (*c*), schemes are prepared annually by the Department for administration by the statutory committees of agriculture for the different counties, the necessary finance being forthcoming from the funds of the directing body and local rates.

Agricultural instruction remains a very important branch of the Department's work, and schemes of itinerant instruction in agriculture, horticulture (with bee-keeping), and poultry-keeping are put into operation in all counties by the respective county committees. The total number of instructors employed under these schemes by the committees referred to was 139 in 1918-19, and some particulars of their work in that year are furnished in the following table:—

	Agriculture	Horticulture and Bee-keeping	Poultry-keeping	Butter-making
No. of lectures delivered	621	90	377	10
Estimated attendance at lectures	29,808	3,617	10,270	104
No. of courses conducted	19	—	65	122
No. of students admitted to courses	257		762	1,086
No. of visits to farms, gardens, dairies, &c.	25,265	41,703	17,717	6,070
No. of demonstration plots	1,128	1,446	—	—
No. of field experiments	545	—	—	—

In addition to the instructors employed by the county committees there is a large number controlled by the Department. The aggregate total of instructors and overseers in 1918-19 reached 337. Twenty agricultural institutions were engaged in giving approved courses of instruction during the 1918-19 session. Of these institutions ten were under the management of the Department and ten under other control; the total number of places filled by resident pupils was 422.

Having regard to the importance of the butter and cheese-making industry in Ireland, it is satisfactory to know that great efforts are being made to secure an improvement in the management of creameries. During the year 1918-19 there were 246 creameries, 298 separating stations, and 152 cheese factories on the list of those to be visited by the Department's instructors in dairying. The total number of visits made was 1,612, of which 333 were made to creameries, 253 to separating stations, and 1,026 to cheese factories. As might be expected, the improvement of the quality of live-stock—horses, cattle, sheep, and swine—claims a good deal of attention, and in different ways, through the provision of premiums and otherwise, progress is encouraged. On the testimony of many buyers the best of all horses for artillery purposes are those bred in the South of Ireland. The utility of cow-testing associations does not yet appear to be generally recognised; in 1918-19 there were only forty-four, with 807 members, keeping records of cows in connection with the Department's scheme for the improvement of dairy cattle, and the number of cows under test was 9,370.

THE FINANCE OF LAND PURCHASE.

With the object of facilitating the completion of land purchase in Ireland the Government propose fresh legislation, but even if passed into law the terms of the new Bill will scarcely become operative unless the machinery of the Government of Ireland Act is put in actual working order. Otherwise there would obviously not at present be a very liberal response on the part of the British investor towards the issue of bonds proposed by the Government in connection with the new scheme, having regard to the unsettled condition of Ireland and the difficulties that may consequently arise over the payment by tenants of land-purchase annuities. It is possible also that the Government think of holding out the latest Land Bill as a bait for the capture

of some meed of Irish support for the Government of Ireland Act, assuming that the acceptance of the latter is an indispensable preliminary to the application of the former. Under the Act it might be pointed out that the Irish Land Commission and the Congested Districts Board are reserved services until such time as the Parliament of the United Kingdom may otherwise direct. Various arguments can be advanced in support of this policy. So far as the completion of land purchase is concerned the contention is a strong one, that while an Irish Government might be able to raise the necessary funds for the operation, it could scarcely do so on such advantageous terms as the Government of Great Britain.

The position of the land question in Ireland as on March 31, 1919, is set out in the following table:—

Completed Sales: Advances Made.

	Number of Holdings	Acreage	Amount of Advances £	Cash Lodged by Tenants £	Total Purchase Money £
Act of 1870 ...	877	52,906	514,536	344,986	859,522
Act of 1881 ...	731	30,657	240,801	114,793	355,594
Acts of 1885–8 ...	25,367	942,625	9,992,536	170,298	10,162,834
Acts of 1891–6 ...	46,834	1,482,749	13,146,892	254,334	13,401,226
Acts 1903–9 (Sale of holdings) ...	8,204	200,228	1,516,753	14,824	1,531,577
Acts 1903–9 (Sale of Estates ...	246,550	8,167,960	78,312,145	873,668	79,185,813
Total	328,563	10,877,125	103,723,663	1,772,903	105,496,566
Pending Sales — Advances not yet made—					
Acts 1903–9 (Sale of Holdings) ...	101	1,897	21,719	9	21,728
Acts 1903–9 (Sale of Estates) (a)	70,948	2,341,096	17,109,514	65,034	17,174,548
	71,049	2,342,993	17,131,233	65,043	17,196,276
Aggregate Total (pending and completed) ...	399,612	13,220,118	120,854,896	1,837,946	122,692,842

(a) In addition, estates of an estimated purchase money of £169,575 and £1,067,879 were pending on March 31, 1919, for sale to the Estates Commissioners and the Congested Districts Board respectively, but in respect of which formal proceedings for sale had not been instituted before the Commission on that date.

The total purchase money of the 10,877,125 acres of land vested in either the tenants, the Land Commission, or the Congested Districts Board—for subsequent resale to the tenants by the Departments named—was £105,496,566, paid to the owners in the form of stock or cash; of this sum £1,772,903 represents cash lodged by tenants. As regards pending cases under the 1903-09 Acts, in which advances have not yet been made, an acreage of 2,342,993 will involve purchase money to the amount of £17,196,276; and when these cases have been disposed of an aggregate total of 13,220,118 acres, or sixty-eight per cent. of the total land area of Ireland, will have passed under the Land Acts.

The revolutionary change thus introduced into the system of land ownership in Ireland may be better grasped from the fact that near the end of the last century half the land of Ireland was in the hands of 744 persons. Briefly speaking, the transfer of land ownership from landlords to their tenant farmers has been effected by the action of the State in placing at the disposal of the latter the wherewithal to purchase their holdings. The sums so advanced are returned to the State by the tenants' payment of purchase annuities, amounting to three and a-quarter per cent. and three and a-half per cent. per annum, under the 1903 and 1909 Acts respectively, which include interest and sinking fund.

Statutory limitations on the amount of advances prevent the larger tenanted holdings from passing under the scope of the present Land Acts, but, making no deduction on this score, approximately six million acres of land still remain unaffected by land legislation. To provide the finance for their acquirement through the Acts of 1903 and 1909 is clearly out of the question. The method adopted in 1903, under which landlords were to be paid in cash, to be raised by the issue of two and three-quarters per cent. stock, broke down because, owing to the increasing discount at which that stock had to be issued, the cost in respect of excess stock became very heavy. The discount is now fully fifty-four per cent. The remedy incorporated in the 1909 Act—payment to vendors in future cases in three per cent. stock at its face value—was not very effectual, and the increase in the value of money during the War, as measured by interest rates, brought its operations to a standstill.

The new Bill, closely following the recommendations of a Sub-Committee of the Irish Convention in this as in other respects, proposes the creation of five per cent. guaranteed stock and bonds, to be issued to vendors at face value in satisfaction of the advance. The new issue will apparently carry the right to be tendered in payment of death duties. In view of the prevailing rate of interest on Government securities it is doubtful whether vendors will regard this method of payment with any degree of favour. Such a stock would at the moment be almost impossible to negotiate, except at a discount. The annuity payable by the tenant purchaser under the new Bill is five and a-quarter per cent., and this will provide scarcely fourteen years' purchase of his rent. This annuity will average about seventy-five per cent. of the rent, as in sales under the Act of 1903. The vendor will, therefore, probably find that the annual return from the stock advanced to him will often be less than his net rental. By increasing the annuity payable by the tenant the advance could be made to cover more than fourteen years' rent, but this would not be practicable. A higher annuity would constitute a serious drag on agriculture, especially if interest rates decline. It is probable that the bonus provided by the new Bill will provide some solace to vendors, but if this should not be tempting enough the five per cent. stock and bonds would gain an additional attraction if allowed to be tendered at face value in satisfaction of income tax.

The standard purchase annuity in the Bill will, in the case of each holding, be an annuity equivalent to a percentage of the judicial rent payable in respect of the holding. The appropriate percentage, as indicated below, follows the suggestions of the Convention, as does also the rate of bonus; on this basis the total income, at five per cent., receivable by the landlord per £100 of first-, second-, and third-term rents in some counties is shown in the following table:—

Rents fixed before August 14, 1896— COUNTY	Percentage of "first-term" rent payable by purchaser as annuity	No. of years' purchase to be provided by tenant purchaser for annuity created in 2nd col.	Rate of bonus on purchase money	Purchase money in 5% stock per £100 of "first-term" rental	Amount of bonus per £100 of "first-term" rental	Total income (at 5%) receivable by landlord per £100 of "first-term" rental
	%		%	£	£	£
Kildare ...	74·5	14·19	18	1,419	255·4	85·7
Londonderry ...	74·1	14·11	18	1,411	254·0	85·2
Tyrone ...	72·8	13·86	18	1,386	249·5	83·8
Wexford ...	71·9	13·69	18	1,369	246·4	82·8
King's	71·2	13·56	18	1,356	244·1	82·0
Tipperary, S.	70·6	13·44	18	1,344	241·9	81·3
Roscommon ...	70·2	13·37	18	1,337	240·7	78·9
Cork	68·0	12·95	18	1,295	233·1	76·4
2nd-term rents (fixed between 14/8/96 and 14/8/11 -	(a)		(a)	(a)	(a)	(a)
Kildare ...	79·0	15·05	14	1,505	210·7	87·8
Londonderry ...	83·6	15·92	12	1,592	191·0	89·1
Tyrone ...	82·3	15·67	12	1,567	188·0	87·7
Wexford ...	77·4	14·74	16	1,474	235·8	[illegible]
King's ...	77·1	14·69	16	1,469	[illegible]	[illegible]
Tipperary, S.	76·4	14·55	16	1,455	[illegible]	[illegible]
Roscommon ...	77·4	14·74	16	1,474	[illegible]	[illegible]
Cork	74·5	14·19	18	1,419	[illegible]	[illegible]
3rd-term rents (fixed since 14/8/11)—	(b)		(b)	(b)	(b)	(b)
Kildare ...	86·0	16·38	10	1,638	163·8	90·1
Londonderry ...	89·1	16·97	8	1,697	[illegible]	91·6
Tyrone ...	88·2	16·80	8	[illegible]	134·4	90·7
Wexford ...	84·9	16·17	10	1,617	[illegible]	[illegible]
King's ...	84·7	16·13	10	1,613	10	[illegible]
Tipperary, S.	84·3	16·06	10	1,606	10	[illegible]
Roscommon ...	84·9	16·17	10	[illegible]	161·7	[illegible]
Cork	83·0	15·81	12	1,581	189·7	[illegible]

(a) Substitute "2nd-term" for "1st-term" in heading of table.

(b) Substitute "3rd-term" for "1st-term" in heading of table.

* Purchase money and bonus, [illegible] certain circumstances.

In certain cases the Bill proposes to compensate, on account of depreciation of the stock, vendors who agreed to accept payment in three per cent. stock under the Act of 1909. Other provisions partake of a compulsory character. With some exceptions all land situated within a "congested districts" county, and

all tenanted land not so situated, will, on the appointed day, automatically vest in the Congested Districts Board and the Land Commission. Consequently, on the passage of the Act, vendors will have no choice but to submit to the inevitable. Considering the high prices now obtaining for land in Ireland, it may well be questioned whether the State's terms are on a generous or even on a fair scale.

THE BRITISH WEST INDIES.

MR. ASPINALL'S PAPER.

Mr. Algernon Aspinall, C.M.G., read a paper upon "The British West Indies"—upon which subject he is so eminently capable of imparting information—before the Bristol branch of the Royal Colonial Institute on Tuesday of this week. Reading his paper at Bristol, Mr. Aspinall naturally pointed out the long-continued connection between the western city and the British West Indies. Mr. Aspinall did not say so, but we may add that Bristol was the centre of the slave trade from the earliest settlement of this the oldest group of colonies of Great Britain. It appears that there was a society of merchant adventurers which founded the West India Club in Bristol as early as 1782. The club was to be composed of gentlemen interested in the West Indian trade, and it held its meetings at the Bush Tavern, in that city. Long before that, as we have already said, Bristol was closely connected with the West Indian trade, and there was a West India Society established there. In the early years of the eighteenth century there were some ninety-nine firms of West India merchants in Bristol. Since then, it need not be added, the trade of Bristol with the Caribbean Sea has fallen off to a considerable extent. Nevertheless, Bristol still continues to do an appreciable business with the West Indies. It is one of the principal centres in this country for the distribution of bananas, there being a fortnightly service between Avonmouth and Jamaica and Central America. The British West Indies, the lecturer pointed out, comprise a great chain of islands which stretch in a curve from the south-east of Florida to the north-east coast of South America, including in their embrace the Caribbean Sea, and lying astride all sea routes to the northern entrance to the Panama Canal. They consist of six distinct colonies, or groups of colonies—namely, the Bahamas; Barbados; Jamaica, with its dependencies, Turks and Caicos Islands, the Cayman Islands, and the Morant Cays; Trinidad and Tobago; the Windward Islands, including Grenada, St. Lucia, St. Vincent, and the Grenadines; and the Leeward Islands, comprising Antigua, with its dependencies Barbuda and Redonda, St. Kitts, Nevis, Anguilla, Montserrat, Dominica, and the Virgin Islands. British Guiana, on the north-east coast of South America, with an area of 90,500 square miles, and British Honduras on the coast of Central America, with an area of 8,598 square miles, have so much in common with the islands that for administrative and certain other purposes they are generally regarded as an integral part of the British West Indies, and in this connection it must be remembered that for many years after the discovery of the New World the term "West Indies" was applied to all countries discovered on the mainland, as well as to the islands.

The total area of the British West India colonies, using the term in its widest sense, is 101,326 square miles, whilst their population, according to the figures of the most recent Census, was 2,024,982, or just twice that of the Dominion of New Zealand, just under one-half that of the Commonwealth of Australia, and rather more than one-fourth of the population of the Dominion of Canada.

The British West Indies, as a whole, depend almost entirely on agriculture for their prosperity, their principal staples being sugar, with its bye-products, rum molasses and molascuit, a valuable form of cattle-food manufactured from the interior cellulose fibre of the sugar-cane and molasses, cacao, bananas, limes and rice. In dealing with the industries of the British West Indies it may be of interest to mention that those colonies supplied the Mother Country with no fewer than five distinct kinds of munitions during the recent War, namely, Jamaica and Demerara rum for the Royal Navy and for our troops in France and Flanders; Sea Island cotton from the smaller islands for the wings of aeroplanes; British Honduras mahogany for the propellers; and lime-juice for the Navy and the Army, besides petroleum, which was delivered from the wells in Trinidad under Admiralty contract.

During the War, and for some time afterwards, these colonies were basking in the sun of exceptionally high prices for their chief staples, and especially for sugar and cacao. Since then, however, has come a slump in the values of produce, which is not merely confined to the West Indies, but is practically world-wide. A repercussion of this collapse in prices must necessarily be felt in the West Indies; but taking a long view of the situation, there is every reason for believing that those colonies have a prosperous future before them. The present swing of the pendulum from high prices was inevitable, but in view of the favoured treatment which West Indian produce now enjoys in the markets of Canada and the United Kingdom, the West Indies should now be able to face temporary adverse market conditions with comparative equanimity, which they certainly could not have done some years ago.

The present economic position of the British West Indies may be regarded as sound, the opportunity of recent high prices having been taken to pay off mortgages and to develop production on modern lines, the only danger-spots being where estates have changed hands at absurdly exaggerated values.

The most notable steps in the direction of production on modern lines have been in connection with the sugar industry, which is being further developed by the extension of the central factory system, whereby the canes from the surrounding estates, as well as those grown by peasant farmers, are dealt with at a central base, the concentration thus effected permitting of the installation of machinery by which the maximum amount of sugar can be extracted from the cane at a low cost of production. Thanks to the devoted care given to cultivation and to the assistance of local agricultural scientists who make it their constant aim to combat insect pests, the cacao industry, which is mainly centred in Trinidad and Grenada, should continue to flourish and to benefit from the further increase in the world's consumption, which is certain to take place when something approaching normal conditions are resumed in Europe. The production of cacao in the West Indies is now dwarfed by that of the Gold Coast, which has developed at a phenomenal rate in recent years; but the superior quality of the Trinidad and Grenada varieties should secure for them supremacy for a long time to come.

Coming next to fruit, the great banana industry of Jamaica has made rapid recovery from a succession of hurricanes from which it suffered in the early years of the War, and should continue to make satisfactory progress, although it is probable that some banana lands will be devoted to the production of sugar if prices warrant it; and it is in Jamaica that it seems probable there will be the greatest development in sugar production as far as the West India Islands are specifically concerned. It seems a matter for real regret that the banana industry should be so largely under American control; but it must be remembered with gratitude that the Boston Fruit Company, and its successor, the United Fruit Company, have been great benefactors to Jamaica in the past, and indeed continue so in the present. An industry capable of great development is that of the production of oranges. This fruit grows prolifically throughout the West Indies, but owing to the prohibitive duties to which it is subject in the United States, and to the absence of

facilities for shipment to Canada and the United Kingdom, it has become almost a dying industry. The British West Indies could, in fact, easily supply the Mother Country with all the oranges she requires; and there seems reason, therefore, to hope that the time may come when British capital and British brains will develop an organisation on the lines of that of the United Fruit Company, and that a fleet of steamers plying between the West Indies and ports in the United Kingdom will be instituted. The cultivation and shipment of limes, on the other hand, forms the staple industry of Dominica and Montserrat, an advantage which it enjoys being that the product of the lime can be shipped in eight different forms—namely, the concentrated lime-juice, raw lime-juice, raw juice cordial, green limes, pickled limes, citrate of lime, essential oil of limes, and otto of limes. It is obvious that this is a great advantage to the planter. If, for example, the demand for green, or fresh, limes which are marketed in America falls off, they can pickle their fruit in brine for New England, or manufacture citrate of lime for Manchester, and so on. Dominica is now by far the largest exporter of lime products in the world, and her supremacy is unlikely to be challenged, for she still has large areas capable of profitable development.

In view of the continued reduction of the area under Sea Island cotton in America, owing to the ravages of the boll-weevil, the Sea Island cotton industry, which was established in Barbados, St. Vincent, St. Kitts, and Montserrat in 1902, should continue to prosper, provided it can be kept free from the weevil, which, unfortunately, has recently made its appearance in the two last-named colonies. It may be noted that at the present time the island of St. Vincent produces the finest Sea Island cotton in the world. A shorter-stapled variety known as Marie Galante cotton is produced in the island of Carriacou.

Another comparatively young industry is that of rice, the production of which has been developed at an astonishing rate in British Guiana, thanks to the thrifty East Indians, who form nearly one-half of the community. Formerly rice was imported into the colony in large quantities for the use of the East Indians in the ships that brought the immigrants, and British Guiana now not only produces enough for her own requirements, but a substantial surplus which in normal times is available for export to the neighbouring islands. It is noteworthy that whereas in 1884 the imports of rice into British Guiana amounted to 43½ million lb., no fewer than 32,182,000 lb. of rice were exported in 1907 after all local requirements had been met. Since that year the industry has suffered from the bug-bear of Government control, but when normal conditions are resumed it is certain that the local rice industry will further extend.

The population of British Guiana is at present only just over three to the square mile, as compared with 1,033 in Barbados, which is, for its size, the most densely populated country in the world with the exception of China. It follows that until some system of immigration is satisfactorily established no further extension or development of the agricultural, mining, and forest industries of this great colony is to be expected. Negotiations have, however, been proceeding for the establishment of Indian colonisation on a free basis, and it is hoped that proposals to this end will commend themselves to the people of India, who do not appear yet to have realised that their kinsmen enjoy full civil and political rights and complete freedom of religion in British Guiana and Trinidad, where there is a large and very prosperous East Indian community.

The mining industries of British Guiana include gold, diamond and bauxite—the best form of ore from which aluminium is made—while the forest products comprise the famous greenheart timber, which is used in harbours for under-water work all over the world; wallaba, from which shingles are made; and crabwood, much appreciated by furniture-makers; besides other valuable timbers. Another forest industry of importance is the collection of balata, a guttapercha-like substance used for insulating cables, belting, &c., and also for the soles of boots and shoes, which is bled from the bullet tree and collected in calabashes. We hope to refer again at an early date to Mr. Aspinall's paper, which contains a valuable mass of information on the British West Indies.

OUR PRINCIPAL MARKETS.

THE *Journal Economique Européen* recently made the point that since Napoleonic days British business men have inclined to give their trade a direction in the main towards the West and the Asiatic continent—the European continent, impoverished by long wars and almost devoid of credit, being rather unattractive for trade purposes. A similar opinion, it states, is to be met with to-day in conversation with English merchants and manufacturers, although it refers for the most part to Central Europe and a part of Eastern Europe. British goods are to be found in plenty in the western countries of Europe and in those States which remained neutral during hostilities, whereas they become rarer and rarer the more one travels towards the eastern parts of the Continent.

This publication also observed that the Continent is for the time being only receiving what is over-produced in this country, and representatives on the Continent of British firms unite in complaining that they are not supplied rapidly and amply by their principals on account of the fact that the British Dominions and Colonies are naturally competing for United Kingdom products. This statement scarcely harmonises with the complaints frequently expressed of late by Trades Commissioners and commercial firms in the Colonies that the manufacturers and merchants of the United Kingdom are neglecting them on account of the larger profits to be made in other markets.

A timely table compiled by the Department of Overseas Trade which shows the distribution of our overseas trade in 1913-19-20 throws some light on the situation.

Value of Exports from the United Kingdom.

Market	Year ending 1913 £'000	Third Quarter 1919 £'000	Fourth Quarter 1919 £'000	Last Quarter 1920 £'000	Second Quarter 1920 £'000
1. Europe (Central and Western)—					
(*a*) Neutral ...	9·7	20·5	18·1	16·2	15·5
(*b*) Enemy Countries	8·6	3·0	2·5	1·8	2·0
(*c*) Allied Countries (excluding Russia)	11·1	28·2	23·5	22·8	17·4
2. European Prince (S. and S.E.) ...	5·7	8·2	11·2	9·2	9·1
3. India and Ceylon	14·2	8·6	10·7	12·4	14·5
4. Far East ...	9·7	7·1	8·3	7·7	10·7
5. Australasia ...	8·7	3·8	3·8	4·5	6·0
6. Africa ...	7·0	4·5	5·0	6·4	6·2
7. United States ...	5·6	4·2	5·1	7·1	6·2
8. South & Central America and West Indies... ...	11·3	6·6	6·3	7·5	8·4

Our external markets in the above table fall into eight great geographical divisions. Adding together

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divisions one and two, 35.1 per cent. of the value of our total exports went to Europe in 1913, and 42.3 per cent. in the second quarter of 1920. This scarcely indicates that we are neglecting the European continent, in spite of the fact that the risk arising from fluctuations in exchange constitutes a deterrent to trading intercourse. European neutrals received 9.7 per cent., according to value, of our exports in 1913, and this percentage was increased to 13.5 in the second quarter of 1920. During the same periods trade with allied nations increased from 11.1 to 17.4 per cent. The latter are now our most valuable market, India and Ceylon having been ousted from that position and relegated to second place. As regards the remaining divisions, the Far East and the United States now claim a greater share of our export trade than in 1913, but the markets of Australia, Africa, and South and Central America and the West Indies have lost some of their importance. From a study of the comparative figures for the years mentioned it is safe to assert that trade as a whole is steadily moving into pre-War channels, the only important exception being that done with "Enemy Countries."

BARCLAYS BANK.—Barclays Bank is the first of the Big Five to publish its balance sheet for December 31, 1920. The critical nature of the latter half of the year in commercial and industrial circles lends added interest to the following figures:—

BALANCE SHEET	Dec. 1920	June 1920	Dec. 1919	June 1919
	£	£	£	£
Capital paid up ...	15,592,372	15,355,662	8,520,356	8,747,332
Reserve	8,250,000	8,000,000	7,000,000	7,000,000
Acceptances	10,227,554	13,581,057	13,588,825	6,554,734
Deposits	327,788,370	314,240,522	296,059,132	281,944,675
Premises	4,248,857	4,162,473	3,983,697	3,945,275
Acceptances as above ...	10,227,554	13,581,057	13,588,825	6,554,734
Advances	155,569,920	153,877,423	130,095,257	94,406,959
Investments	65,936,118a	63,465,755b	62,341,380	54,959,392
Discounts	44,866,805	31,576,961	30,253,309	41,152,386
Cash in hand and n.f. of E.	61,710,647	63,457,344	65,174,350	57,558,898
At call and short notice ...	21,313,395	21,136,788	20,031,495	45,590,100
Total cash	83,024,042	84,594,132	85,205,845	113,157,998
Total assets	361,858,296	351,126,781	325,468,313	304,046,744
	%	%	%	%
Percentage of cash to deposits	25.33	26.93	28.78	31.90
Percentage of loans to deposits	47.47	48.98	43.96	33.52
PROFIT AND LOSS ACCOUNT	£		£	
Gross profit	8,051,274	—	5,873,820	—
Salaries, &c., ...	5,412,751	—	3,751,628	—
Reduction of premises ...	200,000	—	—	—
Investment reserve	650,000	—	150,000	—
Pension reserve	150,000	—	—	—
Contributory account ...	500,000	—	100,000	—
Dividends	1,120,000	—	650,000	—
Balance unappropriated ...	37,152	—	992,169	—
			250,023	—
Total balance brought forward	595,042	...	508,450	—
Less Tax. (a) Income tax £8,250,148 investments in other banks. (b) Income tax £15,250 investments in other banks.				

It is notable that the policy of credit restriction has not meant any actual reduction in loans. Advances to customers at £155,569,920 have increased by £1,692,497 since June 30, and are £25,465,663 greater on the year. The actual rate of increase was perceptibly reduced during the final six months, while deposits registered a more than corresponding expansion. As a result the percentage of loans to deposits has fallen from 48.98 on June 30 to 47.47 on December 31, but it is higher by 3.51 points on the year. That the Bank has spared no effort within the limits of conservative policy to provide the trading community with accommodation is demonstrated by the decline in liquid resources. The total cash holdings of £83,024,042 in December compare with £84,594,132 in June and £85,205,845 a year previous, while the percentage of cash to deposits at 25.33 is 1.6 points lower than that for June 30, 1920, and 6.57 points lower than that for June 30, 1919. Gross profits are £8,051,274, against £5,873,820 for 1919. This large increase has not, however, been proportionate with the increase in capital in the meantime, while administrative expenses amount to a much higher percentage of profits. The dividend has been maintained at ten per cent. on the "A" shares, but that on the "B" shares is only fourteen per cent., as compared with twenty per cent. in 1919, the new "C" shares also obtaining fourteen per cent.

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Germany is creating credits to the extent, measured at the par rate of exchange, of 200 million pounds per annum, and Belgium to the extent of 100 million pounds per annum. The result of these additions to the floating debt is that the countries concerned are in both cases consuming more than they are producing. The credits placed thereby in the hands of the public in the form of increased purchasing power inevitably raise the level of prices.

Factors Affecting Exchange.

There are, therefore, at least two factors affecting the exchange: (1) If a country consumes more than it produces it imports more than it exports, and, therefore, exchanges are against it; (2) an increase in the purchasing media in the absence of increased production diminishes the value of the currency, and, therefore, depreciates the exchange. A third consideration might also be introduced. It is possible for a more or less definite period to live on one's capital, and in the case of both Belgium and Germany capital assets are being devoted to bringing the whole industrial machinery back to working order. The difficulty, as Sir Peter pointed out, is, however, to know how far to carry the process. The further the process goes, the more arduous it is to effect a restoration to normal conditions. Moreover, those who are frightened by this method of entrenching on capital, and who have money saved or invested within the country, usually purchase investments abroad, or otherwise transfer to foreign countries such funds as they have at their disposal. Their action necessarily entails the purchase of foreign currencies, and such purchase stimulates the fall in value of their own currency. Germany before the war provided approximately eighty per cent. of its own food requirements, and Belgium was almost self-supporting. Their position to-day is much less favourable, but the depreciation of exchange, from the point of view of providing themselves with essential foodstuffs, is not so serious as with us. The violent oscillation of currency values renders it difficult, of course, to estimate relative burdens. When the exchanges are stabilised, as Sir Peter hopes they eventually will be, and countries cease to borrow to pay their way, the point of stabilisation will not be the old pre-War value, but a new depreciated value determined by the credit of the German and other nations and the internal purchasing powers. In the meantime, the policy of inflation steadily tends to a lowering of the mark.

German and Belgian Wages.

Credits of 1,000 million marks are being created weekly in Germany, and used to subsidise food, rent, railways, and other forms of transport for the purpose of keeping down by artificial means the cost of living. The Belgians are pursuing the same objective, and the result is that wages in both countries are equivalent to one-half those paid in the United Kingdom, and yet the standard of living, making proper allowances, is not substantially different. Recently there was an agitation in Belgium by the agricultural labourers for a wage of 1.75 francs per hour for a forty-eight-hour week, or eighty-four francs per week. At the rate of sixty francs to the £ this is about 25*s.* per week, a much smaller wage than obtains here. Such a condition of affairs is, in the short period, at any rate, very serious from our point of view. Before the War the wage-cost of many commodities in Germany was approximately equivalent to that in Great Britain, though higher than that in Belgium; but to-day both countries are temporarily able to offer goods down to one-half the figure quoted by British exporters. This brings us to one of the leading causes of our present unemployment difficulties, which is the low prices quoted by the Continent, and the consequent inability on our part to compete. The general fall in prices is another factor in the depression, as it entails a widespread cessation of buying, consumers hoping that prices will go still lower.

Sir Peter Rylands had no remedy to offer for the present situation, but he stressed the probability that a difficult time lay ahead, especially for the next four months, and British industries must be prepared to undergo additional hardships. Abnormal conditions on the Continent cannot, however, last, and the real factors which govern them, as above outlined, must be understood if we are to arrive at an informed judgment as to the probable course of events.

Foreign Trade of Belgium.

The remarkable recovery which Belgium has made since the Armistice, though almost the whole country had to suffer from German occupation, is strikingly illustrated by a comparison of the figures of its foreign trade in 1920 with 1919. The following table shows the official trade figures with the principal countries for the first ten months of last year, with the corresponding period of the previous year; the statement refers to the *commerce special*, that is, imports for domestic consumption and exports of home-manufactured articles:—

(*Values in thousands of francs converted at par.*)

	Imports		Exports		Excess of Imports		Excess of Exports	
	1919	1920	1919	1920	1919	1920	1919	1920
Germany ...	1,726	26,397	18,030	10,778	—	-	16,304	14,381
France... ...	27,708	74,019	13,121	88,195	14,587	-	—	14,176
Gt. Britain ...	44,153	67,199	1,125	15,416	43,028	52,333	—	—
Netherlands ...	10,852	23,404	12, 31	34 185	-		1,879	10,781
United States	28,677	61,912	1,162	10,836	27,515	51,076		
Argentina ...	5,186	20,798	237	1,204	1,949	19,594	—	-

It will be seen that in all directions where change has occurred there has been a marked improvement. The only exception is Germany, against which there has been a reduction in the favourable trade balance, but this can hardly be regarded as an unfavourable development even from Belgium's point of view. A glance along the columns showing the exports during the two periods will suffice to indicate the rapidity with which the work of reconstruction is being prosecuted.

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American Topics.

TREND OF AMERICAN FOREIGN TRADE.

Mr. O'Reilly, the Vice-President of the Irving National Bank, read a paper before the Massachusetts State Chamber of Commerce in the middle of October on the trend of the foreign trade of the United States. It will be remembered that the bankers, in the first instance, and the manufacturers, in the second, in the United States came to realise long before we did on this side of the Atlantic, that it was impossible to continue trade on the basis of the inflated values which had ruled during the War, since the Armistice, and which had been maintained until the spring of last year. Of course, it has to be remembered that the United States enjoys advantages in the matter of its extensive area and relatively small population, which makes it possible for the Government, for the financial classes, and for traders to take drastic action when they realise that drastic action is necessary with a rapidity, and in a measure, that is not possible in the restricted areas with their crowded and congested populations, which is the condition in European countries. As a result, when Mr. O'Reilly was speaking to the assembled members of the Massachusetts State Chamber of Commerce, the reaction in wholesale prices had already proceeded to an extent that had not then, and has not yet, been realised here in this country. It was evident to the Vice-President of the Irving National Bank, as well as to his hearers, that a very severe reaction from the active state of American trade was not merely a problem that would have to be faced for some considerable time to come.

Owing, naturally, to her position, and to the fact that, as one result of the recent War, the United States has become a great creditor country, the action which the American Government, American financiers, and American manufacturers and traders are likely to take in the near future is of the utmost importance to the well-being of the trade, not merely of America herself, but of the world taken as a whole. It is now evident that the recent boom in trade, both during the War and since the signing of the Armistice in November 1918, was due to the extravagant manner in which England and France, formerly the great investing countries of the world, expended their accumulated resources as well as mortgaged the savings of the future. As soon as these two formerly rich countries ceased to be in a position to spend money upon the lavish scale which became the custom during the War period, and for two years succeeding it, there was a check to the whole trade of the world. For a time it was thought that the newer countries, headed by the United States, would of themselves suffice to restore trade to its wonted activity whatever might become of Europe. The fallacy of such a supposition is now becoming plainly evident, not merely to thinking economists, but to anyone who pays any attention to trade conditions as well, whether forced by his own necessities or simply as a matter of observation.

When the Allied debt to the United States had reached a certain figure, the exchanges as between the United States and the various countries of Europe became so adverse that it was exceedingly difficult for any country in Europe to purchase even the most urgently needed commodities from the United States. In fact, so adverse was the condition of the exchange as between London and New York—and it was, of course, even worse, as the reader is aware, with regard to several other countries—that we had to pay, over and above the ordinary profits of trade, what for convenience we may call an exchange tax, which amounted to some thirty-three per cent. in excess of the ordinary charges. The result, naturally, was that most European countries could not buy from the United States at all; and we ourselves, although we, partly by exports and partly by means of credit, did purchase, and are still purchasing, certain urgently needed commodities as, for example, certain foodstuffs, cotton, and textiles, are restricting our purchases as much as possible because so few of our people are able to consume the goods at the prices which importers find themselves compelled to charge. As a result of this, the price of cotton, for example, since last autumn has fallen practically to the extent of the difference between the unfavourable exchange, as it is called, between this country and America. Such a fall was inevitable if we were to continue our purchases to any appreciable extent. It has to be remembered that if we are to keep our Lancashire cotton mills fully employed we should import something over five million bales each year, and between seventy-five and eighty per cent. of this quantity was until quite recently obtained from the United States. The Vice-President of a bank is, of course, not in a position to say what his Government proposes to do. But it is evident to anyone who will read his paper that Mr. O'Reilly is quite well aware of the serious difficulties which confront the United States if her people and her Government neglect to realise that altered economic conditions have not merely modified, but completely changed her relative position to the great consuming markets of the world, and particularly to Europe, which was formerly her best customer.

In the pre-War period the United States was assured of a market for her surplus commodities in England, in France, in Germany, and in certain other parts of Western Europe. This was due to the fact that England in particular, and other countries to a lesser extent, had invested very large sums of money in the United States, partly on private account and partly in the purchase of what are called Stock Exchange securities—that is to say, railroad shares and so on. In order to pay the interest upon these various investments it was necessary for the United States to send produce to Europe, and she did, in fact, send produce to Europe to the value, on the pre-War basis of prices, of between 250 and 300 millions sterling. The position has now altered, because she has to send abroad only to a very limited extent. It seems evident, as we pointed out last week, that, in spite of the heavy borrowings in America by Europe during the War, America still is indebted to certain countries to some extent. We know, of course, that a great many British subjects still hold various American Stock Exchange securities, and also that a very large class are interested privately in property of various kinds, particularly in the Middle West and on the Pacific Coast. This indebtedness, however, does not appear to be large enough to ensure an important market for American produce. It has

to be borne in mind that if the United States can only produce at a level of prices which will restrict her consumption entirely within her own borders her costs of production will be correspondingly high. It has to be remembered, moreover, that the United States is in need of improved transportation facilities and increased immigration. If she is to obtain this entirely out of her own savings, the reader will readily appreciate that this can only be accomplished after a considerable time has elapsed. The natural way to adjust the balance as between the United States and Europe would be for America to admit imports upon a larger scale than she does at present. This would enable her principal customers not merely to liquidate their debt to her, but to purchase on a lower basis of values than at present those commodities which she is in a particularly favourable situation to produce, and, of course, to continue to render services. After a time it is evident that the congested European countries would accumulate capital, which it would be profitable for them to employ in the improvement of the transportation facilities of the United States. This, in its turn, would admit of immigration. All this, however, is, of course, merely speculation until we see what Congress is prepared to do when the new President takes office early in March.

SOUTH AND CENTRAL AMERICA.

THE NITRATE POSITION.

Messrs. Henry Bath and Son, in their annual *Nitrate of Soda Circular*, say that the position during the past six months has undergone a very decided change, and Chilian nitrate of soda has not escaped the depressing influences which have affected the world's markets generally. In July the prospects of holders of nitrate looked very bright. Consumption was estimated to have reached very nearly the pre-War figure, and it was thought at that time hardly probable that the nitrate producers would be in a position to raise the same quantity which they had done in the last year before the War. Production in 1913 amounted to very nearly 2¾ million tons. In the past year it amounted to 2,490,000 tons. Sales in 1913 exceeded two million tons, while in the year that has just closed they did not quite equal 1¼ million tons.

We dealt recently with the general situation in Chili and her great natural assets, contrasted with the difficulty which she is experiencing in developing those natural advantages. The principal object of the article was to show the disadvantages under which any country labours which is almost wholly dependent for its economic prosperity, and largely dependent for its national revenue, upon one single branch of industry. Any accident which neither the traders of the particular industry concerned nor the Government have any means of effectively controlling may affect the vital interests of the industry concerned. When we wrote in the late summer and early autumn of last year a series of articles upon the nitrate situation, contributed by one of the best known nitrate authorities in Europe, nothing could have looked more favourable than were the apparent prospects of the industry. Immense quantities of the fertiliser had been sold forward, and apparently the demand was so great that the Association which controls nearly ninety-eight per cent. of the producing companies in Chili were urging increased production, and were proposing to sell, and did in fact offer for sale, a large quantity of nitrate so late as the month of August last. In fact, it was this final offer which precipitated the fall in prices which has occurred, and which aggravated the difficulties in which the industry now finds itself. Everything appeared to point in the late summer of last year to a continued and fairly steady demand for nitrate of soda. But, in fact, as no doubt the reader is aware, the prospects for the past few months have been so unfavourable that the Association which controls the industry, and will control it for the next couple of years, has notified the producers that they cannot expect to sell any more nitrate above that which has already been sold forward up to the end of June of the current year. It was, of course, realised by the Press, by the public, and by those actually engaged in the industry that Germany for practical purposes was out of the market, as her exchange was so adverse that she would have to pay in Chilian currency or in any form of international currency a price for the fertiliser at which it would be practically impossible to hope to sell any resulting product at a commercial profit. On the other hand, Europe in particular, and the world in general, had gone through a period of nearly five years starvation. That a hungry crowd would be clamouring for food was inevitable. It was, consequently, argued that even if Europe itself is not able to produce food upon any considerable scale, there would be an immense demand from the newer countries of the world and the countries of the East capable of producing food and raw materials in large quantities, which would inevitably have the result of causing a great demand for fertilisers of various kinds, of which nitrate of soda is, perhaps, the best known in the world's markets. This argument, however, takes no account of the economic factor that for a time it may be possible to purchase food or to purchase anything else upon credit. But a period of settlement must inevitably come. It soon became evident that, however urgent were the demands of Europe in particular and of the world in general for food and raw materials, that demand could not be supplied unless the world in general and Europe in particular could find equivalent economic values to offer in exchange. As a matter of fact it soon became evident that none of us were in a position to offer those equivalent values.

On the whole, bearing all the circumstances in mind, it cannot fairly be contended that the nitrate industry has done badly. The sales of nitrate in Europe are still at the rate of over 160,000 tons a month, and if we include sales for the whole world, they exceed 280,000 tons. Europe has consumed during the past year over 800,000 tons, and if we take the whole world's consumption it exceeds 1,800,000 tons, against about 2½ million tons in the pre-War period. All that can truly be said is that after more than four years of a great European War, and after a year of such peace as was enjoyed during 1920, Europe in particular, and the world in general, has consumed a larger proportion of nitrate than might reasonably have been expected. It has not realised anything like the extravagant expectations which were entertained of the potentialities of consumption earlier in the year. But from the Versailles Conference down to the latest arrangement, political or economic, arrived at by any of the belligerent Governments, allied or enemy, have any of the anticipations with which we started 1920 been realised?

A remarkable feature of the nitrate situation during the past year has been the growth of the demand for nitrate in countries other than those of Europe. Whereas in the pre-War period Europe was by far the greatest market for nitrate, the extra-European sales, as we have already shown, have exceeded those of the purely European deliveries. This has, of course, been a growing feature throughout the war period. And it has only recently received a check. It affords once more an illustration of the important lesson that relations to be permanent must rest upon a sound basis of mutual advantage to the various contracting parties. The newer countries of the world are able, willing, and indeed, anxious to produce in immense quantities food and raw materials, and articles of prime necessity for the satisfaction of the demands of the great centres of industry. But they can only afford to do this provided they are supplied with ever-increasing quantities of plant and various forms of manufactured articles which will enable them

to raise the primary products upon which their prosperity depends. Consequently, the newer countries were no more in a position to take nitrate for the purpose of raising produce which could not be sold upon an economic basis than were the devastated countries so lately at war.

DIVIDENDS ANNOUNCED THIS WEEK.

	1920	1919	1918	1917	Price
BANKS:	%	%p.a.	%p.a.	%p.a.	Jan. 20
Bank of Ireland	6(i)	12	11	10	—
Bank of Liverpool & Martins, £20 shs., £2½ pd. ... ... (16†)	8(i)	16	15	15	5½
Bank of Victoria, £10 shs., £5 pd.	4½(i)	7	6	6	96⅝
Clydesdale Bank, £50 shs., £10 pd.	18†	18	16	15	—
Equitable Bank, £4 shs., £1 pd. (16†)	8(i)	13·35	16	15	—
Hibernian Bank, £20 shs., £5 pd.	4(i	7½	7	6	—
Isle of Man Banking, £10 shs., £2 pd. ... ...(22½†)	15(i)	22½	20	15	—
London Joint City & Mid. Bank, £12 shs. £2½ pd. ... (18†)	9(i)	18	18	18	6½
Munster & Leinster Bank, £5 shs., £2 pd.	10(i)	19	17	16	—
National Bank, £50 shs., £10 pd.	6(i)	12	11	10	16⅝
Provincial Bank of Ireland, £20 shs., £10 pd.	6⅔(i)	13⅓	13	12½	20
Queensland National Bank, £5 shs.	2½(q)	10	10	5	5⅜
Royal Bank of Canada	3(q)	14A	12	12	91
Union Bank of Manchester, £5 shs., £2½ pd.	10(i)	20	10	—	—
BREWERIES AND DISTILLERIES:					
Bristol Brewery (Georges & Co.) (16†)	9(i)	15B	17	11	27/-
Parker's Burslem Brewery, £10 shs.	5(i)	10C	12	10	8
Threlfall's Brewery	10(i)	30	30	15	33⅓
Watney, Combe, Reid Def. Ord. Stk.	8(i)	24	16	8	35¼
CANALS AND DOCKS:					
Ardrossan Harbour Ord. ...	2½(i)	—	—	—	—
Hill's Dry Docks & Engineering, £20 shs., £18 pd	5(i)	10	10	10	25⅞
COMMERCIAL AND INDUSTRIAL:					
Abergavenny Motor ... (10†)	—	—	—	—	—
Australian Pastoral Cons. Ord. Stk. ... ... (6†°)	3(i)°	8	8	6	80
Bell & Nicolson	10+°	10	10	10	—
Bootle Cold Storage & Ice ...	13+°	—	—	—	—
British Oil and Cake Mills (15†)	5(i)	20	15	15	33/1½
Cawthra (J.) ... ... (9†)	3(i)	15	16½	12	—
Cleghorn & Harris ... (6†)	—	—	—	—	—
Cork Improved Dwellings ...	2(i)	—	—	—	—
Crossley (John), £2 shs. ... (10†)	7½(i)	10	7½	7½	41⅜
Dublin (South) City Markets, £10 shs	1(i)°	2	2	2	—
Dundee Steam Laundry	10†°	—	—	—	—
Elliott's Metal	5(i)	15	15	15	—
Freeman, Hardy & Willis ...	11½(i)	17½	17½	17½	41
Howell (John) ... ... (10†)	7½(i)	10D	8¼	7½	18/9
Hunter, Barr	5(i)	15E	—	—	—
Imperial Tobacco of Gt. Britain...	12½(i)°	—	—	—	48/7½
Lister & Co. ... ... (7½†)	5(i)	12½	12½	10	18/4½
McIntyre, Hogg, Marsh ... (15†)	11½(i)	12½	10	10	27/6
Madame Vai Smith ... (10†)	5(i)	5 5/12	8	2½	5/-
Northern Corporation, £10 shs., £2½ pd.	12½†	12½	12½	10	—
Roberts (J. T. & H.) ... (12½†)	7½(i)	10	10	8¼	—
Sears (J.) (True Form Boot) (17½†²)	12½(i)°	20	17½	17½	50/6
Stead & Simpson	10†	—	—	—	—
Tarry (E. W.) ... ... (7½†)	5(i)	7½	7½	7½	14/-
United Tobacco ... ... (35†²)	15(i)°	25	20	—	102/-
West Cumberland Steam Laundry (14†)	8(i)	—	—	—	—
White (J. G.), 7% Cum. Pref. £1 shs.	7†	7	6	6	15⅞
Wilkinson & Riddell, £5 shs. ...	15†°	11	11	12½	—
ELECTRIC LIGHTING AND POWER:					
Montreal Light, Heat & Power, Cap. Stk. $100	2(q)	8	8	8	—
FINANCIAL, LAND AND TRUST:					
Debenture Corporation, Ord. Stk.	6†	5	4½	4	61
Foreign & Colonial Invest. Trust, Def. Stk. ... ... (7½)	4½(i)	6	6	6	78
Govt. Stk. & other Security Invest. Def. Ord. Stk.	7†	5½	5	5	66
Holborn Viaduct Land ... (6½†)	3(i)	—	—	—	—
Law Debenture Corpn. Ord., £5 shs, £2 pd.	6†	5	5	5	23/-
Leicester Real Property... ...	2½(i)	—	—	—	—
Metropolitan Trust, Ord. Stk. (11†)	8½(i)	12	12	12	160
Mining Shares Invest.	2½(i)°	—	—	—	—
Omnium Invest. Def. Stk. ...	7†	5½	4½	4	72
River Plate & Gen. Invest. Trust, Def. Stk. ... ... (10†)	6(i)	10	10	10	112½
Scottish American Invest. Ord. £2 shs.	18†	18	18	18	53⅛
GAS:					
South Metropolitan Ord. Stk. ...	5†	3	3C	4C	65
IRON, COAL AND STEEL:					
Gwynnes, Ord. 5s. shs.	5(i)	10	10	—	37/6
Wilson & Co.	5(i)°	45	40	40	—
OIL:					
Trinidad Leaseholds	12½†	—	—	—	31/4½
RAILWAYS—HOME:					
Gt. Southern & Western Ord. Stk. (4†)	2(i)	—	—	—	14¼
Liverpool Overhead Rly., £10 shs., (5†)	1½(i)	3¼	3¼	3¼	57/6
Metropolitan Ord. Stk. ... (11½†)	1(i)	1½	2	2	21
Do. Surplus Lands Stk.	1½(i)	2¾	2¾	2¼	35½
RAILWAYS—INDIAN:					
East Indian Rly. Def. Ann. Cap. ...	5(i)°	7·65	6·8	6·7	47
SHIPPING:					
Burnham Shipping ... (10†)	5(i)	—	—	—	—
Houlder Line, Ord. £5 shs. (10†°)	5(i)°	15	—	—	9
Stella Steamship ... ... (10†²)	5(i)°	—	—	—	18 3
TEA, COFFEE AND RUBBER:					
Amputi (Sumatra) Rubber ...	7½†	—	—	—	—
Anglo Ceylon & General Estates...	10(i)	20	15	25	54/3
Escot Rubber	3(i)	—	—	—	2/3
Sendayan (F.M.S.) Rubber ...	10†	—	—	—	38/9

° Tax free. † Total for 1920. (i) Half-yearly actual. (q) Quarterly actual. (A) Including $340,000 for 2% 50th anniversary bonus. (B) £10 shs sub-divided. (C) Bonus 1 new sh. for each sh held. (D) £5 shs. sub-divided. (E) Each £1 sh. received five £1 Pref. shs. and fifteen £1 Ord shs.

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Rubber Topics.

COMPARATIVELY little business came the way of the Rubber market this week. The January "prompt" was negotiated without any trouble appearing on the surface, though the rumour was current that more than one broker had been severely hit. The commodity showed a tendency to weaken, crêpe relapsing from 1*s.* 2*d.* on Monday to 1*s.* 1¾*d.* on Thursday. The Share market was dull, and the tone was rather weak. On Monday Kuala Lumpur constituted a feature, moving up on Paris support from 2⅞ to 2¼. Otherwise throughout the week as a whole price movements were reactionary. Rubber Trusts opened weak at 20*s.* 6*d.*, and closed on Thursday below par. Additions are still being made to the stock in London. On January 15 the total had risen to 53,131 tons, as against 21,094 tons in 1920. In view of the low price which rubber still commands, shareholders in Bukit Panjong have good reason to be pleased with the satisfactory forward sales for 1920, 1921 and 1922, disclosed in the recent quarterly statement. Notwithstanding the reduction in November and December, the 1920 crop reached 520,714 lb., as against an original estimate of 536,000 lb.; of this, forward sales cover 212,040 lb. at a gross average of 1*s.* 11.12*d.* per lb., whereas the total sold was 383,780 lb., at a gross average of 1*s.* 9.02*d.* per lb. For 1921 contracts have been secured for 212,040 lb. at a gross average of 2*s.* 2.50*d.* per lb., and for 1922, 134,400 lb. have been sold in advance at 2*s.* 7.50*d.* per lb. As had already been announced, the Rubber Growers' Association are extending full support to the forthcoming fifth International Rubber Exhibition, and are offering prizes not merely for the best commercial samples of plantation rubber from the various producing areas, but also for the greatest variety of commercial articles made from rubber.

BRITISH BORNEO PARA RUBBER.

Issued Capital: £50,000 in Shares of £1 each.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Average Yield per Acre Reduced lb.	Price per lb.	"All-in" Cost per lb.*	Net Profit £	Dividend Amt. £	Dividend %
					Results for Years to April 30—				
1917 ...	950	775	251,945	335	2/7	1 1½	16,695	5,000	10
1918 ...	970	775	207,877	268	1 11½	1 2½	4,764	—	—
1919 ...	1,070	775	202,481	261	1/7·82	1/2·95	2,241	2,500	5
1920 ...	1,070	800	269,761	337	2/4·81	1/1·69	12,759	10,000	20

* Ex Indian Depreciation, Debenture interest and income tax.

Price of Shares, 28/7½. Market Capitalisation per planted acre, £67.

WITH the disappearance of the restrictions on production that caused the crops of this rubber Company to fall to such mediocre levels in the previous two years the report for the year ended April 30, 1920, records a considerable improvement. The crop of 269,761 lb. not only constitutes a good advance on the 202,481 lb. secured in 1918-19, but also exceeded the estimate by 29,761 lb. As a result of this increase in the crop there has been recorded a decline in the "all-in" cost from 1*s.* 2.95*d.* per lb. in 1918-19 to 1*s.* 1.69*d.* per lb. in the year under review. Again,

owing to the rapid recovery in the Rubber market the average price realised by the sale of the crop increased from 1*s.* 7.82*d.* per lb. to 2*s.* 4.31*d.* per lb. Hence a profit of 1*s.* 2.62*d.* per lb. was secured, as against 4.87*d.* per lb. only in 1918-19. Consequently, after writing off £354 for depreciation and paying £2,409 for income tax, there is left the net profit of £12,759, which is a marked improvement on the figure of £2,241 for the previous year and £4,764 for 1917-18. Furthermore, as a result of the poor profits of 1918-19 there was a refund of excess profits duty to the extent of £2,578. This, with the balance brought forward from the previous accounts, raised the total available for distribution amongst the Ordinary shareholders to £16,513. Of this the sum paid in dividends absorbed £10,000, corresponding to the record rate of twenty per cent., as against five per cent. only in 1918-19 and the previous record of seventeen and a-half per cent. in 1912-13.

The pronounced depression in the Rubber market, especially since the autumn of 1920, renders the outlook for the current year rather discouraging. The estimate forecasted a crop of 280,000 lb., of which 134,000 lb. had been secured in the six months of unrestricted tapping ended October 31, 1920. Assuming a reduction of twenty-five per cent. for the remainder of the year, the final crop is not likely to exceed 240,000 lb., whereas any greater curtailment will yield a still smaller crop. Such a reduction necessitates an increase in the cost of production, which is already almost equal to the price ruling since the opening of 1921 for plantation crêpe. Hence, in the absence of forward contracts at more favourable prices, or of sales at an earlier date, when rubber still realised a reasonable price, the dividend outlook for the current year is at best uncertain. Financially, as the balance sheet dated April 30, 1920, shows, the Company is in a sound position. Including the dividend, absorbing £10,000, current liabilities amount to £13,357, and are amply covered by liquid assets, which are available to a total of £20,149. The present quotation of 28*s.* 7½*d.* for the £1 shares, which is equivalent to the rather low market capitalisation of £67 per acre, discounts sufficiently the uncertainty of the outlook.

KIMANIS RUBBER.

Issued Capital: £128,000 in Shares of £1 each.

	Results for Years to December 31									
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Yield per Bearing Acre lb.	Price Realised per lb.	"All-in." Cost per lb.	Net Profit £	Dividends Amt. £	Dividends %
1917...	1,[illegible]	—	[illegible]	—	[illegible]	1 6.86	12,0[illegible]	—	—
1918...	1,[illegible]	—	4[illegible]	—	[illegible]	[illegible]	[illegible]	—	—
1919...	1,[illegible]	—	6[illegible]	—	[illegible]	1 [illegible]	[illegible]	10,[illegible]	12½

Price of Shares, 17 6. Market Capitalisation per planted acre, £71, allowing for Debentures.

Shareholders in Kimanis Rubber Company have every reason for congratulating themselves upon the satisfactory report presented for the year ended December 31, 1919. The disappearance of the restrictions on output which characterised 1918 is reflected in the substantial increase in the crop harvested to 650,478 lb., or nearly 250,000 lb. in excess of the crop secured in 1918. Shortage of labour alone prevented the realisation of the estimate of 665,000 lb. Such a remarkable growth in the crop was bound to reduce the cost of production per unit. Yet in commenting upon the actual extent of the reduction it is important to realise that the circumstances of 1919 were operating against this movement. Stores and materials involved a heavier outlay; wages had to be increased; and the shortage of the rice crop in Borneo, as elsewhere, caused a loss in the subsidising of foodstuffs. In this light the drop in the estate cost from 1*s.* 3.48*d.* per lb. to 11.69*d.* per lb., in the f.o.b. cost from 1*s.* 4.36*d.* per lb. to 1*s.* 0.28*d.* per lb., and in the "all-in" cost from 1*s.* 8.20*d.* per lb. to 1*s.* 2.55*d.* per lb., is a very creditable achievement. There was also a slight improvement in the average price realised by the sale of the crop, which rose from 1*s.* 11.30*d.* per lb. to 1*s.* 11.83*d.* per lb. Consequently, in place of a profit per lb. of 3.10*d.* in 1918, there results a profit per lb. of 9.28*d.* in the year under review. Allowing for the substantial increase in the crop, it is not difficult to realise that there was secured a record net profit of £25,009, which dwarfed the 1918 return of £2,809, and represented an increase of over 100 per cent. on the profit of 1917. Interest on Debentures and the loan of £12,000 from the bank absorbed £2,160. Shareholders, who had received nothing since the payment of the last guaranteed dividend of five per cent. in 1915 by the Chartered Company of British North Borneo, now receive the first dividend out of the actual earnings of the Company. The dividend was at the satisfactory rate of twelve and a-half per cent., absorbing £13,375, and allowing the balance carried forward to be increased substantially from £11,139 to £20,612.

During the year the issued capital was increased to £122,600 by the issue of 11,000 shares at par, of which 10,600 had been allotted at the close of the year, and by the exercise of options over 12,000 shares. Subsequently options covering 5,000 shares were exercised, and the remaining 400 shares of the above issue were allotted, thereby raising the issued capital to £128,000. Advantage was taken of the funds thus secured, in conjunction with the huge balance carried forward, to discharge the loan of £12,000 from the bank, which consequently no longer appears in the balance sheet. Moreover, before the general meeting the contingent liability of £30,000 due to the British North Borneo Company for dividends paid by them during the first six years of the Company's existence was discharged by a payment of £24,000 in cash. Otherwise the dividend paid to shareholders would not have exceeded ten per cent. The disappearance of these two liabilities places the Company in a much stronger financial position. Accordingly, it can face the present situation in the Rubber market with greater confidence. The position as disclosed in the balance sheet at the end of 1919 shows that liquid assets were available to a total of £50,083 to meet current liabilities, which, with the dividend of £13,375, did not exceed £19,519. Of the estimated crop of 720,000 lb. for the current year, the returns for ten months of unrestricted tapping show that 577,200 lb. only have been secured. Allowing for the twenty-five per cent. reduction in November and December, the total crop is not likely to exceed 670,000 lb. In view of the slump in the price of rubber since the autumn, it is satisfactory to learn that 268,000 lb. of this crop have been sold forward at the average price of 2*s.* 0¼*d.* landed terms. More satisfactory still is it that a price of 2*s.* 6½*d.* per lb. landed terms has been secured in advance for 336,000 lb. of the 1921 crop. Whilst it may be advisable to pass over the dividend for the current year, such forward contracts should help to ensure shareholders that the men who control the destinies of the Company are well able to steer it through the present crisis and to take advantage of the recovery as soon as it sets in. The quotation of 17*s.* 6*d.* for the £1 shares is but symptomatic of the stagnant condition of the Share market at the moment.

HARRISONS & CROSFIELD,
LIMITED.

ISSUED CAPITAL - - £1,844,980

EASTERN AND GENERAL MERCHANTS.

1-4 GREAT TOWER STREET, LONDON, E.C. 3.
WITH BRANCHES THROUGHOUT THE EAST.

BRUAS-PERAK RUBBER.

Issued Capital: £29,950 in Shares of £1 each. Ten per cent. Debenture Stock, £6,261.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Av. Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
	←——Results for Years to February 28——→								
1918...	678	—	114,130	—	1/11.57	1/3 76	912	—	—
1919...	635	—	152,009	—	1/1·45	1/3·31	634†	—	—
1920...	693	512	189,479	370	2/5·52	1/1·70	10,483	5 990	20

* After charging depreciation and Debenture interest. †Loss.

Price of Shares, 44/9. Market Capitalisation per planted acre, £96.

THE report of Bruas-Perak Rubber Estate, Limited, for the year ended February 29, 1920, chronicles the entrance of this rubber Company into the list of dividend-payers. With a reversion to more normal conditions the crop harvested increased to 189,479 lb., as compared with 152,009 lb. in the previous year. Although the crop failed to come up to the estimate of 200,000 lb., it represented, nevertheless, the satisfactory yield of 370 lb. per acre from the 512 acres mature. The increase in the crop was reflected in the gratifying decline in the cost of production, the "all-in" cost being returned at 1*s.* 1.70*d.* per lb., as against 1*s.* 3.31*d.* per lb. in 1918-19. Furthermore, as the period under review witnessed a substantial recovery in the Rubber market, the average price realised by the sale of the crop jumped up from 1*s.* 4.45*d.* per lb to 2*s.* 5.52*d.* per lb. Accordingly there was secured a profit of 1*s.* 3.82*d.* per lb., as against the nominal return of 1.14*d.* per lb. in 1918-19. Consequently, this rubber Company, which since its initiation in 1911 had been recording mediocre profits until 1918-19, when an actual loss of £634 was sustained, reaps the excellent reward of £10,483. This large profit was availed of to write off the issue expenses of the second Debenture stock to the amount of £120, and to create a reserve for the redemption of this stock, which is redeemable at par on December 31, 1924, allocating no less a sum than £3,000 for this purpose, as against an actual paid-up total of £6,211. In addition, shareholders, who had hitherto received no dividend, obtained the generous distribution of twenty per cent., absorbing £5,990. Meanwhile there is carried forward to the next accounts a balance of £5,612, as against £4,240 brought in from 1918-19. Not merely has the Company incurred no liability for excess profits duty for the year under review, but it has still a considerable sum to its credit to set off against any liability in the current year.

The steady slump in the price of rubber since the autumn of 1920 must be disconcerting for a Company whose "all-in" cost at its best is not far removed from the best price ruling for rubber since the recovery in 1921. In the absence of forward contracts or of good sales in the earlier portion of the current year the dividend outlook is distinctly gloomy. Of the original estimate of 215,000 lb. the returns for eight months of unrestricted tapping ended October 31, 1920, amounted only to 126,679 lb. Allowing for a twenty-five per cent. reduction for the remainder of the period, the total crop will yet fall short of that secured in the year under review. It is stated that an application has been made for an additional 400 acres, so that ultimately the costs, being spread over a larger area, would be correspondingly reduced. Any such scheme of development must of necessity be postponed during the current crisis, when the husbanding of resources is so vital. Financially the position of the Company, as revealed in the balance sheet dated February 29, 1920, is sound. Liquid assets exceeding £13,337 were available to meet current liabilities which, with the dividend absorbing £5,990, amounted only to £8,422. No transaction in the shares has been recorded since September 15, 1920, at which date they were quoted at 44*s.* 9*d.*, corresponding to market capitalisation of £96 per acre, which is high for
in view of the present position.
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Insurance Notes.

FIRE INSURANCE IN 1920.

THE big British fire insurance companies do not usually issue their accounts for any year until after the ensuing Easter, and it will not be till June next that we will be able to obtain their full figures for last year's operations in this section. The indications are that the general results in this respect will be fairly satisfactory. The experience of companies has, of course, varied, and in some cases the proportion of losses to premium income will probably be above the average. Special risks of various kinds have been widely insured against, and this has resulted in a welcome addition to income. One scarcely likes to refer to the fact that no great conflagration of the historic kind has taken place for some fifteen years. If a fire insurance manager ever does so it is with bated breath and a "touch wood" demeanour. Yet it is advisable to point this out, for a disaster of the kind is sure to happen sooner or later (pray that it may be as late as possible), and the necessity of adding to reserves from profits is obvious. Fortunately the finance of fire insurance is conducted on these lines, and the larger companies have never been in a better position to meet exceptional demands.

The total amount of fire claims in 1920 is not expected to prove very greatly in excess of that of 1919, and although in that year they were somewhat above the former experience of normal years, it must not be forgotten that there has been even a greater advance in premiums. The enhanced value of all kinds of property and of reinstatements has necessitated larger cover, and it is probable that this movement will be continued. One anxious feature is the great increase in taxation and in working expenses caused by present conditions. This entails a special burden on the low-rated class of insurances, such as cover private houses and contents, where it would seem hopeless to think of passing off the extra cost to the customer, and a diminution in the profits from this section is to be expected. A Royal Commission has been recently appointed to inquire into the question of reducing the risks of losses by fire. Fire offices will be delighted to co-operate, and if this body helps in this direction they will be truly thankful.

The total amount of losses by fires in the United Kingdom in 1920 has been estimated at £9,374,000, as compared with £9,462,000 in 1919. Fires where the damage amounted to less than £1,000 are excluded from this comparison. This does not represent the loss to companies, for much of the amount was not insured with them, some portion being at Government or other risk. It seems rather hard on the companies to make them responsible for fires in all probability caused by seditious persons, and while the companies in the meantime are paying claims arising from the incendiarism at Liverpool, it is understood that they will seek a solution of the question whether the Government should recoup them in the Courts. It is very desirable, from a public standpoint, that the companies should give complete fire protection, but it is apparent that fires arising from seditious action might quite upset their calculations, and if they are to be held responsible for such claims it is quite possible that their ratings in many cases will have to be revised. At the present time their contracts are so worded as to protect them from hazards arising from war and civil commotion, and this will probably exclude them from liability in the case of the Cork fires. But at Liverpool there was neither war nor civil commotion. A large amount of business has been done during the past year to directly cover these particular and doubtful hazards.

Undernoted are given particulars (excluding the Liverpool and Cork incendiary fires) of the estimated approximate fire losses in 1920 exceeding in each case £100,000:—

	£
Hop Exchange, London	650,000
Werneth Station, Lancashire and Yorkshire Railway	400,000
Ward ey Cotton Weaving Mills, Burgess, Ledward and Co., Walkden ...	500,000
Wall Paper Manufacturers, Be grave and Livesey Mills, Darwen ...	260,000
Rag Warehouse, Scout Hill Mills, R. Stros and Co., Dewsbury ...	210,000
Oil and Cake Works, Earles and King, Liverpool...	190,000
H.M. Air Ministry's Aerodrome, near Shefford	175,000
Rubber Warehouses, Redbut, Symons and Co., Wapping	125,000
Tannery, John Vinary and Sons, Newton Abbot	120,000
Shipbuilding Yard, W. Gray and Co., West Hartlepool	120,000
Drapery Drafters and Jarvis, Dundee	110,000
Woollen Mills, E. J. and R. Land and others, Keighley	105,000
Clothing Factories, B. Fowden and others, Southend	105,000
Shipbuilding Yard, R. and W. Hawthorn, Hebburn-on-Tyne	100,000
Liverpool Warehousing Co., Parr Street, Liverpool	100,000
Furniture Warehouse and Garage, Stroud-on-Sea	100,000
Ironworks, James Cycle Co., Birmingham	100,000

It is from Northern America that four fifths of the leading British companies derive the greater part of their insurance income. Both in the United States and in Canada premium incomes went up by leaps and bounds in the early months of 1920, but since then there has been a reduction owing to slacking off after the big war boom. On the whole the North American fire premium income of most British companies is expected to show a satisfactory increase. The total losses are expected to amount to something like £70,000,000, taking the dollar at the old rate of exchange, as compared with about £60,000,000 in 1919. Some of the more important fires in that part of the world where the losses in each case exceeded £200,000 are given below:—

Month	Property	Estimated Approximate Amount of Damage £
January ...	Tannery, Sheyboygan, Wisconsin	420,000
February ...	Shipyard Buildings and Yacht	200,000
March	Hotel, Old Point Comfort, Virginia	200,000
,, ...	Tobacco Warehouse, Dayton, Ohio	220,000
,, ...	Business Residential Section, Grand View, Texas	400,000
,, ...	Storage Warehouse, New York	200,000
April	Aviation Repair Depot, Dallas, Texas ...	200,000
,, ...	Railroad Station, Little Rock, Arkansas ...	200,000
,, ...	Steamer, Lighters and Ironworks, Brooklyn ...	300,000
May	Glass Works, San Francisco	200,000
,, ...	Lumber Yards, Ottawa	200,000
June	Steel Warehouse and Wharf, Galveston, Texas	300,000
,, ...	Pumping Station, Greeley, Kansas	200,000
,, ...	Freight Warehouse and Cars, Chicago	300,000
July	Lumber and Salt Plant, Manistee, Michigan ...	200,000
,, ...	Chemical Building, Kansas City, Missouri ...	200,000
,, ...	Warehouse, Sisal and other Merchandise, New Orleans	240,000
August ...	Three Business Blocks, Bradford, Connecticut	240,000
September ...	Cotton, Mount Carmel, Pennsylvania	200,000
,, ...	Four Distillery Warehouses and Contents, Lawrence, Kentucky	226,000
,, ...	Asphalt Plant, Amboy, New Jersey	450,000
,, ...	Warehouse and Canned Goods, Sacramento, California	300,000
,, ...	Piers, Cotton Merchandise, &c., Galveston, Texas	250,000
October ...	Round House, Machine Shops and Locomotives, Kansville, Texas	200,000
,, ...	Car Plant, Lumber, &c., St. Louis	225,000
,, ...	Compress Warehouse and Cotton Freight Cars, Cameron, Texas	200,000
,, ...	Naval Air Station and Hydroplanes, City of Washington	200,000
November ...	Coal Mine, Brownsville Pennsylvania	200,000
,, ...	Barrow Wharf, Cars, Merchandise, &c., New Orleans	500,000
,, ...	Lumber Plant, Warsaw, North Carolina ...	200,000

The full advices from America for December are not to hand at date of writing. The fire experience in Canada appears to have been unusually favourable in 1920, only six losses of £100,000 and upwards having been hitherto reported, as compared with over eighty in the United States, which has about ten times its population. There were only two fires of that magnitude in Mexico, so far as is known up till now. On the other hand, there were some heavy losses from South America. In Brazil, one at Maranhao in February at cotton warehouses involved damage of £400,000; but by far the most costly was at the Custom Houses at Rio de Janeiro in October, where property was destroyed to the extent of £1,500,000. In the Argentine the total fire losses were moderate in amount, but one warehouse and factory fire at Buenos Ayres involved £1,000,000.

In the Far East the following fires, each exceeding £100,000, were reported:—

Month	Property	Approximate Damage £
February ...	Departmental Store, Osaka, Japan	200,000
,, ...	Tobacco Factory, Tokio	100,000
,, ...	Exhibition Buildings, Manila	200,000
,, ...	Rice Godown, Hong Kong	150,000
March	Hospital, Hokkaido, Japan	120,000
May	Can Factory, Hakodate, Japan	200,000
October ...	Business Buildings, Iloilo, Philippines	200,000

The experience in Australasia in regard to large fires was favourable, no very serious outbreaks having been recorded. Four fire losses of over £100,000 are reported from South Africa, the heaviest (£200,000) arising from the destruction of a bonded store at Port Elizabeth.

Some of the more important fires in Europe were the following:—

	Month	Property	Estimated Damage £
Peru			
FRANCE			
Troyes ...	May ...	Cotton Printing Works ...	[illegible]
Paris	[illegible]	[illegible]	[illegible]
SPAIN			
[illegible]	Sept. ...	Battleship in course of construction	[illegible]
FINLAND			
Trangsund ...	July ...	[illegible]	[illegible]
SWEDEN			
Valstervik ...	June ...	[illegible]	300,000
Munkfors ...	August ...	Iron Works	200,000
Lilieholmen ...	November...	Factories	150,000

LONDON JOINT CITY AND MIDLAND BANK.—The policy of credit restriction initiated by the leading British banks during the past year is clearly reflected in the balance sheet for December 31, 1920, published during the week by the London Joint City and Midland Bank. Though deposits registered a growth of 4·2 millions to £371,841,968 during the final six months of the year, advances to customers were reduced by 7.3 millions to £189,719,805, the ratio of loans to deposits showing a corresponding fall of 2.57 points to 51.02 per cent. The ratio is still 3 points higher than that of twelve months previously and 16.2 above the figure for June 1919. In the meantime the liquidity of the position has been strengthened somewhat, the ratio of cash to deposits at 23.86 being slightly greater than that for June 30, 1920, and December 31, 1919. As compared with June 30, 1919, however, there is a marked shrinkage of liquid resources. On the earlier date total cash holdings were £157,687,025, or 42.50 per cent. of deposits, both of which figures are nearly double those ruling at present. The main factor in the reduction was a drastic curtailment in the latter half of 1919 of call and short loans, the result of which was not to strengthen the other cash items, but presumably to meet the demands of industrial interests. Net profits at £2,831,861 are slightly lower than those for 1919, but the dividend has been maintained at eighteen per cent. per annum. Allocations to the reserve for depreciation of War Loans and future contingencies amount to £1,200,000, as compared with £1,000,000 previously.

BALANCE SHEET	Dec 31, 1920	June 30, 1920	Dec 31 1919	June 30, 1919
	£	£	£	£
Capital paid up ...	10,859,800	10,840,112	8,417,335	8,289,072
Reserve fund ...	10,859,800	10,840,112	8,417,335	8,289,072
Current, deposit and other accounts	371,841,968	367,667,322	371,742,589	371,954,601
Profit balance &c., and dividend payable	1,125,786	—	1,257,144	—
Acceptances, &c.	27,849,904	21,670,652	29,014,368	16,068,206
Total liabilities	422,837,258	411,018,198	418,848,771	403,700,951
Cash in hand and at Bank of England	62,193,818	65,328,680	68,210,706	79,420,773
Money at call and short notice	18,492,013	16,054,150	18,439,152	76,068,108
Cheques in transitu	7,702,350	6,547,129	8,050,697	2,199,145
Total cash	88,688,181	85,929,859	86,706,555	157,687,025
Investments	55,028,750	70,328,222	68,063,118	62,324,651
Bills discounted	57,671,879	32,181,578	52,889,521	34,132,652
Advances to customers and other accounts	189,719,805	197,044,143	178,556,048	129,123,589
Customers' liability for acceptances, &c.	27,849,904	21,670,652	29,014,368	16,068,206
Bank premises, &c.... ...	3,883,759	3,863,744	3,618,961	3,757,828
Total assets	422,837,258	411,018,198	418,848,771	403,700,951
Ratio of Cash to Deposits	23·86	23·37	23·10	42·50
Ratio of Loans to Deposits	51·02	53·59	48·05	34·80
PROFIT AND LOSS ACCOUNT	£		£	
Balance from previous year	726,852		675,708	—
Net profits	2,831,861†		3,079,461‡	—
	3,558,713		3,754,559	—
Dividends, less tax	1,952,700		1,052,504	—
To staff payments‡... ...	—		75,203	—
To reserve for depreciation of War Loans and future contingencies	1,200,000		1,000,000	—
To bank premises redemption fund	250,000		250,000	—
Profit and loss [illegible]	155,813	—	726,852	—
	3,558,713		3,754,559	

In addition to the above [illegible] £1,000,000 has been placed to Reserve Fund, making the latter £10,859,800.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

FOR REINSURANCE BUSINESS.

FIRE. ACCIDENT. MARINE.

Fire & General Dept. & Marine Department.
St. Swithin's House, St. Swithin's Lane, London, E.C.4.
General Manager. J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Windett.

Commercial.

THE BOOT AND SHOE INDUSTRY.

A REVIEW OF 1920.

One of the primary causes for the general activity experienced at the commencement of the year in the leather industry was undoubtedly that the boot and shoe trade was in the fortunate position of being full of orders. The previous five years had been a period when civilian requirements were placed second (and far behind) the Army or Government demand, which quite properly had the first call upon the industry. Stocks of footwear with manufacturers, wholesale distributors (factors), and retailers were comparatively light, and all of the latter were only too pleased to receive such small deliveries as manufacturers could supply, and at their full prices without the least demur. Another very pleasing phase of the home trade at that time—January-March—was that the working population was in full employment, and insisted upon having a superior class of boot or shoe to that previously worn—the price being willingly paid, in fact a low-priced article was invariably voted as too common. Under such circumstances it is easily understood that the first quarter was a busy period at remunerative prices, the only drawback being that common-grade goods were not wanted and accumulated with those firms which produced only those grades.

Manufacturing conditions were somewhat difficult from the fact that both sole and upper leathers were in short supply, particularly the latter in best grades, which occasionally hindered outputs of boots, also the costs of leather and labour were ever advancing, as well as overhead charges, carriage, and rates and taxes. As demand was good, these high costs were not considered, as the price of the finished article covered all costs.

The second period—April to June—witnessed a remarkable and disappointing change in the position. The immense outputs of the greatly increased number of factories soon satisfied the home trade, whilst the labour demand for 80*s.* per week for men, and 50*s.* for females, came into force, despite the fact that the agreement at old rates had some time to run. Factors and retailers being well stocked, and general trade falling off, manufacturers now began to receive cancellations for undelivered goods. Believing that the quieter period would soon pass, manufacturers continued to produce to their capacity, the bulk of which was destined to remain in stock, as most buyers had sufficient on hand for the following six months.

Among the many difficulties that sprang into existence at this time were the cancellations of Continental business as a consequence of the ever-increasing rates of exchange, and also the Treasury's action in reducing credit facilities with bankers. These difficulties were similar to those experienced by tanners and manufacturers of leather, in fact, much of the tanners' financial worry was caused from the boot manufacturers' inability to purchase in their usual quantities. Another very hard grievance that manufacturers had, for which there was no redress, was the purchase of and payment for American upper leathers that they could not obtain delivery of, and in the meantime had to purchase further supplies at much higher prices. Then when the need for the leather ceased, they were receiving the leather previously purchased at very high prices. They were thus holding unnecessary supplies, and witnessing a falling market.

From July to September matters steadily became worse. Financial stringency among a section of the more recently established firms that had sprung up during the War necessitated turning stock into money at almost any sacrifice. This was seized upon by certain speculators, who thus secured stocks at very low prices, and by judicious, timely advertising posed as philanthropists out to stop profiteering. The public appetite being whetted, the next step was to continue the supply at the same price—usually £1 per pair—but this could only be done by producing a much inferior article, composed of leather (very common stuff), cardboard, paper, and canvas, and not infrequently sold as "All Leather." The ingenious offer to return money if not satisfied prevented successful legal action, and resulted in big sales, to the detriment of reliable footwear. Whilst these goods were produced in large quantities—and still are—it is only right to state that they are not made by any manufacturers who have any regard for their established reputation. The Boot Manufacturers' Federation is attempting to stop this unhealthy trade by stamping a guarantee or "Hall Mark" on the soles of footwear made to certain specifications, and selling at a reasonable price which is fixed by the retailer. The failure of the "Standard" boot is mainly attributed to the fact that the price was fixed and stamped upon the boots. One of the unsatisfactory features of the trade for the second half of the year has been the direct change in the public demand for footwear, as a result of unemployment, and the necessity to purchase according to one's resources. This has proved of immense value to the "cheap boot" campaign.

As to the last quarter's trade there is really very little to add, except that both trade and conditions have proved slower and more difficult. On the other hand, it should be pointed out that there are some redeeming features, such as, for instance, the heavy decline in leather values, which, allowing for maintenance of high cost of labour and overhead charges, will permit of the production of reliable footwear during the coming year at less cost, and so prove a good weapon against the shoddy article that is already deservedly condemned by the public from the economy and health points of view. Another very noteworthy and satisfactory feature of the industry has been the export demand, which has gone ahead in all markets during the past year. Not only values, which are subject to change, of course, but quantities have substantially increased, and in markets, too, where financial conditions have been so deterrent in their effect. On the other hand, the United States market has responded to our attempts to introduce English footwear in its midst. The American output is certainly the largest of any country, so that speaks well for British footwear. It is, of course, true that the exchange reduces the cost to them by about thirty per cent., it is therefore all the more reason for our manufacturers to push this section, also the Canadian market—which is also an important manufacturer—with all their might, so that by persistent introduction of goods based exactly upon the particular needs of those markets our goods may be in good demand for the future. The South African and all the leading Colonial markets have made good headway, and should now be well catered for to prevent foreign competition that had so good an opportunity during the War. The following are the total exports of footwear of all materials:—1913, 1,719,865 doz., £4,445,224; 1919, 761,701 doz., £4,296,697; and 1920, 1,166,803 doz., £8,093,462.

Such results, under great difficulties, conclusively prove that the overseas trade is capable of the widest and best results, and must be cultivated to the full by British manufacturers for the ultimate benefit of the industry. A full statement as to the import and export business in 1920, as compared with 1919 and 1913, is given herewith:—

Boots and Shoes.

	1913		1919		1920	
Imports	Doz.	£	Doz.	£	Doz.	£
Leather ...	226,184	839,133	129,417	1,566,996	192,486	2,928,757
Other material	139,566	92,899	26,177	37,681	75,591	132,333
Rubber ...	95,771	119,921	170,610	294,338	280,181	714,685
	461,721	1,051,953	326,234	1,899,015	548,564	3,775,775
Re-exports...	25,121	53,321	9,291	59,018	39,173	380,629
	436,600	998,632	316,943	1,839,997	509,388	3,395,146

	1913		1919		1920	
Exports	Doz.	£	Doz.	£	Doz.	£
Leather ...1,452,815		4,194,276	546,766	3,866,516	824,967	7,119,412
Other material	134,314	112,942	84,729	166,897	224,781	615,307
Rubber ...	132,736	138,006	131,206	263,284	117,055	358,743
	1,719,865	4,445,224	761,701	4,296,697	1,166,803	8,093,462

The principal gains were in the following markets:—

	1919	1920		1919	1920
	£	£		£	£
Germany ...	69,347	288,785	Argentine ...	15,868	32,986
Netherlands ...	192,574	480,210	Egypt ...	86,757	265,923
Italy	9,577	42,637	South Africa ...	385,051	2,106,063
East Indies ...	163,112	779,488	Australia ...	10,943	19,902
Other Countries	1,090,717	1,956,449	New Zealand ...	11,427	113,046
			West Indies ...	7,929	98,982

Industrial Companies.

BALDWINS LIMITED.

Issued Capital: £4,776,644, in 250,000 5% Cumulative Preference Shares of £1 each; 1,000,000 5% (free of tax up to 6s. in the £) Cumulative "B" Preference Shares of £1 each, and 3,526,644 Ordinary Shares of £1 each.

First Mortgage 4½% Debenture Stock, £500,000.

Year to June 30	Profit	Debenture Interest and Sinking Fund	Depreciation	5% Preference Dividend	Ordinary Div.		Reserve	Carried Forward
	£	£	£	£	£		£	£
1914...	178,442	33,857	30,000	13,750	55,000	10	25,000	69,889
1915...	141,451	33,857	15,000	13,750	55,000	10	50,000	86,733
1916...	315,939	33,857	50,000	13,750	96,875	12½	75,000	135,189
1917...	308,162	33,857	50,000	13,750	112,074	12½	75,000	156,969
1918...	442,900	33,857	50,000	13,750	153,783	11½‡	75,000	295,130(a)
1919...	554,997	33,857	50,000	13,750	351,729	12½	75,000	285,799
1920...	675,880	33,857	75,000	45,067(b)	440,830	12½	75,000	291,324

* After providing for all Government taxation and special war depreciation.

† Free of income tax.

‡ Together with capitalised bonus of 25% from reserves and undivided profits.

(a) After deducting £18,333 due to shareholders of the Bayuko Steel Co., Ltd. (b) Including dividend (tax free) on 5% Cum. "B" Preference shares.

An eminently satisfactory showing is made by the report of this firm of iron and steel manufacturers for the twelve months ended June 30 last. As indicated in the above table, the profits, which amounted to £675,880, represent an increase of nearly £120,900 as compared with 1918-19, in which year there was also an expansion in profits of £112,097. Besides the provisions for excess profits duty and "special depreciation on war values," deductions have also been made for corporation profits tax and income tax (including taxation on dividends) before arriving at the profits for the past financial year. Debenture interest and sinking-fund premiums for the redemption of leaseholds and Debenture stock absorb £33,857, the same as in the preceding years. The provision for depreciation is increased from £50,000 to £75,000, and an appropriation of £75,000 is again made to the reserve. The five and a-half per cent. Preference dividend requires the usual sum of £13,750, whilst the dividend, free of tax, on the one million Five per Cent. "B" Preference shares issued in October 1919 calls for an allocation of £31,917. The Ordinary dividend is maintained at twelve and a-half per cent., free of tax, but as the additional capital issued in 1918 now ranks fully for dividend the amount distributed is increased from £351,729 to £440,830, leaving a balance to be carried forward of £291,324, as compared with £285,799 brought in from 1919.

Besides the increase in the capital other important changes are to be noted in the balance sheet. The share premium account has been increased to £57,500 by a transfer of £57,500 from the cost of the "B" Preference issue referred to above. The reserve with this year's allocation is increased to £364,835. The sinking funds for redemption of Debentures and depreciation of leaseholds now amount to £136,315 and £29,322 respectively. Sundry creditors on trading account (including provision for Government taxation) figure at £1,332,175, as against £1,043,660 at the date of the previous balance sheet, whilst the liability on account of capital expenditure has increased by over £483,700 to £554,280. The additions to the fixed assets during the year, after writing off special depreciation on war values, amounted to £756,087, as compared with £637,574 in the previous year and £520,616 in 1917-18. Deducting the provision of £75,000 for ordinary depreciation in 1919-20, the fixed assets now amount to £2,914,002, as against less than £934,700 at June 30, 1913. Stocks have been further increased by £497,176 to £1,481,120, and investments, valued "at cost or under," by almost £516,000 to the large total of £2,299,335. It is of interest to note that during the past five years this item has grown by over £2,038,000. Sundry trade debtors figure at £1,608,621, as against £1,053,715 at the date of the previous balance sheet, whilst cash holdings and bills have been reduced by £384,542 to £365,518. It will be seen that the expenditure on the fixed assets and stocks has been greater than the total receipts from the capital issue made during the financial year. Including investments, but excluding stocks, the liquid assets exceed current liabilities (including dividends payable) by £2,226,886, as compared with £2,386,962 at June 30, 1919. It should be noted, however, that the investments are not of a very liquid nature, being largely represented by shares in associated and subsidiary undertakings.

The directors of the Company in their report refer to the provisional agreement which was entered into in December last for the acquisition of the Ordinary shares in the British Mannesmann Tube Company, Limited, upon the terms of an exchange of twenty Ordinary shares and eleven Five per Cent. "B" Preference shares for every forty £1 Ordinary shares in that Company. This offer has been accepted by "the holders of a sufficient number of Mannesmann shares." To provide the necessary additional capital it is proposed to increase the authorised share capital from £7,000,000 to £8,000,000 by the creation of 1,000,000 Ordinary shares. Assuming that the number of Mannesmann shares to be exchanged is 843,200, or eighty per cent. of the whole, an issue of 544,000 Ordinary and 299,200 "B" Preference shares would be required. The field of the Company's operations will be very considerably enlarged by the acquisition of the controlling interest in the Mannesmann Company, in whose works at Landore and Newport there is much scope for development. Other capital requirements for various development purposes will also be considered at the general meeting of the Company on January 26 next.

The severe depression prevailing in the iron and steel trades will naturally affect the earnings of the Company and its associated enterprises during the current financial year. It will be seen, however, that the concern has built up a very strong financial position by large reserve allocations and liberal provisions for depreciation, while continuing to pay uniformly satisfactory dividends to shareholders.

The prices and yields of the various stocks of the Company are set out below, the yield on the Ordinary shares being calculated on the basis of a dividend of ten per cent., free of tax.

	Price	Yield
	£ s.	£ s.
Ordinary shares	[illegible]	[illegible]
5% Cum. Pref. ...	0 1	5 0
5% Cum. "B" Pref.	[illegible]	[illegible]
4½% 1st Mtge. Debenture Stock	[illegible]	6 7

LISTER AND COMPANY, LIMITED.

Issued Share Capital: £2,025,000, in 600,000 5% Cum. Pref. and 1,425,000 Ord £1 Shares.
4% Debenture Stock: £250,000.

Year to Nov. 30	Profit.*	Depre-ciation.	Deb. & Pref. Int.	Profit for Ord.	Ord Div.		Added to Reserves, &c.	Carry-forward
	£	£	£	£	%		£	£
1913 ...	171,108	25,050	40,000	106,058	71,250	7½	50,000	59,441
1914 ...	114,953	25,050	40,000	49,903	47,500	5	Nil	61,847
1915 ...	154,924	25,050	40,000	89,874	71,250	7½	Nil	80,471
1916 ...	276,780	25,050	40,000	211,730	95,000	10	50,000	147,201
1917 ...	262,894	25,050	40,000	197,844	118,750	12½	55,000	171,295
1918 ...	230,217	25,050	40,000	165,167	118,750	12½	80,000	187,812
1919 ...	311,213	25,050	40,000	246,163	142,500	15	115,000	176,475
1920 ...	171,083	26,300	40,000	104,783	106,875	7½	—	174,383

* After provision for taxation.

A very severe set-back has been experienced by this silk-manufacturing concern in its trading operations for the twelve months ended November 30 last. The report now to hand shows a profit of £171,083, after providing for income tax and excess profits duty. It will be seen from the above table that the Company enjoyed remarkable prosperity during the four years from 1915 to 1919, the earnings for 1918-19 reaching the record total of £311,213. The sharp decline of £140,130 now shown reduces the profit to the level reached in 1912-13. The provision for depreciation is increased from £25,050 to £26,300, whilst the appropriations for Debenture interest and Preference dividend remain the same at £10,000 and £30,000 respectively, leaving a profit balance of £104,783, as against £246,163 for the previous year. The Ordinary dividend is reduced from fifteen per cent. to seven and a-half per cent., but, being payable upon an additional capital of £475,000, representing a bonus distribution out of reserve, the dividend is actually equivalent to eleven and a-quarter per cent. on the previous capital basis. Accordingly the amount distributed is only £37,717 less than in 1918-19; but no allocation is now made to the reserve, whereas a transfer of £115,000 was made to this account in 1918-19, and besides the balance carried forward is reduced from £176,475 to £174,383.

Some important changes are to be noted in the balance sheet, the principal items of which, together with those of previous statements, are set out in the following table:—

Analysis of Balance Sheets at November 30.

	LIABILITIES. Capital†	Reserves & Carry-forward	ASSETS. Fixed Assets‡	Stocks	Surplus Liquid Assets	Total
	£	£	£	£	£	£
1913 ..	1,800,000	444,444	1,388,993	578,645	276,806	2,244,444
1918 ..	1,800,000	667,812	1,293,475	1,007,245	167,092	2,467,812
1919 ..	1,800,000	756,475	1,302,197	1,071,808	182,470	2,556,475
1920 ...	2,275,000	279,383	1,329,273	881,100	344,010	2,554,383

* Excluding stocks and after allowing for dividend payments and all outgoings on account of the financial year.
† Including Debentures.
‡ Including goodwill, patents and trade-marks.

It will be seen that the increase of £475,000 in the capital has correspondingly depleted the reserve, which now stands at £55,000. The special reserve fund remains unaltered at £50,000. The item of sundry creditors, which apparently includes provision for Government taxation, has been further increased by £75,976 to £943,247. The additions to the fixed assets during the year amounted to £53,376, as compared with £33,773 in the previous year and less than £5,600 in 1917-18, and after deducting depreciation the net increase amounts to £27,376. The valuation attached to goodwill, patents, and trade-marks is not indicated, being included in the item of fixed assets. A reduction of over £190,700 to £881,100 is shown in stocks, which may be due, however, to fall in values rather than quantity. Sundry debtors figure at £709,417, representing an increase of not more than £11,408; whilst investments, which are mainly composed of Government and railway securities, have increased by £36,962 to £303,205, and cash and bills by £126,646 to £365,885. The reduced expenditure on stocks is reflected in the increase from £182,470 to £344,010 in the surplus of liquid assets over current liabilities, including dividends payable.

The conservation of the Company's resources is clearly necessary in view of the pronounced depression prevailing in the textile trades. It will be seen that the payment of the reduced dividend of seven and a-half per cent. for the past financial year involved not merely the passing over of any allocation to the reserve, but also a small encroachment upon the balance brought forward from 1919. It is not very likely that any substantial improvement will be effected during the current financial year, and consequently it does not seem reasonable to anticipate a higher dividend than seven per cent. In this connection special interest attaches to the customary review of the general position by the Chairman of the Company at the forthcoming annual meeting.

In the following table are set out the prices and yields of the different shares of the Company, the yields on the Ordinary being calculated on the basis of a dividend of seven per cent.:—

	Price.	Yield.
	£ s. d.	%
5% Cum. Pref. shares .	0 13 0	7½
Ordinary shares.	0 18 0½	7½

THE NIGER COMPANY, LIMITED.

Issued Share Capital: £1,750,000, in 500,000 6% Cumulative Pref. Shares and 1,250,000 Ordinary Shares of £1 each.
5% Debentures: £175,000.

Yr. to Dec.31	Total Profit*	Deb. Int., Deprcn. &c.	Net Profit	Div. on 6% Pref.	Div. on Ord. %	Div. on Ord. £	Special Allctns.	Carry-forwd.
	£	£	£	£		£	£	£
1913...127,270		49,587	77,683		10	53,750	21,107	60,135
1914... 6,810		37,883	Dr.31,073	15,000	Nil	—	—	14,062
1915...182,690		33,578	149,112	30,000	10	67,500	40,000	25,674
1916...208,465†		47,818	160,647	30,000	10	67,500	66,752	37,070
1917.. 280,684†		43,250	237,434	30,000	20	135,000	65.000	29,504
1918...374,116		50,622	323,493	30,000	20	192,500‡	100,000	30,497
1919...647.956†		50,933	597,023	30,000	-		152,000	460,520

* After payment of Customs duties, &c., in Nigeria.
† After payment of excess profits duty.
‡ Amount distributable on increased capital.

Owing to delay due to various questions arising out of the transfer of the controlling interest in the business to Lever Brothers, Limited, the report of the Niger Company for 1919 has only recently been published. The trading results for the year are of an eminently satisfactory nature, the profits from all sources amounting to £647,956, after deducting Customs dues and export duties amounting to £255,824, and allowing for excess profits duty and income tax. This result compares with a profit of £374,118 in 1918, in which year the payment of Customs dues and export duties did not exceed £161,178, whilst no appropriation from the profit was required for excess profits duty owing to the large reserves available from the previous year. Debenture interest and fees absorb £10,250, the same as in the preceding year, and the provision for depreciation is slightly increased to £40,683, leaving a net profit of £597,023, as compared with £323,493 in 1918. A transfer of £152,000, as against £100,000, is made to the general reserve, and the directors recommend that the whole of the balance of £460,520 available after distributing £30,000 in Preference dividends, be carried forward, thus passing over the Ordinary dividend. In the two previous years a dividend of twenty per cent. was paid upon much smaller profits, but as practically the whole of the Ordinary shares were purchased a year ago by Lever Brothers, the absence of a dividend does not immediately concern the investing public. The present conservative policy is due to the position created by the sharp fall in West African produce during the latter half of 1920.

The changes which have occurred during recent years in the principal items of the balance sheet are shown in the following table:—

Balance-sheet Figures at December 31.

	LIABILITIES. Capital*	Reserves & Carry-forward	ASSETS. Fixed Assets	Stocks	Surplus Liquid Assets	Total
	£	£	£	£	£	£
1913 ...	675,000	660,357	327,285	786,639	221,432	1,335,357
1917 ...	1,349 983*	479,504†	336,260	1,491,076	2,150	1,829,487
1918 ...	1,349,983	580 497	316,130	1,857,241	242,891‡	2,173,371
1919 ...	1,925,000	1,760,520	400,129	3,243,913	41,478	3,685,520

* Including Debenture stock.
† In 1914 £500,000 of reserve capitalised by a distribution of Preference shares.
‡ Deficiency.

During the year under review the Ordinary capital was increased to £1,250,000 by the issue of 575,000 shares at a premium of 110 per cent. The premiums received amounted to £632,500, of which a sum of £34,500 has been applied in payment of underwriting expenses, the balance of £598,000 being transferred to the general reserve. This account with the allocation now made from revenue amounts to £1,300,000, exceeding the Ordinary capital by £50,000. The trade [illegible] to £648,986, but other liabilities have increased by £922,606 to £2,172,501. The expenditure on buildings, land, and steamers during the year amounted to £119,565, as against £34,920 in 1918, and after writing off depreciation a net increase is shown of £78,999. The expenditure on mining concessions amounted to £16,000, as against £13,102, whilst the sales of mining rights show a reduction of £16,800 at £11,000. Stocks, which have been increased by over £1,386,600 to the large total of £3,243,913, are mainly represented by produce accumulated in Africa. Sundry debtors figure at £1,901,106, as against £1,409,022 in the previous balance sheet; whilst investments, including [illegible] £358,904 at £772,399. The claim of £36,978 rendered to the Government [illegible] being still unsettled, is included among the assets in the balance sheet. Including this last item, and shares in other companies, but excluding stocks, there is a surplus of liquid assets over current liabilities of £41,478, as compared with a deficiency of £242,891 at the end of the previous year.

Since the close of the period under review the capital of the Company has been very considerably increased. In June 1920 an issue was made to shareholders of 3,000,000 Eight per Cent. Cumulative Preference shares of £1 each, followed by an issue in November last of £2,500,000 in Eight per Cent. Seven-Year notes at 98. Owing to the acute financial stringency prevailing at the time, ninety per cent. of the last-named issue was left on the hands of the underwriters.

It is very probable that the report of the Company for 1920 will show less favourable results than were achieved in 1919. The directors in their report dated January 7 last state that very heavy stocks were accumulated at high prices during the first half of 1920 for the usual shipment in autumn. This accumulation was accentuated throughout the year by internal transport difficulties in Nigeria. The recent sharp fall in prices, therefore, has synchronised with the period when the bulk of the year's produce normally comes to the home markets.

The prices and yields of the prior securities of the Company are set out in the following table. The Ordinary shares are not quoted, being held by the Lever interests.

	Price	Yield
	£ s. d.	£ s. d.
8% Cumulative Preference Shares	10 4½	7 8
8% Seven-Year Notes	84 2 6	9 5
5% Debentures	84 10 0	5 19

EDISON SWAN ELECTRIC COMPANY.

Issued Share Capital: £1,058,307, in 100,000 7% Cum. Participating Pref. and £958,307 Ordinary £1 Shares.
Deb. Stock: £284,202 5% First and £62,319 5½% Second.
Loans: £117,100 (Secured)

Year to June 30	Trading Profit, &c.	Amts. Written off	Ex-penses, &c.	Deb. Ints., &c.	Net Profit	Div. on 7% Cum. Part. Pref.	Div. on Ord. Shares	Allocations	Ins. Fund	Carried Forward
	£	£	£	£	£	£	£	£	£	£
1914...	51,244	6,868	28,979	15,762	4,695	—	Nil	—	—	5,731
1915...	56,902	7,424	190	15,762	14,147	—	Nil	—	15,000	4,878
1916...	65,742	8,751	17,162	15,762	24,147	—	Nil	—	25,000	4,965
1917...	62,349	8,128	26,734	15,987	11,499	—	Nil	—	2,159	13,305
1918...	169,751	20,122	35,125	19,119	95,387	6,793	74,284	22,564	5,000	5,045
1919...	182,055	42,372	41,559	18,650	80,473	10,000	59,568	10,000	9,608	91,311
1920...	172,762	12,452	51,584	17,040	91,037	10,000	—	—	9,608	105,156

* Shares issued in May did not rank for year's dividend.
† Reduced to £45,096 by payment of excess profits duty, £16,041.
‡ Subject to excess profits duty from June 30, 1918, and Corporation profits tax.

The recently-published report of this well-known Company for the twelve months ended June 30 last is on the whole of a rather satisfactory nature, the total profit amounting to £172,762, as compared with £182,653 for the previous year. General administrative charges have increased by £10,025 to £51,584, and Ordinary depreciation calls for £9,608 as against £7,010, but the appropriation for depreciation of special munitions plant is reduced by £32,517 to the nominal sum of £2,844, and Debenture interest by £1,040 to £17,690, leaving a net profit of £91,037, which compares with £80,073 for 1918-19. The reserve, to which no allocation was made in that year, now receives £5,000, and the sinking fund for redemption of Debentures £5,978, as against £13,414, whilst issue expenses are written down by £10,000, as against £5,645. The dividend on the Participating Preference shares is maintained at ten per cent., absorbing £10,000, but the Ordinary dividend is passed over and the large balance of £105,155 is carried forward, subject to excess profits duty from June 30, 1918, and Corporation profits tax. The stringency of liquid capital has necessitated the adoption of this conservative policy, but should the financial position become easier, the directors state that they "may be in a position to declare a compensating interim dividend before the termination of the financial year."

An analysis of the balance sheet at the end of the last three financial years and at June 30, 1914, is contained in the following table:—

Balance Sheet Analysis (at June 30).

	LIABILITIES.				ASSETS					
	Issued Ord. Capital.	Pref. & Loans.	Property, Mines, Lands, & Works	Plant, &c.	Steamers, &c.	Expls. Stocks.	Assets.	Investments, Debts, &c.	Cash.	Total.
	£	£	£	£	£	£	£	£	£	£
1914	704,854	5,762	150,455	184,989	30,492	—	48,854	[illegible]	[illegible]	77,736
1918	842,681	13,000	151,744	345,695	30,492	5,000	48,000	[illegible]	[illegible]	97,681
1919	1,055,823	137,725	183,000†	517,074	390,432	20,246	82,796	1,193,548		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] † After [illegible] special depreciation in [illegible] ‡ Debentures.

The Ordinary capital has been increased to £958,307 by the issue in November 1919 of 360,000 £1 shares at a premium of 1s. 6d. per share, the new shares ranking for dividend from July 1, 1919. The expenses involved by this issue amounted to £41,134, but this item has now been reduced to £4,134 by an allocation of £10,000 from profits and of £27,000 representing the total premiums received on the new issue. Including the balance remaining from the previous year, the amount now outstanding in respect of issue expenses is £24,380. The Debenture stocks have been reduced to £346,521, and the appropriation now made will further reduce this capital liability to £340,543. The reserve, with this year's allocation, is increased to £55,000 and the Debenture stock sinking fund to £35,072. Secured loans have increased from £20,000 to £117,100 and sundry creditors (excluding any liability for Government taxation) from £190,898 to the large total of £428,620. The fixed assets, after deducting depreciation, show a net increase of £116,358, whilst stocks have further increased by nearly £383,300. A remarkable feature is the growth of investments from £2,195 to £77,635. Sundry debtors amount to £401,791, or £135,580 more than at the date of the previous balance sheet, whilst the cash balance has been reduced by £17,678 to £46,481. It will be noted that the balance sheet contains an item of £390,432, representing the cost of establishing the business, goodwill, and remaining patents. Excluding stocks, the liquid assets show a deficiency of £15,835 as compared with current liabilities, whereas at the date of the previous balance sheet there was a surplus of £82,796. It should be pointed out that the current liabilities do not include any claim which may be made in respect of excess profits [illegible] from June 30, 1918 [illegible] Allowance should also be made for the fact that the assets include investments in other companies, which may not be so readily marketable. This stringency in liquid capital, [illegible] by the directorate.

Interesting particulars are contained in the report regarding the general development of the Company's business. The co-operation of a Dutch firm—Philips' Glowlamp Works, Limited—has been obtained for the manufacture of all classes of electric lamps on the most improved lines. Under the terms of the arrangement a separate company will be formed for the entire manufacture of electric lamps for the parent Company, the necessary capital being equally contributed by both parties to the agreement. Under an arrangement with the Sangamo Electric Company of the United States, a company is also being formed for the manufacture of electric meters. To facilitate development in various directions it is proposed to raise additional capital as soon as the position of the Money Market is sufficiently favourable.

The outlook for the current financial year appears to be satisfactory, although allowance must be made for the prevailing industrial depression and the danger of foreign competition. It will be seen that, apart from the liability for taxation, the profits available for Ordinary dividend in 1919-20 would not permit of a higher distribution than six and a-third per cent. without reducing the carry-forward below the final balance brought in from 1918-19. Assuming a dividend of seven per cent. the Ordinary shares, which are now quoted at 12*s.* 4*d.*, yield a return of almost eleven and a-half per cent., whilst the participating Preference shares, on the basis of last year's dividend of ten per cent., yield over 9.6 per cent. at their present quotation of 21*s.* 3*d.* The Five per Cent. First Mortgage Debenture stock quoted at seventy and a-half yields nearly 7.1 per cent., and the Five and a-Half per Cent. Second Debenture stock, at eighty-one and a-half, yields over 6.7 per cent.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

LOCAL LOANS STOCK.

Issue at £50 per cent. of £15,000,000 Three per Cent. Local Loans Stock.

The difficulty experienced of late by the minor municipalities in obtaining a public response to their appeal for funds has necessitated that the required money be provided by the direct activities of the Treasury. The National Debt and Local Loans Act of 1887 authorised the creation, under the control of the National Debt Commissioners, of a Local Loans Fund for the provision of financial accommodation to the smaller local authorities. At present the amount outstanding is £92,058,813, of which £15,000,000 was placed in October, on terms identical with those of the present issue. Stock may be converted into bearer certificates in denominations of £50 and upwards, and it is transferable in any sums which are multiples of a penny. It can be either inscribed or registered, and dividends will be posted quarterly. The stock is nominally redeemable at par at any time by resolution of the House of Commons, but it is extremely improbable that the Government will find it expedient to redeem a three-per-cent. loan, and for that reason the yield may be considered in the light of a perpetuity. It is a full trustee security, commanding an active market, and at the issue price of 50 holds considerable possibilities of capital appreciation. The lists closed over-subscribed on Thursday, January 20.

CITY AND COUNTY BOROUGH OF BELFAST.

Offer at par of Six and a-Half per Cent. Mortgages, repayable at par at the end of ten, fifteen, or twenty years, or longer periods, at the option of applicants.

Amounts of £50 and upwards will be received on mortgage by the Belfast Corporation. The mortgages will be secured on all the revenues of the borough, and, subject to six months' notice being given on either side, will be repayable on one of the following dates, as selected by applicants: January 4, 1931; January 4, 1936; January 4, 1941, or any subsequent January 4 or July 4. While loans must be arranged for definite periods, redemption may be secured on January 4 of any year after allotment, subject to notice being given during the previous June. The amounts so redeemable will be limited to the sum available in the sinking fund, but the interests of small investors are safeguarded by the proviso that applications for repayment of £100 and under will receive prior consideration. No details are provided as to the exact constitution of the sinking fund, except that, in accordance with the provisions of the local Acts, it will be sufficient to pay off the mortgages at the end of the prescribed periods. The published invitation for subscriptions states that the rateable value of the city is at present £1,686,735, but the capital covering provided by this figure is not apparent without a knowledge of the actual debt outstanding. It would also be desirable to know the extent of present interest charges, how they compare with current receipts, including those from municipal enterprises, the feasibility of raising the rates, and the produce of an extra penny rate. No mention is made of a pending Stock Exchange quotation, and the bonds would therefore seem to lack the important characteristic of marketability, a defect which is only partially remedied by the annual redemption facilities. As the yield is slightly greater than that obtainable on English corporation issues and as the financial status of Belfast, despite Irish conditions, is beyond reproach, the issue will appeal to investors who do not require a ready market. There is no closing date.

W. T. HENLEY'S TELEGRAPH WORKS COMPANY, LTD.

Issue of 250,000 £1 Ordinary shares at 24*s.* each.

The Company, formed in 1880, constructs and lays submarine and land cables and is engaged in various other electrical undertakings. It possesses three large factories in Kent, including the works of Henley's Tyre and Rubber Company, Limited, a subsidiary firm. The capital is as follows:—

		Issued
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

The certified surplus assets, allowing for the Debenture and Preference liability, were £1,012,793 on December 31, 1919, or 50*s.* per £1 Ordinary share. Dividends steadily increased from fifteen per cent. in 1910 to twenty-five per cent. in 1917. In the two following years they dropped to fifteen per cent., but this was on a capital which had been doubled by bonus issues. The directors have every confidence that the present rate will be maintained on the increased capital. The Ordinary shares were quoted at 29*s.* on January 3, and have since fallen to 27*s.* Presuming a continuation of a fifteen per cent. dividend this is equivalent to 24*s.* ex div., the price of the shares now offered. Taking the Stock Exchange quotation as a criterion, the shares seem a fairly attractive investment, but the prospectus itself is not a reassuring document. Considering the drastic alteration in business conditions during 1920, it is surprising to find that the figures put forward for surplus assets are over a year old, and that no information is given as to the detailed constitution of the assets and liabilities. Properties and plant accounted for only £352,302 and the actual excess assets amounted to £1,212,792. Stocks and debtors must, therefore, have amounted to more than £1,000,000. The extreme fluctuations which may have occurred in such heavy items render old figures quite useless as an index to the present position. The lists close on Tuesday, January 25.

EAST HULL GAS.

Offer at par of £9,955 Seven per Cent. Debenture stock.

Applications must be in multiples of £5 with a minimum of £20. Interest will be payable on January 1 and July 1. Closing date for offers, Saturday, January 22.

P. & O. Banking Corporation.—Mr. A. K. Wright, General Manager of the Royal Bank of Scotland, has been elected a director of the P. & O. Banking Corporation, Limited. The West-End branch of the Corporation, which will be opened on Monday next, the 24th instant, under the management of Mr. L. Stafford Northcote, is to be located at P. & O. House, 14-16 Cockspur Street, S.W. 1.

MEETINGS
OF PUBLIC COMPANIES.

The Bank of Montreal.

A SUCCESSFUL YEAR'S OPERATIONS: ECONOMIC CONDITIONS IN CANADA.

The 103rd annual general meeting of the shareholders of the Bank of Montreal was held on December 6 in the Board Room at the Bank's Headquarters, Montreal.

Mr. C. J. Fleet, K.C., moved, seconded by Mr. H. W. Beauclerk, that Lieut.-Col. George R. Hooper and Mr. H. B. MacDougall be appointed to act as scrutineers, and that Mr. C. H. Cronyn be the secretary of the meeting.

The Chairman then called upon the General Manager, Sir Frederick Williams-Taylor, to read the annual report of the directors to the shareholders.

The President's Address.

Sir Vincent Meredith, in moving the adoption of the report of the directors to the shareholders, said:—

Before moving the adoption of the report, I may remark that as a result of the completion of a successful year's operations, due in part to the high interest rates for money that have prevailed outside Canada, where a portion of our reserves are carried, your directors decided to declare a bonus of two per cent., making the distribution to shareholders for the year fourteen per cent.

The sum of $250,000, spread over five years, has been donated to the McGill Endowment Fund, and I am confident the action of your directors in this connection will have your approval.

The year just closed has been a difficult one for bankers, but the progress we have made and the results we are able to show will, I feel sure, prove satisfactory to our shareholders.

An overwhelming demand for credit has taxed resources to the utmost. Following a period of excessive prices and inflated currencies characteristic of war times, the country is now in the midst of the process of readjustment. It has been difficult to make producers, merchants, and others carrying heavy stocks, who have grown accustomed to high prices, accept the inevitable by recognising the fact that it is futile to attempt to overcome natural laws and to realise that economic conditions, which no artificial means can alter, alone are the cause of price decline. The demand for intervention through Government control is still insistent in some quarters. Canada alone cannot control world-wide conditions, and it is idle to turn to the Government for relief from falling prices. This applies to wheat as well as to other commodities. A lower price level must be reached before we can reasonably look for a resumption of business activity on a sound basis. To arrive at this stage inventories must be reduced and deficiencies made good by drawing upon the excess profits of previous years.

Restriction of Credit.

Having in view the probability of a gradual recession in prices, your directors took early action to restrict credits to legitimate requirements, believing such a policy to be in the best interests of our clients as well as calculated to preserve the financial stability of the country.

The strain on credit appears to be now reaching its peak. An easier tendency is the logical outcome of deflation of prices. Manufacturers and wholesalers are revising inventory values to meet the changed conditions, and retailers must adopt the same policy to induce the public to again freely enter the market. The pursuance of this course will tend to ameliorate the labour situation by lessening unemployment and should prove a factor in warding off slackness of work, which acts and reacts to the detriment of business. Employment is the logical remedy for labour unrest. The commercial mortality of Canada has been notably low for several years past, but it must be expected that the process of deflation and slacker trade will somewhat swell the failure list, a contingency for which prudent bankers prepare. Some reduction of bank deposits may also be apprehended. I believe, therefore, that this is a time to keep close-hauled, to prepare against gusts without inviting gales, and to recognise the existence of world-wide conditions presaging a substantial readjustment of commodity prices before rock-bottom is reached.

As a final word in this connection, permit me to repeat the observations I made at our annual meeting two years ago, when I said:—

"Sooner or later we in this country will without doubt have to meet foreign trade competition of cheap and skilled labour, together with advantageous transportation facilities, to a more pronounced extent than Canada has yet experienced. If this competition is to be effectively coped with, increased efficiency, co-operation and co-ordination are essential. Our best energies must be directed to greatly increased production of our basic, agricultural, and other great natural resources. In this way, and by strict economy in Government, municipal, and personal expenditures, a solution can be found of our difficulties of exchanges, the maintenance of our favourable trade balance, and the payment of our war debt. Otherwise we must look for a shrinkage in business, to be followed by a readjustment of the scale of wages for labour and of the prices of all commodities."

Foreign Trade.

Although the aggregate of foreign trade has this year surpassed all previous records, the figures are less favourable in the sense that imports now exceed exports. In the twelve months to October 31 imports reached a value of $1,339,600,000, as compared with $902,300,000 in the preceding twelve months, being an increase of nearly fifty per cent.; while, on the other hand, exports in the two periods were practically of the same amount—namely, $1,197,300,000 in 1919 and $1,228,800,000 in 1920. The balance of trade, it will be observed, has turned against Canada after several years of surplus of exports. Imports from the United States have not been checked by the adverse rate of exchange; indeed, in the twelve months to October 31 these rose to $924,000,000, or seventy per cent. of the total imports of Canada, while our sales to the United States, $530,000,000, were not much more than one-half our purchases from that country.

The dislocation of foreign exchange is a serious obstacle to the speedy restoration of international commerce, since the purchasing power of countries whose currency is heavily depreciated becomes greatly contracted thereby. Sporadic efforts have been made to organise capital for the purpose of creating international credits, but these have not reached practical form to an appreciable extent, and the problem still waits upon solution.

The necessity for financing foreign trade has come very closely home, and, pending an international working scheme, I feel it would be well for Canada to move locally. I am still of the opinion that a corporation to foster foreign trade so as to keep our factories busy and give employment to labour is desirable, and sooner or later must be launched. If export trade can be revived, it will solve many of our difficulties.

Trade with Australasia, which has averaged over the last four years $8,200,000 per annum, will receive a temporary check through the action of the Australian banks in declining to negotiate bills in London or remit promptly for collections sent direct, in an effort to conserve their London balances and restrict imports. The situation should be relieved shortly when the Australian wheat crop and wool clip reach London. South African banks are also restricting their purchases of bills in London in an effort to correct exchange, and India is suffering from similar adverse exchange conditions.

An instance of the recovery of trade in Great Britain is found in the expansion of Canadian imports from $81,000,000 to $226,000,000 in past twelve months, but a decline in Canadian exports to the United Kingdom from $524,000,000 last year to $364,000,000 this year is less satisfactory, the more so as munitions shipments do not figure in either period.

Currency Inflation.

The inflation of currency has had much to do with governing the cost of commodities in all countries. The situation in Canada, though somewhat extended, is fundamentally sound. It speaks well for our national financing that our country's emergency currency, created under the Finance Act, 1914, is more amply secured by gold than is the war circulation of any belligerent save only the United States, the worldwide [illegible]

Dominion Government [illegible] back of which there is [illegible] a ratio of gold to notes of 29.7 per cent. This percentage is always lowest at [illegible] for the year being 52.6 per cent. Of the portion uncovered by gold, $37,300,000 is the Government's fiduciary issue, and the remainder is more than covered by high-grade securities.

In the United States there were outstanding at the latest return $3,325,000,000 Federal Reserve Notes secured

by gold to the extent of $1,625,000,000, and the remainder by collateral, principally acceptances. The gold ratio is thus 48.9 per cent. Had the War expenditures of the United States dated back to August 1914, the ratio would have been less favourable.

The situation in the United Kingdom is somewhat worse. War circulation in the shape of Government currency notes amounts to £348,000,000, backed by £47,000,000 gold and Bank of England notes—the equivalent of gold—or a ratio of gold to notes of 13.56 per cent. It is reassuring that this percentage has of late shown gradual but steady improvement.

French currency emitted by the Bank of France is highly inflated with Fcs.40,000,000,000 at present outstanding. The Bank's total gold reserves are Fcs.5,500,000,000, equal to fourteen per cent. of notes issued, but the gold is not earmarked for circulation alone.

Turning finally to Germany, we find its currency notes increasing by leaps and bounds since the War stopped, until to-day the Imperial Bank of Germany has paper money liabilities of no less than 63,000,000,000 marks. There is a special emergency currency also of some 12,000,000,000 marks. The gold security is 1,091,000,000 marks, or one and a-half per cent. of notes under issue. Inflation in Germany goes unchecked, mainly because of the Government's inability to collect sufficient revenue to meet its obligations.

Deflation.

The outcry for deflation, which at one time was insistent in some quarters, has largely died out. Bankers feel that too rapid deflation, accompanied by an abrupt fall in prices, is not a good remedy for existing evils. We want a decline in prices, but it should be an orderly one. An arbitrary limitation of the currency would cause intolerable inconvenience, loss, and disorganisation of trade. The desired result may be brought about gradually by less buoyant trade, increased production, drastic cutting down of all unnecessary expenditures by our Governments, Dominion, provincial and municipal, and the practice of thrift by our people.

Credit, not merely in Canada but elsewhere, rests on an inadequate basis and should be contracted in conformity with the declension in commodity prices.

Money Rates.

I see no reason to look for permanently lower interest rates in the near future. Reaction in business and the marketing of the crops may bring an easier tone temporarily, but the magnitude of international indebtedness to be refunded, together with the wastage of war, cannot be made good immediately and probably not for a somewhat indefinite time.

Import Restrictions on Securities.

The action of the Minister of Finance in calling upon all dealers to refrain for the present from purchasing Canadian securities held abroad, for the purpose of conserving the country's resources, has met with criticism abroad as well as from some quarters at home. Nevertheless, the Minister, in view of the enormous trade balance against Canada, has wisely pursued the policy decided upon.

An absolute embargo on the purchase of Canadian securities was, I have reason to believe, not for a moment contemplated, as that would obviously be detrimental to Canadian credit abroad, but dissuasion from sending money out of the country at this juncture is to be commended and affords no ground for resentment. It is hoped conditions will soon permit of the return to an open market.

Immigration.

The tide of immigration, checked during the War, has again begun to rise. In the seven months to October 30 settlers to the number of 109,000 entered Canada, or thirty-one per cent. more than in the corresponding period last year, and it is noteworthy that the increase was almost wholly of persons from the British Isles. There is reason to believe that the movement of population into the Dominion will proceed in undiminished proportion from the United States, and in steadily enlarging volume from Great Britain. Desirable immigrants should also be encouraged from France, Belgium, and the Scandinavian and probably other countries. Canada's vast areas of untilled soil, coupled with the necessity for spreading the load of debt and taxation, demand a large population.

Economic Conditions Abroad.

In the United States economic conditions are not dissimilar to those in Canada. Money is dear and not easily obtainable. The wave of price cutting continues and failures in business are becoming more numerous, with liabilities larger.

The Continent of Europe is at present engaged in a more or less successful effort to recover from the effects of the War. Many European countries are endeavouring to live on paper money, and eleven out of twelve of them are not balancing their budgets.

England's trade position shows marked improvement. The excess of imports over exports for the first nine months of 1920 compared with the same period in 1919 was reduced from £626,000,000 to £313,000,000, and the full year's unfavourable balance should be more than offset by invisible revenue estimated at some £640,000,000.

France, while her industrial position is undoubtedly improving, is greatly hampered by war's destruction in some of her richest provinces and by the very considerable inflation in the currency, with the consequent adverse foreign exchange.

Belgium is apparently in a more hopeful position industrially than either France or Italy, and Belgian trade figures show a fairly constant improvement month by month.

In Italy the position is complicated by the uncertainty of the labour position and the great difficulty of obtaining adequate supplies of coal.

Germany appears to be straining every nerve to restore some measure of prosperity, and her export figures show a surprising increase since the conclusion of the Armistice.

Government-owned Railways and Ships.

Canada to-day has a very large national railway system which is being operated at a heavy loss, thereby increasing the load on an already heavily tax-burdened country. Sooner or later some means must be found to relieve this situation. Some confidently believe that by proper public administration of the lines, deficits can be cut down. My own view is that the proper solution will be found if the Government, at the earliest feasible time, divests itself of ownership and operation of the roads and places them under corporate control upon terms fair to the country and upon conditions that will ensure the service for which the construction of the lines was undertaken.

In the same connection, and speaking for myself alone, it would appear desirable that no more national expenditure should be made for the building of ships. While a programme of shipbuilding during the War was commendable, subsequent developments dictate a modified policy. In June 1914 the world tonnage totalled 49,000,000 tons; in June 1920 it had risen to 57,300,000 tons, and, in addition, at the end of September this year there were 7,565,000 tons under construction. Tonnage at present exceeds requirements, and in expectation of rate reduction and shrinkage in earnings, construction abroad has already been arrested, and empty tonnage is now laid up in many ports. There is no ground for the belief that this condition will quickly pass. The United States recently failed to secure bids for standard ships; Japan has cancelled orders for 100,000 tons in her own shipyards, and Norway is cancelling orders in Great Britain. These factors constitute, in my opinion, a danger signal that Canada might well heed and stop all further new construction.

Bank's Connections Abroad.

For the furtherance of Canada's foreign trade the policy of your directors, as you are aware, has been to establish close connections with banks of undoubted standing already firmly established in the field rather than to open and operate branches of our own at distant points. So far we have had no cause to regret our decision.

In carrying out this policy we purchased an interest in the Colonial Bank, an old-established and highly regarded institution, giving us an extended connection in the West Indies and West Africa, which enables us to do business in these countries on favourable competitive terms.

Résumé.

To sum up, the situation in Canada at present, as I view it, is that, while there does not appear to be any cause for apprehension, there is every reason for the exercise of the utmost measure of caution. Canada cannot dissociate herself from world conditions, and world conditions are not satisfactory. On this continent the two years supervening upon the Armistice have been marked by unexampled trade activity and prosperity, a circumstance common to the conclusion of all great wars, but the reaction has set in and may not yet be in full play. Happily, Canada is well buttressed on many sides, and the exercise of prudence and sagacity should enable her to meet the shock of falling prices, restricted credits, and deflated currency without serious impairment of her commercial and financial vitality.

The General Manager's Address.

Sir Frederick Williams-Taylor, the General Manager of the Bank, then made his annual address, as follows :—

Mr. Chairman and Gentlemen,—The operations of a Bank such as ours, with its manifold interests and ramifications, are of absorbing importance to us who guide them day by day, and naturally bear vitally on the year's results which it is now my duty to submit for your approval.

Obviously such operations could not be described in detail, even were it necessary or advisable to do so. I shall endeavour, however, to explain the salient points in our affairs of the past twelve months resulting in the important changes in our balance sheet as compared with a year ago.

Of fundamental importance is the fact that our position is sound and liquid; secondly, that our business has been conducted profitably, enabling us to add a goodly sum to rest and profit and loss accounts, after making full provision for losses; also, to pay an extra bonus of two per cent. to the shareholders in addition to the usual dividend.

Let me make it clear that this result is not the outcome of higher rates of interest on current loans in Canada.

The rate of interest to the merchant and manufacturer at home is about the same as it was before the War.

Our satisfactory earnings are, in part, a reflection of the increased current loans in Canada required by our customers

in consequence of the high prices of all commodities and general trade activity, while our losses have been small.

The volume of our call loans in New York is governed solely by our requirements in liquid reserves. We do not increase or diminish them on account of higher or lower rates, but we have been fortunate this year in that rates have averaged high.

As comparisons are constantly made between Canada and the United States, owing to general similarity in conditions, one anomaly attracts special attention—viz., that with credit restriction as acute here as it is across the line the price of money is materially lower in the Dominion.

This condition, in days of world-wide high interest rates, has attracted much attention in other countries, and is regarded as a tribute to Canada's good banking system. The one disadvantage of this cheap money condition is that persons on fixed incomes derived from investments face the higher cost of living, including income tax, with little increase in revenue. As everyone knows, the connection between the price of money and the yield on investments is of the closest.

Increase of Capital.

Following our purchase of a substantial interest in the Colonial Bank, and in order to meet increasing business demands in Canada and elsewhere, your board of directors, in April last, decided to increase the Bank's paid-up capital stock by $2,000,000, bringing our total outstanding capital up to $22,000,000. The new shares were allotted to shareholders at $150 per share, in the proportion of one new share for every ten then held.

With reference to current loans in Canada, your directors have felt impelled for many months past, in the Bank's and the country's best interests, to follow the policy found essential in every other country, and keep within bounds our advances to merchants and manufacturers. This policy is in accordance with the views of the Dominion Government, and has been followed, more or less closely, by all Canadian banks.

Naturally enough, exception has been taken in certain quarters to such restriction; but, as a rule, our customers have recognised the necessity of checking overtrading and further expansions in such times as we are now facing. There has never been a period in our experience when requests for advances for purposes out of the ordinary have been so numerous.

It is safe to say that had credit been granted freely and banking resources become tied up a serious condition would have resulted in this country. Already the tide has turned, and many of our friends now frankly admit the danger of the undue expansion so much in evidence a few months ago. We are convinced that the business of Canada is in a safer and sounder position to-day in consequence of a judicious credit restriction.

A clear indication of the still extended credit situation is to be found in the ratio of commercial, municipal, and call loans in Canada to public deposits in Canada, now 81.15 per cent. for all the banks. A year ago the ratio was 64.10 per cent., and in 1918 65.29 per cent. Our own percentage is 68 per cent. now, as against 47.22 per cent. last year and 44.12 per cent. in 1918.

Decline in Cost of Living.

There is a general sense of relief resulting from the present evidence that the decline in the high cost of living has commenced. From now onward we may confidently expect the trend of prices to be downward, and, with lower values, the demands for bank credit should logically diminish. It is relevant to add that by restrictive measures the banks have contributed in no small degree to this improved condition.

The record of commercial failures in any country is a fair index of its trade conditions. It is both pertinent and enlightening to note that in Canada there have been 856 failures during the twelve months constituting our bank year, as compared with 766 during the previous twelve months.

Our note circulation was at its lowest level for the year in January, when the amount outstanding was $39,600,000. Seasonal demands are more pressing now than at any other period of the year, consequently the figures may be expected to show a further increase. As the balance sheet indicates, the present amount is $42,367,000.

In our investment column the only feature requiring comment is the decline of some $49,000,000 during the year in the Bank's holdings of Dominion and Provincial Government securities.

A year ago the Dominion Government obtained important borrowings from us in anticipation of Victory Loan proceeds, and the latter, in due course, were applied to liquidating the special advances.

Loans and Deposits.

It is noteworthy that the greatest expansion of the Bank during the past few years has been in our own country. This is revealed in our greatly increased loans and deposits in Canada and in the number of branches opened during the period.

	Loans in Canada	Deposits in Canada	Branches in Canada
	$	$	
1914	123,147,000	168,557,000	173
1920	240,725,000	358,878,000	302

Our London and New York offices remain necessary and profitable adjuncts to our business. Nevertheless, our chief duty is to provide facilities at home, and in Canada there is ample scope for expansion.

Canada is still suffering from the slings and arrows of outrageous fortune in the premium on New York funds, which continues an ever-present factor in our banking and commercial activities.

When this condition will disappear one cannot venture to predict, certainly not while the trade balances run so heavily against Canada. Undoubtedly relief would come were we to borrow abroad in large volume by way of public loans, but that would be merely a palliative, not a remedy. In addition to this, the conversion rate of sterling precludes loans in London, while, in the United States, interest rates are penalising. The advantage gained in bringing capital from New York in the premium on American funds is offset by the loss in providing interest thereon.

What is wanted is rigid economies in the purchase of non-essentials abroad, with an increase in our own exports.

It would then be only a question of time when investment capital would pour into this country of opportunities and the full value of the Canadian dollar be restored.

One advantage that Canada derives from the premium on New York funds is that American money earned in Canada remains here in considerable volume, and is not likely to be withdrawn so long as the present premium continues.

Although suffering from the effects of unusual departures necessitated by the War, the financial situation in London may be looked upon as sound. Money rates have been raised with the double purpose of retaining foreign balances in that centre and gradually forcing a reduction in the price of commodities. Another influence towards high rates has been the heavy demand for capital, chiefly through emissions of industrial issues, borrowers having to offer attractive terms to induce public buying. The banks have been criticised at times for their attitude in "rationing" credit, but their balance sheets plainly show that not only have Stock Exchange speculative loans been eliminated in favour of industry, but banking resources have been actually strained to meet the requirements of the latter.

Situation in New York.

The banking situation in New York has been under a strain for months past owing to the heavy demands on the banks for money by merchants and others carrying commodities at the high prices prevailing. The price of money for general purposes has risen to heights unknown for many years. The call-loan rate, with which we are principally concerned, averaged 8·4 per cent. for the twelve months ending October 31 last, partly making restitution to bankers for the many lean years before the War in which New York loaned at extremely low rates. Readjustment in the financial and trade situation is to be expected, but there is good reason to believe it will be effected without undue difficulty, especially as the country has been blessed with bountiful crops. Heavy losses have been made in such commodities as sugar, silk, cotton, hides, and woollens, but the large profits of previous years to dealers in these commodities have enabled most houses to weather the storm.

In glancing through the published reports of our annual meetings of the past hundred years and more, one cannot but be struck by the recurrent warning regarding the commercial, financial, and economic outlook sounded by our predecessors in office.

Equally impressive is the undeviatingly sustained faith expressed in Canada's future, and in her ability to win safely through those periods of inflation and depression which every country must meet and undergo from time to time, particularly every young country. That faith is stronger to-day than ever before.

You will doubtless agree that such publicly expressed confidence, combined with conservatism, has been a factor for good in preventing mistakes and even disaster. No one will maintain that Canada has not made any mistakes, but we are surely justified in saying that fewer have been made in consequence of the safe policy of this institution for fifty years prior to Confederation, for over fifty years since Confederation, and that this discretion still remains our guide.

Your President has clearly outlined the hazards of the present situation, and his ripe and unique experience cannot fail to carry great weight.

I might add that in my opinion we have never faced a banking and business situation requiring more delicate handling.

Since August 1914 the world has travelled far along the road to ruin. We may be thankful that the waste and destruction ended before the point of utter exhaustion was reached. Canada has not escaped, but we are still a virile people in a goodly land. There is no reason for despair over our national

outlook, but there is every reason for sober thought while we take stock of our resources and of our prospects.

We must bear in mind there is no royal road to the stable conditions of former years, no magic by which we can restore the wealth that has been lost or wipe out the debts incurred. There is nothing for it but to repair the damage, retrench, and confidently work out our salvation.

The General Manager then gave in detail the reports on the conditions of trade, &c., in the various provinces, as supplied by the superintendents.

The report having been adopted, votes of thanks to the President, Vice-President, directors, and staff were passed.

The votes of thanks having been responded to by the President and General Manager, the ballot for the appointment of auditors and the election of directors was duly proceeded with, and the meeting terminated.

THE UNION DISCOUNT COMPANY OF LONDON, LIMITED.

The Year's Money Market Conditions.

THE sixty-third ordinary general meeting of the Union Discount Company of London, Limited, was held at Cannon Street Hotel on January 20, 1921. The Hon. Sir W. H. Goschen, K.B.E., presided, and his speech, prior to the unanimous adoption of the accounts, was as follows :—

The year under consideration opened with a Bank rate of six per cent., to which figure it had been suddenly raised on November 6, 1919. Deposits were receiving four to four and a-quarter per cent., and the discount rate for three months' fine bills was quoted at five and three-quarters per cent. There was little movement in either money or bills till mid-February, when revenue and trade demands caused renewed applications to Threadneedle Street. A little later, vague talk about a further advance in the official minimum helped to maintain a good margin between the rates for money and bills, the latter being quoted close up to six per cent. by the beginning of March. On April 14 the rate for three months' Treasury bills and yearlings was advanced to six and a-half per cent., and on the following day the official minimum was raised to seven per cent., at which level it has continued up to the present date. In response to this movement, which was variously criticised, the clearing banks marked their deposit rates up to five per cent., and the brokers to five per cent. and five and a-quarter per cent. Discounts advanced one per cent. to six and five-eighths per cent. On May 1 a new issue of five to fifteen years Treasury bonds was inaugurated, and the twelve months' bills were stopped. In July, August, and September conditions kept firm all through, and the total advances taken from the Bank at the end of the third quarter must have equalled, if not exceeded, the figures at the end of June. Financial operations in October were under the adverse influence of strike apprehensions and rumours of trouble in various sections of the produce market, but conditions generally throughout the last three months proved less stringent than had been at one time feared, and the end of the year was negotiated by the market with comparative ease.

Speculative Activities.

So much for the details of the year's money market conditions, but the year has been remarkable all over the world as one in which signs have been visible of a return to sounder financial methods after five and a-half years of inflation. The end of the War left the world stripped of commodities, and it appeared to the less thoughtful that we were in for a time in which industry would be able to enjoy a period of prolonged prosperity. There was a great growth of speculative activities, stocks of commodities were held up for higher prices, which had its natural consequence of increased cost of living to the consumer and demand for higher wages throughout every trade. Between April 1919 and April 1920 prices rose forty-four per cent. It was in the month of May when the general level of wholesale prices began to decline, and about this time that the banks began to restrict their loans for speculative purposes, and the raising of the bank rate (to which I have already alluded) was decided upon as a matter of policy, in conjunction with the Government. The result was seen in an unloading of speculative holdings of commodities, and month by month the decline in prices followed. This decline in prices has been world-wide, and has, of course, been followed by the curtailment of production and consequent unemployment. It is at moments like this that the reward comes to those who have spent their time and energies in a close-and unwearying study of what is technically called "Credit." When markets are falling, and the cost of carrying heavy stocks begins to be prohibitive, it is extremely easy to take a wrong turning. Credit in any direction may very quickly be spoilt by too drastic action, and yet, on the other hand, proper caution is essential. Now the shareholders of this Company may congratulate themselves that the management have during this past year steered a very safe and successful course.

The Balance Sheet.

I will now briefly call your attention to the various items of the balance sheet and profit and loss account, comparing them with the figures we presented to you last January. The first two entries are capital and reserve, standing respectively at £1,000,000 each. We have now completed a full year with our capital and reserve at these augmented figures, to which they were raised, as you will recollect, by our issue of fresh shares in 1919. We have found these additions a most satisfactory arrangement in every way; they have added very materially to the resources of the Company, increased its importance, and enlarged its opportunities for business. For the purposes of a discount house we are now well equipped in both directions. Loans and deposits, including provision for contingencies, amount to £31,669,000, as compared with £30,792,000, an increase of £877,000.

Large Demand for First-class Bills.

Bills re-discounted are £12,661,000, against £6,723,000, an increase of £5,938,000, due to the unusually large demand for first-class bills which has come to us during the last few months. It is remarkable what a continuous inquiry we receive for paper of this class, especially considering that the rate is only a small fraction above that at which Treasury Bills can be obtained. In this connection I may mention that we are very pleased to see the extent to which deposits from shareholders and other clients are increasing, and I take the opportunity of thanking those shareholders who have sent us deposits, and induced their friends to do the same. We have opened many fresh accounts during the past year in this way, and it is a most useful addition to the resources and profits of the Company. Rebate on bills discounted amounts to £424,000, as against £345,000, being £79,000 larger than it was last year. This is due to the higher rates now prevailing, with the Bank of England rate at seven per cent. Balance at credit of profit and loss account for appropriation is £323,000, as against £276,000, an increase of £46,000, from which falls to be deducted the interim dividend, paid in July last, amounting to £49,000, and £50,000 which has been applied to writing down securities. Concerning this latter item I will say a few words directly. Turning to the other side of the balance sheet : Cash at bankers is £1,259,000, as against £1,173,000, being £85,000 larger. British Government (including Exchequer Bonds and National War Bonds) and other securities amount to £3,019,000, as compared with £3,796,000, a decrease of £777,000. This is mainly due to the fact of our having parted with some of the Exchequer Bonds and National War Bonds as soon as Treasury Bills were obtainable at six and a-half per cent., the flat rate on these bills being a good deal higher than the five and a-half per cent. yielded by the short-dated bonds. These securities are of a very negotiable character, but we considered it a wise and prudent step to apply the £50,000 from our profits to writing them down so that they stand well below the current market prices, and we feel sure that we have the approval of the shareholders in this matter. Considering that a very large proportion of our securities are Exchequer Bonds and National War Bonds of very short maturities, I think we may now face the future with some confidence in regard to this item. Bills discounted, &c., amount to £41,079,000, against £33,689,000, showing an increase of £7,389,000. This is due to the greater volume of Treasury Bills and first-class bank and commercial paper in circulation in the money market, and, at the same time, to our increased facilities for dealing in the same.

The Profit and Loss Account.

Turning to the profit and loss account, you will see from the credit side that we have a balance of £812,000 to deal with. Dividend for the final half-year at the rate of fourteen per cent. per annum, less income tax, and bonus 2*s.* per share, free of tax. This is one shilling more than last year, and, having regard to the balance sheet we were putting before you, we had no hesitation in making this increase, which no doubt will be appreciated by the shareholders. Finally, we carry forward the sum of £155,000, which is £29,000 more than we brought into the account. This is a substantial sum with which to face the new year, and adds to the confidence and hopes with which we do so.

ALEXANDERS DISCOUNT COMPANY, LIMITED.

Effect of Increased Burden on Trade.

THE fifty-third ordinary general meeting of shareholders of Alexanders Discount Company, Limited, was held on January 20, 1921, at the offices of the Company, 24 Lombard Street, London, E.C. Mr. Colin Frederick Campbell, the Chairman of the Company, presided.

The Secretary (Mr. A. K. Bruce) having read the notice convening the meeting and the auditor's report, and the minutes of the last ordinary general meeting of January 22, 1921, and of the extraordinary general meeting of February 12, 1920, having been also read and confirmed,

The Chairman said : Gentlemen,—I assume you take the report as read. It is once again my good fortune to lay before you a very excellent balance sheet and profit and loss account, which I feel sure will be appreciated by all the shareholders. At the same time I would like to say that in the opinion of your directors there never was a time when greater caution is required and when larger reserves are necessary, as if we look back to the conditions existing a year ago and compare them with those to-day it is impossible to conceive a greater contrast. A year ago the Bank rate

was six per cent, demand for all commodities seemed inexhaustible, and the trade boom was at its height. During the spring the demand for credit became so great that the Bank rate had to be put up to seven per cent., with the object of restricting if possible the ever increasing call for accommodation.

Shortly afterwards when the Chancellor made his Budget speech in the House of Commons, he announced that the excess profits duty, which had been reduced in 1919 to forty per cent., and which it was generally expected would be entirely done away with, was not only to be increased to sixty per cent., but an entirely new tax, called the corporation tax, of five per cent. on net profits was to be levied on all joint stock companies.

Increased Burdens on Trade.

The cumulative effect of the rise in the Bank rate and these increased burdens on trade was that during the early summer the demand for all commodities began to dwindle, and this state of things increased with such rapidity that by the autumn it is not an exaggeration to say that many commodities became, and are still, unsaleable. It is not that the world is over-supplied with goods—far from it, as half the civilised world is starving for want of food and clothing—but the value of a commodity in the last resort is what a man can afford to pay for it, and the cost of commodities generally had reached such a point that it was beyond the reach of those countries in most need and who have been also crippled by the depreciated state of their currencies.

The consumer in this country has been in a slightly different position. Heavy taxation has undoubtedly lessened his purchasing power, but the main factor in this country since the summer has been the loss of all confidence in the stability of prices, with the result that everyone has been holding off each month in the hope of buying what he needs at a cheaper price in the near future.

These are the conditions, I venture to think, which exist to-day, and which will continue to exist until confidence has been restored in this country and some means found of enabling the countries impoverished through the War to pay for what they really require most urgently.

You can therefore well imagine why I prefaced my remarks by telling you that this is a time for the greatest caution. The resources of all those engaged in commerce are being taxed to the utmost, and it has largely been through the consideration and assistance of the banks in piloting their customers through these difficult times that traders generally have been able in some degree to surmount the acute difficulties produced by the rapid fall in prices, and the absence of demand for commodities.

To us also as dealers in bills of exchange our duty has been to negotiate bankers' and other commercial bills for our friends generally as far as we have been able to do so, though we have continued to hold a large amount of Treasury bills, as was done in previous years. During the last quarter of 1920 we increased our holding of Treasuries both absolutely and relatively.

It is impossible to foretell what the future has in store, but I hope that the conditions in 1921 will show a gradual tendency to improve, and that when trade has been re-established on a post-War basis we may see a healthy revival to more normal conditions.

Conditions of Discount Business.

It almost looks as if we are "bumping along the bottom," to use a homely expression, in some of the more important raw materials, which have now reached prices below the cost of production. We have also grounds for optimism about the conditions of discount business. Although the course of money rates was powerfully influenced during the year by events in America, and will probably be under the same influence during the present year, the experience of 1920 gives fresh support to the view that the world-wide prestige of the sterling bill on London remains predominant. We in the Discount market form part of London's financial machinery, and we have solid grounds for satisfaction in the fact that, despite the advantages gained by New York out of the War, London still remains the world's financial centre.

Turning now to the balance sheet in your hands, you will notice a change in the capital account as the result of the small issue of shares made early in the year, the capital paid up now being £550,000 and the reserve fund £270,000, including £25,000 premium on the successful share issue. Bills discounted are higher by £1,717,000 than they were last year, and the total figures, amounting to over twenty millions, are also a record. Commercial bills rediscounted rose by £928,000, so that our net holding of bills was £789,000 higher. We increased our cash holding slightly, in view of our increased liabilities, and our investments rose by £471,000.

The Directors' Policy.

Your directors have continued their policy of holding only securities with very short dates of maturity, with the result that there has been no depreciation to write off during the year under review. This is a particularly satisfactory feature which, I think you will agree with me, reflects the greatest credit on the management of the business. The gross profits for the year were £332,962, an increase of £103,000 compared with those for 1920. Rebate required £45,000 more than it did a year ago, being £175,880. Expenses were £10,000 higher, partly owing to the general rise in all costs and a bonus to the staff, and partly owing to duties [illegible] it is hoped need not recur, and the directors have [illegible] to strengthen the position of the carried forward by the transfer of £5,000 thereto. £15,000 more than last year was transferred to the reserve fund, and the increased dividend and bonus require an extra £25,000; thus the amount to be carried forward will be slightly higher at £22,000.

Before moving the resolution, it may perhaps interest some of the shareholders to review the position to-day compared with that of ten years ago, when the Company was first converted into a public limited company.

The capital, reserve, and carry-forward together were then £599,000, against £[illegible],000 now, and the total figures about ten millions, against twenty millions now, so that the business has been practically doubled in the period and the dividend increased from ten per cent. to fifteen per cent., apart from the bonuses.

The report and accounts were adopted.

EDISON SWAN ELECTRIC COMPANY, LIMITED.

THE thirty-seventh ordinary general meeting of this Company was held on January 17 in London.

Mr. C. J. Ford, who presided, said that about a year ago the Company entered into an arrangement with the Philips' Glowlamp Works, Limited, of Eindhoven, Holland. That concern was to-day, he thought he was correct in saying, the largest manufacturer of electric lamps in Europe, having world-wide ramifications. For years past the lamps manufactured by that firm had had the reputation of being of the finest quality which it was possible to produce, and during the last few years the firm had paid especial attention to the manufacture of what were known as gas-filled lamps. This lamp was largely superseding the old type of tungsten drawn-wire lamp, particularly as it had now been found possible to manufacture it with a comparatively low candle-power, making it available for ordinary household use. The manufacture of this lamp was attended with many difficulties, and he candidly admitted that the Edison Swan Company, in common with other manufacturers in this country, had found great difficulty in producing a satisfactory lamp in large quantities on an economic basis. This was largely due to the fact that during the War their lamp staff were engaged on special Government work and were unable to concentrate on lamp development generally. The Philips' Company possessed methods, processes, and novel labour-saving plant far in advance of that in the works of other manufacturers. The Edison Swan Company were now turning out lamps, particularly gas-filled, in large quantities, equal in every respect to those manufactured by Messrs. Philips in Holland, and obtaining a ready sale for them.

Formation of a New Company.

All this could not be carried out without the expenditure of a large amount of capital—far more, in fact, than it was possible to provide out of their own resources. They therefore made an arrangement with Messrs. Philips for the formation of a new Company—the Ediswan Lampworks, Limited—the capital being provided in equal shares by Messrs. Philips and the Edison Swan Company. Under this arrangement their own lamp works would be leased to the new Company, except that portion recently erected, together with the machinery and plant thereon. The latter would be sold to the new Lampworks Company, which would also take over from them certain stocks and raw materials. The Edison Swan Company would thus not have to put up any cash, the whole of this being provided by Messrs. Philips. Up to the date of the balance sheet submitted the new system of manufacture had only had a short working run and had not had time to be reflected in the profits, but he was glad to say that the output of lamps was now on a satisfactory basis.

Another matter which had adversely affected the profits derived from the lamp side of the works was the frequent rise in wages which had taken place during the past year; but now that they had got the new works going, and were looking forward to a very considerably increased output of lamps, it might not press so heavily upon them. The increased capacity of the factory to turn out lamps on a more economical basis would doubtless help the Company to bear these higher charges, and, provided there was no material falling-off in the demand for their lamps, they should be able to show satisfactory profits in future, in spite of the increased wages bill.

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Production of Electric Meters.

They had entered into arrangements with the Sangamo Electric Company of the United States to co-operate with that Company in the production of all classes of electric meters at their Ponders End Works. They had erected buildings at those works, which were now being equipped with the necessary plant and machinery capable of turning out these articles on a large scale, and, from the support already received, they believed they would readily dispose of the whole of the output. In conjunction with their American friends they were forming a Company for the purpose of carrying out these arrangements, and the Edison Swan Company, who had the sole selling rights, would be largely interested in such Company.

With regard to the passing of the dividend on the Ordinary shares, the board came to this decision after having given the matter the most serious consideration, and with great regret, but no other course was practicable. Nearly every industrial concern to-day was feeling the pinch for ready money, in consequence of the abnormal rise in the cost of raw materials, the continual rise in wages, and the heavy taxation in the shape of local rates, and the monstrous excess profits duty. The business of the Company had greatly expanded and was still expanding, and as, in prevailing conditions, the board were strongly averse to making any further issue of capital if it could by any means be avoided, they deemed it absolutely necessary to husband the Company's cash resources. If, without prejudice to the position, they could see their way to pay an interim dividend before the end of the financial year at June 30 next, they would do so. In further remarks the Chairman said that the Company's sales were increasing, and that up to the present they had not been affected by foreign competition, but they could not lose sight of the fact that they, in common with all British manufacturers, might be brought face to face with this at any time.

The report and accounts were adopted, and at an extraordinary general meeting the articles of association were altered so as to empower the Company to increase its capital, the Chairman stating, however, that no issue would be made until the shareholders had been consulted and the board received their authorisation.

NATIONAL SAFE DEPOSIT COMPANY, LIMITED.

THE forty-eighth ordinary general meeting of the National Safe Deposit Company, Limited, was held this week at the Company's offices, 1 Queen Victoria Street, E.C., Mr. Richard de Neufville (the Chairman) presiding.

The Chairman said: It is satisfactory to note that the receipts from safe rentals and storage of plate and other bulky property is steadily increasing, and we have every reason to hope and believe that this will continue. I am also glad to be able to tell you that our new scheme of key registration combined with accident insurance has now been fairly launched, and the system is proving popular with our renters and the public, and promises to be a success. It has been found necessary to instal new motors to work our hydraulic machinery for the closing of our vault doors, and to provide a new and thorough system of ventilation. We propose shortly to adopt electricity instead of steam as a motor. The whole of the premises in our occupation will be redecorated and generally made more attractive to the safe holders, who will find in the building every comfort and convenience, in addition to what is well known as the most perfect security and absolutely the strongest depository in the United Kingdom.

The net profit for the year and balance from last account amounts to £5,897 4*s.* 4*d.*, from which the Preference dividend, £1,200, has to be deducted, leaving £4,697 4*s.* 4*d.*, which the directors propose to apportion as follows: £252 1*s.* to leasehold sinking fund, £500 to reserve fund, £500 to staff pension fund, and to pay a dividend of three per cent. for the year on the Ordinary shares, leaving a balance to carry forward of £505 3*s.* 4*d.* I now move the adoption of the report and accounts.

Mr. John Gordon seconded the motion, which was carried unanimously.

ADELAIDE ELECTRIC SUPPLY COMPANY, LIMITED.

Control Transferred to Australia.

THE annual general meeting of the Adelaide Electric Supply Company, Limited, was held on January 19 at Winchester House, Old Broad Street, E.C., Mr. J. B. Braithwaite, M.I.E.E. (Chairman of the Company), presiding.

The Chairman, in moving the adoption of the report and accounts, said there was reason to congratulate themselves on the result of the past year's working in view of the exceptional difficulties with which they had had to contend in Australia as a result of strikes. In spite of all these difficulties the gross revenue had increased from £185,453 to £232,246. Expenses, however, had also increased by about £34,500, so that the net increase in profit was only about £12 760. The progress of the business, considering the circumstances, had been thoroughly satisfactory. The number of the consumers had been raised by 4,426 to 29,475, the kilowatts generated showed an increase of 4,222, as compared with 2,040 last year, and the units sold had risen from 11,239,000 to 14,434,000. That was an increase of rather over 3,000,000 units, as compared with only 463,000 units last year, and had the year been entirely free from strikes there was no doubt they would have crossed the 15,000,000 mark.

The increase in mileage of streets supplied was about normal, but had they been able to get materials it would have been greater. As a result of an application for power to raise their tariffs the Company had been granted an increase of fifteen per cent. That was very small compared with the general rise in the cost of materials, but they naturally tried to make it as small as possible, the Company being carried on for the benefit of the public as well as the shareholders. As to the power house at Osborne, orders for a considerable amount of plant had been placed which would involve the raising of the necessary capital to pay for it. That was to be raised in Australia, and on February 1 an offer of Ordinary shares would be made at 25*s.* per share. The board looked forward to the completion of the Osborne power house to mark a great epoch in the development of the Company.

Mr. A. F. Farish seconded the motion, which was carried unanimously, and the formal business of the meeting was completed.

At an extraordinary general meeting held subsequently resolutions were passed, after considerable discussion, providing for the transfer of the control and management of the Company from London to Adelaide, and vested in a new board of directors to be resident there. Mr. J. B. Braithwaite, M.I.E.E., the Chairman, who presided and moved the resolutions, said that the British Government appeared to be doing what they could to prevent English capital being invested in the Colonies, and in the development of their resources.

MESSINA (TRANSVAAL) DEVELOPMENT CO., LTD.

The Copper Position—Progress of the District.

THE annual general meeting of the shareholders of the Messina (Transvaal) Development Company, Limited, was held on January 18 at the Cannon Street Hotel, E.C.

Lieut.-Col. John P. Grenfell (Chairman of the Company) presided.

The Chairman, in the course of his remarks, said: The profit and loss account credit balance of £48,057 5*s.* 6*d.* which was shown in last year's balance sheet disappears by reason of the loss made in the year under review, and there is a balance at debit of £77,677 6*s.* 9*d.*, which is subject to a final adjustment with the revenue authorities on account of excess profits duty.

The assets in the balance sheet speak for themselves.

The mining property stands at the same figure as before. The amount carried forward on account of deferred development charges is reduced, as explained by the General Manager in his report.

The buildings and machinery and plant item is reduced by the depreciation which has been written off.

Mining Operations.

Turning to the mines, during the year under review there were mined 92,165 tons of 2.845 per cent. copper, which were realised partly in Japan, partly in this country, and partly in the United States, for a net total of £174,089 3*s.* 5*d.* Development was continued at both the Messina and Vogelenzang Mines. In the Messina Mine the most interesting development was that on the "K" lode. The average value of the ore on the 2nd level is 2.7 per cent. copper. On the 4th level the lode has increased, and the average is 2.8 per cent. copper. On the 6th level the improvement is maintained, the lode so far as developed being rather wider, and averaging 3½ per cent. copper, a considerable increase. In this mine during the year 110,613 tons of ore were developed, having an assay value of 2.98 per cent. copper. In the Vogelenzang mine developments at the end of 1919 on the two lower levels appeared to be disappointing, but this situation has improved, and large ore bodies have now been opened out. The results of development are considered encouraging, and shaft-sinking has been resumed, and will be continued to the 1,000-foot level. In this mine during the year 58,433 tons of ore were developed, having an assay value of 3.78 per cent. copper.

The total ore developed in the two mines was 169,046 tons, assaying 3.26 per cent. copper, making the total ore reserves at present in sight 518,710 tons, assaying 3.23 per cent copper. Whilst the tonnage of ore in reserve can be regarded as satisfactory, it is no doubt the case that the grade is low, but here again the chief factor that governs the possible profit of the future is the price of copper. In our copper industry

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we are faced with pre-War prices for the metal and post-War rates of pay. At to-day's prices and to-day's working costs there are very few mines in the world that can produce at a profit, and if the cost of labour and the cost of stores remain at to-day's figures it seems obvious that the price of copper must go higher or production must end—so that we hope that when the present depression and general stagnation of trade has passed by the relationship between cost of production and value of the product will have considerably altered.

Visit to South Africa.

Accompanied by Messrs Anderson and Higgins, who have remained in South Africa, I proceeded to South Africa in September last. Having been away for the six years of the War, it was the first occasion on which I had been able to travel right up to Messina by rail. It was also the first visit of my co-directors to that part of the country. We were at once struck by the development which had taken place in the last six years in all the country that the Messina Railway had made accessible. When I was last there you trekked through some 120 miles of empty veld. To-day that country is all occupied; cattle grazing, corn growing, and comfortable homesteads meet your eye right up to the gates of Messina itself. The population of that particular district has increased from 700 to 4,000. The revenue of the district has increased from £55,000 to £150,000 per annum, and perhaps the most significant figure of all is that from the Messina Station last year 15,000 head of cattle were shipped to the Johannesburg Market, and to-day the Government own a railway which, having cost £790,000, could certainly not be constructed under £2,000,000. So that it is gratifying to be able to say that, from the point of view of the general welfare, the building of the railway has been amply justified. From this it follows that the onus of paying interest on the cost of the railway falling on our Company alone is not justified. (Hear, hear.) The summary of the railway situation is that the Government directly and indirectly have made a great deal of money out of it, and that we, the pioneer Company, have lost a great deal. Since the commencement of operations the Messina Mines have produced over 35,000 tons of copper valued at some £3,500,000. They have paid to the English and South African Governments over £400,000 in various forms of taxation, and the shareholders have received a total of £109,000. With these figures before us we are endeavouring, both in England and South Africa, to obtain some relief. The Chairman afterwards moved the adoption of the reports and accounts.

Mr. R. J. Frecheville, M.Inst.C.E., seconded the motion, which was carried unanimously.

RIO DE JANEIRO FLOUR MILLS AND GRANARIES, LIMITED.

The thirty-fifth ordinary general meeting of the shareholders of the Rio de Janeiro Flour Mills and Granaries, Limited, was held on January 18 at the Institute of Chartered Accountants, Mr. Richard Foster presiding.

The Chairman, in moving the adoption of the report and accounts, said he thought that the shareholders would agree that the balance sheet was a fairly strong one, and that in such times as these it was essential to keep it so. Coming to the business of the year, he expressed his pleasure that no labour troubles had been experienced by the Company. The cotton mill had been particularly gratifying, as it had practically doubled the manufacture and sale of cloth. The flour mill had likewise increased its grist considerably, and it would have been larger still had not the higher prices for flour during the latter part of the year checked the demand. By the end of March wheat was being rushed out of Argentina at such a rate that it became evident that the country would be "dry" of that commodity in a very short time. Since the embargo on the export of wheat was declared in Argentina the Company's supplies had had to be obtained from North America—a circumstance which, of course, had thrown out of gear their financial arrangements for buying, as the Americans required hard cash before wheat left their country. In addition to this, prices were at that moment so high that their grindings equalled somewhere about a quarter of a million sterling a fortnight. Before the War this would only have cost about £75,000. He did not wish to be too optimistic, but he felt that they were in the best possible position to meet any troubles that might come. They were taking an interest in two Brazilian companies. One was a biscuit factory at Rio, which would buy all its flour from this Company; the other company was a flour mill at Bahia. He believed that both would prove very satisfactory.

The Managing Director (Mr. Stuart C. Sheppard), in seconding the resolution, remarked that the year under review, like many of its predecessors, had been an extremely difficult one, but, notwithstanding, it was satisfactory to be able to report that the gross value of the turnover was a record one, and that the amount of wheat ground, though still below that of pre-War days, was some thirty-one per cent. over that of 1919. As to this year's prospects, the cable news from the River Plate of their 1921 crop was only moderately satisfactory. One feared if the world demand would continue to be equal to the supply until either Russia could take her place on the exporting list again, or a substitute, such as, perhaps, Manchuria, could be found. The Brazilian cotton crop appeared to be good.

The [illegible] was afterwards passed declaring the final dividend recommended of 1s. 9d. per share, tax free, making 3s. per share for the year ended September 30 last [illegible] per share, tax free.

The proceedings terminated with a vote of thanks to the directors and the staff at home and abroad.

GREAT INDIAN PENINSULA RAILWAY COMPANY.

The 142nd half-yearly general meeting of this Company was held on January 21 at the Offices of the Company, 48 Copthall Avenue, London Wall, E.C., Sir Charles H. Armstrong, Chairman of the Company, presiding.

The Secretary (Mr. R. H. Walpole) read the notice convening the meeting.

The Chairman, in moving the adoption of the report and accounts, said: The gross receipts during the six months showed an increase of over 14 lacs of rupees compared with the corresponding period of 1919; but as expenditure was 75 lacs in excess of the corresponding six months the result was a falling off in net revenue of 60½ lacs, or 27.44 per cent. After deduction of interest charges, as per Statement "A," there is a deficit on the half-year's working of Rs. 2,77,000, as against a surplus in the corresponding period of 1919 of Rs. 52,20,000, a total decrease of very nearly 55 lacs. The first six months of our financial year are not as a rule the best, but as working expenses have greatly increased, and have been added to since the current half-year commenced, the year's results must be affected thereby, although in all probability our gross receipts will show an advance on the previous twelve months.

Less Demand for Indian Produce.

To date we are 21 lacs to the good, but as last year's monsoon was not favourable, crops in Western India are below the average, and as, owing to trade depression in this country and unfavourable exchanges on the Continent, the demand for Indian produce is not what it used to be, the receipts into Bombay of many important articles will decline, and our tonnage will be affected thereby. During the half-year under review we carried over 20 million passengers, an increase of about two millions on the corresponding period of 1919. The total increase of receipts under this head amounted to 10¾ lacs of rupees, or 4.10 per cent. In the receipts from goods there was, however, a falling off of Rs. 5,71,000, or 1.52 per cent., as compared with the corresponding period of 1919.

The percentage of working expenses for the half-year was 75.86, as against 66.01 in the corresponding period of 1919. This is a heavy percentage, and unless rates and fares are raised to meet the increased cost of working, there is little chance, I fear, of any decline, and the figure may even go higher. Expenses have increased under every head. A large expenditure on capital account is also needed. I am well aware of the complaints of overcrowding now being made in India, and if we were able to raise the necessary funds we would soon put matters right, but so far as I can see at present, there is little chance of anything much being done in this respect for some time, for our next year's budget grant is on very moderate lines, and is much below our requirements. Until this position is remedied we shall continue to work under disadvantages, and the public in India will be the sufferers.

Higher Rates and Fares.

The time has undoubtedly come, at any rate on the G.I.P., when rates and fares must be raised, for money cannot now be borrowed on the old basis of 3¾ per cent., and to cover a present rate of 6 or 6½ per cent., and greatly increased working expenses, a much larger revenue is necessary, even after taking into account the small increase we hope to get year by year from a steadily expanding traffic. This urgent need for higher rates we have represented strongly to the Government of India by whom such matters are controlled. This question of adequate funds is a most important one for the working and development of Indian railways, and as the success of Indian trade depends very largely on the successful working of the trunk lines, the question of finance is one that should be carefully studied, not only in this country but in India.

That Indian trade has a great future I am firmly convinced. Just at the moment conditions are somewhat adverse, and the balance of trade is largely against India. Owing to abnormal prosperity during the war, with a series of good crops, and to a high exchange in the early months of last year, imports into India have been excessive, and their value much above the normal. Exports since the war have fallen off owing, perhaps, in some measure to the higher exchange, but, mainly, no doubt, to the inability of European markets due to depreciated exchanges to make free purchases of raw materials of which they stand very greatly in need. In this respect, however, the position must gradually improve as prices decline and public expenditure is reduced here and elsewhere, as it certainly must be, if trade is to improve materially. India's opportunity for business will

then arise, and if next monsoon is a good one, we may look, I think, with confidence for a great increase in foreign trade, which will bring a large traffic to our line, but, as you will have gathered from my remarks, we shall be unable to handle this satisfactorily. This difficulty emphasises the need I have expressed for additional funds for the equipment of the railway.

Mr. J. F. Finlay seconded the motion, which was carried unanimously.

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HOLDERS OF SHARE WARRANTS are informed that they will receive payment, on or after Friday, 4th February, 1921, of Dividend No. 39 of 17½ per cent., *i.e.* 5*s*. 6*d*. per share (free of Dominion Taxes), after surrender of Coupon No. 39, at the London Office of the Company, No. 1 London Wall Buildings, E.C. 2, or to the Crédit Mobilier Français, 30 and 32 Rue Taitbout, Paris.

Coupons belonging to holders resident in the United Kingdom will be paid at the rate of 2*s*. 10.59*d*. per share, which amount is arrived at as follows:—

	s.	*d*.
Amount of Dividend declared per share	3	6
Less United Kingdom Income Tax at 3*s*. in the £ on the *gross* amount of the Dividend, viz., 4*s*. 1.41*d*. (see note below)	0	7.41
Net amount per share	2	10.59

All Coupons presented at the Crédit Mobilier Français, Paris, as well as any presented at the London Office for account of holders resident in France, will be subject to a deduction of 2*s*. 3*d*. in the £ on account of French Transfer Duty and French Income Tax.

Coupons must be left four clear days for examination, at either of the Offices mentioned above, and may be lodged any day (Saturdays excepted) between the hours of 11 and 2.

Listing forms may be had on application.

By Order of the Board,
A. MOIR & CO.,
London Secretaries.

NOTE.—The Company has been requested by the Commissioners of Inland Revenue to state:

The rate of relief in respect of Dominion Income Tax granted by Section 27 of the Finance Act, 1920, must not exceed either the rate of the Dominion Income Tax or half the "appropriate rate of United Kingdom Tax" as defined in that Section. The United Kingdom Income Tax is chargeable on the gross amount of income before payment or deduction of such an amount of Dominion Income Tax as is equal to the amount of the relief granted.

In the present instance the rate of relief has been computed by reference to the full standard rate of United Kingdom Income Tax, viz., 6*s*. in the £, and the rate of United Kingdom Income Tax deducted, viz., 3*s*. in the £, is arrived at as follows:—

Full standard rate of United Kingdom Income Tax	6*s*.	in the £
Less rate of relief in respect of Dominion Income Tax	3*s*.	„ „
	3*s*.	„ „

The gross amount of the dividend, viz., 4*s*. 1.41*d*. per share, is the amount which, after deduction of tax at 3*s*. in the £ (the rate of relief allowed), gives the net amount declared free of Dominion Tax, viz., 3*s*. 6*d*. per share.

The relief from United Kingdom Income Tax for the year ending 5th April, 1921, allowed by the deduction of United Kingdom Income Tax at a reduced rate from this dividend has been authorised by the Commissioners of Inland Revenue in respect of taxes imposed in the Union of South Africa.

London Office,
No. 1 London Wall Buildings, E.C. 2.
19th January, 1921.

RAND MINES, LIMITED.
(Incorporated in the Transvaal.)

HOLDERS OF SHARE WARRANTS are informed that they will receive payment, on or after Friday, 11th February, 1921, of Dividend No. 35 of 85 per cent., *i.e.*, 4*s*. 3*d*. per 5*s*. share (free of Dominion Taxes), after surrender of Coupon No. 35, at the London Office of the Company, No. 1 London Wall Buildings, E.C. 2, or to the Crédit Mobilier Français, 30 and 32 Rue Taitbout, Paris.

Coupons belonging to holders resident in the United Kingdom will be paid at the rate of 3*s*. 5.39*d*. per share, which amount is arrived at as follows:—

	s.	*d*.
Amount of Dividend declared per share	4	3
Less United Kingdom Income Tax at 3*s*. 3*d*. in the £ on the *gross* amount of the Dividend, viz., 4*s*. 11.13*d*. (see note below)	0	9.61
Net amount per share	3	5.39

All Coupons presented at the Crédit Mobilier Français, Paris, as well as any presented at the London Office for account of holders resident in France, will be subject to a deduction of 2*s*. 6*d*. in the £ on account of French Transfer Duty and French Income Tax.

Coupons must be left four clear days for examination, at either of the Offices mentioned above, and may be lodged any day (Saturdays excepted) between the hours of 11 and 12.

Listing forms may be had on application.

By Order of the Board,
A. MOIR & CO.,
London Secretaries.

NOTE.—The Company has been requested by the Commissioners of Inland Revenue to state:

The rate of relief in respect of Dominion Income Tax granted by Section 27 of the Finance Act, 1920, must not exceed either the rate of the Dominion Income Tax or half the "appropriate rate of United Kingdom Tax" as defined in that Section. The United Kingdom Income Tax is chargeable on the gross amount of income before payment or deduction of such an amount of Dominion Income Tax as is equal to the amount of the relief granted.

In the present instance the rate of relief has been computed by reference to the full standard rate of United Kingdom Income Tax, viz., 6*s*. in the £, and the rate of United Kingdom Income Tax deducted, viz., 3*s*. 3*d*. in the £, is arrived at as follows:—

Full standard rate of United Kingdom Income Tax	6*s*. 0*d*	in the £
Less rate of relief in respect of Dominion Income Tax	2*s*. 9*d*.	
	3*s*. 3*d*.	

The gross amount of the dividend, viz., 4*s*. 11.13*d*. per share, is the amount which, after deduction of tax at 2*s*. 9*d*. in the £ (the rate of relief allowed), gives the net amount declared free of Dominion Tax, viz., 4*s*. 3*d*. per share.

The relief from United Kingdom Income Tax for the year ending 5th April, 1921, allowed by the deduction of United Kingdom Income Tax at a reduced rate from this dividend has been authorised by the Commissioners of Inland Revenue in respect of taxes imposed in the Union of South Africa.

London Office,
No. 1 London Wall Buildings, E.C. 2,
19th January, 1921.

VILLAGE DEEP, LIMITED.
(Incorporated in the Transvaal.)

HOLDERS OF SHARE WARRANTS are informed that they will receive payment, on or after Friday, 4th February, 1921, of Dividend No. 23 of 7½ per cent., *i.e.*, 1*s*. 6*d*. per shade (free of Dominion Taxes), after surrender of Coupon No. 23, at the London Office of the Company, No. 1 London Wall Buildings, E.C. 2, or to the Crédit Mobilier Français, 30 and 32 Rue Taitbout, Paris.

Coupons belonging to holders resident in the United Kingdom will be paid at the rate of 1*s*. 2.75*d*. per share, which amount is arrived at as follows:—

	s.	*d*.
Amount of Dividend declared per share	1	6
Less United Kingdom Income Tax at 3*s*. 1*d*. in the £ on the *gross* amount of the Dividend, viz., 1*s*. 9.07*d* (see note below)	0	3.25
Net amount per share	1	2.75

All Coupons presented at the Crédit Mobilier Français, Paris, as well as any presented at the London Office for account of holders resident in France, will be subject to a deduction of 2*s*. 5*d*. in the £ on account of French Transfer Duty and French Income Tax.

Coupons must be left four clear days for examination, at either of the Offices mentioned above, and may be lodged any day (Saturdays excepted) between the hours of 11 and 2.

Listing forms may be had on application.

By Order of the Board,
A. MOIR & CO.,
London Secretaries.

NOTE.—The Company has been requested by the Commissioners of Inland Revenue to state:—

The rate of relief in respect of Dominion Income Tax granted by Section 27 of the Finance Act, 1920, must not exceed either the rate of the Dominion Income Tax or half the "appropriate rate of United Kingdom Tax" as defined in that Section. The United Kingdom Income Tax is chargeable on the gross amount of income before payment or deduction of such an amount of Dominion Income Tax as is equal to the amount of relief granted.

In the present instance the rate of relief has been computed by reference to the full standard rate of United Kingdom Income Tax, viz., 6*s*. in the £, and the rate of United Kingdom Income Tax deducted, viz., 3*s*. 1*d*. in the £, is arrived at as follows:—

Full standard rate of United Kingdom Income Tax	6*s*. 0*d*	in the £
Less rate of relief in respect of Dominion Income Tax	2*s*. 11*d*.	„ „
	3*s*. 1*d*.	„ „

The gross amount of the dividend, viz., 1*s*. 9.07*d*. per share, is the amount which, after deduction of tax at 2*s*. 11*d*. in the £ (the rate of relief allowed), gives the net amount declared free of Dominion Tax, viz., 1*s*. 6*d*. per share.

The relief from United Kingdom Income Tax for the year ending 5th April, 1921, allowed by the deduction of United Kingdom Income Tax at a reduced rate from this dividend has been authorised by the Commissioners of Inland Revenue in respect of taxes imposed in the Union of South Africa.

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All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

THE STATIST,

51 Cannon Street, London, E.C. 4.

Telegrams: "Statist Cent. London." *Telephone: City 5258-5259.*

The Statist.

LONDON, SATURDAY, JANUARY 29, 1921.

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The Money Market.

Friday, January 28, 1921.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6½	—	—
Bank Bills	6⅜	6⅝–11/16	6½	6½
Trade Bills	—	7–7¼	7¼–½	7½

THE FOREIGN EXCHANGES.

SINCE about the beginning of December a mate of change has taken place in the position of some of the leading exchanges, and just at the moment movements are under way that will alter very considerably the relative values of the different currencies. To-day's quotation of 3.88, for instance, for the U.S. dollar shows a higher value for the £ sterling than any ruling since July last. Similarly, our currency has risen in Canada to a value in dollars as high as that obtaining before an embargo on the importation of home securities was enforced by the Canadian authorities. So, too, in South America, in the Far East, in our Dominions, and in many countries of Europe the £ sterling has recently shown a strong tendency towards improvement. At the same time, some of the currencies of Continental States have shown a remarkable steadiness, while others appear to be falling incessantly to levels at which the exchange value of the paper money will be little more than its intrinsic value.

It is important to consider at a critical time like the present what these movements in the foreign exchanges may signify. We are aware, of course, that, though the economic inter-relations of all countries are changing very considerably at the present time, such fundamental changes are affecting actual exchange values at present only through the medium of the speculator. It will be interesting, however, to inquire how far current exchange movements represent changes in the real value of the different currencies. The more striking movement to be recorded is undoubtedly the rise in the sterling value of the United States dollar. Taking into account the very low level at which the £ sterling was rated in New York during the greater portion of 1920, as well as the unquestionably rapid strides we have made during the year in the work of reconstruction, hardly any other explanation for this movement presents itself than that the process of deflation of prices in the United States has begun to slacken, while our imports from that quarter are likely to show a remarkable falling off in relation to the volume of our exports. Turning to movements on the Continent, we find that there is a tendency for the £ sterling to appreciate in many important European centres, while the movements in the currencies of the late belligerents are just now characterised by a series of sharp rises and equally sharp declines. The former feature bears out our remarks on the course of the dollar exchange; it indicates the reality of our approach to more normal conditions. The other movements referred to are but a reflection of the uncertain trend of financial and economic developments in the countries concerned. A careful survey of the exchange movements, however, will show that the concensus of opinion regarding the position of our late allies and enemies on the Continent is inclined to be optimistic. Whether this view is justified will depend on the result of any efforts made by the League of Nations to institute sounder financial conditions in those countries, as well as the question of whether any practicable scheme of exports credits can be put into operation.

Most of the central European countries at present stand on a false basis in the foreign exchange market. They are valued at a much lower level than is justified by their internal commodity values. This anomaly arises from the extreme uncertainty of political and economic conditions in those countries; consumption is outstripping production; Government expenditure is greater than revenue, while industrial unrest threatens at any moment to sweep away even the semblance of settled Government which exists. Under these circumstances there is no limit to the extent to which the paper currencies may depreciate, and the foreign purchaser is compelled to allow a very large margin for insurance. We are convinced that if once the League of Nations could establish an effective control over the finances of the States concerned, and if better-situated nations could advance to them that capital which has been destroyed by the War, confidence in their ultimate recovery would be restored, and within a very short time the exchange values of their currencies abroad would rise to levels more in consonance with their real values. Such a result would obviate the necessity for expedients of doubtful advisability, such as the restriction of imports of certain commodities, the subsidising directly or indirectly of certain industries, in fact, all of what has been falsely termed "anti-dumping" legislation. This would follow because the central European countries would not then, as now, be able to undersell our manufacturers, for the large and unwarranted premium on outside currencies, at present obtaining, would have been reduced.

The view expressed in these columns last week regarding the rumours concerning lower money rates were amply justified by conditions in Lombard Street. During the week, though maturities of Treasury bills were considerable, and the Clearing Banks also appeared to be drawing money from other sources, yet the demand was so keen, particularly in order to meet demands of the tax collector, that conditions may be described as stringent. Day-to-day money was generally quoted at five and a-half per cent. to six per cent.; new weekly loans were arranged at five and three-quarters per cent., and yesterday borrowers were driven to seek accommodation at the Bank at the official rate. The discount market being affected by monetary conditions, rates generally hardened; the three-months bill rose from 6¾-⅞ per cent. to 6⅝-¾ per cent. To-day funds appeared to have increased, and conditions were more comfortable.

Income and Expenditure.

It must be admitted that the present trend of movements in the national finances is far from unfavourable, especially considering how greatly the national income has been curtailed in the present depression. In the second week of January there was a surplus revenue of over £15 million. On that occasion, however, the position was due to an unusually small scale of expenditure rather than to any remarkable showing on the part of revenue. The same cannot be said of the week ending on Saturday last, for expenditure rose by over £6 million to £23,219,757. Yet revenue also showed an expansion of over £8 million, and, at £40,552,676, left a surplus of £17,332,919. If these features continue during the remaining weeks of the financial year the Budget estimates, allowing for supplementary grants, will be realised with ease. It would be premature, however, to say that such a favourable state of affairs will come

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about, having regard only to the showing made by revenue at the moment. It should be emphasised that, unless the most rigorous retrenchment is exercised, expenditure will be at a faster rate during the coming weeks, while the possibility of the excess profits duty involving the Exchequer in a net loss appears not at all unlikely in view of the gloomy outlook for commerce and industry. Incidentally, it may be noted that of the £32.3 million surplus revenue during the fortnight ending January 22, over £11 million was due purely to sales of Government stores. Obviously it is not very satisfactory to find the situation dependant to so large an extent on a virtually adventitious source of revenue.

It is significant that, despite the growing demand in the short-loan market last week, the amount of new money invested in Treasury bills showed an increase. The total outstanding on Saturday last was £1,161,894,000, or £8,045,000 above that returned on the previous Saturday. This, with the revenue surplus, gave a total amount available for debt redemption of £26,344,919, and it was applied in the following repayments of unfunded debt:—Ways and Means Advances repaid, £13,250,000 net; retirement of short-term foreign indebtedness, £9,688,584; and cancellation of securities surrendered in payment of excess profits duty and death duties, £2,079,121, making in all £25,017,705. Advances by the Bank were reduced by only £3,750,000, advances by Public Departments being repaid to the extent of £9,500,000.

Currency Notes.

During the week to Wednesday last fresh issues of notes, at £5,656,823, were £681,589 above those for the previous week; returns from circulation were on a smaller scale, with the result that the net decrease in the total outstanding of notes and certificates was only £4,349,808 during the week, as compared with £6,684,341 during the previous week. The latest total recorded is £339,934,660.

Bank of England.

The movements shown in the Bank return are on a much smaller scale than during the preceding weeks. The proportion of reserve to liabilities rose again from 13.4 per cent. to 14.2 per cent. this being the highest since August 25, 1920. The improvement, however, was due rather to a fall in liabilities than to an increased reserve, "other deposits" declining by £7,484,000 to £112,528,000, while the reserve rose by only £52,000 to £18,248,000. The smallness of the latter movement was due to the fact that the net return of notes from circulation was only £56,000 as compared with £1,293,000 during the preceding week, while at £128,287,000 the total of coin and bullion shows a decline of £4,000.

Bullion.

The United States was again the only purchaser in the Gold market. The parity price was to-day 105*s.* 7*d.* as against 109*s.* on the 21st. inst.

Price fluctuations were narrow in the Silver market; the level of quotations for immediate delivery was about the same as on the previous week. The chief influence was a demand from the Indian Bazaars for immediate delivery, and as stocks were rather scanty, the spot quotation was maintained at a premium. China was on balance a seller, and on account of the appreciation of sterling in New York, supplies continued to arrive from the United States. These factors are expected to bring about lower prices when the Indian demand has slackened. The following are the daily quotations for silver and gold since a week ago:—

	Jan. 22	Jan. 24	Jan. 25	Jan 26	Jan. 27	Jan. 28
Silver (per oz. std.):—						
Cash	39¼*d.*	40*d.*	39⅛*d.*	40*d.*	39⅝*d*	37½*d.*
Forward	39½*d.*	38⅝*d.*	39*d*	38⅝*d.*	38¼*d.*	37¼*d.*
Gold (per oz. fine) ..	—	108 6	107 4	107 9	106 3	105 7

NEW YORK.

Some large movements are again shown in the return of the New York City Banks and Trust Companies. A further decline of $110 million occurred in net demand deposits, the present amount of which, $3,935,380,000, is the lowest recorded since March 29, 1919. The aggregate reserve was reduced by $23,190,000 to $535,720,000, bringing the average excess reserve down by $8,560,000 to $13,780,000.

The New York Federal Reserve Bank did not benefit by the disimprovement in the position of the Clearing Banks. On the contrary, its ratio of reserves to liabilities shows a sharp fall from 40.6 per cent. to 38.1 per cent. during the week.

The combined statement of the twelve Federal Reserve banks again shows an improvement. Total reserves rose by $12,720,000 to $2,301,250,000, this constituting a fresh high record. Deposits show a slight expansion, but the actual circulation of Federal Reserve notes again fell substantially; the latest total recorded is $3,115,310,000, or $44,180,000 below that returned a week previously. Since the commencement of the year the contraction is $219,620,000, and in consequence the total reported on Friday last is the lowest since July 23 last. As a result of the changes just mentioned the ratio of total reserves to the combined Federal Reserve note and net deposit liabilities rose from 48.1 per cent. to 48.5 per cent., the highest since October 24, 1919. A rise of $33,490,000 in the holding of bills discounted for member banks was offset by a decline of a like amount in open-market purchases of bills.

Again there is little change to report in the situation in New York. Trading in the Stock market continues quiet, but at the same time attempts to depress quotations do not meet with any great success. Call money was firmer; the range of rates was six to seven per cent., actual loans being generally arranged at the higher figure.

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and
THE COMMERCIAL BANK OF SPANISH AMERICA LIMITED

Stock Exchange.

Our repeated insistence that the recent strength in gilt-edge securities was largely of a transient nature is borne out by the price movements of the past week. Excepting for Consols, which have displayed a surprisingly consistent upward movement for some time, British Government securities are lower all round on the week, Funding Loan being a particularly easy feature. Victory bonds maintained a show of strength until mid-week, and then reacted in sympathy with the general tone. The latter, which are accepted at par when tendered in payment of death duties, have been in demand on the anticipation of a possible increase in this tax. The other "bull" influences on the gilt-edge list have been the transference of funds from speculative employment into Government issues, and the forced sales [illegible]

strong belief, in an early reduction of the Bank rate. It is quite evident by now that such hopes were baseless, as far as the coming months are concerned, and that speculative activities against such a contingency were undertaken in a spirit of undue optimism.

County and Corporation stocks developed a moderate activity, a number of appreciations being recorded. The renewed strength of this section, combined with the eager reception accorded to the recent Local Loans flotation, forms a good augury for the issue which will shortly be made under the joint auspices of Halifax, Salford, Birkenhead, and Newcastle. The terms of the emission will be similar in nature to those of the Seven Towns loan which came on the market last November. In the Colonial section, the demand for Australian varieties continued, but transactions were not very numerous. The Australian Commonwealth will invite subscriptions during the week for £5,000,000 six per cent. bonds at ninety-five per cent. The flat yield is £6 6*s.* 3*d.* per cent. per annum, and as purchase payments will be spread over three months, the first half-year's interest will provide a substantial "turn." The loan will be redeemed between 1931 and 1941, thus giving an average yield on redemption of £6 10*s.* 8*d.* per cent. per annum.

The Foreign Bond section opened with an all-round show of strength, but prices relapsed sharply on Tuesday, and, with the exception of Brazilian issues, no recovery was recorded before the close. French, Belgian, Chinese, Japanese and South American descriptions commenced with a decided spurt, but on balance finished lower. German Threes were fractionally better.

The optimism which ruled over Home Rails during the early part of the month has now disappeared and a steady decline is again in evidence. Movements, though frequent, have not been of important dimensions during the week, but few among them favoured sellers. The Taff Vale dividend makes 4 per cent. for the year, and the Great Eastern 2¾ per cent., both the same as before. The announcements gave no assistance in buoying up quotations and the close was marked by a general easy tendency.

Among Foreign Rails, Argentine varieties provided a feature of outstanding weakness. Unfavourable labour reports and traffic returns have created a more pessimistic outlook and, in the absence of buyers, moderate offerings of stock have scaled down prices disproportionately. Brazilian varieties were also cheaper, and Grand Trunks, though generally higher on balance, eased away finally.

The volume of business in the Industrial section steadily dwindled away to almost negligible dimensions. Iron and Steel shares continued to recede. Except for a temporary rally in Guest Keens, no firm features were in evidence. Textiles were also subject to quiet realisations, but transactions were not numerous and the tone remained firm. Coats, Joshua Hoyles and Calico Printers hardened fractionally. Shipping securities did not attract much attention, but the leaders were all marked down slightly. Motors continued dull, Straker Squires relapsing further on the winding-up petition. Elsewhere no sign of a revival in inquiries was exhibited and quotations on the whole exhibited a drooping tendency.

The market in Oil shares was subjected to a heavy selling campaign, directed from Paris, and buying support, being confined to professional interests, was not sufficient to support prices. Royal Dutch, Shells, Mexican Eagles, and Scottish Americans sagged throughout the week. A sharp rally occurred late on Thursday and leaders recovered almost to opening levels. The further cut of $0.25 to $5.50 per barrel for Pennsylvania crude oil has not exercised a depressing effect on the market, the general opinion being that lower labour costs will provide an adequate margin for price reductions. The Trinidad Leaseholds meeting revealed a very satisfactory state of affairs, but the encouraging statements did not affect quotations.

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Mining Topics.

This has been rather a dull week in the Mining market. The steady relapse in the price of gold from 108*s.* 6*d.* to 105*s.* 7*d.* on Friday, a level which has not been reached for six months, was not calculated to operate as a "bull" factor in the Kaffir Circus. Moreover, at the opening Paris was selling. Consequently prices dropped, notably Rand Mines, which lost $\frac{3}{32}$ to 2$\frac{5}{16}$, Central Mining, which was $\frac{1}{8}$ lower at 6$\frac{5}{8}$ and, amongst the producers, Modder B, which fell $\frac{3}{32}$ to 1$\frac{3}{8}$. On Tuesday Paris turned buyer, but on a small scale only. Accordingly Rand Mines recovered to 2$\frac{3}{8}$ and Central Mining to 6$\frac{13}{16}$. For the rest of the week business was on a trifling scale, but the tone was rather firm. Geduld attracted attention at 2$\frac{7}{16}$, Modder Circus at 4, Modder East at 1, and Central Mining at 7. Chartered had to submit to a bout of realisations, but owing to a certain degree of support the fall was not very pronounced, the shares closing at 13*s.* on Thursday as against the opening price of 14*s.* 3*d.* on Monday. During the week it was announced that No. 4 shaft had intersected the reef in Brakpan at 4,218 feet. An assay of ninety-five samples from twenty-five sections gave an average of 7.6 dwt. for 39.2 inches, equivalent to 297 inch-dwt. The footwall leader included in these samples averaged 15.3 dwt. over 18.4 inches.

The belief was prevalent in the market during the week that one of the great barriers to a revival of activity was the number of enemy shares still held by the Union Custodian in South Africa and by the British Public Trustee. Some idea of the extent of these holdings may be obtained from a table supplied by our contemporary, *The South African Mining and Engineering Journal*, from the latest statement of the Union Custodian. The list contains fifty companies in which enemy holdings reach a nominal value of over £4,125,000. Of this total, the amount vested with the Union Custodian in South Africa was nearly £3,500,000, the balance representing the nominal value of shares vested in the British Public Trustee.

GLYNN'S LYDENBURG.

Results for Years to July 31

	Ore Milled Tons	Gold Yield per Ton *s. d.*	Working Costs per Ton *s. d.*	Working Profit Amount £	Working Profit Per Ton *s. d.*	Net Profit £	Dividends Amount £	Dividends %
1917 ..	49,852	39 9	24 10	37,103	14 11	41,158	34,000	20
1918 ...	46,964	37 9	26 7	26,235	11 2	29,840	27,625	16¼
1919 ...	37,982	37 0	33 4	6,988	3 8	9,962	8,500	5
1920 ...	39,554	31 7*	33 1	2,854‡	1 6‡	18,996†	17,000	10

* Excluding gold premium of £17,055, equivalent to an additional yield of 8*s.* 8*d.* per ton.
† Including £17,055 in respect of gold premium.
‡ Working loss with gold premium excluded.

Glynn's Lydenburg furnishes yet another instance of a South African gold mine that could not under existing working conditions derive sufficient revenue from its operations to cover its expenditure in the absence of the premium on gold. In comparing the results for the year ended July 31, 1920, with those of the previous year it is necessary to remember that in 1918-19 results were handicapped seriously by the influenza epidemic, which caused a decline in the quantity of ore milled from 46,964 to 37,982 tons. During the year under review, however, the mine had to face not only an inadequate supply of labour, but

also a marked falling off in efficiency. The first factor was reflected in the small increase in the quantity of ore treated to 39,554 tons. The second factor helped to account for the pronounced lowering of the grade of the ore, for the richer ore in Compound Hill called for more highly skilled labour. Working on the basis of the par value of gold in order to maintain an effective comparison, it is evident that the ore has been much poorer, the average yield per ton dropping from 37*s.* to 31*s.* 7*d.* On the other hand, working costs show a slight reduction at 33*s.* 1*d.*, despite the higher prices of stores and materials and the increase in the wages of white and native labour alike. This is a tribute to the economic supervision that is being exercised in order to keep expenses down to the lowest possible margin. However, the net result is a working loss of 1*s.* 6*d.* per ton, as against a profit of 3*s.* 8*d.* per ton in 1918-19. The presence of the premium on gold during the year transformed the whole situation. The total revenue derived from this source is stated to be £17,055. Accordingly, a gold revenue of 31*s.* 7*d.* is replaced by 40*s.* 3*d.*, and a working loss of £2,854, or 1*s.* 6*d.* per ton, by a working profit of £14,201, or 7*s.* 2*d.* per ton. Hence it was possible to declare a dividend of ten per cent., as against five per cent. in 1918-19. The dividend, absorbing £17,000, is thus paid entirely out of the receipts from the gold premium. The balance carried forward to the next accounts is reduced from £30,560 to £28,836.

Such development work as was possible with the poor supply of labour did not yield very encouraging results. The main drive south in Compound Hill continued to be in unpayable ground. In the limited area towards the north and north-east payable values were disclosed. As in the ore milled, however, there was also here a falling off in grade. The position of the ore reserves can be seen from the following table:—

July 31	Ore Reserves Tons	Width Ins.	Value s. d.	Shillings-inches
1917	109,126	13·4	37 10	505
1918	138,928	14·4	41 8	600
1919	108,456	14·4	39 11	575
1920	134,870	18·0	37 3	665

Considering the adverse circumstances of the year the result is on the whole satisfactory, especially as in the estimate an allowance has already been made for waste, so that 35*s.* 3*d.* represents very nearly the milling value of the ore.

Prospects for the current year are clearly bound up with the continuance and extent of the premium on gold, and in part on an improvement in the labour position. The former factor is assured for some time to come. During the five months ended December 31, 1920, it has reached very satisfactory levels, as evidenced in the bumper Rand dividends announced in December. The working profit for the five months reaches £12,651, and the prospects of an increased labour supply may help to increase the tonnage crushed in January, though, on the other hand, the improvement in the New York exchange will mean a lower price for the gold secured. An interim dividend is now announced of five per cent., as compared with two and a-half per cent. in the previous year. Such a dividend is easily justified by the profits earned to date. Development work for the quarter ended October 31, 1920, showed ore of 12.2 dwt. for 330 feet over a width of 11.7 inches in Compound Hill. These values were met with, however, towards the north and north-east. The south drive is still in unpayable ground. The balance sheet dated July 31, 1920, reveals a sound financial position. Current liabilities do not exceed £20,938, even with the inclusion of the mine development suspense account of £6,458, and are amply covered by liquid assets in the form of cash and gold to a total of £36,339. Quoted in the market at 7*s.* 6*d.*, the £1 shares afford even on a dividend of only five per cent. a return of over thirteen per cent. The declaration of any final dividend will increase the yield accordingly.

IPOH TIN DREDGING.

Issued Capital: £200,000 in Shares of £1 each.

Results for Years to December 31

	Ground Dredged Cubic Yards	Output of Tin Ore Tons	Value Realised per Ton of Tin Ore £	Cost per Ton Tot. £	Working Profit Tot. £	No. Price £	Dividends Amount £	
1916 ...	697,850	250	160·20	40·85	37,535	60·14	4,480	5
1917...	805,700	265½	132·50	57·14	19,850	14·84	8,960	10
1918...	634,820	246	182·20	66·30	115,420	14·016	8,960	10
1919...	666,700	169	149·25	121·95	27,420	622	8,960	10

The report presented to the shareholders of this Malayan tin-dredging Company for the year ended December 31, 1919, cannot well be described as satisfactory. It is true that the area of ground dredged increased by nearly 32,000 cubic yards to 666,700 cubic yards; but not only did the results fail to reflect this expansion, but they actually showed a marked contraction on those of the previous year. The output of tin ore fell from 246 tons to a little over 169 tons. In part this decline was due to the loss of time involved in effecting the necessary repairs on the dredge. Work was suspended for nearly three weeks in January to permit of the substitution of a new screen for the old one. Furthermore, owing to the heavier weight of the new screen, much trouble was caused by the wearing of the treads of both the screen and the rollers, whilst considerable structural strengthening also became inevitable. But in the main the heavy fall in the output must be attributed to the poorer value of the ground treated, especially in the northern end of the property. Furthermore, the clayey nature of the ground made for a low recovery. How much poorer this section turned out may be gauged from the fact that the average recovery fell by more than thirty per cent. during the year. Again, working operations were rendered more costly by the higher prices commanded not only by fuel but also by spares and renewals. The heavy reduction in the quantity of tin ore secured emphasised this fact. Accordingly, the working costs per ton have risen sharply from £66.3 to £121.95. And it so fell out that this movement coincided with a decline in the average price secured by the sale of the product from £182.2 per ton to £149.25 per ton. What this meant is perhaps best seen from the fact that the proceeds of the output amounted to £22,417, of which working costs alone absorbed £20,635. The position was in part retrieved by a claim for £4,313 in respect of excess profits duty and the recovery of £2,021 in respect of income tax. However, the necessary depreciation of £3,792 and a provision of £3,000 for income tax more than counterbalanced these receipts, with the result that the net profit dropped to £622. In view of this position, in conjunction with the fact that the amount carried forward was only £7,957, the subsequent declaration of a dividend of ten per cent., calling for £8,960, does not appear to be justified by the results of the year under review.

In February 1920 the nominal capital of the Company was increased from £90,000 to £225,000 by

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the creation of 135,000 shares of £1 each. The object of this increase was in part to provide funds for the payment of a new property acquired, and in part to finance the development programme which the Company had in view on both properties. The new acquisition covered an area of 143 acres, and was situated at Kamunting, adjoining the property of the Kamunting Tin Dredging Co. Some 110 acres had already been proved to carry as much as $\frac{4}{5}$ lb. tin to the cubic yard, with a dredgable depth of forty-one feet, whereas the existing Ipoh estate did not carry more than $\frac{3}{4}$ lb. tin to the cubic yard, with a dredgable depth of forty feet. Moreover, being much freer from clay, it is easier ground to work. The purchase price of the estate was fixed at 20,800 shares in the Ipoh Tin Dredging Co. Simultaneously an issue was made at par of 89,600 shares to existing shareholders, thereby raising the issued capital which will rank for dividend in the current year to £200,000. As already mentioned, the proceeds of this issue to shareholders were required to provide the additional machinery which it was proposed to set up at Ipoh and at Kamunting. Two new dredges have been ordered, one for Ipoh and one for Kamunting. Each of these dredges is estimated to be able to work on an average 80,000 cubic yards per month. This would enable the Company to treat over 2,500,000 cubic yards a year, which should enable a substantial reduction in the cost per cubic yard. It is a testimony to the foresight of the directors that the estimates of the profit to be earned when the three dredges are in full working order are based on a price of £200 per ton for tin, especially as this estimate was made as far back as February 1920, when tin was commanding over £400 a ton. On this basis a profit of ten per cent. could be secured for the life of the property, and there seems no reason for challenging the result.

The outlook for 1920 has been by no means very rosy. Early in the year, with tin rising to £420, prospects were so bright as to permit of the declaration of a dividend of ten per cent. for 1919, though the results did not warrant it. The subsequent slump in the price of tin to the level of £210 changed the situation. Until the accounts are published it is difficult to gauge the possibility of a dividend, especially as the Company will probably desire to conserve its resources in view of its outlay on the new dredges. Financially the position disclosed in the balance sheet at the end of 1919, in which no notice is taken of the later capital alteration, is satisfactory. Including the dividend of ten per cent. and the taxation reserve of £3,462 current liabilities did not exceed £16,699, whereas cash, sundry debtors and investments alone amounted to £17,375. The guarantee by the Government of the Malay States of a minimum price for tin of £245 must be of great value to a concern which calculated on a profit of ten per cent. with tin at £200. Of course until the new dredges are fully working such a profit cannot be expected. On the other hand, at present the general tendency for prices is to fall, whereas this time last year they were still inclined to move upwards. This factor should undoubtedly be reflected in a decline in working costs. Quoted in the market at 11*s.* 3*d.*, the £1 shares afford a return of over ten per cent. on the basis of a dividend of less than six per cent.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 26, 1921.

Issue Department.

Notes Issued	£144,955,445	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,505,445
	£144,955,445		£144,955,445

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£53,211,466
Rest	3,395,614	Other Securities	75,106,791
Public Deposits	16,080,802	Notes	16,470,345
Other Deposits	112,528,149	Gold and Silver Coin	1,778,163
Seven-day and other Bills	9,170		
	£146,566,765		£146,566,765

Comparison with Previous Four Weeks [00,000's omitted.]

Date. 1921.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Jan. 26	128.4	128.3	16.1	112.5	53.2	75.1	18.2	14·2	7	6⅝
Jan. 19	128.5	128.2	16.0	120.3	54.4	81.3	18.2	13·4	7	6⅝
Jan. 12	129.8	128.2	15.8	123.1	59.2	80.7	16.8	12·2	7	6½
Jan. 5	131.5	128.2	16.7	154.9	89.7	84.7	15.1	8·8	7	6½
1920. Dec. 29	132.8	128.2	14.3	175.5	107.8	86.0	13.8	7·3	7	6⅛
Jly. 22, '14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Jan. 26	Jan. 28	Jan. 29	Jan. 30	Jan. 25
Bank of England (in £'s sterling, 00,000's omitted):	1921	1920	1919	1918	1911
Circulation	£128.4	£88.2	£69.3	£45.9	£27.3
Public Deposits	16.1	20.1	26.6	38.2	11.2
Other Deposits	112.5	135.1	121.6	122.6	41.1
Government Securities	53.2	62.6	55.9	55.9	15.0
Other Securities	75.1	80.3	80.4	91.9	28.3
Reserve	18.2	30.1	29.8	31.2	27.2
Ratio to Liabilities	14·2%	19·4%	20·13%	19·37%	51·89%
Coin and Bullion	128.3	99.9	80.7	58.6	36.0
Money:					
Bank of England Rate	7%	6%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅜%	5⅝%	3½%	4⅛%	3⅜-⅝%
Exchanges:					
Paris Cheque	53·15	46·40	25·98½	27·14⅛	25·30
New York 60 days	3·80	3·49	4·73¼	4·72½	4 82
Bombay Telegraphic Transfers	1/5½	2/3⅝	1/5⅛	1/4⅛	1/4⅛
Prices:					
Consols 2½% Cash	49	51½	59	54½	79⅝
French Rentes 3% Money	58·60	58·70	63·75	57·75	97·25
Silver, London spot oz.	37⅞d.	84⅛d.	48⅛d.	42⅜d.	24⅝d.
Wheat, *Gazette* average qr.	85/4	72/7	72/7	71/1	30/11
Cotton, Mid Upland lb.	10·64d.	29·63d.	19·35d.	23·15d.	8·04d.
Iron, Scotch pig ton	231/0	181/0	101/0	101/0	55/4½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Jan. 26, '21	5,656,823	10,006,632	339,934,660	28,500,000	19,450,000	13·9
Jan. 19, '21	4,338,412	11,022,753	344,284,468	28,500,000	19,450,000	13·8
Jan. 28, '20	4,743,446	7,783,015	329,554,197	28,500,000	4,000,000	9·3
Jan. 29, '19	5,831,011	6,569,758	307,479,880	28,500,000	—	9·2
Jan. 30, '18	6,273,134	4,430,819	218,985,296	28,500,000	—	13·4
Jan. 31, '17	4,930,366	5,059,366	143,551,728	28,500,000	—	19·8

Balance Sheet, January 26, 1921.

Notes outstanding:—	£	Advances—	£
One Pound	269,763,537	Other Bankers	—
Ten Shilling	41,141,123	Trustee Savings Banks ...	—
Certificates outstanding ...	29,030,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	339,934,660	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,554,650	Government Securities ...	310,369,639
Investments Reserve A/c ...	15,980,280	Balance at Bank of England	149,951
Total	358,469,590	Total	358,469,590

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts *	Other Issues	Cash Balance
Jan. 22, '21...	£40,553	£23,220	*£17,333*‡	£156,768	£173,743	£3,861
Jan. 15, '21...	32,467	17,174	*15,293*‡	139,881	154,860	3,503
Jan. 8, '21...	28,590	27,075	*1,515*‡	160,121	161,458	3,189
297 dys. '20-21	990,413	910,158	*80,255*‡	4,694,959	4,784,583	—5,508
299 dys. '19-20	824,856	1,124,063	*299,207*	5,087,411	4,701,003	—7,993
Yr. '20 21*	1,418,300	1,233,642	*184,658*‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	21,030

[Principal Items of Revenue and Expenditure.

Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profit Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services
Jan. 22, '21...	£13,176	£12,826	£5,812	£18,739	£3,519	£321	£19,280
Jan. 15, '21...	4,010	12,365	5,918	10,174	2,552	362	14,260
Jan. 8, '21...	5,066	9,743	4,894	7,877	6,293	501	20,281
257 days '20-21	273,065	191,756	172,978	352,614	294,817	17,235	598,006
299 days '19-20	229,788	181,008	227,753	186,606	282,141	12,689	930,533
Yr. '20 21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	**Treasury Bond Receipts**
Jan. 22, 1921 ...	£1,161,894	£233,122	£1,395,016	£19,463
Jan. 15, 1921 ...	1,153,849	246,372	1,400,221	19,055
Jan. 8, 1921 ...	1,147,359	261,522	1,408,881	18,635
Dec. 31, 1920 ...	1,102,109	305,972	1,408,081	18,260
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates, including supplementary grants. † Highest. ‡ Excess of revenue

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£10.977	£633	£11.610	£41.925	£51.800	£6.263
Jan. 13, '21	...	10.661	1.119	11.780	—	249.8-5	43.079
Jan. 20, '21	...	10.661	1.120	11.781	31.911	249.656	43.123

		Claim on Austro-Hung. Bank	Contingent Liabs. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Dec. 31, '20	...	£396.755	£81.185	£83.980	£96.780	£470.355	£48.426
Jan. 7, '21	...	396.759	79.639	79.367	96.639	46..339	50.382
Jan. 15, '21	...	396.762	79,103	72,381	95.410	45.-.47	54.782

		Gold	Cash Silver	Cash Total	Discounts Abroad	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4.1'0	£341	£4.441	£6.197	£786	£8.693	£47
Nov. 30, '20	...	12.644	145	12.789	14.328	757	30.845	3.305
Dec. 31, '20	...	12.643	145	12.788	13.395	522	30.928	3.623
Dec. 31, '19	...	12,605	184	12,789	12,803	1,640	27,186	3,995
Dec. 31, '18	...	10,812	135	10,947	4,473	4,976	25,002	809

		Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
FRANCE.								
July 30, '14	...	£165.654		£190.667	£97.788	£267.327	£15.302	£37.903
Jan. 20, '21	...	142,125	77.934	230.777	120,113	1,526,116	1,489	130,062
Jan. 27, '21	...	142.135	77.934	230.903	122.746	1,476,520	1,584	135,595
Jan. 29, '20	...	144.077	79,131	233.4'8	75,421	1,503,3'0	1,655	125.239
Jan. 30, '19	...	138.715	81,484	232,845	50,092	1,279,321	2.240	104,616

		Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£67.843	£16,727	£84.570	£5,279	£40.055	£94.545	£47.198
Jan. 7, '21	...	54,577	324	54.901	1,079,446	2.825,151	3,393,819	625.482
Jan. 15, '21	...	54,577	320	54.897	1,102,419	2.690,338	3,327,335	778.872
Jan. 14, '20	...	54,433	800	55,262	551.697	1,735,154	1,784,179	561.397
Jan. 15, '19	...	112.859	972	113,831	267,750	1,377,452	1,126,318	681.046

		Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14		£13.496	£249	£13.745	£13.422	£10,332	£35.660	£1,437
Jan. 17, '21	...	53.012	1.824	54.136	21.479	—	89.716	7,494
Jan. 24, '21	...	53.012	1,845	54.857	18.792	—	87.065	6.967
Jan. 24, '20	...	52,657	647	53,304	22,294	18,215	84,939	9,657
Jan. 25, '19	...	57,031	732	57,763	19,210	11,255	87,924	7,425

		Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	—£49.456—		£25.017	£69.204	£8.887
Oct. 20, '20	...	£32.191	£2.999	35.190	11.604	215.313	606.576	79.451
Oct. 30, '20	...	32,768	2,999	35.767	14.075	230.472	611.158	72.207
Oct. 31, '19	...	32.200	3.006	35.206	26.417	89,476	478.217	74.473
Oct. 31, '18	...	32.697	3.078	35.775	5.283	62.386	358.445	56.877

		Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.							
Aug. 1, '14	...	£21.867	£1,829	£7.863	£32,722	£13.818	£1,521
Dec. 11, '20	...	113,381	11,348	14,528	112,032	102,308	18,201
Dec. 18, '20	...	112,828	9.412	13.600	114,491	99,042	16,099
Dec. 20, '19	...	91,933	14.212	36,931	126,034	114,067	3,150
Dec. 21, '18	...	72,600	3,914	44,371	94,403	99.072	5,416

		Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest..&c.	Net Deposits Demand	Net Deposits Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14...		—	£89.888	£411.238	—	—	£887.165	£1.720
Jan. 15, '21...		£19.120†	111.732	1,034.3'4	£309,076	£54,954	873.504	4,468
Jan. 22, '21...		18,952†	107.144	1,031,192	787,076	52,694	864,572	2,756
Jan. 24, '20...		19,863†	101,868	1,060,294	838,016	52,752	925,388	6.678
Jan. 25, '19...		20,268†	109.728	953,766	785,326	23,053	866,520	5,904

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£6,752	£793
Jan. 15, '21	...	8,115	3,191	578	24,903	24,002	6,702
Jan. 22, '21	...	8,115	3,232	603	24,798	23,444	7,136
Jan. 22, '20	...	8,136	3,359	851	19,171	22,696	4,215

		Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
PORTUGAL.							
Oct. 6, '20	...	£1,906	£3,921	£5,827	£26,898	£119,830	£4,774
Oct. 13, '20	...	1,906	3.921	5.827	29.347	119.490	4.502
Sept. 3, '19	...	1,905	3,924	5,829	7,846	66,556	6,774
Sept. 4, '18	...	1,905	3.742	5.647	10.795	54.450	2,357

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Oct. 2, '20	...	£108,008	£21,154	£5,276	£26,430	£314,700
Oct. 9, '20	...	112.008	24,630	4,681	29,291	324,600
Oct. 16, '20	...	112,009	25.670	4,922	30.592	328,938
Oct. 18, '19	...	49,512	7,658	2,443	10,099	143,436

		Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 31, '14...		£160.114	£14.395	£181.892	£76.081	£163.411	£6,589	£109.911
Oct. 29, '17...		129.523	230.865	378.205	1,869.559	1,836.217	15.783	345.550

		Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21.804	£29.187	£50.991	£40,572	£13,778	£77,557	£18,955
Jan. 15, '21	...	98.377	22.950	121.327	103,795	13,779	173,951	47.095
Jan. 22, '21	...	98.452	23.202	121.654	103,793	13,779	172,591	47.353
Jan. 24, '20	...	93,135	25,365	123,500	88,956	13.779	154,708	43,800
Jan. 25, '19	...	89,140	25,666	114,806	67,541	13,777	135,216	45,028

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5.717	£6,150	£1,555	£7,495	£13,432	£3,903
Jan. 15, '21	...	15.647	5,277	705	28,8..7	36,952	13,377
Jan. 22, '21	...	15.870	5,994	705	29,360	35,281	12,708
Jan. 24, '20	...	15,587	5,964	2,686	26,324	35,121	11,811
Jan. 25, '19	...	15,577	7,107	3,034	18,971	38,285	6,139

		Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Jan. 7, '21	...	21,716	4,929	26.645	17,829	38.451	5,893
Jan. 15, '21	...	21,718	5,053	26,771	15,719	36,776	6,079
Jan. 15, '20	...	20,878	3,216	23,894	16,718	36,992	6,600
Jan. 15, '19	...	16,542	2,429	18,971	21,047	34,444	7,566

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Held by Banks	Gold With Agents	Total Cash	Bills Discounted	Bills Accept'ces	Deposits Govt.	Deposits Net	Circulation
Jan. 17, '21 ...	—£417.090—		£457.706	£489.903	£40.682	£1.784	£319 090	£631.-98
Jan. 24, '21 ...	—419.154—		460.252	495 606	33.540	6 520	325 700	623.062
Jan. 26, '20 ...	155 834	249.496	417.580	430.692	115.158	18 090	363.563	568 848
Jan. 24, '19 ...	151.444	263.820	433.678	352.406	56.938	29.276	337.186	493 312

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	7	Sept. 3,'20
Berlin	5	Dec. 23,'14	Madrid	6	Nov. 4,'20
Berne	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay	7	Nov. 12,'20	Petrograd ...	8	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	7	Nov. 19,'20	Stockholm ...	7½	Sept. 16,'20
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan. 28, '21	Jan. 21, '21	Jan. 14, '21	Jan. 7, '21
Berlin	Cable	221m.	232m.	257m.	£62m.
Brussels	Cheques	53fr. 12c.	54fr. 65c.	58fr. 32c.	58fr. 12c.
Denmark	Cable	19kr. 65	19kr. 25	21kr. 10	22kr. 35
Holland	do.	11d. 42c.	11d. 37c.	11d. 37c.	10d. 38c.
Italy	do.	104lr. 75	106lr.	108lr. 12	104lr. 50
Lisbon and Oporto	do.	6½d.	6½d.	6½d.	6½d.
New York	do.	$3 88	$3 77½	$3 74¾	$3 63¾
—	Cheques	$3 90	$3 78¾	$3 76	$3 65
Norway	Cable	20kr. 80	19kr. 40	21kr. 75	22kr. 45
Paris	3 mos.	58fr. 45c.	58fr. 05c.	62fr. 07c.	61fr. 90c.
—	Cable	55fr. 70c.	57fr. 30c.	61fr. 32c.	61fr. 15c.
Spain (Bank places)	3 mos.	42¼d.	42¼d.	42¼d.	42¼d.
—	Cable	27p. 82	28p. 05	28p. 20	27p. 45
Sweden	do.	17kr. 60	17kr. 47	17kr. 51	17kr. 58
Switzerland	3 mos.	24fr. 73c.	24fr. 57c.	24fr. 45c.	24fr. 07c.
—	Cable	24fr. 23c.	24fr. 07c.	23fr. 95c.	23fr. 57c.

ON LONDON—		Jan. 28, '21	Jan. 21, '21	Jan. 14, '21	Par.
Alexandria	Sight	97¼pi.	97¼pi.	97¼pi.	97¼pi.
Amsterdam	Cheques	11d. 42c.	11d. 37c.	11d. 36½c.	12·107•.
Athens	Cable	51dr. 00	50dr. 62	51dr. 25 m.	25·3r. 22½
Bombay	Transfers	1s. 5⅞d.	1s. 5⅞d.	1s. 5¾d.	2s.•
Brussels	Cheques	51c. 35c.	54f. 32c.	58f. 30c.	25f. 22½c.
Buenos Ayres.....	Transfers	49⅞d.	50⅛d.	50¼d.	47·58d.
Calcutta	do.	1s. 5¼d.	1s. 5⅜d.	1s. 5¾d.	2s.•
Christiania	Sight	20kr. 72	19kr. 44	21kr. 75	18·159kr.
Copenhagen	do.	19kr. 86	19kr. 32	21kr. 15	18·159kr.
Helsingfors	Cable	112m.	117m.	122m.	25m. 22½
Hong Kong.....	Transfers	2s. 10⅛d.	2s. 11⅜d.	2s. 11⅛d.	—
Italy	Sight	105lr. 00c.	105lr. 50c.	108lr. 62c.	25lr. 22½c.
Lisbon	do.	6¾d.	6¾d.	6¾d.	53½d.
Madras	do.	1s. 5½d.	1s. 5⅝d.	1s. 5¾d.	2s.•
Madrid	do.	27p. 81	28p. 04	28p. 20	25p. 22½
Montevideo	Transfers	43½d.	—	—	51d.
Montreal	Cable	$4 31	$4 29	$4 28½	$4 86⅔
New York	Sight	$3 84½	$3 75¾	$3 71¾	—
—	60 days	$3 80	$3 73¼	$3 67	—
—	Cable	$3 85½	$3 76¼	$3 72½	$4 86⅝
Paris	Cheques	53f. 15c.	57f. 07c.	61f. 27c.	25f. 22½c.
Rio de Janeiro	90 days	10⅞d.	—	10¾d.	16d.
Shanghai.....	Transfers	3s. 9¼d.	3s. 11⅛d.	3s. 11⅜d.	—
Singapore	Sight	2s. 3⅝d.	2s. 3½d.	2s. 3¼d.	—
Stockholm	do.	20kr. 72	17kr. 47	17kr. 46	18·159kr.
Switzerland	do.	24f. 22c.	24f. 05c.	23f. 97c.	25f. 22½c.
Valparaiso	90 days	8⅝	8⅜	8¾	18d.
Yokohama	Sight	2s. 6d.	2s. 6⅛d.	2s. 6⅜d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—		Rate Current* Jan. 28, '21	Rate Current* Jan. 21, '21	Par as Officially Quoted	Rate July 3
Amsterdam, sight	...	33·70c.	33·60c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	...	27·375c.	27·375c.	48·66c. for 1 rupee	33·00c.
Buenos Ayres, cheques	...	126·0	127·30		
Christiania, cheques	...	18·95c.	18·10c.	26·80c. for 1 kroner	
Copenhagen, cheques	...	19·95c.	16·35c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	...	7·60c.	7·40c.	19·295c. for 1 drachma	
Hongkong, cheques	...	55·25c.	55·625c.	74·59c. for Mex. $1	46·4c.
Italy, sight	...	37·4l.	35·00l.	5·18½ lire for $1	5·17l.
Lima, cheques	...	4·42l.	4·42l.	4·8665 $ for 1 libra	
Manila, cheques	...	46·00c.	46·00c.	50c. for 1 peso	49·8c.
Montreal	...	10·75% disc.	12·25% disc.	Premium per $100	Par
Paris, sight	...	13·8fr.	15·51fr.	5·18½ francs for $1	5·16fr.
Rio de Janeiro, cheques		6·72mil.	6·93mil.	3·032 milreis for $1	
Shanghai, cheques	...	74·0c.	74·375c.	52·96c. for 1 tael	83·00c.
Singapore, cheques	...	42·00c.	42·00c.	56·77c. for $1	57·12c.
Spain, cheques	...	13·75c.	13·42c.	19·30c. for 1 peseta	
Stockholm, cheques	...	21·90c.	21·45c.	26·80c. for 1 kroner	
Switzerland, cheques	...	6·29fr.	6·39fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques	...	14·75c.	14·75c.	20·61c. for 1 peso	
Yokohama, cheques	...	48·50c.	48·00c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Increase.*	1920 Amount.	Increase or Decrease.*	
	1921	[In £'s sterling—000's omitted.]				%
BIRMINGHAM ...	Jan. 22	£2.635	— £579	£12.493	— £1.096	— 8·0
BRISTOL	,, 22	1,738	— 4	6.515	— 835	— 11·3
DUBLIN	,, 22	7.623	— 355	31.137	— 4.095	— 11·6
LEEDS	,, 22	1,306	— 451	4.297	— 923	— 17·6
LEICESTER	,, 22	706	— 407	3.270	— 1.477	— 31·1
LIVERPOOL ...	,, 22	10.233	— 7,120	51.935	— 9,402	— 15·3
MANCHESTER ...	,, 22	16 134	— 14.747	69.137	— 41.781	— 37·6
NEWCASTLE	,, 22	2.184	— 1,034	3.060	— 1.506	— 32·9
NOTTINGHAM ...	,, 22	690	— 252	10.303	— 877	— 7·8
SHEFFIELD	,, 22	1.287	+ 240	4.926	— 64	+ 1·1
LONDON—	1921					
TOWN	Jan. 26	577.630	— 68,661	2.810.612	— 81.456	— 3·1
METROPOLITAN	,, 26	38 7-4	— 7.491	[illegible]	— 22.149	— 12·[illegible]
COUNTRY	,, 26	64.495	— 13.894	286.899	— 47.277	— 14·[illegible]
TOTAL	Jan. 26	678.83	— 9[illegible]	3.868.53[illegible]	— 150.8[illegible]	— [illegible]

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Argier & Co., Ltd.

HOMEWARDS.	1921 Jan. 28	1921 Jan. 21	1914 Jan. 23
Alex. to U.K. ...	15/0	17/3	6 9
Aust. to U.K. ...	72 6	—	31 9
Bilbao to Cardiff	9 6	9 6	—
Bombay to p.p. ...	—	—	17/0
Burmah to U.K. ...	—	—	22/6
Calcuttatop.p.(jute)	—	—	—
Danube to U.K.	37 6	—	10/6
R. Plate to U.K....	32/6	—	—

* Per ton.

Homewards.—*Cont.*	1921 Jan. 28	1921 Jan. 21	1914 Jan. 23
[illegible]	[illegible]	[illegible]	[illegible]
U.S. Atl. ports to U.K.	6 6	—	2 0†
Gulf Ports to U.K. Cont.			
(cotton and grain)	—	—	11 0*
OUTWARDS.—Cardiff to			
Port Said ...	15/0	15/0	8/0
River Plate ...	17 6	17/3	14/3
St. Vincent ...	13 0	13.0	7/6

† Per quarter,
Time Charter, nominal.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JAN. 28, 1921	JAN. 30, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	231 0	181 0	57 0
— Middlesbro' warrants ...ton	225 0	175 0	51 0
— Hematite warrants ...ton	240 0	220 0	61 0
— Staffordshire bars, London ton	£31 10	£26 15	£8 10
— Common bars ...ton	£27 10—£28	£24 5	£6 16
Steel Rails ...ton	£23—£25	£18 15—£19 5	£6 2/6
Galvanised Sheets ...ton	£28—£30	£45—£47nom.	£16 17/1
Copper—Standard ...ton	£63	£119	£66
Tin—English Ingots ...ton	£164—£165	£380	£142 15
— Straits ...ton	£183	£388	£139 10
Tinplates, I.C. Coke, S. Wales...box	36 0	69.6	11/10½—12/0
Lead—Soft Foreign ...ton	£23 5—£23 12/6	£47 5—£47 15	£19
Spelter—Ord. Foreign ...ton	£24—£25	£59 10—£61	£21 7/9
Quicksilver—(75lb.) ...bottle	£12 10—£13	£21 10	£7
Aluminium ...ton	nom	£165	£82
Antimony—Regulus Foreign ...ton	£25	£67	£27 10
— English ...ton	£38 5—£42	£69	—
Coal—(best) Yorkshire ...ton	37/2—38 2	21 6 22 6	17 6
— Steam (best) Newcastle...ton	50 2—55 2	46/0—51/0	14 6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	13 0	14 6	7 4
Soda—Crystals ex wharf ...ton	140 0	130/0—140 0	42 6—45 0
Copra—Malay and States ...ton	£33 10	£71 10	£23 15-£24 7/6
Gambier—Good marks ...cwt.	35/0—37/6	51/0	16/10½
Indigo—Bengal good to fine ...lb.	11/6—14 6	13 0—16 6	3/2—3/8
Linseed Oil—Raw ...ton	£33 10	£109	£25 5
Linseed—Calcutta, spot ...ton	£18	£51	£13 16 9
— Cakes, U.K. made, ex mill ...ton	—	£25	£7 17/8—£8
Olive Oil—Spanish ...ton	—	nom	£49 10
Palm Oil—Lagos ...ton	£38—£39	£102 10	£31 10
Petroleum—American ...gallon	2 3½	1 8	7½d.
Rape Oil—Refined English ...ton	77/3—82/6	£130	£32
Soya Oil—Refined ...ton	nom	£117	£24 10
Tallow—Imported ...cwt.	42/0—50/0	105/0—108 0	29/3—33/3
Turpentine—American ...cwt.	£80	192 6	33 7½
Rape Seed—Toria ...ton	£20 10	£52	£13 5
Rubber—Para, spot ...lb.	1/0½	2 9½	2 9½
— Fine plantation (std. crepe) lb.	1 0	2 9½	2/2
— World's Production* Oct. tons	26.620	31.795	8.467
Shellac—T.N. Orange, fair ...cwt.	350 0—360/0	875 0	63.0—64.0
TEXTILES.			
Cotton—Middling Upland ...lb.	10 64d.	29 63d.	7 53d.
— Egyptian good fair ...lb.	18 00d.	68 50d.	8 75d.
— Pernambuco fair ...lb.	10 24d.	33 63d.	7 73d.
— Midland Upl. New York...lb.	15 00	39 05	13 25
— Stock, Liverpool (Jan. 21) bales	1,067.740	951,890	934.600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£53	£58	£25 10
— Manila fair ...ton	£53	£68 10	£26 10
Jute—First Marks ...ton	£37 10	£68—£70	£26 15
— Red SCO ...ton	£32	£55 10	£24 15
Silk—Common, New Style ...lb.	24 0	55 0	12/0—12/6
Wool—Pt. Philip unwashed av. lb.	2/7	5/6	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/1	2 4½	1 0½
Hides—Eng. Ox. best, 70lb. up lb.	6½d.	15½d.—16½d.	7½d.
Leather—Dressing Hides ...lb.	2/0—2/6	3/6—4/0	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	92,497.000	101.580.000	34,640,000
— Red, price, N.Y. 60lb....bushel	196	nom	67½c.
— English Gazette, aver. 430lb. qr.	85 4	72/7	34 3
Flour—G.R. ...280lb.	78/0	44/3	28/6
Barley—Eng Gaz., aver. 400lb. qr.	73/7	108/11	25 4
Oats—Eng. Gaz., aver. 312 lb. qr.	43/11	57/10	20/0
Maize—N.Y. (new bushel)...56lb.	86	172½	76½c.
— Amer. mixed, Liverpool...480lb.	44 0—46/0	nom	32 4
— La Plata ...480lb. qr.	46/6—52/0	65 0	25/9
Potatoes—Good English ...ton	190 0	26 /0	70 0—75/0
Rice—Bassein ...cwt.	15/0—16/0	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	34 0—36 0	37/0	14/0—17/8
Hay—best ...2,018lb....load	—	—	82 6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	6 8	9 0	3/8—3/10
— Scotch sides ...8lb.	11/8	10/0	4/6—5/0
— English ...8lb.	11/8	10/0	4/2—4/5
Mutton—Scotch wethers...8lb.	14 6	10/6	5/8—6/0
— English wethers ...8lb.	14 6	10/6	4/6—5/4
— New Zealand frozen ...8lb.	4 0—6 0	4 0—7/0	2 4—3 2
Pork—English and Irish ...8lb.	12/6	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	‡210/0	200/6	60 0—74 0
— Danish ...cwt.	‡207 0	†187 0	58 0—68 0
— Canadian, ex Port ...cwt.	†198/0	†187/0	—
— American, ex Port ...cwt.	†150/0—156/6	†187/0	72/0—74 0
Hams—Amer. long cut, ex Port cwt.	†180/0	†190/0	75/0—79/0
— — short cut, ex Port ...cwt.	†175/0	†190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†138/0	†198/6	51/9—52/9
Butter—Danish ...cwt.	†336/0	270/8	117/0—120/0
— French ...cwt.	†336/0	270 8	96/0—108 0
— Australian ...cwt.	†336/0	270 8	98/0—110/0
— New Zealand ...cwt.	†336/0	270 8	108/0—114/0
Cheese—Canadian ...cwt.	153/0—158/0	†145/0	66.0—68.0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt.	†168/0—230/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Dec. 31...cwt.	27.311.881	32.089.127	19.777.254
— Home consump'n. to Dec. 31 cwt.	22,118,787	30.635.904	17.272.000
— In Bond Dec. 31 ...cwt.	8,040.000	6.378.000	6.308.000
— Price, Java, 96° Pol. ...cwt.	37/0	53/0	10/3
— — Yellow crystals ...cwt.	65/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1...cwt.	76/0	72/0	18/0
Coffee—Imports to Dec. 31 ...cwt.	746.701	1.066.046	720.360
— Home consumpt'n to Dec. 31 cwt.	306.412	315.475	141.410
— Exports to Dec. 31 ...cwt.	495.916	630.431	340.250
— In Bond Dec. 31 ...cwt.	657.000	734.000	484.000
— Price, Costa Rica gd. to fine cwt.	115/0—155/0	158/0—164/0	80.0—93/0
— — Brazil (Santos) good ...cwt.	65/0—70/0	130 0—132 0	41/6
Tea—Imports to Dec. 31 ...lb.	431.717.976	494.353.466	123.230.277
— Home consump'n. to Dec. 31 lb.	392.823.757	388.464.435	155.447.972
— Exports to Dec. 31...lb.	41.280.187	29.536.461	26.561.765
— In Bond Dec. 31 ...lb.	220.433.000	213.083.000	78.292.000
— Price, Indian, Pek. Soug. gd. lb.	5½	1/5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	4½d.	1/6	8½d.
— — Common Congou ...lb.	—	1/3	5½d.
Cocoa—In Bond Dec. 31 ...cwt.	1.097.000	738.000	309.000
— Grenada, good to fine ...cwt.	52 0—54 0	85 0	52/6—56 0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Nov.	$23.799.000	+6.432.000	$4.073.000	+$1.223000
	11 *mos.* to Nov.	196.037.000	+36134000	30.931.000	— 320.000
Grand Trunk	Nov.	£1.609 200	+ £357.300	£142.000	+ £38.700
	11 *mos.* to Nov..	15.108.800	+2.254.700	991.000	— 575.100

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulations of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Dec. 25	1,044	R2,03,233 —	528	12	27,35,208 —	89,305
Barsi Light ...	Dec. 25	118	27.800 +	2.400	52	10.38.600 —	66,500
Bengal & N.W.	Dec. 25	2,067	4.71.070 +	17.377	12	57,69,143 +	1.81,582
Beng. Dooars	Dec. 18	158	26.209 —	10.224	51	3.55.283 —	2,51,598
Beng. Nagpur	Dec. 25	2.695	12.04.000 —	65.000	2	4.63.48.948 —	8.87.896
Bomb. Baroda	Jan. 15	2.871	14.49.000 —	5.54.000	5	2.74.74.000 —	6.65.000
Burma ...	Dec. 18	1.342	5.36.487 —	14 644	11	62.65.125 —	4.88.574
Del. Um. Kalk.	Jan. 22	239	83.000 +	4.619	16	16.87.777 +	73.079
East Indian ...	Jan. 22	2.772	27.78.000 +	2.01.000	16	4.48.15.000 +	23.43.000
Gt. Indian Pen	Jan. 15	3.121½	25.76.300 —	85.700	15	4.16.53.024 +	19.77.163
Madras & S.M.	Jan. 1	3.152	11.60.000 —	80.022	13	4.71.85.915 —	88.969
Nizam's Guar.	Dec. 25	900	3.01.894 —	18.869	12	32.38.032 +	22.701
Rob. & Kumn	Dec. 25	576	103.548 —	10.760	12	11.59.483 +	16.339
South Indian	Dec. 25	1.852½	7.47.391 —	27 984	38	3.05.28.102 +	11.36.146
South Punjab	Sept.	716	9.68.745 +	1.96.135	6m	53.48.044 +	10.72.764
COLONIAL							
Can. Northern	Jan. 14	9.704	$1.272.300 +	193.300	2	2,331,600 +	212.000
Can. Pacific ...	Jan. 21	13.388	3.196.000 +	359.000	3	9.775.000 +	436.000
Grand Trunk	Jan. 21	3.616	£279.007 +	61.942	3	375,219 +	173.595
Mashonaland	Oct.	810	85.224 +	5.332	1m	—	—
Mid. W. Aust.	Nov.	277	12.273 +	526	5m	53.709 +	5.951
New Cape Cent	Jan. 1	205	2.873 —	559	52	153,957 +	16.075
Rhodesia Rlys	Oct.	1.397	124.725 +	11.326	1m	—	—
Temiscouata...	Oct.	—	$48.120 +	18.466	10m	357,059 +	50.889
FOREIGN.							
Argentine.							
Arg. N. East...	Jan. 22	752	£ 11.300 +	600	30	345.700 —	4.800
Arg. Transand	Jan. 15	111	£ 3.572 —	2.518	29	70.164 +	2.758
B.A. & Pacific	Jan. 22	3.435	£ 125.000 —	17.000	30	3.552.000 —	726 000
B.A.Gt. South	Jan. 22	3.903	£ 191.000 —	7.000	30	4,448.000 —	716.000
Do.	Jan. 22	Net	£ 46.000 —	37.000	30	550.000 —	1,172.000
B.A. Western	Jan. 22	1.882	£ 85.000 —	10.000	30	2.167.000 —	702.000
Do.	Jan. 22	Net	£ 13.000 —	15.000	30	173.000 —	835.000
B. A. Central	Nov.	190	£ 47.981 +	4.230	5m	262.315 +	35.213
Cent. Argent.	Jan. 22	3.305	£ 182.000 —	2.000	30	5.784.000 +	614.000
Cord. Centr	Jan. 22	1.205	£ 46.000 —	10.900	30	1.637.000 —	145.000
Entre Rios ...	Jan. 22	811	£ 24.300 +	1,300	30	642.400 —	27.000
Brazilian.							
Brazilian South	Dec.	110	M 55.500 —	12.750	12m	550.500 —	62.421
Brazil Railway	Dec.	3.530	M4.859.000 —	141.271	12m	57.772.000 +	7.619.243
Gt. W. Brazil	Jan. 22	1.010	£ 16.500 —	13.700	4	51.800 —	53.500
Leopoldina ...	Jan. 22	1.831	£ 30.121 —	26.283	4	99.936 —	73.226
Mogyana	Dec.	1.180	M1.561.000 —	956.490	12m	22.267.000 —	2.474.651
Paulista	Dec.	766	M2.650.000 —	906.038	12m	32.479.000 —	1.225.892
San Paulo ..	Jan. 23	153½	£ 32.283 —	12.776	4	135.944 —	35.187
Sorocabana	Dec.	1.003	M1.749.000 —	246.168	12m	21.953.000 +	976.69
Sud Bahia & W.	Dec.	52	M 160.000 +	44.000	12m	1.373.000 +	169.000
Chilean and Peruvian.							
Antofagasta...	Jan. 23	838	£ 33.160 —	34.890	4	100.225 —	105.490
Arica	June	84½	£ 12.000 +	500	6m	76.000 +	10.700
Nitrate (2wks)	Jan. 15	390	£ 40.236 +	13.805	2	—	—
Peruvian Corp.	Dec.	1.140	S 1.328.840 +	17.976	6m	6.962.495 —	20.278
Tal tal	Dec.	180	£ 30.548 +	4.763	8m	175.382 +	78.265
Cuban.							
Cuban Central	Jan. 22	362	£ 28.585 —	14.481	30	669.919 +	62.430
Cuba Railroad	Oct.	—	$ 993.842 —	75.930	4m	4.430.217 +	288.610
Havana Cent	Jan. 15	70	£ 15.964 +	4.350	29	388.531 +	88.256
U. of Havana	Jan. 22	681	£ 100 070 +	17.290	30	1.943.962 +	140.632
W. of Havana	Jan. 22	155	£ 13.225 +	3.046	30	321.667 +	55.668
Uruguayan.							
Cent. Uruguay	Jan. 22	273	£ 30.363 +	7.918	30	623.669 —	42.362
,, (E. Ext.)	Jan. 22	311	£ 5.388 —	1,826	30	157.510 —	14.862
,, (N. Ext.	Jan. 22	185	£ 2.853 —	742	30	85.880 —	21.558
,, (W. Ext.)	Jan. 22	211	£ 2.685 —	436	30	76.625 —	4.546
Mid. Uruguay	Dec.	319	£ 20.213 —	1.656	6m	106.845 —	13.361
N.W. Uruguay	Dec.	113	$ 7.447 —	1	6m	36.992 —	4.508
Uruz. Northn	Dec.	73	£ 2,660 —	213	6m	12,874 —	1,324
Miscellaneous							
Alcoy & Gandia	Jan. 15	33	Ps. 20.000 +	6.000	3	33.900 +	7.900
Bilbao	Dec.	15	£ 3.322 +	2.047	12m	39.409 +	9.810
Bolivar		136	£ 6.942 —	2.224	12m	115.689 —	14.873
Colomb. Natnl	Nov.	86	£ 20.160 +	5.200	11m	209.960 +	56.880
Costa Rica ...	Nov.	189	£ 21.371 —	5.559	5m	121.357 +	3.038
Dorada Ext.	Dec.	70	£ 16.750 +	1.750	12m	200.928 +	60.278
Egyptian Delta	Jan. 10	559¼	£ 14.085 —	2.518	40	405.845 +	103.675
Gt. S. of Spain	Jan. 15	104	Ps. 92.598 +	25,968	2	207,586 +	72.881
La Guaira & Ca.	Nov.	22¾	£ 11.380 +	1.710	11m	150.740 +	54.580
Ottoman Ry.	Jan. 15	379	£ 9.949	—	—	—	—
Paraguay Cent	Jan. 15	274	£ 3.580 —	440	29	130.190 —	16.000
Puerto Cabello	Dec.	34	£ 4.000 —	501	12m	60,750 +	6 875
Salvador	Jan. 22	100	£ 3.975 —	1,557	30	97.813 +	2,153
Santa Fé Prov							
French Rys	Nov.	1.181	£ 143.792 —	22.504	11m	1.764.928 —	1.832
S'm'na & St'go	Nov.	80	£ 5.750 —	1.912	11m	144.023 +	13.049
Zafra & Huelva	Nov.	112	£ 14.892 +	3.135	11m	142.732 +	27.070
TRAMS.							
Anglo-Argent.	Jan. 21	400	£ 77,716 +	9.716	3	247.758 +	43,516
Auckland Elec.	June 30	27	—	—	52	292.502 —	2.063
Bombay Elec	Sept.	39	R. 8.49.038 +	1.15.373	9m	73.27.000 +	10.06.847
Brazilian Trac.	Nov.	378¼	M13.442000 +	3.462.000	11m	110.107.000 +	16.568.000
Brisbane Elec.	Dec.	40½	£ 48.430 +	3.710	12m	553.975 +	76.285
Brit. Columbia	Nov.	334	$ 805.633 +	71.652	5m	3.841.032 +	402.440
B. A. Lacroze	Dec.	51	£ 62.857 +	6.934	6m	336.286 +	42.709
Calcutta ...	Jan. 22	35½	R 1,01.061 +	7.862	3	3,00,609 +	15,967
Cape Electric	Oct.	42½	£ 32.698 +	5.955	4m	120.814 +	35.922
Carth. & Herr.	Dec.	9	£ 5.560 +	2.637	12m	50.357 +	17.916
Chatham & Dist	Jan. 20	15	£ 1.625 +	183	3	4.786 +	439
Havana Elect.	Oct	86	$ 1.017.031 +	145.410	10m	9.329.356 +	1.732
Isle of Thanet	Jan. 19	20½	£ 505 +	19	16	9.199 +	729
Kalgoorlie ...	Oct.	20½	£ 3.094 —	1	10m	30,703 +	3,070
Lanarkshire...	Dec. 31	28½	£ 5.467 +	1.927	52	221.564 +	27.729
Lima Light ..	Nov.	85	£ 54.761 +	2.151	11m	621.807 +	89.377
London O.C....	Jan. 26	141¾	£ 99.116 +	21.476	41	3.902.811 +	471,997
Madras (2wks.)	Jan. 15	15½	R 36.198 —	10.685	2	—	—
Manila Electric	Nov.	55	$ 320.345 +	71.995	11m	3.104.695 +	781.861
Pernambuco...	Jan. 23	59	£ 4.278 —	3.898	4	14.972 —	14.304
Provincial ...	Jan.	21½	£ 3.230 +	166	15	24.165 +	135
Rangoon Elec.	Nov.	25	£ 6.964 —	416	11m	85.314 +	11.785
Shanghai Elec.	Dec.	26¾	M. $153.300 +	13.300	12m	1.820.111 +	253.111
Singapore Elec.	Dec. 18	26½	$ 11.309 —	9.176	40	994.627 +	175.706
U. of Montevid.	Dec.	90½	£ 48.935 +	4.560	2m	92.781 +	8.098

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The Statist.

LONDON, SATURDAY, JANUARY 29, 1921.

TAXATION IN THE UNITED KINGDOM.

Within the last six years State expenditure in the United Kingdom has risen by over five hundred per cent., from a pre-War figure of 197½ millions to an estimated outlay of £1,184,102,000 in the current year, exclusive of supplementary estimates and of a sum of £234,198,000, which the Chancellor, in his original scheme, expected to have available for the purpose of debt reduction. The actual revenue for 1920-21 has been estimated at £1,418,300,000, but the realisation of this sum is far from probable, especially as repayments of excess profits duty are likely to be heavy before the national accounts are closed. The materials for making a forecast of revenue with any pretensions to accuracy are not yet available, but by the middle of February it will be possible to arrive at a fair idea of the final appearance of the nation's accounts for the year.

The total of State expenditure from the commencement of the financial year 1914-15 to March 31 last, was £11,259,040,000, and actual revenue amounted to £4,072,716,000, or thirty-six per cent. of the total, the remainder being defrayed by borrowings. If we add the estimated receipts and disbursements of the present year we get an income of £5,491,016,000, or forty-four per cent. of the aggregate outlay of £12,443,142,000. Thus, there is a marked rise, provided the estimates are not eventually falsified, in the percentage of outgoings defrayed by taxes; but though this is a matter for congratulation in one respect, it is of little use draining the taxpayer's pocket in order to meet State expenditure while the needs of commerce and industry are being stinted.

Apart from changes in the floating debt the diminution in unfunded debt since the commencement of the present financial year has amounted to almost 174 millions. The contributory items have been—£22,280,000, depreciation fund under the Finance Act, 1917; £49,641,000, Government securities surrendered in payment of excess profits duty and death duties; £26,397,000, principal of Exchequer bonds repaid; £59,229,000, retirement of British share of Anglo-French Loan; and £16,342,000, net repayment of short-term foreign debt, making the total apparent reduction of unfunded debt £173,889,000. This reduction was, however, effected by undesirable means, as is revealed by a close examination of the accounts. Surplus revenue reached £47,629,000; the receipts from Treasury bonds were £18,635,000; the net encashment of Savings Certificates was £5,881,000; and the floating debt was increased by £96,676,000, and balances in Exchequer were reduced by £6,180,000, making in all £175,001,000. It will thus be seen that the net amount of debt redeemed up to date is not £173,889,000, but £47,629,000. If the announced intentions of the Government with regard to redemption are to be carried out, £137,029,000, and not, as might be supposed from a cursory or superficial examination of the figures, £10,769,000, remains yet to be brought to account. Allowing £25,000,000 of this sum for the cancellation of War Loan, Exchequer bonds, Victory bonds, and other Government issues tendered in payment of death duties and other taxes, for the depreciation fund, and for the retirement of foreign debt, the amount available for the reduction of floating debt would be approximately £112,000,000. Granted that a diminution to this extent was effected, the net decline in the debt during the year would be little more than fifteen millions, or, to be exact, £54,647,000 below Mr. Chamberlain's original estimate. The possibility of such a result being attained is, however, rather remote, unless the revenue returns for the remainder of the quarter are unexpectedly high. The industrial depression means a decline not only in the taxes directly imposed on limited liability companies and other trading concerns, but also a falling-off in income tax, as incomes naturally fall with a decrease in profits. Moreover, the downward tendency of prices lowers the value of Government war assets, and the disposal of these will henceforth bring an appreciably smaller amount of revenue to the Treasury. Of course, the Government may force the pace by throwing large blocks of their war assets on the market, but this procedure, besides accentuating the present depression, would entail a large financial sacrifice eventually, though momentarily, of course, its beneficent effect would be felt in the revenue returns.

There is a possibility that reparations by Germany may lighten the burden of the British taxpayer, but there seems to be considerable difference of opinion, even amongst experts, as to the amount Germany can pay and the best methods of paying it. At the Boulogne Conference the Allies came to the conclusion that Germany could afford an indemnity of five thousand millions sterling, to be spread over a period of forty-two years. M. Doumer, one of the French experts at the present Paris Conference, asserts that the German capacity to pay reaches twelve thousand millions. The estimate is somewhat fanciful, seeing that the present money values of the total wealth of Great Britain, which has lost no territory and but little of its valuable assets in the way of ships, &c., as a result of the War, do not exceed £19,000 million. Whatever the indemnity may be, it will not be paid in gold, as Germany's holding of the precious metal is small. Payment by other means will need most careful consideration so as not to upset the economic equilibrium of France, Belgium, Italy, or the United Kingdom, which is already seriously deranged.

AMERICAN RAILROAD EARNINGS.

JANUARY TO OCTOBER, 1920.

WRITING early in November last on the position of American railways we stated that "railroad prosperity is necessarily conditional on agricultural and industrial prosperity, but in the spheres of agriculture and industry the future of the United States, apart from temporary fluctuations, seems assured." One of these periods of fluctuation was at the time in evidence across the Atlantic, and apparently it has not yet run its course. The trade depression—for such it is—has now come to be reflected in the railroad returns, and a falling-off is recorded in the quantity of manufactured goods and agricultural produce handled by a number of the main lines. Long-haul traffic from inland centres has diminished. Cotton receipts at the Southern ports have declined, and live-stock movements to Chicago and other centres have not been so brisk as previously. In other directions there has, however, been an increase in traffics, and the aggregate diminution is, on balance, slight, though it will probably prove to be more serious when subsequent returns are published.

It is not to be inferred that the gross income of the railroads has suffered on account of the partial decline. The increased charges sanctioned by the Interstate Commerce Commission as from August 26 last were estimated to bring in an additional revenue of $1,500,000,000, or $125,000,000 per month. Actually the gross earnings of the 197 steam railroads which report monthly to the Commerce Commission at Washington showed in October last an advance of over $130,500,000, as compared with October 1919. The effect on net earnings was, however, most disappointing, as the latter improved by only $15,000,000 approximately. At the time the additional rates were sanctioned they were expected to cover not only past but prospective future expansions in the cost of labour and of materials, to place the lines on a self-supporting basis, and to allow of a return of five and a-half, or in most cases six, per cent. on the agreed value of the property of the carriers. But the increase in working outlay has far exceeded anticipations, and to-day the cardinal problem facing American roads is the effective control of operating expenses. Unless this problem is solved the proprietors must be prepared to face a period of dwindling profits and reduced dividends. It is hardly necessary to point out that Government control came to an end on March 1 last, and with it all Government guarantees, though for a further period of six months—that is, until the end of August last—a net income equal to the guaranteed rental that had been allowed from the public purse was assured. Government support has now altogether ceased, and the companies are dependent on their own earnings in order to meet expenditure and provide a return on capital. The chief item of outlay is the labour bill, and the companies are here handicapped by the wage advances granted in July last by the Railway Labour Board. These advances were variously computed to cost between $600,000,000 and $625,000,000 per annum, or a minimum of $50,000,000 a month. This minimum charge would absorb at least forty per cent. of the estimated addition to gross revenue—$125,000,000 a month—following on the freight increases sanctioned by the Interstate Commerce Commission, to which reference was made above. With regard to this item there is no prospect of substantial relief in the near future.

A further heavy burden on the companies is the repair and maintenance of permanent way and rolling-stock. Outlay under these heads would naturally be now much in excess of previous levels on account of the rise in prices, but the latter is, unfortunately, not the only factor to be considered. The condition of track and equipment when the lines were returned by the Government to private ownership was extremely defective, and immediate heavy outlay was necessary to restore some measure of working efficiency. This outlay still continues, but it is largely non-recurrent in character, and as it diminishes net revenues are bound to expand.

Coming to a detailed consideration of some of the principal lines, we show in the table below the summarised results for the ten months ended October 1920 and 1919 of twenty-four of the leading American systems.

Of the representative carriers included only one, the New York, Chicago and St. Louis, showed an increased surplus last year, but the rise, from $4,664,280 to $5,051,738, was insignificant. Twenty lines show a decline in the surplus, while three record a change from surplus to deficit. The most striking decreases in the surplus were: New York Central, from $89,789,359 in 1919 to $34,882,977 in 1920; Baltimore and Ohio, from $10,681,618 to $2,335,094; Chicago, Milwaukee and St. Paul, from $10,772,407 to $3,772,802; and New York, New Haven and Hartford, from $11,264,850 to $1,702. A surplus was converted into a deficit in the following cases:—Erie System, 1919, + $4,809,927; 1920, — $6,632,278; Boston and Maine, 1919, + $6,328,496; 1920, — $2,018,200; and Wabash, 1919, + $3,915,902; 1920, — $133,636. For the twenty-four companies enumerated in the table the aggregate surplus for the ten months declined by nearly fifty-three per cent., from $433,764,109 in 1919 to $215,294,741 in 1920.

The particular results for the leading roads, as given below, were the reverse of fortunate; but for the 197 lines included in Class I. under the Government classification the surplus for the first ten months

Railroad	January 1 to October 31, 1920 — Revenue	Expenses	Surplus or Deficit	January 1 to October 31, 1919 — Revenue	Expenses	Surplus
	$	$	$	$	$	$
New York Central* ...	511,062,766	476,179,789	+34,882,977	434,645,624	344,856,265	+89,789,359
Southern Pacific* ...	253,358,671	198,433,574	+30,924,497	191,367,972	138,002,356	+53,365,616
Atchison, Topeka & Santa Fe* ...	206,105,167	175,986,094	+30,119,073	167,170,190	127,090,865	+40,079,325
Baltimore & Ohio ...	187,589,266	185,254,172	+ 2,335,094	151,527,691	140,846,073	+10,681,618
Union Pacific* ...	173,106,957	128,171,522	+44,935,435	147,795,463	100,095,608	+47,699,855
Chicago, Milwaukee & St. Paul ...	138,776,613	135,003,811	+ 3,772,802	125,060,892	114,288,485	+10,772,407
Chicago & N. Western ...	136,952,506	126,726,987	+10,225,519	116,365,239	97,312,243	+19,052,996
Illinois Central ...	118,706,595	111,136,612	+ 7,569,983	89,670,631	80,631,604	+ 9,039,027
Chicago, Rock Island & Pacific ...	112,620,286	105,700,841	+ 6,919,445	91,777,948	78,028,403	+13,749,545
Louisville & Nashville ...	103,636,597	100,430,631	+ 3,205,966	89,043,901	76,886,860	+12,157,041
New York, N.H. & Hartford ...	103,107,731	103,106,029	+ 1,702	87,075,143	75,810,293	+11,264,850
Great Northern ...	102,049,090	92,281,120	+ 9,767,970	89,025,304	70,578,567	+18,446,737
Missouri Pacific ...	95,068,483	92,523,192	+ 3,137,291	76,882,428	67,705,636	+ 9,176,792
Erie* ...	99,257,850	105,890,128	— 6,632,278	85,607,660	80,797,733	+ 4,809,927
St. Louis & San Francisco* ...	79,565,193	69,905,545	+ 9,659,648	66,625,802	51,399,044	+15,226,758
Philadelphia & Reading ...	74,889,827	71,190,014	+ 3,679,813	61,042,066	53,380,395	+ 7,661,671
Chesapeake & Ohio ...	73,044,113	63,537,053	+ 9,507,060	60,145,369	49,047,014	+11,398,295
Boston & Maine ...	71,722,728	73,740,928	— 2,018,200	59,675,321	53,346,825	+ 6,328,496
Wabash ...	48,556,405	48,690,041	- 133,636	39,912,316	35,996,414	+ 3,915,902
Minneapolis, St. Paul & S.S.M. ...	39,357,891	35,324,196	+ 4,033,695	35,162,854	28,222,808	+ 6,940,046
Delaware & Hudson ...	35,734,658	33,806,899	+ 1,927,759	28,997,866	26,132,368	+ 2,865,498
New York, Chicago & St. Louis ...	22,979,249	17,927,511	+ 5,051,738	19,665,068	15,000,788	+ 4,664,280
Atlantic Coast Line ...	9,482,184	7,277,666	+ 2,204,518	8,489,660	7,076,231	+ 1,413,429
Union RR. (of Penn.) ...	8,790,473	8,544,205	+ 246,268	6,523,312	6,258,673	+ 264,639
Grand Total ...	2,782,065,299	2,566,768,558	+215,294,741	2,352,555,660	1,918,791,551	+433,764,109

* Including extensions and subsidiary lines.

of 1920, at $103,062,000, showed an increase of $14,936,000 on the corresponding figure for the previous year. The improvement is small, but that it should occur at all is cause for congratulation. The possibility of economies in various directions should help to add to the surplus, but little has to be thrown in the way of retrenchment. As the slackness and inertia, which came to characterise a large part of the labour force during the control period wear off the increased working efficiency should, however, benefit owners. Further, fuel prices have recently displayed a downward tendency, and there have been marked cuts in steel rails, springs, tyres, axles, and generally in the items required for rolling-stock construction and for the repair of the permanent way. These factors will doubtless assist managers to keep down operating expenses, the further increase in which will be highly detrimental not only to future railroad financing, but to holders of existing stocks.

THE COAL TRADE.

Early last year a fresh limitation scheme was introduced in respect of coal exports, 21,000,000 tons being allocated to that purpose, while 15,000,000 tons were reserved for foreign and coastwise bunkers and 204,000,000 tons for home consumption. This action followed on the decentralisation of the authority of the Coal Mines Department. The division mentioned was based on an estimated output for 1920 of 240,000,000 tons, but, owing to the strike, the coal raised last year, if we take the combined total for the fifty-two weeks, was only 228,656,000 tons, or over one million tons less than in the previous year. Despite the falling-off the exports reached 24,932,000 tons, much in excess of the limitation figure, but this was possible only because the home consumption, at 182,322,000 tons, was far short of anticipations. Detailed figures for various years from 1913 onwards are included in the following table:—

United Kingdom.

Coal Production, Foreign Bunkers, Exports and Home Consumption.

(In Thousands of Tons.)

Year	Output	Foreign Bunkers	Exports	Retained for Home Consumption
1913 ...	287,430	21,032	73,400	192,998
1914 ...	265,664	18,536	59,040	188,088
1915 ...	253,206	13,631	43,535	196,040
1916 ...	256,375	12,988	38,352	205,035
1917 ...	248,499	10,228	24,996	203,275
1918 ...	227,987	8,756	31,753	187,478
1919 ...	229,743	12,021	35,100	182,522
1920† ...	228,656	13,840	24,932	189,884

* Exclusive of coal equivalent of coke and manufactured fuel exported (in 1913, 1,508,000 tons of coke and 1,708,000 tons of manufactured fuel were surplus), but inclusive of coal used by colliery engines.

† Total of weekly outputs for fifty-two weeks.

The 1920 exports were 10,468,000 tons less than in the previous year, and amounted in fact to only thirty-four per cent. of the 1913 figure. The permissible shipments fixed by the Coal Controller at the beginning of last year were 1,750,000 tons per month, but the original quota was varied from time to time as circumstances permitted. The figures included in the above table refer, of course, to cargo coal only, and exclude bunker coal for vessels proceeding to foreign destinations and coal supplied for the use of the Admiralty. A better understanding will be reached of the position in the coal trade to-day by a study of the adjoining percentages table, which has been worked out by taking the 1913 figure under each head as equivalent to 100.

United Kingdom.

Year	Output	Foreign Bunkers	Export	Home Consumption
	%	%	%	%
1913	100·0	100·0	100·0	100·0
1914	92·4	88·1	88·1	97·5
1915	88·1	59·3	64·8	101·6
1916	89·2	62·2	61·8	106·2
1917	86·5	47·7	48·6	105·3
1918	79·3	43·3	41·6	97·1
1919	79·7	57·1	48·2	92·4
1920	79·5	65·8	34·0	98·4

If we contrast 1920 with 1913 we will see that output has fallen by 20.5 per cent., foreign bunkers by 34.2 per cent., exports by 66 per cent., and home consumption by 1.6 per cent. For the three years 1915-17 home consumption actually exceeded the pre-War figure. It [illegible] cent.—in 1919, and last year made a partial recovery to 98.4 per cent.

Two causes have recently operated to permit of greater freedom in the coal export trade. Coincidently with the linking-up of wages and production in the settlement that followed the last miners' strike the amount of coal raised showed a substantial increase. In the week ended November 20, for the first time since the commencement of the year, the miners' output exceeded 5,000,000 tons; and in the week to December 18 it reached the new record of 5,307,000 tons. It is questionable how far this increase is likely to be permanent, as the tendency during the first three-quarters of 1920 was in a downward direction, the average output per person in the March quarter being 52.26 tons, in the June quarter 52.46 tons, and in the September quarter 49.06 tons.

A second factor has been the decline in industrial activity at home, which has led to permission being granted to certain District Committees, as from January 10 last, to export coal, coke, and patent fuel without restriction as to quantity or quality. Further, bunkering regulations have been altogether suspended. The relief, however, has in a sense come too late to the export trade. The restrictions had undoubtedly a hampering effect on output in the export areas, and the number of shifts lost in South Wales and in the Tyne and Humber areas is in itself sufficient proof of this. Attractive markets offering abroad had to be denied supplies, and now the peak of export coal prices reached in September last has been passed. The December f.o.b. value records a decline of 8.5*s.* on the figure ruling three months previously. Prices are likely to fall lower as Belgian and French outputs are to some extent reviving, while the needs of both countries are declining owing to the industrial depression. Further, deliveries from the United States to the Continent have been large, and the coal handed over by Germany has also helped to meet the requirements of our Allies. Moreover, the Bureau des Charbons has fixed maxima for the various qualities of British coal imported into France, and these maxima are far below current rates, which are themselves far below the highest of the year. In the following table we show the exports of coal and the value per ton for each month of 1920:—

United Kingdom

1920	Coal Exported Tons	£	Value per Ton £ s.
January	1,465,579	3,55[illegible],572	2 5 8
February	2,601,046	9,693,715	3 14 5
March	2,406,151	9,250,222	3 16 8
April	1,995,895	7,838,082	3 19·0
May	2,139,261	8,643,199	4 0·8
June	1,930,608	7,932,817	4 2·2
July	2,096,996	8,928,455	4 5·1
August	1,847,403	8,041,037	4 7·1
September	1,475,623	6,622,515	4 9·7
October	1,417,498	6,108,497	4 6·2
November	1,360,724	5,681,484	4 5·5
December	2,302,076	9,344,689	4 1·2
Total for year† ...	24,931,853	99,627,146	3 19·9

† Revised figures.

It will be seen that the biggest jump in export values took place in February last, when they increased by £1 8 7*s.* per ton. Though the December value of £4 1.2*s.* was much less than that ruling in September it was £1 15.4*s.* above that of January, and the average per ton for the year worked out at £3 19·9, as compared with £2 6.6*s.* in 1919 and 13.9*s.* in 1913.

An important point for consideration is that the finances of the coal industry on their present basis are largely dependent on the profits made out of coal exports, and any serious decline in export prices is, therefore, likely to be reflected in increased charges to home consumers. Wage advances granted after the October strike are dependent on an increased output being obtained before they actually come into operation; but, apart from this, it is doubtful whether some home consumers are not getting supplies at prices below the cost of production.

BOOT AND SHOE COMPANIES.—I.

THE year just closed was one of varied fortunes for boot and shoe companies. At the commencement of 1920 leather commanded a higher price than it did at any period during the War, and manufacturing conditions were difficult by reason of the shortage of sole and upper leather, and of the increased wages for both male and female operatives that came into force during the April-June quarter. Stocks of civilian footwear were, however, light, and as unemployment was small and high wages were common throughout the country there was naturally an extensive demand for high-class boots and shoes. Manufacturers, therefore, had little difficulty in disposing of their output at remunerative prices. Factories were kept running to capacity, but as they had increased in number owing to the War the shortage of footwear supplies began to be made up towards the middle of the year. Stocks commenced to accumulate with makers. In the hope, however, of a substantial revival in demand manufacturing was in most cases not checked. When the restriction of banking credits became severe and some of the new manufacturers and factors were unable to finance the large stocks carried, big supplies were thrown on the market and helped to depress the prices of footwear. The public appetite was whetted by the undoubted bargains that were for a time obtained, and a strong demand arose for the cheaper lines that had been neglected earlier in the year. This demand was helped, particularly in the December quarter, by the rapid growth of unemployment and the curtailment of spending power which it naturally entailed. At the moment the market is flooded with so-called "cheap" footwear, made in varying proportions from common-grade leather, canvas, cardboard or paper.

In the table at the foot of the page we analyse the profit and loss accounts of eleven of the most important boot and shoe manufacturers and retailers. The figures showing net profit have as far as possible been compiled on a uniform basis. Experience has varied somewhat throughout the year. An increase in net profit was registered in the following cases: J. Sears and Company (True Form Boot Company) Limited, 1919, £82,678; 1920, £92,715, and R. and J. Dick, Limited (who are also manufacturers of balata belting), 1919, £96,796; 1920, £98,245. On the other hand, Freeman, Hardy and Willis, 1919, £121,342; 1920, £96,116; Stead and Simpson, Limited, 1919, £67,562; 1920, £43,484 (subject to excess profits tax and corporation tax); J. Loveys and Co., Limited, 1919, £31,444; 1920, £14,968; W. Abbott and Sons, Limited, 1919, £44,197; 1920, £26,376; Salter and Salter, Limited, 1919, £13,625; 1920, £9,647; and the London Shoe Company, 1919, £16,278; 1920, £14,409, all show declines. The remaining companies in the list, whose latest available accounts refer mainly to 1919, show a substantial increase in net profit as compared with 1918.

Dividends for 1920 were in many cases maintained at the old level, but a reduction occurred in R. and J. Dick, Limited, from seventeen and a-half per cent. to twelve and a-half per cent.; W. Abbott and Sons, Limited, from twenty-five per cent. to twelve and a-half per cent.; and Salter and Salter, Limited, from twenty per cent. to twelve and a-half per cent. In the case of R. and J. Dick, Limited, the 1920 dividend entailed an outlay of £42,656, compared with £39,812 in the previous year, the issued Ordinary capital was raised from £325,000 to £487,500. Similarly, the distribution of W. Abbott and Sons, Limited, though only half that of the preceding year, entailed a decreased outlay of only £1,185, the issued capital having been raised from £60,000 to £120,000. The finances of the various companies are as a rule managed on prudent and conservative lines, but, in view of the uncertainties attendant on trade in the current year, it might have been wiser to have made more substantial appropriations to reserve and to other purposes. In some instances, however, such as that of Freeman, Hardy and Willis, Limited, the absence of any such allocation is offset by an increase in carry-forward. Comparative details of the profit and loss accounts for the various companies are set forth in the following table, the consideration of the balance sheets being reserved for a second article.

Name of Company	Year ended	Net Profit*	Pref. Div.		Ordinary Div.		To Reserve	Special Allocations	Carried Forward
		£	£	%	£	%	£	£	£
Freeman, Hardy & Willis, Ltd.	1918, Dec. 31	74,318	8,550	6	31,289	17½†	5,000	5,403	91,559
	1919 ..	121,342	8,400	6	51,562	17½	—	35,000	52,938
	1920 ..	96,116	9,961	6	61,863	17½	—		77,289
J. Sears & Co., Ltd.	1918 ..	69,495	12,250	7	35,000	20	15,000	--	32,662
	1919 ..	82,678	15,896	7	49,000	17½‡	20,000	-	30,445
	1920 ..	92,715	21,000	7	49,000	17½‡	20,000	-	33,159
Stead & Simpson, Ltd.	1918 ..	65,225	9,153	6	9,000	10	20,000	10,000	73,047
	1919 ..	67,562	9,155	6	9,000	10	10,000	10,000	72,436
	1920 ..	43,484§	9,746	6	13,131	10	20,000		§73,043
J. Loveys & Co., Ltd.	1918 ..	20,669	3,600	6	7,500	12½	5,000		6,369
	1919 ..	31,444	3,600	6	12,500	12½	8,595		6,749
	1920 ..	14,968	3,600	6	6,000	6	—		5,368
R. & J. Dick, Ltd.	1918, Jan. 31	116,508	13,044	5½	41,503	17½	57,467		15,939
	1919 ..	96,796	12,512	5½	39,812	17½	40,000		20,411
	1920 ..	98,245	12,512	5½	42,656	12½	34,150	9,948	19,390
W. Abbott & Sons, Ltd.	1918 ..	25,184	4,200	7	11,750	25	6,000		15,069
	1919 ..	44,197	4,200	7	11,750	25	22,000		21,316
	1920 ..	26,376	4,200	7	10,575	12½	13,600		19,318
Salter & Salter, Ltd.	1918, June 30	7,861	3,600	6	2,500	12½	500	1,000	2,598
	1919 ..	13,625	3,600	6	4,000	20	1,000	1,800	5,823
	1920 ..	9,647	3,600	6	2,500	12½	1,000	1,000	7,370
London Shoe Co., Ltd.	1918, March 31	10,475	7,800	12(b)	1,000	50	1,000	1,077	153
	1919 ..	16,278	3,900	6	4,000	200	2,000	4,923	1,608
	1920 ..	14,409	3,900	6	6,000	300‡	4,000		2,117
Public Benefit Boot Co., Ltd.	1917, Dec. 29	26,944	13,950(a)	6	6,000	10	4,000		14,568
	1918 .. 28	43,426	13,252(a)	6	7,125	12½	11,000	-	26,616
	1919 .. 27	75,063	13,020(a)	6	7,000	12½	20,000		61,659
H. E. Randall, Ltd.	1917 .. 29	16,827	4,200	6	8,125	12½	-		8,772
	1918 .. 28	19,162	4,200	6	9,750	15	4,934	1,000	8,049
	1919 .. 27	37,936	4,650	6	11,250	15	17,500	5,500	7,086
Lennards, Ltd.	1917 .. 29	39,058	6,000	6	10,000	10		15,906	27,266
	1918 .. 28	50,724	6,000	6	12,500	12½	-	23,816	35,674

* After providing for depreciation, all Government taxation, prior charges and directors' fees.
† Including 5 per cent. bonus free of tax. ‡ Free of tax. § Subject to excess profits duty and corporation tax.
(a) Including 8 per cent. dividend on Preferred Ordinary shares. (b) Including all arrears.

THE GOVERNMENT OF IRELAND ACT.

It is difficult to call to mind a measure affecting the interests of Ireland, which has been treated with such utter indifference by the majority of the Irish people as the new Government of Ireland Act. Convinced from the first of the intention of the Government to place the administration, or better to say the partial administration, of the country in the hands of two distinct authorities, the people of Southern Ireland paid but little attention to the discussions preceding its passage into law, and since then have made but little effort to acquaint themselves with its numerous sections. Such an attitude is, under the circumstances, easily understood, but from the interchange of views, through intermediaries, between the Government and the Sinn Fein leaders and the possibility of an offer on the part of the latter to recast the financial clauses in a more generous mould, the Act is deserving of a more discriminating attention than it has hitherto received.

The area comprised by the Parliamentary counties of Antrim, Armagh, Down, Fermanagh, Londonderry and Tyrone, and the Parliamentary boroughs of Belfast and Londonderry, comes under the jurisdiction of the Northern Parliament. Both Parliaments are based on the same model, each including a Senate and a House of Commons. Within their respective spheres of control their powers of legislation are subject to a long list of limitations. They have no power to make laws in respect of the succession to the Crown, or the property of the Crown, or the Lord-Lieutenant, except as respects the exercise of his executive power in relation to purely Irish services. They are also forbidden to frame such laws as concern the making of peace or war or treaties, or the military, naval or air forces, dignities or titles of honour, treason, submarine cables, wireless telegraphy, and aerial navigation. The same applies to trade marks, copyright or patent rights, and to coinage, legal tender and negotiable instruments (including bank notes). In reference to negotiable instruments there is a proviso reading "except so far as negotiable instruments may be affected by the exercise of the powers of taxation given to the said Parliaments." Inability to legislate also applies to "trade with any place out of the part of Ireland within their jurisdiction." The granting of bounties on exported goods, or legislation in respect of navigation, except as it touches inland waters, and the regulation of harbours, is also removed from the jurisdiction of these bodies. The exception as to harbours permits, of course, their improvement, and the construction of a harbour equipped to receive Transatlantic shipping could not very well be prevented by this section. The Irish Parliaments are permitted to take steps, by means of agencies or inquiries, to stimulate trade with foreign countries or the Dominions and to frame legislation for the purpose of dealing with contagious disease.

Even in matters coming directly within the province of the Irish legislatures, Acts embracing Ireland passed by the Westminster Parliament will have the full force of law. Again, an Irish Act becomes void when its terms conflict with an enactment of the central Parliament.

The management and control of the Royal Irish Constabulary and the Dublin Metropolitan Police are reserved matters for, at most, three years after the appointed day. The transfer could, however, be made within this period, particularly in the unlikely contingency of Irish union. Other reserved services include the postal service, the Post Office Savings Bank and Trustee Savings Banks, the registration of Deeds and the Public Record Office, the conditions of their transfer being the attainment of Irish union. They may, however, on joint application by the Irish Parliaments, be transferred at any time before the date of union to that somewhat anomalous body—the Council of Ireland. With certain exceptions the subject-matter of the legislation relating to land purchase is also to remain a reserved matter, unless otherwise directed afterwards.

Under taxation the Irish Parliaments' field of action is very limited. They cannot interfere with the imposing or collection of custom duties, excise duties on manufactured articles, excess profits duty, corporation profits tax, or any other tax on profits. Income tax, including supertax, falls, with certain reservations, under the same heading. Resulting from taxes other than those—and the ingenuity of Irish legislators will be tested to invent them—any proceeds may be paid into the respective Irish consolidated funds. Permission is accorded to the Irish Parliaments to [illegible] share of the reserved taxes to be allotted to Ireland will be fixed annually by a Joint Exchequer Board, and to the same body will fall the task of determining the extent of Ireland's contribution towards Imperial expenditure. This sum will be provisionally fixed at £18 millions per annum—fifty-six per cent. from Southern Ireland and forty-four per cent. from Northern Ireland—for the first two financial years after the appointed day, but, as in following years, the amount may be revised in accordance with the Joint Exchequer Board's opinion of Ireland's taxable capacity and its estimate of what may be justly termed Imperial expenditure. Purchase annuities will be collected by the Irish Governments and paid into their respective Exchequers. This is equivalent [illegible] annuities will annually be paid into the Irish Land Purchase Fund out of moneys provided by the Parliament of the United Kingdom. Sums due on account of loans made in Ireland, prior to the appointed day, from the local loans fund, the development fund, the road improvement fund, or similar public fund will be collected by Irish authorities and paid into their own Exchequers, but in these cases a corresponding deduction will be made from the Irish residuary share of reserved taxes.

The Council of Ireland will serve as a channel of communication between the dual legislators and Governments. It is supposed to pave the way for their eventual unification and, in the meanwhile, it will administer such services as they, under the Government of Ireland Act, may be permitted to transfer to it. It shall be composed of forty-one individuals—one who shall act as President, to be nominated by the Lord Lieutenant; the Senate and House of Commons of Southern Ireland may name twenty members and of Northern Ireland a similar number. The making of orders respecting private bill legislation comes within the Council's ambit, as also the administration of existing statutes and the making of laws in respect of railways, fisheries, and contagious diseases of animals. In other fields it may make suggestions, but cannot give them legislative effect.

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There are, in addition, certain arrangements relating to Courts of Law and the Judiciary, but the foregoing summary may be said to take account of the chief features of the Act. The day appointed for its coming into operation may be the first Tuesday in August, or before, or a date in March, 1922 may be chosen. Freedom is reserved to bring particular provisions into operation at the temporary exclusion of others. Should an Irish Parliament fail to designate a minister the Lord Lieutenant has authority to do so; in the latter case, the tenure of the individual's appointment is limited to six months unless he becomes a member of Parliament. There is apparently nothing to prevent the appointment of a successor who also holds no seat in an Irish Parliament. Presumably, then, the administration of Southern Ireland may be carried on by an ever-changing Executive Committee of the Privy Council in the absence of any desire of the Southern Parliament to take up the reins of government.

Stamped on the face of the Act is the evasion of contentious problems by the application of clumsy compromises. In the future the administrative and legislative machinery of the country will be entrusted to no less than four, or possibly five distinct bodies, the spheres of whose respective operations, through imperfect delimitation, may easily give rise to prolonged legal and political disputes. In normal times Ireland bore the burden of one of the most costly administrative systems in the world, and, far from aiming at amelioration, the present Act proposes an infinitely worse accentuation of the evil.

THE IMPERIAL BANK OF INDIA.

GREATER unity and cohesion in Indian banking have time and again been urged by trading and other interests, but the political system, with its separate Presidencies and its consequently separate banking institutions, was unfavourable to the change. The necessity of catering for the increased industrial activity that has manifested itself since 1914, and of providing, on a national scale, for the financing of important crops and the relief of food shortage wherever it occurs, led in March last to the introduction of a Bill before the Indian Legislative Council providing for the amalgamation of the three Presidency Banks of Bengal, Madras, and Bombay. The Bill received the assent of the Governor-General on September 19, and the new Imperial Bank will function as from the 27th inst. The scheme is something more than an ordinary banking amalgamation. India is really following the example of Australia, the United States and Canada in centralising its banking system and endeavouring to promote a freer currency, a wider discount market, and generally facilitate the economic development of the country. Wide fluctuations in the discount rates, especially as between the slack and busy periods, have been a hampering factor in business; and the variation was due to the practical locking-up of Indian Government balances. It is now proposed to abolish gradually the Reserve Treasuries and hand over the balances to the Imperial Bank. The management of the paper currency and of the gold standard reserve is being withheld, and steps have been taken to ensure that centralisation will not militate against regional interests in the three Presidencies affected by the scheme. The Local Boards are maintained with a large measure of their former power, and the Central Board consists, *inter alios*, of the presidents, vice-presidents, and secretaries of the Local Boards established by the Act. One hundred branches are to be set up in the next five years, and, according to the Government of India, the mere appearance in a district of a bank which conducts Treasury and Public Debt business, as to whose stability there can be no question, and from which local traders and dealers in produce can obtain advances on reasonable terms, must in due course favourably affect the local attitude towards banking in general. It is expected that in the course of time the new branches of the Imperial Bank will attract a large amount of deposits from the public. The difficulty of staffing the new branches has to be borne in mind, and it is noticeable that, in introducing the Bill to the Legislative Council in March last, the Hon. W. M. Hailey stated: "One of the principal reasons why banking on modern lines has not made greater progress in India is because, with a few notable exceptions, the only trained bankers available have been Europeans." The suggestion has, indeed, been made in some quarters that the object of the scheme is to preserve a European monopoly, but the declared intention of the promoters is to develop the new bank into a really national institution.

Apprehension exists in certain quarters that the advent of the Imperial Bank will prove a source of danger to the private banks, but a little consideration should help to remove this fear. The central institution is expressly designed to come to the relief of privately owned banks in times of stringency and to promote clearing-house organisation so as to ensure the full and adequate functioning of all members of the banking system. Further, the Imperial Bank is given power to rediscount bills of exchange for Exchange and other banks, and this provides the former with an alternative means of putting themselves in funds in India; while at the same time, floating sterling resources will by this method find a profitable avenue of employment in promoting India's foreign trade, thus contributing to the material prosperity of the country.

The extent of the resources which the new amalgamation will control may be gathered from the table at the foot of the page embodying aggregate figures for the three former Presidency Banks as on

CONSOLIDATED LIABILITIES OF THE THREE INDIAN PRESIDENCY BANKS.

June 30	Capital Paid up. Rs.	Reserve Funds. Rs.	Capital and Reserves. Rs.	%	Deposits — Govt. Rs.	Deposits — Other Rs.	Deposits — Total. Rs.	%	Sundries. Rs.	%	Profit Balance. Rs.	%	Total Liabilities Rs.
1920 ...	3,75,00,000	3,65,00,000	7,40,00,000	7·2	16,35,48,824	77,21,17,771	93,56,66,595	91·5	1,14,66,533	1·1	17,39,397	·2	102,28,72,525
1919 ...	3,75,00,000	3,51,00,000	7,26,00,000	9·5	7,86,78,033	60,38,30,745	68,25,08,778	89·2	83,16,586	1·1	13,84,451	·2	76,48,09,815
1918 ...	3,75,00,000	3,72,00,000	7,47,00,000	9·6	14,26,42,556	55,03,77,466	69,30,20,022	89·5	56,94,654	·7	14,36,951	·2	77,48,51,627
1917 ...	3,75,00,000	3,57,50,000	7,32,50,000	9·6	22,65,36,767	45,63,29,503	68,28,66,270	89·3	69,04,173	·9	13,79,789	·2	76,44,00,232
1916 ...	3,75,00,000	3,63,00,000	7,38,00,000	12·3	7,14,54,734	44,71,09,794	51,85,64,528	86·4	65,61,846	1·1	14,67,250	·2	60,03,93,624
1915 ...	3,75,00,000	3,76,00,000	7,51,00,000	13·0	5,52,91,655	43,83,68,322	49,36,59,977	85·8	50,19,810	·9	16,78,573	·3	57,54,58,360
1914 ...	3,75,00,000	3,80,00,000	7,55,00,000	14·2	5,81,55,442	38,85,67,670	44,67,23,112	84·2	73,76,123	1·4	12,45,114	·2	53,08,44,349

CONSOLIDATED ASSETS OF THE THREE INDIAN PRESIDENCY BANKS.

June 30	Cash, Bullion and Currency Notes. Rs.	%	Govt. Securities. Rs.	Other Invest. Rs.	Total Investments. Rs.	%	Bills Discounted. Rs.	%	Loans Advances, &c. Rs.	%	Sundries. Rs.	%	Dead Stock. Rs.	%	Total Assets. Rs.
1920 ...	35,53,91,833	34·7	13,10,14,875	1,55,55,011	14,65,69,886	14·3	8,17,60,194	8·0	42,98,04,645	42·0	27,81,395	·3	65,64,572	·7	102,28,72,525
1919 ...	29,53,51,473	38·7	9,81,70,519	1,62,13,557	11,43,84,076	14·9	6,48,11,264	8·4	28,14,83,093	36·8	26,11,603	·4	61,68,306	·8	76,48,09,815
1918 ...	23,24,81,939	30·0	16,73,56,669	1,66,90,550	18,40,47,219	23·7	5,09,23,210	6·6	29,07,07,723	37·5	1,13,03,286	1·5	53,88,250	·7	77,48,51,627
1917 ...	30,53,06,500	39·9	9,98,38,480	1,59,45,020	11,57,83,500	15·1	4,02,17,246	5·3	29,58,14,176	38·7	24,10,148	·3	48,68,662	·7	76,44,00,232
1916 ...	21,24,89,887	35·4	10,76,38,580	1,44,17,056	12,20,55,636	20·3	4,04,83,501	6·7	21,83,28,242	36·4	23,40,447	·4	46,95,911	·8	60,03,93,624
1915 ...	25,29,21,089	44·0	7,74,52,577	1,54,34,387	9,28,86,964	16·1	3,85,03,583	6·6	18,45,21,096	32·1	22,57,344	·4	43,68,284	·8	57,54,58,360
1914 ...	21,60,28,854	40·7	4,49,06,022	79,58,796	5,28,64,818	9·9	5,48,42,685	10·3	20,22,40,851	38·1	13,81,689	·3	31,85,452	·7	53,08,44,349

* Per cent. of Total Liabilities or Assets.

June 30, 1920. Comparative figures for a number of previous years are included. The combined capital, paid up at the date of the last balance sheets, was 37,500,000 rupees, and the new capital will be 112,500,000 rupees divided into shares of 500 rupees each. The deposits, it will be noticed, aggregate over 935 million rupees, representing 91.5 per cent. of the total liabilities. The proportion of capital and reserves to the latter has been steadily decreasing in recent years, having fallen from 11.2 per cent. in 1914 to 7.2 per cent. in 1920, an experience shared by British, foreign, and colonial banks alike. The proportion of cash, bullion and currency notes has also declined in the same period from 40.7 per cent. to 34.7 per cent., the decrease being largely due to the additional accommodation afforded to the trading community as a result of the great activity in Indian trade from 1914 until quite recently.

THE JAPANESE BUDGET, 1921-22.

A *résumé* of the outstanding features of the Budget speech of the Finance Minister of Japan delivered in the Imperial Diet on January 22, 1921, has been transmitted by cable. It is interesting as showing the principles which animated the Government in framing the Budget for the year 1921-22, and as giving a clear idea of Japanese public finances. The Government aim at consolidating the basis of finance for the future, at economising in expenditure, and at ensuring the execution of programmes already adopted. Bearing in mind the extent permissible in present circumstances, the Government have decided to carry out the following schemes, which are recognised as of utmost urgency: the replenishment and extension of the diplomatic service; the improvement and reorganisation of means of communication, including rivers and ports; national defence; the development of social, commercial, and industrial education; the appointment of commercial attachés abroad; the creation of a Foreign Trade Intelligence Bureau in Japan; the encouragement of marine industries, and the extension of agricultural laboratories; the establishment of a Food Department; social reform; and the development of the northern island of Yezo or Hokkaido.

The estimated revenue and expenditure are as follows:—

	Yen
REVENUE—	
Ordinary section	1,237,000,000
Extraordinary section (including the surplus of the previous financial year, which amounted to Yen 193,000,000)	325,000,000
Total	1,562,000,000
EXPENDITURE—	
Ordinary section	902,000,000
Extraordinary section	659,000,000
Total	1,562,000,000

The estimated amount of loans and borrowings to meet the capital expenditure for various works and undertakings under the general and other accounts are:—

	Yen
1. UNDER GENERAL ACCOUNTS—	
Subsidy for roads improvement	1,300,000
Establishment and extension of various higher schools	5,700,000
Extension of telephone exchanges	4,400,000
Improvement and extension of telegraph system	9,800,000
Total	54,200,000
2. UNDER SPECIAL ACCOUNTS—	
Construction and improvement of the Imperial Railway	98,000,000
Public undertakings in Chosen	35,500,000
,, ,, ,, Taiwan	16,500,000
,, ,, ,, Sachalien	5,000,000
Total	155,000,000
Grand Total	209,200,000

Of the above total sum, about Yen 27,000,000 is to be raised by borrowing or other methods, and not by public issue. Besides the above, the expenditure resulting from the War, which will still be needed for this financial year, requires a further loan or borrowing amounting to Yen 100,000,000.

The surplus of the year 1919-20 is estimated at Yen 636,200,000, and after deducting the sum which was spent for expenditure carried forward to the year 1920-21, the amount for the expenditure above and outside the Budget for the year 1920-21, the amount which is to be included in the revenue of the year 1921-22, and the estimated amount which will be needed for the supplementary expenditure for the years 1920-21 and 1921-22, the residue, reaching Yen 98,000,000, will meet the deficit of the estimates for the year 1922-23 and onwards.

The Finance Minister further stated that the present stability of the financial position, and accordingly of the Money market, can be [illegible] tions incident to the year 1920-21, and these facts provide ample confirmation that the plan for issuing public loans during the ensuing financial year will not cause undue pressure on the market:—

	Yen
(a) *National Loans*— Amount [illegible]	[illegible]
Amount converted	[illegible]
(b) *Local Loans*— Approval of the [illegible]	[illegible]
Amount of Debentures issued	[illegible]
Net increase of paid-up capital of [illegible] stock companies	[illegible]
Total approximate	[illegible]

The inevitable reaction has set in all over the world and Japan could not avoid being involved; but notwithstanding the violent fluctuations in the market last year, "we could see the turn of the year with comparative calmness, owing to the strenuous efforts both of the Government and the people." However, until the exchanges of every country and the international financial conditions are able to resume their normal course, the general economic situation throughout the world can hardly become steady. Japan should, therefore, take measures for self-preservation by adjusting the supply of commodities, and must be ready not only to maintain, but to develop, the improved economic status acquired during the War. With this intention, manufacturers, traders, financiers, exporters and others should combine or form associations among themselves and consolidate their own position, thus perfecting the organisation for successfully employing their resources.

Guaranty Trust Company of New York

MAIN OFFICE	LONDON OFFICES	LIVERPOOL OFFICE
140 Broadway New York	32 Lombard Street, E.C. 50 Pall Mall, S.W.	27 Cotton Exchange Buildings

PARIS BRUSSELS HAVRE CONSTANTINOPLE

Condensed Statement, December 31st, 1920

ASSETS

Cash—On hand, in Federal Reserve Bank and due from Banks and Bankers	$217,780,215
U.S. Government Bonds and Certificates	36,909,728
Public Securities	44,227,525
Other Securities	37,275,671
Bills Purchased	222,217,966
Demand Loans	169,607,581
Time Loans	109,756,940
Real Estate Bonds and Mortgages	2,804,110
Foreign Exchange	5,244,048
Credits granted on Acceptances	57,901,984
Real Estate	8,435,705
Accrued Interest and Accounts Receivable	11,501,865
	$923,663,338

LIABILITIES

Capital	$25,000,000
Surplus Fund	25,000,000
Undivided Profits	12,075,072
Outstanding Dividend Cheques	966,400
Accrued Interest Payable and Reserves for Taxes, Expenses, and other Liabilities	20,379,571
Notes, Bills and Acceptances Rediscounted with Federal Reserve Bank	74,328,844
Notes Secured by Liberty Bonds Rediscounted with Federal Reserve Bank	19,435,800
Acceptances New York Office	44,867,543
Foreign Offices	13,034,441
Treasurer's Cheques	51,221,979
Deposits	637,353,688
	$923,663,338

AGRICULTURAL RESOURCES OF THE DOMINIONS.

Within the four self-governing Dominions of Canada, Australia, New Zealand, and the Union of South Africa, are great natural resources—agricultural, pastoral, forestal, fishery, and water-power—the development of which is steadily proceeding, but at a comparatively slow rate. The exploitation of these resources is still in its infancy; but when a more advanced stage is reached it is no exaggeration to say that the products of these countries—added to those issuing from the more tropical parts of other British Possessions—will be sufficient not only to satisfy the needs of the Empire, but also those of friendly adjacent countries. Lack of capital constitutes one barrier to Colonial progress; but a weightier factor is involved in the question of an adequate supply of man-power, for if marketing facilities and labour are abundant a favourable industrial enterprise has every hope of attracting capital, although it must be admitted that British investors have hitherto not been enamoured of projects aiming at action in the agricultural sphere. The increase in population of these Dominions between 1901 and 1913 is here shown:

Populations of the Dominions.

	Census of 1901	Estimated on Dec. 31, 1915	Increase %
Canada	1,837,345	8,140,015	68
Union of South Africa	5,175,828(a)	6,699,000	27
Australia (b)	3,773,801	4,931,988	30
New Zealand (c)	772,179	1,102,794	42

(a) Census of 1904. (b) Exclusive of full-blooded aboriginies, estimated at 100,000 in 1911. (c) Exclusive of population of Cook and other islands in Pacific.

The increase of population is most striking in the case of Canada. This result is in large measure due to the movement of emigrants from the United States, a movement which has been much in evidence in recent years. With her diversified resources, Canada offers many opportunities to energetic emigrants, especially if they possess a small store of capital. If their tastes incline towards agriculture they will find a large proportion of the Dominion's vast area eminently suitable for that purpose. Taking the case of wheat alone, it is found year by year that certain qualities of early-maturing and frost-resisting grain can be grown at a profit much further north than was previously believed. Of the 1,400,000,000 acres comprising the nine Provinces of Canada (excluding the North West Territories and the Yukon), 441,000,000 acres, or thirty-one per cent. of the whole, may be devoted to agriculture. Of this available area less than a quarter was occupied as farmland in 1911. Wheat is the leading Canadian grain crop, and in the production of that cereal she is about fifth in the world's list. Between 1901 and 1919 her production of wheat has increased 130 per cent., and this rate, if maintained, should in the near future enable her to rank first, at least in regard to exportable surplus. If by the development of new routes, such as the Panama Canal and possibly Hudson Bay, and by the development of old routes such as the St. Lawrence River, the cost of the transport of wheat from the great Prairie Provinces to the markets of the United Kingdom can be reduced, the problem of feeding the industrial masses of this country will be appreciably nearer solution. According to a recent estimate the gross value of the agricultural wealth, embracing value of production and farmlands, buildings, and farm live-stock, of Canada, amounted in 1919 to 7,379,299,000 dollars, or fifty per cent. of the total wealth of the country, which was recently reckoned at 14,658,159,000 dollars. The value of the field crops of 1920, as provisionally estimated, is 1,636,664,900 dollars, compared with final estimates of 1,452,437,500 dollars in 1919 and 1,372,935,970 dollars in 1918.

Like Canada, Australia is well adapted for wheat growing. It is estimated that out of an area of 200,000,000 acres suitable for this purpose only six and a-half million acres were so utilised in 1919-20. Particularly in the production of the more perishable land products is the joint development of both Dominions desirable, since the seasons of one alternate with those of the other. The dearth of labour is even more acutely felt in Australia than in Canada, as, in addition to the natural sparsity of the population, its unequal distribution is detrimental to the growth of agricultural and pastoral activities. At the end of 1914, out of a total population of 4,941,000, no fewer than 1,948,400, or 39.4 per cent., lived in the six capital cities. If the towns exceeding a population of 10,000 inhabitants are included (1,291,650) the percentage is increased to 65.31 per cent. Since 1901 sheep in Australia have increased from approximately seventy-two millions to eighty-eight millions, and cattle from nearly eight and a-half millions to over twelve and a-half millions. But the island continent's resources are capable of multiplying these figures many times over. Were an adequate supply of labour, and its corollary capital, available, the present output of sugar from Queensland could be enormously enhanced. As yet the resources of the vast and semi-tropical Northern Territory lie dormant, though in this case it has yet to be proved that white men can stand the test of heavy manual labour. The policy of the Commonwealth Govern-

Estimated Value of Australian Production from 1908 to 1918 (in thousands of £).

Year	Agricultural £	Pastoral £	Dairy, Poultry and Bee Farming £	Forestry and Fisheries £	Mining £	Manufacturing £	Total £
1908	37,150	47,259	15,045	4,286	24,557	36,637	164,934
1909	41,056	50,864	15,064	4,462	23,036	39,173	174,195
1910	39,752	56,993	17,387	4,789	23,222	45,598	187,741
1911	38,774	50,725	19,107	5,728	23,494	50,767	188,595
1912	45,754	51,615	20,280	6,432	25,645	57,022	206,748
1913	46,162	57,866	20,341	6,338	25,810	61,586	218,103
1914	36,052	60,265	21,562	6,419	22,275	62,922	209,495
1915	73,769	65,607	21,156	5,777	22,428	62,883	251,620
1916	30,207	89,939	26,949	5,505	23,606	64,205	270,411
1917	57,967	93,435	31,326	5,523	25,581	69,797	283,629
1918	58,080	98,297	33,738	7,137	26,156	75,261	298,669

Value per Head of Mean Population.

Year	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1908	8 15 7	11 3 4	3 11 1	1 0 3	5 16 1	8 13 1	38 19 5
1909	9 9 11	11 15 3	3 9 8	1 0 8	5 6 7	9 3 8	40 5 9
1910	8 19 8	12 17 7	3 18 7	1 1 8	5 4 11	10 6 1	42 8 6
1911	8 9 9	11 2 1	4 3 8	1 5 1	5 2 10	11 2 3	41 5 7
1912	9 13 4	10 18 1	4 5 8	1 7 2	5 8 4	12 0 11	43 13 7
1913	9 9 6	11 17 7	4 3 6	1 6 0	5 5 11	12 12 10	44 15 4
1914	7 5 11	12 3 11	4 7 3	1 6 0	4 10 2	12 14 8	42 8 0
1915	14 19 2	13 6 1	4 5 9	1 3 5	4 10 11	12 15 0	51 0 4
1916	12 7 0	18 8 11	5 10 7	1 2 7	4 16 10	13 3 5	55 9 3
1917	11 14 11	18 8 8	6 6 11	1 2 5	5 3 8	14 2 10	57 9 5
1918	11 10 11	19 10 10	6 14 2	1 8 4	5 4 0	14 19 3	59 7 5

ment is, it might be mentioned, directed against the introduction of the dark-skinned races. Popular notion associates the name of Australia with drought, but on the coast-belt there is generally quite sufficient rain. Queensland, if anything, suffers from an excess, and in the interior the inception and development of irrigation schemes will work much improvement. It must also be noted that the system of dry-farming is every year extending the area suitable for the growth of wheat, while the exploitation of subterranean springs provides one safeguard against the loss of stock by thirst; and, in the last resort, their removal by rail to a region of grass and water provides another. The estimated total value of the production of Australian industries for the year 1918 was £298,660,000, and of this figure the proportion attributed to agriculture was £58,080,000, or twenty per cent.; to pastoral products, £98,297,000, or thirty-three per cent.; and to dairy and poultry, £33,738,000, or eleven per cent. The relative development of the various branches of agriculture and of forestry and fisheries, mining, and manufacturing industries can be seen from the tables at foot of preceding page, which give the aggregate and *per capita* output in the different groups since 1908.

In contrast with Australia irrigation is unnecessary in New Zealand, except perhaps in parts of Central Otago, where the rainfall is very light. Primarily New Zealand is a pastoral and grazing country; over 14,000,000 acres of land have been already sown down in English grasses, and this figure may be compared with the 20,000,000 acres of pasture in an old country like Great Britain. A favourable climate, fertile soil, and ability to dispense with the purchase of concentrated foodstuffs—a large proportion of the crops being grown for consumption by stock—place the farmer in a privileged position and help to explain the high prices paid for land in this colony. For first-class dairying lands prices as high as £175 per acre were realised in the early part of last year, and prices from £100 upwards have been common, the presumption of the continuance of scarcity values being much in evidence. According to the last report of the Trade Commissioner for New Zealand, much of the new land which has been, and is being, opened up is suitable for dairy farming, and of the land which still remains to be opened up a large portion can be similarly utilised. The total area of the Dominion in occupation, whether cultivated or not, was stated to have been 43,342,706 acres in 1918-19, as compared with 43,212,079 acres in 1917-18, showing an increase of 130,627 acres. Of the figure for the former year 17,613,337 acres are returned as cultivated land and 25,729,369 as unimproved land.

The distribution of precipitation in South Africa, as in Australia, is very uneven. In the judgment of the Dominions Royal Commission there was, however, a great depth of soil of unsurpassed fertility over a considerable portion of its area, and, if the rainfall be sufficient or irrigation water available, there are great opportunities for developing the agricultural and pastoral resources. In the past stock-breeding, a pursuit which may be conducted under favouring circumstances in many large areas, was discouraged by the ravages of pests and diseases, but dipping of flocks and herds and quarantine of infected areas have occasioned a sense of security, which finds expression in the rapid advance of the industry in recent years. The production of maize, the leading crop product of the Union, has practically quadrupled since 1904.

Natural increase of population and the flow of immigration are the agencies through which the food-producing capabilities of the Colonies will be expanded, with benefit to the Empire and the world. Towards the operation of the latter agency a common accord between the Home and Dominion Governments is essential; as the assistance of the British emigrant is plainly desirable. Granted a wise home policy on the part of the Colonial Government concerned, British capital would not be slow in following British man-power.

THE BRITISH WEST INDIES.—II.

IMPROVING PROSPECTS.

In the paper to which we referred last week [illegible] Mr. Aspinall before the Bristol Branch of the Royal Colonial Institute, the lecturer said, taking the West Indies seriatim, the population of British Guiana is at present only just over three to the square mile, as compared with 1,033 in Barbadoes, which is, for its size, the most densely peopled country in the world with the exception of China. Barbadoes, as the reader may recollect, is a very small island with a total area of 166 square miles. It is, therefore, only nineteen square miles larger than the Isle of Wight, and has a population of 175,000. It is evident that until some system of immigration into British Guiana is satisfactorily established no further extension or development of the agricultural, mining, and forest industries of this great colony can be expected. As we said last week, negotiations are in progress for attracting Indian immigration. In British Guiana, in the West Indian colonies, and, indeed, in South and Central America taken as a whole—we might say, in fact, throughout what is known as Spanish America—there is nothing like what we understand in Europe as the "colour prejudice." All satisfactory labour, in whatever rank of life it may be found, is welcomed throughout what was formerly Spanish America, and is still welcomed in the Republics and in those parts of South and Central America and the West Indies which have become British territory. For an Empire like the British this willingness to receive, and, indeed, anxiety to attract, our Indian fellow-subjects is of the greatest importance. Taking the British Empire as a whole, something like seventy-five per cent. are coloured people. The total population of the British Empire is about 420 millions, and of this number some forty-seven millions are whites inhabiting these islands, and some fifty-six millions, also whites, inhabiting various Dominions and other colonies. Consequently, it will be seen that the overwhelming proportion of our people do not belong to European races. *Civis Romanus sum* is an excellent maxim to be applied to all subjects belonging to a single Empire. It is one of the great advantages of belonging to one great composite State that all its inhabitants have the free right of moving about throughout the whole extent of the Dominions.

Unfortunately, owing to various causes, into which it is not our purpose to enter here, very large areas of the British Empire do not welcome the immigration of our fellow-subjects unless they come from specified parts of the Empire, and are likely to conform to pre-conceived ideas of citizenship laid down in the particular districts proposing to admit immigrants. The whole of the British West Indies, including British Guiana and British Honduras, are an exception to this attitude, which, as the reader is aware, prevails over a wide extent of the Empire. It happens that British Guiana is, roughly, about the size of the island of Great Britain, and British Honduras is a little bigger than the Principality of Wales. Consequently, on a relative basis of populations, provided adequate capital were available for the development of those two colonies, and adequate transportation facilities were afforded, it would not be unreasonable to expect a population of fifty million people inhabiting British Guiana and British Honduras. It may be said that the conditions prevailing in the British Islands are not so eminently satsfactory that we should desire to reproduce them in the West Indies. Granted that there is an immense congested population here, and a large area which can only be described as little better than slums, it would not be desirable that the population of these two colonies should approximate that of these islands. Anyhow, there is a wide field for immigration in both colonies under conditions which would admit of a considerably higher standard of living than is the rule amongst the great mass of our population here.

It has to be remembered that the British Islands lie between the fiftieth and sixtieth parallels north of the Equator, whereas the two colonies to which we are referring are situated wholly in the tropics. Consequently, the conditions of life should naturally be very much easier in those two colonies than they are with ourselves. Practically, for eight months of the year we require artificial heat in order to preserve our existence in any degree of comfort. In addition, during these eight months we require very warm clothing; and, finally, we also require large quantities of very expensive food. Otherwise, it would not be possible in such a high latitude to maintain ourselves in a satisfactory state of health. Experience shows that those of our people who are able to fulfil these conditions do maintain themselves in a highly satisfactory state of health. In fact, the British peoples have proved that the conditions under which they live in Great Britain are such that whenever they emigrate to other parts of the world they are able to settle and to maintain a standard of health at least equal to the natives of most countries in which they seek settlement. In these two great colonies of British Guiana and British Honduras artificial heating is only required for the purpose of cooking food. Clothing, except in the mountains, is rather a matter of propriety than an actual necessity to protect the body from cold. Even in food very little animal food is required, and people are found to be most healthy who are content with a liberal vegetable diet, of course including cereals, rather than partaking of the heavy meals which are more or less a necessity for dwellers in our own latitudes here at home. House accommodation, moreover, in tropical countries is naturally very much less expensive than is the case in a country where it is necessary to protect ourselves from the conditions which prevail during very nearly two-thirds of our year.

Of course, until quite recently the real difficulty of settlement in any considerable numbers in the tropics was the diseases to which both natives and immigrants were liable. Yellow fever was a constant visitor, and malaria was more or less endemic. Yellow fever has been either wholly extirpated from the whole of the British West Indies, or, in those parts which are not settled, the means whereby it can be expelled are well known to the medical officers of health of the various colonies. Malaria has not, unfortunately, been wholly extirpated, except in those parts of the colonies which have been fully settled and are comparatively wealthy. The conditions, however, for fighting malaria are well known, and if there was anything like a population even half that of the British Islands it would be perfectly easy to deal with malaria as yellow fever has been dealt with. At present an expedition is about to be sent out by the London School of Tropical Medicine, at the invitation of Lord Milner, to investigate the complaint known as filaria in British Guiana in the ensuing spring. Filaria is the precursor of elephantiasis, fever, ague, and other complaints inimical to health. While the expedition is investigating this very grave disease it would be desirable to pay attention to the heavy infantile mortality in the colony, which, indeed, is not restricted to British Guiana, but is prevalent throughout the whole of the British West Indies. More than one-third of all infants born in many localities die within the first year of their existence. This is mainly due to ignorance on the part of the mothers, and partly incidental to very unsatisfactory feeding. This infantile mortality could, of course, be fought in British Guiana, as it has been fought elsewhere, by training the mothers in the proper methods of nourishing their infants. The reader is no doubt aware that it is not necessary to go to British Guiana, or, indeed, to leave these islands at all, in order to find areas in which children during the first year after their birth are fed in such a way that they have no reasonable prospect of surviving. The Colonial Governments themselves are well aware of this blot on their health statistics, and are already taking measures to reduce the mortality of very young children. We are concerned, however, here rather with those diseases which formerly were believed to be endemic to, and inseparable from, climatic conditions as they exist in the tropics. Medical research has shown that this conception had no foundation in fact. Climate has, apparently, practically no influence upon these diseases. All that one may truly say is that, given conditions favourable to certain diseases, climatic conditions in the tropics stimulate their growth, just as climatic conditions in the tropics stimulate the growth of anything vigorous, whether it be health or a disease.

As we showed recently, the total population of British Honduras is under 50,000, and the total population of British Guiana, as we have explained on various occasions, is only some 300,000. Bearing in mind the extensive area of these great colonies it is evident that there is plenty of room for expansion. Both colonies are naturally fertile, and, as we have explained, a relatively small amount of labour is necessary compared, for example, with conditions prevailing amongst ourselves, for the satisfaction of the elementary needs of feeding, clothing, and providing shelter. Consequently, assuming that the health conditions are satisfactorily tackled, as there is no reason why they should not be, and, in fact, as there is every reason to hope that they will be, a given amount of energy, whether mental or physical, on the part of any particular individual should yield comparatively more satisfactory results in British Guiana than would be obtainable under such conditions as prevail here. As things are at present the population of British Guiana is almost exclusively centred on the mud flats on the northern shore, for reasons which we have explained so often that it is not necessary to go into them now. Even these mud flats are at present not fully occupied. And while it is estimated that British Guiana alone is capable of growing enough sugar, after satisfying her own local requirements, to supply this country with as much sugar as it requires on the basis of pre-War consumption, which is very nearly double what we are consuming now, she does, in fact, only raise a little over 150,000 tons per annum.

THE EMBARGO ON CANADIAN STORE CATTLE.

During the past few months a recrudescence of the agitation for the removal of the embargo on the importation of Canadian store cattle has been very strongly in evidence. The Corporation of London, without committing itself to any decisive view, has summoned a conference to inquire into the subject, and a deputation from the Joint Parliamentary Committee of the Co-operative Congress has recently impressed very strongly on the Minister of Agriculture the desirability of the repeal of existing legislation. The views of the latter body are naturally in harmony with Canadian opinion, which, through bankers and agriculturists, has lately been vigorously expressed. Ranged on the opposite side are the agricultural interests of Great Britain and Ireland, which, in the main, are opposed to the introduction of Canadian stores.

Before examining the contentions of the parties to the dispute it is well to point out that there is at present no bar to the importation of Canadian fat cattle, provided they are slaughtered at the ports. The freedom enjoyed in this respect had, according to the arguments put forward by the representatives of the Co-operative Congress, largely destroyed the protective character of the embargo on Canadian store cattle since the hides, offals, and manure of the slaughtered beasts had been dispersed throughout the country. This, however, is not quite the same matter as allowing the introduction of the living animal into our herds. Originally the legislation imposing the

embargo was inspired by fear of disseminating contagious diseases. But it is very doubtful whether this argument which in former days carried considerable weight, can now be legitimately sustained. In the words of the Minister of Agriculture, the Ministry had publicly endorsed the clean bill of health to which Canadian cattle were entitled. But he held a point of greater prominence at the moment was that Canada was not the only exporting country, and if legislation with the object of permitting the importation of Canadian store cattle were proposed it would be impracticable to limit its operation to Canada alone. Harmful results would ensue from the inclusion of the European continent since that area was infested with cattle disease. The logic here seems to us faulty. If the sole purpose of the embargo were the maintenance of healthy home stock, differentiation is quite defensible. Obviously, it should only be used as an instrument against countries that fail, by lack of veterinary precautions, to keep the quality of their live-stock at a high level. It is possible, however, to understand the attitude of the British stock-breeder in refusing the risk attendant on all importations of store cattle, no matter how well certified. Of the high-class quality of his pedigree live-stock he is justly proud, and his disinclination to approve of any change that might conceivably impair that standard can be readily understood.

The opposition of farmers and landowners to the removal of the embargo is influenced by the fear of the fall in prices that might follow the importation of stores. Such a fall would be seriously felt by many connected with the live-stock industry, both in Great Britain and Ireland. From the fat-cattle trade between Canada and Great Britain—no imports from the former were received here in 1920—little danger was to be anticipated. The great wastage sustained on the long Transatlantic journey would have been, in any case, a serious obstacle. The loss of carcase weight in transit from Ireland to England and Scotland is estimated at from 20 lb. to 25 lb. per animal of 5-cwt. deadweight, or, say, the value of from £1 to £1 10*s.* per head. On a basis of an annual export of 400,000 fat cattle from Ireland there would thus be a yearly loss, through wastage alone, of over half-a-million sterling. Moreover, carcases are frequently bruised from bad treatment in handling, and this occasions a deterioration of value in meat and hides. Little difficulty will consequently be experienced in grasping the contention of large sections, here and in Canada, that a stores trade can be established on a more lucrative basis. As to the possible extent of this trade, there is fairly general agreement that an annual import of 200,000 stores per annum may be expected. But this would represent, if the Minister of Agriculture is correctly reported, less than five per cent. of the total meat consumption of our population, assuming that all these beasts are used for fattening. The inference to be drawn is that there would be little alteration in the price-level. The total meat consumption of these islands—beef, veal, mutton, and lamb, home-killed and imported—is approximately 35,596,000 cwt. per annum, and the figure of five per cent. above alluded to is apparently reached by crediting a store with an average weight of 10 cwt.—a total for the 200,000 of 2,000,000 cwt. We doubt if the shock to prices can be measured by this standard. It is well known that as between prices of fresh home-killed meat and imported supplies the advantage is very much in favour of the former. Canadian stores imported, finished and slaughtered here, would enter our fresh meat market, and their aggregate weight should more properly be compared with the 14,600,000 cwt. of home-raised beef and veal consumed every year. Following that course they would constitute the very respectable percentage of thirteen, and this additional supply could not be without marked effect on home cattle prices. Should these become unduly depressed numbers of farmers, graziers, and landowners would feel the pinch, as the interchangeability of the various species of live-stock, or conversion from pasture to tillage, is not facilitated by many classes of land. For home meat consuming and producing interests alike the reaction of a fall of beef and veal prices on mutton and lamb is also worthy of study.

Some particulars of the position of the live-stock industry of the Dominion within recent years may be relevant to the foregoing. Notwithstanding the advantages of soil and climate there was a decrease in cattle from 7,105,000 in 1910 to 6,037,000 in 1914, no fewer than 1,068,000 head or fifteen per cent. Comparing the 1910 and 1919 figures a vast improvement is shown. Total cattle actually increased from 7,105,000 to 10,084,111, or forty-one per cent.—the classification of "milch cows" moving from 2,854,000 to 3,547,437, and that of "other cattle" from 4,251,000 to 6,536,574. These numbers are probably capable of great expansion in face

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of a heavier demand; and this would go some distance towards offsetting a possible rise in prices from competition between United States and British buyers, for, needless to say, the huge American meat corporations do a big business with Canada. It would be well to bear in mind, however, that the 1919 statistics quoted above reflect the large demand for meat experienced during the War, and a further increase is not necessarily to be anticipated for 1920. Statistics for the United Kingdom reveal a drop in cattle from 12,453,626 in 1919 to 11,732,354 in 1920, and this diminution has been used as an argument in favour of stores importation. In reply, it is urged that there has been recently not only a considerable reduction in the slaughtering of calves, but also a marked increase in the number reared, and the situation gave promise of an early return to normal.

Everything points to the prosecution of a most determined campaign to secure the removal of the embargo. Against the opposition of the most responsible agricultural bodies, based, *inter alia*, on the necessity of conserving the milk supply by doing nothing to discourage home-breeding, the antagonistic interests will be reinforced in their attack by holding out the pleasing prospect of cheaper meat supplies. Bearing in mind the circumstances of the time such a cry is bound to evoke a considerable share of support.

Ireland and the Ulster Legend, or the Truth about Ulster. By W. H. McKnight. (P. S. King and Son, Westminster. Paper cover 2*s.*, cloth cover 3*s.*) With the Unionist claim to be treated separately from the rest of Ireland all are familiar, and equally so with the arguments by which this attitude is defended. The case for and against the Northern Province has been ably put on both sides on its political merits, but there has been no finality, especially as writers and orators have *ab initio* betrayed a marked bias in one direction or another. Now, however, for the first time a painstaking and exhaustive statistical inquiry has been undertaken into the Unionist position and pursued impartially, the only sources drawn on being Parliamentary Blue Books, White Papers, and other official publications, the accuracy of which is beyond question. The result is seen in the present volume, to which an able foreword has been contributed by Mrs. Sophie Bryant, D.Sc., Litt.D., daughter of the late Rev. W. Willcock, D.D., formerly Fellow of Trinity College, Dublin. We congratulate Mr. McKnight upon a work which is quite unique of its kind. No argument is advanced that is not convincingly supported by figures, and to secure credence even from the most biassed minds a certificate of verification of all the statistics used, by a reputable firm of London chartered accountants, is added.

Trust Companies of the United States. 1920 edition. Compiled and published by the United States Mortgage and Trust Company. The total resources of the 2,241 trust companies reporting this year reach the impressive total of $12,451,877,583.58, an increase of $1,301,431,496.05 over the figures of last year, and $6,123,423,555.24 greater than those of five years ago.

The Economics of Welfare. By Prof. A. C. Pigou, M.A. Price 36*s.* net. (London: Macmillan and Company, Limited.) A bulky volume which should prove invaluable to the student of economics. Technical terms have been reduced to the plainest possible language. Prof. Pigou originally intended the work to be a revision of his "Wealth and Welfare," which was published in 1912. The work grew, however, and, though considerable sections of that book are incorporated, the present volume is essentially an independent work.

Elements of Statistics. By Arthur L. Bowley, Sc.D., F.S.S. Fourth Edition. Price 24*s.* net. (London: P. S. King and Son.)

Introduction to Public Finance. By Carl C. Plehn, Ph.D., LL.D. Fourth Edition. Price 17*s.* net. (New York: The Macmillan Company.) A text-book containing a simple outline of those things which are necessary to prepare the student for independent research; a brief discussion of the leading principles that are generally accepted; and a statement of unsettled principles, with the grounds for controversy and sufficient references to easily accessible works and sources to enable the student to form some opinion for himself.

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Financial Notes.

Polish Finances.

The Polish Budget for 1921 forecasts a serious deficit, which will be augmented by the necessity for purchasing grain abroad, by the duty of improving transit, by the needs of the Army, which must be kept in being, and by the necessity for carrying on the work of national reconstruction. The Minister of Finance, M. Steczhowski, considers that co-operation of the Government, the Parliament and the people will eventually re-establish economic and financial equilibrium. He calls for economy in expenditure and an augmentation of revenue. Superfluous offices are to be abolished, and the numbers of officials reduced. In view of the urgent necessity of economy expenditure will be limited to the four essential heads: administration, food supply, army, and railways. An important means of increasing revenue is that of a careful application of the taxes voted. The imposition of new taxes is actually impossible of realisation, but existing taxes will be increased and the Government will try to distribute them on a uniform basis. The question of a compulsory loan is not yet settled. A new internal loan is under consideration, but the question of prime importance is that of contracting a long-term foreign loan, which is the only means of improving the exchange. Up till now it has been impossible to contract a foreign loan in view of the unstable political situation which discouraged foreign capitalists. After the signature of the peace treaty with Russia and the solution of the Upper Silesian and Vilna questions the chances of a foreign loan will be greatly improved, *but an essential condition is to avoid in the field of internal policy everything that, in the opinion of the Western countries, is inconsistent with the principles of a constitutional State.* The Government are aware that banks are unable to supply all the needs of credit, and will endeavour to attract foreign capital in two forms—as banking and industrial credit. The industrial credit will be secured by means of loans for the purchase of articles of prime necessity, and will be repaid in kind by goods manufactured and produced. It is hoped in this way to give a stimulus to credit, but the Minister believes at the same time that he must refrain from giving State guarantees too freely, as this would weaken the capacity of the Treasury to contract foreign loans. The Minister will exert himself to remove all Government control of trade and industry, which under the stress of War became a necessary policy. The Timber Export Office has been already discarded and several more superfluous and costly offices will be abolished. In consequence export will be free and the adverse trade balance reduced. The question of exchange is the outcome of political and economic conditions, and, accordingly, fresh flotations and the unification of the currency cannot be successfully undertaken until the conditions are improved. The Government will endeavour to improve the economic situation by suppressing speculation and discouraging the increasing tendency to avoid using the Polish mark as a medium of exchange. The reform of the monetary unit cannot be realised before an

effective stabilisation of the exchange has been produced. The Minister insisted on the necessity of increasing the productiveness of industrial workers. As regards the regulation of foreign currencies, the Government cannot renounce their control, as this regulation has an important influence on the Polish exchange. Still, the Government is disposed to transfer this control to financial societies, and hopes that they will prevent speculation.

Mr. McKenna on Deflation.

The numerous and insistent critics of the financial policy of the Government will welcome the speech of the Right Hon. R. McKenna at the annual meeting of the shareholders of the London Joint City and Midland Bank as a decisive event in the anti-deflationist campaign. Showing that the Bank Rate is effective only when the Bank of England has control over its own lending powers and when there is a free gold market, neither of which conditions exist at present, the speaker deduced that a policy of dear money and a rigid restriction of credit, so far from proving an effective means of restoring trade to a wholesome condition, will only aggravate existing evils. The forcing down of prices reduces the taxable capacity of the trader, and a concurrent increase in the rate of taxation must inevitably lead to a strangulation of commerce. In the meantime the greater value of the pound would automatically increase the weight of the national debt, and further penalise industry. To pay off the national debt the Chairman insisted that instead of attempting the impossible task of trying to swell revenue, the Government must drastically curtail expenditure. By moderating the burden on industry it would encourage production, and in the long run expand the nation's tax-paying capacity. The deflation which actually took place during the nineteenth century after the Napoleonic wars was wise and gradual. For over thirty years prices fell, not through an artificial limitation of credit and a restriction of business, but by an immense addition to output, which the great industrial inventions of that century rendered possible. As a further essential to the greater production needed at the present time the markets of Europe must be assisted towards recovery. The Governments of Europe have made peace, but they have not acted in the spirit of peace. Once these conditions are accepted, and only then, can Europe be restored, and with the restoration of Europe will come the revival of our own national prosperity.

The Currency Problem.

That the restoration of the gold standard and the re-establishment of a free gold market in London must be the ultimate goal of our financial policy seems so obvious that elaboration of the point is superfluous; yet there were not wanting some who expressed their dissent from this view at a meeting of the Sound Currency Association, held recently in the Cannon Street Hotel, under the presidency of Mr. D. M. Mason. The chief objection on which this attitude was based is worth examination, as it has frequently been advanced during the present period of deflation both here and on the other side of the Atlantic. It is maintained that the idea of a restoration of the gold standard cannot be entertained, as the deflation it would entail would result in the ruin of industry. The present position of industry is adduced in proof, and it is asserted that the deflation which has been in progress now for upwards of nine months can end only by leading to renewed inflation.

Now deflation is admittedly always a bad period for industry and commerce, just as a period of inflation is one of prosperity, but it is not true to say that even in a protracted period of deflation trade will necessarily be carried on at a loss. A consideration of the economic aspect of deflation will confirm this view. Deflation produces results the exact opposite of those [illegible] a period of inflation. Inflation, involving a rise in prices, means that [illegible] general public is being diminished for the benefit of those who reap the profits arising from the production and marketing of commodities. A period of deflation like that through which we are now passing means a redistribution of the wealth so concentrated, as prices and the cost of living are falling. If the readjustment is a gradual one, the consuming power of the general public will thus be increased and trade can weather the storm without any undue hardship. The whole question depends on the nature of the deflation movement. A policy of deflation, to be effective and to be justifiable, must be both gradual and universal. We have often drawn attention in these columns to the danger involved in a rapid or an uneven deflation. When prices fall abruptly production may be so seriously curtailed that the supply of commodities may fall far below the effective demand. At the same time, employment may be so great that the general purchasing power of the community is decreased, the only outcome of such circumstances being a period of national poverty, to be followed by a renewed rise in the price-level. If the deflation is gradual, on the other hand, costs of production are being reduced all the time, so that it is possible for the price-level to become stabilised at successively lower levels. It is yet too early to say whether the deflation movement in this country has been too abrupt: the question yet depends on what the immediate future will bring. It may reasonably be maintained, however, that the movement has not been universal; that is to say, it has not affected equally all commodities, including labour, and it has not taken place to the same extent in all countries. It is the former aspect of the question that is reacting at present with such peculiar hardship on manufacturers and wholesale houses, for it is this which prevents costs of production being reduced in accordance with the fall in selling prices, while the latter feature is producing movements in the Foreign Exchanges of such a nature as to discourage buying in our markets on the part of our foreign customers.

But, while regarding the hardship which the deflation movement has brought upon industry, it must be remembered also that, though heavy losses are now being incurred, they but go to counter-balance a previous period of prosperity, in which unquestionably abnormal profits were made. Again, it is not just to concentrate on the evil results of deflation while ignoring the undoubted fact that our financial and economic position is now intrinsically sounder than it was, for instance, a year ago, when prices were soaring to unprecedented levels. As regards the broader issues raised by the question, it is hardly necessary to point out that whatever may be the evils incident to a campaign of deflation, most, if not all, of the economic ills from which the world suffers at present may be attributed ultimately to the shelving, perhaps unavoidably, of the gold standard during the War. A *fiat* currency undoubtedly possesses some advantages, such as, for instance, a great elasticity, but in order that its many and obvious disadvantages may not appear it must be controlled with the greatest wisdom and prudence. The experience of the War has proved that no Government at the present day can be trusted to control a paper currency in a proper manner. The sooner, then, the gold standard is restored, the sooner will wild fluctuations in commodity prices and foreign exchanges be eliminated, the sooner will trade be able to move with certainty, and the sooner will be the most potent [illegible] the cost of living, be removed.

The Year-book of the National Farmers' Union for 1921. Edited by Captain Cleveland Eyre, Parliamentary Secretary to the Union. Published by the National Farmers' Union, 45 Bedford Square, W.C. 1.

AMERICAN FEDERAL RESERVE BANKS IN 1920.

The policy of credit restriction initiated in 1919 and carried out fully in 1920 naturally caused a material change in the position of the Federal Reserve banks during the latter year, and the returns for the last week in December reflect this change. Early in the year the Federal Reserve banks raised their discount rates on commercial paper, but the influence of the higher rates is seen in retarding the progress of borrowings rather than in restricting them. In fact, total Federal Reserve bank holdings of discounted bills, 2,231.2 millions at the beginning of the year, increased by over 300 millions up to the end of April, and by another 200 millions during the next four months. The peak of 2,826.8 millions was reached on November 5, while the total held on December 30, 2,719.1 millions, is 487.9 millions larger than at the beginning of the year.

Preferential rates on paper secured by Liberty bonds and Victory notes were abrogated by some Reserve Banks; according to the report of the Federal Reserve Board at Washington, and raised by others to a level more nearly approximating the rate level for ordinary commercial paper. In the case of paper secured by Treasury certificates the rates adopted were in most cases identical with the higher coupon rates fixed by the Government, thus holding out no inducement to the member banks to carry these securities among their own investments and use them as collateral for loans at the Federal Reserve banks, but rather providing a stimulus to place them in the hands of ultimate investors. The results are seen in the gradual decrease of the amounts of war paper held during the year by the Reserve Banks. From nearly 1,500 millions at the opening of the year, the holdings of paper secured by Government war obligations declined to 1,141 millions on December 30. Of the latter total 188 millions, or 16.5 per cent., were secured by Treasury certificates, compared with 461.5 millions, or over thirty-one per cent., held at the opening of the year—this decrease corresponding in a general way to the reduction in the amount of certificates held by the member banks. Much smaller reductions are shown in the Reserve banks' holdings of paper secured by Liberty bonds and Victory notes, the December 30 total, 953 millions, being only seventy millions less than the amount reported at the beginning of the year. On the other hand, holdings of other discounted paper, which at the opening of the year totalled 746.9 millions, show an almost steady growth, being in excess of 1,500 millions at the end of September, and fluctuating between about 1,500 and 1,600 millions during the last three months of the year. At the end of the year, out of a total of 2,719.1 millions of discounted bills, about forty-two per cent. was composed of paper secured by United States war obligations, against sixty-seven per cent. of a total of 2,231.2 millions held on the first Friday of the year.

Holdings of bills purchased in open market show an almost uninterrupted decline for the period under review. From a total of 574.6 millions at the beginning of the year, a decline to 255.7 millions on December 30 is shown, the decrease of 318.9 millions being due largely to the increased demand for this class of bills by savings banks, trust companies, also corporate and individual investors. No appreciable changes are shown in the amounts and classes of United States bonds held.

Fluctuations in the holdings of Treasury certificates during the year are largely the result of the issuance by the Government from time to time of temporary certificates pending collection of funds from depository institutions. The largest figures are shown for the four Fridays following the quarterly income tax dates, when temporary advances to the Government by the Reserve banks for the redemption of tax certificates were at their maximum. Total earning assets of the Federal Reserve banks, which stood at 3,181.8 millions on January 2, reached the high point of 3,422 millions on October 15, and at the end of the year stood at 3,263 millions, an increase of over eighty millions for the year.

Net deposits of the Reserve banks show a general downward tendency for the year, the December 30 total of 1,604.2 millions being 280.4 millions below the maximum amount shown for February 27, and 246.9 millions below the corresponding total at the beginning of the year, decreases in reserve and net deposits reflecting reductions in demand deposits of member banks, especially during the latter part of the year.

Federal Reserve note circulation, after the usual contraction at the beginning of the year, when a return flow of notes issued during the holiday season occurs, shows an almost uninterrupted expansion from the minimum amount of 2,844 millions on January 23 to a maximum of 3,404.9 millions on December 23. The total of 3,344.7 millions on December 30 marks a reduction of 60.2 millions for the week, but an expansion of 345.7 millions from the beginning of January, note expansion rather than growth of deposits accompanying the increase in the borrowings of member banks. Federal Reserve bank note circulation shows practically a steady decline from 259 millions on January 2 to 177 millions on May 14, but since that date an increase to 217 millions on December 30 is noted.

During the early part of the year Federal Reserve banks lost gold, largely through export to South America and to the Orient, and on March 26 total gold holdings were 1,935 millions, marking a reduction of 128 millions from January 2. Since that time, partly as the result of gold shipments from England in anticipation of the maturity of the Anglo-French bonds on October 15, there has been an increase in gold reserves, the total of 2,059.3 millions on December 30 being only 3.3 millions below the total shown on January 2. During the latter part of the year all the gold held with foreign agencies, except 3.3 millions held by the Bank of France for Federal Reserve bank account, was returned to this country. Since the gold held abroad was counted as part of the banks' reserves, its transfer from abroad has had no effect on the reserve ratio. Total cash reserves show an increase of 127.9 millions, or from 2,121.3 millions on January 2 to 2,249.2 millions on December 30, the larger part of the increase being due to deposits of silver by the United States Treasury.

Inter-bank discounting showed a considerable increase about the end of April, when nearly 150 millions of rediscounted bills were carried by the Boston, New York, and Cleveland banks for seven other Reserve banks. After a slight recession, these operations were resumed on an increasing scale early in August, and on October 29 the Boston, Philadelphia and Cleveland banks reported a maximum for the year of over 247 millions of bills held under discount for eight other Reserve banks. At the close of the year total discounts of the above three banks included 115.3 millions of paper discounted for five other Reserve banks in the South and Middle West.

During the year the paid-in capital of the Federal Reserve banks increased from 87.4 to 99.8 millions, or by 12.4 millions, corresponding to an increase of over 411 millions in capital and surplus of member banks. This gain is due primarily to increases in capitalisation of existing member banks, and to a smaller extent to accessions of new members.

The reserve ratio of the Federal Reserve banks, as a consequence of the changes detailed above, is higher at the end of the year than at its beginning, the percentage being 45.4 on December 30, compared with 43.7 on January 2. The ratio was brought up to 44.5 per cent. on June 18, and to 45.5 per cent., the maximum for the year, on December 17, the Fridays after the quarterly income tax dates.

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American Topics.

THE QUESTION OF SHIPPING.

From information derived from private sources, as well as from statements which have actually been published in the Press, there seems very little doubt that American shipping and American shipbuilding are passing through a serious crisis at the present time. Of course, it may be contended that the whole world is passing through a very severe economic crisis at the present time. The railways of the United States, for example, like the railways of most parts of the world, are experiencing a very trying period. It will not be contended, however, that the American railways are not needed. On the contrary, one of the great needs of the United States at the present time is additional and improved transportation facilities. Conditions at the great terminals are practically as bad as they are with ourselves. Even in the interior, where one would expect to find adequate space for all traffic, produce even in the busy season is constantly held up awaiting facilities of transit. The question of shipping, however, whether from the point of view of the shipbuilder, or whether it be regarded as that of public carriers, is a totally different and distinct proposition. Does the United States really want a great mercantile marine? Has she the population and the economic resources which would make it possible for her to equip herself with a great mercantile marine upon a reasonable basis of values? The answer to these two questions will determine whether the present set-back in the shipping industry in the United States in its various aspects is merely transitory or likely to be of a permanent character.

This week there has been issued the Annual Summary of the world's mercantile shipbuilding for last year under the authority of Lloyd's Corporation. The total world's tonnage constructed last year was 5,861,666 tons, a very heavy decrease compared with 1919, but an increase of more than two and a-half million tons compared with the pre-War record figures.

In the United Kingdom more than 2,000,000 tons were launched. It is highly satisfactory to note that the British construction of tonnage represented more than one-third of the world's total output for 1920, compared with about one-fifth in 1919. Of course, the pessimist will incline to the belief that our shipping industry is about to disappear altogether. He will point out, and with truth, that whereas we constructed only a little more than one-third of the world's total output of tonnage in 1920, before the War we were accustomed to place on the waters for our own account, and to supply the needs of the world's mercantile tonnage, about sixty per cent. of the total tonnage constructed in the shipyards throughout the world. We submit, however, that after the experiences through which the shipping industry has passed during the last six or seven years it is by no means discouraging to find that the yards of England and Scotland are still able to supply the world's mercantile marine with more than one-third of its total requirements in this industry.

We have said above that the world's total mercantile tonnage launched in 1920 somewhat exceeded 5,800,000 tons. Of this amount, we have also said, Great Britain launched more than 2,000,000 tons. The rest of the world is, therefore, responsible for some 3,572,000 tons. Of this figure the United States was responsible for constructing practically two and a-half million tons, being a decrease in tonnage of more than a million and a-half compared with the preceding year. It is this decrease in tonnage on the part of the United States that accounts for practically the whole decrease in the output of the world's mercantile tonnage for the year ended Decembr 31 last.

In putting to ourselves the question, Is this phase of American shipping merely transitory? in order to answer the question one should ask a further question: Does the American mercantile marine rest upon any sound economic basis? What does the United States require a mercantile marine for? At present her shipbuilding yards could not go on without Governmental assistance. Her carrying trade would virtually come to an end—other, of course, than the coasting trade, which is rigorously protected—were it not for support derived from the same source. Is it reasonable to expect that the business classes in the United States will continue to maintain a mercantile marine resting upon such a basis? What purpose do the American trading ships serve which should give them any reasonable prospect of maintaining their existence upon a commercial basis? We leave, of course, out of consideration the question of the American taxpayer being willing to support a great American mercantile marine whether it pays or whether it does not. To answer the question, however, What purpose would such a mercantile marine serve? we must inquire into the causes which have brought into existence a mercantile marine, even if it consisted of little more than open boats and existed at a time when the Government of the country in which it grew up was far too poor to grant it any subsidy, and imposed on the owners the onerous burden of assisting the Government whenever and wherever called upon. In the case of countries like Great Britain or Japan, for example, it would have been necessary to restrict the population to a definite economic level if it was to exist without the assistance of some trade carried on upon the seas. As soon as the population began to grow with us beyond very modest limits it was necessary to supplement our scanty food supply, first by fishing, and then by some kind of foreign trade. Even as late as the period just before the recent War we did more than half the carrying trade of the world. Why? Because we had to search the world for eighty per cent. of the raw materials upon which our manufactures are sustained, and for two-thirds of the food which enables our people to live. Since we had to go out in any case, where we could find customers we took out a cargo. Our cargoes of manufactured exports were necessarily small. We came back loaded with bulky raw produce. Rather than go out in ballast except for a small volume of manufactured goods, we carried coal wherever we could find customers, with the result that in

the pre-War years we exported between seventy and eighty million tons. We shall have to do very much the same again unless we are to witness a very great reduction in our population. It would appear, therefore, that the United States will experience very great difficulty in building up a mercantile marine if it is to exist upon a commercial basis, as distinct from an expensive luxury maintained by the taxpayer. The people of the United States do not have to search the world either for raw materials for their manufactures, or for their food. They are not, therefore, under the necessity of paying for enormous quantities of very bulky imports. They are not now, as they were before the War, under the necessity of exporting over £200,000,000 worth of produce to pay for the interest on loans. The population of the country, according to the recent census, is only a little more than double that of the United Kingdom. We shall not know for some months what the population of the United Kingdom is; but even if we say that the population of the United States is three times ours, which certainly leaves a very wide margin, the area of her territory is between sixteen and seventeen times that of ours. The United States built up a mercantile marine after 1812. She decided it was not a commercial proposition. The United States built up a mercantile marine after the Civil War. She again decided it was not a commercial proposition. It will be interesting to watch the result of the experiment after the great European War of 1914-18.

SOUTH AND CENTRAL AMERICA.

CANE-SUGAR AND MARKET FACTORS OF THE MOMENT.

THERE are great permanent, underlying influences which affect the interests of the cane-sugar producers of the world which change but little. Against these there are temporary factors having for the moment an almost completely controlling influence upon the market. At the present time the great dominant factor affecting the international sugar markets of the world is the position in Cuba and the large holdings of sugar still existing from last year's crop in the United States of America. It has to be remembered that practically the United States may be regarded as wholly self-supporting in the matter of sugar. Whereas in the pre-War period the United Kingdom was the most important factor in the international markets of the world—and, in a sense, were the sugar markets thoroughly free in this country she would once again be so—nevertheless, it cannot be denied that the sugar consumption in the United States is fully double what it ever was in this country. About two-thirds of the sugar consumption in the United States is produced in countries more or less dependencies of the Union. The balance, including about a million tons of beet-sugar, is produced within the confines of the continental United States itself. We were before the War, and potentially are even still, so important a factor in the international markets because we produce practically no sugar ourselves. Nearly the whole of our enormous consumption, which in normal times amounts to some two million tons, has to be imported from overseas. In the pre-War period we took between seventy-five and eighty per cent. of our consumption from the European continent—from France, Belgium, Holland, Germany, Austria-Hungary, and Russia—and, of course, it need not be added that nearly the whole of this consumption was beet-sugar. For a very long time the beet-sugar production was stimulated by bounties paid by the various Governments of the different States in which the sugar was produced. So far as our sugar interests in this country were concerned this was a matter of perfect indifference. If Continental Governments chose to subsidise sugar and to sell it to us considerably cheaper than it could otherwise be produced we were as consumers the gainers, and certain industries, such as the jam industry, the confectionery industry, the makers of sweets, and various other industries were undoubtedly benefited by this course. On the other hand, it was perfectly evident that sugar which can only be grown because it is subsidised by the Government is not grown upon a sound economic basis; and, consequently, the effect upon the cane-growing interests within the Empire was disastrous to the last degree. It is possible that owing to the cheap and abundant supply of labour which is actually, or potentially, available in most of the cane-sugar-growing countries, had the planters possessed the enterprise and skill to grow cane-sugar upon immense plantations upon a great scale, and under the advice of skilled agricultural chemists, they might have been able to have fought, and probably would have fought, the bounty-fed sugar of Europe. The bounties, as the reader is aware, were abolished in the year 1903. From that time the cane-sugar interests took a new lease of life, and many competent authorities date from that period the recovery which has undoubtedly taken place in our West Indian colonies. The importance of encouraging, as far as is reasonable, and without relying almost wholly upon the assistance of the Government, the increased growth of cane-sugar to the British Empire will be at once evident to the reader. Like everything else, we can pay too much for its encouragement. Primarily, the industry must depend upon itself if it is to be successful. Cane-sugar never can, and never will, be grown in successful competition with beet unless it can be produced upon a sound economic basis.

As we have said, while the permanent interests of the cane-sugar growers remain unchanged, the dominant factor in the Sugar market at present is the enormous quantity of sugar held over by the sugar interests of the United States of America. As we have said above, the consumption of sugar in the United

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States is fully double what it ever was in this country. Bearing in mind that the population of the United States is more than double our population, and bearing in mind the effect of the extreme difficulty in obtaining any form of wines and spirits in the United States on the consumption of sugar, this cannot be regarded as extravagant. The Cuban crop last year amounted to some 3¾ million tons, or very nearly a quarter of the world's estimated production at the present time. In the preceding year the Cuban crop had amounted to practically four million tons. The growing crop is estimated at between three and four million tons. Added to this, there is the crop of Porto Rico and the crop of Louisiana. The Porto Rican and the Louisiana crops were about up to average, but it is estimated that the effect of the drought will be to reduce the growing crop in Cuba by about half a million tons. This, however, should be more than made up by the large quantity of beet-sugar held over in the United States. This is estimated at about a million tons, which was considerably in excess of the crop of last season, and we believe constitutes a record for the beet crop in North America. Up to the end of the season, before the recent break in prices more than eighty per cent. of the Cuban crop had already been disposed of. The balance could have been sold but for the fact that holders who had speculated largely in sugar and other commodities in Cuba were not in a position to recoup themselves even at the high prices then ruling, and were holding out for a further improvement. As the reader knows, instead of an improvement, there was a severe slump; and the net result is that, at the time of writing, as far as we are able to ascertain, there is about 1,300,000 tons of sugar, mainly beet and partly Cuban and Porto Rican, held over in the United States. This, of course, would not amount to more than three or four months', at the outside five months', consumption in the United States; and if it were shared with Europe would not, of course, last anything like so long. Against this it has to be remembered that the new crop is coming on. Consequently, unless this large amount of sugar, amounting to roughly about one-third of the year's consumption in the United States, is partly sold, it is doubtful if it would be possible to dispose of it at higher prices later in the season for the reason we have already given. As is the case with other commodities at present, the higher price of sugar has resulted in a very severe restriction of consumption. In this country, for example, we are consuming about half what we did, say, in 1913. In America itself, the high figures of consumption maintained during the War, and immediately after its conclusion, do not appear to be maintained, according to the latest figures available. It need not be added that, owing to the position of the exchanges, the consumption upon the continent of Europe, so far as figures are available, has fallen materially.

We congratulate Mr. A. C. E. Kimber, C.B.E., the well-known manager of the Anglo-South American Bank, Limited, on his advancement to the office of General Manager in association with Mr. L. H. Keik and Mr. W. E. Wells. The appointment has also been announced this week of Mr. A. W. Martin, the Bank's accountant, as a sub-manager.

"Business Conditions in Argentina."—Accompanying the latest number of this excellent review of conditions in Argentina, published by Messrs. Ernesto Tornquist, of Buenos Aires, is a useful chart showing the monthly averages of foreign cable exchanges in Buenos Aires from June 1915 to September 1920. The exchanges dealt with are those of New York, London, Paris, Berlin, Rome, Madrid, Berne, and Brussels.

The British and Irish Steam Packet Company, Limited, has organised a new service from Birkenhead to Dublin chiefly for the Cheshire and North Wales trade. The service was inaugurated by the Company's well-known coasting steamer *Lady Tennant*.

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Rubber Topics.

The Rubber market has received a set-back during the week. Plantation crêpe dropped steadily from 1s. 1½d. per lb. on Monday to 1s. 0½d. per lb. on Wednesday, but recovered slightly to 1s. 0⅞d. per lb. on Thursday. Smoked sheet reacted from 11½d. per lb. on Monday to 10½d. per lb. on Tuesday, and fell again on Wednesday to 9½d. The recovery on Thursday did not bring the price beyond 9¾d. This greater relapse in the case of smoked sheet bears eloquent testimony to the absence of any trade demand. The fact that the fall was less pronounced in the case of crêpe is due mainly to "bear" covering. In the absence of speculative interest plantation crêpe would have suffered as heavy a relapse. The stock in London is still increasing. During last week landings reached 1,883 tons whilst deliveries did not exceed 566 tons. Accordingly, the stock rose to 54,902 tons, as against 21,701 tons in 1920. The effect of the twenty-five per cent. restriction should begin to manifest itself next month.

Conditions in the Share market were dull and despondent. Rubber Trusts dropped from 19s. on Monday to 17s. 6d. on Thursday. Highlands fell from 30s. 3d. on Tuesday to 25s. on Wednesday. Linggi were especially weak, reacting steadily from 35s. on Tuesday to 30s. on Thursday. Vallambrosas were weak around 15s. 6d. On the other hand, Anglo-Dutch maintained a firm front, moving up from 26s. on Tuesday to 26s. 9d. on Thursday, whilst on Tuesday Paris support enabled Kuala Lumpur to gain 1s. at 2⅜.

BERTAM CONSOLIDATED RUBBER COMPANY.

Issued Capital: £250,000 in 2 0 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividends Amount £	Dividends %
1917...	5,955	4,150	1,125,000	272	2/8·7	1/0·9	95,813	25,000	10
1918 ..	6,461	4,518	1,171,287	260	1/0·7	1/0·4	68,256	10,000	5
1919 ..	6,396	4,515	1,007,358	222	1/0	1/1·5	34,894	—	—
1920...	6,385	4,840	1,534,416	317	2/1·4	-/10·6	99,182	50,000	20

* On the basis of 4,840 acres in which 455 of the new area is bearing. † Duplicate period during interest period.

Price of Shares, 4/6. Market Capitalisation per planted acre, £88.

The report presented by this rubber Company for the year ended March 31, 1920, reflects the return of the industry to something more like normal conditions and the absence of the artificial restrictions on production that were responsible for the reduced output of 1918-19. During the year the estate was able to produce its best output consistent with the proper treatment of the trees. Accordingly, the crop harvested was not only considerably in excess of the estimated [illegible] but was 34,416 lb. greater than the estimate of 1,500,000 lb. With 4,840 acres mature this corresponded to an average yield of 317 lb. per acre, as against 222lb. in 1918-19. Notwithstanding the higher prices that had to be paid for stores and materials as well as for labour, the cost of production per unit showed a gratifying decline, mainly owing to the substantial increase in the output of rubber harvested.

The f.o.b. cost per lb. dropped from 9.57*d.* to 8.29*d.*; whilst the "all-in" cost fell from 13.51*d.* to 10.62*d.* Furthermore, there was a marked improvement in the average price realised by the sale of the crop, which worked out at 2*s.* 1.4*d.* per lb., as against 1*s.* 6*d.* per lb. in 1918-19. The resultant net profit of £99,182, as compared with £34,894 in the previous year, merely represents the effect of a considerably greater profit per lb. on a much larger crop. In 1918-19 the necessity of providing for the liability in respect of excess profits obliged the Company to transfer the bulk of their mediocre profit to a reserve created for this purpose, and hence prevented the declaration of any dividend. This question has now been settled to all intents and purposes, with the result that the reserve for excess profits duty and income tax, which stood at £81,428 on March 31, 1919, was reduced to £8,963 on March 31, 1920. However, in so far as the accounts for the year under review are concerned, it appears that the record profit of £99,182 was increased by the addition of £11,645, representing an allowance of excess profits duty on the mediocre results of 1918-19. Accordingly, it was possible to pay to shareholders the satisfactory dividend of thirty per cent., absorbing £60,000, whilst a sum of £8,000 was transferred to the general reserve, which is increased in consequence to £112,000. Nevertheless, the balance carried forward to the next accounts reaches the sum of £8,977 after providing £35,000 for the liability for excess profits duty and corporation profits tax for the year under review, as against £1,151 brought forward from 1918-19. Moreover, this total does not include a claim for £6,000 refund of income tax under the Boustead decision.

This Company, which previously passed under the title of the Straits Settlements (Bertam) Rubber Company, has changed its name, and is now known as the Bertam Consolidated Rubber Company. During the year capital expenditure, largely on the immature area, called for £9,300. It is estimated that this area will require an outlay of £4,000 during the current year; whilst the provision of additional buildings and equipment and the contemplated scheme of developments will necessitate further capital expenditure. With the object of securing the requisite funds the authorised capital of the Company was increased from £200,000 to £300,000, and the issued capital from £200,000 to £250,000, by the issue at par of 1,000,000 shares at 2*s.* As at the time of the issue the shares were commanding 8*s.* 9*d.*, this gave existing shareholders a good bonus.

For the current year the estimate originally anticipated a crop of 1,600,000 lb. at the f.o.b. cost of 8½*d.* per lb. Returns for the seven months of unrestricted tapping ended October 31, 1920, showed a total of 885,311 lb. In view of the subsequent restriction of twenty-five per cent. and the probability of a still greater restriction now it is not possible to estimate what the full crop will prove to be. Any considerable reduction will involve an increase in the "all-in" cost. Yet a company that can produce at an "all-in" cost of 10.62*d.* per lb. can face the depression in the Rubber market with much greater equanimity than those whose "all-in" cost exceeds 1*s.* Moreover, the position is rendered still more satisfactory by the existence of forward contracts covering the sale of some 500,000 lb. of the crop for the current year at the very favourable price of 2*s.* 1½*d.* per lb. London delivery. Such a sale at least obviates the necessity of securing funds at exorbitant rates. The dividend outlook is necessarily governed by the nature and duration of the recovery in the Rubber market in the next few months. Financially, as the balance sheet dated March 31, 1920, shows, the position of the Company is very sound. Current liabilities, including the final dividend absorption, £40,000, did not exceed £52,768, and were amply covered by liquid assets, excluding stores and investments in the subsidiary Company, to a total of £98,880. The sale of 238 acres of immature rubber to this subsidiary is reflected in the deduction of £17,547 from the estate account, which now stands at £297,089. The market quotation of 4*s.* 6*d.* for the 2*s.* shares corresponds to a capitalisation of £88 per planted acre.

STRAITS PLANTATIONS.

For the Straits Plantations, Limited, the year ended June 30, 1920, has been a period of marked prosperity. Only to a small extent has this Company interested itself in the production of rubber. For the bulk of its revenue it has looked to its extensive coconut plantations. In the following table the working and financial results for 1920 have been embodied in contrast with those of the three previous years:—

Issued Capital: £120,000 in shares of £1 each.
Six per Cent. Debenture Stock: £7,850.

	Years ended June 30			
	1920	1919	1918	1917
	No.	No.	No.	No.
Coconut crop	5,810,715	6,115,253	5,539,578	4,987,070
Net sale price of Copra per ton	£17 10*s.* 6*d.*	£27 3*s.* 4*d.*	£15 0*s.* 6*d.*	£14 7*s.* 7*d.*
Cost of Copra, per ton, f.o.b.	£17 7*s.* 2*d.*	£12 5*s.* 5*d.*	£10 18*s.* 2*d.*	£10 0*s.* 6*d.*
Rubber output	33,717 lb.	35,641 lb.	41,964 lb.	47,497 lb.
Net sale price per lb. ...	1*s.* 8·90*d.*	1*s.* 5·51*d.*	1*s.* 4·8*d.*	2*s.* 2·4*d.*
F.o.b. cost per lb. ...	1*s.* 6·39*d.*	1*s.* 2·46*d.*	1*s.* 1·29*d.*	1*s.* 6·0*d.*
	£	£	£	£
Gross profit	39,742	21,969	5,950	6,956
Net profit	36,868	20,482	4,377	5,009
Sundry allocations ...	1,390	2,000	—	250
Excess Profits Duty ...	14,000*	5,278	—	
Dividend	24,000 (20%)	15,750 (18%)	—	5,250 (6%)
Carried forward	8,489	6,010	8,556	4,179

* Estimated.

The original estimate anticipated a crop of 6,300,000 coconuts, whereas the crop actually harvested was only 5,810,715. Furthermore, it appears that not only was the crop reduced in numbers, but that the size of the nuts also showed a falling-off. In both cases the result was due to the unfavourable climatic conditions during the year. As against 1,425 tons of copra in the previous year there were manufactured only 1,298 tons. This decline involved an increase in the cost of production, and the effect was accentuated by the heavy loss on rice, which had to be supplied to the coolies under cost price. Consequently, the f.o.b. cost per ton of copra rose from £12 5*s.* 5*d.* to £17 7*s.* 2*d.* On the other hand, there was a still more marked appreciation in the value of copra, the average net price realised by the sale of the copra jumping up from £27 3*s.* 4*d.* per ton in 1918-19 to £17 10*s.* 6*d.* per ton in the year under review. Accordingly, on this main crop there was secured a profit of over £30 per ton, as compared with less than £15 per ton in the previous year. The minor rubber crop also failed to come up to the estimate of 34,500 lb. The small size of the crop, in conjunction with the loss on rice mentioned above, caused the f.o.b. cost to rise from 1*s.* 2.46*d.* per lb. to 1*s.* 6.39*d.* per lb., whilst the average net sale price only advanced from 1*s.* 5.51*d.* per lb. to 1*s.* 8.9*d.* Thus the profit on the rubber crop was negligible, for the total receipts amounted only to £3,071, whilst, excluding the small proportion of administrative charges, the expenditure reached £2,940. The gross profit worked out at the record total of £39,742, which, after deduction of administrative expenses, £663 in respect of new issue expenses and £600 for the corporation profits tax, left a net profit of £36,868, as against £20,482 in the previous year. Accordingly, it was possible to declare the record dividend of twenty per cent., absorbing £24,000, as compared with eighteen per cent. in the previous year on a smaller capital. There is carried forward to the next accounts a balance of £17,489, including £14,000 as a provision for excess profits duty.

During the year the authorised capital of the Company was increased from £100,000 to £200,000, and the distinction between the Deferred and the Ordinary shares, whereby the latter had a prior claim to a six per cent. non-cumulative dividend, was

established. Simultaneously an issue of 12,500 shares of £1 each was made at a premium of 10 per share to the existing shareholders, in the ratio of three shares for every fourteen shares held, thus raising the issued capital to £100,000 in Ordinary shares of £1 each. Subsequently, utilising the premium on this issue in conjunction with the reserve and undivided profits, a bonus issue was made of 20,000 shares in the ratio of one share for every five shares held. It was on this increased capital of £120,000 that the dividend of twenty per cent. was paid. Consequently, for accurate comparison with the eighteen per cent. of 1919 the rate is equivalent to twenty-four per cent.

The outlook of the Company for the current year is favourable. It is to the good that it should have decided to confine its attentions to the production of copra and to cut out gradually its rubber crop. In view of the current depression it is obvious that any rubber harvested will probably involve a loss. On the other hand, granted reasonable climatic conditions, the estimate for the coconut crop is 6,800,000 nuts. Whilst, owing to the wages of labour and the loss on rice, the cost of production is likely to remain high, the demand for copra still continues, so that the Company anticipates a reasonable sale price. The plantations are in excellent condition, and a portion of the 1915 planting is now yielding large crops. In addition to the 100 acres planted in the year under review, arrangements are being made to plant 150 acres in the current year. Financially the position of the Company is exceptionally strong. According to the balance sheet dated June 30, 1920, current liabilities, including the final dividend of £12,000, did not exceed £18,778, whereas the total of liquid assets available reached £57,709, of which cash and Treasury bills were represented by £43,833. Distributed over 2,844 planted acres, the book value of the estate of £120,491 was equivalent to the low cost of £42 per acre. Quoted in the market at 33*s.* 1½*d.*, the £1 shares would afford a return of ten per cent. on a dividend of less than seventeen per cent.

PELEPAH VALLEY (JOHORE).

Issued Capital : £97,726 in 2/0 Shares.
Debentures : £780 in Convertible Debentures of £10 each.

—Results for Years to April 30—

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1916-17...	1,522	1,000	300,000	300	2·5½	1/2¼	18,077	9,603	15
1917-18...	1,522	1,175	368,760	314	1 9½	1/4½	7,918	3,201	5
1918-19...	1,527	1,207	381,290	316	1/9¼	1/4	5,759	7,200	7½
1919-20	1,527	1,172	466,640	317	2/2½	1/3	20,966	4,886	5

Price of Shares, 2/3. Market Capitalisation per planted acre, £73, allowing for Debentures.

Shareholders in the Pelepah Valley (Johore) Rubber Estates have every reason for being satisfied with the report presented for the year ended April 30, 1920. Although the labour force was still far from adequate, the Company benefited considerably from the reversion to normal tapping and the non-recurrence of the influenza epidemic. Accordingly the crop harvested during the year was not only considerably greater than that of 1918-19, but also exceeded the estimate of 450,000 lb. by 16,640 lb. This was equivalent to a yield of 317 lb. per bearing acre, representing only an increase of one lb. per acre as compared with the previous year. Had a full complement of tappers been secured, the yield per acre and the total crop would have been higher still. During the year under review stores and materials, as well as labour, continued to command higher prices. But the effect of this factor in making for a higher cost of production was more than counteracted by the substantial increase in the quantity of rubber secured in conjunction with the highly-efficient supervision of the manager of the estate. Thus the actual estate cost dropped from 9¾*d.* per lb. to 9¼*d.* per lb.; whilst administrative charges, including adequate provision for depreciation, worked out at 5¾*d.*, as against 6¼*d.* Accordingly the "all-in" cost fell from 1*s.* 4*d.* to 1*s.* 3*d.* Owing to the first-class condition of the estate factory, the percentage of first-class rubber produced continues to be high, averaging nearly eighty-eight and a-half per cent. during the year under review, as compared with 92.4 per cent. in 1918-19. Moreover, as rubber commanded a better price for the year under review, the crop realised on an average a price of 2*s.* 2½*d.*, as against 1*s.* 9½*d.* in 1918-19. Deducting brokerage and freight charges, which also were reduced during the year, the average net price amounted to 2*s.* 1.48*d.* per lb. instead of 1*s.* 7.67*d.* per lb. With a profit per lb. of more than double that secured in 1918-19, earned on a substantially greater crop, the net profit was returned at £20,966, as compared with £5,759 in the previous year. Out of this profit a sum of £2,000 was transferred to a special income-tax reserve and of £3,919 to the general reserve. After paying the interim dividend of five per cent., absorbing £4,886, the balance of £19,649 was carried forward to the next accounts, as against £618 brought forward from 1918-19. It is satisfactory to learn that not only is there no liability for excess profits duty for the year in question, but that "there is very little likelihood of the Company ever being liable for the tax."

The declaration only of a dividend of five per cent., as compared with seven and a-half per cent. in the previous year, when less than one-third the profit was obtained, is entirely explained by the pronounced depression through which the Rubber market has been passing since the autumn of 1920. Not only would the record profit of the year have justified a final dividend of seven and a-half per cent. at least, but the strong financial position of the Company would easily have permitted such a payment. Thus the balance sheet dated April 30, 1920, shows that current liabilities did not exceed £8,959, whereas cash balances alone amounted to £24,182. Furthermore, investments and sundry debtors accounted for £7,733. Again having transferred the share premium account to the reserve account, the latter now stands at £40,000 after adding the allocation from the profits of the year under review. A company with such an excess of liquid assets over liabilities, and with a reserve of £40,000 against an issued capital of £97,726, assuredly enjoys an unrivalled financial stability. But the directors, whilst confident that the current depression is but a passing phase, wisely refrained from encroaching on their liquid assets until the outlook was more favourable. The wisdom of retaining ample liquid capital at a time when rubber is selling below its cost of production cannot be questioned. Such a policy not only prevents the sacrifice of stocks, but enables the Company to meet its current expenditure without resorting to bank overdrafts or to the shareholders. Moreover, such funds were needed to finance the scheme of planting the 250 acres which had been felled during the year under review.

On the whole, the outlook for the current year is more favourable than would have been thought from the condition of the Rubber market. The directors themselves state that, since a forward contract covers a reasonable portion of the crop, the year should produce "an equally satisfactory return." The original estimate anticipated a crop of 500,000 lb., of which six months of unrestricted tapping had only yielded 200,000 lb. The labour shortage had not yet been solved. The restrictions now in force will reduce the output for the second half of the year, but, in view of the uncertainty regarding the extent of such restrictions, it is not possible at this stage to determine how far the crop will fall short of that secured in 1919-20. This reduction will involve an increase in the "all-in" cost. The recovery in the price of the commodity has not yet gone far enough to warrant any interim dividend. Should, however, the recovery continue at the same rate, the likelihood of a final dividend is by no means remote, especially in view of the strong financial position disclosed above. The quotation of 2*s.* 3*d.* for the 2*s.* shares corresponds to the rather low market capitalisation of £73 per acre.

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Insurance Notes.

MARINE INSURANCE IN 1920.

It is probable that in a majority of cases the marine accounts of joint-stock insurance companies, as at the close of last year, will show fairly satisfactory results when published. But these results, according to the system of bookkeeping usually adopted in this branch of operations, deal with closed accounts, or, at all events, with those which have been running for a period of three years. That period is scarcely long enough under existing conditions to wind up a marine account, as it is necessary now to reserve a larger sum than formerly for belated claims. It used to be said that the sting of marine insurance business lay in its tail, and the tail is now inclined to be larger and the sting more venomous. Still, as far as marine accounts which it was possible to wind up on December 31 last are concerned, it is not likely that shareholders will have much ground for complaint.

Yet the present position and the profit-earning prospects of marine business in this country are less satisfactory than they have been for a long time past. No branch of insurance has been more subjected in the past to recurring periods of prosperity and depression. During the War almost anything might have happened. Marine underwriters took colossal risks on their shoulders, and they might have been ruined if Britannia for once had failed to rule the waves. The winning of the War, however, meant large marine insurance profits. Now we have to face the aftermath, and everything seems to indicate that the percentage of profits to premium income will be greatly reduced in the case of the most skilful and successful underwriters, and that heavy losses will be incurred by not a few operators.

It may be taken as regards hull insurance that insured values will be decreased all round by ten per cent. as compared with last year, and this, of course means a corresponding reduction in premiums. But it is far from clear whether there will be an advance or a reduction in the cost of repairs, which during the past few years has risen by leaps and bounds. A serious rise in such costs would probably involve a loss to underwriters if present conditions continue to prevail, and any substantial reduction is hardly to be looked for. Iron and steel materials have been declining, but fuel and labour costs are still extremely high, and in the absence of deflation in this direction repairs bills are not likely to become appreciably lighter.

The anxiety with which the hull insurance prospect is regarded is not alleviated by recent happenings at Lloyd's. The Joint Hull Committee, which was formed in 1908 in order to bring about a general agreement as to rates and conditions amongst both private and joint-stock underwriters, has been a remarkable success, and it is largely owing to its action that the business has been placed and has so long been upon a sound and profitable basis. But some unfavourable symptoms began to show themselves about a year ago. The achievement of satisfactory results brought many newcomers into the market. Many of the old insurance companies who had hitherto kept aloof from such operations opened up marine departments. Many new underwriting syndicates, in addition, were started at Lloyd's. More disconcerting still to the steadiness of the market was the rush into it of newly formed companies, some of them with substantial capitals, and all eager to take a hand in a game with the essentials of which they were unacquainted. Some of these newcomers may have been thought at first blush to have been useful in the reinsurance field to existing organisations. During the War reinsurance facilities were in demand, and, as things turned out, almost any inexperienced underwriter could make money by following good names on a ship. But under existing conditions things are very different. Good, direct business is hard to obtain in quantity. In reinsurance it is doubtless tempting to pass on parts of the risk, such as that of total loss, at inadequate premiums to any institution which is ready to take them. But such proceedings may lead to disappointment. There can be little doubt that some of the more reckless of the new experimenters will be found unequal to the ultimate fulfilment of the liabilities which they have so lightly undertaken, and this will react on the companies or underwriters who have been bold enough to rely on their security. Another stumbling-block in the way of the profitable development of the marine insurance business lay in the unwillingness of some of the companies and underwriters to bind themselves to limitations in the amount of their insured lines.

A proposal was made to the Joint Hull Committee some weeks ago that the companies engaged in marine business should limit their lines on hulls as follows: In the case of values from £30,000 to £250,000 not more than three per cent. to be written by any company, and in cases of over £250,000 to £500,000 not more than five per cent. to be written, values outside these limits being unrestricted. This arrangement, after a good deal of criticism, was tried, but the result was not successful. The balance of risks left over was in some cases not absorbed by Lloyd's, while in other instances some of the Lloyd's syndicates were writing larger lines than were allowed to the companies. The confusion and disturbance which followed led, unfortunately, to the resignation of Sir Edward Mountain from the chairmanship of the Joint Hull Committee, which he had occupied, to the great benefit of the market, during the whole period of its existence. Much as this step has to be regretted, it may be considered that it saved the situation, as it brought home to the general body of underwriters as nothing

else could the seriousness of the situation. Though Sir Edward declined to accede to the request made by the Committee that he should withdraw his resignation, he agreed to support a fitting successor in every way, conditionally on a continuance of the policy which he had hitherto pursued, and it is believed that the election of Mr. E. L. Jacobs in that capacity will be justified by results. A new agreement has been arrived at, whereunder each company will be allowed to write the same line as formerly in cases where the insured value remains unaltered, a reduction in value to be accompanied by a corresponding diminution in line. In the case of an underwriter writing for more than one company the lines of his subsidiary are not to exceed fifty per cent. of that of his principal company. The new agreement seems to have found some favour, and it is hoped that this year's business will be conducted in conformity therewith.

There are at least two circumstances affecting hull insurance which must be considered as far from satisfactory to underwriters. One is the heavy slump which has taken place in realisable values, which in many cases have gone far below insured amounts. Owners are frequently bound to insure for more than they would realise by a sale, because of mortgages. It cannot be considered a healthy state of affairs that a loss at sea would be a financial advantage to them. The second feature is that ownerships have changed hands in very many cases during the last few years, and that the new owners are not known to underwriters in the same way as were the predecessors, whose records were very helpful towards suitable discrimination in risks.

The cargo insurance market has become very difficult. The amount of claims for pilferage has increased to an alarming extent. In some cases these have been in themselves sufficient to wipe out premiums, leaving no margin for claims due to other causes. An increased charge for theft risk is very desirable, but it is doubtful whether it will be possible to secure it.

Among the heavy marine losses in 1920 were the following:—

In January, the *Treveal* (wrecked), the *Mielero* (foundered), the *Marne* (destroyed by fire), the *Argentine Maru* (missing).

In February the *West Alita*, *Bradboyne*, and *Aglica Paraskevi* (all missing), and the *Villa d'Alger* (destroyed by fire).

In March, the *Bohemian*, *Glenorchy*, *Tewkesbury*, and *Botanist*.

In April, the *William O'Brien*.

In May, the *Cordoba* (destroyed by fire).

In June, the *Bergwyn* (wrecked), and the *Engineer* (destroyed by fire).

In August, the *Erinpura*.

In September, the *Zuleika*.

In December, the *Hathor*, *Romsdalfjord*, and *Prah*.

Fires on shore and afloat are believed to have been more numerous and costly than ever before in the history of the business. Some of these run into claims for hundreds of thousands of pounds, but numbers rather than individual values were the outstanding and unsatisfactory feature of the experience of this kind in 1920.

The North British and Mercantile Insurance Company, Limited, announce that the new life business done by the Company during the year just closed amounts to £4,800,000 net, as against the previous year's figure of £3,760,000. This is nearly double the amount of the highest on record for pre-War years.

Monthly and Yearly Highest and Lowest Prices. January 1921. Price 2*s.* 6*d.* net. (London: F. C. Mathieson and Sons.)

Mathieson's Handbook for Investors for 1921. Price 5*s.* net. (London: Fredc. C. Mathieson and Sons.) A concise record of Stock Exchange prices and dividends for the past ten years of selected securities.

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Commercial.

AUSTRALIAN WOOL.

The Cabinet's decision regarding the formation of the proposed British-Australian Wool Realisation Association has not yet been announced, but it is clear from the published letters of the Ministry of Munitions that the main principles of the scheme will be accepted. Some particulars of the proposals were given in our columns on December 18 and 25, and the subject has also been dealt with in the daily Press. We do not propose, therefore, to enter into further details of the matter, but to examine briefly the attitude of our wool textile industries.

We have already noted that the Australian suggestions have been agreed to by the Wool Importers' Association on this side, and since that time the matter has been considered by various other organisations connected with the industry. In the first place, it appears to be very unfortunate that sufficient time should not have been allowed for the views of representative bodies in the industry being obtained. The general ideas were evidently discussed with Australian representatives so far back as August last, and the little of consideration shown by the Ministry of Munitions to traders in this country has provoked unnecessary opposition to the admittedly strong case possessed by the Australian growers. The British Wool Federation, consisting of [illegible], considered the scheme and sent a deputation to the Minister of Munitions, who supplied additional information and also [illegible]. It was agreed that one of the four British directors should be a representative of the wool textile trade, and it was [illegible] that the London [illegible] would be [illegible] offered there to meet trade requirements. It was further agreed [illegible] to bringing them more into line with the levels exist-

is not very apparent in view of the Government's evident intention to hand over the whole of the surplus Australian wool to the Realisation Association, but, having regard to the statements made by Lord Inverforth, the British Wool Federation have agreed to give the whole scheme its hearty support.

The position of machinery owners is, however, somewhat different, but whilst a certain amount of uneasiness exists as to the ultimate end of the proposed Association, the criticisms expressed refer generally to the details of the suggestions. The position of Australian wool growers is recognised as being desperate, and desperate remedies to improve the situation are not resented. It was generally understood during and shortly after the War that the British Government's Wool Purchase Account would not be wound up, and that no payments on account of profits would be made either to the British Treasury or to the Australian wool growers until the whole transaction had been completed. The profits made during 1919 and early 1920 were, however, so enormous that a sum of £13,000,000 was divided between the Treasury and the wool growers, and, in addition, the whole of the money advanced by the Treasury for the purchase of wool was repaid with full interest, leaving a balance in the Wool Purchase Account of wool valued at £46,000,000, cost price, and cash to the extent of approximately £14,000,000. The British Government, having recovered the whole of the money invested in Australian wool, together with full interest, is hardly in a position to decline to share the remaining assets in the manner provided by their agreement with the Colonial farmers. The present scheme goes farther than this in proposing to hand over to the Realisation Association the responsibility for disposing of the half of the surplus wool belonging to this country on the perfectly sound ground that an actual physical division of the material into two parts is impossible.

Many manufacturers in this country point out that undeniable benefits were given to Australia by the Wool Purchase Scheme during the War, and that the profits existing have been built up by the efforts of our Government. The whole of the £25,000,000 capital of the new Association is provided from the Government's Wool Purchase Account. In view of these circumstances, and also having regard to the fact that one-half of the surplus wool belongs to this country, it is often urged that Australia and Great Britain should each have five representatives on the board of directors, with an independent chairman, instead of leaving the majority to be nominated by the wool growers. On many problems the views of growers and manufacturers will necessarily be diametrically opposite, and although the manufacturers' position is strong on account of the large stocks of raw material existing in all parts of the world, it is difficult to see any adequate reason why the Association should be administered by a majority representing the growers. The fears of manufacturers are that supplies of wool may be unduly restricted; that prices may be again forced up; and that the Association may gradually acquire some permanent form for the manipulation of future clips and the extension of trading activities in other directions. The January sales in Australia have been suspended pending a settlement of the matter under discussion, and at the present moment the stocks of raw material held by spinners and manufacturers in this country are very low. The resumption of active trading depends largely upon the ability of merchants and clothiers to place new orders in the near future, but, unless the whole industry is to be closed down at an early date, a strong buying movement for new material must shortly become apparent. Although the quantities dealt in are small, there is a number of worsted spinners in the market for tops, and it would not be surprising to see a slight recovery in prices at the forthcoming London sales. The prices of many types of wool are now below their economic level, and no one will object to a recovery, which will give growers a fair return for their labour and outlay. This must be regarded as the minimum requirement of the new Association, and manufacturers as a whole, so far from raising any opposition in this respect, would welcome such conditions, as conducing to the resumption of trade and assisting in the liquidation of high-priced stocks of semi- and fully-manufactured goods.

The formation of the British-Australian Wool Realisation Association must now be regarded as an accomplished fact, but its effects upon our wool textile industry cannot be further discussed until time has been given in which to study the conditions imposed by the Government. It may be noted, however, that a considerable reduction in the staff, responsibilities and expenses of the Ministry of Munitions will be effected, and although the sale of new clips will probably be given a preference over the old wool, in which the growers hold only half interest, there will ultimately be a considerable sum of money payable to the British Treasury. For the safeguarding of the interests of this country it may be assumed that at least one, and probably two, of the British directors will be men who have shown conspicuous ability in connection with the Government's operations, whilst another has been definitely promised to represent the wool textile trade, presumably the spinning or manufacturing sections.

EMPIRE COTTON.

It was recently announced that the Empire Cotton-Growing Committee have appointed Sir Hector Duff to undertake a mission to Nigeria, and Major H. Hastings Horne to undertake similar work in Tanganyika Territory, formerly German East Africa.

The Committee regarded it as important to obtain first-hand information at as early a date as possible as to the present position and future prospects of cotton-growing in the latter country, and Major Hastings Horne sailed on October 6. In Nigeria valuable work has already been done under the auspices of the British Cotton-Growing Association. The Committee are of opinion that Nigeria offers great possibilities as a cotton-growing area, and have asked Sir Hector Duff to report as to the means by which the industry in the country can be most successfully developed.

Nigeria undoubtedly offers great possibilities as a cotton-growing area, for in what we now call Nigeria cotton has been grown, and cotton fabrics form the principal articles of clothing, for a period extending at least as far back as the dawn of the sixteenth century. Cotton, in fact, or at least a species of cotton, grows wild throughout an enormous area of tropical Africa, very much as a species of silk is found throughout an equally extensive area. African cotton, however, in its wild state is not, or at any rate does not appear to be, quite of the same species as what we commonly call cotton. The cotton with which most Europeans are acquainted is *Gossypium*, a genus of the *Malvaceæ*, and belongs to the mallow family, various species of which are found growing throughout almost the whole of the temperate zone. *Gossypium* is believed to have been originally discovered in Mexico when Cortes' famous expedition landed in the early years of the sixteenth century. This is by no means certain, and is in fact disputed by many authorities. These authorities state that the true *Gossypium* was known, was cultivated, and its product made into fabrics both in India and in China centuries before America was discovered by Christopher Columbus. It is, however, put forward as a claim that we owe to what has since come to be called Spanish America the discovery of the potato, of the cocoa plant, and what we commonly understand as the cotton plant. Species of the true *Gossypium* grow, and grow well, in Africa, and

indeed in most parts of the world, particularly in the sub-tropical world, where the soil is favourable, the rainfall adequate, and the area either not subject to frost at all, or free from frost during the period of about seven months, while the cotton plant is growing. As we have said above, the wild cotton plant of tropical Africa, as it is found to-day, and as it has been known for centuries, is not the true *Gossypium*. It is, if not the actual kapok with which we have become so familiar, a species of the plant we know as kapok. It has to be remembered, however, that the use of cotton upon the very extensive scale to which we are accustomed is due to the invention of the cotton-gin by an American schoolmaster towards the end of the eighteenth century. Previously cotton had to be ginned by hand. It was a slow and naturally an expensive process.

The potentialities of Nigeria as a source of supply for cotton will be appreciated from the fact that, as said above, it has been grown and fabrics have been manufactured from the plant for centuries. Leo Africanus visited what we now call Nigeria some time in the beginning of the sixteenth century. Leo had some very unpleasant experiences, in which he was captured by pirates and sold as a slave. On his return to Europe, however, he wrote a treatise upon the products of what we call Nigeria, or the Kingdom of Guinea. Apparently the Kingdom of Guinea had developed various industries and had a considerable trade at the time of Leo's visit. He distinctly states, after enumerating various products of the country, that the natives grew cotton so extensively that, after providing for the needs of the home market, the local traders sold their surplus to what Leo calls Barbary merchants, that is, traders in what we should call Tunis, Tripoli, and Algeria. That the Nigerian farmers, or the subjects of the King of Guinea, not merely grew cotton, but made that cotton into fabrics, is proved by Leo's statement that the inhabitants were clothed in black or in blue cotton, with which they also covered their heads. The upper classes, including the priests and doctors of law, always wore pure white cotton.

Although, as said above, both India and China claim to have been the birthplace of the cotton manufacture, the inhabitants of the western and southern coasts of Africa made cotton garments long before they were imported into that country from Europe or elsewhere. The beauty of the colours and the design of the native cotton dresses has frequently been commented upon by early African explorers. In the neighbourhood of Sierra Leone, Liberia and Lagos, as well as in the interior of Africa, cotton has for centuries been manufactured. It is even reported on somewhat doubtful authority that woven cotton goods were imported into London from the Bight of Benin during the reign of Queen Elizabeth.

Cotton owes its position to the fact that it is by far the cheapest known fabric suitable for the various purposes for which it is used. That cheapness is, in turn, chiefly due to the invention of the cotton-gin, which separates by mechanical means the raw material from the plant for the making of lint. When it became evident that the world's supply was becoming inadequate to satisfy the demands experiments were made with various well-known fibres in an endeavour to find a suitable substitute for cotton. All these experiments failed, because there was no known instrument capable of dealing with the fibres which could perform the service which cotton-gins do for the plant of that name.

The world's total supply of the true *Gossypium* plant known to the international markets varies between twenty and twenty-five million bales of approximately 500 lb. to the bale. The international market could absorb probably twice as much if it were available. At present those markets are dependent to an extent varying between sixty-six and two-thirds per cent. and eighty per cent. upon the United States of America for the supply of cotton. In the present state of the exchanges as between the United States of America and most consuming countries this is a very embarrassing position. This, however, is not the whole of the case against the world's dependence to so large an extent upon one single source of supply. Formerly the United States exported the bulk of the cotton grown in Georgia, the Carolinas, and in Texas. She now consumes in her own cotton mills an ever-increasing quantity, amounting upon a recent occasion to as much as fifty per cent. of the annual crop.

Cotton, it has to be remembered, is the raw material of the greatest manufacturing industry of England. It will probably be recollected that the Census of Production compiled in 1907 estimated that in that year the total value of the cotton yarns produced in this country amounted, on the then basis of values, to £96,000,000, and that the cotton piece-goods accounted, in addition, for some £82,000,000. The number of persons directly employed in the industry was returned at that time as between half a million and 600,000 individuals. Cotton is employed for the manufacture of the greater part of the clothing materials of all nations, and in consequence has become a vital necessity to every civilised community. The plant is grown over enormous areas, and its cultivation gives employment to millions of people. We have already given the estimated amount of cotton known to the international markets of the world. These figures do not, of course, include the enormous quantities manufactured by hand and used in the homes of the peoples of China, India, Africa, South America, and other regions. We have before us a table estimating the proportional contributions to the world's commercial supply from various States in the year 1913. The cotton belt of the United States is there accredited with a production of a little over sixty per cent. India was estimated to furnish seventeen per cent., Egypt six per cent., China five per cent., Russia four per cent., and Brazil one per cent., of the total amount known to the international markets of the world.

Skandinaviska Kreditaktiebolaget.—The net earnings of this banking institution for the year 1920 amount—after writing off on bonds Kr.3,990,934.50, on shares Kr.1,774,819.84, and on debts Kr.2,463,529.98, and after transferring Kr.5,000,000 to the *del credere* account—which then amounts to Kr.15,000,000—to Kr.31,194,667.03, to which has to be added Kr.,3,619,283.95 brought forward from 1919, making a total of Kr.34,813,950.98. Having set apart for taxes Kr.12,000,000, the Board of Directors recommend a dividend of Kr.30 per share, 21.13 per cent.—same as last year—and to appropriate to the employees' pension fund Kr.500,000, leaving a balance of Kr.3,893,950.98 to be carried forward to new account.

Western Australian Bank.—The report for the half-year ended September 27, 1920, shows a net profit of £32,056. Of this £25,000 is transferred to reserve fund, which now stands at £725,000. A dividend of £1 per share, free of dividend duty, is to be paid, which is at the rate of twenty per cent. per annum. The amount carried forward to next year's account is £20,562. As regards liabilities, notes in circulation total £11,520, bills £41,962, and deposits £3,348,139. The total of liabilities is £4,539,207. Thus the ratios of notes, bills, and deposits to liabilities are .3 per cent., .9 per cent., and 73.8 per cent. respectively. On the assets side, specie bullion, and Australian notes on hand total £835,132 investments £126,155, bills receivable and remittances £3,246,547, or 18.4 per cent., 2.8 per cent., and 71.6 per cent. of the total assets respectively.

The Institute of Chartered Accountants in England and Wales. List of Members, 1921. Royal Charter and By-laws. Price 2s. (London: Gee and Company.)

Bank and Public Finance during the War. 1921. (New York: Guaranty Trust Company.)

Industrial Companies.

BRITISH BURMAH PETROLEUM CO., LTD.

Issued Share Capital: £996,416 in 2,491,039 Shares of 8s. each.
Debenture Stock: Outstanding, £524,908 First and £47,508 Second.

Year to July 31	Gross Profit	Expenses: Sundry Rev.	Expenses: and Commis.	Depreciation	Deb. Charges†	Net Profit	Div.	Added to Reserves	Carry-forward
	£	£	£	£	£	£	%	£	£
1914..	161,651	1,490	27,385	28,285	70,229	40,222	-	30,000	5,222
1915 .	143,253	1,023	29,686	40,250	67,605	9,735	- -		14,957
1916...	252,996	5,197	38,577	96,795	67,279	55,512	---	55,000	35,469
1917...	292,348	6,778	51,362	72,745	66,602	195,117	7½	90,737	40,989
1918...	371,945	9,354	71,080	48,510	66,523	195,156	12½	110,000*a*	25,635‡
1919...	534,603	35,074	86,186	67,579	70,632	345,281	17½	200,000*a*	29,645‡
1920...	368,419	157,934	84,785*b*	75,868	77,438	288,262	20*	100,000*a*	18,624

* Free of income tax. † Interest and sinking fund.
‡ After providing directors' extra remuneration.
(*a*) Including provision for excess profits duty.
(*b*) Including new issue expenses written off, £3,107.

A RATHER severe set-back has been experienced by this Company in its trading operations for the twelve months to July 31 last. The gross trading profit amounted to £368,419, which, as compared with the exceptionally satisfactory results for 1918-19, represents a decline of almost £166,200. This reduction has been mainly due to the sharp fall in the price of benzine, and in a less degree to the smaller output of crude oil and increased working costs. The position has been very materially improved, however, by an increase in sundry revenue from £35,074 to £157,934, to which profit on exchange has contributed £112,086, as against £19,634, and interest £26,477, as against £6,249. The total gross profit, therefore, works out at £526,353, as compared with £569,677 for the previous year. Adminstrative expenses have increased by £23,402 to £81,618, but commission payable to selling agents, which amounted to £27,970 in 1918-19, does not figure in the present accounts. Debenture interest and sinking fund charges are increased by £6,806 to £77,438, and the allowances for depreciation by £8,289 to £75,869, leaving a net profit of £288,262, as compared with £345,281 in the previous year. The dividend, free of tax, is raised from seventeen and a-half per cent. to twenty per cent., and, being payable upon a much larger capital, involves a distribution of £199,283, as against £138,196 in 1918-1919. The amount transferred to reserves, however, is reduced from £200,000 to £100,000, and the balance carried forward from £29,645 to £18,624.

A summary of the balance-sheet position at the end of the past three financial years and at July 31, 1914, is shown in the following table:—

Balance-sheet Figures at July 31.

	Capital*	Reserves and Carry-forward	Property and Plant	Stocks	Stores	Surplus Liquid Assets	Total
	£	£	£	£	£	£	£
1914...	1,389,099	71,476	1,253,065	38,510	78,156	90,544	1,460,575
1918...	1,373,789	383,893	1,244,462	139,862	124,978	248,580	1,757,682
1919...	1,370,256	598,617	1,194,471	116,116	238,658	419,628	1,968,873
1920...	1,561,995	997,867	1,161,036	50,898	209,782	1,139,146	2,560,862

* Including outstanding Debentures.

The share capital was increased to £996,416 in December 1919 by the issue of 516,811 shares of 8*s.* each at a premium of 12*s.* per share, the new shares ranking for dividend from August 1, 1919. The premiums received in respect of this issue figure in the balance sheet at £307,105. First Mortgage Debenture stock of £47,879 was purchased during the year for redemption, the total amount purchased at the date of the accounts being thereby increased to £211,396. A further cancellation of £8,149 has been effected in the Second Debenture stock. The sinking funds for redemption of debentures now amount to £249,615, as compared with £200,953 at the date of the previous balance sheet. The reserve and contingent reserve accounts were reduced during the period under review by £43,608, but the allocation of £100,000 now made increases the total of these accounts to £403,523. These reserves are available for payment of income tax and excess profits duty, and it would appear that ample provision has been made for any liability under these headings. The exploration and development reserve created in 1919 has been further reduced by £2,812 to £15,000. The assets side of the balance sheet shows additions at the refinery amounting to £18,396, as against £9,142 in 1918-19, whilst the amount written off for depreciation is reduced from £26,934 to £16,177. The expenditure at the oilfield amounted to £24,037, as against £8,447, but the allowance for depreciation is increased from £40,644 to £59,691. Stocks of crude oil and oil products have fallen by over £65,200 to £50,898, mainly as a result of reduced production, whilst stores have also fallen by nearly £28,900 to £209,782. Sundry debtors at £242,356 show a diminution of £30,693, but cash has been increased by £74,048 to £193,993. The outstanding alteration is the expansion in the item of investments from £111,533 to £824,489, the increase being mainly due to the purchase of Government securities out of the proceeds of the capital issue pending suitable employment elsewhere. The investments also include the interest recently taken in the British Sinai Petroleum Company, Limited. The increased capital resources are reflected in the growth of the liquid assets, which, excluding stocks and stores, exceed current liabilities (including dividends due) by £1,139,146, as compared with £419,628 at July 31, 1919.

At the general meeting of the Company on January last some interesting particulars were furnished regarding the position of the Company's oil properties and subsidiary undertakings. The development of new oilfields in Burma is proceeding, but the general results have pointed to the advisability of exploiting a more extended area. The Company has secured a predominant interest in the British Sinai Petroleum Company, which was formed early in 1920 to exploit an important oil-bearing territory on the west coast of the Sinai Peninsula. A part interest has also been obtained in options over territory in Argentina. The subsidiary undertaking—the Rangoon Oil Company—enjoyed considerable prosperity in 1919-20, and the dividends receivable from this enterprise, which amounted to £11,719 for the year under review, will be still further increased during 1920-21. The immediate outlook for the Company does not appear to be so bright, however. Since the close of the year under review a further fall in the production of crude oil has taken place, due largely to reduced yields and to the increased difficulty experienced in the completion of wells. Besides, as there has been no material recovery in the price of benzine since the close of the past financial year, and as the cost of production has not since been reduced, it seems clear that these factors, which were responsible for the reduced earnings in 1919-20, will operate with similar effect during the current financial year. It should also be borne in mind that profit on the Indian exchange formed an important part of revenue in 1919-20, and that recent movements in the rate point to a material reduction in the gains derivable from this source during the current year. A much larger return, however, may be anticipated from the additional capital, which was only available towards the second half of the past financial year. The shares of the Company are now quoted at 21*s.* 3*d.*, yielding a return of 5.6 per cent., tax free, on the basis of a dividend of 15 per cent. free of tax. The First Mortgage Debentures, at 95, yield 6.3 per cent., and the Second Debentures, at 100½, yield over 7.4 per cent.

BRITISH INDIA STEAM NAVIGATION CO., LTD.

Issued Capital: £1,657,200 in £700,000 5% Cumulative Preference Stock and 19,144 Shares of £50 each.
4½% Debenture Stock: £1,657,200; Debentures, £24,070.

Year to Dec. 31	Net Profit	Debenture Interest	Preference Dividend		Ordinary Dividend		Carried Forward
	£	£	£	%	£	£	£
1915 ..	205,341	74,574	35,000	5	95,720	10	15,670
1916 ..	228,539	74,574	35,000	5	114,864	12	19,771
1917 ..	226,650	74,574	35,000	5	114,864	12	21,983
1918 ..	222,687	74,574	35,000	5	114,864	12	20,251
1919 ..	226,394	74,574	35,000	5	114,864	12	22,188
1920 ..	237,284	74,574	35,000	5	124,486	13	25,162

After providing for depreciation and taxation. † Free of income tax.

The report of this steamship Company for the twelve months ended September 30 last shows a [illegible]

[illegible] of £287,284, representing an increase of £10,890 as compared with 1918-19. As usual, provision has been made for depreciation and taxation before showing the net result, but no information is furnished as to the amount of the deductions under these headings. Indeed, the highly condensed form in which the accounts are presented does not allow of any detailed analysis or comparison. The "profit and loss" account shows merely the amount of the net profit and the proposed allocations therefrom. The appropriations for Debenture interest and Preference dividends remain the same at £74,574 and £35,000 respectively, but the Ordinary dividend, which, as usual, is paid free of income tax, is increased from twelve per cent. to thirteen per cent., involving a distribution of £124,436, as compared with £114,864 in each of the four preceding years. The balance carried forward is also increased from £22,188 to £25,402.

In the balance sheet the fixed assets, stores, debts due to the Company, sundry investments, and cash are all shown in one total at £14,459,985, or £1,017,688 more than at the date of the previous statement. Amongst the liabilities the share capital and Debenture stock remain unaltered. The short-dated Debentures, however, have been further reduced by £4,950 to £24,070. The reserve and insurance funds are unchanged at £500,000 and £1,000,000 respectively. The item of sundry creditors, which apparently includes provision for taxation, amounts to £9,492,404, representing a further increase of £1,009,791. In view of the manner in which the various assets are stated in the balance sheet it is impossible to draw any comparison between current liabilities and liquid resources.

The directors in their annual report on December 7 last stated that the Company's steamers were fully employed during the year, excepting those which were for certain periods laid up for reconditioning. Five steamers remain under requisition by the Government at rates which, it is stated, are not remunerative.

The severe depression prevailing in the shipping trades is likely to reduce considerably the earnings of the undertaking for the current financial year. Any decline in prosperity, however, will be a matter primarily for the Peninsular and Oriental Steam Navigation Company, which holds all the Preference and Ordinary stock. It will be seen that the annual Debenture charge has been covered three times over by the net profits for each of the past five years.

The Four-and-a-Half per Cent. Debenture stock is now quoted at 68½, yielding a return of 6.6 per cent.

PEEK BROS. AND WINCH, LIMITED.

Issued Share Capital: £600,000, in 180,000 5% Cumulative "A" Pref., 180,000 6% Non-Cumulative "B" Pref. and 240,000 Ordinary Shares of £1 each.
Debenture Stock: £200,000 3½ Perpetual of which £106,124 held in trust for the Company.

Year ended	Profit before Int.	Net Profit	Dividends				Carried forward
	£	£		£	£	£	£
1914...[illegible]	335	7,[illegible]	13[illegible]	1½	[illegible]	Nil	—	10,[illegible]	2,743
1915...[illegible]	42,213	7,000	35,213	7%	14,000	Nil	—	14,098	8,358
[illegible]	[illegible]	7,000	19,[illegible]	3½	10,500	Nil	—	—	11,467
1917...82,982	7,[illegible]	75,282	—	[illegible]	[illegible]	Nil	—	54,[illegible]	[illegible]
1918...89,287	7,000	82,287	A 5% B 7½	[illegible]	11,[illegible]	Nil	—	[illegible]	[illegible]
1919...82,768	7,000	55,768	A 5% B 7½	[illegible]	7,[illegible]	2½	6,000	—	59,471
1920...31,126	[illegible]	[illegible]	A [illegible] B —	[illegible]	[illegible]	—	[illegible]	1,[illegible]	1,[illegible]

[illegible] after [illegible] for [illegible] and [illegible] tax.
[illegible]
[illegible] excess profits duty.
[illegible] excess profits duty.

The shareholders of this firm of tea and produce merchants can draw little comfort from the facts disclosed in the recently-published report for the twelve months ended June 30 last. It is stated that the profit on trading was "quite satisfactory" apart from the serious fall in the value of stocks, but, after making due provision for this exceptional depreciation and adjusting the liability for excess profits duty, the [illegible] ward from the previous year leaves a credit balance of £27,921, of which a sum of £10,000 is allocated to a special stock reserve, £7,000 in payment of Debenture interest and £9,900 in payment of the dividend on [illegible] Preference shares. The 6% Preference dividend is passed over and the small sum of £1,022 is carried forward to the current year.

There are few changes of outstanding importance in the balance sheet. The amount of the Debenture stock purchased and held in trust for the Company has been increased by £1,124 to £106,124. This stock is available for re-issue at any time. The [illegible] and General reserves remain unaltered at £200,000 and £100,000 respectively, but the directors have decided to transfer £10,000 from the last-named account to the special stock reserve, raising that fund to £20,000. Liabilities on bills payable have been reduced by £50,144 to £136,032, whilst bills payable have been increased by £14,600 to £14,821, and temporary loans by £37,165 to the large total of £427,520. Deposits remain unaltered at £2,885. On the assets side of the balance sheet the properties and plant and machinery remain practically unaltered at £232,852 and £2,627 respectively, the amount written off for depreciation during the year not exceeding £1,436. The item of stocks has grown by £81,662 to £255,674, an increase which, in view of the severe fall in values, is far greater than the figures indicate. Investments (at cost or under) have been increased by £6,031 to £145,327. The Debenture stock of £106,124 which has been purchased is valued among the assets at £71,815. Debts due to the Company have been reduced by £149,502 to £390,619, and cash and bills by £15,035 to £38,683.

The valuation attached to the item of goodwill remains unaltered at £356,000. The heavy expenditure on stocks is reflected in the reduction of the surplus of liquid assets over current liabilities (including dividend payable) from £171,897 to £43,462.

The prospects for the current financial year are obscured by the unhealthy condition of the tea and produce markets. Besides, it is very difficult to form an estimate of the actual trading position of the Company in the absence of any information as to the total amount set aside for the past financial year to cover special depreciation of stocks and the payment of excess profits duty. Large amounts have apparently been already paid on account of this liability, and the recovery of these sums will strengthen the Company's financial position, which, as shown in the balance sheet, is rather weak. It will be seen that the valuation placed upon goodwill is over £130,000 in excess of the total value of the fixed assets, and it is advisable that this item be steadily reduced as soon as profits [illegible]

[illegible] Ordinary shares and of 6s. 10½d. for the six and a half per cent. "B" Preference shares, which, it should be noted, are non-cumulative, indicate that the Market does not consider it likely that any dividend will be paid on these shares this year. This opinion is supported by the fact that [illegible] half per cent. "A" Cumulative Preference shares, which, at this price, would afford a return of nearly [illegible] per cent. The Five Mercantile Companies [illegible]

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

CITY AND COUNTY BOROUGH OF BELFAST.

Offer at par of Six and a-Half per Cent. Mortgages, repayable at par at the end of ten, fifteen, or twenty years, or longer periods, at the option of applicants.

In commenting on the above emission in last week's issue we drew attention to the lack of information concerning "the exact constitution of the sinking fund, . . . the total debt outstanding, . . . the extent of the present interest charges, the feasibility of raising the rates, and the produce of an extra penny rate." The authorities have now kindly supplied the necessary details. At the close of the last financial year the funded debt of the Corporation was £4,185,198, and the redemption contributions in hand amounted to £625,024. During the current financial year debt has been extinguished to the amount of £39,200, and borrowing powers have been exercised for the electricity and gas undertakings to the extent of £204,000, thus leaving the funded debt at £4,350,000, less redemption contributions in hand. The yearly sums to be paid into the sinking fund for all the debt will be at a rate not exceeding three per cent. per annum, or such other rate as the Local Government Board may sanction, and will be sufficient to make complete capital repayment within the prescribed periods. Interest and sinking-fund charges for the current year are estimated at £300,500, while the revenue from local rates alone will approximate £807,000. Other revenue payable to the rating funds stands at £173,000, and the gross receipts from gas, electricity and tramways undertakings at £1,781,000. The existing rates are 10*s.* 0½*d.* in the £ on valuations not exceeding £20, and 10*s.* 8*d.* in the £ on valuations exceeding £20. Of the twenty-three English municipalities which issued loan prospectuses during the past year only two were in a position to maintain their rates below 10*s.* in the £, and only seven below 15*s.* In view of the extremely heavy borrowings made during the last two years by public bodies it becomes increasingly important that prospectuses for such loans should contain complete statements as to the financial position of the borrowers, and the frankness of Belfast in this matter is to be commended. As regards the new offer of Mortgages, further details of which may be obtained in our advertisement columns, it is to be noted, however, that no mention is made of a pending Stock Exchange quotation, a defect in marketability which is largely, but not completely, remedied by the annual redemption facilities.

ISSUES TO SHAREHOLDERS.

EQUITABLE BANK.—4,000 fully-paid £1 shares at par to holders registered on December 31, 1920.

DEKHARI TEA.—729 £10 shares at par in the proportion of one new share for every six held.

HENRIETTA RUBBER. 16,496 £1 shares in the proportion of one new for every five held.

PENDING ISSUES.

COMMONWEALTH OF AUSTRALIA.—£5,000,000 Six per Cent. Redeemable bonds 1931-41 at ninety-five.

CORPORATION LOAN.—Halifax, Birkenhead, Salford, and Newcastle will shortly make an offer of redeemable stock on similar terms to recent corporation issues.

THE CORPORATION OF LONDON.—Power is being sought to borrow the sum of £3,050,000 instead of £2,250,000 as authorised in 1911 for the reconstruction of Southwark Bridge and the construction of a new bridge between Southwark and Blackfriars Bridges.

AUSTIN MOTOR.—£1,000,000 Seven per Cent. Tax free First Mortgage Convertible Debenture stock at par.

PLYMOUTH STEAM FISHING, ICE AND COLD STORAGE. 60,000 £1 Ten per Cent. Cumulative Participating shares.

MELBOURNE ELECTRIC SUPPLY.—30,000 £5 Eight per Cent. Preference shares at £4 15*s.* each.

CRABTREE AND SONS.—Holders of the Eight per Cent. Preference shares have been asked to sanction the creation of Debentures up to an amount of £200,000.

DIVIDENDS ANNOUNCED THIS WEEK.

	1920	1919	1918	1917	Price
	%	%	%	%	
BANKS:					
Bank of Montreal, $100 shs. ...	3(q)	12	12	12	164xd
[illegible] Mutual Banking	9†	9	8½	8	21
Colonial Bank of Commerce, $100 shs.	3(q)	12	12	12	12⅞
London Merchant B. £20 shs., £10 pd. ... ... (£½)	5(i)	2½	2½	5	5⅞
BREWERIES AND DISTILLERIES:					
City of London Brewery, Ord. 72s. shs. 12s. pd.	—	35	30	10	28/-
Eastwood Brewery, £5 shs. ...	5	10	2½	2½	70/-
Lloyd & Yoraths, Ord. £10 shs. (10%)	5	12½	15	10½	—
Oranshaw Brewery ... (15)	11½	—	—	—	—
Steel (Richard)	10	—	—	—	—
Smith, Garrett, £10 shs., £9 pd.	5½(i)	10	10	—	5⅝
COMMERCIAL AND INDUSTRIAL:					
Angus (George)	5(i)	17½	17½	17½	—
Ashton Bros., £10 shs. ...(17½†)	1½	22½	15	10	-
Bradford Exchange, £5 shs. ...	10†	10	7½	8	—
British Oil & Cake ... (15†)	5(i)	20	15	15	27/6
Byrom (Joseph) ... ... (11½)	5(i)	—	—	—	14/6
Cardiff Pure Ice and Cold Storage (12½)	9(i)	12	9	5	—
Carreras ... ... (8½*)	4(i)*	10	10	10	23/-
City Offices, £12 shs.	2½(i)	5	5	5	6½
Cropper & Co.	2½(i)	20	20	20	27/6
Fore St. Warehouse, £14½ shs., £9½ pd. ... ... (10½)	5 10(i)	14	10	10	7/-
Kinloch (Charles)	3(i)	20	12½	5	10/6
Leahy, Kelly & Leahy, £5 shs. (10)	7½(i)	11	8½	6	—
Liebig's Extract of Meat, Ord. £1 shs.	10(i)	25	25	25	21
Liverpool Grain Storage & Transit, Stk.	4(i)	6	6	6	—
Lloyd (Edward)	3 (i)*	—	—	—	—
London Pavilion, £5 shs. (8½)	6(i)	8½	3	3	5s 1½
Lowrys (John)	6(i)	12½	12	12	11/10½
Lyon (Richard)	7½(i)	11½	17½	17½	—
North of Ireland Paper Mill (17½*)	7½(i)	15 A	15	15	—
Rich (E.)	5(i)	5	10	8	10/9
Scott, Son & Co.	10(i)	—	—	—	18/6
Sittingbourne Paper Mills ...	3½(i)	—	—	—	—
United Automobile Services ...	15†	—	—	—	20/3
Wagon Finance Corpn., £10 shs., £1 pd. ... ... (12½)	7½(i)	11	10	10	—
Yorkshire Railway Wagon, £10 shs., £2 pd.	5(i)	10	10E	11½	—
ELECTRIC LIGHTING AND POWER:					
Melbourne Elec. Supply, Ord. Stk. (10%)	5(i)*	10	10	10	115½
Vera Cruz Elect. Light, Power & Traction	5(i)	—	—	—	16/9
Westminster Elec. Supply, £5 Ord. ... ... (10%)	6(i)	8	8½	9½	5/7½
FINANCIAL, LAND AND TRUST:					
British Investment Trust, Def. Stk. ... ... (15)	8½(i)	14	14	14	190½
Charter Trust & Agency Ord. Stk.	3½†	3	2	2	32
Colonial Invest. Trust. Def. Stk. ... ... (7½†)	5(i)	5½	4½	4½	[76
Mercantile Invest. & Gen. Trust, Ord. Stk. ... ... (8½)	5(i)	7	6	6	100
Mortgage Co. of the River Plate, £10 shs., £3 pd. ... (15)	9(i)	14	20	22	5½
Northern Trust	5(i)	—	—	—	—
North of Scotland Canadian Mort., Ord. £10 shs., £2 pd.	11½(i)	15	18¾	18½	35
Scottish Assets, Ord. £10 shs., £3 pd.	4(i)	8	8	8	—
Transvaal and Delagoa Bay Invest.	25†	25	—	22½	5 1½
GAS:					
Gas Light & Coke, Ord. Stk. ..	1½(i)	3	5½	5 6	53½
Gas Light & Coke, 3½% Max. Stk	1 15(i)	2 66	3½	3½	36½
INSURANCE:					
Colonial Mutual Fire Insurance ...	7½(i)*	—	—	—	-
Midland Employers' Mutual Assurance	1(i)	—	—	-	—
Sea Insurance ... ... (15*)	8(i)	13½B	10	11	78/-
IRON, COAL AND STEEL:					
Antrim Iron Ore, £3 shs., £2 pd.	5(i)	15	10	10	—
Consett Iron	4 17(i)	35D	40	40	28/-
Consett Spanish Ore	10(i)	45	17½	12½	- -
East Indian Coal	15(i)	—	—	—	—
Scott (Walter)	2½(i)	12½	15	15	19,1½
Stavely Coal & Iron ... (7½†)	3½(i)	10	12½	15	39/-
MINING:					
Glynn's Lydenburg	5*	5	5	20	7/6
Ocean Tapping	1½(i)	—	20	20	22/6
Waihi Gold ... ... (20%)	2½(i)	20	20	20	28/1½
RAILWAYS—HOME:					
Alexandra (Newport & S. Wales) Docks & Ry. Cons. Stk. ...	1½(i)	-	-	-	—
Cleve. and Caerm. £—shs. (5†)	2½(i)	5	5	5	—
Clotham & District Light Rlys..	2½(i)	—	—	—	—
Dublin & Sth. Eastern Cons. Ord. Stk ... ... (1%)	½(i)	1½	Nil	Nil	-
Gt. Eastern, Ord. Stk. .. (2½†)	2½(i)	2½	2½	2½	50
Great Northern (Ireland), Ord. Stk. (6%)	5½(i)	6	5½	5½	51
London & Blackwall Cons. Ord. Stk. ... ... (1½*)	2½	4½	1½	1½	68½
Midland Gt. Western (Ireland) Cons. Stk. ... ... (2½)	1(i)	2½	2	2	20¾
Sheffield District, £10 shs. (3½†)	2(i)	3½	3½	3½	63/9
Taff Vale Ord. Stk. ... (4*)	20(i)	4⅛	3⅝	3⅝	42⅛
RAILWAYS—INDIAN:					
Rohilkund & Kumaon, Stk. ...	5(i)	10	8	8	9½
SHIPPING:					
Prince (Wm.) Berwick	7½(i)	15½	3½	-	37/6
Lancashire Shipping	10(i)	30	30	30	—
TRAMWAYS AND OMNIBUS.					
City of Buenos Ayres Tramways, Ord. £5 shs. ... ... (5†)	11½(q)	5	5	5	67/6

* Tax free. † Total for 1920. (i) Half-yearly actual. (q) Quarterly actual. (A) £5 shs. sub-divided and bonus, 3 new shs. for 6 held. (B) £10 shs. sub-divided. (C) Plus 2*s.* bonus, tax free. (D) Bonus, 2 new shs. for each 4 held. (E) Bonus, 1 new sh. for each sh. held.

BRITISH BANKING RESULTS.

LONDON COUNTY WESTMINSTER AND PARR'S BANK.—The balance sheet of the London County Westminster and Parr's Bank as on December 31, 1920, illustrates with undoubted clearness the general policy of British banking during 1920. The accounts of all the Big Five show a large increase in loans during the first half of the year, and a reduction, or at any rate a restriction, of expansion during the second half. The contraction in loans would tend to create a corresponding decline in deposits, but this influence, being counteracted by other more dominant factors, the item "current, deposit, and other accounts" generally exhibits an actual increase during the final six months. In the case of the London County Westminster, the high mid-year "peak" in advances has been followed by a decline to very near the New Year levels, and, deposits moving correspondingly, the ratio of loans to deposits on December 31, 1920, approximates very closely to the figure for December 30, 1919. On the latter date the ratio was 42.02; by June it had mounted to 47.78; and at the close of the year it stood at 42,68, showing a net increase of only 0.66 points. The cash position exhibits, as would be expected, a corresponding improvement between June and December. Total cash at £72,061,907 is lower by 5.5 millions on the year, but exceeds the June figures by 1.5 millions. The actual ratio of cash to deposits displays an even more satisfactory position. In the initial six months it had fallen from 25.44 to 21.88, but by the close of the year recovered to 23.57. Net profits amount to £2,915,709, exceeding the 1919 amount by £460,700, and the dividend payments remain unchanged at twenty per cent. per annum on the £20 shares and six and a-quarter per cent. per annum on the £1 shares. The investment-depreciation account receives £1,300,000, the largest allocation made for this purpose among the Big Five. Full details of the balance sheet and profit and loss account will be found in the appended table:—

BALANCE SHEET	Dec. 31, 1920	June 30, 1920	Dec. 31 1919
	£	£	£
Capital paid up	8,503 718	8,503 718	8,503,718
Reserve	9,003 718	8,750,000	8,750,000
Current, deposit and other accounts	305,851 631	322,646,306†	304,848,078
Note circulation in Isle of Man ...	19,025	16,455	18,351
Acceptances, &c.	19,034,317	17,623,546	23,704,366
Profit balance...	1,018,566	†	971,877
Total liabilities	343,433,975	357,540,025	346 796,385
Cash in hand and at Bank of England	49,124,145	50,335,311	58,766,910
Money at call and short notice ...	22,937,762	20,267,656	18,794,487
Total cash	72,061,907	70,601,000	77,561,397
Investments	57,984,694	58,704,776	65,058,988
Bills discounted	60,335,724	53,157,075	49,351,185
Advances to customers and other accounts	130,538,521	154 172,612	128,090,983
Customers' liability for acceptances, &c.	19,034,317	17,623,546	23,704,366
Bank and other premises	3,478,812	3,280,986	3,029,166
Total assets	343,433,975	357,540,025	346,796,385
	%	%	%
Ratio of cash to deposits ...	23 57	21 88	25 41
Ratio of loans to deposits ...	42·68	47·78	42 02
PROFIT AND LOSS ACCOUNT:	£	£	£
Balance from previous year ...	414,226	—	377,560
Net profits	2,915,709	—	2,455,007
	3,329,935	—	2,832,567
Dividends, less tax	1,11 ,30?	—	1,052,620
To investment depreciation account	1,300,000	—	1,000,000
To reserve	253,718	—	165,721
To bank premises account ...	200,000	—	100,000
To bank war memorial		-	100,000
Balance carried forward	460,915	—	414,226
	3,329,935	—	2,832,567

* Including holdings of subsidiary banks. † Profit balance included with current, deposit and other accounts.

LLOYDS BANK.—As with the other members of the Big Five, the balance sheet of Lloyds Bank as on December 31, 1920, records a net increase for the year in loans, though the item was reduced considerably during the final six months. Advances to customers, at £151,079,174, compare with £164,395,501 on June 30, 1920, and £135,763,591 on December 31, 1919. Concurrently with this shrinkage in loans, deposits, which had not altered materially during the first half-year, show an increase of over twenty millions at £345,028,984. The ratio of loans to deposits exhibits a correspondingly sharp decline of 6.9 points at 43.79 per cent., though for the year a net increase of 1.98 points is registered. Drastic though the restriction of credits may seem, it must be noted that loans still form a much higher percentage of deposits than they did on June 30, 1919, when the figure was 30.00. That every effort was strained, within the bounds of prudence, to meet the demands of the industrial community is reflected in the cash position. Total cash, at £65,900,764, is lower by 6.3 million on the year, but displays an increase of 1.3 millions as compared with the June figures. Owing to the increase in deposits, however, the ratio of cash to deposits records a consistent decline from 22.24 in December, 1919, to 19.91 in June 1920, and to 19.10 in December 1920. Details for the four last half-yearly periods are recorded in the appended tabular statement:—

BALANCE SHEET	Dec. 31, 1920	June 30 1920	Dec. 31 1919	June 30 1919
	£	£	£	£
Capital paid up	14,137,796	14,135,876	9,420,544	8,984,056
Reserve fund	10,000,000	9,977,282	9,675,105	9,071,250
Current, deposit and other accounts	345,028,984	324,308,239	324,711,756	309,328,801
Profit balance	1,368,569		1,226,680	-
Acceptances, &c. ...	17,867,530	16,285,514	32,079,843	15,708,411
Total liabilities	388,402,879	364,706,911	377,113,928	343,092,518
Cash in hand and at Bank of England	51,153,076	54,557,959	57,587,215	87,207,924
Cash at call and short notice	14,747,688	10,016,013	14,621,756	33,406,991
Total cash	65,900,764	64,573,968	72,208,971	120,614,915
Investments*	73,376,529	74,687,300	75,765,779	59,389,254
Bills of Exchange	76,037,123	40,716,204	57,491,864	50,579,004
Advances to customers and other accounts	151,079,174	164,395,501	135,763,591	92,784,877
Customers liability for acceptances, &c.	17,867,530	16,285,514	32,079,843	15,708,411
Bank premises	4,141,759	4,048,424	3,803,880	3,715,791
Total assets	388,402,879	364,706,911	377,113,928	343,092,518
	%	%	%	%
Ratio of cash to deposits ...	19·10	19·91	22 24	28·99
Ratio of loans to deposits ...	43·79	50	41·81	30·00
PROFIT AND LOSS ACCOUNT				
Balance from previous year	505,420		172,755	—
Net profits	3,237,741		2,876,303	—
	3,743,161		3,349,058	—
Dividends, less tax ...	1,649,297	-	1,293,638	—
To special contingency account for writing down investments	1,250,000		1,150,000	-
To bank premises account ...	250,000		200,000	—
To widows' and orphans' fund	50,000	—	50,000	—
To reserve fund			150,000	-
Balance unappropriated ...	543,864		505,420	—
	3,743,161	—	3,349,058	—

* Including holdings of shares of subsidiary banks.

Net profits, at £3,237,741, are 0.36 millions greater than those for 1919. Though dividends absorb the whole of the increase, the actual rate is only 16⅔ per cent. per annum, as compared with 18⅛ per cent. for 1919. The special contingency account for writing down the bank's investments receives an allocation of £1,250,000.

IRISH BANK RESULTS.—The five independent Irish banks whose financial year ends on December 31 have now published their reports in respect of the last six months. Dividends have been maintained on the 1919 level, the total distributions in respect of the 1920 operations being: Bank of Ireland, twelve per cent.; Hibernian, eight per cent.; Munster and Leinster, twenty per cent.; National Bank, twelve per cent.; and Provincial of Ireland, thirteen and a-half per cent. During the final half-year net profits aggregated (in round figures, and after allowing for income tax on shareholders' dividends where the net profit is declared after deduction of such tax) £700,000, against £673,000 for the six months ending June 30 last, £614,000 for the half-year to December 31, 1919, and £587,000 for that to June 30, 1919—a steadily progressive record. The total paid-up capital employed has remained at £5,709,000 throughout the past year; the reserve, which at the end of 1919 stood at £3,245,000, has grown to £3,300,000, and each institution has either increased [illegible] undivided profits, the total [illegible] £141,000, as against £123,000 a year ago. The investments have been generally written down to the [illegible]

MEETINGS
OF PUBLIC COMPANIES.

London Joint City & Midland Bank Ltd.

THE RT. HON. R. McKENNA'S TRENCHANT CRITICISM OF TREASURY POLICY OF DEFLATION.

THE ordinary general meeting of the shareholders of the London Joint City and Midland Bank, Limited, was held at the Cannon Street Hotel, London, E.C. 4, on Friday, January 28, 1921, for the purpose of receiving the report and balance sheet, declaring a dividend, electing directors and auditors, and transacting other ordinary business.

The Chairman (the Right Hon. R. McKenna) said: My Lords, Ladies and Gentlemen,—I have to-day to give you an account of the progress of the Bank during the year which has just elapsed. I will lay before you as clearly as I am able all the relevant figures, and when you have considered them I believe you will agree with me that they disclose a satisfactory record of progress. In the conduct of the Bank the principles upon which our late Chairman, Sir Edward Holden, acted have been steadily followed—to keep the Bank strong and to help the country's trade and industry. We have been passing through a time of commercial depression, and we dare not express a confident opinion that a revival of trade is yet in sight, but we are hopeful that by a firm adherence to the guiding principles of the Bank we shall be in a position to help materially in the recovery, whenever it may happen.

GENERAL FINANCIAL CONDITION.

Before I come to the story of our own Bank I should like, with your permission, to make some observations on general financial conditions, with special regard to the influence of financial policy on the industrial and commercial interests of the country. In the intricate and highly developed organisation of our trade, the production, movement and disposal of commodities are largely financed with borrowed money. Banks, which receive deposits at interest and lend to the trade, and traders, who at one time hold money with the banks and at another borrow from them, have a like concern in the conditions governing the facility with which credit can be obtained and the rate of interest charged on loans. From time to time complaint has been made that credit has been unduly restricted and that dear money rates have contributed materially to the trade depression from which the country is suffering. We cannot form an opinion whether this criticism is justified unless we have a clear understanding of our present monetary conditions and of the causes which have given rise to them, and I propose in the first place briefly to examine these conditions.

WHEN THE BANK RATE IS EFFECTIVE.

Before the War the Money market was controlled by the Bank of England, and the Bank rate was the instrument by means of which this control was exercised. The ordinary banks could create credit, but they endangered their stability if they exceeded a limit ultimately determined by the amount of their cash reserves. These reserves in the aggregate could only be increased in one of two ways: either by means of loans made by the Bank of England, or by the purchase of gold by any bank. If the Bank of England was asked to lend more than its own reserves would justify, the Bank rate was raised, and the demand for additional credit was countered by the rise in the rate of interest charged.

At that time, when our currency was based on a real gold standard, a rise in the Bank rate had the effect not only of restricting credit and reducing the currency in circulation, but also of attracting gold from abroad. This latter effect was not less important than the former. A demand for additional credit accompanied rising prices, and rising prices called for more currency to be put in circulation, which caused a reduction in the Bank of England reserve. As the Bank of England can issue additional notes only against gold, the same circumstances which rendered it advisable to restrict credit also made it necessary to increase the Bank's stock of gold.

In ordinary times the simplicity and effectiveness with which our central banking system worked were very remarkable. One important result achieved was that prices were kept at a fairly constant level. There were fluctuations, indeed, according to temporary trade conditions, and over long periods there were slow movements up or down according to variations in the efficiency of production or to the rise or fall in the output of the world's gold mines. But a rise in prices caused by undue expansion of credit was always checked before it had gone far and before adjustments had been made to the new price levels on such a scale as to render a subsequent fall in prices destructive to trade. I shall explain more clearly what I mean on this point later in speaking of inflation and deflation.

WHEN THE BANK RATE IS NOT EFFECTIVE.

It will be observed that the smooth and beneficial working of our central banking system implies the existence of two conditions. In the first place the Bank of England must have control of its own lending powers. It has this control in dealing with the Money market; but if, as is the case, the Bank is bound to lend when called upon by the Government, and if this right to borrow is habitually exercised, a rise in the Bank rate will not necessarily check the expansion of credit. Next, the conditions must be such as to permit of a free market in gold. If our currency is at a discount in relation to its nominal gold value, raising the Bank rate will not attract a single ounce of gold to this country. If either of these conditions fails, and still more if both of them are absent, the Bank of England cannot have the real control which it formerly exercised with such success.

We know that at the present time the Government frequently borrows heavily from the Bank of England. We know also that we have not a free market for gold. The essential conditions for the effective operation of the Bank rate therefore no longer exist, and we are bound, consequently, to examine afresh in the light of actual circumstances the policy which guides the financial authorities in making money rates high or low and the methods adopted by them to achieve their object.

TREASURY POLICY.

Fortunately we have no difficulty in discovering what this policy is. It has been publicly defined in clear language. In the autumn of 1919, when the Bank rate was raised from five to six per cent. and the Treasury Bill rate from four and a-half to five and a-half per cent., the policy of the Exchequer was definitely declared to be to reduce credit inflation and to restore an effective gold standard. Later, in March of last year, the policy was described as one of first stopping further inflation and then beginning gradually to deflate. At that time the Chancellor of the Exchequer observed that as fast as he had stopped creating credit the banks had created it, and that "the extent of the advances made to trade and to private individuals was such as to endanger and to reduce the amount of Treasury Bills." It would not be difficult to show that the additional credit created by the banks was largely due to demands of traders to enable them to pay their taxes, but I refer to the official statement here in order to show that it was the intention of the Treasury policy to reduce the amount of outstanding credit. In the following month the Treasury Bill rate was further raised from five and a-half to six and a-half per cent. and the Bank rate to seven per cent. The justification of this rise in rates was stated to be that the Government had been forced to borrow £55,000,000 from the Bank of England on Ways and Means, owing to non-renewal of maturing Treasury bills to the extent of £64,000,000. Borrowing from the Bank of England enlarged the power of the banks to give credit, and here again the policy was declared to be one of restricting credit expansion.

In May last the Report of the War Wealth Committee was published and with it a Treasury memorandum, which set out very clearly the financial policy at that time. The keynote of this policy was deflation, but deflation so guarded as not to interfere with production. It was deemed essential that the floating debt should be materially reduced out of surplus revenue, for even if deflation could be secured by the issue of a funding loan, it would be much better for the nation, according to the memorandum, that it should be secured by taxation. Undue deflation was recognised as an evil, but such deflation as could be secured by raising by special taxation from £300,000,000 to £500,000,000 with which to pay off floating debt was considered a proper measure.

It will be seen from the extracts I have given that we have ample material to form a just estimate of the policy which has guided the Treasury during the greater part of the last two years. I do not refer to this policy now with any intention of criticising it; my purpose is solely to examine its meaning. The policy adopted by the Treasury is of the deepest concern to the banks and the whole of the trading interests of this country. It is our duty to understand its meaning, to examine the measures adopted for giving effect to it, and to forecast so far as we can the consequences which will ensue.

INFLATION AND DEFLATION DEFINED.

Stated briefly, the Treasury policy declared early last year was, first, to stop further inflation, and then, gradually to deflate. We must pause at this point to ask what is meant by inflation and deflation. Both terms are used in a variety of meanings, but with one idea running through them. Inflation is always associated with rising prices, and deflation with falling prices. In the exposition of their policy I understand the Treasury to mean by inflation an increase of purchasing power relative to the amount of goods available for purchase, and by deflation a decrease of purchasing power relative to the amount of goods available for purchase. In this definition purchasing power is measured by the amount of bank deposits and currency in circulation. Purchasing power is in fact something more than this, as private credit given between traders is an important element in it. But inasmuch as private credit inevitably increases or diminishes with the total of bank credit, the measure of bank deposits may be regarded as approximately the measure of the whole.

BANK LOANS.

First, then, let us consider inflation. An increase of purchasing power without any corresponding increase of commodities, or a reduction of commodities without any reduction of purchasing power, will each produce inflation, which, if expenditure on consumption remains unchanged, will be followed by a rise in prices. Purchasing power is increased by additional bank loans or advances. I troubled you last year with an explanation of the process by which a credit given by a bank becomes, as it is drawn upon, a new bank deposit, and I can start now with the general proposition that we take the first step towards inflation when a bank makes a loan or advance.

We must be careful here not to jump to a hasty conclusion. When we look further into the question we shall find that a serious distinction must be drawn between the various purposes for which a bank loan is given. The first broad division we must make is between advances required for some purpose of trade or manufacture and advances which enable the borrower to buy something in order to consume it. Loans required for some purpose of trade or manufacture are not usually a cause of inflation. For the time being, it is true, they increase deposits, but they also facilitate production and lead to an increase in the amount of commodities available for purchase. When the commodities are actually sold and the consumer pays for them, the money received is paid by the trader in the ordinary course of business into his bank and goes in reduction of his advance. The tendency of prices upwards, due to the increase in purchasing power, is checked by the greater volume of commodities offered for sale, and when the commodities are actually sold purchasing power is correspondingly reduced. When trade is active loans increase in amount, but so likewise does production, and in a healthy condition of affairs the volume of credit and the volume of goods expand together, but not to an extent greater than is necessary to satisfy the requirements of the consumer.

OVER-TRADING AND SPECULATION.

It happens very often, however, that good trade leads on to inflation. A period of good trade is one in which prices are tending upwards, and manufacturers, merchants, and retail traders are all encouraged by the hope of high profits to buy freely the raw material and finished goods which they require. They buy and sell again in the course of their trade, and their activities speed up the production of commodities and the delivery of the commodities to the consumer. It is not unnatural that the expectation of a high rate of profit should lead to over-trading. The wheels of industry are made to turn faster and faster, further recourse is had to the banks, and commodities are produced in greater quantities and at higher prices than the purchasers will be in a position to take and pay for when they are offered for sale. The consequent delay in disposing of the commodities will cause the loans to remain outstanding for a period longer than in the ordinary course of trade and a condition of inflation will arise.

The evil of over-trading is enhanced, moreover, by the operations of a class of persons who buy to sell again, but with no purpose of assisting production. I refer to speculators who, anticipating the demands of the trader or of the public, buy commodities with the intention of withholding them temporarily from the market and selling them later at a profit when the immediate shortage has driven up prices. It is often difficult to discriminate between a purely speculative purchase and a legitimate trade transaction, and much that is called speculation in truth serves a useful purpose in the facilitation of commerce. But loans, which in fact are only for a speculative purpose, increase the volume of purchasing power without adding anything to production and lead directly to inflation.

WHEN DEAR MONEY CHECKS INFLATION.

If we look back over the history of the last century, we shall find that every period of trade prosperity has culminated in over-trading and speculation, which have been brought to a close by dear money and a severe restriction of credit. A high Bank rate is the obvious and proper instrument for putting an end to inflation due to the cause [illegible] operates readily and is a case of the [illegible] brought down to their former level, but [illegible] general readjustment on a new level. The remedy is appropriate to a particular evil which is temporary in its nature, and should be strictly confined to the period during which the evil is in existence. A high Bank rate and a severe restriction of credit are most effective checks to speculation, but it must not be overlooked that they are no less certainly a grave impediment to legitimate business.

WHEN DEAR MONEY DOES NOT CHECK INFLATION.

If inflation were always due to the cause which I have just described the problem of dealing with it would be simple. Unfortunately, however, at the present time we have to deal with inflation arising from causes other than those with which we were familiar before the War, an inflation which has not been brought about by over-trading or speculation, and which it not temporary in its nature.

In dealing with inflation of the kind with which we are confronted now, dear money and a rigid restriction of credit, so far from proving an effective means of restoring trade to a wholesome condition, can only aggravate our evils. Both sets of causes inducing inflation may be present at the same time, and when this is the case a policy of dear money may be a choice of the less of two evils; but it must never be left out of sight that the inflation, which I will call speculative inflation, is necessarily only temporary, whereas the inflation which, to distinguish it in its causes from the other, I will call monetary inflation, must be regarded as more or less permanent.

BORROWING FOR CONSUMPTION.

In considering monetary inflation it is necessary to ask you to recall the distinction already made between the different kinds of bank advances. So far I have been speaking of the effect of loans made, or purporting to be made, for some object of trade or manufacture. The second category of bank loans consists of those made in order to enable the borrower to buy commodities for the purpose of consumption. Goods bought to be consumed are not ordinarily paid for out of an advance by a bank. It may happen now and then that banks make loans for this purpose, but they would be trivial in amount, and are not worth considering in the general view of banking transactions. The power to borrow for the purpose of consumption would be strictly limited by the willingness of the bank to lend.

MONETARY INFLATION.

There is, however, one case of borrowing for consumption with regard to which there is no such limitation. The inevitable borrowing by the Government during the War, borrowing on a gigantic scale and almost entirely for consumption, compels us to direct our attention to the consequences of this class of loan. The total amount raised in this country for the purpose of the War was about £5,800,000,000, part lent by the public and part by the banks. In my address to you last year I endeavoured to show that in the chain of events this borrowing was the primary cause of the great inflation which took place. As the loans remained outstanding after the commodities bought had been consumed, we reached a true condition of inflation, an immense increase of purchasing power relative to the amount of commodities available for purchase.

It is worth observing that monetary inflation is inevitable in a great war. It is theoretically conceivable that the public might take up the whole of the War Loans issued and find the money exclusively by saving from their ordinary expenditure. There would then be no need to borrow from the banks; there would be no inflation and no rise in prices. But in practice, when dealing with the gigantic amounts which have to be borrowed, such a condition of things is impossible. The Government was forced to have recourse to the banks, and the loans were followed by a rise in prices, the issue of more and more currency, and all the accompaniments of inflation.

PROPOSED POLICY OF DEFLATION IMPRACTICABLE.

Monetary inflation, unlike speculative inflation, is not a temporary condition capable of remedy by raising the Bank rate and restricting credit. Prices in this case are forced up over a protracted period of time, wages and contracts of all kinds are adjusted to new price levels, and fresh capital is embarked in business on the basis [illegible] as these the first effect of an attempt to force down prices by monetary deflation must be to cause severe trade depression. A declared policy of monetary deflation is a public warning to the trader that he must be prepared to lose on every contract for the future delivery of goods. Owing to the general fall in prices, the market price of the goods when he gets them will be [illegible] his contract was made. A policy of gradual monetary deflation, but deflation [illegible] good when prices [illegible] continuous fall in prices entailed by dear money and restric-

know that loss is inevitable they will restrict their activities to the utmost.

EFFECT OF PROPOSED MONETARY DEFLATION.

The first effect, then, of an attempt at monetary deflation of this kind will be to arrest business. A fall in wholesale prices will follow, due to goods being thrown upon the market by traders who are unable to carry their stocks or have failed in business. There will be a diminution in production, profits will be greatly lessened, and unemployment will grow. This will in turn lead to reduced power on the part of wage earners to spend on consumption, and to a further fall in both wholesale and retail prices. Yet the consequences here described can only be the first effects of monetary deflation. The volume of purchasing power brought into existence as a result of the immense War Loans will not have been diminished, and it may be expected that this purchasing power will be freely exercised as soon as it is believed that prices have touched bottom. A heavy drop in prices therefore can only be temporary.

There is indeed reason to think that a further period of inflation will follow. In consequence of the trade depression there will be a great decline in national revenue without any diminution of the permanent liabilities of the Government, who will be obliged to increase taxation or to borrow. In the present over-burdened condition of the country, however, new taxes can only be met by traders borrowing from their banks, and it will follow that, whether by the Government or by the taxpayers, recourse will be made to bank loans, and credit inflation will ensue.

HOW MONETARY DEFLATION CAN BE ACCOMPLISHED.

If permanent monetary deflation is to be accomplished, it can only be by a reduction of the purchasing power brought into existence by the great War Loans, a reduction which can only be effected by paying off part of the National Debt. But there is no means of doing this by the imposition of additional taxation, as suggested in the Treasury memorandum, without bringing immediate ruin upon our commerce and manufacture. I do not want to discuss here the evils of over-taxation, but our experience during the last year has taught us that there is a limit beyond which trade and industry cannot be burdened without grave danger to their strength and permanence. That limit is passed when traders are forced to borrow from their banks in order to meet their liabilities to the tax-collector, and it is a fact that no inconsiderable part of the expansion of credit during the year which has just elapsed was due to this cause. In present circumstances the only source from which funds can be obtained for repayment of the National Debt is by economy in expenditure, and by this means alone can monetary deflation be effected, or even attempted, without permanent injury to our trade.

EFFECT OF PROPOSED DEFLATION ON GOVERNMENT LIABILITIES.

Let us look at the policy of monetary deflation, to be obtained by a high Bank rate and a restriction of credit, from another point of view. Let us suppose that it were practicable by this process to bring prices permanently down to the pre-War level. What sort of charge would our National Debt then mean to us? It stands to-day at £7,770,000,000, mostly borrowed when money was worth very much less than before the War. With prices back to their former level, the true burden of the Debt would be more than doubled, or, in other words, the creditor would receive a huge premium at the expense of the debtor. But let us disregard this fact, so repugnant to every principle of equity and economic propriety, and let us suppose our object accomplished and prices brought back to the 1914 level. The aggregate of our individual incomes and the revenue from taxation would be correspondingly diminished. A penny in the £ of income tax would produce, as it did before the War, about £3,000,000. Economise our national expenditure as we would, we could not escape from the annual charge for interest on the National Debt and unavoidable sinking fund, which would be not less than £350,000,000. The charge for War pensions, £120,000,000, is also irreducible. These two heads of expenditure alone give a total of £470,000,000, which, if we left the whole of the remaining cost of government to be defrayed out of our other revenue, would call for an income tax of over 13*s.* in the £, a rate absolutely impossible for any country to bear.

I think I have said enough to show that an attempt at monetary deflation of this kind can only end in the strangulation of business and widespread unemployment. I have shown next that this kind of deflation cannot be effected at all unless the cause which produced the inflation is removed, that is to say, unless part of the immense Government loans is repaid, and that there is no means of doing this except by economy in expenditure. We need to stabilise prices, and when inflation is due to temporary causes we must not only check it, but force deflation until the former price level is restored. Any premature attempt, however, at monetary deflation by methods which do not touch the causes that have produced the inflation must lead to disaster. Great unemployment will ensue, and the nation will be faced with social evils of a different kind, though not less serious, than those resulting from inflation.

HOW DEFLATION CAN BE EFFECTED.

At the risk of repeating myself, I must remind you that I have been referring in all I have said to monetary deflation of a particular kind, the reduction of purchasing power, brought into existence through War borrowing, by the several methods of heavy taxation, restriction of credit and dear money rates. It must not be overlooked, however, that deflation can be obtained in another way. If we increase the commodities available for purchase without any increase of purchasing power we shall deflate, and prices will fall. Deflation of this kind can be effected without producing the evils to which I have just referred. The fall in prices will be very gradual, and, though a less rate of profit will be made than if prices were stable, it will be on a larger quantity, and there can still be room for a fair return on capital and a fair reward for labour. This is the kind of deflation at which we ought to aim—a deflation which will be brought about by a larger supply of the commodities we all need, a greater surplus for foreign export, and a larger total of real wealth. This is the deflation which actually took place during the nineteenth century after the Napoleonic Wars. For over thirty years prices fell, not through an artificial limitation of credit and a restriction of business, but by an immense addition to output, which the great industrial inventions of that century rendered possible.

Our financial policy then should be one which will stimulate production and trade. It is not contended that all the after-War troubles of the world can be cured by a change of policy, or that the partial loss of our foreign markets can be made good by any financial expedients. The economic troubles and the loss of market are conditions which must affect our trade, but the fact of their existence renders it the more imperative that our policy should not be such as further to weaken us. It is quite true that we cannot look for real commercial prosperity until the European market is restored. Our industrial organisation has been built up on the basis of an immense international trade. Our plant is designed for mass production, our commercial houses adapted for business on the largest scale. The only condition under which 47,000,000 of people can live in these islands, not merely tolerably, but live at all, is that our output should be up to the highest level of our industrial capacity, and that the surplus of goods which we do not consume ourselves should be freely exchanged for the imported food and raw materials which are essential to our existence.

EUROPE NEEDS PEACE.

The economic restoration of Europe should to-day be our first concern. If we neglect it our whole foreign trade will contract and decay. The commerce of the world must be considered as one vast whole and if a large section of it is severed from the rest what remains will be gravely impaired. If the broken countries of Europe are not restored even the still solvent States will slip one by one into the general ruin. A remedy must be found, and found quickly. But what remedy? I do not think there can be much doubt as to what Europe needs at the present time. She needs peace: not merely the peace of pacts and treaties, but peace born of the spirit of peace, when the nations "shall beat their swords into ploughshares and their spears into pruning hooks." The Governments of Europe have made peace, but they have not yet accepted the conditions of peace. Once these conditions are accepted the way will be clear before us. The European States will be able to bring their expenditure down to the limits prescribed by their revenue; the issue of paper currency will cease; the exchanges will be stable; confidence will revive, and full employment will follow. These are the terms upon which Europe can be restored, and with the restoration of Europe will come the revival of our own national prosperity.

OUR OWN BANK.

I come now to the story of our own Bank.

The agreement for a fusion of interests with the Clydesdale Bank has been satisfactorily concluded, and 99,909 shares of the Clydesdale Bank out of a total of 100,000 shares have been acquired in exchange for 499,545 fully-paid shares of this Bank. This operation and the allotment of 477,441 new shares of £2 10*s.* each to the shareholders of our own Bank at the price of £5 per share have increased our capital account by £2,442,465 and our reserve fund by the same amount. The paid-up capital and the reserve fund each stood at £10,859,800 on December 31 last.

Our deposits amounted at the end of the year to £371,842,000, a slight increase on the figure for December 31, 1919, and over five millions in excess of the June total. In comparing our present position with last June I should explain that, while our domestic deposits were largely increased, there was a considerable reduction in the amount of our foreign deposits. We act as London bankers for a large number of foreign banks and fluctuations in the amount of foreign balances held in this country will be specially reflected in our figures. In 1920, in consequence of an increased foreign demand for goods of British manufacture, foreign balances in London were used to pay for the exported goods and accordingly were withdrawn from the particular

banks in which they were held and distributed amongst all the banks. We, of course, received our share in this general distribution of deposits, but this did not make up for the reduction in our foreign balances which, as I have said, were exceptionally large.

Very naturally you may wonder why this Bank holds a privileged position in its business relations with foreign and Colonial bankers. Several reasons occur to me, but it will be sufficient if I indicate two of the most important. Undoubtedly the size and strength of the Bank make a forcible appeal. The second reason involves a question of policy. We have no branches or affiliations abroad. As you know we have refrained from competing with our foreign friends in their own country, and I cannot help thinking that we have gained favour in consequence. We have no present intention of deviating from this policy, which, besides having the merit of enabling us to extend our relations with foreign banks, gives greater security to our domestic depositors by restricting our activities to the home field.

If you refer to our balance sheet you will notice that we have included with our acceptances, engagements on account of customers. The combined item amounts to £27,850,000, as compared with £29,015,000 of acceptances twelve months earlier. The decrease has arisen solely from the restriction of international trade. Our acceptances represent commercial transactions and are for the most part drawn by or on account of first-class bankers. All of them are, we believe, quite undoubted.

Coming now to the asset side of our balance sheet, I told you earlier in my speech that the guiding principles of our late Chairman—to keep the Bank strong and to help the country's trade and industry—are the guiding principles under the present management. If you will examine our balance sheet from this point of view I venture to think you will agree that it indicates not only exceptional strength and liquidity, but also gives proof of the great effort the Bank has made to meet the legitimate demands of customers. What is more—and this is a point I feel sure you will appreciate—the liquidity now shown is not of a transitory nature, and has not been obtained for the occasion. It is an integral feature of our policy. Our balance sheet last year was a good one. This year's is better. Cash at £62,494,000 is £2,278,000 higher than a year ago, despite the big increase in Bills and Advances. The ratio of cash to deposits rose from 16.2 per cent. to 16.8 per cent. You will notice that we have adopted a new form of terminology and now describe our cash item as "Coin, Bank and Currency Notes, and Balances with the Bank of England" instead of "Cash in Hand and Balance at the Bank of England," as formerly. For us there is no significance in the change. As regards this Bank the terms have the same meaning, but we have made the alteration in our balance sheet in view of the decision of the London Clearing Banks to adopt this form in the statements of accounts which in future are to be issued each month, beginning with January 1921. We have always been most desirous of reverting to the pre-War practice of publishing monthly statements, and we welcome the decision of the Clearing House Committee.

There is just one other point to which I must direct your attention before passing on to the next item. I refer to our holding of gold. Last year our balance sheet showed £8,000,000 of gold coin, a considerable sum when you bear in mind the very large contributions we made during the War to the Government and the Bank of England. The £8,000,000 of gold coin was handed over to the Bank of England in exchange for Bank of England notes in the spring of 1920 in virtue of an agreement entered into between the Government and the Banks. We were sorry to lose it, but we recognised the necessity that moved the Government to ask us for it.

Cheques in course of collection at other banks in the United Kingdom at £7,702,000 are slightly down on the year. These assets become cash in from one to three days.

Money at call and short notice stands at £18,492,000, as compared with £18,439,000 last year.

Investments at £51,766,000 are lower by no less than £15,537,000, a reduction due in part to writing-down and in part to sales. Happily all the realisations took place before prices reached the low levels recently recorded. We have made provision for all losses on realised investments before arriving at our net profit, and both last year and this year we made special allocations out of our profits to meet depreciation. These provisions, together with our internal reserves, make a fund more than sufficient to cover all the depreciation which has occurred.

Our Bills you will see have increased from £52,889,000 in December 1919 to £57,672,000. Apart from Treasury bills, £12,000,000 in amount, they are bank or approved trade bills, mostly with less than three months to run, and all of them good.

The next item on the balance sheet is advances to customers on current and other accounts, which have increased by £11,164,000 to £189,720,000. This rise does not represent the maximum of our assistance to trade and industry during the past difficult year. In June last our advances stood at £197,044,000, but since that date they have declined, not because our Bank has restricted credit, but because the fall in prices and stagnation of trade have lessened the call for accommodation. As I have already stated, it has been our policy to sell investments even at a loss in order that we might be prepared to meet any legitimate demands for credit which might occur. An alternative was to impinge upon our liquidity, but we preferred to face the loss on investments.

As our War Loan advances are now reduced to a comparatively small figure, we have no longer put them under a separate head.

Every known bad debt has been written off, and for all doubtful debts ample provision has been made.

Premises at £3,884,000 are slightly higher. During the year we have opened fifty new offices in different parts of the country, including those on the Atlantic liners *Aquitania*, *Imperator*, and *Mauretania*. I should like to take this opportunity of acknowledging our indebtedness to the directors of the Cunard Steamship Company for the facilities which they have so readily afforded us, and for their co-operation in our work. It has been a great pleasure to be of service to the passengers to and fro between this country and the United States.

The increase in investments in subsidiary institutions has, of course, been caused by the completion of the arrangement for a fusion of interests between ourselves and the Clydesdale Bank. We now hold the whole of the issued shares of the Belfast Banking Company, and all except ninety-one of the issued shares of the Clydesdale. I am glad to be in a position to assure you that the book value of our holdings in the Belfast Bank and the Clydesdale Bank does not include any amount in respect of goodwill. They stand at £3,257,415, or less than the combined paid-up capital, reserve fund, and undivided profits of the affiliated banks. Our relations with these institutions have been marked by the utmost cordiality, and I have every confidence that the association of the three banks, with their network of 1,770 offices, will prove of mutual benefit and advantage. The balance sheets of the Belfast Bank and the Clydesdale Bank have been circulated with our own, and from them you will see that each Bank has made further progress during the year. I should like to be permitted to take this opportunity of recording our high appreciation of the very efficient manner in which the business of these two banks has been conducted by their respective directors and management.

PROFIT AND LOSS ACCOUNT.

I turn now to our profit and loss account. The net profit for last year, after providing for all bad and doubtful debts and for losses on realised investments, is shown at £2,831,861, which, with £726,852 brought forward from 1919, gives us a total of £3,558,713. Before stating the manner in which we propose to use this sum, I should explain that the net profit for 1920 was arrived at after deducting bonuses to staff, whereas the figure for 1919 was shown before this deduction and before deducting salaries to members of the staff with H.M. Forces. If the net profit for 1920 is compared with the net profit for 1919 after making these deductions, it shows an increase of £477,603.

The first allocation which we make out of our total of £3,558,713 is for dividend, which we shall ask you to sanction by adopting the report. The dividend is at the same rate as it has been for many years—eighteen per cent. Next it is proposed to place £1,200,000 to reserve for depreciation of War Loans and future contingencies. This provision, to which I have already alluded, is a large one, but it has been necessitated by a fact well known to every one of you—that is to say, the depreciation in Government securities. Then we have put £250,000 to Bank premises redemption fund, and finally we carry forward £741,619, as compared with £726,852 brought forward.

The story I have told you is one of a conservative balance sheet and report, and I am sure that when you reflect upon it you will endorse our policy. I need not remind you of the difficult times through which we are passing. We must be ready to face failures in business and to make losses, and because of the very fact of the difficulty of the times banks and their customers must be prepared to show great mutual consideration. But, above everything, we have a duty both to our shareholders and our depositors, and in no circumstances can we neglect to provide against the unknown contingencies of the immediate future.

I will take this opportunity of drawing your attention to a domestic matter which in itself calls for a policy of caution. I refer to the cost of administration. There has been a very great increase in expenses [illegible] we hope to gain some relief if prices [illegible] lower basis, we recognise that salaries and pensions must always be a heavy charge. But, whatever the coming year may have in store for us, we [illegible] the future by the admirable manner in which the staff have discharged their duties during [illegible] and relying upon their assistance and upon the power of the British people to face and overcome any difficulties with which they may be confronted, we look forward, notwithstanding the [illegible] to playing our part in the restoration and further development of our industry.

The Chairman then moved the adoption of the report. This was seconded by Mr. W. G. Bradshaw (Deputy Chairman), and was carried unanimously.

The motion declaring payable a dividend at the rate of eighteen per cent. per annum was seconded by Mr. A. H. Goschen (Deputy Chairman).

Mr. John Glashrow and Mr. Frederick W. Nash, retiring directors, were re-elected, as also were the auditors.

Mr. Joseph Ansell, in proposing the thanks of the meeting to the Chairman and the board of directors, referred to the wonderful progress of the Bank since its establishment in 1836, which he attributed in no small measure to the character and ability of the successive managements. Mr. Walter Scales seconded the motion.

Mr. Bradshaw (Deputy Chairman), in moving that the thanks of the meeting be presented to the managing directors, general managers, branch managers, and all other officers of the Bank for their continued devotion to their duties, said:—

I am happy to assure you that the most cordial and sympathetic relations exist between the board and the officers of this Bank. I am particularly glad to be able to say this to-day as we have now had a full year's experience of the work of the Staff Association, to the formation of which I referred last year. The Staff Association has abundantly justified its existence. Salaries, bonuses, pensions, holidays, and other important domestic subjects, have been discussed by the management and Staff Association in friendly council, and the utmost goodwill has prevailed. When you reflect that our staff now number over 11,000 you will appreciate how necessary and important a part this democratic guild plays in the life of the Bank. At the end of another year's hard and profitable work we can say with truth that no institution in the British Isles is better served by both management and staff.

You will remember that I stated last year that the directors had under consideration the erection of a memorial to those gallant members of our staff who lost their lives in the Great War. I am glad to be able to announce that the work is now almost complete, and that the memorial will shortly be unveiled in a position just inside the entrance door at the head office in Threadneedle Street.

In connection with this resolution I desire to pay a special tribute to the ability and energy of our general managers. A meeting so largely composed of business men will at once realise how many and serious are the responsibilities which devolve upon these gentlemen daily. To each of them our heartiest thanks are due, and, I am sure, will be readily given.

And now, ladies and gentlemen, I come to my colleagues, the managing directors. It was with great regret that the directors had to announce that Mr. Darling's health would not permit him to continue the duties of that office. No words of mine can sufficiently express our debt of gratitude to our managing directors for their services during 1920. Mr. Murray, Mr. Hyde and Mr. Woolley are towers of strength in the bank. They bring the wisdom and experience of many eventful years to the successful solution of the numerous problems that arise every day, and with our chairman they constitute a Committee of Control which assures the continued success of the Bank. I beg to move the Resolution which I have read to you.

Mr. H. Simpson Gee (director) seconded the resolution, which was carried with acclamation.

Mr. S. B. Murray (Joint Managing Director), in reply, said:—

I rise to perform a very pleasurable duty. I am sure it would have been an equal pleasure to either of my colleagues, Mr. Hyde or Mr. Woolley. It is to say a few words about and on behalf of the staff of this great Bank. May I be permitted to associate my colleagues and myself with the very generous words which have been used by Mr. Bradshaw and Mr. Gee?

The results of another year have been laid before you by our esteemed Chairman, and you have been good enough to express your approval. It has been a year fraught with problems calling for the exercise of great care, but it has also been a year of gained experience, and we have pleasure in recording here our whole-hearted appreciation of the loyalty, zeal, and untiring energy of the general managers, the assistant general managers, and of the superintendents and branch managers in their different spheres of activity, and that of the large body of ladies and gentlemen who form the general staff of the institution.

My colleagues and I have had the good fortune to be associated together for many years. Each of us has occupied positions of varying degrees of responsibility. We have in fact grown up with the staff, and I think you will allow me to say that this experience entitles me to express just the feelings with which the staff will receive the vote which you have passed to-day. On their behalf I offer you their best thanks. It will be a great pleasure to convey throughout the service this mark of your confidence, which will hearten and encourage every member of the staff.

You have been good enough, Mr. Bradshaw, to include in this resolution the names of Mr. Hyde, Mr. Woolley and myself. We are very conscious that we have great responsibilities before us. We have no occupation in life other than seeking to further the prosperity and development of this great institution. Our fraternal good relations with the staff are among our brightest possessions. We acknowledge the solid support given to us by the Chairman and the whole of the directors, and with your confidence now again expressed I can assure you that as far as lies in our power nothing shall be wanting in endeavour in the coming years to achieve further progress for this great institution and to help in the development of trade and industry both at home and abroad. Once more I heartily thank you.

The proceedings terminated with a vote of thanks to the Chairman, proposed by Mr. W. H. Sugden, M.P., and seconded by Mr. Deputy Millar Wilkinson.



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Barclays Bank Limited.

REVIEW OF THE BANKING POSITION: FUTURE OF THE FOREIGN EXCHANGES.

The twenty-sixth ordinary general meeting of the shareholders of Barclays Bank Limited was held at the Cannon Street Hotel, London, E.C., on January 26, Mr. Frederick Crauford Goodenough (the Chairman) presiding.

The Chairman: Ladies and Gentlemen,—I will call upon the Secretary to read the notice of meeting.

The Secretary (Mr. W. N. Seeley) then read the formal notice convening the meeting.

The Chairman: I will now call upon the Secretary to read the certificate of the auditors, which appears at the foot of the balance sheet and profit and loss account that has been submitted to you.

The Secretary then read the report of Messrs. Price, Waterhouse and Co. and Messrs. Kemp, Chatteris, Nichols, Sendell and Co.

The Chairman, who was received with applause, said: Ladies and Gentlemen,—I will ask you to take the report and accounts as read. (Agreed.)

CAPITAL AND RESERVE.

In the first place, I wish to draw your attention to the capital account and to the reserve fund, both of which have undergone changes within the period which we have now under review.

The capital account, which a year ago stood at £8,820,356, divided into £3,430,356 of fully paid "A" capital and £10,780,000 of "B" capital, of which £5,390,000 was paid up, stands to-day at £15,592,372, divided into £3,430,356 "A" capital as before, £11,760,811 "B" capital, and £401,205 "C" capital which is held by the staff. The whole of this capital is now fully paid, and the reserve fund, which a year ago stood at £7,000,000, has since been increased to its present figure of £8,250,000.

The increase in the "B" capital, as you know, results from our having acquired, as an investment, the stock and shares of the British Linen Bank, the Union Bank of Manchester, and the Anglo-Egyptian Bank. Our holdings in each of these institutions are set out in detail on the other side of the balance sheet, and I may say that they have yielded a good return upon our capital and brought a substantial increase of business. The intimate relations into which we have entered with the Anglo-Egyptian Bank were rendered desirable by our important extensions in those districts in which the cotton trade is located.

With regard to the "C" capital, you will be interested to hear that this was readily taken up by our staff in accordance with the scheme submitted to and approved by the shareholders at the special meetings convened on November 19 and December 5, 1919, in order to sanction that and other special business connected with the affiliation of the banks already mentioned. The "C" capital was allotted to the members of the staff at par.

PROFITS AND ALLOCATIONS.

The net profits for the year, after making full provision for bad and doubtful debts, amount to the sum of £2,927,523 8*s.* 1*d.* From this amount there has been set aside £650,000 for writing down investments, including our holdings in affiliated banks; £500,000 to contingency account—this is really a provision for the future rather than for the past; £200,000 in reduction of the amount which we have laid out on account of premises—this has been an exceptionally heavy item this year because of the great expansion in business, and the consequent need for more space, and because of extensions in the way of new branches. Finally, £100,000 has been allocated to staff pension reserve.

DIVIDEND.

After making these appropriations, we recommend a dividend at the same rate as the interim dividend paid in June last—*i.e.*, ten per cent. per annum on the "A" capital, and fourteen per cent. per annum on the "B" and "C" capital, in each instance less income tax. The dividend on the "B" capital is, as you will remember, paid on shares of £1 each fully paid; of these, three were allotted to each shareholder in exchange for two shares of £2 with £1 paid. The present dividend of fourteen per cent. per annum is therefore equal to one of twenty-one per cent. per annum on the old capital, which formerly received twenty per cent. dividend.

Although the profits for the year were, as you will have seen, very substantial, your directors recommend a conservative policy, both in the matter of appropriations and of dividend. In this they feel confident they will have your full approval.

The balance left to be carried forward to next year is £565,602 6*s.* 7*d.*—a higher figure than that brought in from the last accounts.

CURRENT AND DEPOSIT ACCOUNTS.

The current, deposit, and other accounts show an increase as compared with those of a year ago. They now amount to £327,000,000, as compared with £296,000,000 then.

THE SMALL DEPOSITOR.

During the past few weeks there has been some discussion in the Press as to the attitude of the big banks towards small depositors. I think the result has been to remove any doubt which may have existed as to the willingness of the great banks to receive small deposits. All the big banks, I believe, are pleased to receive such deposits; certainly Barclays Bank has for many years received sums of £1 and upwards, issuing either deposit pass books or deposit receipts to the depositors, as they desired. During the War we discontinued any special steps to attract these small sums, in order that the Government might secure them under their War Savings schemes—(hear, hear)—but this was only a temporary measure, and as soon as the Armistice was declared we resumed our former practice. I may add that at the present time we have deposits of this character amounting to many millions. Here I should like to express sympathy with those who have lost money by the lamentable failure of Farrow's Bank, and to say that we were, of course, quite ready to partake in the scheme for finding a cash instalment for the depositors. It is sad indeed that the amount should be so small.

LIQUID ASSETS.

Turning again to the balance sheet, you will observe that our cash, money at call, and bills discounted (of the latter a large proportion are Treasury bills) represent 39.0 per cent. of our deposits, so that the position is very liquid.

INVESTMENTS.

Our investments, apart from the holdings in affiliated institutions, to which I have already referred, show a percentage of 17.0 to our deposits, and of these investments at least fifty per cent. fall due for repayment, mostly at a premium, within a period of ten years, the larger proportion being repayable within three years. I think this is a point of considerable importance, having regard to the uncertain monetary outlook. It is impossible to judge what may be the course of events as regards inflation or deflation of credit, and we have taken the precaution of arranging our investments so as to meet any contingency under this head.

You will observe that our investments, with the exception of War stocks, are taken at or below the market prices of the day. The War stocks are taken at "under cost." We could have written down our War stocks to the prices of the day from our resources, but we have felt that this would not be the right course. You will realise that investments, when written down, cannot readily be written up again, and, with the early maturity of so large a quantity of our investments, we have felt it better to value them at slightly under cost and so keep our reserves intact.

ADVANCES AND THE CREDIT POSITION.

You will notice that the percentage of "Advances to customers" is higher than usual; this is due to the great demand for accommodation in every branch of industry and trade, a demand which has in fact been in excess of what we have felt that we should be justified in lending. You will realise from the proportions that we have not hesitated to lend to the fullest extent prudence would allow, and it has been our policy throughout to grant accommodation wherever we could do so with reasonable safety. Most manufacturers are carrying stocks in much greater volume than under normal conditions. At the present time it is computed that in the cotton industry alone there are stocks, either of raw cotton or piece-goods, to the value of £50,000,000 to £60,000,000 in excess of the usual supplies, and Bradford and other great industrial centres are in the same position.

This accumulation of stocks is largely due to the lack of purchasing power abroad. In part, however, it has resulted from credit being withheld to meet [illegible]

Contraction of credit, if carried to excess, even though it be a nominal or relative contraction, that is to say a failure of credit to expand in proportion to trade requirements for the time being, [illegible] at a less, or else [illegible] this produces a [illegible] its own object by [illegible] It leads to [illegible] in turn creates a [illegible] to trade and prevents the creation of new capital, of which there is at present a [illegible] [illegible] affairs at the present moment, with all the [illegible] [illegible] and extend [illegible]

create and save to develop our profit earning capacity so that we may pay what we owe out of profits rather than out of capital.

Now that we see the conditions which prevail to-day we can realise how fortunate it was that the steps at one time contemplated by the Treasury for a levy on capital values were not carried into effect. (Hear, hear.) If they had been the consequences would have been serious indeed.

Looking back over the past twelve months, it seems to be clear that we have attempted too much and that the present situation emphasises the need for greater elasticity in our credit system. (Hear, hear.)

OUR FOREIGN TRADE.

There is evidence of a gradual change which is taking place in the distribution of our trade. Our favourable balance with Continental countries for the first nine months of 1919 was £202,000,000, while our unfavourable balance with other countries was £729,000,000. This position is being gradually adjusted, and during the corresponding period of 1920 the favourable balance with Europe has been reduced by £64,000,000, while the adverse balance with other countries has been reduced by £278,000,000, so that in the general adjustment of our debtor and creditor trade position we are now better able to set off debts owing in one direction against debts owed from another.

Much has been done since the Armistice towards the improvement of our foreign trade, and, although we have not reached anything like our pre-War volume, still, not only are we to-day—as we always have been—a creditor and not a debtor nation (there have been some popular misapprehensions upon this point), but, besides this, the existing figures of the Board of Trade returns go to show that, taking our invisible, as well as our visible, exports into account, this country is to-day exporting more than it imports.

I myself feel—and I think everyone will agree with me—that in this way we have gained a step forward. (Hear, hear.) It is true that it is one step only, but it is a step in the right direction—(hear, hear)—and one which in due time will lead to the rehabilitation of sterling.

With the present condition of restricted and reduced markets, and the re-entry of Germany and other countries into the field of production, we shall, undoubtedly, have to face great and increasing competition; indeed, this is already beginning to make itself felt.

There is some anxiety as to the way in which Germany may be able to compete with the industries of this country while the internal value of the mark is in excess of its external value. In the ordinary course this difference would tend to disappear, as marks were purchased in increasing volume by this or by other countries to pay for those goods which the position of the exchanges enabled Germany to sell cheaply.

Unfortunately, however, any tendency towards exchange adjustment is negatived, because a huge volume of German currency is held abroad, with the result that any substantial appreciation in the value of the mark results in such heavy sales by foreign holders that the external value of the mark is again depreciated out of proportion to its internal purchasing power.

Much will depend upon the terms and conditions of the final settlement of the Peace Treaty, the amount of the German indemnity, and the method and time of payment. Much will also depend upon what remains to be paid in bonds and exportable goods after allowing for the payment in other ways, such as ships already delivered, coal, and other specific items.

When the way in which these matters are to be settled is known, a great deal will have been done to clear the air upon the point of German competition, and also upon the equally important point of the reopening of German markets to this country.

It is necessary, from the point of view of industry and employment, that Germany should return to a sound financial basis. At the present time she has large sums to pay and little to receive, so that she is compelled to make up the deficiency in her Budget by the increase of her paper currency, and this if continued must eventually drive her into bankruptcy. We have also to remember that while the internal value of the mark remains on a higher level than its external value Germany will be obtaining a hold on world markets—at least for those commodities which do not depend upon raw material imported from abroad.

THE FOREIGN EXCHANGES.

As was the case a year ago, the "sterling-dollar" exchange continues at a heavy discount, and its recovery to parity may be slow. It reflects, however, the depreciation of world exchanges and currencies in terms of dollars, and not of British exchange and currency only. In this there is an advantage as well as a drawback, because it shows how great is the world's dependence upon the financial services which this country can render, and is rendering at the present time, and that international transactions are more conveniently settled through London than through any other centre.

If, on balance, this country is now more than paying its way, we know that we are gaining the wherewithal gradually to strengthen our position, both as regards our external indebtedness and our currency, through the building up of reserves.

The condition of the exchanges is a barometer which indicates, not only the present state of trade between certain countries, but also any disparity which may exist in the purchasing power of their respective currencies. So far as the future of sterling is concerned, therefore, the lower level of prices, and the fact that our exports now exceed our imports, afford good ground for confidence in the return of sterling to its pre-War parity.

On the other hand, a falling off in exports either "visible" or "invisible" may lose us the step we have gained, and force us again to a position which would bring further inflation, a return to higher prices, and more adverse exchanges. It is well to keep this fact clearly before us, but at the same time we may, in my opinion, feel that in all the circumstances we have made great progress during the past twelve months. (Applause.) We are now passing through a period of readjustment, and I am confident that we shall emerge from it as well and as quickly as other countries where the same thing is happening; also, that our relative position—as reflected in the foreign exchanges—will, subject of course to temporary fluctuations, continue steadily to improve. (Applause.)

THE TRADE POSITION.

Turning to the position of industry and labour, there is a striking contrast between the conditions of to-day and those of a year ago. At that time we felt that the world's demands for our productions were such that, for a long time to come, industrial activity would continue. To-day, although we know that the world's demands are still unsatisfied, there has arisen a block in the circulating system of trade; this is causing great embarrassment through the accumulation of stocks, which for the time being fail to find a market. Further production has received a severe check, and in consequence there is unemployment and a closing of works.

It is probable that home markets will recover in some measure when, with a lower level of retail prices, buying recommences. Up till now the fall has been principally in wholesale prices, and has not extended in the same degree to all classes of retail goods. Purchasing power has at the same time been reduced as the weight of taxation has made itself felt, while unemployment and the fear of unemployment have tended to create increasing inactivity in home markets, and in this way to accentuate the general congestion.

It is difficult to see just from which particular direction we may look for that recovery in purchasing power which will enable trade again to circulate freely, and thus diminish the growing menace of unemployment. Unless we can get to the root of the causes which at the present time are shutting down, partially or wholly, the markets which in pre-War times took from us many millions of our output, and again restore them to normal conditions, it would seem that a recovery in the industrial position must be very slow indeed. Until the distressed countries of Europe are started upon a fresh financial basis which is fundamentally sound, their markets will continue to remain wholly or partially closed. With their unsound currencies they can neither pay nor obtain credit, and the credit schemes which have been proposed are merely palliatives to the present situation. They will act only very slowly, and, so far as we can see, they will not provide a remedy as quickly as the disease of unsound currency will drive those countries into bankruptcy.

I feel that it will fall to this country to take a lead in these matters, because we have the knowledge and experience which is not possessed by any other country, and although giving a lead involves great responsibility, it also brings with it results which will benefit the whole world.

It has been thought by some that any remedial measures had better be left to private enterprise, but that is open to this difficulty, that in many instances the risks involved are neither banking, nor insurance, nor trading risks, but they are political risks over which private enterprise can exercise no sort of control. (Hear, hear.) For this reason credit cannot be forthcoming from private sources to an extent which will be adequate to do what is required; and, although a great volume of credit has already been granted to Europe since the Armistice, so little progress has been achieved that it would seem that organised international action is needed before any satisfactory results can be secured.

At the root of the troubles of the distressed countries is the inability to meet expenditure out of revenue, and the consequent necessity of making up the deficiency by the help of an unsound system of currency which enables paper, without a specific backing or ratio of value, to be created for the purpose of filling up the gap; if this process is to be arrested before bankruptcy supervenes international assistance is required—at all events for the smaller countries—to enable them to tide over the interval of time until they can reorganise their internal position by the adjustment of revenue and expenditure, and by trade.

There seems to be no other way short of a general reconstruction after bankruptcy; this would involve enormous loss of capital, followed by a long, painful and dangerous proces-

of recovery, all of which would add to the difficulties of trade and increase the present unemployment.

If international securities were created to fill this gap some form of international control would be necessary in order that sound financial and economic principles might be insisted upon. The carrying out of such a scheme would probably involve some inflation of credit in this and other countries. Such inflation should, however, result in the reopening of trade, and is, therefore, preferable to inflation incurred as a result of trade stagnation and unemployment doles.

OUR FOREIGN DEBTS.

There is also the question of our own foreign debt and the debts that are owing to us by other foreign nations, and here the difficulty arises that, whereas the money we owe abroad—and it is a very large sum—is for the most part payable on demand, that which is owing to us depends for payment upon the return of those who are our debtors to a sound financial position, and this will take time. It may be that, as a matter of business only, it would pay us to make concessions in respect of debts owing to us by Allied Governments, provided we do not thereby prejudice our own ability to pay. We might, for instance, consider the possibility of a part cancellation of those sums lent to our Allies for the purpose of purchasing munitions in this country, while retaining their liability for those sums which in effect represent money lent to them by the United States through ourselves. Such a policy must, of course, depend upon any new agreement that may be made with regard to our debts to our Allies; but if an ordinary business man finds it to his advantage to forgive some portion of what is due to him, in order that his debtor may be put on his business legs again, we, as a nation, might find it wise to do the same with regard to the debts of our Allies. The better exchange conditions which should follow might enable a great deal of what is already owing to us on trade transactions to be paid, and this would have a tendency to remove congestion, besides giving the opportunity for fresh trade.

It is necessary to look at these matters from a business point of view, and we should be prepared to show elasticity in dealing with them in the same way as an individual would do. (Hear, hear.)

THE FLOATING DEBT.

Another matter demanding attention is that of our floating debt. It would seem that, with the fixing of our foreign debts, it might be possible to free the Money market from Government control, so that easier rate conditions might prevail, and this would afford a greater opportunity than any other for economy and for putting our floating debt upon a better basis. Through the saving of interest on our home debt, and other economies, there might possibly be hope for a reduction in taxation, and if this could take place, even if only to a very moderate extent, our home markets would in all probability respond, and improved trade conditions would soon follow.

There seems, indeed, to be good ground for confidence in an improvement in our financial condition arising out of the present check in trade, uncomfortable though it may be, provided it does not continue for too long, and that, while it lasts, we protect our share of the world's markets. Besides this, we must continue to hold, as we undoubtedly hold to-day, the position of the world's financial centre. (Applause.)

COSTS OF PRODUCTION.

In the meantime, and until industry revives as undoubtedly it will revive when means have been found to reopen those European markets of which the doors are closed—we must adopt a sound economic basis for production. The ability to produce and sell in competition with the whole world is so necessary for this country that it must be at all times the first consideration.

Our ability to compete depends upon the vital question of the relation of wages and of efficiency to production. My feeling upon this matter is one of confidence, and there seems good ground for considering that the atmosphere is hopeful. I gather that in a number of factories the output per worker per hour has considerably increased during the last three or four months, resulting in higher wages for the operator, and lower cost of production for the manufacturer. There is also evidence that a number of trade unions are beginning to realise that high wages and low efficiency in the long run react on the worker, as the resulting high level of prices restricts available markets and leads to unemployment, besides absorbing an undue proportion of capital. If prices are to be upon a lower level, and conditions of living are to be cheaper, wages will also have to come down, but any step towards reduction in wages should come from Labour: should the suggestion come from the employer it might be misunderstood. There is evidence that certain unions agree with this view, for an application was received from one union in the Midlands, whose members during the War had earned abnormal wages, that more men should be employed under modified conditions, and an agreement was reached, with results favourable to employer and employed. The employer would be wise to take Labour into his confidence and explain the economic conditions existing throughout the world.

There is, I think, no one to-day who is not prepared to give to Labour a fair share in the results of industry, and preferably in the form of high wages for efficient production, but Labour in return must realise that the laws of Nature cannot be overruled. (Hear, hear.) Labour must be able to adapt itself to the fluctuations which have existed in the economic life of the nation since its beginning, and upon that adaptability is dependent the success or failure of the efforts which we, as a nation, have resolved to make.

AT THE CROSS-ROADS.

Ladies and Gentlemen, I have to thank you for listening to me so patiently, and I am sorry to have detained you so long. ("No, no.") You will agree with me, however, that it is at all times my duty to put before you a careful analysis of economic conditions—(hear, hear)—and more especially is this the case at the present time. I feel strongly that we are now at the cross-roads so far as the outlook for industry is concerned, and that upon our choice of methods depends whether we return to prosperity *via* a protracted or *via* a short period of distress and unemployment.

The world is passing through a period of resettlement, and if we take a broad view of the situation, especially as regards assistance to distressed countries, and the various complexities surrounding indemnity payments and Allied indebtedness, I see no reason why we should not quickly recover from the present stagnation. But if our outlook is to be narrow, not only will trade revival be delayed, but our future will be prejudiced. We cannot afford to ignore the interdependence of nations—a more important factor now than during the period which followed the Napoleonic Wars—and our aim should be the creation of what would really be a Financial League of Nations, composed of all the countries able to help. The matter is urgent, and the world cannot afford delay; our part is to show no hesitation in our readiness to take up our share of the burden.

THE DIRECTORATE.

Before concluding my remarks, I wish to express the sincere regret which is felt by all your directors, and in which I feel certain you will also join, at the death of the late Sir John Horsfall, Bart., who was a member of our board.

Sir John Horsfall rendered valuable services to the Bank through his intimate knowledge of the Bradford trade, and in all other matters he was possessed of such admirable and sound judgment that we feel his loss very keenly.

I also wish to make special reference to the appointment of our two additional General Managers, Mr. R. W. Street and Mr. John Caulcutt, who will act jointly with Mr. W. Favill Tuke and Mr. W. Carruthers. With the great and growing responsibilities of the Bank, we felt it most desirable to add to the strength of our general management, and we have also appointed additional Assistant General Managers and other high officers.

At the same time, we felt that it is due to the two Senior General Managers, Mr. Tuke and Mr. Carruthers, that they should have the well-deserved compliment of being elected to seats on the board.

All our senior officials are men of outstanding ability, and have gone through the "mill," having had practical experience of almost every branch of banking. Most of them commenced their services as juniors in the Bank, or in some other bank, and have risen to their present important positions by reason of their efficiency, personal energy, and ability. We all know that in banking, as in every other walk in life, it is only the achievement of the highest efficiency that brings success.

Ladies and Gentlemen, I now beg to move "That the report of the directors produced, together with the annexed statement of the Company's accounts at December 31 1920, duly audited, be received, approved, and adopted, and that a final dividend at the rate of ten per cent. per annum on the "A" shares and fourteen per cent. per annum on the "B" and "C" shares, less income tax, making, with the interim dividend paid on August 3 last, ten per cent. for the year on the "A" shares and fourteen per cent. for the year on the "B" and "C" shares, be declared, payable on the 1st proximo to the shareholders registered in the books of the Company on December 31 last." I will call on Sir Herbert Hambling to second the resolution. (Applause.)

SIR HERBERT HAMBLING'S SPEECH.

Sir Herbert Hambling (Deputy-Chairman): Ladies and Gentlemen, In seconding the resolution which has been proposed by the Chairman I should like very briefly to congratulate him upon his speech. (Hear, hear.) I think he has dealt with very important subjects in a very able and courageous way. The subject [illegible] and I cannot help thinking that it had been [illegible] elaborate his references to the [illegible] would have been to the advantage of all of us. (Hear, hear.) It is almost a pity that a bank chairman, who has of necessity to deal principally with bank matters, should have to limit his speech on more national and important matters on account of time. It would be very useful if every chairman could print an addendum on the general economic position.

an addendum that need not be spoken or delivered at the meeting, but which could be distributed. I will not weary you, Gentlemen, with a long speech, but I do feel that I want to emphasise the utmost importance of that part of the Chairman's address which dealt with other countries. I am referring particularly to those countries with which but a short time ago we were at war. I feel very strongly that a peaceful and prosperous Germany and Austria is just as essential to the prosperity of the world as it was ten years ago. We must not forget that in pre-War times our second best customer was Germany. I believe we exported to Germany more than sixty millions' worth of goods, and although I do not want Germany to come here and unfairly compete with us, it is most essential that we should not cut her out as a consumer of our goods. We are in a position in England to-day, with our immense factories, with our capacity for work, to turn out an enormous volume of manufactured goods, and what is paralysing trade to-day is that we have not customers to send them to. We want those countries for what they will buy, and, in a measure, we want them for what we can take from them. There is no doubt in my mind that that is the principal cause for the present position, and I only hope that the Commission that is now sitting will, in their wisdom, devise some method by which we can put the whole financial wheel in motion. The whole world is inter-dependent—there is no question about that. We cannot lose a limb and expect the body to go on in a healthy way, and that is the position at the present time, and when we get back to work, when we put these countries in a position to work, we shall be in a position, no doubt, to make them pay the amount we are justly entitled to. It is from the wealth they can create in the future, and from that alone, that you can get your compensation. I do not wish to labour the subject, but I do wish that you should all carefully consider that portion of the Chairman's speech which referred to our foreign trade. I have nothing to say as regards the balance sheet, because that speaks for itself. There is no doubt that our association with the British Linen Bank, and the Union Bank of Manchester, and the Anglo-Egyptian Bank has had a very satisfactory result. The accounts show that the Bank is strong and robust. You are getting a slightly increased dividend from what you were two years ago, and I can see nothing but prosperity for the shareholders of Barclays. I have been asked by several people what is going to be the course of trade in the future. The course of trade in the future will depend a great deal on the settlement already indicated—there is no question about that. In my opinion it will pursue the same course it has pursued after every other financial crisis. After Waterloo you had a zigzag of prices up and down, with a constantly lower tendency, and I think history will repeat itself in the future. Anyhow, we have not had the failure of an enormous number of banks as we did at that time. I do not remember how many, but there was a great number. I think in that respect alone the consolidation of the big institutions has been more than justified. (Applause.)

QUESTION OF BANKING HOURS.

Mr. Deputy Millar Wilkinson congratulated the directors upon the excellent report they had presented to the shareholders, and said there were two questions he desired to ask. The first was whether the directors would consider the advisability of keeping the banks open until four o'clock. The other was whether the directors would use their very great and undoubted influence in forwarding the Bill which he believed was being promulgated, and which he earnestly hoped would become an Act—namely, to define what was and what was not a bank. At the present time the position in this respect was most unsatisfactory.

Mr. W. J. Stracey complained of the continual employment of girl labour in the banks while so many ex-Service men were out of employment.

The Chairman, in reply, said that the banks were always ready and anxious to meet the requirements of their customers, and he had no doubt that if it were found to be the general desire that they should remain open until four o'clock something in that direction would be done, but at the present moment, so far as he was aware, there was no real demand for that. No doubt the matter would be considered in due course by the banks generally. With regard to the second question asked by Mr. Millar Wilkinson as to the introduction into Parliament of a Bill to define what constituted a bank, that matter was engaging the attention of all bankers at the present time. Personally he thought it would probably resolve itself into dealing with the question of what a bank should not do rather than what it should do. The matter, as he had said, was under consideration; and they would come to some decision on the point before very long. As to the question raised by Mr. Stracey, the directors had sympathy with unemployed ex-Service men—no one had more. They had shown their sympathy in a practical form, but they were not prepared to take such a drastic step as to dismiss the whole of the women clerks who had served them so well during the War. (Hear, hear.)

The motion for the adoption of the report and accounts and the declaration of the dividends recommended was then put and carried unanimously.

DIRECTORS' REMUNERATION.

Mr. E. T. Hargraves then moved the following resolution: "That the remuneration of the Vice-Chairman be increased and the same is hereby increased to a sum at the rate of fifteen hundred guineas a year as from January 1, 1920, and that the remuneration of each director (other than the Chairman, Deputy-Chairman, and Vice-Chairman, and the extra or advisory directors) be and the same is hereby increased to a sum at the rate of one thousand guineas a year as from that date, and that the remuneration of each director (including the Chairman, Deputy-Chairman, Vice-Chairman, and the extra or advisory directors) be as from that date paid free of tax to the intent that the remuneration received and retained by each director be a net amount, and that the resolution to this effect passed at the annual general meeting of the Company held in January 1920 be and the same is hereby confirmed accordingly."

Mr. Instone seconded the resolution.

An amendment to refer the matter to a poll of the whole of the shareholders having been proposed and negatived by an overwhelming majority, the original resolution was adopted.

On the motion of Mr. E. H. Parker, seconded by Mr. J. W. Cross, the retiring directors were re-elected.

Sir G. Rowland Blades, M.P., moved the reappointment of the auditors, and this having been seconded by Mr. C. Heath Clark, it was agreed to.

The Chairman then proposed a vote of thanks to the staff, which was seconded by Sir Herbert Hambling and carried with acclamation, and Mr. R. W. Street (one of the General Managers) made a brief acknowledgment.

A vote of thanks having also been passed to the Chairman and directors,

Mr. Stracey moved that female labour be dispensed with by the Bank and ex-Service men substituted.

This was seconded by Mr. Eastwood, but on being put to the meeting was negatived with practical unanimity.

The proceedings then terminated.

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Bank of Liverpool and Martins, Limited.

Large Expansion of the Business: Causes of Trade Depression.

THE ninetieth annual meeting of shareholders of the Bank of Liverpool and Martins, Limited, was held at Liverpool on Tuesday, January 25, Mr. Edward Paul, the Chairman, presiding over a numerous attendance.

In moving the adoption of the annual report and accounts the Chairman said: Gentlemen,—I beg to move that the report of the directors now submitted, and already printed and distributed among the proprietors, be adopted. I presume you will allow me to take the report as read.

When we met a year ago we were in the thick of the amalgamation work connected with the union with this Bank of Messrs. Cocks, Biddulph and Company, the Palatine Bank, and the Halifax Commercial Banking Company. Those amalgamations have been successfully carried through, and each of them has added materially to the strength and earning power of the Bank. The work has been arduous, and the thanks of the directors are due to all those who, for so many months, had to work under considerable pressure in order to carry the amalgamations into effect. Closer acquaintance with the three businesses confirms the opinion which I expressed at the time we asked you to approve the amalgamations, that they would prove to be sound and profitable undertakings and would fit in well with the Bank's existing organisation.

In our balance sheet for December 31, 1919, the figures of Cocks, Biddulph and Company and the Palatine Bank were already incorporated. In the balance sheet for December 31, 1920 the figures of the Halifax Commercial Banking Company have been included for the first time, and I am happy to inform you that, after making due allowance for those figures, the growth of the business, as shown in the balance sheet, is abundantly evident. The amount of money left in our hands on current, deposit, and other accounts has increased by £14,000,000, and even after allowing for the Halifax figures the net increase has been £11,000,000. Cash in hand and at the Bank of England has increased by £4,700,000. Money at call or short notice is about a million less than last year. Investments are also reduced about two millions. The most interesting feature, however, is the increase in bills of exchange by £3,000 000; the increase in loans and advances to customers by £9,000,000; and the decrease of £9,000,000 in the Bank's acceptances. The increases in bills of exchange and in loans and advances are an aftermath of the tremendous trade activity during the latter half of 1919 and the first half of 1920. Exceptional banking accommodation is still required to finance business initiated during that period, and the accommodation takes the form of loans or discounts. On the other hand, the great activity referred to has died away and imports have declined, with the result that fewer drafts are drawn upon the Bank, and the figures appearing in the balance sheet under the head of "Acceptances" have diminished. The reduction has been still further emphasised by the fall in price of the produce against which the acceptances are given.

Provision for Depreciation.

Turning to the profit and loss account, the profits of the year, after providing for all doubtful accounts and contingencies, amount to the satisfactory figure of over £735,000, and if we had not had to provide a large sum for depreciation of investments we should have had a handsome surplus available for other purposes. However, the depreciation during the year of all first-class investments was so heavy that you will see we have had to appropriate £350,000 of the profits to investment reserve account. By this transfer, and by other internal appropriations, we have written down all investments, other than Government war issues, to market price, and have accumulated a substantial reserve against the Government war issues; moreover, the value of these, and of most of our investments, has improved since the close of the year. The Bank's internal contingent fund has been increased, and stands at a substantial figure. We have also taken the step, which I know you will approve, of applying £100,000 of the surplus resulting from the recent amalgamations to extinguish the item named "Bank purchase account," which has stood in our balance sheet for some time, and which we have always been anxious to write off.

The gratifying result of the year has only been obtained by the intelligent co-operation of the staff in each one of our districts. In recognition of this, and also in view of the continued high cost of living, the directors during the year granted the staff a well-deserved special bonus and special increases of salary. I am sure you will approve of this step.

Commercial and Economic Conditions.

Turning now to the consideration of the commercial and economic conditions which have ruled during the past year, it is necessary that I should remind you briefly of what took place after the Armistice. There was at first no great indication of business activity, because a good many months were spent by business men in paving the way for developments. In the autumn of 1919, however, there was a rapid increase in visible business enterprise, accompanied by a strong and ever-growing demand for banking accommodation. The world was short of goods of all kinds; so short, indeed, that people everywhere were willing to give almost any price for commodities of which they stood in dire need. The consequence was that prices rose rapidly to unprecedented heights, and all over the world business men rushed into transactions because they saw, or thought they saw, that large and certain profits would be derived. You will remember that when we met a year ago I used the following words:—

"To all appearance there seems no limit to the world's demand for commodities, and no limit to the price which depleted markets will offer; hence the tendency is to accept orders at ever-rising prices, covering these by purchases of raw material at prices which have never been contemplated in any epoch of our commercial history. With such prices there is abundant scope for a fall in values, and if any great market were to receive an unexpected check there might be an immediate fall in that market, and possibly a sympathetic fall in other directions. I confess that I cannot see any sign at present of trouble of this kind occurring, but I do think that the circumstances of the time demand that business men should rather take in sail than crowd on canvas; in other words, that they would be well advised not to stretch their financial commitments too far."

The Fall in Prices.

What has actually happened is that prices of most commodities began to fall towards the end of the spring, and the fall has continued ever since, and has reached an extent which few, if any, persons anticipated.

A comparison of the highest prices touched during last year with the prices at the end of the year is instructive:—

American cotton (middling) fell from 31*d.* to 8.6*d.*

Egyptian cotton (F.G.F. Sakellaridis) fell from 99*d.* to 22*d.*

Wool, standard merino tops fell from 172*d.* to 54*d.*

Plantation rubber (standard crêpe) fell from 2*s.* 9*d.* to 11¼*d.*

Copper fell from £120 to £71 17*s.* 6*d.*

Tin fell from £388 to £202 10*s.*

Coffee fell from 137*s.* to 56*s.*

Accra cocoa fell from 126*s* to 40*s.*

Maize fell from 18*s.* to 12*s.* 4*d.*

Hides have fallen from fifty per cent. to seventy per cent.

Freight from Bombay to the United Kingdom fell from 140*s.* to 35*s.*

Freight from Buenos Ayres to the United Kingdom fell from 210*s.* to 40*s.*

Not only has the home demand for goods diminished, but the purchasing power of the foreign markets with which we trade seems in many cases to have almost entirely died away. In most of the ports of the world at the present time our manufactured goods, and those of other exporting countries, are to be found accumulated in great masses. The two great textile industries—cotton and wool—are in a state of depression as severe as any within living memory. The leather and hide markets are stagnant. The iron and steel trades, including shipbuilding, which for a long time remained active and profitable, appear to be about to share in the depression. The shipping industry, partly in consequence of increased expenses, partly owing to the absence of outward coal cargoes, and partly owing to the reduced values of goods requiring to be carried, has passed into the trough of the waves. Freights, as I have already shown, have broken badly, and are not likely to recover till the overseas trade of the world revives. Indeed, there are few trades at the present time in which business is proceeding with anything like normal vigour.

Explanation of the Decline.

The explanation of this extraordinary and regrettable condition appears to me simple—viz., that buyers cannot afford to pay the prices which ruled during the recent boom. The consumer still wants goods, but cannot afford to pay for them anything more than pre-War prices or a price more nearly approaching pre-War price than that which has obtained since the Armistice. I feel sure that if prices were to come within reasonable distance of pre-War prices, and if the consumer were then convinced that the bottom of the market had been reached, the need for commodities of all kinds is so great that trade would

speedily recover. Just as a year ago supplies were under-estimated, so now the tendency is to greatly under-estimate the eventual demand; and I hope that when the demand does spring up it will not be killed by extravagant prices.

While I am accordingly satisfied that, at reasonable prices, demand will revive, the main point is to ensure that prices shall be sufficient to remunerate the producer, and, at the same time, low enough to tempt the consumer. The three chief elements of price are: The cost of raw material, the cost of the labour expended on it, and the profit of the producer or manufacturer. So far as the cost of raw material is concerned, the bottom price appears in most directions to have been reached, or nearly reached. So far as profits are concerned, I am sure that producers and manufacturers would now be ready to accept profits on pre-War scale, subject to due allowance for increased taxation; and with regard to labour, I think there are indications—certainly in America, and to some extent here—that Labour, despite its official pronouncements, is beginning to recognise the economic necessity for reduction of wages and increase of output. If employers and representatives of labour all over the country, and in every trade, could get together and quietly examine prices, profits, losses, and the whole problem of cost of production, I cannot help thinking that between them they could arrange for such reductions in wages and profits, and such economies as would enable them to place their commodities on the markets at prices within the buying power of consumers generally. The purchasing power of the reduced wages and of the lower profits would probably be quite as great as that of the high wages and large profits which prevailed during the recent boom; the overseas markets would re-open, the volume of trade would increase, and the present spectre of unemployment gradually disappear.

Causes of the Trade Depression.

It may not be necessary, however, to get right back to pre-war prices in order to revive our trade with countries where the exchange is in our favour. A comparatively small reduction in the sterling price of a commodity will make an important reduction in the price as expressed in the currency of such countries. For example, an English article selling before the War at the price of one pound cost a French buyer twenty-five francs. If the sterling price of the same article is now three pounds, the price in francs, assuming the rate of exchange to be sixty francs to the pound, is now one hundred and eighty francs. Thus, while the price has trebled in England, it has been multiplied more than seven times in France. It follows that a slight reduction in the sterling price means a far larger reduction in the price in francs, and every pound sterling which we can manage to knock off the price of goods intended for sale to France means much more to the Frenchman than one pound does to the Englishman. The same argument applies to Italy, Germany, Scandinavia, and other countries where the currency is depreciated. Accordingly, if we are to restore our export trade, even moderate reductions of cost may be well worth striving for.

Another cause which has contributed to the present depression of trade is the fact that it is impossible to trade freely with most of the European markets. Before the War our customers included every European country. We did profitable trade with Germany, Austria, Russia, Poland, Roumania, and so on. Now the exchanges are so difficult and erratic, and political conditions so precarious, that trade is either non-existent or greatly reduced in volume. You will be glad to have seen that efforts are being made by the League of Nations and by our own Government to devise some reasonable and safe export credit scheme, under which British exporters and exporters in other countries may supply goods to buyers in the impoverished countries of Europe without running excessive risk. The idea is to encourage the importation into those countries of commodities necessary for the work of reproduction, with a view to start again normal industrial and economic activities. The reaction upon our own and other exporting countries would be to promote commercial enterprise and increase the employment of labour, and I hope that the efforts of our Government will prove successful. So far as we, as a Bank, are concerned, we shall do all in our power to support any reasonable and workable scheme.

Reassuring Features.

From what I have said you will gather that while I recognise fully the extent and severity of the existing trade depression, I do not despair of the power of this country to emerge at no distant date from the difficulties through which it is passing. There are some reassuring features. A good deal of sound business is being done in various directions. The agricultural industry, though not making the profits enjoyed during recent years, is still prosperous. The cost of food is gradually coming down, and the fall in prices in many commodities, while it causes serious loss in the case of many individual traders, is a relief to other sections of the nation. The recent rise in American exchange is another favourable factor, inasmuch as it tends to reduce the cost of our imports from the United States. Again, while there have been failures here and there, the fact that there has been no general catastrophe is a great tribute to the economic stability of the country, and I take this opportunity of congratulating, in particular, the Liverpool Cotton Market and the spinners, manufacturers, and merchants in the woollen and cotton districts, upon the courage and ability with which they have confronted the difficulties of the present time. Further, I think all classes are beginning, though perhaps only just beginning, to recognise that without economy and hard work there can be no prosperity.

There are other favourable indications, and I hope that when we meet next year it may be under brighter conditions. In the meantime it will be our duty to continue to assist our customers through bad times, as we have assisted them in good times, and to help on every movement which may lead to a revival of sound enterprise.

Money Market Conditions Last Year.

You will expect me to refer briefly to the conditions which obtained in the money market during the year. The dominating influence was the strong and persistent demand on the part of many customers for banking credit. Bankers have been criticised for not granting larger credits last year than they did. All I can say is that all bankers lent out a much larger proportion of their funds than usual to their trading customers, and that if there was any reluctance to give credit, it was because bankers have to take care not to lock up too much of their deposits in commercial advances, however sound. Speaking for ourselves, I may say that we looked well after our own customers' requirements, and I do not think that any reasonable demand made by them for accommodation was refused, nor was any customer called upon to sacrifice his goods or securities for the purpose of repaying advances granted him by the Bank.

The same demand for credit which obtained in this country also obtained in the United States, and the Bank of England was compelled in April last to raise its discount rate to seven per cent., at which figure it still stands. It is possible that this high rate has had some influence in compelling business men to realise, in a falling market, goods which they would like to have held till a more favourable opportunity, but I think the high rate has now done its work, and I hope before long it may be found possible to reduce Bank rate and thus lighten the burden which all people are feeling who have to borrow from the banks at present.

Government Finance.

With regard to Government finance, our Government has repaid a considerable amount of both home and foreign debt, including Great Britain's share of the Anglo-French Loan, which fell due in the United States last autumn. The result of those repayments, and the fact that our National expenditure is covered by our National income, has done much to maintain the credit of this country abroad. This result has not been achieved, however, without imposing heavy taxation, and I venture to hope that the Chancellor of the Exchequer will see his way to abate for a time the amount of debt reduction, so as to lighten the burden of taxation at a period when the country is passing through commercial depression.

It is as difficult to prophesy with regard to the future course of the Money market as it is with regard to the fluctuations of foreign exchange, but I think we may look forward to a reduction in the demand for Banking accommodation and to easier financial conditions generally.

One unfortunate incident marked the close of the year, namely, the stoppage of Farrow's Bank, and one deeply regrets the loss and suffering inflicted on the shareholders and customers of that Bank. The incident emphasises the need for some form of Governmental Banking Licence. The use of the word Bank should be confined to institutions which have been duly authorised to trade as such by a duly constituted authority. The great Banks of the country, including the Saving Banks, are anxious and willing to provide facilities for small depositors. We ourselves have always been ready to receive deposits from one pound upwards, but if there is need for still further facilities, Government ought to see that the small depositor is reasonably protected by a proper system of Banking Licence.

Mr. Crewdson's Retirement.

May I close by referring to a personal matter. When we took over the business of Wakefield, Crewdson & Co., in the year 1893, Mr. F. W. Crewdson, who was then a partner in the private Banking firm, agreed to remain with us in the position of District General Manager, and he has continued to occupy that position ever since. The time has now come when Mr. Crewdson wishes to retire from the

Bank's service, and the directors have accepted his resignation with regret. He will accordingly retire at the end of this month, and I wish, on behalf of the board, to express our gratitude to him for the faithful and efficient service he has rendered to the Bank through the long period of nearly twenty-eight years. The high reputation which his family has always enjoyed in the North-West of England, and his own personal qualities, have been of great value to the Bank, and have materially contributed to give it the important place it occupies in the esteem of the public throughout our Northern District. I am happy to say that the board have arranged with Mr. Crewdson that they may call him into consultation whenever occasion arises, and it only remains for me to say that in leaving the Bank he carries with him the friendship and goodwill of the directors and of all his colleagues in the management and on the staff of the Bank. We wish him many happy years of useful and interesting retirement. The arrangements which will be made in reference to the management of the Northern District will be announced shortly.

May I again be allowed to congratulate you on the results of the year, and to express the hope that the present year may be equally prosperous.

Tribute to Directors and Staff.

Mr. Isaac H. Storey, a Deputy-Chairman, seconded the motion, and, no questions or comments being offered, it was carried unanimously.

The retiring directors, Sir Fredk. W. Chance, K.B.E., D.L., Sir Wm. B. Forwood, K.B.E., D.L., Mr. A. T. Neilson, and Lieut.-Colonel Sir J. P. Reynolds, D.L., D.S.O., were re-elected, and the Auditors were reappointed.

Sir Thomas Hughes, in proposing a vote of thanks to the directors, the Committee of Management, and the General Manager and other officers of the Bank, for their valuable services during the year, said the business-like and common-sense address of the Chairman would go to the hearts of all present. All were satisfied that the Bank had an excellent body of directors and an excellent Committee of Management, but there was one name he would like to mention specially—that of Sir Wm. Forwood. (Applause.) Sir William was certainly an old veteran, but there was good work in him yet, and though he was not able to be present everyone would wish to congratulate him on having passed through a serious operation, and would trust that he might live for many years to render the good service he had always given. As to the General Manager, Sir James Hope Simpson, no words could adequately express the shareholders' sense of his valuable services. In some further observations, Sir Thomas Hughes, whilst recognising that the matter was one calling for careful consideration, suggested that a number of demobilised men now out of employment might perhaps be taken into the Bank's service, replacing female clerks who had been employed in the War years.

Mr. Broadfoot seconded, and the motion was carried with acclamation.

Sir James Hope Simpson, director and General Manager, responded, and desired to testify very warmly to the unremitting, careful, and able devotion the directors gave to the affairs of the Bank, and also to the great help given by the Committee of Management and all the local boards. He also thanked the Assistant General Manager and the various District Managers for their work. It was a great comfort to have able men about one, and the fact that they had passed through an extremely difficult year, with the results the Chairman had stated, was evidence that the officers and staff of the Bank worked well. Replying to Sir Thomas Hughes, Sir James said since the Armistice the Bank had very largely reduced its female staff and had taken back every man who had left and who wanted to come back, and was still taking and absorbing more men as quickly as they could be trained. At the same time they must give due consideration to the ladies who had rendered invaluable help, without which the Bank could not have been run during the War—(Hear, hear)—and if it had not been run during the War there would have been no place for ex-Service men at all.

Mr. F. W. Crewdson also responded, and the meeting closed with a vote of thanks to the Chairman for presiding.

National Discount Company, Ltd.

Unsatisfactory Conditions in Europe.

THE ordinary annual general meeting of this Company was held at Cannon Street Hotel, E.C., on January 21, Sir Sigismund F. Mendl, K.B.E., Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said that last year he forecast a difficult and rather anxious year. That forecast, he thought it would be generally admitted, had been fulfilled, but he was bound to say he did not derive much satisfaction from the fact that it was so. It had, indeed, been a very awkward year, and one which had caused all concerned in trade, industry, and finance in London, and the country generally—and almost in the world at large—much anxiety, and made the utmost possible prudence and caution necessary. The process of recovery from the wounds inflicted by the War was a slow and painful one. He thought they would all admit they were sanguine in imagining it would be as quick and certain as they were inclined to hope and believe, at all events, two years ago. In some respects it had scarcely yet begun. The conditions obtaining at the present moment over a large portion of the continent of Europe, both in Allied countries and in ex-enemy countries, were undoubtedly far from satisfactory. In some countries they were appalling, deplorable, and dangerous to civilisation.

A Difficult Situation.

If these conditions were less to the fore here, they had nevertheless to admit that the situation in this country was not an easy or clear one, but it had to be faced. They had seen a fall in prices, and a reduction in the cost of living, but the process had been accompanied by violent jolts and jerks in the commercial and industrial machine. These were the natural accompaniments, not realised perhaps beforehand, of a readjustment of the economic laws which had been set at nought by the War. To some extent the violation of these laws was inevitable; certainly it was inevitable during the War, though some of them might think that that violation had been unnecessarily prolonged during the period of peace, partly by the ostrich policy of hiding one's head in the sand. Unfortunately all that had been done had been of a palliative kind, and had not provided a permanent remedy. What they had to hope for as a permanent remedy was, first, the deflation of the currency carried out in a prudent manner, not too quickly, and not in too violent a manner, but carried out with due regard to the exigencies of commerce; secondly, increased production; and, thirdly, rigid economy, both national and private.

He had mentioned that the past had been an awkward and anxious year, and he was bound to say he thought the year 1921 was not likely to be very different in that respect. As was not uncommon in such times, the profits on the current business were satisfactory. They had been satisfactory, he thought, with regard to most institutions of that character, and he was glad to say they had participated in the general conditions.

Interest and Discount Rates.

There had been a substantial margin between the rates of interest and of discount. During the past year the average rate for deposits at call money was £4 14*s.* 3*d.*, and at notice £4 19*s.* 3*d.*, as against £3 3*s.* 11*d.* and £3 6*s.* respectively in the previous year. The rate of discount was £6 8*s.*, as compared with £3 18*s.* 8*d.*, so that there had been a very substantial margin. Against that substantial margin on current business had to be set in many cases an extensive depreciation in securities, due largely to the high rates for money. So far as this Company was concerned their depreciation was of a negligible character. Their investments on December 31 stood at a very low figure—lower than for many years. That was owing to the fact that they had found it more profitable to have recourse to bills for the employment of their resources instead of investments. He might say that, in addition to other reasons, they were primarily a Company to discount bills, and were fulfilling an important function in doing so. In 1920 they discounted just under £97,000,000 of bills, as compared with £82,000,000 in 1919.

He did not think this a year in which he need go into the figures at length; they spoke for themselves. There was only one item which he need refer to, and that was the pension fund. They had for some years transferred to a temporary account small sums which they had intended to use, though they were not necessarily earmarked, to provide pensions for retiring members of the staff. These amounted to a substantial sum, and as they were able to put by another £10,000 this year they had started the pension fund with £25,000. He thought shareholders would approve of this. (Hear, hear.) After making all adequate provision, they were able to pay not only the twelve per cent. dividend they had paid for some half-years past, but to declare a further bonus of two per cent. upon their shares.

Mr. Lawrence E. Chalmers (Deputy-Chairman) seconded the resolution.

Mr. Millar Wilkinson congratulated the board on the report, which he said was the best one in connection with the Company that he had ever seen.

The resolution was carried unanimously.

The final dividend was duly declared, the retiring directors, Mr. F. W. Green and Mr. C. D. Seligman, were re-elected, and Mr. Francis W. Pixley and Sir Albert Wyon, K.B.E., were reappointed auditors.

A vote of thanks to the Chairman and directors terminated the proceedings.

Provincial Bank of Ireland, Limited.

Higher Working Expenses : Increased Profits.

THE annual general meeting of the shareholders of the Provincial Bank of Ireland, Limited, was held on January 26 at the office of the Company, 8 Throgmorton Avenue, E.C., Mr. Henry S. H. Guinness presiding.

The Secretary (Mr. Hume Robertson) having read the notice convening the meeting and the report of the auditors,

The Chairman said : I presume, gentlemen, that you will, as usual, take the report, which has been in your hands for some time, as read.

You will have noticed that the Bank's operations during the past half-year have resulted in a large increase in gross profits, which has been, in a great measure, absorbed by the growth of working expenses.

Foremost among the latter must be placed the increased remuneration to the staff, to which reference has been made at recent meetings. We are happy to find that the expansion in our business has brought an addition to profits adequate to cover the heavier charges in every direction incidental to management in the present times.

The allocation from net profits for the half-year under review has brought the reserve fund, by the addition of £15,000, up to £450,000, and the amounts of £10,000 applied to writing down cost of investments and £5,000 taken off the Bank premises account have been in accordance with the settled policy of the board to strengthen the Bank's position at all points.

As mentioned in the report, the Bank's investments, outside War Loans, are valued in the balance sheet at current market prices or under, and it has been explained at previous meetings that a large proportion of our holdings of War Loan issues is in short-dated maturities, repayable at a premium.

The building of new premises and the various alterations incidental to the opening of new branches and remodelling of existing premises to meet modern requirements have caused further additions to the Bank premises account. Unsettled labour conditions in the building trade have interfered with rapid progress, but the work in hand is being pushed to completion with all possible speed.

The Balance Sheet.

Comparing the various items of the balance sheet with the corresponding figures of a year ago, you will notice that our note issue is lower by nearly £250,000, as the result, probably, of a variety of causes. For instance, there will be present to your minds the dislocation of fairs and markets, consequent upon the absence of transport facilities, which reduces the demand for currency, and the tendency in present conditions to use cheques in preference to notes wherever possible.

Deposit and current accounts are higher by £2,307,435, bringing them to a total of £17,110,155, while on the other side of the account advances to customers and bills discounted have risen by £1,702,414 to £9,696,661. This increase in the accommodation extended to customers is in accordance with the policy of the board to afford full encouragement to legitimate enterprise in commerce and industry in Ireland.

Investments are lower by £933,118, but the fluctuating items of money at call, &c., are higher by £1,288,282, and you will observe that our liquid resources, including our investments, as compared with liabilities, show a satisfactory proportion at 54 per cent.

From this review you will appreciate that the position of the Bank is thoroughly sound and its business progressive. Those figures also reflect the trend of Irish trade, the balance of which has been strongly in her favour. Thus for the three years 1917, 1918, and 1919 exports have exceeded imports by over £50,000,000, which has served greatly to strengthen Ireland's economic position.

Business Conducted under Exceptional Difficulties.

It will be within the knowledge of all present that, for many reasons, banking operations in general in Ireland have been conducted for some time past under exceptional difficulties, apart altogether from the uncertainties of transport, to which allusion has been made.

You will have seen also from the announcements in the public Press that we have suffered losses at two of the branches, where the staff was held up during business hours by armed men, who removed cash amounting to £4,000, none of which has been recovered. We greatly regret that our officers should be exposed to such trying experiences. I am glad to have this opportunity of thanking all the members of the staff, to whose devoted service the success of the Bank is so largely due.

I would here also express our regret at the recent destruction of valuable property in the prosperous city of Cork, in consequence of which local trade and industry have, for the time being, been seriously inconvenienced.

There is cause for disappointment also in some features of the harvest results in Ireland for last year. There has been a notable decline in the acreage under tillage, and the produce, in the case of potatoes, wheat, and oats has been appreciably below the average, but prices have, on the whole, been quite remunerative for the farmer. The grazier has been benefited throughout the year by the high values which have ruled for live-stock, and, while prices cannot be expected to continue at the present level, Ireland is fortunate, in view of the present market shortage of meat in Europe, in having conserved practically intact the pre-War quantity of cattle.

Unfavourable weather interfered with the flax crop, and ultimately the yield from an increased sowing was below the average. A large proportion of the crop has not yet been brought to market owing to the heavy fall in prices, resulting from the present depression in the linen trade. Inability to dispose of yarns, and the consequent accumulations of stocks, have necessitated curtailment of manufacture, but it is understood that indications of reviving trade are now apparent.

The Money Market.

Since the Bank rate was raised to seven per cent. in April there has been little change in the nominal value of money, the market rate being governed by the price of Treasury bills, which has remained at six and a-half per cent. discount.

The world-wide demand for credit, both Governmental and private, still continues. The available supply, owing to the recognised necessity of abstaining from further inflation, has, however, not been increased, and it has only been possible to meet essential needs by a careful scrutiny of each individual request for accommodation.

The foreign exchanges continue to fluctuate violently, rendering international trade most difficult, and there is likely to be little improvement until Governments, recognising the paramount necessity of living within their means, balance their Budgets without recourse to the printing press. The liquidation in commodities, which started in the early summer, has continued, and has been followed by considerable reductions in the prices of manufactured articles, and, to some extent, in charges for services, especially in freights. The recent decline in food prices should have a considerable effect on the cost of living. Signs are not wanting, however, that the fall in values has, in some cases, proceeded too far, as some essential raw materials are now selling below the cost of production. The latest advices from the United States, where liquidation first set in and has proceeded furthest, are encouraging, and lead to the hope that a stability of prices, without which commercial activity is impossible, may soon be attained.

Before moving the adoption of the report I would desire to express the deep regret of the board at the death of Sir Robert Gardner, who was appointed in 1882 one of the original auditors of the Bank, and who always took a sustained interest in its progress and development. Mr. Harold Pim, who has been appointed to fill the vacancy, and who has dealt with the accounts for this half-year in conjunction with Mr. Ernest Cooper, being eligible for re-election, will be proposed later on.

I now move that the report and statement of accounts for the half-year to December 31 last, as already sent to each shareholder, be confirmed and adopted.

I will be happy to answer to the best of my ability any questions you may desire to ask.

Mr. William T. Brand seconded the resolution, which was carried unanimously.

The Hon. Sir William H. Goschen, K.B.E., proposed the re-election of the retiring directors, Mr. Robert A. Gradwell and Mr. Henry S. H. Guinness.

Mr. W. S. M. Burns seconded the motion, which was unanimously adopted.

On the proposition of Mr. E. Sebag Montefiore, seconded by Mr. Charles Montefiore, the auditors (Mr. Ernest Cooper and Mr. J. Harold Pim) were reappointed.

Vote of Thanks to the Directors.

Mr. Waley : Mr. Chairman, I have much pleasure in proposing a vote of thanks to you and your co-directors. We have heard from you the difficulties under which banking is now carried on, and I am sure the shareholders have a unanimous feeling of gratitude for the efficient way, and the profitable way, in which you have conducted the affairs of this Bank during the past six months.

Mr. Sebag Montefiore seconded the vote, which was unanimously accorded.

The Chairman : In thanking you for this vote, gentlemen, I need only say how much we appreciate the kind expressions which have been used in proposing it. Before the meeting concludes I think we should like to express our thanks to the staff, and I beg to move that we do so.

Mr. W. T. Brand : I have much pleasure in seconding that. They have had a most arduous year, and I think they thoroughly deserve the thanks of the shareholders.

The motion was passed unanimously, and the proceedings then terminated.

METROPOLITAN TRUST COMPANY, LIMITED.

Increased Dividend.

THE twenty-third ordinary general meeting of the Metropolitan Trust Company, Limited, was held on January 27 at the Company's offices, Gresham House, 24 Old Broad Street, E.C., Mr. Robert Fleming (the Chairman) presiding.

The Chairman said: Gentlemen,—The report, as you know, shows a fair increase in net revenue over last year. After paying a fourteen-per-cent. dividend—an increase of one per cent. over last year—there is a surplus from the year's revenue of about four and a-quarter per cent. This is, of course, subject to corporation tax, the exact amount of which we do not yet know. According to Mr. Carlisle's calculation, it should not exceed one per cent. on the Ordinary stock.

So far as we can judge now, the revenue of the year on which we have entered will not be less than that now reported on, but one cannot so confidently make a prediction, since we have, as you know, changed our venue to a considerable extent from the United States to this country. In 1914 we had sixty per cent. of our invested funds in America and nine per cent. in Great Britain. To-day these percentages are twenty-five per cent. and thirty-two per cent. respectively.

The investments in our own country are naturally largely in industrial enterprises, but we have practically no interest worth mentioning in the Ordinary stocks of industrial companies, confining ourselves in that direction mainly to bonds or Preference shares.

With regard to the market value of the investments, it is, you will have noted, less than last year by four and a-half per cent. If this has surprised you at all, the surprise will have been in its smallness. It has been helped somewhat by the rate of exchange ruling on January 1 for our American quoted securities; 1920 has been a year, as you all know, of heavy depreciation in all directions; it has also been a year of great depression and anxiety in financial circles.

Reopening of Continental Markets.

This country has, I think, more than any other done its best to help restore conditions on the Continent. It has given large credits—so large that until these are to some extent liquidated it is difficult to see how they can be largely added to. But all fully realise that if chaos is to end and steady industry take its place, we must do everything that is on our part possible. I am glad to see that a very leading New York banker said the other day: "America will have to set itself seriously to the task of providing the credits which are necessary to set the industries of Europe in action and to dispose of our own raw materials." When one hears of Germany and Belgium taking, in competition with our manufacturers, large orders from Anglo-foreign enterprises one feels that, even when the advantage of abnormal exchange has disappeared, the Continent will continue to be a keen competitor with us in some directions; but, on the other hand, will, as in pre-war days, be a large buyer from us in other directions. One preliminary to a real start is, of course, a knowledge of what the Commission decides Germany can pay for reparations.

Till costs of production fall and prices are lowered we cannot expect that the world will buy our goods. The great dearth is ended, and buyers more than sellers have now the whip hand.

We cannot, however, hope fully to resume pre-War activities till Continental activities are restarted and Russia comes out of the dead hand of Bolshevism. Formerly that great population, by its vast production, sent us nearly a fourth of our wheat needs, nearly a fourth of the world's oil supply, flax, timber, and minerals in great volume, and received in exchange the products of our factories and those of other countries.

Capital and Labour.

Here and there we still hear communistic extremists calling out for the abolition of the capitalistic system, as they call it.

Russia's condition to-day is an example of the condition to which even a self-contained country can be reduced by the abolition of capitalism.

Wipe out that capital and the enterprising men that make that capital fructify at home and abroad, and no population of 45,000,000 could possibly live in these islands.

This country has been living on capital during the past six years, and the wage scale, though inevitably higher, owing to increased cost of living, has increased to some extent at the expense of capital. A higher standard of living is, of course, desirable, but it must not be forgotten that as we live by our world's trade our higher standard can only be the equivalent of the higher standard of the quantity and quality of the goods we produce and sell. But I would not have you suppose that labour alone is the all-important element; equally, if not more, important is the rôle of capital. Unless it supplies the latest machinery, the perfect lay-out of plant, the best management in the factory, the best buying and settling organisation, the work of our men will not avail. With these remarks, gentlemen, I beg to move: "That the report and accounts as presented be and they are hereby received, approved, and adopted, and that a dividend of £2 5*s.* per cent. on the Preferred stock, less income tax, making, with the interim dividend, £4 10*s.* for the year, and a dividend of £8 10*s.* per cent. on the Ordinary stock, less income tax, making, with the interim dividend, fourteen per cent. for the year ended January 1, 1921, be and the same are hereby declared."

Mr. Henry A. Vernet seconded the resolution, which was carried unanimously.

BRITISH COLUMBIA ELECTRIC RAILWAY CO., LTD.

Improved Results: Prosperity of British Columbia.

THE twenty-fourth ordinary general meeting of the members of this Company was held on January 20 at the Institute of Chartered Accountants, Moorgate Place, Moorgate Street, E.C., Mr. G. P. Norton presiding.

The Chairman said: As the Chairman, Mr. R. M. Horne-Payne, is not able to be with us to-day, I will ask Mr. Blundell Brown kindly to read the speech which he has prepared.

Mr. T. Blundell Brown then read the Chairman's statement, which was as follows:—

Ladies and Gentlemen,—It is very pleasant to us to meet you again with a report which shows clearly the improvement which has taken place in the Company's affairs during the past year. As a result of increased population and expanding trade our revenue has increased. The gross receipts are the largest for any year in the history of the Company, and, despite the heavy increase in the costs of operation, we are able, after making proper provision for depreciation, sinking fund, and renewals, to recommend you to declare a reasonable dividend. The dividends for the year are £4 15*s.* per cent., free of income tax, on the Preferred, and £6 4*s.* per cent., free of income tax, on the Deferred Ordinary stock, but the average dividend we have received is still meagre. Until last year, as you are aware, no dividend had been paid on the Preferred Ordinary stock since the year ended June 30, 1915, or on the Deferred Ordinary stock since the year ended June 30, 1914.

The growth in the population, which is reflected in the Company's gross revenue, has necessitated a substantial expenditure on capital account during the past year, and I would like to point out that it is the sound financial policy of the Company in the past that has enabled this expansion to be met without having to apply to you for further capital.

The Western Power Company.

It had become a vital necessity to obtain additional power on account of the growth of the Company's business and the resultant increase in consumption of power, which amounted to 22.4 per cent. in 1919-20. In the latter year 3,981 additional light and power consumers were connected to the system. Your Company owns certain valuable water rights which could be developed, but the directors considered that in view of the present high cost of materials and labour it was undesirable to commence development of a new hydro-electric installation at the present time. In addition to the power already derived from the water powers owned or controlled by your Company, a contract was entered into in 1912 with the Western Power Company of Canada, under which the greater portion of the output of the Western Power Company is now taken by your Company. The management advised that, having regard to the importance of an increasing and uninterrupted supply, it was undesirable to rely upon making additional outside contracts, and that for this reason and the reasons given above, the best course to pursue was to purchase the Western Power Company of Canada outright, more particularly as one of the water powers already owned by your Company can be best utilised in conjunction with further development by the Western Power Company of Canada, and because your Company already relied to a large extent on power from this source.

Arrangements have now been completed whereby your Company has acquired the majority of the share capital of the Western Power Company of Canada on terms which will give your Company, with a relatively small capital expenditure, a substantial reserve of power at a reasonable cost, in addition to which your Company acquires a water power capable of further great development when justified by conditions and requirements.

As part of the arrangements, your Company has guaranteed the principal and interest of $5,000,000 of outstanding five per cent. First Mortgage Bonds of the Western Power Company of Canada, maturing in 1949. The interest on these bonds is being fully earned by the Western Power Company of Canada, and does not, therefore, have to be provided out of your Company's revenue.

It is intended by the directors to draw up and consider plans for the utilisation of the full capacity of the Western Power Company's development. It is not, however, intended at the present time to undertake this further development, but, provided the demand for power continues, and your Company can be assured of reasonable rates for its services, it is intended to proceed with the development work, which, when completed, will put your Company in a position to supply the needs of the surrounding territory for a long time to come.

I am glad to be able to tell you that the improvement in business continues, and shows every sign of continuing. The board have no hesitation in reaffirming their faith in the speedy growth of the prosperity of British Columbia, provided that legislation is prudent and stable, and there continues a reasonable attitude on the part of Labour.

Mr. Davidson's Address.

Mr. J. Davidson: A year ago, when we had the pleasure of meeting you, I had just returned from a visit to British Columbia. You will recollect that I then described to you the great growth which had taken place in the cities and districts served by your Company during the six years previous to 1914, in which year the War called a halt to development. I also described to you the greater railway and ocean transport facilities which Vancouver and British Columbia generally enjoy to-day as compared with then, and the greater opportunities for future growth which now exist, and I suggested that it would be a disregard of precedent to anticipate that the growth of Vancouver and the districts served by your Company would be less during the next six years than it was in the six years previous to 1914. I would like to give you some idea of what has taken place in this direction during the year ended June 30, 1920.

During the year we carried 66,411,030 passengers and 430,931 tons of freight, as compared with 55,326,288 passengers and 331,794 tons of freight the previous year, increases of twenty-four and a-half per cent. and thirty-three and a-half per cent. respectively. We added 3,981 additional light and power customers to our system and sold 116,196,981 kw. of electric energy, as compared with 94,953,424 kw. sold the previous year, an increase of over twenty-two per cent. We also sold 545,191,200 cubic feet of gas, as compared with 431,093,000 cubic feet the previous year, an increase of twenty six and a half per cent.

Indications of Progress.

Returns received since June 30 show still further increases, and, although the rate of progress indicated by the figures I have quoted may not continue steadily, and there may be set-backs, the whole experience of the past makes it as certain as can be that the demands upon your transportation, light, heat, power, and gas services must go on increasing. This increase in business is gratifying because a growing community is invariably a prosperous community, but for your Company it carries with it the burden of providing further capital outlays. For the year to June 30, 1920, we had, in order to meet the increased needs of the community, to make capital expenditures amounting to $521,094, and since the close of the financial year, as the Chairman has just told you in his address, we have had to make still further capital expenditure in order to be in a position to meet the increasing demand for power.

The Chairman: Ladies and Gentlemen,—I have now formally to move: "That the balance sheet as at June 30, 1920, and the revenue account for the year ended on that date, together with the reports of the directors and auditors thereon, be, and are hereby, received and adopted."

Mr. Davidson seconded the resolution, and, after the Chairman had replied to a few questions, it was put to the meeting and carried unanimously.

BALDWINS LIMITED.

The eighteenth annual meeting of shareholders of Baldwins Limited was held on January 26 at the Grand Hotel, Birmingham, Colonel Sir John Roper Wright, Bart. (Chairman of directors), presiding.

In moving the adoption of the annual report and balance sheet, the Chairman said: Ladies and Gentlemen,—Your directors come before you after a strenuous and anxious year, but are happy to bring before you accounts which I think you will agree justify the declaration of the dividend paid last November of ten per cent., free of tax, on the Ordinary shares, making, with the two and a-half per cent. interim paid in April, a total of twelve and a-half per cent., free of tax, for the year to June 30, 1920. Share capital has been increased by the issue during the year of £1,000,000 "B" Preference shares at five per cent., free of tax up to 6*s.* in the £, the cost of which issue has been written off. The Company's reserve funds have been further strengthened; £75,000 has been added to general reserve, which now amounts to £364,835, and the yearly appropriation from profits of £11,357 has been added to the sinking funds, making the total of that account £165,637, the greater proportion of which is a set-off to the Debenture debt and forms a further reserve fund.

In the profit and loss account it will be seen that the profits for the year are £521,355 19*s.* 8*d.*, being an increase over last year of £63,967. This result is arrived at after providing for Imperial taxes and duties and placing £75,000 to depreciation, as against £50,000 the previous year, and after writing off a considerable loss incurred in the realisation of £500,050 Five per Cent. War stock 1929-47.

Addition to Properties.

The addition to properties and plant of £756,087 is principally accounted for by the expenditure on the new Margam works, which are still in process of completion.

Stocks have increased by £497,175, standing now at £1,481,119, which gives you an idea as to how much more floating capital is now required to run such a business as yours.

You will recall that I referred at the meeting last July to the necessity for purchasing collieries providing suitable coal for the Margam blast-furnaces, and for this reason it will be seen that the investment holdings of the Company have increased from £1,783,392 1*s.* 5*d.* to £2,299,334 12*s.* 4*d.* I hope the position as regards the accounts now put before you will be sufficient to enable you to pass the resolution which I shall soon submit to you.

With regard to our Margam Works, two of the open-hearth melting furnaces are already at work making ingots for our Port Talbot Steel Works, and they are giving excellent results, both as regards output and fuel economy. Two other furnaces are completed, and a fifth and a metal mixer are in course of erection.

Good progress is being made with the rolling-mills and the necessary equipment for the rolling of rails and structural steel. A battery of 120 coke ovens and by-product plant for same is completed, 60 ovens of which are working, carbonising about 3,000 tons of coal weekly, producing excellent coke and a good yield of tar, benzol, and sulphate of ammonia; the erection of the tar-distilling plant is now in progress.

Two of the blast-furnaces are finished in every detail and are ready for work, except for the gas-cooling plant. At the moment, however, we do not think it would be expedient to put them into blast owing to the extraordinarily low price at which Continental iron is now offered—a price much below the lowest cost that can or will be produced in this country under the best practice until there is a very material reduction in the price of coke. The present high price of coke and the increased railway rates make it impossible at the moment to manufacture pig iron in this country to be able to compete successfully with Continental iron—a large importation of which threatens us and which the depreciated exchange is assisting.

However, our works are favourably situated geographically, and I am very pleased to say that as far as we are concerned we have a most favourable site, modern plant and all the facilities necessary for economical production. I am therefore looking forward hopefully to the future.

Interests in Canada.

I am very pleased to be able to say that our enterprise in Canada is proceeding satisfactorily and has now reached the manufacturing stage. I think it is well known that we have held a very valuable and long-established connection in Canada for our various products, especially black and tin plates and black and galvanised sheets, and in order to retain this we found it necessary, owing to the ever-increasing American competition in this market, to consider means of combating it.

Therefore, when it was brought to our notice by our agents over there that the site and plant of the British Forgings, Limited, at Ashbridges Bay, Toronto, was for disposal, and we were advised Toronto was the best distributing centre for the Dominion of Canada, we decided after careful consideration and investigation as to its suitability to enter into negotiation for the purchase, which was completed at the end of May 1919 on very advantageous terms.

The plant occupies a site admirable in every way and fronts on the 400-foot Ship Canal, providing 5,000 feet of modern dockage accommodation with 24 feet draught.

We have been assisted and encouraged in every way by the Toronto City authorities and the largest consumers of such products as we intend to produce, who recognise the importance of establishing such an industry, and thus ensuring supplies at short notice. We have made a very promising start, and can now confidently look forward to not only retaining, but considerably expanding our trading operations in Canada.

We are not yet producing our own steel bars, but it is our intention to do so eventually.

Mannesmann Tube Fusion.

You will be aware that your directors have now concluded an agreement with the British Mannesmann Tube Company, Limited, whereby your Company acquire a controlling interest in the Tube Company. The advantage to our Company is that we shall have the call at market prices of all the steel requirements of the Tube Company, which are now about 1,000 tons weekly, and it is hoped that 2,000 tons weekly will be reached. So you will see what an asset this will be to the Company, and, of course, the Tube Company will derive a similar benefit, as they will be given a constant supply of steel of the high quality which they require.

On the basis of the whole of the shareholders in the British Mannesmann Tube Company, Limited, accepting the offer this agreement would involve the issue of 680,000 Baldwin's Ordinary shares and 374,000 Baldwin's "B" Preference shares in exchange for the 1,360,000 Ordinary shares in the British Mannesmann Tube Company, Limited.

Now, gentlemen, I think I have placed the position of your Company fairly before you, and I can with confidence assure you that if any trade in this country is to be had we shall be able to enter into competition as one of the best equipped companies in the Kingdom.

Sir Richard Vassar Vassar-Smith, Bart., seconded the resolution, which was put to the meeting and carried unanimously.

An extraordinary general meeting followed to pass a resolution to increase the Company's capital.

The Chairman said: Gentlemen, The proposed purchase of British Mannesmann Tube Company's shares, which I explained to you at the meeting just held, necessitates an addition to the Company's Ordinary share capital, and it is therefore proposed to ask your sanction to an increase in round figures of the capital of the Company from £7,000,000 to £8,000,000 by the creation of a further 1,000,000 £1 Ordinary shares, making the total of Ordinary share capital £4,750,000.

Mr. J. B. Davies seconded the resolution.

FREEMAN, HARDY AND WILLIS, LIMITED.

Record Year's Trading.

The forty-fourth annual meeting of the shareholders of Freeman, Hardy and Willis, Limited, was held on January 26, at the head offices of the Company, Rutland Street, Leicester. Sir Jonathan North (Chairman of directors) presided over a large attendance.

The Chairman, in moving the adoption of the report and balance sheet, said: Ladies and gentlemen,—The capital has been increased, as you know, by £175,000, made up by the new issue of £100,000 Ordinary shares, £50,000 Six per Cent. Preference shares, and £25,000 Five per Cent. Debenture stock. The whole of this new capital was subscribed by existing shareholders. The Ordinary shares were issued, as you will remember, at a premium of fifty per cent., thus providing a sum of £50,000, which is added to the reserves, as shown in the present balance sheet. The £25,000 Debenture stock was issued to provide part of the reserve of £50,000 appearing in the accounts for the previous year for "employees' superannuation."

Past Year's Trading.

Coming now to the result of the year's trading, as the balance sheet reveals, we have a net profit of £170,713, which, with the £52,937 brought from the previous year, gives an available balance for distribution of £223,651, which it is proposed to appropriate in the following manner: Six per cent. dividend on the Preference shares for the year, £9,960; twelve and a-half per cent. on the Ordinary shares for the year, £39,303. We propose continuing the former bonus of five per cent. (tax free) on the Ordinary shares, which will require £18,750 (on the old), and on the new, for nine months only, £3,750; the usual allocation due to directors and staff, as per articles of association, £10,000; income tax, £48,597; bonus to employees, as last year, £14,000; local charities, £2,000; and this will leave a balance to carry forward of £77,289. You will note in these figures that no addition is provided for the reserves, but we have in place of that the substantially increase sum to be carried forward to the next year's accounts. The present reserves, however, should be viewed as fairly ample, and further, as possessing the advantage of a large dividend-earning capacity. It is also interesting to note, as an evidence of solid progress in the Company's affairs that the reserves for the last decade have been increased from £120,000 to £330,000, at which they now stand—to say nothing of the distribution of shares in 1919, which absorbed £150,000.

Record Business.

It will also be satisfactory to you to know that the year has created another record in the volume of business done, which is a noteworthy accomplishment, especially in view of the unexampled difficulties experienced. During the latter part of the year retail traders have had to encounter all sorts of irregular competition—itinerant traders with motor vans invading the market towns in all parts of the country—"Direct from the factory to the public," with boots and shoes at "pre-War prices," the vendors prompted only by lofty aims and altruistic instincts. In the large towns and cities improvised shops have been acquired, making the same appeal to the public, with the same assurance of their own disinterested motives. A discerning public, however, saved the situation so far as this Company is concerned.

With regard to the superannuation fund, I am glad to be able to inform you that, with the assistance of an actuary of high repute, a scheme for providing a pension for the Company's male employees at the retail branches and at headquarters has been formulated. The £50,000 which has now been taken out of the balance sheet has been specially invested under separate trust, the earnings of which are to provide for existing annuitants (of which there are already between thirty and forty), and for others nearing the age of retirement. The full benefit to contributory members at the age of sixty-five is £104 per annum. The members' contributions provide half the benefits, and the Company subscribes an amount equal to the total sum thus contributed. There are various smaller benefits in case of premature retirement from illness or disablement after a stipulated period of service. The scheme is considered a generous one, and has been enthusiastically received by the employees generally.

The general conditions surrounding the trade at the present time are as abnormal and unreal as at any period during the years of War. There is no present standard of value, either in leather or boots and shoes. The discredited system of excess profits duty taxation is doubtless largely responsible for this condition of confusion, lack of confidence, if not also for much of the present regrettable unemployment. It is so easy to avow one's self an optimist, but after all it is better to see things as they are, and, in my opinion, we cannot look for anything like full and continuous employment until some means are found of restoring our export trade. The consumption of footwear in the home markets is nothing like sufficient to absorb the present production, which doubtless has been considerably increased during the last few years. There are also unmistakeable signs of the trade having to encounter the keenest American and other competition for the trade of the world when available, not excluding our own home markets.

The report was adopted, and resolutions were carried embodying the recommendations of the directors as to the allocation of profit. Mr. John Faire and Mr. Bennett were re-elected directors.

NIGER COMPANY, LIMITED.

The adjourned fortieth ordinary general meeting of the Niger Company, Limited, was held on January 24 at Cannon Street Hotel, E.C., the Right Hon. the Earl of Scarbrough (Chairman of the Company) presiding.

The Chairman said that the accounts covered the first complete year since the Armistice. The profits showed a large increase in trading and a small increase in mining, the total being really larger by comparison than actually shown, as they had made a substantial provision for excess profits duty, which was not considered necessary a year before. In reference to produce, the gross tonnage of purchases was forty per cent. in excess of the previous year. The stocks of goods exported to Nigeria had increased in value, the actual cost being from three to four times pre-War price, but the greater part of the trade in produce had been purchased for cash, representing about seventy-nine and a-half per cent. of the total.

Fair progress had been made with the work of reconstructing their port at Burutu. Recent investigations of our own and other engineers have discovered old alluvial tin-bearing gravels, quite unconnected with the present river system, and we have every hope that these ancient deposits will prove to be a valuable addition to the life of the tinfields. Following on these investigations, the Company had applied for several new prospecting licences covering 129 square miles. After speaking of the agreement with Lever Brothers, Limited, whereby the control of the Company had passed to that concern, the Chairman spoke of the position in the current year. Broadly speaking, during the first five months of the year trade had been conducted at the high prices ruling in 1919, and there was no sign of any impending break in the market. Later, prices had declined, followed by a sudden and unprecedented drop in the last five or six weeks of the year, just at the time when normally the bulk of their produce began to arrive home, and from December onwards trade had been practically at a standstill. If, therefore, they had closed the year's accounts on the basis of valuing stocks and produce at market prices on December 13 the loss shown would be exceedingly heavy, but it had never been their practice to work merely on the market price of any December 31. Those were the reasons why they had decided to reserve the profits for 1919, after providing for the Preference dividend.

The report was unanimously adopted and the usual formal business transacted.

E. W. TARRY AND COMPANY, LIMITED.

The annual general meeting of this Company was held on January 25 at the Cannon Street Hotel, E.C., Sir J. Fortescue Flannery, Bart, M.P. (Chairman of the Company), presiding.

The Chairman said: Gentlemen,—The favourable anticipations which were expressed at the meeting a year ago in regard to the prospects of the business have, on the whole, been realised. The trading has been better, and our customers have been better supplied than they were in the previous year; the buying, it is true, has still been very difficult owing to war conditions, but facilities for shipment to South Africa have improved, although freight rates have increased. The rate of exchange has been less favourable latterly, although it was more favourable in the earlier part of the year the accounts for which you are considering. Income tax has been better equalised between the Motherland and South Africa—that is to say, that the concessions which were made previously have assisted us to some extent during the year in question—but the pressure of other taxation remains unabated. The goods themselves in which this Company deals have cost more, and freight and railway charges have been considerably more expensive, and the great resultant cost arising from the first-cost increase and the cost of transport increase caused considerable difficulty in executing some of our orders, and, indeed, in others have stopped the business altogether. Some strikes in the Dominion have, both directly and indirectly, affected the business of the Company.

But, notwithstanding these drawbacks, every one of the branches of the Company has made increased profit as compared with the year 1919, and, indeed, the net profits of the Company are the largest in the whole of its history.

Striking Increases.

Coming now to the figures that are before you, I may mention without any impropriety that the increased turnover has been as much as forty per cent., the gross profits are forty-four per cent. greater, and the net profits are a little over 100 per cent. greater than last year. Then you will notice in the report that we recommend that £2,000 should be placed to reserve. A similar sum was placed last year, and in the balance sheet you will notice that £70,000 is given as the amount of the reserve; so that if you pass this report the reserve will, as from to-day, be £72,000, which is a very good provison for our Company, and the provison that, I am sure, we ought to make in view of the future.

Then the depreciation, which is a very important matter, has been very carefully attended to also. Our machinery and plant are depreciated upon a basis of ten per cent., and that ten per cent. is calculated, not upon a sliding scale of reduced value year by year, but upon the first cost, so that the whole of the cost of the machines will be written off in ten years. That is a very wise and necessary provision, and one of which I am sure you will thoroughly approve. Then our reserve against bad debts—£3,000 odd—is sufficient, as experience has shown, because our trade is a very select trade, in the sense that we sell to the very best companies and people in South Africa, and our percentage of bad debts in the past has been very small—much smaller than the provision we have made. I now move : "That the report of the directors, together with the balance sheet and profit and loss account to August 31, 1920, be received and adopted, and that a final dividend of five per cent. on the Ordinary shares, making seven and a-half per cent. for the year, be declared for the year ended August 31, 1920." Perhaps my friend Mr. Varley will kindly second it.

Mr. John Varley seconded the resolution.

CHARTERLAND AND GENERAL EXPLORATION AND FINANCE COMPANY, LIMITED.

Interest in Asbestos Mining Extended.

THE ordinary general meeting of the Charterland and General Exploration and Finance Company, Limited, was held on January 24 at the Cannon Street Hotel, E.C., Mr. Edmund Davis (the Chairman) presiding.

The Chairman said : We now present our report and accounts to August 31, 1920, and we will, as usual, deal with some of the items set out in the present accounts.

In the first instance, the issued capital is unaltered. Creditors at £57,532 show an increase of about £31,000 over the amounts appearing in our previous accounts.

The profit and loss account, which is the remaining item on the debit side of the balance sheet, shows, in the first instance, the amount brought in as at August 31, 1919—namely, £35,147—to which has been added the balance of profit for the year under review, £62,104, less reserve for excess profits duty for the year ended August 31, 1919, £13,674, and for our last financial year £35,738, leaving a net balance of £12,692, making the total available £47,839, out of which we are unable to recommend a distribution owing to the claim of about £112,000 made by the Inland Revenue in April 1919 for excess profits duty on our interest in the Rhodesian and General Asbestos Corporation.

On the credit side of the balance sheet we have, in the first instance, mining claims, furniture, fittings, stands, and buildings entered at £3,669, to which reference need not be made. Debtors, London and South Africa, are £30,861, or an increase of £3,686 over the amount appearing under the same heading last year.

Profit and Loss Account.

Turning to the profit and loss account, there is a large increase under advertising, and we anticipate incurring a somewhat similar expenditure in reporting the present meeting.

There is increased remuneration to the directors owing to our operations having become so extensive and requiring far more attention than they did in the past, necessitating the appointment of one of my colleagues and myself as managing directors.

Income tax, at £20,897, shows an increase of £20,000 over the previous year's amount, and excess profits duty is estimated in the balance sheet for the year under review at £13,674 for 1919 and £35,738 for 1920, comparing with £10,757 for 1918, entered in the profit and loss account for the twelve months ended August 31, 1919.

Turning to the other side of the profit and loss account, interest and dividends on shares, Debentures, &c., amount to £60,375, an increase of £30,947 over the previous twelve months; interest, £2,685, is about the same, but there is a large increase on difference on realisation of Debentures, shares, &c., less depreciation, of £24,138, as compared with £9,750 for the previous twelve months, and profit in South Africa on sales of stands, &c., at £739 shows a reduction of about £4,000.

The result of the year's operations leaves a profit of £62,104, comparing with £27,395, plus the £10,757 debited to excess profits duty; that is a net increase of about £24,000.

Rhodesian and General Asbestos Corporation.

We have, in accordance with custom, set out in the report a list of the important holdings on January 15, and only consider it necessary to draw your attention to the satisfactory results being obtained by the Rhodesian and General Asbestos Corporation, which made a profit of £189,630 in its financial year ended March 31, 1920, and declared dividends of twenty-five per cent. for the period in question. The Corporation has also paid fifteen per cent. in interim dividends for its current financial year. The development of the Corporation's properties and their increased output are as satisfactory as expected, and great credit is due for the excellent position referred to to our consulting engineer, Mr. Griffin, and those managing and developing the properties under him.

We have increased our interest in the Rhodesian and General Asbestos Corporation, and have also considered it advisable to add to our holding in the Cape Asbestos, and have guaranteed the reconstruction of the King Asbestos (Rhodesia), Limited, in which reconstruction we have ceded participations to some of our friends.

At our last ordinary general meeting, held on February 5, 1920, we dealt at some length with the question of excess profits duty, and it was suggested that we should give consideration to the issue of the balance of our capital at par and only call up a nominal amount per share, leaving the balance uncalled to meet any contingencies in the course of further developments of the business.

In reference to the scheme, the issued capital of the old Company was £344,500 in shares of £1 each, and on its reconstruction the shareholders were given one and a-half new shares of 5*s.* each in the present Company for each £1 share in the old, and therefore not only made a loss of 12*s.* 6*d.* per share, but in addition subscribed 138,501 shares of 5*s.* each at par, which therefore makes the present issued capital of 655,251 shares of 5*s.* each at a cost, including the new money put in, of £379,125 5*s.*

We have given full consideration to what the position of the new Company would be, if and when formed, with an issued capital of £379,125 5*s.*, and are satisfied, at any rate at the moment, that the value of the assets would be ample, and so that you should know how we have been able to form such an opinion, we need only point out to you that we have valued our assets on the basis of market prices when quoted and, when not, at our valuation, but not above cost, and have placed a value of £1 per share on our holding in the Rhodesian and General Asbestos Corporation, this being the valuation we adopted last year and mentioned at our meeting. The valuation on this basis, including cash, loans, and debtors, and after deducting creditors, amounts to £420,205—(hear, hear)—which is equal to 12*s.* 10*d.* per share.

I now beg to move : "That the accounts to August 31, 1920, together with the reports of the directors and auditors thereon, submitted to this meeting, be and the same are hereby received and adopted."

Mr. J. E. H. Lomas : I have much pleasure in seconding the resolution.

NEW CAUCASIAN OILFIELDS, LIMITED.

Important Acquisition of Royalties.

AN extraordinary general meeting of New Caucasian Oilfields, Limited, was held on January 21 at the Cannon Street Hotel to consider resolutions consolidating the existing 10*s.* Ordinary shares into shares of £1 each, increasing the capital to £3,000,000 by the creation of 2,400,000 new Ordinary shares of £1 and 6,000,000 Deferred shares of 1*s.* each, the Deferred shares to be entitled to one-half of the profits or other moneys available for dividend, approving an agreement for the purchase by the Company from La Société Française des Pétroles, Essences et Naphtes, of royalties and rights arising out of oil-bearing properties in the Caucasus, and the subscription of the Company's increased capital, and electing M. Henri Lillas and Mr. A. J. Hall as directors. Sir Frederic Hodgson, K.C.M.G., V.D., presided.

The Chairman said that the scheme was a very large one and would have important results when the oil industry could be restarted in the Caucasus. He might at once state that if the internal affairs of Russia had not been in their present condition the terms asked for the rights they were to acquire would have been very much larger. When it was considered that the Company was to acquire a potential production of royalty oil amounting eventually to about 1,000,000 tons per annum they would understand what he meant. The parties to the agreement were La Société Française des Pétroles, Essences et Naphtes, Messrs. Muslim and Medjid Tchermoeff (the Russian owners of the estate near Grozny, in the Caucasus, on which the oilfields were), and the New Caucasian Oilfields. The French Company, having acquired the rights of Messrs. Tchermoeff, were selling them to the English Company. These rights were, shortly, as follows : Royalties payable in oil obtained from plots leased to the "Shell" Transport and Trading Company, North Caucasian Oilfields,

Spies Petroleum Company, Caucasian (Tchermoeff) Oilfields, and New Caucasian Oilfields, and from plots leased to individuals, among whom were Messrs. Mantascheff, Lianozoff, and Nobel. The royalties ranged from ten per cent. to twenty per cent. of the gross output from the properties. The French Company undertook to subscribe for all the Deferred shares and for 1,940,000 of the new £1 shares at par.

The resolutions were carried unanimously, and General Tchermoeff said it was his connection with the Company and his anxiety that the Company with which his name had been associated should be a big success that induced him to reject all other offers and place the business before this Company.

TANGANYIKA CONCESSIONS, LIMITED.

An Important New Interest.

THE adjourned ordinary general meeting of Tanganyika Concessions, Limited, was held on January 26 at River Plate House, Finsbury Circus, Mr. Tyndale White (Chairman of the Company) presiding.

The Chairman moved the adoption of the report and accounts, and it was seconded by Mr. Sheffield Neave.

Mr. Robert Williams (Managing Director), who was enthusiastically received, said: If you will turn to the balance sheet you will see that our Debenture debt has now been entirely cleared off. Our total liability in respect of Debentures at June 30 last was £2,990,000. Our share capital is now £2,200,000. The sum of £3,473,836 on the credit side of the balance sheet represents, at cost or under, the shares and Debentures held in other companies, and, notwithstanding the depreciation in the foreign exchange, the Union Minière shares alone show a surplus over the amount at which the whole of the shares and Debentures in other companies are entered in the books.

Turning to the profit and loss account, there is very little for me to say with regard to this. Bearing in mind that the figures are for a period of eighteen months, the items on the debit side show very little difference from those given in the last accounts. For the year 1919 the Union Minière Company's output of copper was 23,000 tons, and the gross profits realised amounted to 33,000,000 francs, of which 13,000,000 francs were distributed, and of this amount our Company received 4,900,000 francs, equal at normal exchange to about £200,000, or almost a ten-per-cent. dividend on our capital. Had we received this dividend immediately after the year in which it was earned, at the exchange then ruling it would have amounted to £160,000; but as we only received it last month the exchange at that date reduced it to £86,700, as shown in the accounts. This will show you how the fall of the franc affects our Company at the moment.

Financial Policy of the Union Miniere.

You may naturally ask why, out of the gross profit of 33,000,000 francs, the Union Minière Company only distributed 13,000,000 francs. My reply is, that our Belgian colleagues and ourselves have pursued a policy of conserving a great portion of the profits, and, in view of the present price of copper and the general depreciation that has occurred since the date of the Union Minière Company's meeting, you will agree we were right in adopting such a policy. Our aim has been to build up big reserves for the Union Minière Company against all contingencies, and I may tell you that out of a profit of 117,000,000 francs earned by that company from the commencement of smelting operations up to the end of 1918, no less a sum than 65,000,000 francs has been put to reserve and kept in the business, and if we do not get it in immediate dividends we get it in appreciation of our share-holding in the Union Minière Company.

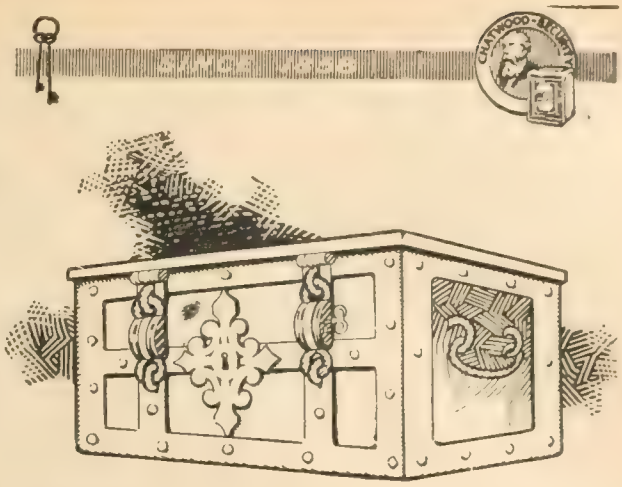
The Union Minière Company has further strengthened its financial position by raising 60,000,000 francs cash by an issue of shares and Debentures, and it is not intended to increase that company's share capital further, but to raise any further capital for future extensions, including Mr. Wheeler's leaching scheme, by subsidiary companies.

As I have already said, the Union Minière Company produced 23,000 tons of copper during 1919, and during 1920 that company produced about 19,000 tons. The output for both years has been seriously affected by transport and labour troubles, not only by strikes at the Union Minière works, but also by strikes on the Rhodesian railways and Wankie Colliery, which cut off fuel supplies.

It should also not be forgotten that the Union Minière Company's property contains many other metals besides copper, such as tin, cobalt, gold, uranium, and platinum.

"Signs of Better Times."

Our total capital is £2,200,000, and our interests have already proved very valuable. The Union Minière Company, in which we own an interest of nearly forty per cent., had earned gross profits in the five years ended 1918 amounting to 117,000,000 francs, which, at the then normal exchange, amounted to £4,600,000, out of which they distributed 37,500,000 francs, or £1,500,000, in dividends, or thirty per cent. per annum for the five years, after putting a very large amount to reserve. They did this from an average yearly output of 20,000 tons. In 1919 that company earned



THIS crude, brass-bound, oaken chest, in which, generations ago, simple folk entrusted their treasure, is eloquent of the age when the thief's chances of robbery were measured merely by the strength of his arm.

Times have changed, but for ever the warfare between the possessors of treasure and those who seek to rob them has carried on.

As a natural consequence we find, as the years have passed, more *scientific* attempts to rob and *still* more scientifically protected receptacles for valuables.

To-day, after these years of evolution, we find the crude, brass-bound, oaken chest replaced by THE CHATWOOD SAFE—a triumph of steel and ingenuity—proof against Fire, proof against Fall, and proof against the most up-to-date, scientific, Burglar equipped with the finest Drills, Cutting Tools, High Explosives, or the deadly Oxy-acetylene Blowpipe.

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a gross profit of 33,000,000 francs, or £900,000 sterling at the rate of exchange then ruling. It earned that amount from about half the capacity of its furnaces, and it paid a fifty-per-cent. dividend for that year after providing about half the gross profits for depreciation and reserve. You can judge for yourselves from these results the great profit-earning possibilities of the Union Minière Company when it reaches its full capacity. The Benguella Railway, in which we own ninety per cent., has doubled its passenger and goods traffic in four years, and you will notice from your reports there has been a very large increase in shipping at the port of Lobito. These results are excellent and highly promising. The only big difficulty is exchange, and no doubt that difficulty will gradually readjust itself.

The report was unanimously adopted.

TRINIDAD LEASEHOLDS, LIMITED.

Increased Gross Profits.

THE adjourned seventh ordinary general meeting of Trinidad Leaseholds, Limited, was held on January 26 at 1 London Wall Buildings, Mr. T. J. Milner (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report, said that with regard to the profit and loss account, the gross profits derived from the sale of the Company's products was £356,056, an increase of approximately £100,000 over the previous year's figure. The net profit carried to the balance sheet, after providing £7,500 for corporation profits tax, amounted to £198,597, to which had to be added the balance from the previous account—namely, £62,030—making a total to the credit of profit and loss account of £260,627. Of this amount the board recommended placing £80,000 to reserve, raising that account to £200,000, and the payment of a dividend of twelve and a-half per cent., which would absorb £131,156. If the shareholders agreed to these recommendations, £42,913, after providing for the additional remuneration payable to the directors under the articles of association, would be carried forward.

Forest Reserve Output.

The Forest Reserve, as hitherto, was responsible for the major portion of the Company's output. At the commencement of the financial year the producing wells on this field totalled thirty-six, and by its close a further ten wells had reached the producing stage. During the last few months drilling operations had been extended to the eastern portion of the field, and the results so far obtained had confirmed the board in the opinion they entertained as to the probable productivity of this section. Production records of the Barrackpore field indicated a slightly smaller output than last year's, but recent returns were more favourable. Work preparatory to opening up the Company's two new fields—Santa Cecilia and Piparo—commenced in the late autumn of 1919, and drilling started in the early months of 1920. The first well on the Piparo field, at a shallow depth, gave indications of the pressure of a high-grade light oil, which, on testing, was found to contain thirty-four per cent. of petrol. They had on hand the necessary pipe-line material to link up this area with their shipping port, a distance of approximately twelve miles, and the construction of this line would be undertaken as soon as the prospects of production warranted it. The quantity of crude oil delivered for treatment during last year to the topping plants at La Carrière and Barrackpore was 141,126 tons, or an increase of 21,715 tons over the previous twelve months' figures. In anticipation of handling larger quantities of oil in the future, additional storage for crude oil, fuel, and distillates was being provided at the shipping port. Even with production on the present scale they had been hampered on occasions through lack of sufficient tankage. In the beginning of last year the board were invited by the Central Mining and Investment Corporation, Limited, to take an interest with them and the D'Arcy Exploration Company, Limited, in the flotation of the North Venezuelan Petroleum Company, Limited, formed to acquire a concession over approximately 2,000 square miles in the State of Falcon, Venezuela. The preliminary geological reports were sufficiently encouraging to warrant the acquisition of a substantial interest by the Trinidad Leaseholds Company, and their holding that day consisted of 50,000 shares of £1 each, fully paid, at a cost of £25,000.

Company's Increased Revenue.

The Company's revenue during the past year had increased appreciably, and this in spite of the fact that the bulk of their oil fuel was sold to the Admiralty under contract at the same price as before. An agreement with the Anglo-Persian Oil Company, Limited, for the marketing of the Company's distillates was completed early in 1920, and the shipment of the first cargo was made in April. The board were glad to think that the agreement with the Admiralty had enabled them during the War to render some service to the country, but since it was entered into costs had increased to such an extent, and circumstances had so changed in other directions, that it would not now be regarded as suitable to present conditions. They had therefore proposed to the Admiralty a modification of the contract which they considered would prove mutually advantageous. During almost the whole period of the Company's operations they had been handicapped by war or post-war conditions, and only now did there appear to be a turn for the better.

As regards the current financial year, he had every reason to believe that the results would surpass those of the previous year. Practically none of the new capital raised in 1919 had yet become revenue-earning, nor would it do so until they reached the stage when they could deal with a substantial increase in production. To-day the Company was responsible for approximately two-thirds of the total production of oil in the island, and believing, as he did, that Trinidad would become an increasingly important factor in the Empire's oil production, he had the greatest confidence in the future of the Company.

The Managing Director (Mr. A. W. Rogers) seconded the resolution, and said that his visit to Trinidad had had the effect of confirming him in his belief in the future of the Company.

The motion was unanimously adopted.

ZAMBESIA EXPLORING COMPANY, LIMITED.

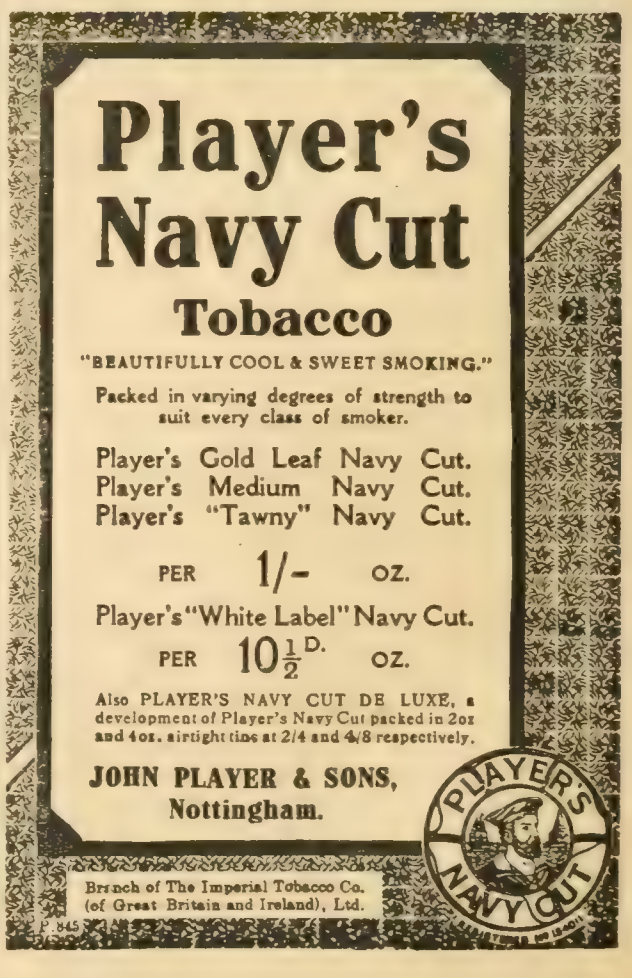
THE adjourned ordinary general meeting of the Zambesia Exploring Company, Limited, was held on January 26 at River Plate House, Finsbury Circus, E.C., Mr. Tyndale White (Chairman of the Company) presiding.

The Chairman moved the adoption of the report and accounts for the eighteen months ended June 30, 1920.

The motion was seconded by Mr. Sheffield Neave.

Mr. Robert Williams (Managing Director) said that the issued capital of the Company was 865,316 shares, as against 686,963 shown in the last accounts, the increase being due to the new issue referred to at the last meeting. With the proceeds of that new issue and other cash the whole of their Debentures had been redeemed, so that the item shown in the liabilities of £138,234 Debentures outstanding at June 30 last had now disappeared. The loan of £176,659 from bankers, which appeared in the last accounts, had now been reduced to £40,191. Since the last balance sheet they had paid off, including Debentures and bank loans, a total of £353,687. On the assets side of the balance sheet the cash at bankers and in hand amounted to £153,605, as against £30,807. As usual, their shares and Debentures of other companies were entered in the balance sheet at cost, or under, for an amount of £1,146,496, and at June 30 last those showed a small deficit on the amount at which they were entered in the books. The profit and loss account showed a credit balance for the eighteen months of £55,169, making a total profit carried forward of £415,092. The Chairman then dealt at length with the results obtained by the various companies in which they were interested.

In conclusion, he would say that they, like others, had had to contend with great difficulties, but there were now



signs of better times. The chief interests of the Company were 214,674 Tanganyika Concession shares, 12,100 Union Minière shares, £930,840 Benguella Railway Five per Cent. Debentures, the right to take up 600,000 acres of land in Angola and fifty per cent. of the issued capital of the Nile-Congo Divide Syndicate. The Tanganyika Company owned an interest of nearly forty per cent. in the Union Minière, which company earned gross profits in the five years ended 1918 amounting to 117,000,000 francs, which, at the then normal exchange, amounted to £4,100,000, out of which they distributed 37,500,000 francs, or £1,500,000, in dividends, or thirty per cent. per annum for the five years. Their lands concessions in Angola were being actively developed. What the value of their Nile-Congo interests would turn out to be they could not at present say, but there was as great a chance of making valuable discoveries on the Nile-Congo divide as there was when the first Tanganyika expedition explored the Congo Zambesia divide in Katanga. (Applause.)

The report was unanimously adopted.

THE NATIONAL BANK LIMITED.

THE annual general meeting of proprietors was held at No. 13 Old Broad Street, London, E.C., on Thursday, the 27th inst. Sir John Purcell, K.C.B., Chairman of the Bank, presided.

The Chairman said: Ladies and Gentlemen,—As you know, the largest portion of the business of the National Bank is carried on through its branches scattered over Ireland; and you will readily understand that, owing to the grievously unsettled state of that portion of the United Kingdom, it has been no easy task for your directors to conduct banking operations there without friction and with that degree of caution and judicious smoothness that was fitting and desirable in the subsisting difficult and delicate state of affairs. Needless to say that in the course of the past half-year we have had to contend with not a few troublesome experiences. Some of these it might perhaps be interesting to mention.

In a large number of our branches in Ireland we have, for many years, acted as treasurers for various county councils and other municipal bodies. During the course of the past half-year, owing to certain difficulties, it was decided by the newly-elected members of these bodies to dispense with our services and to require us to hand over to them all credit balances lying in our hands, leaving the debit ones which were secured on the rates to remain for the time unsettled. A few of the public bodies in question have since reappointed us to act as their treasurers, and we have every confidence that so soon as normal times are, later on, reached, any outstanding sums will be fairly adjusted by the authorities concerned.

Balance-sheet Items.

There is no change in the "Paid-up capital." It remains at £1,500,000. £20,000 has been added to the "Rest," bringing it up to £800,000. The "Special reserve" remains at £180,000. "Notes in circulation" have fallen by £398,000. "Deposit and current accounts" show an increase of over £6,800,000. This is a record in the history of the Bank. The figure of "Acceptances to bankers' drafts" is a trifle larger than twelve months ago.

Turn now to the assets side of the balance sheet. "Cash on hand" is down by nearly £300,000—a temporary fall. The item "Money at call, &c.," has now been placed under two heads, viz.: (1) "Money at call and at short notice, including Stock Exchange loans, British Treasury bills, and short-dated securities"; (2) "National War Bonds maturing 1922-24." This has been thought to be a more convenient arrangement than formerly. The two items, as now set out, show an increase of £260,000.

"Government securities" show a fall of £24,000, and there is likewise a fall of £44,000 in "Corporation and other stocks." Both reductions are due to repayments of stock at maturity.

"Advances on securities" have gone up by over six millions.

"Bills discounted" show an increase of £480,000.

The item of "Bank premises" is practically the same.

You will have observed the improvement and additions that we have been making in our large freehold building here, which occupies one of the most valuable sites in the City of London. The full value of what has been accomplished is not yet shown in the item in question, but so soon as the works are completed and the value properly ascertained this will be adjusted.

The Profit and Loss Account.

On reference to profit and loss account, it will be seen that our expenditure has gone up by £76,000. This is due to the very large additions recently made to the staff salaries. Owing to this increase of expenditure and to heavy depreciation in Government stocks—provision for which has had to be made—nothing on this occasion has been carried to the "Rest." We pay the usual dividend of twelve per cent. It is necessary to make further provision for taxation and other contingencies, and some £70,000 has been reserved for that purpose. Full provision has been made for bad and doubtful debts, and £27,713 has been carried forward to "Profit and loss new account."

It will be seen that our aggregate means stand at £48,846,000, an increase of £6,500,000—the difference between this figure and the £6,800,000 mentioned previously being practically accounted for by the reduction in our note circulation. Our liquid assets show a proportion of fifty-five per cent. as against our liabilities payable to the public on demand, and it will be noticed that our advances show a ratio of under forty-two per cent. to such liabilities.

Taking into consideration the disturbed state of Ireland, to which I have already referred, and the general condition of affairs in the commercial and financial world, I submit that the result shown in the balance sheet before you is highly satisfactory.

Ladies and gentlemen, as is well known, a patriotic duty was imposed upon the banks to help in the financing of the War by taking large blocks of different War Loan issues, and this Bank accepted its full share of responsibility in this connection.

Well, you are all aware of the very large depreciation that has taken place in all high-class securities during the last six months, brought about by many reasons, with which you are no doubt acquainted—including, as they do, adverse conditions at home and abroad. In the result, at the close of the year, the capital of all such securities was depreciated to an extent which could scarcely have been contemplated. With other banks and similar institutions who hold this class of security, and who are bound to hold them, we have had to take the existing position into consideration, and we have provided considerable reserves, which, when the securities come to be repaid, or when times become more normal, should place this Bank in a very strong position indeed.

Trade in Ireland.

Ladies and gentlemen, as indicated in the earlier portion of my remarks, the condition of trade in Ireland leaves much to be desired. The linen trade, upon which the prosperity of the North of Ireland largely depends, is very depressed owing to the difficulty in finding markets for highly-priced goods, and as a consequence many mills have had to close down temporarily—in order to check production.

Farming, the chief industry of the country, has been conducted under adverse conditions, and the marketing of produce and live-stock has been much interfered with by railway dislocation and other restrictions.

Fat and store cattle and sheep, however, show a further increase on the prices obtained a year ago, but I am advised that pigs have had a sharp drop in price, mainly owing to transport difficulties.

Farmers have had to contend with one of the wettest years in living memory. Spring sowing was late in consequence. In the case of potatoes, grain, and green crops, the yield was poor and the quality indifferent.

Dairying, however, continues to be profitable. The supply of grass has been good. But, on an all-round survey, the year 1920 cannot be regarded as satisfactory. Still, with the revival of more settled conditions, there is every reason to hope for a continuance of prosperity in Ireland—which, as a food-producing country, occupies a particularly advantageous position.

It now only remains for me to move the adoption of the report and statement of accounts. I will ask the Deputy-Chairman to second this; but before I put the resolution formally I will be glad to hear any remarks and answer any questions.

Mr. James Blackader Meers, C.B. (Deputy-Chairman), seconded the resolution.

CHAMPION REEF GOLD MINING COMPANY OF INDIA, LIMITED.

THE adjourned thirty-second ordinary general meeting of this Company was held on January 28 at the Cannon Street Hotel, London, E.C., Sir J. D. Rees, Bart., K.C.I.E., C.V.O., M.P., presiding.

The Chairman, in the course of his speech, said: The profit of £66,575 on the year's working shows the substantial increase of £23,430, due chiefly to the much better prices realised for our gold, but also to reductions in the working costs. At our last annual meeting the arrangements then existing for the sale of our gold were fully explained by Mr. Edgar Taylor and myself, and reference was made to the negotiations for a new arrangement. Eventually those negotiations resulted in the agreement with the Government of India mentioned in the report.

Advantages of the Premium on Gold.

On the new basis we are in a position to take full advantage of the premium on gold. But the new arrangement did not take effect until May last year so that the more favourable prices have been realised only for the last five months of the period covered by the accounts. In pre-war days the price of gold never varied more than a farthing or a halfpenny an ounce, but it now fluctuates from day to day, and it is interesting to note that since May last the lowest price quoted has been £5 5s. 2d. per fine ounce—that was on

June 18—and the highest quotation was £6 2s. 4d. on November 8. Then the question of exchange comes into consideration because the world price is quoted in sterling and the number of rupees we receive in India is dependent upon the average rate of exchange ruling for the month in which delivery of the gold is made. Of course, the rates of exchange fluctuate as well as the market price of gold, but fortunately the former have moved steadily in our favour. The rupee was quoted as high as 2s. 3¾d. at the beginning of May, then gradually declined in value, until at the end of September the rate was 1s. 9⅞d., since which it has continued to fall, and is now about 1s. 5d. to 1s. 6d. The direct result of these favourable conditions is an increase in our revenue of £20.118, in spite of the decreased quantity of gold produced. I mentioned that reductions had been made in the costs of production, and the board thinks that great credit is due to our superintendent, Mr. Heathcote, for effecting these savings, for such were not due to decreases in the prices of the materials used on the mines (though there are now indications of decline in the cost of some commodities), but to real economies effected by good administration, and by a careful watch and guard upon all expenditure. Indeed, the reductions have been effected in the face of actual advances in wages, and in spite of extraordinary expenditure incurred in repairing damage caused by rock bursts. We have been unlucky in this respect during the year, for though there were not so many, a few of the heavier bursts happened where they caused serious interference with the hauling and stoping arrangements. It is largely owing to these unfortunate occurrences that the output of gold did not come up to expectations, and that the total return was 4,735 ounces less than that of the previous year.

Balance-Sheet Items.

In the balance sheet the expenditure on capital account is again moderate—£15,481 was spent on buildings, machinery, plant, &c., and £1,822 in testing an option property. Operations there have now ceased, the work done indicating that the prospects do not warrant further expenditure, and the balance of £3,306 has been written off. Our liquid assets, consisting of cash on current and deposit accounts, investments, stock of gold since realised, and sundry debtors, amount to £200.451, which includes the reserve and insurance and contingency funds, amounting to £109,050, shown on the other side of the balance sheet. The financial position, therefore, is satisfactory. Turning to the profit and loss account, you will see a somewhat unusual credit under the head of income tax. This credit of £2,312 arises in this way: under the Income Tax Act of 1918, in certain circumstances where profits have fallen off, an amendment of the assessment may be claimed. A claim was accordingly made by our managers in respect of the two previous years, with the result that an amount was recovered exceeding by £2,312 the tax due for this past year. The total at credit of profit and loss is £75,818, of which £35,546 is applied to transfers to reserve and writings off, leaving a balance of £40.272. Out of this we recommend the distribution of £34,666 by way of a dividend of 4d. per share, equal to thirteen and a-third per cent. With regard to the mining position, Mr. Heathcote considers the results obtained at the sixty-third level encouraging. Here we have had very good values, but the lode is narrow, and we are hoping that the next level, 200 feet deeper, will disclose an improvement in width. Mr. Heathcote contemplates winning about 72,000 ounces in the current year, or about 7,000 ounces less than in the last year. Should, however, the market price of gold be maintained, and rates of exchange continue favourable, it is not improbable that our revenue will not be diminished proportionately to the anticipated decrease in the return of gold.

The report and accounts were unanimously adopted, and a dividend of 4d. per share was declared.

Books Received.

Tate's Modern Cambist.—A manual of foreign exchanges and bullion with the monetary systems of the world, and foreign weights and measures, with chapters on exchange and bullion operations. By H. T. Easton. Price 20s net. (London: Effingham Wilson.) We welcome the twenty-sixth edition of this work, which is exceptionally useful at the present time, when the currencies of the various countries of the world have been completely changed and new States have been formed, each with some new money of its own. The issues of currency and bank-notes have had a disastrous effect upon the exchanges, while gold and silver have risen in value, so that the usual methods of exchange no longer have any significance.

Grants-in-Aid: A Criticism and a Proposal. By Sidney Webb. New edition, revised and enlarged. (London: Longmans, Green and Company.) The cost of local administration and the growth of the rates during the past six years have caused so much concern and discontent that it is well to have the matter of grants-in-aid stated afresh and revised. The author remarks that it is high time the local authorities revolted and put such pressure on the Treasury and on the Chancellor of the Exchequer as to compel them to do their duty. Partial reform has been effected by the enlargement and consolidation of some of the grants for education in view of the greatly increased provision which has now to be made, but the question has not been dealt with as a whole.

The Money Market. By J. H. McCall, F.S.A.A. Price 1s. (London: Gee and Company, 14 Queen Victoria Street, E.C. 4.)

Sales Management. A new monthly magazine devoted entirely to the interests of advertisers, sales managers, and all business men engaged in selling and distributing.

Laagste en Hoogste Koersen, 1911-1920. This is a fairly comprehensive list of the lowest and highest prices touched in each of the past ten years, as well as the quotations on the eve of the Great War, of securities dealt in upon the Amsterdam Stock Exchange. The work is compiled and published by Messrs. Arnold Gilissen and Company, of Amsterdam, Rotterdam, and 's-Gravenhage. Included also are the lowest and highest discount rates of the State banks of Holland, Great Britain, France and Germany; the lowest and highest prices in London each year of copper, silver and rubber; and the lowest and highest exchange rates for the past five years of London, Berlin and Hamburg, Paris, Berne, Vienna, Copenhagen and Stockholm.

Rapport sur le Commerce et l'Industrie de la Suisse, 1919. This annual report, received from the Swiss Legation, forms an interesting volume of some 500 pages, making a handy book of reference. The detailed reports on the various forms of economic activity in Switzerland, together with the full statistics given, provide a rich field of information for all interested in the commercial and industrial situation of the country. We extract from pages 19 and 20 the following figures of the exports from Great Britain to Switzerland, and also from Switzerland to Great Britain, in each of the five years 1915-19:—

Exports from Great Britain to Switzerland.
(Millions of Francs.)

1915	1916	1917	1918	1919
112,9	159,5	243,2	247,7	363,0

Exports from Switzerland to Great Britain.
(Millions of Francs.)

1915	1916	1917	1918	1919
355,1	424,0	361,5	208,5	347,1

Our popular French contemporary, "*Le Monde Illustre*," will in future devote part of its issue to financial matters mainly affecting France. A commencement has been made with the issue of January 22, which contains an article by M. Jacques Stern, on "Le Credit Public." This is followed by an exhaustive review of the French Budget for 1921. Other useful information concerning this country, the United States, and Germany is included.

De la Suisse à la Mer. This is a volume setting out the Swiss arguments in favour of the free navigation of the Rhine from Basle to Rotterdam, by MM. R. Gelpke, Dr. Henri Buhler, Jean R. Frey, Giovanni Rusca, and Savoie-Petitpierre. It contains numerous illustrations and charts, and is published at the price of five francs.

Baring Bros.—The ever-widening recognition by the general public of the decisive rôle played by the banks in the life of the community adds increased interest to the published accounts of the private banking institutions. The outstanding feature in the balance sheet of Baring Brothers for December 31, 1920, is a considerable strengthening in the liquidity of the position. As compared with the 1919 figures deposits have been reduced by 7.8 millions to £18,500,885, but cash holdings are only fractionally lower at £6,659,084. The ratio of cash to deposits has consequently moved up from 26.56 to 35.89. Investments, however, show a decline from £2,011,257 to £830,432. Bills receivable are five millions lower at £10,468,677. Capital remains stationary at £1,025,000, but the reserve fund, at £1,000,000, is increased tenfold.

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The Statist.

LONDON, SATURDAY, FEBRUARY 5, 1921.

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The Money Market.

Friday, February 4, 1921.

	CURRENT RATE %	FIXED	PREVIOUS RATE %	FIXED
Bank of England Rate...	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5¼	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates :—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6½	—	—
Bank Bills	6⅝	6⅝	6⅝	6 7/16 ½
Trade Bills	—	7–7¼	7⅛–¼	7⅛

THE BUDGET FORECAST.

A PRONOUNCEMENT, as important to the business interests of the country as it was without precedent in character, was made by the Chancellor of the Exchequer in Birmingham on Thursday night, to the effect that from the end of the current financial year the excess profits duty will be discontinued. This bold decision and its announcement in the present crisis, anticipating the Budget statement by two months, will be hailed by the manufacturing and commercial community as one ray of hope for the future. Not only will the abolition of the excess profits duty remove from industry a burden that, even before the present trade depression, rested heavily upon it, but also it will give to the country a much-needed indication of the Government's readiness to break through precedent in order to plan the national finances more by reference to current economic conditions. It will appear from a glance at the history of this much-criticised impost that the present Chancellor of the Exhequer was singularly unfortunate in his manipulation of it; in the last financial year, when trade was on the summit of a great wave of prosperity, the amount of the duty was forty per cent., as compared with eighty per cent. during the previous year; on April last he raised the rate to sixty per cent., at a time when, partly as a result of the deflation policy inaugurated by the Government itself, trade was beginning to drop into the slough of depression. Now, however, the Chancellor, though tardily, has shown his readiness to change his policy in accordance with the changed fortunes of industry, and he is to be congratulated on the step he has taken.

Though the removal of the duty will everywhere be noted with relief, it is proper to emphasise that, while it will certainly contribute towards brightening the prospects for trade, yet it would be unwise to expect too much from it. Business men all over the country have so long complained against the inequality of the burden—have, perhaps, exaggerated its detrimental effects on industry in their anxiety to get it abolished—that now its removal may be viewed with a too optimistic tendency. Doubtless there will be some who will see in the abandonment of the tax the first portent of a recovery from the present depression, just as there were many who have attributed that depression to the raising of the rate from forty per cent. to sixty per cent. on April last, but just as there were many other factors contributing to the present crisis far greater in effect than the increase in taxation, so too, before a revival is in sight, changes must take place much more fundamental than the dropping of one item, though perhaps a large one, of the burden of taxation. We do not seek to underestimate its effect—indeed, we are well aware, and have often insisted upon the point in these columns, that in the present period of economic readjustment it is imperative that the burden of taxation should be as light as possible. As regards this particular tax, now that profits have fallen to a minimum, being in many instances replaced by losses, it is clear that the only possible justification for the excess profits duty no longer exists.

One would have wished for a clearer indication of the future fiscal policy of the Government than was furnished by the vague statements of the Chancellor. In order that taxation may be permanently reduced in accordance with the diminished national income, though perhaps trite, it is none the less true that retrenchment must first be made in the national expenditure. The country has had as yet little indication that practical steps have been taken towards this end, and it is unfortunate that the Chancellor did not try to give greater promise that it will be done. But though the Chancellor's statement viewed in this light must be regarded as incomplete, it did, however, contain a hint as to the effects of the removal of excess profits duty on the national finances. His statement, said Mr. Chamberlain, would, he hoped, give a certain measure of confidence, a certain reassurance to business men, and encourage them to face their troubles boldly and to set to work to restore trade and develop enterprise, but it would perhaps not give that reassurance if he said nothing further. The Government were not to renew the excess profits duty and not to impose any new taxation in lieu of it, or to add to existing taxes in order to make good the loss of the excess profits duty for the coming financial year. He did not mean that there would be no adjustment and revision of taxation, he did not mean to say there may not be new duties imposed in connection with our protection against dumping goods or against depressed or depreciated exchanges, but the Government would not propose any new taxation on business or any addition to existing taxes like income tax or customs duties in order to make good the loss of revenue from not extending the excess profits duty during the coming financial year.

These somewhat obscure statements give us little indication as to whether expenditure will be at a lower figure in the next Budget, or whether, while keeping expenditure at the same scale, and while imposing no additional direct taxation in place of excess profits duty, some other means of raising revenue is in view, and the Chancellor's allusion to protective measures against "dumping" leaves us in doubt as to whether the Government contemplate converting protective tariffs into a source of revenue.

As regards details, it is important to note that all business with a pre-war standard of profits shall pay the duty for a period of seven years beginning with the first accounting period in which they fell within the scope of the tax. In the case of businesses commenced during and since the War, it is proposed not to run the duty beyond December 31 last, these latter being the enterprises hit hardest by the duty.

From April 1, 1920, up to the end of last week, the net revenue from excess profits duty was £178,423,000, against an estimate for the whole year of £220,000,000. For the corresponding period of the last financial year the receipts were £232,022,000, as compared with the whole year's receipts of £290,045,000. Thus, though the estimated receipts from excess profits duty for the current year are £70,045,000 below the actual total receipts for the year 1919-20, the actual receipts up to the present are only £53,599,000 below the receipts for the corresponding period last year. Again, 88 per cent. of the estimates from excess profits duty for the current year have already been realised, as compared with 80 per cent. a year ago. This is not unsatisfactory considering that receipts are generally heaviest in the present quarter, and also in view of the fact that last year receipts were largely in respect of profits during 1918-19, when the duty was 80 per cent., whereas this year's receipts are for the greater part in respect of profits made during 1919-20, when the duty was only 40 per cent. On the other hand, there can be no doubt that claims for refunding of excess profits duty on account of losses suffered have already been quite considerable. As the present depression deepens, these claims will increase, and it is quite conceivable that before the end of March they will be so large as occasionally to exceed receipts.

The fact that the banks allowed a large amount of Treasury bills to run off last week, combined with disbursements on Exchequer Bonds and War Bonds, was responsible for imparting an easier tone to the Money market in the earlier part of the week, when day-to-day money ruled generally at five per cent. with surplus balances offering at as low as four and a-half per cent. After the turn of the month, however, revenue collections, combined with the fact that the market had to repay a considerable sum to the Bank, and that the Clearing Banks were calling in money, were instrumental in renewing the comparative stringency of last week; day-to-day loans were arranged at as high as six per cent., and five and three-quarters per cent. was occasionally asked for weekly money. The Discount market was uncertain in tendency, but on the whole the tone was firmer, being affected by conditions in the Short-loan market. Judging by the Bank statement it seems likely that a large amount of Treasury bills have not been renewed during the week.

Foreign Exchanges.

On the whole the position of the £ sterling has not improved as a result of the week's operations in the Foreign Exchange market. Those centres in which its value increased, such as Copenhagen and Christiania, were unimportant as compared with those in which it declined. Most prominent among the latter was New York, the rate on which suffered a check to its strong upward tendency of previous weeks. The reaction, however, was small, to-day's rate being only two points below that of a week ago at 3.86. Spain, Switzerland and Holland were among the European countries with which the exchanges moved adversely. Belgian and French francs improved, the Brussels rate falling from 53.12 to 52.12 and the Paris rate from 55.70 to 54.70. The decisions of the Allied Conference seem to have affected adversely the value of the mark; the rate rose during the week from M.221 to M.243½. South American rates were steady. The silver exchanges moved favourably, following the trend of quotations in the Silver market. The currencies of Czecho-Slovakia, Poland and Austria suffered further depreciation.

Income and Expenditure.

Last week revenue made the poorest showing for any week since the commencement of the year. At £27,851,000, it is £16,722,000 lower than on the previous week. And the excess of revenue was only £11,129,000, as against £17,330,000 on the preceding week. Contrary to the experience of previous weeks a large amount of Treasury bills was allowed to run off; of maturities amounting to £80,050,000 only £64,591,000 was renewed, leaving a deficit of £15,459,000 to be met out of the revenue surplus. To meet this, £8,700,000 was raised on Ways and Means, of which £8,250,000 was advanced by the Bank, the remaining £450,000 being provided by

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Public Departments. The liabilities to these two sources outstanding on Saturday last were respectively £40,750,000 and £201,072,000. The total floating debt was £1,386,871,000 on the 29th inst., showing a decline of £8,145,000 on the week.

Currency Notes.

Last week we had to note a considerable diminution in the rate at which the amount of currency notes outstanding was being reduced. This feature is much more marked in the latest Currency Notes Return, while, as mentioned below, the Bank of England has to record a net increase in its note circulation. Fresh issues of notes during the week were £7,383,159, or the largest since the week ending December 22, and considerably above the level ruling a year ago. Cancellations at £7,349,962 were again on a reduced scale, being the smallest reported since the commencement of the year. Of outstanding certificates £540,000 was cancelled, so that the total of notes and certificates is only £506,806 lower on the week at £339,427,857.

Bank of England.

The week ending on the 2nd inst. was an unfavourable one from the point of view of the Bank of England's reserve position; though, of course, changes in the reserve are now of little significance and of only slight interest to the Money market. The chief factors affecting the proportion of the reserve to liabilities, note circulation and deposits other than Government deposits show movements of an unfavourable nature, and in the outcome the reserve ratio is returned at 11.5 per cent., as against 14.2 per cent. previously. The most significant change was an expansion in the active note circulation, referred to above. The total outstanding on Wednesday last was £129,600,000, or £1,115,000 above that returned on January 26. The total coin and bullion holding shows a slight increase to £128,292,000, so that the amount of the reserve is £1,306,000 lower at £17,142,000. This decline is greater than the advance during the previous fortnight. Other deposits rose by £7,324,000 to £129,852,000. Other securities, on account of the borrowings of the market on the 27th ult., rose by £3,590,000 to £78,697,000. It is disappointing to note that the Government have been driven again to borrow on Ways and Means Advances, as indicated by a rise of £17,410,000 in Government securities.

Bullion.

The moderate amount offering in the Gold market was again taken by the United States. To-day's parity price is 106*s.* 9*d.* per ounce fine. The Silver market was characterised by great activity during the week, due mainly to speculative operations on behalf of China. These may probably be connected with the proximity of the Chinese New Year, which commences on the 6th inst., but they provide no indication as yet that the market will recover from its weakness. Stocks of silver in Shanghai continue to increase, and it is believed that some imports from India have been made. Considering the state of China's foreign trade, it is difficult to understand why the country continues to buy the metal, unless the up-country demand for it to replace the depreciated paper currency is not yet satisfied. Attempts are at present being made to reform the currency in China by the adoption of a standard coin, which, if they meet with success, should enable the Chinese influence in the Silver market to be estimated with less uncertainty. In the earlier part of the week quotations dropped sharply until on Tuesday 34½*d.* was touched for immediate delivery, the lowest price since November 1916. Subsequently there was a reaction due to "bear" covering, and latterly, to fresh orders from the Indian bazaars. The prices for spot and forward silver since a week ago and the parity prices for gold are as follows:—

	Jan. 29	Jan. 31	Feb. 1	Feb. 2	Feb. 3	Feb. 4	Average
Silver (per oz. std. ·925 fine):—							
Spot	36⅜*d.*	35½*d.*	34½*d.*	36½*d.*	37*d.*	36½*d.*	36·0*d.*
Forward ...	36⅝*d.*	34⅝*d.*	34*d.*	35⅞*d.*	36⅜*d.*	34½*d.*	35·25*d.*
Gold (per oz. fine) —	106/1	107·2	107·0	106·9	106·9	106·9	

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NEW YORK.

A FURTHER decline in liabilities, accompanied by a weakening of the reserve position and a reduction in loans, is shown in the statement of the New York Clearing Banks for the week ending on the 29th ult. The aggregate reserve is $12,290,000 lower at $523,430,000, and the excess reserve shows a decline of $2¾ millions to $11,030,000. Net demand deposits, at $3,884,110,000, are $71,270,000 below the figure returned on the previous week, and $110,280,000 below that recorded for the last week of 1920. Loans, discounts, and investments fell by $34,310,000 during the week to $5,121,650,000.

Despite the unfavourable showing made by recent returns of the New York Associated Banks, it is satisfactory to note that since the beginning of the year the Federal Reserve system has consistently strengthened its position. A year ago, it may be remembered, the situation was rapidly growing worse, owing to the fact that gold was being withdrawn and that the huge sums disbursed before the turn of the year in respect of interest and dividends did not, contrary to expectations, return to the reserve centres in January. Since then the position has fundamentally changed: the price-level has been reduced, speculation has been eliminated, and the authorities are now in a position to draw gold from abroad instead of, as early in 1920, having to export the metal. The result is that the Central Reserve system is now becoming gradually stronger. It would appear, however, that there is a tendency for funds to gravitate to the interior centres, for the New York Reserve Bank has not been able to improve its position at the expense of the member banks. Since the beginning of the year the ratio of total reserves of the twelve Federal Banks to the combined net deposit and Federal Reserve note liabilities has risen from 45.4 per cent. to 49 per cent. At the same time the note circulation has fallen by $253,940,000 to $3,090,750,000; gross deposits have expanded by $24,310,000 to $1,643,220,000, and rediscounts for member banks have fallen by $262,650,000 to $2,456,480,000. The latest recorded reserve ratio is the highest since August 22, 1919. The figure for total reserves returned on the 28th ult., $2,319,980,000, is the highest ever reported.

Money rates in New York, probably on account of the unfavourable nature of the bank statements, rose sharply during the week, call money ruling latterly at nine per cent. This cannot have been connected with Stock Market operations, for these were on a small scale, and was probably effected with a view to prevent the flow of funds to interior banks.

It is reported that the authorities are beginning to look with disfavour on the frequency with which foreign borrowers are having recourse to the New York Capital market and may take preventive steps.

Stock Exchange.

In common with the general business community, the investing public will welcome the news concerning the pending withdrawal of the excess profits duty. For many houses the impost will have ceased as from September 30, 1920. Firms created during the War must continue to pay till they have completed their seven years' instalments, but it is understood that in no case will the liability exist after next June. No tax is to be imposed in lieu of the excess profits duty, nor will any existing taxes be increased for the express purpose of making good the deficit during the coming financial year. The tax was introduced in September 1915 at 50 per cent. Later it was raised to 60, and then to 80, per cent. The present Chancellor reduced it to 40 per cent., but increased it again to 60 per cent. last year. Originally considered as a war-time expedient, it was not expected to exist after the final year of hostilities, and its continuation was a source of bitter and incessant criticism from industrial and commercial interests generally. By militating against the building up of reserves and by creating sudden and heavy demands on cash resources, it intensified the ill-effects of the trade depression and the concurrent financial stringency. It is certain that many firms recently gone into liquidation would have managed to survive but for the extra burden of the excess profits duty.

By scaling down the revenue of industry, it was, of course, a direct influence on the downward course of Stock Exchange values, and consequently the effects of its removal constitute a problem of vital import to investors. The fundamental reason for the Chancellor's action is the depression in trade. Freedom from excess profits duty will not create a boom, and until trade itself recovers no general increase in share values can be expected. When business returns to normal income-earning levels the absence of this incubus will make for larger dividend possibilities, and consequently higher Stock Exchange prices. Such a contingency, however, involves many considerations outside the domain of the Treasury. European markets must be restored, but before this essential condition can be realised, a genuine spirit of peace must pervade the Continent. Foreign exchequers must return to a sound financial basis, and, as Mr. Walter Leaf explained at the annual meeting of the London County Westminster and Parr's Bank, no barriers must be placed round our own domestic markets which will further weaken the exporting power of the enfeebled nations. The British floating debt constitutes in itself a serious menace to the national well-being. It must be funded, and national expenditure remains to be drastically curtailed.

The removal of the excess profits duty will have, however, a very important psychological effect. It removes a large element of uncertainty. The decline in share values during the past six months has been due not so much to selling pressure as to the absence of public interest, the unsettled outlook discounting the lowness of prices. The Chancellor's announcement will act as a tonic to the investing public, and greater readiness to buy will, at any rate, assist in supporting quotations, and in specific cases will lever up prices considerably. On Friday a much-improved tone was already discernible in the House. British funds were buoyant on the statement that there would be no increase in income-tax, and many Industrial issues moved up sharply, several Textile and Steel issues being features of outstanding strength. Oils recovered from the marked depression of mid-week, Burmahs benefiting from a brisk demand. Early in the week Caltex moved upwards on the bringing in of a new gusher. A fresh cut in Pennsylvania crude oil was announced on Wednesday.

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Mining Topics.

The Mining market was rather dull and depressed on the whole during the week. Gold fluctuated within narrow limits, being 106*s.* 1*d.* on Monday and 106*s.* 9*d.* on Thursday.

The batch of quarterly reports now coming to hand are of interest, not merely from the point of view of the satisfactory development work recorded in many instances, but also from the point of view of the additional revenue disclosed in connection with the gold premium. As we have already stated on more than one occasion, the estimate of the value of gold included in the monthly returns has erred on the right side. How conservative the policy that has been adopted is evidenced by the sums now taken credit for in respect of undervaluation for the nine months ended September 30, 1920. Crown Mines heads the list with a total of £118,531. East Rand Proprietary follows on with £73,997, City Deep with £64,422, New Modder with £60,504, and Modder B with £58,309. At the lower end of the list stands Durban Roodepoort Deep with £15,147 and Ferreira Deep with £14,505. From the point of view of development, Modder Deep calls for notice with a total of 1,000 feet payable out of 1,070 feet sampled, the value being as high as 21 dwt. over 47 inches, a total of 987 inch-dwt. as against 912 inch-dwt. for the previous quarter. The improvement in Geduld is reflected excellently in the increase in the ore reserves from 2,580,000 tons of 7.4 dwt. at the end of 1919 to 3,220,000 tons of 8 dwt. at the end of 1920, the stoping width remaining unchanged at 61 inches. Crown Mines continues to record good results, especially on the Main Reef Leader, where 2,050 feet proved payable, with ore averaging 27.4 dwt. over 21 inches. Favourable results are also reported by Brakpan and Springs Mines.

NORTH ANANTAPUR GOLD MINES.

	Results for Years to June 30							
	Ore Milled Tons	Gold Rev. per Ton	Working Costs per Ton	Working Profit per Ton	Net Profit* £	Dividends Preference %	Dividends Ordinary %	Dividends Total £
1917...	26,500	38/11	24/5	14/6	23,351	22½	2½	7,531
1918...	20,100	51/0	32/2	18/10	21,855	27½	7½	13,718
1919...	14,200	64/0	43/6	20/6	18,146	25	5	10,813
1920...	9,000	126/8†	53/9	72/11†	37,981‡	27½	7½	13,718

* Including receipts from gold recovered from tailings: 1917, 1,468 oz. fine gold; 1918, 1,411 oz.; 1919, 977 oz.; 1920, 700 oz.

† Excluding gold premium equivalent to an additional yield of 5s. 6d. per ton milled.

‡ Including £2,591 in respect of the gold premium.

More than ordinary interest attaches to the report issued by this Indian gold-mining Company for the year ended June 30, 1920. During the year there has been a further marked decline in the quantity of quartz crushed, which amounted only to 9,000 tons, as against 14,200 tons in the previous year. It is no less significant that a similar decline should be recorded in the quantity of tailings treated, which fell from 15,850 to 9,900 tons. This decline in the quantity of material handled, in conjunction with the rather high level of prices of stores and materials, as well as of labour, produced another sharp advance in working costs, which averaged 53*s.* 9*d.* per ton, as compared with 43*s.* 6*d.* per ton in 1918-19. The outstanding feature, however, was undoubtedly the pronounced improvement in the grade of the ore worked. Calculating the yield per ton milled on the basis of the par value of gold in order to maintain an effective comparison, it appears that the average for the year reached the unprecedented figure of 126*s.* 8*d.* per ton, or nearly double that of the previous year. During 1918-19 the monthly returns showed that the yield per ton milled varied from 13 dwt. 20 grs. in March 1919 to 19 dwt. 20 grs. in June 1919, the average for the year being 15 dwt. 2 grs. For the year under review the poorest grade of ore was worked in July 1919, when the average worked out only at 17 dwt. 5 grs. per ton. The remainder of the period was characterised by returns exceeding 1 oz. 5 dwt. per ton, the highest being the yield of 1 oz. 9 dwt. 7 grs. per ton secured in March 1920. Accordingly, it is not astonishing that the average for the year should reach 1 oz. 9 dwt. 20 grs. on the inclusion of 1,490 oz. of gold from plate scalings. The report states that this remarkable improvement in the grade of the ore was due mainly to a very rich pocket of ore that was stoped in the 650-foot level. With the decline in the quantity of ore treated and the rise in working costs such an increase in the grade of the ore transformed the whole position, and enabled the Company to register a record profit of 72*s.* 11*d.* per ton, in place of a rather mediocre profit of some 10*s.* per ton had the grade remained the same as in 1918-19. Unlike the South African and Australian gold producers, the Indian mines were unable to benefit from the premium on gold, owing to the agreement between them and the Indian Government, which remained in force until May 15, 1920. But since that date three-fourths of the output had been purchased by the Indian Government at the average market price prevailing in London during the month of delivery; whilst the remaining one-fourth could be disposed of in the open market in India. In virtue of this altered position North Anantapur derived an additional revenue of £2,591, representing the premium on gold sold after May 15, 1920. Allowing for the 700 ounces of fine gold secured from tailings, this premium was equivalent to an additional yield of nearly 5*s.* 6*d.* per ton of ore milled, thereby raising the gold revenue to the still higher level of 132*s.* 2*d.* per ton and the working profit to 78*s.* 5*d.* per ton. Consequently, despite the small tonnage crushed, there resulted the net profit of £37,981, or more than twice that secured in 1918-19. After providing for the necessary depreciation of plant to the extent of £4,241, a sum of £1,500 is placed to the insurance and contingency account, whilst a reserve has been created by the allocation of £10,000. Dividends paid to shareholders absorbed £13,718, Ordinary shareholders receiving seven and a-half per cent. and Preference shareholders twenty-seven and a-half per cent., as compared with five per cent. and twenty-five per cent. respectively in 1918-19. As against £3,349 brought forward from the last accounts there is carried forward a balance of £11,478, which, however, is subject to deduction in respect of excess profits duty and corporation profits tax.

In view of the declining position of the mine development operations during the year were on a rather small scale. It is now definitely certain that no further body of payable ore exists. Accordingly, development work was mainly confined to the stoping of the remaining reserves of ore. Such reserves have been increased by the results of operations between the 200- and 300-foot levels, south of No. 5 shaft, and also at the 950-foot and 1,150-foot levels on the East Reef. Expert estimates place the total of payable ore still in the mine at 10,000 tons at least; but it is to be regretted that no indication is afforded of the average value per ton. Prospects for the current year are somewhat difficult to forecast in the light of this omission. Some relief should be furnished by the stabilisation of the Indian exchange in conjunction with the present tendency of prices to fall. It is also stated some more of the high-grade ore in the pillars above the 650-foot level may be obtained during the current year. One clear advantage is the permission now extended to this, in common with other Indian gold mines, to dispose of its gold to better advantage. The gold premium, which has been very favourable in the first half of the current year, should add considerably to the revenue. Receipts from this source were confined to a period of less than two months in the year under review, and yet amounted to nearly £3,000, although the gold premium was not so favourable then. For the first three months ended September 30, 1920, 2,400 tons of ore have been crushed, with an average yield of 102*s.* per ton on the basis of the par value of gold. Whilst not as high as in the year under review, this average is sufficient to guarantee, in conjunction with the gold premium, a satisfactory profit should the grade of ore be maintained for the remainder of the period and no great decline in quantity be recorded. Development work revealed ore averaging sixteen and a-half dwt. over twelve inches for a height of sixty-one feet in a rise above the 750-foot level. No further expenditure on development work is being incurred, as the directors concluded that no more ore bodies would be discovered. Consequently, operations are now restricted to the extraction of gold from the remaining reserves. Meanwhile, search for new mining properties is being continued. An examination was made of the Baragunda Copper Company, on which an option had been obtained, but so far the results have not justified more serious testing operations. Negotiations for an option over another copper concession in Chota Nagpur have been completed. Prospects in this region appear very favourable, as the property adjoins a mine which has been worked successfully in recent years by an English Corporation. Financially the balance sheet of North Anantapur dated June 30, 1920, reveals a strong position. Including the final dividend, absorbing £8,718, current liabilities did not exceed £16,638, whereas liquid assets were available to a total of £88,962. The fact that the mine is rapidly approaching the end of its career is reflected in the market quotation of 2*s.* for the Ordinary shares of £1 each and 12*s.* 9*d.* for the Preference shares of £1 each, which have a prior claim to a non-cumulative dividend of twenty per cent., after which they rank equally with the Ordinary shares. The balance sheet shows that the capital in the case of the Preference shares is entirely secured, even in case of liquidation, so that, apart from dividend prospects, the shares have reached a rather low level, whilst the quotation of 2*s.* for the Ordinary shares by no means represents their breaking-up value.

CHENDERIANG TIN.

Issued Capital: £92,500 in Shares of £1 each.

	Results for Years to March 31							
	Tin Output	Price Realised per Ton	Working Costs† per Ton	Working Profit Amount	Working Profit Per Ton	Net Profit	Dividends* Amount	
	Tons	£	£	£	£	£	£	%
1917	327½	101 89	68 86	10,819	33·03	5,382	4,625	5
1918	312¼	136 25	77 45	18,374	58 40	11,762	4,625	5
1919	250¼	164 73	129 61	8,780	35 09	907	—	—
1920	373½	166·81	111·78	20,554	55·03	12,720	9,250	10

* Free of tax. † Including sums paid to tributor.

A VERY satisfactory report is presented by this Malayan tin-dredging Company for the year ended March 31, 1920. The area of ground treated by the dredge increased from 890,000 to 930,000 cubic yards. The output of tin jumped up, however, from 169 to 286½ tons owing to the richer nature of the ground worked, the average yield per cubic yard being 0.69 lb., as against 0.44 lb. The return from the hydraulic elevating section and from tributors increased slightly from 81¼ to 87 tons, but the net revenue from this source, owing to rising costs, dropped from £5,137 to £4,133. This factor was more prominently in evidence in the working of the dredge. The high prices commanded by labour, as well as by stores and materials, are reflected in the increase in the cost of working per cubic yard from 6.13*d.* to 7.36*d.*. However, as a result of the greater quantity of tin secured, these costs, spread over a total of 373½ tons, as against 250¼ tons only in 1918-19, bring about a lower cost per ton of tin, the figure of £111.78 comparing with £129.64 for the previous year. The price realised by the sale of the output showed a slight increase at £166.81 per ton. Thus, with a profit of £55 per ton, as compared with £35 per ton in 1918-19, there is returned a working profit of £20,554, which is more than double that secured in the previous year. After meeting administrative charges in London and income tax and providing £3,720 in respect of depreciation, there remains the record net profit of £12,720, as against the nominal return of £907 in 1918-19 and the previous record of £11,762 in 1917-18. Advantage is taken of this substantial total to write £3,388 off the development account, which is reduced in consequence to £3,000. Shareholders, for whom the previous year had proved barren, received a dividend of ten per cent. free of tax, equivalent to 14⅔ per cent. subject to tax. The balance carried forward to the next accounts is reduced from £6,282 to £5,964.

Prospects for the current year are not very bright in view of the persistent fall in the price of tin to the low level of £164⅛ per ton, as against a price of over £400 a year ago. The outlook would be less encouraging still were the rumour that the F.M.S. Government had withdrawn its guarantee of £245 as a minimum price to prove true. No prospect is held out of any reduction of working costs in the immediate future. On the other hand, relief will be experienced by the fact that the Company is no longer obliged to pay the lessor any tribute in respect of the dredging section of the property. During the year under review this liability involved a charge of £3,500. The Company now owns 1,400 acres, and is gradually increasing its holdings. Investigations show that with one dredge the property can be worked advantageously for twenty years yet. The greater part of the area does not, however, lend itself to treatment by dredging. A portion is already being worked under tribute, and, with a view to increasing the area thus worked, extra pipelines have been installed. Furthermore, the application to the Government for power to utilise the valuable water rights from the Kinjang Falls has been granted, with certain reasonable conditions. Capital will be required for this development as soon as the final arrangements are completed. The Company has an unissued capital of £275,000 in reserve, which may be offered to shareholders for this purpose. But, in view of the present depression in the tin-mining industry, such an issue is not likely to take place in the near future. This depression is reflected in the market quotation of 12s. 9*d.* for the £1 shares.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, February 2, 1921.

Issue Department.

Notes Issued	£144,957,055	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,507,055
	£144,957,055		£144,957,055

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£70,621,486
Rest	3,441,170	Other Securities	78,696,717
Public Deposits	18,603,513	Notes	15,356,675
Other Deposits	129,851,796	Gold and Silver Coin	1,785,343
Seven-day and other Bills	10,722		
	£166,460,201		£116,460,201

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1921.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Feb. 2	129.6	128.3	18.6	129.8	70.6	78.7	17.1	11·5	7	6⅛
Jan. 26	128.4	128.3	16.1	132.5	53.2	75.1	18.2	14·2	7	6⅝
Jan. 19	128.5	128.2	16.0	120.3	54.4	81.3	18.2	13·4	7	6⅝
Jan. 12	129.8	128.2	15.8	123.1	59.2	80.7	16.8	12·2	7	6⅝
Jan. 5	131.5	128.2	16.7	154.9	89.7	84.7	15.1	8·8	7	6⅝
Jly.22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5% July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Feb. 2	Feb. 4	Feb. 5	Feb. 6	Feb. 1
Bank of England (in £'s sterling, 00,000's omitted):	1921	1920	1919	1918	1911
Circulation	£129.6	£89.3	£70.0	£46.1	£27.7
Public Deposits	18.6	18.7	30.7	41.1	10.9
Other Deposits	129.8	124.5	115.5	125.5	41 9
Government Securities	70.6	46.5	50.8	56.9	14 9
Other Securities	78.7	82.4	83.5	96.9	23.8
Reserve	17.1	32.2	29.9	30.9	27.2
Ratio to Liabilities	11·5%	22·5%	20·45%	18·56%	51·49%
Coin and Bullion	128.3	103.1	81.4	58.6	36.5
Money:					
Bank of England Rate	7%	6%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	5⅝%	3½%	4·4⅛%	3⅜%
Exchanges:					
Paris Cheque	54·77	48·95	25·97½	27·18½	25·29½
New York 60 days	3·83	3·19½	4·73½	4·72½	4·83¼
Bombay Telegraphic Transfers	1/4¼	2/8	1/5⅜	1/4⅜	1/4⅞
Prices:					
Consols 2½% Cash	47⅜	49⅛	59	54½	79⅜
French Rentes 3% Money	58·55	59·00	64·75	57·50	97·57
Silver, London spot oz.	38½d.	88d.	48 7/16d.	43d.	24 5/16d.
Wheat, *Gazette* average qr.	85/4	72/7	72/8	71/2	30/11
Cotton, Mid Upland lb.	10·08d.	30·11d.	19·23d.	23·22d.	8·00d.
Iron, Scotch pig ton	201/0	181/0	101/0	101/0	55/3

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Feb. 2, '21	7,383,159	7,889,962	339,427,857	28,500,000	19,450,000	14·1
Jan. 26, '21	5,656,823	10,906,632	339,934,660	28,500,000	19,450,000	13·9
Feb. 4, '20	6,718,684	6,442,592	329,830,289	28,500,000	4,100,000	9·8
Feb. 5, '19	7,092,209	5,090,305	399,481,784	28,500,000	—	9·2
Feb. 6, '18	6,109,590	4,515,114	213,579,772	28,500,000	—	13·3
Feb. 7, '17	5,941,804	3,841,427	150,178,380	28,500,000	—	19·6

Balance Sheet, February 2, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	269,840,320	Other Bankers	—
Ten Shilling	41,097,537	Trustee Savings Banks	—
Certificates outstanding	28,490,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion	28,500,000
Total	339,427,857	Bank of England Notes	19,450,000
Notes called in but not yet cancelled	2,473,636	Government Securities	309,747,434
Investments Reserve A/c	15,903,649	Balance at Bank of England	107,708
Total	357,805,142	Total	357,805,142

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Jan. 29,'21...	£27,851	£16,722	*£11,129*‡	£88,346	£99,763	£3,573
Jan. 22,'21...	40,553	23,220	*17,333*‡	156,768	173,743	3,861
Jan. 15,'21...	32,467	17,174	*15,293*‡	139,881	154,830	3,503
304 dys.'20 21	1,018,264	926,881	*91,383*‡	4,783,305	4,884,057	—5,796
306 dys.'19-20	865,372	1,249,582	384,210	5,171,294	4,799,884	—8,213
Yr. '20-21*	1,418,300	1,233,642	*184,658*‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
Jan. 29,'21...	£4,385	£14,495	£5,445	£3,426	£2,671	£100	£13,951
Jan. 22,'21...	13,176	12,826	5,812	18,739	3,519	321	19,280
Jan. 15,'21...	4,010	12,365	5,918	10,174	2,552	362	14,260
304 days'20-21	277,450	206,351	178,423	356,540	297,498	17,435	611,958
306 days'19-20	233,963	197,936	232,022	203,447	283,945	11,755	953,882
Yr. '20 21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	**Treasury Bond Receipts**
Jan. 29, 1921	£1,145,049	£241,822	£1,386,871	£19,968
Jan. 22, 1921	1,161,894	233,122	1,395,016	19,463
Jan. 15, 1921	1,153,849	246,372	1,400,221	19,055
Jan. 8, 1921	1,147,359	261,522	1,408,881	18,635
June 30, 1919	796,150	774,237	1,570,387‡	—

* Budget est mates, including supplementary grants. † Highest. ‡ Excess of revenue

FOREIGN BANKS.‡

[In £'s Sterling:—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Jan. 20, '21	...	10,661	1,120	11,781	31,911	249,656	43,123
Jan. 27, '21	...	10,661	1,124	11,785	31,816	248,964	44,191

		Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Jan. 7, '21	...	£396,759	£79,639	£79,367	£96,639	£462,389	£50,382
Jan. 15, '21	...	396,782	79,103	72,381	95,410	450,547	54,782
Jan. 23, '21	...	396,775	75,305	72,827	93,883	442,135	52,286

		Cash: Gold	Cash: Silver	Cash: Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Nov. 30, '20	...	12,644	145	12,789	14,328	757	30,845	3,305
Dec. 31, '20	...	12,643	145	12,788	13,395	522	30,928	3,823
Dec. 31, '19	...	12,635	184	12,789	12,803	1,640	27,186	3,995
Dec. 31, '18	...	10,812	135	10,947	4,473	4,976	25,002	809

		Gold: In Bank	Gold: Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits: Public	Deposits: Private
FRANCE.								
July 30, '14	...	£185,654		£190,887	£97,788	£267,327	£15,302	£37,903
Jan. 20, '21	...	142,125	77,934	230,777	120,113	1,526,115	1,489	130,062
Jan. 27, '21	...	142,135	77,934	230,703	124,746	1,476,520	1,584	135,595
Jan. 29, '20	...	144,077	79,131	233,428	75,421	1,503,300	1,655	125,239
Jan. 30, '19	...	138,715	81,484	232,845	50,092	1,279,321	2,240	104,616

		Cash: Gold	Cash: Silver	Cash: Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£67,843	£16,727	£84,570	£5,279	£40,055	£91,545	£47,193
Jan. 15, '21	...	54,577	320	54,897	1,107,419	2,690,338	3,347,335	776,872
Jan. 22, '21	...	54,577	338	54,915	1,138,614	2,425,174	3,300,922	571,342
Jan. 23, '20	...	54,431	868	55,369	556,967	1,694,811	1,793,231	454,660
Jan. 23, '19	...	112,770	1,002	113,772	233,647	1,328,613	1,169,661	616,122

		Cash: Gold	Cash: Silver	Cash: Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14		£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Jan. 24, '21	...	53,012	1,845	54,857	18,792	—	87,065	6,967
Jan. 31, '21	...	53,012	1,871	54,883	20,752	20,299	99,571	5,635
Jan. 31, '20	...	52,654	686	53,340	23,461	18,846	86,781	9,571
Feb. 1, '19	...	57,029	744	57,773	20,312	11,414	89,6.2	7,202

		Cash: Gold	Cash: Silver	Cash: Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	—	£43,456	£25,017	£69,204	£8,887
Nov. 30, '20	...	£32,768	£3,000	35,768	14,599	199,478	616,783	83,146
Dec. 10, '20	...	32,768	3,000	35,763	17,231	195,528	611,454	75,324
Dec. 10, '19	...	32,198	3,004	35,202	17,707	90,319	491,333	74,057
Dec. 10, '18	...	32,699	3,080	35,779	7,275	60,532	365,310	56,743

		Gold	Discounts	Advances	Notes	Deposits: Public	Deposits: Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,029	£7,863	£32,722	£13,818	£1,521
Dec. 18, '20	...	112,428	9,412	13,600	114,491	99,042	16,099
Dec. 25, '20	...	120,005	10,923	12,229	131,123	94,096	9,858
Dec. 20, '19	...	91,963	14,212	36,991	126,034	114,067	3,150
Dec. 28, '18	...	72,532	9,919	49,138	103,091	95,582	5,373

		Cash	Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits: Demand	Net Deposits: Time	Net Deposits: Total	Excess Reserve
NEW YORK BANKS & TRUSTS.									
Aug. 1, '14...		—		£89,888	£411,238	—	—	£887,165	£1,720
Jan. 22, '21...		£16,952†		107,144	1,041,192	£787,076	£52,694	864,572	2,756
Jan. 29, '21...		16,492†		104,813	1,041,330	772,822	51,678	841,572	2,206
Jan. 31, '20...		19,382†		114,130	1,049,232	829,564	51,706	911,614	7,696
Feb. 1, '19...		19,634†		111,268	954,932	781,644	23,964	857,006	7,208

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£6,752	£793
Jan. 15, '21	...	8,115	3,191	578	24,903	24,002	6,702
Jan. 22, '21	...	8,115	3,232	500	24,798	23,444	7,136
Jan. 22, '20	...	8,136	3,359	851	19,171	22,696	4,215

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
Oct. 6, '20	...	£1,906	£3,921	£5,827	£26,898	£119,830	£4,774
Oct. 13, '20	...	1,906	3,921	5,827	29,347	119,490	4,502
Sept. 3, '19	...	1,905	3,924	5,829	7,846	66,556	6,774
Sept. 4, '18	...	1,905	3,742	5,647	10,795	54,450	2,357

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Oct. 2, '20	...	£108,003	£21,154	£5,276	£26,430	£314,700
Oct. 9, '20	...	112,008	24,630	4,652	29,231	324,690
Oct. 16, '20	...	112,008	25,670	4,922	30,592	328,938
Oct. 18, '19	...	49,512	7,656	2,443	10,099	148,436

		Gold: In Bank	Gold: Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14...		£160,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,911
Oct. 29, '17...		129,523	230,885	378,205	1,869,559	1,836,217	15,783	345,550

		Cash: Gold	Cash: Silver	Cash: Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Jan. 15, '21	...	98,377	22,910	121,327	103,795	13,779	173,951	47,095
Jan. 22, '21	...	98,452	23,202	121,654	103,793	13,779	172,591	47,353
Jan. 24, '20	...	98,335	25,465	123,500	88,956	13,779	151,703	43,800
Jan. 25, '19	...	89,140	25,666	114,806	67,541	13,777	135,216	45,028

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug 1, '14	...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Jan. 22, '21	...	15,870	5,994	705	29,360	35,281	12,708
Jan. 29, '21	...	15,659	5,931	705	29,534	35,884	12,516
Jan. 31, '20	...	15,981	6,239	2,686	26,801	37,403	10,889
Feb. 1, '19	...	15,543	7,998	3,034	19,847	40,576	5,258

		Cash: Gold	Cash: Silver	Cash: Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Jan. 22, '21	...	21,718	5,159	26,877	15,004	35,891	6,205
Jan. 31, '21	...	21,720	5,280	27,000	15,353	37,557	4,720
Jan. 31, '20	...	21,178	3,286	24,464	16,434	37,993	6,206
Jan. 31, '19	...	16,505	2,514	19,018	19,457	35,295	5,063

* Converted at 24 crowns to £1.
† Net reserve. ‡ Currencies converted at par rate of exchange approximately.

		Gold: Held by Banks	Gold: With Agents	Total Cash	Bills Discount'd	Bills Accept ances	Deposits: Govt.	Deposits: Total Net	Circulation
U. STATES FED. RES. BANKS.									
Jan. 24, '21 ...		£419,154		£430,250	£496,606	£33,590	£5,520	£325,700	£623,062
Jan. 31, '21 ..		£421,228		463,996	491,296	33,012	10,423	328,644	618,150
Feb. 2, '20 ...		155,800	248,732	414,788	434,872	112,262	14,594	361,300	668,846
Jan. 31, '19 ..		153,486	264,936	435,930	320,228	56,258	12,986	331,892	490,146

II.—CURRENT BANK RATES OF DISCOUNT.

		%	Date Fixed.			%	Date Fixed.
Amsterdam	...	4½	July 1,'15	Lisbon	...	7	Sept. 3,'20
Berlin	...	5	Dec. 23,'14	Madrid	...	6	Nov. 4,'20
Berne	...	5	Aug. 21,'19	Paris	...	6	Apr. 8,'20
Bombay	...	7	Nov. 12,'20	Petrograd	...	6	July 29,'14
Brussels	...	5½	Apr. 28,'20	Rome	...	6	May 12,'20
Calcutta	...	7	Nov. 19,'20	Stockholm	...	7½	Sept. 16,'20
Christiania	...	7	June 25,'20	Tokio	...	8·03	Nov. 18,'19
Copenhagen	...	7	Apr. 16,'20	Vienna	...	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Feb. 4, '21	Jan. 28, '21	Jan. 21, '21	Jan. 14, '21
Berlin	Cable	243m.	221m.	233m.	257m.
Brussels	Cheques	52fr. 12c.	53fr. 12c	54fr. 65c	58fr. 32c.
Denmark	Cable	20kr. 10	19kr. 65	19kr. 25	21kr. 10
Holland	do.	11d. 33c	11d. 42c	11d. 37c.	11d. 37c.
Italy	do.	105lr. 75	104lr. 75	106lr.	108lr. 12
Lisbon and Oporto	do.	6½d.	6½d.	6¾d.	6¾d.
New York	do.	$3 84½	$3 88	$3 77½	$3 74
—	Cheques	$3 86	$3 90	$3 78½	$3 76
Norway	Cable	20kr. 85	20kr. 80	19kr. 40	21kr. 75
Paris	3 mos.	55fr. 45c.	58fr. 45c.	58fr 05c.	62fr. 07c.
—	Cable	54fr. 70c	55fr. 70c.	57fr. 30c.	61fr. 32c.
Spain (Bank places)	3 mos.	42⅛d.	42⅛d.	42⅛d.	42⅛d.
—	Cable	27p. 60	27p. 82	28p. 05	28p. 20
Sweden	do.	17kr. 52	17kr. 80	17kr. 47	17kr 51
Switzerland	3 mos.	24fr. 45c.	24fr. 73c.	24fr. 57c.	24fr. 45c.
—	Cable	23fr. 95c.	24fr. 23c.	24fr. 07c.	23fr. 95c.

ON LONDON —		Feb. 4, '21	Jan. 28, '21	Jan. 21, '21	Par.
Alexandria	Sight	97½pi.	97½pi.	97½pi.	97½pi.
Amsterdam	Cheques	11d. 33c.	11d. 42c.	11d. 37c.	12·107c.
Athens	Cable	54dr. 75	51dr. 00	50dr. 62	25dr. 22½
Bombay	Transfers	1s. 4½d.	1s. 5⅛d.	1s. 5⅛d.	2s.*
Brussels	Cheques	52f. 15c.	51f. 35c.	54f. 32c.	25f. 22½c.
Buenos Ayres	Transfers	49½d.	49½d.	50⅜d.	47·58d.
Calcutta	do.	1s. 4⅝d.	1s. 5⅛d.	1s. 5⅛d.	2s.*
Christiania	Sight	20kr. 85	20kr. 72	19kr. 44	18·159kr.
Copenhagen	do.	20kr. 02	19kr. 86	19kr. 32	18·159kr.
Helsingfors	Cable	107m.	112m.	117m.	25m. 22½
Hong Kong	Transfers	2s. 7d.	2s. 10d.	2s. 11d.	—
Italy	Sight	105lr. 75c.	105lr. 00c	105lr. 50c.	25lr. 22½c.
Lisbon	do.	6½d.	6½d.	6¾d.	53½d.
Madras	do.	1s. 4⅞d.	1s. 5⅛d.	1s. 5⅞d.	2s.*
Madrid	do.	27p. 49	27p. 81	28p. 04	25p. 22½
Montevideo	Transfers	48d.	43d.	—	51d.
Montreal	Cable	$4 31	$4 31	$4 29	$4 86⅔
New York	Sight	$3 83½	$3 84½	$3 75⅞	—
—	60 days	$3 83	$3 80	$3 73⅛	—
—	Cable	$3 84⅛	$3 85⅛	$3 76⅝	$4 86⅔
Paris	Cheques	54f. 77c.	53f. 15c.	57f. 07c.	25f. 22½c.
Rio de Janeiro	90 days	9⅛d.	10⅛d.	—	16d.
Shanghai	Transfers	3s. 5d.	3s. 9⅛d.	3s. 11⅛d	—
Singapore	Sight	2s. 3⅛d.	2s. 3⅝d.	2s. 3⅜d.	—
Stockholm	do.	17kr. 51	17kr. 72	17kr. 47	18·159kr.
Switzerland	do.	23f. 95c.	24f. 23c.	24f. 05c.	25f. 22½c.
Valparaiso	90 days	9⅛	8⅝	8⅝	18d.
Yokohama	Sight	2s. 6¼d.	2s. 6¼d.	2s. 6⅛d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, September 8 1920.

NEW YORK ON—	Rate Current*: Feb. 2, '21	Rate Current*: Jan. 26, '21	Par as usually Quoted	Rate July 3
Amsterdam, sight ...	39 95c.	39 70c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	27 06c.	27·375c.	48·66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	125·0	126·0		
Christiania, cheques ...	18·45c.	18 95c.	26 80c. for 1 kroner	26·85c.
Copenhagen, cheques ...	19 20c.	19 95c.	26 80c. for 1 kroner	
Greece, cheques ...	7 40c.	7 60c.	19·295c. for 1 drachma	
Hongkong, cheques ...	50·0c.	55·25c.	74 59c. for Mex. $1	46·4c.
Italy, sight ...	36·55l.	37·4l.	5·18½ lire for $1	5·17l.
Lima, cheques ...	4·42l.	4 42l.	4·8665 $ for 1 libra	
Manila, cheques ...	46 00c.	46 00c.	50c. for 1 peso	49·8c.
Montreal	10·625% disc.	10·75% disc.	Premium per $100	Par
Paris, sight	14 01fr.	13·8fr.	5·18½ francs for $1	5·16fr.
Rio de Janeiro, cheques	6 7mil.	6 72mil.	3 032 milreis for $1	
Shanghai, cheques ...	67·0c.	74·0c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42 00c.	56·77c. for $1	57·12c.
Spain, cheques	14·02c.	13·75c.	19 30c. for 1 peseta	
Stockholm, cheques ...	21·85c.	21 90c.	26·80c. for 1 kroner	
Switzerland, cheques ...	6 25fr.	6 29fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	14 50c	14·75c.	20·61c. for 1 peso	
Yokohama, cheques ...	48 00c.	48 50c.	49·84c. for 1 yen	49·90c.

* According to Harriman Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Amt.	Inc. or Dec.*
	1921	[In £'s sterling, 000's omitted.]			%
BIRMINGHAM ...	Jan. 29	£2,431	— £1,051	£14,924	— £2,147 — 12·6
BRISTOL	,, 29	1,437	— 322	7 [illegible]	— 1,157 — 12·7
DUBLIN	,, 29	7,259	— 1,[illegible]	38,396	— 5,220 — 11·9
LEEDS	,, 29	1,423	— [illegible]	5,720	— 1,237 — 17·9
LEICESTER	,, 29	697	— 334	3,917	— 1,841 — 31·3
LIVERPOOL ...	,, 29	11,087	— 10,676	62,018	— 20,432 — 24·8
MANCHESTER ...	,, 29	16,245	— 15,198	85,332	— 55,[illegible] — 40·0
NEWCASTLE	,, 29	2,525	— 771	12,323	— 1,648 — 11·3
NOTTINGHAM ...	,, 29	635	— 257	3,695	— 1,[illegible] — 32·3
SHEFFIELD	,, 29	1,256	— 355	6,182	— 291 — 4·6
LONDON—	1921				
TOWN	Feb. 2	731,633	— 3,335	3,354,240	+ 73,[illegible] + 2·4
METROPOLITAN	,, 2	35,830	— 8,350	191,177	— 30,499 — 13·7
COUNTRY	,, 2	63,510	— 15,509	302,109	— 62,736 — 15·1
TOTAL	Feb. 2	830,973	— 27,194	3,897,531	— 15,16[illegible] — ·4

* As compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1921 Feb. 4	1921 Jan. 28	1914 Jan. 30
Alex. to U.K. ...	15/0	15/0	6/9
Aust. to U.K. ...	72/6	72/6	27/0
Bilbao to Cardiff	9/6	9/6	—
Bombay to p.p. ...	30/0 d. w.	—	17/0
Burmah to U.K. ...	—	—	22/0
Calcuttatop.p.(jute)	—	—	—
Danube to U.K.	35/0	37/6	—
R. Plate to U.K....	30/0	32/6	11/0

* Per ton.

Homewards. —Cardiff to	1921	1921	1914
U.S.A. (Continent, Feb. 4 Jan. 28 Jan. 30 (coal)	$4	$4*	—
(U.S. to U.K. (ore.)	4 3	6 6	2/0†
Gulf Ports to U.K. Cont. (cotton and grain) ...	—	—	11/0*
OUTWARDS. —Cardiff to			
Port Said ...	17 6	15/0	7/6
River Plate ...	12 9	17/3	14/9
St. Vincent ...	—	13/0	7/6

† Per quarter.

Time Charter, 7/6.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	FEB. 4, 1921	FEB. 6, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	201 0	181 0	57 0
— Middlesbro' warrants .....ton	195 0	175 0	51 0
— Hematite warrants .....ton	220 0	220 0	61 0
— Staffordshire bars, London ton	£31 10	£26 15	£8 10
— Common bars .....ton	£25—£26 10	£24 10	£6 16
Steel Rails .....ton	£21	£18 15—£19 5	£6 2 6
Galvanised Sheets .....ton	£28—£30	£45—£47nom.	£16 17 1
Copper—Standard .....ton	£69 15	£121 5	£66
Tin—English Ingots .....ton	£161—£162	£387	£142 15
— Straits .....ton	£185	£396	£139 10
Tinplates, I.C. Coke, S. Wales...box	36 0	70 0	11/10½—12/0
Lead—Soft Foreign .....ton	£22 15—£23 5	£48 15—£49 5	£19
Spelter—Ord. Foreign .....ton	£24 5—£25	£61 10—£63 5	£21 7 9
Quicksilver—(75lb.) .....bottle	£12 10—£13	£21 10—£22	£7
Aluminium .....ton	nom	£160	£82
Antimony—Regulus Foreign ...ton	£25	£69	£27 10
— English .....ton	£37—£42	£69	—
Coal—(best) Yorkshire .....ton	37/2—38/2	21/6—22/6	17/6
Steam (best) Newcastle.....ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	14 0	15 0	7 4
Soda—Crystals ex wharf .....ton	140/0	130/0—140/0	42/6—45/0
Copra—Malay and States .....ton	£51 5	£7.	£23 15 £24 7 6
Gambier—Good marks .....cwt	35/	52 0	16 10½
Indigo—Bengal good to fine ....lb.	11 6—14 6	13 0 16 6	3 2—3 8
Linseed Oil—Raw .....ton	£5	£112	£25 5
Inseed—Calcutta, spot .....ton	£17	£55	£13 16 9
Cakes, U.K. made, ex mill ...ton	—	£25	... £7 17/6—£8
Olive Oil—Spanish .....ton	—	nom.	£49 10
Palm Oil—Lagos .....ton	£36	£100	£31 10
Petroleum—American .....gallon	2 3½	2 1	7½d.
Rape Oil—Refined English .....ton	63/0	£135	£32
Soya Oil—Refined .....ton	nom.	£114 10	£24 10
Tallow—Imported .....cwt.	40/0—50/0	105/0—110/0	29/3—33/3
Turpentine—American .....cwt	£7	210 0	33 7½
Rape Seed—Toria .....ton	£26 10	£55	£13 5
Rubber—Para, spot .....lb.	11½	2 7	2 9½
— Fine plantation (standard repre) lb.	1	2 8½	2 2
— World's Production† Oct. tons	26 620	31 294	8.467
Shellac—T.N. Orange, fair ...cwt.	320 0	860 0	63/0—64/0
TEXTILES.			
Cotton—Mid ling Upland .....lb.	10 03½	30 11½	7 53d.
— Egyptian good fair .....lb.	14 50	76 50	8·75d.
— Pernambuco fair .....lb.	8 93	34 11	7·73d.
— Midland Upl. New York ....lb.	14 15	39 15	13·25c.
— Stock, Liverpool (Jan. 21) bales	1,067,740	942,230	934,600
Flax—Petrograd, Yarapol ... .ton			£28
Hemp—New Zealand .....ton	£53	£58	£25 10
— Manila fair .....ton	£50—£51	£7	£26 10
Jute—First Marks .....ton	£36	nom.	£26 15
— Red SCC .....ton	£31 10	£5	£24 15
Silk—Common, New style .....lb.	23 0	57 6	12 0—12 6
Wool—Pt. Philip unwashed av. lb.	2 3½	5 0	11½d.—1 0
— Lincoln Half Hogs .....lb.	1 0	2 3½	1 0½
Hides—Eng. Ox. best, 70lb. up lb.	6½d.	15½d.—16½d.	7½d.
Leather—Dressing Hides .....lb.	2/0—2/6	4/0—4/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	92,497,000	97,575,000	34,640,000
— Red, price, N.Y. 60lb. .....bush.	183	nom.	67½c.
— English Gazette, aver. 480lb. qr.	85 4	72/7	34/3
Flour—G.R. .....280lb.	76 0	44/3	28/6
Barley—Eng Gaz., aver. 400lb. qr.	70 11	106 2	25 4
Oats—Eng. Gaz., aver. 312 lb. qr	43 1	58 7	20 0
Maize—N.Y. (new bushel).....56lb.	80½	174½	76½c.
— Amer. mixed, Liverpool...480lb.	43 0	nom.	32/4
La Plata .....480lb. qr.	49 0	65/0	25/9
Potatoes—Good English .....ton	190 0	269 0	70/0—75/0
Rice—Bassein .....cwt.	15 0—17/	26/0	7 0—7 3
Tapioca—Pearl, medium ... ...cwt	25 0	37 0	14/0—17/8
Hay—best ....2,016lb. load	—	—	82 6
Hops—English.....cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	6/8	6 8	3/8—3/10
— Scotch sides .....8lb.	12 0	10 0	4 6 5 0
— English .....8lb.	12/0	10 0	4/2—4/5
Mutton—Scotch wethers.....8lb.	15 0	10 6	5/8—6/0
— English wethers .....8lb.	15 0	10 6	4 6—5 4
— New Zealand frozen .....8lb.	4 0 6 0	10/8	2 4 3 2
Pork—English and Irish .....8lb.	12 0	11 0	3 6—4 0
Bacon—Irish, delivered .....cwt.	†210 0	200 6	60 0—74 0
— Danish .....cwt.	†207 0	†192 0	58 0—68 0
— Canadian, ex Port .....cwt.	†198 0	†187 0	—
— American, ex Port .....cwt.	†150/0—156 6	†187 0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†180/0	†190 0	75/0—79/0
— — short cut, ex Port .....cwt.	†175 0	†190 0	71 0—74 0
Lard—Amer. boxes, ex Port ...cwt.	†138/0	†198/6	51 9—52 9
Butter—Danish .....cwt.	†298 8	270 8	117/0—120 0
— French .....cwt.	†298 8	270 8	96 0—108 0
— Australian .....cwt.	†293 8	270 8	98 0—110 0
— New Zealand .....cwt.	†298 6	270.8	108 0—114 0
Cheese—Canadian .....cwt.	156/0—158 0	†147 0	66 0—68 0
— United States .....cwt.	—	†145 0	—
— Dutch .....cwt.	†163/0—230 0	†145.0	53/0—64 0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Dec. 31 ...	27,311,881	32,089,127	19,777,254
— Homeconsumption to Dec. 31 ...	22,118,787	30,635,904	17,272,000
— In Bond Dec. 31	8,040,000	6,378,000	6,308,000
— Price, Java, 96° Pol.	5/7 0	53 0	10/3
— — Yellow crystals	65 0	63 6	12/6—14 0
— — Tate's Cubes, No. 1.....cwt.	76 0	72 6	18 0
Coffee—Imports to Dec. 31 ...cwt.	746,701	1,066,046	720,360
— Home consumption to Dec. 31 ...	306,411	315,475	142,410
— Exports to Dec. 31	49,915	630,43.	340,250
— In Bond Dec. 31	657,000	734,000	494,000
— Price, Costa Rica gd. to fine cwt.	115/0—160 0	158/0—164 0	80/0—93 0
— — Brazil Santos good	6/ 0	130/0—132 0	41 6
Tea—Imports to Dec. 31	431,717,976	494,353,466	123,230,277
— Home consump'n to Dec. 31 lb.	388,384,43	388,384,43	158,447,372
— Exports to Dec. 31.....lb.	41,280,187	29,536,461	26,561,765
— In Bond Dec. 31	220,433,000	213,083,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	51	1 5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	41 4	1 6	8½
— — Common Congou .....lb.	—	1 3	5½
Cocoa—In Bond Dec. 31 .....cwt.	1,097,000	738,000	309,000
— Grenada, good to fine	51 0 53 6	85 0	52 6—56 0

• Estimated. † Controlled. ‡ Uncontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Dec.	$20 694 000	+ 3,578,000	$2,222,000	+ $945,000
	12 *mos.* to Dec.	216,641,000	+ 39712000	33,153,000	+ 220,000
Grand Trunk	Nov.	£1,603 200	+ £357,300	£142,000	+ £38,700
	11 *mos.* to Nov.	15,108,600	+ 2,254,700	981,000	— 575,100

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, receivable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Dec. 25	1,044	R2,03,233	— 528	12	27,35,208	— 89,305
Barsi Light ...	Dec. 25	118	27.80(	+ 2.40(	38	10,38,600	— 66,500
Bengal & N.W.	Dec. 25	2,067	4,71,07(	+ 17,377	12	57,69,143	+ 1,81, 68
Beng. Dooars	Dec. 18	158	28,208	— 10,22	11	3,55,283	— 2,5 598
Beng. Nagpur	Dec. 25	2,695	12,04,000	— 65,000	52	4,63,48,948	— 8,87,896
Bomb. Barod	Jan. 2	2,871	18,86,000	— 1,18,000	6	2,93,60,000	— 7,83,000
Burma	Dec. 18	1,342	5,36,487	— 14 64	12	62,65,125	— 4,88,574
Del.Um. Kalk.	Jan. 22	239	63,000	+ 4,61	6	16 87,777	+ 73,079
East Indian ...	Jan. 29	2,772	25,84,000	— 1,69,000	17	4,73,98,000	+ 21,74,000
Gt. Indian Pen	Jan. 22	3,121	27,73,900	— 1,59,300	16	4,38,26,924	+ 19,09,635
Madras & S.M.	Jan. 1	3,152	11,60,000	— 80,02	13	4,71,85,915	— 83,460
Nizam's Guar.	Jan. 1	900	3,19,826	+ 54,789	13	35,57,858	— 79,132
Rob. & Kumn.	Dec. 25	576	103,54(	— 10,76(	12	11,59,486	+ 15,318
South Indian	Dec. 25	1,852	7,47,391	— 27,994	38	3,05,28,102	+ 11,36,146
South Punjab	Sept.	716	9,68,745	+ 1,96,13	6	53,48,044	+ 10,72,764
COLONIAL.							
Can. Northern	Jan. 21	9,704	$1,150,700	+ 254,800	3	3,482,500	+ 466,800
Can. Pacific ...	Jan. 21	13,388	3,196,000	+ 359,000	3	9,776,000	+ 436,000
Grand Trunk	Jan. 31	3,616	£440,372	+ 103,49	4	1,315,531	+ 277,090
Mashonaland	Oct.	810	85,224	+ 5,33	1m	—	—
Mid. W. Aust.	Nov.	277	12,27	+ 526	5m	53,709	+ 5,951
New Cape Cent	Jan. 8	205	2,147	— 28	1	—	—
Rhodesia Rlys	Oct.	1,397	124,725	+ 11,3.6	1m	—	—
Te uiscoata..	Oct.	—	$48,120	+ 18,466	10m	357,059	+ 50,389
FOREIGN.							
Argentine.							
Arg. N. East.	Jan. 29	752	£ 11 600	— 800	31	357,300	— 5,600
Arg. Transand.	Jan. 29	111	£ 3,572	— 848	31	77,505	+ 279
B.A. & Pacific	Jan. 29	3,405	£ 135,000	— 9,000	31	3,687,000	— 735 000
B.A.Gt. South	Jan. 29	3,903	£ 2 0 000	+ 3,000	31	4,648,000	— 713,000
Do.	Jan. 29	Net	£ 50,000	— 27,000	31	60,000	— 1,189,000
B.A. Western	Jan. 29	1,882	£ 82,000	— 20,000	31	2,249,000	— 722,000
Do.	Jan. 29	Net	£ 10,000	— 2 ,000	31	183,000	— 856,000
B. A. Central	Dec.	190	£ 36 62	— 6.9 4	6	298,560	+ 27 950
Cent. Argen.	Jan. 29	3,305	£ 175,000	— 29,000	31	5,9 9,000	+ 585,000
Cord. Central	Jan. 29	1,205	£ 64,500	— 13,300	31	1,682,100	— 159,200
Entre Rios ..	Jan. 29	811	£ 25,300	— 1,000	31	667,700	— 28,000
Brazilian.							
Brazil Gt. South.	Dec.	110	M 55,500	— 12,750	12m	550,500	— 62,421
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	Jan. 22	1,010	£ 16,500	— 13,700	4	51,800	— 53,500
Leopoldina ...	Jan. 22	1,831	£ 30,141	— 26,283	4	98,936	— 73,226
Minas Geraes	Dec.	1,180	M1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.	766	M2,650 000	— 906,03	12m	32,479,000	— 1,225,893
San Paulo ...	Jan. 30	153	£ 31,848	+ 16 38	5	187,792	— 51,570
Sorocabana ...	Dec.	1,003	M1,749,000	— 246,16	12m	21,953,000	+ 878,88
Sorocabana S.W	Dec.	52	M 160,000	+ 44,000	12m	1,373,000	+ 169,000
Chilean and Peruvian.							
Antofagasta..	Jan. 30	838	£ 31,800	— 33,415	5	132,045	— 137,805
Arauco	June	84	£ 12,000	+ 500	6m	76,000	+ 10,700
Nitrate (2 wks)	Jan. 31	390	£ 1,008	— 47,624	4	41,334	— 61,429
Peruvian Corp	Dec.	1,140	$ 1,328,840	+ 17,9..6	6m	6,982,495	+ 20,279
Tattal	Dec.	180	£ 30,548	+ 4,763	8m	175,382	+ 78,265
Cuban.							
Cuban Central	Jan. 29	362	£ 37,36(	+ 19,87	31	707,279	+ 82,212
Cuba Railroad	Oct.	—	$ 993 94	— 75,30	4m	4,430,217	+ 288,610
Havana Central	Jan. 22	70	£ 16 70	+ 3.8 7	30	323,209	+ 52,963
U. of Havana	Jan. 29	681	£ 1C7,437	+ 80,576	31	2,051 398	+ 221,208
W. of Havana	Jan. 29	155	£ 14,131	+ 10,74	31	335,796	+ 66,413
Uruguayan.							
Cent. Uruguay	Jan. 29	273	£ 28,41	+ 5,17	31	652,087	— 37,185
,, (E. Ext.	Jan. 29	311	£ 5,592	— 2,207	31	163,101	— 17,070
,, (N. Ext.	Jan. 29	185	£ 2,59	— 1,3 9	31	88,879	— 22,882
,, (W. Ext.	Jan. 29	211	£ 2,434	— 4	31	79,059	— 4,971
Mid. Uruguay	Dec.	319	£ 20,21	— 1,65	6m	106,845	— 13,361
N.W. Uruguay	Dec.	113	$ 7,44	—	6m	36,932	— 4,508
Uruguay North	Dec.	73	£ 2,660	— 21	6m	12,874	— 1,324
Miscellaneous.							
Arica & Tarapaca	Jan. 29	33	Ps. 30,000	+ 15,60	5	85,900	+ 33,500
Bahia	Dec.	15	£ 3,32	+ 2,01	12m	39,409	+ 9,810
Bolivar	Dec.	136	£ 6,94	— 2,22	12m	115,689	— 14,873
Central Argen.	Nov.	86	£ 20,160	+ 5,20	11m	209,960	+ 56,880
Costa Rica ...	Nov.	189	£ 21,37	— 5,559	5m	121,357	+ 3,038
Dorada Ext.	Dec.	70	£ 16,750	+ 1,75	12m	200,928	+ 60,278
Egyptian Delta	Jan. 10	559	£ 14,08	— 2,518	40	405 815	+ 103,675
Gt. Sthrn of Spain	Jan. 22	104	Ps. 115,499	+ 50,761	3	326,03	+ 123,642
Interoceanic ...	Nov.	223	£ 11,380	+ 1,710	11m	150,740	+ 54,580
Oriental Ry.	Jan. 22	379	£ 7,83	—	—	—	—
Paraguay Cen.	Jan. 29	274	£ 3,66	+ 22	31	145,720	— 15,950
Porto Cabello	Dec.	34	£ 4,000	— 50	12m	60,750	+ 6 875
Salvador ...	Jan. 29	100	£ 3,66	— 4,56	31	101,475	— 2,407
Santa Fé Prov.							
Dulce Rio	Nov.	1,181	£ 143,79	— 22,504	11m	1,764,928	— 1,832
Santiago Sgo	Nov.	80	£ 5,75	— 1,91	11m	144,023	+ 13 049
Zona Hardy	Nov.	112	£ 14,892	+ 3,13	11	142,732	+ 27,070
TRAMS.							
Anglo-Argent	Jan. 28	400	£ 75.45	+ 9.43	4	3 3 2	+ 52,953
Anglo-Italian	June 30	27	—	—	52	292.502	— 2.063
Barcelona Lne	Sept.	39	R 8 49 038	+ 1,15.37	9m	73,27,000	10,06,847
Buenos Ayres	Nov.	378	M13,442000	+ 3,462 00	1	110,107 00	16,366,000
Brisbane Elec.	Dec.	40	£ 48 4 0	+ 3.71	12	[illegible]	76.85
Rio de Janeiro	Nov.	334	$ 865 63	+ 71.65	—	3,841,032	+ 402,440
Rio Janeiro	Dec.	51	£ 6 8 7	+ 6 9 4	6m	336,286	+ 42,709
Calcutta ...	June 29	35	R 52.0	— 33 0	4	3	— 17,062
Cape Electric	Oct.	42	£ 32.69	+ 5.85	4m	120,814	+ 35,922
Cork & Harb.	Jan.	9	£ 3.8 7	— 87	1m	—	—
Charname & Dist	Jan. 27	15	£ 1 625	— 133	4	6,414	— 632
Havana Electric	Oct.	86	$ 1,017,031	+ 145,410	0m	9,329,356	+ 1,732
Isle of Thanet	Jan. 26	20	£ 520	+ 35	47	9,719	+ 764
Kalgoorlie ..	Nov.	20	£ 2,969	+ 11	1m	33,632	+ 3,180
Lanarkshire ..	Dec. 31	28	£ 5,467	+ 1,9.7	52	221,564	+ 27,729
Lima Light ..	Nov.	85	£ 54. 6	+ 2,15	1m	621,807	+ 89,377
London O.O.	Feb. 2	141	£ 98. 1	+ 20.56	42	4,001,346	+ 491,881
Madrid & Ways.	Jan. 15	15	R 38.16	— 10.68	2	—	—
Manila Electric	Nov.	55	$ 320.34	+ 71.99	11m	3,104,695	+ 781,861
Pernambuco..	Jan. 30	59	£ 4.67	— 3.43	5	19,644	— 17,739
Provincial ..	Jan. 22	21	£ 3. 0	— 6	16	33,234	+ 148
Rangoon Elec.	Nov.	25	£ 6.964	— 41.	11m	85.314	+ 11,785
Shanghai Elec.	Dec.	26	X.$153,300	+ 13.30	12m	1,820,111	+ 253,111
Singapore Elec.	Dec. 18	26	$ 11.309	— 9.176	40	994.627	+ 175.708
U. of Montevid.	Dec.	90	£ 48.935	+ 4.560	2m	92,781	+ 8.096

Investment Suggestions

THE February number of "Investment Suggestions," issued by the Bond Department of the London Office of the Guaranty Trust Company of New York contains a diversified list of high-class British and Foreign Securities, which afford opportune investments with satisfactory yields.

Included in this list is a description of the Kingdom of Belgium issue of $30,000,000 20-year External 8% Sinking Fund Gold Bonds, recently floated in New York through the intermediary of Messrs. J. P. Morgan and Company and the Guaranty Trust Company of New York.

Copies of "Investment Suggestions" for February 1921 will be sent on request.

Guaranty Trust Company of New York

A COMPLETE INTERNATIONAL BANK

32 LOMBARD STREET, LONDON, E.C.3.

PALL MALL OFFICE 50 Pall Mall, London, S.W.1 — LIVERPOOL OFFICE 27 Cotton Exchange Buildings

NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid up Capital and Surplus - - $50,000,000
Total Assets more than - - - $800,000,000

The Statist.

LONDON, SATURDAY, FEBRUARY 5, 1921.

THE GERMAN INDEMNITY.

A GENERAL feeling of relief exists at the settling of Allied differences and the fixing of the German indemnity at 11,300 million pounds. The Paris Conference has indeed disappointed critics by its successful ending, and it remains to test the value of the agreement by its enforcement. Great as is the sum which it is now proposed to exact from Germany, no one will pretend that it covers anything like the cost of the war to the Allies. The burden of expense directly attributable to the War which they were called upon to bear was at least £50,000 million, while the indirect costs are practically incalculable. The consent of Germany to the proposed alteration of the Versailles treaty prolonging the period of the indemnity must be secured, and objection may also be raised on the part of Germany to the variation of the Boulogne understanding and the imperfect consideration of the various points raised in the Allied *questionnaire*. A firm front must, however, be maintained if we are not to be cheated of the fruits of victory. According to the letter of the Treaty of Versailles we would be within our rights in demanding every penny of extra outlay arising from the War, but what is just must at times defer to what is feasible.

The definite portion of the Allied pact calls for the payment of 11,300 millions sterling in the following instalments—for two years, at the rate of £100,000,000 per annum; for three years, at £150,000,000 per annum; three years at £200,000,000 per annum; three years at £250,000,000 per annum; and thirty-one years at £300,000,000 per annum, all payments being in terms of gold. In addition, an *ad valorem* tax of 12 per cent. is to be levied on German exports. The yield from this impost is quite indefinite, and in forming an estimate several factors must be taken into account. In the first place, it is certain that, apart from such payments as may be made in gold, silver, and securities, the indemnity must, in the long run, be provided by means of an excess of exports. Such excess may not be noticeable in the short period when imports of raw material are being made to allow of the necessary expansion in production. Secondly, before the War there was no such excess in Germany. The 1913 exports totalled only £494,474,000, as against imports valued at £527,404,000, an "unfavourable" balance of £32,930,000. To raise exports to the equivalent of imports and also provide for the payment of an indemnity at the rate of 270 million per annum, being the average of 11,300 millions spread over 42 years, German trade would require to be enormously increased. The pre-War exports of £494,474,000, or 10,102 million marks, represents a volume of trade equivalent at present relative currency values to 326,154 million marks. This estimate has been arrived at in the following manner: the average rate of German exchange in 1920 was 226 marks to the £; hence it would take 22,600 marks to purchase £100. THE STATIST Index Number which may be considered, generally speaking, as equivalent to the purchasing power of money, has increased from an average of 85 for the three years 1912, 1913, and 1914 to 248 in 1920. On this basis £100 now would have the same purchasing power as £34.3 before the War, or as 700 marks at the same date. It follows that 22,600 marks are the present equivalent of 700 marks pre-War, or that a pre-War trade of 10,102 million marks would, as above stated, be now represented by 326,154 million marks. It may here be asserted that such a volume of trade cannot possibly be realised in Germany's present condition, especially in view of the poor progress that has been made since the Armistice towards the resumption of export business. The impossibility of the proposition may be better realised if we present the figures in another way. Germany's pre-War exports of £494,474,000 would be equivalent, on the altered value of the pound, as represented by the movement of THE STATIST Index Number, to £1,440,000,000 of exports now. But the export trade of the United Kingdom last year was only £1,335,569,000, exclusive of re-exports. It is difficult to see how the German industrial machine could compass this large trade, even if it were desirable that it should do so. It would become again not only a rival but a superior. However, on the basis of the trade mentioned, the twelve per cent. tax would return £172,000,000 per annum, making a total payment of £272,000,000 in each of the first two years, and £322,000,000 in the following three years, rising to £372,000,000, and finally to £472,000,000 per annum at later dates. Now Mr. Keynes, in his well-known work, estimated Germany's capacity to pay at £100,000,000 per annum, a figure accepted by the economic adviser to President Wilson. Other authorities have placed the figure higher, but none, be it noted, higher than £200,000,000 per annum.

It is obvious in the circumstances that we must abandon as premature the hopes raised by the *ad valorem* tax agreed to at the Paris Conference last week. But much may still be obtained in respect of the fixed indemnity. According to Helferich's estimate, the capital wealth of Germany in 1914, if we convert at pre-War rates, was approximately 10,100 million pounds, and the national income 2,090 millions. Despite loss of territory and economic resources, the income, in terms of marks, has much increased, though its equivalent in sterling is reduced. It may not seem possible to expect a country to have a practically permanent excess of exports each year, but it simply means that the Germans will have to live on much less than their incomes, and expend the remainder in paying their indemnities abroad.

CAPITAL ISSUES IN JANUARY.

THE opening of the New Year was marked by a decided financial stringency in industrial circles, and but for the apathy of the public the month of January would have witnessed an abundant supply of new capital emissions. The meagre response made to even the most attractive flotations during the final six weeks of 1920, however, caused underwriters to curtail commitments drastically, and as a result the number of public appeals during the past month was remarkably low. Only three prospectuses of importance appeared. The Government offered £15,000,000 Three per Cent. Local Loan Stock at 50, involving a net cash subscription of £7,500,000; the Mexican Eagle Oil Company's bonus of one new Ordinary share at par for every two shares held, representing 4,313,805 shares of $10 (£1 8s.) each, also came on the market; and the Cunard Company successfully placed £4,000,000 Seven per Cent. Debenture Stock. The eager reception accorded to all three gradually lifted the cloud off the market, and the close of the month witnessed preparations for a renewed issuing campaign on a large scale during February. Whether the public response will be of a satisfactory nature or not is, of course, largely a matter of conjecture, but underwriters will be very optimistic if they undertake heavy flotations, unless on even more liberal terms than those recently offered. The flood of Preference shares, Debentures, and short-term notes poured on the market in October and November is not yet absorbed. Even the very highest classes of recently created prior-charge industrial securities are quoted below price of issue on the Stock Exchange, and new issues, unless they can excel these competitors in quality and yield, will stand a poor chance of success. The imperative demand for funds will no doubt compel many houses to grant such conditions, but they will postpone the evil day as far as possible.

The appended tabular statement shows in detail the capital emissions for January of the current year and the corresponding periods in 1919 and 1920. The total demands of private enterprises amounted to £9,437,283, against £39,652,015 twelve months previously and £4,123,684 in January 1919. The latter figure represents the initial efforts towards the post-War boom, while that for 1920 measures the peak. The total for the month just ended indicates a return to very low levels, but, compared with the preceding month of December, evidences a slight upward trend. When municipal and Government issues are included the fall becomes still sharper, a grand total of £17,059,573 comparing with £55,273,819 and £200,182,384 previously. No municipal issues of importance have come on the market during 1921. An emission under the joint auspices by Halifax, Salford, Newcastle, and Birkenhead fell through in the preliminary stages, owing to disagreements between the constituent parties. The item of £122,290 represents London Housing Bond subscriptions only. The large public issues made by the Government in January 1919 consisted mainly of National War Bonds sold in the Tank campaign. No receipts of a similar nature were recorded in January 1920, the takings for Treasury Bonds, £1,708,226, and for National Savings Certificates, £4,250,000, being more than offset by the amounts tendered for death duties, &c., and encashed.

Banks and insurance companies made no fresh issues, though £4,694,945 was asked in January 1919. The commercial and industrial section registers a notable decline at £667,950, against £21,498,026 previously—an unmistakable index of the change-over from expansionist policies to conservatism. The only issues of any importance in this department were 250,000 £1 Ordinary shares at 24s. each by W. T. Henley's Telegraph Works, Limited, and £300,000 Five per Cent. Mortgage Debenture stock at 73 by the Assam Railways and Trading Company, the first of which was quickly over-subscribed. Gas and water prospectuses, though not of large proportions, are becoming increasingly numerous. The Gas Regulation Act, which came into force on January 1, gives power to gas undertakings to raise their scale of charges, and the prospective increase in income provides a more favourable investment outlook. The issues are generally Seven or Seven and a-Half per Cent. Redeemable Debenture stock, well secured, but commanding inactive markets. The depression among coal and steel enterprises is responsible for a complete absence of appeals from these quarters. In the previous January £5,085,266 was asked, the Birmingham Small Arms being alone responsible for 2,500,000 six and a-half per cent. twelve-year notes at 99 per cent. A similar falling-off is noticeable in the mining and motor sections. The collapse of metal prices, and the consequent necessity to hold stocks, has created a keen necessity for fresh money among mining directorates, but the outlook is too unsettled to attract assistance from the public. The Jantar Nigeria Company offered to shareholders £25,000 Ten per Cent. Five-year Debentures, redeemable at 120 per cent., but the poor response caused the issue to be abandoned. Subscriptions to oil ventures reached an unusually high figure at £6,064,411, mainly the result of the Mexican Eagle offer at par of one Ordinary share of $10 (£1 8s.) for every two shares held. The figure of £2,183,260 under the heading of shipping represents the total cash subscriptions to the £4,000,000 Seven per Cent. Mortgage Debenture stock created by the Cunard Company. As £1,574,156 of the scrip was reserved for conversion purposes, only £2,425,844 nominal was placed on the market, and at the issue price of ninety was readily absorbed.

THE CAPITAL SUBSCRIPTIONS OF GREAT BRITAIN IN JANUARY.

	United Kingdom			Abroad			Total		
	Jan. 1921 £	Jan. 1920 £	Jan. 1919 £	Jan. 1921 £	Jan. 1920 £	Jan. 1919 £	Jan. 1921 £	Jan. 1920 £	Jan. 1919 £
Banks and insurance	—	4,694,945	2,400,000	—	—	—	—	4,694,945	2,400,000
Commercial and industrial	448,950	20,798,579	357,725	219,000	699,447	339,463	667,950	21,498,026	697,188
Electric light and power	200,000	—	—	—	—	—	200,000	—	—
Financial, land and investment	—	117,500	—	—	602,732	—	—	720,232	—
Gas and water	235,085	382,500	11,710	—	—	—	235,085	382,500	11,710
Coal, iron, steel and engineering	—	5,085,266	656,000	—	105,531	—	—	5,190,797	656,000
Mines	—	570,000	70,000	—	763,406	112,000	—	1,333,406	182,000
Motor manufacturing and traction	—	1,196,762	176,786	14,791	—	—	14,791	1,196,762	176,786
Oil	—	—	—	6,064,411	297,500	—	6,064,411	297,500	—
Railways	—	—	—	—	1,116,000	—	—	1,116,000	—
Rubber, tea and coffee	—	—	—	71,786	1,179,187	—	71,786	1,179,187	—
Shipping	2,183,260	2,042,660	—	—	—	—	2,183,260	2,042,660	—
Total	3,067,295	34,888,212	3,672,221	6,369,988	4,763,803	451,463	9,437,283	39,652,015	4,123,684
Municipal	122,290	1,038,916	—	—	—	—	122,290	1,038,916	—
Government	7,500,000	9,112,888	196,058,700	—	5,470,000	—	7,500,000	14,582,888	196,058,700
Grand Total	10,567,295	44,040,006	199,730,921	6,369,988	10,233,803	451,463	17,059,573	55,273,819	200,182,384

BOOT AND SHOE COMPANIES. II.

THE reports of the Public Benefit Boot Company, Limited, and Lennards, Limited, now published for the past year, show, in common with many of the other companies, a sharp falling-off in net profits, the decline amounting to £45,806 and £29,811 respectively. In each case a less conservative policy has been adopted, the dividend being maintained by the Public Benefit Boot Company, Limited, and substantially increased by Lennards, Limited. A sum of £6,446 has been applied by the first-named Company in writing off issue expenses, but the reserve allocation is £5,000, as compared with £20,000 in the previous year. The results are embodied in the following table, the figures for 1918 and 1919 being reproduced for purposes of comparison:—

Name of Company	Year ended	Net Profit‡	Pref. Div.*		Ordinary Div.		To Reserve	Special Allocations	Carried Forward
		£	£	%	£	%	£	£	£
Public Benefit Boot Co., Ltd....	1918, Dec. 28	43,426	13,252	6	7,125	12½	11,000	-	26,616
	1919 ,, 27	75,063	13,020	6	7,000	12½	20,000	—	61,659
	1920 ,, 31	29,257	18,787†	6	7,000	12½	5,000	6,446	53,683
Lennards, Ltd.	1918 ,, 28	50,724	6,000	6	12,500	12½	-	23,816	35,674
	1919 ,, 27	78,213	7,240	6	14,118	12½	24,653	30,000	45,876
	1920 ,, 31	48,402	7,500	6	25,000	20	31,633	—	30,146

* Including dividend on Preferred Ordinary shares. † Including dividend on Preference shares issued during the year.
‡ After providing for depreciation, taxation and prior charges.

In the table at the foot of the page are analysed the latest available balance sheets of the various companies. Issues of capital were made in several instances in 1919, and during the period covered by the last report an additional Ordinary capital of £100,000 was created by Freeman, Hardy and Willis, Limited; £50,000 by Stead and Simpson, Limited; and £37,600 by W. Abbott and Sons, Limited, while the Preference capital of the Public Benefit Boot Company, Limited, was increased by £151,515. It should be noted that since the date of the last accounts an issue of £250,000 Eight per Cent. Seven-year notes has been made by R. and J. Dick, Limited, and reserves of £42,500 have been capitalised by H. E. Randall, Limited. Many of the companies have accumulated strong reserves, and except in the case of Stead and Simpson, Limited, provision has also been made for taxation. The reserve fund of Freeman, Hardy and Willis, Limited, remains unaltered at £100,000. The reserve for contingencies has been increased from £50,000 to £80,677, but the superannuation fund of £53,365, which appeared in the previous balance sheet, does not figure in the present accounts. The premium received on the issue of shares during the year is shown at £50,000. There is also a reserve of £100,000 for freehold and leasehold premises. The Preference dividend reserve fund created by R. and J. Dick, Limited, has been reduced from £60,000 to £50,052, but the general reserve, with the allocation made last year, is increased to £140,850. Included among the reserves shown in the balance sheet of Stead and Simpson, Limited, is a superannuation fund of £21,525, and a contingency account of £20,000. The property reserve fund is increased from £20,000 to £40,000. With regard to W. Abbott and Sons, Limited, a sum amounting to £37,600 of the general reserve was capitalised during the year by the issue of bonus shares, leaving, with the allocations now made, a balance of £40,000 to the credit of that account. The capital reserve of £150,000 shown in the balance sheet of Lennards, Limited, is invested in the Ordinary shares of its subsidiary. The fixed assets of Freeman, Hardy and Willis, Limited, and Stead and Simpson, Limited, show an increase as compared with the previous year of £70,547 and £59,832 respectively, the net additions made by the other companies being relatively unimportant. The freehold properties of Lennards, Limited, have been sold to a subsidiary undertaking, in which all the Ordinary shares, amounting to £150,000, are held by the parent Company. Goodwill figures prominently in the balance sheets of W. Abbott and Sons, Limited, and the London Shoe Company, Limited, but the valuation attached to this item by three other companies is not disclosed, being included among the fixed assets. The stocks held by eight of the companies show a large increase as compared with the previous year, but a reduction is shown by J. Sears and Company, Limited, J. Loveys and Company, Limited, and the Public Benefit Boot Company, Limited, the decrease being most pronounced in the case of the first-named. The investments of R. and J. Dick, Limited, Lennards, Limited, and Freeman, Hardy and Willis, Limited, are largely represented by interests in associated undertakings.

It may be pointed out that the latest balance sheet of the first-named concern does not include the accounts of its American subsidiaries for the past financial year. The cash balances of many of the companies are small, but in the case of J. Sears and Company, Limited, and Freeman, Hardy and Willis, Limited, the holdings amount to £204,724 and £150,856 respectively. In several instances also debts form a very small proportion of the total assets, sales being largely effected on a cash basis. The majority of the companies include the provision which has been made for taxation among sundry creditors, but in the balance sheets of W. Abbott and Son, Limited, and Lennards, Limited, this reserve is shown separately at £58,895 and £42,878 respectively.

The heavy expenditure on stocks by the various companies is reflected in the stringency of liquid capital. Thus, taking the provisions which have been made for taxation to represent the actual amount due under that heading, and allowing for dividends payable, the total of the sundry creditors exceeds the combined totals of cash, sundry debtors, and investments (other than those in subsidiary concerns) in the balance sheets of nine of the companies.

Analysis of Latest Published Balance Sheets.

Name of Company	Issued Share Capital: Preference	Issued Share Capital: Ordinary	Debenture Capital	Sundry Creditors (c)	Reserves and Carry Forward	Fixed Assets	Goodwill	Stocks	Sundry Debtors	Investments and Cash	Amount Carried Forward
	£	£	£	£	£	£	£	£	£	£	£
Freeman, Hardy and Willis, Ltd....	250,000	475,000	200,000 (5%)	561,275	407,966	470,745		1,062,786	52,479	388,731	175,507
J. Sears and Co., Ltd.	300,000	280,000	—	279,053	133,159	270,563‡	—	418,813	5,375	297,161	58,785
Stead and Simpson, Ltd.	163,226	140,000	150,000 (4½%)	154,420	274,568	307,192	—	857,311	17,139	575	436,780†
J. Loveys and Co., Ltd.	60,000	100,000	—	16,214	40,369	66,000‡	-	136,771(a)	—	13,812	1,174
R. and J. Dick, Ltd.	325,000	487,500	—	813,376	334,378	73,538	—	1,061,188	159,092	386,476	205,146
W. Abbott and Sons, Ltd. ..	60,000	84,600	—	166,329	59,318	36,085	30,000	232,053	4,567	67,341	14,553†
Salter and Salter, Ltd.	60,000	20,000	40,000 (4½%)	36,252	13,870	44,584	5,000	116,010	-	4,529	1,752
London Shoe Co., Ltd.	65,000	2,000	—	26,330	15,117	20,910	22,500	50,969	8,133	5,934	12,265†
Public Benefit Boot Co., Ltd. ...	421,515§	80,000	—	133,123	141,184	266,447‡	—	473,466	43,353	14,959	164,102
H. E. Randall, Ltd.	85,000	85,000	4,500 (5%)	150,969	74,586	123,655	—	149,069	72,116	55,214	56,889
Lennards, Ltd.	125,000	125,000	50,000 (4%	188,293	230,146	48,475	—	402,268	4,046	173,679	50,518

* Excluding stocks. † Deficiency. ‡ Including goodwill. § Including £120,000 6% Preferred Ordinary shares.
(a) The above total includes sundry debtors. (b) Deficiency of liquid assets, including sundry debtors as well as stocks.
(c) Including provision for taxation.

AMERICAN RAILROADS.

EFFECT OF RATES AWARD.

It is now five months since the rental guarantee of the Government to the American railroads came to an end, and for three of those months, down to November inclusive, working returns are available. It will be remembered that the increased charges sanctioned by the Interstate Commerce Commission in order to fill the heavy revenue deficit in all the lines came into operation as from August 26 last. The results for the 197 steam railroads included in Class I. under the Government classification in the months since August for which returns of income and expenditure have been lodged, are as follows:—September, increase in gross, compared with September 1919, £113,784,000, or twenty-three per cent.; increase in net, compared with September 1919, $8,906,000, or ten per cent; October increase in gross compared with corresponding month of 1919, $130,571,000, or twenty-six per cent.; increase in net, $14,937,000, or fourteen per cent.; November, increase in gross, $154,240,000, or thirty-five per cent.; increase in net, $37,534,000, or seventy-seven per cent. Thus there is a very striking expansion in the net gain for November, and as individual rather than aggregate results are of interest to stockholders, we give below a table showing comparative figures for thirty of the leading American lines.

A strange lack of uniformity is noticeable in the results. Some roads have increased their surplus, while others have succeeded only in swelling their deficit. The net earnings of the New York Central rose by $2,026,000, of Missouri Pacific by $2,261,000, of the Illinois Central by $2,140,000, of the Philadelphia and Reading by $1,884,000, and of the Chicago, Burlington and Quincy by $1,764,000; but Boston and Maine showed a decline of $1,526,000, Atchison, Topeka, and Santa Fe of $1,521,000, and New York, New Haven and Hartford of $1,151,829. The declines are the more remarkable since the comparison in each case is made with November 1919, a very unfavourable month for railway traffics in the United States on account of the strike that had been called in the bituminous coalfields.

It is possible that the full benefit has not yet been reaped of the rate awards made by the Interstate Commerce Commission. As offsetting the increase in freights, it must be remembered that a minimum addition of $50,000,000 per month was made to the railway companies' operating bill following the wage advances granted by the Railway Labour Board in July last. Staffs are now being reduced as trade slackens, and it is probable that the less efficient are being weeded out, a commendable course which should lead to increased efficiency and a reduction in amount of gross revenue earmarked for labour costs.

The Companies are at present saddled with a heavy burden in respect of maintenance outlays. As previously pointed out, the condition of track and equipment when the lines reverted to private ownership in March last, on the cessation of Government control, was extremely defective, and a large expenditure was required, and is still required, to bring the lines to a desirable standard of efficiency. The outlay, besides being non-recurrent, is also to a large extent productive, and when arrears of repairs and maintenance of permanent way and rolling stock have been worked off, operating expenses will swallow a smaller proportion of the revenue.

When granting the freight increases the Interstate Commerce Commission aimed at bringing in an additional income to all the lines of about $1,500,000,000 per annum. The determination of the exact advances to be made, considering the multitude of categories, schedules, and distances involved, was a matter of great difficulty, but the new rates should certainly bring in an addition to gross revenue of at least $1,300,000,000 per annum. A factor affecting the November figures, and, accordingly, both the tables accompanying this article, is the holding-up of increases on intra-State traffic through the opposition of a number of the State authorities. The effect naturally varies with the amount of intra-State traffic handled by each line, but of this no particulars are available.

The aggregate results of thirty of the Chief American systems for the eleven months ended November 30, 1920, as compared with the corresponding period of 1919, are given in the table on page 217. Covering as they do a very unfavourable period for at least eight months up to the end of August last, it is not surprising that declines in the surplus of revenue over expenses for the eleven months are manifest in almost every case. We may quote as examples—New York Central, 1920, $44,445,605, 1919, $97,505,673; Southern Pacific, 1920, $35,524,643, 1919, $47,742,271; Atchison, Topeka and Santa Fe, 1920, $35,292,237, 1919, $46,773,880; Baltimore and Ohio, 1920, $4,947,889, 1919, $11,975,216; and Union Pacific, 1920, $49,996,648, 1919, $52,383,444. The total surplus for the thirty roads was reduced by forty-eight per cent., from $557,481,321 in 1919, to $290,320,636 in 1920. The November returns, as given by themselves in the first table, are certainly more encouraging, and are, besides, more trustworthy as a guide to future earning capacity. No final agreement has yet been reached in the dispute with the Government as to the sums payable under the terms of the Government guarantee. Together with this disappointment the falling off in traffics consequent on the trade depression and the higher rates have caused

RETURNS FOR NOVEMBER 1920 AND 1919.

Railroad	Revenue in November 1920	Revenue in November 1919	Expenditure in November 1920	Expenditure in November 1919	Surplus of Revenue in November 1920	Surplus of Revenue in November 1919
	$	$	$	$	$	$
New York Central	59,766,696	50,204,093	43,133,235	35,597,274	16,633,461	14,606,819
Southern Pacific*	26,527,232	21,839,310	21,927,788	15,172,882	4,599,444	6,666,428
Atchison, Topeka & Santa Fe	21,188,478	20,787,156	29,015,315	14,092,502	—4,826,837	6,694,654
Baltimore & Ohio	23,280,351	15,346,511	20,667,356	14,052,912	2,612,796	1,293,599
Union Pacific*	19,547,152	15,720,959	14,485,939	11,037,370	5,061,213	4,683,589
Chicago, Milwaukee & St. Paul	15,795,504	12,723,079	13,694,999	11,288,770	2,100,505	1,494,309
Chicago & N. Western	14,915,510	12,130,561	14,027,846	10,725,664	887,664	1,404,897
Illinois Central	13,330,129	8,463,829	11,394,951	8,668,762	1,935,178	— 204,933
Chicago, Rock Island & Pacific	11,461,099	9,619,588	10,100,277	9,024,125	1,360,822	625,463
Louisville & Nashville	11,480,954	8,825,435	10,584,268	8,135,276	896,686	690,159
New York, N.H. & Hartford	11,555,228	9,527,248	11,140,489	7,960,979	414,739	1,566,269
Great Northern	12,315,649	9,418,964	9,590,068	8,340,162	2,725,581	1,078,802
Missouri Pacific	11,777,258	8,038,350	9,202,367	7,724,538	2,574,891	313,812
Erie*	12,638,809	7,612,252	11,933,837	8,119,250	704,972	— 506,998
St. Louis & San Francisco*	8,906,584	7,305,330	6,859,862	5,603,110	2,046,722	1,702,220
Philadelphia & Reading	9,781,149	5,725,497	7,846,823	5,675,563	1,934,326	49,934
Chesapeake & Ohio	8,500,831	6,354,029	6,991,962	5,625,746	1,508,869	— 271,717
Boston and Maine	7,736,285	6,467,373	8,565,565	5,770,811	— 829,280	696,562
Wabash	5,720,548	4,312,597	5,127,015	4,097,842	593,533	214,755
Minneapolis, St. Paul & S.S.M.	4,946,331	3,847,139	4,298,140	3,069,842	648,191	777,297
Delaware & Hudson	4,151,759	2,813,113	3,587,795	2,747,203	563,964	65,910
New York, Chicago & St. Louis	2,715,780	1,684,850	2,080,768	1,515,905	629,012	168,945
Alabama Great Southern	1,061,607	1,069,828	984,670	702,436	76,937	367,392
Union RR. (of Penn.)	1,137,602	593,165	979,345	734,874	158,257	— 141,709
Pennsylvania Co., †	58,108,816	35,737,999	51,088,783	40,990,216	7,020,033	— 5,252,217
Chicago, Burlington & Quincy	17,670,800	12,796,377	13,623,696	10,512,776	4,047,104	2,283,601
Southern Railway‡	12,683,819	11,146,187	11,746,899	10,063,437	936,920	1,082,750
Northern Pacific Rys.*	10,470,660	9,498,602	8,562,051	6,851,699	1,908,609	2,646,903
Pittsburg, Cincinnati, Chicago & St. Louis†	11,386,173	7,180,718	10,124,023	8,582,815	1,262,150	—1,402,097
Norfolk & Western	9,088,043	6,872,060	7,664,697	6,107,074	—	—
Grand Total	442,646,836	332,692,199	372,037,028	288,531,815	70,609,808	44,160,384

* Including extensions and subsidiary lines. † Part of the Pennsylvania system. ‡ Part of the Southern Railway system.

in some cases a postponement of orders for rails and equipment.

The results yielded by the higher rates have been somewhat disappointing. The Transportation Act allowed an interest rate of five and a-half per cent. per annum on the ascertained value of the companies' properties, plus an additional one-half per cent. to recoup capital outlay. According to statistics prepared by the Association of Railway Executives, the November net operating income of all the Class I. roads was equivalent to only three and a-half per cent. on the provisional valuation of their properties as made by the Interstate Commerce Commission. The rate advances were granted on the supposition that carriers would thereby be enabled to earn a minimum of five and a-half to six per cent. on the capital which they employed. The net operating income in November was only $57,742,000; and to secure a six per cent. return it should have been $99,286,000. If we take the aggregate operating income for the three months—September, October, and November—during which the rate advances have been in force, we find that it represents a return of about four per cent. to the carriers. The fall in traffics has, of course, prevented the full benefit of the increased rates being felt, but at $219,508,000 the net income was actually $100,000,000 less than the amount anticipated.

Railroad	January 1 to November 30, 1920 — Revenue	Expenses	Surplus or Deficit	January 1 to November 30, 1919 — Revenue	Expenses	Surplus
	$	$	$	$	$	$
New York Central*	570,829,467	526,383,862	+44,445,605	477,959,219	380,453,546	+97,505,673
Southern Pacific*	255,885,408	220,361,265	+35,524,643	216,207,285	168,465,014	+47,742,271
Atchison, Topeka & Santa Fe	230,293,647	195,001,410	+35,292,237	187,957,349	141,183,469	+46,773,880
Baltimore & Ohio	210,869,617	205,921,728	+ 4,947,889	166,874,202	154,898,986	+11,975,216
Union Pacific*	192,654,109	142,657,461	+49,996,648	163,516,422	111,132,978	+52,383,444
Chicago, Milwaukee & St. Paul	154,572,118	148,698,810	+ 5,873,308	137,783,972	125,517,255	+12,266,717
Chicago & N. Western	151,868,017	140,754,833	+11,113,184	128,495,810	108,037,907	+20,457,903
Illinois Central	132,036,725	122,531,563	+ 9,505,162	98,134,460	89,300,367	+ 8,834,093
Chicago, Rock Island & Pacific	124,081,386	115,801,119	+ 8,280,267	101,427,537	87,052,528	+14,375,009
Louisville & Nashville	115,117,552	111,014,900	+ 4,102,652	97,869,337	85,016,137	+12,853,200
New York, N.H. & Hartford	114,602,960	114,246,518	+ 416,442	96,602,392	83,771,272	+12,831,120
Great Northern	114,364,740	101,871,189	+12,493,551	98,444,269	78,918,730	+19,525,539
Missouri Pacific	107,437,741	101,725,561	+ 5,712,180	84,926,779	75,430,175	+ 9,490,604
Erie*	111,896,662	117,823,970	— 5,927,308	94,219,915	88,916,985	+ 5,302,930
St. Louis & San Francisco*	88,865,600	77,464,421	+11,401,179	74,255,720	57,278,111	+16,977,609
Philadelphia & Reading	84,650,977	79,036,837	+ 5,614,140	66,767,564	59,055,958	+ 7,711,606
Chesapeake & Ohio	81,544,944	70,529,015	+11,015,929	65,799,338	54,672,761	+11,126,577
Boston & Maine	79,458,013	82,306,493	— 2,847,480	66,142,694	59,117,637	+ 7,025,057
Wabash	54,276,953	53,817,056	+ 459,897	44,224,914	40,094,257	+ 4,130,657
Minneapolis, St. Paul & S.S.M.	44,304,223	39,622,336	+ 4,681,887	39,009,993	31,292,650	+ 7,717,343
Delaware & Hudson	39,886,417	37,394,694	+ 2,491,723	31,810,980	28,879,572	+ 2,931,408
New York, Chicago & St. Louis	25,695,130	20,014,280	+ 5,680,850	21,349,919	16,516,694	+ 4,833,225
Alabama Great Southern	10,443,792	8,262,336	+ 2,181,456	9,559,489	7,778,667	+ 1,780,822
Union RR. (of Penn.)	9,928,075	9,523,551	+ 404,524	7,116,478	6,993,548	+ 122,930
Pennsylvania Co.†	514,264,690	539,724,448	—25,459,758	447,885,998	412,093,884	+35,792,114
Chicago, Burlington & Quincy	169,350,075	147,965,815	+21,373,260	141,282,166	109,448,166	+31,834,000
Southern Railway	139,284,958	117,154,528	+22,130,430	116,929,031	103,212,179	+13,716,852
Northern Pacific System*	103,180,525	88,903,457	+14,277,068	93,628,176	70,527,713	+23,100,463
Pittsburgh, Cincinnati, Chicago & St. Louis†	98,497,602	104,538,578	— 6,040,976	85,100,763	81,122,340	+ 3,978,423
Norfolk & Western	78,107,975	76,327,928	+ 1,780,047	70,354,702	57,970,066	+12,384,636
Grand Total ...	4,208,300,598	3,917,979,962	+290,320,636	3,531,630,843	2,974,149,522	+557,481,321

* Including extensions and subsidiary lines. † Part of the Pennsylvania System. ‡ Part of Southern Railway System.

COMMODITY PRICES IN THE UNITED STATES.

The fall in the prices of the pivotal raw materials, which had proceeded so fast in October and November, showed a tendency to slow down in the last months of 1920. The index maintained by the Federal Reserve Bank of New York of the prices of twelve basic commodities—namely, cotton, hides, hogs, rubber, copper, sugar, wheat, corn, iron, lead, petroleum, and lumber—shows the following monthly decreases, expressed in percentages, since the peak in the middle of May:—

	%		%
May (after 17th)	1	September	6
June	2	October	14
July	3	November	13
August	4	December (to 27th)	5

The first six commodities above mentioned are now at or near their pre-War prices, according to the information supplied by the Bank. The fall has been so abrupt that industries which convert these materials into the kinds of goods purchased by consumers have had little opportunity for readjustment, and consequently the decline in retail, and even in wholesale, prices of manufactured goods has reflected only in part the decline in raw material prices. But the twenty-two and a-half per cent. reduction in wages which textile mills in the East have generally inaugurated, and which is spreading gradually to other industries, is an indication that the usual second phase of post-War readjustment has been entered. In this phase, which is slower than the first, retail prices are gradually lowered by means of better organisation and labour-saving machinery, by greater productivity of the wage earners, and by wage reductions corresponding roughly, but not always synchronising, with reductions in actual living costs.

With these decreased commodity values it would be natural to expect that the volume of credit required to produce, carry, and distribute them would decrease also. A fall in security values is reflected almost immediately in the volume of loans on securities. But a fall in commodity prices, such as has been experienced as a part of the present world-wide industrial readjustment, is not so easily or promptly reflected in credit. The reason for this is, in the opinion of the Bank, that it is so much more complex and involves so many interests and industries, so much congestion of commodities and shifting of credit, and so much exercise of human judgment as to the policies to be pursued, that its reflection in credit is necessarily slower. Eventually, however, the reflection is bound to take place.

It is most important in such a period that there should be sufficient elasticity of credit to enable the various interests and industries to mature and carry out their plans without the fear that the necessary credit facilities may be lacking. Looking back, it appears that during the early months of falling prices, referred to above, the volume of credit remained practically stationary, and that during the later months, when the fall was most acute, the volume of credit actually increased. Thus, in a year which, from the point of view of credit, has been marked by the measurable recovery by the Federal Reserve Bank of the control of credit through discount rates, which in part had been relinquished to facilitate war financing, it seems clear that the recovery of credit control has not been at the expense of credit elasticity. The higher rates established indicated the desirability that inflation should proceed no further, but they have at no time prevented the granting, continuing, or even increasing of credit where conditions justified such action. It is interesting to note that in December last bank clearings showed a shrinkage of about ten per cent. as compared with twelve months previously, the decline being due to the lower level of commodity prices and the possibly smaller volume of goods entering into consumption.

BRITISH RAILWAY RESULTS.

Underground Railways.—The dividends of all the companies in the London Underground railway group for 1920 fall below those of 1919. The Underground Electric Railways Company, which made no interim distribution, is paying at the rate of two per cent., tax free, on its six per cent. Income Bonds for the last half-year. For 1919 it paid four per cent. on these bonds and for 1918 five per cent. The Central London dividend on the Deferred is one-half per cent. for the year, as against three and a-half per cent. for 1919 and four for 1918. The London Electric is paying one per cent. on the Ordinary, making one and one-eighth for the year, as against one and five-eighths for 1919 and two for 1918. The City and South London's rate on the Ordinary is one and a-quarter per cent., making one and a-half for the year, as against two for 1919 and for 1918. On its Second Preference Stock the Metropolitan District is paying one and three-quarters per cent., making three per cent. for the year, as against four for 1919 and five for 1918. The London General Omnibus dividend on the Ordinary is five per cent., free of tax, for the year, as against seven for 1919 and eight for 1918. The balances carried forward are:—Underground Electric £20,236, against £34,000 last year; Central London £15,160, against £11,762; London Electric £22,350, against £20,942; City and South London £13,820, against £19,750; Metropolitan District £20,537, against £22,098; and London General Omnibus £58,843, against £59,726.

Midland.—The directors, after making an allocation of £100,000 to general reserve, recommend a dividend for the year 1920 at the rate of £2 10*s*. per cent. on the Preferred Converted Ordinary stock, and at the rate of £4 15*s*. per cent. on the Deferred Converted Ordinary stock, being equal to seven and a-quarter per cent. on the former Ordinary stock. Interim dividends at the rate of £1 5*s*. for each £100 of Preferred stock, and at the rate of £2 for each £100 of Deferred stock were paid on August 7 last, leaving now to be paid £1 5*s*. for each £100 of Preferred stock and £2 15*s*. for each £100 of Deferred stock. The balance carried forward is about £172,000. The dividend for the year 1919 was at the same rate, and the balance carried forward on December 31, 1919, was £163,525.

London, Brighton and South Coast.—The accounts for the year ended December 31, 1920, subject to the completion of the audit, show a balance which will enable the board to propose the following dividends on the Ordinary stock: £4 per cent. for the half-year on the undivided Ordinary stock, making with £1 5*s*. per cent. already paid £5 5*s*. per cent. for the year; £3 10*s*. per cent. for the half-year on the Preferred Ordinary stock, making with the £2 10*s*. per cent. already paid the maximum dividend of six per cent. for the year 1920; and £4 10*s*. per cent. for the whole year 1920 on the Deferred Ordinary stock, the same as last year, leaving a balance of about £35,512 to be carried forward, as compared with £32,890 brought in.

South Eastern and Chatham.—The report of the South Eastern and Chatham Railway Companies Managing Committee for the year ending December 31 shows a balance of revenue, subject to final audit, of £1,844,273 divisible between the South Eastern and London, Chatham and Dover Railway Companies respectively in the proportions of fifty-nine and forty-one per cent. The net revenue for the previous year was £1,896,036. The Managing Committee is responsible for the management and maintenance of the traffic, but the ownership of the separate undertakings is maintained distinct. The Committee therefore considers that the unprecedented position of the railways on this occasion would be better dealt with in the reports of the individual companies.

South Eastern.—The report for the year 1920 shows a balance, after providing for all fixed charges, of £445,575, as compared with £450,014 for 1919. This balance will permit of the payment of the following final dividends on the Ordinary stocks: £3 5*s*. per cent. on the Undivided Ordinary stock, making with the interim payment £4 5*s*. per cent. for the year; £4 per cent. on the Preferred Ordinary stock, bringing up the amount for the year on this stock to the full dividend of £6 per cent.; £2 10*s*. per cent. on the Deferred Ordinary stock for the year, leaving a balance of £18,482 to be carried forward. The dividends will be paid on February 21 next. Referring to the future of railways, the directors state they consider it will be necessary for the Government to continue such assistance as may be required pending the carrying out of such changes in rates and fares as will maintain the companies' position on a fair pre-War basis.

London, Chatham and Dover.—The accounts of the London, Chatham and Dover Railway Company for the past year show a balance of £422,918 available. The directors propose that a dividend of £2 5*s*. per cent. be paid on the Arbitration Preference stock, making the full dividend of £4 10*s*. per cent. on this stock for the year. The net revenue also enables the Board, after transferring £10,000 to reserve, to recommend the payment of a dividend of £3 per cent. on the Second Preference stock and the carrying forward of a balance of £84,043, as compared with £85,947 last year.

Hull and Barnsley.—Including £18,000 transferred from the general reserve fund, the accounts of the Hull and Barnsley Railway Company for the year ended December 31, 1920, after payment of fixed charges and Preference stock dividends, leave a balance available for dividend on the Consolidated (Ordinary) stock of £164,943. The interim dividend of one and a-half per cent. absorbed £49,500, leaving £115,443, and the directors recommend a final dividend of three per cent., making four and a-half per cent. for the year, carrying forward a balance of £16,443. This compares with four and a-half per cent. for the year 1919, with a balance forward of £16,717.

Great Central.—The accounts for the year ended December 31 last, subject to final audit, show a balance which enables a payment to be made at the rate of three per cent. for the whole year on the Company's Five per Cent. Preference stock, 1894, carrying forward a balance of about £10,200 to next year.

North Eastern.—The accounts for the year ended December 31 last, subject to final audit, show a balance which will admit of the payment of a final dividend on North Eastern Consols of four and a-quarter per cent., making, with the interim dividend paid in August, seven and a-half per cent. for the year, after placing a sum of £430,000 to reserves and carrying forward a balance of £319,950.

Great Eastern.—The dividend at two and three-quarters per cent. for the year is the same as for 1919. No mention is made of any strengthening of reserves, which last year received £35,000, and the carry-forward is £1,700 lower at £112,200.

North Staffordshire.—Dividend on the Ordinary stock at the rate of six and a-half per cent. per annum for the past half-year, making five per cent. for the year; to reserve, £6,000; carried forward, £12,373.

Lancashire and Yorkshire.—The final dividend of two and seven-eighths per cent. makes four and a-half per cent. for the year, the same as before, with £41,200, or £400 less, left over.

Great North of Scotland.—The Deferred stock remains unaltered at one and a-half per cent. per annum, to which it was raised in 1918, after being for the preceding four years at one per cent., but the carry-forward is reduced from £7,253 to £6,283.

Taff Vale.—The final dividend brings the total for the year up to four per cent., the same as before. Special reserve receives £10,000, or only half the amount of last year. The carry-forward is £5,000 greater at £8,300.

DEPRESSION IN TRADE.

THE outstanding feature of the economic situation in the United Kingdom, as in the United States, is the accumulation of an immense supply of manufactured goods in the hands of manufacturers, wholesalers, and retailers, for which at present no effective outlet presents itself. It is on this accumulation, built up on high cost of all ingredients of manufacture, that the responsibility must be laid for the partial paralysis of industry and the widespread wave of unemployment more particularly in evidence since the beginning of December.

There is, we believe, a consensus of opinion that the countries which Great Britain and the United States would be inclined to regard as possible purchasers of their surplus manufactures are far from being overstocked, and that, on the contrary, their requirements, judged on a pre-War standard of capital and consumption goods, are not yet nearly satisfied. Their needs in these directions could hardly have been supplied since the termination of hostilities. During 1919, owing to the large home demand and the process of re-adaptation to a peace basis, the United Kingdom was not in a position to cater very fully for outside orders, and the United States, whose productive machinery was considerably increased, was scarcely able to make good the world's deficiency, even with the aid of Japan and other countries where the development of the manufacturing industries has in recent years been very rapid. Figures are available in the case of nineteen leading countries to show what progress had been made at the end of April 1920, when the peak of the post-War boom had about been reached, towards the resumption of normal trading activity. In addition to the United Kingdom, nine European nations are included; the continent of America is represented by the United States, Brazil, Argentina, and Canada. Asia relies on British India, and Japan and Siam and the Union of South Africa and New Zealand complete the list. The growth of the aggregate weight of the imports and exports of these countries quarter by quarter during 1919 and 1920, compared with 1913, is indicated below:—

	Aggregate Weight of Imports		Aggregate Weight of Exports	
	Million Tons	Percentage of 1913	Million Tons	Percentage of 1913
1913—quarterly aver.	74·0	100·0	72·1	100·0
1919.				
1st quarter ...	34·8	47·0	32·5	45·1
2nd ,, ...	42·1	56·9	42·0	58·3
3rd ,, ...	49·8	67·3	45·1	62·6
4th ,, ...	49·1	66·4	43·4	60·2
1920.				
1st quarter	49·7	67·2	44·5	61·7

It will be observed that the aggregate weight of the imports, amounting in the first quarter of 1919 to approximately forty-seven per cent. of their pre-War weight of imports, had increased in the first quarter of 1920 to 67.2 per cent. On the exports side the improvement was not quite so satisfactory, the aggregate weight increasing from 45.1 per cent. in the first quarter of 1919 to 61.7 per cent. in the corresponding quarter of 1920. Translated into money terms and adjusted to pre-War values, the value of the aggregate imports for the quarter ended April 1920 was only sixty-nine per cent. of that of an average quarter in 1913, and similarly the value of the aggregate exports was only 62.7 per cent. These particulars must be treated with some caution. With the exception of France and Italy they refer to countries not disadvantageously positioned towards building up a strong industrial and trading fabric, and ignore the weakened systems of Central, Western and Southern Europe; and the influence of the latter on the whole European system cannot be overlooked. The comparative decline in production witnessed there, and the partial suspension of normal commodity interchange, must continue to exercise a depressing effect on neighbouring countries, even though these have reached a more advanced stage in reconstruction. The interruption of trading routes well defined by years of usage must operate against the interests of the entire Continent.

It appears from the foregoing table that up to April 1920 the world, as represented by nineteen leading countries, was on the whole making satisfactory progress towards a normal equilibrium, and there then appeared little reason to suspect that the termination of the trade boom was approaching in the United Kingdom and the United States, the exporting activity of which countries, on the hypothesis that the world is still understocked with goods, serves as a standard to measure the economic rehabilitation of the world in general. To mark the period when the boom, as denoted by exports, imports, and wholesale prices, reached its height in those "index countries," the appended statement dealing with 1920 may be of interest:—

	United Kingdom		United States of America	
Apex of:—	Month of	Value £	Month of	Value £
Domestic exports ...	July	137,452,000	March	167,275,000
Net imports ..	January	158,034,000	June (*b*)	112,212,000
Wholesale prices (index No.) (*a*)	April	266·1	January	226·6

(*a*) Expressed as a percentage of 1913.
(*b*) U.S.A. values exclude freight charges.

Contradictory tendencies are revealed by these figures. A contraction in American exports precedes that in imports, but this procedure was reversed in the case of the United Kingdom. Probably the heavy premium on the dollar transferred a certain amount of custom to the United Kingdom, and, in addition, our sales organisation and manufacturing plant were rapidly developing in efficiency. From January onwards our imports commenced to decline, and some explanation is, no doubt, furnished by the accumulation of heavy stocks on Government and private account towards the end of 1919, and the subsequent partial cessation of buying. An indication of a downward trend of prices was first furnished by the United States immediately after January, and the United Kingdom followed suit in May. Deflationary policies pursued by the Governments and banking institutions of both countries and the withholding of speculative credits helped, particularly in the latter part of the year, to accelerate the decline, but, of course, important factors were intercompetition and the increase in the productive capacity of the two countries.

We have now reached a stage when British and American export figures and wholesale prices are reaching low levels, and when the presence of a vast amount of unemployed is giving birth to a crop of most serious problems. The decline in trade is helped by the deadlock in Argentine and Australian exchanges, and by the fall in the price of silver and its curtail-

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London County Westminster and Parr's Bank, Ltd.
Barclays Bank Ltd.

ment of Eastern purchasing power; but, at root, the whole problem resolves itself into a consideration of the state of Europe, and the attempt to discover a suitable prescription for the ills of that Continent. Russia is out of the market for our manufactured goods; dissension is still rife on a Continent whose capacity for production is at a low ebb; and the stoppage of normal trading channels effected by political jealousies has deprived large bodies of traders of the opportunity of following pursuits with which they were perfectly acquainted. Social animosities have beclouded the vision of most European nations, and until they have been softened by the realisation of a common peril it seems futile to expect progress. So far as the United Kingdom is concerned, hopes are entertained that the scheme of export credits now under discussion may do much to facilitate the disposal of our surplus goods. But if such a scheme is evolved, how many European traders will be inclined to relieve us of goods manufactured on a high raw material cost unless prices are materially reduced? The prospect of paying for these goods at a late period, when, perhaps, the terms of remittance may be more favourable, is an attractive bait; but Europe is thoroughly aware of the progressive nature of the fall in raw material prices experienced during last year, and buying orders on a large scale may under these circumstances be deferred to the latest possible date. The standard of living in Europe has been definitely lowered owing to the oppressive incidence of direct and indirect taxation; under the latter head steadily depreciating currencies constitute no insignificant burden. In some cases the trader's forebodings as to the future credit of his State is not reflected in the exchange value of his home currency, and there is here an obvious temptation to lay in stocks, although it may be counterbalanced by the fear that competitors will, by adopting an expectant attitude, eventually secure such stocks on even more reasonable terms. The widening margin between the cost of manufactured goods and raw materials is largely explanatory of Europe's present passivity, and until the cost of production is lowered here on the lines of the drastic wages reduction in the United States the manufacturer will be afforded little opportunity of deciding to cut his losses on old lines of stock in the hope of a partial recoupment on the sales of new.

MEXICO.

IMPROVING PROSPECTS.

READERS of THE STATIST who are accustomed to see the American papers may have noticed a statement which received somewhat wide publicity in certain sections of the American Press regarding the visit of Senator Fall, President of the Foreign Relations Committee of the United States Senate, to President Obregon in Mexico. So far as we are aware, this statement was not published in any English paper, although, of course, information regarding the incident was furnished to the British Press. The statement as it appeared in many journals in the United States must have caused no little surprise to readers, as it was to the effect that Senator Fall would be refused his passports when he demanded them from Señor Pesqueira, the Mexican representative at Washington. As a matter of fact, as soon as the Mexican Government learned that the Chief of the Foreign Relations Committee of the United States Senate desired to meet the President of the Republic no obstacles were placed in his way. The report, no doubt, originated owing to the somewhat hostile attitude with which the name of Senator Fall has been associated in the relations of the United States and the Southern Republic. The polemics, such as they were, were confined exclusively to the Press of the two countries. As we have said, as soon as it was ascertained by the Mexican Government that the Chief of the Foreign Relations Committee of the United States Senate desired to visit Mexico he was at once afforded every facility for doing so, and every convenience which the Mexican Government had at its disposal was put at the service of the representative of the United States. As a matter of fact, Senator Fall has paid his visit, and, if we are rightly informed, has received full information upon all questions about which he desired to consult President Obregon. Those who have followed Senator Fall's attitude on the Mexican question can well appreciate the feeling in Mexico City that the distinguished Senator was not the one representative from Washington that the Mexican Government would desire to meet. On the other hand, as head of the Foreign Relations Committee, it was natural that the Senator should desire to make himself acquainted with conditions as they exist in Mexico; and, moreover, that the American Government should argue that even the public utterances of the Senator in the United States had nothing to do with his official position as Chief of the Foreign Relations Committee.

As far as we have been able to gather information, and we have received considerable facilities, we have come to the conclusion that the present Mexican Government has, in fact, nothing to hide; and, consequently, has no reason to fear the visit of any critic, whether friendly or hostile. After ten years of revolution it goes without saying that economic conditions in Mexico leave a very great deal to be desired. With the exception of the Tampico oil wells, which are now yielding some eighty million barrels per annum, it cannot be said that Mexico participated to anything like the extent which her natural advantages rendered her capable in the prosperity enjoyed by America, taking it as a whole, as a result of the recent great European war. Mexico, were she properly developed, and did she enjoy adequate transportation facilities, is naturally one of the world's greatest sources of supply for silver, gold, mercury, iron ore, zinc, lead, antimony, arsenic, tin and copper. Her industries comprise the working of certain of these minerals, particularly gold and silver, and the making of cotton fabrics. As a source of supply for raw materials, in addition to petroleum, already mentioned, she grows considerable quantities of cotton and sugar, and she is one of the most important sources of supply of various fibres, none of which, however, have been developed to the extent to which many of them appear to be capable. Finally, Mexico, which is about the size of the whole of Central Europe, is capable of growing large supplies of cereals in the higher elevations and very large supplies of tropical and sub-tropical products in the low-lying lands both on the Atlantic and on the Pacific coasts. Consequently, during the period of keen demand for raw materials, as well as for manufactured products, Mexico was in a particularly favourable position for supplying enormous quantities of the various kinds of foodstuffs and raw materials to which we have already referred. Mexico was a highly civilised country at the time she was discovered by Cortes, although, as a matter of fact, she appears to have just gone through what we should call a revolution, and the nominal Emperor of the whole country in reality only exercised authority over a very small part. It is a remarkable thing that after so many centuries the Central Government in Mexico City has lately found itself in very much the same position. The Mexican people, however, have been trained in industry and the applied arts for a very long time, and with a settled Government and reasonable security of life and property there is no reason why the Mexican population should not devote itself far more actively to economic pursuits than it has been accustomed to do in the past. For a country as big as France, Germany and Austria, as those countries existed previous to the outbreak of the recent European War, the population, of course, is very small. It is between fifteen and sixteen millions of human beings. It has to be remembered that three-fourths of the population are

native Indians. It may be said that these Indians are the descendants of men who were probably as civilised in their way as their European conquerors in the dawning years of the sixteenth century. That is quite true. But, on the other hand, it has to be remembered that those people were put practically to working the silver mines for the benefit of the Spaniards; and there can be no reasonable doubt that the population of Mexico at the time Cortes landed was very much greater than the population of Mexico during nearly the whole of the colonial period. It is doubtful if the population to-day is equal to what it was in the time of the native sovereigns.

Writing on Mexico at the beginning of the year we quoted a statement made by Mr. Vincent Yorke in his speech to the Mexican Railway shareholders in London at the end of last year. Mr. Yorke said with regard to political and general conditions in Mexico: "All accounts received point to an immense improvement in the last six months, and there can be no doubt that the whole country is in a far more settled state than at any time during the last ten years." Our own information coincides with that of Mr. Yorke, and there seems no reasonable doubt that Mexico is gradually recovering from the effects of the prolonged period of revolution through which she has passed. Whether she is about to enter upon a great period of expansion, as she did under the late President Diaz, of course remains to be seen. But there is every reason to hope that Mexican conditions and the interests of those who have money invested in Mexico will gradually improve. Of course, it has to be remembered that a country like Mexico, of enormous extent and with a very small population, recovers from the effects of a revolution with a rapidity that is impossible in a more highly-developed country in the economic sense. Now, in countries developed up to the high state, say, of certain parts of the United States of America, and more especially the western countries of Europe, where the population is exceedingly dense to the area, where we are so largely dependent upon manufactures, the capacity of our plant, and the organisation of our financial arrangements, a sudden break like a revolution upsets the whole working of the machine, and it is not possible for a very considerable time to put such a fabric into working order again. It is like running a great powerful engine against the buffers with such force that the internal mechanism is thoroughly disarranged. Such an engine must go back to the workshop and be completely overhauled. In Mexico there is no great developed plant. Practically all that it is possible to destroy is the machinery for working the mines and the road and rolling-stock of the railways. This, of course, was done to a very large extent, and the losses have been very considerable. Nevertheless, provided that President Obregon, as he appears to be doing, is able to assert his authority from Vera Cruz to the Pacific, and from the United States border down to the Caribbean Sea, there is no reason why the country should not make an exceedingly rapid recovery; and owing to its natural fertility the return on invested capital and labour applied is correspondingly high. Mexico already, as we have said, is one of the great sources of supply of silver. She has never as yet taken the actual first place. But many competent authorities incline to the opinion that she is capable of supplying a greater amount of silver to the markets of the world than any existing country whose silver resources have been estimated upon any serious basis. She is already, as we have shown, one of the most important sources of supply of petroleum. Practically all this petroleum comes from some 250 to 300 wells situated in the Tampico area. During the past ten years, when the petroleum wells have been developed upon such a great scale, it has practically been impossible to do any work in the interior of Mexico. Consequently, except in those wells that were working nothing has been explored. Quite recently Japanese engineers have been making experiments on the Pacific seaboard, and, as far as we can understand, the conclusion arrived at is that the Pacific seaboard is still richer than the Tampico area, and the wells are capable of yielding a far greater supply of oil. This is quite in accordance with what one would have reasonably expected. It is perfectly true that oil has been found all along the Atlantic seaboard. It will be remembered that the first oil workings were in the State of Pennsylvania and the east of the United States of America. Gradually workings went down farther south to the fields of which we are talking, in Tampico in Mexico. It is, of course, well known that there are indications of the existence of oil practically along the whole of the South American seaboard on the South Atlantic. And quite recently, as, no doubt, the reader is aware, important oil wells have been found and are being worked in the Patagonian regions of the Argentine Republic. Experience, however, showed in North America that the western oilfields were richer than even the rich Appalachian fields, which were first discovered. There seems no reasonable doubt now that petroleum exists from Alaska, in the extreme north of the North American continent, through California, Mexico, Central and South America, and right down to the island of Tierra del Fuego. That the western fields are richer than the eastern has, of course, been proved in only a very few instances, but all indications point to the fact that, if not actually richer than the eastern, they are exceedingly rich, and promise to enormously increase the world's supply of petroleum.

THE DECONTROL OF THE COAL INDUSTRY.

The increased output of coal, combined with slackened demands both from home industries and from foreign countries, has removed the risks of a short supply within the United Kingdom, and the export price has now come so close to the home price—in some cases even below—that there is no longer any ground for restricting the price at which coal may be sold. The grounds upon which the control of the distribution of coal and the regulation of pithead prices were maintained down to the present time were, first, that owing to the shortage and the necessity of an adequate supply of coal for consumers in the United Kingdom it was essential to restrict the amount which could be exported; and, second, that the disparity between the world's price of coal and the price which the Government thought it reasonable for home consumers to pay was so great that it was incumbent upon the Government to regulate pithead prices in the United Kingdom. These reasons have now ceased to operate, and the Government have accordingly decided to cancel on and from March 1 next the directions of the Board of Trade dated August 25, 1920, as to pithead prices. This will afford a month in which buyers and sellers can readjust their arrangements so far as these may be necessary.

Further, all allocations or directions to collieries to supply specified districts or consumers, whether made by instruction of the Government or by District Coal and Coke Supplies Committees, will be abolished from the above date, and inland consumers will thereupon be free to purchase supplies from any available source and through any channel. They should, therefore, at once proceed to make any arrangements necessary to secure their supplies after March 1. All questions as to price, quality, [illegible] delivery, &c., will be matters for arrangement directly between buyers and sellers. So far as coal for foreign bunkers and export is concerned the position remains as shown in the official notifications published on December 28, 1920, and January 10, 1921.

Under the Government guarantee of profits to the coal industry there has latterly been a growing deficit,

which will increase further with a fall in prices. The liability of the Government will last until September, unless some alternative arrangements are in the meantime arrived at. The taxpayers' burden may, therefore, reach a large sum, especially if the present depression continues in the industry. The demand for both home and export purposes is sluggish, and in some centres it is stated that slack for factory use is actually being offered at figures below the cost of production. Decontrol will, however, ultimately benefit the taxpayer as consumer, and may help to reduce the general level of coal prices, which is so high as to prejudice somewhat seriously our industrial position.

The Secretary for Mines announces that for the month of February the amount of the wages advance payable to colliery workers under the strike settlement of November last will be as follows:—

1*s.* 6*d.* for workers of eighteen years and over;
9*d.* for workers of sixteen and seventeen years;
6¾*d.* for workers under sixteen years.

These figures compare with 3*s.* 6*d.*, 1*s.* 9*d.*, and 1*s.* 3¾*d.* for the month of January.

In accordance with the terms of settlement an adjustment has been made for loss of output owing to the Christmas and New Year holidays, but even so the rate of output during the period on which the February wage is based was substantially below the rate in the preceding test period. This is mainly attributable to idle time on account of trade depression.

MONTHLY BANK STATEMENTS.

In accordance with the decision of the clearing banks to resume the issue of monthly balance sheets, the London Joint City and Midland Bank and the London County Westminster and Parr's Bank have this week led the way with statements of assets and liabilities, setting forth the *average weekly position* during January. The former bank shows a total of current, deposit, and other accounts (including undistributed profit balance) of £367,658,008, as against £373,267,754 on December 31 last, and the divergence of the more important items from the position on that date is indicated by the following percentages of the respective amounts above named, the earlier ratios preceding: Coin, bank, and currency notes and balances with the Bank of England, 16.7, 15.0; cheques in course of collection on other banks in the United Kingdom, 2.1, 1.1; money at call and short notice, 4.9, 4.2; investments (exclusive of shares of the Belfast Banking Company and the Clydesdale Bank), 13.9, 14.0; bills discounted, 15.4, 17.4; advances to customers and other accounts, 50.8, 52.2. In the case of the London County Westminster and Parr's Bank, Limited, the current deposit and other accounts, at £319,372,682, compare with £305,380,814, including provision for contingencies on December 31 last. Coin, bank and currency notes and balances with the Bank of England are £30,634,784, money at call and short notice £18,908,006, and balances with, and cheques in course of collection on other banks in the United Kingdom, £13,560,461, making a total of £63,103,251, or seventeen per cent. of total liabilities. At the end of December the cash in hand and at Bank of England, together with the money at call and short notice, amounted to £72,061,907, or twenty-one per cent. The bills discounted show a considerable advance, from £60,335,724 on December 31 to an average of £73,870,544 for January.

The English Insurance Company, Limited, have this week published an attractive wall-calendar for the current year in sepia. It is this Company which recently took over the premises of the old and well-known Gresham Restaurant in the City.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bang ok, Bombay, Canton, Foochow, Hankow Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka Semarang Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Bankers' Advances.

At the last of the Gilbart Lectures at King's College, delivered on Thursday, a brief review of the various kinds of banking security having been given, the lecturer, Mr. F. E. Steele, Assistant General Manager of the London County Westminster and Parr's Bank, explained the method adopted by bankers in analysing the balance sheets of trading firms and limited companies, pointing out that it was not sufficient that the total assets should exceed the total external liabilities. If an advance were required on the strength of the balance sheet, the liquid assets, revalued from a banking standpoint in the light of experience, should show a surplus over the more pressing liabilities. An exposition was given of the successive processes by which the essential attributes of all banking advances—safety and liquidity—are ensured at the inception of each loan transaction and maintained during its currency, and some of the general principles which should guide the banker as a lender were enunciated and enforced. The four lectures have each been delivered twice in the Great Hall of the College to large and representative banking audiences.

Italian Exchange Regulations.

By a Royal Decree dated January 24, 1921, issued in Rome on the 26th ultimo, the constitution of the Italian National Institute of Exchange is altered. The capital of the Institute will now be held entirely by the three Italian banks of issue (Banca d'Italia, Banco di Napoli, Banco di Sicilia), and the share in its capital so far held by the other four larger banks (Banca Commerciale Italiana, Credito Italiano, Banca Italiana di Sconto, Banco di Roma) is to be fully reimbursed by February 1, 1921. The Treasury, the Ministry of Commerce, and the Ministry of Justice will be represented on the board of directors, together with the Governors of the three banks of issue. Profits, if any, are to be distributed in the proportion of three-quarters to the Treasury and one-quarter between the banks of issue, who, however, must place such profits in the reserve as against notes in circulation.

The scope of the Italian National Institute of Exchange is restated as follows: (*a*) To control exchange transactions by banks authorised to deal in foreign exchanges; (*b*) to supervise exchange dealings in the Italian "bourses"; (*c*) to provide foreign exchanges for account of the Treasury; and (*d*) generally act in the interest of the country. The Institute may establish agencies abroad. Most of the existing regulations remain in force, and further measures are enforced in order to prevent export of capital from Italy. However, a very welcome departure is the possibility, subject to the authorisation of the Institute, that goods to be exported from Italy may be paid for in lire, whilst products of the soil like lemons, fresh or preserved fruits, flowers and vegetables can be purchased in lire and exported without any special authority. At the same time, raw materials and essen-

tial foodstuffs may be sold to Italian importers against payment in lire. Business with Italy is to be carried on through banks authorised to deal in foreign exchanges by the Institute, which include almost every bank or banker of importance established in that country.

Commodity Prices in France.

The December Index-Number for Wholesale Prices of Commodities in France, as compiled by the Bureau de la Statistique Générale registers a fall of 5.6 per cent. on the month, the latest Index-Number being the lowest since January 1920. As compared with the average for 1913 it shows an increase of 334.3 per cent., and as compared with the peak of high prices, reached on April last, it shows a fall of 26.1 per cent., this corresponding with a fall of 25.8 per cent. during the same period in the United Kingdom, according to the STATIST's Index-Numbers. During November the fall was greater than during last month, being 8.3 per cent., a feature which exemplifies the irregular nature of commodity price movements in France. In the United States and in this country also the movement in the price-level was more consistent; it started slowly and then developed a gradually increasing rate. In France, on the contrary, the movement has not alone been irregular, but since April last, when the present recession began, has changed direction twice. In this connection it will be interesting to compare the course of prices in France, U.S.A., and the United Kingdom, as tabulated below. Side by side with the movements in prices during 1920 the average cable rate for London on Paris during each month is shown.

Wholesale Prices of Commodities (1913=100).

	France (Statistique Générale)	U.S.A. (Bradstreet's)	U.K. (Statist)	Average Cable rate on Paris (Francs to £1)
1913	100·0	100·0	100·0	—
1914	102·0	96·7	100·0	—
1915	139·8	107·0	127·1	—
1916	187·0	128·4	160·0	
1917	261·6	170·0	205·9	
1918	339·2	202·2	225·9	
1919	355·6	202·7	242·4	
1920.				
†January	486·9	226·6	288·0	43·12
February	521·9	225·7	306·3	46·51
March	554·5	224·9	308·0	52·9
April	587·5	225·1	313·1	64·26
May	553·0	215·8	305·9	57·03
June	492·7	210·1	300·8	50·97
July	495·6	204·4	299·5	48·14
August	501·3	195·1	288·2	50·54
September	525·7	183·6	292·6	52·29
October	501·7	170·2	282·2	53·05
November	460·2	147·9	263·3	57·62
December	434·3	—	243·5	58·73

†The index numbers refer to the end of each month.

British-Australasian Trade.

Presiding at the annual meeting of the Australasian Chamber of Commerce in London on Monday, Sir John Cockburn said that British-Australasian trade had been carried on with some difficulty during the past year. Freights had been extremely high, and ships at a premium. All that, however, had been changed; steamers could be had for at least half the price now, and freights had fallen. They were looking forward to an abundant wheat harvest, which would, he hoped, adjust the effect of the adverse exchange. The price of wheat had been very remunerative to the grower, but the same could not be said of wool, the price of which had dropped considerably, and it was to be hoped that the British-Australasian wool realisation scheme would manage to stabilise prices. Sir John quoted from a letter he had received from a large Australian manufacturer who constantly came into contact with Australian employers of labour, in which he said: "My view, in common with most employers, is that there is less unrest in Australia than there is in the United States and the United Kingdom. . . . Manufacture is expanding remarkably, and I believe that a new era is opening for Australia." Sir John expressed the view with regard to foreign trade that it would be better if this country studied more the mentality and psychology of the people with whom we did business, as it was a most important factor in bringing about commercial success.

U.S. External Trade.

The foreign trade of the United States in 1920 reached a total of $13,500,000,000, which is the largest in the country's history. The exports amounted to $8,250,000,000 and imports to $5,250,000,000, according to a cable received by the London Office of the Guaranty Trust Company of New York. The corresponding figures in 1919 were $8,000,000,000 and $4,000,000,000. Exports for December reached $720,000,000, as compared with $675,000,000 for November. The imports for December were $266,000,000, compared with $321,000,000 in November, and provide the lowest monthly total for imports since February 1919. The excess of exports for December is $454,000,000, the largest for any month in 1920. Exports and imports for the year 1920 are the biggest in the history of the United States, though the excess of exports is $3,000,000,000, the lowest since 1915, a decline that is not on the whole remarkable in view of the high value of the dollar in most countries.

Capital Issues in Switzerland.

The January *Bulletin* of the Swiss Bank Corporation provides an interesting table of capital issues in Switzerland during 1919 and 1920, compiled from the statistics of the Banque Nationale Suisse. The details are summarised in the following statement:—

(Millions of Francs).

	1919 Nominal Amount	1919 Conversion Loans	1919 Net New Money Involved	1920 Nominal Amt.	1920 Conversion Loans	1920 Net New Money Involved
Swiss Confederation and Cantons	385	15	**364**	360	133	**222**
Swiss Municipalities	87	7	**77**	31	16	**14**
Railways	100	—	**97**	121	4	**115**
Banks	25	3	**21**	33	10	**22**
Electrical undertakings	35	—	**35**	34	1	**32**
Industrial enterprises	31	7	**24**	71	16	**55**
Total	664	52	**618**	650	180	**463**

As in Great Britain and the United States, the total emissions for 1920 are less than those for 1919, but the capital flotations by industrial undertakings show a marked increase. The bulk of the industrial issues were made in the first half of last year, the universal trade reaction causing a marked falling off towards the close. Allowing for conversion loans and bonus issues, it is estimated that the approximate amount of fresh money demanded on the Swiss market since 1914 was nominally three and one-quarter milliards of francs, or an annual average of 465 millions, as compared with an average of 350 millions for the two pre-War years. The figures take no account of the large sums paid in repurchase of securities from abroad. An important feature of the above table is the large increase from 32 to 180 millions in conversion loans, due mainly to the maturing of short-term war debt. The maturities of the coming decade will probably involve a continued heavy scale of conversion. The following table, taken from the 1920 edition of "L'Annuaire Financier Suisse," shows the extent of fixed-date repayments falling due during the next fifteen years:—

(Millions of Francs).

1921	246.0	1925	210.7	1929	179·1	1933	92.7
1922	269.6	1926	217.5	1930	379.6	1934	181.7
1923	180.8	1927	206.9	1931	144.1	1935	38.0
1924	205.3	1928	267.5	1932	216.6		

The recent Zurich loan (Frs. 10,000,000 Six per Cent. Ten-Year Bonds at 95), and that of Bâle-Ville (an unlimited issue of Seven per Cent. Bonds at par for three and five years), have been placed with success. More than twenty million francs were subscribed to the Bâle-Ville loan, or double the estimated amount. The better tendency indicated in these results gives grounds for hope that recourse to expensive foreign markets may not be necessary in the case of future loans.

Petrol Prices. The second report of the Sub-Committee appointed under the Profiteering Acts to investigate motor-fuel prices reaffirms the opinions expressed in the earlier report issued twelve months ago. The Committee states that it can find no possible justification, based on cost of production, for the recent rise in the price of petrol, and that the only two ways of overcoming the present difficulties are (1) combined action among the consuming countries of the world through the Economic Section of the League of Nations, and (2) the production of substitutes and the adoption of alternative sources of power. The report proceeds:—"Although in general we dislike Government control of industry, we see little chance of success unless action is taken by His Majesty's Government to foster and firmly establish on a lasting basis the manufacture of substitutes in large quantities. . . . Coal is a great national asset, and it would, therefore, seem that the soundest policy is to make use of such treatment of coal, shale and analogous material as will give to the United Kingdom an ample supply of power derived from coal products in either the solid, liquid, or gaseous state." Irksome though the burden of present prices may be, it is doubtful if the community will endorse the Committee's findings. The destruction of Russian and Rumanian oilfields, and the impossibility under war conditions of developing fresh sources of supply, restricted output during the past six years, and the increase in the use of internal combustion engines in the meantime resulted in a hugely augmented demand for fuel. The monopoly rent thus created for producers in America cannot be controlled by British legislative action, and hence the suggestion of more indirect methods. The effects of economic laws cannot, however, be countered by artificial expedients, and there is much that is artificial in the Committee's remedies. The more efficient utilisation of the energy contents of our coal supplies is certainly a matter of national and commercial importance, but difficult to put into effect. The real cure lies in increased oil production by countries acting independently, and the efforts necessary towards this will be undoubtedly called forth by prospects of large profits. In the meantime, consumption must be judiciously regulated. An example of such action is provided in the postponement by shipowners of the conversion of steamers into oil-burners until fuel supplies are adequate.

BANKING RESULTS.

THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.—In comparison with the other members of the Big Five the National Provincial and Union Bank of England discloses several exceptional features in the balance sheet for December 31, 1920. The public has been taught to believe that, though banks granted heavy credits during the first half of the year, they initiated a policy of severe restriction of loans in the final six months. That this was the case is not easily discernible from the balance sheets of Lloyds, the London County, London Joint, or Barclays; and in the case of the Bank under review the exact opposite obtained. Advances to customers stood at £140,361,887 at the close of 1919; by June they were reduced to £135,882,889; but the following December registered an increase of 5 millions to £140,686,760, or fractionally above opening levels. In the meantime deposits expanded steadily to £278,335,366, giving a net rise of 26.6 millions on the year, and, consequently, the ratio of loans to deposits at 50.55 shows a reduction of 2.46 points in the latter half and of 5.20 in the whole year. Cash holdings, both in hand and at short call, have been considerably strengthened, the total of £53,805,052 being 7.2 millions greater than twelve months previously. In consequence, the ratio of cash to deposits at 19.33 is better by 0.79 points on the year and 1.34 points higher than on June 30. The expansion in deposits is, of course, largely the result of the increase in loans, and that this was accomplished without impinging on liquidity is a tribute to the institution. Conservative use of the larger resources, in the shape of greater "real" deposits of the Bank, achieved this result, and there was evidently no necessity to realise investments or other assets. Net profits at £2,762,514 are approximately half a million greater than in 1919, but the dividend is sixteen per cent. per annum as before. The allocation for contingencies is a quarter of a million higher at £350,000, and the balance carried forward at £824,070 benefits by about £200,000.

BALANCE SHEET.

	Dec. 31, 1920	June 30, 1920	Dec. 31, 1919
	£	£	£
Capital paid up	9,309,416	7,806,864	7,806,864
Reserve fund	8,878,041	7,239,041	7,239,041
Current, deposit and other accounts	278,335,366	256,328,248†	251,751,125
Acceptances, &c.	4,404,104	5,682,829	5,968,448
Profit balance	824,070	†	630,859
Total Liabilities	301,750,997§	277,056,982	273,396,337
Cash in hand and at Bank of England (including cheques in transit)	41,954,105	36,241,211	35,685,632
Money at call and short notice	11,850,947	9,877,913	10,997,504
Total cash	53,805,052	46,119,124	46,683,136
Investments*	56,437,173	57,327,634‡	53,531,285
Bills discounted	42,752,672	32,044,506	23,943,769
Advances	140,686,760	135,882,889	140,361,887
Customers' liability for acceptances, &c.	4,404,104	5,682,829	5,968,448
Bank premises	3,665,236	‡	2,907,812
Total Assets	301,750,997§	277,056,982	273,396,337
	%	%	%
Ratio of cash to deposits	19·33	17·99	18·54
Ratio of loans to deposits	50·55	53·01	55·75
PROFIT AND LOSS ACCOUNT.	£	£	£
Balance from previous year	630,859	—	487,318
Net profits	2,762,514	—	2,265,483
	3,393,373	—	2,752,801
Dividends, subject to tax	1,369,303	—	1,121,942
To reserve fund	500,000	—	500,000
To pension fund	350,000	—	350,000
To contingencies	350,000	—	150,000
Balance carried forward	824,070	—	630,859
	3,393,373	—	2,752,802

* Including capital balances of subsidiary banks.
† Profit balance carried with current, deposit and other accounts.
‡ Bank premises reduced on investments.
§ Including figures of Northamptonshire Union Bank.

American Topics.

TRADE POLICY.

YESTERDAY we were actually a calendar month from March 4 when Mr. Harding will take office as President of the United States of America. The policy which the new President and his Administration will adopt, particularly in the matter of the foreign trade of the United States, will have a far-reaching influence, not merely upon that trade, but upon the prospects of an early recovery from the effects of a great war upon Europe itself.

Europe owes the United States an enormous debt. This is partly made up by loans raised in America by the Allied Governments during the progress of the recent war, and partly made up by an adverse balance of trade which grew up while the United States was sending foodstuffs and munitions to Europe at a time when this continent was not able to send to America any considerable quantity of manufactured goods, and was wholly unable to invest new capital in that country. The policy adopted by the incoming Administration will largely determine how and when the aggregate of the debts owed by Europe to the United States can, and will, be liquidated. Practically, there is only one way that payment of the balance can ultimately be effected; but the policy of the United States government may materially assist or indefinitely retard the process. The only means we in Europe really possess by which we could liquidate the debt owed to the United States in any reasonable time is by means of exports of manufactured goods and by rendering

services. We are doing both to some extent at the present time, but we are doing them very slowly. If the American Government is really desirous of assisting in the recovery of Europe it posesses an unique opportunity to do so, and at a very slight cost. It could take measures whereby Europe would be encouraged to export large quantities of manufactured goods and to render services upon such a scale as would materially assist in reducing the heavy balance now owed by this continent to the other side of the Atlantic. We are doing so to some extent already. So far as England is concerned, it seems generally admitted by nearly all competent authorities, both in America and on this side, that London remains the ultimate clearing house for the international trade of the world. We still do the major part of the world's marine insurance; and in shipping, although we are very far from having recovered the position we held in the generation that preceded the outbreak of the recent European war, as we showed last week, there is evidence that British shipping, both as regards the shipbuilding industry and the carrying trade, is recovering to a greater extent than is the case with any other country.

So far, therefore, as England alone is concerned the evidence appears to be conclusive that even on the basis of the trade we were able to do last year, and the services we were able to render to other countries, we are not merely paying our way, but are, in fact, building up a balance which in due time, however far distant that time may be, will enable us ultimately to liquidate our indebtedness to our various creditors. With Europe, taken as whole, however, this is very far from being the case. Some countries, the most conspicuous example of which is Russia, are not even trying either to pay their way or to liquidate the debts which they owe to other States. Europe generally, however, is not pursuing so ill-advised a policy. There are notable instances of certain countries which are making rapid strides towards recovery. Belgium is a conspicuous instance of almost the exact opposite of the policy pursued by Russia. The Belgians appear to be doing, with a remarkable measure of success, everything that in their power lies to restore the economic prosperity of the country; and many authorities are of opinion that she will be one of the first countries in Europe to recover from the effects of the terrible experiences which she underwent during the War. It is hardly possible at this early stage to estimate even vaguely what will be the influence upon the international trade of the world of the enormous indemnity demanded by the Allied Governments from Germany. Whether she will be able to pay the whole, or what proportion she will be able to pay, remains to be disclosed in the future. If she sets her house in order, and seriously endeavours to pay what she can, it is by no means improbable that in the sequel her recovery will be greater than at present seems likely. It may be that if her late enemies see that she is really trying to pay what she can, and if time is allowed for the present exasperated feeling against her to be gradually modified, she will receive a measure of consideration when it is demonstrated that she is doing her best to pay what she owes. It should be borne in mind that the late Prince Bismarck had no real appreciation of the rapidity with which France would pay the indemnity imposed upon her by Germany in the war of 1870. In less than four years the whole amount was paid; and France so completely re-constituted her economic position that she became during the period which lasted beyond a whole generation one of the great lending countries, second only to England herself in the international finance of the world.

That Germany will have to export enormous quantities of manufactures to various parts of the world seems so highly probable that it amounts to an approximate certainty. She will endeavour, further, to render services wherever those services appear likely to be acceptable. It does not really matter whether she exports directly to those countries now demanding the indemnity from her, because her trade balances will be settled by means of international payments between the various countries concerned. As we have said, only experience can show what will be the effect upon the general trade of the world of a country living poorly, working hard, and exporting immense quantities of various products for the purpose of freeing itself from debt. The results are likely to be, if we are to judge from past experience, very different from any forecasts which were anticipated at the Conference imposing the indemnities. It has to be remembered, however, as a favourable feature, that the whole world is really short of manufactured goods as well as of food and raw materials. Germany, of course, cannot produce food and raw materials for export. On the contrary, she will probably require assistance to obtain raw materials in order to enable her to restore her manufactures. The experience we are now going through of a plethora of stocks which are unsaleable at present money values is not really helpful. They were produced on the assumption that because the world is short of supplies it was a complete matter of indifference upon what economic basis those supplies were provided. In fact, the world is short of supplies; but the consumer is only able to purchase within the limits of his earning capacity, unless, of course, he is to become hopelessly involved in debt. If this were not so, prices might rise indefinitely, and it would not matter what the seller chose to charge provided he was in a position to supply the articles required. There is a very real distinction between what economists understand as potential and effective demand. Potential demand is the desire of all men for the comforts and luxuries of life. Effective demand is their ability out of their accumulated resources, or out of their earning powers, to purchase those comforts or luxuries. The mistake made by producers between the time of the Armistice in November 1918 and the fall in prices last year, was to fail to realise that the distinction which economists make between potential and effective demand is a fact as distinct from a mere theory.

We are not as yet in possession of the official figures of the foreign trade of the United States during the year ended December 31, 1920. Unofficial calculations have been made based upon such figures as have already been published. From these it would appear that the excess values, measured in money, of the exports from the United States over the imports received by the United States have been reduced by about 1,000 million dollars compared with the figures for the year 1919.

SOUTH AND CENTRAL AMERICA.

[We regret that owing to pressure upon our space we have been compelled to hold over till next week our usual article appearing under this heading.—Ed. Statist.]

The New Hazell Annual and Almanack, 1921. Cost of production has necessitated a further increase in the price of this useful annual, but even at the new figure (7*s.* 6*d.*) the book cannot by any means be considered dear. It is a veritable mine of information. In addition to the usual statistical matter, the present volume contains the texts of the Covenant of the League of Nations and of Labour's Charter under that League, while a short history is given of the position of the League down to the end of November last. An account of the Peace Treaty negotiations during the year, as well as a statement of the position in Russia and the Allies' attitude thereto, are given. Copies can be obtained from Messrs. Henry Frowde and of Messrs. Hodder and Stoughton.

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Rubber Topics.

PRICE movements either in the Commodity market or in the Share market during the week were on a very small scale. In the former crêpe, supported by the speculative interest presented a steady front around 1*s.* 0¾*d.* per lb.; whilst in the absence of trade demand smoked sheet remained sluggishly at 10*d.* per lb. Despite the pronounced depression in the market during the last quarter of 1920 the average price of rubber for the year works out, acording to Messrs. Rickinson at 1*s.* 11*d.* per lb., which compares very favourably with the 1919 average of 2*s.* 1¼*d.* The Share market remained largely dull and neglected, the leaders exhibiting a firm tone. The purchase of Boekit Boendar by Tamiang is announced, the purchase consideration being one Tamiang for two Boekit Boendar shares.

KINTA KELLAS (PERAK).

Issued Capital: £126,996 in 2/0 Shares.

Results for Years to March 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916-17	2,011	1,630	514,922	316*	2/7	1/7	21,236	16,359	15¼
1917-18	2,137	1,800†	551,380	—	1/10‡	1/3‡	14,795	5,696	5
1918-19	2,228	1,577	450,030	285	1/8½	1/2¼	9,962	11,393	10
1919-20	2,258	1,761	700,023	397	2/0½	-/11·15	40,292	25,500	20

* Large area of young rubber in partial bearing. † Estimated.
‡ Excluding selling, &c., charges.

Price of Shares, 3/3. Market Capitalisation per planted acre, £92.

SATISFACTORY progress is undoubtedly the key-note of the report presented by Kinta Kellas Rubber Estates for the year ended March 31, 1920. Against a revised estimate of 675,000 lb., the crop harvested reached 700,023 lb. representing a marked increase over the previous crop of 450,030 lb. The record is all the more satisfactory since it was achieved under the system of alternate daily tapping that had been introduced in 1918 to bring about the restriction then advocated. The result assuredly justifies those who hold that it is only in the initial stages that this system involves any serious fall in the quantity of the output. In this case the average yield per bearing acre was as high as 397 lb. A natural consequence of this pronounced expansion in the crop is the gratifying decline in the cost of production per lb. An f.o.b. cost of 9.41*d.* per lb. in 1918-19 is replaced by one of 8.83*d.* per lb. in the year under review, whilst the "all-in" cost drops from 1*s.* 2¼*d.* per lb. to less than 11¼*d.* per lb. Moreover, with more adequate transport facilities, it was possible to dispose of the crop to better advantage, with the result that the average net price per lb. rose from 1*s.* 8½*d.* to 2*s.* 0½*d.* Hence as against a profit per lb. of 6¼*d.* in 1918-19, there was secured a profit per lb. of 1*s.* 1¼*d.* in 1919-20. It is not surprising therefore to learn that the net profit jumped from £9,962 to the record total of £40,292. Moreover, this figure was arrived at after charging not merely £70 in respect of interest on Debentures, but also £77 in respect of the premium paid on the final redemption of the £1,500 outstanding. Out of this record profit shareholders received the generous dividend of twenty per cent., absorbing £25,500, as against ten per cent., absorbing £11,393, in 1918-19. The balance carried forward to the next accounts is increased from £7,069 to £21,861, but the latter is subject to deduction in connection with the excess profits duty for the year under review.

During the year extra funds for the purposes of development were secured by the successful issue to shareholders of 135,730 shares of 2*s.* at a price of 4*s.* 3*d.* per share. This brought in a premium of £15,299,, from which was deducted the underwriting commission of £1,442 and £619 representing the premiums in arrear, thus giving a net total of £13,238. This, with the £6,324 in the previous account, brings the total of the share premium account to £19,562. Undoubtedly the funds thus obtained put the Company into a unique position for meeting the depression which swept down on the Rubber market in the autumn. Of its ability to weather the storm no doubt can be entertained. Apart from this strong accession to its liquid capital, it has disposed in advance of 141,120 lb. of the crop of the current season at the satisfactory price of 1*s.* 11½*d.* per lb., and 47,040 lb. at the more pleasing price of 2*s.* 5*d.* per lb. In addition, for the remainder of the calendar year 1921 it has sold forward seven tons monthly at Singapore at 2*s.* 5*d.* per lb. The estimated crop for the current year was originally 800,000 lb. Returns for the eight months ended November show a total of 554,447 lb. Allowing for the continuance of the twenty-five per cent. reduction for the remainder of the year, the total crop is likely to be greater than that of the year under review; but if more drastic restrictions are enforced it is difficult to estimate the result. Under normal conditions, the crop was expected to cost more per unit owing to the heavy loss on rice, and the higher wages paid. The f.o.b. cost had been placed at 9.59*d.* per lb., as against 8.83*d.* in the year under review. The restrictions now in being are likely to emphasise this movement. In the early autumn prospects were so favourable in view of the forward contracts that an interim dividend of seven and a-half per cent. was declared. Prospects of a final dividend are clearly dependent upon the course of the Rubber market during the first half of the current year. Should a permanent recovery have set in by then, a final dividend is very likely, its amount depending upon the extent of the recovery. Meanwhile the estate is being supervised in a most efficient manner and the cultivation leaves nothing to be desired. Financially the Company is in a very strong position. The balance sheet dated March 31, 1920, shows liquid assets to a total of £67,314 to meet current liabilities which, with the inclusion of the final dividend of twelve and a-half per cent., and the interim dividend for the current year of seven and a-half per cent., did not exceed £39,890. Moreover, it is well to recollect that with the final redemption of the Debentures the Ordinary shares have now the prior claim on profits. In the light of these facts, it is easy to understand why, despite the depressed condition in which the Rubber market still finds itself, the 2*s.* shares of this Company are quoted at 3*s.* 3*d.*

KHOTA TAMPAN.

Issued Capital: £40,000 in Shares of £1 each.

Results for Years to January 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividends Amt.* £	Dividends %
1917 ...	723	—	202,990	—	2/5·29	1/3·05	12,047	4,985	15
1918 ...	748	—	236,195	—	1/11·32	1/4·62	6,601	3,323	10
1919 ...	748	—	177,391	—	1/6·08	1/4·82	974	—	—
1920 ...	748	—	232,414	—	2/3·85	1/3·80	11,666	10,988	30

* Less income tax

Price of Shares, 40/6. Market Capitalisation per planted acre, £108.

A genuinely satisfactory report is presented by Khota Tampan Rubber Company for the year ended January 31, 1920. Production during the previous year had been handicapped by the restrictions in

force, with the result that the crop fell to 177,391 lb. With a reversion to normal tapping there was harvested during the year under review the increased crop of 232,414 lb., which compares favourably with the crop of 236,195 lb. in the previous normal year 1917-18. This growth in the crop is reflected in a decline in the cost of production, the "all-in" cost amounting to 1*s.* 3.80*d.* per lb., as compared with 1*s.* 4.82*d.* per lb. in 1918-19. The recovery in the Rubber market with the restoration of more adequate shipping facilities enabled the crop to be sold to better advantage. Accordingly the average price realised per lb. rose from the low level of 1*s.* 6.08*d.* in the previous year to 2*s.* 3.85*d.* per lb. This was a remarkably good price comparing very favourably with the 1916-17 yield of 2*s.* 5.29*d.* per lb. It is not surprising, therefore, to learn that after due provision for depreciation there was obtained a net profit of £11,666, as against the nominal profit of £974 in 1918-19, and the mediocre return of £6,601 for 1917-18. Consequently, shareholders for whom 1918-19 had proved to be a barren year were compensated by the declaration of the generous dividend of thirty per cent.

In order to secure funds for the extension of the planted area the balance of the authorised capital, £6,750, was issued to shareholders at a price of £1 10*s.* per £1 share, and was fully taken up. It was proposed to plant 202 acres, thereby raising the total planted area to 950 acres. The depression which the Rubber market has experienced since the autumn of 1920 may render it advisable to suspend this programme of development for the moment. Originally the crop for the current year was estimated at 258,500 lb. Returns for nine months of unrestricted tapping ended October 31, showed a total of 171,750 lb. The reduction of twenty-five per cent. monthly since then is reflected in the subsequent return of 211,450 lb. for eleven months. Assuming the yield for January not to be less than that of December, the total crop is not likely to exceed that of the year under review to any marked extent. In view of the very low price which rubber has commanded especially during the last three months, it is gratifying to learn that over 123,000 lb. have been sold forward at the satisfactory price of 2*s.* 3*d.* per lb. delivered Penang, equivalent to a London price of 2*s.* 6*d.* per lb. Such sales will supply the Company with adequate funds, whilst in addition it should be able to call upon the proceeds of the late capital issue. Dividend prospects depend primarily upon the extent of the recovery that may take place in the Rubber market during the coming five months. Financially, the Company is in a very sound position. The balance sheet dated January 31, 1920, shows that including the dividend of thirty per cent. current liabilities did not exceed £12,843; whereas liquid assets were available to a total of £21,318. No transaction has been recorded in the shares since July 27, 1920, at which date the £1 shares were quoted at 40*s.* 6*d.* This corresponds to a market valuation of £108, assuming that no further planting has taken place, and is high enough in view of the depression.

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DIVIDENDS ANNOUNCED THIS WEEK.

BANKS	1920 %	1919 %p.a.	1918 %p.a.	1917 %p.a.	Price Feb. 3
Australian B. of Commerce ...	3(i)	5	4	3	16/-
BREWERIES AND DISTILLERIES:					
City of London	2½(i)	35	30	10	27/-
CANALS AND DOCKS:					
Grand Canal, £10 shs.	2(i)	3	3½	2½	10/
COMMERCIAL AND INDUSTRIAL:					
Allen, Liversidge	12½†	11	—	—	18/-
Bristol and Sth. Wales Rly. Wagon, £10 sh., £3 pd.	5(i)	10	10	10	—
Crampton Cemetery	4½	5½	5½	5½	—
Dewes, Routledge, £7 shs. (10s)	7½(i)	10	10	7½	13/6
English Velvet and Cord Dyers (10†)	6(i)	15A	15	11	26/-
Foster, Porter	12½‡	10	10	7½	20/6
Henry (A. & S.) £10 shs. (10s)	6(i)	11½	11½	9	27/3
Home & Colonial	5½(i)	15	15	15	34/-
Ingersoll Rand, $100 stk. ...	2½(i)	10	10	15	220
Johnston, Mooney & O'Brien, £5 shs.	4½(i)	6½	8	12	—
Jones Sewing Machine, £5 shs. ...	5(i)	7	7	7	—
Knight (John)	5(i)	9½	10	8	—
Lancashire & Yorkshire Waggon £10 shs.	4(i)	10	10	10	—
Lanston Monotype ... (8†)	5(i)	8	7	9	14/3
Linen Thread	11†°	11	11	11	37/6
Liverpool Daily Post and Echo (8†)	5(i)	—	—	—	—
Maple & Co. ... ... (17½†)	15(i)	15	15½	9½	30/-
North Western Co-operative Cold Storage	15†	15	10	10	—
Pawsons & Leaf, £10 shs., £6 pd. (7½†B)	5(i)	9·17	5	7½	70/-
Perry & Co. ... ... (15†)	10(i)°	15	15	15	38/6
Redpath, Brown	14(i)‡	16	15	15	—
Royal Exchange (Leeds), £10 shs. (6†)	3½(i)	6	5½	5½	—
Thatched House (Sheffield), £5 shs. (19†°)	15(i)	19½	15	12	—
Underground Electric 6% Inc. Bonds	1(i)°	6	4	4	64½
Weldons	5(i)	15	10	10	36/-
ELECTRIC LIGHTING AND POWER:					
St. James' & Pall Mall Elect. Light Ord., £5 shs. ... (12½)	8½(i)	10	9	9	6⅜
Yorkshire Electric Power, £10 shs. (8†)	5(i)	7	5	5	8⅞
FINANCIAL, LAND AND TRUST:					
Argentine Eastern Land ...	2(i)	5	—	—	16,6
Brewery & Commercial Invest. Trust, Def. Ord. stk.	4(i)	9½	8½	7	81
Charter Trust & Agency Ord. Stk.	3½	5	5	5	30
Scottish American Invest., £2 shs.	18†	18	18	18	6½
Scottish Reversionary, £5 shs. ...	5†	5	5	5	—
GAS:					
Chester United Gas Ord. Stk. (5†)	2½(i)	5	5	5	—
South Metropolitan Ord. Stk. ...	5†	5	7½	9½	61½
Tottenham District Light, Heat, &c. 5% "A" Cons. Stk.	1¼(i)	1½	3½	3½	62
3½% "B" Cons. Stk. ...	1⅞(i)	3	4	3½	51½
IRON, COAL AND STEEL					
Dalmellington Iron	3½(i)°	10	10	15	—
Greenwood & Batley, £10 shs.	1½(i)	15	17½	20	—
NITRATE:					
Pan de Azucar, £5 shs.	10†	10	30	Nil	9½
RAILWAYS—AMERICAN:					
Illinois Central	1½(q)	7	7	7	91½
Pennsylvania Rlrd., $50 shs. ...	1½(q)	6	6	6	52½
RAILWAYS—HOME:					
Belfast and County Down (6½†)	3½(i)	6½	6½	6½	64½
Cathcart District, £10 shs. ...	1½(i)	3½	3⅝	3¼	—
Central London { Ord. Stk. (2½†)	2(i)	4	4	4	28½
{ Def. Ord. ...	½(i)	3	4	4	36
Cleator & Workington Junction (4½†)	2½(i)	4½	4	4	55½
Cork & Macroom, £10 shs. ...	2½(i)	4	4	3½	—
Cork, Bandon & Sth Coast (3†)	2(i)	3⅝	3⅝	3⅝	—
Great Northern Def. Cons. stk....	2¼	2½	2¼	2½	27½
... ... Cons. "A" ...	2¼	2½	2½	2½	27½
Highland Rly. Ord. Cons. ...	2¾	2½	2½	2½	30
Hull & Barnsley Cons. Ord. (4½†)	3(i)	5	5½	5½	46
Isle of Wight Def. Convert. Ord. (2½†)	1½(i)	2½	2½	2½	26½
Lancashire & Yorkshire Cons. Ord. (4½†)	2½(i)	4½	4½	4½	56
London, Brighton & S.C. ... (5½†)	4(i)	5½	5½	5	70½
London, Chatham & Dover 4½% Arb. Pref. ... ... (4½†)	2½(i)	4½	4½	4½	41½
London Electric, £10 shs. (1½†)	1(i)	1½	2½	1½	32/6
Londonderry & Lough Swilly (7†)	3½(i)	—	—	—	—
Midland Great West. of Ireland (2½)	1(i)	2	2	2	20½
Mumbles Rly. & Pier	7½(i)	—	—	—	—
South Eastern { Ord. ... (4½†)	3½(i)	4½	4	4½	49½
{ 6% Pref. Ord. Stk. (6†)	4(i)	6½	6½	6	78½
{ Def. Ord. ...	2½	2	1½	1½	22½
Swansea and Mumbles	4½(i)	—	—	—	—
SHIPPING:					
Indo-China Steam Nav. Co. Def. Ord., £5 shs.	6(i)	5	5	4	14½
London Edinburgh Shipping £5 shs.	3(i)	3	3	3	—
TRAMWAYS AND OMNIBUS:					
Dublin United	3½(i)	4	5	4½	38
Hong Kong Tramway	2½(i)	3½	3½	3	24/-
London General Omnibus ...	5‡	7	7	—	—
Provincial Tramways ... (12½†)	4½	10	10	10	100

(A) Free of Tax. (i) Interim. (q) Quarterly. (x) Ex-dividend. (y) Ex-rights. (z) Ex-bonus. (†) Tax free. (‡) Tax free to the extent of 6s. in the £. (°) Tax free to the extent of 5s. in the £. (*) Tax free to the extent of 4s. in the £. (§) Tax free to the extent of 3s. in the £. (‖) Tax free to the extent of 2s. in the £. (¶) Tax free to the extent of 1s. in the £.

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Insurance Notes.

ACCIDENT AND MISCELLANEOUS INSURANCE IN 1920.

Accident and miscellaneous business has been so enormously developed within comparatively recent years that it seems strange to many men still actively engaged in insurance that they can remember a time when it was considered to be hardly worth a reference. Few offices transacted it at all, and these were specialisers in personal accident hazards. It was the Employers' Liability Act of 1880 that was responsible for a new and subsequently vast extension of the accident sphere; and the Workmen's Compensation Act of 1898, which placed responsibility on employers whether an accident arose through a workman's default or otherwise, gave the movement a great and far-reaching impetus. Now almost every important fire insurance company takes a hand in this class of business, and accident premium incomes run up in many single cases to many hundreds of thousands of pounds. Insurance companies are receiving at present between five and six million pounds of premium income from employers' liability business within the United Kingdom, apart from a huge revenue from similar business abroad, and from other miscellaneous transactions appertaining to their accident departments.

For a long time employers' liability business was in an experimental stage. There had been no suitable experience from which data for computation of adequate premiums could be obtained, and a great deal of money was lost through under-estimates of the involved liability. Many weak offices were compelled in consequence to go out of the business. But, on the other hand, a considerable number benefited by their adverse experience, and have remained to make profitable amends for their early losses. During the past few years the business has been placed on a much sounder footing, both in the United Kingdom and in America, a fair margin of profit has resulted, and there is good reason to believe that when final accounts for 1920 are published they will show quite satisfactory results on the business taken as a whole, apart from sectional losses.

The year did not pass, however, without a considerable fluttering of the accident dovecots. It was feared that, following a somewhat threatening report of a Departmental Committee, some hampering legislation would be introduced in the last session of Parliament limiting profits and increasing State interference. This did not eventuate, and it is possible that the enlightened attitude of the affected companies may lead to the adoption of less irksome methods when a Bill is actually put forward and is duly considered by our legislators. To meet the views of the Committee it may be taken for granted that the companies will voluntarily take action to increase their reserves for outstanding and unexpired liabilities, and this in itself, while making at least a temporary demand upon shareholders, will be a sound and much-appreciated step so far as regards their departmental financial positions, as well as in increasing public confidence in their management and resources.

Personal accident business naturally drooped during the War through so many persons being excluded through military service from availing themselves of opportunities in this direction. The volume of business naturally showed some recovery in 1920, and it may be expected that this will continue; but the movement is apparently somewhat more gradual than might well have been anticipated. Probably increased costs of living have exercised a retarding influence, for cover of this sort is to some extent of the nature of a luxury, which is apt to be suspended when there is difficulty in the way of satisfactorily adjusting both sides of the account of a family budget. There would seem to be some real need of an extension of sickness insurance, apart from the limited amount covered by personal accident policies, but the companies have been slow in the evolution of suitable schemes in this direction. A policy providing for invalidity and medical expenses would be useful to many professional and other men, who are debarred from easily obtaining benefits of the kind which are secured to the masses of the population under the National Insurance Act. Such companies as have hitherto specialised in sickness insurance have apparently found it profitable; but their public has been a restricted one, and it is difficult to understand why the large composite offices do not enter on a wider scale into this sphere. Reverting to purely personal accident insurance, it may be mentioned that it has hitherto been one of the most profitable to insurance companies proportionately to premiums. It is the case in all branches of insurance that it is the lowest-rated classes that pay the best, notwithstanding tenuity of the premiums; but it seems unlikely that they will yield such a large proportion of profit in future, owing to increased taxation and to the greater costs of administration, which are unavoidable under the altered working conditions of post-War times. In these cases, as apart from the more commercial sections of accident insurance, it will be difficult to adjust the rates to adequately cover such charges, and in this way to get the consumer to pay.

A similar difficulty is met with in regard to burglary insurances covering private residences and contents. Burglary claims have been heavily on the up grade during the past few years, whether or not that be due to restlessness and recklessness in some part engendered by the War. But while measures have been taken to increase premium rates on burglary hazards on trading premises this has not been done so far as dwelling-houses are concerned, and a good deal of the cream from such business is now being lapped up in expenses.

The experience of companies as regards motor insurances have not been favourable for several years in succession, and no improvement is generally expected to be shown in this respect in their accounts for 1920. Rates have been increased, and will be generally

heavier for the current year, but, on the other hand, the claim ratio seems to ascend in an even steeper proportion. The cost of repairs is a very serious item in this relation. Unfortunately there is no tariff agreement for this class of risks, and there is much competition with private underwriters, whose lower expenses enable them to mitigate their losses from trading.

Fidelity and indemnity insurance continues to show satisfactory results, but there is always a very limited amount of business in these sections to spread amongst a large and increasing number of competitors. On the contrary, the plate-glass department, formerly so profitable to such offices as could obtain it in sufficient quantity, has proved very disappointing of late years, and there seems little sign of improvement in this direction under present conditions.

High hopes had been formed of a satisfactory amount of business being written in connection with aviation risks, but developments of this kind have been slower than expected. The impression prevails that so far the rating has been on the light side, but as improvements in manufactures and transit eventuate this condition may alter.

Insurance against risks of weather in our variable British climate seems to meet a real public want. For many years past cover of this kind has been obtainable at Lloyd's, but the "Pluvius" policy of the Eagle Star and British Dominions Office is the first of the kind offered by an ordinary British insurance company. It has been well advertised, and in consequence it is understood that many newcomers availed themselves of such protection in the course of last year. The summer of 1920 was worse than usual, and it seems unlikely that the initial venture was very profitable to the Company. But any losses which it may have made in this group must have been inconsiderable as compared with the results from its business in other spheres, and, while valuable experience must have been gained by it, it may be just as well that many policyholders should have found the system remunerative to themselves individually. All insurance is founded on average, and the Company will doubtless score well in a dry season.

Taken all round, the accident department of insurance business appears to be in a fairly flourishing condition, and there is every reason to hope that it will continue to work satisfactorily in the year that lies before us. It is a very interesting section, as its managers have continually to grapple with new and varied problems; but they have been so successful in doing so in the past that they need hardly fear a failure in this respect in the future.

NATIONAL MUTUAL LIFE ASSURANCE SOCIETY.

According to the annual report of the National Mutual Life Assurance Society, which is again the first of the life offices to issue a statement for 1920, the net new business, after deduction of reassurances, is £635,000, the largest in the history of the Society. The claims, less reassurances, arising within the year were £132,600 by death and £53,500 by survivance. The claims by death are the lowest of any year since 1896. The expenses of management, including commission, amounted to 17.9 per cent. of the premium income. The average rate of interest earned on the funds, excluding reversions, was £4 8*s.* 9*d.* per cent. after deducting income tax, or 6*s.* 3*d.* more than in 1919. All Stock Exchange securities have been valued at their selling prices as at December 31, 1920, and the depreciation during 1920 has been written off. Notwithstanding this, the Society's funds have increased by £70,300 to £3,155,000. The net amount written off is only slightly in excess of one per cent. of the Society's total funds. Having regard to the universal and very heavy fall which has taken place during the past year in Stock Exchange securities of the highest class, this must be regarded as an exceptionally satisfactory result.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

FOR REINSURANCE BUSINESS.

FIRE. ACCIDENT. MARINE.

Fire & General Dept. & Marine Department.
St. Swithin's House, St. Swithin's Lane, London, E.C.4.
General Manager: J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Windett.

Commercial.

IRISH AND FOREIGN SUPPLIES TO BRITISH FOOD MARKET.

The course of Irish trade in 1920 will be of some interest considering the obstacles encountered by producers and traders during the year. These obstacles, the embarrassing offspring of a difficult political situation, assumed a very concrete form in the frequent suspension of country fairs and markets, the curtailment of transport services, and the destruction of towns and villages. Of even greater weight, though of less tangible shape, was that general feeling of insecurity so prejudicial to enterprise. Bearing in mind the conditions on the Continent and the straitened circumstances of many of our old-time suppliers of foodstuffs, it would, in self-interest alone, be opportune now to concert remedial measures for a situation which promises to develop far more seriously. While food prices remain at a high level strenuous opposition will be offered by Labour to a reduction of wages, and close at hand in Ireland is a country capable of largely increasing her present agricultural output provided the element of political discontent was removed.

The following table, compiled from particulars supplied by the Department of Agriculture, though incomplete in some respects, contrives to give an idea of the volume of the Irish export trade in 1920 compared with preceding years:—

Exports of Various Commodities from Ireland in 1920 and Previous Years.

(In tons unless otherwise stated.)

	1909-13(*a*)	1919	1920	Approx. % Inc. or Dec.—1920 on 1919
Cattle	812,688	765,251	926,838	- 21
Eggs (gt. hundreds)	6,358,171	9,150,491	8,983,929	- 1
Milch cows (No.)	37,401	29,879	47,001	- 57
Butter	36,110	17,385	26,258	- 51
Home-made spirits	33,399	36,066	37,317	- 34
Bacon and hams	55,232	25,944	37,209	- 43
Poultry	15,406	14,956	12,858	- 14
Stout, beer and porter	214,717	223,484	373,201	+ 66
Sheep (*b*) (No.)	708,280	507,145	591,816	- 16
Fat pigs (No.)	276,525	192,540	158,877	- 17
Potatoes	143,607	301,271	277,467	— 7
Oats	64,385	162,055	103,802	- 35
Biscuits	16,466	15,575	11,545	— 25
Condensed milk	13,388	13,153	7,903	— 39
Wool	6,519	5,177	3,101	- 40
Cheese	301	14,296	7,250	— 49
Grass seeds	21,838	13,158	16,844	+ 28
Margarine	3,319	6,623	4,089	— 38
Fruit	4,484	13,631	3,109	- 77
Hay	19,460	39,711	34,413	— 13
Lard	5,803	2,768	2,558	- 7

* Commodities are listed in order of value indicated by 1918 returns.

(*a*) Average of five years. (*b*) Including lambs.

Compared with 1919 the table on the whole indicates a predominance of the minus sign. It will be observed, however, that the plus sign makes a very favourable showing in the first part of the table, where the commodities of greatest value are listed. The

range from "cattle" downwards to "fat pigs" inclusive embraces exports which, according to the values assigned to them in 1918, exceeded the two million pounds mark. Not much satisfaction can be gleaned from this preliminary survey, though, of course, the statistics of value for 1919 and 1920 must be received before a definite conclusion can be formulated. Cattle and milch cow exports, with over £30,000,000 to their credit in 1918, reveal a very large increase. The augmentation of butter exports signifies a return to a branch of dairying practice temporarily neglected on account of the overshadowing attractions of cheese manufacture and the high price and possibly reduced production of new milk. Cheese exports, on the contrary, have fallen by forty-nine per cent., but in so far as this relates to a desire to return to the manufacture of a milk product more in accordance with the technique and equipment of the average creamery, there is no great reason for dissatisfaction. Another influence is, however, unfortunately at work, and the drop in cheese exports from 5,916 tons in the three months—October to December—of 1919 to 1,009 tons in the corresponding period of 1920 must be largely ascribed to the destruction of creameries, the cumulative effect of which was experienced at the close of last year. As regards the twenty-one commodities mentioned in the foregoing list, an idea of Ireland's pre-War and post-War production can be gained by comparing the year 1920 and the average of the five years 1909-13. The minus sign is still to the fore in eleven instances, but, confining attention to exports of which the individual value in 1918 was registered at £2 millions or over, there are five increases as against five decreases. Cattle, milch cows and eggs, exports accounting for approximately £45 millions in 1918, have markedly expanded in volume in 1920. It will be noticed that sheep and the pig and pig products group show up very disappointingly.

The demand, and consequently the price realised, for Irish produce in Great Britain depends, to a large extent on the quantities coming forward from home sources and the quantities imported from abroad. Into the calculation, for example, of the market price of Irish cattle a multitude of factors enter; for not only have the numbers of British cattle offered to be considered, but also the extent of imported supplies of beef and veal, and, in addition, mutton and lamb. In 1919, as was to be anticipated, the quotas of commodities entering directly into competition with those of Irish origin fell far short of the normal; how far trade has revived in 1920 may be judged from the following:—

Imports of Certain Commodities into the United Kingdom in the Years 1913, 1919, *and* 1920.

(In Tons unless otherwise stated.)

	1913	1919	1920	Approx. % Inc. + or Dec. — 1920 on 1919
Beef (fresh and refrigerated)	462,657	328,049	495,355	+ 51
Beef, tinned	32,396	128,318	38,046	— 70
Oxen, cows, &c., for food (No.)	14,743	(Nil)	(Nil)	-
Bacon and hams	285,644	504,717	296,726	— 41
Pork (fresh and refrigerated, &c.	36,742	8,013	26,284	+ 228
Mutton (fresh and refrigerated, &c.)	266,514	203,747	324,161	+ 59
Mutton, tinned	4,311	10,117	7,356	— 27
Sheep and lambs for food (No.)	501	(Nil)	(Nil)	-
Poultry (*a*)	13,923	7,378	4,723	- 35
Eggs (gt. hundreds)	21,579,950	5,644,395	7,070,266	+ 25
Butter	206,951	78,010	85,817	+ 10
Potatoes	471,365	49,443	260,504	+ 426
Oats	908,133	335,571	304,110	- 9
Condensed milk (sweetened and unsweetened)	62,611	158,963	98,925	- 37
Cheese	114,717	105,912	137,812	+ 30

(*a*) 858,979 live birds imported in 1913; 619 in 1919, and 2,061 in 1920—not included in above figures.

NOTE.—This table does not, of course, include imports into Great Britain from Ireland.

Imports of fresh and refrigerated beef, mutton and pork in 1920 reveal large increases compared with 1919; but supplies of pork are still well below normal. Receipts of bacon and hams are forty-one per cent. down as against 1919, but are in advance of those received in 1913. Poultry imports from foreign sources, on a weight basis, have fallen by thirty-five per cent., and are still below the 1913 level; a somewhat similar tendency is recorded in the Irish export statistics. Another feature of the table is that while the imports of eggs, butter, and potatoes in 1920 are in advance of those recorded for 1919, they are still noticeably below the normal year. The very heavy consignments of cheese received eloquently proclaim the recovery of outside sources of supply, and their pressure furnishes in all probability an explanation, in addition to the political one already given, of the reduced quantity coming forward from Ireland.

Industrial Companies.

DUNLOP RUBBER COMPANY.

Year to Aug 31	Net Profit*	Preference Dividends	Ord. Divs. Amount	Ord. Divs. %	Special Allocations	Carried Forward
	£	£	£		£	£
1915...	411,640	41,875	149,478	15	175,000	75,529
1916...	432,439	48,000	150,000	15	227,037†	82 930
1917...	435,109	99,933	150,000	15	164,649	103,457
1918...	649,503	196,450	312,500	23½	121,250	122,760
1919	1,368,432	249,849	468,750	31¼	370,000	402,593
1920	2,163,896	278 125	252,540	15	335,500	1,700 324

* After deducting all expenses and interest on income stock.

† Including £41,037 written off sundry debtors in respect of amount due from German Dunlop Company.

RUMOURS of the dire disasters that had befallen this celebrated industrial company have given the market much food for gossip during the last few months. And, like a snowball, gathering volume as they progressed, they soon reached such alarmist dimensions that the directors thought it advisable to issue a statement advising shareholders to refuse to be stampeded into realising their shares at knock-out prices, and to await the publication of the report and accounts for the year ended August 31, 1920. Now this report, pregnant with interest in the light of this situation, has made its appearance. At the outset it may at once be stated that, whilst there is disclosed a position of affairs very disconcerting to the Ordinary shareholders at the moment, but one which is by no means uncommon in these days of financial stringency, nevertheless the reality has proved less terrible than the picture that had been conjured up by this flood of rumours.

The accounts show that the net profit for the year under review represented a pronounced increase on the record established in 1918-19. Sales showed a remarkable expansion, with the result that a net profit of £2,163,896 was secured, as against £1,368,432 for the previous year. Before arriving at this total there had been retained, as in the previous year, a sum of £178,000 as additional working capital for the rubber estates and subsidiary companies. Furthermore, owing to the sharp fall in rubber, a sum of £357,782 was written off the stock as against £75,418 only in 1918-19. Preference edividends absorbed £278,125, as compared with £249,849 in 1918-19, the increase being explained by the fact that the amount paid up on the 1,500,000 Seven per Cent. "C" Preference shares of £1 each was 15*s.* instead of 6*s.* 8*d.* There has been transferred to the reserve a sum of £335,500, thereby raising the total, in conjunction with the substantial premium of £7,000,000 on the issue of 1,000,000 Ordinary shares, to £7,500,000. An interim dividend of fifteen per cent., free of tax, equivalent to twenty-one and three-quarters per cent., subject to tax, was paid on the Ordinary shares, absorbing £252,540. As for reasons explained lower down, no final dividend was declared, this compares with a total of thirty-one and a-quarter per cent., free of tax, for the previous year. There is carried forward to the next accounts the sub-

stantial balance of £1,700,324, as against £402,593 brought forward from 1918-19; but this amount is subject to deduction in respect of excess profits duty for 1918-19 as well as for the year under review, and for corporation profits tax for 1919-20.

There is nothing in the above summary to explain the passing over of the final dividend on the Ordinary shares. Indeed, the results for the year under review would justify the declaration of fifteen per cent. at least, and still enable the Company to carry forward a substantial balance even after meeting Government taxation. The accounts in themselves call for congratulation rather than criticism. And the same opinion is reached by an analysis of the balance sheet dated August 31, 1920. Sundry creditors, other than Government taxation, do not exceed £1,252,812, as against £998,561 in the previous year; but the total of sundry debtors and cash and bills has jumped up from £2,536,152 to £6,588,888. However, this increase is entirely due to the remarkable expansion in "sundry debtors, including amounts due by Associated Companies less Reserves," which now stand at £6,303,838, as against £2,318,571 in 1918-19. In part this is undoubtedly a measure of the increased trading activities of the Company as evidenced in the growth in its net profit; but it is also very largely due to the fact, which is dealt with more extensively below—that Dunlop Rubber Company has been called upon to shoulder the financial difficulties of its subsidiaries to an increasing extent. We look to the Chairman to indicate at the forthcoming general meeting the proportion of this large total, which represents the advances made during the year under review to associated companies. That considerable expansion has taken place in this direction is verified by a study of the balance sheet and report. All the shares in the well-known weaving mill of James Hoyle, Limited, have been acquired. The cotton mills at Rochdale are now able to turn out the full requirements of the Company, with the result that recently the Nile and Ross mills have been sold, being no longer needed. The improvements at Fort Dunlop are well-nigh complete, and in the course of a few months it is proposed to transfer all manufacturing operations to this centre, thus enabling important economies in production to be effected. Similarly, negotiations for the purchase of the rubber estates of Segamat and Johore Rubber Lands were carried through. The result of these manifold activities is reflected in part in the expansion of fixed assets from £620,601 to £1,419,597, and in part in the increase in investments from £2,006,879 to £5,097,118. Of the latter, the increase is evenly divided between holdings in rubber estates, which have grown from £1,271,600 to £2,833,000, and in shares in associated companies from £711,798 to £2,238,854. Shareholders would undoubtedly like to know how far this latter increase represents any further interest acquired in the American company. Stocks at £4,445,319 show an increase of nearly £2,000,000 as compared with the previous year; but bearing in mind the growth in the holding of rubber estates and of the shares of associated companies, as well as the expansion of trading activities, the increase is not so pronounced as it appears at first sight. But that this increase in stock should take place at a time when a heavy depression was about to set in is a rather unfortunate coincidence.

The issued capital during the year was increased from £5,500,000 to £7,125,000. Of this increase £1,000,000 represented the capital receipts of the successful issue of 1,000,000 Ordinary shares of £1 at a premium of £7 per share, whilst £625,000 accrued through a total call of 8*s.* 4*d.* on the £1,500,000 Seven per Cent. Preference "C" shares of £1 each, which were 15*s.* paid up at the date of the balance sheet. After the close of the financial year it was decided to distribute amongst the shareholders the proceeds of the premium on the issue of 1,000,000 Ordinary shares. Accordingly, in September last the authorised capital was raised to £20,000,000 by the creation of 12,500,000 Ordinary shares of £1 each. An issue was then made to existing Ordinary shareholders, as a bonus, of three fully-paid shares of £1 each for each share held, thereby increasing the total of the Ordinary capital issued to £10,000,000. This operation was financed out of the reserve fund, which had been raised to £7,500,000 by the transfer of £335,500 out of the profits of the year. Subsequently, the total of the Ordinary capital issued was again increased to £13,000,000 by the issue of 3,000,000 Ordinary shares at a premium of 10*s.* per share. This resulted in an addition of £1,500,000 to the reserve account, which had been depleted by the previous operation.

To explain the decision of the directors to refrain from declaring any final dividend on the Ordinary shares for the year ended August 31, 1920, we must look beyond the accounts themselves to the general economic conditions that have ruled, especially since last autumn. Two fundamental facts lie at the root of the whole explanation; the acute financial stringency in America as well as in the United Kingdom, and the trade depression that began to make itself manifest towards the close of 1920. The policy of deflation inaugurated by the Governments, both here and in the United States, had a double effect in so far as Dunlop Rubber Company were concerned. The consequent restriction of credit in either country would have been faced with comparative equanimity. Occurring simultaneously in both countries, it created a very delicate situation. Apparently the crisis was reached first in the case of the American Dunlop Company. According to the circular issued by the directors, it became practically impossible to finance the American concern independently towards the end of 1920. In order to avoid a receivership of the property there, in which the parent Company was so much interested, funds to the extent of £806,000 had to be remitted from this side. This prompt decision saved the situation, for a recent cable from two of the directors who had proceeded at once to New York, indicates that the works at Buffalo should be finished by the end of April, and states that arrangements have been made for the subsequent financing of operations in America.

Meanwhile, at home events were also moving towards a crisis, the effect of the financial stringency being aggravated by the heavy depression in rubber and cotton. Not only was the Company carrying larger stocks, as indicated in the balance sheet, but it appears that heavy commitments had to be faced in respect of forward contracts in both rubber and cotton, which had been entered into "in anticipation of a further development of trade, which did not materialise." In brief, those at the head of the Company displayed what it is now evident was an undue optimism. However, it is easy to be wise after the event, and, whilst the Company is now suffering the consequences of this error of judgment, it is only reasonable to point out that they were not alone in this miscalculation. Thus not only was the Company obliged to remit funds to America when the stringency of funds rendered it difficult to do so, but this claim had to be met at a period when the internal affairs of the Company itself required considerable liquid capital. This crisis was met by securing the intervention of the British, Foreign and Colonial Corporation, through whose medium sufficient funds were furnished by the banks until more definite arrangements could be made. It is evidently the intention to disclose these arrangements at the general meeting [illegible] ordinary general meeting to be held at its conclusion several important resolutions are to be proposed. In the first case, power is sought to extend the maximum amount to be raised by the Company without the sanction of a general meeting to £6,500,000, and to create, with the consent of existing shareholders, shares having prior rights. To induce the various Preference shareholders to consent to this arrangement it is also

proposed that the rate of interest, which is cumulative, should be increased as from August 31, 1921, from six to six and a-half per cent. in the case of "A" Preference shares, from six and a-half to seven per cent. in the case of "B" Preference shares, and from seven to eight per cent. in the case of "C" Preference shares. In addition, in any year in which the Ordinary shareholders receive a dividend of ten per cent., surplus profits are to be applied first in giving an additional half per cent. dividend on "A" Preference shares; second, in giving an additional half per cent. dividend on "B" Preference shares; thirdly, an additional one per cent. dividend on the "C" Preference shares; and, fourthly, in way of further dividend amongst the Ordinary shares. Such extra Preference dividends are not, however, cumulative. The result will be to give, in any year when the Ordinary shares get ten per cent., a rate of seven per cent. on "A" Preference, of seven and a-half per cent. on "B" Preference, and of nine per cent. on "C" Preference shares. Again, whenever the fixed dividends of the Preference shares have remained unpaid for six months after the close of the financial year, the holders are entitled, after March 1, 1922, to a vote for each share held.

It is also announced that at the general meeting the chair will be taken by Mr. F. A. Szarvasy, Managing Director of the British, Foreign and Colonial Corporation, who made an independent investigation into the affairs of the Company in connection with the application for financial assistance. It is stated that the full result of his inquiry will be imparted at the meeting. In view of the resignation of the late Chairman, Mr. A. L. Ormrod, and of Mr. Wilfrid Dawson, from the board, owing to a disagreement with the management, his survey will possess an especial interest. We have already indicated one or two points on which more detailed information would be desirable. Pending this statement, it is difficult to discuss the prospects of the Company, particularly in view of the continued depression in the motor industry, as well as in rubber and cotton. On Wednesday, prior to the publication of the report, the £1 shares fluctuated in the market between 13*s.* 6*d.* and 14*s.* Without waiting for the meeting, the market has evidently regarded the report as a "bear" factor, the shares being quoted to-day between 12*s.* 3*d.* and 13*s.* 3*d.*

THE HOME AND COLONIAL STORES, LIMITED.

Issued Capital: £1,800,000, in 180,000 6% Cumulative Preference Shares, 250 000 15% Cumulative Preference Shares, 250,000 15% Cumulative Ordinary Shares and 400,000 Ordinary Shares of £1.

Period to	Net Profit	To Reserve for Depreciation	Pref. Div.*	Ord. Div.*	To Reserve Funds	Special Allocations	Carried Forward
	£	£	£	£	£	£	£
Dec. 26, 1914	253,527	7,699	123,600	25,000 25	40,000	27,000	37,960
,, 25, 1915	259,376	7,719	123,600	30,000 30	35,000	50,000†	51,017
,, 30, 1916	2[illegible],473	8,596	123,600	50,000 30	5[illegible],61	52,000†	48,131
,, 29, 1917	234,421	8,265	123,600	30,000 30	25,000	42,000†	53,687
,, 28, 1918	244,715	9,065	123,600	30,000 30	25,000	44,000†	66,737
,, 27, 1919	258,462	9,172	123,600	30,000 30	25,000	52,000†	85,427
,, 25, 1920‡	277,301	10,278	129,000	45,000 2½	26,702	40,105†	31,643

* Including dividend on cumulative ordinary shares.
† Including provision for taxation.
‡ £220,000 of reserves capitalised together with £80,000 of undivided profits.

The report of this well-known Company for the past year is in many respects of an exceptionally satisfactory nature. The trading profit amounted to £394,705 and interest on investments to £24,011, representing a total increase of £61,637 as compared with the previous year. Administrative and general expenses, however, have increased by £21,260 to £94,083, and the cost of repairs and renewals by £21,538 to £47,331, whilst the reserve for depreciation is also increased, leaving, after providing for these charges, a net profit of £267,083, as against £249,289 in 1919. It should be noted that a staff bonus of £12,000 has been charged before arriving at the net profit, whereas in the previous years this item was included among the special allocations. The amount absorbed in Preference dividends is increased by £5,400 owing to the issue of an additional Preference capital of £90,000, the new shares ranking fully for dividend. The Ordinary dividend is reduced from thirty per cent. to twenty-two and a-half per cent., but for the purpose of effective comparison with the previous years it should be noted that the Ordinary capital was increased during the year to £400,000 by the issue of 300,000 bonus shares to existing holders in the ratio of three shares for every share held. This operation was financed to the extent of £220,000 by the reserve created for contingencies, the balance of £80,000 being taken from the amount of the undistributed profits brought forward. An interim dividend of fifteen per cent. was paid on the old Ordinary capital, and the final dividend of seven and a-half per cent. is payable upon the increased capital. The total dividend is, therefore, actually equivalent to forty-five per cent. on the previous basis, as indicated by the increase in the amount distributed from £30,000 to £45,000. The allocation to the reserve funds amounts to £26,702, as compared with £25,000 in each of the three preceding years, and the benevolent fund receives £6,000, as against £2,000. The provision for income tax is increased from £20,000 to £25,000, whilst a sum of £9,105 is appropriated for the purpose of writing off the expenses involved in the new issue of capital. The staff bonus has been reduced from £30,000 to £12,000, but this is not included among the special allocations this year, having been already deducted before arriving at the net profit. The balance, amounting to £31,643, which is carried forward compares with £5,427 brought in after deducting £80,000 under the capitalisation scheme.

The principal changes which have occurred in the balance sheet are embodied in the following table:—

Balance Sheet Analysis.

	LIABILITIES.			ASSETS			
	Issued Capital	Creditors*	Reserves and Carry-forward	Fixed Assets†	Stocks	Investments	Debtors and Cash
	£	£	£	£	£	£	£
1919	1,410,000	647,985	560,427	1,046,152	849,973	419,029	303,258
1920	1,800,000	704,662	533,345	1,164,731	1,144,624	449,311	279,341

* Including provision for contingencies and taxation.
† Including goodwill and interests in other companies.

The provision which has been made for contingencies is not disclosed by the Company, being included, as in the previous years, among "liabilities." In the 1919 balance sheet the provision must have amounted to at least £220,000, as this sum was transferred for capitalisation in 1920. Despite the deduction of this amount, the item of "liabilities" shows a considerable increase, but the bank loan of £100,000 does not appear in the present accounts. The reserve funds with this year's allocation are increased to £451,702, whilst the special reserve remains unaltered at £50,000. The "leasehold properties" of the Company have been increased during the year by £91,319 to £500,060, against which there is now a reserve of over £192,000 for depreciation. Other leaseholds, with which is included the item of goodwill, are valued at £671,246, the same as in the previous year, whilst freehold properties (including interests in other companies) figure at £195,742, as against £158,204. Investments have been further increased by £30,282 to £449,311, but their market value at the date of the balance sheet has fallen from £388,150 to £377,767. The reserve funds are apparently invested in these securities, and it is now proposed that any further accretions to these funds be henceforth employed in the business of the Company. Stocks have grown by over £294,600 to the large total of £1,144,624. Debts due to the Company, including loans and advances to subsidiaries, have been reduced by £32,047 to £107,486, but the cash holdings have been increased by £8,130 to £171,855. It will be seen that the Company has built up a strong financial position, but the manner in which the accounts are presented renders it impossible to form an accurate estimate of the ratio between liquid assets and current liabilities. The heavy expenditure on stocks has apparently involved a corresponding reduction in liquid resources, as the

receipts from the issue of Preference shares has not been more than sufficient to cover the additions to the leasehold properties.

Owing to the nature of the Company's business, the prevailing trade depression is not likely to seriously restrict further expansion during the current year. It should be noted, however, that unless the reserve and special allocations are considerably reduced, the payment of a dividend of 11¼ per cent. for the current year can only be effected on the basis of an increase of approximately £45,000 in the net profit, as the new capital will rank fully for dividend.

In the following table are set out the prices and yields of the different shares of the Company, the yields being calculated on the basis of the usual dividends:—

	Price	Yield
	£ s. d.	%
15% Cumulative Ordinary shares	1 14 0	8·8
15% Cumulative Preference shares	1 18 9	7·7
6% Cumulative Preference shares	4 2 6	7·3

THE LONDON NITRATE COMPANY, LIMITED.

Issued Capital: £200,000 in £1 Shares.

Year to June 30	Net Profit*	Reserve	Dividend		Carried Forward
	£	£	£	%†	£
1913 ...	60,722	20,000	40,000	25	10,354
1914 ...	38,577	10,000	24,000	15	14,932
1915 ...	9,437	—	16,000	10	8,369
1916 ...	34,094	10,000	24,000	15	8,463
1917 ...	34,097	10,000	24,000	15	8,560
1918 ...	35,049	10,000	24,000	15	9,609
1919 ...	7,383	—	8,000	5	8,993
1920 ...	19,183	—	15,000	7½	13,176

* After providing for taxation, depreciation, and Debenture interest.
† Free of tax.

The trading results of this Company for the twelve months to June 30, 1920, show a substantial improvement upon the previous year's earnings, which had been very considerably reduced by the stagnation prevailing in the nitrate industry. The gross profit, after providing for depreciation, has risen from £42,591 to £64,970, but, although taxation absorbs only £6,291, as against £13,090, the stoppage expenses and repairs chargeable to profit and loss account have increased from £6,063 to £14,419, and bank and Debenture interest charges from £12,171 to £20,531. After providing for administrative expenses, the net profit works out at £19,183, which compares with £7,383 for the previous year and £35,049 in 1917-18. The dividend, free of income tax, is increased from 5 per cent. to seven and a-half per cent., and, being payable upon an additional capital of £40,000, absorbs £15,000, as against £8,000. As the new shares were not issued until March 1920, the distribution is actually greater than the dividend indicates. No allocation is made to the reserve, but the balance carried forward is increased from £8,993 to £13,176.

In the balance sheet the reserve and the sinking fund remain unaltered at £105,000 and £20,000 respectively. The premiums received on the issue of capital figure at £60,000, and the insurance fund at £7,000. The bank loan has been reduced by £29,674 to £121,976, and bills payable by £27,680 to £2,959. Other liabilities, however, have increased by £27,808 to £49,406. Additions amounting to £4,405 were made during the year to the new oficina, the total expenditure upon which, after deducting £10,000 for depreciation, amounts to £357,345. The valuation attached to the other oficinas remains unchanged at £148,503. Stock of nitrate and iodine at £66,044 shows a reduction of £3,074, as compared with an expansion during the previous year of £20,133. Bills receivable which did not figure in the previous statement amount to £20,000. Sundry debtors have increased by £29,090 to £35,422, and cash holdings by £44,765 to £47,969. The balance of the expenses involved in the issue of Debenture stock early in 1919 has been further reduced to £2,568.

While the Company's new oficina may, as stated, prove to be an exceptionally cheap producer, the sluggishness which characterises the nitrate market will prevent full benefit being derived from it. Proposals for a further reduction in nitrate output have been numerous, as stocks in Europe and Egypt are heavy, amounting, according to Thomson Aikman, Jun's. circular, to 513,000 tons on the 31st. ult., compared with 150,500 on the corresponding date last year. Deliveries to Europe so far in the present season have been disappointing, 249,000 tons, as against 277,000 tons, while the total supply in sight on January 31, 2,358,000 tons, was much heavier than twelve months ago. Transport difficulties are mentioned in the London Nitrate report as being a source of annoyance. The shares of this Company are now quoted at 27*s.* 4½*d.*, yielding a return of nearly five and a-half per cent. on the basis of last year's dividend.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

COMMONWEALTH OF AUSTRALIA.

Offer at ninety-five per cent. of £5,000,000 Six per Cent. Registered Stock, 1931-41, principal repayable in London at par on March 1, 1941, the Commonwealth Government having the option of redemption, in whole or in part, on or after March 1, 1931, on giving three months' notice. Flat yield, £6 6*s.* 3*d.* per cent. per annum; minimum yield with redemption, £6 8*s.* 11*d.* per cent. per annum.

The various Australian States have been heavy borrowers on the London market during the last two years, New South Wales alone being responsible for emissions totalling £12,500,000. The Commonwealth Government has not made application, however, since August 1918. Repatriation and other expenditure arising out of the War has now necessitated the issue of £5,000,000 Registered Stock redeemable within twenty years. The stock will be registered and transferable in any amount by deed, free of stamp duty, at the London office of the Commonwealth Bank of Australia, and will not be subject to any Australian taxes, duties and levies. It is secured on the revenues of the Commonwealth, and constitutes a full trustee security. Interest is payable half-yearly, the initial disbursement being due on September 1. A flat yield of £6 6*s.* 3*d.* per cent. is an attractive feature for a gilt-edged stock, that on the recent Local Loans issue, which was early oversubscribed, being only six per cent. The lists close on Monday, February 7.

THE LEA BRIDGE DISTRICT GAS COMPANY.

Offer at par of £30,000 Seven and a-Half per Cent. Ten-Year Debenture stock, redeemable at par on June 30, 1931.

The Company, which was incorporated in 1878, supplies the London suburban districts of Walthamstow and part of Leyton. The authorised loan capital is £225,000, of which there has been raised £80,426. The steady development in the Company's area and the consequent increase in the demand for gas have necessitated the extension of the works and plant, for which purpose the present issue is being made. The net revenue for the year ended June 30, 1920, was £14,799, which gives more than adequate security for the £6,551 required annually as interest on existing Debenture stock and that now to be issued. This security will be further strengthened by the increased charging powers granted under the Gas Regulation Act, which came into operation on January 1, 1921. Investors will note, however, that the stock will not possess a Stock Exchange quotation. The lists close on Monday, February 7.

LONDON PALACE (1921), LIMITED.

Offer of 245,000 £1 Ordinary shares at par.

The Company has been formed to take over the Palace Theatre, Shaftesbury Avenue, W., and to transform it into a high-class cinema theatre. The sponsors of the new venture are Messrs. C. B. Cochran and Sol Levy, a fact which is in itself a fair guarantee as to the

soundness of the undertaking. The theatre will be equipped in the most modern style, a novel feature being the projection of the pictures from behind the screen in order to eliminate eye-strain. There will be seating accommodation for 1,481 persons and standing room for a further 200. On the basis of ten and a-half full houses out of twenty-one performances per week it is estimated that annual net receipts will amount to £74,000, which, after allowing for mortgage interest, excess profits duty and corporation tax, is equivalent to over twenty per cent. of the issued capital of £245,000. With an able directorate and a central position the theatre should attract the ready patronage of the public, but this prospect is not necessarily a guarantee of high dividends to shareholders. The liabilities of the Company at present amount to £413,000, including £345,000 payable as purchase price of the properties acquired, £58,000 to Mr. Sol Levy for services rendered, and £10,000 (estimated) for preliminary expenses. To provide against this the present issue of £245,000 is being made and £200,000 has been obtained on mortgage, bearing interest at seven and a-half per cent., free of tax, and repayable in four years. The discharge of the latter heavy short-term debt will have a vital effect on the amount of profits available for distribution, and without knowledge as to how it is intended to meet the liability no estimate of the dividend prospects of the shares now offered can be made. The lists will close on Monday, February 7.

ASSOCIATED EXHIBITORS' FILM COMPANY, LTD.

Offer at par of 100,000 Ten per Cent. £1 Cumulative Participating Preference shares and 100,000 10*s.* Ordinary shares. The Preference shares will be entitled to half the surplus profits left after a payment of ten per cent. on the Ordinary shares.

The Company has been formed, with a capital of £150,000, to acquire all the issued share capital of the Clarendon Film Company, film producers, and Harma and Company, film renters, and will possess studios at Croydon, offices in London and Birmingham, and agencies throughout the United Kingdom. The directors individually control a large number of cinema theatres, and are, consequently, in a first-class position to judge the demands of the public. The certified value of the properties and stocks acquired is £52,537, and the purchase consideration is £47,000 in cash, out of which the vendors agree to apply for 20,000 Preference and 20,000 Ordinary shares of this issue. The directors intend to produce twelve feature films per annum, and, estimating on the basis of net receipts for previous films, anticipate annual net profits of at least £42,000, thus allowing a distribution of twenty-three and a-half per cent. on the Preference and thirty-seven per cent. on the Ordinary shares. The unduly high return promised is in itself an indication of the highly speculative aspect of the issue. The lists close on Monday, February 7.

THE PLYMOUTH STEAM FISHING, ICE AND COLD-STORAGE COMPANY, LIMITED.

Offer of 60,000 £1 Ten per Cent. Cumulative Participating Preference shares.

The Company has been formed to acquire a fleet of steam-trawlers and motor-boats, to manufacture ice, and provide cold-storage facilities in Plymouth. The authorised capital is £80,000, divided as to £75,000 in Preference and £5,000 in 1*s.* Deferred shares. A cumulative dividend of ten per cent. will be payable on the Preference shares, and the balance of profits will be divided equally between the Preference and the Deferred shares. The only property acquired so far is a building in Plymouth, for which £2,600 is payable, the vendor having bought it a few months ago for £1.350. This will be reconstructed as an ice-factory and refrigerator at an estimated cost of £27,000. The proposed fleet is yet to be acquired, and the only reference made to it by the prospectus is that inquiries made by the directors during a recent visit to Grimsby convinced them that steam-trawlers can be obtained without difficulty at less than half the prices ruling a year ago. This double-edged statement will serve more as a warning than an attraction to investors. The narrow market which the shares will command further detracts from their value. The lists close on Wednesday, February 9.

JOHN POUND AND CO., LIMITED.

Offer at par of 125,000 £1 Ten per Cent. Preferred Participating Ordinary and 62,500 1*s.* Deferred shares. After a payment of ten per cent. on the Prferred the surplus profits will be divided equally between each class of shares. Applications for Deferred shares will be considered on the basis of one Deferred for every two Preferred shares applied for.

The Company has been formed to take over the business of manufacturers of leather goods carried on by John Pound and Company at Leadenhall Street, London, and branches. The authorised capital is £135,000, divided into £125,000 in Preferred and £10,000 in Deferred shares. The certified value of the net assets to be acquired is £198,301, and the purchase price is £150,000, payable £110,000 in cash and the balance as a mortgage on the Leadenhall Street premises. In addition the vendors are given an option to subscribe for 137,500 Deferred shares. The business appears to be capitalised on a fairly conservative basis, but as profits are revealed since 1918 only it is difficult to appraise its earning capacity. The lists close on Wednesday, February 9.

THE COLOIL SYNDICATE, LIMITED.

Offer at par of 200,000 1*s.* shares.

The Company has been formed to acquire options over oil-bearing lands in the Republic of Colombia. The authorised capital is £15,000 divided into 300,000 1*s.* shares, of which 200,000 are now offered and 100,000 retained for subscription by the Company's South American agents. The latter will arrange the acquisition of options, and further capital will presumably be then raised for development purposes. The undertaking, being only in its embryonic stages, is a gamble, though one with perhaps some possibilities. The lists close on Saturday, February 5.

WEST AFRICAN DIAMONDS, LIMITED.

In compliance with the conditions necessary to obtaining a Stock Exchange quotation, the above Company has issued a public statement of its organisation. The authorised capital is £24,000 divided into 96,000 5*s.* shares, 50,000 of which have been issued. The Company was formed in July 1920 for the purposes of acquiring prospecting rights till August 1922 over the Kwahu Diamond Concession, Gold Coast Colony. The purchase consideration was 40,000 fully-paid shares, and £2,500 has been raised as working capital by the issue of 10,000 shares for cash. The published statement gives no information as to previous exploratory work and affords little indication as to prospects.

ISSUES TO SHAREHOLDERS.

Kuala Pergau Rubber Plantations.—£15,000 Ten per Cent. Ten-year Registered Convertible Mortgage Debenture stock at par, in the proportion of £1 stock for every £5 held in shares.

London Central Markets Cold Storage.—73,950 £1 shares at par, in the proportion of three new shares for every five held on January 20.

Houtpoort, Limited.—£50,000 Ten per Cent. First Debentures at par, redeemable within five years at 110 if not converted in the interval into 2*s.* shares at par. Each holder will also possess the right for five years of subscribing at par for a further amount of 2*s.* shares equal to his allotment.

Anglo-Bolivian Rubber.—£40,000 Ten per Cent. Tax-free Seven-Year Convertible Debentures at par, redeemable at 105, convertible at par into Ordinary shares for two years after date of final payment.

R. W. Crabtree and Sons, Limited.—At a special meeting, the proposal to create £200,000 Debentures, Debenture stock, or Secured notes, was agreed to unanimously.

PENDING ISSUES.

An amalgamation has been arranged in the photographic trade involving the formation of a new company with an authorised capital of over £1,000,000, the companies concerned being: The Paget Prize Plate Company, Limited; Rajar, Limited; Marion and Company, Limited; Marion and Foulger, Limited; A. Kershaw and Sons, Limited; Kershaw Optical Company, Limited; and the Rotary Photographic Company (1917), Limited. Application for registration was made during the week under the name of Amalgamated Photographic Manufacturers, Limited. We understand that this powerful combine intends making a large issue of capital on attractive terms during the coming week. Details will be awaited with interest. The Leeds Forge Company is also about to come on the market with £400,000 Eight per Cent. Convertible Debenture stock at 95, giving a flat yield of £8 8*s.* 5*d.* per cent. The Debentures will be repaid by 1933 through the operation of a sinking fund. Stockholders will be entitled, up to July 1925, to convert each £100 of stock into ninety-five £1 Ordinary shares.

MEETINGS
OF PUBLIC COMPANIES.

Lloyds Bank Limited.

EXPANSION OF BANK'S BUSINESS: THE BRUSSELS FINANCIAL CONFERENCE.

THE sixty-third ordinary general meeting of the shareholders was held on February 2 at the Queen's Hotel, Birmingham. Sir Richard Vassar-Smith, Bart. (Chairman of the Bank), presided.

In moving the adoption of the report, the Chairman said: I have to apologise for the absence of several directors who, for various and unavoidable reasons, regret they cannot be present at this meeting.

During the past year I am sorry to report that we have lost, by death, Mr. W. Garfit, late Chairman of the Capital and Counties Bank; Mr. Howard Lloyd, whose retirement was announced last year; and, since the annual report was issued, my old friend Mr. Robert Woodward, who had been a director of this Bank since 1890, and who was previously with me on the board of the Worcester City and County Bank. Mr. George Whatman, one of my oldest colleagues—he joined the board in 1884—has been obliged to retire owing to ill-health.

The Balance Sheet.

I will now go through the principal items of the balance sheet and profit and loss account for 1920. The current, deposit, and other accounts are £345,028,984, an increase of £20,317,229. The profit and loss balance shows an increase of £141,888. Acceptances, &c., are lower by £14,212,313. The capital paid up is £14,137,796, an addition of £4,717,252, and the reserve fund has been made up to £10,000,000.

On the assets side, cash in hand and at the Bank of England amounts to £51,153,076, as against £57,587,215, and cash at call £14,747,688, the former showing a large decrease. Bills of exchange are higher, £76,037,123, an increase of £18,545,260. War Loans, British, Indian, and Colonial Government securities and other investments stand at cost price or under, showing a much less value than last year. A large amount of this depreciation must, however, come back, and I may mention that, since the date of making up the accounts, there has been an improvement of about £1,000,000.

There are small increases in the holdings of our shares in the National Bank of Scotland and the London and River Plate Bank.

The advances are £151,079,173, an increase of £15,315,582. Bank premises are £337,879 higher. Nothing but what was absolutely necessary has been done during the year.

Profit and Loss.

The net profit shows an increase of £361,439. From this profit we have appropriated £1,250,000 for the special contingency account for writing down the Bank's investments, £250,000 for the premises account, and another £50,000 for the Widows and Orphans Fund, making, with previous allocations, £200,000. We hope that this fund has now been established upon a firm basis, and for it a hearty expression of gratitude has been received from the members of the staff.

Again I am able to report most satisfactory results from our affiliated and auxiliary banks.

The Staff.

The staff of the Bank now consists of more than 10,000 persons, as compared with less than half that number at the outbreak of the War. The difference is accounted for by the amalgamations with the Capital and Counties Bank and the West Yorkshire Bank, and by the expansion of the business generally, including the opening of many new offices. A certain number of active service men have not yet returned to work, part of them being still in the Army, and part too badly wounded or otherwise incapacitated to resume a business career yet. As you know, nearly 700 members of the staff made the supreme sacrifice, and I am sure you will be interested to hear that at least an equal number of ex-Service men have been taken into the Bank's employ: not exactly to replace those who were killed, for they were experienced members of the staff, and the newcomers necessarily lack that qualification at present, but the latter have given good service, and will train on and strengthen the staff very materially in the days to come. In this way the Bank has done much towards meeting the difficulty of finding employment for ex-officers and others, especially (as I mentioned last year) those who joined the Forces from school or college before having begun their lifework, and found themselves, on demobilisation, with no employment to which they could return. I need hardly tell you that the Bank is more than qualified for a place on the King's National Roll, as it employs a large proportion of disabled men.

To meet the continued high cost of living there has been a running bonus to the staff throughout the year, supplemented by cash bonuses in June and December; and everything possible has been done to make them as comfortable as the special and difficult circumstances of the present day permit. This is, indeed, fully due to them; for the whole staff, those who were compelled, for one reason or another, to stay at home as well as those who went on active service, have passed through a most strenuous and trying six years, and I am sure you will heartily approve of all the arrangements on their behalf to which I have alluded.

Business and Trade Conditions in 1920.

Rarely, if ever, has such a dramatic change occurred in so short a space of time as took place in trading conditions in this country in 1920. At the beginning of the year practically every trade was enjoying extremely active and prosperous conditions, manufacturers being unable to cope with the insistent demand for goods. Apparently price was no object provided goods could be obtained. This led to an orgy of speculation, when prices were forced up to an alarming figure. It soon became evident to all cautious observers that the position was becoming one of some danger. At the same time consumers, both at home and abroad, became unwilling, and in most cases unable, to pay the inflated prices demanded. The check thus given to inflation gradually became more pronounced, and in the autumn stocks began to be unloaded at greatly reduced figures. Then occurred the coal strike, which inflicted a heavy blow on the declining trade, and by the end of the year industry as a whole was suffering from extreme depression, with very great unemployment as a natural concomitant. It should be emphasised, however, that the root of the trouble is not over-production, but under-consumption. The necessary corollary is that production must be further expanded, thereby enabling prices to be further reduced, and so stimulating consumption.

To an assembly of the character I am now addressing, it is unnecessary for me to point out that the times are dangerous and difficult. You all have some knowledge of them. Labour unrest has been constantly, and is still, with us; strikes, actual and threatened, have been a source of the lessening of production and consequently of wealth; whilst the higher cost of living has been the cause of demands for more wages. As long as this unsettled condition remains there is no hope of improvement. The moment is a critical one owing to the vast number of unemployed and the means taken to alleviate this.

After making his usual report upon the business and trade conditions of the country during 1920, the Chairman said:

The International Financial Conference at Brussels.

This important Conference, of which Mr. Henry Bell, a director and senior General Manager of the Bank, was one of the representatives of this country, was comprised of eighty-six members, all versed in financial and economic affairs, and representative of thirty-nine countries, whose inhabitants comprise three-quarters of the world's population. After a fortnight's hard work, which was done with great thoroughness, the Conference unanimously agreed upon resolutions proposed by the Commission on Public Finance. These resolutions are ten in number, all expressed in clear and vigorous terms, stating that it is imperative that every Government should, as the first social and financial reform, restrict its ordinary recurrent expenditure, abandon all uneconomical and artificial measures which conceal from the people the true economic position, that the revenue must be made sufficient to meet the full amount of the ordinary recurrent expenditure, and that all classes of the community must assist. Industry must be so organised as to encourage the maximum production on the part of capital and labour, as by such production alone will labour be able to obtain those improved conditions of life which it is the aim of every country to secure for its people. To fill up the gap between the supply of, and demand for, commodities, it is the duty of every patriotic citizen to practise the strictest possible economy, and so to contribute his maximum effort to the common weal. Such private action is the indispensable basis for the fiscal measures required to restore public finance.

The Conference also adopted unanimously further resolutions, some of which I call attention to—viz. the growth of

inflation should be stopped; Governments must limit their expenditure to their revenue; banks, and especially banks of issue, should be freed from political pressure, and should be conducted solely on the lines of prudent finance.

The creation of additional credit should cease, and Governments and municipalities should not only not increase their floating debts, but should begin to repay or fund them by degrees.

Unless credit can be controlled merely by the normal influence of the rate of interest, it should only be granted for real economic needs.

Commerce should as soon as possible be freed from control, and impediments to international trade removed.

All superfluous expenditure should be avoided. Neither an international currency nor an international unit of account would serve any useful purpose, or remove any of the difficulties from which international exchange suffers to-day.

The Hon. R. H. Brand, one of your directors, initiated the debate upon the question of public finance, and I strongly recommend all who have not done so to read his speech. He explains most clearly the situation, the causes, the difficulties, and the requirements.

The Ter Meulen Scheme.

I have referred at this length to the work of this Commission to show what has been, and is being, done to unravel the causes of, and to suggest remedies for, the present state of unrest and trouble. One of the first things to undertake is the restoration of trade between the different countries; and to this end I refer to the credit scheme put forward by Mr. Ter Meulen, a banker in Amsterdam and a representative at the Conference, the primary purpose being to provide guarantees so that an exporter may be sure of payment when supplying merchandise to the impoverished countries on credit. It provides for the creation of an International Commission with power to control and administer certain assets which Governments are prepared to pledge with a view to obtaining imports on credit for themselves or for their nationals. The Commission will examine the securities to be pledged, and determine the gold value of the credits which it would approve against the security of these assets. The Government concerned, having agreed to the gold valuation, will prepare bonds with a currency of five, ten, or fifteen years, bearing interest.

The principal and interest on the bonds would have to be payable in each case in the currency selected by the exporter. The bonds will then be countersigned by the International Commission in proof of registration by them and as evidence that the particular transaction in respect of which they are issued is approved by the Commission. The Government may then lend the bonds to its nationals on its own terms as to security. The importer, having possesion of the bonds, is thus free to negotiate with the exporter as to the rate of interest and maturity of the credit desired. After having received bonds duly countersigned, the importer may pledge them with the exporter.

Briefly, such are the main features of the scheme. To render it more practical, however, as the exporter might wish to borrow upon these bonds, it is suggested that a syndicate should be formed, of the Government, insurance companies, and bankers, to guarantee them. Of this principle I thoroughly approve, and I should advise your Bank to join should a fair and equitable proposal be formulated. To assist in a recovery from the present dangerous deadlock must be the duty of all, and it is necessary that something should be done at once. Political differences between countries doubtless cause much of the present trouble; but, could industry and commerce be revived, I am sure many of these would be lessened or removed. The League of Nations has been inaugurated since our last meeting. Its assistance must be sought in the furtherance of the scheme I have now placed before you, and I trust its influence will be so far-reaching as to compel consideration of the objects mentioned in the report of the Brussels Conference.

I do not attempt to make any forecast of what may happen. We are faced with enormous dangers and difficulties; we can only recognise them and endeavour to meet them. It is not a time for panic: it is a time for earnest determination to carry on, to prevent a break, and to await the day when conditions may be more normal. After the wars in the early part of the last century this country made great progress and accumulated much wealth. May we not hope that, in early years, there may be such development of the resources of this great Empire that gradually our difficulties may be swept away?

I now beg to move: "That the report just taken as read be received and adopted, and that, in accordance with the recommendation of the directors therein, a dividend for the half-year ended December 31 last of 1s. 8d. per share, being at the rate of 16⅔ per cent. per annum on the paid-up capital of the Company, be declared, such dividend to be payable on and after February 3, less income tax."

The Deputy Chairman's Address.

The Deputy-Chairman said:

The two outstanding features of the report and balance sheet before you are the big profits earned and the large proportion of these profits required for the writing down of our investments. These are familiar features during recent years, and are the natural consequence of the ready employment of money during last year at good rates, and the less desirable corollary of a corresponding fall in the value of our securities. We have never, however, before been confronted with conditions in trade and finance similar to those which prevail at the present time. Last year, as the Chairman has pointed out, witnessed a most disconcerting and sudden transition from a superfluity of buying orders to an almost complete suspension from buying, and trade at present is at a standstill. We cannot, in my humble judgment, expect to return to the position in which we were in 1914, and make up for the huge losses we sustained during the War, except by a somewhat slow and arduous road. We are faced with the elementary fact that we went into the War pledged to spend our last shilling in the pursuit of victory; and though the price did not extend thus far, our national wealth has been very greatly reduced, and it must take us time to restore it to its former position. This obviously cannot be achieved by continuing to spend more money unnecessarily in military enterprises or by extravagances at home, by strikes, by conjuring with exchanges or currency, and by other artificial means. Our lost wealth can only be regained by productive work, and in order to restart production we must do what we can do to encourage and enable men to buy. For this reason we ought to welcome a fall in the cost of production, with a consequent fall in the cost of living; we ought to welcome such schemes as the Chairman has alluded to which will enable those peoples who sorely need our goods to buy from us; we ought to welcome any lightening of the load of heavy or restrictive taxation, and anything which tends towards the easier working of our industrial machine; and, on the other hand, we ought to set our faces against all the contrary influences, Government waste, strife of all kinds, industrial and otherwise, laziness or pessimism.

It is in the hope that everyone, jointly and severally, will do everything in his power to attain the desired end, that I have pleasure in seconding the resolution.

The resolution was carried unanimously.

The retiring directors, the Hon. R. H. Brand, C.M.G., Sir H. Seymour King, K.C.I.E., Lieut.-Col. R. K. Morcom, C.B.E., Mr. P. E. Noble, Mr. Alwyn Parker, C.B., C.M.G., and Mr. Oswald Sanderson, D.L., were re-elected, and Messrs. Price, Waterhouse and Company were reappointed auditors for the year 1921.

A vote of thanks to the Chairman for presiding, and to the directors for their services during the past year, was carried unanimously. The Chairman, in acknowledging the resolution, asked that a vote of thanks to the General Managers and staff might be passed. This was cordially agreed to, and the proceedings then terminated.

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London County Westminster and Parr's Bank, Limited.

EXPORT CREDIT SCHEMES: CRITICISM OF ARTIFICIAL TRADE BARRIERS.

Mr. Walter Leaf's Speech.

The annual ordinary general meeting of the shareholders of this Bank was held on February 3 at the Head Office, 41 Lothbury, E.C.

The Chairman (Mr. Walter Leaf) said: A year ago I ventured to speak to you of the coming day when the demand for our goods would be based, not on making up for the losses of the past, but on the day-to-day requirements of the present; it would be a bad day for us, I said, if the trade of the whole world had not been once more set going in broad and unchecked channels. That day has come sooner than then seemed likely. We are in the midst of the overstocking and falling prices which are inevitable. The world has recognised that the War has not made it richer, as appeared during the time of unrestricted inflation, but that it is all the poorer. The readjustment of the point of view is intensely painful. Losses have to be cut on a large scale; and the natural man always hates cutting a loss. There has been during the year a certain amount of ill-informed rumour that the banks have been restricting credits. Any blame for restrictions must be laid on other shoulders—on extravagance on the part either of individuals or Governments. Last year I laid some stress on individual extravagance: this year the complaint must be laid against the Government. Individual waste has been largely cut down under the stress of the times. Mr. Lloyd George, not long ago, asked that a lead in economy should be given by individuals. That lead, I honestly think, has already been given; it is high time that the Government should follow suit. The pressure of taxation is such that savings are seriously diminished—that is the real reason of the diminution of credits; and it is mainly in the direction of Government retrenchment that we must look for the possibility of a restoration of our resources.

The Deposits: An Explanation.

The figures in our balance sheet now before you reflect to a certain extent the events of the past year. You will see that our total deposits show but a small increase, from 304 to 305 millions. This retardation of growth, however, is rather apparent than real. It is due to the fact that the Spanish Government early in the year imposed on all foreign banks in Spain a tax on the total amount of their nominal capital and reserves. Such a tax falling solely on our three Spanish branches at Madrid, Barcelona and Bilbao—to which we have recently added a fourth at Valencia—would obviously have been prohibitive. We therefore decided to convert our Paris bank into a foreign bank, with power to carry on business anywhere on the Continent or abroad, and to it we transferred, on October 1, the business of our Spanish and Belgian branches. The balances which were thus taken out of our own balance sheet and transferred to the foreign bank amounted to no less than £12,385,258—a sum which will give you an idea of the extensive relations which we have established on the Continent. In order that a fair comparison between the two years' deposits may be made, this amount should be added to the figures in our balance sheet. I may say that the total deposits of our foreign bank, taking the current rate of exchange for foreign currencies, amount to about £21,965,550 as at December 31, 1920. In Paris we have taken the opportunity afforded by the resignation of our manager there, M. Martin, to reorganise our branch. Major Baring, one of our board, has accepted the office of resident director in Paris, and will have the general oversight of our French business; and in place of a French manager we have appointed two Englishmen, Messrs. Challis and Rabino, as joint managers in Paris. We believe that the strengthening of the British element in our French institutions will be a great advantage, and the remarkable expansion of our business since the change was made only confirms our faith.

Advances to Customers.

Of the other figures in our balance sheet, the reduction in our acceptance account from £23,700,000 to £19,000,000 reflects the falling-off in cotton imports, which last year, as I then pointed out, stood at a wholly abnormal level. On the other hand, our advances to customers have risen from £128,000,000 to £130,536,000. The percentage at which these advances stood to our aggregate of current, deposit and other accounts at the end of 1918 was 30.8. On December 31, 1919, it had risen to 42 per cent., and in this balance sheet it is a shade higher at 42.4 per cent. Our discounts have risen in the twelve months from 16.2 per cent. to 19.7 per cent. This is a sufficient answer to complaints of restriction of credit. During the boom of last spring, the percentage of advances rose to 47.8 per cent. on June 30: but the reduction has been slow and gradual. It has been our policy, while keeping the brakes on in order to avoid exceeding the speed limit, to escape the risk of skidding by any sudden and drastic restriction while the roads of finance are as slippery as they are to-day.

The year has been one of high rates of interest, and hence on the one hand of large profits, on the other of a very large fall in the value of all investments. Both spring from the same cause, and the latter has gone far towards cancelling the former. Our profits, already trenched upon by the great growth of our expenses, due partly to income tax, but still more to the liberal increase we have made in the salaries of our staff—an increase which is justified by the high cost of living—have been absorbed in providing an investment depreciation fund, a fund which enables us to meet to the full the entire difference between the cost of our investments and the market price on December 31. Since then, I may add, there has been a material appreciation. In this our position is typical of that of the general industry of the country: it has been everywhere a year of large profits, but ends with the imperative necessity of writing down the value of stocks, if the position is to be kept sound.

Favourable Trade Factors.

It is, I think, true to say that in our domestic concerns we have made good progress during the year. Our exports have grown till the trade balance against us has diminished from £662,771,535 in 1919 to £378,767,136 in 1920—a sum which on any calculation will have been more than covered by "invisible exports" in the form of freights, commissions and other payments for services. The result is that, with the important exception of the United States and Canada, the exchanges are either in our favour or approaching parity.

Not only do we see a satisfactory increase in the output of coal as a result of the terms agreed on during the strike, but there comes from various quarters welcome evidence that the workers are once more exerting their full energy, and that the effect of shortened hours in many trades is to give a larger output per man per hour, in some cases even a larger aggregate output than in the old days before the War.

Again, it is satisfactory to see that the fall in the price of raw materials, which has reached such large proportions, has now begun to filter through to the consumer, and for the last three months the Board of Trade index figure shows a reduction in the cost of living.

But it cannot be denied that the pressure of taxation has reached a most serious point. Whether the E.P.D. deserves all the opprobrium that has been poured upon it is a question on which I do not here enter; the trouble is that with national expenditure upon its present basis, industry, in one form or another, has to be burdened with taxes up to the breaking point, and I am not sure that any other form of raising the revenue which our wastefulness requires would lead to less complaint. I wonder if we are not going out of our way to assist Germany's recovery at our own expense when we insist on disarmament for her while not applying it to the whole world, including ourselves.

"Ter Meulen" and "Mountain" Schemes.

The international situation is at the root of everything that most disturbs our view. A year ago I said that all depends on our getting the current of international trade once more flowing freely. No progress has been made in setting on foot the exporting power of the enfeebled nations of the Continent. Our endeavours are being directed to some scheme of barter in which goods can be exchanged for goods. At the moment we are discussing what is known as the Ter Meulen scheme, under which the depressed Continental countries shall make themselves responsible for the purchases of their nationals, by the issue to them of Government bonds, under the auspices of the League of Nations, which they can give in payment for the goods they buy. Another alternative, brought forward by Sir Edward Mountain, is also before us, and has the advantage that it does not depend upon the rather ponderous machinery of the Ter Meulen scheme, but enables us to face the position on our own ground, with support in reserve from our own Government, with the aid of a part of the £26,000,000 which they have already earmarked for the assistance of exports to the ravaged countries. Other proposals are before us. But the ultimate guarantee for all plans is the same. It is essential that all purchases made from us by foreign countries should be balanced by equivalent exports from them to us, which will enable the respective issuing countries to provide funds for the due redemption of their obligations. It is on the maintenance of this equivalent export that all schemes hang.

It is to me amazing that, at the very moment when these plans are before us, we should be disturbed by rumours of further proposals to hamper the free exchange of goods on which not only these schemes, but any possible hope of restoring our own pre-war position, are entirely dependent. The fundamental principle of international barter, which in normal times is perhaps somewhat obscured by the smooth working of the exchanges, is that "if thou wilt not buy, neither shalt thou sell." It is most distressing to find that, at the very moment when one would have thought that this maxim was forcing itself upon the intelligence of the blindest, we should hear talk about "anti-dumping," "key industries," and the like, all of which is [illegible] for hampering or even prohibiting the imports which are needed to pay for the goods of which our warehouses are at the moment full to overflowing and for which a large part of Europe is hungering.

I now beg to move: "That the report be received and adopted."

Mr. R. Hugh Tennant [illegible] the deputy chairman) seconded the resolution.

Pekin Syndicate, Limited.

Adverse Balance due to Loss on Exchange.—Development of the Li-Feng Coalfields.

THE ordinary general meeting of the members of the Pekin Syndicate, Limited, was held on January 31 at the Cannon Street Hotel, E.C., Colonel Brinsley J. H. Fitzgerald, C.B., presiding.

The Assistant Secretary (Mr. Charles Price) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and gentlemen,—I am taking the chair to-day owing to the unavoidable absence of our Chairman. To take the chair with an adverse balance sheet is never an enviable task. We all know the energy and whole-time attention which our Chairman gives to the affairs of the Company, and I am therefore only too pleased to be of this small assistance to him. I am going to lay the whole situation fully and frankly before you.

Our Chairman, Mr. T. A. Barson, returned to China on September 25, a few days after our last general meeting, and, I am glad to say, arrived safely in Peking on November 17, to take charge of the new trading company referred to in his speech, and in connection with other enterprises and negotiations which the Syndicate is undertaking. The Chairman, in his speech last September, dealt very fully with the operations of the Syndicate up to that date, and, as only a few months have since elapsed, there is not much fresh information that I can give to you to-day regarding the affairs of the Syndicate, but, before dealing with this, I will turn to the report and accounts which have been presented to you, and, with your permission, follow the usual course and ask you to consider them as read.

Profit and Loss Account.

Before moving the adoption of the report and accounts for the year ended June 30, 1920, I will run through the various items in the accounts. Turning to the profit and loss account, you will notice that, on the credit side, instead of the usual credit balance, there is unfortunately this year a debit balance of £62,078 15*s.* 10*d.*, which is accounted for by the big difference in the exchange adjustment of our floating assets and liabilities in China and Paris, amounting to £60,702 0*s.* 8*d.*, shown on the debit side.

You will remember that the Chairman, in his speech last September, foreshadowed this loss on exchange, and stated he could see no prospect of improvement in exchange in the near future; on the contrary, when the accounts were made up for the year ended June 30, 1920, it would be more than likely we should find ourselves penalised to a greater extent than last year, and that no relief could be expected until the world monetary conditions became more normal.

The loss on exchange was due partly to the expenditure in dollars and mainly to the franc accounts. The latter were opened before the War, when your Company advanced various sums on Chinese Treasury bonds at very fair rates of interest. Unfortunately the bonds were repayable in francs.

The receipts are £73,583, as against £90,675 last year, a decrease of £17,117, but I must point out that last year's figures included the profit on the sale of our property at Tientsin, amounting to £18,424. The expenditure in London is about £1,000 less than last year, but the China expenditure is more, the increase being mainly due to the abnormal rise in the value of the dollar, which at one time during the year under review reached 6*s.* 5*d.*

The Balance Sheet.

Turning now to the balance sheet, sundry creditors and credit balances amount to £46,261, as against £28,878 last year, but the sundry debtors and debtor balances amount to £68,780, as against £35,445, the increases being due to the various transactions in connection with our agency business.

The profit and loss account I have already dealt with; the liability on capital uncalled on shares has been reduced to £103,439, as against £187,749 in 1919. The difference of £84,310 is explained by the sale of part of our shares in the Banque Industrielle de Chine, the contingent liability on same, together with the difference in the rate of exchange, amounting to £83,535, and a difference in exchange of £775 on our holding in the Société des Grands Travaux de Pékin.

With regard to the credit side of the balance sheet, cash at bankers and in hand is £359,887, as against £627,391 last year, a decrease of £267,504, which amount is more than half accounted for by the increase of £141,091 in the next item, "Railway and other loans in China," and the balance by the "Capital expenditure on the collieries" in connection with the cost of the installation of the new electrical power plant, pumping operations, and the expenditure on the Li-Feng coalfields, to the development of which I will refer presently. Investments stand at £56,938, as against £111,081 in 1919, a decrease of £54,143, caused by the redemption of Chinese bonds and depreciation in the value of our present investments. Shares in other companies show a decrease of £39,023, the figure last year being £311,152, as against £272,124 this year, the decrease being due to the sale of part of the Syndicate's holding in the Banque Industrielle de Chine. Stocks of coal and mining and other stores are down £49,352, mainly due to the stock of coal on hand at June 30 last being much less than in the previous year. Land and properties in China, £33,637, remains at the same figure as in our last balance-sheet, this amount representing the cost of our properties at Hankow and Pukow.

Capital Expenditure on Coal.

You will have noticed that the capital expenditure on the coalfields has been considerably increased during the year under review owing to the cost of the new electrical power plant installation and the expenditure in respect of the development of the coalfields at Li-Feng. This capital expenditure was rendered necessary by the fact that it was impossible, during the War, to send out the machinery actually required to keep the mines in proper working order, and this lack of proper renewals accounts for the extremely heavy cost of the pumping operations during the period, coal of excellent quality, which could have been sold at a good profit, having had to be burned under the boilers to produce the necessary steam pressure. I am, however, very pleased to say that beneficial results have already been attained by the new installation: the cost of the pumping operations has been materially reduced, the reduction representing practically the difference in the value of the coal used for steam generation. The new plant has, by making the pumping situation at the collieries secure, also enabled our engineers to carry out certain important developments which will have the effect of considerably increasing the output, these developments having had to be postponed owing to the water difficulties.

Agent-General's Report.

In regard to these matters I have just received a letter from the Chairman, dated December 4 last, in which he says:—

"I arrived from Honan yesterday morning after spending three days there with Mr. Hassam and Mr. Kenrick. As far as I can see, we have started a period of prosperity. . . . I am delighted with what I saw. However, Mr. Hassam will report to the board."

We have also just received a report from our Agent General, in which he states:—

"The two new mixed pressure turbine 750-k.w. sets are now in operation, and these, together with the three additional 75,000-gallon Sulzer pumps, have effected a considerable improvement in the water situation.

"The steaming position has also been further improved by the installation of the two second-hand Babcock boilers, which not only allows easier steaming, but permits a further reduction in the quality of the coal supplied for firing, thus increasing the percentage of high-class coal for the market.

"A marked improvement in this respect has also been effected by replacing the steam pumps at the 352-foot station with the two 358-foot head Sulzer turbine pumps which were sent out for the development from Machien south pit. This arrangement will be of a temporary character only, for practically the whole of the water now flowing to the 352-foot station will eventually be drained to the 560-foot level by the drifts which are being driven from No. 2 pit; but, meanwhile, the change has produced excellent results in reducing the steam consumption.

"The exhaust steam piping for the new turbine plant is now being connected up to the Hathorn Davey pump, and this section should be in operation in a few days, when a further improvement in the steaming position may be anticipated."

Our Agent-General also states in his report that:—

"Provided the existing market conditions continue, and it is possible to dispose of the large increased production which may shortly be expected, the immediate future of these collieries is very promising.

"The present output is about 2,300 tons per day, and the developments which we are now in a position to put in hand will win areas of new coal sufficient to maintain it

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AUTHORISED CAPITAL	£20,000,000
ISSUED AND PAID-UP CAPITAL	£15,592,372
RESERVE FUND	£8,250,000
DEPOSITS (31st December, 1920)	£327,788,370

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t that figure for a long period ahead. In addition, a considerable production, which I estimate at not less than 1,500 tons per day, will be obtained from our native pit operations at Li-Feng when they are in full swing, making the gross outturn to be disposed of between 3,500 and 4,000 tons per day.

Li-Feng Output.

From the above you will see that the policy of your Board was justified, for they lost no time in availing themselves of the very first opportunity to send out new machinery.

The results of our operations at Li-Feng are very satisfactory, and the outlook there is most favourable, the coal being of good hard nature, containing a large percentage of yuho, which is the best lump coal. A further area, lying beyond the village of Li Feng, of equal size to the one we are now operating, we propose to develop as soon as our present operations are sufficiently advanced to secure a large output. A loading wharf and stocking ground is now being arranged near the Tao-Ching Railway, and sidings are being laid of sufficient size to enable 8,000 tons of coal to be loaded and despatched daily.

As your Chairman pointed out at the last meeting, the question of a dividend must wait until after the money expended on the coal mines can be capitalised. Those were the words that he used.

This question of agreeing the actual total expenditure on the coalfields with the Chinese authorities is still in the hands of the Chairman and our Agent General, but I am hoping, and I think it is very probable, that this matter will be settled in time for our next meeting. As soon as a settlement is arrived at the colliery can then be considered as being fully equipped, and a colliery profit and loss account will be presented to you.

Tientsin Wharf and Godown Company.

With regard to our interest in the Tientsin Wharf and Godown Company, Limited, I am pleased to say that the business of this Company is being well maintained, and, provided that nothing unforeseen happens, the results for the current year should be equal to, if not better than, last year.

As you are aware, the Board decided to send our consulting engineer, Mr. Arthur Hassam, out to China last July to visit our mines at Ja-mei-sen, to report and advise on our properties, and, more particularly, to assist in getting the best results from the very heavy expenditure which it was necessary to incur. I am glad to say Mr. Hassam has now safely returned, and will be pleased to give you the latest information in regard to our collieries and his opinion as to future prospects; he will also be pleased to answer any technical questions you may desire to put to him regarding the mines.

In the letter to which I have already referred the Chairman says the present position of trade is very bad owing to large stocks of all kinds having been bought at the top of the exchange, and dozens of Chinese are unable to meet their commitments, and that, in consequence, many of the leading American firms are either closing down or considerably reducing their staffs. Under these circumstances it should be a source of gratification that our cash position is still such a very strong one.

If there is any other point in connection with the report and accounts you wish explained, I will do my best to satisfy you. In the meantime I would like to call upon Mr. Hassam to give you a short account of what he has seen in China at the coal mines and his impressions as to the future.

Consulting Engineer's Statement.

Mr Arthur Hassam: Mr Chairman and Gentlemen,—I only got back from China last night, and I have not, therefore, had an opportunity of preparing anything in the way of a written report which I could read to the meeting, but I would like to say to the board and to the shareholders how very much I have been impressed in China with the prospects and possibilities of the Syndicate's properties. I spent three months there, and went over the whole of the property belonging to the Syndicate, and I discussed everything appertaining to the technical side of the matter with Mr. Kenrick and with the staff generally, particularly in regard to the reduction of the costs of operating and future development. We have been very much handicapped for some years, as the Chairman has pointed out in his speech, by not being able to get the necessary machinery for dealing with the very large quantity of water contained in the Ja-mei-sen mines, due to war conditions. We tried to place the order before the Armistice, and after very great difficulty we managed to get it placed under certificate P 5, which scarcely helped us at all. The execution of the order was therefore greatly delayed, and we only managed to send the machinery out last year. When I arrived in China in September they had just got the turbines to work under high-pressure steam only, but even that effected a very material reduction in the costs, especially in regard to the amount and quality of the fuel used, and also the costs of operating the boilers. But where the Syndicate derived the most benefit was in the fact that it put us outside the pale of danger in regard to flooding, which had always been present like a nightmare for two or three years. Just before I left China we had coupled up the existing steam from the Hathorn Davey pump, and were on the point of coupling up from the winding engines, so as to get the full benefit of all the exhaust steam. I have no doubt it is now working very satisfactorily and with greatly improved results. This additional equipment has put us on the top of the difficulties with regard to water, and has enabled us now to commence driving a pair of drifts to the south-east into an area which was flooded in 1912, containing about 7,000,000 tons of excellent coal—coal which we had already proved and tested. We shall probably be in that coal within the next twelve months, which will enable a better output to be obtained from the Ja-mei-sen mines, not only in regard to quantity, but, what is of equally great importance, in regard to quality.

Development at Li-Feng.

The most promising feature at the moment, however, is the development at Li-Feng; that is on the western side of our permit, and about four miles from the existing plant. We found a very wide area of coal existing there at what we hope is above the water horizon, which is an important point. The coal is of most excellent hard quality, and both shafts are connected, so that ventilation is established. That was done during my stay in China, and we are getting quite a considerable output of coal there to-day. To show you how the matter has proceeded, when I got to China in September they had only just touched the coal at Li Feng. When I arrived at Port Said on my way back I received a cablegram stating that the output was 18,000 tons for the month of December. We had got up to that figure in three months. The cablegram further said that the total output of the mines was 86,000 tons for the month of December—an output greatly in excess of any previous record. I think it indicates that we are on the eve of better things, and altogether my impression is very favourable with regard to the future. The new plant has solved a problem for us, and we shall now, I think, be in a position to secure good outputs, quite as big as we can deal with. The operation of the selling agreement in conjunction with the Fu Chung effects very considerable advantage to the Syndicate in eliminating the competition of the native coalowners. I do not know that I can add anything more at the moment, but if there are any points on technical matters on which shareholders would like to ask questions I shall be happy to do the best I can to answer them. I would like to say how very much obliged I am to Mr. Kendrick and to the staff in China for all the assistance that they gave me while I was there; they rendered me every possible help and afforded me all the information I required. I can congratulate the Syndicate and the shareholders upon having such an excellent and highly qualified staff to do the work in China. Like everybody else, they have been working under very serious difficulties during the last few years, and they had a very trying time indeed until the new machinery arrived and was established; but now everything is going on quite smoothly.

Shareholders' Questions.

A Shareholder: Is there an unlimited market for the coal?

Mr. Hassam: It is unlimited practically so far as we are concerned. There is some difficulty now, which will be improved during the current year, owing to the shortage of rolling stock on the national railways. There are a very large number of wagons and locomotives on order, which will improve matters. We have practically an unlimited market, and have a very fine wharf at Hankow, and we are pushing this coal for marine purposes, and it is making good progress. There is a tendency at all Chinese ports to try and utilise Chinese coal in lieu of coal from foreign countries. I think there will be no difficulty as regards the disposal of any reasonable quantity we can obtain.

In reply to a further question, Mr. Hassam said that in the future, when they got an output of 3,000 to 4,000 tons a day, he had not the smallest doubt that they would show a very handsome profit on the mining.

Mr. J. Morland remarked that the accounts did not show how much coal had been sold or the profit arising therefrom. Did he understand from the Chairman that when the coal account was closed they would be furnished with a proper profit and loss account?

The Chairman replied that that was so. For the present purposes they could not reckon the profits on the coal and must wait until the question [illegible]

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was settled. With regard to the Fu Chung Corporation, whatever profit they made on coal—whether they bought it from the Syndicate or from someone else—the Syndicate would get half the profit as the owner of half the shares.

In reply to a further question, the Chairman said that the board had no objection to circulating Mr. Hassam's report to the shareholders, and that would be done as soon as possible. He then moved : "That the report and accounts for the year ended June 30, 1920, be and the same are hereby received and adopted."

Mr. André Berthelot (managing director) seconded the resolution, which was carried unanimously.

Comte de Seguier proposed the re-election of the retiring directors, M. Réné de Cerenville and Comte de Férol.

Mr. Berthelot seconded the motion, and it was unanimously agreed to.

On the motion of Mr. C. E. Hart, seconded by Mr. Morland, Messrs. Cooper Brothers and Company were re-appointed auditors, and a vote of thanks to the Chairman concluded the proceedings.

The London Nitrate Company, Limited.

SIX MONTHS' EXCELLENT PROGRESS : THE NITRATE POSITION.

Mr. Frank Tobin, Chairman, presided at the thirty-third annual general meeting of shareholders of the London Nitrate Company, Limited, held on Thursday, February 3, at the Common Hall, Hackins Hey, Liverpool. He was supported by Col. Sir James P. Reynolds and Mr. E. B. Orme, directors, and many shareholders were present.

The Chairman, in moving the adoption of the report and balance sheet, alluded to the issue during last year of 40,000 additional shares at a premium of £60,000, and speaking of liabilities and assets, pointed out that the assets, which amounted to £411,000, were in excess of the share capital to the extent of £211,000, and represented more than £2 per share. He wished to emphasise that the stores and property had been very well written down, the value of most of them being greatly in excess of the figure at which it stood in the balance sheet.

From the point of view of production, the first six months of the past year were absolutely lost because they were only allowed to produce what they could sell to the Government, and the Government would not buy. Consequently there was no production, and they had to bear the heavy cost of upkeep during that period. The profit and loss account, therefore, was really only for six months, and the amount of £65,000 which it showed for that period was very good indeed. Besides the six months' paralysis, which, together with repairs, accounted for a sum of £14,419 in expenditure, they had incurred a sum of £11,530 for bank interest, a somewhat large figure, which was explained by the fact that although bank indebtedness stood in the balance sheet to-day at a lower figure than twelve months ago, it had been very much larger during the year in connection with the issue of new shares, the payments for which had not been completed until May, at the beginning of which month it stood at £204,000. In the future, he hoped such items as works' stoppages and bank interest would be more normal.

Transport Difficulties.

The year had had very good results, the best they had ever had despite the terrible eating away by the six months' idleness. Prices of nitrate were good and profitable, and the Company's trouble had been the lack of transport and facilities on the coast. The railways had insufficient equipment for delivery, and in spite of every effort made by the Company's servants to urge deliveries they were still greatly handicapped in this respect. At their oficina Santa Laura, probably the best oficina on the whole coast, there was lying nearly £70,000 worth of nitrate which they could not get to the coast for shipment. Had they been able to do so shareholders would understand the financial position would be greatly improved at the moment, and the present debt to the bank of £110,000 would be considerably smaller. As it was, they were not masters of the situation.

The Exchange and Buying Power.

As regards the future the worst factor was the lack of buying power, not the lack of desire to buy, not the lack of agricultural requirements, but the lack of financial means in European countries to buy nitrate. Whether in France, Germany, Belgium, or Poland, the same condition existed, and the position was still further seriously and adversely complicated by the rate of exchange, which meant, for example, that the farmer in France was called upon to pay in francs five times as much for his nitrate as he did before the War. Naturally he took as little as possible, and this same factor applied in all countries. Some negotiation had taken place as to whether this difficulty of depreciated exchange and lack of buying power could not be overcome by a policy of barter, but even in that event they would have to adopt some safeguards on the question of security on the part of countries with whom they would deal. The matter was being carefully dealt with with a view to facilitating the sale of nitrate in countries requiring it, and he was hopeful that something would come of it. A favourable point was that nitrate producers were now one united party. The Germans remained outside the combination for some time and were able to sell freely and take advantage of the prices which the action of the combination secured. Mainly through the action of the Chilian Government the Germans had come into the combination, so that they were now one united band of producers, who could agree to restrict production to the point at which it could be carried on at remunerative prices. And there was no doubt that so long as the European position prevented the agricultural needs being satisfied they would have to restrict production and deal with smaller quantities so as to be able to maintain prices at a remunerative level.

This was the first time the products of the Santa Laura oficina had figured in the accounts, and he thought the results fully justified everything they had hoped for as regards that being the most excellent, and probably the cheapest, producer on the coast. Mr. W. H. Hasler, a director, who had recently visited it, had written favourably of its capacity.

Position of the Nitrate Industry.

Sir James Reynolds, in seconding, said the outlook of the nitrate industry had recently been favourably altered. As a result of trade depression many middlemen were left with stocks of nitrate, which they had bought at very high prices, unsold, and with no buyers. That was a menace which might have resulted in a stampede of prices, to the serious detriment of the whole industry, and the defeat of all endeavours to regulate prices. He was glad to say that all the nitrate had been pooled and all the financial matters in connection therewith adjusted, and all those engaged in the industry would get the full prices, while deliveries would be completed. While the outlook some time ago was that they might have to sacrifice some very important sales or have them cancelled at considerable loss, this menace had now passed away, and the prices agreed upon were relatively in proportion to the cost of production in Chili. There was therefore no reason to fear a break in prices, and no reason why buyers should not now fulfil their spring requirements, as there was nothing to gain by waiting.

The motion, which included confirmation of the payment of the dividend of 1s. 6d. per share last December, was carried unanimously.

The Chairman moved the election of Mr. E. B. Orme as an additional director of the Company, making the number of directors four. He explained that Mr. Orme had previously been appointed by the Board, but the appointment required the confirmation of the shareholders.

Sir James Reynolds seconded, and the motion was carried unanimously, Mr. Orme returning thanks.

Messrs. Harmood, Banner and Son were re-appointed auditors.

East India Distilleries and Sugar Factories, Limited.

The ordinary meeting of this Company was held on February 1, at the offices, 54 Old Broad Street, E.C., Mr. E. S. Ormerod (the Chairman) presiding.

The Chairman said : The accounts show that we have had a good year, with good profits, though they are not so greatly in excess of those of last year as might at first glance appear. You will remember that last year we made large reserves in Madras, while this year we have brought the whole of our profits home and have made our reserves here.

We propose to write £10,000 off goodwill, which will reduce that item to £75,000. If you look at the debit side of the balance sheet you will see that the Debenture stock redeemed amounts to £83,813. Though we cannot at present bring these figures into account, by them the goodwill is more than wiped out. Loans amount to £132,000 odd, against £112,000 last year; but stocks in hand this year are £378,000, against £262,000 last year. It seems a large amount for stocks, but we must recollect that the prices of all material are still high, and that the more business the Company does the larger the stocks it has to carry. You will see that we propose to place £20,000 to reserve, which, including the £20,000 now at obsolescence account, brings our reserve up to £64,000.

All through the year our general business has worked smoothly and well. Our factories, both in the sugar and Abkhari line, have worked without a hitch, and in the

FRANCE our Ally, is now offering us at a MODERATE price

GOLDEN  GUINEA

THE FINEST SPARKLING MUSCATEL

Golden Guinea is superior to many of the finest Vintage Champagnes and obtainable at half the cost
From all leading Wine Merchants.

latter line, I am glad to say, we have secured a new contract for next year at a remunerative rate. Our chemical, confectionery and CO_2 businesses have all done well and shown a considerable increase in profit over last year, but our light railways are still "marking time." This is still due to the fact that the looked for line between Tirunevelly and Tuchendur has not yet been opened or even completed. During the greater part of the year sugar prices have been high, but so have those of the material on which we have to work. We have lately had a fall in the price of sugar, for which we were prepared, and we shall probably have another fall, for which we are also prepared. We have some anxiety as to the price of raw material.

Before I conclude I should like to explain the way in which the extra dividend has been allotted. In the articles of association it is laid down that any surplus dividend, after payment of seven per cent. on the Preference and ten per cent. on the Ordinary shares, shall be divided equally between the two classes of shares. The amount we propose to allot is £6,000, and I sincerely wish it were more. This means £3,000 for the Preference, which amounts to 1½ per cent., and £3,000 to the Ordinary, which amounts to 3¾ per cent. I now move "That the report and accounts be adopted."

Mr. A. J. Yorke seconded the motion, which was carried unanimously.

Bandar Sumatra Rubber Co., Ltd.

Profit Balance of £9,049 Carried Forward.

THE eleventh annual ordinary general meeting of this Company was held at the offices of the Company, 59 Eastcheap, E.C., on Tuesday, January 25, 1921. Mr. Herbert Wright, Chairman of the Company, presided.

The Chairman said: Gentlemen,—With your permission I will take the directors' report and statement of accounts as read. I now formally move: "That the directors' report and statement of accounts for the year ended July 31, 1920, be and are hereby received and adopted, and that the balance of £9,049 standing to credit of profit and loss account be carried forward to the next accounts."

At the outset I will ask you to express our thanks to Mr. Underwood, of the Anglo-Dutch Estates Agency, and Mr. Rusterholz, our manager, and the staff for their assistance and good work done during the past year.

Review of the Balance Sheet.

I will now ask you to go through one or two of the items in the balance sheet. The issued capital is unchanged at £99,847. You will also observe an item "Reserved for taxation," amounting to £4,767. This includes £1,000 taken from revenue this past year, and we consider that this amount will be sufficient to meet all claims in connection with corporation tax and excess profits duty. On the other side of the balance sheet there has been no addition to estate development costs, all expenditure having been charged to revenue. The actual cost of the estate per planted acre is £33. Sundry stores and foodstuffs stand at £2,622, which is made up of rice £1,252, other foodstuffs £280, and materials £1,091. Investments stand at £20,286, exclusive of £5,200 Five per Cent. War Loan, now valued at £4,140, making a total of £24,426. During the year various holdings of rubber shares were realised, resulting in a profit of £2,080, which has been entirely utilised in writing down remaining holdings. The principal investments of the Company are £16,000 in shares of the Boekit Boendar Rubber Company and £2,153 in the Anglo-Dutch Estates Agency. On the revenue side you will observe that the net proceeds from the crop totalled £53,103, which compares with £38,697 for the previous year, thus showing an increase of £14,406. Estate expenditure totalled £42,611, against £25,205 the previous year, an increase of £17,406. That increase in expenditure is partly due to loss on rice, which has been a very formidable item in most companies' balance sheets in Sumatra. I should add that labour costs have been raised quite recently in Sumatra. Furthermore, we have had to agree to an increased rice ration to the coolies. Against that we are now able to charge 20 cents per kilo., against 10 cents, and I am happy to be able to say that the Anglo-Dutch Estates Agency hopes to be able to obtain rice at thirty guilders per bag this year, against seventy-three guilders a year ago. That will mean a big reduction in rice costs for the current year, so that our loss on rice will not be so formidable as in previous years. On the other hand, we must be prepared to pay higher wages to the coolies. Before the War the wage was forty cents per day; we are paying now fifty-five cents per day, with a further rise to sixty cents on re-engagements. That will give you an idea of the permanent increase in labour charges in Sumatra. As regards the profit and loss account, you will have observed that after all adjustments and allowing for the sums set aside for depreciation and reserve for taxes, there remains a credit balance of £9,049, which, in view of the market position, we are fully justified in carrying forward.

Rubber Output.

The quantity of rubber harvested during the past year was 614,867 lb., against an estimate of 600,000 lb. and a crop of 474,148 lb. in the preceding year. These figures show an increase of 140,719 lb. over the previous wear's output. The actual yield per acre was 301½ lb., and the yield per tree 4.53 lb. The number of trees in tapping was 135,868, an increase of 523, against a total of trees on the estate of 198,000. The original estimated production for the current year is estimated at 660,000 lb., against which there has been harvested for the five months ended December last 253,497 lb. Efforts are now being made with the object of getting the Malay Government to enforce by legislation a fifty per cent. restriction in output. At present that does not apply to Sumatra, but I think we, as a Company operating in that island, would be quite ready to give support to a similar policy there. The estate appears to have been carried on during the past year in the usual satisfactory manner, and Mr. Frank Copeman, who visited it last year, will no doubt be able to tell you something about the property. We have sold twenty-four tons sheet (Belawan) at 2*s.* 1½*d.*, twenty-four tons crêpe at a similar figure, and placed six tons sheet at 2*s.* 6*d.* (London) and twelve tons sheet at 2*s.* 10*d.* (London), making a total of sixty-six tons (or 147,840 lb.), at an average price of 2*s.* 5.30*d.* per lb., London equivalent. This will materially help our position in the current year. I will now ask Mr. Frank Copeman to second the resolution.

Mr. Frank Copeman, in seconding the resolution to receive and adopt the report and accounts, said he had the pleasure of visiting the estate last year, and made a report to the directors, which they would agree was a most satisfactory one. He found the property in excellent order. He saw the Bandar estates first in 1910, and he saw a great difference in the intervening ten years. He had much pleasure in seconding the resolution.

The resolution was then put and carried unanimously.

HONGKONG AND SHANGHAI BANKING CORPORATION.

CAPITAL, all paid up $15,000,000
STERLING RESERVE, held in London at Exchange of 2*s.* per $ = £1,500,000 ... ... $15,000,000
SILVER RESERVE ... 25,000,000
$38,000,000
RESERVE LIABILITY OF PROPRIETORS $15,000,000

Head Office—HONGKONG.
Chief Manager—A. G. STEPHEN.
BRANCHES and AGENCIES: Amoy, Bangkok, Batavia, Bombay, Calcutta, Canton, Colombo, Foochow, Hankow, Harbin, Honolulu (Shanghai), Ipoh, Johore, Kobe, Hongkong, Kuala Lumpur, London, Lyons, Malacca, Manila, Nagasaki, New York, Peking, Penang, Rangoon, Saigon, San Francisco, Shanghai, Singapore, Sourabaya, Tientsin, Tsingtao, Vladivostok, Yloilo, Yokohama.

COMMITTEE IN LONDON.
Sir CHARLES ADDIS, Chairman.
Hon. Cecil Baring. C. A. Campbell.
David Landale. Sir George Sutherland.
A. M. Townsend C. F. Whigham
W. M. BLACKIE, Accountant
9 Gracechurch Street, London, E.C.

NETHERLANDS BANK OF SOUTH AFRICA.

Authorised Capital ... £750,000
Subscribed and Paid-up Capital ... £240,000
Head Office AMSTERDAM.
London Agency 2 GT. WINCHESTER ST., E.C. 2.
London Manager J. COST BUDDE.
All descriptions of Banking business connected with South Africa transacted on terms which may be ascertained on application.

THE ANGLO-EGYPTIAN BANK, LIMITED.

SUBSCRIBED CAPITAL ... £1,800,000.
PAID UP, £600,000. RESERVE FUND, £720,000

BRANCHES: Alexandria, Assiout, Cairo, Beni-Souef, Mansourah, Port Said, Tantah, Zagazig, Khartoum, Jaffa, Jerusalem, Malta, Gibraltar, Haifa, Port Sudan.

The Bank transacts every description of Banking business in Egypt, grants Letters of Credit and affords facilities to travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st.

On current accounts, interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

27 Clement's Lane, Lombard Street, E.C. 4.

UNION BANK OF CANADA.

CAPITAL STOCK REGISTERS.

NOTICE IS HEREBY GIVEN that the Registers of the above Stock will be Closed from the 14th February, 1921, to the 28th February, 1921, both days inclusive, for the preparation of the Warrants for the quarterly dividend due 1st March, 1921.

For the Union Bank of Canada
J. WILSON Manager
6 Princes Street, London, E.C.
1st February, 1921.

MIDLAND RAILWAY COMPANY.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Midland Railway Company will be held at the Station of the said Company at Derby on THURSDAY the 17th day of February, 1921, at Half-past One o'clock in the Afternoon, for the transaction of the General Business of the said Company.

CHARLES BOOTH, Chairman.
W. N. BANCROFT, Secretary.

Derby, February 1st, 1921.

RHONDDA AND SWANSEA BAY RAILWAY.

NOTICE IS HEREBY GIVEN that the Annual Ordinary General Meeting of the Proprietors of this Company will be held at the Hotel Metropole, Wind Street, in the County Borough of Swansea, on Saturday, the 19th day of February, 1921, at Twelve-thirty o'clock, for the General Purposes of the Undertaking.

The Transfer Books will be closed from the 7th February to the 19th February, both days inclusive.

Dated this 28th day of January, 1921.

P. P. JACOB, Chairman.
E. LEWIS JONES, Secretary.

Swansea.

BASS, RATCLIFF & GRETTON, LTD. notify that the Transfer Books of their Ordinary Shares will be Closed from the 7th to 16th February, 1921 (inclusive), for the preparation of Interim Dividend Warrants

BANK OF MONTREAL

Established in 1817.
Paid-up Capital ... $22,000,000
Rest ... $22,000,000
Undivided Profits, $1,221,854.
Total Assets 30th Oct., 1920, $[illegible]
BOARD OF DIRECTORS.
Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Le C. Baker Molson, C.M.G., M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq., K.C., General Sir Arthur Currie, G.C.M.G., K.C.B., Hon. Sir Lomer Gouin, K.C.M.G.
Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.
Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago, San Francisco and Spokane in the United States, and at Mexico City.
LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.
PARIS AGENCY: BANK OF MONTREAL (FRANCE)
17 Place Vendome, Paris.
London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. S. Balfour.
Manager: George Cavell Cassels.
Financial Agents of the Government of the Dominion of Canada.
The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of every description of Banking business in Canada, Newfoundland, the United States, Mexico, and France.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869.

Capital Paid up	$19,000,000
Reserve Funds	$19,000,000
Total Assets	$584,000,000

Head Office—MONTREAL.
SIR HERBERT S. HOLT. E. L. PEASE,
President. *Vice-President & Managing Director.*
C. E. NEILL, *General Manager.*
90 Branches in Canada and Newfoundland:
in Cuba, Porto Rico, Dominican Republic, Haiti, Guadeloupe, Martinique, Costa Rica, Venezuela, and Colombia.
IN BRITISH WEST INDIES AT:
Antigua, Barbados, Grenada, St. Kitts, Barbados, Dominica, Jamaica, Trinidad, British Guiana, British Honduras.

ARGENTINE	Buenos Aires.
BRAZIL	Rio de Janeiro, Santos,
URUGUAY	Montevideo. [Sao Paulo.
BARCELONA, SPAIN	Plaza de Cataluna 6.
NEW YORK AGENCY	68 William Street
LONDON OFFICE	Princes Street, E.C. 2.

FRENCH AUXILIARY.
THE ROYAL BANK OF CANADA (FRANCE)
Paris: 28 Rue de Quatre Septembre.

BERGENS PRIVATBANK.

Bergen and Kristiania.
Established 1855.
Capital and Funds - Kr. 71,000,000
LONDON AGENTS:
London Joint City & Midland Bank, Ltd.
C. J. Hambro & Son.
The British Bank of Northern Commerce, Ltd.
Barclays Bank Ltd.
Every description of Banking Business

BANQUE NATIONALE DE CREDIT.

CAPITAL	Frs. 500,000,000
RESERVE FUND	„ 90,000,000
DEPOSITS	„ 2,490,000,000

Head Office:
— PARIS. —
300 Branches in France.
4 Branches in the Rhenish Provinces.
GENERAL BANKING BUSINESS.

BANK OF NEW SOUTH WALES.

Established 1817.
LONDON OFFICE: 29 Threadneedle Street, E.C. 2.

Paid-up Capital	£4,931,100
Reserve Fund ...	3,350,000
Reserve Liability of Proprieto	4,931,100
	£13,212,200
Aggregate Assets, 30th Sept., 1920	£72,467,795

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji, and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers, Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.
H. MELDRUM,
Acting Manager.

NATIONAL BANK OF NEW ZEALAND.

LIMITED.

HEAD OFFICE—17 Moorgate Street, E.C. 2.	
AUTHORISED CAPITAL	£3,000,000
SUBSCRIBED CAPITAL	2,000,000
PAID-UP CAPITAL	1,000,000
RESERVE FUND	1,000,000
UNCALLED CAPITAL	2,000,000

Receives Deposits of £20 and upwards for 1, 2 or 3 years at rates to be ascertained on application.
Drafts, Letters of Credit and Wire Remittances granted, and Bills on New Zealand purchased or sent on collection.
ARTHUR WILLIS,
Secretary & London Manager.

THE MERCANTILE BANK OF INDIA, LTD.

Head Office: 15 Gracechurch St., London, E.C.3.

Capital Authorised...	£3,000,000
Capital Paid up	1,050,000
Reserve Fund & Undivided Profits	1,146,430

Branches:
INDIA, BURMAH, CEYLON, STRAITS SETTLEMENTS, CHINA, AND PORT LOUIS, MAURITIUS.
The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and transacts Banking and Agency Business in connection with the East on terms to be had on application.
Fixed Deposit Rates will be quoted upon application.
On current accounts interest is allowed at per cent. per annum on daily balances.

UNION BANK OF CANADA.

Incorporated 1865. Head Office, WINNIPEG.

Paid-up Capital ...	(30th Nov. 1920)	$8,000,000
Rest and Undivided Profits	ditto)	$8,527,105
Total Assets	ditto	$169,205,446

The Bank has over 400 Branches in CANADA and Agents in the principal Cities in AMERICA.
Deposits received at favourable rates, which may be ascertained on application to:—
LONDON OFFICES { 6 PRINCES STREET, E.C. 2. / 26 HAYMARKET, S.W. 1.
New York Agency: 49 Wall Street.

THE BANK OF NOVA SCOTIA.

Established 1832.
General Office: Toronto, Canada

Capital	$9,700,000
Reserve Fund	$18,000,000
Total Assets	$240,000,000

Special facilities are available to the public through the Branches of this Bank for the transaction of business with Canada, Newfoundland, Cuba, Porto Rico, Dominican Republic, Jamaica, and the United States at Boston, Chicago and New York.
329 Branches in all.
LONDON BRANCH:
55 OLD BROAD STREET, E.C.2
E. C. MACLEOD, Manager.

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID	...$3,000,000.00
SHAREHOLDERS' LIABILITY	$3,000,000.00
SURPLUS AND PROFIT	...$7,500,000.00

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travellers' Cheques
available throughout the World.
Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States.
Correspondence Solicited.
LONDON AGENTS—
SAMUEL MONTAGU & CO.
LONDON JOINT CITY & MIDLAND BANK LIMITED.
LLOYDS BANK LIMITED.
Cable Address—"FOURBANK"

NATIONAL BANK OF INDIA, LIMITED.

Bankers to the Government of British East Africa and Uganda
HEAD OFFICE:
26 BISHOPSGATE, LONDON, E.C. 2.
BRANCHES:

Calcutta	Cochin	S. India	Zanzibar
Bombay	Chittagong	Mombasa	Kenya
Madras	Rangoon	Nairobi	Colony
Karachi	Mandalay	Nakuru	British
Cawnpore	Aden and	Kisumu	E.A.
Lahore	Aden Point	Entebbe	
Amritsar	Colombo	Kampala	Uganda
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
Dar-es-Salaam	Tanganyika Territory		
Tanga			

SUBSCRIBED CAPITAL £4,000,000
PAID UP CAPITAL £2,000,000
RESERVE FUNDS £2,300,000
LONDON BANKERS—Bank of England, National Provincial and Union Bank of England, Limited: National Bank of Scotland, Limited.
The Bank conducts every description of Eastern Banking business.
Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.
Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

THE BANK OF ADELAIDE.

(Incorporated by Act of Parliament 1865)

Paid-up Capital.....	£625,000
Reserve Fund	600,000
	£1,225,000
Reserve Liability of Proprietors...	625,000
	£1,850,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.
Sydney Office: 105 PITT STREET.
Melbourne Office: 267 COLLINS STREET.
Bills on Australasia purchased or collected.
Drafts issued and **Remittances** cabled.
Deposits received for fixed periods at rates to be ascertained on application.
London Office—11 LEADENHALL ST., E.C.3.
PERCY ARNOLD, O.B.E., *Manager.*

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C.3

Authorised Capital..	£2,000,000
Called-up Capital	£1,000,000
Reserve Fund	£225,000
Reserved Liability of Shareholders ..	£1,000,000

BRANCHES
AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, HILLAH, MOSUL, BOMBAY, CALCUTTA, COLOMBO.
BOARD OF DIRECTORS
Chairman.
The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T.
Deputy-Chairman.
J. S. HASKELL, Esq.
SIR J. LEIGH-WOOD, K.B.E. G. BROMLEY MARTIN, Esq.
JAMES H. BATTY, Esq. EMILE FRANCQUI, Esq.
MEYER SASSOON, Esq.
The Bank issues Drafts, Telegraphic Transfers, and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East. Deposits are received for one year at 6 per cent. per annum and for shorter periods at rates which can be ascertained on application. On Current Accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.
F. H. SUTTON, *Manager.*

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The London Assurance.

Incorporated by Royal Charter, A.D. 1720

7 ROYAL EXCHANGE, LONDON, E.C.3.

INCOME
£2,970,539
FIRE. MARINE.
Applications for Agencies invited.



ASSETS
£8,499,206
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The Statist.

LONDON, SATURDAY, FEBRUARY 12, 1921.

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The Money Market.

Friday, February 11, 1921.

	Current Rate % Fixed		Previous Rate % Fixed	
Bank of England Rate...	**7**	(Apr. 15, '20)	**6**	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6⅛	—	—
Bank Bills	6⅝	6 11/16	6½	6⅝
Trade Bills	—	7-7¼	7¼-½	7½

SHOULD THE BANK RATE BE LOWERED?

THE fact that no pronounced easing of the monetary situation has developed since the commencement of the year, while on more than one occasion conditions have been so stringent as to drive borrowers to the Bank of England, ought to have effectively dispelled any hopes that were entertained of such a plentitude of funds as to warrant a lowering of the Bank rate; yet it is apparent that expectations of such an event are still the basis of many operations in the Stock markets and elsewhere. Just now also we are becoming accustomed to an agitation for a reduction of the rate on the part of some who, notwithstanding the influences [illegible] on the Bank rate on April last one of the prime causes of the present depresion, and appear to think that a lowering of the discount rate now is all that is wanting to usher in a revival in trade. The subject has been magnified to an importance far greater than it [illegible]

arisen it will be useful to consider how far a lowering of the Bank rate is desirable.

In the first place, it should be borne in mind that the function of the Bank rate is now different to what it was before the War. Formerly a raising of the rate was used when gold was leaving the country in order to attract investments into London Bills from abroad and so help to move the exchanges in our favour. As gold is no longer the basis for our currency, except in name, the necessity for this function does not exist, and the use of the Bank rate is solely to regulate internal rates of interest. In this connection, however, it may be observed that the official discount rates are high in all the leading centres abroad, and in face of this a lowering of the rate on our part might be instrumental in driving abroad funds badly needed here.

But, after all, the high level of interest rates here, as elsewhere, is not a purely artificial one, as some appear to think; it indicates the very real scarcity of capital which prevails everywhere at the present time. A lowering of the Bank rate might now be warranted if this scarcity did not exist; such would be indicated by a marked abundance of funds in the Money market and by the fact that money was drifting freely into sound fixed-interest-bearing securities, which would in that case offer a return, artificially raised, through the medium of a high Bank rate, beyond the real value of money for investment. Now to anybody who is in touch with conditions in the Money and Stock markets it need not be said that the situation in Lombard Street is far from comfortable to borrowers, and that though the gilt-edged list in the Stock Exchange showed a brighter tendency of late, it is still very much under a cloud, while first-class new securities offering to the public meet with but an indifferent response.

While a reduction of the official discount rate has little to justify it regarded purely from the point of view of monetary conditions, it has still less justification judged from the standpoint of its effect upon trade. Here the question is a deeper one than the mere consideration of the level of interest rates: what matters for trade is not that business interests should get loans more cheaply, but that they should get loans more freely—it is a question of the quantity of banking accommodation granted, and not of its price. Advocates of a cheaper money policy would find it very difficult to prove that the raising of the rate from six per cent. to seven per cent. on April last had in itself any appreciable effect on the prosperity of trade; the collapse of the trade boom was caused partly by outside influences not relevant to the present discussion, and partly by the fact that the banks decided to refuse to continue creating fresh credits indefinitely, and the raising of the Bank rate was but an indication of this policy. Conversely, a lowering of the rate now would be of little advantage from the point of view of trade unless at the same time the banks began to lend much more freely than they are lending now. What would be really wanted to enable trade to recover quickly would be the granting of loans in such quantities that commodities could be held up in order to allow prices to rise again. In other words, the financial authorities should discard their deflationist policy for one of renewed inflation, and the improbability of such a change of front need hardly be emphasised. But though a fresh era of inflation could stimulate trade into greater life, the stimulant would be an unhealthy one; it would mean, moreover, that what has been accomplished during the past ten months in the direction of establishing healthier financial conditions would be undone, and consequently that the great hardship put on industry would be in vain, for all agree that the reduction of the price-level must be a necessary part of our programme for the future, and any prosperity that might accrue to trade from a fresh rise in the price-level must eventually be lost when prices come to be reduced again. What is wanted now is not that commodity prices should rise again, but that the deflation that has already taken place should be made effective by forcing the money prices of all goods and services to fall in accordance with the general movement of prices; then costs of production could be scaled down, and everything would naturally adjust itself to a prive-level lower and more safe than before the deflation movement began. It is on these issues that attention should be concentrated, and ill-informed discussion of the Bank rate such as has figured prominently of late is but stressing the unimportant and diverting attention from the very real problems that require to be solved.

Actual conditions in the Money market during the week were again stringent, due to the rapid transference of tax revenue to the Exchequer, and also probably influenced by the necessity for the publication of the new monthly balance sheets. On the last three days the market was driven frequently to the Bank. The range of rates for day-to-day money was latterly 5 to 6 per cent., and weekly fixtures continued at 5½ per cent. The tendency of the Discount market was firm, but business was again on a small scale.

Foreign Exchanges. A welcome development in the Foreign Exchange market during the week has been the continued rise in the dollar exchange to 3.89¼ for cables and 3.91 for cheques. The movement contrasts strikingly with what was taking place this time last year, when the value of our currency in New York was at a low record value. Recently we suggested that this improvement in the dollar exchange was due to a decline in our trade indebtedness to U.S. which has undoubtedly taken place recently. Also, of course, it is but a reflection of the scaling down of commodity prices here to nearer gold prices, and those interested in the future trend of the dollar should watch closely the course of prices here and the financial policy pursued by the banks and the Government. Other movements of a favourable nature were an improvement in Central European currencies as well as the currencies of France, Belgium, and Italy. Less satisfactory were the changes in the rates in some of the neutral countries, Sweden and Switzerland moving sharply against us. On the other hand, Copenhagen, Christiania, Amsterdam, and Lisbon moved favourably. The silver exchanges went again in our favour following the course of the quotations in the Silver market. The rupee was to-day marked down to 1s. 4⅝d.

Income and Expenditure. Following on a slowing-down of the rate at which revenue was coming in during the week ending on January 29, it is satisfactory to note that it has risen again last week to a scale that promises a realisation of the Budget estimates for the

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whole financial year, unless unforeseen developments arise. For the week to Saturday last the revenue was £32,356,000, or £4,505,000 above the amount returned on the previous week. The increase, moreover, was not effected by utilising Government assets, but was mainly due to an expansion of £6,402,000 in receipts in respect of income tax. Expenditure was also higher at £18,863,000, but the expansion here was less than in revenue, so that the surplus revenue was greater than on the preceding week at £13,493,000. This was more than sufficient to cover the deficit in Treasury bills, which amounted to £11,422,000, as against £15,459,000 on the preceding week, but was inadequate to provide in addition for repayments of other unfunded debt, and accordingly further recourse to borrowing on Ways and Means was necessary. The liability to the Bank under this head was, however, reduced by £2,250,000 to £38,500,000, the whole of the sum required being advanced by public departments. The amount outstanding of advances by the latter source was raised by £9,500,000 to £210,572,000. Thus the total of Ways and Means, at £249,072,000, shows an increase of £7,250,000. The total floating debt is £4,970,000 lower at £1,381,901,000. This figure is £68,180,000 above that returned a year ago, and £74,666,000 above the amount outstanding at the commencement of the financial year.

Currency Notes.

The note circulation shows only a minor movement during the week ending February 9. The total outstanding on Wednesday last of Currency notes and certificates was £339,116,446, as against £339,127,857 a week previously, a decline of only £311,411, as compared with a contraction of £506,803 during the preceding week. Returns from circulation were the smallest for any week since the commencement of the year at £6,929,542. The net contraction in the Currency note circulation since the beginning of the year is £25,808,321. As compared with February 11, 1920, last Wednesday's total shows an expansion of £12,744,073.

Bank of England.

The Bank return shows a good improvement in the Reserve position, following upon last week's unfavourable movement. The recovery, however, was not as great as the disimprovement of the preceding week; still, the latest reserve ratio recorded, 14.0 per cent., is, with the exception of a fortnight previously, when the figure was 14.2 per cent., the highest since August 25, 1920. The movement was not due so much to a strengthening of the reserve itself as to a remarkable decline in liabilities, "other" deposits falling by £23,521,000 to £106,331,000. This depletion of balances, occurring just after the turn of the month, suggests that the publishing of monthly balance sheets by the Clearing Banks has resulted in the accumulation of funds at the central institution which would otherwise have been withdrawn. If this is the case we may expect a reversal of the movement noted above during the coming weeks, especially as the figures in the balance sheets referred to are averages, and do not merely show the actual position at the end of the month. The reserve rose by £601,000 to £17,743,000, being influenced by a contraction in the note circulation of £611,000 to £128,989,000, offset by a slight diminution in the coin and bullion holdings. A welcome movement is that shown in other securities, indicating that during the week covered by the statement the Government were able to reduce their indebtedness to the Bank under Ways and Means Advances by a little over £20,000,000. This gives promise that revenue has again begun to recover from its recent set-back, and also, perhaps, that the financing of Treasury bills has been more satisfactory to the Exchequer. "Other" securities, on account of the repayment of the market's indebtedness to the Bank, show a fall of £2,109,000 to £76,588,000.

Bullion.

Moderate arrivals in the Gold market were, as usually, taken by the United States. To-day's parity price shows a fall of 15*d.* per ounce as compared with a week ago.

The Silver market was comparatively inactive, due to the occurrence of the Chinese New Year holidays. There was, however, a fairly good demand from the Indian Bazaars, which was sufficient to impart a steady tone to the market. As the orders were chiefly for immediate shipment, and spot supplies were rather scarce, the premium on the cash quotation widened. To-day the Chinese holidays terminate, and the influence to be exercised by that country on the market in the immediate future is regarded with great uncertainty. On the whole it is felt that the large stocks that have accumulated in Shanghai may prevent an immediate resumption of buying, and may even bring some selling orders; but predictions as to the probable influence of China have so often been falsified in the past that no reliance should be placed on this factor.

By an Order in Coucil dated the 7th inst., silver bullion is allowed to be exported from the United Kingdom without a licence.

Quotations for gold and silver since a week ago are appended:—

Silver (per oz. std. ·925 fine):—	Feb. 5	Feb. 7	Feb. 8	Feb. 9	Feb. 10	Feb. 11	Average
Cash	36⅛*d.*	36*d.*	36⅛*d.*	37*d.*	36⅛*d.*	36⅛*d.*	36·4*d.*
Forward ...	34⅛*d.*	34⅛*d.*	34⅛*d.*	35*d.*	34⅛*d.*	34⅛*d.*	34·8*d.*
Gold (per oz. fine) ...	107/0	106/6	106/0	105/10	105/6	106/2	

NEW YORK.

Recent returns of the United States banks indicate that a considerable drifting of funds to interior centres has been taking place, and it has been suggested that the recent hardening of money rates in New York was the result of an attempt to resist the movement. Whether this feature is now disappearing cannot yet be determined, but some indication that such is the case is furnished by the latest average weekly statement of the New York City Banks and Trust Companies, showing a substantial improvement in the reserve position. The actual extent of the gain, however, is small as compared with the previous disimprovement. During the three weeks immediately preceding the aggregate reserve declined by $44,000,000 to $523,430,000, and the average excess over legal requirements fell during the same period by $11,970,000. The latest totals for these are respectively $528,550,000 and $14,360,000, the former being the lowest since two months before the Armistice. The excess reserve is also very weak, but still it compares not unfavourably with some of the most critical periods of last year. The reason for this is, of course, that the fall in the aggregate reserve has been off-set to some extent by a shrinkage in reserve liabilities. Net demand deposits were $3,851,290,000 last week, as against $4,108,330,000 during the first week in January, a fall of $257,040,000. During the week under review, however, they show a rise of $17,180,000. Loans, discounts, and investments show a contraction since the commencement of the year of $139,220,000 to $5,122,910,000.

The improvement here noted in the situation of the Clearing Banks may indicate merely a strengthening of the position of the member banks at the expense of the New York Federal Reserve Banks. The latter has to report a very weak position, with a ratio of reserves to deposit and note liabilities of 35.3 per cent. During the week to the 4th inst. the total reserves suffered a contraction of $34,590,000 to $510,350,000, though $5.3 million was added to the gold holdings. It is significant that during the week net deposits and the Federal Reserve note circulation also advanced. The former now stands at $649,170,000 and the latter at $796,490,000.

Though the New York Federal Reserve Bank has suffered a disimprovement, the position of the mem-

bined twelve Federal Reserve Banks, on account of the strengthening of the interior centres, is rapidly recovering from its recent weakness. During the week to Wednesday last the gold holdings rose again by $1,260,000 to $2,111,950,000, the total reserves being $6,150,000 higher. Rediscounts fell by $23,410,000; gross deposits rose moderately, but the Federal Reserve note circulation shows a further contraction of $15 million, and the reserve ratio rose from 49.0 per cent. to 49.3 per cent., this being the highest reported since October 1919. The total reserves now stand at a total never previously surpassed—$2,326.130,000. Since the beginning of the year the total bill holdings have fallen by $373,940,000 to $2,600,890,000. More striking is the movement in the note circulation, which, at $3,075,750,000, is $329,180,000 below the figure returned at the end of December last, the latter being a high record, and only $183,970,000 above the level of a year ago.

Stock Exchange.

THE initial rally in quotations after the announcement at the end of last week of the abolition of Excess Profits Duty did not continue long. Public interest in the Stock markets still remains as apathetic as before, and during the current week the volume of business has been disappointingly small. For many industries the removal of the Excess Profits Tax means an actual loss, as with it goes their right to a refund, and even for those enterprises whose net revenue will be increased in the absence of the liability, dividend prospects are not greater than previously, as the dictates of conservative company finance will more probably deflect the surplus profit into reserves. The action of the Dunlop Company in passing the Ordinary dividend, though profits amounted to almost two millions, strikingly illustrates the principle and emphasises the probability of its extension to industry in general.

The Gilt-edged market presented a fairly firm front throughout the week, but business was hardly sufficient to test quotations. The Chancellor's speech at Birmingham disposed of the rumour that an increase in death duties was pending, and as a consequence Victory Bonds lost part of their recent gain. Consols finished at higher levels and several other minor appreciations were recorded.

Among Foreign bonds, Mexican Government securities provided a feature of exceptional strength on the announcement that Mr. T. W. Lamont, of Messrs. J. P. Morgan and Company, has been invited to visit Mexico with a view to arranging the refunding of that country's foreign debt, but reacted on Thursday when the news arrived that the United States Government is averse to the scheme until it has formally recognised the Obregon administration.

Home Rail prices sagged daily, practically every one of the Heavies being lower on the week. The statements in the reports of the various lines have only served to emphasise the obscurity of dividend prospects and to further depress the tone of the Share market, while the locomotive engineers' strike threat constituted an additional "bear" influence. No benefit resulted from the dividend declarations. The Great Western announces a final dividend of 4¾ per cent., or 7¼ per cent. for the year, with a reserve appropriation of £200,000 and a carry-forward of £277,000, the London and South Western, a final dividend of 4 per cent., or 6 per cent. for the year, £40,000 to reserve, and £65.555 carried forward, the North London a final dividend of 3 per cent., or 5½ per cent. for the year, £10,000 to reserve and £14,565 carried forward. In each case the dividend is the same as in 1919.

The Oil market started this week with a bright tone, but forced liquidation soon depressed prices among the leaders. The close was firm, but no marked recovery was in evidence.

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Mining Topics.

THERE were a variety of factors to account for the inactivity in the Kaffir Circus during the week. Gold did not rise above 107*s*., and showed a tendency to fall below 106*s*. The January returns proved disappointing, mainly owing to the sharp contrast between the 105*s*. at which the gold was valued conservatively, as compared with the minimum price of 115*s*. for December. Moreover, the sudden strike of the white employees on the West and Central Mines of the Rand was not calculated to reassure the market on the eve of the important South African elections. The results to hand confirming the victory of General Smuts should help to restore confidence during the coming week.

MOUNT MORGAN GOLD MINING COMPANY.

WITH the reports and accounts for the year ended May 30, 1920, and the cabled summary of the report for the half-year ended November 28, 1920, to hand, it is possible to trace the operations of this famous Queensland gold-mining Company since November 30, 1919. The mining and financial results for the two half-years in question are embodied in the following table, in contrast with those of preceding periods:—

	Half-Years ended—				
	Nov. 28, 1920	May 30, 1920	Nov. 30, 1919	June 1, 1919	Dec. 1, 1918
Total ore treated (tons)	170,965	149,014	146,453	141,628	184,274
Copper produced (tons)	3,151	3,131	2,749	2,688	3,[illegible]
Gold produced (oz.)	52,686	39,387	41,191	50,042	42,942
Copper delivered (tons)	2,848	1,686	1,550	1,139	4,[illegible]
	£	£	£	£	£
Total revenue ...	656,977	517,779	495,982	426,466	548,[illegible]
Total expenditure* ...	550,703	478,297	402,648	401,310	462,000
Net profit† ...	106,274	[illegible]	93,334	25,155	86,[illegible]
Dividend paid ...	—	[illegible]	50,000	50,000	50,000
	—	[illegible]	(5%)	(5%)	(5%)
Balance profit ...	106,274	Def. [illegible]	43,334	Def. 24,845	36,[illegible]
Brought forward ...	92,191	155,709	110,375	135,220	98,735
Carried forward ...	198,465	92,191	155,709	110,375	135,220

* Includes all expenses and taxation.
† Net profit after writing off depreciation.

During the six months ended November 30, 1919, mining operations had been handicapped, partially by strikes and partially by the influenza epidemic. Yet the return of 149,014 tons, as the quantity of ore treated in the next six months, did not represent a very marked improvement on the reduced total of 146,453 tons. The slowing-down of the recovery is explained entirely by the difficulty of securing adequate supplies of coal for smelting. According to the report for the first four months of the period coke had to be sent by rail from the south coast of New South Wales. Although this difficulty vanished on the termination of the seamen's strike, it was subsequently found that shipping facilities proved still somewhat short of requirements. However, the output of copper increased in the period from 2,749 to 3,131 tons, but the quantity of gold dropped from 41,191 to 39,387 ounces. Costs of production proved more onerous, partly owing to the dearth of supplies and partly to further increases in wages granted by the Industrial Court, which involved an additional outlay of £32,800 per annum. It was stated, too, that new claims were being made which, if granted, would cost £24,000 extra

per annum. Information as regards revenue is more condensed than is desirable, especially in view of the existence of the premium on gold. Even at par the yield from the 39,387 ounces of gold is nearly one-third the total revenue of £503,357 from the blister copper. Yet no information is disclosed as to the extent of the revenue derived from either copper or gold. We venture to suggest that no injury to the interests of the Company will result from following the practice generally in vogue amongst gold-mining companies of declaring the average price per ounce secured for the gold. The previous half-year it was announced that the copper shipped realised an average of £96 18*s.* per ton. For the half-year under review there was a sharp decline in the quantity shipped from 3,550 to 1,686 tons, which was attributed to the strike at the refinery at Port Kembla, coupled with the cessation of coastal transport, owing to the marine engineers' strike. However, no light is thrown on the nature of the price secured. Some idea may be gauged from the fact that during the first five months of 1920 the price of standard copper did not fall below £90 a ton, and was as high as £121¼ a ton. Consequently, the average was probably more favourable. Yet as a result of this decrease in the quantity shipped the stock on hand at the close of the half-year reached 4,432 tons, as against 2,987 tons in November 1919. It is valued, however, in the balance sheet at the conservative price of £55 per ton.

Financially the results were less satisfactory, the small increase in the total revenue from £495,982 to £517,779 being much more than offset by the sharp advance in expenditure from £402,648 to £478,297. Consequently the final dividend of ten per cent. (making fifteen per cent. for the year as against ten per cent. for the previous year) could only be paid by encroaching on the amount carried forward to the extent of £61,518, thereby reducing it to £92,191. The experiments on the leaching process which held out such hopes in the initial stages, have been abandoned. The unit for treating ten tons of calcined copper ore daily was duly completed, and 821 tons of ore were roasted. Whilst the results approximated to those of the one-ton plant, it appears that the economies secured were not sufficient to justify the large capital outlay which the general adoption of this process called for. The financial position of the Company as disclosed in the balance sheet dated May 30, 1920, was very sound. Liquid assets, excluding stores, amounted to £569,659, whereas current liabilities, including a bank overdraft, did not exceed £262,266.

The condensed *précis* of the report for the half-year ended November 28, 1920, shows that there has been a substantial recovery in the quantity of ore treated to 170,965 tons. Similarly, the production of copper has expanded to 3,451 tons; whilst the output of gold has jumped up to 52,686 ounces. In the absence of the detailed accounts it is not possible to state whether any light has been thrown upon the substantial revenue that must have been derived from the large gold premium ruling between July and November 1920. This growth in the output of gold justifies our request for the disclosure of the average price per ounce realised for this product. With the reversion to more normal transport facilities the quantity of copper delivered has risen from 1,686 to 2,848 tons; but owing to the increase in production the quantity in stock has advanced from 4,432 to 5,035 tons, which are again included at the low price of £55 per ton. It is expected that during the current half-year the stock of unrealised copper will be reduced to more normal dimensions; but at the end of the period the price realised was still low. During the six months in question standard copper did not rise above £100 a ton, and fell as low as £78.

Financially the marked increase in the quantity of gold, in conjunction with the high premium, is reflected in the pronounced growth in revenue to £656,977. The increase in expenditure has been nearly as rapid, thereby indicating that wages had again risen, as well as stores and materials. Although a surplus of £106,274 is left, as net profit, as against £38,482 in the previous half-year, the directors are unable to declare any dividend owing to the large amount of capital that is locked up in the quantity of metals, the refining of which was delayed by the strikes. At present operations are being carried on through the aid of a large overdraft. The amount of liquid assets is given at £520,450, but no statement is made concerning liabilities. During the period the Memorandum of Association was duly modified by the incorporation of clauses allowing the Company to extend the range of its activities. Accordingly, it has subscribed, in conjunction with the Electrolytic Refining and Smelting Company, the first issue of £200,000, in £1 shares, of the Australian Fertilisers' Proprietary, Limited, which is erecting fertilising works at Kembla, the first unit of which will be able to produce some 35,000 tons of superphosphates per annum. Operations are expected to begin in July. Meanwhile there has been acquired the business of George Shirley, Limited, Sydney, and Elliot Brothers, Limited. In addition, Mount Morgan has increased its holding in Metal Manufactures, Limited, which is proving a satisfactory investment, by £22,596. No figures are given of the reserves, which, however, were stated to be 3,437,687 tons, averaging 2.59 per cent. copper and 6.11 dwt. gold on May 30, 1920.

Should the price of copper continue to fall much longer the Company will have to depend upon its gold output for the bulk of its revenue for the current half-year. During January standard copper did not rise above £73, and was as low as £68. Unless there is a recovery in the immediate future Mount Morgan may again find itself obliged to hold up the bulk of its stock. Moreover, the prospects for gold are by no means so encouraging as they were during the closing six months of 1920. This necessity of locking up so much of its funds in stocks may again involve a passing over of the dividend. The uncertainty of the outlook at the moment is reflected in the market quotation of 12*s.* 6*d.* for the £1 shares, at which price a dividend of ten per cent. would afford a yield of sixteen per cent.

NARAGUTA (NIGERIA) TIN.

Issued Capital: £175,000 in Shares of £1 each.

Year to Mar. 31	Tin Output* Tons	Value per Ton £	Total Cost per Ton† £	Working Profit £	Net Profit‡ £	Dividends £	Dividends %
1915 ...	651	86½	79½	4,624	4,388(loss)	-	
1916 ...	580	92½	62½	17,292	14,327	17,500	10
1917 ...	520½	122½	86¾	18,562	14,724	17,500	10
1918 ...	517	186½	98 1/10	45,616	42,034	26,250	15
1919 ...	433	152¾	88 7/10	10,318	1,939	—	Nil
1920 ...	420	188	9[illegible]	23,169	14,436	17,500	10

* Tin concentrates. † Including depreciation and administration.
‡ After deduction of income tax and special depreciation in 1914 and 191

More than one of the difficulties which Naraguta (Nigeria) Tin Mines, Limited, had to face during 1918-19, and which resulted in the sharp fall in the output of tin concentrates to 433 tons, continued to hamper operations during the year ended March 31, 1920. Throughout the greater part of the year labour conditions proved unsatisfactory, and the shortage of labour was rendered more acute by the introduction of the unacceptable paper money for the recognised silver coinage. Labour troubles in the Sho Areas caused returns from that quarter to fall below the average. Whilst no interruption was experienced in the Naraguta Areas, the output was prejudiced by the necessity of treating low-grade ground for the bulk of the period. Owing to the early expiry of the exclusive prospecting licence titles, attention in the Korot Areas was concentrated almost entirely on prospecting operations. Similarly, the Kassaru Areas did not contribute to the output. In the Karima Areas alone was

there a gratifying increase in output. The joint result was that the total output of concentrates declined to 420 tons. The effect of this decline is reflected in the increase in the total working costs to £90 10s. per ton, as against £88 5/8 in the previous year. But this small increase was much more than counterbalanced by the recovery in the average price secured by the sale of the output, which, owing to the more favourable range of prices for tin, reached £188, as compared with less than £153 in the year 1918-19. And it was asserted at the general meeting that a still higher average would have been obtained had not a large quantity of tin been held up owing to the inefficiency of the railway service, with the result that the price of tin had fallen nearly £100 a ton by the time the consignment arrived. This unfortunate delay is said to have cost the Company almost £10,000 in profits. However, even at the actual average of £188 a ton the working profit reached £23,169, as compared with £10,318 in the previous year. Deducting £1,050, representing loss on investments, and £7,683 for income tax, a net profit of £14,436 is left, as against the nominal £1,939 in 1918-19. Availing themselves of the large balance of £13,340 brought forward from the last accounts, the directors paid a dividend of ten per cent. free of tax, equivalent to fourteen and two-sevenths per cent. subject to tax, to shareholders, for whom the previous year had proved barren. There is carried forward to the next accounts a balance of £11,275.

Development work and prospecting operations during the year produced on the whole satisfactory results. A promising deposit was opened up in the Naraguta Areas on the west side of the Gora Delimi Flat. A mining lease title has been acquired for the ground in the Korot Areas which had yielded good values on prospecting. In one block it is estimated that at least 1,200 tons of ore averaging seventy-one and a-half per cent. tin exist. Work in the Karima Areas shows a wider distribution of the ore. On the other hand, no conclusion has yet been reached as regards values in the Kassaru Areas; whilst operations in the Birnin Gwari Areas yielded unsatisfactory values. More recent information indicates that further payable ground exists in the Korot Areas; but owing to the depth special gravel pumps will have to be installed for economical working.

The outlook for the current year is by no means encouraging in view of the steady fall in tin to the low level of £155. This is all the more regrettable as the Company had every reason for anticipating an increased output. The Kassaru Areas were beginning to produce and more attention was being devoted to output in the Korot region; whilst much was expected from the new deposit in the Naraguta Areas. At present the dividend outlook is decidedly uncertain. Financially, the position of the Company as disclosed in the balance sheet dated March 31, 1920, is sound. Including the final dividend of £8,750, current liabilities did not exceed £21,790, whereas liquid assets were available to a total of £44,821. The fact that £31,039 represented the stock of tin "less advances and reserves" bears eloquent testimony to the unprofitable condition of the Tin market. The present unsatisfactory position of tin-mining in general is reflected in the quotation of 9s. for the £1 shares.

CANADA'S

Grand Trunk Railway System

in connection with the Canadian National Railways, now operates Daily Coast to Coast Service—Halifax, Quebec, Montreal, Toronto, Winnipeg, Saskatoon, Edmonton, Vancouver, Victoria, Prince Rupert.

CONSULT us re TRAVEL, EXPORTS, and EXPRESS SERVICE.

Canadian Express Co.'s Money Orders issued in Dollars and Cents.

EUROPEAN TRAFFIC OFFICES:

LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—20 Water Street.
LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.

FRED. C. SALTER, European Traffic Manager.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, February 9, 1921.

Issue Department.

Notes Issued	£144,957,515	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,507,515
	£144,957,515		£144,957,515

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£50,202,016
Rest	3,461,204	Other Securities	75,538,152
Public Deposits	20,176,592	Notes	15,967,970
Other Deposits	106,331,932	Gold and Silver Coin	1,775,589
Seven-day and other Bills	12,379		
	£144,533,707		£144,533,707

Comparison with Previous Four Weeks [000's omitted.]

Date 1921.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Feb. 9	128,9	123,2	20,1	106,3	50,2	76,5	17,7	14·0	7	6 1/4
Feb. 2	129,6	123,3	18,6	129,8	70,6	78,7	17,1	11·5	7	6 1/16
Jan. 26	128,4	123,3	16,1	112,5	53,2	75,1	18,2	14·2	7	6 1/2
Jan. 19	128,5	123,2	16,0	120,3	54,4	81,3	13,2	13·4	7	6 1/16
Jan. 12	129,8	123,2	15,8	123,1	59,2	83,7	15,8	12·2	7	6 1/4
Jly.22.'14	29,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	2 1/16

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%
July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 5, 1919, 6%, Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Feb. 9	Feb. 11	Feb. 12	Feb. 13	Feb. 8
Bank of England (in £'s sterling, 00,000's omitted):	1921	1920	1919	1918	1911
Circulation	£128,9	£83,9	£69,8	£46,1	£27,3
Public Deposits	20,1	22,0	28,2	39,0	11,7
Other Deposits	106,3	132,2	120,0	127,3	41,7
Government Securities	50,2	53,9	52,7	56,3	14,9
Other Securities	76,5	83,8	83,3	95,7	28,2
Reserve	17,7	34,5	30,2	31,3	28,5
Ratio to Liabilities	14·0%	22·4%	20·40%	18·96%	53·2%
Coin and Bullion	128,2	106,0	81,6	58,9	37,3
Money:					
Bank of England Rate	7%	6%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6 1/16%	5 1/16%	3 1/16%	3 1/16%	3-3 1/16%
Exchanges:					
Paris Cheque	33·85	48·60	25·98 1/2	27·16 1/2	25·29 1/2
New York 60 days	3·85	3·35	4·73 1/2	4·72 1/2	4·83
Bombay Telegraphic Transfers	1 4 1/2	2 9 1/2	1 5 3/32	1/4 3/32	1/4 1/16
Prices:					
Consols 2½% Cash	47 1/2	50 1/2	59	54 1/2	80 1/16
French Rentes 3% Money	58 25	57 60	65·00	57·50	97·45
Silver, London spot oz.	36 1/2d.	84 1/16d.	47 1/4d.	42 3/4d.	23 7/8d.
Wheat, *Gazette* average qr.	8 1 2	72 6	72 7	7 .0	30 11
Cotton, Mid Upland lb.	9·48d.	30·79d.	18·35d.	23·03d.	8·00d.
Iron, Scotch pig ton	201 0	131 0	101 0	101 0	55/3

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Feb. 9, '21	6,838,131	7,199,542	339,116,446	28,500,000	19,450,000	14·2
Feb. 2, '21	7,383,159	7,889,962	339,427,857	28,500,000	19,450,000	14·1
Feb. 11, '20	5,736,967	8,193,783	327,372,373	28,500,000	4,100,000	9·9
Feb. 12, '19	6,762,943	5,360,185	319,904,542	28,500,000	—	9·1
Feb. 13, '18	6,133,837	4,549,783	215,163,856	28,500,000	—	13·2
Feb. 14, '17	5,209,305	4,731,212	146,130,198	28,500,000	—	19·5

Balance Sheet, February 9, 1921.

Notes outstanding—	£	Advances—	£
One Pound	269,705,247	Other Bankers	—
Ten Shilling ...	41,011,199	Trustee Savings Banks ...	—
Certificates outstanding ...	28,400,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	339,116,446	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,437,278	Government Securities ...	309,192,875
Investments Reserve A/c ...	15,729,908	Balance at Bank of England	140,757
Total	357,283,632	Total	357,283,632

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Feb. 5,'21...	£32,356	£18,863	*£13,493*‡	£103,563	£115,868	£4,762
Jan. 29,'21...	27,851	16,722	*11,129*‡	88,346	99,763	3,573
Jan. 22,'21...	40,553	23,220	*17,333*‡	156,768	173,743	3,861
311 dys.'20-21	1,050,621	945,744	*104,877*‡	4,886,863	5,091,114	—4,607
313 dys.'19-20	909,469	1,275,488	366,009	5,177,734‡	4,894,525	—13,083
Yr. '20-21*	1,418,300	1,233,642	*184,658*‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profit Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services
Week to							
Feb. 5,'21...	£3,525	£20,997	£4,692	£3,142	£8,342	£284	£10,237
Jan. 29,'21...	4,385	14,595	5,445	3,426	2,671	100	13,951
Jan. 22,'21...	13,176	12,826	5,812	18,739	3,519	321	19,280
311 days'20-21	280,975	237,348	183,115	359,183	305,830	17,720	622,194
313 days'19-20	238,372	222,456	238,844	209,737	286,817	11,764	976,887
Yr. '20 21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Feb. 5, 1921 ...	£1,132,829	£249,072	£1,381,901	£20,323
Jan. 29, 1921 ...	1,145,049	241,822	1,386,871	19,968
Jan. 22, 1921 ...	1,161,894	233,122	1,395,016	19,463
Jan. 15, 1921 ...	1,153,849	246,372	1,400,221	19,055
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates, including supplementary grants. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 8, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Jan. 27, '21	...	10,661	1,124	11,795	31,418	243,934	44,191
Feb. 3, '21	...	10,661	1,110	11,811	30,844	249,263	43,909

		Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Jan. 7, '21	...	£396,759	£79,639	£79,367	£96,639	£46,399	£50,392
Jan. 15, '21	...	396,732	79,103	72,381	90,410	45,547	54,782
Jan. 23, '21	...	396,775	75,395	72,827	93,983	442,135	52,286

		Cash—Gold	Cash—Silver	Cash—Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4,100	£341	£4,441	£8,197	£786	£8,693	£47
Dec. 31, '20	...	12,643	145	12,788	13,315	522	30,928	3,823
Jan. 31, '21	...	12,643	141	12,784	15,928	895	29,909	3,489
Jan. 31, '20	...	12,632	188	12,790	15,984	912	26,375	1,902
Jan. 31, '19	...	10,405	135	10,540	4,110	5,563	23,936	1,016

		Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits—Public	Deposits—Private
FRANCE.								
July 30, '14	...	£185,654		£190,667	£97,788	£267,327	£15,302	£37,903
Feb. 3, '21	...	142,143	77,934	230,323	133,718	1,528,215	2,037	144,797
Feb. 10, '21	...	142,156	77,931	230,756	124,316	1,530,992	2,041	134,642
Feb. 12, '20	...	144,110	79,131	233,391	72,433	1,519,471	2,651	124,931
Feb. 13, '19	...	138,945	81,484	233,022	46,150	1,360,266	3,505	106,572

		Cash—Gold	Cash—Silver	Cash—Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£67,843	£16,727	£84,570	£9,279	£40,055	£91,545	£47,198
Jan. 22, '21	...	54,577	338	54,915	1,138,6 4	2,42 ,174	3,30 ,922	571,342
Jan. 31, '21	...	54,577	323	54,900	1,140,635	2 667,291	3,310,040	791,698
Jan. 31, '20	...	54,507	1,016	55,523	631,351	1,966,638	1,872,169	706,077
Jan. 31, '19	...	112,636	997	113,633	237,813	1,355,378	1,182,382	626,137

		Cash—Gold	Cash—Silver	Cash—Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14		£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Jan. 24, '21	...	53,012	1,845	54,857	18,492	—	87,165	6,967
Jan. 31, '21	...	53,012	1,821	54,833	20,752	20,239	89,571	5,635
Jan. 31, '20	...	52,634	686	53,319	23,461	18,346	86,781	9,571
Feb. 1, '19	...	57,029	744	57,773	20,312	11,414	83,6 2	7,202

		Cash—Gold	Cash—Silver	Cash—Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	—£43,456—		£25,017	£69,204	£8,887
Nov. 30, '20	...	£32,768	£3,000	35,733	14,599	190,173	616,783	83,146
Dec. 10, '20	...	32,768	3,000	35,781	17,331	195,528	611,454	75,324
Dec. 10, '19	...	32,198	3,004	35,202	17,707	90,319	491,333	74,057
Dec. 10, '18	...	32,699	3,080	35,779	7,275	60,532	365,510	56,743

		Gold	Discounts	Advances	Notes	Deposits—Public	Deposits—Private
JAPAN.							
Aug. 1, '14	...	£21,887	£1,029	£7,863	£32,722	£13,818	£1,521
Dec. 25, '20	...	120,005	10,923	12,229	131,123	84,096	9,858
Jan. 1, '21	...	124,521	15,529	12,737	143,934	91,527	6,847
Jan. 3, '20	...	95,415	35,623	41,355	155,510	111,246	4,281
Jan. 4, '19	...	71,873	9,810	52,103	147,633	96,172	8,619

		Cash	Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest. &c.	Net Deposits—Demand	Net Deposits—Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.									
Aug. 1, '14	...	—		£89,888	£411,238	—	—	£887,165	£1,720
Jan. 29, '21	...	£16,492†		104,815	1,034,330	£772,922	£50,678	841,572	2,206
Feb. 6, '21	...	15,973†		105,710	1,024,582	775,158	47,990	836,768	2,872
Feb. 7, '20	...	19,892†		115,774	1,044,333	835,148	59,382	909,663	4,826
Feb. 8, '19	...	19,128†		110,980	916,654	766,516	23,986	803,704	9,740

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£8,752	£793
Jan. 22, '21	...	8,115	3,232	500	24,798	23,444	7,136
Jan. 31, '21	...	8,115	3,071	500	25,182	23,321	7,364
Jan. 31, '20	...	8,132	3,931	581	18,140	22,765	3,499

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
Oct. 6, '20	...	£1,906	£3,921	£5,827	£28,838	£119,830	£4,774
Oct. 13, '20	...	1,906	3,921	5,827	29,347	119,490	4,502
Sept. 3, '19	...	1,905	3,924	5,829	7,846	66,556	8,774
Sept. 4, '18	...	1,905	3,742	5,647	10,795	54,450	2,357

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Nov. 13, '20	...	£122,001	£23,535	£4,612	£33,217	£361,041
Nov. 20, '20	...	126,003	28,202	4,534	33,736	364,484
Nov. 27, '20	...	126,003	28,733	5,249	33,982	363,803
Nov. 29, '19	...	53,231	9,430	2,184	11,614	158,906

		Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14	...	£160,114	£14,395	£181,892	£78,081	£163,411	£8,589	£109,911
Oct. 29, '17	...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Cash—Gold	Cash—Silver	Cash—Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Jan. 15, '21	...	98,377	22,900	121,327	103,795	13,779	173,951	47,095
Jan. 22, '21	...	98,452	23,202	121,654	103,793	13,779	172,591	47,353
Jan. 24, '20	...	98,135	25,165	123,300	88,996	13,779	151,703	43,800
Jan. 25, '19	...	89,140	25,636	114,806	67,541	13,777	135,216	45,028

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Jan. 29, '21	...	15,619	5,931	705	29,514	35,884	12,256
Feb. 5, '21	...	15,657	5,824	705	32,660	37,253	13,787
Feb. 7, '20	...	14,810	6,292	2,634	27,280	37,163	10,365
Feb. 8, '19	...	15,532	8,161	3,034	18,949	39,632	4,735

		Cash—Gold	Cash—Silver	Cash—Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,718	£2,026
Jan. 31, '21	...	21,723	5,213	27,000	15,563	37,597	4,720
Feb. 7, '21	...	21,721	5,437	27,158	14,425	36,650	4,581
Feb. 7, '20	...	21,776	3,409	24,185	13,976	37,124	5,160
Feb. 7, '19	...	16,464	2,568	19,032	19,447	34,544	5,047

* Converted at 24 crowns to £1.
† Net reserve. ‡ Currencies converted at par rate of exchange approximately.

		Gold—Held by Banks	Gold—With Agents	Total Cash	Bills Discount'd	Bills Accept ances	Deposits—Govt.	Deposits—Total Net	Circulation
U. STATES FED. RES. BANKS.									
Jan. 24, '21	...	—£421,223	—	£483,936	£491,216	£73,012	£10,423	£128,814	£313,159
Feb. 7, '21	...	—422,391	—	483,228	446,864	33,584	19,071	323,006	315,150
Feb. 9, '20	...	150,774	247,538	410,932	44,058	110,950	8,490	353,104	578,356
Feb. 7, '19	...	154,393	263,941	435,122	338,180	58,543	19,392	322,832	490,834

II.—CURRENT BANK RATES OF DISCOUNT.

		%	Date Fixed			%	Date Fixed.
Amsterdam	...	4½	July	1, 15	Lisbon ...	... 7	Sept. 3, '20
Berlin	... ...	5	Dec.	23, 14	Madrid ...	... 6	Nov 4, '20
Berne	... ...	5	Aug	21, '19	Paris ...	... 6	Apr. 8, '20
Bombay	... ...	7	Nov.	12, '20	Petrograd	... 6	July 29, '14
Brussels	... ..	5½	Apr.	28, '20	Rome ...	... 6	May 12, '20
Calcutta	... ...	7	Nov.	19, '20	Stockholm	... 7½	Sept 18, '20
Christiania	... 7		June	25, '20	Tokio ...	.. 8·03	Nov. 19, '19
Copenhagen	... 7		Apr.	16, '20	Vienna ...	.. 5	Apr. 12, '15

III.—FOREIGN EXCHANGES.

LONDON ON—		Feb. 11, '21	Feb. 4, '21	Jan 28, '21	Jan. 21, '21
Berlin	Cable	233m.	243m.	321m.	232m.
Brussels	Cheques	51fr. 50c.	52fr. 12½	53fr. 12c	54fr. 65c.
Denmark	Cable	20kr. 80	20kr. 10	19kr. 85	19kr. 25
Holland	do.	11d 34	11d 33	11d. 42c.	11d. 37c.
Italy	do.	106fr. 25	105fr. 75	104fr. 75	106fr.
Lisbon and Oporto	do.	6¾d	6¾d	6¾d.	6¾d.
New York	do.	$3 89⅛	$3 84½	$3 88	$3 77½
—	Cheques	$3 91	$3 86	$3 90	$3 78½
Norway	Cable	21kr. 40	20kr. 85	20kr. 80	19kr. 40
Paris	3 mos.	54fr. 55c.	55fr. 45c	56fr. 45c	58fr 05c.
—	Cable	53fr. 80c	54fr. 70c	55fr. 70c.	57fr. 30c.
Spain (Bank places)	3 mos.	42¾	42¾	42¾d.	42¾d.
—	Cable	27p. 65	27p. 50	27p. 82	28p. 05
Sweden	do.	17kr. 45	17kr. 52	17kr. 80	17kr. 47
Switzerland	3 mos.	22fr. 40c.	23fr. 45c	24fr. 73c.	24fr. 57c.
—	Cable	21fr. 90	23fr. 95c	24fr. 23c	24fr. 07c.

ON LONDON—		Feb. 11, '21	Feb. 4, '21	Jan. 28, '21	Par.
Alexandria	Sight	97½pl.	97½pl.	97½pl.	97½pl.
Amsterdam	Cheques	11d. 34c.	11d. 33c	11d. 42c.	12·107c.
Athens	Cable	54dr. 25	54dr. 75	51dr. 00	25dr. 22½
Bombay	Transfers	1s. 4⅛d.	1s. 4⅛d.	1s. 5⅛d.	2s.*
Brussels	Cheques	51fr. 55c.	52fr. 12½c.	51fr. 35c.	25f. 22½c.
Buenos Ayres	Transfers	49½d.	50d.	49⅞d.	47·58d.
Calcutta	do.	1s. 4⅛d.	1s. 4⅛d.	1s. 5⅛d.	2s.*
Christiania	Sight	21kr. 37	20kr. 85	20kr. 72	18·159kr.
Copenhagen	do.	20kr. 76	20kr. 02	19kr. 88	18·159kr.
Helsingfors	Cable	117m.	107m.	112m.	25m. 22½
Hong Kong	Transfers	2s. 5⅛d.	2s. 7d.	2s. 10d.	—
Italy	Sight	106fr. 25c.	105fr. 75c.	105fr. 00c.	25fr. 22½c.
Lisbon	do.	6¾d.	6¾d.	6¾d.	53½d.
Madras	do.	1s. 4⅛d.	1s. 4⅛d.	1s. 5⅛d.	2s.*
Madrid	do.	27p. 65	27p. 43	27p. 81	25p. 22½
Montevideo	Transfers	49	48d.	43¾d.	51d
Montreal	Cable	$4 42	$4 31	$4 31	$4 86⅔
New York	Sight	$3 87	$3 83½	$3 84½	—
—	60 days	$3 85	$3 83	$3 80	—
—	Cable	$3 87⅛	$3 84⅛	$3 85½	$4 86⅔
Paris	Cheques	53fr. 85c.	54fr. 77c.	53fr. 15c.	25f. 22½c.
Rio de Janeiro	90 days	9d.	9⅛d.	10⅛d.	16d.
Shanghai	Transfers	3s. 3½d.	3s. 5d.	3s. 3½d.	—
Singapore	Sight	2s. 3½d.	2s. 3½d.	2s. 3½d.	—
Stockholm	do.	17kr. 44	17kr. 51	17kr. 72	18·169kr.
Switzerland	do.	23f. 90c.	23f. 95c.	24f. 22c.	25f. 22½c.
Valparaiso	60 days	8⅞	e9⅜	8½	18d.
Yokohama	Sight	2s. 0⅛d.	2s. 0⅛d.	2s. 0d.	24·58d.

* Fixed at Rs. 10 to the £ 1 s. 4d. from September 8 1920.

NEW YORK ON—		Fe 9. '21	Feb. 2, '21	Par as orally Quoted	Rate July 3
Amsterdam, sight	...	34 2dc.	33 95c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	...	27 75c.	27 5dc.	48 66c. for 1 rupee	33·00c.
Buenos Ayres, cheques	...	124·0	125·0		
Christiania, cheques	...	17·85c.	18·45c.	26·80c. for 1 kroner	
Copenhagen, cheques	...	18·70c.	19 20c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	...	7·05c.	7·40c.	19·295c. for 1 drachma	
Hongkong, cheques	...	51·0c.	50·0c.	74·09c. for Mex. $1	46·4c.
Italy, sight	...	36·25f.	36·55f.	5·18f. lire for $1	5·17f.
Lima, cheques	...	4·10f.	4 42f.	4 8635 $ for 1 libra	
Manila, cheques	...	46·00c.	46 00c.	50c. for 1 peso	49·8c.
Montreal	...	11·625% disc.	10·625% disc.	Premium per $100	Par
Paris, sight	...	14 3fr.	14 0fr.	5·18f. francs for $1	5·16fr.
Rio de Janeiro, cheques		6 74mil.	6 7 mil.	3 032 milreis for $1	
Shanghai, cheques	...	63 0c.	67·0c.	52·36c. for 1 tael	83·00c.
Singapore, cheques	...	42·00c.	42 00c.	56 77c. for $1	57·12c.
Spain, cheques	...	13 80c.	14·02c.	19 30c. for 1 peseta	
Stockholm, cheques	...	22·5c.	21 3c.	26·80c. for 1 kroner	
Switzerland, cheques	...	6 18fr.	6 25fr.	5·18f francs for $1	5·18fr.
Valparaiso, cheques	...	14·50c	14·5c.	20·81c. for 1 peso	
Yokohama, cheques	...	43 50c.	43 0c.	49·85c. for 1 yen	49·90c.

Argentine Treasury certificates quoted in New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week	Amount.	Inc. or Dec.*	Aggregate.	Inc. or Dec.*
	1921	(In thousands, 000's omitted.)			
BIRMINGHAM	Feb. 5	£4,437	— £1,031	£19,331	— £3,178 — 14·1
BRISTOL	,, 5	1,733	— 305	9,632	— 1,468 — 13·1
DUBLIN	,, 5	7,997	— 2,226	45,993	— 7,446 — 13·9
HULL	,, 5	1944	—	944	—
LEEDS	,, 5	1,800	— 299	7,320	— 1,536 — 17·3
LEICESTER	,, 5	924	— 649	4,991	— 2,460 — 33·4
LIVERPOOL	,, 5	10,933	— 8,596	73,007	— 29,072 — 28·4
MANCHESTER	,, 5	20,779	— 18,697	106,161	— 75,674 — 41·6
NEWCASTLE	,, 5	3,837	— 393	16,119	— 2,036 — 11·2
NOTTINGHAM	,, 5	843	— 391	4,538	— 2,104 — 32·1
SHEFFIELD	,, 5	2,665	+ 59	8,704	— 232 — 2·4
LONDON—	1921				
TOWN	Feb. 9	574,337	— 127,471	3,028,952	38 357 — 9
METROPOLITAN	,, 9	38,570	— 4,800	253,737	— 39,330 — 13·5
COUNTRY	,, 9	79,932	— 9,732	432,103	— 75,013 — 14·8
TOTAL	Feb. 9	693,339	— 132,103	4,390,490	— 147,267 — 3·1

* Compared with a year ago. † 5 days.

V.—FREIGHTS.—According to Messrs. J. C. Duff, Anglier & Co., Ltd.

HOMEWARDS.	1921 Feb. 11	1921 Feb. 4	1914 Feb. 6
Alex. to U.K. ...	—	1/0	6/9
Aust. to U.K. ...	6/6	72/6	27/0
Bilbao to Cardiff	—	9/6	—
Bombay to p.p.	77/6 l.w.	30/0 d.w.	17/0
Durban to U.K. ...	—	—	22/0
Calcutta to p.p. (nitrate)	—	—	—
Danube to U.K.	30/0	35/0	—
R. Plate to U.K. ...	40/0	50/0	11/0

Homewards.	1921 Feb. 11	1921 Feb. 4	1914 Feb. 6
U.S.A. to Continent (cents)	—	45	20†
U.S. to U.K. (cts.)	—	45	20†
Jute Rates to U.K. Cont.			
Calcutta (cents)	—	—	11·0*
OUTWARDS.—Rates to			
East Coast ...	17/6	17/6	7/6
River Plate ...	2/0	18/0	14/9
St. Vincent ...	12/0	—	7/6

* Per ton. † Per quarter.
Time Charter, 6/6 basis.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	FEB. 11, 1921	FEB. 13, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	201 0	181 0	57 0
— Middlesbro' warrants ...ton	195 0	175 0	51 0
— Hematite warrants ...ton	220 0	220 0	61 0
— Staffordshire bars, London ton	£31 10	£26 15	£8 10
— Common bars ...ton	£25 –£26 10	£24	£6 16
Steel Rails ...ton	£21	£18 15—£19 5	£6 2 6
Galvanised Sheets ...ton	£28—£30	£48—£50	£16 17/1
Copper—Standard ...ton	£71 7/3	£119 10	£66
Tin—English Ingots ...ton	£165 –£166	£386	£142 15
— Straits ...ton	£195	£392	£139 10
Tinplates, I.C. Coke, S. Wales...box	36 0	72 6	11/10½—12/0
Lead—Soft Foreign ...ton	£21 5—£22	£49 15-£50	12/6 £19
Spelter—Ord. Foreign ...ton	£25 –£26	£61 15—£63 15	£21 7/9
Quicksilver—(75lb.) ...bottle	£12 10—£13	£22 10	£7
Aluminium ...ton	nom.	£195	£82
Antimony—Regulus Foreign ...ton	£25	£67	£27 10
— English ...ton	£38—£42	£69	—
Coal—(best) Yorkshire ...ton	37 2—38 2	21 6—22 6	17'6
Steam (best) Newcastle...ton	50 2—55 2	46 0—51 0	14·6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Cuile, per quintal	14 0	15 0	7/4
Soda—Crystals ex wharf ...ton	140/0	130/0—140 0	42/6—45 0
Copra—Malay and States ...ton	£31 15	£73	£23 15 £24 7 6
Gambier—Good marks ...cwt.	35/0	52 0	16 10½
Indigo—Bengal good to fine ...lb.	11 6 14 6	13 0 16 6	3/2—3/8
Linseed Oil—Raw ...ton	£35	£114	£25 5
Linseed—Calcutta, spot ...ton	£18 10	£55	£13 16 9
— Oakes, U.K. made, ex mill ...ton	—	£25	... £7 17/6—£8
Olive Oil—Spanish ...ton	nom.	£49	£49 10
Palm Oil—Lagos ...ton	£36	£93	£31 10
Petroleum—American ...gallon	2 3½	2 1	7½
Rape Oil—Refined English ...ton	£63	£135	£32
Soya Oil—Refined ...ton	nom.	£117	£24 10
Tallow—Imported ...wt.	40 0 50 0	105 0— 110 0	29/3—33/3
Turpentine—American ...cwt.	75 0	200 6	33/7½
Rape Seed—Toria ...ton	£20 10	£55 10	£13 5
Rubber—Para, spot ...lb.	1/1½ nom.	2 9½	2 9½
— Fine plantation (std.) creeper lb.	1/1½	2 9	2/2
— World's Production Oct. tons	26.620	31.291	8.467
Shellac—T.N. Orange, fair ...wt.	320 0	840 0	63 0—64 0
TEXTILES.			
Cotton—Middling Upland ...lb.	9 48d.	30 79d.	7·53d.
— Egyptian good fair ...lb.	14 00d.	82 00d.	8·75d.
— Pernambuco fair ...lb.	8 43d.	34 29d.	7·73d.
— Midland Upl. New York...lb.	14 05d.	37 75d.	13·25d.
— Stock, Liverpool (Feb. 4) bales	1,023,630	1,066,790	934.600
Flax—Petrograd, Ynapol ...ton	—	—	£28
Hemp—New Zealand ...ton	nom.	£59	£25 10
Manila fair ...ton	£47 10	£79	£26 10
Jute—First Marks ...ton	£36	£76	£26 15
— Red SGO ...ton	£31	£53	£24 15
Silk—Common, New style ...lb.	2 2	5 6	12 0—12 6
Wool—Pt. Philip unwashed fav. lb.	2 3½	5 0	11½ -1 0
— Lincoln Half Wools ...lb.	1 0½	2 3½	1 0½
Hides—Eng. Ox, best, 70lb. up lb.	6½d.	15½d.—16½d.	7½d.
Leather—Dressing Hides ...lb.	2/0—2/6	4 6—5 0	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—N. Duluth (spot) U.S. ...bus.	92 497 000	97.575.000	34.640.000
— Red, prmpt, N.Y. 60lb ...bushel	198	nom.	67½
— English Gazette, aver. 430lb. qr.	84 2	72 6	34 3
Flour—G.R. ...280lb.	73 0	44 3	28 6
Barley—Eng Gaz., aver. 400lb. qr.	68	103 9	25 4
Oats—Eng. Gaz., aver. 312 lb. qr.	41 10	58 9	20 0
Maize—N.Y. (new bushel)...56lb.	80½	166	76½
Amer. mixed, Liverpool...480lb.	4 0	nom.	32/4
La Plata ...480lb. qr.	49 0	65 0	25/9
Potatoes—Good English ...ton	190 0	275 0	70 0—75/0
Rice—Bassein ...cwt.	15 0 15/	26 0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	24 0	38 0—40/0	14 0—17/6
Hay—best ...2,018lb...load	—	—	82 6
Hops—English ...cwt.	—	—	6 5 £7
ANIMAL FOOD.			
Beef—Argen., chilled hudqrs....8lb.	6/8	6 8	3/8—3/10
— Scotch sides ...8lb.	11 8	10/0	4/6—5/0
— English ...8lb.	11 8	10 0	4/2—4 5
Mutton—Scotch wethers ...8lb.	12/1	10 6	4/6—5/4
— English wethers ...8lb.	14 4	10 6	4/6—5/4
— New Zealand frozen ...8lb.	4 0 6 0	10/8	2/4—3/2
Pork—English and Irish ...8lb.	11/0	11 8	3/6—4/0
Bacon—Irish, delivered ...cwt.	‡210/0	200 6	60 0—74 0
— Danish ...cwt.	207 0	192 0	58.0—68 0
— Canadian, ex Port ...cwt.	198 0	187 0	—
— American, ex Port ...cwt.	†150/0 156 6	187 0	72 0—74 0
Hams—American cut, ex Port wt.	†180 0	190 0	75 0—79 0
— — short cut, ex Port ...cwt.	†175 0	†190 0	71/0—74 0
Lard—Amer. boxes, ex Port ...cwt.	†133/0	†198 6	51 9 52 9
Butter—Danish ...cwt.	†298 8	270 8	117 0—120 0
— French ...wt.	†293 8	270 8	96/0—108 0
— Australian ...cwt.	†293 8	270 —	98'0—110 0
— New Zealand ...cwt.	†293 8	270 8	100 0—114 0
Cheese—Canadian ...cwt.	158 0 158 0	†145/0	66 0—68 0
— United States ...cwt.	—	†145 0	—
— Dutch ...cwt.	†168 0—230 0	†145 0	53·0—64 0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Jan. 31 ...cwt.	1.543.274	1.970.223	19.777.254
Home consumpt'n to Jan. 31 cwt.	1.41 .763	2.239 8 3	17.272.000
— In Bond Jan. 31 ...cwt.	7.693.000	6.102.000	6.308.000
— Price, Java, 96° Pol. ...cwt.	37/0	53 0	10/3
— — Yellow crystals ...cwt.	65 0	63 6	12/6—14 0
— — Tate's Cubes, No. 1...cwt.	76 0	72 0	18 0
Coffee—Imports to Jan. 31 ...cwt.	56.851	80.062	720.360
— Home consumpt'n to Jan. 31 cwt.	26.403	26.64	141.410
— Exports to Jan. 31 ...cwt.	27.951	52.6 0	340.250
— In Bond Jan. 31 ...cwt.	653 000	733.000	484.000
— Price, Costa Rica, good to fine cwt.	114 0 158 0	158 0 164 0	80 0—93 0
— — Brazil (Santos) good ...cwt.	67/0 70 0	130 0—132 0	41 6
Tea—Imports to Jan. 31 ...lb.	40.013.639	48.538.454	123.230.277
— Home consumpt'n to Jan. 31 lb.	33.670.856	31. 51.719	155.447.972
— Exports to Jan. 31 ...lb.	1.844.07	3.048.7 9	26.561.765
— In Bond Jan. 31 ...lb.	224.415.000	215,175.000	78.292.000
— — Price, Indian, Pek. Sou. ...lb.	5	1.5	8½d.
— — Ceylon, Pek. Sou. good ...lb.	4 4d	1 6	8½
— — Common Congou ...lb.	—	1/3	5½d.
Cocoa—In Bond Jan. 31 ...cwt.	1.104.000	795.000	309.000
— Grenada, good to fine ...cwt.	50 0—53/0	85 0	52 6—56 0

* Estimated. † Controlled. ‡ Uncontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS

				Net	+ or —
Canadian Pacific ...	Dec.	$20 604 000	+ 3,578,000	$2.222.000	+ $340,000
	12 *mos.* to Dec.	216,841,000	+ 39712000	33,153,000	+ 220,000
Grand Trunk ...	Nov.	£1.600 200	+ 357.300	£142,000	+ £38 700
	11 *mos.* to Nov.	15,109 6 0	- 2.254.700	991,000	— 575.100

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Jan. 1	1,044	R2.03.731 —	3.437	13	29.38.930 —	92.642
Barsi Light ...	Jan. 8	118	21.100 —	9.500	40	10.82.400 +	87.600
Bengal & N.W.	Jan. 1	2,067	4.52.010 +	4.138	13	62.21.153 +	1.85.770
Beng. Dooars	Dec. 18	158	26.209 —	10.224	11	3.55.283 —	2.51.588
Beng. Nagpur	Jan. 1	2,695	11.53.000 —	84.000	33	4.75.01.948 —	9.71.523
Bomb. Baroda	Jan. 29	2,871	20.41.000 +	37.000	17	3.14.01.000 —	7.46.000
Burma ...	Jan. 1	1,342	5.36.996 —	36.997	13	73.44.884 —	5.77.965
Del.Um. Kalk.	Jan. 22	239	83.000 +	4.615	16	16.87.777 +	73.079
East Indian ...	Jan. 29	2,772	25.8 .000 —	1.69.000	17	4.73.98.000 +	21.74.000
Gt. Indian Pen	Jan. 29	3,121	31.48.600 +	85.900	17	4.69.75.524 +	20.38.249
Madras & S.M.	Jan. 8	3,152	12.30.000 —	69.328	14	4.84.15.915 —	1.58.288
Nizam's Guar.	Jan. 8	900	3.14.95 —	701	14	38.67.809 —	65.421
Rob. & Kumn.	Jan. 1	576	94.304 —	10.08	13	12.54.290 +	6.248
South Indian	Jan. 1	1,852	7.65.957 +	2.775	39	3.12.35.683 +	10.79.549
South Punjab	Sept.	716	9.68.745 +	1.96.13	6	53.48.044 +	10.72.764
COLONIAL							
Can. Northern	Feb. 7	9,704	$1.325.600 +	413.500	5	6,419,700 +	1,308,900
Can. Pacific ...	Jan. 31	13,388	4.433.000 +	103.000	4	14.208.000 +	293.000
Grand Trunk	Feb. 7	3.616	£307.231 +	64.32	5	1.622.82 +	341.418
Mashonaland	Oct.	810	85.224 +	5.332	1m	—	—
Mid. W. Aust.	Nov.	277	12.273 +	526	5m	53.709 +	5.951
New Zapefield	Jan. 8	205	2.147 —	28	1	—	—
Rhodesia Rlys	Oct.	1,397	124.725 +	11.326	1m	—	—
Temiscouata...	Nov.	—	$36.172 +	615	12m	393.231 +	51.504
FOREIGN.							
Argentine.							
Arg. N. East...	Feb. 5	752	£ 11.070 +	1.49	32	368.300 —	4.200
Arg. Transand	Feb. 5	111	£ 3.572 —	1.738	32	81.077 —	1.459
B.A. & Pacific	Feb. 5	3.435	£ 144.000 —	6.000	32	3.831.000 —	741 000
B.A. Gt. South	Feb. 5	3.903	£ 213.000 +	20.000	32	4.861.000 —	693.000
Do.	Feb. 5	Net	£ 53.000 —	15.000	32	653.000 —	1.214.000
B.A. Western	Feb. 5	1.882	£ 88.000 —	12.000	32	2.337.000 —	734.000
Do.	Feb. 5	Net	£ 16.000 —	12 000	32	199.000 —	868.000
B. A. Central	Dec.	190	£ 36.92 —	6.9 4	6	298.560 +	27.960
Cent. Argent.	Feb. 5	3.305	£ 176 000 —	6.000	32	6.135.000 +	579.000
Cord. Central	Dec. 5	1.205	£ 31 000 —	26.500	32	1.713.100 —	165.700
Entre Rios ...	Feb. 5	811	£ 23.100 —	2.900	32	680.800 —	30.900
Brazilian.							
Brazil Gt. South	Dec.	110	M 55.500 —	12.750	12m	550.500 —	62.421
Brazil Railway	Dec.	3.530	M4.859.000 —	141.271	12m	57.772.000 +	7.619.243
Gt. W. Braz	Feb. 5	1,010	£ 16.80 —	15.600	6	86 000 —	83.700
Leopoldina ...	Feb. 5	1,831	£ 33.03 —	27.705	6	161.80 —	130.025
Meryana ...	Dec.	1.180	M1.561.000 —	956.490	12m	22.267.000 —	2.474.851
Paulista ...	Dec.	766	M2.650.000 —	906.03	12m	22.479.000 —	1.225.892
San Paulo ...	Feb. 6	153	£ 29.705 —	26 968	4	197.097 —	78.538
Sorocabana ...	Dec.	1,003	M1,749,000 —	246.168	12m	21,953.000 +	976.69
Sou Matto, S.W	Jan.	52	M 129.000 +	25,000	1m	—	—
Chilean and Peruvian.							
Antofagasta...	Feb. 6	638	£ 33.02 —	27.145	6	165.070 —	165.060
Arauco ...	June	84	£ 12.000 +	500	6m	76.000 +	10.700
Nitrate Railways	Jan. 31	390	£ 1.098 —	47.624	4	41.334 —	61.429
Peruvian Corp	Jan.	1,140	S 1.292.355 —	4.66	7m	8.255.350 —	24.44
Talcar ...	Jan.	180	£ 24.07 —	6.323	7m	198.457 +	71.942
Cuban.							
Cuban Central	Jan. 29	362	£ 37.360 +	19.879	31	707.279 +	82.212
Cuba Railroad	Oct.	—	$ 993 94 —	75.930	4m	4.430.217 +	288.810
Havana Cent	Feb. 5	70	£ 17 16 —	5.40	32	429.849 +	103.817
Ports of Havana	Feb. 5	681	£ 165.707 +	81.781	32	3.260 183 +	451.814
W. of Havana	Jan. 29	155	£ 14.131 +	10,749	31	335.796 +	66.413
Uruguayan.							
Cent. Uruguay	Jan. 29	273	£ 28.418 +	5.17	31	652.087 —	37.185
" (E. Ext	Jan. 29	311	£ 5 591 —	2.207	31	163.101 —	17.070
" (N. Ext	Jan. 29	185	£ 2.99 —	1.3 4	31	88.879 —	22.882
" (W. Ext.	Jan. 29	211	£ 2.434 —	43	31	79.059 —	4.971
Mont. Uruguay	Jan.	319	£ 17.447 —	3.276	7m	124 941 —	15.990
N.W. Uruguay	Dec.	113	$ 3.44 —	1	6m	36 992 —	4.008
Uru. North	Jan.	73	£ 1.915 —	1.342	7m	14.814 —	2.641
Miscellaneous							
Alcoy & Gand	Feb. 5	33	Ps. 18.000 +	6.000	6	103.900 +	39.500
Bilbao ...	Jan.	15	£ 2.97 +	5	1m	—	—
Buenos Ayres	Dec.	136	£ 6.94 —	2.224	12m	115.689 —	14.873
Central Argen	Dec.	86	£ 21.800 +	3.760	12m	231.761 +	50.645
Costa Rica ...	Nov.	189	£ 21.37 —	5.559	5m	121.357 +	3.038
Dorada Ext.	Dec.	70	£ 16.750 +	1.750	12m	200.928 +	60.278
Egyptian Delta	Jan. 20	559	£ 13.62 —	74	42	419.46 +	102 934
Gt. S. of Spain	Jan. 29	104	Ps. 85.47 +	33.31	4	409.760 +	156.960
Lisbon Tram.	Dec.	22	£ 12. 2 —	6	12m	162.86 +	54.630
Ottoman Ry.	Jan. 22	379	£ 7.33 —	—	3	—	—
Pernambuco Tram.	Jan. 29	274	£ 3.66 +	220	31	143.720 —	15.950
Porto Cabello	Jan.	34	£ 4.9 0 —	1.06	1m	—	—
Salvador ...	Feb. 5	100	£ 5.000 —	2.74	32	106.478 —	5.165
Santa Fe Prov.							
Dorad. Rlys	Dec.	1,181	£ 150.216 —	18.54	12m	1.915.144 —	20.379
Sinaloa & Sltz	Dec.	80	£ 8.040 —	2.15	12m	152.063 +	9 893
Zulia & Hinter	Dec.	112	£ 11.93 —	1.26	12	154.671 +	25.808
TRAMS.							
Aarhus Arrond	Feb. 4	400	£ 98.096 +	10.96	5	401.305 +	63,913
Ad. Rand Elec	Jan. 30	27	—	—	52	292.502 —	2.063
Bombay Elec.	Sept.	39	R 8.49.038 +	1.15.37	9m	73.27.000 +	10.06.847
Brazilian Trac	Dec.	378	£12.60 000 +	2.861.000	12	134.906.000 +	21.832.000
Brisbane Elec.	Jan.	40	£ 411.300 +	2.0 5	1m	—	—
Can. Locomotive	Nov.	334	$ 895.63 +	71.65	5m	3.841.032 +	402.440
B. A. Electric	Jan.	51	£ 61.11 +	8.43	7m	397.38 +	61.178
Calcutta ...	Jan. 29	35	R 52.51 —	33 0	4	3.53.128 —	17.062
Cape Electric	Oct.	42	£ 32.69 +	5.95	4m	120.814 +	35.922
Carth. & Herr.	Jan.	9	£ 3.8 7 —	87	1m	—	—
Chatham & Dist	Jan. 27	15	£ 1.629 +	193	4	6.414 +	632
Havana Electric		86	$ 1,017.031 +	145.41	10m	9.329.356 +	1.732
Isle of Thanet	Feb. 2	20	£ 507 +	12	13	10.226 +	777
Kalgoorlie ...	Nov.	20	£ 2.968 +	11	11m	33.8 2 +	3.180
Lanarkshire...	Dec. 31	28	£ 5.467 +	1.927	52	221.564 +	27.729
Lima Light ...	Nov.	85	£ 54. 61 +	2.15	1m	621.8 7 +	89.377
London O.C....	Feb. 9	141	£ 94.69 —	17.076	43	4.096.059 +	508.979
Metro.-Vick.	Jan. 15	15	R 36.198 —	10.68	2	—	—
Manila Electric	Dec.	55	$ 325.59 +	38.66	12m	3.419.38 +	1,214.168
Pernambuco...	Feb. 6	59	£ 5.0 3 —	2.94	6	24.65 —	21.197
Provincial ...	Jan. 22	21	£ 3. 01 —	8	16	39.23 +	148
Rangoon Elec.	Nov.	25	£ 6.964 —	41	11m	85.314 +	11.785
Shanghai Elec.	Dec.	26¾	X. $153.300 +	13.300	12m	1.820.111 +	263.111
Singapore Elec.	Jan. 1	26	$ 9.969 —	8.954	1	—	—
Uol Montevid	Jan.	90	£ 50.863 +	3.093	3m	143.644 +	11.184

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The Statist.

LONDON, SATURDAY, FEBRUARY 12, 1921.

CAN GERMANY PAY?

In his original Budget the German Finance Minister estimated the revenue deficit for 1920-21 at 50,000 million marks, or 2,500 million pounds sterling at parity of exchange. State accounts as on December 31 last reveal, however, that this forecast, sufficiently undesirable in itself, errs on the side of optimism. The levy on war wealth, from which much was expected in the way of rehabilitating the finances of the Republic, has proved disappointing, since prices have increased so much in the last eighteen months that the revenue derived from the tax is not great in proportion to the present large scale of Governmental outlay. Out of a total expenditure of 79,000 million marks for the nine months to the end of December last 72,000 million were spent on general administration, including a subsidy of 11,000 million to the postal and telegraphic services, and 7,000 million on the interest on the funded and floating debt. Revenue has been so deficient that the addition to the floating debt in the nine months exceeded 60,000 million marks. If expenditure continues on its present scale the Budget deficit at the end of the current year is not likely to be less than 85,000 million marks.

Such a state of affairs does not necessarily point to national impoverishment, as it may be caused merely by insufficiency of taxation. Questions as to the relative burden of the imposts borne by different countries are notoriously difficult to decide; and in any case the amount of the national income taken by the State cannot be taken to represent the total burden. In so far as State expenditure has been financed by inflation, certain sections of the community in all countries have suffered an actual diminution of their real income through the consequent rise in prices. The extent of this suffering varies, but it is probably much greater in Germany than in most other countries. Again, where Government operations are financed by external loans no deduction is entailed from national income, except in so far as interest and sinking-fund payments must be met. With these provisos we show in the following table, compiled from the reports of the Brussels Financial Conference, the expenditure, however financed, per head of population in Germany and other countries in 1920 or 1920-21, as compared with the national income per head:—

Table I.

	Unit of Circulation	Present National Income per Head	Present Government Expenditure per Head	Percentage of Govt. Expenditure to National Income per Head
Germany ..	Mark	3,900	892	23
France ...	Franc	3,200	1,287	40
Italy	Lira	2,175	649	30
United Kingdom	£	112½	25	22
United States..	$	700	63	9
Japan ...	Yen	160	27	17
Australia ...	£	94	20	21

The proportion of expenditure to income is highest in the case of France, since it includes all the money expended on reconstruction, part of which has been raised by external loans. In the case of Germany such loans have been relatively small, amounting to 3,000 million marks at the beginning of 1920. It will be seen from the table that the proportion of Government expenditure to national income is twenty-three per cent., as compared with twenty-two per cent. in the United Kingdom, thirty per cent. in Italy, forty per cent. in France, and nine per cent. in the United States. From this point of view the German burden is heavy enough. According to the findings of Allied experts, however, direct taxation per head in Germany in the current year reaches only 377 marks, and indirect taxation 148 marks, while the total tax revenue is 599 marks. A *résumé* of similar details in regard to other countries is set forth in the table at the top of next page. From the figures there grouped it can readily be calculated that of Government expenditure thirty-three per cent. is covered in Germany by tax revenue, thirty-two per cent. in France, twenty-eight per cent. in Italy, and eighty-eight per cent. in the United Kingdom. It may be remarked that England's foreign debt as there given, £1,165,000,000 on November 27 last, was more than balanced by her foreign credits, which amounted on November 30 to £1,871,000,000. Germany's external debt is given as 2,500 million marks, a decline of 500 million marks on previous estimates. The extent to which the Germans have been unable to draw on foreign sources is in itself a measure, as pointed out above, of the heaviness of home taxation; but if we take the sterling value of the mark in 1920, when the exchange averaged 240 marks to the £, the revenue in Germany, as set down in the table, works out at £2 10*s.* per head, the Government expenditure at £7 10*s.* per head, internal debt at £17 8*s.* per head, and foreign debt at 3*s.* 4*d.* per head. Conversion into sterling is, however, misleading. Similar figures for the United Kingdom are: tax revenue £22 per head, Government expenditure £25, internal debt £172, and external debt £25. These figures may be taken to reveal a large margin for possible expansion in German taxation. If taxation were doubled in that country, it is argued, it would still fall far short of our own, judged on the above criteria. These, as pointed out, are far from perfect. According to a British Official Report on the Industrial and Economic Situation in Germany in December 1920, the amount of the national income in that country is only 100,000 million marks, and taxation absorbs forty-three per cent. of this sum, a much higher proportion than obtains in any other country. Con-

Table II.

(000's omitted.)

	Population	Unit of Currency	Permanent Direct Taxation	Indirect Taxation	Total Tax Revenue	Total Government Expenditure	Internal Debt	Foreign Debt
Germany ...	60,500	mark	23,200,000	9,147,000	38,596,000	111,200,000	237,000,000*	2,500,000
France ...	39,600	franc	8,713,600	4,757,600	15,471,000	47,932,000	212,000,000†	83,272,600
Italy ...	37,000	lira	3,871,000	3,509,100	7,400,100	26,432,300	77,478,000‡	118,450,000
United Kingdom ...	46,100	£	466,500	348,650	1,035,150	1,176,053	7,939,700§	1,165,000
			Per Head					
Germany ...	60,500	mark	377	148	599	1,858	4,178	40
France ...	39,600	franc	169	120	390	1,210	5,353	2,102
Italy ...	37,000	lira	105	94	200	714	2,094	3,200
United Kingdom ...	46,100	£	£10	7	22	25	172	25

* Germany informed Brussels Conference last October that her foreign debt was 167,000,000 gold marks. Reckoning present exchange at 15 paper marks to 1 gold mark this corresponds to about 2.5 milliards of paper marks.

† Estimate as at December 31, 1920.

‡ As at October 31, 1920, this debt corresponds to 20,594,000,000 gold lire.

§ As at November 27, 1920.

sequently, the calculations of the Allied experts are somewhat awry, and the doubling of existing taxation is impossible. When two sets of Government statisticians arrive at such diametrically opposite results a third investigation seems to be called for. The increase proposed might possibly, on the basis of population, bring in £121 millions per annum, which in itself would cover a considerable portion of Germany's obligations. The payments proposed to the various Allies work out in the next forty-two years as follows:

Table III.

Distribution of German Indemnity.

(In Millions of Pounds Sterling.)

Years	United Kingdom	France	Italy	Belgium	Total
1921–22	22	52	10	8	92
1922–23	22	52	10	8	92
1923–24	33	78	15	12	138
1924–25	33	78	15	12	138
1925–26	33	78	15	12	138
1926–27	44	104	20	16	184
1927–28	44	104	20	16	184
1928–29	44	104	20	16	184
1929–30	55	130	25	20	230
1930–31	55	130	25	20	230
1931–32	55	130	25	20	230
1932–33 and annually until May 1963	66	156	30	24	276

While the Germans have vociferously protested, as was natural, against the terms of the Paris agreement, they may come to the London conference at the beginning of next month in a more chastened spirit. It is true that the new Republic labours under many disadvantages. Alsace and Lorraine have been lost; Silesia may follow suit; the mercantile marine has been destroyed or surrendered; and not only has the country been largely denuded of its material resources, but its vitality has seriously diminished through the underfeeding of a large section of the population. It is possible, however, that if free access to foreign markets is provided, a portion of the mercantile marine restored, and the cost of the Allied armies of occupation reduced, a *via media* may be reached permitting the satisfaction, in some measure, of the Allied reparation claims.

The sum of £11,300,000,000 demanded at Paris is, of course, additional to the payments in both money and goods already made under the Treaty of Versailles. The *Deutsche Zeitung* gives it as the express opinion of the Finance Minister that the utmost Germany can afford to pay, inclusive of all payments made, is £7,500,000,000. This would involve a considerable reduction on the figure above mentioned, and it is probable that the German counter-proposals in London will consist of an appeal for reduction plus postponement of the annuities. The claim may also be advanced that Germany at present can only pay by her labour. The lethargy in the export coal market, largely lost to us because of tribute coal sent by Germany to France, and of the market in trawlers and merchant ships, depressed because of the surrendered tonnage, makes a scheme like Sir Robert Horne's of payment in raw materials desirable, if not inevitable.

STERLING EXCHANGES—SEPTEMBER 1920 TO FEBRUARY 1921.

The exchanges still continue to be disturbed by banking trouble and trade depression in many countries abroad. Currency inflation has not yet run its course on the Continent, and the existence of many large deficits in the public accounts renders the probability of an immediate improvement in the currency position somewhat remote. Hence arises the further continued appreciation of sterling in European centres. Such appreciation is not necessarily desirable as its discouragement of imports reacts unfavourably on the British exporter. Parallel with this movement there occurred during January a similar but more welcome change in the position of sterling in New York, Montreal, Yokohama, and generally in South America. The causes underlying the change are to some extent clear. A falling off has recently been noticeable in American and Canadian exports, and the demand for dollars to pay exporters has not been so insistent as previously. Further, a stronger belief in the soundness of the financial position on this side has been induced by the readiness of the United States Treasury to open funding negotiations in regard to the British debt. In the same manner the marked depression in Japan has led to a big contraction in exports from that country, with a consequent decline in the value of the yen. Easier money conditions on the other side of the Atlantic had probably not a little to do with the reduced value of the American and Canadian dollar. There seems, moreover, to have been considerable speculative buying of sterling on the part of New York. The annexed tables show the average of the daily rates in January for the principal exchanges, and the percentage premium or discount comparative data for previous months being included:—

Exchanges favourable to U.K.

	Par.	Feb. 10, 1921	Aver. for Jan. 1-21	Average for Dec.	Average for Nov.	Average for Oct.	Average for Sept.
				1920			
Athens ...	dr. 25·22½	5·52	5·20	4·37	3·42	3·14	3·09
Berlin ...	m. 20·42	1·33	2·12	2·53	2·68	2·37	2·03
Brussels	fr. 25·22½	51·82	56·05	55·71	54·34	50·31	48·07
Christiania	kr. 18·159	21·50	21·42	23·71	25·71	25·24	25·18
Copenhagen	kr. 18·159	20·82	20·96	23·57	25·70	25·03	25·19
Helsingfors	m. 25·22½	1·16	1·19	1·42	1·59	1·40½	1·14½
Lisbon ...	d. 53½	6½	6½	6 15/16	8⅞	10⅜	11 ⅝
Madrid ...	pes. 25·22½	27·63	27·79	26·88	26·65	—	—
Monte Video ..	d. 51	48⅞	49½	—	—	—	—
Paris ...	fr. 25·22½	54·15	58·93	58·73	57·62	53·05	51·29
Rio de Janeiro...	kr. 16d.	9 1/16	9 1/16	11 1/16	11¼	11 3/32	12⅛
Rome ...	lire 25·22½	106½	105·54	97·69	94·87	88·72	80·44
Valparaiso ..	d. 18	8 15/32	9 5/32	9¾	9 25/32	10¼	11½

Exchanges against U.K.

Amsterdam	g. 12·107	11·03	11·36	11·28	11·56	11·25	11·22
Berne ...	fr. 25·22½	23·93	23·74	22·79	22·12	21·87	21·63
Buenos Ayres	d. 47·58	49⅛	50⅛	53⅝	56½	56⅛	57⅛
Madrid ...	pes. 25·22½	⅛ —	—	—	—	24·23	23·86
Monte Video	d. 51	—	—	58	—	57 7/16	57⅜
Montreal	$ 4·86⅞	4·39	4·27	4·05	3·85½	3·82½	3·88½
New York	$ 4·86⅞	3·88⅛	3·74⅛	3·51 1/16	3·45	3·47⅛	3·52
Stockholm	kr. 18·159	17·48	17·54	17·85	18·03	17·65	17·42
Yokohama	d. 24·58	2,5[illegible]	2,7 1/16	2,10 11/16	2,11 5/8	2,11 1/2	2,10⅜

Percentage Premium.

	%	%	%	%	%	%
Athens	11·1	98·9	83·8	52·3	39·3	51·2
Berlin	1,040·4	1,088·1	1,138·3	1,211·8	970·1	893·6
Brussels... ...	1·54	1·22	129·8	115·4	99·4	92·5
Christiania ...	18·4	17·9	30·5	41·5	38·9	39·2
Copenhagen ...	14·6	15·4	29·5	41·4	37·8	38·1
Helsingfors ...	259·1	346·8	462·9	530·3	456·2	355·4
Lisbon	73·3	70·2	66·8	51·08	413·2	369·7
Madrid	9·5	10·2	6·6	5·9	—	—
Monte Video ...	4·8	5·0	—	—	—	—
Paris	114·6	133·6	132·8	128·4	110·3	107·3
Rio de Janeiro...	64·9	62·8	44·6	36·2	33·5	28·0
Rome	328·2	318·4	287·3	278·2	251·7	218·9
Valparaiso ...	115·8	96·5	84·6	83·7	67·4	56·5

Percentage Discount.

Amsterdam	7·2	6·2	6·8	6·5	7·1	7·4
Berne	5·2	5·9	9·7	12·4	23·3	14·3
Buenos Ayres	4·7	5·1	10·8	10·6	15·4	16·9
Madrid	—	—	—	—	3·9	5·5
Monte Video	—	—	3·8	5·5	10·9	11·5
Montreal	9·8	12·3	16·2	20·8	21·6	20·2
New York	20·2	23·1	27·9	29·1	28·6	27·7
Stockholm	3·7	3·4	1·7	·8	2·8	4·1
Yokohama ...	18·3	20·9	24·1	30·7	29·9	29·5

An improvement in the Spanish peseta, owing to the apparent success with which the critical point of recent financial troubles has been passed, was a feature of some note in January. The currencies of most Scandinavian countries also moved adversely for sterling. Amongst Far Eastern exchanges, the rupee hardened in the early part of the month, then fell away, and subsequently recovered a large portion of the lost ground. The exchanges of Eastern European States continue to reflect the political and economic imbroglio in which they are involved. In the early part of the month Polish marks touched the new low record of 3,300 to the £, and Finnish marks also took a turn for the worse. In the adjoining table we show the highest and lowest figures touched by the chief currencies in terms of sterling during 1920:—

	1920			
	Highest	Percentage Premium on Sterling	Lowest	Percentage Premium on Sterling
Athens	49·50 (29.12.20)	96·2	25·60 (12.1.20)	1·0
Berlin	456 (10.8.20)	1,642·5	115 (25.6.20)	600·0
Brussels ...	62·50 (9.4.20)	147·7	40·30 (6.1.20)	59·7
Christiania ...	26·47 (23.9.20)	45·7	18·57 (5.1.20)	2·3
Copenhagen ...	25·85 (18.11.20)	42·3	19·67 (2.1.20)	8·3
Helsingfors ...	178 (27.11.20)	605·6	60 (9.3.20)	137·8
Lisbon ...	21½ (7.1.20)	147·6	6 (19.12.20)	787·5
Madrid ...	28·85 (13.11.20)	14·3	19·12 (27.1.20)	—
Monte Video ...	72⅜ (9.2.20)	—	50 (29.12.20)	2·0
Paris ...	68·50 (12.4.20)	171·6	40·75 (7.1.20)	61·5
Rio de Janeiro ...	18⅝ (9.2.20)	—	9 (31.12.20)	64·1
Rome ...	106 (12.1.20)	320·2	50·10 (21.1.20)	98·6
Stockholm ...	18·37 (5.3.20)	1·3	17·16 (10.9.20)	—

	Highest	Percentage Discount on Sterling	Lowest	Percentage Discount on Sterling
Amsterdam ...	11·48 (29.11.20)	5·2	8·70 (4.2.20)	28·2
Berne ...	23·34 (21.12.20)	7·5	19·52 (4.2.20)	23·4
Buenos Ayres ...	73¼ (6.2.20)	35·2	50½ (30.12.20)	6·3
Madrid ...	28·85 (13.11.20)	—	19·12 (27.1.20)	24·2
Monte Video ...	72⅜ (9.2.20)	29·9	50 (29.12.20)	—
Montreal ...	4·55 (19.6.20)	6·4	3·64 (7.2.20)	25·2
New York ...	4·02 (14.2.20)	17·4	3·19½ (4.2.20)	34·4
Rio de Janeiro ...	18⅝ (9.2.20)	14·1	9 (31.12.20)	—
Stockholm ...	18·37 (5.3.20)	—	17·16 (10.9.20)	5·5
Yokohama ...	2/4⅛ (27.3.20)	13·0	3/0 (14.11.20)	31·7

The large differences show the extreme violence of the fluctuations, a feature which has now become familiar in the exchanges. It is rather strange to see that the German mark is now not only much more valuable than the lowest figure reached last year, but is above the middle figure of the two extremes, 249 marks. In the case of many Continental countries the exchange has lost touch with actual purchasing power gravities, and the process of returning to normal will be painfully slow, and occupy a much longer period than originally anticipated.

RAIL AND TUBE EARNINGS.

THE railway reports published up to the present show on the whole a large increase in traffic receipts, a similar growth in operating expenses, and a slight decrease in net income, dividends being generally maintained at the 1919 rate; but it is difficult to judge the exact financial position of the companies, as receipts and expenditure are shown only after adjustments for the allocation of net income under the Government guarantee. The pessimism in the Railway Shares market is not, however, due so much to present conditions as to the extreme obscurity of the outlook after next August, when the State guarantee terminates. The directors of the Lancashire and Yorkshire point out that "certain indications have been made by the Minister of Transport of his ideas as to future control, especially in regard to grouping, . . . but no positive facts have so far emerged as to what will be included in the Bill. At the present time, therefore, the position is no clearer than it was in December 1919." The South Eastern report tries to pierce the gloom in stating that "it is evident that an undue increase of rates and fares must have a detrimental effect on the traffic, and it will be necessary to take steps to economise in all working expenses, leading possibly to a reduction in the facilities now offered to the public. In any case, your directors consider it will be necessary for the Government to continue such assistance as may be required, pending the carrying out of such changes in rates and fares as will maintain the companies' position on a fair pre-War basis." Lord Aberconway at the annual meeting of the Metropolitan Railway on Thursday was, however, decidedly optimistic, his opinion being that, whether control was ended and the guarantee ceased in August next or at some future period, the board need not view the event with any apprehension.

Excepting that of the Metropolitan, the net incomes of the constituent members of the Underground Electric Railways of London were all lower than in the previous year. Under the Common Fund Agreement all surplus receipts, after allowing for working expenses, prior charges, reserves, and items of a similar nature, are pooled and re-divided on a prearranged percentage basis. In the table the italicised figures denote a net gain on the transaction. For the year 1920 the Metropolitan was the only Company to pay in more than it received, its net allocation being £629,010, the London General Omnibus Company benefiting to the tune of £400,379. Traffic and miscellaneous receipts have in all cases increased, but not sufficient to meet the greater operating costs. It is too early yet to judge whether the new fares, increased in September, when the emergency arrangement under which the Ministry of Transport assumed responsibility for the Underground net revenue ceased, render the various lines self-supporting. Deducting the Government compensation obtained by the Metropolitan, which will cease next August, the net income of the combine dropped from £1,494,501 in 1919 to £1,211,032 in 1920, while the annual prior charges total £1,561,887. Substantial though the present deficit is, however, the traffic statistics give ground for hope that the current year will produce a surplus for distribution among the Ordinary shareholders. From the appended table it will be noted that the average passenger fare is substantially higher than in 1919; and as the increased rates were in operation during the final quarter only, the average should be still higher during 1921. The number of passengers carried by the system as a whole has risen by nearly ten per cent. to 1,171,702,000, and to meet the increased traffic the car mileage has been extended by nearly fourteen per cent. to 148,729,000 miles. The General Omnibus Company results dominate the other figures, and the finances of this member will have a vital influence over the Common Fund for the present year. It was responsible for the carriage of 7[illegible],000 passengers, or [illegible] per cent. more

		Gross Receipts	Ex-penditure	Misc. Income	Net Income	Rentals, Debt and Other Interest	Reserve &c.	Dividends: Pre-ference	Preferred Ordinary £	Preferred Ordinary %	Deferred Ordinary £	Deferred Ordinary %	Undivided Ordinary £	Undivided Ordinary %	Carry Forward
		£	£	£	£	£	£	£							£
Metropolitan	1920	2,109,987	1,658,493	298,959	750,453	278,245	50,000	315,033	--		-	--	111,604	14	15,415
	1919	1,712,952	1,279,074	276,074	709,952	276,752	40,000	311,732	-	--		--	80,816	1¼	19,864
	1918	1,336,246	900,564	66,886	630,568	280,910	20,000	311,732	—			—	80,816	1¼	19,211
South Eastern & Chatham	1920	11,621,326	9,590,090	Dr. 866	2,030,369	186,095	—	—			--		—	—	—
	1919	9,015,018	7,012,166	52,139	2,084,991	188,095	-	-	-						—
	1918	7,155,033	5,111,759	6,567	2,047,841	184,329	-	-	-				—	2	
South Eastern	1920	1,364,506	266,782	362,756	1,460,390	461,905	75,000	575,835	258,521	6	107,718	2½	60,850	4½	18,482
	1919	1,365,000	236,706	368,089	1,496,383	461,778	15,000	575,835	257,110	6	107,254	2½	62,427	4½	22,922
	1918	1,292,064	182,799	351,134	1,460,599	465,888	15,000	575,835	258,822	6	85,607	2	59,540	4	16,245
Great Eastern	1920	18,722,977	16,658,445	126,829	2,191,365	996,918	-	775,807			—	—	422,479	2½	112,245
	1919	12,492,569	10,158,623	161,841	2,195,789	963,184	35,000	773,607	-	-	-	--	422,479	2½	113,884
	1918	9,368,310	7,340,204	130,988	2,159,074	960,810	30,000	000,000	—		—	—	384,072	—	112,366
London Brighton and South Coast	1920	8,211,941	6,830,479	153,985	1,535,449	380,469		603,886	241,191	6	182,619	4½	122,362	5½	35,511
	1919	6,170,706	4,788,574	156,299	1,538,429	379,065	-	603,886	241,195	6	181,121	4½	125,855	5½	32,890
	1918	5,300,551	3,916,593	143,176	1,527,114	382,555	-	603,886	239,685	6	179,762	4½	129,026	5½	25,884
Lancashire and Yorkshire	1920	17,115,908	14,996,797	207,590	2,656,707	744,443	-	1,064,776			-	—	847,845	4½	41,153
	1919	13,052,060	10,638,454	213,097	2,627,523	713,739	-	1,064,776			-	--	847,845	4½	41,511
	1918	10,489,162	8,070,370	188,241	2,627,033	713,741	-	1,064,776	-	-		—	847,845	4½	40,438
North Staffordshire	1920	2,940,196	2,507,990	7,375	439,581	95,161	6,000	158,025	--		-	--	179,732	5	12,372
	1919	1,992,536	1,568,045	17,152	441,943	95,219	10,000	158,025	-		--	-	179,732	5	11,710
	1918	1,592,884	1,168,748	13,155	457,290	95,185	10,000	158,025	—	-	—	—	179,732	5	12,743
Midland Great Western (Ireland)	1920	1,530,050	1,292,784	2,832	240,097	124,598	15,000	58,181	—	--		-	47,400	2	16,023
	1919	1,277,352	1,040,510	7,027	243,869	120,996	15,000	58,181	—	—		—	47,400	2	21,105
	1918	1,075,758	838,547	8,942	246,153	125,842	15,000	58,181	—	-	- -	—	47,400	2	18,813
Great Southern and Western (Ireland)	1920	3,697,027	3,007,765	8,026	697,287	279,301	—	182,700	—	—	—	—	215,020	4	107,198
	1919	3,253,787	2,562,756	14,391	705,421	241,747	50,000	182,700	—		—	-	266,276	5	84,392
	1918	2,690,594	2,001,668	20,605	709,531	230,759	—	182,700	-	—	- -		266,276	2	120,034
Great North of Scotland	1920	1,553,495	1,287,099	17,924	284,321	88,852	-	136,616	38,853	5	20,969	1½	-	-	6,283
	1919	1,139,547	871,835	11,897	279,608	83,253		136,616	38,855	5	20,969	1½			7,255
	1918	876,467	605,569	11,886	282,784	86,243		136,616	38,853	5	20,969	1½	-	-	7,337
Rhymney ...	1920	935,388	778,343	2,048	159,093	31,769	—	39,724	16,974	4	21,217	5	50,811	9	387
	1919	623,266	466,651	1,308	157,923	29,077	- -	39,724	16,960	4	21,199	5	50,844	9	1,769
	1918	509,760	351,420	1,564	159,904	29,508	3,009	39,724	16,926	4	21,159	5	50,917	9	1,669
Forth and Clyde Junction	1920	30,531	16,079	152	14,494	2,464		4,111	--			—	7,467	7	687
	1919	30,331	16,060	117	14,388	2,464	—	4,414			-	—	7,467	7	628
	1918	30,331	16,033	117	14,414	2,464	—	4,414	--		—	—	7,467	7	586
Clonakilty Extension	1920	5,579	3,290	106	2,395	1,550	100		-	- -	—	—	750	3	102
	1919	5,579	3,519	100	2,360	1,550	50		- -	—	—		750	5	106
	1918	5,579	3,311	92	2,359	1,550	70		—	—	—		750	5	96

UNDERGROUND GROUP		Traffic Receipts	Govt. Compensation	Operating Expenses	Misc. Receipts	Net Income	Fixed Charges	To Reserve	Preference Dividends	Net Amount paid into Common Fund	Ordinary Dividend £	Ordinary Dividend %	Carry Forward
		£	£	£	£	£	£	£	£	£	£		£
Metropolitan District	1920	1,767,267	705,347	1,509,272	205,508	1,168,850	327,371	45,000	124,930	629,010	44,100	3	20,537
	1919	1,565,568	566,370	1,128,858	160,020	1,163,000	336,115	45,000	124,930	597, 89	58,800	4	22,098
	1918	1,341,939	302,619	865,427	141,691	920,822	347,970	45,000	124,930	337,120	73,500	5	21,331
London Electric ...	1920	1,716,176		1,387,294	134,936	464,118	286,266	45,000	126,947	*100,445*	104,940	11	22,350
	1919	1,558,707		1,012,397	108,887	656,197	290,758	45,000	126,947	24,596	151,580	15	20,942
	1918	1,292,446		769,677	94,653	617,422	299,160	45,000	126,947	*53,182*	186,659	2	23,604
City & South London	1920	353,104		321,911	32,309	63,502	42,619	25,000	42,500	*74,887*	22,200	11	18,820
	1919	314,402		238,714	26,675	102,361	47,203	30,000	42,500	*42,125*	29,600	2	19,750
	1918	283,008		180,812	23,901	126,397	47,003	30,000	42,500	*26,307*	29,600	2	24,567
Central London ...	1920	525,083		485,152	75,317	113,268	54,071	20,000	21,600	*53,301*	67, 00	—	15,160
	1919	449,493	-	318,945	59,356	189,904	46,039	20,000	21,600	2,987	105,000	—	11,762
	1918	354,596	-	238,826	44,214	159,986	59,635	20,000	21,600	*67,588*	120,000	—	17,485
London General Omnibus	1920	6,533,951		6,675,238	247,928	106,641	108,583	285,000	-	*400,379*	114,320	5 t.f.	58,843
	1919	5,242,299		5,480,584	207,694	Dr. 30,591	108,412	285,000	—	*582,847*	160,048	7 t.f.	59,726
	1918	3,682,402		3,478,873	181,981	385,510	108,412	285,000	- -	*210,043*	179,758	8 t.f.	60,930
Total	1920	10,895,881	705,347	10,378,847	693,998	1,916,379	825,910	420,000	315,977	—	—	—	—
	1919	9,110,469	566,370	8,179,598	563,630	2,060,871	828,507	420,000	315,977	-	—	—	-
	1918	6,954,391	302,619	5,533,615	486,441	2,209,850	862,169	400,000	315,977	-	—	-	-

than in 1919. A corresponding addition for the coming twelvemonths at a higher average fare would entail a huge addition to traffic receipts; while the new type of bus and generally lower costs will prevent a more than corresponding increase in expenditure. And as the Metropolitan will be entitled to State assistance for eight out of the twelve months, prospects are not quite as gloomy as present conditions would suggest. The accounts of Associated Equipment Company, which builds omnibuses for the London General Omnibus Company and others, will not be published until the report of the Underground Company itself is released.

		Average Fare per Passenger d.	Car Miles	Ord.	Passengers Workmen (000's omitted)	Season	Total
Metropolitan District Railway	1920	2·49	19,562	95,320	24,338	28,041	147,699
	1919	2·29	16,868	94,947	22,095	25,401	142,443
	1918	2·09	16,790	88,176	20,992	25,680	134,849
	1913	1·80	16,471	59,038	15,658	14,740	89,436
London Electric Railway	1920	2·49	27,862	112,704	32,946	18,940	164,590
	1919	2·19	25,225	120,849	31,131	15,604	167,583
	1918	1·91	24,467	119,281	27,232	14,978	161,491
	1913	1·70	19,002	74,565	21,137	4,564	100,264
City & South London	1920	2·06	7,392	26,443	12,011	2,684	41,13[2]
	1919	1·80	6,727	28,241	11,381	2,282	41,904
	1918	1·64	6,914	28,308	10,830	2,284	41,426
	1913	1·54	6,631	15,313	5,840	1,570	22,724
Central London Railway	1920	2·10	8,069	39,329	4,537	6,454	50,319
	1919	2·20	6,725	39,501	3,897	4,904	48,302
	1918	1·91	6,277	36,342	3,383	1,014	43,740
	1913	1·60	6,539	30,041	4,597	3,066	37,505
London General Omnibus	1920	2·04	85,843	767,954			767,954
	1919	1·87	75,432	67,160			673,160
	1918	1·70	57,738	521,380			521,380
	1913	1·33	89,535	580,205			580,205
Totals	1920	2·18	148,729	1,041,750	73,832	56,119	1,171,70[2]
	1919	1·99	130,977	956,697	68,503	48,192	1,073,39[2]
	1918	1·80	112,187	793,489	62,437	46,957	902,88[2]
	1913	1·45	178,179	759,165	47,631	23,978	830,134

MONTHLY BANK STATEMENTS.

THE aggregate results of the nine clearing banks which have issued statements of liabilities and assets based on the average of their weekly figures for the month of January are indicative, with some individual exceptions, of a growing volume of transactions. The feature of a reduced proportion of cash assets to deposits is common to all, and equally so the complementary increase in the combined total of advances and bills, in regard to the separate statement of which the private banks have come into line with their fellows. On December 31 the total assets of the nine banks reached £2,009,343,000, against which the average of the succeeding month works out at £2,015,895,000. Deposits, current and other accounts moved similarly from £1,804,441,000 to £1,810,234,000, in relation to which the cash assets declined from 23.1 to 19.6 per cent., of which money at call and short notice accounted respectively for 6.3 and 5.5 per cent. The proportion covered by investments held was stationary at 18.8 per cent., but advances and bills discounted accounted for £1,207,060,000, or 66.7 per cent. of deposits, compared with £1,141,434,000, or 63.3 per cent. at the end of last year.

Investment Suggestions. A selection of high-grade investment securities compiled by the Bond Department of the Guaranty Trust Company of New York. The suggestions are confined to such stocks and bonds as constitute sound and conservative investment media.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

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THE downward movement in the general price-level during January, as indicated by our latest index-number, seems to have been less violent than during the previous month. The general index-number for January 31 is 197.2, as compared with 207.2 on December 31, 1920, showing a fall of 4.9 per cent. as against a decline of 7.4 per cent. during December. As compared with the average for 1913, the end-of-January level shows an increase of 132 per cent.; it is still above that ruling in the earlier months of 1919, and is very close to the Armistice level. As compared with April of last year, when the peak of high prices was reached, it shows a decline of twenty-five per cent. It will be interesting to study the analysed movements during the month as shown in the subjoined table:—

	Jan. 31, 1921	Dec. 31, 1920	Jan. 31, 1920	June 30, 1914	+ or − Dec. 1920	+ or − Jan. 1920	+ or − June 1914
Veg. food ..	162·5	178·6	190·4	66·5	— 9·0	—14·6	+144·3
Animal food ...	282·1	260·4	229·3	97·5	+ 8·3	+23·0	+189·3
Sugar, coffee and tea	102·9	113·8	190·7	51·8	— 9·6	—46·0	+ 98·6
Foodstuffs ...	194·0	195·1	204·8	74·8	— ·6	— 5·3	+159·3
Minerals	248·7	280·4	282·8	96·7	—11·3	—12·1	+157·2
Textiles	166·1	172·2	288·1	80·6	— 3·5	—42·3	+ 106·1
Sundries	192·3	205·1	260·3	82·5	— 7·1	—26·1	+ 133·1
Materials .	199·4	215·3	274·9	85·7	7·4	—27·1	+132·6
Totals .	197·2	207·2	245·3	81·2	4·9	19·6	+142·8

The table reveals that the slackening in the rate of decline in the general price-level was altogether due to an advance of 8.3 per cent. in animal foods, this increase following on a decline of 10.8 per cent. during December. In this group bacon is the only article to register a fall, and the different descriptions of beef, mutton, and pork show substantial increases. The decline in vegetable food shown above compares with a fall of 16.6 per cent. during December. In this group the *Gazette* prices of wheat and oats advanced slightly. In the sugar, coffee, and tea group also the rate of decrease was slightly less, the figure shown in the table comparing with a decline of 10.9 per cent. during December.

When we come to the materials category, however, matters assume quite a different complexion. Here the January recession is the greatest for any month since the present turn-down began in April last, with the exception of November, when the decline was 8.8 per cent. The fall in the minerals group was actually the largest since April, and was as great as the movement during the last three months of 1920 combined; out of seven commodities comprising the group, one remains unchanged and the others record declines. The percentage movement during last month in the textile group compares with a decline of 3.2 per cent. in December and 18.9 per cent. in November, and in the remaining group—sundry materials—the December fall was 2.1 per cent.

A comparison of the January index-number with previous monthly and annual figures is afforded by the following table:—

Annual Numbers Year		*End-of-Month Numbers*			
1809 (Jevons'...	189	Jan. '16 ...	123·6	Aug. '18 ...	195·9
1810 adjusted...	171	Mar. ,, ...	130·4	Nov. ,, ...	195·3
1818 Figures]	159	Oct. ,, ...	141·5	Dec. ,, ...	196·0
1873	111	Dec. ,, ...	154·3	Jan. '19 ...	192·1
1880	88	Jan. '17 ...	159·3	Feb. ,, ...	187·5
1896	61	Feb. ,, ...	164·0	Mar. ,, ...	184·7
1911	80	April ,, ...	173·0	May ,, ...	194·6
1912-13-14 ...	85	June ,, ...	180·4	June ,, ...	199·4
1915	108	Aug. ,, ...	175·7	July ,, ...	206·4
1916	136	Oct. ,, ...	180·6	Aug. ,, ...	212·7
1917	175	Dec. ,, ...	185·1	Sept. ,, ...	214·8
1918	192	Jan. '18 ...	186·2	Oct. ,, ...	224·3
1919	206	Apr. ,, ...	189·8	Nov. ,, ...	231·0
June '14 ...	81·2	May ,, ...	191·1	Dec. ,, ...	235·2
Dec. ,, ...	118·4	July ,, ...	192·9	Jan. '20 ...	245·3
				Feb. '20 ...	260·4
				Mar. ,, ...	261·8
				April ,, ...	266·1
				May ,, ...	260·0
				June ,, ...	255·7
				July ,, ...	254·5
				Aug. ,, ...	253·5
				Sept. ,, ...	248·7
				Oct. ,, ...	239·9
				Nov. ,, ...	223·8
				Dec. ,, ...	207·2
				Jan. 31 ...	197·2

In view of the great importance of changes in the price-level both here and abroad, the usual list of Index-Numbers for Wholesale Prices Abroad has been extended so as to include six of the leading foreign countries for which index-numbers are compiled, and we hope later on to be in a position to give data for other countries as well. In the first of the following tables the actual index-numbers as published are given, and, for purposes of comparison, these are shown in the second table calculated as percentages of the average for the year 1913. Though the number of countries represented is necessarily limited, the table will be sufficient to give an idea of the world-wide nature of the present downward trend of commodity prices. For the United States, where the prices are still gold prices, it will be observed that according to Bradstreet's compilation the general level of prices at the end of 1920 was only thirty-seven and a-half per cent. above the average for 1913. In fact, the prices of quite a large number of commodities in the United States are now actually below the pre-War level.

INTERNATIONAL WHOLESALE PRICES

Published Index Numbers.

	U.K. ("Statist")	America (Bradstreet's)	Canada (Dept. of Labour)	Japan (Bank of Japan)	France (Stat. Gen.)	Italy (Prof. Bachi)	Sweden (Svensk Handels tidning)
1913 ...	85·0	8·2115	135·5	132·2	115·6	126 0	—
1914 ...	83·0	8·9034	136·1	1·6·3	11 ·9	119·8	116
1915 ...	108·0	9·8530	148·0	127·8	161·6	167·2	145
1916 ...	136·0	11·8237	182·0	151·9	217·6	253·5	185
1917 ...	175·0	15·6385	237·0	196·1	302·4	376·8	244
1918 ...	192·0	18·7117	278·5	256·0	392·1	515·5	339
1919 ...	206·0	18·6683	293·2	316·6	411·8	460·9	331
1920 ...	--	18·1679	—	341·2	588·8	786·7	347
1919							
June ...	199·4	18·8964	284·1	295·0	580·0	451·0	324
July ...	206·4	20·0017	294·0	319·0	403·0	456·6	320
Aug. ...	212·7	19·4720	301·1	324·0	401·7	465·5	321
Sept. ...	214·8	19·5215	301·5	332·0	415·9	468·3	319
Oct. ...	224·3	19·9026	299·6	352·1	441·1	492·0	307
Nov. ...	231·0	20·1756	307·7	370·2	428·5	552·9	308
Dec. ..	235·2	20·3638	322·7	381·5	488·6	576·2	317
1920							
Jan. ..	245·3	20·8690	336·4	397·9	562·7	634·7	319
Feb. ...	260·4	20·7950	343·5	413·8	605·6	701·0	342
Mar. ...	261·8	20·7124	349·0	425·0	641·0	780·0	354
April ...	266·1	20·7341	353·1	396·6	679·2	855·7	354
May ...	260·0	19·8752	356·6	328·0	635·9	830·3	361
June ...	255·7	19·3528	349·3	337·0	569·6	771·7	366
July ...	254·6	18·8273	346·8	347·0	572·9	772·4	363
Aug. ...	253·5	17·9746	330·2	311·0	579·5	795·9	365
Sept. ...	248·7	16·9014	326·6	305·0	607·7	832·2	362
Oct. ...	239·9	15·6750	317·6	298·5	580·0	834·5	346
Nov. ...	223·8	13·6263	304·2	292·7	532·0	829·1	331
Dec. ...	207·2	12·6631		272·0	502·0	800·6	299
1921							
Jan. ..	197·2						

Expressed as a Percentage of 1913

	United Kingdom	United States	Canada	Japan	France	Italy	Sweden[1]
1913 ...	100·0	100·0	100·0	100·0	100·0	100·0	—
1914 ...	100·0	96·7	100·4	95·5	102·0	95·1	116
1915 ...	127 1	107·0	109·2	96·7	139·8	132·6	145
1916 ...	160·0	128·4	134·4	117·2	187·0	201·2	185
1917 ...	205·9	170·0	174·9	148·5	261·6	299·0	244
1918 ...	225·9	203·2	205·4	195·9	339·2	409·1	339
1919 ...	242·4	202·7	216·4	239·5	355·6	365·8	331
1920 ..	—	197·2	-	257·9	509·3	624·3	347
1919							
June ...	235·0	205·2	209·7	223·1	501·0	358·0	324
July ..	242·8	217·2	217·0	241·3	349·0	362·4	320
Aug. ..	250·2	211·5	222·2	245·1	347·0	368·7	321
Sept. .	252·7	211·9	222·5	251·1	359·8	371·6	319
Oct. ..	264·0	216·1	221·7	266·3	382·0	390·4	307
Nov. ..	272·0	219·0	227·1	280·0	405·0	438·7	308
Dec. ...	276·0	221·1	238·2	288·6	422·7	457·3	317
1920							
Jan. ...	288·0	226·6	248·2	301·1	486·9	503·7	319
Feb. ..	306·3	225·7	253·5	313·6	524·0	556·3	342
Mar. ..	308·0	224·9	257·5	321·5	554·5	619·0	354
April ...	313·1	225·1	260·6	300·0	587·5	679·2	354
May ..	305·9	215·8	263·1	248·1	550·0	659·1	361
June .	300·8	210·1	257·8	254·9	492·7	614·8	366
July ..	299·5	204·4	256·0	239·8	495·0	613·2	365
Aug. ..	298·2	195·1	243·7	235·3	501·3	631·7	365
Sept. .	292 6	183·6	241·0	230·7	525·7	660·4	362
Oct. ..	282·2	170·2	234·1	225·8	501·7	662 2	346
Nov. ..	263·3	147·9	224·6	221·1	460·2	658·2	331
Dec. ...	243·5	137·5	-	205·7	434·3	635·3	299
1921							
Jan. ..	232·0						

[1] Average for twelve months to June 1914=100.

There are some wide differences in the methods of compiling the different index-numbers given here, which should be noted before a comparison of the results is attempted; in order to indicate these differences a short description of each system will be useful.

United States.—Bradstreet's index-numbers represent the total of the prices per lb. of ninety-six articles [illegible] The [illegible] refer to the first of each month, but for the purposes of the foregoing table they have been taken as representing prices at the end of the preceding month. [illegible] for December

1920, for instance, would appear in *Bradstreet's Journal* under January 1, 1921.

Canada.—The monthly figures of the Department of Labour, published in the *Labour Gazette*, are the unweighted arithmetic averages of the weekly average prices of 271 commodities, calculated as percentages of the average prices during the period 1890-99.

Japan.—The calculations given are those made by the Bank of Japan for Tokio; they are based on the prices of fifty-six commodities, the average price in October 1910 being made equal to 100 in each case. The general average is roughly weighted so as to emphasise the importance given to certain commodities; for silk, for instance, seven quotations are allowed.

France.—The index-numbers, made by the Statistique Générale de la France, are drawn from the average monthly prices of forty-five commodities, the average price of each article during the years 1901-1910 being made equal to 100 in each case.

Italy.—Professor Bachi's index-numbers are the unweighted arithmetic averages of the prices of forty commodities expressed as percentages of the average prices during the five years 1901-05.

Sweden.—The index-numbers of the *Svensk Handelstidning* are based on forty-seven market quotations, the commodities selected being either raw materials or articles in the first stages of manufacture. For some commodities the average monthly price is taken, the remainder being the prices on the 15th of each month. The period July 1, 1913—June 30, 1914, is taken as the basis for comparison, the average price of each commodity during those twelve months being taken as 100. In the general average the commodities are weighted according to an approximate estimate of the value of each consumed during basic period.

TRADE OF THE UNITED KINGDOM IN JANUARY.

It was accepted as an unpleasant but inevitable fact that the returns issued by the Board of Trade for January would reveal an unfavourable trend of trade. With unemployment attaining acute dimensions, not only in the foundational iron and steel trades, but also in the important textile industries of Lancashire and Yorkshire, no other conclusion was possible. Yet, when allowance is made for the acute depression through which we are passing, it must be admitted that the trade of the United Kingdom during January was much more satisfactory than many had dared to hope.

Course of Foreign Trade.

	January 1921 Amount	Inc. or Dec. on 1920	Inc. or Dec. on 1913
	£	£	£
Imports ...	117,050,783	—66,192,205	+46,805,512
Re-exports ...	9,656,119	—15,509,368	— 750,100
Net imports...	107,496,664	—50,782,847	+46,555,612
Exports ...	92,756,094	—13,123,815	+47,309,663
Excess of imports	14,739,570	—37,659,032	— 754,051

The total value of imports received during the month dropped to the exceptionally low total of £117,051,000, which is the lowest figure reached since April 1919, when the total was only £112,066,000. Compared with January of 1920 there has been a reduction of no less than £66,000,000; but such a comparison is vitiated by two facts. There were no signs of a depression in January 1920, and prices were then at much higher levels. A more valid comparison with the December returns, when conditions were more closely parallel, shows a reduction only of £25,700,000. However, no matter what basis of comparison is selected, the fact remains that this record low total for imports during last month provides some measure of the nature of the depression.

To this decline of nearly £26,000,000, as compared with December 1920, all three main classes into which the imports are divided in the official returns contributed. The fall was very pronounced in Class I., the value of food, drink and tobacco amounting only to £49,158,000, as against £59,378,000 in December. The import of grain and flour dropped from £14,681,000 to £11,242,000, mainly reflecting the decline in the import of wheat from £7,057,000 to £5,118,000. Prices fell more rapidly than quantities. Thus the improvement in the American exchange in conjunction with lower prices can be seen from the following figures:—

	Quantities Cwt.	Value £
Dec. 1920	2,076,500	3,356,425
Jan. 1921	1,78[illegible],800	2,266,415

Meat registers a reduction in value of nearly £2,700,000, with a total of £11,784,000, which is chiefly explained by the decline in the import of bacon from £5,899,000 to £4,361,000, the quantity received from America falling from 267,947 to 140,938 cwt., whilst the value was only £1,233,000, as against £2,365,000. The value of dutiable food and drink imported amounted to £7,644,000, or more than £2,500,000 less than in December, whilst that of non-dutiable food and drink recorded a loss of £2,750,000 at £15,817,000.

The effects of the depression as regards imports were emphasised most in the case of raw materials included in Class II., the total of which reached £37,005,000, as compared with £48,613,000 in December. Here the outstanding feature was undoubtedly the remarkable fall in the import of cotton, which was valued only at £11,588,000, as against £18,125,000 in December. The fall in value was much more pronounced than the reduction in quantities, which were 1,322,493 bales for January and 1,945,521 bales for December. The import from the United States dropped from 1,496,528 bales to 1,026,440 bales, but the value was only £8,067,000, as against £12,148,000. Declines were characteristic of the group as a whole, with the rather peculiar exception of rubber, the value of which increased from £1,267,000 to £1,570,000, whilst the quantity rose still more rapidly from 188,921 to 255,514 bales. It is curious to note also that the value of wool imported only dropped slightly, from £6,500,000 to £6,239,000. But here again the lower price levels were in evidence, the quantity of raw wool, for example, rising from 628,033 to 692,747 bales.

Imports of manufactures were down by more than £4,000,000, with a total of £30,467,000. With the exception of oils, fats and resins, the import of which increased from £7,264,000 to £8,951,000, all the other members of Class III. were below the December totals. The fall was most pronounced in the case of non-ferrous metals and manufactures therefrom, which fell from £2,964,000 to £2,082,000. Falls of over £500,000 were recorded by the imports of silk, woollens, iron and steel, and paper and cardboard. The import of chemicals, drugs, dyes and colours amounted only to £2,344,000, as compared with £2,671,000 in December.

In the returns for December it was the export trade that showed most clearly the effects of the depression with a fall of over £23,000,000 to £109,330,000. It is well to recollect this heavy decline in examining the figures for January, which have dropped to £102,711,000. Such a small total was not recorded in any month of 1920, and to find a lower record we must go back to October 1919, when the total was only £98,703,000. This drop of over £6,500,000 in our total export trade represents the cumulative result of a fall of nearly £4,000,000 in the value of British produce and manufactures, and of over £2,500,000 in the value of re-exports. Of the latter, approximately £1,000,000 is accounted for by the decline in the value of goods under Class III., the remainder being explained by the reduction of re-exports under Class I.

The exports of British produce and manufactures amounted only to £92,756,000, as against £96,631,000 in December. Contrary to what would have naturally been expected in a period of trade depression such as we are now experiencing, this fall is not to be accounted

for by a general falling off in the export of manufactured goods. The total value of exports in Class III. has, indeed, risen from £78,819,000 to £79,746,000; whilst the trade in food, drink and tobacco is also a little higher at £3,852,000. The decline is found in Class II., the total of which only reaches £7,668,000, as compared with £12,277,000 in December. Inside the class the bulk of the different groups record values somewhat lower; but the sharp fall in the total must be entirely attributed to the pronounced fall in the export of coal. During December we exported 2,302,076 tons of coal, valued at £9,345,000; in January the quantity dropped to 1,700,106 tons and the value to £5,556,000. Similarly our export of bunker coal fell from 1,202,097 to 1,041,608 tons. Two factors help to explain this heavy decline. In the first instance, the increasing deliveries of coal which France is now receiving from Germany under the terms of the Peace Treaty render her less dependent on the United Kingdom for supplies. Thus, as against 1,072,515 tons, worth £3,885,000, exported to France in December there were sent only 565,405 tons, worth £1,716,000, in January. Incidentally it may be noted that the drop in value is greater than in quantity. This provides the key to the second factor operating to reduce our important export of coal. British coal is yet too dear for the Continent, as compared with American coal. Moreover, the American merchants are in a position to give longer credits. Consequently American coal is capturing the Continental market.

Whilst the total of exports in Class III. increased from £78,819,000 to £79,746,000, this does not represent the general tendency of the members of the group, which was downward. Only in five instances were increases recorded. The salient instance was provided by the export of vehicles, which rose from £5,434,000 to £7,024,000, due entirely to the export of ships not registered as British, which amounted to £4,279,000, as against £2,281,000 in December. The trade in iron and steel and manufactures therefrom increased by over £1,380,000 to £10,692,000, and the export of machinery advanced from £7,903,000 to £8,060,000. Of the declines, which were characteristic of the bulk of the group, the Lancashire cotton industry stands out with a fall of over £1,000,000 to £23,973,000. The depression does not appear to have hit Yorkshire so heavily during January as the export amounted to £7,902,000, as against £7,903,000 for December.

Excess of Imports into United Kingdom.

Month	1921 £	1920 £	1919 £	1918 £	1917 £
Jan. ...	14,740,000	52,154,000	82,615,000	54,202,000	35,301,000
Feb. ...	—	61,946,000	55,039,000	57,214,000	24,668,000
Mar. ...	—	45,918,000	43,715,000	63,042,000	29,465,000
April ...	—	40,495,000	40,382,000	77,621,000	40,244,000
May ...	—	26,755,000	59,318,000	77,516,000	37,852,000
June ...	—	34,015,000	46,120,000	64,176,000	35,999,000
July ...	—	8,042,000	76,068,000	63,525,000	35,703,000
Aug. ...	—	24,984,000	58,748,000	64,435,000	46,220,000
Sept. ...	—	21,886,000	66,376,000	56,094,000	39,870,000
Oct. ...	—	21,460,000	54,783,000	72,768,000	39,405,000
Nov. ...	-	11,780,000	36,188,000	70,732,000	62,621,000
Dec. ...	—	33,455,000	52,717,000	74,797,000	44,450,000

The Board of Trade returns show that the adverse trade balance for January was only £14,740,000. On the surface this represents a considerable improvement on the December figure of £33,455,000, and compares favourably with the November record of £11,780,000. But it has to be remembered that this remarkably low adverse balance does not represent a genuine improvement. It has been secured simply because, as a result of the depression, there has been a pronounced decline in the value of our imports. We have seen, too, that this decline has been most acute in the important group of raw materials, thereby indicating that the manufacturing community were existing largely on their stocks, and that a time must come sooner or later when such stocks will have to be replenished if our export trade is to develop. A reduction in the adverse trade balance accomplished at the expense of the stocks of essential raw materials cannot be regarded as a matter for congratulation. The only satisfactory decline is that which takes place as a result, either jointly or separately, of an expansion in our export trade and of a falling off in the imports of non-essential commodities. The depression is still too pronounced to enable us to anticipate with any degree of certainty the realisation of this desirable situation in the immediate future.

External Trade of the U.K. since 1914.

(000's omitted).

Year	Imports £	Re-Exports £	Net Imports £	Exports £	Excess of Imports £
1921					
Jan. ...	117,051	9 555	107,496	92,756	14,740
1920					
Dec. ...	142,785	12,699	130,086	96,631	33,455
Nov. ...	144,260	13,115	131,145	119,365	11 780
Oct. ...	149,889	16,134	133,755	112,295	21,460
Sept. ...	152,692	13,350	139 342	117,456	21,886
Aug. ...	153,255	13,368	139 887	114 903	24,984
July. ...	163,342	17,848	145.494	137.452	8,042
June ...	170.491	20.124	150.367	116,352	34,015
May ...	166,334	20,260	146,074	119,319	26,755
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	85,964	61,946
Year					
1920 ...	1,936,742	222,406	1,714,336	1,335,569	378,767
1919 ...	1,631,902	164,322	1,467,580	798,373	669,207
1918 ...	1,316,150	30,945	1,285,205	501.419	783,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	170,440

THE FINANCING OF AMERICAN EXPORTS.

THE joint resolution of the House of Representatives and of the Senate of the United States calling for the revival of the War Finance Corporation was rejected by President Wilson on the ground that the Corporation had been established during hostilities for purely war purposes, and its period of usefulness ceased with the termination of war. This argument, though sound in point of fact, is technically weak, since the United States is, from the strictly legal standpoint, still at war. The temporary powers which Congress wished to revive were conferred in March 1919, and included the financing of exports, when necessary. This power does not expire until one year after the end of the War, while the general powers of the Corporation lapse six months beforehand. The opportunities for academic controversy are here illimitable, and the Presidential veto has been overridden in both Houses. The capital stock of the Corporation is owned entirely by the Government, and President Wilson, in his message to Congress, stated his opinion that private enterprise no longer needed to be supplemented by activity on the part of the State in the matter of trade. Further, under the law, if the functions of the Corporation were resumed, no direct advances could be made to producers, and, if they could be, they would not accomplish the objects in view, which are mainly the creation of a demand for American products. They could be made only to exporters or to banks engaged in financing exports, and if they did in some measure

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stimulate exports they would not substantially increase sales of agricultural commodities. Already, with the large volume of exports which Europe is taking from the United States, she is exercising her option, presumably because she herself has become more nearly self-sufficient, or is again providing herself with supplies from distant countries which, with the freedom of shipping since the Armistice, have once more found their place in the markets of the world.

The President also stated that the most immediate and conspicuous effect of the resumption of the Corporation's activities would be an effort on the part of exporters to shift the financing of their operations from ordinary commercial channels to the Government, an unfortunate development, as it would continue the Government as an active factor in ordinary business operations. If activities of any considerable magnitude resulted, they would necessitate the imposition of additional taxes or further borrowing, either through the War Finance Corporation or by the Treasury. In either case, new burdens would be laid upon all the people. Further borrowing would, in all likelihood, tap the very sources which might otherwise be available for private operations, or which the Treasury is compelled to reach to meet current obligations of the Government. The borrowing of the Government should be limited to the minimum requirements, and the Government should not be called upon further to finance private business at public expense. To the extent that Europe is able to furnish additional securities, private financial institutions in the United States doubtless find means of giving the necessary accommodation. Financial agencies in aid of exports, privately owned, have already been planned to operate under the Act approved December 24, 1919, authorising the organisation of banking corporations to do foreign banking business. One corporation was organised in the South, and a second of larger scope is in course of development.

The attitude of Congress in pressing for a revival of the Corporation has met with the disapproval of various trading bodies, but the New York Chamber of Commerce hesitated to give an unqualified verdict on the ground that opposition to the revival might be construed as a decision on the part of the New York bankers to refuse co-operation in giving effect to the resolutions of Congress. At the same time, those interested in kindred organisations have given it as their opinion that the activities of private associations already existing for fostering the export trade should rather be revived than that the Government should come again into the field. The Vice-President of the Mechanics and Metals Bank, who is chairman of the Committee on Organisation of the Foreign Trade Financing Corporation, stated that at the December conference of bankers, business men, and producers, held in Chicago, there was a general feeling that even if the Government undertook the work of lending money or credit, directly or indirectly, to further export trade in the present emergency, it should abandon that work as soon as private financial machinery was brought into existence and was ready to compete. The Chicago conference, in fact, approved the formation of the Foreign Trade Financing Corporation, to provide just such permanent financial machinery for maintaining and developing America's foreign trade. It is designed to provide a foundation lacking at the present moment, for the extension of long-time credits to foreign purchasers of American goods, the money for such credits coming, in addition to funds subscribed for capital of the Foreign Trade Financing Corporation, from the proceeds of sales of debentures.

The idea in the resumption of activities by the War Finance Corporation is that it should meet temporary needs and emergencies. Its success in such an undertaking may be of benefit for the time being, but its emergency character must be carefully kept in mind. The move for the resumption of the War Finance Corporation's activities simply serves to emphasise the call for concerted action by agricultural, manufacturing and financial elements to bring into existence effective and permanent financial machinery in connection with America's foreign trade.

In the New York Chamber of Commerce it was affirmed the world at present does not suffer so much from over-production as from under-consumption in Central and Eastern Europe on the part of hundreds of millions of people. This under-consumption is due partly to social and political unrest in the countries affected, and partly to the exhaustion of their credit. Millions of people in those countries are living in conditions of under-nourishment and partial or total idleness. They need the surplus foodstuffs and the raw materials that are a drug on the markets of some of the producing countries. But these goods cannot be moved from where they are a burden to where they are a necessity because the purchasing power of the peoples that require them has been exhausted, and because political, social, and economic conditions are such that the peoples in need cannot themselves produce enough to pay, by an exchange of goods, for what they require. It is well known that since the beginning of the War, the United States has sold to Europe and to the world at large some $18,000,000,000 of goods in excess of what the world has been able to pay for in goods. During the period that America was in the War, and in the months immediately ensuing, the American Government itself advanced approximately $10,000,000,000 to allied purchasing countries. After the Armistice, and as Government loans diminished, sales were carried out on credit granted through individual loans. This caused a corresponding banking expansion in the United States, and, according to Mr. T. W. Lamont of Messrs J. P. Morgan and Company, resulted in a floating indebtedness of Europe to their banks and industries of $3,000,000,000. During all this time inflation proceeded all the world over, moderately in some countries, at a mad pace in others; and prices rose accordingly to more or less dizzy heights. The suffering to which all the world was subjected by the abnormal increase of prices has caused an insistent and determined demand that something should be done to terminate this fatal course and to bring the world back to a more normal price level. An adjustment can be brought about only by a decrease in wasteful and non-productive Government expenditure, by greater economy on the part of the people, and by more effective production, this last in turn being predicated upon a proper distribution of raw materials. Neither individuals nor governments have seemed to heed this call of reason, but eventually they will be compelled to listen.

As the recent Conference at Brussels brought out, twenty-two Governments are still working with annual deficiencies (including extraordinary or non-recurring expenditures) that amount to a total of $6,107,000,000 calculated at current rates of exchange, or a total of $22,451,000,000 at the old par of exchange. Even in the United States, out of the total estimated Federal expenditure for the current year forty per cent. is for the Army and Navy; six per cent for pensions and thirty-three per cent for the service of war debt; making almost eighty per cent. devoted to purposes of war, past, present and future.

Political and economic peace, such as the world hoped to see at the conclusion of the Armistice, has not yet been restored. It is this fact, more than any other, that has impressed itself deeply upon the minds of American statesmen, business men, and bankers, as was emphasised at the New York Chamber of Commerce. It is safe to say that a similar state of mind exists in the majority of those other countries which, like the United States, must sell on credit at this time if they want to dispose of their surplus production at all. Government and banking credit in these countries, as in the United States, has gone approximately as far as it can afford, or dares, to go, and private investors will not extend credit in these European nations to a

degree adequate to break the deadlock, unless they see that European governments are determined to bring the Old World back to such a basis of political and economic peace as will enable European production again to thrive and thus to usher in a general era of recuperation.

There is no use blinking the fact that the creditor world has reached the conclusion that the debtor world cannot emerge from its present plight as long as it is composed of factions working against one another instead of with one another; factions still acting towards one another in a spirit of discord, even though peace between them has nominally been restored for eighteen months. Unless economic peace is made upon a basis that permits all Europe to live, to work and produce on a more normal basis, our economic problems cannot be solved without further derangement and suffering.

CONTINENTAL TRADE ON A BARTER BASIS.

THE possibility of opening up trade with Europe on a barter basis has not been overlooked in the discussions on export credits insurance now proceeding, and some significance may, therefore, attach to the recent report that the Government contemplates the exchange of Lancashire cotton for Rumanian wheat and oils. This method of trading is undoubtedly a clumsy expedient, but, in view of the effect exercised on European purchasing power by heavily depreciated currencies, it is worth while exploring any channel offering possibilities of escape from the present *impasse*. As between countries the value of whose currencies are markedly in contrast the exchange of goods for goods has been attempted with varying degrees of success during the past few years. American, Swedish, Swiss, and British interests alike have participated, and, as a matter of fact, inter-trading on these lines has also taken place between some of the newly-formed States of South-Eastern Europe.

The United States furnishes cotton to the German mills, chiefly in Saxony, to be worked up on a commission basis, the manufacturer being allowed to retain a certain proportion of the cotton for his own business. The same procedure is adopted with hides and wool coming from Holland, but presumably of American origin; and the German engineering industry has been asked to take up business in a similar manner. This system provides the United States with stocks of goods ready to place on the European markets, and at the same time helps the Germans by employing their workmen, keeping their factories running, and placing small stocks at their disposal, besides bringing in a certain amount of American money. It is also stated that the Americans furnish food and coal for the use of concerns which are working for them. Towards these innovations the Germans at first adopted a hostile attitude, but this view-point changed when experience indicated that the operations were not only necessary, but profitable. Where honest dealing distinguished both parties to the transaction it is to be presumed that the Americans, supplied with goods manufactured at a comparatively low wages cost, since the internal value of the mark is greater than the external, had no reason to be dissatisfied with their bargain. Swiss interest in barter trade crystallised into the formation of a Goods Exchange Centre in 1919. This organisation followed on the realisation that the individual exporter was imperfectly acquainted with the routine incidental to exports, and it was thoroughly representative of all sections of Swiss industry and trade; it is noticeable that the establishment of this enterprise was left solely in the hands of the commercial community, the State taking no action. Transactions are handled at the request of individual traders, and trains are despatched at regular intervals to the Succession States

IMPORTANT NOTICE

HALF-YEARLY BANKING & COMMERCIAL REVIEW

FEBRUARY 19, 1921

HITHERTO it has been our practice in February and August of each year to publish Special Articles and Statistics analysing the position of the United Kingdom Joint Stock Banks, as disclosed by their half-yearly accounts.

IN view of the economic position, and our desire to afford our readers the utmost information available, we have decided to extend the scope of this issue to a HALF-YEARLY BANKING & COMMERCIAL REVIEW.

THIS enlargement will enable us to deal with many questions of Finance and Trade of current importance to commercial interests, in addition to treating the Banking position as formerly.

AMONGST other subjects that will be discussed, and upon which much exclusive statistical data will be provided, will be:

THE TREND OF BRITISH TRADE as regards volume and distribution, adverse and favourable balances;

MOVEMENTS IN STERLING EXCHANGES and WHOLESALE COMMODITY PRICES in all the leading countries;

SHIPPING EARNINGS & FREIGHTS; MOVEMENTS OF BRITISH TONNAGE at Home and Abroad;

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HALF-YEARLY BANKING & COMMERCIAL REVIEW

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laden with goods which may be bartered directly for raw materials and foodstuffs. Apparently the practice is to dispose of the Swiss goods for native currency, the proceeds being utilised to purchase a return consignment. Great difficulty was originally experienced in connection with transport, consignments being held up for long periods; but obstacles now appear in large part to have been removed, and skilful use is made of the Danubian waterways, the ports and shipping on which are now being developed by British interests, and the railways.

Frequent endeavours have been made to do business on a barter basis with Russia, but the results have been far from satisfactory. In South Russia, under General Denikin's Government, special arrangements were often made to supply outward cargoes of raw materials and foodstuffs, as against inward shipments of manufactured goods, but they broke down owing to the disinclination of the peasantry to furnish the officials charged with the duty of collecting goods with particulars of the supplies they held. Moreover, the storage at a central depôt of such goods was seriously hindered by the inability of the badly-equipped railways to transport them. Where these influences prevented an interchange the inward shipment could, of course, be sold for local currency, but the prices then received were often far below the expectation of the owner of the shipment. Probably the unfortunate outcome of Sweden's recent trading experiments with Russia is to be largely ascribed to the impediments in the way of assembling Russian produce at any defined point, if we admit the existence of such produce. The agreement entered into in the middle of last year between the Swedish Government on the one side and the Soviet Government and Russian Federation of Co-operative Societies on the other provided for a resumption of trading relations on the deposit by the latter of a sum of £1,388,888 in a Swedish bank as a guarantee. Contracts were accordingly entered into with Swedish manufacturers for the export to Russia of Swedish products, principally agricultural machinery, up to a total value of £5½ million; the consignments were to be delivered at Reval, and Russian produce of a corresponding value was to be given in exchange. Preliminary deliveries were duly made by the Swedish Syndicate, but the Russian Federation failed to fulfil its compact, and the question of repayment from the gold deposit is complicated by the fact that, as the sale price of the gold is to be fixed by mutual agreement on the part of the Governments concerned, the Soviet Government by holding out for a higher price than that offered is in a position to delay the sale.

Barter treaties were concluded in November by Czecho-Slovakia with France, Poland, and Yugo-Slavia. Czecho-Slovakia was also the subject of a report, submitted recently to the New South Wales Government, examining the possibility of opening up trading relations with Australia. One suggestion was that Australian wool might be exchanged for glassware, gloves, and leather products. Another, that wool might be sent to Czecho-Slovakia for manufacture, the worked-up goods to remain the property of the Australian exporter and to be sold in markets designated by them. Labour, it was observed, would be cheap in the textile factories of Czecho-Slovakia. At the current rate of exchange the spinner receives the equivalent of 15*s*. per week, whereas in England the minimum weekly wage for a spinner is not less than £4.

From the foregoing examples it is evident that barter may assume a variety of forms. By previous agreement the quantities to be exchanged can be definitely determined, and the exchange carried out at a specified spot; or a merchant may consent to receive local currency as consideration for his shipment, and proceed to purchase other goods, or invest it in the country. A third mode is that of despatching raw materials to be worked up into manufactured goods, the commission or payment being a certain proportion of the manufactured output. Barter has obvious attractions for, say, the trader in the Succession States, since the cost of the goods arising from adverse rates of exchange is more or less eliminated from the transaction. For the merchants of these islands there are obviously many risks attached to this class of trading—risks which are not covered by the export credits scheme now in operation. The element of speculation present and the high degree of enterprise and initiative called for place some categories of barter outside the ordinary trading sphere. Some British merchant companies have made successful ventures in Siberia and elsewhere; but it is clear that, in the absence of large organisations and of understandings in the form of treaties or otherwise, trading cannot assume very large proportions. Collaboration between Governments would enable much useful information as to the extent of a country's exportable surplus and the points at which produce could be most economically assembled to be placed at the disposal of the trading community. Private enterprise organised, perhaps, on the Swiss model could then proceed to utilise this information. The possibilities of opening up trade with the Continent in this manner should not be neglected by our Government, but no doubt this and the thorny points involved in the granting of, and insurance of, export credits are at present under consideration.

THE STATE OF PARANA.

A PROMISING FUTURE.

In a vague sort of way every reader is well acquainted with the enormous extent of the United States of Brazil taken as a composite whole. Very few, however, realise that some of the component States are themselves bigger than many countries of Europe. Taken as a whole the Republic is actually larger than the United States of America. And, as is the case with the various States of the Northern Confederation, many of the States of Brazil are, as we have just said, bigger than many whole countries in Europe. The State of Parana is by no means one of the largest of the Brazilian States. Nevertheless, it is in area practically one and a-half times the size of England proper. The actual area is some 190,400 square kilometres, or 73,500 square miles. It has a coast-line of very nearly a hundred miles. One of the most striking features of the State, as, indeed, of most new countries, is the remarkable amount of business which it seems possible for these States to do, bearing in mind, not the great fertility, for that is out of all proportion to the amount of business they do, but the exceeding sparseness of the population. We have just said that the total area of the State of Parana is, in extent, as big as England proper and half as big again. The total population of this State is only 400,000 inhabitants; and of this 400,000 some 50,000 are located in the capital. When we consider that all the business of the State has to be carried on by a population not much larger than that of the Borough of Islington, and that the area over which that population is spread exceeds the whole of England and four-fifths of Scotland, it is not surprising that the greater part of the country is completely unoccupied. It is only since the middle of last century that the State of Parana has been constituted as a State at all. Until that period it was regarded as an appanage, and its government was directed from what we now call the State of Sao Paulo. Sao Paulo, as the reader is aware, was one of the very first of the States of Brazil to be settled. In fact, it was the energy of the Paulistas which very largely secured that enormous part of South America for the Portuguese Crown and kept the Spaniards from invading that territory. As a matter of fact, in those early days—for Parana was settled, in a sense, as early as the beginning of the sixteenth century, when it was known as the Captaincy of Curityba, which, as the reader is aware, is still the capital of the State—it was governed from

Sao Paulo. Even up to the present the country has never been developed, although it is now high time that serious efforts were made towards its development; and, in fact, serious efforts are at last being made. It has to be remembered that in the early days of the Portuguese settlement these comparatively temperate regions were but little valued, as they did not produce articles which could readily be exported to Europe. Highly valuable minerals and specifically tropical or subtropical products which could not be produced in Europe itself were naturally the articles of trade. Coffee, cane-sugar, and cocoa, second only to mineral products, were naturally the objects which the colonists aimed at raising; and it was impossible in those days to send large quantities of wheat, and still less of meat, across the ocean. Until the day came when it was discovered that it was possible to send frozen, and still more chilled, meat across the ocean a real appreciation of lands like those existing in the State of Parana was not possible, because there were no real means of developing them and making them really serviceable to the common interests of the State. It may be said, and has been said in many cases, that it was extraordinary that the Brazilians, at any rate for the last hundred years, should have neglected to develop these States for the purpose of providing foodstuffs for their own consumption. This criticism is quite natural to anyone visiting Brazil for the first time. But it is not reasonabl if he accompanies his visit by a careful study of the economic and political conditions of the country in the past. There was no adequate population in the early settled States of Sao Paulo and Rio de Janeiro to admit of developing these southern States. Moreover, they were adjacent to the Spanish colonial possessions, and they were constantly in dispute between the Spaniards and the Portuguese settlers, and sometimes in dispute between native Indians and the Portuguese settlers themselves. In such a disturbed state it was not possible for the agriculturist to carry on his peaceful calling of raising flocks and herds and providing cereals for the consumption of the more populous regions of the Republic. Now, however, it has come to be realised that it is certainly not creditable to the economic well-being of the Republic that they should import the bulk of wheat consumed in the Republic. Until quite recently practically the whole of the wheat consumed in Parana was imported from Argentina, which, of course, as the reader is aware, developed an enormous wheat trade in connection with its large export trade for the feeding of Europe. Practically since the outbreak of the European War the State of Parana has developed an important wheat-growing industry. It should in fairness, however, be said that an attempt to grow wheat was made several years ago in this State, but the complete absence of any means of transportation made the task practically impossible. The wheat grown in any given area, when it came to reach the port of Paranagua, had multiplied in value to so extravagant an extent that it was cheaper to obtain wheat at any of the Brazilian ports from Argentina, or any place practically except Brazil itself. The total consumption of wheat in the State is estimated at about two million bushels. The total production in the State at present does not exceed 160,000 bushels; but there is good ground for hoping that in the next few years the State will be capable of raising over four million bushels, which would admit of the export, roughly, of two million bushels. Of course, the real difficulty of the State, as we have already pointed out, is the extreme lack of population. The State is, roughly, 74,000 square miles in extent, and has a population of 400,000. Deduct 50,000, the estimated population of the capital, from this and it gives an average of five inhabitants to the square mile. It is evident that agricultural operations to any real extent are impossible in any country so sparsely populated. Consequently, one of the great needs of the State of Parana, as indeed of the whole of Brazil, is an increase of the population as well as an improvement in the transportation facilities.

It will give the reader a better appreciation of the difficulties if we give a very brief account of what the State is like. The area of the State we have already given. Speaking generally, the State of Parana is high land with a considerable area of mountains. The well-known Serra do Mar, or maritime range, to which we have referred so often, and which characterises the Brazilian coast from the State of Bahia to the extreme south, traverses Parana from north to south at some sixty miles from the coast. This territory is remarkably fertile and is covered with vegetation. On the other, or western, side of the Serra do Mar lies the Curityba Plateau, which differs widely from the coast section of the State in climate and in vegetation.

There are now, remarkable as it may seem, some 4,000 miles of public roads, 1,000 of which are exceedingly good considering the general condition of development of the State. In addition there are some 800 miles of railway. But, speaking generally, the transportation facilities are as deficient as is the number of inhabitants. Notwithstanding the adverse circumstances already enumerated, serious efforts have been made, as stated above, to increase the productivity of the State. Efforts, and successful efforts, have been made to increase the area under cotton, beans, rice, wheat, rye, potatoes, oats, barley, mandioca, flour, flax, and sugar. Attempts to grow cotton were made in Parana many years ago, but failed, as the attempts to grow wheat upon an extensive scale also failed, owing to the lack of transportation facilities. In 1917, during the height of the recent European War, a group of farmers in various districts, of which perhaps the Thomazina is the best known, formed a kind of combine with a view to the cultivation of cotton. They were encouraged by the high prices both in Brazil and in Europe, and these last attempts have given very fruitful results. Sixty tons of cotton were produced in the first year, 3,000 tons in 1918, and, although the figures for 1919 are not available, it is believed that they more than doubled those of the preceding year. Efforts to grow flax in the high-lying zone of the interior of the State are being made. There seems no reasonable doubt that this part of Parana is quite suitable for the growth of flax. The real difficulty, however, is the scarcity of labour. As we have pointed out again and again when writing on flax, the difficulty of its cultivation is not in finding an area suitable for growing flax, because such exist over very extensive regions of the earth. The real difficulty is that the growth of the flax plant requires during about a month of the year, or six weeks, perhaps, a great deal of attention, and requires a great deal of labour. But for the rest of the year it requires little or no attention. Consequently, in a State where the average inhabitants, as we have already said, are only five to the square mile, this does not appear a promising field of enterprise. Nevertheless, in so far as they are able to grow flax, it will be all to the gain both of those who are successful and of the flax-consuming world in general. Efforts are being made to grow cane-sugar, but at present the total production, some 4,000 tons, is inadequate for the local consumption. The great business of the State of Parana, which attracts attention from the outside world and makes it so generally well known, is the collection, if not exactly the cultivation and distribution abroad, of the famous matte tea. The value of the total exports of the State in the last year for which we have figures was 40,000 contos of reis, and of this some 34,000 contos represent the export of the herb from which we derive matté tea. The matté plant is a tree about twelve feet high, of the holly family, and from this region is derived the greater part of the matté known to the international markets of the world.

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Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

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The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Lord Inchcape on Freedom of Trade.

Presiding on Thursday at the annual general meeting of shareholders of the National Provincial and Union Bank of England, Lord Inchcape, whose pronouncements on matters of finance and economics are always distinguished by clarity of thought and vigour of expression, made a striking appeal on behalf of fiscal freedom for British trade. He condemned the protection of "key" industries and the system of trading by licences and other bureaucratic devices, maintaining that these led to inefficiency and final decay. As a nation, he asserted, we have nothing to fear, industrially or politically, from any foreign rival. Our real danger is internal. An immense volume of business awaits us in the world's markets, but only at reasonable prices. Costs of production must be scaled down, and to do this an appreciation of economic facts is necessary on the part of both employers and employed. Industrial peace is essential to national well-being, and while maximum output always deserves maximum wages, wages cannot permanently remain at a level which prevents the disposal of the product on a profitable basis. The burden on industry could be materially reduced if the taxpayers had not to bear the deficits on railways, coal mines, and other controlled trades, and at the same time provide for expensive schemes of social reform. The enormous sums paid over to the Government in respect of income tax, super-tax, excess-profits duty, corporation tax, and death duties have been provided by the mercantile community by realising both stocks of goods and securities on which the banks had given advances. The latter had no option but to make a proportionate reduction in accommodation; and so the blame for such restriction of credit as there has been lies primarily with the Government. The burden of taxation has dried up the liquid resources of the country. According to Lord Inchcape, before we are done with it, the excess-profits duty alone will have taken £1,100,000,000, which would otherwise have found investment in reproductive enterprise.

Commodity Prices and Cost of Living.

The liquidation that has marked the last six months is on the whole, Lord Inchcape contended, a healthy process. It was an inevitable reaction from the boom period that preceded, and "it brought down the prices of raw materials and of most prime commodities and products and materially reduced the cost of living." Commodity prices are now but a little above the Armistice level. THE STATIST index-number for January, referred to more in detail elsewhere, is 197.2, compared with 207.2 in December, and 195.3 in November 1918. The reduction in the cost of living, including in that term food, rent, clothing, fuel and light, has not been so marked. If the average increases in the cost of these items are combined in accordance with their relative importance in pre-War working-class expenditure, allowance being also made for the higher price of soap, soda, domestic ironmongery, pottery, brushware, tobacco, fares, and newspapers, the resulting figure is about 165 per cent., as compared with 169 per cent. in December, above the level of July 1914. At the time of the Armistice the percentage increase was between 120 and 125 per cent., according to the *Labour Gazette* figures. The cost of living has therefore risen very materially since the Armistice, and is now only eleven points below the peak figure of 176 per cent. reached in November 1920.

On the subject of bank amalgamations Lord Inchcape stated that great advantage had accrued to commerce and industry from the absorption of smaller banks by the more powerful institutions. This development, indeed, was inevitable, as the weaker units could not meet the heavy demands made upon them, consequent on the enormous rise in the money value of commodities. During the year the National Provincial and Union Bank took over the Northamptonshire Union Bank, Limited; Shilson Coode and Co., of St. Austell; and Richards and Co., of Llangollen; and also purchased 33,333 shares in the Bank of British West Africa, while maintaining its French auxiliary, Lloyds and National Provincial Foreign Bank, Limited. The entire business of Coutts and Co. has also been taken over. Lord Inchcape considers that the process of amalgamation is now almost at an end, since the majority of the small banks have now become merged in larger institutions. A fusion announced this week is dealt with below.

Another Bank Fusion.

The last of the private banks with power of note-issue will lose both its separate identity and its privilege when the provisional agreement for amalgamation between Messrs. Fox, Fowler and Company with Lloyds Bank receives the approval of the Treasury. According to the *London Gazette* the amount of notes in circulation at end of last month was only £2,218. The proposed arrangement will, if sanctioned, take effect as from January 1 last. The number of private banks with the privilege of issuing notes has long been falling rapidly, owing to the extension of joint-stock banking and the supersession of the note currency by cheques. At the time of the passing of the Bank Act in 1844 over two hundred private banks issued their own notes. The number had been reduced to thirty at the commencement of the present century, and now the last of the old house, with a history stretching as far back as 1787, is to go, leaving the Bank of England the only institution with note-issuing powers in England.

Messrs. Fox, Fowler and Company is a partnership shared by the Fox family, and the senior partner, Mr. John Howard Fox, will join the directorate of Lloyds Bank. Its banking business is carried on mainly in Devon and Somerset, and altogether throughout the south-west it has fifty-five branches and agencies, with an extensive agricultural clientèle. Deposits are generally estimated to be about three millions. Lloyds Bank has acted as the firm's London agents for almost thirty years, and the amalgamation will give the London institution an increased foothold in the south-west, while existing depositors of the absorbed bank will no doubt benefit from the enlarged funds available for their accommodation.

Anglo-Chinese Trade.

One of the chief difficulties hampering the trade of Great Britain and other European countries with China has been the refusal of the Chinese Government to recognise legal ownership by foreigners of property and land, unless situated within the Treaty ports. This difficulty is now likely to be removed in the case of the United Kingdom, as the Chinese Government has granted a charter to certain British interests whose petition received the support of the British Legation in Pekin. In granting this charter the Chinese Government does not abrogate any of its powers as a Government, but issues a mandate giving full authority to the petitioners to form a corporation having half Chinese and half British capital, operating under its own agreed Articles of Association and by-laws, copies of which will be filed in the British Lega-

tion in Pekin and the Chinese Ministry of Trade and Commerce. Hitherto the most serious drawback to the expansion of trade and industry in China has been the inability of foreigners to own land and property outside the Treaty ports, and the Chinese are now becoming alive to the fact that such restrictions are serious obstacles to the advancement of their country. The new Chartered Corporation is now in process of formation, and it is anticipated that it will be ready for business at about the same time that the recently instituted new Four-Power Loan consortium will be in working order. It is understood that the railway requirements of China will be one of the first considerations of the new consortium; but, in addition to railways, there are hosts of other enterprises, chiefly industrial, which, with the assistance of its Chinese associates and its exceptional charter, the new Corporation expects to be in a position to develop. It is not intended to call for subscriptions from the public at the present time, but to give British manufacturers the opportunity of subscribing for founders' shares only, with which capital the business of the Corporation will be commenced. It should be pointed out that the Corporation enjoys no monopoly, and more than the usual trading risks will inevitably attach to all operations in a country that is relatively backward and that is at present in the throes of a widespread famine. The latter is so serious that a surtax at the rate of ten per cent. of the existing maritime and native Customs duties will be collected in China, as from March 1 next, on imports and exports. The revenue derived from this surtax, which will remain in force for one year, is to be devoted to famine relief.

Increase of Company Capital.

During the month of January 198 companies registered at Somerset House increased their nominal capital by £10,790,418, an average of £54,498 per company, or £415,016 per day, exclusive of Sundays. This total, according to the Department of Overseas Trade, was divided as follows amongst the various trades:—

	£
Metal Industries	3,604,585
Multiple Stores, Merchants and Retailers	1,842,650
Colonial Products	1,530,000
Foodstuffs	1,585,000
Textiles and Clothing	968,500
Building and Furnishing	324,000
Transport	257,000
Brewing and Distilling	175,000
Quarrying	107,500
Oil	69,600
Rubber	62,500
Chemicals	54,500
Paper	41,000
Theatres, &c.	63,505
Leather, Boot, Shoe	28,000
Coal	26,000
Other Trades	100,580
Grand Total	10,790,418

There were five increases of £1,000,000 or over, and of these a tobacco company was responsible for £1,250,000, while a multiple provision store, a dairy company, an engineering and mining company, and a steel manufacturing company each made increases of £1,000,000.

Municipal Reform.

The London Municipal Society is starting a campaign to direct public attention to the rapid growth of municipal debt and expenditure, and to the continual increase in rates, with the object of enforcing upon Parliament and local authorities the necessity for adequate control of capital expenditure, and for strict economy in administration. A stricter investigation is advocated into the accounts of all local authorities; and such an extension of the powers of auditors as will enable them to consider and report upon the whole financial position of every municipal authority and of their various separate undertakings. The reform is urged of the municipal franchise, in order to secure votes for representatives of limited liability companies and other incorporated bodies paying rates.

Iron and Steel Production.

The production of pig iron in January amounted to 637,700 tons, of which 199,200 tons were hematite, 178,900 tons basic, 162,800 tons foundry, and 64,900 tons forge. The decline, as compared with December, is 44,800 tons, or seven per cent. The production of steel ingots and castings fell to 493,400 tons, a decline of thirty-four per cent. compared with the previous month. The following table gives the production of pig iron and steel for previous months since January 1919:—

	Pig Iron		Steel Ingots and Castings	
	1919	1920	1919	1920
January	681,000	695,000	715,000	754,000
February	637,000	645,000	754,000	798,000
March	681,000	699,000	758,000	841,000
April	647,000	671,000	668,000	734,000
May	671,000	754,000	756,000	840,000
June	658,000	724,000	681,000	814,000
July	641,000	775,000	618,000	788,000
August	521,000	765,000	474,000	767,000
September	581,000	741,000	718,000	884,000
October	445,000	583,000	476,000	644,000
November	624,000	695,000	695,000	837,000
December	682,000	682,000	696,000	740,000
Total	7,669,000	8,549,000	7,994,000	9,641,000

Conditions in Turkey.

According to the National Bank of Turkey, during the month of December there has been no improvement in the business situation at Constantinople, and it is difficult to see any marked amelioration until the political troubles are composed. The rapid decline in Turkish currency adds to the commercial nervousness, and dealings have generally been very small. Considerable stocks lie uncleared at the Customs, and, until the exchange reacts in favour of Turkey, these goods will probably remain there, incurring heavy expenses unless shippers arrange for their withdrawal and storage. There is a certain eagerness, however, to dispose of existing stocks even at a moderate loss. This can be carried too far. Merchants should look forward to the reopening of the markets and to the heavy demands for manufactured goods from Anatolia and other regions which have been cut off from the source of supply for some time. Curtailed production in the manufacturing countries, and the impossibility of reducing to any great extent the costs of production and transport, will doubtless result in keeping prices at the present level and even of raising them again in some lines of goods where the prices have fallen temporarily below present cost. Merchants are already finding that although it is difficult at the present time to find a market for their existing stocks, it is, on the other hand, impossible to replace these stocks at lower prices.

Imperial Bank of India.

The fusion of the Banks of Bengal, Madras, and Bombay, with which we dealt at length in our issue of the 29th ult., is now complete. Formal notice has been given that the undertakings and business of these three banks were transferred to and taken over by the Imperial Bank of India on January 27, and all communications which otherwise would have been addressed to any of the above banks should now be addresed to the Imperial Bank of India. Sir N. H. Y. Warren and Sir Robert Aitken are managing governors; Mr. S. A. H. Sitwell is secretary and treasurer, Bengal; Mr. N. M. Murray is secretary and treasurer, Madras; Mr. R. A. Don is secretary and treasurer, Bombay; and Sir Bernard Hunter is manager of the London Branch, of which the temporary premises are 2 Princes Street, E.C.

New Provincial Clearing House.

We are glad to chronicle the opening of a local Bankers' Clearing House in the city of Hull on the 1st inst. The first return of the amount of cheques passed through shows a total of £944,014 for the five days ended Saturday, February 5. The amount cleared on the opening day was £176,539, and the highest total during the five days was recorded on Wednesday, February 2, when the amount was £212,049. As in the case of Manchester, the Clearing House has been set up in the local branch of the Bank of England.

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OUR DEBT TO THE UNITED STATES.

GREAT BRITAIN owes the United States some £900,000,000 out of a total foreign debt, according to a recent statement made by Lord Chalmers, of some £1,278,000,000. It is said that nothing is new under the sun; but it is a new and unique experience, at least in modern times, for Great Britain to have a foreign debt. This country has had nothing in the nature of a foreign debt for more than two centuries—not, indeed, since our borrowings at Amsterdam were paid off in the time of William and Mary, and the Bank of England was founded for the purpose of financing the Government. The Bank of England has, in fact, never been repaid the amount it advanced to the Government in the early years of its existence. All through the Napoleonic War, although that war lasted nearly a quarter of a century, we had no foreign debt. On the contrary, we were the creditors of various impoverished States of Europe. The existence, therefore, of a foreign debt adds an additional factor to our difficulty in estimating the influences of the recent war upon our commercial and financial situation in comparison with the effect of the revolutionary wars a century ago upon our credit and finance at that time. The result of the various struggles which culminated in, and were in a sense brought to an end with, the accession of William and Mary increased the national expenditure more than five times over, making due allowance for the difference in the value of money in the closing years of the fifteenth century and the closing years of the seventeenth. It has been contended that the result was a great expansion in our trade and commerce, and the virtual beginning of manufacturing at home and colonising abroad. To meet the growing charges of administration some such change in our financial and trading methods was inevitable; but the price paid by the less fortunate classes of the community was a terrible one, not merely in this country, but throughout practically the whole of Europe.

We doubt if a reference made by the Chancellor of the Exchequer in his speech at the end of last week to various methods of dealing with our foreign indebtedness has been rightly interpreted in the United States. An impression appears to have grown up that the Chancellor was suggesting a general cancellation of debts owed by the recently allied countries to one another. Various countries, recently our Allies, owe us vast sums of money; but we cannot consider whether or not we should remit part or the whole of that payment until we are in a position to repay the whole of our own existing foreign debt with the interest accruing. At present, unfortunately, we are not in a position to pay £1,000 million with the interest accruing. In fact, as we pointed out in our issue of January 22, we have not been paying our interest to the United States on our loans raised there since 1919. We have not in any way, however, either officially or unofficially, attempted to escape from our obligations. To do so would be disastrous to ourselves, even if a comparatively trifling matter to our creditors. The world at present is in the industrial stage of development as distinct both from the nomadic or feudal.

To us in England credit is essential. Our very existence depends upon our willingness and ability to maintain it. The United States might, or might not, be willing to forego the total or partial repayment of £1,000 million, but we should not be willing, and cannot afford, to accept such a sacrifice from our creditors, even if they were content to forego what is clearly their due. We should have considered the inevitable consequences when we made the loans. A self-contained country might conceivably exist with little or no foreign trade; but it is impossible for a country situated as we are, with our enormous population and restricted area, incapable as we are either of raising adequate supplies of food for our people, or of providing those people with the raw materials needed in their various industries, to exist without a foreign trade. In fact, we are wholly dependent upon such trade. We import, as the reader is aware, practically two-thirds of our food supply and some four-fifths of the raw materials needed for feeding our manufactures. As a result, confidence, and well-founded confidence, in our willingness to meet our obligations, and in our ability so far as in our power lies to do so, is essential.

Unfortunately, it is not possible to pay at once the immense debt we have already incurred to the United States. We showed, however, last October, in paying off that portion of the Anglo-French loan for which this country was responsible, our desire and ability to meet those obligations so far as we were in a position to do so. If we were in a position immediately to meet those liabilities there would, of course, be nothing more to be said. Inasmuch, however, as the Government is proposing to send out Lord Chalmers shortly to discuss the situation with the Government of the United States it is admitted that some delay is inevitable. There is a proposal to fund the loan, part of which becomes payable at a comparatively early date. Whatever proposal may be acceptable to the Government of the United States, and which our present resources will admit of our undertaking, will no doubt, be adopted. As we see the matter, the really important point to bear in mind is that we should make it clear from the outset that we are anxious, as every debtor should be anxious—that is, every debtor who desires to maintain his credit—to fulfil our obligations to the utmost of our power. It would be desirable, if practicable, to increase our exports to the United States, and to add as far as possible to the measure of the services which we are able to render to that country or to other countries of the world who are themselves indebted to the United States. Either of the latter courses would for practical purposes be identical in enabling us to meet our liabilities. It is admitted that we are in the unfortunate position of having to ask for time in order to meet those liabilities. But, provided that we make it clear, both to the United States Government and to the world in general, that we are determined to the utmost of our power to honour those obligations into which we have entered, we may be accused of

imprudence in entering too lightly into heavy obligations, but our real desire to maintain our credit in the eyes of the world should be, and, we doubt not, will be, thoroughly respected.

SOUTH AND CENTRAL AMERICA.

PROSPECTS IN ARGENTINA.

Speaking very broadly, conditions in the Argentine Republic, according to information we have received from various private sources, in addition to the reports published in the daily Press, are gradually improving. On the other hand, it would be idle to say that they are either normal, or show few features likely to cause anxiety. On the contrary, the outlook presents many disquieting features, but in a very much modified form from the conditions as we viewed them some months ago when writing upon this subject. At that time strikes were either actually in progress or in prospect throughout the greater part of the transportation industries of the Republic. Every Anglo-Argentine railway official of standing who returned here on short leave came home with a more lugubrious story than his colleague on the same or another line who had preceded him. The old steamship line that has so long served the various ports on the Parana up to Asuncion was practically paralysed. Business in those days appeared to be offering in any volume, but practically labour unrest and the labour position generally made it exceedingly difficult to carry on any kind of business whatever. Of course it has to be remembered, as we shall show shortly, Argentina is a very young country with an enormous area and, relatively, a mere handful of people occupying that territory. Consequently, conditions which would lead to widespread starvation, if not to actual anarchy, in a highly settled country such as those with which we are acquainted here in Europe have comparatively little effect in a country so big as and so sparsely peopled as Argentina, which, after all, lives upon the production of the great primary necessaries of man. The devices by which most of us have to live in the crowded centres of the world are most convenient and, in a sense, almost essential for the proper conduct—that is to say, the efficient conduct—of the business upon which Argentina primarily exists. But it is not essential in the sense we understand the term here in Europe, meaning that without the capacity or the capability of rendering those services or performing those offices we could not obtain the wherewithal to exist for more than a few months.

Countries in the economic stage of development, which is the case with the Argentine Republic at present, can and do face crises which would be little short of disastrous, if not actually disastrous, to more densely peopled and more highly developed countries in an economic sense in other parts of the world. Those who are old enough to remember the various crises through which the United States has passed can readily appreciate the ease with which Argentina is capable of recovering from the severe crisis through which she has been recently passing. Many amongst us who decline to admit that they are even middle-aged, and would certainly resent a charge of being old, remember clearly the great silver crisis through which the United States passed, now some five-and-twenty years ago, followed by the bankruptcy of more than two-thirds of the railway mileage of the various States of the Union. Such a catastrophe occurring in Europe would probably have placed any country experiencing it in a position little better than that in which Russia now finds herself. But a silver crisis, a crisis affecting the prices of all consumable commodities, and the bankruptcy of the greater part of her railway mileage had comparatively little effect upon the general welfare of the United States. The interests affected—and they were very important interests—were, nevertheless, subsidiary to the great primary interests upon which the United States then, and even yet, to a large extent still lives. The United States of those days, like the Argentine Republic of to-day, lived almost exclusively upon the production of articles of primary necessity, and principally upon the production of food and raw materials. Wheat, beef, cotton and tobacco formed then, as now, the great staples of American trade and industry. And her quarter-of-a-million railway mileage, her currency system, and her banking facilities were merely conveniences which existed to adapt themselves to the great primary necessity of providing immense quantities of food and raw materials, whereby the United States would be able to pay the interest upon its then existing immense foreign debt. With us here in Europe, particularly in the crowded congested areas of Western Europe, what are the essentials on which we live? Eighty per cent. of our population are town dwellers engaged in the manipulation of articles of primary necessity, or in rendering some kind of services. In the United States thirty years ago, in Argentina to-day, the industries without which we could not provide more than three months' food for our people are merely the convenient attributes of the great primary industries carried on in those new countries. Having said this much, we will next week endeavour to show what factors are holding up the economic recovery of Argentina.

South America as a Field for Travel.—The *South American Journal* have commenced the issue of a monthly magazine under the above title. The great continent affords splendid scope for tourists tired of the beaten tracks of Europe and the Near East. Moreover, in view of the importance of British interests in South America, a greater knowledge of its features and characteristics cannot be other than beneficial. We think there is ample room for such a magazine.

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Rubber Topics.

THE sensational abolition of the iniquitous excess profits duty was unable to revive any great activity in the Rubber market during the week. With rubber selling below its cost of production, it is a question of reducing losses to a minimum rather than of worrying about the nature and extent of excess profits. On the other hand, it is undoubtedly true that the absence of this handicap will stimulate the recovery and give it an extra impetus as soon as the conditions revert to the normal. In the Commodity market the price of crêpe remained listlessly at 1*s.* 0¾*d.* until Thursday, when the appearance of American buying, though on a comparatively small scale, was reflected in a quick advance to 1*s.* 1½*d.*, smoked sheet responding with an improvement to 11¼*d.* Whilst London stocks are still growing, the returns of the January crops indicate that this process will soon cease. Reductions are recorded in all cases. United Serdang registers 252,108 lb., as against 332,244 lb. in January 1920. With Jugra Land and Carey the decline is from 224,030 lb. to 171,485 lb. Bajoe Kidoel is over 12,000 lb. down at 104,696 lb.; whilst Rubber Trusts record a crop of 84,868 lb. instead of 103,216 lb. Sungei Kapar obtains 55,000 lb., as against 80,800 lb.; Seremban, 75,691 lb., as against 123,339 lb.; and United Sua Betong, 72,240 lb., as against 120,296 lb.

Movements in the Share market were few and unimportant. The disappearance of excess profits duty witnessed an advance of 1*s.* in Pataling to 24*s.* 6*d.* on Monday. Rubber Trusts, after reacting to 18*s.* 3*d.*, recovered sharply to 19*s.* 9*d.* on Thursday. Anglo-Dutch improved to 26*s.* 9*d.*, whilst Highlands and Linggi recovered what they had lost earlier in the week and closed on Thursday at 36*s.* 3*d.* and 31*s.* 3*d.* respectively. A sign of the times is reflected in the wise decision of Besoeki Plantations and Java United Plantations to refrain from declaring any interim dividend. Hevea (Johore) Rubber is appealing for £10,000 in Debenture stock bearing ten per cent. interest and redeemable at a premium of five per cent. on December 31, 1925, with the right of conversion on or prior to that date into Seven per Cent. Cumulative Participating Preference shares at par. Shareholders would be well advised to support this issue.

ANNUAL REPORTS ANALYSED.

KALIDJEROEK RUBBER COMPANY.

A VERY satisfactory report is presented by Kalidjeroek Rubber Company for the year ended March 31, 1920. The rubber crop of 331,907 lb. was not only considerably in excess of the crop of the previous year, but also exceeded the estimate by 31,907 lb. As a result of this substantial increase in the crop, the f.o.b. cost declined from 8*d.* per lb. in 1918-19 to 7½*d.* per lb. in the year under review. Moreover, with the improvement in the Rubber market, the average net price secured by the sale of the crop increased from 1*s.* 3.43*d.* per lb. to 1*s.* 5.63*d.* per lb. Being obtained on a much larger crop this better price is reflected in the marked expansion in the net proceeds of the rubber crop from £14,546 in 1918-19 to £24,386 in 1919-20. Owing to rather adverse climatic conditions the estimate for the coffee crop was only 2,000 piculs, as against a yield of 3,852 piculs in the previous year. The crop harvested proved, however, more satisfactory, reaching 2,358 piculs. It is to be regretted that no information is supplied as to the cost of production of this crop. However, there was a pronounced improvement in the net sale price, an average of over 92*s.* 6*d.* per picul being secured, as against less than 34*s.* 1*d.* in the previous year. Consequently, despite the reduction in the crop, the net proceeds reached £10,913, as against £6,563 in 1918-19. These results, in contrast with those of previous periods, are embodied in the following table: —

Issued Capital: £39,463 in Ordinary Shares of £1 each, and £9,871 in 8% Cumulative Participating Preference Shares of £1 each.

	Results for Years to March 31—			
	1920	1919	1918	1917
	Acres	Acres	Acres	Acres
Planted area	1,735	1,500	1,443	1,369
	Lb.	Lb.	Lb.	Lb.
Rubber crop	331,907	226,278	174,332	115,340
F.o.b. cost per lb.	7½*d.*	8*d.*		10¾*d.*
	Piculs	Piculs	Piculs	Piculs
Coffee crop	2,358	3,852	3,159	6,265
	£	£	£	£
Net proceeds—rubber	24,386	14,546	13,952	13,135
" " coffee	10,913	6,563	6,881	20,959
Sundry revenue	1,401	145	655	1,067
Total revenue	36,700	21,254	21,488	35,161
Total expenditure	18,523	16,651	18,069	17,268
Net profit	18,177	4,603	3,419	17,893
E.P.D.	—‡	—†	—*	8,668
Sundry allocations	—	421	—	575
Dividend	11,794 (32½%)	6,300 (18%)	3,500 (10%)	7,000 (20%)
Total	11,794	6,721	3,500	16,243
Balance	6,383	Def. 2,118	Def. 81	1,650
Brought forward	3,936	6,054†	6,017*	1,835
Carried forward	10,319	3,936	5,936	3,485

* Refund of £2,532 included in total "brought forward."
† Refund of £118 included in total "brought forward."
‡ Provided for in balance. Carried forward.

The increase in sundry revenue to £1,401, as against £145, is largely explained by the inclusion of £896, representing mainly the extent to which the produce on hand at the close of the previous year had been under-estimated. In view of the rise in price-levels and the larger crop of rubber handled, the growth in expenditure to £18,523 is by no means out of proportion. The net profit of £18,177 is a considerable advance on the mediocre returns of £4,603 for 1918-1919, and £3,419 for 1917-18. Accordingly, it was possible to give to shareholders the record dividend of thirty-two and a-half per cent., absorbing £11,794, leaving to be carried forward to the next accounts a balance of £10,319, as against £3,936 brought forward from 1918-1919. But this increased balance is subject to a rather heavy deduction in respect of excess profits duty.

The outlook for the current year is by no means so encouraging. Originally, the rubber crop was estimated at 360,000 lb., which would indicate possibilities of a further reduction in the cost per unit. The returns for the first nine months show a total of 256,000 lb. Allowing for the twenty-five per cent. reduction for the remainder of the period, this would give a total crop of over 320,000 lb. However, any reduction in the cost is likely to be much more than offset by the severe slump in the price of rubber since the autumn. In the light of this depression it is satisfactory to learn that forward contracts have been entered into for the disposal of 67,200 lb. at an average of 2*s.* 1*d.* per lb. London equivalent, of 188,160 lb. at an average of 2*s.* 2¼*d.* per lb. London equivalent during 1920, and for the disposal of 134,400 lb. at an average of 2*s.* 6*d.* per lb. London equivalent for 1921. As regards coffee, owing to a severe drought after the blossom opened, the estimate only anticipated the exceptionally low crop of 1,500 piculs, but the outlook now indicates that this will

be exceeded. However, the good prices obtained for rubber through the medium of those forward contracts should help to ensure a dividend for the current year, provided the outlook in the Rubber market proves more favourable by the summer. The Company has now adopted the policy of regarding coffee and rubber as two distinct plantations. Having in combination with the Baru (Java) Estates purchased some 6,000 acres in Dutch Borneo, the intention was to develop rubber solely in this area, and, consequently, further planting operations on the existing estates were almost entirely limited to coffee. Hence the Company has now 225 acres planted with coffee only and 1,510 acres under Hevea, interplanted with coffee. During the year the issued capital was increased from £35,000 to £49,814 by the issue to existing shareholders *pro rata* of 4,943 Ordinary shares of £1 each at a premium of 10*s.* per share and of 9,871 Eight per Cent. Cumulative Participating Preference shares of £1 each at a premium of 15*s.* per share. The latter shares rank first for a cumulative dividend of eight per cent. per annum, and, after the distribution of like rate on the Ordinary shares, both classes rank *pari passu* for any further distribution. The premium on the new issues amounted to £9,875. The funds thus obtained placed the Company in a very strong financial position. The balance sheet dated March 31, 1920, shows that, including the final dividend, absorbing £8,294, current liabilities did not exceed £20,152, whereas liquid assets were available to a total of £44,011, the cash balances alone exceeding £32,964. In the market the Preference and Ordinary shares alike are quoted at £2, at which price a dividend of twenty per cent., as against thirty-two and a-half per cent. in the year under review, would afford a return of ten per cent.

TANDJONG RUBBER COMPANY, LIMITED.

The report issued by this well-known rubber Company for the year ended June 30, 1920, is a record of further satisfactory progress. With a reversion to normal tapping the crop harvested reached the total of 1,612,628 lb., a substantial increase over the crop of the previous year, but yet falling somewhat short of the estimate of 1,660,000 lb. The yield per bearing acre worked out at 328 lb., as against 256 lb. in 1918-19, and compares favourably with the 1916-17 record of 340 lb. Notwithstanding this pronounced increase in the quantity of rubber handled, there was an advance in the cost of production per unit. The f.o.b. cost reached 1*s.* 2.33*d.* per lb., as compared with 1*s.* 1.95*d.* per lb. in 1918-19; whilst the "all-in" cost rose from 1*s.* 5.25*d.* per lb. to 1*s.* 6.51*d.* per lb. This increase does not mean any inefficiency on the part of the administration. Indeed, where they were able to control the factors there was a decline, the cost of weeding the three estates, including the upkeep of terraces, declining from 9*d.* per acre per month in 1918-19 to 7½*d.* per acre per month in the year under review. The increase was brought about by factors outside the direct control of the administration. Coolie engagement expenses proved to be much heavier, and the loss incurred by supplying rice below cost to the labour force reached serious dimensions. Loss in this latter direction worked out at no less than 2.87*d.* per lb. of the gigantic rubber crop produced, as against 0.10*d.* per lb. in 1913-14. Again, owing to the general financial situation the loss on exchange averaged 2.33*d.* per lb. Hence, even if the loss on rice only were reduced by fifty per cent., the "all-in" cost would have been less than that of the previous year. However, owing to the more favourable condition of the Rubber market, this loss, such as it was, was more than offset by the improvement in the average net price secured by the sale of the crop, which rose from 1*s.* 8.79*d.* per lb. in 1918-19 to 1*s.* 10.78*d.* per lb. in the year under review. Thus, as the following table shows, there was obtained a profit of over 4½*d.* per lb., as compared with 3½*d.* per lb. in 1918-19:—

	Years ended June 30				
	1920	1919	1918	1917	1916
	Acres	Acres	Acres	Acres	Acres
Area suitable for rubber ...	7,103	7,103	7,103	7,103	7,103
Planted area	5,886	5,886	5,816	5,616	5,366
Average acreage tapped ...	4,912	4,681	4,065	4,072	3,650
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output ...	1,612,628	1,174,126	1,223,435	1,384,551	1,206,950
Yield per acre tapped ...	328	256	301	340	330
Net price realised per lb. ...	1/10·78	1/8·79	2/2·1	2/7	2/8·63
"All-in" cost per lb. ...	1/6·51	1/5·25	1/5	1/3·18	1/0·59
Profit per lb. ...	-/4·27	-/3·54	-/9·1	1/3·8	1/5·04
	£	£	£	£	£
Value of rubber	163,475	109,400	133,723	170,984	144,874
Total revenue expenditure ...	126,839	84,413	87,032	79,212	59,535
Net rubber profit	36,636	24,987	46,691	91,772	85,339
Sundry receipts	7,456c	5,948	3,191	2,932	1,526
Brought forward	3,187	12,232*	8,827*	563	7,094
Total available	47,279	43,187	58,709	95,267	93,959
Allocations—					
Transferred to reserve ...	1,056d	10,000	6,000	—	10,000
Dividend paid	25,000 (10%)	30,000 (20%)	30,000 (20%)	37,500 (25%)	45,000 (30%)
Excess profits duty	6,000e	Nil	11,425	48,694	38,406
Carry-forward	15,223	3,187a	12,285	9,083	553
Issued capital (£1 shares) ...	250,000	150,000	150,000	150,000	150,000
Surplus liquid assets ...	1,389‡	3,005	9,472‡	19,126‡	14,000‡
Net capital expenditure† ...	16,683	10,158	9,148	1,624	6,420

* After providing donations. † After writing off depreciation.
‡ After allowing for excess profits duty.
(*a*) Excluding claim for refund of excess profits duty.
(*b*) Excluding stores and labour advances (£9,468) and refund claimed of excess profits duty.
(*c*) Including £3,206 refund of excess profits duty for 1918-19.
(*d*) Increase of capital and new issue expenses written off.
(*e*) Estimated.

Price of Shares, 43/9. Market Valuation per acre, £93.

The extent, however, to which these external factors delayed the financial recovery is reflected in the net rubber profit of £36,636, which, whilst exceeding that of 1918-19 by nearly fifty per cent., is yet less than half that of 1915-16, and falls short of that of 1917-18 by over £10,000. The inclusion of a refund of £3,206 of excess profits duty for 1918-19 explains the increase in sundry receipts to £7,456. There is no allocation to reserve, as against £10,000 in 1918-19, the sum of £1,056 being utilised to write off the expenditure incurred on the recent increase of capital and new issue. The excess profits duty for the current year is estimated at £6,000. The amount distributed in dividends is £25,000, but the rate is stated to be only ten per cent., as against twenty per cent. in the previous year, when the sum absorbed reached £30,000. The explanation is furnished by the bonus issue of 100,000 shares during the year, thereby raising the total issued capital to £250,000, the authorised capital having been increased simultaneously to £500,000. This issue gave to existing shareholders two new shares as a bonus in respect of every three held, the operation being financed out of the share premium and reserve accounts. Making allowance for this fact, the dividend is really at the rate of sixteen and two-thirds per cent. on the old capital, which thus compares favourably with twenty per cent. in 1918-19. Including the provision for excess profits duty the balance carried forward to the next accounts reaches the substantial sum of £21,223, as against £3,187 brought forward from 1918-19.

In view of the depressed condition of the Rubber market, especially since the autumn of 1920, the outlook for the current year is by no means so encouraging. An estimate of the crop looked forward to 1,800,000 lb., of which there had been harvested during the four months of unrestricted tapping 691,281 lb. As a result, however, of the twenty-five per cent. restriction since November the total for six months is only 883,089 lb.. Assuming no more drastic curtailment for the remainder of the year, the final crop is not likely to exceed 1,560,000 lb. It is admitted that the loss on rice will be heavier than in the year under review, but that for 1921-22 it may be reduced by as much as 2*d.* per lb. It is to the good that 19,040 lb. have been sold forward at an average net price of 1*s.* 10.22*d.* per lb. Financially, the position of the Company as disclosed in the balance sheet dated June 30, 1920, is sound. Even after including a liability of £6,000 for excess profits duty there is a surplus of liquid assets of £1,389. Owing to the uncertainty of the dividend outlook at the moment the £1 shares are dear enough at 43*s.* 9*d.*

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Insurance Notes.

NATIONAL MUTUAL LIFE ASSURANCE SOCIETY.

A short summary of the National Mutual Society's report for the year ended December 31, 1920, was given in our last issue, and a longer review now follows.

This Society prides itself, with reason, on the promptitude with which it prepares and issues its annual statements and reports, and seems determined to maintain its position in this respect. The auditors' certificate and the directors' report for 1920 are both dated January 12, 1921, and within a fortnight of the close of the financial year were available for circulation. Consequently the Society is again first in the field as far as concerns publication of statements by insurance companies of their full operations for last year.

The example is a good one for such companies as are able to follow it, though it must be allowed that there are not very many in that position. There used to be a considerable number of marine companies which disclosed their reports in January, but most of these have lost their individuality through becoming merged in offices with a wider range of operations following absorptions or amalgamations. Apart from one or two institutions of the kind which retain their independence, there are very few insurance companies which limit their risks to a single line of business, such as life assurance, and in the case of the composite offices, which act as universal providers of all sorts of insurance benefits, and whose business may be of world-wide scope, it cannot be expected that many of their reports will be published even in the first quarter of the year following that to which the figures refer. Nevertheless, it would be quite possible for most insurance companies to accelerate publication of their accounts to some extent, and their failure to do so makes the promptitude of the National Mutual Society all the more noteworthy.

It is a good story that the directors have to tell as regards happenings that are under their own control. It was reported a year ago that the net new business of 1919, which was in excess of that of 1918 by nearly eighty per cent., was the largest in the long history of the Society, which embraces a period of ninety years. 1919 was a wonderful year for life assurance generally, following as it did the close of hostilities and the return to their ordinary avocations of masses of young men who had been unable to effect life policies during the War, except at prohibitive rates, on account of their being subjected to military hazards. But not many life offices were able to report such a large increase for that year as the National Mutual did. It was hardly to be expected that the high standard of new business would be maintained in 1920, and most offices would be satisfied were it approached. But the National Mutual has actually surpassed its 1919 new business record; and though the margin is but a slight one, this result, looking to the circumstances referred to, is eminently satisfactory. After deduction of reassurances, its new life policies in 1920 assured a net sum of £630,130, exceeding the corresponding figure for 1919 by £7,109. The total is a good one, considering the disadvantage which the Society works at as a purely life office, for the big composite companies which transact life business have much larger agency organisations than it is possible for a single-line institution to establish. Of the whole new business less than one-tenth per cent. is described as business "out of the United Kingdom."

The total net premium income of the Society amounted in 1920 to £256,856, showing an increase of £4,071 as compared with that of the previous year. The expense ratio was 17.9 per cent. of the premiums, as compared with 16.6 per cent. Owing to conditions quite beyond the control of the management or the directors, some advance in this respect was unavoidable, for it has been necessary to increase salaries to meet the advance in the costs of living; and other working costs, such as stamps and stationery, have been enhanced. Indeed, a larger rise in the ratio might naturally have been anticipated. As against this, and notwithstanding the weighty burden of taxation, there is a decided increase in the net income from interest, which is a very potent factor as bearing upon the manufacture of profits in the case of a life office. The gross interest receipts in the revenue account of the Society amounted to £156,740, as compared with £140,423 in 1919, and the deductions therefrom for income tax were £30,356, as compared with £25,683. Thus the net interest income was £126,384 in 1920 and £114,740 in 1919. The average interest yields on the life funds in the two years under observation were as follows:—

Year	Gross Interest Rate per Cent.	Net Interest Rate after Deduction of Income Tax) per Cent.
	£ s. d.	£ s. d.
1920 ...	5 10 8	4 8 9
1919 ...	5 1 5	4 2 6
Increase in 1920 ...	0 9 3	0 6 3

The Society's claim experience during 1920 seems to have differed but little from that of the previous year, the net amounts payable in this respect from claims by death having been £132,643 in 1920 and £133,816 in 1919. Thus there was a slight decrease, notwithstanding the increase in amount of risk on the Society's books, and the fact that in the case of all renewals the policyholders' ages have increased by a year. Endowment assurances for a net amount of £53,449 matured by survivance in 1920, in these cases the policies having, of course, completed the utmost term of existence anticipated with satisfactory results to all concerned. Through the operations of 1920 the assurance funds were increased by £70,362 to £3,155,048. This is after taking into account a shrinkage of £35,071 arising from the revaluation or realisation of securities.

It is the excellent practice of the Society, and it is somewhat exceptional in this respect, to write down the values of all its marketable securities (with a trivial exception hereafter referred to) to at least their selling prices at the close of each year. The usual plan with life offices is only to make these adjustments on occasions when a quinquennial valuation falls due for the purpose of ascertaining the amount of any available surplus. A full list of the securities held at the close of each year is appended to the National Mutual reports, showing the amount and denomination of each item, and the values at which they are taken for balance-sheet purposes. It is stated that no security stood above its selling price on December 31, 1920, with the exception of Victory Bonds (for a comparatively small total) allocated to policies, in which depreciation does not affect the Society, which were valued at the issue price of eighty-five per cent. It will be seen that the depreciation during 1920 amounted to little more than one per cent., and it was stated at the annual meeting that this had been subsequently recovered. This is comforting when it is remembered how heavy was the fall in securities.

speaking generally, during the course of 1920, consequent to a large extent on the high Bank rate and the increased facilities for earning good interest yields on new securities, which had the effect of seriously depressing prior holdings. The result is owing to the wise financial policy of the board, in view of the heavy fluctuations in other classes, in largely restricting the Society's holdings to British Government securities and other descriptions realisable at par at comparatively short dates. Apart from Stock Exchange securities valued on December 31, 1920, at £2,108,966, the principal holdings of the Society at that date were as follows: Mortgages on property within the United Kingdom, £172,906; loans on parochial and other public rates, £16,791; loan on life interests, £104,910; loans on reversions, £56,087; loans on policies within their surrender value, £150,235; rent-charges, £7,280; freehold ground rents, £53,260; leasehold ground rents, £40,630; house property, £240,580; life interests, £11,515; reversions, £193,006; and other assets, £115,926. The total assets as disclosed in the balance sheet amounted to £3,271,142.

The National Mutual has an excellent bonus record and is a very attractive life office to new entrants. It is evidently desirous of studying the individual requirements of persons who wish to effect new policies or to increase their existing holdings, as is instanced by the fact that it has prepared two statements, which are referred to in its annual report for 1920, with the object of assisting its present and potential customers. One of these pamphlets gives hints as to the amount of life policy which it is desirable to effect according to varying circumstances, and a form to be filled up so as to enable the Society to advise as to what is adequate for such a purpose.

TREATY REINSURANCES, LIMITED.

The first annual report and balance sheet of the above-named Company, formed in view of a demand for additional home reinsurance facilities, were submitted to the annual meeting held recently. The Company, which was registered in June 1919 and has an authorised capital of £50,000, divided into 50,000 Ordinary shares of £1 each, of which 30,000 have been paid up, is owned by the following group of offices:—Atlantic Assurance Company, Limited, Century Insurance Company, Limited, London and Scottish Assurance Corporation, Limited, London Guarantee and Accident Company, Limited, Scottish Insurance Corporation, Limited, and Western Australian Insurance Company, Limited.

The revenue account of the fire and general department shows that the net premium income for the year ended June 30 last, after deduction of retrocessions, amounted to £102,865, and claims paid and outstanding to £27,593, being 26.8 per cent. of the premiums. After payment of all outgoings, and transferring £2,500 to investment reserve fund, there remains a balance on the account of £42,758, equivalent to 41.6 per cent. of the premiums, the whole of which balance is carried forward.

In the marine department the net premium income for the year, after deduction of retrocessions, amounted to £28,531, and claims paid to £6,132, being 21.5 per cent. of the premiums. After payment of all outgoings there remains a balance on the account of £19,623, or 68.7 per cent. of the premiums, the whole of which balance is carried forward.

Interest and dividends, less income tax, realised £886, out of which the directors have paid all expenses incurred in connection with the formation of the Company and have written off the amount expended in furnishing offices. The scheduled assets, including the statutory deposit with the Court, stood at £109,265 at the end of the financial year, and further security for the obligations of the Company is afforded by an agreement of indemnity which has been entered into by each of the shareholding companies.

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COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.
Head Office:
24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£31,801,986.

THE PIONEER LIFE
Assurance Company Limited.
67 DALE STREET, LIVERPOOL

Life Premium Income.		Life Assurance Funds.		Total Claims Paid
1900—£23,822	...	£4,896	...	£28,000
1910—£77,327	...	£53,735	...	£197,000
1920—£131,028	...	£226,559	...	£590,000

Commercial.

END OF GOVERNMENT WOOL CONTROL.

We have already dealt in these columns with the proposals made by the Australian wool growers to the Imperial Government for the formation of a British-Australian Wool Realisation Association to take over from the Government the responsibility of liquidating the whole of the surplus stocks of Australian wool. These proposals have been agreed to by the Cabinet and the assets in the Government wool account, amounting to approximately £14,000,000 in cash, and 1,800,000 bales of wool will be divided equally between the British Government and the new Association as soon as the latter has been legally constituted. The physical division of the surplus wool is, of course, a practical impossibility, and the Government are accordingly arranging an agency contract with the Association for the sale at a commission of the British half of this material. It is probable that some similar contract will be made later in regard to the State-purchased New Zealand wools.

According to information received from Australia, the new Association will be launched by making issues to growers of one-half of their interests in Debenture stock, and the other half in shares in the Association, and this distribution will represent the final division of the profit due to the growers under the Government's wool-purchase scheme. Arrangements will be made to give early financial relief to small growers, and by this means it is hoped to reduce the number of Debenture and share holders by twenty-five per cent. within a very short time of the formation of the Associatio

The directorate consists of eleven men, five of whom constitute the London board and include the two chief officials of the Raw Materials Department of the Ministry of Munitions, and the remaining six form the Melbourne board. There will also be a Consultative Committee of five in Australia, and an Advisory Council of eighteen representatives of the wool industry from all the Australian States.

The above particulars give a very brief *résumé* of the arrangements made for winding up the largest outstanding section of the Government's trading activities, and it remains to be considered to what extent the operations of the new Association will affect our wool textile industry. So far as the Treasury is concerned, it may be noted that the whole of the money advanced for the purchase of wool has already been repaid with full interest, and all further receipts consequently represent clear profit. The same statement applies, of course, to the Australian growers, who have already been paid for this wool at prices fifty-five per cent. above the pre-War levels. The growers are forced, however, to use their remaining profits, comprising about £7,000,000 in cash and some 900,000 bales of wool, in a desperate effort to prevent the prices obtainable for new clips falling below a remunerative figure, which condition already obtains in some cases. The Commonwealth Government have given undertakings on behalf of the wool growers and the Association that "the carry-over wool shall be sold as promptly as market conditions will permit," and that "the operations of the Association shall be conducted with due regard to the legitimate interests of the British consumer and to the maintenance, and, if possible, the increase, of existing trade relations between Australia and the United Kingdom in wool and wool products." Our Government have accepted these assurances as satisfactory, but a further, and perhaps more valuable safeguard, will be provided by a condition of the agency contract that it may be revoked at any time by the Government if the conduct of the Association's business departs from the agreed principles or otherwise gives ground for dissatisfaction.

The main fears of the Yorkshire millowners are: (1) That the Association will unduly restrict the sales of material and force a return to high prices; and (2) that the Association will establish some permanent form of control over the sale of the Australian clip, to the detriment of users in this country. The actual lines of action of the Association have not yet been determined, because no arrangements have yet been made with the owners of the new "free" clips. It may be assumed, however, that the new clip wool will, as far as possible, be given a preference over the sale of the old surplus stocks, in which the growers hold only half interest. It must be noted, however, that a very large part of this surplus consists of low and "shabby" material, which at present can only be sold in the open market at a loss. The natural outlet for such material has always been the Continent of Europe, and there is no doubt that the satisfactory disposal of the existing huge stocks of wool depends almost entirely upon the ability of the Association to get such wools into consumption in Continental mills. It seems clear that an attempt will first be made to secure remunerative prices for low wools in this country by forcing a general increase in the levels of prices now existing in all grades. We believe, however, that such a plan will fail, because of the large supplies available to our industry in other markets of the world, and also because the industry has already made up its mind as to the basis of price upon which business can be done in the near future. An indication of the attitude of wool buyers was provided at the recent sales in London. On the opening days it was found that the Government reserves were still considerably higher than the open market prices, and the levels upon which users were prepared to do business. Protests were made, and only a negligible quantity of wool was sold. The buyers threatened to abstain from attending the sales unless the Government were prepared to meet the market on a proper basis of price, and, although successive reductions in the reserves were made and considerably more material was sold, the Government sales were closed a week earlier than was intended. It is possible that the Association may achieve a slight temporary success, owing to speculative buying by the U.S.A., and on account of the fact that users' stocks in this country are now at a very low ebb. These conditions will, however, soon pass, and they will not affect to any extent the main problem of disposing of the enormous surplus stocks, which can obviously only be done by extending the demand for material beyond the mills already in operation.

As regards the second objection of the West Riding industry, it must be pointed out that the Australian wool-growers are undoubtedly very anxious as a body to return to unrestricted trading at the earliest possible date. The substitution of private control, as typified by the new Association, for Government control was rejected by the growers before the new "free" clips were placed upon the market, and the reversal of this policy was only secured after some bitter experiences at the Australian sales and in face of a threatened calamity of an unprecedented nature to the wool-growing industry. We do not think, therefore, that any fears in this direction are justified at present, and we believe that effective steps to counter any such proposition will readily be made, if necessary, by British interests with the support of a large number of the Australian farmers. On the other hand, it must be admitted that the fears of mill owners have been given some justification by the publication, ten days after the official acceptance of the Australian scheme, of a new proposal to acquire control of a large quantity of surplus Cape wool. We reported on December 25 a plan of the South African Government to dispose of wool stocks to Germany, but those negotiations fell through on financial grounds. It now appears that the British Government have offered to acquire 100,000 bales of the 1919-20 Cape clip on the basis of pre-War values. This new scheme provides that the South African Government will take over the wool, paying cash to the present holders, and on the material being handed over to the Ministry of Munitions the value of the wool will be credited to the war debt of the Union to this country. In consideration of this action on the part of the British Government, the Union Government will place orders with British manufacturers of railway and other materials to a value equal to that of the wool, and will pay cash for such goods. The Ministry of Munitions have stated that this surplus Cape wool, the purchase price of which will be about £1,500,000 or £1,700,000, will be handed over to the British-Australian Wool Realisation Association for sale on a commission basis.

It is quite obvious that this deal, if completed, will considerably strengthen the position of the Association so far as merino wool is concerned, and it is equally obvious that the negotiations on this matter must have been taking place, in one or another of the Government Departments, at the time the Cabinet's decision on the Australian scheme was announced, and the wool industry wish to know why no mention was made of this at the time. The South African farmers declined to come to the assistance of this country during the War by selling their wool to the Government, because they preferred to take the higher prices offered by private buyers from Japan and U.S.A. Although, therefore, it is recognised that the proposed bargain is advantageous to this country, there is some feeling against special measures being taken to give relief to Cape farmers from State funds at the moment when the Government professes anxiety to cease dealing in wool. At the same time the Yorkshire industry should not forget that much of this surplus Cape and Australian wool is of a very inferior type which can have little effect on the prices of good material. Further, wool is growing continually, and, although

the world's flocks have decreased, there is also a substantial part of the world's machinery out of commission. We make no comment at present as to the probable relation between this restricted consumption and decreased production of wool, or on the possibility of the whole of the existing surplus being absorbed by machinery now idle. We do not suggest either that traders can afford to do anything but watch with great care the operations of the holders of surplus stocks, but we do feel that there is a disposition in some quarters to be unduly anxious for future trading conditions in raw wool.

Industrial Companies.

TRINIDAD LEASEHOLDS, LIMITED.

Issued Capital : £1,049,250 in Shares of £1.

Year to June 30	Profit*	Depreciation	To Reserve	Special Allocations†	Dividend		Carried Forward
	£	£	£	£	£	%	£
1918 ...	246,849	63,553	70,000	3,497	69,950	10	62,365
1919 ...	2 1,3 0	54,010	50,000	6,558	131,156	12½	62,030
1920 ...	332,779	134,200	80,000	6,558	131,156	12½	42.913

* After charging administrative and general expenses and taxation.
† Extra remuneration of directors.

THE recently published report of this oil Company for the twelve months contains many features of outstanding interest. The profit from all sources after charging administrative and general expenses and taxation amounted to £332,779, which as compared with the previous year represents an increase of £91,389; but this expansion has been due not to increased output, but to the enhanced prices obtained for a portion of the Company's products. In the distribution of the profit the directors have adopted a very conservative policy, the allowance for depreciation being increased from £54,010 to £134,200, and the reserve allocation from £50,000 to £80,000. The dividend is maintained at twelve and a-half per cent., which absorbs £131,156, as in 1919, the issued capital being unchanged. It should be borne in mind, however, that the previous dividend expressed in terms of the capital then paid up was actually much larger than the present distribution. A sum of £6,558 is allocated to the directors as extra remuneration, leaving a balance of £42,913 to be carried forward, as compared with £62,030 brought in from 1919.

Some important alterations are to be noted in the balance sheet, a summary of which is embodied in the following table:—

Balance-Sheet Analysis.

	LIABILITIES.			ASSETS.				Surplus of Liquid Assets* over Current Liabilities
	Paid-up Capital	Reserves and Carry-forward	Current Liabilities	Property Acct.	Stores &c.	Stocks	Investments	
	£	£	£	£	£	£	£	£
1919	732,343	323,533	230,245	898,766	172,495	64,729	—	80,115
1920	1,049,250	688,242	236,672	968,169	256,543	93,066	376,370	420,314

* Excluding stores and stock.

Towards the close of the year covered by the 1918-1919 accounts the capital was increased from £699,500 to £1,049,250 by the issue to shareholders of one new share at 45*s.* for every two held. At the date of the 1918-19 balance sheet the capital received in respect of this issue amounted to £32,842, and during the past financial year the new shares have been fully paid up, the additional receipts on capital account amounting to £316,908. The receipts on premium account have also been increased from £133,362 to £467,187, from which has been deducted underwriting commission of £21,859, leaving a balance of £445,328. The reserve with the allocation now made is increased to £200,000. Included among current liabilities are dividends payable, taxation, royalties, and import duties. The capital expenditure for the year on property account amounted to £203,818, of which £169,563 represented outlay on oil properties. Of the total amount allocated for depreciation over ninety per cent. has been applied in reducing the capital value of these assets. The property account now stands at £969,169, as compared with £898,766 in the previous balance sheet. The increase of £84,048 shown in the value of stores is apparently due in large part to the higher cost of all supplies. Stocks have been increased by £28,337 to £93,066, this total being now nearly seven times larger than at June 30, 1918. Government investments, which did not appear in the previous balance sheet, are valued at £363,870, and some deduction has been made for the depreciation of these securities. Shares to the value of £12,500 were acquired during the year in the North Venezuelan Petroleum Co., Ltd., and this holding has since been increased to £25,000. Although current liabilities remain practically unaltered, debts due to the Company have been increased from £51,964 to the large total of £275,451. The cash balance, however, has been reduced from £98,166 to £4,564. It will be seen that the liquid assets, excluding stock and stores, exceed current liabilities by £420,314, whereas at the date of the previous accounts a deficiency existed of £80,115.

From the particulars furnished at the annual meeting on January 27 last it would appear that the Company's oil properties in Trinidad are of a very promising nature. The production of oil is still seriously impeded, however, by the sanding-up of deep wells and heavy gas pressure. Additional storage accommodation for crude oil, fuel, and distillates is being provided at the Company's shipping port, and a new refining plant is in course of erection. Although the employment of the additional capital raised over eighteen months ago can scarcely contribute materially to revenue for some time, still it seems likely that earnings during the current financial year will be at least as large as in 1919-20. The shares of the Company are now quoted at 43*s.* 9*d.*, yielding a return of 5.7 per cent. on the basis of last year's dividend.

THE IMPERIAL TOBACCO COMPANY.

Year ended Oct. 31	Net Trading Profits, &c.	To General Reserve	To Pensions Fund	Ord. Div.* Amount		Bonus to Customers	Carried Forward
	£	£	£	£	%	£	£
1914	3,533,360	1,000,000	50,000	974,403	35	241,742	183,124
1915	3,699,891	1,000,000	—	1,113,800	40	282,157	143,772
1916	3,812,686	1,000,000	50,000	1,253,252	22½(*a*)	326,623	22,024
1917	3,538,539	1,000,000	50,000	1,253,981	22½	511,815	92,553
1918	3,826,191	1,000,000	100,000	1,558,479	16⅔(*a*)	324,025	284,036
1919	4,665,109	1,000,000	200,000	2,089,105	15 (*b*)	527,171	280,660
1920	6,659,791	1,000,000	200,000	3,932,473	17½	338,097(*c*)	†617,672

* Including bonus and free of tax.
† Including reserve for final bonus to customers for year ended October 31, 1920.
(*a*) On increased capital through issue of bonus shares.
(*b*) On capital doubled by issue of share for share at par.
(*c*) Interim payment only.

The shareholders of the Imperial Tobacco Company have every reason to congratulate themselves upon the results disclosed in the report presented for the twelve months ended October 31, 1920. Including interest and dividends on investments, the net profit amounted to £6,659,791, representing an increase of £1,994,682 as compared with the previous year. Provision has been made for depreciation, sundry reserves, and taxation (including income tax on dividends), before arriving at the net result, but, as usual, no information is furnished as to the extent of such provision. In the distribution of the profit the general reserve and pensions fund again receive allocations of £1,000,000 and £200,000 respectively. The dividends on the Preference shares amount to £852,209, the same as in the previous year. The Ordinary distribution, free of income tax, is increased from fifteen per cent. to seventeen and a-half per cent., and being payable upon an additional capital of £5,810,671 absorbs £3,932,473, as compared with £2,089,105 in 1918-19. The new capital created in March 1920 represented an issue to the Ordinary shareholders of one new share for every three held at the price of £2 per share, and as the market quotation for the existing shares was then over 70*s.* the shareholders thereby received a liberal bonus. It should also be noted that the new shares receive a full year's dividend, although they were not issued until the close of the first half of the past financial year. A payment of £338,097 has been made to customers as interim bonus on account of the past year, and provision for the final

distribution, the amount of which is not revealed, is included in the large balance of £617,672, which is carried forward.

In the following table is set out a summary of the principal items of recent balance sheets:—

Balance-sheet Figures as on October 31.

LIABILITIES.

	Issued Capital—Preferred	Issued Capital—Ordinary	Creditors & Bills Payable*	General Reserve	Pensions Fund, &c.	Profit and Loss Balance†
	£	£	£	£	£	£
1914..	12,857,936	2,784,499	1,371,008	5,250,000	661,230	1,616,609
1915...	12,857,936	2,784,499	2,125,651	6,250,000	670,514	1,756,995
1916...	12,857,936	5,573,248	3,385,001	4,465,501	727,784	1,749,553
1917...	12,857,936	5,573,248	4,505,270	5,465,501	786,520	1,805,796
1918...	12,857,936	8,359,872	9,355,258	3,678,877	895,354	2,100,049
1919...	12,857,936	16,661,987	10,045 413	4,678,877	1,100,914	2,905,047
1920...	12,857,936	22,472,658	9,239,027	11,274,323‡	1,305,846	4,190,956

* Including provision for taxation and marine and other funds, &c.
† Subject to payment of bonus to customers and final dividends.
‡ Including share premiums.

ASSETS.

	Fixed Assets	Goodwill Patents	Investments in Associated Companies	Other Investments	Stock	Debtors Payments on Account & Loans	Cash
	£	£	£	£	£	£	£
1914	1,419,467	9,428,335	1,771,168	1,254,020	6,468,842	2,973,821	1,225,630
1915	1,292,478	9,425,269	1,793,728	2,185,106	7,684,691	3,364,459*	700,965
1916	1,214,688	9,425,269	1,805,643	1,926,059	8,492,159	5,055,354*	839,851
1917	1,258,580	9,422,582	1,809,095	2,404,960	9,791,153	5,224,570	1,083,331
1918	1,250,642	9,422,582	3,267,350	1,380,607	14,242,307	5,721,870	1,961,989
1919	1,909,334	9,422,582	3,880,603	978,951	21,484,055	8,829,904	1,744,747
1920	2,824,366	9,422,582	4,877,980	849,920	31,838,620	9,467,552	2,159,725

* Including treasury bills.

The premiums on the new shares issued during the past year figure in the balance sheet at £5,595,446, from which it would appear that issue expenses, amounting to £215,225, have been written off out of the total amount received. With the allocations now made the general reserve is increased to £5,678,877 and the provision for pensions and similar purposes to £1,305,846. There are also insurance and other funds, the amount of which is not disclosed, however, being included, together with reserves for taxation and liability on dividend guarantees, under the general heading of "Creditors." This item shows a reduction of nearly £806,500 as compared with the previous year. The profit and loss balance of £4,190,956 which appears in the balance sheet is subject, however, to payment of final dividends and customers' bonus, amounting together to approximately £3,900,000, whereas at the date of the previous statement this liability did not exceed £2,624,400. The fixed assets, which are valued at cost, less depreciation, show a further increase of £914,972, this additional expenditure being mainly upon buildings and factory equipment in this country and in America. The item of goodwill and patents remains unaltered at the large total of £9,422,582. Investments in associated companies now figure at £4,877,980, representing an increase of £97,377 as compared with the previous year. These holdings are entered at cost, or below cost in those cases where depreciation has taken place; and in a footnote it is stated that in the aggregate their market value is largely in excess of their book value. It is obvious that dividends on these investments have contributed very substantially to the Company's revenue. The other investments, which are mainly represented by Government and railway securities, have been further reduced by £129,021 to £849,920. The outstanding alteration among the assets, however, is the growth in stock from £21,484,055 to the huge total of £31,838,620. The stock is estimated "at or under cost, less amounts set aside to meet fluctuations in the value of leaf tobacco." In view of the sharp fall in the price of the leaf in the autumn of last year it would seem that the expansion in stock has been much greater than is indicated by the actual figure shown in the balance sheet. Debts due to the Company have increased by £275,737 to £6,484,539, and payments on account of leaf in transit by £261,981 to £2,632,634. Corporation loans remain unaltered at £250,000, whilst cash holdings have been increased by £414,978 to £2,159,725. The manner in which the accounts are presented precludes any accurate comparison between current liabilities and liquid assets. Assuming, however, that the various items included under the general heading of "Creditors" represent current liabilities, and allowing for the payment of final dividends and interim bonus to customers, the liquid assets, excluding stocks and trading investments, show a deficiency of approximately £400,000, as compared with £800,000 at the date of the previous balance sheet. It is clear that the additional capital invested during the year in fixed assets, stocks, and in associated companies has been considerably in excess of the net receipts from the issue of the new shares.

In view of the prevailing industrial depression it is rather difficult to form any estimate of the prospects for the current financial year. The fall in the price of leaf tobacco in conjunction with the recent improvement in the American exchange should lead to a corresponding reduction in costs. A much larger return may be anticipated from the new capital, which, it should be noted, was available for only six months of the past financial year. Besides, from the recent pronouncement by the Chancellor of the Exchequer relative to the removal of the excess profits duty, it would appear that the Company's liability for this tax ceased as from October 31, 1920. In this connection the Chairman's review at the forthcoming annual meeting will be awaited with especial interest.

The prices and yields of the different shares of the Company are set out in the following table, the yield on the Ordinary shares being calculated on the basis of a dividend of seventeen and a-half per cent., free of tax:—

	Price	Yield
	£ s. d.	£ s. d.
Ordinary Shares	2 7 6*	7 4
"A" 5½% Cumulative Preference Shares	0 18 3½	6 0
"B" 6% Non-Cumulative Preference Shares	0 18 0	6 7
"C" 10% Non-Cumulative Preference Shares	1 10 1½	6 6

* Ex-dividend. † Free of tax.

THE LINEN THREAD COMPANY, LIMITED.

Issued Capital: £3,025,000 in 110,000 5% Cumulative Preference Shares of £10 each, 1,100,000 Preferred Ordinary Shares of £1 each, and 1,100,000 £1 Ordinary Shares (of which 550,000 Shares are 10s. paid up).

4% Debenture Stock: £1,000,000.

Year to Sept. 30	Net Profit*	5% Pref. Dividend	Preferred Ord. Div.	Ordinary Dividend £	Ordinary Dividend %	To Reserve	Carried forward
	£	£	£	£	%†	£	£
1914...	188,772	55,000	66,000	33,000	6	—	169,443
1915...	257,418	55,000	66,000	60,500	11	50,000	195,361
1916...	276,064	55,000	66,000	60,500	11	50,000	239,926
1917...	284,192	55,000	66,000	60,500	11	100,000	242,618
1918...	288,509	55,000	66,000	60,500	11	100,000	249,627
1919...	284,399	55,000	66,000	60,500	11	100,000	252,527
1920...	293,088	55,000	66,000	69,223	11	100,000	255,392

* After charging depreciation, taxation and Debenture interest.
† Tax free.

Despite the unsettled conditions prevailing in the linen trade during the past year, the directors of this Company in their report for the twelve months ended September 30 last are again able to show very satisfactory results. The net profit, after providing for depreciation, taxation, and Debenture interest, amounted to £293,088, representing an increase of £8,689 as compared with the previous year. The dividends on the Preference and Preferred Ordinary shares amount to £55,000 and £66,000 respectively. The Ordinary dividend (including bonus), free of income tax, remains unaltered at eleven per cent., but, being payable upon a larger capital, involves a distribution of £69,223 as against £60,500. The additional capital represented an issue in March 1920 of 550,000 £1 Ordinary shares at par to existing shareholders in the proportion of one new share for each share held. The new shares ranked for dividend as from the date of acceptance of allotment and due dates of instalments on the amounts for the time paid up. Accordingly, the additional dividend payments involved in the present distribution are not large. It should be noted, however, that the terms upon which the new shares were offered constituted a very liberal bonus, as the existing shares at the time were quoted at a premium of nearly 300 per cent.

It is now proposed to capitalise £550,000 of the reserve by the issue of 550,000 bonus shares to existing holders *pro rata* according to the number of fully-paid Ordinary shares held. This scheme will increase the issued Ordinary capital to £1,650,000. The accounts show that the shares issued in 1920 were 10s. paid up at the date of the last balance sheet, and

according to the dates of the subsequent instalments the shares are now fully-paid up. The calls paid in advance at September 30, 1920, amounted to £190,819. The reserve, raised to £800,000 by the allocation of £100,000 now made from profits, will be reduced to £250,000 as a result of the capitalisation scheme. Creditors figure in the balance sheet at £62,658, or £128,087 less than at the date of the previous statement. On the assets side the item of "shares in other companies and other capital outlay" shows an increase of £25,745 after writing off depreciation, whereas during the previous year there was a net reduction of £1,683 in this item. Advances to subsidiary companies, including dividends due by them have been increased by £563,428 to the large total of £1,478,379. Stocks figure at £259,344, as against £289,679 at the date of the previous balance sheet and £620,673 at September 30, 1918. Sundry debtors have been reduced by £106,718 to £296,983, and cash holdings, including bills receivable, by £2,802 to £390,813, whilst Government investments remain unaltered at £45,000. A summary of the financial position shows that, excluding stocks and the net amounts due by subsidiary companies, the liquid assets exceed current liabilities, including dividends payable, by £571,111, as compared with £564,569 at September 30, 1919.

Having regard to the acute depression prevailing in the linen industry the outlook for the current financial year can scarcely be regarded as promising. Under the proposed capitalisation scheme the new shares will rank for dividend for the six months to September 30, 1921, at the rate paid for the year. Assuming a dividend of six per cent., the total distribution involved would amount to approximately £81,900. Therefore, if profits are maintained at the same level as in 1919-20, and the reserve allocation remains the same, such a dividend would reduce the carry-forward by approximately £9,800.

It would appear from the recent pronouncement of the Chancellor of the Exchequer regarding the removal of the excess profits duty that the Company will not be liable for this tax during the current financial year.

The following table shows the prices and yields of the different shares of the Company:

	Price			Yield
	£	s.	d.	%
Ordinary shares	1	16	1	3·5
6% Preferred Ordinary shares (non-cum.)	0	16	7½	7·2
5% Cum. Pref.	6	15	9	7·2
4% Debenture stock	61	17	6	6·5

* Tax free.

The Ordinary shares were last quoted on December 9, and in the above price allowance has been made for the final dividend. Account must be also taken of the proposed bonus issue and, assuming that the shares were quoted not higher than par, a further deduction of 10*s.* must be made. On this assumption the shares would yield a return of 4.6 per cent. tax free, or 6.6 per cent. subject to tax.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

AMALGAMATED PHOTOGRAPHIC MANUFACTURERS LIMITED.

Offer at par of 250,000 £1 Ten per Cent. Cumulative Participating Preference shares.

The Company has been formed to amalgamate the business of Rajar, Limited, Marion and Company, Marion and Foulger, the Paget Prize Plate Company, A Kershaw and Son, The Kershaw Optical Company, and The Rotary Photographic Company. The capital is:—

Authorised.	Issued.
100,000 7 per cent. £1 Cumulative Preference Shares	£100,000
600,000 10 per cent. £1 Participating Preference Shares	£400,000
400,000 £1 Ordinary Shares	£300,000
1,100,000	800,000

The Participating Preference shares now offered rank after the Seven per Cent. Preference, but before the Ordinary, and are entitled to half the surplus profits up to a further two per cent. after an Ordinary dividend of ten per cent. has been paid. The certified value of the plant and properties acquired is £472,077, and the value of the other assets, including £154,244 for patent rights, formulæ, and secret processes, brings the total to £800,000, which is also the purchase consideration, payable as detailed above. Net profits are shown for three years only: 1918, £193,636; 1919, £131,179; and 1920, about £157,000. War-time revenue would not provide any indication as to the income prospects of the combine, but that is hardly sufficient to justify withholding them. On the basis of present profits, the Participating Preference shares would obtain the maximum of twelve per cent. per annum.—The amalgamation is certainly redoubtable both in size and excellence of organisation, but competition in the photographic trade, both apparatus and materials, is exceedingly keen. The shares now offered have, therefore, a strong speculative aspect. Further particulars may be obtained from our advertising columns.

THE LEEDS FORGE COMPANY, LIMITED.

Offer at ninety-five per cent. of £400,000 Eight per Cent. Convertible Debenture stock, repayable on or before July 1, 1933, at 100 per cent. Flat yield £8 8*s.* 5*d.* per cent. per annum; minimum yield with redemption, £8 13*s.* 11*d.* per cent. per annum.

The principal business of the Company is the manufacture of steel waggons and carriages, press d-steel underframes and bogies for railway rolling stock, &c. It has an issued capital of £750,000, in addition to which there are £150,000 Five per Cent. Mortgage Debentures outstanding. The objects of the present issue are to repay bankers' loans raised to provide the capital necessary for the purchase of the shares of the Bristol Wagon and Carriage Works, and to furnish additional working capital. The stock will be secured under trust deed as a specific mortgage and charge (subject only to the existing Debentures) upon the freehold lands, buildings, and plant, and on the shares held by the Company in the Newlay Wheel Company and the Bristol Wagon and Carriage Works Company and a floating charge upon the other assets. A sum of £33,500 will be paid annually to the trustees for redemption of the stock by drawings at par or purchase in the open market. The trust deed will preclude the Company from creating charges ranking prior to, or *pari passu* with, the stock now offered except for securing banker's advances. Any stockholder has the right, on any interest date up to July 1, 1925, to convert into Ordinary shares at the rate of ninety-five £1 shares for every £100 of stock. The certified value of the properties and equipment is £2,120,000, which gives excellent security as to capital for the Debenture stock. The Company has enjoyed consistent prosperity for the last two decades, and for seventeen years it has paid a dividend of ten per cent. as well as bonuses on the Ordinary capital. The Debenture interest seems amply assured, and the flat yield of £8 8*s.* 5*d.* per cent. constitutes a strong attraction. The lists close on Friday, February 18.

THE WOLVERHAMPTON GAS COMPANY.

Offer at par of £81,974 Eight per Cent. Debenture Stock, redeemable at par on January 1, 1931.

The Company's statutory district comprises Wolverhampton, Wednesfield, Tettenhall, Bushbury, Penn, and Codsall. The authorised loan capital is £184,220, of which there has been raised £46,370. The steady development of the Company's area and the consequent increase in the demand for gas, has necessitated the extension of the works and plant, for which purpose the present issue is being made. The net revenue for the year ended June 30 was £29,616, which gives more than adequate security for the £8,181 required annually as interest on the existing Debenture stock and that now to be issued. The security will be further strengthened by the increased charging powers granted under the Gas Regulation Act, which came into operation on January 1, 1921. Investors will note that the stock will not possess [illegible] Stock Exchange [illegible]. The lists close on [illegible]

THE MELBOURNE ELECTRIC SUPPLY COMPANY.

Offer for sale of 30,000 £5 Eight per Cent First Cumulative Preference shares at £4 15s. each.

The Company, incorporated in 1899, supplies electricity for lighting and power to Geelong and the principal suburbs of Melbourne. The present Debenture capital amounts to £702,178, and there are already in existence 70,000 Preference shares with which the present issue will rank *pari passu*. In addition there is £596,365 Consolidated Ordinary stock outstanding. Customers and sales have been almost trebled during the last seven years, and the profits in the meantime rose from £76,214 to £168,549. The fact that the Ordinary stock has received a dividend of ten per cent., tax free, each year since 1913, in itself assures the dividend of the Preference shares now offered. The relief from income tax obtainable by the Company under the Finance Act, 1920, is 1s. 9d. in the £, so that after deduction of income tax, the shares have a clear yield of £6 12s. 8d. per cent., equal to a gross yield of £9 9s. per cent. per annum subject to full income tax. The lists close on Wednesday, February 16.

MADAME TUSSAUD AND SONS, LIMITED.

Offer for sale by tender of alternative lots of Five per Cent. Preference and Ordinary shares.

The Company is a private undertaking, owning the popular waxworks exhibition in Marylebone Road, London. The shares held by the trustees of the late owner must now be realised for family reasons, and the Court has issued the necessary instructions. The published announcement states that there are no Debentures or Debenture stock but that the premises and exhibits are subject to mortgages of £35,000. The War seriously reduced profits, but the results of the last few years have been very satisfactory, the Ordinary dividend for 1919 being ten per cent., plus ten per cent. bonus. The paucity of information revealed renders it impossible to adjudge the merits of the present offer, and interest in it will be confined to those closely acquainted with the enterprise. Last tender date, March 10.

THE NORFOLK AND SUFFOLK BRICK, CO., LTD.

Offer at par of 40,000 £1 Ten per Cent. Preference and 22,663 £1 Ordinary shares.

The Company has been registered for the purpose of acquiring and developing two Suffolk brickfields. The share capital is £85,000, divided into 45,000 £1 Preference and 40,000 £1 Ordinary shares. The certified value of the property and machinery acquired is £31,087, and the purchase price is £32,337, payable £20,000 in cash and the residue in fully-paid Ordinary shares. Beyond statistics as to output, no anterior results are shown, and the significant omission of previous profits is not calculated to attract investors. No Stock Exchange quotation apparently will be sought. The lists close on Saturday, February 19.

THE ALLUTA RUBBER AND PRODUCE CO., LTD.

Offer at par of £5,000 Nine per Cent. Convertible First Mortgage Debentures, redeemable in five equal annual amounts between 1926 and 1931.

The Company possesses estates of 983 acres in Ceylon, 718 being planted and in bearing. The issued capital is £51,250. The Debentures now offered will constitute a first floating charge upon all the assets of the Company, and no other prior charges may be created except subject to the rights of holders of the Debentures now offered. The latter, when fully paid, may be converted at par into Ordinary shares. The issue does not possess attractions except for those whose funds are already locked up in the undertaking. The lists close on Friday, February 18.

THE HEVEA (JOHORE) RUBBER PLANTATIONS, LTD.

Offer at par of £10,000 Ten per Cent. First Mortgage stock, repayable at 105 on or before December 31, 1925, if not already converted at par into Seven per Cent. Cumulative Participating Preference shares.

The comments on the Alluta issue are applicable.

BURMESE MINERALS EXPLORATION, LIMITED.

Prior to obtaining a Stock Exchange quotation the above Company has conformed to regulations by issuing a public statement of its organisation. The capital is £25,000 in £1 shares, of which 20,200 have been subscribed in cash, 10,000 fully paid, and 10,200 7s. 6d. paid. The Company has acquired two mining leases over 1,660 acres and the benefit of an application for a mining right over a further 640 acres in Lower Burma for a purchase consideration of £10,000 in fully-paid shares. The meagre information given in the advertised statement precludes any estimate of dividend prospects.

CINEMA DEVELOPMENTS (WARRINGTON), LIMITED.

Offer at par of 40,000 £1 shares.

The Company has been formed to acquire three picture theatres in Warrington for a purchase consideration of £60,000, payable £25,000 as a mortgage and £35,000 in cash. Though the theatres have been established for some time, no return of previous profits is made, nor is there any independent valuation of the properties acquired. In the absence of these vital details the issue cannot appeal to any except those intimately connected with the undertaking.

PENDING ISSUES.

CORPORATION LOAN.—£3,750,000 Six per Cent. Redeemable stock 1936-51 at ninety-five and a-half per cent. Birkenhead, Newcastle, and Nottingham are each responsible for £1,000,000 and Salford for £750,000.

Books Received.

The first report of the British Overseas Bank, Limited, takes the form of a little pocket brochure, and includes the speech of the Governor, the Right Hon. Viscount Churchill, to the shareholders at their meeting on December 17. Up to October 31 last the profit, after allowing for rebate of interest and providing for doubtful accounts, amounted to £199,744. After writing off preliminary expenses, £39,016, paying six per cent. on the "A" Ordinary shares, and placing £10,000 to reserve, there remained to be carried forward £81,487.

The Proceedings of the Hague Peace Conferences. Translation of the official texts. Prepared in the Division of International Law of the Carnegie Endowment for International Peace, under the supervision of James Brown Scott. The Conference of 1899. (London: Oxford University Press.)

A Monograph on Privateers. With a Collection of Official Documents. By Sarah Wambaugh. Prepared under the supervision of James Brown Scott, Director of the Division of International Law of the Carnegie Endowment for International Peace. (London: Oxford University Press.

The Excess Profits Duty and Corporation Profits Tax. By J. Gault. Price 16s. net. (London: Effingham Wilson.) This work brings together into separate chapters the several sections and sub-sections of the Finance Acts, 1915 to 1920, and of the Munitions of War Act, 1915 and 1916, relating to excess profits duty, excess mineral rights duty and munitions exchequer payments, and includes under each section or sub-section cases that have received judicial interpretation thereunder up to the time the book went to press.

The Financial Organisation of Society. By Harold G. Moulton, Associate Professor of Political Economy, University of Chicago. Price $4, by post $4.20. (Chicago: University Press.) This work contains practically all the material required by the business man or the general reader for an adequate understanding of finance. It includes chapters dealing with all the numerous types of financial institutions, commercial banks, trust companies, farm loan banks, and all the smaller pieces which go to make up the great financial structure in the United States. Mr. Moulton deals with the depreciation of foreign exchange and the financing of foreign trade through institutions organised under the Edge Act, the Federal farm loan system, and the extension during recent years of the Federal Reserve System.

Democracy and Capital. W. Barnard Faraday, LL.B. Price 8s. net. (London: John Murray.)

Government and Industry. By C. Delisle Burns. Price 16s. net. (London: George Allen and Unwin.) A description of the existing relations between the British Government and the industrial system and the tendencies that, in the author's opinion, indicate the formation of an organised "economic" community.

The Psychology of Nervous Ailments. By Joseph Ralph. Published by the author at "Glenthorne," Rousdown Road, Torquay. Price 1s. 6d. post paid. A highly interesting and informative outline of the theory and practice of psycho-analysis. After a brief sketch of Breuer's discoveries in the 'eighties, Mr. Ralph describes the further researches of Sigmund Freud into nervous dis-

turbances and the gradual evolution of the Freudian analytic method of treatment. The value of this method in mental therapeutics is ably argued. Starting from the concept that all conscious action is motivated by unconscious influences, the location and exact determination of the undesirable motivating ideas are the stages preliminary to a breaking-up of the mental complexes primarily responsible for the disorder. The etiology of the apparent aberrations is, of course, most difficult, but the revelation by Freud of the relations between submerged mental processes and conscious mental life smooths the way for the modern psychopath.

Le Droit International Public Positif. Two Vols. By J. de Louter. Price 22s. (Oxford: University Press.) Issued by the Carnegie Endowment for Universal Peace.

The Merchant Shipper. Of exceptional use to traders and exporters is this monthly supplement to the *International Mercantile Diary and Year-Book.* The issue for January contains interesting articles on the question of the internationalisation of the Rhine, the Elbe, the Oder and the Danube in addition to the usual reports of Government officials respecting trade and general conditions in the various States of the world. The price is 6*d.*, and copies can be obtained from Syren and Shipping, Limited, 91 Leadenhall Street.

BRITISH TRADE CORPORATION.

An increase of thirty-three per cent. alike in its total assets and the liability item of current, deposit, and other accounts is disclosed on a comparison of the latest balance sheet of the British Trade Corporation with that showing the position on December 31, 1919. Expressed in figures, the growth during last year is as follows: Assets, from £5,114,281 to £6,801,007; current, deposit, and other accounts, from £1,864,302 to £2,478,361. Acceptances on account of customers at £2,180,745, have nearly doubled, and on the enlarged business the net profit for the year amounts to £119,309 (following £88,340 for 1919), out of which the directors recommend the payment, as on the last occasion, of a dividend of 8*s.* per share (or four per cent.), subject to income tax, which would leave an undivided profit balance of £61,901, as against £22,592 brought into account. The assets and liabilities of the Corporation's branches have been incorporated in the balance sheet as at September 30. The profit disclosed is after provision for some depreciation of holdings in subsidiary companies, in regard to the value of which the auditors express themselves as unable to form an opinion. At £307,381, in succession to £346,994, this item accordingly appears at a smaller amount—and in relation to a materially larger total volume of assets. These latter include £1,977,445 (following £1,201,057) in respect of bills discounted, loans, advances, and sundry debtors, and cash assets of £954,441, against £573,541 previously.

City of London Brewery Company, Limited.—The report of this Company, submitted yesterday to the shareholders, discloses an amount available for distribution, after providing for all expenses and for the payment of interim dividends, of £169,166. Out of this sum final dividends of two and three-quarters per cent. in the Preference stock, and twenty per cent. in the Ordinary shares, both less tax, are to be paid, and £20,000 added to the reserve fund, bringing it up to £218,602. The balance of £27,482 will be carried forward to the next account. It is interesting to note from the directors' report that the historic site of the Company's brewery, known since the days of Queen Elizabeth as the only brewery in the City of London, is to be offered for sale. It occupies nearly two acres adjoining Cannon Street Station, and the buildings, which would to-day, according to advice, cost over £200,000 to erect, are capable of accommodating many thousands of tons of material. The site is being vacated, as the Company's business is to be concentrated in their brewery at Fulham, which has been remodelled and extensively enlarged.

DIVIDENDS ANNOUNCED THIS WEEK.

	1920	1919	1918	1917	1916
	%	%	%	%	%
Banks:					
Bank of New South Wales, £20 shs.	20%	16	16	16	14[1]
Industrial Bank of Japan, 50 Yen shs.	9[1]				9
London & Liverpool Bank of Commerce, £10 shs.	4[1]	—	2	3	3
Breweries and Distilleries:					
Barnsley Brewery, £10 shs.	5[1]	5[1]	14	15	15
Bass, Ratcliff & Gretton	36[1]	16	15	14	26/6
Clarkson's Old Barnsley Brewery, £10 shs.	24/6	12½	15	10	—
Gunness (Arthur), Ord. Stk.	15[1]	10	16	16	34/4
Holt Brewery	10[1]	7½	7½	10	20/-
Old Albion Brewery, £5 shs.	2½[1]	6	6	7½	—
Commercial and Industrial:					
Ashton Brothers, £10 shs. (17½†)	12½[1]	12½	15	10	—
Birmingham Dairy, £2 shs.	55/4*	25	15	15	—
Bradbury, Greatorex	9[1]	12	12	10	22/6
Cory (Horace)	4[1]	5	6	6	15/9
Crowe, Wilson	5[1]	11½	10½	8½	—
General Hydraulic Power Stk. (1½†)	3½[1]	5½	4	4	5/4
Glasgow Royal Exchange, £50 shs.	2[1]	4	4	4	—
Hayes, Candy	7½[1]	—	—	—	15/-
Holden (Isaac)	3½[1]	8½	7½	7½	14/6
International Sponge Importers	2½[1]	—	—	—	5/7½
Kent (G. E.)	12½	—	—	—	—
London Necropolis, £10 shs.	5[1]	5	4	4	5/-
London Parcels Delivery, £5 shs.	1½[1]	10/8	—	—	20/-
McKenzie (Thomas), £7½ shs.	6[1]	10	10	8	—
McLaren (William)	10†	10	10	10	—
Merchants' Warehousing	5[1]	10	10	10	21/-
Moss Empires, £5 shs.	7½[1]	18½	9	7	7½
North Central Wagon	6[1]	14	14	14	—
North Shore Mill	10†	10	10	10	—
Reed Brothers (10†)	6[1]	12	12	11½	17/-
Rotherham (Jeremiah) (15†)	10[1]	18	17	16½	30/-
Sheffield Brick, £10 shs.	1[1]	10	10	7½	—
South of England Dairies	20†				10/-
South Staffordshire Mond Gas, £10 shs.	5†‡	Nil	Nil	Nil	54/6
United Grain Elevators	6[1]	11½	11½	11½	—
Williamson (H.), £5 shs.	5†	5	5	5	62/6
York Street Flax Spinning, £25 shs.	10†	—	—	—	—
Electric Lighting and Power:					
St. James' & Pall Mall Electric, £5 shs. (12½)	5½[1]	12	9	9	5/6
Financial, Land and Trust:					
British Assets Trust	1[1]	18	17	17	—
Exploration Co., 10s. shs.	10†‡	12½	5	10	—
Merchants' Trust	7[1]	8	8	8	100
Premier Investment (6†)	4[1]	6	5	5	6/-
Sterling Trust, Stk.	6‡	—	—	2½	7/-
Gas:					
Cardiff Gas Light & Coke, Cons. Ord. Stk., 5% Max.	12[1]	9	12	9	—
Maidstone Gas, 5% Cap. Stk.	1½[1]	3¼	1½	—	30
Preston Gas, "A" Standard Stk., 10%	3½[1]	3½	3½	9½	—
Preston Gas, "B" Standard Stk. 7%	2½[1]	2½	2	6½	—
South Suburban Gas, 5% Stk.	1½[1]	3½	3½	4½	5/1
Swansea Gas Light, Ord. Stk., 5% Max.	1[1]	3½	4	5	—
Walker & Wallsend Union Gas, 3½% Ord Stk.	2½[1]	4½	4½	4½	—
Walker & Wallsend Union Gas, 5% Ord. Stk.	3½[1]	5½	5½	5½	—
Iron, Coal, and Steel:					
Fife Coal	6½[1]*	25	27½	32½	15/-
Normanby Iron Works	6[1]	11	10	10	15/-
Powell-Duffryn Steam Coal	10[1]*	17½	17½	21	40/-
South Hetton Coal, £10 shs.	5[1]	15	7½	15½	25/-
Railways—Home:					
Caledonian (3½†)	2½[1]	3½	3½	5½	35
Edinburgh & Bathgate Railway	2½[1]	5	5	5	—
Glasgow & South Western, Def. Ord.	1½[1]	2½	2½	2½	20
Great Southern & Western (4†)	2[1]	5	5	4½	14½
London & South-Western (6†)	4[1]	5½	5½	5½	38½
Maryport & Carlisle	3[1]	5½	5½	5	60/-
North London Cons. Ord. Stk. (5½†)	3[1]	5½	4½	4	51
North Staffordshire, Cons. Ord.	3½[1]	5	4½	4½	12½
Port Talbot Railway & Docks, £10 shs.	4½[1]	9	9	9	12
Sheffield District, £10 shs. (3½†)	2[1]	3½	3½	3½	25
Railways—Indian:					
Bengal & North Western Stk.	5[1]	10	5	8	5/-
Tea, Coffee and Rubber:					
Deamoolie Tea	5[1]	—	—	—	30/-

* Tax free. † Total for 1920. ‡ Half yearly actual. [1] Quarterly. [2] Less.
(A) Plus tax free bonus of 5%. (B) Distributed in form of 5% Debenture Stk.

The Iron and Steel Trades in 1920. (Messrs. William Jacks and Company, 5 East India Avenue, E.C. 3.)

Foreign Trade Tables. By A. J. Lawson, M.I.C.E. Compiled for the British-Italian Corporation, Limited. (London: Thomas Skinner. 21*s.* net.) The object of this work, which appears in English and Italian on alternate pages, is to facilitate business between the British Empire and the rest of the world, and to lighten the handicap of the British merchant in regard to the decimal system not only in currencies but in weights and measures.

MEETINGS
OF PUBLIC COMPANIES.

The National Provincial and Union Bank of England, Limited.

Necessity for Government Economy: Lord Inchcape's Hopeful View of Trade: Need of Lower Prices.

THE annual general meeting of shareholders of the National Provincial and Union Bank of England, Limited, was held on February 10 at the Cannon Street Hotel, E.C.

The Right Hon. Lord Inchcape, G.C.M.G., K.C.S.I., K.C.I.E., presided

Mr. A. G. Hopewell (senior Joint General Manager) read the notice convening the meeting and the auditors' report.

The Chairman said:—My lords, ladies and gentlemen,—In submitting our report and balance sheet for the year ending December 31 last, which has been in your hands for some days, and which with your approval we will as usual take as read, I think I may safely say it is a statement which you will regard as not altogether unsatisfactory.

I wish the Government could place before its shareholders a budget, the income and expenditure of which balanced as evenly, with something to the good, as that which we venture to put before you to-day.

The net profit on the year's opeartions, including £630,858 brough forward from last year, is £3,393,372.

We propose to appropriate this amount as follows:—£1,369,302 to a sixteen per cent. dividend, £500,000 to reserve, £350,000 to Pension Fund, £350,000 to contingencies, and to carry-forward £824,070 to current year.

At December 31, 1919, our paid-up capital stood at	£7,806,564
and our reserve fund at	7,239,041
a total of	£15,045,905
At December 31, 1920, our paid-up capital stood at	£9,309,416
and our reserve fund at	8,878,041
a total of	£18,187,457

Our reserve you will notice is £431,375 short of our paid-up capital. Ten years ago when our paid-up capital was £3,000,000 our reserve amounted to £2,150,000, so that relatively we are in a considerably stronger position to-day than we were then. Of course, this increase has mainly resulted from our having joined up with other banks whose positions were absolutely sound.

We are aiming at bringing our published reserve up to the amount of our issued and paid-up capital, and if all goes well we hope to be able to show this when we meet you next year. Had it not been that we deemed it prudent to place £150,000 to the contingency fund last year, and £350,000 to the same fund this year, our reserve would have been equal to our paid-up capital, but in a gigantic business such as that carried on by the Bank, especially in times like the present, when values of all commodities are falling, and when no matter how careful we may be, and how well secured our advances to constituents may appear to be, there are always possible shrinkages and it may be losses to be met, I am sure you will agree that it is not imprudent to have something up our sleeves to provide for the possible and the unseen.

Coutts and Company.

The agreement with Coutts and Company, to which allusion was made last year by Sir Harry Goschen in his address to the shareholders, has been completed, and four of their partners—Lord Avebury, Sir George Marjoribanks, Mr. Ronald Malcolm, and Mr. John Robarts—have joined our board. We welcome them here to-day.

The balance sheet of Coutts and Company is attached to that of the Bank. The entire business of Coutts and Company is now the property of the National Provincial and Union Bank of England, and it stands on the Bank's balance sheet at £2,000,000—viz. at £400.000 more than the capital and reserve of Coutts, which you will observe amount to £1,600.000. The goodwill of Coutts may therefore be assumed to be £400.000. But it isn't. There is more than £400.000 not shown in their assets. If things go moderately well the value of Coutts' share will stand in the books of the Bank at £1,600,000 before very long. We have to thank our colleague, Mr. Colin Campbell, for the union with Coutts. The suggestion came through him and he brought the difficult and delicate negotiations to an issue which has been perfectly satisfactory to us, as I believe it has also been to the other side. We are all now brothers together.

Fusion with the Union.

I would like to mention that the Union Bank, for the amalgamation of which with the National Provincial Sir Felix Schuster and myself were mainly responsible, has contributed very largely to our profits in 1920. The amalgamation has worked admirably and the fusion, not only of the business but of the staff, is complete. It is highly gratifying to think that neither the shareholders nor the constituents of either Bank have had the slightest reason to regret the linking up.

The Bank's Acquisitions.

During the year we have taken over the Northamptonshire Union Bank, Limited, Shilson, Coode and Company, of St. Austell, and Richards and Company, of Llangollen.

We have also purchased 33,333 shares in the Bank of British West Africa, Limited, the association with which institution promises to add materially to our business.

The French Auxiliary, under the guidance, control and chairmanship of that experienced banker and man of affairs Sir Richard Vassar-Smith, continues to do well, and its business has again increased enormously. The other banks with which we have become associated are likewise perfectly satisfactory, and our relations with them are all that could be desired. Perhaps I ought to say that we have no proposals to take over other banks before us at the moment, and that our efforts will be exclusively directed, for some time at any rate, to consolidating and improving the important business which we now possess. We have no overweening ambition to be bigger than our neighbours simply for the sake of being bigger.

Sir Frederick Eley, owing to indifferent health, retired a few weeks ago. He was brought to London from Leeds and appointed a Joint General Manager some seven or eight years ago, and succeeded to the position of Senior General Manager on Mr. Cunnick's retirement last year, when he was also made a director. He has done valuable work for the Bank, and we regret we shall no longer have the benefit of his services, either on the board or on the management.

Many premises have been acquired in various parts of the country, and necessary and extensive alterations of our head office are in course of being carried out, which will give more and much-needed accommodation for the public and the staff.

At the present time we have 643 branches open daily, besides 316 agencies. During the last year we have opened 50 new branches and 26 agencies, in addition to the 13 branches and 16 agencies taken over from the Northamptonshire Bank.

During the year large issues have been made by county and municipal authorities for housing and other purposes. The Bank has materially helped in these issues, and I am glad to say, without any detriment to the shareholders.

Trade Depression.

We are now, as you are all aware, in the midst of a very difficult period of trade depression. It had to come. Six years ago, soon after the outbreak of the War, I ventured to warn the shareholders of the Bank that after so huge a conflict, involving so great a destruction of human life and of the wealth laboriously accumulated by generations of effort, together with the taxation which would be involved to meet the interest on the millions of War debt, there would necessarily be a period of acute stringency and stagnation. That time is upon us now. It was delayed longer than I expected. After the first few months of uncertainty succeeding the Armistice, British trade even began to boom. We can all remember that two years ago the whole world seemed to be clamouring for British goods and services, and the question of price did not appear to daunt them in the least. Our manufacturers had not to hunt for orders or markets, and wages went

soaring up. What alone was worrying them was their capacity to fulfil the demands that poured in upon them from every corner of the globe. It almost looked, and many people did actually believe, that our staple industries had before them from three to five years of whole-time production.

Well, Gentlemen, that bubble has burst. I do not mean that the need of the home and of foreign markets to be restocked was not urgent, or that there was not a perfectly genuine demand for British goods. One of the things that our old customers discovered during the War was that they did not care for the American and Japanese substitutes they had been obliged to put up with since 1914. Directly hostilities ceased they turned once more to the British manufacturers for the real thing. The demand, therefore, was genuine, and it still exists. That is to say, there is an enormous amount of business for us to do in the world's markets, but only at reasonable prices. I must emphasise those words "at reasonable prices." What killed the boom of a year ago was that nobody, whether he was a manufacturer of a customer, a Government, a private employer, or a working man, seemed to bother about costs. People acted as though industry, railways, and shipping could stand any wages, as though there were some bottomless purse out of which the State could make good the deficits on the railways and the mines and other controlled trades, and at the same time prosecute huge and costly schemes of social reform, and as though the credit resources of the country were illimitable, which hard facts proved they were not.

Process of Liquidation in Evidence.

It was clear that along those lines there was bound to be a reaction. Matters were nearing a point where on the one hand capital could no longer provide energy for the industrial machine, and where on the other hand the product of the machine became too expensive to find a customer. During the past six months there has in consequence been going on throughout the trading world a rough but salutary process of liquidation. It has involved and it was bound to involve heavy losses where large stocks were held, and even disaster to many individuals in all countries who were trading beyond their means and living in a fool's paradise, but it has brought down the prices of raw materials and of most of the prime commodities and products, it has materially reduced the cost of living, and it undoubtedly in my judgment indicates the beginning of a return to more normal conditions.

For the time being, and perhaps for a little longer, the unsettling effects of the events of the past year will continue to show themselves in the great social calamity of unemployment, but beneath the distress and the depression of the moment I believe that forces are at work which before long will enable industrial activity to be resumed on a more chastened basis, and that the demand which was largely killed by high, will be revived by low, prices. The question for us is whether we are going to make the same mistakes over again, or whether we are going to recognise the economic realities of a competitive world. Excessive profits snatched during a boom have always to be paid for later on. Excessive wages bring with them in the long run the penalty of industrial stoppage and unemployment. Of the many lessons to be learned from the experiences of the past year, these two, in my judgment, are just now particularly pertinent. We have all got to get back to a common denominator.

Cost of Production an Important Factor.

For a country such as ours, a country that lives by exporting its goods to the ends of the earth, and which cannot maintain its present population on any other basis, there is nothing more important than the cost of production. What with reduced hours of labour, restrictions on overtime and night-shift working, strikes (of which we have had some 300 since the Armistice), the curtailment by the trade unions of freedom of employment, their inordinate demands of all kinds, which will be of no real benefit to the men, their opposition to piecework and payment by results, their limitation of output, and the absence among too many of their leaders of a practical co-operative spirit—what with all these handicaps, it is impossible for British industry to keep down the costs of production and transport to a figure that will enable our manufacturers, merchants, and shipowners to compete effectively, not alone with the rest of the world, but to bring prices back to anything approaching normal conditions.

The real value of wages to their recipients must be measured not by the nominal amount in paper which they receive, but by the purchasing power of their wages in goods.

There is a disposition to avoid facing and stating facts, but I venture to say that in my humble opinion they have got to be faced. There is no manufacturer in the country who will close down his works if he can carry on and make both ends meet. He will only cease to produce when he finds the cost of production is greater than the market value of the goods he produces. No shipowner will lay up his ships if he can cover his working expenses. If he cannot it would be folly to keep his ships in commission; it could only end in financial disaster. I sincerely hope we may get over our present difficulties by a wise policy of give and take, and an appreciation of economic facts, and [illegible] feeling on both sides.

Signs of a Sounder Point of View.

If the ordinary remuneration for a certain service before the War was X, and owing to the rise in prices it had to be X plus Y, then if prices come down, and Y is no longer required to make X what it was, Y or the cost of Y has got to go if we are to get back to a sound economic basis. If X was too low before the War, and it still buys as much as what it did before the War, X may have to be advanced, but that is a different proposition. It has no relation to the general question that labour, be it mental, be it physical, be it braincraft or be it handicraft, will only receive what it is competitively worth, and no more. If anything else is attempted it is bound to end in failure. A maximum wage is never too much to pay for a maximum output. But a maximum wage for a minimum output—which is what in too many cases we are getting now—or the same wage per day or per week or per month to every one, irrespective of capacity, intelligence and industry, and demand upon tissue, where service alone counts and output is not a factor; standardisation of wages, in fact, is fatal, not only to the individual but to success as a nation. I may be sanguine, but I think I detect some signs that on all these questions both employers and men are coming round to a sounder point of view, and that after the tremendous object-lessons of the past year, including the coal strike and the present scourge of unemployment, a saner and healthier spirit is beginning to appear.

Absence of Continental Demand for British Goods.

If the War has taught us anything it should certainly have taught us that in the modern economically interdependent world no one nation can suffer without involving others in its distress; no nation can grow rich on another's poverty; no nation can buy unless it is also able to sell; and that a diseased spot like Russia and the Central Empires and the newly-created States around them poisons all the functions of the European body. One of the reasons why British industry is depressed is the absence of a Continental demand for British goods. Before the War we sent something like forty per cent. of our exports to the Continent. We sold to it £200,000,000 of goods a year; and it is the most purblind of views to think that we can dispense with the European market or that we are richer because the Central Empires are poorer. On the contrary, the economic paralysis of the Continent is visibly and painfully injuring us. Sterling has fallen in New York and we are paying the equivalent of a thirty per cent. *ad valorem* tax on everything we buy from America, very largely because we are selling on credit throughout the Continent and cannot collect our debts.

Take India. The continent of Europe was one of India's best customers, while India was one of our best. We sold far more to India than we bought from her, and she was able to buy from us because she sold more largely to the Continent of Europe and other countries than she bought from them.

The Need of an Industrial Entente.

The road to the restoration of the £ sterling lies through the revival of the receptive and productive power of the Continent and the procurement of conditions that will enable all the nations of Europe, Allies and ex-enemies alike, to pay their way. It is a sound instinct, therefore, that is leading the British and French and Italian Governments, in conjunction with their principal financiers and traders, to consider how best they may help the vanquished Teutonic and Slavonic peoples on to their feet again.

None the less, I believe that one of the best services we can render, not only to ourselves, but to the whole world, is to put our own house in order, and to show that Great Britain has the strength and self-denial and the sagacity to weather these anxious years of peace as triumphantly as she fought through the War. To do that we need, first of all, domestic and industrial peace and a true view of what is sound. Given a spirit of concord and a willingness to work on the part of all classes, a realisation that things are not now as they were during the last few years, there are no national losses that cannot be retrieved and no problems so seemingly insoluble that they cannot be reduced to quite manageable proportions. Secondly, we need to restore touch with economic realities, to understand that a perpetuation of the unrest and ill-will which brought about the disaster of the coal strike can only mean that in a very few years this country will lose her commercial and financial supremacy, and to acknowledge, and to act on the acknowledgment, that to hold our own we must do as we always have done in the past, produce better goods at a lower cost than any of our competitors. These two supreme desiderata—industrial peace and the recognition of economic facts—are near in my opinion going to be brought about by governmental action, but by individual employers and individual [illegible] trade union leaders taking counsel together and [illegible] their common problems with a real desire to find a [illegible]

The Dire Effects of Governmental Extravagance.

There are, however, ways in which the Government can powerfully assist or very materially retard the progress of the nation towards convalescence. For instance [illegible]

economise. The popular belief is very nearly right which declares that governmental extravagance lies close to the root of our present ailments; and that belief quite recently has found unmistakable electoral expression of the kind that Governments as a rule find it better not to ignore. Here, again, I may be sanguine, but I do get the impression that the public demand for a more thrifty use of the public funds is producing an effect, and Ministers are realising the necessity of allowing control of expenditure to govern policy, and that all light-hearted schemes of "social reform" and of bureaucratic expansion are likely to be more and more judged by the simple test of whether we can afford them. With a debt of 8,000 millions round our necks, even if we are to get 2,000 millions from Germany in the next 40 years, we can't afford to go in for a new heaven and a new earth in these islands if we are to keep solvent. We have got to tax the people to the extent of 1,000 millions a year to pay our way, or five times as much as we taxed them before the War, and if we don't work and economise we shall be bankrupt.

Restriction of Credit: An Explanation.

Complaints are heard that the banks are restricting credit. What does restriction of credit mean? It means that the mercantile community and the public generally are being called upon to hand over to the Government enormous sums in cash payment of income tax, super tax, excess profits duty, corporation tax, and death duties. And to meet these payments they are obliged to draw on their bank balances to realise both stocks of goods and securities on which the banks have given advances, and the banks naturally are obliged to reduce their advances proportionately. The banks are not to blame for the restriction of credit. Their figures are open to the public. It is the burden of taxation which is drying up the liquid resources of the country. There is also the old story, so long as a Government goes on borrowing freely and spending lavishly, there is a false sense of prosperity and when the borrowing is no longer possible and the spending comes to an end, the slump follows, and that is what we are, in a great measure, suffering from to-day. Before we are done with it, the excess profits duty alone will have taken 1,100 millions out of industry which would otherwise have been invested in reproductive work and development. It will take some time to replenish what has been destroyed. There is no better recommendation to be found than that given by the Brussels International Financial Conference recently published, which says that every Government should restrict its ordinary recurrent expenditure, including the debt service, to such an amount as can be covered by its ordinary revenue, abandon all unproductive extraordinary expenditure, and restrict even productive extraordinary expenditure to the lowest possible amount. If this recommendation is adopted and a lot of superfluous Ministries are abolished we may in time, in this country, retrieve our position. If, on the other hand, it is ignored, the position will be hopeless.

A marked change has come over the spending disposition of private individuals during the last few months, forced upon them no doubt by the severe cuts into their incomes by the burden of taxation and the increase in municipal rates. Economy is now the order of the day, an example which the Government, as well as local authorities, would do well to follow. We have got to realise the fact that we are a very much poorer people than we were seven years ago. We rely on the genius of the Prime Minister to see us through our difficulties of the next few years in the same way as he saw us through the difficulties of the War.

The announcement made by the Chancellor of the Exchequer that the excess profits duty is to go by the board has been received with intense satisfaction. There is nothing to be gained by beating a dead horse, and we will leave it there.

You may not all agree with me in what I am now about to say, but none the less I will say it.

Protection.

In other directions where the Government might be equally helpful the bent of ministerial policy seems to me to be reactionary and obstructive. Just at the very moment when freedom of commercial intercourse is not only our greatest interest, but is essential to the world's recovery, the Protectionists are trying to enclose these islands in a ring fence. Their plea and their disguises are many and subtle. They talk of "key" industries and "basic" industries and "essential" industries and "pivotal" industries and the necessity of safeguarding British manufacturers against "dumping" and the lowness of the Continental exchanges. But all these pseudonyms mean really just one thing—Protection. They mean the introduction into our fiscal system of a policy and a principle which are incompatible with our position and our needs as an island kingdom carrying on a world-wide commerce. The recovery and the future progress of our export trade, which is the keystone of our industrial arch, absolutely depend on the continuance of fiscal freedom. Already the plan has been adopted of protecting one industry, the dye industry. Other industries are wasting no time in putting in their claims for consideration, and before we know where we are we may have a full-blown tariff system, or what is perhaps even worse, a system of trading by licences and other bureaucratic indulgences established in this country, a system which drove the commercial community almost crazy during the War. That way, I am convinced, lie stagnation, inefficiency, and final decay. I regard it as the most formidable peril that menaces British prosperity. As a nation we have nothing to fear, industrially or politically, from any foreign rival. Our real dangers are internal. If we fail to win the prize that is within our grasp—if we do not, in other words, attain to a position in world commerce as great as, if not greater than, any we held before the War—history will not look abroad for the causes of our failure. History will look within, and history will be right. Condemn me if you like, turn me off the board if you like for adhering to the belief that free and unrestricted trade is the mainstay of these islands—I will hold to my opinion.

The Burden of Taxation.

The country is groaning under the burden of taxation. You see it said in some quarters, let us go on taxing industry till there is no profit in carrying it on; let us make a levy on capital and so use up our resources; let us get the money anyhow to pay for the grandiose schemes which are to make a new world out of the old. Let us damn the expense. Gentlemen, in this way lies national ruin and bankruptcy, and the people are not going to have it. At the next election they mean to send representatives to Parliament pledged to cut the country's coat according to the country's cloth. I hope they will succeed.

You see another set of people saying, let us have done with civilisation, let us repudiate our obligations, let us confiscate all individual property, let the workmen seize the factories, do away with individual rights, abrogate all marriage laws and family life and family ties, and all religion, let us become like the beasts of the field, let us follow the example of those who have got the upper hand in Russia.

I make bold to say that despite all the miserable, mischievous, and misleading propaganda which is now flooding the country, the good sense of the people will prevail, and that they will recognise that in no other land in the world, not even in any of our overseas dominions, not even in the great Republic across the Atlantic, is there greater freedom, greater security for life and property, greater opportunity for all, greater happiness, greater justice from our absolutely independent and unimpeachable judges—the sheet anchor of our liberty—than is to be found under the British Constitution and under His Most Gracious Majesty the King.

Position of Shareholders.

I am addressing the shareholders of this Bank, numbering 38,000. They are not a body of people who can in any sense be generally regarded as capitalists. Very few of them have inherited anything, they have saved or accumulated something, as I myself have done, through hard work, and a good deal of self-denial. They have entrusted their savings to the directors to lend to the industries of the country in the hope of getting a moderate return in the shape of interest. It is the same with all the banks in this country, including what are known as the Big Five, of which we are one. We banks are not wealthy corporations with any exclusive privileges; our shares are on the market and are bought and sold daily, not in large blocks, but in fives and tens, and even in smaller numbers. The shareholders' capital is entrusted to the directors to be worked on the shareholders' account, and the capital of all banks is distributed widespread throughout the country. It is the same with the whole of the industrial concerns of these islands. The capital in them is held, not by a few individuals, but by millions, and I should say the last thing these millions want to see, and the last thing you want to see, is national bankruptcy through Governmental squandering, Government trading or Government control of industry, and least of all a break up of the social fabric through Bolshevism under a leader such as Lenin, or any of his misguided crew.

I had a letter last week from an old Indian friend, a high official with whom Clemenceau had been spending a few days. In this letter he told me that Clemenceau said: "There has never been any danger of Bolshevism in France, and I do not believe there is any danger of Bolshevism in England." I would venture to suggest that it would be a much better investment for the socialistic gentlemen who are spending large sums in preparing, printing, publishing, and circulating Bolshevik literature here, to put their money, despite the modest dividends they would secure, into the shares of the National Provincial and Union Bank of England.

Large Demands upon the Smaller Banks.

The demands which were coming upon the smaller banks throughout the country during the past few years, owing to the great increase in the value of commodities, led up to proposals on their part to join up with the larger banks with whom they had been associated, as they felt themselves unable to carry on under the altered conditions. The consequence is that practically all the smaller banks are now amalgamated with larger banks, and, so far as I am aware, no disadvantage has accrued to the commercial or industrial community, but quite the contrary.

Some years ago, when amalgamations between some of the

larger joint-stock banks were in progress, doubts were expressed in certain quarters as to the expediency of permitting these to be made. A committee was appointed under the Chairmanship of the late Lord Cunliffe to consider the question, and a recommendation was made that the sanction of the Treasury and Board of Trade should be obtained before further amalgamations were put through, and that a standing Committee should be set up to consider all applications and to make recommendations to the Government. I have had the honour to be chairman of that Committee since it was inaugurated. The Committee has never been clothed with statutory powers, but notwithstanding this no amalgamation of even the very smallest kind was completed until the whole proposal had been submitted to the Committee, and thoroughly examined in every detail. Suggestions made by the Committee were in every case readily adopted, in some instances the amalgamations were deferred till what was considered a more convenient time, and the greatest goodwill was always manifested to meet or overcome anything which might be regarded, in the Committee's opinion, as against the public interest. In only one case, if my memory is not at fault, was an amalgamation refused, and that was not at the instance of the Committee but because objection was taken to it by another Government. That amalgamation never went through.

So far as I can see the Committee's labours in the future will not be of a very strenuous character, as there are practically no more banks to amalgamate.

I need scarcely say that I took no part in the deliberations of the Committee or in their recommendations in cases where the National Provincial Bank was concerned.

A hare was started some years ago that the large joint-stock banks had some idea of forming a "money trust," whatever that might be, which would squeeze the public. No greater delusion ever took possession of the human mind. The business of the banks is to encourage and foster legitimate trade. The prosperity of the country is the breath of their nostrils, there is keen competition amongst them for business, and it would be suicidal to adopt any course calculated to injure the trade of the country.

The British Joint-Stock Banks.

Before the War we heard a good deal about the magnificent and statesmanlike management of the German banks, how they helped German industry and development by taking shares in all kinds of commercial enterprises, while the British joint-stock banks did nothing of the kind. I think we have to thank our stars that the great joint-stock banks of this country confined their operations to their legitimate business, and did not lock up either their own or their customers' money in all sorts of industrial undertakings. The great British banks have come through the ordeal of the last six years with their position unimpaired and their record untarnished, probably to a great extent because they succeeded in evading the withering and paralysing thraldom of Government control.

It is sad to see the losses which have been sustained by many of the poorer classes through the failure of a small institution calling itself a bank—I think it should be widely known that the joint-stock banks are prepared to give every facility and reasonable terms to small depositors, and it would be well if it were realised that extravagant rates of interest mean as a rule extremely poor security.

Details regarding the Staff.

It may interest you if I give you the following figures regarding our staff:—

Total number on staff	6,160
Total number on permanent staff	4,470
Number of ladies on staff	1,684
Number of staff at outbreak of War	3,869
Number of men released for military service	2,755
Number of men returned from military service ...	1,881
Percentage of men returned from military service	72
Number of men engaged since the Armistice (November 1918)	321
Number of ex-Service men engaged since the Armistice	300
Total number of ex-Service men in the service ...	2,181
Percentage of ex-Service men on the staff	49
Percentage of disabled men on the staff	8

We are fortunate in having efficient and capable general managers, assistant general managers, branch managers, officers and staff in all grades, to whom I desire to offer the thanks of the board, and I would ask you to allow me to add those of the shareholders, for their services during the past year. I may mention that the turnover of the Bank in 1920 amounted to between eight and nine thousand millions, and this took place with practically no defalcation. I do not refer to this because I regard it as being a credit to the staff—I am satisfied they would greatly resent it if I did. They would not thank me if I were to compliment them on being honest men; but nevertheless it is an incident in the working of the Bank with which the shareholders have a right to be made acquainted.

The Bank's Strong Financial Position.

The past six years have been surrounded with difficulties and anxieties, and we are not yet out of the wood. The profits on our operations have been large, although they are a trifle on our turnover, but we have pursued a conservative policy and instead of increasing our dividends and squandering our resources during what I might call an unhealthy boom we have kept our heads, we have provided for the serious depreciation in our investments in Government and other securities, we have established and added to our pension fund, which now stands at over a million, we have written down our premises, which in London and all over the country appear in the books at only £3,665,236, we have made ample provision for all doubtful or even possibly doubtful accounts, we had added £6,728,041 to our published reserve in the last ten years, and we propose to-day to pay the usual dividend—viz., sixteen per cent.

The Bank's position never was stronger, its deposits never were higher, its customers never were more numerous, it never had a more loyal and efficient staff than it has to-day. We look forward to the future of the Bank with undiminished confidence. Our watchwords, as in the past, will continue to be caution in our operations, care for our employees, and courtesy to all who are good enough to deal with us, be they rich or poor, combined always with a benevolent disposition towards our shareholders in the way of improving their dividend when circumstances and the outlook appear to justify an enlarged distribution. I now beg to propose "That the report and accounts be adopted," and I will ask Mr. Fitzgerald to second the resolution.

Mr. Maurice O. Fitzgerald seconded the motion.

Shareholders' Views.

Mr. Deputy Millar Wilkinson said he had listened with a great amount of interest to the Chairman's admirable address. In view of the very substantial increase in the business disclosed, he thought they would all agree that the report was a very satisfactory one. (Hear, hear.) He confessed, however that he should have been gratified if there had been a slight increase in the dividend. He could not help expressing some slight regret that no allusion was made by the Chairman to the project which had been a feature of bank chairmen's speeches recently, that of arranging a credit scheme to assist the trade of Continental countries. (The Chairman.—"I did.") Perhaps he should have said that he regretted the Chairman did not enlarge upon it a little more. It had been suggested that a syndicate should be formed by the Government, bankers, and insurance offices. As that had received the blessing of some of the highest financial authorities in the country, it was a matter that, he thought, ought to be very carefully considered, and he trusted that the Chairman would give his great weight to this interesting proposal. With regard to banking hours, he remarked that he had been in the City sixty years and knew a great many people, and several important gentlemen had observed to him recently that the closing of the banks at 3 o'clock was extremely inconvenient. (Hear, hear.) He thought there was a good deal now to be said for reverting to the pre-War hours and keeping the banks open till 4 o'clock in the afternoon, and till 1 o'clock on Saturdays. He would like also to ask the Chairman to use his undoubted influence in support of a Bill that had been drafted for defining what a bank was. The present state of things, which allowed anyone to become a banker, was perfectly ridiculous. (Hear, hear.)

Mr. Frederick Tomkinson said he was sure that so soon as the directors, in their wisdom, saw their way to make an increase in the dividend, it would be highly appreciated by many of those who were small shareholders. (Hear, hear.) He would like to join the previous speaker in complimenting the Chairman on his very admirable speech, and also to thank him and the board for having carried on the business of the Bank so triumphantly during a year of strain and stress such as probably had never before been experienced.

Mr. John Hedges said he was greatly obliged to the Chairman for giving them such a lucid and detailed account of the Bank's affairs. It was satisfactory to see that the position had been strengthened, and the only thing that they now wanted was a little more dividend. All the same, they must be thankful for what they were getting, as it was gratifying that in those strenuous times the Bank had made so good a profit. He felt sure that the shareholders as a body had complete confidence in the future management by their directors. (Hear, hear.)

Mr. Wood called attention to the fact that the Bank had only four branches in South London, which he thought too few, having regard to the large population south of the Thames. He also expressed the opinion that the Bank should keep their doors open till four o'clock in the afternoon.

The Chairman on Banking Hours.

The Chairman, in reply, pointed out that, although the banks closed their doors at three o'clock, it did not mean that the staff got away at that hour. As a matter of fact, they were hard at work till five or six o'clock, and often later. The directors did not find there was any great demand on the part of the mercantile community for the banks to remain open until four o'clock. In regard to the question of having more branches in South London, he said that they had mapped out one or two places there in which

more than one or two—and when they were in a position to open these branches in that part of London they would be glad to do so, particularly if their friend would guarantee their success. The directors never had any hesitation in opening a branch where there was a likelihood of getting a fair return in the course of two or three years.

The motion was carried unanimously.

On the proposition of the Chairman, the retiring directors were unanimously re-elected, and Colonel Frank Braithwaite, C.B.E., D.S.O., M.C., proposed the reappointment of the auditors, which was also agreed to.

Mr. Deputy Millar Wilkinson moved, and Mr. J. A. Scrimgeour seconded, a cordial vote of thanks to the directors, general managers, branch managers, and other officers of the Bank for their efficient management and services, and it was passed

The proceedings terminated with a vote of thanks to the Chairman for presiding.

The London Merchant Bank, Ltd

Expansion of Business.

THE forty-ninth ordinary general meeting of the shareholders in the London Merchant Bank, Limited, was held on February 10 at the offices, 38 Lombard Street, Mr. Frederic Lubbock, the Chairman, presiding.

The Chairman said:—Since we met last year we have seen a change of conditions in trade generally such as none of us has ever experienced or, I trust, is likely to see again. At our meeting a year ago I said that there was then great activity in all branches of trade and manufacture, with increasing facilities of transport and shipping. No doubt we all felt that sooner or later there must be a reaction from the excessive prices then ruling in almost every staple article and also in freights; but few people, I imagine, if any, were prepared for the rapid and violent change that took place. Many leading articles of trade became practically unsaleable, and holders were perforce compelled to look on while quotations were daily reduced and buyers still held off. This stagnation was reflected in all markets abroad, which became congested with unsaleable imports, and orders were suspended or cancelled in every direction.

Fluctuations in Foreign Exchanges.

This drastic change—which has, I suppose, been the inevitable consequence of the exaggerated conditions previously ruling—has been greatly, and perhaps chiefly, intensified by the great and constant fluctuations in foreign exchanges, which are a most serious hindrance to all branches of trade. It has been a severe lesson, and, while there are some indications of a revival of business under more healthy conditions, greater stability in exchanges is still essentially needful. You will have seen that serious efforts are being made to create a scheme of export credits with the view of re-establishing trade with the countries of Central Europe, and any such arrangement, if it can be placed on a reasonable and sound basis, must have a beneficial effect on international exchanges and on the export trade of this country.

Our own business, as you know, consists principally in financing shipments of manufactures and produce, both import and export, for our customers. During the past year we have maintained our old connections on what we consider to be sound and prudent lines, and we have further renewed or established fresh relations with important banking and other institutions in different parts of the world. In this connection I may take the opportunity to mention that we have continued to work on the most cordial terms—and, I hope, to our mutual advantage—with our good friends who acquired a large interest in this Bank two years ago.

Balance-Sheet Changes.

Coming now to the balance sheet, the item "Acceptances on account of customers and advances under the Government scheme" shows an increase of £271,279. There has been a material reduction in the amount of our pre-war outstandings, while there is a more than corresponding increase in our live and current acceptances, which are appreciably larger. With regard to our pre-war outstandings, we must confess to some disappointment at the slow rate of progress of the Clearing Office, though this is probably attributable, in some measure, to delays and obstructions on the part of the German authorities. In connection with this matter I may also mention that there exists a difference of opinion between the London Accepting Houses and their German debtors regarding the rate of interest chargeable during the War on the amounts of pre-war acceptances. If the attitude of the debtors remains unchanged, the matter will have to be brought before the Mixed Arbitral Tribunal provided for in the Peace Treaty. The decision on this point will, we trust, be given before we meet next year. There is an increase of £253,677 in the current and other accounts, which reflects what I have just said as to the extension of our business with banks and firms abroad for whom we act as London correspondents.

On the other side of the account our cash and short loans, together £240,999, are £8,000 more than they were last year. The securities, £106,932, are less by £7,992, due to some realisations and the writing down of investments. Bills receivable, £224,932, are increased by £74,191, which reflects the expansion in our operations. Current and other accounts show an important increase of £467,950, which is mainly attributable to the increase in our acceptances and the revival of old connections.

The gross profits show a satisfactory increase of £9,137, but this is rather more than counterbalanced by an increase in current expenses, &c., of £10,825. With the growth of our business, in addition to the normal increase in salaries, we have had to augment the number of our staff considerably; and we have also had to pay the new corporation profits tax. There is, I am afraid, an inevitable tendency in general expenses to grow heavier; but, in proportion to our gross profits, I do not think that, in our case, they can be looked upon as excessive.

Out of the balance of net profit we propose to pay a final dividend of 7*s.* a share, less tax, making, with the interim dividend, a distribution of six per cent. for the year, and to carry forward £67,588. Before I put the resolution to the meeting I shall be very glad to hear any questions or remarks. (No shareholder rising to address the meeting, he continued:) Then I will move "That the report and balance sheet be adopted, and that a dividend of 7*s.* per share, less income tax, making with the interim dividend 12*s.* per share, or six per cent. for the year, be sanctioned."

Mr. Leon Rueff seconded the resolution, which was carried unanimously.

Gas Light and Coke Company.

Advance in Price Explained.—The Slump in Residuals.—The Gas Regulation Bill.

THE annual general meeting of the shareholders of the Gas Light and Coke Company was held on February 4 at Horseferry Road, Westminster, S.W. 1, Mr. D. Milne Watson (the Governor) presiding.

The Governor, in moving the adoption of the report and statement of accounts, said: If I may assume that, as usual, you will take the report and accounts as read, I shall proceed immediately with my review of the year's working. I do not suppose that ever before in the history of the Company has the situation been more complex and difficult than it is to-day.

I should like, first of all, to call your attention briefly to some of the principal features in the capital and revenue accounts. You will see that we have spent £369,000 on the capital account, of which the bulk has been for new ships. Against this expenditure there has been a credit of £323,000, partly due to depreciation of meters and stoves, and partly due to sales of stoves that were on hire, leaving an unexpended balance on capital account of £609,000.

Turning to the revenue account, you will find that we spent on coal £5,300,000, an increase of £1,300,000, which is accounted for by higher prices and larger consumption; on oil, however, we spent £167,000 less than in the year 1919, the net increase on coal and oil, therefore, being, roughly, £1,100,000. There are large increases under the heading of repair and maintenance of works, to which I shall refer later, repair and maintenance of mains and service pipes, repairs and renewal of meters and stoves, and in the amount charged for rates and taxes.

Growth of the Wages Bill.

You will notice also at the foot of the page that the wages bill has gone up from £2,606,000 to £3,416,000. The total expenditure in the revenue account has increased by £2,750,000, from £9,000,000 to £11,750,000, but it has to a very large extent been met by the extraordinary revenue which this Company received from the sale of its residuals, amounting to no less than £4,800,000, as against £2,721,000 in 1919—an increase of over £2,000,000. All four items under the heading of residuals showed better returns than in 1919, coke, which produced an income of £3,663,000, being by far the largest contributor. The price of gas remained at 4*s.* 8*d.* per 1,000 cubic feet throughout the whole year, and the increase of £739,000 in gas rental was due largely to the increase in business—namely, four and three-quarters per cent. This great increase in revenue, looked at from both the point of view of the volume of gas sent out and of the large return from the sale of residuals, has not been of any advantage to the shareholders whatsoever, as they still receive only a three per cent. dividend.

The dividend of three per cent. compares with £4 17*s.* 4*d.* per cent. paid in 1913, before the War, or, in other words, the amount now distributed to the shareholders is less by more than £300,000, although the output of gas has largely increased and residuals yielded £4,750,000 instead of £1,250,000.

To sum up, the result of the Company's working for the year 1920 is that, after distributing a three per cent. dividend, which is all that is allowed under the Statutory Undertakings (Temporary Increase of Charges) Act, 1918, and after paying fixed charges, there is a carry-forward of £326,597, as against £323,971 at this time last year.

Record Sales of Gas.

I think I am justified in saying that there was never a time when the Company's business was more prosperous

than at present. The sales of gas have reached a record, amounting to 32,000,000,000 for the year, as against 30,500,000,000 for the previous year, while during the cold spell in December all previous figures were beaten and the Company established another entirely new record with an output of gas for one day of 152,000,000 cubic feet. To make this enormous quantity of gas for one day no less than 9,300 tons of coal and 72,000 gallons of oil were required.

This increased demand for gas is most reassuring, and it is satisfactory to know that we are constantly adding new customers—9,000 last year. We also installed no fewer than 32,000 additional stoves. There is every prospect, therefore, of a continued large increase of business in the future.

The Rise in Price.

In view of all this it will be asked: How is it that the Company has had to put up the price of gas 10*d*. per thousand cubic feet, that is, from 4*s*. 8*d*. to 5*s*. 6*d*.? When the announcement of the rise was made a statement was issued giving the reasons for the advance. This appeared very generally in the Press, but I think it is only right that I should amplify it to-day. Those of you who have followed the course of the Company's business will no doubt have noticed the extraordinary increase in the consumption during the past few years, and will remember that, in addition to the four and three-quarters per cent. increase in business just experienced, there was an increase of fifteen per cent. in the previous year. It is difficult for those outside the Company to realise what this involves in our vast undertaking. During the War, owing to Government restrictions, lack of labour, and shortage of materials, we not only had the utmost difficulty in keeping pace with the demand for gas, but also found it impossible to carry out any but absolutely essential repairs, and so when the War was over we had to take in hand the immediate reconstruction and overhaul of most of our old plant, which had gradually been wearing out. In the ordinary course of events the expenditure during the past year of the very large sum of money thus required would have forced us to put up the price of gas, but, fortunately for our consumers, the residual market was in a most buoyant condition until nearly the end of the year, and we were able to pay for the work that had to be done and keep down the price of gas to the comparatively low figure of 4*s*. 8*d*. per thousand cubic feet.

Slump in Residuals.

You will realise, of course, that the price of gas depends to a large extent upon the revenue obtained from residuals, and will therefore appreciate the bearing coke and other products had on the price charged during last year when I tell you that the additional return from the Company's by-products compared with the previous year was equal to no less than 1*s*. 3*d*. per thousand cubic feet of gas. In other words, had there not been this slump in residuals the price of gas would have been 4*s*. 8*d*. this year.

It was, of course, realised that the price obtainable for coke on the Continent could not be maintained for any length of time, but no one foresaw that the fall would be as rapid as it was. In November we were selling export coke at as much as £11 per ton, and yet within a few days the price dropped to about £4. The reason for this sudden break in price was chiefly the coal strike. Everyone on the Continent had been talking about it for many months, and been making preparations to meet it during the summer and autumn, buying coke and coal at very high prices. Coal was brought from America, South Africa, and even from Australia and China, on the assumption that the strike would probably be protracted. Continental buyers were taking no risks, and were determined to be prepared for a stoppage of English supplies for a considerable period. Instead, however, of the strike lasting, as was expected, for two months or so, it was all over in two and a-half weeks. At the end of the strike it was soon found that the Continent was glutted with both coke and coal, and not in a position to absorb any further quantities. The winter in Scandinavia and elsewhere has been exceptionally mild, and, further, almost all Continental countries are experiencing great trade depressions. Both these causes tend to the use of smaller quantities of fuel, and there is the natural inclination to make stocks, which have been bought at high prices, last as long as possible.

A gradual fall in prices had been anticipated, but no one dreamt there would be a landslide. The directors had the question of a rise in the price of gas under consideration before Christmas, but decided that it would be better to see whether or not the slump would be merely temporary and be followed by a quick recovery.

As, however, there were no signs of an improvement by the middle of January—by which time, moreover, the slump had also extended to tar products and sulphate of ammonia—it became clear to the directors that there was no help for it but to increase the price of gas, and that immediately.

Cash Requirements.

Another important factor in the present situation was the question of cash. A very considerable amount of money is required by a company of this size as floating capital, and is in ordinary times provided chiefly by reserve and other similar funds, undivided profit, and the balance to the credit of the capital account. The Company is fortunately situated with regard to these funds, but, large as they are, they are not sufficient to provide the abnormal amount of cash necessary under present circumstances. This was a further imperative reason for raising the price of gas to make good the sudden and serious falling off in income from residuals. It was, I need hardly assure this meeting, with the greatest reluctance that the directors took this step. It has been the policy of the Company to reduce the price of gas whenever possible, as witness the occasion in 1919 when, owing to a temporary improvement in its financial position, the Company immediately reduced the price by 2*d*. instead of waiting, as might very well have been done. Nothing is more distasteful to the directors than to raise the price of gas, and I can assure you and the consumers of London that nothing will give the board greater pleasure than to announce a reduction when such be ones possible.

Quality of the Gas.

In connection with the rise in the price of gas, an attack has been made upon the quality supplied by the Company, and I think, therefore, that it is only right that shareholders and consumers should know the real position. During the first year of the War the Company's gas was maintained at its pre-War standard, and was well over 500 B.T.U.'s per cubic foot. Eventually, however, the exigencies of the War made it necessary for us, at the request of the Government, to reduce the calorific value of the gas in order that certain constituents necessary for the manufacture of high explosives might be obtained in increased quantities. The Government afterwards issued Orders by which gas undertakings generally, who washed their gas for the production of benzole, were given a standard calorific value of 450 B.T.U.'s. The materials produced by this Company for the country's use at that time of great crisis were enormous—namely:—

For the manufacture of explosives:—		
Pure benzol	3,451,800	gallons
Pure toluol	1,041,300	,,
Solvent naphtha	311,600	,,
Crystal carboli acid	1,946	tons
Pure naphthalene	5,556	,,
C.O.V. (concentrated oil of vitriol)	14,098	,,
Nitre acid	1,748	,,
Nitrate of ammonia	1,128	,,
C.A.L. (concentrated ammonia liquor)	23,254	,,
Liquid ammonia	5,317	,,
Anhydrous ammonia	1,472	,,
For fuel:—		
Total oils (Naval fuel)	17,517,000	gallons
Special fuel oil	1,996,000	,,
Motor benzol	72,400	,,
For disinfection, &c.:—		
Liquid carbolic acid	667,000	gallons
Salicylic acid	39	tons
For road-making and maintenance, chiefly in France:—		
Road tar	4,000,000	gallons

Lord Moulton's Tribute to the Industry.

Perhaps I may be permitted to quote a few words from a speech made by Lord Moulton in October 1918, when he said:—

"He was not exaggerating at the time he had the value of the industry when he said that it was then he had begun to realise what service, without any eclat, the gas industry had been rendering to the country, and had received so little thanks for it. He remembered the time—the end of the year 1914—when he thought if the Germans had simply gone on they would have found this country absolutely destitute of the necessities for war. There was no (he could not even use the word 'adequate') supply of high explosives with which they could have resisted their enemies. Fortunately, the Germans gave the Allies breathing space, and then the service of the gas industry commenced. He had spoken often of the loyal help that was given to him by the industry, and he would now only say that it was its power to assist that impressed him, as well as the extent to which not only this country, but France, was dependent upon the British gas industry."

I may add that we also received the special thanks of the Ministry of Munitions for the services this Company gladly rendered. The shareholders, however, did not benefit one penny piece by the great efforts made by the Company, as the Government fixed comparatively low prices for the materials with which we supplied them.

The question may be asked why a return has not been made to pre-War conditions now that the national necessity no longer exists for reducing the calorific value of the Company's gas below 500 B.T.U.'s. The reason, ladies and gentlemen, is that even were we to raise the calorific value of our gas to the pre War figure by carrying with us at the high prices now ruling we should have to charge a still higher price. Therefore, by continuing to supply gas at a slightly lower calorific power, namely, 485 B.T.U.'s, or thereabouts, we not only save money to the consumers, but by making a mixture of coal and water gas, also save coal in the nation's interest. As a matter of fact, the quality of gas now being supplied, if consumed in burners properly adjusted, has been proved both practically and scientifically to be perfectly

satisfactory. The action of the Gas Light and Coke Company in regard to the quality supplied is absolutely borne out by the general practice in the industry, alike of company and municipal undertakings.

The Gas Regulation Bill.

The Company has been working until within the last few days under the Statutory Undertakings (Temporary Increase of Charges) Act, 1918, but the Order under that Act has now been revoked. It is possible that those of you who were in this room at last year's meeting, or who read my speech, will recollect that I then said that great efforts were being made to induce the Government to do justice to the gas industry and to introduce legislation which would put it on a new footing and remove the terrible disadvantages under which the shareholders in gas undertakings were placed. At that time I told you that the Government had promised to promote a Bill, and that we were anxiously awaiting its introduction. Well, ladies and gentlemen, we had to wait a very long time for the promised Bill; in fact, some people began to doubt whether the promise would be fulfilled. However, in May last the Government introduced a Bill entitled the Gas Regulation Bill, the object of which was to re-establish the gas industry on a firm financial basis by making provision for increasing the standard and maximum prices which govern dividends to meet the conditions we are now experiencing as regards cost of working.

The Bill had a good reception and obtained a second reading in the House of Commons without any opposition. There were, however, many things in the Bill which required alteration, and no fewer than 197 amendments were tabled, chiefly through the instrumentality of the National Gas Council. Ultimately the Bill passed into law in a form generally acceptable, and it may, I think, be regarded as a new charter for the gas industry.

The Act enabled the Board of Trade to make such departmental Orders as are necessary in order to give effect to its provisions. This Company made early application for an Order, and I am glad to say that we have just heard from the Board of Trade that our Order will be issued in the course of the next few days, giving us a new standard price of 1*s.* 3.2*d.* per therm.

Sale by Therm.

The Company under this new Order will sell gas by the therm instead of by the number of cubic feet, and it is proposed to declare a calorific value of 475 B.T.U.'s, which is practically the calorific value we are now supplying. The new standard price of 1*s.* 3.2*d.* per therm will take the place of the 3*s.* 2*d.* per thousand cubic feet which was our pre-War standard.

The actual price, when the Company comes to charge by the therm, will be 1*s.* 2*d.*, which is practically the equivalent price of the 5*s.* 6*d.* now charged per thousand cubic feet, and this should allow of a distribution, if profits permit, of a dividend of £4 13*s.* 4*d.* per cent. per annum, after allowing for the statutory contribution to the redemption fund, to the shareholders. No doubt a good deal of apprehension has been felt by many shareholders that the recent rise in the price of gas to 5*s.* 6*d.* would involve a further reduction of dividend. This, however, is not the case. The Company, now that the new standard price has been obtained, will have a new starting-point for its sliding-scale of 1*s.* 3.2*d.* per therm, or, expressed in cubic feet, of approximately 6*s.* per thousand. The sliding-scale, which has been in abeyance since 1918, is now, therefore, once more in operation, and will act as heretofore as a mutual protection to shareholders and consumers alike. In other words, it will be in the Company's interest, as always, to reduce the price at the earliest possible moment. Of course, it is impossible to say, under the uncertain conditions of the coal, oil, and residual markets, what the result of the Company's working during the coming year may be, but in any case shareholders may look forward to some increase in their dividend.

The Company has during the past year largely increased its fleet of steamers, and we now have twelve boats actually running. I am pleased to say these are rendering good service, and are saving money to the Company. When the Company's shipbuilding programme is complete we shall have fourteen steamers of our own at work.

The Coal Position.

The situation with regard to coal has been extremely difficult during the past year. When we last met the Government had made an allowance of 10*s.* a ton for coal used in the manufacture of gas supplied to domestic consumers. This continued to May 11, and resulted in a reduction in the price of gas to those consumers of about 7*d.* per 1,000, amounting to £457,000 in cash. On May 12 not only was this rebate taken away, but in addition there was an actual increase of 4*s.* 2*d.* per ton, so that the price for domestic coal was advanced 14*s.* 2*d.* There were also two increases in railway rates on January 15 and September 1, 1920, respectively, which affected all our rail-borne coal. Then came the national coal strike, which began on October 16 and lasted to November 3. In preparation for it the Company strengthened its stocks of coal and oil, and we were thus able to go through the strike without any failure in our gas supply.

The position with regard to the future of coal is most difficult to forecast, and I have no doubt that it is a good thing for the public and for the gas industry generally that coal is to be decontrolled as from March 1. Exports, as I have already said, have fallen off, and the result of this, we hope, will lead to a reduction in the price of coal, owing to the greater supplies available for home use. The gas industry as a whole is exceedingly interested in this question, and this Company especially, being one of the largest consumers of coal in the country and having used over two and a-quarter million tons during the past year.

In the meantime it is satisfactory to know that the increased output of coal and decreased demand for it make it possible for gas companies to purchase once more the coal suitable for their purpose, and we may hope to obtain it in a cleaner condition than during the past few years.

High Cost of Oil.

With regard to oil, the Company has had to pay monstrously high prices, no less than six times as high as pre-War prices, but there are hopes of a reduction. It is essential that oil should go back as nearly as possible to pre-War prices, as it is greatly in the interests of everyone that a certain percentage of the gas made in the country should be produced by the carburetted water-gas process, in order, as I stated previously, that a saving may be effected in the use of the nation's greatest asset in natural wealth—namely, coal.

With regard to labour, I have pointed out that there has again been an enormous increase in the wages bill, equivalent to 6*d.* per thousand cubic feet in the cost of gas. This is a very serious matter for the gas industry.

With regard to the staff generally, I can only say once again that everyone has worked extremely hard in these difficult times. We regret that Mr. Percy Adams, for many years superintendent of the Rental Department, has resigned, but he carried with him the good wishes of the directors on his retirement. By way of strengthening the engineering staff, the directors have appointed Mr. T. Hardie, lately engineer to the Gateshead and Newcastle-upon-Tyne Gas Company, to be deputy chief engineer.

In July last the statute of Sir Corbet Woodall, which was voted by the shareholders, was unveiled at Beckton in the presence of members of his family and many of the Company's workmen. The statue has been much admired and is worthy of a very great Governor, whose memory and example are still fresh.

The Outlook.

With regard to the future of chemical residuals, at the present time the prices are completely broken, and it is impossible to say what the new bases of prices will be. The Company, however, is in the meantime extending its manufacture of intermediates in order to do its proper share in meeting the new situation which has arisen by the decision of the Government that this country is to be made independent for the future of foreign supplies by manufacturing in this country the intermediates and dyes which are required.

In conclusion, I can assure you with confidence that, although we have been through troublesome times, and although at present we are still surrounded by difficulties, the future is full of promise for the Company. The shareholders have at last obtained under the Gas Regulation Act much-needed relief from their hardships, and I trust that it will not be long before reductions in the price of coal and oil will enable this Company once more to reduce the price of its gas, which will be of benefit alike to shareholders and consumers. (Applause.)

The Deputy-Governor (Mr. Herbert J. Waterlow) seconded the resolution, which, after some discussion, was carried unanimously, and the dividends recommended were declared.

The retiring directors were re-elected, and the auditors having been reappointed, a vote of thanks to the Chairman and directors concluded the proceedings.

South Metropolitan Gas Company.

Post-War Financial Policy: Broadened Basis of the Business.

The Chairman said: Ladies and Gentlemen,—In framing Company was held on February 9 at the Cannon Street Hotel, E.C., Dr. Charles Carpenter, M.Inst.C.E. (the Chairman), presiding.

The Chairman said: Ladies and Gentlemen,— In framing our post-War policy as to the financial basis upon which we should endeavour to reconstruct our undertaking we had the choice of two alternatives. The obvious one was to amend our sliding scale by the application thereto of a higher standard price for gas. This, you will remember, was the course—purely a War time expedient—which we adopted in 1917, when we joined with most other gas companies in an endeavour to obtain some relief from Parliament of the unjust working of the scale. The proposal, which was a perfectly simple measure of relief, was viewed with disfavour, and was finally set aside for the arbitrary regulation, which has since, and until last year, authorised the payment of our meagre dividend.

We were, therefore, not predisposed to rely a second time upon joint action with the industry, fearing that, as it had proved unable to obtain a fair measure of justice in 1918 it might equally fail in 1920. But there was a still more important factor to be considered. It did not appear that any future relief that could be granted *en bloc* would go further than a restoration of the pre-War position, and a feeling had long been gathering strength among your board that the remuneration of gas capital had been outdistanced by the altered circumstances of its investment and the changed conditions under which it had to compete for business. Those fears turned out to be well grounded, and I would draw your special attention to the fact that the Gas Regulation Act, passed at the instance of the Board of Trade, was expressly framed with the object of reconstituting the pre-War position, and nothing further. We, therefore, as you are aware, decided to cut ourselves adrift from the impedimenta of the sliding scale, and a year ago asked, and obtained, your consent to the promotion of a Bill aiming at the re-establishment of the economic basis of the undertaking upon a sounder foundation than the old one had proved itself to be.

With one exception, Parliament adopted in toto our proposals.

Allocation of Surplus Profits.

Now, ladies and gentlemen, what will happen if and when profits accumulate beyond what is absorbed in providing the consumer with gas at the fair or basic price, capital with its fair remuneration for its use, and labour with its fair wages for its services? Three-fourths of such surplus profits will be allocated to the consumer by way of reduction in the price charged for gas, and the remainder divided equally between capital and labour—that is to say, between the shareholder and the employee. All three parties to this tripartite partnership are thus secured, in the one case a fair price, in each of the other two cases a fair return. These latter are, therefore, provided with a stimulus to do their best for the undertaking by the knowledge that, while three-fourths of the result—the lion's share, in fact—goes to the consumer, they may reasonably look forward to a substantial portion for themselves. Now, it is very important that you should not imagine that this is going to take place forthwith. As a matter of fact, the future is extremely uncertain, and no one knows what is going to happen in relation either to our raw material, coal, or to our by-products—coke, ammonia, &c.—during the next twelve months or so. We have got to proceed very warily, remembering that our primary duty to-day is to do nothing which is likely to injure in any way a business which is at present in an extremely healthy condition. We want to do all we can to keep down the price of gas to something like its present figure, and not to alarm the consumer and risk permanently damaging our relations with him by even temporarily raising our price to get over our near-future difficulties so long as we can possibly avoid it. Prices are at the moment far from stabilised: we must be patient and wait with prudence, knowing that if we are not sharing profits on the scale to which we are entitled with justice, we are at least getting paid at the basic rate for the use of our money until better times come.

Dividend on Ordinary Stock.

In connection with this you will remember that in promoting our Bill we expected to get six per cent. on all our Ordinary stock. Parliament, however, divided old stock from new in this respect, and, while allowing six per cent. on future issues, fixed five per cent. for the present stock. It was a disappointment, but, after all, recognition of the new principle goes a long way to compensate existing shareholders for the limitation to the lower figure. These rates have become a cardinal feature of our new charter, and will remain undisturbed, even though the unexpected course of events may impel us to seek in due course a revision of the present figure now constituting a fair or basic price for gas. In future, therefore, your five per cent. or six per cent., as the case may be, will be assured under all circumstances, and what you will receive in addition thereto will vary according as trading conditions fluctuate.

The new Act removes another injustice which I must not omit to point out. Under the old sliding scale, if in any quarter—say, the heaviest one of the year—gas is sold at a lower price than in the succeeding and light one, no account of this is taken as regards the half-yearly dividend, since the highest price charged in the period is the governing factor. By the new Act, however, should a price below the basic figure be charged during any period of the year or half-year, a proportionate advantage accrues to the shareholder and the employee in the manner described; moreover, a share which is based upon the actual monetary advantage enjoyed by the consumer. An example is, perhaps, better than what I fear is a somewhat involved description. If all our gas supplied during 1920 had been sold on the new basis and at the price charged during the last quarter, the extra return on capital would have been over 10*s.* per cent.

Turning now to the accounts, we find ourselves confronted with some very striking figures. Our expenditure is now over £5,000,000 per annum, of which salaries and wages account for over two millions, and coal for another two and one-third millions, of which probably two-thirds is also for labour. Our gas and fittings rental only provides us with three and a-third millions to meet this, and we should not have balanced expenditure with income had it not been for the remarkable buoyancy of residuals. The high-water mark of these has passed and a strong ebb set in, the extent of which it is impossible to forecast. Unfortunately the miners' strike ruined for this season our export trade in coke, on which we largely rely for our ability to meet our heavy coal bill.

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Decontrol of Coal.

We regard with satisfaction the coming decontrol of the mining industry. Our coal supply has never been of worse quality than during the period its production and distribution has been under Government control, and furnishes one more example of the invariable result with which most people have become acquainted during the last few years—namely, that the more completely an industry is in Government hands the less efficient does it become. In such matters the country's interests become nobody's interests, with results of a kind to which the report refers, while the public suffers and pays. With the coal supplies again in private hands, we shall be able to exercise some influence for the improvement of its quality. In one important respect, however, it is to be hoped an invaluable lesson has been taught us by the War. Before 1914 much of our best coking coal went abroad that should have been retained in this country for conversion into by-products. We can carry out this conversion every bit as well as the Germans, who would then have to purchase from us such products as they required and we could spare, while we should retain the profit on working, the advantage of more employment and increased production of liquid fuel and tar products.

Continued Increase in Business.

Our business not only continues to increase, but its basis broadens, and developments for industrial uses grow in a variety of directions. The proposals of the Fuel Research Board are now fairly widely known and understood. They were based upon the simple and equitable principle of giving value for money whatever quality of gas it was desired to supply. A statement made recently may be taken as an example of the unfairness of the old system. It was reported that we charged the same price for gas during fifteen months as a neighbouring undertaking. This was the truth, but not the whole truth, for the statement omitted to mention the fact that the heating value of this Company's gas was about fifteen per cent. greater than the other, though the charge per volume was the same.

It is satisfactory to note that the new basis of charge has met with widespread approval, and this is all the more satisfactory when it is remembered that the proposal was cordially supported by this Company from its earliest stages. Great praise is due to our staff for the admirable manner in which they set to work to demonstrate that the new system could be made a complete success, notwithstanding that a number of gas experts decided it to be impracticable. Not its least important characteristic is the fact that, for the first time in the history of gas supply, it will ensure gas being made and distributed of practically constant value, and thus relieve consumers from inconvenience and annoyance such as they have suffered in the past by reason of variations in quality. A department of the Board of Trade has now been constituted, with duties wholly pertaining to matters relating to gas supply, and the recognition of the right of this industry to be included to-day among the essential public services will go far to restore confidence in its possibilities for the future, a feeling which was rudely shaken during the War. The extension of the powers of the Gas Referees, hitherto metropolitan, to the country generally, will be of great advantage to the public by raising the general standard of gas supply, not only when in the hands of companies, but also—and this is certainly of equal importance—where undertakings are owned by municipal authorities.

I now beg to move: "That the report and accounts now presented be received and adopted, and the report entered on the minutes."

The Deputy-Chairman (Mr. Frank H. Jones, M.Inst.C.E.) seconded the motion, which was carried unanimously after some discussion.

Extraordinary General Meeting.

An extraordinary general meeting was then held to approve a Bill now before Parlimaent to amend the capital powers of the Company, and for other purposes.

The Bill was unanimously approved, and votes of thanks to the Chairman, directors, officials, and staff concluded the proceedings.

Home and Colonial Stores.

Sir Charles E. G. Philipps, Bart., presided at the meeting of the above Company held on February 10 at 4 Paul Street, Finsbury, and, in moving the adoption of the report, said that notwithstanding a very anxious year, during which the business world was harassed and distressed by labour troubles and very serious threatened and actual strikes, the directors were pleased to be able to present a report which showed an increase of net profits of £17,734 compared with those for 1919.

Trading showed a gross increased profit of just on £60,000, and this notwithstanding largely increased wages and other expenses. Expenses of management and provision for reserve against depreciation were greater, and the balance down of £167,023 net profit was about £18,000 in excess of that of 1919. They had added the sum of £26,702 to the reserve, which now amounted to more than half a million. The quarterly dividends on the Six per Cent. Cumulative Preference shares, the Fifteen per Cent. Cumulative Preference shares, and the Fifteen per Cent. Cumulative Ordinary shares absorbed £129,000. After paying the interim dividend on the "A" shares and Government duty on the new issue, there remained a balance of £92,643, out of which the directors proposed the payment of a dividend on the 400,000 Ordinary shares at the rate of fifteen per cent. per annum for the six months ended December 25, 1920, to add to the Company's benevolent fund £6,000, to provide for income tax £25,000, and to carry forward £31,643. The quarterly dividends, which were £5,400 more this year, arose from the issue of the balance of the Six per Cent. Preference shares, to the amount of £90,000 at par. With regard to the appropriation of £6,000 to the Company's benevolent fund, he observed that that fund, which was formerly called the Company's sick fund, was of immense value to their employees, and owing to the increase in the numbers of their staff, and the higher cost of living, called for a substantially larger contribution from the Company. He felt sure all would rejoice in the abolition of the excess profits duty, which hung as a dark cloud over the business world, and was especially oppressive in the initiation of new industries.

In conclusion, as their oldest director, he ventured to express his warm appreciation of the able and increasing work of his colleagues, most of whom were in reality managing directors, and to whose zeal and skill the progress and success of their Company was in no small measure due. In saying that, he did not forget for a moment the loyal and wholehearted assistance they received from the staff, for whom the board very rightly asked the shareholders' kind appreciation and thanks.

The report was adopted, and at an extraordinary general meeting subsequently held certain alterations in the Company's articles of association were approved.

Carreras, Limited.

The seventeenth annual general meeting of Carreras, Limited, was held on February 10 at the Arcadia Works, City Road, E.C., Mr. Louis B. Baron presiding.

The Chairman, in moving the adoption of the report and accounts, said: The period under review has been attended with many changes and with much difficulty. Depression has taken hold of almost every industry, and our trade has not escaped; the volume of business has been reduced, but unfortunately costs of production have not fallen at the same time; raw materials and all other items, down to the smallest detail, have been higher than ever; the standard of wages has increased and the rates of exchange have been very much against us—particularly the American exchange, which affects practically the whole of our raw material. Our losses in rates of exchange have been very heavy and have had a serious effect on our trading profit.

In view of these adverse conditions, I think that on studying the accounts you will agree that we have come out very well on the year's trading, and, with the exception of last year, our dividend is the highest we have ever paid. Turning to the balance sheet, stock stands at a much higher figure than heretofore, and this is almost entirely due to the big stock of leaf tobacco we have on hand.

It is impossible to forecast the course of events for the coming year. The wave of depression still continues both at home and abroad, but our financial position is very strong, and our resources will be more than equal to withstand the strain of these difficult times. With regard to the new Baron cigarette-making machine, we were greatly handicapped in getting these machines on to the market by the ironmoulders' strike and the financial difficulties of the engineering firm who originally contracted to build the machines for us. All these difficulties, however, have now been overcome, and the building of machines is going on smoothly and expeditiously. We have already supplied the machines to some of the largest manufacturers in the world, and we anticipate a considerable expansion of this side of our business.

It has always been our principle to make the best goods for the least money, and our Craven "A" cork-tipped cigarette, as well as the Turf Jubilee at 6*d.* for ten, will no doubt be a great success all over the world, but we must wait for more normal times and for things to settle down. Our business is done all over the world, and we work on the principle that the world is our field, but the adverse exchanges and depression everywhere have curtailed operations very seriously for the present.

I am confident that there is a big future for our business; it is impossible to say just now how long we may have to wait for our expectations to be realised, but present conditions cannot last for ever. We are watching the situation very closely, and when the opportunity comes I am convinced that the plans we are laying out and the efforts we are prepared to make will enable us to secure our full share of whatever business there is to be done and to enlarge the prosperity which has attended the Company since its inception.

Mr. Wm. J. Yapp seconded the motion, and it was carried.

British Motor Spirit Co., Limited.

Anglo-Texas President's Address.—Progress Report.

A MEETING of the shareholders of this Company was held on February 9 at 50 Pall Mall, S.W., to receive an address from Mr. Loomis C. Johnson, the President of the Anglo-Texas Oil Company and of the Louisiana Petroleum Products Company. Mr. Alfred Armitage, J.P. (the Chairman of the Company), presided.

Mr. Johnson, who was received with applause, in the course of an exhaustive speech, said: I am glad to have this opportunity of addressing the shareholders of the British Motor Spirit Company, Limited, during my short visit to your country, and to be able to inform you of the present position of your largest subsidiary, the Anglo-Texas Oil Company, Limited.

I have often been questioned as to the name "Anglo-Texas." The inclusion of the word "Texas" arose from our intention to acquire producing acreage in the fields of Northern Texas as well as in Oklahoma, but after a careful study with experts we decided only to go into Oklahoma as far as production is concerned, an action which I believe experience has justified.

Another question that has been raised very often since my arrival here is the stability of these Oklahoma fields.

I do not think it is understood that in this district of Oklahoma there are no less than seventy-four well-defined oil pools, and that Oklahoma has produced three-fourths of the output of the whole of the mid-continent fields, one-fifth of the entire output of the United States, and one tenth of the entire output of the world.

The Company's Proven Acreage.

Our proven acreage during the past twelve months has been increased to 348 acres, and, apart from the sixteen producing wells that we now own, we have a further thirty-six proven locations, all of which should be productive.

In many parts of Oklahoma, as is well illustrated on the Johnson lease belonging to the Anglo-Texas Company, the thickness of the sand from which the wells are producing is so great that, though the comparative daily production may seem small, yet it is of long life, and I believe will be producing at a time when the wells in Texas and Louisiana and elsewhere will be dried up and forgotten. We now have nine producing wells on this lease, and have proven up to two-thirds of the 160 acres, and though these wells are small producers, they are steady and have a long life. They can be drilled quickly and at moderate cost. It is the intention of your directors to push the development of this property expeditiously, to the end that its full capacity of production may be reached at as early a date as possible. The "Garber" pool, a new acquisition of the Company, was discovered in 1916, and has produced to the present time about 10,000,000 barrels. The present production of the field is about 300,000 barrels monthly. It contains eleven producing sands ranging in thickness from 10 to 75 feet.

As you know, the Company owns, further, the 40 acres comprised in the so-called Coleman lease, in township 15, range 11. West of the Coleman lease we have our acreage in the Bank allotment containing four producing wells, of which one is our famous Banks well No. 3, a well that has produced between 90,000 and 100,000 barrels of oil in the last year, and which is still producing in excess of 400 barrels a day, which production, through the proper treatment of the well, could be increased very materially.

Oil-Mining Profits.

I know of no company of the size and age of the Anglo-Texas Company the prospects of which are so bright. We have only been running since January 29 last year, and the oil-mining profits for a period of ten months to November 30 last amounted to $524,626, being at the rate of $629,551 for twelve months, or, at the current rate of exchange, £164,373.

After one year of planning and seven months of mounting costs, labour troubles, and disorganised transportation, I am pleased to be able to inform you that the refinery has been completed, with a capacity of 3,000 barrels a day, and is as efficiently built and equipped as any other refinery of its size in the United States.

The refining stills in this plant have been in successful operation at the Home Petroleum Company in Oklahoma City since September 1919. The estimated earning of our Louisiana plant, based on experience tables compiled at the Oklahoma City plant with crude costing us $3 per barrel—and in this connection you will note that we are buying Louisiana crude at the plant to-day for $2.60 per barrel—is $2.29. In other words, running at full capacity, with gasoline at its present depreciated winter price of 20 cents per barrel, the refinery will earn approximately $60,000 monthly. Of this amount, 25 cents for each barrel of crude refined must be used to retire the $415,000 of Preferred stock, all of which is owned by your Company. This will leave $37,500 monthly for the Common stock of the Company, of which $15,000 will come to the British Motor Spirit Company on the forty per cent. of the Common stock held by it. These earnings will be equivalent to twenty per cent. net on the Common stock.

A hearty vote of thanks to Mr. Johnson for his interesting address and to the Chairman for presiding concluded the proceedings.

The Modern Burglar's Methods—

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Tamiang Rubber Estates, Limited.

Boekit Boendar Purchase Approved.—Costs in Sumatra.

THE eleventh annual ordinary general meeting of the Tamiang Rubber Estates, Limited, was held on February 9 at the Offices of the Company, Mincing Lane House, 52 Fastcheap, London, E.C. 3. Mr. Frank Coleman the Chairman presiding.

The Chairman, in moving the adoption of the report and accounts, said that expenditure for the year had amounted to £49,586, an increase, allowing for the different form in which the figures were presented, of £9,601. That increase was not entirely due to the substantial increase in crop, but partially to the substantial advance in salaries of European staff in Sumatra as from the commencement of last year, and further to an increase in coolie wages and local taxation. The rise in the cost of production in Sumatra was giving many of those interested in estates there much anxiety. He sometimes wondered whether the Netherlands Indies Government and the local body, known as A.V.R.O.S., which settled questions of wages and so forth, realised that Sumatra was in competition with Malaya and Ceylon. The Netherlands Indies Government had by its fair dealing in the past attracted much British and American capital to Sumatra—he believed that it represented more than half the total invested in Sumatra.

There was no discrimination in the matter of taxation between their own citizens and those of other countries, but there had been certain increases in taxation, and more were threatened.

Losses on Rice and Exchange.

The most serious losses which had befallen them during the past year were, however, those on rice and on exchange. The loss on rice was £15,405 and on exchange £10,701—together equivalent to no less than 6.08*d.* per lb. of rubber. Exchange had, however, materially improved, and the rice position was now very much easier. Dealing with the accounts, the Chairman pointed out that the balance on profit and loss was £9,185, which it was proposed should be carried forward. During the year £8,687 had been added to "cost of estates and expenditure thereon," while "buildings and machinery" had been written down to the nominal figure of £1. When he told them that the total depreciation written off that item since the formation of the Company amounted to £27,385, mostly out of revenue, he thought the shareholders would be inclined to commend the directors on their conservative policy. The crops harvested during the year had been 1,027,245 lb., against an estimate of 950,000 lb., and for the current year they would be entitled to harvest under the restriction scheme of the R.G.A. 916,140 lb.

Forward Contracts.

The crops harvested between October and January had amounted to 320,895 lb., and in view of the extremely low price at which rubber was standing to-day, it was with some satisfaction he was able to inform them that their forward sales for the financial year 1920-21 amounted to 356,160 lb. at approximately 2*s.* 4¾*d.* per lb. London equivalent. They had sold forward for the concluding three months of the current year at about the same average price. Part of the July-September contracts had been covered by repurchase realising a profit of 1*s.* 7¾*d.* per lb. As to the immature area of 1,427 acres, 39 acres were planted in 1917, 741 in 1918, 186 in 1919, and 461 in 1920 and January 1921. It was not proposed to extend the planted area unless they had a surplus of labour. The estate had been kept in a perfect state of cultivation, and the policy of clean weeding had been pursued throughout.

He was so thoroughly impressed with their estate that he had at once devised a scheme for the complete planting up of the remaining areas, amounting to over 5,000 acres, but when he arrived home the rubber position had changed so seriously that he was afraid that his carefully prepared scheme would never see the light of day. What they were going to propose that day, however, would in a measure take its place.

The Chairman then moved a resolution authorising the directors to enter into an arrangement for the purchase of the undertaking and assets of the Boekit Boendar Rubber Company, Limited, and the modification of the rights of the holders of Debenture stock of that Company. In doing so, he said that the directors had gone very fully into the matter and had the utmost confidence in recommending the shareholders to acquire the property referred to.

It was fair also to say that when the Boekit Boendar estate was in bearing it would be worth anything from £10 to £20 per acre more than the Tamiang estate was, because they would come into possession of an estate in bearing upon which all the strictly capital expenditure had been incurred prior to the period at which it arrived in bearing instead of out of revenue. The directors of the Tamiang Company could bring the Boekit Boendar estate into bearing at a far less cost than that Company could possibly do. There would be no London charges or directors' fees, and there would be a material saving in administration, as there would not be a separate manager. Moreover, they would be able to transfer the coolies from one estate to another. In some four or five years they would have 6,000 acres in bearing at well under £50 per acre.

The Chairman then moved: "That the capital of the Company be increased to £400,000 by the creation of 200,000 new shares of £1 each."

This was seconded by Dr. Swart and also unanimously adopted.

Lennards, Limited.

(BOOTS AND SHOES.)

THE twenty-fourth annual meeting was held on February 8 at the Grand Hotel, Leicester.

Sir Thomas J. Lennard, J.P. (Chairman), presided, the other directors present being Messrs. J. W. Goddard, J. G. Chattaway, T. Singlehurst, Percy Steadman, H. B. Sharman, and J. E. Hazzledine (Secretary).

The Chairman, in proposing the adoption of the report and balance sheet as printed and certified, said:—

A year ago I especially brought to your notice four things—the strengthening of our position; the necessity to increase dividends; my personal efforts to prevent prices advancing; and the spirit of waste in high places.

The Position Strengthened.

Capital and Labour are jointly interested in every proposition for the material welfare of our industry, but it is amazing how the prosperity or adversity of one trade will affect other trades. Therefore our statesmen have to consider industry from the national standpoint; indeed, since the Great War they have to consider it from the standpoint of the Empire. The building trade especially affects us, because we manufacture boots and shoes and supply them direct to the public in our own retail branches (nearly 200). The cost of building has so increased that it is wise to own our freeholds. This was impossible on the same capital; therefore during the year we promoted a subsidiary Company.

Every penny of that capital has been paid up, and it will be a most useful auxiliary. You will observe that we retain the whole of the Ordinary shares in that Company. That will for ever ensure us security of tenure of those properties. Not only that, all increment in the value of those freeholds still belongs to this Company, although we have actually conveyed them to the new Company. You will notice the "capital reserve" of £150,000 and the "ordinary reserve" of £50,000.

Dividends.

The fact that I would not advance prices last year—you will remember my statement that we stood really in the position of "trustees to the public"—made our task a little easier when prices did fall; but we have made heavy and substantial reductions, and are determined that the public shall always obtain the finest possible value at our branches.

For twenty-four years our Ordinary shareholders have been satisfied with a moderate dividend, while we wrote off our goodwill and built up our reserve funds. Now the board are glad to propose that the Ordinary dividend be increased to twenty per cent., but do not forget that the same people hold Four per Cent. Debentures. The injustice of the excess profits duty is at length recognised, and if the corporation tax is to remain it must be applicable to all trading and profit-earning concerns. To select limited companies (who have paid heavy stamp duties) and to exempt private traders (who have paid no stamp duties) is the height of folly and injustice.

The Spirit of Waste.

Is a demon to be exorcised? It is not only in high places: it is in low places, and the whole nation has got to realise that only by industry and economy, with the maximum production, can we obtain that prosperity which we desire. Be satisfied with small things if they are sure. Let every citizen of all grades use his utmost endeavour against the wicked and useless waste of strikes. Make your member of Parliament realise that *your* next vote will depend upon whether *he* votes against big wild-cat idealist schemes that are certain to need millions of cash, but the income from which is doubtful and nebulous. I make no apology for this appeal as part of a business annual statement. The Government coat must be cut from the taxpayers' available cloth.

The Report.

A record year's turnover.

A record lowest per cent. of gross profit made.

A record of highest per cent. of wages paid.

The net profit is £50,402—that is, after payment of Debenture interest and making provision for income tax, excess profits duty, corporation profits tax, and all depreciation. We brought forward £45,876, so that we have to allocate £96,278. Trade creditors are, as usual, "nil." After paying the Preference dividend of six per cent., we propose to increase the Ordinary dividend to twenty per cent. Your six directors receive the total moderate sum of £1,000. The staff receive a special bonus of £1,000, £31,632 is carried to reserve, and the balance of £30,146 is carried forward.

The report was adopted, and a vote of thanks to Sir Thomas Lennard and the staff concluded the proceedings.

Transvaal and Delagoa Bay Investment Company, Limited.

(Incorporated in the Transvaal.)

Abridged report of proceedings at the ordinary annual general meeting of shareholders, held in Johannesburg on Thursday, November 25, 1920.

The Chairman (Mr. S. C. Black) addressed the meeting as follows :

Gentlemen,—In submitting the report and statement of accounts for your adoption, you will find that they disclose the result of a satisfactory year.

The realised net profit, after writing off £6,772 15*s.* 2*d.* for depreciation, and making provision for Government and other taxes, amounts to £88,815 2*s.* 9*d.* We brought forward from last year £80,192 18*s.* 2*d.*, making a total to credit of profit and loss account of £169,008 0*s.* 11*d.*

The profit shows an improvement compared with that of last year, mainly due to an increase in the output of 153,111 tons of coal, obtained by the employment of more mechanical means and manual labour than in the previous year.

We recommend a dividend of twenty-five per cent., equal to 5*s.* per share, free of Union of South Africa dividend tax. This will absorb £46,250, leaving to be carried forward £122,758 0*s.* 11*d.*

The financial position of your Company, as you will see from the accounts, is a strong one. Cash and equivalent assets, less creditors, amount to £187,299 14*s.* 1*d.*, and, in addition hereto, shareholdings amount to £92,579 2*s.*

As you are aware, the policy of your board in past years was one of prudent direction and management, which has enabled us to acquire valuable assets at reasonable prices, and in 1918 place £100,000 to a reserve fund. We are of opinion that the time has now arrived to afford shareholders the benefit of some of the Company's undistributed profits, by the issue of 92,500 bonus shares, which will be distributed in the ratio of one new share for every two shares registered in the books of the Company on November 25, 1920. For this and other purposes the extraordinary general meeting of shareholders has been convened to follow immediately at the conclusion of the business of this meeting.

The balance sheet discloses the respective items with usual clearness, and needs but little comment on my part.

The Transvaal and Delagoa Bay Collieries

output of 960,611 tons of coal, as compared with 807,500 tons in the previous year, is the largest we have yet done. Our record in any one month reached the total of 86,404 tons. In fact, we hope within the next few months to reach a monthly output of about 100,000 tons.

With the exception of some dislocation of railway traffic during a strike of railway employees at Delagoa Bay, the truck supply to the coal mines—considering the difficulties under which the S.A. railways laboured—may be said to have been fairly satisfactory. Additional locomotive power is promised for early next year, and it will enable greater expedition in moving coal traffic than hitherto.

The Transvaal Coal Owners' Association, of which your Company is a member, disposed of 6,567,485 tons of coal, compared with 6,081,018 tons in the preceding year. When the three factors, collieries, railways, and harbours, can deal with greater tonnages than is possible at present, doubtless the Association's activities will also expand. They have done everything in their power to attract customers from overseas, and I feel it my duty to point out that the coal industry, which needs considerate treatment by Government if it is to prosper and expand, has reason to complain that, during the year, the increases in the rates for the conveyance of coal on the S.A. railways for shipping and export purposes have been excessive, and were often suddenly sprung upon the collieries at a few days' notice.

In the directors' report we refer to a participation in the underwriting of 40,000 shares in the South African Iron and Steel Corporation, Limited, a company formed with a capital of one and a-half millions sterling. With our previous shareholding, we shall be interested in the enlarged company to the extent of 53,000 shares. The new Corporation marks the beginning of a serious attempt in South Africa to produce its own iron and steel on a large scale. Substantial encouragement has been received from Government, by an agreement whereby this Company will secure a not inconsiderable share in the supply of the Union's railway requirements, which agreement was duly confirmed by the Parliament of the Union of South Africa at its last Session. There are, in addition, the needs of the mining, agricultural, and other industries, whose requirements of iron and steel wares form a very considerable portion of South Africa's imports. Doubtless the Corporation will in time supply most of these with its products, at cheaper prices than at which they can be imported from other countries.

I now beg to move that the directors' report, balance sheet, and profit and loss account for the year ended August 31, 1920, be received and adopted.

The motion was put to the meeting and carried unanimously.

The declaration of a dividend of twenty-five per cent., equal to 5*s.* per share, free of Union of South Africa dividend tax, for the year ended August 31, 1920, to all shareholders registered in the books of the Company on November 25, 1920, was carried unanimously.

The retiring directors, Messrs. William Dereham, Julius Berlein, S. C. Black, and W. J. Dold, and the retiring auditors, Messrs. E. Danckwerts and Company, were re elected.

South-Eastern Railway Company.

British Railways Hampered by Government Interference.

The ordinary general meeting of the South-Eastern Railway Company was held at Cannon Street Hotel, E.C., on February 11, Mr. H. Cosmo O. Bonsor (the Chairman) presiding.

The Secretary (Mr. Chas. Sheath) having read the notice convening the meeting,

The Chairman, in moving the adoption of the report and accounts, said that the Government had taken over the control of all the railways at the outbreak of war, under the Act of Parliament of 1871. The clause which settled the compensation to be paid, stated that full compensation would be paid for any loss or injury that might be sustained as might be agreed upon between the Secretary of State and the railway or, in case of difference, might be settled by arbitration. That clause had been renewed in the Act of Parliament, 1919, establishing the Ministry of Transport. The Ministry of Transport had stated that the policy of the Government was to hand back the railways to private ownership and management in their pre-War state of solvency. They were now in a state of suspense, and the immediate future caused them much anxiety. Control was to cease in August next, and a Bill was to be introduced early next Session to define the future of railways.

Government Proposals Impossible.

A White Parliamentary Paper had been issued, but the Minister had made it clear that the various proposals had only been intended to convey an outline of the intention of the Government, to which the Railway Companies' Association had made a reasoned reply. The proposals were impossible; they, in fact, nationalised the railways, the companies being left to take all the risk. At the same time, the railways were tied down by so many regulations as would render their efficient management impossible. The White Paper contained a proposal for the grouping of the railways, and the railways south of the Thames were suggested as forming one group. It was understood that they were to be amalgamated into one company. They had had experience that the Expense of Stamp Duty rendered such a proceeding impossible, and there was no suggestion in

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the White Paper how that expense was to be found. They knew from experience that the public got the first benefits of grouping; efficiency came before economy, but both cost money, and where was the money to come from. Under the proposed conditions it would be impossible to raise fresh capital. They were willing to accept the principle of grouping provided that it could be carried out without expense, and that they were in a sufficiently solvent position to get the beneficial results. The Ministry of Transport proposed to create that solvency by raising rates and fares, and passenger fares had been raised seventy-five per cent. on their pre-War figures and goods rates 112 per cent. Those increases were estimated to bring about an equilibrium income and expenditure on all the railways in the United Kingdom. It was early to discuss what the effect would be on the railways; they no longer had a monopoly as carriers, and road competition for both passenger and goods was existent. On their system the increases would not put them into a solvent position, but other systems, which had a long haulage and heavy goods traffic were in a more favourable position. They relied principally on passenger traffic for their revenue, for profit-earning their Metropolitan traffic run for the benefit of the public had gone. Their suburban traffic was hit by omnibus and tramway competition, and the question which caused anxiety was whether the increase of fares would not further reduce the number of travellers.

The Railway Situation To-day.

As for the position to-day, the Government during the period of their control had increased the costs of working without consulting the directors, and had increased the amount to one the business could not possibly carry. Salaries and wages on the S.E. and C.R. amounted in 1913 to £1,753,733, and in 1920 to over £6,000,000. There had also been increases this year which did not all show in the 1920 figures. There were arrangements establishing those increased charges, and the Ministry of Transport had directly ordered them to give effect to them. Whilst those charges remained the business could not be worked at a profit. He could not imagine that any Government could propose or that Parliament would pass a measure to bring about such a disastrous result.

To sum up the situation, the railway companies were entitled to receive full compensation and to be placed in their pre-war position as regarded earning power and solvency. British railways had been entirely built by capital found by private investors, they had had no Government assistance. On the contrary, they had been often hampered by Government interference, and the reward of the investor had averaged about four per cent. interest on the whole of the capital invested. The war could not have been carried on for one day without the railways. Their railway and the Chatham Company had run 900 special trains a week for the Government on the average throughout the War. At the outbreak of war, the companies had willingly accepted the proposals of the Government and, while the service rendered had been most efficient, the reward for the stockholders had been a terrible depreciation in the value of their property and a prolonged period of grave anxiety. They had been patriotic during the War, and they wanted to be patriotic now. They only asked for equity, and it was impossible under the present disturbed and abnormal conditions to arrive at permanent arrangements. Therefore he said to the Government, "Give back the railways to their owners," free them from vexatious restrictions, allow them to charge what rates and fares would bring in the biggest revenues, give them freedom to make arrangements with their own employees as to the amount the business could afford to pay, and guarantee them for a period their pre-war income until the management was able to find its own salvation.

He was a taxpayer as well as a railway shareholder, and was confident that the cheapest arrangement for the State was for the Government to come to an agreement with the companies on the financial clauses of the Bill. He shuddered at the result which the proposals of the White Paper would bring about, and had every hope that when they saw the Government's intentions in their Bill their anxiety would be removed.

The report was unanimously adopted, and the usual formal business transacted.

South Eastern and Chatham Railway Companies' Managing Committee.

A Joint General Meeting of the South Eastern and Chatham Railway Companies Managing Committee was held yesterday at Cannon Street Hotel, E.C., Mr. H. Cosmo O. Bonsor, the chairman, presiding.

In the course of his speech he said that it had been decided that their views on the present position should be stated, not at this meeting, but by the respective chairmen at the separate meetings of the two companies which would subsequently be held. He might add that both boards were absolutely unanimous as regarded the policy to be pursued and the conditions which they must require when control ceased. They had no difference of opinion amongst them as to the position which they occupied.

There was no resolution before the meeting.

London, Chatham and Dover Railway Company.

The ordinary general meeting of this Company was held yesterday at Cannon Street Hotel, the Right Hon. Sir William Hart Dyke, Bart. (Chairman of the Company), presiding.

The Chairman said that there was a balance available for dividend of £412,919, as compared with £423,538 for the year 1919. Out of this balance the directors recommended a dividend of £2 5*s.* per cent. for the half-year on the Arbitration Preference stock, which, with the interim dividend of a like amount paid in August last, would make the full distribution of £4 10*s.* per cent. for the year on this stock. They also proposed that a dividend of £3 per cent. be paid on the Second Preference stock for the year 1920, as compared with £4 per cent. for the previous year. Alluding to the grouping system, the Chairman said it had become apparent that in the application of the scheme as drafted there was a very grave discrepancy between the great majority of the companies, and a minority—of which that Company's proposed group formed a conspicuous part. The distinction arose from the fact that on those systems where goods traffic predominated the increase of income produced by the raising of rates was largely in excess of the increase of income of those railways which derived their principal revenue from passengers—fares having been raised seventy-five per cent., while goods rates approximated 112 per cent. Theirs was essentially a passenger group. He desired to call serious attention to the hazardous position in which they might be placed. They would have to secure a very large increase of income to meet wages and other expenses and replace their undertaking in the position it occupied in 1913. In the further raising of the already high fares a breaking point might be reached at any moment, resulting in a great diminution of traffic. The taking over of their own railway by the Government in 1914 was a cruel fate. Owing to the heavy expenditure in the construction of their line, and some millions spent since the Working Union in developing the system which did such splendid service in the War, their 5,000 Ordinary stockholders had waited vainly some fifty years for a dividend. In 1913 their accounts showed that only £26,000 was necessary before their Ordinary stock could rank for dividend. Any proposal which failed to replace these stockholders in the position they occupied in 1913 would be a cruel breach of the pledge given by the Government. They had every right to demand simple justice when Parliament decided their fate.

The Right Hon. Viscount Chilston, G.B.E., seconded the resolution, which was unanimously adopted.

Dunlop Rubber Company, Ltd.

A Record Year and Prosperous Outlook.

The twenty-second ordinary general meeting of this Company was held at the Hotel Cecil, Strand, London, W.C., on February 11, Mr. F. A. Szarvasy (Chairman *pro tem.*) presiding. There was a large attendance of shareholders.

The Chairman, in moving the adoption of the report and balance sheet, said that the Company had had a record year, and large profits had been earned. The Company to-day had a subscribed capital of £18,000,000, and in respect of this a total sum of £18,500,000 had been, or would be, received in cash, so that, in spite of the bonus shares distributed, the capital was represented by real assets. This was the more evident from the fact that the net surplus of assets over liabilities, after allowing for stock, &c., taken at to-day's market price, was represented by about £18,000,000, or sufficient to cover the Preference and Ordinary share capital at 20*s.* in the £. About the end of November last he was asked by the board to investigate and advise, and he would outline the suggestions he had made to cope with the present situation. All the members of the board who in the ordinary course were liable to retire by rotation year by year had tendered their resignation to him, so as to leave absolute freedom of action. (Hear, hear.)

Keen Demand for Funds.

At the time he was consulted it was assumed that the primary difficulty lay in connection with the American enterprise, for which funds had to be provided, but a close examination of the home Company's affairs soon disclosed that assistance was required to finance forward rubber and cotton commitments. America was clamouring for funds requisite to complete building operations and the equipment of the factory, and receivership was threatened. Funds were also required for the home Company, which required about £2,000,000 to complete various programmes, and there was the liability ahead in respect of raw materials. At the same time, the sale of tyres fell off considerably, and the adverse effects of a quantity of faulty Magnum tyres, which, somehow or other, found their way on to the market, was also severely felt. The causes of these defects were ascertained and removed some considerable time ago. As the borrowing powers of the Company were limited to £3,000,000, shareholders would appreciate that prompt and far-reach-

ing decisions had to be taken without any loss of time. The Company was in the throes of a domestic crisis, which, though only part of a world crisis, was none the less severe. He advised the board to concentrate all efforts on safeguarding the home Company's position, and to treat America, the most important in itself, as a secondary problem. Two of the executive directors left for America before Christmas, and negotiations were entered into with American banking interests for the provision of funds, with a favourable result. He then approached his excellent friends, the London Joint City and Midland Bank and Lloyds Bank (who were the bankers to the British, Foreign and Colonial Corporation, Limited) for the provision of the necessary credits, and he wanted to pay public tribute to the splendid spirit shown by those great institutions when they recognised the true facts of the situation. (Applause.)

No Acceptances Outstanding.

It was an essential part of the grant of these credits that as soon as circumstances would permit the advances should be repaid. For this purpose he advised the board to seek permission to increase the borrowing powers of the Company, and then create a Debenture issue at a moderate rate of interest for an aggregate sum of £6,000,000, one-half of which should be issued to the public and the remainder utilised as collateral security for bank advances of a maximum of £2,000,000 if necessary, which would see the Company safely through the present period of depression. It was a matter for regret that in order to finance raw materials it should be necessary to borrow on a permanent basis, but the circumstances were such that it could not be avoided. This objection was, however, largely met by the Company taking powers to repay the Debentures at an early date, and thus, on a return of favourable conditions, free itself of debt. The Company had to-day no acceptances outstanding; it had only used about £950,000 from its bankers, and that was secured on the final call on the shares offered in September last, due at the end of the month, which represented £1,125,000. Through judicious retrenchment, the sale of two cotton mills, and other economies which had been effected, the Company had paid its way, had taken up all raw materials, and would maintain its credit standing as high as ever. That was no mean achievement in the difficult circumstances when rumour had been so busy in trying to injure the trade and the world-famous name of "Dunlop." It would be seen that towards the close of last year a complicated situation had arisen, but, he asked, where was the primary origin for this anxiety to be found? A good deal of trouble had arisen through over-speculation in Dunlop shares based on exaggerated hopes, and carried out to a large extent on borrowed money. (Hear, hear.) The last issue of 3,000,000 shares seemed to have been applied for by some people without adequate resources, who, when the general financial situation towards October became somewhat critical, were forced to sacrifice their shares indiscriminately, and so the fall began. All sorts of exaggerated stories were circulated about the Company, but he had been assured by the directors that none of them had personally sold or bought shares in the Company during the last three or four months, and that no director had directly or indirectly had any transaction in rubber or cotton. At present the Company stood committed to purchases of raw materials, chiefly rubber and cotton, in anticipation of expanding trade which did not materialise.

New Issue of Shares.

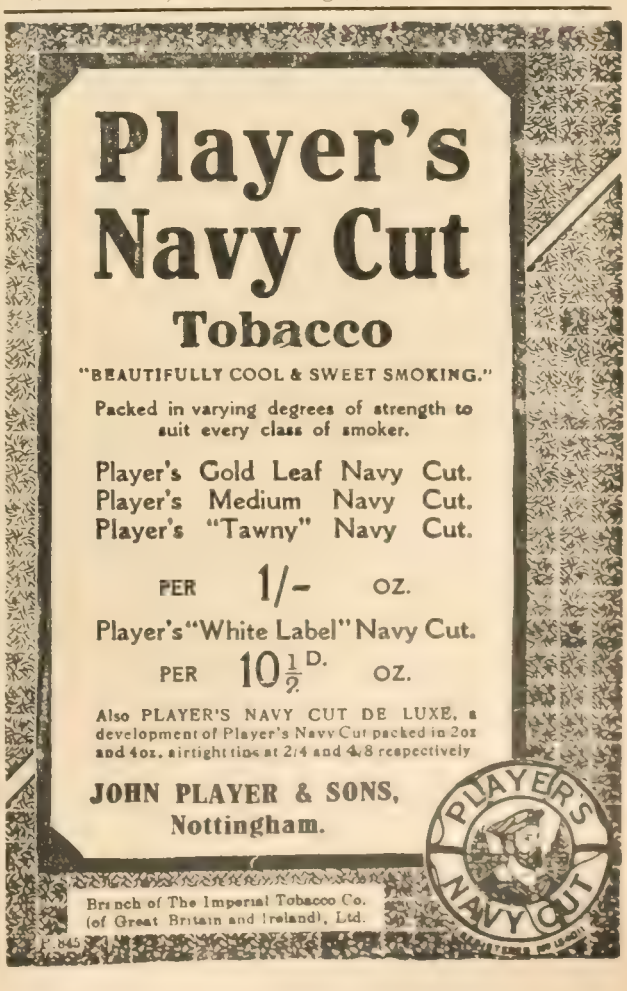
Dealing with the balance sheet, the Chairman said that since the accounts were made up there had been a further issue of 3,000,000 shares of 30*s*., of which all but the last call of 7*s*. 6*d*. had become due, and to a large extent had been collected. With the bank overdraft they had thus to account for £4,285,000 by further assets. About £600,000 had gone into freehold land, plant and machinery; £1,280,000 had been remitted to America, and the balance represented additions to debtors and stocks, mainly raw materials. It would be unwise to disclose the actual amount of raw materials in stock or to give particulars of forward contracts, but he might say that in the next balance sheet, with the carry-forward of £1,700,000 and the premium reserve of £1,500,000, there would be £3,200,000, subject to excess profits duty, and if the whole of the stock of raw materials were written down to market value that reserve would not be exhausted. If, as was proposed, raw materials were written down to market price, the Company would be well able to meet any fair competition, and shareholders must also bear in mind that the price of tyres had not fallen in proportion to the fall in raw rubber and cotton. Dealing with the investments in subsidiary undertakings, he stated that the total amount invested was £5,097,000—an increase of £3,090,000—and that figure had since been augmented by remittances to America.

Excellent Quality of Planted Rubber.

The Dunlop Plantations, Limited, owned an area of about 60,000 acres, of which 47,000 acres were planted and about 13,000 acres were in bearing. Taking £130 per acre for the area in bearing, and only £55 per acre for the planted area not in bearing, the value of the plantations would come out at approximately £4,000,000. The estates had been kept in good cultivation, and generally had come up to all expectations. He was told by their rubber experts that they had an exceedingly fine lot of planted rubber, and with a return to normal conditions in the plantation industry they should enjoy the prosperity which was their due. Regarding the D.R. Cotton Mills, these had now reached the capacity for meeting the whole of the Company's requirements in cotton cloths, and two of the mills had recently been disposed of, having fulfilled a useful and profitable purpose. The latest advice from the General Manager stated that he was well placed for orders outside of the requirements of the home Company. As to the French Company, new works had been acquired, and were being equipped. It was not anticipated that it would have to lean for financial assistance on the home Company. So far it had not contributed to the profits of the home Company, but there was every indication to anticipate better results.

Position in America.

As to the American Company, to which originally the home company had subscribed £1,000,000, in October last the board had been informed that proposals for financing it could not be carried through. The problem had arisen whether it would be better to leave the American Company to its fate and risk some competitive company in America acquiring the partly built works, together with the name "Dunlop." After anxious consideration, it had been decided to remit the sum of £806,000 to avert a receivership and give time for further negotiations. Two of the directors proceeded to America, and arrangements had been made whereby a bond issue of $6,000,000 had been created, and with this additional finance the position in America had been safeguarded. Further working capital would be required, and the intention was to issue bonds of $12,000,000 to $14,000,000, out of which the existing bonds were to be redeemed, and the working capital provided. The home company was taking a risk in allying itself so closely with the American enterprise, but it was a question of balancing one risk against another, and it would appear that the lesser of two had been chosen. If the reports and information placed before him would only materialise as to fifty per cent., that business ought, indeed, to prove a big success. Generally, from the details given, the shareholders must have formed an accurate idea of the enormous value of the Company's assets. It only remained to consider how far the present abnormal conditions would affect its future earning power. In working out the financial requirements of the Company during the rest of its financial year he had estimated that sales would be reduced by about forty-five per cent. compared with the previous year, and that simultaneously a shrinkage in selling prices would also take place. He considered this a safe estimate, but no one could look into the future, and trade might, of course, become even



worse than it was to-day, and here the one all-important question which had to be considered was foreign competition. A great deal of this came from the United States, and the remainder from Continental countries with a depreciated currency. It could hardly be called "dumping" in the usually accepted sense of the term, yet in its effect it was the same.

Tyre Imports.

The capital employed in the British tyre industry could be put approximately at £25,000,000, and it gave direct employment to more than 30,000 workpeople, and many more were dependent upon it in subsidiary industries. During the War the whole of the output of British manufacturers were taken by the Government, and this had proved to be of considerable advantage to American competitors. As the Finance (No. 2) Act, 1918, was originally drawn, tyres imported into this country were treated as motor-car accessories, and as such were subject to a 33⅓ per cent. duty. Tyres were, however, subsequently specifically excluded in Committee from that Act, owing to the existence of an agreement with the United States rubber manufacturers, which provided that all American rubber goods for the European markets should pass through Great Britain in order to prevent the possibility of such goods getting into enemy hands. This reason was now non-existent, and there was obviously nothing to prevent the re-inclusion of tyres under the provisions of the protective tariff. The tyre imports into this country from all sources for the year ended December 31, 1919, amounted in value to £2,053,423, of which the U.S.A. accounted for £459,419; for the year ended December 31, 1920, the total amounted to £5,572,971, including £2,392,608 from the U.S.A.; there was therefore an increase in total imports in one year of no less than 171 per cent., while the U.S.A. imports represented the enormous increase of 421 per cent.

As wages formed a large proportion of the cost of tyre production, and as wages on the Continent had not increased in the same proportion as was the case in the Birmingham district, where an increase of 177 per cent. in male wages was shown, it was obvious that Continental countries got this advantage in exporting tyres to this country, apart altogether from the additional help through the adverse exchange.

It was hardly conceivable that the present depression in the motor trade should be a permanent one, and though the number of what one might term "luxury" cars might not materially increase, there were such unmistakable signs of road traction developing most extensively in the future that it was bound to react favourably on the tyre industry. In any case, analysing the sales of the home Company, a lesser proportion only was represented by tyres supplied for new vehicles, and the larger item was the renewal trade, which was bound to continue and to increase in the future. In this respect it was interesting to glance at the remarks made by the Chairman of the United States Rubber Company when referring to the same subject. He predicted that there would be more tyres used in 1921 than there were in 1920, or than there were in any previous year in the history of the world. He also said he believed that the rubber industry, along with others, would gradually reach a healthy plane which would be satisfactory to both producer and consumer. Other eminent authorities had expressed similar opinions, and certainly indications were not wanting, even at the present moment, to confirm these views.

It would be idle for him (the Chairman) to pretend that during the past three months he had been able to do more than study the basic problems only of the tyre industry. At the same time, he felt convinced that unless one anticipated an utter collapse of trade in every direction this ought to be one of the industries which would recover sooner almost than any other, as it supplied a genuine need, and users of motor vehicles could not run their cars on bare wheels.

As to the question of the board, he held the view that as constituted to-day it was far too large to ensure the most efficient management. He thought it was essential that it should be reduced in number, and new elements should be introduced. Sir Guy Granet, a partner in Messrs. Higginson and Company, bankers, and a director and late general manager of the Midland Railway Company, and Mr. A. W. Tait, of Messrs. G. A. Touche and Company, chartered accountants, had accepted his invitation to join the board subject to the resolutions at to-day's meeting being passed. Sir Harry McGowan and Sir Henry Dalziel, M.P., would remain, and also himself, provided his election were confirmed, while a seat would be kept open for a representative of Irish shareholders.

Sir Henry Dalziel, M.P., seconded the motion.

Mr. James Thompson (Belfast), representing shareholdings of over £1,500,000 in the North of Ireland, and Mr. Rowan Watson, of Dublin, representing shareholding interests in that town and in the South and West of Ireland, expressed themselves as satisfied with the explanation given by the Chairman, and with the proposals for the future management of the Company.

The motion was finally carried, with two dissentients, and at an extraordinary meeting held afterwards resolutions increasing the borrowing powers, empowering the Company to guarantee payment of bonds, notes, &c., increasing the interest payable on the Preference shares, and modifying the voting powers possessed by those securities, were carried.

City of London Brewery.

The twenty-ninth annual general meeting of the shareholders of the City of London Brewery Company, Limited, was held on Friday at the Cannon Street Hotel, E.C., Alderman Sir G. Wyatt Truscott, Bart. (Chairman of the Company), presiding.

The Chairman, in moving the adoption of the report and accounts, said: Ladies and Gentlemen,—I desire to express my great pleasure in being once again the medium of the Board of Directors of presenting to you a satisfactory statement. (Hear, hear.) I often wonder whether shareholders read a report after looking first of all at the declaration of dividend and finding it satisfactory. I expect a large number of them do not do so; I may say that I do not. What we want to know is whether the result is satisfactory. If any of you have troubled to look at the items of the profit and loss account you will have noticed with considerable satisfaction that there is a drop in the first item on the debit side of general expenses. You will have seen that there is a very considerable drop also in the amount spent on the repair and upkeep of our houses. That does not mean that we have in any way neglected the very important duty of looking after our property, but it means that last year we spent an exceptional amount by reason of the fact that during the War it was impossible to do more than very little of that class of work. Then you will have seen that for the first time there is an addition to the amount drawn by the Government of £8,000 under the head of Corporation Tax. That, I suppose, will be, at all events for the present, an annual charge. Then the issue of the new shares costs £2,500 in round figures, an amount which is, of course, exceptional, and applies only to this particular year.

On the other side of the account you will have noticed that the profit from brewing shows a considerable diminution. That is due to the fact primarily of our having during the past year been using materials which cost considerably more than those which we had been using during the period of the previous two or three accounts. We had had the benefit of advantageous purchases of stocks, and on this occasion they had come to an end and we had to face higher costs of material. Of course, there has been, in addition, a considerable increase in the wages bill. Also the Government has increased the duty on beer during last year by 30*s.* per barrel.

In our report we give a foremost place to the fact that we have under serious consideration now the removal of the whole of the manufacture to the brewery at Fulham at a very early date. We think that the time has arrived—in fact, we feel sure it has—when we must proceed with this matter, because it would make such a difference to the cost of manufacture, and, of course, it would release for sale a most important site in the City of London. It is true that the cost of building will be considerably more than it would have been before the War, but we are proceeding on a modified plan. We are only going to provide accommodation which is absolutely essential at the moment, and when it is provided and the removal has taken place there will be undoubtedly great saving in our costs. As I have just said, the removal to Fulham will release the important City site for sale. There must be some regret in leaving a brewery which has been in existence for something like 350 years. Anyone who has the love of tradition in his soul must regret it, but one cannot ignore the fact that it is rather absurd to be carrying on our business of manufacturing on that expensive and valuable site when we have ready to hand, with a certain amount of adaptation, a very excellent site in the West of London. We have been on the site since the days of good Queen Bess, and there is no doubt that in the early days of the brewery the proprietors had their gardens running down to the river and had a very good time as residents in that locality.

Now, with regard to the site. It is nearly two acres in extent—and where will you find a property of two acres in the City of London all in one position?—and it is, moreover, only five minutes from the Bank of England—the very centre of the world. Then there are some very excellent buildings on the site, good substantial buildings for the most part. Well, you do not require to be told that the value of those to-day is very considerable—considerably more than the value which they represented some six or seven years ago. In fact, the whole site and its advantages are unique. There is a splendid river frontage which secures light for all time for the site, and I can fancy, if I were an auctioneer, what a splendid picture I could paint for you of the advantages of acquiring the site of the City of London Brewery in Thames Street without saying a word that was not absolutely true and borne out by fact. I anticipate, after the announcement to-day that the site is in the market, and that the directors are willing at once to enter into negotiation with anyone desiring to purchase, that we shall have quite a demand. It may not be a large demand, because there are not many people perhaps who want two acres in the City of London; but then we only want one purchaser, and I do not think it will be very long before we find him, and when we do find him we shall have turned into cash a very valuable asset, with the result which will be reflected in our accounts for many years to come—a satisfactory result.

Sir W. J. Peake Mason, Bart., J.P. (Deputy-Chairman), seconded the motion, which was carried.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1920,

Annual Income Exceeds - -	**£6,300,000**
Assets Exceed - - - -	**£19,000,000**
Claims Paid Exceed - - -	**£32,000,000**

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The Statist.

LONDON, SATURDAY, FEBRUARY 19, 1921.

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The Money Market.

Friday, February 18, 1921.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5¼	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6½	—	—
Bank Bills	7	6¾	6⅞	6⅞
Trade Bills	—	7–7¼	7¼–⅜	7⅛

MONTHLY BALANCE SHEETS AND BORROWERS.

Since the resumption by the banks this year of the publication of monthly balance sheets, based on weekly average figures, we have more than once drawn attention to the influence this proceeding was likely to have on Money-market conditions. This week its action was particularly pronounced; as the clearing banks were constantly calling in money the market was driven repeatedly to the Bank of England to borrow at 7½ per cent. It is well to consider, then, whether this inconvenience to borrowers is balanced by any good results in the direction of a sounder financial position.

Many, doubtless, looking at the matter only from the borrowers' point of view, will unhesitatingly criticise the action of the banks as causing unnecessary restriction. On reflection, however, and when a broader outlook is taken, the publication of monthly balance sheets by the banks, though it may occasionally involve more stringent conditions in the Money market, will be seen to have much to recommend it. Of course, if the object aimed at is to inspire greater confidence in the security of the banks, the measure is quite unnecessary, for the public have never been in doubt as to the soundness of the methods in use among the banking community; but we rather think that this action on the part of the banks, voluntarily undertaken be it remembered, has a deeper significance. It shows that the banks at present have no intention of relaxing that policy of restriction of loans inaugurated by them in the early months of last year, for, of course, in order to make a good showing in the balance sheets, a large cash reserve must be maintained, and this involves a more cautious policy as regards loans than was previously necessary. If this be true, then the banks are to be commended on their action, as it proves in them a disposition to forgo present benefits out of regard to the general financial welfare of the country, and this is a point that should be frankly recognised by adverse critics.

On the other hand, too severe a restriction in the matter of accommodation is to be deprecated out of regard to the present state of trade, an aspect of the matter we have never failed to emphasise; but, before attacking the banks on this point, it should first be clearly established that the feature under discussion is, in fact, causing undue restriction of trading activities. In this connection also it should be borne in mind that there is another factor making for stringency in the Money market besides the efforts of the banks to maintain a better reserve position, and that is the large Revenue collections customary at this season of the year. It is possible when this latter influence will have passed, at the end of next [illegible] in the price-level that has taken place will begin to be reflected in the Money market in increased demand for loans.

Finally, it is salutary to draw a contrast between banking conditions here and banking in the United States, especially as New York [illegible] from us that position of financial supremacy to which it returned before the War. Indeed, if this year alone is regarded, few will oppose any attempt of our banking authorities to restore a healthier financial position

for, in the United States, the Federal Reserve Banks publish a weekly statement of condition; the New York City Clearing Banks and Trust Companies have to issue a return showing the *average position each week*, while all are compelled by law to maintain a proportion of reserve to liabilities much higher than is customary here.

As indicated above, conditions were fairly stringent in the market during the week, and up to 6 per cent. was frequently paid for day-to-day money. To-day the market, of course, repaid to the Bank the amount borrowed a week ago; overnight money was called 5½-5¾ per cent., and weekly loans 5½ per cent. Discount business was dull, but on account of the state of the short loan market, rates were well maintained. Three months' bills were quoted 6⅛-¾ per cent., and two months' bills were dealt in at 6⅞-7 per cent.

Foreign Exchanges.

The upward movement in the New York exchange seemed to have lost none of its momentum this week, for to-day's quotations of 3.91½ for cables and 3.89¾ for cheques compare very favourably with those a week ago. Private advices from New York state that there is nothing to account for the movement on that side, so it is probably due to the optimism of speculators here. Undoubtedly, recent changes in our relation with the United States justify a higher dollar value for sterling than that obtaining some months back, but whether the present level of quotations indicates the true position is quite another question, to be decided by movements during the next few weeks. It is worthy of note that the value of the rupee is now down to 1*s*. 4⅛*d*., or only ⅛*d*. above the former parity. This provides an interesting comment on the ill-timed attempts of the Indian Legislative Council to raise the parity to 2*s*. gold. The latter would now represent a rate of just under 2*s*. 6*d*., showing a discount of 46.3 per cent. for the rupee at present. Perhaps the Government, in view of their failure to change permanently the value of the rupee, may now revert to their old policy and endeavour to stabilise the rate at 1*s*. 4*d*. Some of the "neutral" exchanges again moved adversely. The currencies of France and Belgium and some of the Central European countries show a satisfactory improvement on the week.

Income and Expenditure.

The volume of revenue, according to the latest return of Public Income and Expenditure, again shows a remarkable expansion. For the week ending on the 12th inst. the amount was £43,488,017, as against £32,356,271 for the previous week, an increase of £11,131,746. Expenditure at the same time declined slightly, with the result that the week's surplus of revenue, at £25,059,691, is £11,566,551 above the surplus recorded on the previous week, and is the largest for any week since the commencement of the year. The position thus shown gives ample promise of the fulfilment of Budget expectations, but, at the same time, there are two features of the return under review to which attention should properly be directed. The first is that of the total week's revenue £9,313,924 was due to "special miscellaneous receipts" comprising largely sales of Government stocks. This item last week totalled £654,574, so that the increase was £8,659,350, or, excluding this item, the increase in revenue during the week was only £2,472,396. The other feature referred to is a further serious contraction in excess profits duty receipts. How these have gone since the second week of January last is shown by the subjoined figures:—

Excess Profits Duty Receipts.

Week Ending	£	Decrease Each Week
Jan. 15	5,918,000	—
Jan. 22	5,812,000	1·6
Jan. 29	5,415,000	6·3
Feb. 5	4,662,000	13·8
Feb. 12	3,140,000	32·1

Evidently claims for refunding of excess profits duty are growing larger than is generally thought. The large amount of surplus revenue allowed for a substantial reduction of Ways and Means Advances outstanding, after providing for other repayments of unfunded debt. These were on a smaller scale than during the preceding week, being made up chiefly of excess maturities of Treasury bills over sales and renewals amounting to £4,111,000, and an issue of £1,622,118 for War Loans, Exchequer Bonds, &c., surrendered in payment of excess profits duty and death duties. Ways and Means Advances were reduced by £17,850,000 to £231,222,000; the liability to the Bank of England is £8,750,000 lower at £29,750,000, while advances by Public Departments were reduced by £9,100,000 to £201,472,000. The total floating debt shows a contraction during the week of £23,005,000 to £1,358,896,000. As compared with a year ago it shows an increase of £72,398,000. Since the beginning of the financial year the expansion is £46,691,000.

Currency Notes.

The movement in the currency note circulation during the week ending on Wednesday last contrasts strongly with the changes during the preceding fortnight. Recently, currency note movements have been rather puzzling. After the turn of the year the circulation began to contract rapidly, falling by nearly £25 million between December 29 and January 26, showing an average weekly decline of about £6¼ million. During the following two weeks the contraction was only a little over £800,000, but according to the latest return the net decline for the week ending on the 16th inst. was £3,619,142. It seems that, in the present period of comparative trade stagnation, there is a tendency for notes to remain in circulation longer than would otherwise be the case, and this probably retards the downward movement in the circulation initiated by the fall in commodity prices. With the weakening of the trade factor, however, financial influences have become more prominent, and a close correspondence can be traced between Government borrowings on Ways and Means and the movements in the note circulation; in fact, it may be said that the slowness with which the circulation was declining during the fortnight ended February 9 was due to the increase in outstanding Ways and Means advances by the Bank. Subsequently, as a reference to the Income and Expenditure Returns will show, some of these advances were repaid, and, accordingly, the decline in the note circulation became more rapid. It should also be noted in this connection that the movements here described were more marked in the Bank note circulation, which showed, not a decrease, but actually an expansion during the week ending on the 2nd inst. The total amount of notes and certificates outstanding on the 16th inst. was £335,497,304. This, though £29.4 million below the return of December 29 last, shows an increase of £9.4 million as compared with a year ago. The fiduciary issue at £287,547,304 is now more than £30 million below the legal maximum, and this should obviate the necessity for restrictive measures on the part of the Government for some time to come.

Bank of England.

The outstanding feature of the Bank return is an increase of £8,613,000 to £85,201,000 in "other" securities, indicative of the very heavy borrowings of the market during the week. This increase is the largest for any one week since the end of the second quarter of last year, being greater than the movement during any of the two closing weeks of 1920. Other movements worthy of note were a contraction in the note circulation of £1,179,000, as compared with £611,000 during the previous week, and an increase of £7,710,000 in "other" deposits. The latter feature, the probability of which we drew attention to last week, throws an interesting light on the movement in "other" securi-

ties already noted. The present total of notes outstanding, £127,810,000, compares with £132,851,000 on December 29 last and £93,646,000 a year ago. The movement of the reserve was again in a favourable direction, though, on account of the increase in liabilities, the improvement was not as great as on the preceding week. The reserve is £1,202,000 higher at £18,945,000, the highest since June 23, 1920, and the proportion to liabilities rose from 14 per cent. to 14.6 per cent., the strongest since the same date. Coin and bullion holdings show an expansion of £21,000 to £128,361,000.

Bullion.

To-day's parity price for gold is 105*s.* 6*d.*, showing a rise of 11*d.*, as compared with Wednesday last. The United States took all the supplies available in the market. This week there was a further decline in the quotations for silver owing to a diminished demand from the Indian Bazaars. This, again, was probably due to the heavy shipments of the metal which have recently been made to India from China and the United States, as well as from London. Though the Chinese New Year holidays have now terminated, the influence to be exercised by China still remains uncertain, but it is expected that the recent comparatively heavy accumulation of stocks in Shanghai will lead to some selling orders. As the demand was largely for forward shipment and cash supplies were increased by resales, the forward price was better maintained than that for spot, as a reference to the subjoined table will show.

The following are the market quotations for gold and silver for the past week:—

	Feb. 12	Feb. 14	Feb. 15	Feb. 16	Feb. 17	Feb. 18	Average
Silver (per oz. std. ·925 fine):—							
Cash	36¼*d.*	35⅝*d.*	34⅝*d.*	34*d.*	34⅛*d.*	33⅝*d.*	34·825*d.*
Forward ...	34⅜*d.*	34*d.*	34⅛*d.*	33⅞*d.*	34⅛*d.*	33⅜*d.*	34·021*d.*
Gold (per oz. fine) —	105/6	105/1	104/7	104/11	105/6	105/1·4	

Recent movements in the Indian Currency Returns are shown below:—

	Note Circulation Lacs	Silver In India Lacs	Gold — In India Lacs	Gold — Elsewhere Lacs	% of Metallic Res. to Notes	Government Securities — Indian Lacs	Government Securities — British Lacs
1921							
Feb. 7 ...	16,356	6,311	2,400	—	53·3	6,807	835
Jan. 31 ...	16,341	6,299	2,400	—	53·2	6,807	835
Jan. 22 ...	16,284	6,246	2,396	—	53·1	6,807	835
Jan. 15 ...	16,135	6,101	2,389	—	52·6	6,807	835
Jan. 7 ...	16,115	6,114	2,389	—	52·7	6,807	835
1920							
Dec. 31 ...	16,140	6,109	2,389	—	52·7	6,807	835
Dec. 22 ...	16,160	6,085	2,379	—	52·9	6,807	835
Dec. 15 ...	16,062	6,041	2,379	—	52·4	6,807	835
Dec. 7 ...	16,024	6,004	2,378	—	52·3	6,807	835
Nov. 30 ...	16,021	5,993	2,386	—	52·3	6,807	835
Nov. 22 ...	15,920	5,899	2,379	—	52·0	6,807	835
Oct. 31 ...	15,958	5,941	2,375	—	52·1	6,807	835
Sept. 30 ...	15,765	5,806	3,615	—	59·8	4,714	1,628
June 30 ...	16,134	4,555	4,348	249	55·7	3,525	3,727
March 31 ...	17,452	3,985	4,437	345	50·2	1,959	6,672
Jan. 7 ...	18,621	4,257	3,421	943	46·3	1,750	8,250

NEW YORK.

Reports from the United States as to the general situation are of a contradictory nature. There seems to be a growing body of opinion that the depression is almost at an end, but this seems to be based on the general assumption that the decline in commodity prices has proceeded sufficiently far, rather than on any tangible signs of an improvement. Many on this side are now looking anxiously to the United States for some prospects of a clearing of the present situation, arguing that, as the depression began in the United States, so the first signs of relief ought to come from there; but it should be borne in mind that the position of the United States, as well as our own, depends to some extent on that of outside countries. On account of the vastness of the national market in the United States, however, and the readiness of the Government to impose protective tariffs, its industrial situation is not so liable to be affected by foreign competition or by a decline in foreign demand as, for instance, our own position. On that account it seems likely that when the banking position has improved sufficiently a trade revival will quickly follow.

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After the stringency of a fortnight ago, Money-market conditions in New York took an easier turn, and during the present week the ruling rate for call money was again at the old level of seven per cent. Time funds were more plentiful, with a downward tendency in rates, but demand was not very keen. Prime commercial paper was quoted at seven and three-quarters per cent.

The latest weekly statements of the New York banks show changes the reverse of what took place during the preceding week. For the week ending on the 5th inst. the Clearing Banks were able to effect an improvement in their position at the expense of the Reserve Banks, whose reserve ratio fell in consequence to 35.3 per cent. Last week, apparently, the New York Reserve Bank was calling in from the member banks, and accordingly it has to record a ratio of total reserve to the combined Federal Reserve note and net deposit liabilities of 39.4 per cent.

As to details, the weakening in the position of the Clearing Banks was rather in the aggregate reserve than in the excess reserve, for the minimum legal reserve was considerably lower on account of a decline of $75,240,000 to $3,806,050,000 in net demand deposits. Recent movements in this item are worthy of attention; since January 8 the decline is $302,280,000. The latest amount recorded is $421,290,000 below the highest for 1920, returned on June 5; as compared with a year ago, it shows a decline of $335,640,000, and is the lowest since the week ending February 22, 1919. The fall in the aggregate reserve was $11,640,000, the latest total being $516,910,000, and, despite the large movement in liabilities, the excess over legal requirements was $1.9 million lower at $12,460,000. The actual position on Saturday last, however, was stronger than the average for the week, the excess reserve on that day being $19,350,000. A noteworthy feature was a further contraction of $68,370,000 in loans, discounts, and investments; the present total of these items is $5,054,540,000, or $202,430,000 below the level at the end of 1920, and $93,850,000 below the total of a year ago, being the lowest recorded since the end of August 1919.

The combined Federal Reserve Banks' statement registers another moderate improvement in the reserve position. Gold reserves rose by $10,030,000 to $2,121,980,000, the total reserves expanding by $16,070,000 to $2,342,200,000. Deposits rose substantially, but the circulation of Federal Reserve notes declined by $25,330,000 to $1,650,120,000, a total contraction of $294,270,000 since the commencement of the year. As a result of these changes the reserve ratio rose from 49·3 per cent. to 49.6 per cent.

Stock Exchange.

THE record of the past week in the House has been again one of extreme quietness. The boom foretold by some rash prophets on the removal of the Excess Profits Duty is still significantly absent. In marked contrast with the apathy of the Stock markets proper, has been the eager reception accorded to many of the recent new issues. The offer of £400,000 Eight per Cent. Debenture Stock by the Leeds Forge Company was subscribed twice over. The lists for the Melbourne Electric Supply issue of 30,000 £5 Eight per Cent. First Cumulative Preference shares at £4 15*s.* each were also closed early, and the Nottingham and Newcastle portions of the Four Towns loan were fully subscribed within four days. These results demonstrate that the public has the funds to invest if the terms of the issue are sufficiently attractive. On the other hand, the poor reception accorded to flotations of a semi-speculative nature indicate that the mere promise of an unduly high return on capital outlay has ceased to carry any weight. In the case of Nottingham and Newcastle the result is all the more surprising in view of the moderate success of the Commonwealth of Australia loan. Local patriotism is an important factor for such emissions, and the heavy subscriptions in these particular cases have most probably been the result of efficiently organised local campaigns.

Among British funds, Consols and the short-dated War Bonds showed lower, but Funding Loan and the various War Loans remained unchanged on balance, while Victory Bonds were quoted at slightly higher levels. County and corporation stocks and Colonial securities did not develop much activity.

Foreign bonds maintained a fairly general show of firmness though business was not always sufficient to test quotations. The outstanding feature was a general advance in Brazilian descriptions, consequent on the announcement that arrangements had been made for an international loan on behalf of the State of Sao Paulo. The total nominal emission is £6,000,000, of which London, New York, and Amsterdam will be responsible for £2,000,000 each, the issue being made slightly below par and redeemable at a premium. The full yield will substantially exceed eight per cent. Three leading British houses will co-operate in the flotation of the London portion of the loan.

Home Rail prices crumbled still further on the issue of the Colwyn report, and the references of the railway chairmen to the serious outlook for shareholders. The speeches at the company meetings have further emphasised the urgent necessity of a definite statement of the Government's intentions on the termination of control in August next. Among the London Electric group, Underground Electric Ordinary shares closed higher at 45*s.*, and the Income Bonds appreciated to 71, following Thursday's meeting. Metropolitans were also a strong feature on the favourable results for the year, and the probability is that the Common Fund results will be more favourable for the next twelve months. Among the Heavies North Westerns exceptionally rose a fraction towards the close.

Among Industrials a further all-round shrinkage in share values was registered. Heavy liquidation in Textile and Iron and Steel shares forced down prices considerably. Shipping and Motor issues continued dull but did not exhibit any alterations of note.

The renewed cheerfulness of the Oil market towards the end of the week made refreshing contrast with the gloom in other sections of the House. The recent cut in crude oil prices has now definitely ceased to be an adverse factor, it being generally considered that the big companies will not be affected by the reduction. Heavy American and French buying, particularly towards the close, brought about a sharp rally in prices, and the leaders all finished at higher levels.

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Mining Topics.

RAND JANUARY RETURNS.

FROM a financial point of view the returns from the gold mines for January have been of a disappointing nature, more particularly in contrast with those of December. On the other hand, as regards the quantity of gold secured there has been an improvement, the Transvaal output amounting to 651,593 ounces, as compared with 632,215 ounces for December. In part this increase reflects the increased working time available; but it is also the outcome of the customary and sadly-needed increase in the native labour force. At the end of January the gold mines had at their disposal 165,287 boys, or 5,616 more than a month ago. The fact that this greater output has coincided with inferior financial results is explained by the sharp fall in the average price on which the mines calculate the value of their gold. As compared with 115*s.*, which was the general figure adopted in December, the price per ounce for January is only 105*s.* Admittedly this is a rather conservative figure, as during the month, whilst gold was as high as 116*s.* 1*d.*, it did not fall below 105*s.* 7*d.* In fact a lower price than 105*s.* did not rule until this week, when the price of gold dropped to 104*s.* 7*d.* on Wednesday.

The influence of a more satisfactory supply of labour and of the increase in the number of working days as compared with the holiday month is seen in the returns issued by the Johnnies group. The total quantity of ore crushed is raised from 416,000 tons to 438,100 tons. The increase is most marked in the case of Randfontein Central, which treated 117,000 tons, as against 105,000 tons in December. Government Areas is credited with a total of 132,500 tons, or 4,000 tons more than in the previous month. Consolidated Langlaagte is the only case in which a slight

decline from 38,100 tons to 38,000 tons is recorded, and this is explained by the fact that the strike originated at this mine on January 29. Notwithstanding the increase in the quantity of ore treated, the profit of the group has fallen sharply from £315,020 to £269,638, mainly owing to the adoption of the price of 105*s.* per ounce, as against 115*s.* in December. But the fall must in part be due also either to increased working costs, which seems unlikely in view of the greater tonnage crushed, or to a reduction in the grade of ore treated. Evidence of this is undoubtedly furnished in the cases of Witwatersrand, in which, despite an increase in tonnage, the profit fell from £14,054 to £7,510, and of Randfontein Central, which, despite the pronounced increase in tonnage, returned only a profit of £18,696, as against £27,040.

With three exceptions the members of the Rand Mines coterie have treated a larger quantity of ore during January. Geldenhuis Deep crushed 44,300 tons, or 2,600 tons less than in December; Robinson Gold Mining is down 700 tons, with a total of 38,000 tons; whilst Modder East remains unchanged at 25,700 tons. Of the increases, the outstanding instances are those of City Deep and Crown Mines, which have each added 10,000 tons to their December total. Alterations in profit are more pronounced in this group than in any other, as in December the output had been valued at 119*s.*, whereas now the price selected is only 105*s.* New Modder, which retains its place as the main contributor in the group, records only a profit of £122,265, as against £151,097. Modder B takes second place instead of third, but the profit has fallen from £83,573 to £67,030. Crown Mines registers an acute set-back. Although it recorded the greatest addition to its tonnage, there was a fall in the grade of the ore treated, with the result that, as compared with a profit of £99,526 for December, there is returned for January only £46,605. Thus Crown Mines ranks fourth instead of second. Third place is taken by City Deep, which, as a result of its increased tonnage, reaps a profit of £64,468, which compares very favourably with the return of £70,139 for December. With Modder East an increase in costs in conjunction with the lower price of gold reduces the profit from £25,849 to £14,348. Good results characterise the development report of this mine for the quarter ended December 31, 1920. Out of a total of 3,760 feet on reef, 2,195 feet, or 58.4 per cent., proved payable, the ore averaging 19.3 dwt. over 23 inches. Losses are recorded by Geldenhuis Deep and Knight Central. Handicapped by a reduced tonnage, the former returns a loss of £1,268, whereas a profit of £8,264 was made in December. A falling-off in the grade of the ore is reflected in a loss of £367 by Knight Central, instead of a profit of £6,007 in December.

Slight increases in the quantity of ore treated are indicated by the returns of the General Mining group. The profit, however, reflects the consequences of the adoption of the lower price for gold. Aurora West and Roodepoort United register losses, instead of profits, as in December. With Meyer and Charlton the profit drops from £28,922 to £25,002; whilst Van Ryn obtains £10,116, as against £15,489. Geduld crushed 45,000 tons, an increase of 2,000 tons as compared with December, but the profit amounts only to £29,497, instead of £36,604. For Modder Deep, with a tonnage of 42,600, or 1,400 tons more than in December, the profit works out nearly £7,000 lower at £71,721. A genuine improvement is recorded in the position of the ore reserves of this well-known producer, which increased from 3,775,000 tons, averaging 9.1 dwt., over a width of 77 inches, at the end of 1919, to 4,100,000 tons, averaging 9.4 dwt., over a width of 77 inches, at the end of 1920. Springs Mines takes credit for a profit of £30,045 in January, or £9,308 below the return for the previous month. Brakpan obtains a profit of £45,113, as compared with £54,071 in December. East Rand Proprietary is suffering, not only from the heavy fall in the price of gold, but also from the decline in the grade of the ore. Although it treated 116,000 tons, as compared with 107,000 tons for December, it returns an estimated loss of £24,256, whereas in the previous month it had secured a profit of £12,008. Lonely Reef registers a profit of £14,505, and continues to report favourable development results. A drive north for 23 feet at No. 24 level has opened up ore averaging 18 dwt. over 42 inches; whilst a drive south on the same level for 15 feet revealed ore averaging 14 dwt. over a width of 45 inches. It will be noted, however, that, owing to further expenditure on a new suction-gas plant and on British and Rhodesian income tax, no further dividend is to be declared in respect of 1920. The rate for the year is, therefore, fifty per cent., as compared with seventy-five per cent. for 1919. On the basis of the par value of gold, Globe and Phœnix returns a profit of £13,910 for January. Development results include ore averaging as high as 121 dwt. for 6 feet on No. 14 level, ore averaging 95 dwt. for 7 feet by a rise from No. 23 level, ore averaging 46 dwt. for 11 feet below No. 15 level, and ore averaging 25 dwt. for a drive of 38 feet on No. 15 level. Shamva Mines crushed 50,700 tons, and made an estimated profit of £13,559, calculating the value of gold only at 100*s.* per ounce. Rezende Mines secured gold valued at £10,974, which was raised to £13,574 by the premium, leaving a profit of £5,662. Planet Arcturas reports a profit of £1,665 with gold at 100*s.* Small losses are returned by the Abbontiakoon and Golden Horseshoe Estate, the loss in the latter case being the outcome of labour troubles.

The outlook for the current month is somewhat clouded. Undoubtedly the improvement in the labour supply should help to yield higher tonnages. On the other hand, this advantage may be offset, as in January, by a reduction in the grade of the ore. Moreover, as regards the Johnnies group and the Rand Mines coterie, results will be adversely affected by the strike which broke out on Consolidated Langlaagte on January 29, and then spread to several mines on the Central and West Rand. This strike has only been settled since February 15. The price of gold is not likely to be as favourable as in January. The steady improvement in the New York exchange has witnessed a relapse in the price of gold from 107*s.* 2*d.* to 104*s.* 7*d.* during the current week. Should this movement continue, the mines may have to adopt a level of 100*s.* to 102*s.* 6*d.* in valuing their February output, and this will mean on the average lower profits than in January.

WOLHUTER.

Year to Oct. 31	Ore Milled Tons	Gold Value per Ton	Working Costs per Ton	Working Profit £	Working Profit Per Ton	Net Profit £	Dividends £	Dividends %
1915...	406,050	24/4	16/10	153,011	7/6	149,285	107,500	124
1916...	4 3,500	25 1	17/6	161,223	7/7	159,312	129,000	15
1917...	406,750	24/7	17/9	139,342	6 10	137,343	96,750	11¼
1918...	382,950	23/10	19/8	78,875	4 2	80,861	53,750	6¼
1919...	348,920	24/8*	22/1	45,718*	2/7*	64,134†	43,000	5
1920...	370,720	23 6‡	23 5	2,339‡	0 1‡	134,315†	107,500	12½

* Excluding gold premium of £18,599, equivalent to additional yield and profit per ton of 1*s.* 1*d.*

† Including gold premium.

‡ Excluding gold premium of £132,997, equivalent to additional yield and profit per ton of 7*s.* 2*d.*

To Wolhuter, as the report and accounts for the year ended October 31, 1920, testify eloquently, the existence of the gold premium at a satisfactory level has been a veritable boon. Thanks to a more favourable supply of native labour the quantity of ore milled increased from 348,920 to 370,720 tons. Estimating the value of the output on the basis of the standard value of gold in order to maintain an effective comparison, the yield per ton dropped from 24*s.* 8*d.* to 23*s.* 6*d.* This decline in the grade of the ore worked in this mine, the life of which is now drawing fast to a close, was but a normal feature. But, occurring as it did side by side with a further increase in working costs, it produced a very interesting situation. This expansion in working costs from 22*s.* 1*d.* to 23*s.* 5*d.* per ton is the cumulative result of many factors.

Substantial increases in the wages of white labour caused expenditure in this direction to work out at 7*s.* 2*d.* per ton milled, as against 6*s.* per ton in the previous year. A smaller rise in the wages of the native labour force is reflected in the cost of this force, which increased from 4*s.* per ton to 4*s.* 4*d.* The heavy burden under the new miners' phthisis legislation involved an outlay of 8.2*d.* per ton milled, instead of 3.8*d.* per ton in the previous year. On the other hand, probably owing to the larger tonnage worked, the cost of stores and materials worked out only at 7*s.* 9*d.* per ton, as against 8*s.* 2*d.* per ton in 1918-19, whilst administrative expenses in London were reduced from 7*d.* to 5*d.* per ton. However, the net result was to give the total working cost of 23*s.* 5*d.*, as against a standard yield of 23*s.* 6*d.* Consequently, in the absence of the premium on gold there would have been earned only a working profit of £2,339, or 1*d.* per ton milled. This extraneous source of revenue contributed no less than £132,997 for the year under review, as compared with £18,599 for a period of two months in 1918-19. Hence there was actually obtained a working profit of £135,336, or 7*s.* 3*d.* per ton, representing a satisfactory increase of £64,317, or 3*s.* 8*d.* per ton, in the previous year. Accordingly, the net profit was raised from £64,134 to £134,315. Dividends paid to shareholders absorbed £107,500, as against £43,000 in 1918-19, the rate being increased from five per cent. to twelve and a-half per cent. There is carried forward to the next accounts a balance of £67,068, as against £63,994 brought forward from 1918-19.

As stated in the report for 1918-19, there is not much further scope for development in this mine. Nevertheless, some good work was done during the year under review. Of a total of 3,852 feet sampled, 2,030 feet, or nearly fifty-three per cent., proved payable. The South Reef again yielded favourable results, ore of 10.6 dwt. being revealed for 1,050 feet over a width of twenty-six inches. In the Main Reef Leader, for 325 feet ore of 6.1 dwt. over seventy-eight inches was opened up. The payable ore developed amounted to 127,608 tons of 5.6 dwt., as against 86,808 tons of a higher value in 1918-19. The position of the ore reserves is as follows:—

O t. 31	Tons	Dwt.
1 18	856,870	5·8
1919	635,804	5·7
1920	607,904	5·7

But the ore reserves "immediately available" is only 607.739 tons of 5.5 dwt.

It is obvious that for a mine which, in the absence of the gold premium, could only record the nominal working profit of 1*d.* per ton in 1919-20, the outlook for the current year must depend entirely on the continuance of a satisfactory price for gold. Furthermore, the decline in the grade of the ore reserves "immediately available" indicates that the average grade of ore treated will be poorer. Again—to quote the Manager—"owing to the inevitable further decrease in the number of available stope faces, the mine will from month to month become more dependent on reclamation tonnage from old workings." No great relief is expected from any decline in working costs. Financially, the balance sheet dated October 31, 1920, discloses a satisfactory position. Liquid assets to a total of £138,226 are available to meet current liabilities which do not exceed £100,357. Returns for November and December, during which the gold premium attained the highest levels, show a total working profit of £24,993. However, since the opening of 1921 gold has shown a tendency to oscillate around the lower prices of 105*s.* to 110*s.* per ounce. Consequently, the profits for the remainder of the half-year will be much less. In the absence of a pronounced recovery the interim dividend, if any, is not likely to exceed two and a-half per cent. The £1 shares are quoted in the market at 3*s.* 9*d.*

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND—Accounts, February 16, 1921.

Issue Department.

Notes Issued	£144,959,775	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,509,775
	£144,959,775		£144,959,775

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£43,512,016
Rest	3,49 ,444	Other Securities	85,201,513
Public Deposits	15,562,933	Notes	17,149,735
Other Deposits	114,041,917	Gold and Silver Coin	1,796,220
Seven-day and other Bills	10,190		
	£147,659,484		£147,659,484

Comparison with Previous Four Weeks [000's omitted.]

Date 1921.	Circulation	Coin and Bullion	Deposits—Public.	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Feb. 16	127,8	128,3	15,5	114,0	43,5	85,2	18,9	14·6	7	6 11/16
Feb. 9	128,9	128,2	20,1	106,3	50,2	76,0	17,7	14·0	7	6 5/8
Feb. 2	129.6	128.3	18.6	129.8	70.6	78.7	17.1	11·5	7	6 11/16
Jan. 26	128,4	128,3	16,1	112,5	53,2	75,1	13,2	14·2	7	6 5/8
Jan. 19	128.5	128.2	16.0	120,3	54.4	81.3	18.2	13·4	7	6 5/8
July 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2 5/8

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 3, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling, 00,000's omitted):	Feb. 16 1921	Feb. 18 1920	Feb. 9 1919	Feb 20 1918	Feb 15 1911
Circulation	£127,8	£93.6	£69,6	£46,2	£26.9
Public Deposits	15.5	26,3	3[illegible]7	38.6	13.8
Other Deposits	114.0	164,8	118,3	131.9	41 3
Government Securities	43,5	87.1	52,2	56.3	14 8
Other Securities	85,2	88,3	84.1	101.4	29.3
Reserve	18.9	33.3	31,6	30.7	29.0
Ratio to Liabilities	14 6%	17·4%	20·57%	18·62%	52·72%
Coin and Bullion	128,3	108.5	81,8	58.5	37.5
Money:					
Bank of England Rate	7%	6%	5%	5%	3½%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6½%	5⅝%	3½%	3⅝%	2 11/16%
Exchanges:					
Paris Cheque	53·70	43·50	25·97½	27·18	25·27
New York 60 days	3 89	3 36	4·74¼	4·72¼	4 83½
Bombay Telegraphic Transfers	1 4½	2/5½	1/5½	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	46½	50⅛	59	54½	80 9/16
French Rentes 3% Money	58·65	57·90	64·60	57·50	97·50
Silver, London spot oz.	33⅝d.	8[illegible]d.	47 d.	42½d.	23 11/16d.
Wheat, *Gazette* average qr.	8 2	72/7	72/3	7 /3	30/5
Cotton, Mid Upland lb.	9·77d.	33·41d.	18·76d.	23·45d.	7·47d.
Iron, Scotch pig ton	201/0	13[illegible]/0	1[illegible]/0	101/0	54/0

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Feb. 16, '21	6,487,365	10,106,507	335,497,304	28,500,000	19,450,000	14·3
Feb. 9, '21	6,818,131	7,199,742	339,116,446	28,500,000	19,450,000	14·2
Feb. 18, '20	5,843,233	7,591,973	326,073,652	28,500,000	4,100,000	10·0
Feb. 19, '19	7,333,829	5,457,886	312,780,485	28,500,000	—	9·1
Feb. 20, '18	5,259,122	4,288,086	216,134,693	28,500,000	—	13·2
Feb. 21, '17	3,808,586	4,832,683	145,105,901	28,500,000	—	19·6

Balance Sheet, February 16, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	266,514,755	Other Bankers	—
Ten Shilling	40,777,549	Trustee Savings Banks ...	—
Certificates outstanding ...	28,210,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	335,497,304	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,367,708	Government Securities ...	305,248,648
		Balance at Bank of England	110,869
Investments Reserve A/c ...	15,444,505		
Total	353,309,517	Total	353,309,517

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Feb. 12,'21...	£43,488	£18,428	*£25,060*‡	£86,669	£111,366	£4,624
Feb. 5,'21...	32,356	18,863	*13,493*‡	103, 63	1:5,8:8	4,762
Jan. 29,'21...	27,851	16,722	*11,129*‡	88, 46	99,783	3,573
318 dys.'20 21	1,094,109	964,172	*129,937*‡	4,973,537	5,112,843	—4,745
320 dys.'19 20	962,025	1,300,598	338,573	5,320,433	4,994 659	—7,856
Yr. '20-21*	1,418,300	1,233,642	*184,658*‡	—	—	—
Yr. '19 20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,369
Yr. '18 19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499 604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
Feb. 12,'21...	£4,496	£21,516	£3,140	£14,336	£[illegible],471	£432	£12,525
Feb. 5,'21...	3,525	20,997	4,692	3,142	8,342	2[illegible]4	10,237
Jan. 29,'21...	4,385	14,[illegible]95	5,445	3,4[illegible]6	2,67[illegible]	1[illegible]0	13,951
318 days'20-21	285,471	244,894	186,255	373,[illegible]9	31[illegible],301	18,152	634,719
320 days'19 20	242,537	246,312	247,081	226,[illegible]94	287,8 9	11,922	1,000,837
Yr. '20 21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19 20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18 19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17 18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Feb. 12, 1921 ...	£1,127,674	£231,222	£1,358,896	£20 663
Feb. 5, 1921 ...	1,132,829	24[illegible],072	1,[illegible]81,901	20,323
Jan. 29, 1921 ...	1,145,049	241,822	1,386,871	19,968
Jan. 22, 1921 ...	1,1[illegible],894	24[illegible],22	1,39[illegible],016	19,463
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates, including supplementary grants. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

BELGIUM.	Gold	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Feb. 3, '21 ...	10,661	1,110	11,301	30,844	249,262	43,409
Feb. 10, '21	10,681	1,160	11,821	31,732	242,999	50,481

CZECHO-SLOVAKIA.*	Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
Jan. 23, '21 ...	£396,775	£75,305	£72,827	£93,983	£412,135	£52,286
Jan. 31, '21 ...	396,732	69,055	70,904	91,956	453,679	50,628
Feb. 7, '21 ...	396,735	63,914	73,187	91,403	459,252	58,870

DENMARK.	Cash—Gold	Cash—Silver	Cash—Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,176	£341	£4,441	£8,197	£786	£8,893	£47
Dec. 31, '20 ...	12,643	145	12,788	13,335	522	30,928	3,823
Jan. 31, '21 ...	12,643	141	12,784	15,928	895	29,009	3,489
Jan. 31, '20 ...	12,632	138	12,790	15,094	912	26,375	1,902
Jan. 31, '19 ...	10,435	135	10,540	4,110	5,563	23,936	1,016

FRANCE.	Gold—In Bank	Gold—Abroad	Total Cash incl. Silver	Bills	Circulation	Deposits—Public	Deposits—Private
July 30, '14 ...	£165,654		£190,667	£97,769	£267,327	£15,302	£37,903
Dec. 10, '20 ...	142,156	77,931	230,655	126,316	1,530,892	2,041	134,642
Feb. 17, '21 ...	142,163	77,931	230,873	110,631	1,522,814	2,360	125,218
Feb. 19, '20 ...	144,129	79,131	233,265	76,001	1,518,342	2,230	123,789
Feb. 20, '19 ...	141,351	79,131	233,261	44,044	1,291,697	1,503	105,929

GERMANY.	Cash—Gold	Cash—Silver	Cash—Total	Treasury & Loans & Other Notes	Discounts	Circulation	Deposits
July 23, '14 ...	£67,843	£16,727	£84,570	£5,279	£40,055	£91,545	£47,198
Jan. 31, '21 ...	54,677	323	54,910	1,110,835	263,291	3,410,140	791,618
Feb. 7, '21 ...	54,577	349	54,926	1,101,751	2,444,300	3,374,129	543,731
Feb. 7, '20 ...	54,525	1,958	56,483	599,370	1,816,213	1,899,436	539,915
Feb. 7, '19 ...	112,607	1,000	113,607	239,073	1,305,908	1,183,283	569,490

HOLLAND.	Cash—Gold	Cash—Silver	Cash—Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Jan. 31, '21 ...	53,012	1,833	54,845	20,722	90,200	93,571	5,615
Feb 7, '21 ..	53,012	1,384	54,396	17,794	21,674	88,091	5, 14
Feb. 7, '20 ...	52,363	797	53,160	21,339	13,364	83,001	7,507
Feb. 8, '19 ..	57,029	743	57,772	20,681	15,068	88,392	16,116

ITALY.	Cash—Gold	Cash—Silver	Cash—Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	—£43,455—		£25,017	£69,204	£8,837
Nov. 30, '20 ...	£32,763	£3,000	35,763	14,539	181,173	6,6.783	83,146
Dec. 10, '20 ...	32,763	3,000	35,763	17,231	195,529	621,454	75,324
Dec. 10, '19 ..	32,198	3,004	35,202	17,707	90,319	491,333	74,057
Dec. 10, '18 ...	32,699	3,081	35,779	7,275	60,532	365,310	56,743

JAPAN.	Gold	Discounts	Advances	Notes	Deposits—Public	Deposits—Private
Aug. 1, '14 ...	£21,867	£1,829	£7,963	£32,722	£13,818	£1,521
Dec. 25, '20 ...	120,005	10,923	12,229	131,123	94,096	9,858
Jan. 1, '21 ...	124,121	15,529	12,737	143,924	91,527	6,347
Jan. 3, '20 ...	95,415	35,623	41,355	155,510	111,246	4,281
Jan. 4, '19 ...	71,373	9,830	52,103	147,653	98,172	8,619

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Discts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14...	—	£39,883	£411,238	—	—	£387,165	£1,720
Feb. 5, '21...	£15,978†	116,710	1,024,582	£776,258	£47,930	836,768	2,872
Feb. 11, '21...	16,464†	103,382	1,010,890	761,210	48,538	819,206	2,492
Feb. 14, '20...	19,652†	114,788	1,029,678	823,338	50,026	894,401	4,746
Feb. 15, '19...	19,443†	107,512	918,618	756,178	28,142	836,268	7,346

NORWAY.	Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,888	£6,752	£793
Jan. 31, '21 ...	8,115	3,071	500	25,182	23,341	7,264
Feb. 7, '21 ...	8,115	2,959	500	24,915	23,187	7,428
Feb. 7, '20 ..	8,130	3,542	579	18,969	22,534	3,451

PORTUGAL.	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
Oct. 6, '20 ...	£1,906	£3,921	£5,827	£28,893	£119,830	£4,774
Oct. 13, '20 ...	1,906	3,921	5,827	29,347	119,490	4,502
Sept. 3, '19 ...	1,905	3,924	5,829	7,846	66,556	6,774
Sept. 4, '18 ...	1,905	3,742	5,647	10,795	54,450	2,357

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Dec. 4, '20 ...	£128,003	£29,103	£4,634	£33,742	£363,363
Dec 11, '20 ...	125,003	30,164	5,573	35,571	371,501
Dec. 18, '20 ...	123,003	29,559	4,783	34,442	373,229
Dec. 20, '19 ..	54,831	8,371	2,218	10,889	163,559

RUSSIA.	Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
July 31, '14...	£130,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,911
Oct. 29, '17...	129,523	230,365	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash—Gold	Cash—Silver	Cash—Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Jan. 29, '21 ...	98,513	23, 98	121,811	102,943	13,779	171,971	45,826
Feb. 12, '21 ...	98,632	23,208	121,390	102,533	13,779	171,772	46,476
Feb. 14, '20 ...	98, 34	25,257	123,391	87,396	13,779	155,142	45,321
Feb. 15, '19 ...	89,141	25,603	114,752	72,074	13,778	137,911	44,605

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Feb. 5, '21 ...	15,637	5,324	705	32,660	37,353	13,757
Feb. 12, '21 ...	15,8 6	5,753	705	32,917	36,213	15,953
Feb. 14, '20 ...	14,791	6,206	2,634	26,184	36,561	10,751
Feb. 15, '19 ...	16,042	8,332	3,034	18,293	39,246	4,814

SWITZERLAND.	Cash—Gold	Cash—Silver	Cash—Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Jan. 31, '21 ...	21,721	5,239	27,000	15,153	37,557	4,720
Feb. 7, '21 ...	21,731	5,457	27,188	14,425	36,650	4,581
Feb. 7, '20 ...	21,776	3,309	24,485	13,976	37,124	5,160
Feb. 7, '19 ...	16,461	2,518	18,992	19,147	34,544	5,047

• Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold—Held by Banks	Gold—With Agents	Total Cash	Bills Discount'd	Accept ances	Deposits—Govt.	Deposits—Total, Net	Circulation
Feb. 7, '21 ...	—£422,390—		£455,228	£486,814	£33,584	£10,074	£329,008	£815,150
Feb. 14, '21 ...	—422,396—		465,440	481,104	35,174	9,692	334,13	610,084
Feb. 16, '20 ...	148,016	249,660	410,512	468,683	108,520	4,844	357,450	591,818
Feb. 15, '19 ..	158,174	265,896	437,064	367,380	55,014	38,584	348,932	493,678

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon ...	7	Sept. 3,'20
Berlin ...	5	Dec. 23,'14	Madrid ...	6	Nov. 4,'20
Berne ...	5	Aug. 21,'19	Paris ...	6	Apr. 8,'20
Bombay ...	7	Nov. 12,'20	Petrograd	6	July 29,'14
Brussels ...	5½	Apr. 28,'20	Rome ...	5	May 12,'20
Calcutta ...	7	Nov. 19,'20	Stockholm	7½	Sept. 16,'20
Christiania	7	June 25,'20	Tokio ...	8·03	Nov. 18,'19
Copenhagen	7	Apr. 16,'20	Vienna ...	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—	Feb. 18, '21	Feb. 11, '21	Feb. 4, '21	Jan. 28, '21
Berlin ..... Cable	234m.	230m.	243m.	221m.
Brussels ..... Cheques	51fr. 35c.	51fr. 60c.	52fr. 12c.	53fr. 12c.
Denmark ..... Cable	21kr. 42	20kr. 80	20kr. 10	19kr. 85
Holland ..... do.	11d. 34⅛c.	11d. 34⅛	11d. 34⅛	11d. 42c.
Italy ..... do.	106r. 0r.	106r. 25	105r. 75	104r. 75
Lisbon and Oporto do.	6d.	6¼d.	6¼d.	6¼d.
New York ..... do.	$3 89	$3 89.	$3 84⅛	$3 83
— ..... Cheques	$3 91¼	$3 91	$3 86	$3 90
Norway ..... Cable	22kr. 42	21kr. 40	20kr. 85	20kr. 80
Paris ..... 3 mos.	64fr. 35c.	54fr. 55c.	55fr. 45c.	56fr. 45c.
— ..... Cable	53fr. 60c.	53fr. 85c.	54fr. 70c	55fr. 70c.
Spain (Bank places) 3 mos.	42¼d.	42¼d.	42¼d.	42¼d.
— ..... Cable	27p. 75	27p. 65	27p. 50	27p. 82
Sweden ..... do.	17kr. 47	17kr. 45	17kr. 52	17kr. 60
Switzerland ..... 3 mos.	24fr. 02c.	22fr. 40c.	24fr. 45c.	24fr. 73c.
— ..... Cable	23fr. 52c.	21fr. 90c.	23fr. 95c	24fr. 23c.

ON LONDON—	Feb. 18, '21	Feb. 11, '21	Feb. 4, '21	Par.
Alexandria ..... Sight	97¼pl.	97¼pl.	97¼pl.	97¼pl.
Amsterdam ..... Cheques	11d. 34c.	11d. 34c.	11d. 33c.	12·107d.
Athens ..... Cheque	52dr. 00	54dr. 25	54dr. 75	25dr. 22½
Bombay ..... Transfers	1s. 4 1-16d.	1s. 4 1-16d.	1s. 4 1-16d.	2s.*
Brussels ..... Cheques	51f. 55c.	51f. 55c.	52f. 15c.	25f. 22½c.
Buenos Ayres..... Transfers	49 1-16d.	49 1-16d.	50 1-16d.	47·58d.
Calcutta ..... do.	1s. 4 1-16d.	1s. 4 1-16d.	1s. 4 1-16d.	2s.*
Christiania ..... Sight	22kr. 40	21kr. 37	20kr. 85	18·159kr.
Copenhagen ..... do.	21kr. 38	20kr. 75	20kr. 02	18·159kr.
Helsingfors ..... Cable	118m.	117m.	107m.	25m. 22½
Hong Kong..... Transfers	2s. 5 1-16d.	2s. 5 1-16d.	2s. 7d.	—
Italy ..... Sight	106fr. 32c.	106fr. 25c.	105fr. 75c.	25fr. 22½c.
Lisbon ..... do.	5 1-16d.	5 1-16d.	5 1-16d.	53½d.
Madras ..... do.	1s. 4 1-16d.	1s. 4 1-16d.	1s. 4 1-16d.	2s.*
Madrid ..... do.	27p. 74	27p. 65	27p. 43	25p. 22½
Montevideo ..... Transfers	49 1-16d.	49	48d.	51d.
Montreal ..... Cable	$4 43	$4 42	$4 31	$4 86⅔
New York ..... Sight	$3 91†	$3 87	$3 83⅛	—
— ..... 60 days	$3 89	$3 85	$3 83	—
— ..... Cable	$3 92	$3 87⅛	$3 84⅛	$4 86⅔
Paris ..... Cheques	53f. 70c.	53f. 85c.	54f. 77c.	25f. 22½c.
Rio de Janeiro ..... 90 days	10 7-16d.	9 15-16d.	9 15-16d.	16d.
Shanghai..... Transfers	3s. 3½d.	3s. 5 1-16d.	3s. 5d.	—
Singapore ..... Sight	2s. 3 1-16d.	2s. 3 1-16d.	2s. 3 1-16d.	—
Stockholm ..... do.	17kr. 36	17kr. 44	17kr. 51	18·159kr.
Switzerland ..... do.	23f. 52c.	23f. 91c.	23f. 95c.	25f. 22½c.
Valparaiso ..... 90 days	9⅛	8 13-16	9⅛	18d.
Yokohama ..... Sight	2s. 5 1-16d.	2s. 5 1-16d.	2s. 6 1-16d.	24·58d.

• Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—	Rate Current* Feb. 16, '21	Rate Current* Feb. 9, '21	Par as to Italy Quoted	Rate July 3
Amsterdam, sight ...	34·50c.	34·20c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	27·00c.	27·25c.	48·66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	127·0	124·0		
Christiania, cheques ...	17·65c.	17·85c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	18·40c.	18·70c.	26·80c. for 1 kroner	26·85c.
Greece, cheques ...	7·40c.	7·05c.	19·295c. for 1 drachma	
Hongkong, cheques ...	50·0.	51·0c.	74·59c. for Mex. $1	48·4c.
Italy, sight	37·15f.	36·25f.	5·18¼ lire for $1	5·17f.
Lima, cheques ...	4·10f.	4·10f.	4 8865 $ for 1 libra	
Manila, cheques ...	46·00c.	46·00c.	50c. for 1 peso	49·8c.
Montreal	12·75% disc.	11·625% disc.	Premium per $100	Par
Paris, sight	13 36fr.	14 10r.	5·18¼ francs for $1	5·18fr.
Rio de Janeiro, cheques	6 47 nd.	6 74 nd.	3 032 milreis for $1	
Shanghai, cheques ...	66 375c.	63·0c.	52·98c. for 1 tael	83·00c.
Singapore, cheques ...	42 00c.	42 00c.	56 77c. for $1	57·12c.
Spain, cheques	14 15c.	13 85c.	19 33c. for 1 peseta	
Stockholm, cheques ...	22 50c.	24 5c.	26 80c. for 1 kroner	
Switzerland, cheques ...	6 10r.	6 15fr.	5 13¼ francs for $1	5·13¼fr.
Valparaiso, cheques ...	15 00c	14·50c.	20·61c. for 1 peso	
Yokohama, cheques ...	48 25c.	48 35c.	49 84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week	Amount.	Inc. or Dec.*	1920 Amount.	Inc. or Dec.*
	1921	[In £'s sterling, 000's omitted.]			%
BIRMINGHAM ...	Feb. 12	£2,896	— £933	£22,307	— £4,111 — 15·9
BRISTOL	,, 12	1,416	— 549	11,093	— 2,011 — 15·3
DUBLIN	,, 12	7,591	— 2,002	53,534	— 9,448 — 14·8
HULL	,, 12	1,175	— —	2,119	— — —
LEEDS	,, 12	1,024	— 614	8,334	— 2,200 — 20·3
LEICESTER	,, 12	874	— 883	5,765	— 3,348 — 36·7
LIVERPOOL ...	,, 12	8,627	— 9,691	81,634	— 38,763 — 32·1
MANCHESTER ...	,, 12	18,514	— 8,708	122,675	— 94,332 — 43·4
NEWCASTLE	,, 12	2,367	— 1,137	18,492	— 3,225 — 14·8
NOTTINGHAM ...	,, 12	763	— 773	5,306	— 2,927 — 35·0
SHEFFIELD	,, 12	1,103	— 31	9,803	— 283 — 2·8
LONDON—	1921				
TOWN	Feb. 16	552,900	—125,782	4,434,432	— 165,132 — 3·5
METROPOLITAN	,, 16	37,144	— 6,685	286,33[illegible]	— 45,184 — 13·6
COUNTRY	,, 16	65,295	— 18,511	497,396	— 81,[illegible] — 15·4
TOTAL	Feb. 16	655,339	—150,978	5,245,733	— 293,316 — 5·4

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. O. Gould, Arger & Co., Ltd.

HOMEWARDS.	1921 Feb. 18	1921 Feb. 11	1914 Feb. 13
Alex. to U.K. ...	15/0	—	6 9
Aust. to U.K. ...	62/6	62/6	26 3
Bilbao to Cardiff	8 0 nom.	—	—
Bombay to p.p. ...	27/6 l.w.	27/6 l.w.	16 0
Burmah to U.K....	—	—	21 0
Calcutta top.p.(jute)	—	—	—
Danube to U.K.	27/6	30/0	—
R. Plate to U.K....	40/0	40 0	10/6

• Per ton.

Homewards.	1921 Feb. 18	1921 Feb. 11	1914 Feb. 13
U.S.A. [illegible] to Cont.	—	—	—
[illegible]	—	$4	$4* —
U.S. to U.K. (grain)	—	—	1 9†
Gulf Ports to U.K. Cont.	—	—	11/0*
OUTWARDS.—Cardiff to			
Port Said ...	17/6	17/6	7/0
River Plate ...	21/6	20/0	15/3
St. Vincent ...	—	12/0	6/6

† Per quarter,

Time Charter, nominal.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	FEB. 18, 1921	FEB. 20, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	£6[illegible]	131 0	57 0
— Middlesbro' warrants ...ton	19 6	175 0	51 0
— Hematite warrants ...ton	220 6	220 0	61 0
— Staffordshire bars, London ton	£31 10	£26 15	£8 10
— Common bars ...ton	£25—£26	£24	£6 16
Steel Rails ...ton	£21	£19 15	£6 2 6
Galvanised Sheets ...ton	£ 8—£	£50	£16 17 1
Copper—Standard ...ton	£75 7/6	£119 15	£65
Tin—English Ingots ...cwt.	£17 0—£17 1	£5 95	£142 15
— Straits ...ton	£[illegible]	£40	£139 10
Tinplates, I.C. Coke, S. Wales ...box	36	71	11 10—12 0
Lead—Soft Foreign ...ton	£ 0—£20 10	£52 7/6—£53 7 6	£19
Spelter—Ord. Foreign ...ton	£25 10—£26	£61 15—£63 15	£21 7 9
Quicksilver—(75lb.) ...bottle	£12 10—£13	£23	£7
Aluminium ...ton	[illegible]	£16	£32
Antimony—Regulus Foreign ...ton	£25	£58	£27 10
— English ...ton	£37—£42	£70	—
Coal—(best) Yorkshire ...ton	37/2—38/2	21/6—22 6	17 6
— Steam coal, Newcastle ...ton	59/2—55/2	46 0—51 6	14 6
CHEMICALS, OILS, &c.			
N. of Soda—[illegible] per qr.cwt.	14 0	17 0	7 4
Soda—Caustic ex wharf ...ton	140 0	130 0—140 0	42 6—45 0
Copra—Malay and States ...ton	£52 10	£70 10	£23 15 £24 7 6
Gambier—Pool masses ...cwt.	32 6—35 0	53 0	16 10½
Indigo—Bengal good to fine ...lb.	11 6—14 6	13 0—16 6	3/2—3/8
Linseed Oil—Raw ...ton	£33 10	£117	£25 5
Linseed—Calcutta, spot ...ton	£16	£55 10	£13 16 9
— Cakes, U.K. made, ex mill ...ton	—	£25	£7 17 6 £8
Olive Oil—Spanish ...ton	—	nom.	£49 10
Palm Oil—Lagos ...ton	£38	£93	£31 10
Petroleum—American ...gall.	2 3½	2 1	7½
Rape Oil—Refined English ...ton	£63	£135	£32
Soya Oil—Refined ...ton	nom.	£135	£24 10
Tallow—Imported ...cwt.	40/0 51 0	107/0—117 0	29/3—33/3
Turpentine—American ...cwt.	63/0	193 0	33 7½
Rape Seed—Toria ...ton	£19	£55	£13 5
Rubber—Para, spot ...lb.	1/1½	2/7nom.	2/9½
— Fine plantation, standerepe ...lb.	1/1½	2/7½	2/2
— World's Production ...tons	26,620	31,292	8,467
Shellac—T.N. Orange, fair ...cwt.	340/0	840/0	63/0—64 0
TEXTILES.			
Cotton—Middling Upland ...lb.	9 7½	33 4½	7 53/64
— Egyptian good fair ...lb.	13 00d.	84 00d.	8 75d.
— Pernambuco fair ...lb.	8 7½	36 86	7 73/4
— Midland Upl. New York ...lb.	13 65	39 00	13 25
— Stock, Liverpool ...Feb. 11 bales	1,012,150	1,085,740	934,600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£50	£65	£25 10
— Manila fair ...ton	£45	£75	£26 10
Jute—First Marks ...ton	£32	£71	£26 15
— Red S/O ...ton	£30 10	£61	£24 15
Silk—Common, New Style ...lb.	22 0	57 6	12 0—12 6
Wool—Pt. Philip unwashed ...lb.	2 3½	5 0	11½—1 0
— Lincoln Hog Hogs ...lb.	1 9½	2 3½	1 0½
Hides—Buenos Ayres, 70lb. up ...lb.	6½	15½—16½	7½
Leather—Dressing Hides ...lb.	2/0—2/6	4/6—5 0	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bush.	69,142,000	92,493,000	34,640,000
— Red, prime, N.Y. 6/0 ...bush.	2[illegible]	[illegible]	67½
— English Gazette, aver. 43 ...qr.	81 2	72 7	34 3
Flour—G.R. ...280lb.	70 0	44 3	28 6
Barley—Sup. Taz, aver. 49 ...qr.	63 5	102 1	25 4
Oats—Eng. Gaz., aver. 312 lb. qr.	39 0	59 9	20 0
Maize—N.Y. (new bushel) ...56lb.	91	169½	76½
— Amer. mixed, Liverpool ...480	4 0—4 0	[illegible]	32 4
— La Plata ...480	4/6—5 0	65 0	25 9
Potatoes—Ord English ...ton	190 0	285 0	70 0—75 0
Rice—Bassein ...cwt.	13 6	26 0	7 0—7 3
Tapioca—Pearl, medium ...cwt.	24 0	39 0	14 0—17 8
Hay—best ...2,016lb.	—	—	82 6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	6 8	6 8	3/8—3/10
— Scotch sides ...8	11 4	10 0	4 6 5 0
— English ...8	11 4	10 0	4/2—4/5
Mutton—Scotch, wethers ...8	14/0	10 6	5/8—6 0
— English wethers ...8	14 0	10 6	4 6—5 4
— New Zealand frozen ...8	6	5/1	2/4—3/2
Pork—English and Irish ...8lb.	11/2	11 8	3/6—4 0
Bacon—Irish, delivered ...cwt.	†187/0—210	202 0	60 0—74 0
— Danish ...cwt.	†207 0	†190 0	58 0—68 0
— Canadian, ex Port ...cwt.	†175 0—180 0	†187 0	—
— American, ex Port ...cwt.	†150/0 156 8	†187 0	72 0—74 0
Hams—American cured, ex Port ...cwt.	†180 0	†190 0	75 0—79 0
— — short cut, ex Port ...cwt.	†175 0	†190 0	71 0—74 0
Lard—American refined, ex Port ...cwt.	†139 0	†193 6	51/9—52 9
Butter—Danish ...cwt.	†298 8	270 8	117 0—120 0
— French ...cwt.	†293 8	270 8	96 0—108 0
— Australian ...cwt.	†243 8	270 8	93 0—110 0
— New Zealand ...cwt.	†293 8	270 8	108 0—114 0
Cheese—Canadian ...cwt.	153 0—158 0	†145 0	68 0—68 0
— United States ...cwt.	—	†145 0	—
— Dutch ...cwt.	†183 0—230 0	†145 9	53 0—64 0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Jan. 31 ...cwt.	1,540,074	1,970,[illegible]	19,777,254
— Home consumption to Jan. 31 ...cwt.	1,21[illegible]	1,239,853	17,272,000
— In Bond Jan. 31 ...cwt.	7,89[illegible],000	6,102,000	6,303,000
— Price, Java, 98 Pol. ...cwt.	0 0	53 0	10 3
— — Yellow crystals ...cwt.	6[illegible] 0	63 6	12/6—14 0
— — Tate's refined, No. 1 ...cwt.	76 0	72 0	18 0
Coffee—Imports to Jan. 31 ...cwt.	56,8[illegible]	80,062	720,360
— Home consumption to Jan. 31 ...cwt.	26,108	26,645	141,410
— Exports to Jan. 31 ...cwt.	27,951	52,610	340,250
— In Bond Jan. 31 ...cwt.	65[illegible],000	735,000	494,000
— Price, Costa Rica gd. to fine cwt.	106 0—144 0	158 0—164 0	80 0—93 0
— — Brazil (Santos) good ...cwt.	6[illegible]/0—65 0 nom.	130 0—132 0	41 6
Tea—Imports to Jan. 31 ...lb.	40,6[illegible],639	48,598,454	123,230,277
— Home consump'n. to Jan. 31 lb.	33,670,[illegible]	31,5[illegible],789	155,447,972
— Exports to Jan. 31 ...lb.	1,34[illegible],07	3,048,[illegible]	26,56[illegible],765
— In Bond Jan. 31 ...lb.	224,415,000	215,175,000	78,292,000
— Price, Indian, Pek. Sour. gd. fb.	5[illegible]	1 5[illegible]	8[illegible]
— — Ceylon, Pek. Sour. gd. fb.	4,[illegible]	1 6	8[illegible]
— — Common Congou ...lb.	—	1 3	5½
Cocoa—In Bond Jan. 31 ...cwt.	1,104,000	795,000	309,000
— Grenada, good to fine ...cwt.	52 0 54 0	85 0	52 6—56 0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

			— or —	Net	+ or —
Canadian Pac.	Dec.	$20,804,000	+3,578,000	$2,222,000	— $543,000
12 mos. to	Dec.	216,641,000	+39712000	33,153,000	+ 220,000
Grand Trunk	Nov.	£1,604,200	+£357,300	£142,000	+ £38 700
11 mos. to	Nov.	15,108,600	+2,254,700	991,000	— 575,100

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, from the working arrangements of Railways Act, 1871. The Irish railways, similarly, were taken over from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Jan.	8 1,044	R2,13,643	— 19,373	14	31.52.582	— 1,12,015
Bihar Light	Jan.	8 118	21,100	— 95[illegible]	40	10.82.400	+ 87,600
Bengal & N.W.	Jan.	15 2,067	4,57,760	— 53,190	15	71,47,783	+ 1,19,994
Bengal Dooars	Jan.	15 158	30,931	— 439	15	4,73,746	— 2,80,541
Bengal Nagpur	Jan.	8 2,695	11,81,000	— 1,56,000	4	4,86,82,948	— 11,27,184
Bomb. Barod'a	Feb.	5 2,871	20,42,000	+ 29,00	18	3,34,43,000	— 7,17,000
Burma	Jan.	8 1,342	5,71,216	— 59,732	14	79,51,924	— 6,01,923
Dn. Um. Rails	Feb.	5 239	66,000	— 17,411	8	18,54,777	+ 40,780
East Indian	Feb.	5 2,772	29,58,000	+ 2,15,000	18	5,63,56,000	— 23,89,000
G. Indian Pen	Feb.	5 3,121	28,74,500	— 29,9 0	18	4,91,29,422	+ 8,43,461
Madras & S.M.	Jan.	15 3,152	10,70,000	— 1,45,[illegible]	5	4,94,96,49	— 2,93,094
Nizam's Guar.	Jan.	8 900	3,14,95[illegible]	— 7,1[illegible]	14	38,67,803	— 65,421
Rohi. & Kam.	Jan.	15 576	109 8,0	+ 6,143	15	14,91,3[illegible]	+ 37,965
South Indian	Jan.	1 1,952	7,66,957	+ 2,775	19	3,12,35,683	+ 10,79,549
South Punjab	Sept.	716	9,63,745	+ 1,96,13[illegible]	6 m	53,48,044	+ 10,72,764

COLONIAL							
Can. Northern	Feb.	14 9,704	$1,271,100	+ 299,200	6	7,630,300	+ 1,606,100
Can. Pacific	Feb.	14 13,388	3,044,000	— 503,000	6	20,622,000	— 123,000
Grand Trunk	Feb.	7 3,616	£307,231	+ 64,328	5	1,622,822	+ 341,418
Mashonaland	Oct.	810	85,224	+ 5,332	1m	—	—
Mid. W. Aust.	Nov.	277	12,273	+ 5,6	5m	55,709	+ 5,951
New Zealand	Jan.	22 205	2,601	— 1,06[illegible]	3	7,262	— 1,872
Rhodesia Rlys.	Oct.	1,397	124,725	+ 11,3.6	1m	—	—
Temiscouata	Dec.	—	$39,500	+ 6,999	12m	432,731	+ 58,503

FOREIGN.								
Argentine.								
Arg. N. East.	Feb.	12	752	£ 10,990	+ 609	35	379,200	— 3,600
Arg. Transand.	Feb.	12	111	£ 3,769	— 1,731	33	84,846	— 3,190
B.A. & Pacific	Feb.	12	3,495	£ 142,000	— 14,000	33	3,973,000	— 755,000
B.A. Gt. South	Feb.	12	3,903	£ 196,000	— 10,000	33	5,057,000	— 703,000
Do.	Feb	12	Net	£ 49,000	— 35,000	33	702,000	— 1,249,000
B.A. Western	Feb.	12	1,882	£ 85,000	— 25,000	33	2,422,000	— 769,000
Do.	Feb.	12	Net	£ 13,000	— 18,000	33	212,000	— 886,000
B. A. Central	Dec.		190	£ 36,920	— 6,9[illegible]	6m	238,560	+ 27,950
Cent. Argen.	Feb.	12	3,305	£ 160,000	— 30,000	33	6,295,000	+ 249,000
Cent. Uruguay	Feb.	12	1,205	£ 22,000	— 38,500	33	1,735,100	— 224,200
Entre Rios	Feb.	12	811	£ 21,900	— 6,900	33	712,700	— 37,800
Brazilian.								
Brazil Great S.	Dec.		110	M 55,500	— 12,750	12m	550,500	— 62,421
Brazil Railway	Dec.		3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	Feb.	12	1,010	£ 16,800	— 14,300	7	102,600	— 98,000
Leopoldina	Feb	12	1,831	£ 36,6[illegible]	— 23,488	7	193,407	— 153,694
Minas Geraes	Dec.		1,180	M1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.		766	M2,650,000	— 906,03[illegible]	12m	22,479,000	— 1,225,892
San Paulo	Feb.	16	153	£ 24,958	— 2,0[illegible]60	7	221,955	— 98,693
Sapucahana	Dec.		1,003	M1,749,000	— 246,168	12m	21,953,000	+ 976,69
Sorocabana W	Jan.		52	M 129,000	+ 25,000	1m	—	—
Chilean and Peruvian.								
Antofagasta	Feb.	13	838	£ 32,320	— 29,110	7	197,390	— 194,160
Arica	June		84½	£ 12,000	+ 500	6m	76,000	+ 10,700
Nitrate 2½'s	Feb.	16	390	£ 28,440	— 9,287	6	69,774	— 70,716
Peruvian Corp.	Jan.		1,140	$ 1,292,856	— 4,665	7m	8,255,350	— 24,941
Paita	Jan.		180	£ 24,075	— 6,323	7m	193,457	+ 71,912
Cuban.								
Cuba Central	Jan.	29	362	£ 37,360	+ 19,872	31	707,279	+ 82,212
Cuba Railroad	Nov.		—	$ 1,097,457	+ 65,106	5	5,517,674	+ 353,717
Havana Central	Feb.	12	70	£ 6,5[illegible]	— 3,332	33	4 6,33[illegible]	— 107,149
C. of Havana	Feb.	12	681	£ 168,607	+ 17,552	33	3,428,790	+ 469,466
W. of Havana	Jan.	29	155	£ 14,131	+ 10,745	31	335,798	+ 66,413
Uruguayan.								
Cent. Uruguay	Feb.	12	273	£ 28,369	+ 2,888	33	711,163	— 28,931
,, E. Ext.	Feb.	12	311	£ 6,148	— 1,789	33	175,774	— 19,875
,, N. Ext.	Feb	12	185	£ 2,371	— 2,197	33	94,836	— 26,057
,, W. Ext.	Feb	12	211	£ 2,656	— 183	33	84,845	— 5,188
Mid. Uruguay	Jan.		319	£ 17,447	— 3,276	7m	124,941	— 15,990
N.W. Uruguay	Dec.		113	$ 7,447	— 1	6	36,932	— 4,508
Sth. Northern	Jan.		73	£ 1,916	— 1,342	7m	14,814	— 2,641
Miscellaneous								
Antofagasta	Feb.	5	33	Ps. 18,000	+ 6,000	6	103,900	+ 39,500
Bahia	Jan.		15	£ 2,975	— 525	1m	—	—
Beira	Jan.		136	£ 11,890	— 3,65[illegible]	1m	—	—
Costa Rica	Dec.		86	£ 21,800	+ 3,760	12m	231,760	+ 50,840
Costa Rica Ext.	Dec.		189	£ 26, 28	— 1,24	6	147,38	+ 1,714
Dorada Ext.	Dec.		70	£ 16,750	+ 1,750	12m	200,9[illegible]	+ 65,278
Egyptian Delta	Jan.	31	559	£ 14,291	— 1,283	43	433,[illegible]8	+ 101,651
Mexican Sthn.	Dec.	5	104	Ps. 86,286	+ 17,730	5	494,346	+ 174,740
Nitrate Rlys.	Jan.		2[illegible]	£ 11,8[illegible]	— 3,63[illegible]	1m	—	—
Northern Rly.	Jan.	29	379	£ 7,339	— —	—	—	—
Paraguay Cent.	Dec.	12	274	£ 3,530	— 180	33	150,770	— 16,080
Peruvian Cent.	Jan.		34	£ 4,2[illegible]0	— 1,0[illegible]	1m	—	—
Salvador	Dec.	12	100	£ 5,884	— 1,91[illegible]	33	112,362	— 7,065
Santa Fé Prov.								
Central Rly.	Dec.		1,181	£ 150,216	— 18,547	12m	1,915,144	— 20,379
Sinaloa & Tiz.	Dec.		80	£ 8,040	— 2,158	12m	152,063	+ 9,893
Zacatecas & Tl.	Dec.		112	£ 11,939	— 1,262	12m	164,671	+ 25,808

TRAMS.								
Anglo-Argen.	Feb.	11	400	£ 76,472	— 4,807	6	477,777	+ 68,720
Anglo-Mex.	June	30	27	—	—	52	292,502	— 2,063
Buenos Ayres	Sept.		39	R 8,49,038	+ 1,15,373	9m	73,27,000	+ 10,06,847
Brazilian Trac.	Dec.		378	M12,60,000	— 2,861,000	12m	134,905,000	+21,832,000
Buenos Ayres	Jan.		40½	£ 411,300	— 2,0[illegible]	1m	—	—
Rosario	Nov.		334	$ 805,633	+ 71,65[illegible]	5m	3,841,032	+ 402,440
B. A. Lacroze	Jan.		51	£ 61,111	+ 8,[illegible]38	7m	397,397	+ 51,178
Callao	Jan.	23	35	R 52,513	— 33 0,8	4	3,53,122	— 17,062
Cape Electric	Oct.		42[illegible]	£ 32,693	+ 5,955	4m	120,814	+ 35,922
Cent. & Hest.	Jan.		9	£ 3,8[illegible]7	— 87,	1m	—	—
Charleroi Elec.	Dec.	3	15	£ 1,629	+ 191	5	8,044	+ 824
Havana Elec.	Nov.		86	$ 1,037,352	+ 157,611	11m	10,366,708	+ 1,890,439
Isle of Thanet	Feb.	9	20	£ 487	— 26	19	10,713	+ 751
Kingstown	Nov.		20	£ 2,969	+ 11[illegible]	12m	33,8[illegible]2	+ 3,180
Lanarkshire	Dec.	31	28[illegible]	£ 5,467	+ 1,927	52	221,564	+ 27,729
Lima Light	Nov.		85	£ 54,.61	+ 2,151	11m	621,807	+ 89,377
London C.C.	Dec.	16	141[illegible]	£ 95,594	+ 17,505	44	4,191,7[illegible]2	+ 526,543
Metrop. 2wks.	Jan.	15	15[illegible]	R 36,198	— 10,685	2	—	—
Metrop. Electric	Dec.		55	$ 315,59[illegible]	+ 38,669	12m	3,419,383	+ 1,214,168
Pernambuco	Feb.	13	59	£ 4,789	— 3,61[illegible]	7	29,446	— 24,810
Provincial	Feb.	5	21[illegible]	£ 2,940	— 151	18	56,3[illegible]	+ 402
Rangoon Elec.	Nov.		25	£ 6,964	— 415	11m	85,314	+ 11,785
Shanghai Elec.	Dec.		26[illegible]	X. $153,300	+ 13,300	12m	1,820,111	+ 253,111
Singapore Elec.	Jan.	1	26[illegible]	$ 9,969	— 8,954	1	—	—
U. of Montevid.	Jan.		90[illegible]	£ 50,863	+ 3,096	3m	143,644	+ 11,194

The Statist.

LONDON, SATURDAY, FEBRUARY 19, 1921.

THE NEW SESSION.

THE Government have, owing to the Speaker's ruling, succeeded in evading a direct attack on the economy question, and Lord Robert Cecil's motion, for the "reduction of public expenditure and its limitation in relation to the taxable capacity of the country," will not, unfortunately, come up for debate. It will be impossible, following Parliamentary precedent, to raise the general question of economy on the particular Supplementary Estimates with which the time of the House will be largely occupied between now and Easter. A good purpose would, however, be served if the spending proclivities of the various Departments, which are nearly all represented in these further demands on the taxpayer's pocket, were submitted to more than perfunctory criticism. At the same time, as we have frequently pointed out, expenditure is determined largely by policy; and if the House of Commons endorse Cabinet decisions as regards the latter, they must be prepared to meet the bill which the carrying-out of the policy entails. Still, it may be urged that it is merely throwing dust in the taxpayer's eyes to abandon the excess profits duty and so evoke a chorus of benedictions, and then smuggle through Parliament further large credits for the spending Departments which can be met in only one way—out of taxation. The additional burden might be tolerated if the outlay were productive. But what is the taxpayer asked now to subsidise? To put it briefly—uneconomic methods of solving the economic muddle.

Unemployment has been growing steadily for a long time past. The men and women registered as out of work in recent months were:—October, 320,000; November, 473,000; December, 582,000; mid-January, 842,000; February 11, 1,039,000. Yet instead of tackling in a broad spirit the amending of the Unemployment Insurance Act, or adopting a scheme such as that proposed by Sir Allan Smith for the maintenance by each industry of its own unemployed, the Government meditate an extension of the wasteful system of doles. Under the provisions of the new Bill unemployment benefit will be raised from 15*s*. to 18*s*. per week, and twenty-six weeks' pay will be allowed each year in place of fifteen. The other —so-called productive—schemes, such as the proposed expenditure of 10½ millions on roads, are familiar devices from which the productive element is in the end found to be conspicuously lacking. Further, subsidised idleness is not only extravagant because of its cost: it is ruinous because of its effect on the *morale* of the workman.

As if this were not enough, it is apparently intended, despite powerful pleas for freedom entered by influential members of the banking and business community, to interfere with the natural flow of trade on behalf of sectional interests. We do not deny that certain industries must be safeguarded which form the keystone in the arch of national defence; but the principle, once admitted, needs to be put into practice with the greatest caution. The Anti-Dumping Bill of 1919, which was ignominiously abandoned, practically invested the Board of Trade with autocratic powers over many vital imports, by means of a cumbersome system of restrictions.

The new procedure will, it is said, constitute a departure from the old methods. It may be that the Chancellor will see in this fresh scheme the nucleus of a possible future source of revenue to take the place of the excess profits duty. Since its commencement in 1915 the latter has yielded no less than £1,121,602,000, the annual produce of the tax (including munitions levy) paid into the Exchequer in the financial years and up to the 12th instant being as follows: 1915-16, £140,000; 1916-17, £139,920,000; 1917-18, £220,214,000; 1918-19, £285,028,000; 1919-20, £290,045,000; 1920-21 (to 12th instant), £186,255,000.

Apart from the question of repayments, this constituted a very substantial help to the Treasury, and the extent of the Supplementary Estimates will further leave the Chancellor hard pressed for means to meet liabilities. The first Supplementary Estimate to be published embodies a modest demand for £21,000,000 from the Ministry of Transport in order to carry out agreements with the railways, &c. The total original net estimate under this head was £23,000,000 for the year, and thus expenditure is to be practically doubled, the further sum is said to be necessary to meet the deficiency in net receipts due to the coal strike (£8,000,000) and the disturbed conditions in Ireland £2,000,000). The trade depression, repairs in excess of standard, arrears of maintenance made good, &c., are also included as reasons for the enhancement of the original estimate. The railway reports for 1920, on which we commented in detail last week, afford little ground for the excuses here advanced, as they indicated generally a considerable increase in traffic receipts, and a maintenance of dividend at the 1919 rate. It is true there was a slight decrease in net income, but the financial position of the various companies is veiled in obscurity, as receipts and expenditure are shown only after adjustments for the allocation of net income under the Government guarantee. This veil the Government might draw aside, but probably the Minister of Transport might find it difficult to secure public approval for his policy, if not for his existence. The State guarantee for the railways and the coal mines terminates in August next, and the proprietors on the one hand and the taxpayers on the other should eventually benefit from the release. There are rumours that financial decontrol of the mines may come as soon as March 1, the date already fixed for the release of coal. A loss is now being shown on the working of both mines and railways, and the aftermath of control will prove a difficult problem for the private owners in both cases.

Particulars of the additional sums required by other Departments are not yet forthcoming, and in addition to these charges a new burden will devolve on the Chancellor of the Exchequer in the financial year 1921-2, in the shape of interest on our American debt. No interest has been paid since 1919, and, if the negotiations for conversion into long-dated debt are not brought to a successful issue, additional liabilities to the United States will have to be met. The means to be adopted for meeting them are not at present clear. The arrears of excess profits duty may be estimated at £300,000,000, but it is not certain what portion of this sum will be received before March 31 next. If the abolition of the excess profits duty permits of a lowering of selling prices, the action of the Government, apart from its subterfuges with regard to additional expenditure, must be deemed praiseworthy; but its inaction, in continuing to fly in the face of expert economic advice as to the steps necessary to restore trade, must be condemned. The Brussels Financial Conference advocated a restriction of expenditure on armaments, the granting of credits to countries whose productive capacity had been temporarily impaired, and the restoration throughout the world of real peace. The measures to this end so far adopted by our Government have been of a very tentative and unsatisfactory nature, but the chief mistake which they have made is to treat unemployment as a disease, whereas it is only a symptom. Symptoms may be suppressed, but the disease remains, and a true etiology finds the remedy for our present ills along the lines indicated at Brussels.

DEFLATION AND THE TRADE DEPRESSION.

Scarcely since the commencement of the War have we been faced with problems of more serious import than those confronting the nation at the moment, with industry everywhere in the throes of a great economic crisis. Some of the stronger countries are gradually recovering the normal life of pre-War days; in the weaker nations financial anarchy still prevails; the international trade relationships of the future are being slowly moulded, and before the world is many months older changes deep-seated and far-reaching will have taken place. What these changes are to bring it is happily in our power to determine. Concerted action based upon a true appreciation of the position may speedily clear the present situation, and, on the other hand, a policy resulting from mental astigmatism may postpone indefinitely the period of recovery.

WHAT DEFLATION MEANS.

Few of the tasks to be performed rival in magnitude or importance that of reducing the huge volume of paper currency in circulation, or, as it is commonly known, the question of deflation; yet few problems have given rise to so much misconception. A moment's reflection on the power of finance in modern organisation and its bearing on production and trade, distribution, and social welfare will suffice to show that in the solution of the currency problem lies the remedy for most of the ills from which we now suffer. To explain fully what deflation means would require greater space than is at our disposal, but it will be adequate for our purpose if it is defined as the process by which the volume of credit and currency used in effecting exchange of commodities, taken in conjunction with its velocity of circulation, is made to contract at a faster rate or increase at a slower rate than the volume of goods available for consumption. When this happens there is always a fall in the general level of prices, and this phenomenon is invariably associated with the term deflation, just as a rise in the price-level is connoted by the reverse process, inflation.

In the light of this explanation let us examine how far deflation was responsible for the fall in commodity prices that still continues after a course of nearly ten months, and to what extent, if at all, it is proper to adopt deflation as a policy for the future. The observations to follow are made primarily by reference to events in the United Kingdom, but they may be taken to apply to other countries as well, for the reduction of the price-level has been common to nearly all countries, while its causes, with superficial environmental modifications, were the same all over the world.

CONDITIONS PREVIOUS TO THE DEPRESSION.

First, it is necessary to review briefly the conditions antecedent to the price-depression period in order to see the events of the past ten months in their true perspective. It will be recalled that during the greater part of 1919 and until the second quarter of 1920 trade enjoyed unprecedented prosperity. Everywhere a great demand for commodities existed, and productive activity was in a position to command a high premium. New companies were formed in large numbers, new productive resources utilised, and, despite labour troubles, the output of goods was being increased at a very rapid rate. To facilitate such a revival on the part of a nation whose energies had previously been directed largely to supplying war-like material, a nation, moreover, whose capital had been very heavily drawn upon during the War, it was necessary that no financial obstacles should be opposed, but that the banks should be prepared to create fresh credits with the greatest freedom. This, in fact, they did; the amount of banking credits created during the period under discussion was never previously surpassed. From this no ill results need have followed if these credits were solely for productive purposes, but unquestionably a large portion of the financial accommodation granted was in order to assist speculative holding of stocks of commodities, always a prominent feature during a boom period. The effect of the financing of these speculative operations was to call into being a large volume of purchasing power not justified, as in the case of loans for productive purposes, by a corresponding increase in the quantity of goods available for consumption. The resulting inflation of the purchasing medium contributed with other causes to bring about a very rapid rise in prices. These features were more marked during the first quarter of 1920; the enhancement of price-levels assumed a very rapid rate, the value of the British pound was falling abroad, and our credit was beginning to be impaired.

The action taken by the banks under these circumstances is well known. Forced by consideration of the interests of their depositors, and partly by the necessity for preserving that reputation for safe and conservative banking which it has taken the labour of a century to build up, they took measures to restrict the creation of fresh credits, discriminating at first against loans for speculative purposes, though later, consistently with the policy of deflation, they were compelled frequently to refuse accommodation even for genuine purposes. They were seconded in their efforts by the Government, who, acting in the spirit of Lord Cunliffe's report, had also inaugurated a policy of deflation. The fixing of a fiduciary maximum for the currency note issue was one of the first indications of this policy; it had the effect of committing them to a policy of controlling the note circulation by restricting credit creations, eliminating speculation, and forcing down the price-level. The raising of the Bank rate, too, assisted the movement, but there has been a disposition to magnify the importance of this step altogether out of proportion to its real influence.

SOME CRITICISMS OF DEFLATION.

It is proper to emphasise, in view of the criticism evoked by the deflation campaign, that it was largely forced upon those responsible by the necessity for reverting once more to a course of safe and conservative finance after nearly five and a-half years of inflation, and was not, as has been asserted, merely the disinterested putting into practice of a currency theory. It has been argued in opposition that, even admitting the necessity for deflation, the object could have been accomplished by starting at the production end instead of the financial end; in other words, by increasing the output of consumable goods instead of restricting the volume of credit and currency. This argument, which figured very prominently in the United States, is one of the numerous examples of confused thinking to which the subject of deflation has given rise. A little reflection will make it clear that deflation must produce the same effects through whatever means it is brought about; it will still mean the same thing, whether it is accomplished by increasing production or through financial restriction. Reverting to the definition given above, it will be seen that deflation is not confined to a movement in either the volume of consumable goods or the volume of purchasing power, but is caused by a movement in the one relative to the other—to be more precise, by a variation in the latter relative to the former. It will be noted that trade activities and purchasing power may both be expanding during a period of deflation, provided the growth of the former is more rapid. This, in fact, was taking place during the greater part of 1920, both here and in the United States, while the price-level was falling. It is idle to speak of deflating by increasing the output of commodities while ignoring the financial factor; if deflation is to be accomplished financial restriction cannot be avoided.

THE CONSUMPTION FACTOR.

Apart from these considerations, there is one factor which invalidates any criticism of the action pursued by the banks—a factor that, though not generally recognised and frequently omitted altogether in discussions of the subject, was probably a more potent influence in forcing down prices than any currency policy that may have been pursued. This was what may be described as a general contraction of consuming power, resulting mediately from the War and immediately from the post-Armistice enhancement of the price-level. To explain the influence of this factor it will be convenient to divide the community into two main classes according to distribution—those whose incomes, measured in terms of money, are more or less fixed, such as wage earners and the salaried professional and *rentier* classes; and those in receipt of a varying money income, such as profit earners. If the distinction be admitted as applying broadly it will be seen that the distribution of the national income between those two classes is profoundly affected by fluctuations in the price-level—that is to say, in the commodity-value of money. When the general level of prices is rising the consuming power of the latter class is being increased at the expense of the former, provided there is no shrinkage in the output of commodities. This is what actually happened after the Armistice. Between April 1919 and April 1920 prices rose by forty-four per cent., as indicated by THE STATIST index-numbers, an increase that must have impaired considerably the consuming power of a large portion of the community, though perhaps its effects were offset to some extent by wage increases. Viewed in the light of these considerations, the present depression may be regarded as a natural readjustment of the previous unequal distribution of income, for, of course, a fall in prices is to the benefit of the first of the two classes cited above.

REDUCTION IN STANDARD OF LIVING.

There is another aspect of this which requires to be considered in visualising the future trend of events. That is the broad truth that, as a result of the war-time destruction of wealth, our capacity for saving and our standard of living are now on the whole lower than before the War. Accordingly, the amount of commodities now required to meet current consumption, and consequently the amount which may find a ready market, is less than in pre-War days. In this connection it must be understood that consumption refers not only to domestic consumption, but also to the foreign demand for our products. This reduction of the standard of living was not sufficiently regarded during the post-Armistice trade boom; on the contrary, one heard everywhere vague talk of a world-wide shortage of commodities, and schemes were laid apparently on the assumption that a rapidly increasing output of commodities could continue indefinitely to be marketed, even in the face of rising prices. It is true that there was a shortage of commodities, judged by the pre-War standard of consumption, but it is now clear that the rate of production required to support the real post-Armistice standard of living was reached sooner than was generally anticipated. It should be observed, however, that for a time the true standard of living tended to be obscured by a war-time legacy of extravagance. Now, the standard of consumption is dependent on the volume of production, and in normal times the tendency over long periods is for production to increase, and to raise with it the standard of living. If production increases too rapidly, however, a crisis intervenes, and this is true particularly—is, in fact, inevitable—when, as before the present crisis, production is increased too rapidly, and at the same time the price-level is rising at a great rate. Now that the price decline has produced a world-wide trade slump, with productive activities generally curtailed, and as a corollary serious unemployment everywhere, it is clear that the standard of living has been still further reduced. A consequence of this will be to force a reduction in the cost of living, as measured by retail prices, in accordance with the movement of wholesale prices, and it will also probably help towards making the lower price-level effective by compelling lower money wages, not necessarily lower real wages, and so scaling down costs of production.

Enough has now been said to show that, when the readjustment in the distribution of the national income has proceeded sufficiently far, the future course of prices will depend on the financial policy pursued by the Government and the banks.

IS DEFLATION NECESSARY?

It is proper then to consider how far, if at all, that policy should be towards continued deflation. First, it must be noted that it is the violent *fluctuations* in the price-level that produce the undesirable results to which we have grown so accustomed; the actual extent of the increase in the price-level itself over pre-War days is of little consequence, provided prices are kept fairly stable. If some means were found of stabilising prices at the present level and incomes allowed to adjust themselves accordingly there would be no need to pursue deflation any further; but to keep a stable price-level under a paper currency requires greater wisdom and more prudent direction than any country has yet shown itself capable of; even if the object could be achieved for a time there would always be a temptation for the Government to increase unjustifiably the volume of currency in times of need, a temptation that few Governments could resist. Hence the necessity for a better monetary commodity than a *fiat* currency of no intrinsic value. The necessity for this, which can only be effected by deflation, will appear incontestable on reflecting that not only prices of commodities at home, but also foreign exchange values, are liable to fluctuate violently under a paper currency. Here, indeed, movements are much more violent, depending as they do not on the internal commodity-value of one currency alone, but of a number of different currencies. While the present currency *régime* is continued in all countries we must be prepared for a constant shifting of price-levels, with a consequent dislocation of trade and industrial unrest all over the world; only by getting back the currency to a stable basis, such as the gold standard, can these be eliminated, and that is a very short-sighted policy which bids us abandon our efforts towards this end merely because trade has suffered in the process. Moreover, it is not incompatible with a period of deflation, as some appear to think, that trade should continue to be carried on at a profit, provided the deflation is sufficiently gradual. Again, it is apt to be forgotten that if losses are now suffered in a great many instances these but offset unquestionably abnormal profits that were made previously during a period of inflation.

A POINT FOR THE FUTURE.

Finally, for us in particular there is an incentive to deflation operative in the case of no other country in the world. Formerly we were indisputably the premier financial centre of the world; now, as a result of the great changes necessitated by the War, the United States is in a position to dispute our supremacy in this regard. Our pre-War position was primarily due to our world-wide reputation for financial stability, and to the fact that we were always able to maintain a free gold market. Now the value of our currency is subject to the same influences that render the credit of the devastated countries so unstable, and we have no longer a free gold market. The United States, on the other hand, by a vigorous forcing down of prices has been able to consolidate its currency on a gold basis, and there is everywhere an assurance of a certain and stable value for its note issue. If we are to do not restore a free gold market in London, with free convertibility of the paper money, we must be prepared to yield to the United States the position of financial supremacy in the world of the future.

SHIPPING COMPANIES' RESULTS.

In the table at the foot of the page we analyse the latest available reports of thirteen of the most important shipping companies. To provide a suitable standard of comparison the profits are shown in every case after deducting depreciation and taxation. The most recent reports published are those of the P. and O. Steam Navigation Company and its subsidiaries—the Orient S.N. and British India S.N. Companies. The accounts of the first-named Company, which are made up to September 30 last, show a reduction in net profit from £1,614,585 to £710,430. The provisions for depreciation and taxation are not disclosed, and the only explanation furnished of the fall in profit is the directors' statement that the cost of overhauling steamers "has been very serious, and has materially reduced the result of the year's operations." Nevertheless, the dividend, free of tax, has been increased from twelve per cent. to fifteen per cent., and, as in 1919, a bonus share distribution of approximately six per cent. has also been made out of the "secret" reserves created by the enhanced value of its trading investments. The report of the British India S.N. Company to December 31 last affords little evidence of the prevailing slump in freights as the Company is largely engaged in passenger traffic. The net profit has been increased from £226,394 to £237,284, and the dividend, free of tax, from twelve per cent. to thirteen per cent. The provisions for depreciation and taxation are not disclosed, and no allocations have been made to the reserve. The Orient S.N. Company and Manchester Liners show considerably increased earnings, partly due in the case of the first-named Company to the issue of additional capital. For the financial year to April 30, 1920, the net profit of Furness, Withy, after appropriating £500,000 for depreciation, amounted to £504,821, as against £747,661 in 1918-19, but in that year no specific allocation was made for depreciation. The Ordinary capital was doubled during the period by the bonus capitalisation of £2,000,000 out of "secret reserves," and consequently, although the dividend has been reduced from twenty per cent. to ten per cent., the amount distributed has not been changed. The net profit of the Anchor Line in 1919-20 amounted to £258,937, as compared with £89,193 in 1918-19; but in the latter year a special provision of £100,000 was made for the depreciation of the Company's investments in the Anchor-Donaldson Line. The 1920 accounts of the remaining companies have not yet been published, and comparisons must therefore be drawn between earlier periods. Largely as a result of the comparative freedom from Government control, earnings during 1919 showed a rapid expansion in nearly every instance. The gross income of the Cunard Company, after providing for war contingencies, rose from £3,801,655 in 1918 to £9,201,728 in 1919, but this remarkable improvement was largely offset by an increase in working expenses from £2,575,775 to £7,457,158. After providing £370,429 for depreciation and £288,375 for income tax the net profit worked out at £1,066,116, as compared with £644,415 in 1918. The dividend of ten per cent. was paid upon a capital which had been largely increased after the close of the financial year. The 1919 report of the Royal Mail Steam Packet registered an expansion in net profit from £706,472 to £953,600, which permitted of an increase from seven per cent. to eight per cent. in the dividend, and from £150,000 to £350,000 in the reserve allocation. The net profit in 1919 of the Oceanic S.N. Company corresponded very closely with that of the Cunard Company, but

Name of Company	Year ended		Net Profit*	Debenture Interest	Preference and Preferred Dividends	Ordinary Dividends		To Reserve	Special Allocations	Carried Forward
			£	£	£	£	%	£	£	£
P. & O. Steam Navigation Co.	1918	Sept. 30	882,360	55,644	152,000	575,700	18 t.f.	50,000	50,000	91,727
	1919	..	1,614,585	55,055	152,000	384,027	12 t.f.	950,000	50,000	115,230
	1920	..	710,430	53,054	152,000	508,668	15 t.f.		–	111,939
British-India Steam Navigation Co.	1918	Dec. 31	222,687	74,574	35,000	114,864	12 t.f.	—	–	20,231
	1919	..	226,394	74,574	35,000	114,864	12 t.f.	—		22,188
	1920	..	237,284	74,574	35,000	124,436	13 t.f.			25,462
Orient Steam Navigation Co.	1918	June 30	115,656	22,279	14,602	26,060	15 t.f.	50,000	–	115,073
	1919	..	461,447	21,946	14,602	26,060	15 t.f.	150,000	—	73,912
	1920	..	218,084	20,650	14,602	78,066	15 t.f.	100,000		68,678
Manchester Liners ...	1918	..	109,968	4,936	11,443	55,647	25 t.f.	30,000	5,565	16,495
	1919	..	136,399	4,082	11,443	66,780	15 t.f.	50,000	6,678	13,911
	1920	..	193,439	3,368	22,886	66,780	15 t.f.	100,000	—	14,316
Furness, Withy & Co. ...	1918	Apr. 30	445,077	–	56,250	400,000	20 t.f.	—	—	125,422
	1919	..	747,661	—	52,500	400,000	20 t.f.	300,000	–	120,583
	1920	..	504,821	—	52,500	400,000	10 t.f.	—	—	172,904
Anchor Line (Henderson Brothers)	1918	..	309,399	12,792	13,406	50,000	20 t.f.	250,000		130,113
	1919	..	89,193	11,881	12,451	50,000	20 t.f.	—	–	144,974
	1920	..	258,937	—	12,512	50,000	20 t.f.	200,000	–	141,399
Cunard S.S. Co. ...	1917	Dec. 31	527,694	119,536	135,000	267,080	20	—	–	157,552
	1918	..	644,415	111,246	135,000	297,081	10	85,403	–	173,237
	1919	..	1,066,116	107,247	135,000	445,621	10	409,299	–	144,187
Royal Mail Steam Packet	1917	..	764,446	218,000	45,000	287,000	7	200,000	25,000	52,069
	1918	..	706,472	218,000	45,000	287,000	7	150,000	10,000	48,541
	1919	..	953,600	218,000	45,000	328,000	8	350,000	10,000	51,141
Oceanic Steam Navg. Co.	1917	..	911,556	97,936	–	750,000	20	200,000	10,000	154,256
	1918	..	699,011	94,731	—	637,500	17	100,000	–	21,036
	1919	..	1,050,738	89,262	—	750,000	20	100,000	28,000	104,512
Elder Dempster & Co. ...	1917	..	366,901	100,000	53,950	120,000	†10	50,000	10,000	83,630
	1918	..	408,530	100,000	68,375	120,000	†10	50,000	10,000	119,785
	1919	..	523,031	100,000	116,224	120,000	†10	100,000	20,000	162,592
Lamport & Holt ...	1917	..	280,189	47,500	48,000	76,576	10	100,000	10,000	78,373
	1918	..	207,549	47,500	48,000	100,000	10	–	5,000	80,422
	1919	..	302,544	47,500	48,000	100,000	10	75,000	12,000	100,466
Cairn Line ...	1917	..	66,422	7,832	—	43,377	15 t.f.		–	25,659
	1918	..	60,866	6,663	—	38,032	10 t.f.	10,000		31,830
	1919	..	125,415	6,747	—	54,375	10 t.f.	20,000	—	76,122
King Line ...	1917	..	17,055	—	—	18,000	12			18,852
	1918	..	54,956	—	—	17,100	12	–	35,000	21,708
	1919	..	70,402	—	—	16,800	12	50,000		25,310

* After providing for depreciation, taxation and contingencies, &c.
† Excluding dividend of 240 per cent. (amounting to £24,000) on Management shares.

the increase for the year was £351,727, as compared with £421,701. Income tax accounted to £295,865 and the appropriation for depreciation to £307,520. The dividend was increased from seventeen per cent. to twenty per cent., leaving an undistributed balance of £104,512, as against £21,036. The last report of Elder, Dempster and Company showed a net profit of £523,031, as compared with £408,530 in 1918. The net earnings of its associated Company, Lamport and Holt—amounted to £302,544, representing an increase of nearly £95,000. In both cases the dividend remained unchanged at ten per cent., permitting of large additions to the reserves and carry-forward. The net profit of the Cairn Line amounted to £125,415, as against £60,866 in 1918. The provision for taxation, repairs, and contingencies was £140,000, as against £40,000, and for depreciation £47,500, as against £15,000.

An analysis of the balance sheets of the various companies is set out below. Detailed comparisons are precluded in many intances by the highly condensed form in which the accounts are presented. The statement of assets furnished by the P. and O. and the British India is characterised by a complete lack of detail, properties, investments, debts, and cash being shown in one total. Government investments are included wholly or in part among the fixed assets of several of the other companies. The fleets and shipping interests of many of the Companies were very considerably increased during the period covered by their last report, the expansion exceeding £3,300,000 in the case of the Cunard. A noticeable feature is the stringency of liquid capital shown in several of the balance sheets. Allowance has to be made, however, for the composite nature of the item "creditors." Under this heading are included undisclosed reserves for taxation, and in several instances reserves for war contingencies also. In this connection it may be pointed out that the item of "creditors" shown in the last balance sheet of the Cunard Company included an internal reserve of £4,500,000 made up chiefly of the surplus over book values of moneys received for ships lost. The general reserve fund of this Company on December 31, 1919, amounted to £507,298, but it has since been increased to £1,250,000 by the addition of the premiums received on the new shares issued in February 1920. The reserves of the P. and O. include an insurance fund of £2,500,000 and a contingent fund of £1,000,000. The insurance funds of the British India and Royal Mail lines amount to £1,000,000 and £631,867 respectively. It may be mentioned that since the date of the last balance sheet the Orient Company has capitalised £520,440 of its reserves. Included among the liabilities in the accounts of this Company and of the Oceanic are contingency reserves the amount of which is not disclosed. The reserve [illegible] twice its total issued capital, and in addition, there is an unrevealed provision for contingencies. As indicated when dealing with the dividend distributions, the bonus capitalisation of £2,000,000 by Furness, Withy has not [illegible] the balance sheet of the Company. The reduction of the reserves of the Cairn Line has been due to a capitalisation of £600,000 towards the end of 1919.

Important additions have been made to the capital of some of the companies since the date of their latest published balance sheets. The Cunard increased its Ordinary capital in February 1920 to £4,456,189 by the issue of 1,485,403 shares. In January last the Company issued £4,000,000 in seven per cent Debenture stock at ninety, of which it reserved £1,574,156 for the conversion of the debentures of its subsidiary—the Brocklebank Line. In June 1920 the Royal Mail Steam Packet issued Ordinary stock amounting to £900,000 at a premium of ten per cent., the Preference capital being simultaneously increased by an equal amount. In March 1920 the Ordinary capital of the King Line was also increased from £200,000 to £500,000 by an issue at par to shareholders.

Several important factors have to be considered in endeavouring to estimate the likely nature of the results which will be disclosed by companies in their forthcoming reports for the past year. Largely due to the removal of Government control, shipping earnings during the first six months of 1920 were well above the average of the previous half-year, and this fact may be taken to partially offset the effects of the depression which became pronounced during last autumn. Companies mainly engaged in passenger traffic naturally have not been affected to the same extent as in other cases. A general analysis of shipping accounts is sufficient to indicate that remarkably strong reserves have been accumulated in many instances. Generally speaking, not only was the dangerous policy avoided of writing up assets to inflated War values, but liberal provision was made for depreciation, even where the necessity was not immediately apparent. The existence of large reserves by stabilising dividends considerably modifies the speculative element in shipping investments. While general indications point to the maintenance of dividends, reduced profits will doubtless characterise the 1920 accounts of many shipping companies. However, as appropriations to cover taxation must be proportionately reduced, the difference between the net amounts available for distribution as compared with the previous year will be correspondingly smaller. A very necessary incentive to enterprise is now provided by the removal of the excess profits duty, which has weighed heavily on the shipping industry.

Analysis of latest published Balance Sheets.

	LIABILITIES.					ASSETS.		
	Issued Share Capital				Reserve Funds and Carry-forward	Fixed Assets, Stores and Shipping Investments	Other Investments, Debtors and Cash	
Name of Company	Preference	Ordinary	Debenture Capital	Creditors*				Total
	£	£	£	£	£	£	£	£
P & O. Steam Navg. Co.	3,040,000	3,391,120	1,495,880	8,945,315	5,721,234	22,593,549†		22,593,549
Brit. India Steam Navg. Co.	700,000	957,200	1,681,270	9,596,052	1,525,462	14,459,985†		14,459,985
Orient Steam Navg. Co.	243,380	520,440	393,750	1,306,360	1,652,373	3,485,729‡	630,574	4,116,303
Manchester Liners	457,720	445,200	56,000	916,692	498,180	1,878,777‡	495,015	2,373,792
Furness, Withy & Co.	1,500,000	4,000,000	—	7,841,689	1,972,904	7,882,468‡	7,432,125	15,314,593
Anchor Line	325,000	250,000	—	3,274,021	1,341,399	2,223,724	2,966,696	5,190,420
Cunard S.S. Co.	2,500,000	2,970,806	2,401,994	11,315,219	764,005	11,814,731	8,137,294	19,952,025
Royal Mail S. Packet	900,000	4,100,000	4,500,000	5,010,356	1,933,008	12,069,556‡	4,373,808	16,443,364
Oceanic Steam Navg. Co.	—	3,750,000	1,865,900	4,085,908	3,034,512	5,960,259	6,776,061	12,736,320
Elder Dempster & Co.	2,925,000	1,210,000	2,000,000	4,013,106	1,312,592	9,123,581‡	2,337,117	11,460,698
Lamport and Holt	800,000	1,000,000	950,000	430,268	1,025,466	2,898,926	1,306,808	4,205,734
Cairn Line	—	1,195,194	80,590	99,758	551,929	666,948	1,260,523	1,927,471
King Line	—	200,000	—	56,150	481,949	710,939‡	27,160	738,099

* Including provision for taxation etc., and dividends payable. † Including Government investments, debtors and cash.
‡ Including Government investments.

WORLD'S RUBBER PRODUCTION AND DISTRIBUTION.

NOTWITHSTANDING the growing importance of the rubber industry, there is yet a remarkable absence of any co-ordinated effort to secure reliable information on the important statistical data relative to the industry. How essential it is that such information should be readily available is at once manifest when we recollect the varied estimates supplied recently in connection with the proposal for a more drastic restriction than the twenty-five per cent. already in operation. Obviously no accurate conclusion can be derived from estimates the compilation of which is only undertaken in a moment of necessity, when the very urgent need of the information prevents that careful deliberation which alone can ensure accuracy. At present, outside the returns published by the individual companies themselves, there is no attempt on the part of those most intimately concerned to collect and publish in a convenient form the necessary vital statistics. It is no defence to the charge to reply that much of this work is being already performed by Messrs. Rickinson and Son, and the results embodied in their excellent monthly summary of "The World's Rubber Position." The existence of this publication constitutes in itself the best argument in favour of our contention, that the industry itself as an organised whole should endeavour to supplement or check, if needs be, the information thus supplied. We are glad to learn in this connection that, as a result of pressure on the part of the Rubber Growers' Association, a Bureau of Statistics is to be established in Malaya in order that the Government may procure accurate statistics. This is an example which the other producing regions would do well to follow.

	1920	1919	1918	1917
Area under Plantation Rubber (acres)	3,323,000	2,910,750	2,759,950	2,611,350
Area in Bearing (acres)	2,292,750	2,181,050	2,021,750	1,817,350
Plantation Rubber Production (tons)	304,816	285,225	255,950	213,070
Yield per Bearing Acre (lb.) ...	297	293	283	262
World Production (tons)	343,731	381,860	241,579	265,698
U.S.A. net imports (tons) ...	235,000	236,977	142,772	177,088
Great Britain net imports (tons)	56,972	42,520	30,104	25,983
World net imports (tons) ...	350,272	351,497	224,376	255,675
Plantation Rubber afloat (tons)	30,799	37,340	35,750	24,280
Plantation Crepe (average price per lb.)	1/11	2/1½	2/3½	2/9½
Hard Para (average price per lb.)	1/11½	2/5½	2/11½	3/1½
London Stocks, Dec. 31 (tons) ...	50,863	21,945	12,897	11,764
U.S.A. Stocks, Dec. 31 (tons) ...	120,000	—	—	—
Stocks in the East, Dec. 31 (tons)	80,000	—	—	—
World's Stock, Dec. 31 (tons) ..	310,000	—	—	—

Estimated production for 1921 = 226,250–271,500 tons.

With the exception of the figures dealing with stocks, estimated production for 1921, and the area under plantation rubber in 1920, the information in this table has been derived from "The World's Rubber Position." For 1920 we accept the estimate in the January number of the *Bulletin* of the Rubber Growers' Association. The elastic nature of this figure of 3,323,000 acres indicates the difficulty of securing reliable data at present On the surface this total would show an increase of nearly 400,000 acres, as compared with 1919. Yet, as a matter of fact, both estimates are remarkably loose. It is admitted that more than half the area in question is in Malaya, the figure for 1920 being 1,750,000 acres. However, this estimate can be at once questioned owing to the fact that no reliable figures can be obtained dealing with estates under 100 acres in area. In the absence of organised supervision similar errors must creep into most of the other figures.

Taking the table as it stands, it is evident that the world's production of rubber in 1920 has not increased as compared with 1919, and that the decline has been greater than was originally anticipated. The Rubber Growers' Association in September last put forward a figure of 377,000 tons as the output in the absence of restriction. With the restriction of twenty-five per cent. in force for the last two months of 1920 the actual output is returned at 343,731 tons. Of this over eighty-eight per cent. represented the amount of plantation rubber. The yield per bearing acre has risen from 293 lb. to 297 lb. The figures dealing with the distribution show that, as in previous years, the bulk of the crop found its way to America. The estimate of 235,000 tons compares with 236,977 tons for 1919. It will be recollected that during the opening months of the year shipments to America were on a much larger scale than in 1919. The net imports for the first four months reached 125,551 tons, as against 81,081 tons in 1919. Thenceforward, as the financial stringency in the United States began to be more acute, the American demand for rubber fell away, with the final result that the total for 1920 was less than that of 1919. Net imports into Great Britain increased; but this did not mean an increased demand here for rubber. As usual in periods of depression, London became the dumping-ground, and the stocks held here gradually rose. The marked depression after the autumn of 1920 is now ancient history. Its effects were seen in the low average price of 1*s.* 11*d.* for best plantation crêpe, as against 2*s.* 1¼*d.* in 1919. The wonder is that the average should have been so favourable, seeing that the price actually dropped to 10*d.* Another, and no less undesirable, result of the depression was the great increase in the stocks held in London. It is very difficult to obtain reliable figures in this connection, but from information placed at our disposal we find that the stock here was 50,863 tons at the end of 1920, as compared with 21,945 tons for 1919. For the 1918 and 1917 figures we are indebted to the Annual Review published by Messrs. Figgis and Company. The estimate of stocks in America, in the East, and in the world as a whole, are those supplied by the Planters' Association in Kuala Lumpur in connection with their request to the Government for legislation in favour of a fifty per cent. restriction. In the same document the surplus stock is stated to be 135,000 tons. From other authoritative quarters we understand that the figure of 310,000 tons, representing the world's stock at the close of 1920, is slightly too high, and that a more correct figure would be 290,000 tons, which would reduce the surplus to 115,000 tons. A more recent estimate made by Messrs. Symington and Sinclair brings the total supply at the end of 1920 down to 207,000 tons, and the surplus to 72,000 tons. In our opinion both these estimates are too low. This discrepancy again gives point to our suggestion of a co-ordinated effort on the part of the industry as a whole to collect and supply this much-needed statistical data. In estimating the world production of rubber for 1921 we are handicapped by the uncertainty regarding the nature and extent of the restriction likely to be enforced. Assuming the existing curtailment by twenty-five per cent. to remain in operation for the year we do not believe that the output will exceed 271,500 tons. On the other hand, should a more drastic restriction of fifty per cent. be enforced for six months and the twenty-five per cent. reduction continue for the other six months the crop may be as small as 226,250 tons. Adding to this the surplus stock of 115,000 tons left over from 1920, this would give a total varying between 341,250 tons and 386,500 tons available for consumption in the current year. According to Messrs. Rickinson, the actual consumption for 1919 was 320,000 tons. Consequently, the world demand would have to increase by nearly ten per cent. more than in 1919 to absorb the smaller quantity and by over twenty per cent. to absorb the larger output. Judging by the reductions indicated in the January returns, which in many cases are more than twenty-five per cent. below the corresponding crop for 1920, we should not be surprised to find that our lower estimate was the more correct.

WORLD'S GOLD PRODUCTION.

It is a curious fact that, at the very moment when the need of the world for gold has become most acute, the rate of production should continue to decline. Ever since 1915, when the total production reached £96,525,000, there has been a steady falling off in the quantity produced annually. Returns to hand for 1919 show that the total has dropped from £78,221,700 to £75,017,766. Figures are not yet complete as regards 1920, but from the available data it seems almost certain that the total will not exceed £69,500,000. How the various countries have contributed to these amounts can be seen from the following table:—

The World's Gold Output.

	1920	1919	1918	1917	1916
	£	£	£	£	£
Transvaal ...	34,652,906*	35,402,887*	35,768,687*	38,323,921*	39,485,000*
Rhodesia ..	2,348,112*	2,499,498*	2,652,250*	2,495,353*	3,895,000*
West Africa ...	1,000,000‡	1,237,362*	1,333,553*	1,529,970*	1,615,000*
Total Africa ...	38,001,018	39,139,747	39,754,490*	43,349,244*	44,995,000*
West Australia	2,575,000§	3,118,113*	3,723,200*	4,121,700*	4,508,500*
Queensland ...	450,000§	514,103*	578,200*	761,700*	914,000*
Victoria	640,000§	575,260*	674,700*	857,500*	1,090,000*
New South Wales	197,000§	279,466*	370,000*	349,000*	459,000*
South Australia	25,000§	13,696*	32,700*	34,000*	35,000*
New Zealand ...	1,100,000‡	1,334,405*	1,100,000*	1,189,200	1,199,000*
Tasmania ...	27,000§	32,650*	48,000*	61,600*	67,000*
Total Australasia	5,014,000	5,867,893	6,526,800	7,374,700	8,273,000*
India	1,889,261*	1,959,977*	2,060,000‡	2,213,300*	2,295,000*
Canada	3,290,000‡	3,260,468*	3,016,000*	3,174,586*	3,952,500*
Total British Empire ...	48,194,279	50,228,085	51,357,290	56,112,330	59,515,500
United States ...	10,500,000‡	12,404,169*	14,064,410*	17,197,300*	19,102,500*
Mexico	2,750,000‡	3,135,512†	2,500,000‡	1,848,000†	1,579,200‡
Russia	1,000,000‡	2,000,000‡	2,500,000‡	4,000,000‡	5,500,000‡
Other Countries	7,000,000‡	7,250,000‡	7,800,000‡	7,822,370‡	8,233,800‡
Grand total ...	69,444,279	75,017,766	78,221,700	86,980,000†	93,841,000†

* Official returns. † U.S. Mint figures. ‡ Estimated. § Estimated from official returns for first nine months.

The outstanding feature is undoubtedly the large proportion of the gold that comes from the British Empire. Out of a total of £75,017,766 for 1919 we furnished no less than £50,228,085, or over two-thirds. During 1920 our contribution reached 69.5 per cent. of the total. This position is entirely due to the celebrated mines of the Transvaal, which provided £35,402,887 in 1919 and £34,652,906 in 1920. Incidentally, let it be noted that, in order to maintain an effective comparison, these figures have reference only to the standard value of gold, the influence of the gold premium being ignored. The decline in the output from this region is the cumulative result of more than one factor. In the first instance, no less than eight of the mines that produced during 1919 dropped out before the close of 1920. A second factor was referred to by Mr. Henry Strakosch at the Brussels Conference. "The diminution of output, it was clear, had been brought about by increased cost of production, which was unaccompanied by a corresponding rise in the value of gold." Not only in South Africa was this cause operating; it was world-wide, as will be admitted by anyone who has read the reports of gold-mining companies, whether domiciled in Johannesburg, Rhodesia, India, Australia, Canada, Mexico, or the United States. It was not only stores and materials that proved more costly. The Chamber of Mines in South Africa had to grant large increases in wages to both native and white employees. Australian companies complained of the increases sanctioned by the Australian Courts. As regards the Transvaal, the final result can be measured to some extent by figures recently supplied by the Chamber of Mines to support its refusal of a demand for a further increase in wages. In the case of thirty-nine producers the average cost of producing an ounce of gold between January and November 1920 is stated. With gold at 85*s.* an ounce only fifteen of these companies could afford to produce under existing conditions. The other twenty-four mines record costs varying from 85*s.* 10*d.* per ounce in the case of Van Ryn Estate to 109*s.* 9*d.* per ounce in the case of Luipaard's Vlei. The increased contributions levied under the new Miners' Phthisis legislation has also played a part in this high cost. Strikes have undoubtedly restricted production in certain areas. More than one Australian mine was handicapped by labour disputes during both 1919 and 1920. In Rhodesia lack of adequate transport facilities has also to be taken into account. In most of the leading producing areas there has been a shortage of labour. This was particularly the case in South Africa, where the mines were unable, in the majority of cases, to secure anything like a full complement of native labour.

It is interesting to note that the small increase in the Canadian output is due entirely to the record production in Northern Ontario. Out of an estimated total of $16,000,000 at least, this region supplied no less than $11,500,000. As regards production outside the British Empire, the available data is more scanty. In view of the gigantic upheaval in Russia the reduced estimate of £1,000,000 may even prove too large; but, on the other hand, £10,500,000 seems conservative for the United States, and in view of the great improvement in the political complexity of Mexico, the output from this region may be found to be more than is estimated.

The advent of the premium on gold since July 1919 has brought to many of the producers of this precious metal an additional revenue of no inconsiderable amount. Owing to lack of uniformity in statistics, it is not possible to measure this benefit for the whole output. Moreover, as regards the Indian mines, because of an agreement with the Government, they were not able to reap the benefit of this premium until after May 1920. How this premium must have revolutionised the position of many gold-mining companies can be seen by studying the effect as regards the Transvaal region:—

Transvaal Gold Production.

Year	Quantity Fine Ounces	Value at Par	Value including Gold Premium
		£	£
1914	8,394,322	35,616,814	
1915	9,093,902	38,628,437	
1916	9,296,618	39,489,522	
1917	9,018,084	38,323,921	
1918	8,418,292	35,768,687	
1919	8,330,091	35,402,887	38,402,887
1920	8,153,625	34,652,906	44,641,096

Thus in 1919, when the premium had been in operation only for a little more than five months, the Rand gold mines secured an additional income, according to Sir Evelyn Wallers, of £3,000,000. For 1920, when the premium was in operation during the whole year, the extra revenue reached nearly £10,000,000. This estimate is derived by valuing the output at 109*s.* 6*d.* per ounce, which is the average of the monthly values declared by the Johannesburg group. Moreover, as a conservative tendency was adopted in fixing these monthly values, it may be taken for

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certain that £10,000,000 represents the minimum received in this manner. Incidentally the table shows the manner in which the quantity of gold secured annually in the principal producing region in the world has been declining since 1916, when it reached 9,296,618 ounces, until 1920, when it amounted only to 8,153,625 ounces. In his speech at the Brussels Conference, Mr. Strakosch maintained that this tendency would continue and that henceforth we would have to expect a decline in the quantity of gold produced annually by the world as a whole.

GERMAN INDUSTRY AND THE INDEMNITY.

On the subject of the indemnity payable by Germany the attitude of this and Allied countries seems at the moment to be governed by two distinct considerations: while satisfaction is expressed at the possibility of employing sums forthcoming under that head in liquidation of Allied indebtedness to the United States, and in relief of home taxation, there is a feeling of uneasiness that the growth of the German export trade cannot be achieved without prejudicial results to manufacturing and producing interests elsewhere. It is generally admitted that in the export of commodities Germany must find her ability to pay. M. Loucheur, the French Minister for the Liberated Areas, argues that it is a mistake to suppose that Germany could only pay by means of the wealth thus acquired, because, in addition, "she might, as the result of her export trade, be in a position to pay between twelve and thirteen milliards of marks in gold." This might be so, but goods would still form practically her only medium for the purchase of the gold, since her foreign investments have sunk to minute proportions as a result of the War, and the revenue earned from the services performed by her shipping has practically disappeared.

In 1912 Germany's exports of merchandise, excluding through transit trade, were valued at £440,376,000. Of this amount £102,325,000, or twenty-three per cent., was divided between Russia, the old Austro-Hungarian Empire, Bulgaria, Servia Roumania, and the Turkish Empire. The first two countries were by far the most important from the German trader's point of view, Russia taking £37,356,000 and Austria-Hungary £50,675,000. From a recent statement by Dr. Simons the attempt to reopen trade with Russia has been a distinct failure, and no reliance could be placed on promises of return consignments from that quarter. Of the other countries mentioned above it can be said that conditions are much better, but the breakdown of credit, the inefficiency of transport, and the slow progress of productive recuperation are factors weighing heavily against the resumption of normal trading activity. This is confirmed by a report issued recently by the Department of Overseas Trade, stating that "the whole of Russia, of Poland, and the late Austro-Hungarian Empire have ceased to buy German goods to any extent, either because they are too expensive, or because transport is too difficult, or for political reasons." If the process of economic recovery ran concurrently in the case of these countries and in that of Germany, one of their principal suppliers, there might be a hope of avoiding the disturbance caused by a German invasion of alternative markets, but under other circumstances the German exporter will naturally prefer to dispose of his goods in terms of a currency standing at a high premium in relation to the mark. On the same hypothesis, his inclination to exploit still further these markets will be strengthened by the fact that the home market under the *régime* of high prices is of very limited extent. With an increase of German productive capacity and the employment of lower-cost raw materials the home demand may revive, but an offsetting factor is the heavy burden of taxation Germany must in future assume—a taxation that will, by the way, be seriously felt by foreign interests carrying heavy investments in German concerns. It has long been recognised that a huge export business is the imperative need of German industry and trade, and to facilitate that end numerous arrangements have been recently made with foreign concerns. Foreign firms have been given a direct interest, though not a controlling one, in a German concern, or a company has been formed in which several German companies have participated. This, as the above-mentioned report mentions, has been the case particularly in the oil and margarine industries with the Dutch, in the electrical and textile industries and in shipping with the Americans, in the rubber industry with the British, and in ores with the French. In this way the realisation of a twofold object is attempted—the import of raw materials with the aid of foreign currency, and the finding of a field in which the resulting manufactures can be sold. In tune with these arrangements is the internal reorganisation of industry. Very noticeable before the War, the tendency to create syndicates has received a big impetus during the past two years. A few groups now control the bulk of the iron and steel industry, the old chemical combine has been strengthened, shipping is practically controlled by two companies, and the trust movement is also well marked in the case of the electric-lamp, the motor-car, the brewing and the oil and fat industries. Of great significance is also the information that the great banks not only participate in the transactions connected with the creation of these syndicates, but are busy opening up new branches and buying up provincial houses.

German trade plans can only come to fruition and German obligations to the Allies can only be discharged when the export trade in German goods reaches large dimensions. But this will mean intensified competition in the home and foreign markets of the Allied nations. This competition has already given rise to some uneasiness amongst our manufacturers, an echo of which finds expression in the scheme of payment in raw materials recently propounded by the President of the Board of Trade. To make this scheme workable, however, Sir Robert Horne will have to find the countries that are willing to take German manufactured goods. A threat of raising the tariff against these goods has already emanated from the United States, and if, in order to protect home industry, this course is followed in that country, the full weight of the German onslaught—if the tariff imposed is prohibitive—can only fall on other markets. Yet the United States, on account of the debts owed it by the Allied nations, has a vital interest in seeing that the German trade machine shall be unhampered in its efforts to find the sums fixed by the Paris Conference. Ultimately tariff walls may be insufficient to keep out German goods, since the products of the protected industries may increase in price to the extent of the tariff. Where the importation of German goods is

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absolutely prohibited, as is, we believe, the case in Australia, the level of prices for certain commodities may rule higher than in countries which permit importation. Temporarily, however, an increase of tariffs will direct the flow of German exports to free, or comparatively free, markets, and then it is natural to assume that after a time their superabundance will be followed by a heavy fall in their prices and the wiping out of profit margins. Unless the German producer was then in a position to invade fresh markets the sums derived from the twelve per cent. export duty and other forms of taxation would not be very impressive.

Much attention is being paid at present to the situation that would arise here from large-scale German competition. It is certain that some home industries would suffer severely, and that their attentions could not be directed to other pursuits without a considerable wastage of capital. Nevertheless, great weight attaches to the argument that an appreciable lightening of the home consumer's burden would ensue. Whether, in the long run, German competition would do us any serious harm is another and much wider question. It is a remarkable fact that between 1901 and 1912 the total value of merchandise exported from the United Kingdom to Germany increased from £27,174,000 to £41,428,000, or fifty-two per cent., while that from Germany to the United Kingdom increased from £44,582,000 to £57,087,000, or but twenty-seven per cent. A distinction must be drawn, it is true, between the two classes of exports. German exports were for the most part worked up in that country, while the British figures included foreign and colonial merchandise, transhipped as they arrived, and consequently leaving but little remuneration to our merchants and wage-earners. Provided the United States does not prove a formidable competitor our profits from this class of trade—having regard to the disappearance of German shipping—should, however, tend to increase.

SOUTH AND CENTRAL AMERICA.

We regret that, owing to pressure upon our space, we are compelled to hold over till next week our usual article under the above heading.—Ed. The Statist.

Brazilian Customs Tariff.—British manufacturers and merchants will be glad to learn that the British Chamber of Commerce of Sao Paulo and Southern Brazil have arranged for the Brazilian Customs Tariff to be printed in English, Portuguese, French and Italian, in one complete volume. The price will be twenty milreis. Traders in this country desirous of securing space in the volume are notified that the charges for advertising are: One page, £12 10s.; half-page, £6 10s.; quarter-page, £3 10s. Those interested should communicate with the Association of British Chambers of Commerce, 14 Queen Anne's Gate, Westminster, S.W.

"The Colombian Trade Review."—We have just received No. 1 of this Review, published by the Bureau of Information and Trade Propaganda of the Republic of Colombia, 7 Sicilian Avenue, Southampton Row, W.C. 1. The Review, which is to be issued monthly at the price of one shilling, is designed to call attention to the agricultural, trading, commercial and general business possibilities of the Republic. Apart from a few railways, banks and mining companies, British capital is not so well represented in Colombia as those who know the country would lead them to expect.

Foreign Trade of France.—The figures just issued for 1920 bear witness to the recovery of French industry and the increase in output. The deficit, however, reaches a very high figure, since to the thirteen milliards which were recorded last year must be added twenty-four milliards in 1919 and seventeen and a-half milliards in 1918. Part of this deficit has been paid by the sale of international securities abroad and the expenses of tourists in France.

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Financial Notes.

The World's Gold Holdings and Paper Circulation.

While a general westward movement of gold has taken place in the last seven years, the amount deposited with the national banks of the principal countries of the world has increased in every instance, with the exception of British India, and of the defeated belligerents, such as Germany and Austria-Hungary. No particulars are available for Russia, but it is probable that the reserve of £151,600,000 held in 1913 has appreciably dwindled. The latest particulars for the various countries together with the amount of gold held per head are included in the following table:—

Country	Total Gold Reserve 1913	Total Gold Reserve 1920	Gold Reserve per Head of Population 1913	Gold Reserve per Head of Population 1920
	£	£	£	£
Great Britain	35,000,000	128,300,000	·77	2·81
United States	47,700,000(a)	428,300,000	·52	4·68
Argentina	—	96,391,930(c,d)	—	11·64
France	140,300,000	220,000,000	3·54	5·55
Italy	60,400,000(b)	82,800,000(e,f)	1·74	2·29
Belgium	12,300,000(b)	12,900,000	1·65	1·70
Japan	23,000,000(b)	117,500,000(e)	·43	2·06
Netherlands	12,600,000	53,000,000	1·98	7·82
Spain	19,200,000	98,300,000(g)	·96	4·74
Norway	2,700,000	8,200,000	1·12	3·11
Sweden	5,700,000	15,700,000	1·03	2·70
Denmark	4,100,000	12,600,000	1·39	4·18
Switzerland	6,800,000	21,700,000	1·81	5·54
Russia	151,600,000	—	·91	—
Germany	57,500,000	53,700,000	·91	·85
Austria-Hungary	52,100,000	11,300,000	1·82	·39
Greece	8,600,000(h)	54,800,000(c,e)	1·81	11·55
Roumania	6,100,000	104,000,000(e,f)	·78	4·13
Finland	1,400,000	1,700,000(e)	·43	·51
Portugal	1,700,000	1,700,000(j)	·28	·28
Australia	4,500,000	23,300,000(d)	1·01	4·53
New Zealand	5,200,000	7,700,000(j,k)	5·15	7·0
Canada	7,800,000(f)	16,400,000(d,l,m)	1·08	2·27
British India	21,300,000	15,900,000	·06	·05

(a) 1914. (b) Gold and silver. (c) Gold and balances abroad. (d) To end of October. (e) To end of November. (f) Banks of Italy, Naples and Sicily. (g) Excluding balances abroad. (h) June 1913. (i) Includes "disponibles traites et bons de Tresor." (j) To end of September. (k) Coin and bullion. (l) Gold and subsidiary coin, Canada and elsewhere. (m) Chartered banks.

The returns for some countries do not distinguish Treasury bonds and other negotiable forms of security from actual coin and bullion holdings, and in the absence of information the amount and value of the metallic reserve cannot be accurately estimated. The most extensive increase is shown in the case of the United States, from £47,700,000 in 1914 to £428,300,000 in 1920, a rise or 818.8 per cent. compared with an increase of 266.6 per cent., from £35,000,000 to £128,300,000 in the case of Great Britain. The figures for the various countries have been compiled as far as possible on a uniform date. Our gold reserve latterly increased. On the 16th inst. the gold coin and bullion held by the issue department of the Bank of England amounted to £126,509,775. For the various countries mentioned in our table the increase in the holdings of the precious metal since 1913 has been from £687,600,000 to £1,587,000,000, a rise of 131 per cent. This increase has been coincident with a withdrawal of gold from circulation except in the United States and Japan. The absence of gold as a monetary medium has been more than made up by the issue of paper currency, and the total

world's circulation, taking into account thirty principal countries, expanded from about £1,500,000,000 in 1914 to £10,000,000,000 at the end of 1919. This estimate takes no account of the rouble currency put into circulation in Russia since the Revolution. The chief advances in note circulation have taken place in the cases of Germany, Austria-Hungary, Bulgaria, and Turkey, and it is precisely in these instances that the amount of the gold holding has declined.

Canadian Railways.

Statistics relating to the Canadian railways in the year ended June 30, 1919, have been published by the Dominion Bureau of Statistics. There was a general increase in freight and passenger rates of fifteen per cent. on March 15, 1918, and another of twenty-five per cent. on August 12, 1918, the latter affecting the majority of commodities. The tons of freight handled by steam railways decreased in the year by 10,844,115, or 2.7 per cent. This latter figure does not tally with that given in the 1918 report, because of an error in that report. The increased rates led to the receipt of additional revenue from both freight and passenger traffic, the total being $52,756,751 over that of 1918. Operating expenses increased by $67,911,073 on the previous year, and the final result was a decrease of $15,154,322 in the net operating revenue. The number of employees, which had been reduced during the War, was practically the same as in 1914, but salaries and wages have since risen by $97,177,023, or eighty-seven per cent. Expenditures on maintenance of way, structures, and equipment increased by $38,512,421 over 1918, and $75,763,955 over 1914, or by 105.7 per cent. in the five years, the increase being due principally to higher wages and greater cost of materials. The capitalisation of the railways has risen by slightly over 200 million dollars since 1914, as the following table shows:—

Capitalisation of Railways in Canada.

Year	Stocks	Debenture Stock	Funded Debt	Total
	$	$	$	$
1913 ..	755,316,516	163,257,224	613,256,952	1,531,930,692
1914 ..	853,110,653	173,307,470	782,402,638	1,808,820,761
1915 ..	847,801,101	176,284,882	851,724,905	1,875,810,888
1916 ..	848,269,488	176,284,882	869,323,449	1,893,877,819
1917 ..	872,829,993	216,284,882	896,005,116	1,985,119,991
1918 ..	877,600,613	216,284,882	905,994,999	1,999,880,494
1919 ..	878,101,113	216,284,882	914,823,515	2,009,209,510

The chief advance has been in the funded debt, though Ordinary and Debenture stocks have also expanded.

Grand Trunk Debentures.

Government aid to the railways in 1918-19 comprised $219,077,163 from the Dominion and $38,171,229 from the Provinces, exclusive of $17,914,836 from the municipalities. These figures derive additional interest from the tardiness of the Canadian Government in recognising the claims of holders of the Four per Cent. Debenture stock of the Grand Trunk Pacific. The issue ran to more than £7,000,000, and there has been continued default in interest payments since March 1919. When the Grand Trunk system passed to the Government it was thought that the rights of holders would immediately be recognised; but demands for payment of arrears have been met by references to the proceedings of the Board of Arbitration at Ottawa. This Board was, however, appointed only to determine the value of the Preferred and Ordinary stock, and as the Government, on the expropriation, assumed all the liabilities of the Grand Trunk system, it is difficult to reconcile their action with their repeated professions of anxiety for the interests of stockholders. The hearing by the Board is expected to occupy about seven or eight weeks, and already on one point, that the physical value of the railway prior to its being taken over by the Government should not be considered in arriving at the value of the stock, an appeal has been made by the Company to the Supreme Court.

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American Topics.

AMERICA AND ENGLAND.

Having occurred and having attracted widespread attention in the Press of the United States and in the Press of this country, the interview, and its wide publicity, between the British Ambassador and a group of American journalists while the Ambassador was recently on leave from Washington, may serve a good purpose. We should have avoided, and naturally avoided, discussing in public the probability, however remote, of war between the United States and this country, but since the incident, so prominently in the public mind, has occurred, it should serve a good purpose if it induces the two countries to try and understand each other. That war would be a disaster of the first magnitude no one doubts. An American journalist, recently discussing the subject, put the case with a clarity it would be difficult to improve upon. He said, and said truly, that whether the outcome of the war was the annexation of the British Empire by the United States or the absorption of the United States in the British Empire, there could be hardly any reasonable doubt the victor would be immediately challenged to a formidable combat for world supremacy. There can be equally very little reasonable doubt that such a contest, if it occurred, would bring to an end that civilisation which we have come to associate with the title "European."

Since the question has been raised, and raised through no desire on the part of anyone in this country, a little frankness in the hope of clearing up misunderstanding may serve a useful purpose. There is hardly room now for reasonable doubt that had Germany clearly foreseen what she was about to encounter she would never have provoked the recent war in the reckless manner that she did.

Whenever any attempt was made in the British Press to warn our own countrymen, to warn Europe, and, above all, to warn Germany of the dangerous position into which the European situation was drifting, means were found in every single instance to stop, and stop effectively, such a propaganda.

This country has shown in the most convincing manner possible during the life of two generations that it regards the Americans as almost akin to ourselves. Foreigners have failed to appreciate in many instances that we would pass over without apparent irritation acts on the part of prominent people in the United States that would have aroused the utmost indignation in this country if they had been the acts of people belonging to any other nation. Unfortunately, a large proportion of the public in the United States do not fully appreciate our attitude. Until the good will of our Government at the time of the late President

Cleveland's famous Venezuela Message was shown, and convinced the thinking part of American public opinion, and practically converted all men who had any claim to aspire to an important position in the councils of their country, comparatively few people in the United States appreciated our feeling to that country. England's feeling to America has so long been of a benevolent character that the Venezuela Message was a terrible shock to our public. Regrettable as was the action of the President, it might have been that the President, for some reason unknown here, was not able to express the opinion of his country; but the alarm caused by the Message, and the surprise it created, was intensified when that Message was endorsed by both Houses of Congress. When it was seen that our Government was willing to go to almost any length to settle the question with Venezuela and avoid war with the United States the international public was puzzled. It precipitated, it is now generally admitted, the outbreak of the South African war. President Krüger came to the conclusion that we had grown so fat and scant of breath that we would give way provided our opponent assumed an attitude sufficiently menacing. Like the international public, President Krüger failed to realise that the action of the British Government was based on the desire of avoiding war with America, not of avoiding war with anybody.

What really convinced the great thinking public in the United States, apart from those high in its councils and directing the policy of that country, of our real benevolence was the action of our Government so soon after the Venezuela incident in the Spanish-American war, which precipitated the war period, the end of which is not yet in sight. At that time the British Navy was out of all proportion the most powerful in the world, and it is now a matter of history that we let it be understood that any interference between the belligerents by a third Power would not be tolerated by this Government. We have always been, or at least for more than two generations now, so conscious of our benevolent feelings to the United States that we have invested in the past seventy years a larger proportion of our savings in that country than in any other country in the world outside our own.

It may help to a clear understanding of the relations of the two countries if we contrast the American and British attitude to each other's domestic affairs. We recognise, not merely officially, that the United States has to bear the responsibility for the conduct of their own affairs. No British politician would hope to push his interests by describing the most lurid incident that might occur in the Black Belt of the United States. Unfortunately, it is a common and not merely a rare occurrence for politicians on the other side of the water to attempt, and often with success, to push their interests by painting our domestic conditions in the most lurid colours.

We have said that a war period, the end of which is not in sight, was once more inaugurated after an appreciable breathing-space with the war between the United States and Spain. It culminated in the recent great European War. This war, unfortunately, has had no decisive results, either political or economic. Whatever may have been the object for which it was fought, it has resulted in promoting the interests of the Bolshevists of more than half of Europe. Further, it has brought into existence a large array of new States, who show so far as little desire to live in amity with one another as were the greater States which preceded them.

Bearing in mind the alarming state of the world in general, and of Europe in particular, close co-operation, or at any rate such close co-operation as is practicable, of the English-speaking world seems at least as desirable now as it was in any period of our history. Permanent good feeling between the United States and this country can best be attained by each respecting the natural susceptibilities of the other.

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Insurance Notes.

INDEMNITY MUTUAL MARINE ASSURANCE COMPANY, LIMITED.

It will probably be found, when all the relative statistics for 1920 are available, that the marine premium incomes of joint-stock companies were not so large in that year as in 1919. During the War the amount of these receipts was far in excess of what had previously been the case, and it was expected that there would be a big slump in this respect following the conclusion of hostilities. As it has turned out the shrinkage has been much more gradual than had been generally anticipated. In the case of the Indemnity Mutual, which may turn out to be rather exceptional, the report for 1920 actually shows an increase in premiums, which amounted to £2,297,339, as compared with £2,150,120 in 1919. We must probably, however, look for a decline in marine premium revenue in the near future. Values of ships and cargoes increased in the early part of last year, but since then there has been a heavy fall. The Indemnity Company's first year's settlements for 1920 amounted to £794,842, representing about thirty-five per cent. of the premiums. This is largely in excess of the corresponding proportion shown in its 1919 account, but does not differ greatly from the Company's experience during the four years preceding the War. The general belief is that the best companies will have to be content with much reduced profits as compared with those which they made during the War. As for such companies as have ventured into the marine sphere, tempted by the results then shown, they are likely to have a disappointing experience. The most able underwriters will be thankful if they can make a profit at all, and the Indemnity results so far for 1920 seem to confirm the view that this attitude is correct.

The Indemnity account for 1919 at the close of two years' operations seems to stand in a healthy position. After payment of second year's claims, and the transfer of £550,000 to underwriting suspense account to close the account, a balance of £119,114 is available in profit and loss account. The net interest earnings in 1920 amounted to £133,266, so that the estimated profit appears to amount to £252,380. The dividend distribution, absorbing the sum of £105,525, is clearly of a conservative character.

As regards the Company's underwriting account for 1918, it may be mentioned that a reserve of £700,000 had been carried forward at the close of 1919 in underwriting suspense account, and has proved to be more than sufficient for the underlying purpose.

After transfer of £100,000 to investment depreciation account, increasing same to £200,000, the follow-

ing reserves (apart from paid-up capital of £201,000) are carried forward to 1921, showing an exceptionally strong financial position:—

	£
Reserve	900,000
Building reserve	70,000
Underwriting reserve account	710,888
Balance of underwriting account, 1920	1,170,118
Profit and loss account (after provision for balance of dividend and bonus on shares)	724,972
	3,855,178

SEA INSURANCE COMPANY, LIMITED.

THE Company's underwriting account for 1919 showed a very promising appearance at the close of that year, as the first year's settlements (£171,097) represented only 17.3 per cent. of the premium income (£986,074). Expectations of a proportionately large profit on winding up were therefore justified; but the actual result is not so generous as might have been looked for. The balance, after payment of first year's claims and expenses, carried forward in this account to 1920 amounted to £769,210. The second year's settlements shown to have been made in that year absorbed £502,037, or 50.9 per cent. of the 1919 premiums, which is fairly high. The long-drawn-out nature of marine settlements under present conditions is a characteristic of recent times, and may account for the fact that whereas on the 1918 premium income, which amounted to £1,234,060, it was decided at the close of 1919 to reserve £128,000 for third-year and later settlements, or little more than ten per cent. of the premiums, the corresponding reserve for such settlements in connection with the 1919 account at the close of 1920 is £200,000, or over twenty per cent. That reserve may eventually prove to be more than sufficient for the purpose to which it is assigned, but it leaves the Company with an assumed gross profit of only £67,396 from the 1919 trading, as compared with one of £199,663 from that of 1918. And this notwithstanding the fact that the first year's settlements had been considerably more in 1918, proportionately to premium income, than they were in 1919. The gross profit assumed on the working of the 1919 account is only about 6.7 per cent. of the premiums, and must be esteemed a modest one in view of the risks undertaken. But even this is sadly shorn by income tax, which amounted to £49,966. Thus the net trading profit is reduced to £17,430, which represents less than two per cent. of the 1919 premiums.

The net interest received by the Company during 1919, which was taken into account at the close of last year, amounted to £67,879, and the total net profits from all sources from 1919 which are treated as disposable on December 31, 1920, were thereby raised to £85,309.

The paid-up capital amounts to £500,000, in 500,000 fully paid shares of £1 each. The dividend distributions in this Company have always been on a very conservative basis, and this explains to a large extent the strength of the reserves. The dividend declared in the 1920 report is 3*s.* per share, as compared with 2*s.* 9*d.* per share a year previously. For its distribution the net sum of £48,125 is required, which, it will be seen, is less by about thirty per cent. than the interest earnings taken into account, without encroachment on the trading surplus. The Company's policy has been very gradually to increase its dividend distributions, and the future may be viewed by shareholders very confidently, owing to the powerful financial position which is disclosed.

The Company's total assets as shown in the balance sheet at the close of 1920 amounted to £2,194,811. During the year the sum of £60,000 had been written off the ledger values of the investments.

Apart from capital and sums provided in respect of outstanding liabilities, the following reserves are carried forward to 1921:—

	£
Reserve fund	590,000
Profit and loss balance (after provision for dividend) ...	73,878
Balance of underwriting account for 1920	599,974
Underwriting suspense and returned premiums balance	313,483
Superannuation fund	23,250
	1,600,585

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Rubber Topics.

FOR the Share market this has been a very dull week. There was no appreciable demand on the part of investors; but neither was there any evidence of liquidation. Price movements were consequently on a rather small scale. However, the tendency amongst leading descriptions was firm, Rubber Trusts recovering after the middle of the week what they had lost at the opening.

The Commodity market was characterised by a steady rise in the price of crêpe and smoked sheet from 1*s.* 1¼*d.* and 11¼*d.* respectively on Monday to 1*s.* 2¼*d.* and 1*s.* respectively on Wednesday. However, as both movements were due to "bear" covering, and not to a definite trade demand, there was a relapse on Thursday to 1*s.* 1¾*d.* for crêpe and 11¾*d.* for smoked sheet. The decrease in the quantity of rubber landed here, which fell by 700 tons last week, is evidence of the restrictions now in force. In conjunction with the large reductions shown by the January crop returns, it furnishes a key to the better price of 1*s.* 5*d.* which is now ruling for delivery in the second half of the year.

RIM (MALACCA) RUBBER.

Issued Capital: £80,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividends Amt. £	Dividends %
1916-17	1,170	800	274,854	343²	2 5·87	1 3 2	16,896	9,750	15
1917-18	1,500	—	403,447	—	2 1·7	1 1¾	18,852	8,250	12½
1918-19	1,470	1,029	392,270	381	1/5·7	1/1·8	6,454	5,360	10
1919-20	1,470	1,029	484,953	471	2 1¼	1 2½	23,060	16,000	20

Price of Shares, 35/0. Market Capitalisation per planted acre, £95,

SHAREHOLDERS have every reason for being pleased with the satisfactory report presented by Rim (Malacca) Rubber Estates for the year ended March 31, 1920. Whilst the crop harvested did not quite reach the estimate of 500,000 lb., it exceeded the artificially restricted crop of 1918-19 by over 90,000 lb. With only 1,029 acres mature this corresponded to the very high yield of 471 lb. per bearing acre, as compared with 381 lb. for the previous year. But this increase in the quantity of rubber harvested did not result in the customary decline in the cost of production. On the contrary, the f.o.b. cost rose from 10.79*d.* per lb. to 1*s.* 0.22*d.* per lb.; whilst the "all-in" cost worked out at 1*s.* 2½*d.* per lb., as against 1*s.* 1.8*d.* per lb. It is generally agreed that the system of tapping in vogue on this estate is of a very high order, involving minute care and supervision. Consequently, it emerges that the bulk of this increase in cost despite the larger crop is due to the expense in tapping and collecting. But there are also other factors making for a higher cost, notably the concession to the Indian coolies of remitting a portion of their savings to India at pre-War rates and the supplying of rice below the cost price. However, the marked improvement in the Rubber market during the year under review was reflected in a marked advance in the average gross price

realised by the sale of the crop from 1*s.* 5.7*d.* per lb. to 2*s.* 1¾*d.* per lb. This increase more than offset the rise in the cost of production, with the result that there was secured a profit per lb. of 10¼*d.*, as against less than 4*d.* in 1918-19. Earned on a large crop, this profit produced a total of £23,060, which was nearly four times the total profit for 1918-19, and constitutes a record profit in the history of the Company, comparing with £18,852 in 1917-18. A sum of £1,127 is transferred to the general reserve, thereby raising the total to £6,000. Shareholders receive the record dividend of twenty per cent., absorbing £16,000. The balance carried forward to the next accounts is increased from £3,600 to £28,402, but is subject to deduction in respect of excess profits duty.

During the year the issued capital of the Company was increased from £67,000 to £80,000 by the successful issue of 13,000 shares at a premium of 15*s.* per share, thereby giving a share premium account of £9,750, which can be utilised later on for writing down the cost of development. With the aid of the funds thus secured it was proposed to open up 1,000 acres during the next two years at the rate of 500 acres a year. By May 1920, 207 acres had been cleared and 180 acres planted. The present depression in the Rubber market may necessitate a slackening of this programme. The estimate of the crop for the current year is 600,000 lb. Returns for seven months of unrestricted tapping showed a total of 281,900 lb.; whilst including the reduced outputs of November and December the yield for nine months is 356,300 lb. Assuming a reduction of twenty-five per cent. for the remainder of the period, the total crop will just fall short of that secured in the year under review. With rubber still selling at 1*s.* 2*d.* per lb. it is obvious that this Company cannot produce at a profit unless its cost of production drops, and this is rather unlikely. In the light of this position it is satisfactory to learn that forward contracts during 1920 covered the sale of 302,400 lb. ex godown Singapore at an average price approximately of 2*s.* 3½*d.* per lb., whilst during 1921 there had been sold forward no less than 268,800 lb. at an average price of 2*s.* 5½*d.* per lb. ex godown Singapore. Such sales of themselves should not only provide the funds necessary to finance the operations of the Company during this difficult period, but should also enable it to pay a dividend in respect of the current year if the condition of the Rubber market improves by the date of publication of the accounts. Financially, the position of the Company as disclosed in the balance sheet dated March 31, 1920, is very sound. Including the dividend of twenty per cent., absorbing £16,000, current liabilities did not exceed £20,685, and were amply covered by liquid assets which amounted to £41,295. Quoted in the market at 35*s.*, it would require a dividend of seventeen and a-half per cent. on the £1 shares to afford a return of ten per cent.

KAWIE (JAVA).

Issued Capital: £75,000 in 2s. Shares.

Results for Years to March 31

	Rubber: Total Planted Acres	Rubber: Area in Bearing Acres	Rubber: Output lb.	Rubber: Av. Yield per Bearing Acre	Coffee: Crop Cwt.
1916–17...	2,031	1,390	592,185	1·61	6,369
1917–18 ..	2,057	—	543,570	—	2,324
1918–19...	2,037	—	425,338	—	3,769
1919–20 ..	2,037	—	549,219	—	1,290

	Rubber: Price Realised per lb.	Rubber: All-in Cost per lb.	Coffee: Price per Cwt.	Coffee: All-in Cost per Cwt.	Net Profit £	Dividend £	Dividend %
1916–17 ...	2·5¼†	—	79·8	—	69,042	17,000	25
1917–18 ...	2·0†	—	21·0‡	—	34,527	17,000	25
1918–19 ...	1·4¼†	—	31·7	—	23,938	16,000	20
1919–20 ...	1·10·44†	—	71·3	—	36,935	14,650	20

† Price f.o.b. ‡ Valuation of coffee unsold.

A satisfactory report is presented by Kawie (Java) Rubber Estates for the year ended March 31, 1920. With the removal of the restrictions on output the rubber crop rose from 425,338 lb. to 549,219 lb. At the same time it fell short of the original estimate by nearly 51,000 lb. The ash from the Kloet eruption had injured the coffee blossoms so considerably that a crop of only 1,000 cwt. was anticipated, as compared with 3,769 cwt. for the previous year. However, the actual crop collected reached 1,290 cwt. In both crops an improvement in the sale price is recorded. The average f.o.b. price per lb. for rubber rose from 1*s.* 4¼*d.* in 1918-19 to nearly 1*s.* 10½*d.* in 1919-20. There was a very satisfactory recovery in the price of coffee, the average amounting to over 71*s.* 3*d.* per cwt., as compared wtih only 31*s.* 7*d.* in the previous year. In view of this marked increase in the sale price, the reduction in the quantity of the crop as the result of the volcanic outbreak is to be regretted. No information is supplied as to the relative costs of production of the two crops; but it was stated at the general meeting that, whilst the revenue from both sources increased by nearly thirty per cent., the total expenditure only rose eleven per cent. Accordingly, the net profit for the year amounted to £36,935, as compared with £23,938 for 1918-19 and £34,527 for 1917-18. A sum of £6,833 was reserved to meet Dutch and British income tax; whilst £1,500 was set aside to cover the liability for excess profits duty. Shareholders received a dividend of twenty per cent., as in the previous year; whilst there was carried forward to the next accounts the substantial balance of £25,702, as compared with £11,750 brought forward from 1918-19. This large balance indicates that in the absence of the depressed condition of the Rubber market shareholders could easily have received a dividend of thirty per cent. However, it is a tribute to the wisdom of the directors that they should have adopted the more conservative policy of husbanding their resources.

The outlook for the current year is by no means so promising, especially in view of the slump in the Commodity market since last autumn. Originally the Company anticipated a crop of 600,000 lb. of rubber; but as they are participating in the reduction of twenty-five per cent. in force since November, a revision of this figure is necessary. The returns for the nine months ended December 31, 1920, show that a crop of 468,100 lb. has been secured. Unless a more drastic restriction is adopted before the close of the current year the final crop is not likely to be less than that of the year under review. In the absence of information as regards forward contracts it is impossible to say whether any reasonable profit can be secured from rubber. Although no estimate of the coffee crop is given, it is stated that a considerable crop is expected. Consequently, coffee may easily prove to be the more remunerative crop. The cost of production is likely to be higher owing to increases in wages and a loss on rice. However, the estates are reported to be in excellent condition, giving clear evidence of first-class management. Financially the position of the Company, as disclosed in the balance sheet dated March 31, 1920, is very strong. Current liabilities, including the final dividend, absorbing £11,250, did not exceed £33,313; whereas liquid assets were available to a total of £93,619. The issued capital now stands at £75,000. The uncertainty of the dividend outlook at the moment is reflected in the quotation of 4*s.* 4½*d.* for the 2*s.* shares, corresponding to a market capitalisation of £81 per acre.

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IRELAND'S EXTERNAL TRADE.

The Returns of Irish Trade for 1919 just issued by the Department of Agriculture are, on the whole, not satisfactory when compared with 1918. Values in respect of imports and exports, when calculated on the prices in that year, are in excess of those prevailing in 1918; and also exceed them when the common standard of 1904 prices is applied to the imports and exports of both years in order to correct any misleading impression that a casual survey of the returns might induce. In one respect—excess of exports over imports—it is true that the favourable balance is well below that of 1918; but some comfort is to be taken from the fact that this feature of Irish trade, which first came into evidence in 1914, is still maintained. The following table will help to a better understanding of the position:—

Total of Irish Import and Export Trade (Values Expressed to the Nearest Thousand Pounds).

	Imports		Exports		Excess of Imports over Exports	
	Value at Prices in the Year of Importation	Value at 1904 Prices	Value at Prices in the Year of Importation	Value at 1904 Prices	Value at Prices in the year of Importation	Value at 1904 Prices
1913...	74,467	62 986	73,877	60,627	590	2,359
1914...	74,125	61,176	77,311	63,243	3,186	2,067*
1915...	87,257	59,124	84,463	58,372	2,794	752
1916...	104,517	56,619	107,171	58,716	2,654	2,097*
1917...	119,181	49,785	133,805	56,715	14,626	6,930*
1918...	126,016	44,167	152,931	50,569	26,915	6,402*
1919...	158,716	50,081	176,032	51,175	17,316	1,094*

* Excess of exports.

Imports in 1919 increased by £32,700,000 and exports by £23,101,000, compared with 1918. On the basis of 1904 prices it will be noticed that increases are also indicated. Judging values by this standard, however, the volume of Irish exports and imports in 1919 is still far from the pre-War level. Thus in 1913 the exports, valued at 1904 prices, were £60,627,000, and in 1919 £51,175,000, a decline of £9,452,000, or fifteen per cent. Similarly, the imports—£62,986,000 in 1913 and £50,081,000 in 1919—are down by £12,905,000, or twenty per cent. Accepting the 1904 guide, therefore, Ireland does not yet seem to have regained her old-time equilibrium of purchasing and producing capacity.

With the single exception of 1915 the country has consistently enjoyed a favourable trade balance since 1914. It is only since the War broke out that Irish trade returns, for many years at any rate, began to reveal this feature. Between 1904 and 1913 the excess of imports was always predominant, and, in all probability, remittances from America and elsewhere played a large part in filling the gap caused by the deficiency of exports. This excess reached its peak in 1918, but the high figure of that year, £26,915,000, fell to £17,316,000 in 1919. An interesting light is shed on the creation of this favourable trade balance by the fact that in 1915-16-17 the prices of imports were in excess of those realised for exports; in 1914-18-19 an opposite tendency was noticeable. Between 1904 and 1918 import prices had increased by 185.3 per cent. and exports by 202.4 per cent.; between 1904 and 1919 the increases were 216.9 per cent. and 244 per cent. respectively. The Department observes that when analysing these figures it should be carefully borne in mind that the relative importance attached to the price of a particular commodity (*e.g.*, eggs) in a particular year (*e.g.*, 1918) depends on the quantity shipped in that year, and accordingly the "weighting" of commodities varies from year to year.

From 1915 to 1919, while the volume of imports fell by 15.3 per cent., the volume of exports fell only by twelve per cent. This calculation is arrived at by adopting the 1904 standard of prices, and, still following this standard, the ratio of decrease in imports since 1913 is heavier than that experienced in exports. It is probable that this reduction of imports is to some extent explained by increased Irish production. In support of this contention it is observed that the effect of the large decrease in the imports of maize and other feeding-stuffs was largely counterbalanced by increased production of Irish substitutes (oats, &c.), and the decrease of the imports of flax was to some extent made good by increased home production. The decrease in the imports of bacon and butter resulted in a larger consumption and smaller export of the Irish articles. In other directions, however, Irish substitutes were not available and the decreased importation—sugar, for example—led to a fully equivalent decrease in consumption.

By dividing the total Irish trade in 1917-18-19 into its usual categories a closer analysis may be made of recent changes:—

(In Thousands of Pounds.)

	Value at Prices in the Year of Shipment			Value at 1904 Prices		
	1917	1918	1919	1917	1918	1919
Farm Produce, Food and Drink—						
Imports ...	41,419	34,429	55,245	17,101	13,285	20,222
Exports ...	71,801	78,254	93,709	31,187	28,342	32,103
Exports over Imports ...	30,382	43,825	38,464	14,086	15,057	11,881
Raw Materials—						
Imports ...	21,392	21,689	24,433	8,029	6,663	6,966
Exports ...	5,302	5,369	6,777	2,516	2,049	2,044
Imports over Exports ...	16,090	16,320	17,656	5,513	4,614	4,922
Manufactured Goods—						
Imports ...	56,370	69,898	79,038	24,655	24,219	22,893
Exports ...	56,702	69,308	75,546	23,012	20,178	17,028
Imports under Exports ...	332	590	3,492	1,643	4,041	5,865
Total Imports	119,181	126,016	158,716	49,785	44,167	50,081
Total Exports	133,805	152,931	176,032	56,715	50,569	51,175

Disregarding the currencies in which values are expressed during the above-mentioned years, inasmuch as they exhibit a progressive inflation, and confining attention to "Value at 1904 prices," it is apparent that only as regards the group embracing farm produce, food, and drink is there a surplus of exports. This surplus has declined from £14,086,000 in 1917 to £11,881,000 in 1919. Raw materials on the whole show but little change; the excess of imports fell slightly from £5,513,000 in 1917 to £4,922,000 in 1919. Concerning the item of "manufactured goods," the margin between imports and exports has widened considerably since 1917—from £1,643,000 to £5,865,000 in 1919. These changes would, of course, naturally accompany the general outside revival of post-War activity.

In view of the abnormal political and social conditions prevailing in Ireland, the Committee of the Irish Industrial Development Association do well in pointing out that the present relations between England and the greater part of Ireland not only affect Irish trade and industry, but seriously menace the progress of trade and industry in Great Britain. By far the greater proportion of Irish imports are of British origin, whilst over ninety per cent. reach Ireland through British agencies. Moreover, practically the whole of these

imports and exports are conveyed to and fro in British-owned steamers, and the premiums received for the insurance of this traffic are paid to British insurance companies. Ireland is one of Great Britain's largest and most profitable customers for manufactured goods; and, further, supplies that country with essential food products. At the present time a vast amount of this import and export trade is held up, at a moment when unemployment in Great Britain has reached a critical stage.

For some time past, according to the Committee, Irish accounts have been disappearing from the ledgers of British firms and reappearing in those of their foreign competitors. Bearing in mind the severe pressure of foreign competition elsewhere, this diversion of trade cannot but eventually have serious results for the industrial interests of Great Britain and the urgency of an effort on the part of the Government to grapple seriously with the Irish problem is strikingly apparent.

Industrial Companies.

SELFRIDGE AND CO., LIMITED.

Issued Share Capital: £2,845,223 in 1,300,000 6% Cumulative Preference shares; 1,000,000 10% Cumulative Preferred Ordinary shares, 500,000 Ordinary shares, and 45,223 Staff Participating shares of £1 each. 5% First Mortgage Debentures: £323,400.

Year to Jan. 31	Net Profit	Amounts Written off	Excess Profits Duty	Deb. Int., Pref. and Pfrd. Divs.°	Staff Shares — Div.— £	%	Ord. — Div.— £	%	Amt. of Carry-forward £
	£	£	£	£					
1914	131,547	55,000	-	43,151	—	—	25,000	5	16,396
1915	134,791	34,000	—	51,297	—	—	25,000	5	40,890
1916	150,223	21,755	—	60,627	-		30,000	6	78,731
1917	225,138	36,000	35,000	70,676	—	-	35,000	7	127,193
1918	258,764	50,000	75,000	70,432		-	35,000	7	155,525
1919	322,825	60,000	140,000	69,630	—	-	35,000	7	173,720
1920	372,179	181,891	95,000	80,105	-	-	50,000	10	139,203
1921	375,031	115,000	90,000	112,692	5,300	12	50,000	10	141,243

° Pref. div. paid free of income tax.

For the London Stores the year which has just drawn to a close must have been a period of much anxiety. In common with other branches of industry and commerce, they had to submit to the unexpected increase in the excess profits duty and the imposition of the corporation profits tax. The drastic policy of deflation which was subsequently introduced by the Government brought in its train in due course the fall in prices. The carrying on of any large business in an era of falling prices always calls for very delicate supervision and management. And as regards the London Stores, the situation was rendered more difficult by the slump in trade that began to set in after the autumn. With the knowledge of the fall in wholesale prices brought forcibly under their notice by the Press, the public began to postpone their purchases until this reduction should have appeared in retail prices. Thus the Stores as a rule found themselves possessed of stocks ordered considerably in advance, at a period when price levels were still high, but which the public would not purchase unless at a corresponding reduction. The extent to which these Stores were able to cut their losses in this respect without unduly encroaching on their profits should furnish a good measurement of the ability and efficiency of their respective managements.

An analysis of the accounts of the well-known firm of Selfridge and Company for the year ended January 31, 1921, shows that this great London Store has tackled the difficult problems of the period with remarkable success. To have maintained the profit of the previous year would have been a good achievement, but Selfridge and Company have even succeeded in increasing the net profit to £375,031. On the surface the increase of over £2,500 may appear trivial; but we understand that this net profit has been arrived at, not only after deducting expenses on a much higher scale, but also after writing off losses incurred in more than one department by the judicious sacrifice of stock purchased in the era of high prices. It is well known that this enterprising firm was the foremost in recognising the inevitable slump in prices. As far back as June they took the courageous step of offering a reduction of ten per cent. on everything purchased in the house during that month. The continuance of this policy has borne fruit in the successful accounts now under review. Especially during the Christmas season the firm were able to attract the public; consequently the volume of trade has exceeded that of any previous year. But owing to the growth in expenses and the losses incurred by the sale of stock at reduced prices, the gross profit per cent. is the lowest ever yet recorded in the history of the house. The burden imposed by taxation is reflected in the provision of £90,000 to meet the excess profits duty and corporation profits tax. The expenses in connection with the issue of Preferred Ordinary shares during the year, which amounted to £65,000, are written off, and £15,000 are set aside to cover the depreciation on investments. Depreciation of fixtures is provided for by an allocation of £10,000; whilst an addition of £25,000 brings the reserve to a total of £175,000. The increase in the sum in respect of Debenture interest, Preference, and Preferred Ordinary dividends from £80,105 to £112,692 represents partly the increase in the amount paid to the Preference shareholders from £63,360 to £77,882, and in part the dividend due on the issue of Ten per Cent. Preferred Ordinary shares, which reaches £18,600. It will be recollected that in November there was a successful issue of 1,000,000 Ten per Cent. Cumulative Preferred Ordinary shares of £1 each at par. The Staff Participating shares constitute an innovation, and one which speaks well for the continuance of cordial relations between the directors and the staff, which is almost a *sine quâ non* nowadays. Of these there are 250,000 in shares of £1 each, and already the staff have taken up 45,223 shares. That the directors are keenly anxious that the staff should have a personal interest in the prosperity of the concern is evident from the generous dividend of twelve per cent. paid to the holders of these shares out of the profits of the year under review. The Ordinary shares, held by Mr. Gordon Selfridge, again secure a dividend of ten per cent. free of tax, equivalent to 14⅔ per cent. subject to tax. The balance carried forward to the next accounts has been increased from £139,203 to £141,243.

The range of activities of this great firm is no longer confined to London. It has now an extensive trade in the provinces, having obtained a controlling interest in progressive businesses at centres such as Gloucester, Leeds, Liverpool, Northampton, Reading, and Sheffield. Thus it is in a position to purchase most advantageously, being able to cater for such a variety of centres. To cope with its expansion in London, not only is it extending its existing premises, but it has just completed a new building in Irongate Wharf. Furthermore, it has acquired all the shares in the first-class provision firm of John Quality, Limited, which carries on an extensive trade in the suburbs. Building operations in Oxford Street are proceeding apace, and several floors of the new building should be available for business by March. It was to facilitate these developments that the issue of Preferred Ordinary shares was made. A measure of the expansion is provided in the increase in fixed assets, which figure in the balance sheet dated January 31, 1921, at £2,173,881, as compared with £1,738,134 a year ago; whilst investments in associated companies have increased from £231,204 to £422,840, even after allowing for the depreciation provided out of the profits of the year. Financially the position is [illegible] very sound. [illegible] excess profits duty [illegible] accrued [illegible] whereas liquid assets, [illegible] Bank accounts, sundry debtors and stock, are available to a total of £1,669,506. It is of interest to note that the cash balance amounts to £555,659, whereas sundry creditors stand at £519,037. Stock-in-trade figures

at £630,398, as compared with £560,008 in 1920 However, if allowance is made for the expansion in the activities of this concern as evidenced by the growth in fixed assets and investments in subsidiary companies, the increase does not appear excessive.

The outlook for the current year appears to be more promising. The firm has now been under the excess profits duty for seven accounting periods. Consequently, it is free from this incubus in the current year. Moreover, many of the businesses acquired during 1920-21, on which a considerable amount has been spent with a view to development, are confidently expected to contribute to the profits. The management express the opinion that they start the year with a better appreciation of existing conditions and of the possible outlook than a year ago. Again, the loss incurred by the sacrifice of stock during the current year will not be repeated in anything like the same degree. Forward commitments are small, and have been placed advantageously. Consequently the firm is in a position to avail itself of any favourable movement in the market. The market quotations for the different shares of the firm and their corresponding yields are embodied in the following table:—

	5% Deb.	6% Cum. Pref.
Price	71	20/10½
Yield	6¾%	5¾%

The dividend on the Preference shares being paid free of tax, the yield of five and three-quarters per cent. is equivalent to over eight per cent. subject to tax. So far there is no quotation for the Ten per Cent. Preferred Ordinary shares.

RYLANDS AND SONS, LIMITED.

Issued Capital: £3,500,000 in 1,500,000 8% Cum. Pref. shares, and 2,000,000 Ordinary shares of £1.

Year to Dec. 31	Net Profit	To Reserve for E.P.D.	8% Pref. Div.	Ordinary Dividend		To Sundry Reserves	Carried Forward
	£	£	£	£	%	£	£
1914	148,691	—	—	150,000	10	—	52,156
1915	240,906	—	—	150,000	10	30,000	112,164
1916	384,972	—*	—	190,000	12	170,000	137,136
1917	539,197	—*	—	195,000	12½	300,000	181,293
1918	818,039	151,282†	—	250,000	15	385,000	213,050
1919	834,687	278,000	—	350,000	17½	150,000	269,737
1920	657,030	407,000	52,274	300,000	15	50,000	117,493

* Included in special allocations.
† Further provision in special allocations.

Unpleasant evidence of the extent to which textile manufacturers have been affected by the recent depression is furnished by the report of this Company for the half-year to December 31 last. The accounts reveal a loss of £63,895, which stands out in strong contrast with a profit of £566,698 for the corresponding period of the previous year. The profits then shown, however, were subject to a deduction of £198,000 for excess profits duty, which naturally does not arise in the present instance. During the first six months of the year the profits amounted to £720,925, representing an increase of almost £454,000 as compared with the corresponding period of 1919. This expansion would have more than offset the subsequent decline, were it not that the liability for excess profits duty was automatically raised from £80,000 to £407,000. As will be seen by the above table, in which the results for each half-year are combined, the profits for 1920, before deduction of excess profits duty, amounted to £657,030, as compared with the record total of £834,687 for the previous year. The full provision for excess profits duty was £407,000, as against £278,000, leaving an available surplus of £250,030, as compared with £556,687. It may be pointed out that the Company does not show what provision, if any, has been made for depreciation. Besides, it is clear from the accounts that income tax payable upon dividends has always been deducted before showing profits. This practice is, of course, a matter of indifference to shareholders, but to provide a correct standard of comparison it is necessary to "add back" such payments, owing to the fact that the rate of tax and the amounts distributed in dividends have increased considerably during recent years. The "profit" in 1914 is only raised by this adjustment from £137,129 to £148,691, but in 1919 it is raised from £729,687 to £834,687, and in 1920 from £551,348 to £657,030. The issue of 1,500,000 Eight per Cent. Cumulative Preference shares of £1, ranking for dividend as from July 26, 1920, now involves a distribution of £52,274. An interim Ordinary dividend of five per cent. was paid in August last, together with a bonus of the same amount, making, with the dividend of five per cent. now declared, a total distribution of fifteen per cent., as compared with seventeen and a-half per cent. for the previous year. A contribution of £50,000 for the year has been made to the staff fund, but the insurance account to which a sum of £100,000 was credited for 1919 has not received any subsequent allocation. The carry-forward, which was steadily increased from £52,156 in 1914 to £269,737 in 1919 is now reduced to £117,493.

A summary of the position at the end of the past two financial years is embodied in the following table. It should be noted that the assets and liabilities of Rylands and Sons (Colonial), Limited, are incorporated in the balance sheet of the parent Company, the trading results being similarly embodied in the profit and loss account.

Analysis of Balance Sheet (at December 31).

LIABILITIES.	Issued Capital	Sundry Creditors*	Reserves and Carry-forward
	£	£	£
1919	2,000,000	3,477,201	1,275,075
1920	3,500,000	2,513,438	1,185,801

* Including net dividends payable and provision for taxation.

ASSETS.	Fixed Assets	Stores	Investments and Loans	Debtors	Cash
	£	£	£	£	£
1919 ...	622,731	2,263,745	134,394	3,551,787	178,597
1920 ...	595,956	3,301,446	91,489	2,965 176	199,490

Coincident with the issue of the Preference capital of £1,500,000, the £20 Ordinary shares were converted into denominations of £1. The effect of the increase in capital is shown in the reduction of loans between June and December last from £2,177,713 to £788,290, and in "creditors' and credit balances" from £1,723,059 to £1,572,873. The total reduction for the year, however, does not exceed £780,000. The reserve remains unaltered at £500,000, but the insurance and staff funds have been increased by last year's allocations to £350,000 and £159,404 respectively. On the assets side the freehold and leasehold properties and plant figure at £595,956, as against £622,731 at December 31, 1919. Stocks show an increase for the year of £1,037,701, the expansion since June 30 last exceeding £447,000. It is obvious from "the very serious fall in values" to which reference is made in the report that the expansion in stocks has been far greater than the relative figures indicate, and that this abnormal growth has been largely responsible for the unsatisfactory results now shown. Investments and loans have been reduced by £42,905 to £91,489, the diminution being entirely effected during the first half of the year. Debts due to the Company exceeded £4,044,000 at June 30 last, but have since been reduced to £2,965,175, or £586,611 less than at December 31, 1919. Cash holdings have been increased by £20,893 to £199,490 A summary of the position shows that the liquid assets, excluding stock, exceed current liabilities by over £743,000, as compared with approximately £526,000 at the end of the previous year.

Existing conditions in the textile industry naturally render it impossible to estimate the prospects for the current year with any degree of confidence. The last accounting period of the Company has had to bear the full brunt of the break in prices, and the heavy stocks now held are apparently valued on a safe basis. Although the Company has been heavily penalised by the excess profits duty, its removal will scarcely mean much to the firm during the current year. The Eight per Cent. Cumulative Preference shares, quoted at 22*s.* 3*d.*, yield a return of 7.2 per cent., and the Ordinary shares, which are now quoted at 25*s.* 9*d.* (ex-dividend) afford a yield of 7.8 per cent. on the basis of a dividend of ten per cent.

CROSSLEY BROTHERS, LIMITED.

Issued Capital: £1,418,804 in 403,390 5% Cumulative Preference shares, and 1,015,414 Ordinary shares of £1.

Year to Dec. 31	Net Profit*	Preference Dividend		Ordinary Dividend		To Reserve	Carried Forward
	£	£	%	£	%	£	£
1915 ...	65,337	20,169	5	28,515	5	20,000	30,330
1916 ...	82,867	20,169	5	34,218	6	25,000	33,809
1917 ...	91,066	20,169	5	34,218	6	35,000	35,487
1918 ...	84,502	20,169	5	42,773	7½	25,000	32,046
1919 ...	101,038	20,169	5	55,130	8	15,104	42,681
1920 ...	59,111†	20,169	5	30,462	3	—	51,161†

* After providing for depreciation, taxation, &c.
† Subject to corporation profits tax.

A FURTHER proof of the effects of the recent industrial depression is afforded by the report of this Company for the past year. Profits, which reached the record figure of £101,038 in 1919, have fallen to £59,111. No information is given as to the deductions which have been made before arriving at the net results, but it is apparent from the accounts that provision has been made for depreciation. The net profit now shown is subject to corporation profits tax, but naturally there is no liability for excess profits duty. The dividend on the Preference shares requires the usual sum of £20,169, leaving a balance profit of £38,942. An interim ordinary dividend of three per cent., amounting to £30,462, was paid in September last, but the final dividend is now passed over. It should be noted, however, that the interim dividend was paid upon a capital which had been increased during the year from £760,414 to £1,015,414, by the issue of 255,000 shares at par to Ordinary holders. Besides, in October 1919 the latter received a capitalised distribution of £190,104, representing a scrip bonus of 33⅓ per cent. The balance sheet shows some other important alterations. The outstanding feature is in the item "Debts owing and credit balances, including bank overdraft," which figures at £1,042,108, as compared with £376,650 at the date of the previous statement. This remarkable expansion in liabilities furnishes eloquent testimony of the financial difficulties produced by the recent depression. The reserve fund, to which no allocation has been made in the present report, remains unaltered at £100,000. Among the assets, properties and machinery show net additions of £161,138, as compared with £29,713 for the previous year. Included among these assets is the valuation attached to goodwill, the amount of which is not disclosed. General investments have been reduced from £225,955 to £170,853, but the investments represented by Ordinary shares in the subsidiary Company—Crossley Motors, Limited—have been increased from £194,973 to £290,458. The item "stock on hand and work in progress," at £866,872, compares with less than £391,744 at the date of the previous balance sheet. Debts due to the Company have been increased from £179,813 to £393,611, but cash remains practically unaltered at £2,221. Despite the receipts from the capital issue made during the year, the position reveals a deficiency of over £475,000 in liquid assets (excluding stocks and investments in its subsidiary), as compared with a surplus of almost £31,000 at December 31, 1919. In view of the rather weak financial position disclosed in the accounts, and the uncertain outlook, the pursuance of a conservative policy is essential. The prevailing depression is reflected in the market quotation of 15*s.* 1½*d.* for the £1 Ordinary share of the Company.

MAPLE AND CO., LIMITED.

Issued Capital: £2,800,000 in 1,000,000 6 Preference shares, 1,800,000 Ordinary shares of £1 each, and 1,000 Management shares of 4s. each. Debenture Stock, £1,000,000.

Year to Dec. 31	Net Profit*	Debenture Int.	Preference Dividend	Ordinary Dividend		To Reserve Fund	Carried Forward
1916 ...	£19,501	£37,500	£60,000	£91,666	9⅛	—	£31,959
1917 ...	322,901	37,500	60,000	137,500	13¾	150,000	69,810
1918 ...	500,658	37,500	60,000	150,000	15	116,000	206,308
1919 ...	510,578	37,500	60,000	360,000	20	70,000	1,387
1920 ...	484,695	37,500	60,000	315,000	17½	62,500	10,082

* After providing for depreciation and taxation, &c., and deducting management dividend.

THE remarkable prosperity enjoyed by this Company during the War period has been admirably maintained during the past year, despite the difficulties produced by the recent depression. The accounts show a "balance of profit" for the year of £387,195, as compared with £413,038 for 1919. But these figures have been arrived at after deducting Debenture interest and Preference dividends amounting in each year to £97,500. Adding back these items we arrive at a figure of £510,538 and £484,695 for 1919 and 1920, as shown in the table. Before arriving at the profits in 1920 the directors have placed to a separate reserve the sum of £505,000, as against £330,000 "for the purpose of excess profits duty, corporation profits tax, income tax, and contingencies." A sum of £20,000 has also been allocated as a staff bonus. Besides, there has been an undisclosed deduction in respect of the dividends on Management shares. The distribution upon the Ordinary and Management shares are regulated as follows: Out of the available profits seven-tenths are allocated to the Ordinary shares and three-tenths to the Management shares until the Ordinary shares have received a dividend of twenty per cent. Should any surplus profit be then left, one-half is carried to the reserve fund and the remainder divided between the Ordinary and Management shares in the ratio of seven to three. Consequently, the deduction for the dividend on the Management shares must have been considerable. The interests of the Company would be in nowise prejudiced by disclosing the actual net profits earned and showing these deductions separately; otherwise practical comparisons between the different years must be more or less superficial.

The Ordinary dividend is reduced from twenty per cent. to seventeen and a-half per cent., involving a corresponding reduction in the amount distributed. The allocation to the reserve fund is reduced from £70,000 to £62,500, but this is more than offset by an increase from £1,287 to £10,982 in the balance carried forward.

The balance sheet shows some important alterations. The reserve fund, with the allocation now made, is increased to £683,000. The provision for taxation and contingencies amounted to £330,000 at the date of the previous balance sheet, but this sum must have been entirely absorbed during the past year, as the total provision now existing does not exceed the sum of £505,000, which is appropriated in the present report. Trade creditors have been reduced from £260,118 to £117,519, but sundry liabilities, including dividends on Preference and Management shares, have been increased from £397,711 to £497,941. On the assets side properties, plant, and machinery remain practically unaltered. Included among stocks are such widely different items as goodwill and shares in the Company's French and American subsidiaries. The total of this general heading exceeds £2,140,900, or £94,875 more than at the date of the previous balance sheet. It is naturally impossible to ascertain the items which have contributed most to this increase. Investments, which are entirely represented by Government securities, have fallen by £4,925 to £236,700, the reduction being due to the fall in market vaues. Debts due to the Company have been increased by £38,541 to £2,135,356, and cash holdings by £27,824 to £203,470. The financial position is remarkably liquid, the current liabilities (including dividends payable, and the estimated disbursements for taxation and contingencies) being over £1,196,000 less than the liquid assets, excluding stocks. The Company is therefore well situated to meet the difficulties arising from the present industrial depression.

Provided that profits during the current year do not show any very serious decline, the removal of the excess profits duty will [illegible] considerable benefit. The Ordinary shares of the Company are now quoted at 30s. 2d. (ex dividend), yielding a return of 5·6 per cent. on the basis of a dividend of twelve per cent. The Six per Cent. Cumulative Preference shares, quoted at 16*s.* 10½*d.*, afford a yield of 7.1 per cent. The Four per Cent. "B" Debenture stock at fifty-six yields a return of 7.1.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit* £	Depreciation £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocat'ns £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Breweries and Distilleries:												
Boddingtons' Breweries ...	Dec. 31	71,108	—	16,500	15	49,500	5,000	—	5,753	+ 108	75,958	15
Commercial and Industrial:												
Bruce, Peeble	Dec. 31	39,714	8,000	5,107	10	16,246	10,000	—	5,823	+ 361	47,179	7½
City Offices	Dec. 31	12,651	—	1,299	5¾	12,316	—	—	700	— 264	11,490	5
Cook, Son & Co. (St. Paul's) ...	Dec. 31	376,565	—	85,676	7	85,676	10,000	25,327	169,886	—	—	—
Crockers, Ltd.	Dec. 31	27,696	—	5,525	10	18,500	—	1,456	18,128	+ 2,215	59,480	12½
Edwards & Co.	Dec. 19	875	—	3,000	12½	4,688	—	—	18,367	— 6,832	23,928	22½
International Paint & Compositions	Dec. 31	37,287	4,673	12,000	6	15,000	—	5,000	9,678	+ 614	57,502	10
International Sponge Importers	Dec. 31	19,541	1,500	7,500	5	7,822	1,088	—	2,609	+ 1,631	20,408	5
Langham Hotel	Dec. 31	19,506	—	—	12½	10,773	—	—	23,946	+ 8,732	17,218	12½
Ludlow Brothers (1913) ...	Dec. 31	14,825	—	2,520	12½	7,500	5,000	—	14,269	— 195	20,976	12½
Manchester Corn, Grocery and Produce Exchange	Dec. 31	11,960	600	—	6	7,329	—	2,500	9,304	+ 1,531	8,594	6
Moss' Empires	Dec. 31	179,250		16,757	20	91,000	30,000	55,012	64,922	—13,520	299,479	25
Perry & Co.	Dec. 31	53,183	...	15,044	15	24,054	—	10,000	9,394	+ 4,085	53,431	20
Read Brothers	Dec. 31	23,182	...	5,000	10	14,000	...	...	22,148	+ 4,182	30,707	12
Electric Lighting and Power:												
London Electric Supply ...	Dec. 31	59,413	—	26,952	2½	8,325	15,000	5,000	14,257	+ 4,136	55,166	2½
Northampton Electric Light and Power	Dec. 31	32,871	12,360	1,869	8	17,751	—	500	1,500	+ 391	23,491	7
Rushden & District Electric Supply	Dec. 31	2,760	1,075		6½	1,625	—	100	316	— 40	3,046	6½
South Metropolitan Electric Light and Power	Dec. 31	67,962	23,000	15,824	8	13,200	10,000	...	18,260	— 5,937	55,756	6
Gas:												
Newcastle-upon-Tyne and Gateshead	Dec. 31	80,630	—	10,006	3 5/16	69,173	...	...	17,097	+ 1,149	88,289	3½
Iron, Coal and Steel:												
Frodair Iron & Steel	June 30	18,298	...	2,412	10	5,001	—	...	10,485	+ 9,886	—	—
Railways—Home:												
Brecon & Merthyr Tydfil Junction	Dec. 31	15,078	—	12,174	—	—	4,000	...	173	— 1,397	21,053	—
Callander & Oban Railway ...	Dec. 31	18,016	...	17,950	—	—	...	...	209	+ 67	18,561	—
Chatham & District Light Rlys.	Dec. 31	15,396	6,000	5,880	5	5,300	...	...	1,609	— 1,784	...	—
Colne Valley & Halstead Rly.	Dec. 31	167	—	—	—	—	...	...	506	+ 167	64	—
Glasgow & South Western ...	Dec. 31	593,088	—	301,962	4½	290,177	...	...	19,722	+ 949	593,852	4½
Great Central	Dec. 31	897,450	...	897,076	—	...	...	...	10,261	+ 374	897,927	—
Great Northern	Dec. 31	316,668	—	79,967	6	213,041	...	...	44,147	- 6,340	315,437	6
Hull & Barnsley	Dec. 31	186,476	—	56,250	1½	148,500	...	...	16,443	- 274	194,142	4½
Isle of Wight Rly.	Dec. 31	15,329	-	3,360	6½	11,511	...	...	2,889	+ 457	15,091	6½
Maryport & Carlisle	Dec. 31	45,867	-	—	5½	42,779	3,000	...	2,703	+ 88	47,155	5½
Neath & Brecon	Dec. 31	38,705	4,078	41,255	—	—	...	...	806	- 2,911	42,899	—
Rhondda & Swansea Bay ...	Dec. 31	48,263	...	25,267	5½	23,191	1,700	...	3,595	— 895	52,948	5½
Ross & Monmouth Rly. ...	Dec. 31	4,368	...	3,360	1½	980	...	...	35	+ 28	4,262	1½
Tea, Coffee and Rubber:												
Killinghall (Rubber) Development	June 30	19,668	958	—	...	—	...	...	23,014	+ 20,626	12,985	20
Strathisla (Perak) Rubber ...	June 30	17,073	...	...	—	...	...	...	17,170	+17,073	1,393	—
Waterworks:												
South Staffordshire Water. ...	Dec. 31	64,505	2,000	17,753	4⅜	34,868	...	...	9,884	- 665	48,040	4
Tendring Hundreds Water. ...	Dec. 31(a)	2,871	—	—	2¼	3,574	...	—	1,697	— 703	2,883	2¼

* After providing for all Government taxation, prior charges, &c.
† Tax free. (a) Half-year.
NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

FOUR TOWNS LOAN.

Offer at ninety-five and a-half per cent. of £3,750,000 Six per Cent. stock, redeemable at par on September 1, 1951, or at any time after 1936, at the option of the individual municipalities. Flat yield, £6 5*s.* 8*d.* per cent. per annum; minimum yield with redemption, £6 6*s.* 10*d.* per cent. per annum.

The amount of the recent Septuple Corporation loan left with the underwriters having been absorbed, the above issue is now offered on similar terms under the joint auspices of Birkenhead, Newcastle-upon-Tyne, Nottingham, and Salford, details for each of which are given in the following table:—

	Present Loan £	Outstanding Debt £	Population	Rateable Value £	Penny Rate £	Interest on Loan £
Birkenhead ...	1,000,000	2,853,989	152,345	761,930	3,010	60,000
Newcastle ...	1,000,000	3,006,471	286,061	1,886,327	7,355	60,000
Nottingham ...	1,000,000	4,935,845	270,000	1,351,373	5,200	60,000
Salford	750,000	3,267,474	226,225	1,114,399	4,373	45,000

Apart from the £3,750,000 now required, the total outstanding debt of the four municipalities is £14,063,779, so that the total debt when the present issue is placed will be £17,813,779. As £7,982,002 is already sunk in reproductive undertakings, and the stock now offered is intended mainly to finance housing and other schemes, at least £11,500,000 of the £17,813,779 debt will be engaged in profit-bearing enterprises. The statistics given in the prospectus give no assistance, however, in estimating the ease or difficulty which the town councils will experience in meeting their new liabilities. Investors in corporation loans have little to rely upon beyond the status of the borrowers as British cities, but, in view of the heavy financial burdens assumed by most civic bodies in the United Kingdom during the past eighteen months, it would certainly be in the public interest that applications for fresh money should be accompanied by a complete statement of the borrower's financial position. In the present instance, as in all others of a similar kind, the debt outstanding far exceeds the rateable value, and the capital backing to the debt thus seems deficient without a statement as to the valuations of the various municipal enterprises. The security as to interest is not indicated by the produce of a penny rate. What is required is a statement as to the actual rates, their total produce, the feasibility of raising them, the net receipts from tramways and other public undertakings, and interest and sinking fund charges. The agitation in Birmingham to fix the rates for the next three years and to ration the spending departments is an index of the growing public apprehension as to ambitious schemes of municipalities in general. These remarks do not, of course, refer in particular to the sponsors of the present issue. The Newcastle and Nottingham lists have already been closed—over-subscribed—several days, though the original closing date was arranged for to-day.

THE ILFORD GAS COMPANY.

Offer at par of £42,000 Seven-and-a-Half per Cent. Ten-Year Debenture stock, redeemable at par on January 1, 1931.

The Company, incorporated in 1899, supplies gas to the town and district of Ilford. The authorised loan capital is £282,500, of which there has been raised £65,500. The steady development of the Company's area and the consequent increase in the demand for gas has necessitated the extension of the works and mains, for which purpose the present issue is being made. The net revenue for the year ended December 31, 1919, was £12,638, which gives more than adequate security for the £8,181 required annually as interest on the existing Debenture stock and that now to be issued. The security will be further strengthened by the increased charging powers granted under the Gas Regulation Act, which came into operation on January 1, 1921. Investors will note that the issue will not possess a Stock Exchange quotation. The lists close on Monday, February 28.

THE FLEETWOOD GAS COMPANY, LIMITED.

Offer for tender at a minimum price of £100 per cent. of £10,000 Seven-and-a-Half per Cent. Preference stock, to be redeemed at par on December 31, 1930.

The issue is similar in nature to that of the Ilford Gas Company. The closing date for tenders is Monday, February 28.

THE IRISH PAPER MILLS COMPANY, LIMITED.

Offer of £150,000 Eight per Cent. First Mortgage Debentures at 98 per cent., redeemable at 105 per cent., over a period of fifteen years. Flat yield, £8 3*s.* 4*d.*

The Company was formed in 1914, with an issued capital of £100,000, to take over a paper mill in County Dublin. Since incorporation extra capital expenditure has been met by bankers' loans and the sale of £27,800 Debenture stock to the parent Company, Charles Marsden and Sons, Limited, papermakers, London, and the repayment of these advances has now necessitated the above issue. The Debentures will be secured by trust deed as a first specific mortgage of the property and plant, and a floating charge on the other assets of the Company, and will be repaid by annual drawings at 105 per cent., or by purchase under that price, between 1922 and 1936. Further security is given by the unconditional guarantee as to interest, capital, and premium by Charles Marsden and Sons, Limited. The past profits of the Irish Paper Mills Company are not shown in the prospectus, as the period since 1914 has been largely constructional. For the nine months ended September 30, 1920, net profits, uncertified, amounted to £30,000, less corporation profits tax. Surplus net assets, not specifically certified and including presumed net receipts from the present issue, appear at £338,610. These figures would appear to give satisfactory cover as to interest and capital for the Debentures now offered, but the real security lies in the unconditional guarantee of the English company. The net assets of Charles Marsden and Sons, according to the last balance sheet, were £778,720, allowing for Debenture liabilities. Profits are not given, but the profit and loss balance stands at £202,750. The issue partakes of the nature of a non-specific second mortgage loan by Charles Marsden and Sons, and for such the prospectus is incomplete without a statement of past profits of the latter undertaking. The lists close on Thursday, February 24.

THE CAPITOL PICTURE THEATRES (MIDDLESBROUGH AND NOTTINGHAM), LIMITED.

Offer at par of 150,000 10*s.* Ten per Cent. Cumulative Participating Preference and 196,000 10*s.* Ordinary shares. The participating rights entitle holders to one-third of the surplus profits after a payment of ten per cent. on the Ordinary shares, subject to a maximum of five per cent.

The Company has been formed to acquire a semi-completed cinema theatre in Middlesbrough and the site for another in Nottingham. The purchase consideration for the Middlesbrough property is £65,750, plus "cost of legal fees, agents' commissions, and out-of-pocket expenses as agreed" (but not specified). The cost of the Nottingham site is £8,350, as compared with a certified valuation of £8,500. Estimating on a basis of nine full houses out of a total of eighteen performances per week, the directors anticipate dividends of fifteen per cent. on the Participating Preference and thirty per cent. (subject to corporation tax, if any) on the Ordinary shares. The high return promised is indicative of the risk involved. There is no closing date for subscriptions.

ISSUES TO SHAREHOLDERS.

F.M.S. Rubber Planters' Estates: 16,750 £1 shares at 30*s.* each in the proportion of one share for every eight held.

Panora Tea and Produce: £32,500 Six per Cent. Debenture stock at par. Holders will receive without further payment transferable profit-sharing certificates entitling possessors to fifty per cent. of the net profits for the next ten financial years.

Venesta: 50,000 £1 Seven per Cent. Cumulative Preference shares at par, less a commission of 3*s.* per share. Net yield, £8 4*s.* 8*d.* per cent. per annum.

PENDING ISSUES.

State of Sao Paulo: £6,000,000 Eight per Cent. bonds redeemable at a premium in 1950 or earlier. London, New York, and Amsterdam will share the loan equally, and the price of issue will be slightly below par.

Lever Bros: Subject to confirmation by the shareholders, the directors have decided to create £15,000,000 Seven per Cent. First Mortgage Debenture stock 1931-41, of which £4,000,000 will shortly be offered at 92½. The Debentures will be specifically secured on freehold and leasehold properties valued at £3,500,000, and the remainder of the security will consist of assets represented by shares in subsidiary undertakings. Redemption will be effected by a two per cent. non-cumulative sinking fund beginning on July 1, 1924, to be applied in drawings at par or purchase in the open market below par.

Dunlop Rubber: £3,000,000 Eight per Cent. First Mortgage Debentures at 98, redeemable at 105 over thirteen years beginning 1928. The two houses handling the business are the British, Foreign and Colonial Corporation and Messrs. Higgins and Company. Considerable interest has already been taken, and keen inquiries have been made, for the underwriting.

Tyre Investment Trust: 500,000 2*s.* Ordinary shares at 17*s.* 6*d.* each, ranking *pari passu* with the existing Ordinary shares, including full participation in the final dividend to be declared for the current year. The proceeds of the new issue are required to enable the Company to subscribe further capital to the Dunlop Rubber (Far East) and the Dunlop Tire and Rubber Goods Company, Canada. The whole of the new shares will be offered to the Ordinary shareholders *pro rata* to their holdings, and any of the new shares remaining after satisfying the applications will be offered to the Preference and Preferred shareholders.

Chilian Loan.—The Guaranty Trust Company, acting on behalf of a banking group consisting of Messrs. J. P. Morgan and Company, Kuhn, Loeb and Company, the National City Company, the Guaranty Trust Company of New York, Messrs. Harris, Forbes and Company, and the First National Bank, has negotiated the purchase of $24,000,000 External Twenty-year Sinking Fund Eight per Cent. Gold Bonds of the Republic of Chili, authorised for the purpose of increasing railway facilities. The bonds, payable in United States gold coin without deduction for any Chilian taxes, are to be retired in equal annual amounts through the application of sinking-fund payments sufficient to retire the issue by maturity. The bonds are offered to the public at 99 and interest by the Guaranty Trust Company of New York.

Conditions in France.—According to a cable received by the Anglo-South-American Bank, Limited, from their Paris offices, little change has taken place in the Money market. Short loans remain fairly easy at four per cent., and the discount rate for three months Bank bills is a trifle lower at four and three-quarters per cent. Commercial conditions, however, show no improvement. Business remains on a very restricted scale, and credit conditions are still unsatisfactory. The importation of cotton at Havre is at a complete standstill. Supplies in that market and at other ports are estimated to amount to about 200,000 bales. As shipments to the cotton mills average about 50,000 bales a month, these stocks should be reduced within two months to, roughly, 100,000 bales, which is considered by experts to be an absolute minimum. On this basis, therefore, the present situation should not be lasting, and a renewal of French buying orders for cotton would seem to be probable in the near future.

The Merchant Navy. Vol. I. By Archibald Hurd. 21*s.* net. (London: John Murray.) An official history of the war, based on official documents, by direction of the Historical Section of the Committee of Imperial Defence. This work records the ordeal of British merchant seamen during the great struggle, and conveys an impression of the elaborate organisation which was created by the Admiralty, consisting ultimately of nearly 4,000 vessels. The constitution and working of the Auxiliary Patrol and some of the most stirring incidents of the War by sea are now made public. Mr. Hurd's writings during the War will ensure that the present work is well read.

Cecil Rhodes. By Basil Williams. Price 15*s.* net. (London: Constable.) Mr. Basil Williams, who is engaged at present in editing a series of "Makers of the Nineteenth Century," has had access in compiling the present volume to papers not previously consulted by biographers of Cecil Rhodes. The book is naturally most interesting. It is not a panegyric of the virtues of Mr. Rhodes. In fact the Raid is fully dealt with and condemned as his great fault, but full tribute is paid to his deep sense of public duty, tenacity of purpose, and, above all, to the underlying sympathy and desire for co-operation even with opponents.

MEETINGS
OF PUBLIC COMPANIES.

The Canadian Bank of Commerce.
LARGEST EARNINGS IN BANK'S HISTORY.

THE fifty fourth annual meeting of the shareholders of the Canadian Bank of Commerce was held in Toronto on January 11, 1921. The report submitted, which has recently been made public, was of a very satisfactory character. The President (Sir Edmund Walker) took the chair, and, after the report had been read, the General Manager (Sir John Aird) addressed the shareholders.

General Manager's Address.

Sir John Aird spoke in part as follows :—

The net profits of the year amounted to $5,306,243.97, an increase of $231,351.25, the result partly of the activity of general business during most of the year and partly of the fact that we have been fortunate in escaping serious losses. In addition to the regular dividend of twelve per cent. per annum, we paid last December a bonus of one per cent., making a total distribution to our shareholders of thirteen per cent. for the year. We have appropriated $350,000 towards the heavy taxes we are now called on to pay, including in this the tax on our note circulation imposed by the Special War Revenue Act of 1915.

The increase in our note circulation is $669,255, the total of which now stands at $30,716,914. Our deposits, as a whole, have increased only a little more than a quarter of a million dollars, but deposits bearing interest have increased by the large sum of $43,148,818. On the other hand, our deposits not bearing interest have decreased by $42,875,453.

During the year our holdings of specie have increased $566,854, and Dominion notes on hand $3,952,361. Total cash on hand has increased $4,519,215, and stands at 15.14 per cent. of our liabilities to the public, with so-called quick assets at 44.50 per cent. of these liabilities. There has been a reduction in our investments of $33,763,822 in Dominion and Provincial Government securities, and of $9,109,916 in British, foreign, and Colonial public securities and Canadian municipal securities. This Bank still holds a commanding position in the development of Canadian trade and commerce, its current mercantile loans in Canada amounting to the large sum of $231,114,772, or $17,925,602 more than a year ago. Similar loans elsewhere have also increased by $1,924,956.

Bank premises account has increased $758,086 during the year, our principal outlays being on premises for our foreign branches in Rio de Janeiro, Jamaica, Trinidad, and Barbados.

There has been a steady increase in the staff, partly through the appointment to the permanent staff of men and women who had served us well during the War and whom we have found suitable. An increase of thirty-four in the number of branches also accounts to some extent for the increased staff.

Probably at no time in the history of this country have questions connected with the foreign exchanges occupied so prominent a place in the public mind as during the past year. The closeness of our relations with the great English-speaking nation to the south of us has made the prevailing high premium on New York exchange a matter of moment to a very large number of Canadians. Canada is not alone among the countries of the world in having to seek the solution of an exchange problem vitally affecting her trade.

I am not among the number of those who consider that there is need of a central institution, or bank of rediscount, for the purpose of financing extensions of foreign trade. In my view the facilities which are now available to the banks under the provisions of the Finance Act of 1914 are amply sufficient for all that is required, and while primarily a war measure, the principles embodied in it may well serve us in times of peace.

President's Address.

Sir Edmund Walker, C.V.O., in the course of his address, said : Reviewing, as usual, our own foreign trade, we find the total of exports and imports for 1920 to be $2,351,174,000, as compared with revised figures for 1919 of $2,188,471,000 and for 1918 of $2,549,681,000. Unfortunately, the increase over 1919 is almost entirely in imports, so that the increase in volume, far from being gratifying, is distinctly the reverse.

Reflection on the markets for our exports brings up the question as to how long the British embargo on Canadian cattle is to last. May we not hope that, when the problem of feeding the people of Great Britain is so difficult, such an irritating obstacle may be removed? If the British meat consumer understands that there is nothing whatever the matter with Canadian live-stock, and still desires this protection for cattle breeders at home, we, of course, have nothing to say, but we should like to feel sure that he does understand.

The value of the field crops of Canada for 1920 is estimated at $1,636,664,000, as against revised figures for 1919 of $1,452,437,000. From such information as we can obtain the total value of the mineral production of Canada for 1920 is probably $200,000,000. The production of coal, asbestos, and zinc has been larger than in any previous year.

The public debt of the Dominion, which at March 31, 1919, was estimated as being under $2,000,000,000, is at November 30, 1920, eighteen months later, stated to be $2,298,784,000, but against this are held certain non-active assets, amounting to $284,015,000, which were heretofore deducted from the total.

Our securities held abroad are now estimated at $2,189,000,000 in Great Britain and European countries and $1,441,000,000 in the United States.

In connection with land settlement and post-War work for our soldiers, a recent report of the Soldier Settlement Board is encouraging. Over 57,000 soldiers have applied under the plan, over 41,000 have qualified, and 20,000 are already on the land, while over 1,000 are in training with farmers. Soldiers have made first payments amounting to $4,000,000, while crops have already enabled further payments of nearly $2,000,000 to be made. In the Prairie Provinces alone the soldier farmers have produced about 20,000,000 bushels of grain.

It must be admitted that the War has imposed upon Governments the necessity for collecting an amount of taxes beyond any past experience, and it should be evident that the total required can only be obtained by contributions on some scale from practically the whole body of the people. A small tax on the sales of commodities and real property in Canada would hurt so little, would be so fair, would be so easily collected, and would produce such a very large sum, that to fail to levy it seems excusable only if it can be shown to be impracticable.

Canada and West Indies.

A very interesting convention took place in May and June, at which representatives of the West Indies and British Guiana met the Canadian Government in an effort to increase our trade with each other and improve our means of intercommunication. As a result, an agreement came into force on June 2, and a further agreement was made on June 18, subject to ratification by all the parties thereto, and in which all of the delegates present at the conference concurred. In addition to this West Indian Convention, we had the Imperial Press Conference and the Congress of the Chambers of Commerce of the Empire. We cannot doubt that such meetings of men important in Imperial affairs will both widen our outlook and strengthen our determination that the British people shall merit the leadership in the world's advancement.

It has been concluded to publish as early as possible after the annual meeting a Year-Book, in which the review of business conditions will appear, together with material of special interest gathered from the Monthly Commercial Letter and from other sources.

You have heard from the General Manager the results of the best year the Bank has ever had, and thus far we have not much evidence of a decline in the spending habits of our people or that hard times are ahead of us. We know, however, that all prices, whether of commodities or of labour, must be reduced to a more reasonable basis. When this readjustment has been generally accepted a genuine prosperity will arise throughout the world, in which we shall have a large share. We shall merit, and we shall secure, that prosperity in proportion to our good sense in realising now that our particular sin is extravagant expenditure and willingness to incur debt.

The report was adopted unanimously. Messrs. T. Harry Webb, C.A., and Douglas Dewar, C.A., were appointed auditors, and the usual votes of thanks to the directors and staff were passed. The meeting then adjourned.

Midland Railway.

PROTEST AGAINST THE COLWYN REPORT: DECREASED TRAFFICS.

THE annual general meeting of the Midland Railway Company was held at Derby on February 17, Mr. Charles Booth (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said :—The traffic on the railway—passenger, goods, and mineral—was well maintained for the greater part of the past year, but the effect of the falling off in the trade of the country made itself felt towards the close of the year, and the outlook for the current year is far from encouraging. In this respect the railway is suffering from causes outside its control, and is hit in common with every industrial and commercial enterprise in the country. We can only hope that the depression will not be of very long duration.

Meanwhile there have been further increases in wages under the sliding-scale settlement, and it is only quite recently that some reduction in the cost of certain materials has been secured. The wages sliding scale, based as it is upon the monthly Board of Trade figures of the cost of living, which themselves depend upon prices in the retail market, inevitably operates considerably in the rear of the beginning of a fall in trading activity, and we are thus faced with diminishing receipts and increased or undiminished working expenses at the same time.

Decrease in Cost of Living.

It is pleasing to observe that within the last few weeks there has been a decrease in the cost of many articles of food, &c., and, should this lowering of costs continue, it is obvious that the Board of Trade cost of living figures for the month of March will show a decrease. If this comes about there will be an automatic reduction in wages under the sliding scale.

I also anticipate further relief in the coming months in cost of stores and materials.

With regard to wages, no one is more in favour of good pay for honest work than myself, and I am keenly desirous of maintaining a high standard of living in this country; but I am convinced that the present high wages are seriously hampering the trade of the country and not really helping the working man. Of course, there are many reasons for the present depression in trade, but more elasticity in the matter of wages would greatly alleviate the present difficult situation. In this connection the standardisation of railway wages and conditions of service, without taking into account the different conditions that apply to different parts of the country, has been nothing less than disastrous in its effects.

Rates Revision.

I spoke at some length last year on the subject of the charging powers of the railways, and urged the abolition of fixed statutory maximum charges.

The shareholders will have seen from the newspapers that the Rates Advisory Committee, set up by the Minister of Transport under the provisions of the Transport Act of 1919, to report to the Minister as to the best methods of obtaining such increases in the railway companies' net revenue as may, in his opinion, be necessary, have now issued their final report.

The Rates Advisory Committee issued two reports recommending the Minister of Transport to increase the rates for merchandise traffic. The first, dated December 16, 1919, recommended increases varying from twenty-five per cent. to sixty per cent.—average fifty per cent. all round—with certain flat rate additions. The second, issued in two parts, on July 23 and July 30, 1920, recommended increases on pre-War rates of 100 per cent., with certain flat rate additions.

The Minister of Transport adopted both recommendations, and directed the railway companies to increase the rates accordingly.

In February last the Minister, having determined that a complete revision of rates and fares was necessary, ordered the Committee to advise and report at the earliest practicable date as to :—

(1) The principles which should govern the fixing of rates and fares.

(2) The classification of merchandise traffic, and

(3) The rates to be charged for parcels, &c., conveyed by passenger train.

This Committee sat for many weeks, and, after hearing evidence from the railway companies and the traders, made their report to the Minister on December 22 last.

There are four outstanding features of general interest in the report. The Committee recommend :—

(1) The abandonment of the principle of fixing statutory maxima, leaving the companies to fix actual rates within these maxima.

(2) The setting up of an independent tribunal to fix actual rates and charges.

(3) That this tribunal should be directed by Parliament so to fix these rates and charges as to provide that each of the railway companies or groups shall, with economical management, be enabled to earn a sufficient revenue to pay all its expenses and to receive a fair rate of profit, and that Parliament should indicate what is to be deemed a fair rate of profit, and

(4) That the tribunal should also have the duty of determining what variations should subsequently be made in these rates, whether upwards or downwards, on the application of the railway companies or the traders.

The report also deals with a large number of other matters, and I think I may safely say that in the main it is not unfavourable to the railway companies. I want you, however, clearly to understand that the report is only in the form of making recommendations to the Minister, and until the Government Bill is brought in we have no means of knowing whether all or any of these recommendations have been adopted by the Minister.

We shall, therefore, have to wait until we have the Bill before us to learn what the proposals of the Government as to rates and charges, as well as on other matters, actually are.

Government's Railway Policy.

When I had the pleasure of addressing you at our last general meeting, I told you that we were awaiting an authoritative pronouncement from the Government as to their future railway policy.

It was not until last June that this pronouncement was forthcoming, but in that month the Minister of Transport issued what is known as the White Paper, the Minister stating that, whilst not being exhaustive, the main features of the Government proposals were as outlined in that document.

The Minister subsequently asked to be furnished with the observations of the Railway Companies' Association on the proposals contained in the White Paper, and, after many meetings and prolonged discussions, the Association, on December 8 last, forwarded to the Minister their observations on the document.

The board felt it only right that the shareholders of the Company should be informed at first hand of the views of the Association as expressed to the Minister, and I therefore forwarded to you on December 14 last a print of the letter which had been sent to the Government. I assume that you have all carefully perused this document, which, I think, adequately covers the ground, and renders it unnecessary for me to go into the details again this afternoon.

The main contention of the Railway Companies' Association is that the Government, having decided that the railways are to revert to private ownership and management, it is essential that such of the provisions of the White Paper—and we think there are many—as are incompatible with the principle of private ownership should not appear in the forthcoming Bill. Further, that in some way the Government must carry out their obligation to restore the railways to their owners with unimpaired earning power.

Uncertainty of Future Position.

The shareholders will remember that last February I informed them that a Committee of the Railway Companies' Association had been appointed to keep in close contact with the Ministry of Transport, and that it had been agreed that, before any legislation was introduced, the Government would consult with the Railway Companies' Association through this Committee.

Since the issue of the White Paper, this Committee have had several discussions with the Minister with more or less satisfactory results, and the position to-day is really this : that the Minister, having taken the views of the Committee on such questions as he desired to discuss with them, and without informing the Committee at what conclusions he had arrived, is now engaged in drafting the Bill which he intends to submit to Parliament.

It is assumed that whatever else the Bill contains, it will provide for the grouping of railways.

We do not know what the final intentions of the Government in respect of the composition of the several groups are, but this will, of course, be disclosed in the Bill. Even this knowledge will not carry the companies very far. It may be that Parliament may think it desirable to alter the proposals of the Bill in this respect, and substitute another scheme of grouping for that suggested by the Minister.

The point I wish to make in this connection is that until the Bill becomes an Act, it is impossible for the companies, either individually or as a whole, to know what their future position will be, and it is obvious that until they become possessed of this knowledge, they cannot take any action or proceed with any kind of negotiations among themselves.

The most sanguine of us cannot, I think, possibly assume that the Bill can get through both Houses and become law before the end of July at the earliest. On this assumption the position will be, that within a month of this date—namely, on August 15—the railways will be handed over to their owners.

Financial Crisis Possible.

It is perfectly obvious to the railway companies—and I am sure the fact is realised by the Minister—that, costs remaining as they are, and with the almost absolute certainty of decreasing traffics, if the railways are left to themselves on August 15 nothing short of a serious financial crisis will arise.

In my opinion—and it is shared by every other railway Chairman—the Government must, in some way, come to the assistance of the railways, at all events, until the companies have had time to give effect to the obligations imposed upon them by Parliament, and are in a position to reap the benefits which the Minister is so sanguine will accrue by means of grouping.

The Railway Companies' Association have pressed this matter with the Minister as strongly as they could, and I feel that I am entitled to tell you that Sir Eric Geddes is seized with the facts as we have placed them before him. We can only, therefore, hope that the Bill, when introduced, will give the companies the needful protection.

As I have already explained, the companies have no definite information as to what provisions the Bill will contain. It can only be assumed that its basis will be the proposals contained in the White Paper, but it does not necessarily follow that this will be so.

It seems to me therefore, having regard to all the circumstances, that it would be inexpedient—and, indeed, it might be harmful to your interests—to raise any detailed discussion on the matter to-day, and I hope you will agree with the view which your board strongly hold—namely, that the wise course to adopt will be to postpone discussion until, by means of the Bill, we are in possession of the intentions of the Government. To put it another way, I do not think we can usefully attempt to discuss in detail a scheme which, except in the barest outline, is not before us.

As soon as the Bill is available your board will, with the assistance of their officers, apply their minds to the position created by its proposals, and will, no doubt, find it necessary to summon a special meeting of the proprietors in order to consider what action the protection of your interests may render necessary in Parliament.

I only want to say now that if it should prove that parts of the Bill must be met with the uncompromising opposition of the railway companies, we, the board, shall rely upon your active and energetic support in any action it may be found necessary to take.

The Colwyn Report.

I anticipate that the shareholders will expect me to make some reference to the report of the Colwyn Committee, copies of which came into our hands at the beginning of the week.

The report, which includes a large number of appendices and the evidence given before the Committee, is contained in two large volumes, each containing over 250 pages, and it will, therefore, be appreciated that there has not been time to more than roughly glance through this mass of printed matter. Anything I have to say to-day, therefore, will necessarily be of a very general character.

On September 24 last the Minister of Transport appointed a Committee to consider and report as to :—

1. The nature and terms of the agreements made between the Government and the railway companies relating to the possession by the Government of the undertakings of the companies.

2. The possible extent of the outstanding liabilities of the State thereunder according to the interpretations which may be placed upon such agreements.

3. Whether, with due regard to cost, any further steps should be taken to secure that the interests of the State in reference to such agreements are adequately safeguarded; and, generally, to make such recommendations as appear desirable in the circumstances.

It is quite impossible for me at the time at my disposal to explain to you in detail the agreements which were come to from time to time between the Government and the railway companies, but, to put it quite broadly, the position is this :

The railways were taken over by the Government under the Act of 1871, the obligation of the Government under this Act being to pay full compensation for any loss or injury the railways may have sustained whilst in the possession of the Government.

Receipts Guarantee.

It was recognised by the Board of Trade that it would be practically impossible to deal with the revenues of each company separately, and the Government therefore agreed, on August 6, 1914, to guarantee to the railway companies, as a whole, their net receipts for the year 1913.

Following on this there were other agreements made under the authority of the Treasury in regard to :—

1. Arrears of maintenance.
2. Abnormal wear and tear.
3. Interest on new capital expenditure.
4. Replacement of stores;

and other matters which I need not mention: and it was to these agreements the Committee were instructed to direct their attention.

The constitution of the tribunal is, to my mind, open to criticism, inasmuch as whilst the Government had on it their own representative it did not include anyone representing the interests of the railway companies. The result of this was that no opportunity was given for the cross-examination in the railway interest of the Government witnesses who were called before the Committee.

In addition to this, the Committee decided to hold their inquiry with closed doors, with the result that the railway companies were unable to know the charges made against them (and, from a glance through the evidence, which, with the report of the Committee, has been published, there were a great many), nor were they furnished with particulars of these charges, or asked to either refute or confirm them.

I will say no more on this point than to express the opinion that, to my mind, it was unfortunate that an inquiry of such magnitude and importance should have been conducted under such conditions.

Repudiation of Agreements.

The recommendations of the Committee are that the Government should, in effect, repudiate a considerable number of these agreements, to which—after seeking advice from two of the most eminent financial experts of the country, and obtaining the consent of his Majesty's Treasury thereto—they had become parties; in fact, to treat these documents as scraps of paper.

I, personally, cannot conceive the Government acting upon any such advice, and I, therefore, do not think it right to discuss the matter to-day from such a standpoint.

All that we can do is to wait and see what attitude the Government propose to take in the matter, and it will then be for your board, in consultation, if necessary, with the proprietors, to decide what action it will be necessary to take.

The report states that the agreements are all in favour of the railway companies, and naturally so, because in the negotiations leading up to them the Government representatives were meeting, in the railway managers, gentlemen much too clever for them. I am sure the Government will treat such an innuendo, in so far as it reflects upon their own officials and their advisers, in the manner it deserves. In so far as the managers are concerned, if it is the suggestion of the Committee that those gentlemen acted unfairly, or took advantage of the position in which they found themselves, I can only say that, in my opinion, it is an unwarrantable suggestion to make.

The Accounts.

Turning to the accounts, you will observe that the expenditure on capital account (No. 4) has been reduced by £137,027, principally arising from various sales of land and property. No. 8 Account gives the revenue receipts and expenditure of the whole undertaking, and is in precisely the same form as in the previous years of Government control. It shows that the total net income has increased by £36,300.

In No. 9 Account—proposed appropriation of net income—we deal with the matter in the same way as last year, appropriating £100,000 to the general reserve fund—raising it to £2,244,162—and after paying the dividends on the Guaranteed and Preference stocks, recommending a dividend at the rate of two and a-half per cent. per annum on the Preferred Converted Ordinary stock; and at the rate of four and three-quarters per cent. per annum on the Deferred Converted Ordinary stock, equal to seven and a-quarter per cent. per annum on the Ordinary stock, and carrying forward £172,007 to the next account.

As we paid an increased interim dividend of 7*s.* 6*d.* per cent. last August, the final dividend on the Deferred stock is £2 15*s.* per cent., as against £3 2*s.* 6*d.* per cent. a year ago.

Several of the items in the general balance sheet (No. 18) call for explanation. On the assets side, the large decrease in cash at bankers and in hand is due to larger payments for stores and materials, and also to the payment to the Government of their share of the reserve held against disputed increased rates—the four per cent. increase put into operation in 1913.

Investments in Government securities have been written down to, approximately, market value by setting aside as a provision for depreciation the sum retainable by the Company out of the reserve for disputed increased goods rates above referred to.

The increase in stock of stores and materials is almost entirely due to increased prices.

Outstanding Traffic Account.

The outstanding traffic accounts show a striking increase. The traders' accounts outstanding are not above the normal number, but as a consequence of the recent increases of rates, the charges are practically doubled, and this explains more than one-half of the increase in amount outstanding. The balance is the amount deducted from the 1919 outstandings

in respect of the provision for disputed increased rates already alluded to.

The large reduction in accounts receivable is caused by the reduction in the amount due by the Government as compensation, in consequence of the increase in rates which came into operation on September 1.

Turning to the liabilities side, the deposits in the Midland Railway Savings Bank continue to grow steadily.

The growth in the superannuation fund is caused by increased contributions paid by members and by the Company in consequence of the recent revision of salaries.

With regard to the depreciation funds, which include a large sum for arrears of maintenance, and to the general reserve fund, I do not think that in view of possible future contingencies these reserves are any too large.

Finally, I desire to testify to the admirable way in which the officers and their staffs have served the Company during the past year. From the General Manager downwards, they have not spared themselves, and the result is that, even under the present discouraging conditions, there has been no drop in the operating efficiency of the Midland Railway. Whatever the future may have in store, this fact is bound to tell in our favour.

The resolutions adopting the report and accounts and declaring the dividend were carried. The retiring directors and auditor were re-elected, and the audit committee was re-appointed, the proceedings closing with a cordial vote of thanks to the Chairman and directors.

London Electric Railway Company.

Satisfactory Results from Increased Fares.

THE ordinary general meeting of this Company was held on February 17 at Caxton Hall, Westminster.

Lord Ashfield, who presided, referred to the statements he had made earlier in the day at the meetings of the City and South London, Central London, and Metropolitan District Companies, and, proceeding, said: The three companies whose affairs I have just dealt with are associated with your Company and the London General Omnibus Company in a common fund. The balances of their revenues, after meeting expenditure, fixed charges, reserves, and other defined liabilities, are payable into the common fund, out of which, in the first place, any deficiencies are met, and in the second place the balance is shared between the parties in agreed percentages. This year, as shown by the summary statement sent to you with the annual accounts, the total amount paid into the common fund was £695,051, or £237,682 less than a year ago. This was contributed by three companies, of which your Company was one, but even your Company's contribution was £167,607 less in itself.

Two companies incurred deficiencies, the City and South London Railway of £53,617, or £41,275 greater than a year ago, and the London General Omnibus Company of £286,942, or £137,062 less than a year ago. Except for the Metropolitan District Railway, which had a special source of receipts in the contribution receivable from the Government, amounting net to £705,347, the railway position had worsened during the year and the omnibus position had slightly bettered. The final result was that the common fund had a distributable amount of £354,492, or £141,895 less than a year ago.

A Meagre Result.

This meagre result is wholly due to the fact that although expenses were increasing it was not possible to deal effectively with the increase in fares before September 26 last. Your Company was one of the group of Companies which promoted a Bill in Parliament for obtaining increased powers of charge for fares. Your Company was not able to use the powers sought by this Bill until the date which I have just mentioned, and did not enjoy, except for a short period, the benefit of the augmented receipts from this source.

However, the results of the increase are now indicated, and they are fairly satisfactory. If the first three months of 1920 are compared with the last three months of that year it is found that your Company increased its receipts by twenty-seven per cent., while the number of passengers carried was only reduced by twelve per cent. Taking the group of Companies concerned as a whole, this fairly represents the result, so that I may safely say the worst is now past and that we may look forward to an improvement in our position with the coming year. Especially is this the case if, as we all expect, costs will now recede from the extravagant levels which they reached as the result of the War.

Expenditure on Capital Account.

Coming now to the accounts of your Company for the year, you will find that expenditure on capital account amounts to £88,404. This is chiefly attributable to the acquisition of joint rolling stock for the working of the extension to Watford over the London and North Western Railway, of which your Company pays one-third. The rolling stock statement annexed to the accounts shows an increase of seventeen in the number of cars owned. In fact, eighteen of the twenty-two cars borrowed from the Central London Railway during the War for the opening of this extension service have now been returned, and in addition thirty other cars used for it have been released for other work up to date. It will also be noted that your Company increased its car mileage worked by 2,637,267 car miles, a substantial contribution towards the relief of congestion.

The capital commitments amount to £182,500, mainly representing the acquisition of forty new trailer cars required to increase the length of train worked on the Bakerloo section from five to six cars, and the equipment of the lifts with landing control for their more expeditious working. This year the amount of £1,142,000 required for the linking-up of the Hampstead section of your railway with the City and South London Railway at Euston—not yet under construction—and the provision of additional rolling stock not yet on order has been omitted. Until the board is able to raise this money on reasonable terms it is not practicable for these works to be commenced.

The reserve for contingencies and renewals is £45,000 this year, the same as last year.

Turning to the revenue accounts, the gross receipts for the year show an increase as compared with the previous year of £202,818, while the expenditure has increased by no less a sum than £370,425. As a consequence the amount available to be paid into the common fund is only £5,905, a decrease of £167,607 compared with the corresponding period. The amount received from the common fund is, however, £106,348.

In further remarks the Chairman said he could not describe the year's result as satisfactory, but it was unavoidable. Next year he hoped to submit accounts which would show a substantial improvement in the position of the Company.

The report was unanimously adopted.

City and South London Ry. Co.

Increase of Receipts.

THE ordinary general meeting of this Company was held on February 17 at Caxton Hall, Westminster, the Right Hon. Lord Ashfield (Chairman and Managing Director) presiding.

The Chairman, in the course of his speech, said: The outstanding event of last year was the passing of the London Electric Railways Fares Act. Your Company did not need powers under this Act to increase the ordinary fares, but it was impossible for your Company to proceed alone in an increase of fares. Your Company, however, participated in the increased powers of charge for workmen passengers included in this Act. When this Act was passed and a scheme of fares for all companies approved by the Ministry of Transport, your Company joined in this scheme, and fares were brought up to such a level as promises to secure the financial stability of the companies in the new general level of values, reckoned in terms of money, which the War has left us. It is a matter of great regret to your board that the discussions and negotiations attending the passage of this Act, and the interpretation of its provisions into actual results, unavoidably occupied so large a part of the year that the benefit of the changes is hardly realised in this year's accounts; but if I outline briefly to you the results for the last three months of the year during which the new fares were in operation, you will see that they are of good augury for the future.

Receipts and Passengers.

The increase of fares upon this railway was somewhat above the average for the underground railways by reason of the fact that the fares charged on this railway were previously at a generally lower level than fares elsewhere. A comparison of the results of the increase in fares in the last three months of 1920, with the results for the first three months of 1920, shows that the receipts from passengers increased by thirty per cent. There was, however, a loss of fourteen per cent. in the number of passengers carried, or of 1,550,000 in the three months. This result may be attributed to the fact that this railway is paralleled for the greater part of its length by tramways of the London County Council, upon which a cheap mid-day fare of 2*d.* any distance is in force. The ordinary tramway fares are also somewhat lower than the ordinary railway fares in certain cases. Until this railway is made more attractive by the reconstruction of its tunnels and the provision of new and standard rolling stock, it is not possible to look for much success in the obtaining and efficient working of traffic.

Capital Requirements.

Your board regrets that the serious obstacles in the way of raising the £1,750,000 which is now wanted for the improvement and reconstruction of the railway have prevented their taking any active steps to this end, but they hope to proceed with this necessary improvement as soon as conditions will permit this sum of money being raised on reasonable terms.

About the middle of 1920 the Minister of Transport issued his outline of proposals as to the future organisation of transport undertakings in Great Britain and their relation to the State. The principal of these proposals related to a grouping of railways, and one of the groups indicated was a London group. There are several advantages to be secured by being members of a group, which are sufficiently self-

evident that I need not trouble to rehearse them here. They have governed our conduct in the past. We can, therefore, accept the principle of grouping. While this question is engaging the attention of your directors they feel much difficulty in foreshadowing to you any line of action which they can take until the promised Bill is presented to Parliament and the real intentions of the Minister are known. There is, however, one vital difference between the position of main-line railways and the position of local London railways. The main-line railways represent extensive and fully developed systems. The local London railways do not, and demand much additional capital for their completion. The difference is one which must be kept foremost in mind in working out a solution of the problem.

Reviewing the results of the year's working, the Chairman said that the gross receipts had increased by £44,388, while the expenditure had increased by £85,613, so that in the result the Company was £41,275 worse off. It has been necessary to call upon the common fund for the payment of £53,617. The results of the year were not good; but the true cause was the amount of time required to adjust the revenue side of the accounts to meet the rise in the expenditure side. With the present increase in fares there was no reasonable doubt that the fortunes of the Company should take a favourable turn, coupled as it was with a prospective decline in the working costs. The reorganisation which had taken place in the management of the Company in conjunction with its associated companies was a natural development resulting from the progress made by these companies in the provision of traffic facilities in London, and he thought the promotion of three of their officers to seats on the board would be as acceptable to the proprietors as it was to his colleagues and himself.

The report was unanimously adopted.

Central London Railway Company.

Company's Unique Position.

THE ordinary general meeting of this Company was held on February 17 at Caxton Hall, Westminster.

Lord Ashford presided, and in the course of his address said: The Central London Railway has been more advantaged by the increase of fares than the other deep level tubes. It enjoys a unique position in proceeding east and west across London by the shortest and most direct route. This gives it an advantage over the other east and west routes which traverse a longer distance to complete the journey, and the effect is to enable the Central London Railways to set the standard for east and west fares and to retain the pick of the traffic. The result is shown in a comparison of the first three with the last three months of 1920. Between these periods receipts have increased by thirty-five per cent., due partly to the increase in fares, but due also to an actual small increase in traffic in spite of the increase in fares. It will be noticed from the summary statistical table circulated to all shareholders that this railway shows for the year 1920 an increase in passengers of four per cent. while the other deep level tubes show a decline.

The Ealing Extension.

This increase is partly due to the opening on August 3 of the extension to Ealing, from Shepherd's Bush, over a line provided by the Great Western Railway. The traffic on this line is very disappointing but is slowly growing, the chief obstacle to its growth being the fares charged, which are on a main line railway basis and not upon the revised basis established for local London traffic. The opening of the extension has, however, supplied a feeder to the Central London Railway and contributes to the number of passengers carried by it. The length of the extension is four and a-quarter miles, and at the moment only two stations are open, one at Acton, and one at Ealing. The Great Western Railway are taking steps to provide two additional stations, one at Old Oak Common, and one at Twyford. When these are open the traffic obtained from the extension should materially increase. The additional four chains of railway referred to in the statements attached to your accounts relate to the short connecting line which links your railway to this extension of the Great Western Railway.

Referring to the proposals of the Minister of Transport with regard to the future organisation of transport undertakings in Great Britain, he said that fortunately for this Company it was already a member of a London group, so that, except for a widening of the group, the policy of the Minister had been anticipated. The memorandum was perhaps necessarily vague as to the method and manner of grouping, and as to the consequences to flow from it, and the directors felt much difficulty in foreshadowing any line of action which they could take until the promised Bill was presented to Parliament.

Dealing with the revenue account, he pointed out that the gross receipts had been increased by £89,551, but the gross expenditure had grown by no less than £174,219, and as a consequence the balance remaining, and which was paid into the common fund, was reduced by £84,668 to £17,597. The amount received out of the common fund was £70,898.

The authorised capital account of the Company remained unchanged in amount, but a change had taken place in the conditions under which the outstanding balance of the loan capital was authorised. By the Central London and Metropolitan District Railway Companies (Works) Act of last year, the Debenture stock authorised by the Central London Railway Acts of 1913 and 1914 was cancelled and new Debenture stock authorised to a like amount, but without any condition requiring the precedent issue of Ordinary stock. This was a considerable advantage to the Company in times of financial stress such as these. In addition, the necessity for reduction of borrowing powers in respect of interest paid out of capital was extinguished, and a sum of £76,322 formerly deducted on this account had been restored.

Deferred Work.

Under the same Act the Company were authorised to connect up with the London and South Western Railway at a point south-west of that company's Shepherd's Bush Station, to enable through running to Richmond. This was a very desirable extension, but the proprietors would appreciate that the present was not a favourable time to raise the necessary capital. The directors proposed to take the earliest opportunity of so doing, and with the improved financial position, consequent upon the increase in fares, the money should be raised on reasonable terms.

Except for this deferred work, there was nothing of moment in the capital commitments of the Company. There was a credit balance of £1,082 to the capital expenditure account. Last year the estimate of further capital expenditure showed an item of £550,000 for new rolling stock and the Shepherd's Bush Extension. This year this amount was omitted and the estimate confined to those items only which were definitely under way, or to be proceeded with immediately.

In further remarks the Chairman referred to the reorganisation which had taken place in the management of the Company in conjunction with its associated companies.

Metropolitan District Railway Co.

Effect of Fare Revision.

THE ordinary general meeting of this Company was held on February 17 at Caxton Hall, Westminster.

Lord Ashfield presided, and, in moving the adoption of the report and accounts, said that 1920 was the first year since the War in which definite progress had been made in the settlement of the vexed question of London traffic. There were, indeed, indications of a settlement being reached at last. The year opened under adverse conditions, and at the annual general meeting a year ago he took pains to make clear the urgent need for increasing the revenue to be obtained from passengers by an increase in fares. The Bill promoted in Parliament with this view received the Royal Assent on August 16. The new scale of charges adopted showed an increase of thirty per cent. on the average, or, allowing for increases which had already been made under the old powers of charge since the outbreak of War, a total increase to date of seventy-three per cent. on the average, or rather less than the surcharge authorised by the Ministry of Transport for the passenger fares of railways generally.

Control Removed.

The Metropolitan District had been one of the railways taken over by the Government at the outbreak of War, and had remained under Government control since. One of the original terms under which control took place had been that the Government should guarantee to the Company its net revenue for the year 1913. This term had been modified when, in pursuance of the London Electric Companies' Facilities Act, 1915, the common fund had been set up for dealing with the net revenues of the four underground railway companies of which this Company was one, and of the London General Omnibus Company. When the Minister of Transport gave his consent to the increased fares to be brought into effect on September 26, he made the consent conditional upon the special arrangement of 1915 being cancelled. As it was not possible to cancel the one arrangement without the other, while continuing the common fund, the board agreed with the Ministry of Transport to withdraw the railway from the financial control of the Government, and took the step of setting it up upon an independent footing once more, to seek its own support in efficient management. He (the Chairman) was happy to add that the experience of the remaining three months of 1920 justified the decision. This Company therefore enjoyed the distinction of being the first railway Company to be restored to a self-supporting basis after the War.

New Scheme of Fares.

Taking the figures for the week before and the week after the introduction of the new scheme of fares, they showed on the four railways, exclusive of season ticket traffic, an increase of twenty-three per cent. in receipts, with a falling off of ten per cent. in passengers. If the first thirteen weeks of 1920 were compared with the last thirteen weeks of 1920 the

results showed that the number of passengers carried fell from 108 millions to 98 millions, or nine per cent., while the receipts from passengers increased from £992,000 to £1,252,000, or twenty-seven per cent. This falling off was attributable both to the depression in trade and to the natural reaction against higher fares, but experience showed that when the higher fares were reasonable the reaction did not last long. The year that had closed would seem to have seen the peak of the wave of rising prices. Now that the cost of living was falling, when the next adjustment under the scale became due in March of this year some part of the advances of 1920 for this cause should be withdrawn. It was interesting to note that the railwaymen's wages were, at the close of 1920, 162 per cent. over the pre War standard, while the hours worked had been reduced. Having drawn attention to the manner in which the transport facilities at the disposal of the public had been augmented during the past year, the Chairman said that the serious problem ahead with regard to London traffic was that of development. Among other contemplated works for which Parliamentary powers already existed was the Edgware and Hampstead line, extending from Golders Green through Hendon. This ought to be constructed at once, and if constructed ought to find a large and remunerative traffic. The labours of 1920 had been directed to the placing of the companies as they were now constituted on a stable foundation, and if this foundation had been securely laid he hoped they could acquire the further capital which would enable them to build upon it a system of transport facilities worthy of the record of their companies' endeavours in the past and worthy of this vast Metropolis. Another tendency in the settlement of London traffic became apparent last year, but had not yet reached a stage at which it yielded much concrete result. He referred to the possibility of agreement being reached in the conflict of interests between those now engaged in London transport. The most hopeful sign of all had been the action of the London County Council in approaching the Ministry of Transport with a view to direct negotiations between representatives of the Council and of this group of companies taking place under the auspices of the Ministry. The directors felt it their duty to take part in these negotiations, which were now proceeding. If a successful outcome should be reached the traffic situation in London would be much simplified, and improvement would be more rapid because all efforts would then be directed to a common end.

The report was unanimously adopted.

London General Omnibus Co., Ltd.

The ninth annual general meeting of this Company was held on February 17 at Electric Railway House, Westminster, Lord Ashfield presiding.

The Chairman, remarking at the outset that the year 1920 had seen a large number of steps taken to restore the Company to the position it occupied prior to the War, referred to the replacement of "B" type omnibuses by the more commodious vehicles of the "K" type, and, later, of the "S" type, adding that the increase in accommodation thus afforded was reflected in the earnings. The expense of operating the "B" type omnibus had grown to such a point that it equalled the earnings under favourable conditions, and on the average of a year exceeded the earnings. The effect of the increased seating capacity of the 'bus had been to increase the earning capacity by approximately 3*d.* per mile, though this, of course, only applied to those routes which had a heavy traffic. The cost of working the larger omnibus had not advanced to the same amount.

Their Chief Engineer advised them that the "S" type was even more efficient and economical in operation than the "K" type, so that much progress had been made in the improvement and development of the rolling stock. It was expected that, with the coming year, their own fleet and those of the companies allied with it would approach a total number of 3,000 motor omnibuses. The miles of road worked during the past year reached a maximum of 616 miles.

On September 26, in conjunction with the Underground Railways and with the London County Council and other Tramways, the Company introduced a revised scheme of fares, which had the effect of increasing the then existing fares by about thirty per cent. The results of this increase of fares might be briefly indicated. If the first thirteen weeks of 1920 were compared with the last thirteen weeks of 1920, it would be found that the number of passengers declined from 191,000,000 to 175,000,000, or eight per cent.; but the receipts from passengers increased from £1,424,000 to £1,746,000, or twenty-three per cent.

Two Problems.

In connection with the increase of fares, two problems seemed to merit attention. The first was the adoption of an initial fare of 1½*d.* The London County Council Tramways continued the initial fare of 1*d.*, and it was therefore possible to establish a comparison between routes where one initial fare was in operation and routes where another initial fare was in operation. They found that where the 1*d.* was retained there had been a loss in receipts of about three per cent., but that where the 1½*d.* fare was introduced there had been a gain in receipts of about fourteen per cent. in spite of a reduction in the number of passengers carried. It would seem to indicate that, from a revenue point of view, the higher initial fare was fully justified. That it was justified from a financial point of view was known before, for it was not now possible to carry a passenger upon a motor-omnibus for 1*d.* and have any margin available over the working costs. The other problem was the introduction of the cheap mid-day fare of 2*d.* upon the London County Council Tramways. This Company dissented to this as being a contradiction, but in deference to the insistence of the London County Council, they had adopted, in the tramway area, the cheap mid-day fare of 2*d.* between points practically identical with those between which it operated on the tramways. After allowing for the small increase in passengers which had accrued in consequence of the introduction of the cheap 2*d.* tickets, there was a loss in revenue which was estimated as the result of tests at about £12,000 a year, and was a growing loss.

Relations with the London County Council.

It must not be thought from these comments that the relations of this Company with the London County Council were not of a friendly character. Although the year 1920 opened unfavourably in this respect, the close had brought about an almost complete change, and the directors expected that the arrangements which had been entered into might be the opening of a period of much closer co-operation between this group of companies and the local authorities in the provision of traffic facilities.

A word must also be said about the new scheme of taxation for motor vehicles. In 1920 the amount paid in petrol duty was £141,606, to which must be added the amount paid in respect of licences for vehicles, £17,060, making a total of £158,666. Already in 1921 the amount paid in licence duties under the new scheme was £229,000. The full effect of the change was estimated at forty per cent.

On the revenue side of the accounts the gross receipts were £6,781,879, an increase, as compared with 1919, of £1,331,887, while the expenditure amounted to £7,068,821, an increase of £1,194,825. As a consequence there was a deficit of £286,942, which was met out of the common fund. This was the second year in which the Company had failed to be self-supporting. Such a situation could not be allowed to continue. The common fund was never intended to permit of one form of transport being a permanent burden on other forms. It was an invaluable device for ameliorating temporary misfortune, but it must be used with discretion. Fortunately, the new scheme of fares appeared to offer a remedy, and the directors had every reason for believing that the Company would not again be a burden on the fund.

The report was unanimously adopted.

London and Brazilian Bank, Limited.

ESTABLISHED 1862.

Subscribed Capital -	£3,000,000
Paid-up Capital - -	£1,500,000
Reserve Fund - -	£1,500,000

Manchester Agency:
WILLIAMS DEACON'S BANK, LTD.,
Foreign Exchange, Shipping and Agency Dept.,
YORK STREET, MANCHESTER.

Belfast Agency:
NORTHERN BANKING CO., LTD.

BRANCHES in Brazil, Argentina and Uruguay, and also in Lisbon, Oporto, Paris and New York (Agency).

AGENTS and Correspondents throughout the World.

BILLS negotiated, advanced upon, or sent for collection.

Exceptional Banking facilities offered through the Branches of the Bank and its numerous Agents and Correspondents for the promotion of Trade with South America and Portugal.

7 Tokenhouse Yard, London, E.C. 2.

London and Liverpool Bank of Commerce, Limited.

Pre-War Debts.

THE forty second ordinary general meeting of this Company was held at the offices, 34 Old Broad Street, London, E.C., on February 14, the Lord Ritchie of Dundee (Chairman of the Company) presiding.

The Chairman, in the course of his speech, said: Our acceptances, including advances under the Government scheme of 1914, amount only to £1,437,529, or about £1,000,000 less than last year, the reduction being attributable partly to the liquidation of pre-War debts, but more largely to shrinkage of business during the last few months of the year. Our acceptances in the earlier months were higher than they have been at any time since 1914, and it was only when the fall in prices and the general depression of trade set in that business fell away. That has not been an unmixed disadvantage, as the sudden and great fall in values has naturally been a source of some anxiety to us. We are therefore glad to feel that our acceptances are reduced to so small a figure, and we shall not make any effort to increase them until general conditions become more settled. It is a matter for congratulation that the trade of the country has passed through the ordeal of falling prices so far without anything like disaster and with comparatively few individual failures. Prices of most commodities have fallen fifty per cent. or more, and many of them stand now below the cost of production. That fact renders it extremely difficult to form an opinion of what the course of prices is likely to be in the future. It would seem that either they must rise again or wages must come down. Greater efficiency and productivity may mitigate to some extent the increase in the cost of labour, but cannot counterbalance a wage increase of more than 200 per cent., as is the case in certain industries, and it is to be hoped that labour will realise that our foreign trade, without which we cannot exist, can only thrive provided the cost of production at home enables us to compete successfully with the rest of the world. The reserve stands in the balance sheet at £170,000. In the course of my remarks last year I indicated that we might have to fall back upon our reserve to meet possible loss on pre-War debts. The collection of the German debts is proceeding, and substantial payments have been received, but the agreeing of accounts is in some cases a lengthy business, questions of interest remain to be settled, and I am afraid some considerable time must still elapse before these differences are finally composed and the debts entirely liquidated. We are quite determined that we will give no assistance whatever to the resumption of trade with Germany until these debts are liquidated. Then, again, no scheme has yet been propounded for dealing with the Polish debts. We are informed that some at least of our Polish debtors are carrying on a lucrative business at home, and were it not for the exchange position no doubt they would be able to liquidate their indebtedness, but as things are there appears to be no prospect of receiving anything in the near future at any rate. Were it not that we have from time to time paid into the Bank of England important sums which now stand at our credit there, and which figure in our balance sheet under "Accounts current" as a set-off against pre-War debts, our liquid assets would stand at a far higher figure.

The Dividend.

Last July we felt that the course of the Bank's business justified us in paying a larger interim dividend than for some years past, in the expectation that we should find ourselves in a position to recommend an increased distribution for the year when we met you to-day. Unfortunately the sum that we have had to provide out of profits to meet depreciation on our investments—a sum of nearly £13,000, or more than two per cent. on the Bank's capital—has disappointed that expectation, and we find it possible, after all, only to recommend the same distribution as during the last five or six years—namely, four per cent., carrying forward to the new account just over £20,000, subject to corporation profits tax, against about £1,000 less brought in.

I hesitate to make any forecast of the future, but the revival of business which the Bank enjoyed in the earlier months of the year was very encouraging. Unfortunately, the events of the last few months have checked that revival, but we see no reason why the check should be anything more than temporary, nor why, once we have got rid of the incubus of pre-War debts, the profits of the Bank should not show a substantial expansion.

The Chairman concluded by moving a resolution for the adoption of the report and accounts, and the declaration of the dividend therein recommended.

Sir Felix Schuster, Bart., seconded the motion, which was unanimously carried, and the retiring directors and auditors were re-elected.

The proceedings terminated with votes of thanks to the officers and staff and to the Chairman and the directors.

The Sterling Trust, Limited.

Investment Values and Yields.

THE fourth ordinary general meeting of the Sterling Trust, Limited, was held on February 15 at Winchester House, Old Broad Street, E.C.

Baron Emile B. d'Erlanger (the Chairman) presided.

The Chairman: Gentlemen,—Before putting the different resolutions to the meeting I will address you in a very few words. This is the review of the fourth year of our existence as a Trust, and, in the ordinary course, the very simple and lucidly-drawn accounts would by this time be so familiar to you as to require but very little comment. The circumstances, however, in which we have worked for the past year, and which still govern the financial world at the present moment, are such as not only to warrant, but to prompt a somewhat more elaborate reference than usual to the balance sheet and profit and loss account.

Reserve Account.

As regards the former, seeing that the amount of Debentures issued remains at the same figure as for the previous year namely, £2,667,000—and our Consolidated Stock at £1,250,000; and that accrued interest at £6 240, sundry creditors at £11,932, and unclaimed dividends at £7.120, require no comment, and the balance of £65,700 will be dealt with in the profit and loss account review, the only figure calling for attention is the £100.000 of reserve account. The word "reserve" might suggest that our capital was intact and that our assets exceeded our liabilities by £100 000. The contingent fund, to which is credited all profits on sales of investments, might have been sufficient to cope with any depreciation or casual losses inherent to a large amount of investments, no matter how carefully selected.

The fall in prices has, however, been such that, after bringing the contingent fund into operation, there is an average depreciation of seven and a-half per cent. on the balance-sheet value of our investments, the American railroad securities being valued at the low price at which they stand in our books. This depreciation, in the circumstances, cannot be looked upon as particularly heavy, although it leaves a shortage of about £200,000 on our capital, after taking credit for the reserve fund of £100 000.

We are not a business for one day, and just the same as there has been a great drop in the price of commodities, so will there be, sooner or later, a great drop in the interest productivity of money. It is not bold to prophesy that it must come; it would be foolhardy to predict the time of its arrival. When it does come, the capital value of securities will rise, and we shall no longer see a depreciation of eleven and four-fifths per cent. on the Government securities we have acquired and may still then hold.

Passing to the credit side of the balance sheet, you will see that the investments stand at £3.953.000. They are set out in detail in the schedules attached to the report and accounts, and you will see that a fuller classification has been attempted this year. The three next items—loan, £5.000; sundry debtors, £14,800 odd; and cash in hand, £75,945—speak for themselves.

The Year's Profit.

Passing to the profit and loss account, our income this year amounted to £188,000, out of which the expenses of management amounted to £10,517, and our Debenture service £91,000 odd, leaving £86,000 *plus* £14,000 brought forward from last year to be appropriated; £35,000 goes to reserve, £52.500 to six per cent. dividend if you accept our recommendation, and £13,000 odd is carried forward.

I should like to draw your attention to the fact that the average yield on the amount at which our investments stand in the balance sheet has been 6.83 per cent., and that British Government securities represent 26.43 per cent. of our assets; our American roads, 32.81 per cent.; and other investments, consisting of no less than 134 different securities, the balance of forty per cent. odd. Of that balance, sixty-two per cent. is represented by bonds, Debentures, Debenture stocks, and notes.

It has been my custom at previous meetings of the Sterling Trust to make a few remarks about the general conditions prevailing in finance and business circles; but I have decided to depart on this occasion from my usual practice because, in reading the papers, I have seen reports of meetings, especially of the banks, which show that the subject has been not only thoroughly dealt with by the chairmen of the different banks, but much more ably than I myself could deal with it. There is another matter which is foremost in all our minds, and that is the question of the indemnity which has to be paid to this country by Germany. Whatever may be our ideas on the subject, whatever may be the modes and schemes which we think best adapted to secure the consent of Germany to the highest indemnity obtainable and the scrupulous payment thereof, I think it would be most unwise, and in fact unpatriotic, to deal with this subject on the eve of the Conference. Therefore, gentlemen, I shall confine myself at the present moment, after answering any questions which you may wish to put to me, to moving the resolutions which are on the agenda. I beg to move: "That the report and accounts now presented be and the same are hereby received and adopted."

Mr. Robert Fleming seconded the resolution, and after the Chairman had replied to questions it was unanimously adopted.

Lancashire and Yorkshire Railway Company.

Government Control and Railway Finance.

THE eighth annual meeting, being the 161st general meeting, of the proprietors of the Lancashire and Yorkshire Railway Company was held at the Company's offices, Hunt's Bank, Manchester, at noon on Wednesday, February 16, 1921, Mr. Edward Brocklehurst Fielden (Chairman of the board of directors) in the chair.

The Chairman, having given details of the accounts, said: At the last annual meeting I referred fully to the negotiations between the railways and the Government. In June last the Minister of Transport issued a White Paper setting forth his proposals in regard to the future of railways, and shareholders will recollect that a circular to this effect was issued to them on July 21 last. After the most careful and mature consideration, the railway companies in December last sent their reply to the Minister, and as we felt it was of the utmost importance that the shareholders should be placed in possession of the full facts, a copy of such reply was circulated to them.

So far we have not had any further statement from the Minister, but we are awaiting with interest the introduction of the Bill in which the Government policy as to railways will be set out, and which may be expected at any time. Pending the deposit of this Bill, I do not think I can usefully add anything to the information already in your possession.

You will have received with our report a circular from the English Railway Stockholders' Protection Association. In the ordinary course we do not enclose the literature of outside Associations with our reports, but we thought under the exceptional circumstances which prevail to-day that this Association may be of very great assistance to the railway companies in their negotiations with the Government, and that no step which could be taken to bring any influence to bear upon the Government at this time should be neglected. The Association is working entirely in your interests, and we are glad we are able to afford them facilities in this direction.

The Question of Rates and Expenses.

When addressing you in February last I referred to the increases in the rates for conveyance of merchandise traffic which operated as from January 15, 1920, on the direction of the Minister of Transport, acting on the recommendation of the Rates Advisory Committee. In consequence of concessions in salaries and wages, the granting of the eight-hour day, and the general increase in the cost of commodities used in working the railways, it was necessary to raise an additional sum of £50,000,000 per annum to place the whole of the railway companies in the same financial position as in 1913. On the average these increased rates worked out at rather more than fifty per cent.

On July 7, 1920, the Minister of Transport again referred to the Rates Advisory Committee the question of a second interim increase of rates and fares in consequence of the continued rise in wages and materials, and as the result of the adoption by the Minister of the recommendations of that Committee the passenger fares were raised from August 6, 1920, on the average about seventy-five per cent more than the pre-War standard, and the rates for freight traffic were also put up on the Minister's direction from September 1 last to a level which, on the average, works out to about 112 per cent. above the pre-War charges. We are watching the effect of these increases very closely, but, as you will understand, it is difficult to form a definite opinion owing to the comparisons being affected by the serious depression in trade from which we are suffering just now. In addition to this Committee dealing with the two above-mentioned increases, they have been engaged in an exhaustive inquiry into the principles which should govern the fixing of rates and charges for the carriage of merchandise, and, after forty days of public inquiry and examination of witnesses on behalf of the railways and traders, have issued their first report to the Minister of Transport. This report is a very comprehensive survey of the principles affecting rate fixing, and the whole subject is engaging the careful consideration of the Railway Companies' Association. The subject is extremely important as affecting our revenue, and the shareholders may be assured that their interests will be carefully watched. As I told you last year, this inquiry must inevitably be very protracted, and the next stage, which will shortly be entered upon, is to be devoted to the detailed consideration of the classification of commodities. The railway companies have already issued their provisional proposals in book form, and the traders have had an opportunity of considering them since the beginning of the year in anticipation of the resumption of the inquiry.

Government Control.

The Government control of the railways has continued during the year. One of our most serious difficulties has been the question of finance, which, I suppose, applies to almost every individual as well as to each public and private company just now. At the present time we have locked up in stores and coal a much greater sum than in the pre-War days, and, coupled with this fact, we have to provide the money for working the line prior to the receipt of the Government cheque, practically one month's expenditure, less receipts. This has caused your directors during the past year to sell half a million of the Company's holding in Government securities. The disposal of these securities has involved us in some small loss, but we felt that we had no option but to realise in view of the difficulty of financing the day-to-day position. To some extent this action must also be attributed to the fact that during the twelve months we have been doing our best to overtake work which fell into arrears during the War period, when we had neither the materials nor the staff to deal adequately with our equipment other than that which was absolutely necessary. I am glad to be able to state that our position under this head is very much better than it was twelve months ago.

During the period under review we have received the judgment of the Railway and Canal Commissioners' Court in regard to the increase of four per cent. in goods rates which was sanctioned by the Railway and Canal Traffic Act, 1913, such judgment being in favour of the railway companies.

Departmental Committee on Railway Agreements.

You will all have seen during the past few days reference to the Report of the Departmental Committee on Railway Agreements, over which Lord Colwyn presided. The Committee was appointed merely to advise the Government, and its findings have no binding effect whatever. This Report should be carefully considered by all railway shareholders, as, if the recommendations contained therein, which involve a variation of the agreements come to, are adopted by the Government, it will be another instance of agreements becoming "mere scraps of paper," though in that event, which I cannot conceive possible, the railway companies have the right of appeal to the Railway and Canal Commission, and you may rest assured that if the necessity arises such appeal will be prosecuted with the utmost vigour. Throughout the Report it is repeatedly and fully admitted that the arrangements made were agreed with the Government officials who were dealing with matters well within their purview, and to suggest, as the Committee does, when the effect of the arrangements is found to be more costly than was anticipated, that such arrangements should at this late stage be reviewed, is altogether contrary to our idea of British justice.

For your information I may say that representatives of both sides have throughout the control period been in frequent conference for the purpose of considering, and in some measure amplifying, the necessarily very bald agreement which was hurriedly arrived at immediately after the declaration of War. In every case the Government interests have been safeguarded by their representatives, and until comparatively recently no notification was given to the railway companies that the various arrangements between the contracting parties were other than fair and equitable. The Committee may well say that their recommendations must not be regarded as the result of an investigation from the legal standpoint. From a legal point of view—and that is what counts—they know the Government have no case for variation of the agreements. I maintain also that from the point of view of equity the railway companies have right on their side.

The Principle of Compensation.

The facts concerning Government control are doubtless well known to you, but it may be well that I should remind you that their control is exercised under the Regulation of the Forces Act, 1871, which provides that "there shall be paid to any person or body of persons whose railway may be taken possession of out of moneys to be provided by Parliament such full compensation for any loss or injury they may have sustained by the exercise of the powers of the Secretary of State as may be agreed upon between the said Secretary of State and the said person or body of persons, or in case of difference may be settled by arbitration."

The principle of compensation under this clause was confirmed by Section 3 and further amplified by Section 8 of the Ministry of Transport Act, 1919, and the compensation for depreciation has been defined and accepted as meaning depreciation of earning power. The declared policy of the Government is to hand back the railways to their owners in their pre-War state of solvency. Up to the end of 1918 the Government unquestionably had a good bargain as [illegible] testified to by Mr. Bonar Law in the House of Commons), as a statement prepared by the Government Auditor revealed the fact that the railways had made for the Government a profit of over seventeen millions after taking credit for the value of services rendered to the Government and debiting the account with seventy-five per cent. more than the 1913 value of the maintenance and renewals in Abstracts "A" and "B" which had not been carried out.

It was only when the Government realised in 1919 and 1920 that the trend of wages and prices was still upward that they thought of reviewing the various arrangements. What is the main obstacle to our reaching a proper state of solvency? As you all know, it is the high wages which at present are being paid and the revised hours of duty. At whose instigation have those wages been paid and the hours of duty revised? Those who are responsible for the

administration of the railways have realised from the first that the wages and hours directly conceded by the Government were utterly beyond the powers of the companies to pay if they were to remain financially sound. It doubtless is sound policy to pay good wages, but it is not economically sound to say that all men in the same grade shall have the same rate of wages without paying regard to locality and the extent of the work performed, and the attention of the Government has been called from time to time to the disastrous effect of this policy.

I cannot think that the advisers of the Government have even yet realised the effect of the railways being returned to their owners without adequate provision being made for their earning at least their pre-War net revenue, and we can only await the introduction of the Bill which has been promised at an early date, when we may have to call you together again to discuss the subject further. In dismissing this matter I would merely add that whilst we are prepared to meet the Government fairly and reasonably, it must not be on the terms recommended by the Colwyn Committee, as we and all other railway companies are determined that every possible step shall be taken to protect the legitimate interests of railway shareholders.

The report was unanimously adopted.

Great Western of Brazil Railway, Limited.

New Arrangement with Government Approved.

A MEETING of the holders of the Four per Cent. Debentures of this Company was held on February 14 at River Plate House, E.C., for the purpose of submitting a resolution approving the revision of the contract of lease made between the Federal Government of the United States of Brazil and the Company. Mr. Follett Holt presided.

The Chairman, in moving the resolution, said that the Debenture-holders had been called together to consider an arrangement made with the Brazilian Government in order to meet the changed conditions which had come about, not only in Brazil, but in all parts of the world. The Company was a very old-established concern and had served four of the great States of Brazil economically and efficiently for a great number of years. In the last few years, however, labour, shipping, and financial difficulties, the latter caused by the inadequacy of the Company's tariffs, had rendered it impossible to carry out works of maintenance and improvements necessary for efficient service, and had entailed inconvenience and loss to the public served by the railway and grave loss to the prestige of the Company. Throughout the whole of the fifty years the Company had been in existence it had never failed to meet its Debenture charges, and the amount of the Four per Cent. Debentures outstanding had been reduced by amortisation from £1,762,000 to approximately £1,500,000.

The contract with the Government under which they had been operating came into existence in 1909. At that time the expense of working ordinarily prosperous railways amounted to something between fifty per cent. and sixty per cent. of the receipts, and on that basis the maximum per centage of fifteen per cent. payable to the Government on the gross currency receipts of the leased lines, which represented the greater proportion of the whole system, still left a margin for the remuneration of capital employed in those leased lines of something between twenty-five per cent. and thirty-five per cent. of the gross receipts. The last seven years, so far as labour, money, and economic conditions were concerned, had been revolutionary throughout the world, and he doubted if there was any railway in any part of the world that to-day was living or could live under the same tariff or other conditions that it did prior to 1914. It had become obvious that without a very liberal increase in their tariffs, which the Government would not grant, they could not continue to pay the Government fifteen per cent. of the leased line receipts.

As a result of the negotiations with the Government there had been created a new epoch for the Company, and a principle had been established which he hoped would become world-wide so far as British public utility companies in foreign countries were concerned. It was now laid down that not only should their capital receive fair remuneration, but that it was entitled to be fully amortised during a period of years, and, furthermore, that after these essentials were satisfied year by year any surplus profit accruing was to be shared between the Company and the users of the railway.

The resolution was seconded by Mr. H. C. Allen and carried unanimously.

Port Talbot Railway and Docks.

Extension of Wharfage Accommodation.

THE forty-fifth ordinary general meeting of this Company was held on February 16 at the Great Western Royal Hotel, Paddington, London, W., Colonel Sir J. R. Wright, Bart. (the Chairman), presiding.

The Chairman said: Gentlemen,—I now lay on the table the report of the directors and accounts for the year 1920. The accounts are now so stereotyped that they need hardly any comment from me. The amount spent on capital account during the year was £34,676, principally upon what will be a very fine ferro-concrete wharf, 600 feet in length, for dealing with the sea-borne traffic to and from Messrs. Baldwin's New Margam blast-furnaces and steelworks. The revenue account No. 8 is pretty much the same as in the previous year, and, after providing for all fixed charges and also the transfer of £3,000 voted by you last year towards the officers' pension fund, the balance permits of dividends on the Ordinary and Preference shares of nine per cent. and four per cent. respectively, and leaves a balance of £1,770 to be carried forward to next year. Although the conditions under which we meet to-day are vastly different from those that prevailed when I last addressed you, the arrangements made by your directors are such that your dividends are in no way affected. With these few remarks I formally move the adoption of the report and accounts.

Sir T. E. Watson, Bart., seconded the resolution, and it was carried unanimously.

The Chairman then moved: "That dividends at the rate of four per cent. per annum for the half-year on the Preference shares and nine per cent. per annum for the half-year on the Ordinary shares be paid, less income tax at 6s. in the £, making, with the interim dividends already paid in August last, four per cent. and nine per cent. respectively for 1920."

Mr. Godfrey Lipscomb seconded the motion, which was carried unanimously.

Mr. W. H. Skeel proposed a vote of thanks to the Chairman and directors, and congratulated them on the arrangement made some years ago whereby the shareholders received a steady dividend.

The vote was unanimously accorded, and the proceedings then terminated.

Imperial Tobacco Company (of Great Britain and Ireland).

Another Prosperous Year.—Retail Prices.

THE annual meeting of this Company was held on February 15 at Bristol, the Deputy-Chairman (Mr. H. Wills Gunn) presiding in the absence of Mr. G. A. Wills, who is in the South of France. There was a large attendance of shareholders.

The Chairman, after expressing regret at the absence of Mr. George A. Wills, said: I presume it to be your wish that the accounts and directors' report should be taken as read. These record the nineteenth year of the Company's operations.

Balance Sheet.

Dealing first with the balance sheet, you will observe that the assets of the Company at October 31 last amounted to the large total of £61,340,746, an addition of about £13,000,000 to the corresponding total shown as on October 31, 1919. This increase results from a continued expansion of the business necessitating further expenditure upon buildings and plant, stock-in-trade, and materials of all kinds, and the employment of a greater amount of working capital.

You will remember that at an extraordinary general meeting held on March 16, 1920, the Chairman explained that it had become necessary to raise additional capital amounting to, approximately, £11,000,000, and that this would be done by offering to the existing Ordinary shareholders one new share for every three shares held at the price of £2 per share. The shares were duly issued in April 1920, and I think it is not unworthy of remark that at a time when financial conditions generally were far from easy the Company was able to raise over £11,000,000 of additional capital without recourse to the outside public or to underwriters. It is certainly a happy illustration of the confidence which the shareholders feel in the stability of the business. The item of land, buildings, plant, and machinery has been increased by £915,033, this increase being chiefly accounted for by substantial extensions at several of our branches, and by additions to buildings and machinery in America. As usual, depreciation of buildings and plant has been fully provided for in the accounts. Goodwill and patent rights remain unchanged at their book figure.

Investments.

The investments in associated companies, stated at cost, or below cost in those cases where depreciation has taken place, stand at £4,877,980—an increase during the year of £997,378, which is mainly accounted for by the acquisition of further shares in the British-American Tobacco Company, Limited. As stated in the balance sheet, the aggregate market value of the investments in associated companies is largely in excess of the book figures. Stock-in-trade now stands at a net figure of £31,838,620, as compared with £21,484,054 in the previous balance sheet, the increase of £10,354,566 being necessitated by the requirements of the business. Debtors stand at £6,484,538, and show an increase of £275,737, attributable to the increased turnover. Payments on account of leaf in transit, &c., at £2,632,633 have increased by £261,981. Investments in Government and other stocks stand at £849,920, and show a reduction of £129,030, which is the amount written off during the year for depreciation to reduce them to market values at the date

of the balance sheet. Corporation loans remain as before at £2,000,000, while the cash at bankers and in hand (£2,159,725) has increased by £414,979.

Turning to the liabilities side of the balance sheet, you will find that the issued Ordinary share capital has been increased by rather more than 5½ millions owing to the issue, to which I have already referred, of further Ordinary shares in April last at the rate of one for three. The Preference share capital remains unchanged. It will interest you to know that the number of shareholders upon our registers is now upwards of 55,000. Creditors, including provision for taxation, estimated capital liability under dividend guarantees, employers' liability, marine and other funds, have decreased by about £800,000, as compared with the same item at October 31, 1919.

The provision for pensions, &c., £1,305,846, has been increased by a further transfer of £200,000 from the profit and loss account for the year. The premium of £1 per share received on the issue of Ordinary shares in April last, to which I have already referred, amounts to £5,595,446. The general reserve fund now stands at £5,678,877, a further sum of £1,000,000 having been added out of the profits of the year.

Increased Profits.

The next, and perhaps the most interesting, item to be considered is the profit and loss account, which you will find set out in pages 10 and 11 of the print. The net trading profit and interest and dividends for the year, after providing for all charges, including provision for taxation, amounted to £6,659,791, as compared with £4,665,109 for the previous year, an increase of £1,994,682. Included in these figures is the income which we draw from investments in companies operating abroad, and during the year now under review we have received from this source a substantially larger sum than in the preceding year. It must also be observed that the actual capital employed in the business has been increased since last year by the large sum to which I have referred. This increase, as I have said, was necessitated by the expanding requirements of the business, and it would therefore be misleading to compare the results of this year with those of the preceding year on the basis of the figures in the profit and loss accounts for the two years. At the same time, having regard to all the circumstances, I think we may congratulate ourselves upon a satisfactory year's trading. On the debit side of the profit and loss account are charged the items of "Provision for pensions" and "Transfer to general reserve," leaving a balance of profit for the year of £5,459,791.

Appropriation of Profits.

In the appropriation account you will find that the profit for the year has been added to the balance of undivided profits from the previous year (less bonus to customers paid thereout), making the balance of profit remaining to be dealt with £5,740,451. Out of this sum the dividends upon the Preference capital have been paid—that is to say, five and a-half per cent. upon the "A" Cumulative Preference shares, six per cent. upon the "B" Non-Cumulative Preference shares, and ten per cent. upon the "C" Non-Cumulative Preference shares, the half-yearly dates of payment having been advanced in each case by one month.

Upon the Ordinary shares an interim dividend of five per cent. was paid, free of income tax, on September 1, 1920, and it is now proposed to declare a final dividend of ten per cent. and a bonus of 6*d.* per share, both free of income tax. After providing for these dividends and an interim payment of £338,097 as bonus to customers, there will remain a balance of £617,672 to be carried forward, out of which will have to be met the balance of the bonus to customers for the year to October 31 last.

The board have, as you know, for some years past made a gift to the Company's employees over and above their normal salaries and wages. You have always shown by your cordial reception of the announcement of this gift that the directors' action has had your full approval, and I am confident that you will to-day approve the decision of the board to mark their appreciation of another year of loyal work on the part of the Company's employees and to make a gift in respect of the financial year covered by the accounts now before you.

General Prospects.

It is to be expected that shareholders attending a meeting such as this will desire to hear something about the prospects of their Company's business. We are living in times when it would be more than ordinarily rash to prophesy, but you may perhaps permit me to refer briefly to some of the conditions which most nearly affect the fortunes of our business. When Mr. Wills addressed you a year ago he referred to the rapid rise that had been taking place in the leaf market in America, culminating at that date in prices which were quite without precedent. During the season which is now nearing its close the prices of leaf in America have, I am glad to say, shown a decline, and, although the exchange between this country and America has been very heavily against us throughout the buying season, we have been able to supplement the dear-bought stocks which we held at the opening of the season with a supply of leaf from the new crop selected for our manufactures at prices which, although still high, will for the time being constitute a welcome check to the rising average costs of recent years.

I have noticed that some speculation has arisen in the Press and elsewhere as to the possibility of a reduction in selling prices in consequence of the decline in the American leaf market. In this connection I may remind you that it has always been our policy to hold large stocks of leaf in order that our brands may be manufactured from well-matured tobacco, and one result of this policy is that a rise or a fall in leaf costs in any one season is not immediately reflected in our figures, as it would be if we worked from hand to mouth. While this policy has enabled us in the past, in spite of rising markets, to maintain selling prices unchanged over long periods, so, in consequence of the same policy, a decline in the markets of a single season does not of itself enable us to reduce selling prices.

As to the general prospects of our trade, we all know that this country, in common with the whole civilised world, is passing through a period of depression, and we may count ourselves fortunate that up to the present we have maintained our hitherto unbroken chain of prosperous years. Without perhaps going so far as the Chairman of an American tobacco company, who recently expressed the view that a period of general trade depression tended rather to the advantage of the tobacco trade than otherwise, I am able to look forward with confidence. We have an old-established business, and we believe that so long as we pursue our traditional policy of supplying the public with the best that long experience and up-to-date methods can provide we need have no fears for the future of our Company. (Loud applause.) I now have pleasure in moving: "That the report and accounts for the year to October 31, 1920, now presented be received and adopted," and I will ask Mr. A. R. Faulkner to second the motion.

Mr. A. R. Faulkner seconded the resolution.

The Yorkshire Electric Power Co.

Progress of the Undertaking.

THE annual meeting of this Company was held at the Hôtel Métropole, Leeds, on February 15, Mr. Arthur T. Lupton (the Chairman) presiding.

The Chairman said: At the general meeting last February you sanctioned the issue of £230,000 Debentures. These have all been taken up, and have strengthened and consolidated the position of the Company; they have enabled the mortgage advances from our bankers, and from the Government made during the War (together £145,000), to be repaid, whilst the balance of this issue and the £400,000 of Ordinary shares which were issued at the same time have provided funds for much-needed extensions of mains and generating plant. Since the inception of the Company it has been our policy to advance cautiously, increasing the plant and extending mains as we could see the demand grow, but without overloading the balance sheet with a weight of unremunerative capital. In pursuance of this policy the issue of shares last summer enabled extensions to be made which are now beginning to bring return, and which will result in good increases of the sale of current during 1921 and the following years. We are advised that investors are now turning towards gilt-edged securities, such as our Debentures, and a resolution will be submitted to authorise a further issue of these in order to meet profitable developments in our area. The Company has now in operation 446 miles of mains, conveying our current to 164 distributing sub-stations, and is giving supply in the areas of eighty-four local authorities in the West Riding. In addition to direct supply to steelworks and tramways, shipyards, collieries, textile factories, and other industries, the Company is giving bulk supply to the holders of forty Provisional Orders for distribution in their areas. Our mains are on the point of being coupled up with those of Sheffield at the southern extremity of our area, whilst we are already giving supply in Otley on the northern boundary, Todmorden at the western extremity, and Pontefract on the east. We have a separate supply to Goole and Selby from the colliery station at Thorne, which we hope will, in the course of a little time, be coupled up to our Pontefract mains. This is no bad record for the Company to point to as the result of less than twenty years of existence.

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especially when you remember that, in spite of the long distance apart and scattered nature of the population served, the prices charged to our consumers, both for power and light, are quite as low as those in the densely populated cities in the West Riding, which have their own well-equipped generating stations.

Scientific Coal Consumption.

When the report of the Coal Conservation Committee was published, and still more when the Board of Trade Committee reported, and the five Commissioners were appointed, we hoped for a great step forward towards getting rid of those local jealousies which have so greatly hampered co-operation in this great work. It is disappointing to see a scheme now put forward to cut off the collieries and iron-works of the South Yorkshire coalfield from the factories and other industries in the northern part of the West Riding, and to find proposals to continue and confirm the wasteful carriage and consumption of coal in the centres of our great cities. It is dangerous to prophesy, but it is quite possible that not many years will elapse before coal will cease to be burnt under boilers as at present, but will all be subjected to scientific treatment in coke-ovens, the valuable by-products extracted, and only the waste gases used for the generation of electricity. Here in Leeds, Hunslet is not exactly a health resort, but those who have seen the processes carried out at even the most modern coking furnaces can picture what it would mean to set up in Hunslet a plant capable of dealing with two or three thousand tons of coal per week, with all the necessary accompaniments for the recovery of the tar and ammonia and other by-products. Those are processes which should be carried on quite away from crowded habitations. Municipal management may be necessary for many purposes, such as the control of the streets, and even for local distribution of electricity within its area, but the scientific treatment of coal and its by-products, and the provision of capital for the purpose, will be much better left in the hands of the industry itself; if the municipalities desire to assist in such undertakings outside their own areas by the provision of capital, there is no reason why they should not apply for powers to invest their funds in the power company, and so get a share in its management. The power company is to a large extent representative of the industries of the district, which have put up a considerable part of its capital, and more than half of the board are large consumers of its current. Unfortunately, at the present time the Company is prevented from going forward with the station at Ferrybridge, of which you all know (one of those which it is now fashionable to call a super-station). This is urgently needed, and will take two or three years to build; if the proposals for nationalisation had not intervened, this station would now be well on the way, and the first expenditure involved of a million or so on labour in this district, and in British engineering shops, would have been some assistance towards solving the problem of unemployment.

The resolution was carried unanimously.

South West Africa Company, Ltd.

Protesst Against the Government Action.

An extraordinary general meeting of this Company was held on February 9 at Winchester House, Old Broad Street, E.C., to consider the following resolutions, namely :—

1. That article 79 of the articles of association of the Company be and the same is hereby altered by the deletion of the words "of whom at least three shall always be of German nationality," so as to make the said article read as follows :—

> 79. The directors, exclusive of the managing director, shall be not less than three nor more than twelve in number.

2. That article 118A of the Company's articles of association, namely :—

> Imperial Commissioner.
>
> 118A. The Imperial German Government shall be entitled from time to time to nominate an Imperial Commissioner, who shall be entitled to receive notice of and to be present at all meetings of the board of directors,

be and the same is hereby deleted.

3. That article 142 of the articles of association of the Company be and the same is hereby altered by the deletion of the last sentence reading "All notices of general meetings shall be advertised once in the Berlin *Reichsanzeiger*," so as to make the said article read as follows :—

> 142. All notices directed to be given to members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the register of members, and notice so given shall be sufficient notice to all the holders of such shares.

Mr. Edmund Davis, the Chairman of the Company, presided.

The Chairman said : Gentlemen,—At our last ordinary general meeting held on July 21, 1920, we proposed resolutions dealing with these same alterations, but though they were unanimously passed we did not call the confirmatory meeting, considering it at the time better not to proceed with alterations to the Company's articles of association while the question of our concessions rights was still under examination.

Special Privileges Cancelled.

You will see from the copy of the letter of November 25, 1920, which has been circulated, that all the special privileges we hitherto enjoyed in the Protectorate have been cancelled, with the exception of our right to the ownership of that portion of our land which has hitherto not been dealt with, amounting to about 1,600,000 acres.

The whole of our mineral rights have been cancelled, though we are allowed a monopoly of prospecting and mining in our Damaraland Concession area for a period of one year; that is, we have the sole right to mark out claims until November 17, 1921, this right appertaining to the 22,000 square miles of mineral rights hitherto covered by the Damaraland Concession. In addition to these particular rights we also held on joint account with the Imperial German Government the mineral rights in Ovamboland over an estimated area of about 20,000 square miles.

It is somewhat difficult for us to understand how the Union Government under its mandate is entitled to confiscate rights properly acquired by us in 1892, when the Imperial German Government granted the Damaraland Concession over what it stated to be "No Man's Land," as we believe it to be a well-known doctrine that a Power inheriting alien territory recognises private rights lawfully acquired previously.

The Damaraland Concession.

As far as our rights are concerned, it so happens that there was, previous to the formation of our own Company, a claim made by a South African syndicate to a large portion of the rights covered by the Damaraland Concession, and I, as their attorney, applied through our Foreign Office for the recognition of the rights in question, which were the subject of negotiations between our Government and the Imperial German Government, ending in a letter from the then German Minister of Foreign Affairs whereby the German Government refused in any way to recognise the rights. After this failure a Proclamation was issued by the German Government declaring the territory in question "No Man's Land," and the Damaraland Concession was issued, our Company being formed to acquire it and any of the rights claimed by the South African syndicate referred to, our Company, as you know, being registered in August 1892. Since then we have owned the whole of the rights covered by the concession, and it is strange to us that a Dominion of the British Empire, under the Premiership of General Smuts, holding a mandate over South West Africa, should see its way to confiscate a large part of the rights held by an English-registered Company without settling the amount of compensation it should be entitled to.

We have been informed that the right to mark out mining areas up to November 17 next is given to us as some compensation for the rights we have lost, but we now wish to know what other compensation will be given, and in this respect we are quite prepared even to agree to the cancellation of this exclusive right to mark out claims if the compensation to be given to us for the rights we have lost is considered satisfactory.

I now beg to move the resolutions which have been read.

Mr. D. O. Malcolm formally seconded the resolutions, which, in the absence of question or comment, were carried unanimously.

The proceedings then terminated.

Pan de Azucar Nitrate Co., Ltd.

The Current Year's Prospects.

The nineteenth annual general meeting of this Company was held on February 15 at Winchester House, the Hon. Herbert C. Gibbs, Chairman of the Company, presiding.

The Chairman said : Some disappointment may have been felt at the results shown in the balance sheet recently issued. The gross profit of £23,439 and the net profit of £6,545 were not perhaps very encouraging, but it must be remembered that, unlike the case of those companies whose financial year ends on December 31, the twelve months under review were coterminous with the period of low prices. As a matter of fact, the position at June 30 last was rather better than these figures suggest, because our stocks of manufactured nitrate were under contract for sale for forward delivery at an average price of about 16*s.* per quintal, and on this stock a substantial profit has been or will be collected in due course. The stocks in question were 174,714 quintals, and the gross profit received, or to be received, by the Company in respect of them is about £45,000. Moreover, it will explain the board's recommendation to pay a dividend of ten per cent., free of tax, for the last financial year, which will absorb £11,000, or £4,455 more than the net profit shown in the accounts.

The Accounts : The Future of the Industry.

The accounts are drawn up in the usual form, and do not appear to call for explanation. You will have seen that corporation tax figures in the profit and loss account for the first time. The amount set aside for this charge is £550 for the six months to which it applies, and the reserve for income tax on the year's profits is £6,760. Fortunately, the Company is not liable for excess profit duty on the year, but I should mention that, according to the statement recently

made by the Chancellor of the Exchequer, we shall not be free from liability to pay duty on excess profits, if we should happen to earn them, until the expiration of seven accounting periods—that is to say, up to June 30, 1921.

So far as the current year is concerned, we can see the situation fairly clearly, but the future of the industry is rather more obscure than usual, owing to the large stocks which will almost certainly have to be carried over to next season and owing to the uncertainty which still exists as to the view which the directorate of the association may take as to the f.a.s. price which will be fixed in May for the period from next July to March 1922. So far, the directorate have only decided that the price will not be less than 14*s.* a quintal, but it seems reasonable to suppose that whatever minimum price be fixed it would only apply to July, and that the price would rise as the season approaches; otherwise the local dealers would put off buying until the season is upon them. If, however, the price is fixed on a rapidly rising scale during the period from July to January, local dealers will all lay in stocks during the current year, with the result not only that they will be interested in pushing consumption, but that the heavy stocks which will be carried over from the present season will rapidly disappear, and the association will be free to resume sales. To what extent the association will then be able to sell is, of course, another question.

The Limit of Declining Consumption.

I cannot myself think that the present falling off in the consumption of all commodities can continue much longer, and one may suppose that directly consumers felt confident that the price of any article had reached bottom, consumption would be resumed for that article. At the same time, it is obvious that whatever may be the consumption of nitrate in the season of 1922, the heavy carry-forward of stocks from 1921 will have to be deducted from the association sales for next season, and therefore it would appear to be certain that these sales will not reach a very high figure. Thus, it would seem reasonable for producers to expect that the prices which the directorate will fix in May for July to March delivery will be such as will compensate producers for their smaller sales.

There has been a good deal of criticism at the scale of prices rising to 17*s.* 3*d.* fixed by the directorate in June 1920 on the ground that it was too high, but I do not think that this criticism is just. The trouble in the nitrate trade was really caused by the fact that too much nitrate was sold, and this trouble was greatly increased when the directorate announced in August, shortly after selling over 1,200,000 tons, that they had a further 500,000 tons available. The result of this announcement caused such a decline in prices, through the efforts of German producers and speculative holders to sell, that I think it would have been just and politic on the part of the association to have put their prices down, bringing the fall clause into operation in the spirit of the contract with buyers for the benefit of those who had bought from them up to 17*s.* 3*d.* per quintal. Price, after all, is a relative question, and is merely an expression to indicate the amount of commodities with which a certain commodity will exchange; and if we look upon it in that light, we shall see that at 17*s.* nitrate would have exchanged in June last, when the sales were made, for a far smaller amount of commodities in the production of which it is employed than it did before the War.

I beg to propose: "That the report and accounts for the year ended June 30, 1920, as submitted to this meeting be received and adopted, and that a dividend of ten per cent., free of income tax, be paid."

Lord Cullen of Ashbourne, K.B.E., seconded the motion, which was unanimously adopted.

Taquah Central Mines, Limited.

New Plant and New Management.

The tenth ordinary general meeting of this Company was held on February 17, at the Chartered Institute of Secretaries, 50A London Wall, E.C., Mr. T. F. Dalglish, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said: Since we met together in June last the reorganisation of the Company has been neglected, the fresh capital has been subscribed, and the new management installed. The old plant on the property has been overhauled, and foundations laid for the additional power plant, some of which has already been received and erected, and the remainder is in course of delivery. This additional plant consists of:

Two water-tube boilers, each of nominally 300 h.-p. capacity.

A complete electric-generating set of 225 h.p., and, as a standby so as to assure continuous working, a second large electric generator has been installed.

Then, as to pumps, we are installing one pump of 22,000 gallons capacity, another of 20,000 gallons capacity, and a large sinking pump of 16,000 gallons capacity, all per hour.

In addition, the tram lines connecting the mine with the Government railway from Seccondee have been relaid and extended, a locomotive purchased, and trucks supplied. The camp has been renovated, the native village rebuilt, and much clearing of the bush effected.

The plant referred to has been supplied out of the surplus of the Taquah and Abosso Mines at a price very much lower than we could buy it here.

Mining Operations.

Mining operations are proceeding, but, owing to the mine being still under water, these have been confined to a drive connecting two adits about 2,000 feet apart, which are about 40 feet below the collar of the shaft. The values, averaging 34*s.* 3*d.* per ounce (standard value) over 125 feet, disclosed in the north end of this drive, are satisfactory, and the drive itself gives us "backs" of approximately 140 feet to the outcrop readily accessible for stoping. As the reef is very friable, the cost of mining should be low. This drive will also serve to drain off the water in the hill, and thus relieve our pumps when we get to work unwatering the mine. We hope soon to start on this operation when the new installation is completed. Work on the property was formerly stopped by flooding, but I do not think there will be any question of water troubling us in future, as ample plant has been provided to deal with it. We will then continue the drive on the reef at the 400-foot level. This level has been driven on for 118 feet, and the average assay value for the whole distance was £1 14*s.* 9*d.* per ton over an average width of three feet, taking gold at the standard value of 85*s.* per ounce. The reef is very easily worked. A stock of firewood is now being accumulated, so that we may be assured of a good supply when we start pumping.

The Accounts.

The balance sheet shows the position of affairs immediately precedent to the reorganisation of the Company and the reduction of capital thereby effected. As you are aware, we decided to write off seventy-five per cent. of our capital. The effect on the balance sheet before you is to reduce the share capital account to £52,003 8*s.* On the assets side, property account is reduced to £52,852 17*s.* 3*d.*, machinery, plant, and buildings to £5,189 9*s.* 11*d.*, furniture at mine to £200, and stores and material to £1,000. The cash item remains, but the other items disappear. Two hundred thousand shares of 5*s.* each have since been issued, of which 2*s.* 6*d.* per share has been called up. After paying for a good deal of the new plant, our financial position to-day shows that our liquid assets and uncalled capital amount to about £52,000, being equal to about 2*s.* 1*d.* per share of the issued capital.

My remarks would not be complete without some reference to the native labour position in the Colony. I had a good deal to say on this subject at the meetings of the Taquah and Abosso Companies in December. Since then, I am glad to say, the position has become more hopeful. An arrangement has been entered into between another influential group and ourselves to combine in carrying out a scheme of recruiting in the Northern Territories with the support and assistance of the Government, of which we have the most emphatic assurance. Steps are now being taken to engage an efficient recruiting officer, who will be sent off at once, duly accredited by the Gold Coast Government. We trust his efforts will be successful in obtaining a steady supply of labour for the mines. It will, however, be some months before the industry will reap the benefit of this scheme. In the meantime the cocoa industry has, as you may be aware, had a set-back. I am informed that the price now received by the native is less than it was in 1914. As a very large proportion of the natives were engaged in this industry, these, we hope, will now look for other means of earning money, and we trust we shall be able to secure many of them for the mining industry. Our requirements at Taquah Central are not great at this stage of our operations, and we hope they may be satisfied out of local labour.

Mr. Mark Attenborough seconded the resolution, which was carried unanimously.

Nundydroog Mines, Limited.

Successful Reconstruction: A Coming Dividend.

The statutory meeting of the shareholders of the Nundydroog Mines, Limited, was held on February 16 at 6 Queen Street Place, E.C., Mr. V. Herbert Smith (the Chairman) presiding.

The Chairman said: Ladies and Gentlemen,—The authorised capital of the new Company is precisely the same as that of the old one—namely, £283,000, divided into 566,000 shares of 10*s.* each. Under the terms of the reconstruction agreement dated November 24, 1920, which was adopted by the shareholders in extraordinary general meeting, the shares were issuable with the sum of 4*s.* per share credited as paid thereon, being part consideration for the sale and transfer of the property of the Nundydroog Company, Limited (in liquidation). The abstract of receipts and payments has been made up to January 27, 1921, at which date there had been allotted 528,564 shares. The sum of 1*s.* per share had been called up on [illegible] shares amounting to £26,427 17*s.*, making these shares 5*s.* paid, and of this £25,537 14*s.* 10*d.* had been received, together with a further sum of £1,350 14*s.* on account of future calls. The sum of 10*s.* per share had been received on the seven subscribers' shares, and £543 3*s.* 5*d.* on shares applied for, but not then allotted.

The issue was largely over-subscribed and the allotment of the balance of 37,436 shares would be made in due course. On January 26 a further allotment of 12,745 shares was made, and the balance now remaining of 24,691 shares will be allotted about the end of the current month.

Regarding the mine, the programme for development is proceeding vigorously, and orders have already been placed with the manufacturers for some of the machinery required. The reconstruction agreement provides, *inter alia*, that the new Company shall be entitled to the profits of the old Company to December 31, 1921, and that the new Company shall pay to its shareholders such a dividend as shall be justified by the amount of net profits when ascertained. The final accounts should shortly be received from India, and the directors propose to declare a dividend, which will be paid without any undue delay. Your directors intend to forward to each member a copy of the old Company's balance sheet, revenue and profit and loss accounts for the year 1920.

A vote of thanks to the directors concluded the proceedings.

Tebrau Rubber Estates, Limited.

Satisfactory Position.

The eleventh annual general (adjourned) meeting of Tebrau Rubber Estates, Limited, was held at Edinburgh on Thursday, February 17, Mr. Frederick Walter Carter (the Chairman of the Company) presiding.

The Chairman, in moving the adoption of the directors' report and accounts for the year ended June 30, 1920, said:

On a general review of the year's working, I think the balance sheet shows a fairly satisfactory position, even after allowing for the transfer to Imperial taxes reserve of £15,726, the estimated provision for outstanding Government taxes.

Over-supply of the Raw Product.

During the fiscal year to June 30, 1920, the rubber industry moved on quite ordinary lines. There was no forced restriction of tapping and estates, whose staffs and labour force had been greatly depleted under war conditions, had been slowly but surely making good these deficiencies, but the three Central European Powers (Russia, Germany, and Austria) were completely out of the running, owing to their internal dissensions, adverse exchange, and poverty, and were unable to purchase rubber in the open market. Moreover, America had evidently overstocked herself and when a slump there in motor and allied trades asserted itself the manufacturers found themselves heavily overstocked, with the result that their usual support was withheld.

Considering that America accounts for, and absorbs, about two-thirds of the world's output, her recent abstention from purchasing has been most disastrous to the industry, hence the recent slump in prices (10*d.* for first crêpe and 9*d.* for smoked ribbed sheet)—prices far below the cost of production.

Of course, the slump was overdone and prices shortly recovered, and are now about 1*s.* 1*d.* for crêpe and 11¾*d.* for sheet—both of which are, however, still unfortunately below cost.

I am afraid that (1) over-production, (2) inability of the Central European States to take their share of the output, and (3) overstocking of the American market are the chief causes of the present record of low prices.

How long this will continue it is impossible to forecast, but at the request and under direction of the Rubber Growers' Association a large number of companies have agreed to restrict their output—as from November 1 last—by twenty-five per cent., and; even now, there is a possibility of this figure being increased to forty per cent. or fifty per cent. in an attempt to reduce the present visible stocks on hand in the world's markets.

At this date (February 17) the effect of this new restriction of tapping is not yet apparent, and the market still sags—but, in a month or two, matters ought to improve.

Balance Sheet.

Turning now to the balance sheet—assets side—capital cost.

The price of the property and subsequent cost to June 30, 1914, remains the same at £140,326, whilst bungalows and other erections are now reduced to £3,216, together £143.542—an average cost per planted acre (excluding reserves) of £37 2*s.*—a most moderate figure.

Although the bungalows, coolie lines, factory, &c., have been written down to £3,216, the manager values same for replacement at £74,570. All additions during the year have been written off.

The liquid assets amount to £101,661, against £81,201 last year, an increase of £20,460.

The total assets, as borne on the books, amount to nearly a quarter of a million sterling, but the value of same, from a "sale" point of view, is probably two or three times that figure.

Taking the liability side of the balance sheet you will note that the paid-up shareholders' capital—formerly £125,000, now stands at £150,000, caused by the free issue at par, *ex* reserve, of one share in five (£25,000) to the shareholders on the register on April 5, 1920, so that the reserve is now reduced by that operation to £8,895.

Your board have experienced great difficulty in estimating the Company's liability for excess profits duty to June 30 last, in respect of the present very unsatisfactory attitude of the Government, but they set aside £15,000 out of the profits of 1918-19 and £15,726 out of those of 1919-20, thereby raising balance at credit of Imperial taxes reserve to £45,000, which, with the £8,895 at credit of general reserves, gives a sum of £53,895 to meet Government claims in respect of outstanding taxation. This the board consider sufficient so far as they are presently advised. During the year, in addition to above provision for outstanding taxation, the secretaries paid the Inland Revenue in cash £7,000 to account of income tax.

Sundry creditors in the East and at head office (£20,873) are chiefly composed of advances against sales of rubber in the East and interest on Treasury Bills paid in advance. These liabilities to the public are covered nearly *five* times by the liquid assets (£101,661) on the other side, excluding excess profits duty still *pendente lite*, whilst the cash resources alone at close of the accounts amounted to £63,300, and that without taking into account the stock of rubber (£26,285) which, long ere this, has been turned into cash.

Profit and Loss Account.

Next, turning to the profit and loss account, I think this should explain itself, especially if you refer to the percentages (per pound of rubber marketed) on each margin. On the credit side we made nearly a couple of thousand pounds from last year's stock unsold when balance sheet was framed. We also managed to obtain about 2¼*d.* per lb. better price for our rubber, chiefly due to certain forward sales (150 tons) in the East and in America made by our commercial agents in the middle of 1919.

The cost of production (f.o.b.) unfortunately increased by 1*d.* per lb. owing to the steady rise in wages and price of materials, but as war risks and aircraft insurance had disappeared and most of our forward sales were delivered f.o.b. at Singapore, our freights, insurance, landing, warehouse, and selling charges were less than half those of 1918-19, being only 1*d.* per lb., against 2*d.* last year.

Inclusive of capital expenditure (£705) written off, and depreciation of wasting assets (£1,494), together equal to ½*d.* per lb., our "all-in" cost totalled 1*s.* 3¾*d.* per lb., a reduction of ½*d.* per lb. on last year.

You will observe that the board has set aside nearly 4*d.* per lb. (ten and a-half per cent. on our increased capital) to meet excess profits duty and other Government taxes, leaving a net balance of £19,760 at credit of profit and loss account.

No credit has been taken for any return of excess profits duty overpaid to the Inland Revenue. That, if any, will form a deduction from any sum which may ultimately be found due by us on a final settlement of the Merlimau appeal.

Excess Profits Duty.

Ladies and gentlemen, this is now the fifth year running that I find myself endeavouring to explain to you how this iniquitous extortion bears upon your profits. Originally an emergency war measure, but now continued as a peace one, it overshadows this unlucky Company like a dark thundercloud.

Owing to the lethargy, unwillingness, or perhaps it may even be the incompetence of the Government, this matter has now, so far as it concerns our undertaking, drifted into a most disgraceful condition—a condition really fraught with danger to ourselves, for in a few months from now our liability to the Government in respect of excess profits duty will be five years in arrear, and that solely due to the Government's unwillingness or inability to push on with its intimated appeal against its own Commissioners' decision (which was against the Government) in the "Merlimau" case.

Fortunately, the Chancellor of the Exchequer has recently officially intimated his intention to withdraw this duty—apparently at June 30 next—in respect of this Company. So far so good, but we shall then have to settle up with the Government for five years—a nice little piece of accounting.

As I stated before, this duty has been an iniquitous extortion, pressing most severely on young companies who had no pre-War standard of profits, whilst permitting older and wealthy concerns, which had made handsome profits during the "boom" of 1910, to escape from all liability, a most apt illustration of the familiar parable, "Unto everyone which hath shall be given, and from him that hath not, even that he hath shall be taken away from him."

It appears to me that the Chancellor is removing this tax, not to benefit the commercial community, but to save the public Exchequer from enormous claims for repayment of overpaid duty, but I am afraid he is rather late in taking action.

Satisfactory Position.

Although the industry has now entered a very critical stage, where the possession of ready money will be the crux of each planting company's staying power, it may be as well to remember that, up to now, your board has not pledged any of your property under mortgages or Debentures, nor has it borrowed on loan or overdraft.

Its assets are thoroughly written down. All its planting is completed. Its planted area (3,870 acres), with the excep-

tion of 166 acres, is all in bearing, whilst these latter are nearly approaching maturity, and, if our cash resources can only be made to tide the estates over this current year, we may emerge from the melting-pot in a much better condition than when we entered it.

I have not referred to the present policy of the board, in view of the critical position of the industry—that practically coming into next year's report—but it may interest you to learn that the board, some months ago, gave special and repeated instructions to pursue a most drastic policy as regards expenditure of all kinds. They have reduced the European staff and dismissed 450 coolies and stopped expenditure of every kind except that which is absolutely necessary.

The board have decided to send out to the estates one of their number (Mr. Thomas Young) to exhaustively report on all important matters, and he will probably arrive in Johore about the beginning or middle of May. We think that in the present critical position of the industry this is absolutely necessary.

I will now formally move the following resolution: "That the directors' report No. 11, dated February 7, 1921, and balance sheet (with relative profit and loss account) as at June 30, 1920, as submitted to this meeting, be and the same are hereby approved and adopted."

The Chairman then formally put the motion to the meeting, and it was unanimously carried.

South Suburban Gas Company.

THE annual ordinary meeting of this Company was held on February 18 at Cannon Street Hotel, London, E.C.

Mr. Charles Hunt, who presided, said that the year under review had been made memorable by the passing through Parliament of the long-promised measure for the financial relief of gas companies—a measure which was likely to influence favourably the fortunes of these undertakings for many years to come. At the same time the year proved an exceptionally embarrassing one, chiefly from the persistent and general soaring of prices, which set calculations at defiance and culminated, at the end of the year, in the coal strike and the subsequent collapse of the markets for residuals. When the drastic Order of the then Coal Controller in 1919 practically cut this Company off from the Midlands and compelled them to use sea-borne coal, thus necessitating a very large addition to the cost of manufacture, permission was given by the Board of Trade for a correspondingly large addition to the price of gas. This permission was not fully exercised at the time, the change from Midland to Durham coal having proceeded rather more slowly than had been anticipated; but last year it became necessary to raise the price of gas to the fullest extent authorised by the Board of Trade Order. In fact, but for the advent of the Gas Regulation Act, 1920, it might have become necessary to apply to the Board of Trade for a new Order. This, however, and the then improving market for residuals, inclined them to take the risk of not doing so. The accounts now submitted showed how exceedingly well the residuals came to the relief of a position which was a very anxious one, although, for being able to make both ends meet, much was also due to a record increase of 8.26 per cent. in the gas consumption. The remarkably swift change which had recently come over the markets for residuals was a matter of deep concern, and, having regard to the fact that last year's trading profit, in spite of the exceptional returns, did but little more than yield their statutory dividend, it was difficult to see how another, and perhaps immediate, rise in the price of gas could be avoided. They could but hope that the present depression might not be of long duration. The Ordinary stockholder had been condemned for some years to a very meagre dividend, but a better time was now at hand, and under the Gas Regulation Act they had good reason to hope for improved dividends, commencing, it might be, next half-year. This Act provided that their pre-War position was to be restored so far as it was in the power of the Government to restore it.

The report was unanimously adopted.

North Eastern Railway.

LORD KNARESBOROUGH presided at the annual meeting of the proprietors of the North Eastern Railway Company, held on February 18 at York, when the number of proprietors was reported to be 57,945—an increase of 308 on the year. In moving the adoption of the report, the Chairman referred to the death of Sir Lindsay Wood and the resignation of the Marquis of Londonderry from the board, and said that in view of the proposals in the White Paper and the uncertainty of what the position of the board of directors would be in the new Bill it seemed undesirable to fill these vacancies at the present moment. Dealing with the accounts, he mentioned that the Debenture capital had been increased by £38,365 during the year, which was entirely due to stock issued at their request to the employees of the Company. (Applause.) In reference to the recommendation of the payment of a dividend of seven and a-half per cent., he observed that in some quarters this proposal was criticised, it being insinuated that this was done at the Government's expense. This was not the case. Under the agreement made by the Government in 1914, the shareholders were entitled not to the same dividend, but to the same net profits as in 1913, and therefore they might reasonably have expected the same dividend—namely, seven per cent.—for the next four years from 1913, but the directors voluntarily cut down the dividend by a half per cent. from 1914 to 1917 inclusive, owing to the state of uncertainty which then prevailed. As a measure of prudence, instead of dividing it among the shareholders, that money was invested in Government securities, and in consequence of their voluntary self-denial in taking a half per cent. less dividend than they might have claimed for those four years, they were now fully entitled to be repaid that money which had been put aside, and they were only now receiving money legitimately their own. £180,000 had been set aside as a reserve against the fluctuations in the value of securities. They had a large holding in Government securities, mostly short-dated, and as there had been a set-back in the value of Government securities they thought it advisable to add this further sum against possible depreciations. With regard to the capital powers of £1,200,000 in the Bill they were promoting, they had no immediate intention of raising that money, but it was wise to include the powers in the Bill.

The Question of Wagon Shortage.

The Chairman gave detailed figures of the passenger and goods and mineral traffic, and said that in view of the very heavy increase in working expenses the Company had sought to economise in working wherever it could, and in view of this fact it seemed most unfair that attacks should be made upon the railway both in responsible and irresponsible quarters insinuating that because railways were under Government control and had their revenue guaranteed for the time being they were doing nothing to effect economies in working. (Applause.) Great efforts had been made during the year to overtake the wagon shortage, and the total increased wagon availability on December 31, as compared with December 1919, was 8,012 wagons. The percentage of disabled wagons at the end of the year was just under 2½ per cent. of the stock, and the position was now practically normal. In addition they had let a contract for the erection of a central wagon-building establishment at Darlington at a cost of about £750,000. The choice before the directors lay between the policy of purchasing wagons or increasing their building establishment, and they felt that in the long run the latter was the more economical course. Dealing with the revision in fares and rates, he said it was difficult to draw any accurate conclusion at the present time as to how far these increased charges would go towards restoring railways to the pre-War financial position, and owing to the fact that during the period of Government control the usual division of receipts between the companies had been abandoned it was impossible to say what the position of any individual company was.

The Wages Bill.

The Miners' Strike in October and November and the falling off in trade had reduced the revenue of the Companies, and deficits which fall to be met out of the general taxation have again arisen. The December deficit amounted to six millions, and although that was probably abnormal there was every reason to look for a substantial deficit during the coming months. It seemed certain that railways under normal traffic conditions are not in a position to face the wages bill which arises from the settlement made by the Government in respect of both hours and wages. In 1913 the North Eastern Railway paid in wages in round figures four millions, and in 1920 it had grown to thirteen millions, an increase of 225 per cent. Large as this increase was, it was probably less than the increase on some other railways, while on some Scottish Companies it was stated to be 310 per cent. Alluding to the provisional agreement for amalgamation with the Hull and Barnsley Railway, he said the terms of the amalgamation were considered by the directors of both Companies as very fair, and there were reasons for thinking that Hull would be better served in the long run by having one strong united Company to deal with the traffic of that port, than to have two companies of dual strength competing with one another. (Applause.) The Chairman explained that they were proposing to increase the minimum superannuation amount by an increase in the contributions of the Company and the members alike, and the directors therefore

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proposed to set aside £150,000 out of the revenue of the past year to add to the fund, the balance which would be necessary to make the scheme self-supporting. They were also contributing to local housing schemes, on condition that a definite proportion of houses should be set aside for their servants.

The Colwyn Report.

Discussing the report of the Colwyn Committee, Lord Knaresborough said he thought undue prominence had been given to the matter. The inquiry was instituted at the request of the Ministry of Transport. The railway companies were not consulted about its appointment, nor asked to assist at its deliberations, and the witnesses called before it were almost entirely limited to officials of the Ministry and to Government advisers. The function of the Committee as he understood it was to advise the Minister of Transport, and if its advice, as a first perusal of the report seemed to indicate, was in the direction of repudiating existing agreements, he thought it would be time enough to take serious notice of the Committee's recommendation when they knew that they commended themselves to the Minister and to the Government. I cannot think, he proceeded, such a policy will commend itself to Parliament or the general public; in any case it obviously could not be carried into effect until the question involved had been investigated at an inquiry at which not only should the Government be represented by its advisers who are doing their duty in examining all Government liabilities, but the railway companies themselves should be also represented. The Government, after all, are subject to the same general rules of business honesty as private individuals—(hear, hear)—and no business man would feel justified in repudiating an agreement which he had entered into simply because in altered circumstances his advisers, however eminent, told him that such a course was to his interest. (Applause.) With regard to the general question of the future of the railways, he regretted the Bill to be introduced by the Ministry of Transport was not in their hands so that they could have criticised it at that meeting. They could not therefore express an opinion on unknown Government proposals so far as they were outlined in the White Paper. The directors were in general agreement with the letter of the Railway Companies' Association that had already been circulated with regard to grouping. The directors approved the original suggestions of the Minister of Transport that the N.E.R. and the H. and B.R. should form a group by themselves, because they consider that the district served by those two companies is large enough and sufficiently self-contained to form a separate group linked up as hitherto with the Great Northern Company for Scottish traffic passing by the East Coast route, and freely exchanging with all other companies the large traffic passing to and from the industrial areas served by both. If it is thought, said his Lordship, that a general scheme of grouping necessitates the North-Eastern being amalgamated with other companies on the east side of England, it is essential that the terms of the amalgamation shall be such as will not throw an unfair burden either on the district or the North-Eastern shareholders—(applause)—and the directors will not be satisfied with the Government Bill unless it makes this assured. (Applause.)

The matter is one of vital importance because of the three southern companies with whom it is proposed that the North Eastern should be grouped all have a very much larger proposition of prior charges to Ordinary stock than we have. They all have higher working expenses, and one of them at any rate has had to meet a very much larger increase in expenditure, due largely, we believe, to the standardisation of wages. In addition to these points, which will have to be carefully guarded, an amalgamation with these companies will necessarily have the disadvantage of bringing about competition with other companies with whom we are at present in friendly alliance. At the same time, if in the general interest it is thought that the North Eastern should be grouped with other companies, and if, as already mentioned, the Bill contains provisions which will ensure that such amalgamation does not throw an unfair burden upon the North-Eastern district or shareholders, the directors would not wish to take a line unnecessarily antagonistic either to the Government or the other railway companies.

They had had a very anxious time in the last three or four months, and they had done everything they possibly could both through the Railways Association and otherwise to try to look after the shareholders' interest. They were not going to sleep now, but they would continue to do their very best to ensure that the interests both of the North-Eastern district and shareholders were well looked after for a long time. It had been an axiom in North-East England that the prosperity of the North Eastern Railway and the prosperity of the district it served were absolutely identical. That they could not hurt one without hurting the other. They had a great many representatives of industry on the Board, and the shareholders might rest assured that they would work together in order to secure that the interests of all were well looked after. (Applause.)

Lord Joicey seconded the motion.

Mr. Clancy Benton, Northumberland, moved that four inspectors be appointed at a fee of £250 each to examine the affairs of the Company from 1911 onwards, and particularly in reference to the 1920 balance sheet, where £7,231,549 stood to the credit of stocks and shares and miscellaneous and outstanding traffic accounts. The report was unanimously adopted, and a final dividend of four and a-quarter per cent. on North Eastern Consols, making, with the interim dividend, seven and a-half per cent. for the year, was afterwards declared. The retiring directors were re-elected.

Books Received.

An Introduction to the Study of Prices. With special reference to the history of the nineteenth century. By Walter T. Layton, M.A. Price 7*s.* 6*d.* (London: Macmillan.) In bringing out the third edition of this work Mr. Layton has taken the opportunity to include the history of prices since 1914. A new chapter summarises the principal facts about wholesale and retail prices, currency, and wages. The chart at the end of the volume giving the average wholesale prices and the world's gold production since 1800 has also been brought up to date.

Readings and Problems in Statistical Methods. By Horace Secrist, Ph.D. Price 16*s.* (New York: Macmillan.) The selections included in this work were chosen to illustrate the attitude of mind in which statistical analysis must be undertaken. While they constitute an independent treatment of the subject, they are intended primarily to be used in connection with a text on statistical methods.

Cotton and Cotton Manufacture is the title of a booklet, the work of a member of the staff of the First National Bank of Boston, which is being circulated by that institution. It deals with all the details of the growth and manufacture of cotton in a manner devoid of all technicalities, so as to be readily understood by the general reader. Numerous illustrations add to the value of the work. Copies can be obtained upon application to the Commercial Service Department, First National Bank of Boston.

The Income Tax and the Individual. Revised to include amendments of 1920. This guide to the Income-tax Law of the Dominion of Canada is issued by the Royal Trust Company, and copies can be obtained from the Head Office, 105 St. James Street, Montreal.

The 100 Best Investments. The British, Foreign, and Colonial Corporation, Limited, have just published the quarterly supplement of *The 100 Best Investments*, price 1*s.* (post free), thus bringing that annual work of reference up to date. Besides the usual features the work contains an informative article entitled "Unemployment and the Investor," which deals clearly with current investment problems, and indicates the course to be adopted by investors who seek to safeguard themselves against loss in the difficult times ahead.

The Declaration of London, February 26, 1909. A collection of official papers and documents relating to the International Naval Conference held in London, December 1908 to February 1909. With an Introduction by Elihu Root. Edited by James Brown Scott, Director of the Division of International Law of the Carnegie Endowment for International Peace. (New York: Oxford University Press.)

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The Statist.

LONDON, SATURDAY, FEBRUARY 26, 1921.

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The Money Market.

Friday, February 25, 1921.

	Current Rate % Fixed		Previous Rate % Fixed	
Bank of England Rate	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5¼	(Apr. 15, '20)	4¼	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6½	—	—
Bank Bills	7⅛–¼	6⅞	6⅝	6½
Trade Bills	—	7–7¼	7¼–½	7⅓

REVIEW OF EXCHEQUER POSITION.

A REMARKABLE improvement in the position of the national finances has occurred since the commencement of the current quarter, contrasting strikingly with the unwelcome changes that took place during the last quarter of 1920. At the beginning of January the possibility of Budget anticipations being realised seemed a remote one, but, in the light of later developments, the unfavourable forecasts made at that time have to be revised, for, at the moment, the outlook is distinctly promising. Revenue has made a very good showing week by week since the beginning of January, and, at the same time, expenditure has been at a rather low figure, so that there has been each week a surplus of a magnitude which, if maintained till the end of next month, should be ample for all requirements. The possibility of a further expansion in revenue is a likely one, but, also, it is highly probable that expenditure will be on a much larger scale next month than at present. Despite this, however, and especially considering the resources in the shape of materials at the command of the Government, there seems no danger that the estimated revenue surplus, much reduced since last April by supplementary grants, will not be realised.

Table I.—Revenue and Expenditure.

(In millions of £'s.)

	Apr. 1, '20, to Feb. 19. 1921	Apr. 1, '19, to Feb. 21. 1920	Inc. (+) or Dec.(—)	Whole Year 1920-21*	Whole Year 1919-20	Inc. (+) or Dec. (—)
Revenue	1,147	1,014	+ 133	1,418	1,340	— 78
Expenditure .	979	1,326	— 347	1,234	1,666	— 432
Excess:						
Revenue	168	—	—	184	—	—
Expenditure	-	312	—	—	326	-

*Budget estimates, including supplementary grants.

Table II.—The Floating Debt.

	Feb. 19, 1921 £	Feb. 21, 1920 £	Inc. (—) or Dec. (—) £
Ways and Means Advances:			
By Bank of England	14,500,000	51,500,000	— 37,000,000
By Public Departments	197,072,000	167,330,000	— 29,742,000
Total Ways and Means ...	211,572,000	218,830,000	— 7,258,000
Treasury Bills	1,115,759,000	1,102,331,000	- 13,428,000
Total Floating Debt	1,327,331,000	1,321,161,000	- 6,170,000

From the first of the foregoing tables it will become evident that, regarded solely from the point of view of the Exchequer, the national finances are now in a much better position than a year ago. In the financial year 1919-20 revenue was insufficient to meet all demands on the Exchequer, and fresh borrowing had to be resorted to extensively. This year, on the contrary, not only will revenue be sufficient to meet expenditure, but there will be a surplus, though perhaps a small one, available for debt redemption. In considering the details in Table A above it is essential to note that "Miscellaneous Receipts," comprising chiefly sales of Government assets, amounted to £249,330,172 for the current financial year up to Saturday last, as compared with £132,978,031 for the corresponding period of last year, an increase of £116,352,141. The increase in revenue of a recurring nature for the current year is accordingly only £17 million.

On examining more closely the transactions since April 1, 1920, it will be found that unfunded debt amounting to £189,325,868 has been repaid since the commencement of the financial year. The details of this sum are as follows: Government securities surrendered as revenue, £64,517,315; repayment of our portion of the Anglo-French loan, £59,229,221; retirement of other foreign debt, £37,956,202; and repayment of Exchequer bonds, £27,623,130. In addition, the depreciation fund has absorbed £27,100,223, making a total of £216,426,091. How this amount was provided for was as follows: Surplus revenue, £167,271,472; Treasury bond receipts, £21,008,150 (it being understood that these are hypothecated to redemption of the floating debt); net receipts for Treasury billls, £8,294,000; net borrowings on Ways and Means, £6,685,000; net receipts for Savings Certificates, £9,130,794; and reduction in balances in Exchequer, £3,907,399, making a total of £216,296,815. From this summary, which takes no account of minor items, it will be seen that such debt repayment as was effected during the year involved an addition of £14,979,000 to the floating debt. As no other repayments of unfunded debt have to be made between this and the end of March, except short-term foreign debt and the cancellation of securities surrendered in payment of excess profits duty—and these will be comparatively small in amount—it is to be expected that any surplus revenue will be applied chiefly to the repayment of the floating debt. Originally, it may be remembered, the Chancellor looked for a reduction of £70,000,000 in the floating debt during the current year. If this is to be effected, it will mean a reduction of nearly £85,000,000 during the five and a-half weeks between the 12th inst. and the end of March—a not impossible task if revenue is maintained at its present scale.

Under the influence of Exchequer financing and also of extensive calling-in of money on the part of the clearing-banks, conditions in the Money market were again unusually stringent. The range of rates for day-to-day money was 5½ to 6½ per cent., and 7 per cent. was occasionally paid to avoid going to the Bank. A considerable business in short bills was done at the central institution all during the week. Discount rates varied widely according to the different views taken of the outlook, but the more usual quotations were a minimum of 6¾ per cent. for the three-months' bill, with 7 per cent. and over for shorter maturities, while the lower range of 6¼ to 6½ per cent. was generally quoted for six months' paper.

Foreign Exchanges.

The support recently accorded to the New York exchange shows signs of weakening, and the upward movement seems to have terminated for the moment. As the improvement was largely due to the

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operations of speculators, the present level of rates is peculiarly liable to give way to lower quotations, unless an increase in our export trade to America has occurred sufficient to justify the present level of quotations. It can hardly be doubted that our trade indebtedness to the United States has declined, but it cannot yet be ascertained with any degree of precision whether the decline is sufficient to warrant such an improvement in the dollar value of sterling as has been brought about by speculative influences. We would in particular remind those inclined to look for a continued rise in the New York rate that during the financial year 1921-22 the market will be influenced by considerable principal and interest payments by our Government in respect of debt due to the U.S. Government and U.S. nationals. To-day's quotations of 3.86¼ for cables and 3.87¼ for cheques are slightly lower than those obtaining a week ago. A continued improvement is to be noted in the value of francs, lire, and marks. Eastern exchanges were universally weak. The rupee is to-day at 1*s.* 3¼*d.* for Bombay transfers and 1*s.* 3½*d.* for Calcutta transfers. An extended reference to the Indian exchange position will be found under the heading of Financial Notes.

Income and Expenditure.

For the week ending on the 12th inst. we had to record an expansion in revenue of £11.1 million to £43⅔ million, and a surplus revenue of £25 million. The latest income and expenditure return, covering last week, shows revenue at £52,544,000, an increase of £9,056,000; at the same time, expenditure is £3,219,000 lower at £15,210,000, so that the surplus revenue shows an increase of £12,275,000 at £37,334,000. As a result of this satisfactory position a welcome reduction was made in the amount of the floating debt. After meeting an excess of Treasury bill maturities over sales, amounting to £11,406,000, as well as issues for cancellation of securities surrendered as revenue and for repayment of foreign debt amounting to £3,958,655 and £2,170,025 respectively, a repayment of £19,650,000 was effected in Ways and Means Advances. Outstanding Advances by the Bank were reduced by £15,250,000 to £14,500,000, and Advances by Public Departments are £4,400,000 lower at £197,072,000. The total floating debt shows a reduction of £31,565,000 to £1,327,331,000. The total decline since the beginning of January is £80,750,000.

Currency Notes.

Another contraction is to be noted in the currency note circulation for the week ending on the 23rd inst., and, as may be seen below, the Bank's note issue displayed a similar movement during the same period. The total of currency notes and certificates outstanding on Wednesday last was £333,674,380, or £1,822,924 below that returned a week previously. As compared with a year ago this total shows an expansion of £8,684,592. Since the commencement of the year there has been a net decline of £31,250,387.

Bank of England.

The latest Bank return records a proportion of reserve to liabilities of fifteen per cent., or the highest since June 23 of last year. The most interesting movement during the week was an advance of £10,021,000 to £95,220,000 in the holding of securities other than Government securities. This increase, reflecting the extensive borrowing of the market last week, is the largest for any one week since the end of September 1920, when it may be recalled, conditions in the Money market were exceptionally stringent on account of the proximity of the quarter end. Other features include a decline of £2,782,000 in "other deposits," and a further contraction of £12,482,000 in Government securities. The note circulation fell during the week by £112,000 to £127,698,000. Since December 29, 1920, the combined circulation of Bank-notes and currency notes has fallen by £36.4 million. The reserve is shown as £19,080,000, the highest since June 23, 1920.

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Bullion.

The parity price of gold to-day, at 106*s.* 4*d.* per ounce fine, shows a rise of 10*d.* as compared with a week ago. Quotations in the Silver market again took a downward turn under the influence of selling from U.S., the Continent, and China, combined with a weaker Indian demand. To-day's quotations are the lowest since August 1916.

The following are the market quotations for gold and silver for the past week:—

	Feb. 19	Feb. 21	Feb. 22	Feb. 23	Feb. 24	Feb. 25	Average
Silver (per oz. std. ·925 fine) :—							
Spot	33½*d.*	33*d.*	33½*d.*	32⅞*d.*	32*d.*	31⅝*d.*	32·77*d.*
Forward ...	33½*d.*	32⅝*d.*	33⅜*d.*	32⅞*d.*	32*d.*	31⅝*d.*	32·69*d.*
Gold (per oz. fine) —	106·0	105·6	105·8	106·11	106·4	105·10·6	

NEW YORK.

The latest weekly statement of the New York Clearing Banks records a further large decline in loans and in deposits, accompanied by a weakening of the reserve position. The Federal Reserve Banks' return shows a strengthening of reserves, a decline in liabilities, and an improvement of the reserve ratio. The aggregate reserve of the former group is returned as $511,980,000, showing a decline of $4,930,000 on the week. As deposit liabilities fell by $20,630,000 to $3,785,420,000, the excess reserve is only $1,980,000 lower at $10,480,000. Net demand deposits are now lower than for any week since February 15, 1919, and the excess reserve is the lowest since that returned for the week ending October 30, 1920. Loans, discounts, and investments declined by $45,740,000 to $5,008,800,000, the lowest since the end of August 1919.

As regards the Federal Reserve Banks, the effect of the heavy imports of gold from London and the strengthening of banks in the interior is shown in a gain of $10,670,000 to $2,132,650,000 in the gold holdings. Gross deposits are again lower, and a contraction of $12,980,000 to $3,037,440,000 is to be noted in the circulation of Federal Reserve notes. As a result of these changes the reserve ratio rose from 49.6 per cent. to 50.3 per cent., this comparing with 42.7 per cent. on February 21 of last year. Rediscounts for member banks [illegible] to $[illegible] 000 to $2,364,410,000, the total bill holdings declining by $[illegible]

Call money [illegible] per cent. Prime Commercial paper was quoted lower at 7½ per cent.

Stock Exchange.

THE tone of the Stock markets, particularly in the more speculative sections, continues low. Unsettled trade conditions are the main factor, but the Home Rail section is depressed for reasons peculiar to itself, while Gilt-edge prices have been influenced by vague rumours as to pending issue of large dimensions. Early in the week this was confidently presumed to be on behalf of the Metropolitan Water Board, a rumour later denied. It is now stated that the new arrival will be of such a nature as not to disturb market sentiment. Details are now available for the pending Sudan Government issue. The amount will be £2,880,000 in Five-and-a-Half per Cent. bonds (1929-59), at ninety-two per cent., ranking *pari passu* with the £3,500,000 loan issued at 95½ last October. Harrods will also come on the market during the week with 1,000,000 £1 Preference shares at par, ranking *pari passu* with the existing 3,000,000 £1 Seven-and-a-Half per Cent. Preference.

Prices in the Gilt-edge section drooped throughout the week, but a slight recovery was observable towards the close. Consols, Funding Loan, Victory Bonds, the various series of War Bonds and War Loans, and Local Loans all finished at lower levels, Irish Land Stock being the only item to show better on balance. County and Corporation stocks developed an irregular tendency. Metropolitan Water "B" Three per Cents. were marked down on the rumour of a further issue, but the movement ceased when the report was officially denied. Colonial securities were inactive beyond a mild inquiry for Canadian varieties. The probability of a fresh application on behalf of the Australian Commonwealth had no effect on values. An article analysing present conditions of Commonwealth borrowing will be found on page 346.

The tone of the Foreign Bonds department displayed some improvement. Japanese varieties were in demand, being helped by the dollar exchange, and Chinese issues pursued a similar trend. Chilian and Brazilian descriptions also benefited from an early demand, but the latter reacted again on Thursday. Russians moved up nominally on favourable statements as to a pending Anglo-Russian trade agreement.

Home Rail quotations collapsed still further, but even at the lower levels buyers could not be obtained. The unsaleability of railway shares during the past week marks it as the most critical period this section of the House has yet passed through. Even the prospect of a favourable statement at the railway debate in the House of Commons next Monday was not sufficient to attract inquiries. The position is reviewed at length elsewhere in our columns.

Business in Foreign Rails was of small proportions. Movements among Argentine descriptions were most downwards but not of much significance.

In the absence of any prospect of a definite improvement in trade, Industrial quotations have continued to relapse without interruption. Selling orders again predominated, and in the absence of support few features of strength were observable. Iron and Steel shares were subject to quiet realisations and depreciated accordingly. Shipping securities remained dull, with a weak undertone. Indo-China Deferred developed considerable activity consequent on amalgamation rumours, but were scaled down again on the official repudiation of the statement. Liptons, Maypoles, Levers and Harrods, and Dunlops all showed worse.

The Oil market passed through a very quiet week, but the tone remained firm throughout. On Monday prices yielded temporarily to the pressure of Continental liquidation. The speech of Sir Charles Greenway at the Anglo-Persian meeting acted as an antidote to the pessimism resulting from the recent cuts in prices for Pennsylvania crude oil, which is now quoted at $325 per barrel. Royal Dutch showed fractionally lower on balance, but Shells, Burmahs, and Mexican Eagles registered a slight appreciation.

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Mining Topics.

THE market opened in an idle manner, but the tendency was undoubtedly reactionary. Thus Rand Mines weakened to 2⅝, whilst De Beers dropped to the new low record of 10¼. Although they recovered slightly, they were still weak at this level on Thursday. There were a few strong features on Tuesday, notably Witwatersrand Deep, which advanced to 7*s.* on the interim dividend of five per cent., the first to be declared since 1917. Randfontein were also firm on the award of £460,000. Labour disputes, which caused the closing down of the last blast furnace of the Broken Hill Proprietary, are also spreading to Rhodesia, the Shamva Mines being the latest victim. The rumour of a sale of the Bantjes Consolidated property to Consolidated Main Reef has been officially denied; but voluntary liquidation is foreshadowed if the continuance of the drive for 500 feet does not reveal satisfactory results. Rumour is, however, again busy in another direction. This time it hints at the discovery of gold on the Naraguta property, with the result that the shares advanced from ⅜ on Tuesday to ¾ on Thursday. Confirmation is still lacking. Towards the close of the week Mysores jumped into prominence at 13*s.* on the declaration of the excellent final dividend of 1*s.* 9*d.*, making 2*s.* 6*d.* for the year, as compared with 2*s.* for the previous year. A little Cape support imparted a steady tone to the Kaffir Circus, despite a few Paris realisations.

KNIGHTS DEEP.

Year to July 31	Tons Milled	Gold Yield — Amount £	Gold Yield — Per Ton £	Working Expenses — Amount £	Working Expenses — Per Ton £	Working Profit — Amount £	Working Profit — Per Ton
1917 ...	1,196,500	886,295	14·9/8	793,080	13/3·1	93,214	1/6·7
1918 ...	1,140,700	842,442	14/9·3	821,423	14/4·9	21,019	4·4*d.*
1919 ...	1,016,900	842,349	16/6·8	860,960	16/11·2	18,611*	4·4*d.**
1920 ...	1,070,200	825,244†	15/5·1†	940,966	17/7·1	115,722‡	2·2‡

* Loss. † Excluding gold premium amounting to £224,236, equivalent to additional yield of 4·2·3*d.* per ton. ‡ Loss excluding gold premium.

THAT the fire which destroyed the 400-stamp mill and the mill engine-house of Knights Deep on September 17, 1920, may ultimately turn out to be a blessing in disguise will readily be admitted by anyone who studies the report issued by this gold-mining Company for the year ended July 31, 1920. There was, it is true, a slight increase in the quantity of ore milled, the total reaching 1,070,200 tons as compared with 1,016,900 tons in the previous year. Working on the basis of the par value of gold in order to maintain an effective comparison, it is evident that this increase in tonnage was more than offset by the reduction in the grade of the ore, the average yield being only 15*s.* 5·1*d.* per ton as against 16*s.* 6·8*d.* per ton in 1918-19. Again, notwithstanding the increased quantity of ore treated, there was a further expansion in working costs to 17*s.* 7·1*d.* per ton, an increase of nearly 8*d.* per ton as compared with the previous year. In the main this was due to the marked rise in the wages of both white and native employees. But this increase, in conjunction with the lower grade of the ore, produced a working loss of £115,722, or 2*s.* 2*d.* per ton, as against a corresponding loss of £18,611, or 4·4*d.* per ton, in 1918-19. However, during the year under review the mine enjoyed the benefits of a substantial premium on gold. Receipts from this source

aggregated no less than £224,236, equivalent to an additional yield per ton of 4*s.* 2.3*d.* Taking this into account the financial position was transformed. The revenue per ton worked out at 19*s.* 7.4*d.*, giving an actual working profit of £108,515, or 2*s.* 0.3*d.* per ton. Accordingly, after deducting sundry charges to the amount of £26,836, there is left a net profit of £89,437, as against a net loss of £20,442 in 1918-19. During the year under review we had frequently to draw attention to the adverse rate of exchange, which was as high as eight and a-half per cent. in June. What this cost Knights Deep may be gauged from the statement that nearly the whole of £25,563 in respect of interest, commission and exchange was due to this factor. However, in view of the satisfactory net profit secured, the directors were able to declare a dividend of three and three-quarters per cent., absorbing £27,882, which is the first paid to shareholders since 1916-17, when a dividend of fifteen per cent. was paid. After deducting £3,520, representing net capital expenditure, there is carried forward to the next accounts a balance of £145,599, as against £87,564 brought forward from the previous year.

There was a decline in the amount of development work, the total amounting to 5,221 feet, as compared with 6,855 feet in 1918-19. The position of the ore reserves is as follows:—

July 31	Tons	Value Dwt.	Value *s.* *d.*
1917	2,301,000	4·40	18 8
1918	1,671,000	4·43	18 11
1919	977,000	4·80	20 5
1920	727,000	4·80	20 5

Thus there is a decline of 270,000 tons; but this estimate does not include 65,000 tons of partially developed ore averaging 4.3 dwt. However, even with the addition of this ore the total is far from satisfactory, and, in view of the low grade, would not yield any tangible profit in the light of current working costs unless the gold premium was maintained at a high level. During the year under review, it was stated, the prices realised by gold per ounce were 100*s.* 4*d.* in the first quarter, 114*s.* 10*d.*, in the second quarter, 103*s.* in the third quarter, and 103*s.* 11½*d.* in the fourth quarter. Yet, on the other hand, under the most favourable conditions working costs did not fall below 100*s.* an ounce. Hence, as the mine had not much more than two years of life, the outlook was none too bright. During August, when exchange charges had become normal, a profit of £10,000 was made. Since the fire the value of gold won has been estimated at £140,000. Inquiries, however, convinced the directors that results would not justify the heavy outlay which the acquisition of new plant, even under the most promising circumstances, would involve. Accordingly it was decided, and approved by the shareholders, to go into voluntary liquidation. As a considerable proportion of the loss incurred by the fire is covered by the insurance, the position is much better from the point of view of the shareholders than if the mine had dragged out its existence over the next two years. The financial position as disclosed in the balance sheet dated July 31, 1920, was satisfactory. Current liabilities did not exceed £80,203, whereas liquid assets in the form of sundry debtors, gold, and cash were available to a total of £151,757. At the meeting at which it was agreed to go into liquidation the Chairman stated that £291,000 had been received in respect of fire insurance, and that £85,300 was due in respect of consequential insurance, of which £48,146 was to be paid on February 21 and the balance in weekly instalments of £2,188. The value of gold won since the fire is given as £140,000, but not much more is expected to be recovered. Sales since the fire amounted to £66,400. Expenditure reached £113,770, whilst £39,000 was due under the Miners' Phthisis Act. It was impossible, he added, to estimate the realisable value of the remaining plant and stores; but in his opinion, shareholders would receive 13*s.* to 14*s.* per share, the greater part to be paid out in April. A distribution of 14*s.* per share on the capital of £743,526 would not require more than £510,468. Taking the figures supplied above by the Chairman, and adding the surplus liquid assets on July 31, 1920, including £7,107 in respect of investments, we arrive at a total of £514,000 at least after allowing for the liabilities mentioned. Thus, without taking into account the cost of liquidation or expenses incurred since the date of the meeting, or, on the other hand, the realisable value of the undisclosed remaining quantities of stores and of plant, the figure of 14*s.* does not appear to be unduly optimistic. The shares are quoted in the market in the neighbourhood of 12*s.*, which, allowing for the period that must elapse before the final distribution is made, does not leave much scope for appreciation.

MALAYAN TIN DREDGING, LIMITED.

Issued Capital: £180,000 in Shares of £1 each.

Yr. to June 30	Ground Treated C. Yds.	Tin Oxide Output Tons	Value £	Working Costs £	Working Profit £	Depreciation £	Net Profit £	Dividends £	Dividends %
1915	1,967,790	503¼	41,982	28,617	10,365	8,454	6,050	5,483	5
1916	3,252,000	1,021	165,896	44,882	61,014	15,247	45,020	20,250	20
1917	3,141,300	871·8	97,382	54,043	3,63	10,504	32,353	30,250	25
1918	3,220,300	843½	135,904	56,448	79,456	10,[illegible]	68,[illegible]	36,250	25
1919	3,256,510	702·6	109,958	69,615	40,343	300	40,497	54,4 0	15
1920	2,558,500	594⅓	110,682	80, 40	30,242	2,0	3,279	36,[illegible]0	25

Year to June 30	Tin Yield per Cub. Yd. Lb.	Working Cost per Cub. Yd. *d.*	Per Ton of Tin Oxide: Value £ *s.* *d.*	Working Costs £ *s.* *d.*	Working Profit £ *s.* *d.*
1915	0·57	3·4	89 6 9	56 17 3	32 9 6
1916	0·73	3·3	162 14 4	43 19 2	59 15 2
1917	0·62	4·1	112 0 0	62 0 0	50 0 0
1918	0·58	4·1	161 6 0	67 0 0	94 6 0
1919	0·48	5·3	156 10 0	99 1 6	57 8 6
1920	0·52	7·6	186 4 7	135 10 3	50 14 4

More than ordinary interest attaches to the report of Malayan Tin Dredging, Limited, for the year ended June 30, 1920. The yardage treated during the year dropped sharply from 3,256,510 yards to 2,558,500 yards. This decline in the running time of the dredges is explained by constant and prolonged stoppages for repairs and overhaul, which were accentuated by the delay in securing the necessary supplementary parts from England. Furthermore, towards the close of the year the important supply of fuel was seriously curtailed by the inability of the Malayan collieries to deliver the required supply. Pending the arrival of imported coal, for which a much heavier price had to be paid, the dredges had to be closed down for several days. In the light of these facts the marked falling-off in the quantity of ground treated becomes intelligible. However, this decline brought in its train the inevitable reduction in the quantity of the output, which amounted only to 594⅓ tons, as against 702½ tons in the previous year. The reduction was not proportionate, however, to the decline in yardage, as the area worked proved richer, the average yield per cubic yard increasing from 0.48 lb. of tin ore to 0.52 lb. Again, owing to the recovery in the price of tin, the average price realised by the sale of the ore rose from £156½ to £186¼, with the result that the value of the total output reached £110,682, or actually £724 more than in 1918-19, when a much greater output had been obtained. On the other hand, there was a more rapid expansion in working costs, due in part to the decline in the area treated, but also to the enhanced cost of stores and materials required as a result of the frequent stoppages, to the larger price paid for imported coal, and to the necessary increases in the rates of wages, the latter advance in some cases representing a rise of twenty-two per cent. as compared with 1918-19. The cumulative result of all these factors is reflected in an addition of nearly £11,000 to the working costs, giving a total of £80,540, as against £69,615 in the previous year. Spread over a smaller area this total is equivalent to a cost of 7.6*d.* per cubic yard, as compared with 5.3*d.* in 1918-19. Estimated per ton of output the result is still more striking, for the working cost comes out at £135½ instead of £99. Thus

the rise in this direction more than offset the improvement in the sale price of the ore. Accordingly the profit per ton drops from £57 7/10 to £50 7/10, the total falling from £10,313 to £30,342. Owing to the generous provision for depreciation of dredges in earlier years, no necessity arises for making any deduction from this profit in this respect. Yet this advantage is partially nullified by the loss of £4,007 incurred on the realisation of Government investments during the year. Consequently, despite the marked increase in the receipts from interest to £8,015, the net profit does not reach more than £31,279, as against £40,497 in 1918-19. However, availing themselves of a strong financial position, the directors decided to maintain the dividend at twenty-five per cent. The balance carried forward is thus reduced from £40,190 (by the inclusion of £1,321 as a refund of excess profits duty) to £35,469, and is subject to deduction in respect of corporation profits tax and excess profits duty. In view of the reduction in profit as compared with 1918-19, in which year there was a refund of £1,321, it is unlikely that any liability in respect of excess profits duty will have to be met.

During the year the Company acquired 114 acres, thereby increasing the total area held to 1,698 acres. The area worked out during the year was 35 acres, bringing the total worked out to 245 acres, leaving the Company with tin-bearing land yet to be treated to the extent of 1,453 acres. An extension of six months has been applied for in connection with prospecting licences over 270 acres. Considerable delay had been experienced in securing the two new dredges required, but the plant was expected to be shipped in December last. These new dredges had a much greater capacity than either of the four now at work, and it was anticipated that between them they would treat at least as much ground as was worked by the existing four dredges in the year under review. Thus they would add substantially to the earning capacity of the Company. And as the labour situation had improved the outlook seemed promising. However, the subsequent relapse in the price of tin to £170 a ton modifies this prospect. Up to the end of 1920 the situation was not so bad, in view of the fact that tin did not fall below an average of £212½ for cash in December. Since then the downward tendency has been so pronounced that the F.M.S. Government has lowered the price at which it was prepared to take over the surplus tin of local producers from $115 to $100 per picul since February 14. This corresponds roughly to a reduction in the guaranteed price of tin from £225 to £196 per ton, and there is no indication that any further fall in the market quotation will not be followed by a reduction in the "pegged" price. However, in view of its very strong financial position, Malayan Tin Dredging should easily be able to weather the storm. The balance sheet dated June 30, 1920, shows that current liabilities did not exceed £25,306, whereas cash balances alone were available to a total of £39,821. In addition, investments at cost figured at £111,205, whilst the stock of tin ore did not exceed £7,292. The capital of £180,000 exists side by side with a reserve, including share premiums, of £83,681. Quoted in the market at 28*s.* 9*d.*, the £1 shares would return a yield of ten per cent. on the basis of a dividend of less than fourteen and a half per cent.

CANADA'S
Grand Trunk Railway System
in connection with the Canadian National Railways, now operates Daily Coast to Coast Service. Halifax, St. John, Montreal, Toronto, Winnipeg, Saskatoon, Edmonton, Vancouver, Victoria, Prince Rupert.
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LONDON, S.W. 17 Cockspur Street. LIVERPOOL.—20 Water Street.
LONDON, E.C. 124 Leadenhall Street. GLASGOW.—75 Union Street.
H. DEER, Secretary, Dashwood House, E.C. 2.
FRED. C. SALTER, European Traffic Manager

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, February 23, 1921.

Issue Department.

Notes Issued	£144,960,485	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,510,485
	£144,960,485		£144,960,485

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£31,030,156
Rest	3,52[illegible],989	Other Securities	95,220,101
Public Deposits	15,937,962	Notes	17,262,575
Other Deposits	111,259,236	Gold and Silver Coin	1,817,502
Seven day and other Bills	9,237		
	£145,330,334		£145,330,334

Comparison with Previous Four Weeks [000's omitted.]

Date 1921.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Feb. 23	127,7	128,3	15,9	111,2	31,0	95,2	19,1	15·0	7	6⅜
Feb. 16	127,8	128,3	15,5	114,0	43,5	85,2	18,9	14·6	7	6 11/16
Feb. 9	128,9	128,2	20,1	106,3	50,2	76,5	17,7	14·0	7	6⅛
Feb. 2	129,6	128,3	18,6	129,8	70,6	78,7	17,1	11·5	7	6 11/16
Jan. 26	128,4	123,3	16,1	112,5	53,2	75,1	18,2	14·2	7	6⅜
July 22, '14	29,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 3 1919 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling, 000,000's omitted):	Feb. 23 1921	Feb. 25 1920	Feb. 26 1919	Feb. 27 1918	Feb 22 1911
Circulation	£127,7	£96,5	£70,3	£47,3	£27,1
Public Deposits	15,9	17,3	25,3	42,6	16,9
Other Deposits	111,2	172,8	119,2	124,8	40,0
Government Securities	31,0	85,1	50,2	56,3	14,8
Other Securities	95,2	90,7	83,1	98,6	30,7
Reserve	19,1	32,3	29,7	30,6	29,5
Ratio to Liabilities	15·0%	17·0%	20·51%	18·25%	51·85%
Coin and Bullion	128,3	110,4	81,6	59,4	38,2
Money:					
Bank of England Rate	7%	6%	5%	5%	3½%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6 1/16%	5⅝%	3½%	3 7/16-3⅜%	3%
Exchanges:					
Paris Cheque	54·30	49·25	26·18	27·17½	25·30½
New York 60 days	3·85	3·36	4·73	4·72½	4·83½
London Telegraphic Transfers	1 3/1	2/7½	1/58⅜	1/43¾	1/4⅝
Prices:					
Consols 2½% Cash	46½	50	59	54½	80⅞
French Rentes 3% Money	58·20	57·55	64·40	57·50	97·40
Silver, London spot oz.	31[illegible].	82½d.	47½d.	42½d.	24½d.
Wheat, Gazette average qr.	76 1	72 7	72/2	7 /2	30/3
Cotton, Mid Upland lb.	9·06½	32·44d.	18·87d.	23·74d.	7·53d.
Iron, Scotch pig ton	201/0	131/0	101/0	101/0	55/1½

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Feb. 23, '21	6,044,999	7,867,923	333,674,380	28,500,000	19,450,000	14·4
Feb. 16, '21	6,487,365	10,100,507	335,497,304	28,500,000	19,450,000	14·3
Feb. 26, '20	6,051,499	7,131,339	324,993,792	28,500,000	4,100,000	10·3
Feb. 26, '19	7,921,496	5,897,301	314,804,681	28,500,000	—	8·9
Feb. 27, '18	7,532,835	5,258,242	218,409,626	28,500,000	—	13·0
Feb. 28, '17	6,232,187	6,986,915	144,351,173	28,500,000	—	19·7

Balance Sheet, February 23, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	265,082,420	Other Bankers	—
Ten Shilling	40,421,960	Trustee Savings Banks ...	—
Certificates outstanding ...	28,170,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	333,674,380	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,351,671	Government Securities ...	303,515,838
Investments Reserve A/c ...	15,610,261	Balance at Bank of England	150,426
Total	351,6 6,312	Total	351,6 6,312

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Feb. 19, '21...	£52,544	£15,210	£37,334‡	£3,856	£122,353	25,462
Feb. 12, '21...	43,498	18,428	25,070‡	86,669	111,866	4,624
Feb. 5, '21...	32,356	18,863	13,493‡	103,963	115,868	4,762
325 dys. '20 21	1,146,653	909,382	237,271‡	5,059,394	5,236,034	—3,907
327 dys. '19-20	1,014,143§	1,325,921	311,921	5,456,719	5,157,740	—7,382
Yr. '20-21*	1,418,300	1,233,642	184,658‡	—	—	—
Yr. '19 20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,388
Yr. '18 19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499 604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
Feb. 19, '21...	£12,74[illegible]	£21,368	£5,919	£12,516	£2,[illegible]04	£595	£12,510
Feb. 12, '21...	4,496	21,516	3,140	14,336	5,471	432	12,525
Feb. 5, '21...	3,525	20,997	4,692	3,142	8,342	284	10,237
325 days '20-21	298,312	270,232	192,174	386, 35	313,4[illegible]6	18,747	647,229
327 days '19-20	252,685	267,616	254,209	239,503	293,570	12,204	1,020,347
Yr. '20 21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,998

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Feb. 19, 1921 ...	£1,1 5,759	£21[illegible], 72	£1,327,331	£21,008
Feb. 12 1921 ...	1,127,674	231,222	1,358,896	20 683
Feb. 5, 1921 ...	1,132,829	249,072	1,381,901	20,323
Jan. 29, 1921 ...	1,145,049	241,822	1,386,871	19,968
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates, including supplementary grants. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£6,363
Feb. 10, '21	...	10,661	1,169	11,831	31,732	247,999	50,481
Feb. 17, '21	...	10,661	1,172	11,832	23,836	249,251	62,115

		Claim on Austro-Hung. Bank	Continent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Jan. 23, '21	...	£396,775	£75,305	£72,827	£93,883	£442,135	£52,786
Jan. 31, '21	...	396,732	69,055	70,904	91,956	443,879	50,623
Feb. 7, '21	...	393,735	63,914	73,187	91,403	450,462	53,870

		Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4,100	£341	£4,441	£6,197	£786	£3,693	£47
Dec. 31, '20	...	12,643	145	12,788	13,335	522	30,928	3,823
Jan. 31, '21	...	12,843	141	12,781	15,928	895	29,109	3,489
Jan. 31, '20	...	12,602	188	12,790	15,084	912	26,375	1,902
Jan. 31, '19	...	10,405	135	10,540	4,110	5,563	23,936	1,016

		Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
FRANCE.								
July 30, '14	...	£185,654		£190,867	£97,768	£267,327	£15,302	£37,903
Feb. 17, '21	...	142,169	77,934	230,613	115,631	1,522,894	2,860	125,218
Feb. 24, '21	...	142,186	77,934	230,684	118,464	1,512,224	1,409	110,793
Feb. 26, '20	...	144,142	79,131	233,332	73,962	1,515,546	1,819	129,277
Feb. 27, '19	...	141,940	79,132	233,624	42,495	1,303,659	1,363	105,261

		Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£87,843	£16,727	£84,570	£5,279	£40,055	£91,545	£47,193
Jan. 31, '21	...	54,577	323	54,900	1,142,635	2,637,241	3,319,140	791,638
Feb. 7, '21	...	54,577	349	54,926	1,101,751	2,441,800	3,314,129	543,731
Feb. 7, '20	...	54,525	1,058	55,583	599,370	1,816,213	1,893,436	539,915
Feb. 7, '19	...	112,607	1,000	113,607	239,073	1,305,908	1,183,283	569,490

		Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14		£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Feb. 7, '21	...	53,012	1,884	54,896	17,194	21,654	88,091	5,514
Feb. 14, '21		53,012	1,844	54,856	17,464	20,233	87,034	4,753
Feb. 14, '20	...	52,732	733	53,465	23,476	18,539	85,574	10,014
Feb. 15, '19	...	56,253	789	57,042	9,819	16,149	83,816	6,361

		Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	—£49,456		£25,017	£69,204	£8,887
Nov. 30, '20	...	£32,763	£3,000	35,763	14,599	193,473	616,783	83,146
Dec. 10, '20	...	32,763	3,000	35,763	17,231	195,528	611,454	75,324
Dec. 10, '19	...	32,198	3,004	35,202	17,707	90,319	491,333	74,057
Dec. 10, '18	...	32,699	3,080	35,779	7,275	60,532	365,510	56,743

		Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Jan. 1, '21	...	124,521	15,529	12,737	143,924	91,927	6,847
Jan. 15, '21	...	112,391	5,869	9,872	110,205	88,205	20,906
Jan. 17, '20	...	94,977	12,516	34,532	122,786	108,537	11,780
Jan. 18, '19	...	71,360	4,477	39,539	89,949	93,880	11,280

		Cash Vaults	Own Reserve	Aggregate Reserve	Loans, Discts, Invest., &c.	Net Deposits Demand	Net Deposits Time	Net Deposits Total	Excess Reserve
NEW YORK BANKS & TRUSTS.									
Aug. 1, '14...		—		£99,883	£411,238	—	—	£887,165	£1,720
Feb. 11, '21...		£16,464†		103,332	1,010,890	£761,210	£48,538	813,206	2,492
Feb. 19, '21...		15,928†		102,398	1,001,760	757,084	47,044	814,338	2,096
Feb. 21, '20...		19,782†		113,254	1,021,963	819,550	59,022	877,614	4,350
Feb. 22, '19...		19,576†		107,556	958,810	760,970	28,138	841,290	6,762

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'ts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£6,752	£793
Feb. 7, '21	...	8,115	2,959	500	24,915	23,187	7,428
Feb. 15, '21	...	8,115	2,770	500	24,359	22,753	7,370
Feb. 16, '20	...	8,128	3,076	579	17,516	22,183	3,233

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
Oct. 6, '20	...	£1,906	£3,921	£5,827	£26,838	£119,830	£4,774
Oct. 13, '20	...	1,906	3,921	5,827	29,347	119,490	4,592
Sept. 3, '19	...	1,905	3,924	5,829	7,846	66,556	6,774
Sept. 4, '18	...	1,905	3,742	5,647	10,795	54,450	2,357

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Dec. 4, '20	...	£126,003	£29,103	£4,634	£33,742	£333,933
Dec. 11, '20	...	126,003	30,064	5,507	35,571	371,501
Dec. 18, '20	...	126,003	29,659	4,783	34,442	373,226
Dec. 20, '19	...	54,821	8,671	2,218	10,889	163,559

		Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14...		£180,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...		129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Feb. 12, '21	...	98,642	23,208	121,890	102,533	13,779	171,772	46,476
Feb. 19, '21	...	98,772	23,300	122,972	95,213	13,779	170,604	45,351
Feb. 21, '20	...	98,131	25,357	123,488	88,193	13,779	154,213	45,777
Feb. 22, '19	...	89,144	25,743	114, 87	73,552	13,778	137,432	41,330

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Feb. 12, '21	...	15,656	5,753	705	32,817	35,213	15,053
Feb. 19, '21	...	15,656	6,071	705	31,742	35,627	14,840
Feb. 21, '20	...	14,771	5,670	2,634	26,645	35,432	10,379
Feb. 22, '19	...	16,019	8,396	3,034	18,022	37,756	6,742

		Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Jan. 31, '21	...	21,720	5,480	27,200	15,103	37,[illegible]	[illegible]
Feb. 7, '21	...	21,721	5,467	27,188	14,425	36,850	4,581
Feb. 7, '20	...	21,176	3,309	24,485	13,976	37,124	5,190
Feb. 7, '19	...	16,461	2,518	18,982	19,147	34,044	5,047

• Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

		Gold Held by Banks	Gold With Agents	Total Cash	Bills Discounted	Bills Advances	Deposits Govt.	Deposits Net	Deposits Total	Circulation
U. STATES FED. RES. BANKS.										
Jan. 14, '21 ...		—£424,[illegible]		£[illegible]	£[illegible]	£[illegible]	£[illegible]	£[illegible]	£[illegible]	£[illegible]
Feb. 21, '21 ...		—426,530	—	476,533	472,832	33,374	12,304	329,024	607,490	
Feb. 23, '20 ...		141,136	25,976	167,[illegible]	4[illegible]	[illegible]	15,[illegible]	357,160	595,424	
Feb. 22, '19 ...		162,823	204,[illegible]	441,[illegible]	383,[illegible]	53,484	4,[illegible]	345,150	193,[illegible]	

II.—CURRENT BANK RATES OF DISCUSSION.

	%	Date fixed.		%	Date fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	7	Sept. 3,'20
Berlin ...	5	Dec. 23,'14	Madrid	6	Nov. 4,'20
Berne ...	5	Aug. 21,'19	Paris ...	6	Apr. 3,'20
Bombay ...	7	Jan. 27,'21	Petrograd ...	6	July 29,'14
Brussels ...	5½	Apr. 28,'20	Rome ...	6	May 12,'20
Calcutta ...	7	Jan. 27,'21	Stockholm ...	7½	Sept. 16,'20
Christiania	7	June 25,'20	Tokio ...	8·03	Nov. 18,'19
Copenhagen	7	Apr. 16,'20	Vienna ...	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Feb. 25,'21	Feb. 18,'21	Feb. 11,'21	Par.
Berlin	Cable	242m.	234m.	233m.	243m.
Brussels	Cheques	52fr. 00c.	51fr. 35c.	51fr. 50c.	52fr. 12c.
Denmark	Cable	21kr. 10	20kr. 80	20kr. 80	20kr. 10
Holland	do.	11[illegible]	11[illegible]	11[illegible]	11[illegible]
Italy	do.	106lr. 25	105lr. 00 r.	108lr. 25	107lr. 75
Lisbon and Oporto	do.	6[illegible]	6[illegible]	6½[illegible]	6½[illegible]
New York	do.	$3 96	$3 89½	$3 89[illegible]	$3 34[illegible]
—	Cheques	$3 97	$3 90½	$3 91	$3 86
Norway	Cable	22kr. 35	22kr. 42	21kr. 40	20kr. 85
Paris	3 mos.	54fr. 30c.	54fr. 35c.	54fr. 55c.	55fr. 45c.
—	Cable	55fr. 05c.	53fr. 60c.	53fr. 80c.	54fr. 70c.
Spain (Bank places)	3 mos.	42½[illegible]	42½[illegible]	42½[illegible]	42½[illegible]
—	Cable	27p. 92	27p. 75	27p. 65	27p. 50
Sweden	do.	17kr. 35	17kr. 47	17kr. 45	17kr. 52
Switzerland	3 mos.	24fr. 85c.	24fr. 02c.	22fr. 40c.	24fr. 45c.
—	Cable	23fr. 85c.	23fr. 52c.	23fr. 90c.	23fr. 95c.

ON LONDON—		Feb. 25,'21	Feb. 18,'21	Feb. 11,'21	Par.
Alexandria	Sight	97[illegible]pi.	97½pi.	97½pi.	97½pi.
Amsterdam	Cheques	11[illegible] 34½	11[illegible] 34½	11[illegible] 34½	12·107d.
Athens	Cable	51[illegible] 75	52dr. 00	54dr. 25	25[illegible] 22½
Bombay	Transfers	1s. 3[illegible]d.	1s. 4[illegible]d.	1s. 4[illegible]d.	2s.*
Brussels	Cheques	51[illegible] 90c.	51[illegible] 55c.	51[illegible] 55c.	25[illegible] 22½c.
Buenos Ayres	Transfers	—	49[illegible]d.	49½d.	47·58[illegible]
Calcutta	do.	1s. 3[illegible]d.	1s. 4[illegible]d.	1s. 4[illegible]d.	2s.*
Christiania	Sight	22kr. 31½	22kr. 40	21kr. 37	18·159kr.
Copenhagen	do.	21kr. 43	21kr. 38	20kr. 75	18·159kr.
Helsingfors	Cable	142m.	118m.	117m.	25m. 22½
Hong Kong	Transfers	2s. 5[illegible]d.	2s. 5[illegible]d.	3s. 5[illegible]d.	—
Italy	Sight	106lr. 25c.	106lr. 32c.	106lr. 25c.	25lr. 22½c.
Lisbon	do.	5[illegible]d.	5[illegible]d.	6½[illegible]d.	53½[illegible]
Madras	do.	1s. 3[illegible]d.	1s. 4[illegible]d.	1s. 4[illegible]d.	2s.*
Madrid	do.	27p. 90½	27p. 72	27p. 65	25p. 22½
Montevideo	Transfers	47[illegible]d.	44[illegible]d.	49	51d.
Montreal	Cable	$4 41[illegible]	$4 49	$4 42	$4 86⅔
New York	Sight	$3 86[illegible]	$3 91½	$3 87	—
—	60 days	$3 89	$3 89	$3 85	—
—	Cable	$3 84½	$3 92	$3 87½	$4 86⅔
Paris	Cheques	54[illegible] 30c.	53[illegible] 70c.	53[illegible] 85c.	25[illegible] 22½c.
Rio de Janeiro	90 days	—	10[illegible]d.	9[illegible]d.	16d.
Shanghai	Transfers	3s. 3[illegible]d.	3s. 3[illegible]d.	3s. 5[illegible]d.	—
Singapore	Sight	2s. 3[illegible]d.	2s. 3[illegible]d.	2s. 3[illegible]d.	—
Stockholm	do.	17kr. 32[illegible]	17kr. 36	17kr. 44	18·159kr.
Switzerland	do.	23[illegible] 35½c.	23[illegible] 52c.	23[illegible] 91c.	25[illegible] 22½c.
Valparaiso	90 days	9[illegible]d.	9[illegible]d.	8[illegible]d.	18d.
Yokohama	Sight	2s. 5[illegible]d.	2s. 5[illegible]d.	2s. 5[illegible]d.	24·58d.

• Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—	Feb. 23,'21	Feb. 16,'21	Par	Date
Amsterdam, sight ...	34·18c.	34·50c.	40·20c. for 1 guilder	June 3 40·25c.
Bombay, cheques ...	25·12c.	27·00c.	48·66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	125·0	127·0		
Christiania, cheques ...	17·30c.	17·65c.	26·80c. for 1 krouer	
Copenhagen, cheques ...	18·15c.	18·40c.	26·80c. for 1 krouer	26·85c.
Greece, cheques ...	7·95c.	7·40c.	19·295c. for 1 drachma	
Hongkong, cheques ...	43·75c.	50·00c.	74·00c. for Mex. $1	43·40c.
Italy, sight ...	36·5[illegible]	37·15[illegible]	5·13[illegible]re for $1	5·17[illegible]
Lima, cheques ...	4·10[illegible]	4·10[illegible]	4·8635 $ for 1 libra	
Manila, cheques ...	46·00c.	46·00c.	50c. for 1 peso	49·30c.
Montreal	12·25 % disc.	12·75 % disc.	Premium per $100	Par
Paris, sight	13·94[illegible]	13·88[illegible]	5·13[illegible] francs for $1	5·16[illegible]
Rio de Janeiro, cheques	6·74 nil.	6·47 nil.	3·032 milreis for $1	
Shanghai, cheques ...	65·75c.	66·375c.	52·90c. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42·00c.	56·77c. for $1	57·12c.
Spain, cheques	13·93c.	14·13c.	19·30c. for 1 peseta	
Stockholm, cheques ...	22·30c.	22·50c.	26·80c. for 1 krouer	
Switzerland, cheques ...	6·06 r.	6·00fr.	5·13[illegible] francs for $1	5·13[illegible]fr.
Valparaiso, cheques ...	15·90c.	15·00c.	20·61c. for 1 peso	
Yokohama, cheques ...	44·20c.	43·30c.	49·84c. for 1 yen	49·90c.

‡ Available to Europe by Trans-Continental Mail.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week	1921	Amount.	Inc. or Dec.*	1920	Inc. or Dec.*	%
			(in £'s sterling, 000's omitted).				
BIRMINGHAM ...	Feb. 19		£2,413	— £1,315	£24,840	— £5,426	— 18·1
BRISTOL	,, 19		1,582	— 174	12,661	— 2,185	— 14·7
DUBLIN	,, 19		7,562	— 1,603	60,946	— 11,051	— 15·3
HULL	,, 19		1,264	—	3,383	—	—
LEEDS	,, 19		1,200	— 390	9,044	— 3,590	— 21·3
LEICESTER	,, 19		893	— 509	6,573	— 3,857	— 36·0
LIVERPOOL ...	,, 19		8,512	— 12,169	90,146	— 50,142	— 36·1
MANCHESTER ...	,, 19		15,388	— 13,[illegible]	138,563	— 112,766	— 44·8
NEWCASTLE	,, 19		2,[illegible]	— 1,493	20,572	— 4,718	— 18·6
NOTTINGHAM ...	,, 19		861	— [illegible]	6,170	— 3,110	— 33·5
SHEFFIELD	,, 19		1,433	— 204	11,321	— 59	— 0·5
LONDON—	1921						
TOWN	Feb. 23		558,535	— 65,107	[illegible]	— [illegible]	— 4·4
METROPOLITAN	,, 23		34,[illegible]	— 7,531	[illegible]	— [illegible]	— 14·2
COUNTRY	,, 23		61,[illegible]	— 24,[illegible]	[illegible]	— [illegible]	— 15·8
TOTAL ...	Feb. 23		837,[illegible]	— 87,047	[illegible]	— [illegible]	— 8·1

• [illegible]

V.—FREIGHTS.—According to Messrs. [illegible] & Co., Ltd.

HOMEWARDS.	1921	1921	1914
	Feb. 25	Feb. 18	
Ark. to U.K. ...	[illegible]	[illegible]	[illegible]
Ark. to U.K. ...	[illegible]	[illegible]	[illegible]
[illegible] to Cardiff	7/6nom.	8/0nom.	—
[illegible] to U.K. ...	—	[illegible]	—
[illegible] to U.K. ...	—	—	—
[illegible] to U.K. ...	—	—	—
Danube to U.K. ...	27/6	27/6	—
B. Plate to U.K....	37/6	40/0	10/0

OUTWARDS.—Cardiff to			
Port Said ...	17/6	17/6	7/3
[illegible] ...	[illegible]	[illegible]	14/6
[illegible] ...	—	—	6/8

• Per ton.

† Per quarter, Time Charter, [illegible].

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	FEB. 25, 1921	FEB. 27, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	201 0	181 0	57 0
— Middlesbro' warrants ...ton	195 0	175 0	51 0
— Hematite warrants ...ton	220 0	220 0	61 0
— Staffordshire bars, London ton	£31 10	£27	£8 10
— Common bars ...ton	£25—£26 10	£24 10	£6 16
Steel Rails ...ton	£21 £19 15—£20 15		£6 2/6
Galvanised Sheets ...ton	£25	£51—£53	£16 17/1
Copper—Standard ...ton	£89 10	£120 10	£66
Tin—English Ingots ...ton	£162—£163	£393	£142 15
— Straits ...ton	£185	£399 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	36/0	72/0 ... 11/10½	—12/0
Lead—Soft Foreign ...ton	£16 10—£17 5	£51 12/6-52 12/6	£19
Spelter—Ord. Foreign ...ton	£23 15 -£24 15	£59 15—£61 10	£21 7/8
Quicksilver—(75lb.) ...bottle	£12 10—£13	£24—£24 10	£7
Aluminium ...ton	nom.	£165	£82
Antimony—Regulus Foreign ...ton	£25	£67	£27 10
— English ...ton	£37 £40	£69	—
Coal—(best) Yorkshire ...ton	37/2—38/2	21/6—22/6	17/6
— Steam (best) Newcastle...ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	14/0	16 6	7/4
Soda—Crystals ex wharf ...ton	140 0	130/0—140 0	42/6—45/0
Copra—Malay and States ...ton	£52 10	£72 £23 15	£24 7 6
Gambier—Good marks ...cwt.	30/0—32 6	52 0	16/10½
Indigo—Bengal good to fine ...lb.	11/6—14 6	13/0—16/6	3/2—3/8
Linseed Oil—Raw ...ton	£55	£122	£25 5
Linseed—Calcutta, spot ...ton	£18	£57 10	£13 16/9
— Cakes, U.K. made, ex mill ...ton	—	£25	£7 17/6—£8
Olive Oil—Spanish ...ton	—	nom.	£49 10
Palm Oil—Lagos ...ton	£39	£96	£31 10
Petroleum—American ...gallon	2 3½	2 1	7½d.
Rape Oil—Refined English ...ton	£60	£135	£32
Soya Oil—Refined ...ton	nom.	£135	£24 10
Tallow—Imported ...cwt.	38 0—43/0	107.0—117/0	29/3—33/3
Turpentine—American ...cwt	60 /0	210 0	33/7½
Rape Seed—Toria ...ton	£18 10	£54 5	£13 5
Rubber—Para, spot ...lb.	11½d.	2 7½	2 9½
— Fine plantation (stnd.crepe) lb.	1/1½	2 7	2/2
— World's Production* (per tons	26.620	31.291	8.467
Shellac—T.N. Orange, fair ...cwt.	300/0—320/0	830/0	63/0—64 0
TEXTILES.			
Cotton—Middling Upland ...lb.	9 06d.	32/44d.	7·53d.
— Egyptian good fair ...lb.	11 00d.	82/00d.	8·75d.
— Pernambuco fair ...lb.	7 96d.	35·69d.	7 73d.
— Midland Upl. New York...lb.	13 20c.	39 85	13·25c.
Stock, Liverpool (Feb. 18) bales	993.640	1,062.910	934.600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£46	£65	£25 10
— Manila fair ...ton	£42	£77	£26 10
Jute—First Marks ...ton	£31	£71	£26 15
— Red SCO ...ton	£29 10	£58	£24 15
Silk—Common, New Style ...lb.	21 6	57 6	12 0—12/6
— No. 1-1½ Japan ...lb.	25/0	—	—
— 1st Order Italian ...lb.	25/0	—	—
Wool—Pt. Philip unwashed av. lb.	2 3½	5 0 .. 11½d.—1 0	
— Lincoln Half Hogs ...lb.	1 0½	2 3½	1 0½
Hides—Eng. Ox. best, 70lb. up lb.	6½d.	.. 15½d.—16½d	7½d.
Leather—Dressing Hides ...lb.	2'0—2/6	4/6—5/0	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	69.142.000	90.635.000	34.640.000
— Red, price, N.Y. 60lb....bushel	196½c.	nom.	67½c.
— English Gazette, aver. 480lb. qr.	76 4	72/7	34/3
Flour—G.R. ...280lb.	63 0	44 3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	58·2	100·7	25·4
Oats—Eng. Gaz., aver. 312 lb. qr.	35·1	60/0	20/0
Maize—N.Y. (new bushel)....56lb.	91	171	76½c.
— Amer. mixed, Liverpool...480lb.	42 0—44 0	nom	32/4
— La Plata ...480lb. qr.	55 0	65/0	25/9
Potatoes—Good English ...ton	190/0	285 0	70 0—75 0
Rice—Bassein ...cwt.	13/6—14/6	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	24 0	40/0	14/0—17/8
Hay—best ...2,018lb....load	—	—	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	8 0	7/8	3/8—3/10
— Scotch sides ...8lb.	11 4	10/0	4/6—5/0
— English ...8lb.	11/4	10/0	4/2—4/5
Mutton—Scotch wethers...8lb.	14/3	10/6	5/8—6/0
— English wethers ...8lb.	14 6	10/6	4/6—5/4
New Zealand frozen ...8lb.	6/0	10/3	2/4—3/2
Pork—English and Irish ...8lb.	12/8	11/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	‡210/0	200/6	60/0—74 0
— Danish ...cwt.	‡213/0	†192/0	58/0—68 0
— Canadian, ex Port ...cwt.	†170 0	†187 0	—
— American, ex Port ...cwt.	†130/0 136 6	†187 0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†180/0	†190/0	75/0—79.0
— — short cut, ex Port ...cwt.	†175/0	†190 0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†138/0	†198.6	51/9—52/9
Butter—Danish ...cwt.	†298/8	303/4	117/0—120/0
— French ...cwt.	†298 8	303 4	96/0—108/0
— Australian ...cwt.	†298 8	303 4	98/0—110/0
— New Zealand ...cwt.	†298/8	303/4	108/0—114/0
Cheese—Canadian ...cwt.	153/0—158/0	†145/0	66/0—68/0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt.	†168/0—230/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Jan. 31...cwt.	1.540.274	1.970.223	19.777.254
— Home consump'n to Jan. 31 cwt.	1,814,763	2.239.853	17.272.000
— In Bond Jan. 31 ...cwt.	7.699.000	6.102.000	6.308.000
— Price, Java, 96° Pol. ...cwt.	30 0	53/0	10/3
— — Yellow crystals ...cwt.	65 0	63/6	12/6—14/0
— — Tate's Cubes, No. 1...cwt.	76 0	72/0	18/0
Coffee—Imports to Jan. 31 ...cwt.	56,881	80.062	720,360
— Home consumpt'n to Jan. 31 cwt.	26.408	26.645	141.410
— Exports to Jan. 31 ...cwt.	27.951	52.6 0	340.250
— In Bond Jan. 31 ...cwt.	653.000	733.000	484.000
— Price, Costa Rica gd. to fine cwt.	102/0—140/0	158/0—164/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	60/0—85/0 nom.	130/0—132/0	41/6
Tea—Imports to Jan. 31 ...lb.	40.613.639	48.538.454	123.230.277
— Home consump'n to Jan. 31 lb.	33.680.356	31.751.769	155.447.972
— Exports to Jan. 31 ...lb.	1.843.070	3.048.709	26.561.765
— In Bond Jan. 31 ...lb.	224.415.000	215.175.000	78.292.000
— Price, Indian, Pek. Soug. gd. lb.	8½	1 5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	5½d.	1 6	8½d.
— — Common Congou ...lb.	2½d. nom.	1/3	5½d.
Cocoa—In Bond Jan. 31 ...cwt.	1.104.000	795.000	309.000
— Grenada, good to fine ...cwt.	52 0—54 0	85 0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Dec.	$20.604.000	+3.578.000	$2.222.000	+ $540.000
12 *mos.* to	Dec.	216.641.000	+39712000	33.153.000	+ 220.000
Grand Trunk	Nov.	£1.609.200	+£357.300	£142,000	+£38.700
11 *mos.* to	Nov.	15.108.800	+2.254.700	991,000	— 575.100

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August* 5, 1914, *the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January* 1, 1917.

	Week or Month.	Miles Open	Gross Receipts.	+ or —on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
INDIAN.							
Assam Bengal	Jan. 22	1,044	R2.28.347	— 14,733	16	37.14.419	— 37.430
Barsi Light ...	Jan. 29	118	20.500	— 21.000	43	11.49.900	— 1,34.000
Bengal & N.W.	Jan. 22	2,067	4.69.970	— 82.185	16	77.51.523	+ 1.71.489
Beng. Dooars	Jan. 15	158	30.991	— 439	15	4.73.746	— 2.80 541
Beng. Nagpur	Jan. 22	2.695	12.26.000	— 1.69.000	6	5.10.77.948	— 15.12.082
Bomb. Baroda	Feb. 12	2.871	20.24.000	+ 7.000	19	3.54.67.000	— 7.10.000
Burma ...	Jan. 22	1,342	6.40.877	+ 27.605	16	92.28.934	— 5.31.418
Del.Um. Kalk.	Feb. 12	239	87.000	— 8.282	19	19.30.705	+ 21.428
East Indian ...	Feb. 12	2.772	28.62.000	+ 66 000	19	5.31.58.000	+ 24.55.000
Gt. Indian Pen	Feb. 12	3,121½	27.47.300	+ 12.300	19	5.18.76.722	+ 8.07.361
Madras & S.M.	Jan. 29	3,152	11.30.000	— 1.18.104	17	5.17.63.492	— 4.76.391
Nizam's Guar.	Jan. 8	900	3.14.951	— 701	14	38.67.809	— 65.421
Rob. & Kumn.	Jan. 22	576	115.530	— 3.451	16	16.09.855	+ 34.510
South Indian	Jan. 8	1,852½	7.82.300	— 12.128	40	3.20.17.983	+ 10.67.424
South Punjab	Oct.	716	9.00.533	+ 2.70.896	1*m*	—	—
COLONIAL							
Can. Northern	Feb. 21	9,704	$1.153.100	+ 227.600	7	8,843,900	+ 1,833,700
Can. Pacific ...	Feb. 14	13.388	3,044.000	— 503.600	6	20.622.000	+ 128.000
Grand Trunk	Feb. 21	3.616	£293 223	+ 102.396	7	2.213.639	+ 490.618
Mashonaland	Nov.	810	98.579	+ 30.240	2*m*	181.803	+ 35,552
Mid. W. Aust.	Dec.	277	13.032	+ 705	6*m*	66.741	+ 6,551
New Cape Cent.	Jan. 29	205	3.030	— 550	4	10.292	— 2,422
Rhodesia Rlys	Nov.	1,397	139.904	+ 36.599	2*m*	264.627	+ 47,925
Temiscouata...	Dec.	—	$39.500	+ 6,999	12*m*	432.731	+ 58,503
FOREIGN.							
Argentine.							
Arg. N. East...	Feb. 19	752	£ 11.500	+ 300	34	390.700	— 3.300
Arg. Transand	Feb. 19	111	£ 3.512	— 758	34	88.416	— 3.448
B.A. & Pacific	Feb. 19	3.425	£ 149.000	— 6.000	34	4.122.000	— 762 000
B.A.Gt. South	Feb. 19	3.903	£ 214.000	+ 16.000	34	5.271.000	— 687.000
Do.	Feb. 19	Net	£ 67.000	— 9.000	34	769.000	— 1,258.000
B.A. Western	Feb. 19	1.882	£ 90.000	— 15.000	34	2.512.000	— 774.000
Do.	Feb. 19	Net	£ 18.000	— 11.000	34	230.000	— 897.000
B. A. Central	Dec.	190	£ 36.920	— 6.944	6*m*	298.960	+ 27.950
Cent. Argent.	Feb. 19	3.305	£ 163.000	— 14.000	34	6.463.000	+ 535.000
Cord. Central	Feb. 19	1.205	£ 27.000	— 27.500	34	1.762.100	— 251.700
Entre Rios ...	Feb. 19	811	£ 22.500	— 5,100	34	735.200	— 42.900
Brazilian.							
Brazil Gt. South	Jan.	110	M 40.250	— 18,500	1*m*	—	—
Brazil Railway	Dec.	3.530	M4.859.000	— 141.271	12*m*	57.772.000	+ 7,619.243
Gt. W. Brazil	Feb. 19	1,010	£ 19.000	— 9.000	8	121.600	— 107,000
Leopoldina ...	Feb. 19	1,831	£ 39.170	— 14,715	8	235.032	— 170.954
Mogyana ...	Dec.	1,180	M1.561.000	— 956.490	12*m*	22.267.000	— 2,474,651
Paulista ...	Dec.	766	M2.650.000	— 906.038	12*m*	22,479.000	— 1,225.892
San Paulo ...	Feb. 20	153½	£ 33.670	— 7.518	8	255.025	— 106.206
Sorocabana ...	Dec.	1,003	M1.749.000	— 246.168	12*m*	21.953.000	+ 976.69
S.of Bahia S.W	Jan.	52	M 129.000	+ 25.000	1*m*	—	—
Chilean and Peruvian.							
Antofagasta...	Feb. 20	838	£ 39.140	— 16.275	8	236.530	— 210.435
Arauco ...	June	84½	£ 12.000	+ 500	6*m*	76.000	+ 10.700
Nitrate (2wks)	Feb. 16	390	£ 28.440	— 9.287	6	69.774	— 70,716
Peruvian Corp.	Jan.	1.140	S 1.292.855	— 4.665	7*m*	8.255.350	— 24.944
Taltal ...	Jan.	180	£ 24.075	— 6,323	7*m*	199.457	+ 71.942
Cuban.							
Cuban Central	Jan. 29	362	$ 37.360	+ 19.872	31	707.279	+ 82.212
Cuba Railroad	Nov.	—	$ 1.087.457	+ 65.106	5*m*	5.517.674	+ 353.717
Havana Cent	Feb. 12	70	£ 16.538	+ 3.332	33	456.387	+ 107.149
U. of Havana	Feb. 19	681	£ 176.634	+ 24.326	34	3.605.424	+ 493.792
W. of Havana	Jan. 29	155	£ 14.131	+ 10,745	31	335.798	+ 66.413
Uruguayan.							
Cent. Uruguay	Feb. 19	273	£ 32.161	+ 12,522	34	743.634	— 16,409
,, (E. Ext.)	Feb. 19	311	£ 7.107	+ 376	34	182.875	— 19,499
,, (N. Ext.)	Feb. 19	185	£ 3.125	+ 104	34	98.011	— 25,953
,, (W.Ext.)	Feb. 19	211	£ 2.481	— 75	34	87.166	— 5.260
Mid. Uruguay	Jan.	319	£ 17.447	— 3.278	7*m*	124.941	— 15,990
N.W. Uruguay	Jan.	113	$ 4.787	— 3.549	7*m*	41.808	— 8.028
Urug. Northn.	Jan.	73	£ 1.915	— 1.342	7*m*	14.814	— 2,641
Miscellaneous							
Arcoy & Gandia	Feb. 19	33	Ps. 20.000	+ 9.000	8	138.900	+ 53.500
Bilbao ...	Jan.	15	£ 2.975	+ 523	1*m*	—	—
Bolivar ...	Jan.	136	£ 11.880	— 3.550	1*m*	—	—
Colomb. Natul.	Jan.	86	£ 19.140	+ 1.340	1*m*	—	—
Costa Rica ...	Dec.	189	£ 26.028	— 1.524	6*m*	147.385	+ 1,714
Dornda Ext.	Jan.	70	£ 16.000	+ 4.000	1*m*	—	—
Egyptian Delta	Jan. 31	559½	£ 14.291	— 1.283	43	433.758	+ 101.651
Gt. S. of Spain	Feb. 12	104	Ps. 59.313	— 24.416	6	554.159	+ 150,312
La Guaira & Ca.	Jan.	22½	£ 11.800	— 3.630	1*m*	—	—
Ottoman Ry.	Feb. 12	379	£ 12.413	—	—	—	—
Paraguay Cent	Feb. 12	274	£ 3.530	— 180	33	150.770	— 16.080
Puerto Cabello	Jan.	34	£ 4.250	— 1.000	1*m*	—	—
Salvador ...	Feb. 19	100	£ 4.783	— 4.325	34	117.155	— 11.390
Santa Fé Prov.							
French Rys.	Dec.	1,181	£ 150.216	— 18.547	12*m*	1,915.144	— 20.379
S'm'na & S'ti'go	Jan.	80	£ 6.500	— 4.763	1*m*	—	—
Zafra & Huelva	Jan.	112	£ 15.366	+ 1.245	1*m*	—	—
TRAMS.							
Anglo-Argent.	Feb. 18	400	£ 78.001	+ 5.655	7	555.778	+ 74.376
Auckland Elec.	June 30	27	—	—	52	292.502	— 2.063
Bombay Elec.	Sept.	39	R. 8.49.038	+ 1.15.373	9*m*	73.27.000	+ 10.06.847
Brazilian Trac.	Dec.	378½	M12.600000	+ 2.861.000	12*m*	134.906.000	+21.832.000
Brisbane Elec.	Jan.	40½	£ 414.300	+ 2.025	1*m*	—	—
Brit. Columbia	Nov.	334	$ 805.633	+ 71.652	5*m*	3.841.632	+ 402.440
B. A. Lacroze	Jan.	51	£ 61.111	+ 8,468	7*m*	397.397	+ 51.178
Calcutta ...	Feb. 19	35½	R 3.906	— 87.257	7	3.58.6.9	— 286.523
Cape Electric	Oct.	42½	£ 32.698	+ 5.955	4*m*	120.814	+ 35.922
Carth. & Herr.	Jan.	9	£ 3.877	— 871	1*m*	—	—
Chatham & Dist.	Feb. 17	15	£ 1.511	+ 16	7	10.987	+ 829
Havana Elect.	Nov.	86	$ 1.037.352	+ 157.611	11*m*	10.366.708	+ 1.890.499
Isle of Thanet	Feb. 16	20½	£ 481	— 95	20	11.194	+ 659
Kalgoorlie ...	Nov.	20½	£ 2.969	+ 111	11*m*	33.672	+ 3.180
Lanarkshire...	Dec. 31	28½	£ 5.467	+ 1.927	52	221.564	+ 27.729
Lima Light ...	Nov.	85	£ 54.261	+ 2.151	11*m*	621.807	+ 89.377
London O.O....	Feb. 23	141¾	£ 96.785	+ 20.601	45	4.288.49.	+ 547.137
Madras (2wks.)	Jan. 15	15½	R 38.198	— 10.685	2	—	—
Manila Electric	Dec.	55	$ 315.599	+ 38.569	12*m*	3.419.389	+ 1,214.168
Pernambuco...	Feb. 20	59	£ 4.655	— 3.821	8	34.101	— 28.630
Provincial ...	Feb. 12	21½	£ 2.804	— 150	19	59.114	— 73
Rangoon Elec.	Nov.	25	£ 6.964	— 415	11*m*	85.314	+ 11.785
Shanghai Elec.	Jan.	26¾	M. $155.705	+ 19.705	1*m*	—	—
Singapore Elec.	Jan. 15	26½	$ 9.281	— 10.950	3	23.942	— 30.368
U. of Montevid.	Jan.	90½	£ 50.863	+ 3.098	3*m*	143.644	+ 11.184

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The Statist.

LONDON, SATURDAY, FEBRUARY 26, 1921.

FURTHER SUPPLEMENTARY ESTIMATES.

During the week particulars have been published of fresh demands from a number of Government Departments, under thirty-three heads, for £9,352,300, in addition to the sum of £21,000,000 required by the Ministry of Transport for the carrying out of railway agreements, to which we referred last week. It will be remembered that before the House concluded its December sittings Supplementary Estimates of £39,750,000 for the Army and £6,500,000 for the Navy were presented. The total of these various additions to the nation's bill is £76,602,300, and, though it represents a comparatively small sum in view of the enormous Budget estimate of £1,184,102,000, it serves to expose the hollowness of the Government's professions on the subject of economy. If further proof were needed of the Government's real attitude towards curbing the spending proclivities of the different Departments, it can be found in their evasion at the opening of the present session of a debate on the general question of economy. Even the Departments whose *raison d'être* vanished with the War, and whose abolition or suspension has time and again been promised by one or other of the Ministries, are still on the spending list, and are in fact so active that their expenditure has exceeded the original estimates. Accordingly, they are again approaching Parliament with a view to additional grants. We may instance an item of £60,000 for the continuance of Departments engaged in winding up war business, and of £77,000 "for the continuance of war operations"—a mysterious phrase on which we hope some enlightenment will be forthcoming from the Minister concerned when the Vote is reached. The Munitions Disposal Board is also to the fore with a demand for additional premises, while the Ministry of Shipping asks for a further sum. Ireland figures prominently in the Supplementary Estimates, as the following figures show: Office of Public Works, £108,260; Chief Secretary's Office, £13,945; County Court Officers, £11,600; General Prisons Board, £31,600; and Irish Constabulary, £1,418,710—a total of £1,584,115. We leave our readers to judge the advisability of this outlay in view of the disclosures made during the week as to the discipline observed by the Crown Forces in Ireland.

The present position of the Public Income and Expenditure account is fully dealt with in our Money market columns. Revenue has been flowing in so freely during recent weeks that Government finances are in a by no means unhealthy condition; but the demands of the tax collector have been reflected in the number of applications for loans to banking and other institutions, and in the continuous recourse necessitated on the part of the market to the Bank of England. Despite this, the spending Departments continue their career of Gargantuan extravagance, and Ministers, infected with a spirit akin to megalomania, seek to extend their power and influence by ever-increasing outlays from the public purse. When the number of people wholly unemployed or working short time runs into millions it is surely a spectacle not calculated to inspire confidence to see the Government allowing this orgy of spending to continue unchecked.

The acceptance by the Government of the Independent Liberal amendment increasing the out-of-work donation to 20*s*. for men and 16*s*. for women entails a further burden on the Treasury. In the course of Thursday's debate on the Unemployment Insurance Act (1920) Amendment Bill, Dr. Macnamara, prior to the acceptance of the amendment, stated that on the 18*s*. basis the benefits payable under the Bill between now and the end of June 1922 would be forty-five and a-quarter millions. It may be estimated that if unemployment remains at an average figure of nine and a-half per cent. up to the same date, approximately £50,000,000 will have been paid away and the whole of the insurance fund probably exhausted. While we recognise the necessity of making some provision for those who are out of work through no fault of their own, it seems to us that no sufficient safeguard is provided against the machinations of the work-shy and of those who pursue alternate occupations while enjoying the benefits. Insufficient consideration has also, in our opinion, been given to the question of payments to those out of work because of strikes by other bodies of workmen. The disabilities thus attending insured contributors when they are compelled against their will to cease work must always be a problem in State unemployment insurance, and, though the present moment is perhaps not an opportune one for raising a question of principle, the issue will have to be faced later on. It may become one of immediate concern if no peaceable solution is found of the pit-wage crisis in the coal industry. The policies of the Mining Association and of the Miners' Federation are directly opposed, the latter favouring a national settlement on uniform lines, and the former objecting. A strike is fortunately but a remote possibility at present, not only by reason of existing unemployment among miners, but because surplus stocks of coal have accumulated owing to the slackening of the demand. To accentuate the present crisis by increasing unemployment would be little short of criminal, especially as the only hope of permanent recovery lies in an all-round curtailment of costs of production. The Government might do much in this direction by acting as mediators between employers and employed by means of the Whitley Councils in the various trades and industries. Blundering interference is to be deprecated, but a [illegible] reduction is desirable.

PUBLIC BUDGETS AND PUBLIC DEBTS.

Though the national income of many European States has, on paper, increased as the currencies depreciated, the present-day expenditure of practically all Governments constitutes an excessive proportion, as compared with the pre-War standard, of all such incomes. To arrive at a general estimate of the present proportion is impossible; but in the table at the foot of the page we give particulars of the Budgets of various countries in the current year, showing the revenue and expenditure, and the balance, which is in all cases on the debit side, with the exception of the United Kingdom, British India, the United States, and Peru. The States include all those which presented reports to the Brussels Financial Conference last year, and the figures in each case are net—that is to say, in respect of Government undertakings only the surplus or the deficit that resulted from operations is included on the revenue or on the expenditure side. Where extraordinary, as apart from ordinary, Budgets have been presented for special purposes, as in the case of France, the additional figures have been included, except where provision was made for amortisation. These Budgets, in addition to non-recurring outlay, comprise in not a few instances expenditure for capital purposes, but this may be treated as part of the ordinary outlay unless it purports to be of a remunerative character. The inclusion of capital items has the effect of turning a surplus in the Budgets of some countries into a deficit, and this is particularly noticeable in South Africa, Norway, Sweden and Argentina. The proceeds of loans are in all instances merged with ordinary revenue. As will be seen by reference to the tables, in thirty-four out of the thirty-seven countries mentioned the efforts to balance the Budget have been unsuccessful, and the deficit varies from seventy-nine per cent. of the expenditure in the case of Poland to one per cent. in the case of Argentina. Within the British Empire the largest percentage deficits are found in the cases of Australia and Canada, and outside the United Kingdom the highest favourable balance is one of two per cent. in British India. Amongst the chief Allied countries, Belgium's failure to balance is most marked, and the largest accruing surplus is credited to the United States. It may be remarked that the figures given for Roumania, which disclose eight per cent. of the expenditure as uncovered by revenue, take account only of the ordinary Budget. When the figures for the extraordinary expenditure in contemplation, or now being carried out, are available they will show a substantial increase in the deficit. Despite this, however, the position of Roumania will not be so difficult as that of some of the other European countries, notably Poland with seventy-nine per cent. of the expenditure uncovered, Latvia with fifty-seven per cent., Esthonia with fifty-five per cent., Luxemburg with sixty per cent., Hungary with forty-eight per cent., and Germany with forty-six per cent. The countries outside Europe included in the fourth group show, as might be expected, the smallest deficits, and amongst these Japan ranks the highest. For twenty-two of the chief Governments the annual deficiency, including non-recurring expenditures, amounts to £1,250,000,000 calculated at current rates of exchange, and to £4,450,000,000 calculated at the old parities. National finances never presented such a depressing spectacle.

The general advance in State expenditure in the various countries, particularly in Europe, is from 400 per cent. to 1,400 per cent., neglecting extremes, as compared with pre-War days. A large proportion of the rise was inevitable, on account of the fall in the value of money. In so far as these expenditures are met by bankers' loans and by fresh issues of paper money, they increase purchasing power at the expense

Income and Expenditure.

(000's omitted)

	Fiscal Year	Currency	Revenue	Expenditure	Balance	Balance in Percentage of Expenditure
I. British Empire.						
United Kingdom†	1920–21	£	1,365,300	1,131,100	+ 234,200	+ 6
Canada	1920–21	$	323,106	819,926	– 496,820	– 60
Australia	1918–19	£	39,209	107,033	– 67,824	— 63
New Zealand	1919–20	£	19,782	46,727	– 196,086	— 17
South Africa ...	1920–21	£	28,441	40,048	– 11,607	— 29
British India ...	1920–21	£ 15 Rupees = £1	104,772	102,258	+ 2,514	+ 2
II. Principal Allied Countries.(a)						
United States	1920	$	6,694,565	6,403,343	+ 291,222	+ 5
France ...	1920	Franc	19,735,022	45,987,358	26,252,336	– 57
Belgium	1920	Franc	3,020,702	8,578,454	– 5,557,752	— 89
Italy	1919–20	Lira	9,520,000	28,450,000	–18,930,000	67
Portugal	1920–21	Milreis	110,418	235,525	– 125,107	53
Roumania*	1920–21	Leu	6,115,920	6,625,000	– 509,080	– 8
Greece	1920–21	Drachma	636,325	1,874,003	– 1,237,678	– 66

(a) Including Associated Powers.

III. Other European Countries.‡						
Germany	1920–21	Mark	27,770,000	51,892,363	–24,122,363	– 46
Austria ... ‡	1920–21	Krone	20,655	33,194	12,539	— 38
Hungary ‡	1920–21	Krone	10,539,947	20,210,748	– 9,670,801	– 48
Bulgaria ‡	1920–21	Leva	1,803,000	2,994,903	– 1,191,903	— 40
Czecho-Slovakia	1920	Kc.	7,750,771	10,416,771	– 2,666,000	– 26
Yugo-Slavia	1919–20	Dinar			– 2,000,000	
Finland ...	1919	Mark	778,717	1,163,968	– 385,251	– 33
Latvia ...	1920§	L. Rouble	272,325	640,930	– 368,605	– 57
Esthonia ‡	1920	E. Mark	1,091,650	2,450,603	– 1,358,953	– 55
Lithuania ... ‡	1920	L. Mark	684,000	768,030	84,030	– 11
Poland ‡	1919–20	P. Mark	3,127,625	15,189,679	–12,062,054	– 79
Denmark ...	1918–19	Krone	457,900	643,100	– 185,200	– 29
Holland	1920	Gulden	615,183	724,192	– 109,009	— 15
Luxemburg	1919	Franc	39,169	97,903	58,734	— 60
Norway...	1919–20	Krone	529,937	584,085	– 54,148	– 9
Spain	1920–21	Peseta	1,842,721	2,403,730	561,009	– 23
Sweden	1920	Krona	852,027	890,888	38,861	– 4
Switzerland	1920	Franc	381,400	604,066	222,666	– 37

‡ Including new States.

IV. Countries Outside Europe.						
Argentina	1918–19	Peso	396,756	402,237	5,481	– 1
Brazil ...	1920	Milreis Gold	358,637	384,153	26,516	– 7
China	1918–19	Chinese $	439,472	495,762	56,291	– 11
Japan	1920–21	Yen	938,882	1,134,968	196,086	– 17
Peru ‡	1919	£P.	6,606	6,562	44	+ .7
Uruguay ‡	1920	Milreis	38,043	41,109	– 3,066	— 7

* Only the ordinary Budget. The deficit will really be much greater.
‡ Gross Budget. § First quarter only of 1920.

of productive power, as the outlay is in practically every case made for unproductive purposes. Some of the additional outlay is, no doubt, unavoidable, and the swollen condition of many Budgets is in large part a legacy of the War. Provision has not only to be made for interest on national debt, but the impoverished and helpless condition of all or portion of the populations in several of the old and of the new States makes it necessary for Governments to spend large sums on unemployment doles, while the necessaries of life have often to be provided, sometimes at below cost. In addition, undertakings formerly productive are now being run at a loss, and all deficiencies have to be made good by the Exchequer. Army pensions and grants, and a Civil Service that has grown in most countries to enormous dimensions, contribute to the increased demands upon the national purse.

In the circumstances it is found somewhat difficult to defray expenditure by taxation, and recourse is being widely had to loans. So far as such loans are provided out of real savings by the public their effect is not to any high degree detrimental, though, of course, it would be much more profitable to expend such sums directly on productive industry. When met, however, by means of bank credits the consequent issue of paper, combined with the inexpansive character of industrial production, help to raise prices against Governments as [illegible] and so tend to pile up material for creating further deficits.

Payment of interest to outside countries has become a matter for future, if not for present, consideration with most European Governments. Practically all Continental countries owe money to the United States, and a great number of them to the United Kingdom. It may be estimated that the total public and private indebtedness of Europe to the United States reaches £4,200,000,000. The debt obligations of European Allies to the United Kingdom on March 31 last amounted to £1,731,100,000. One of the chief items in the American debt is the advances made by the Government of the United States to the extent of £2,000,000,000 to Allied purchasing countries during and since the War. When Government loans were curtailed goods were bought on credit by the negotiation of individual loans, and the indebtedness of Europe was further increased by about £600,000,000. The weight of this burden is increased by the fact that most of the debts are repayable either on demand or within

Internal and External Debts.

(000,000's omitted)

	Currency	December 31, 1913 Total Debt	December 31, 1919 Domestic Debt	December 31, 1919 Foreign Debt (at par rate of exchange)	December 31, 1919 Total Debt	Percentage Increase in Total Debt over 1913
I. British Empire.						
United Kingdom	£	706·0*b*	6,603·0*c*	1,279·0*c*	7,882·0*c*	1,016·4
Canada	$	286·3	2,030·2	497·2	2,527·4	782·8
Australia	£	17·5	243·9	106·1	350·0	1,900·0
New Zealand	£	90·0*b*	102·1*c*	99·1*c*	201·2*c*	123·6
South Africa	£	126·3*b*	50·2*c*	123·7*c*	173·9*c*	37·7
British India	Rupee	4,117·9*b*	3,258·4*c*	2,906·0*l c*	6,164·4*c*	49·7
II. Principal Allied Countries.(*a*)						
United States	$	1,189·3	25,827·2	6·6	25,833·8	2,072·2
France	Franc	33,637·0	185,728·0	33,660·0	219,388·0	552·2
Belgium	Franc	4,626·6	17,903·9	1,687·6	19,591·5	323·5
Italy	Lira	15,069·9	63,928·0	20,202·0	84,130·0	458·3
Portugal	Milreis	650·8	1,393·2	316·6	1,709·8	162·7
Roumania	Leu	1,456·7			11,148·4*f*	665·3
Greece	Drachma	1,216·5	1,003·8*c*	2,231·3*c*	3,235·1*c*	165·9
(*a*) Including Associated Powers.						
III. Other European Countries.‡						
Germany	Mark	5,158·0*b*	194,000·0*c*	3,000·0*cd*	197,000·0*cd*	3,719·3
Austria	Krone	12,471·1*e*	59,862·1*fi*	18,941·4*gnd*	78,803·5*fdi*	531·9
Hungary	Krone	8,258·5	33,805·8*f*	4,874·4*f*	38,680·2*f*	368·4
Bulgaria	Leva	900·5	4,000·0*i*	1,045·0*i*	5,045·0*i*	460·2
Czecho-Slovakia	Kc.	–	24,931·1	Gold fr. 1,060·0; $ 79·7; Liv.st. 0·3; Lira, 200·0*h*	Kc. 24,931·1; Gold fr. 1,060·0; $ 79·7; Liv.st. 0·3; Lira 200·0	—
Yugo-Slavia	Dinar	—	2,682·0	Fr. 3,189·8*d*	Dinars 2,682·0 Fr. 3,189·8*d*	—
Finland	F. Mark	173·0	1,497·4	352·0	1,849·4	969·0
Latvia	L. Rouble	—	129·1	107·9	237·0	—
Esthonia	E. Mark		30·4	287·4	317·8	—
Poland	P. Mark	- -	8,803·5	Fr. 314·0; Lira 9·9; Gulden, 17·8; Norw. kr. 14·0; £ 0·6; $ 110·7	P. Mark 8,803·5; Fr. 314·0; Lira 9·9; Gulden 17·8; Norw. kr. 14·0; £ 0·6; $ 110·7	—
Denmark	Krone	358·1*b*	671·0*c*	254·0*c*	925·0*c*	158·3
Holland	Gulden	1,161·6	2,764·1		2,764·1	138·0
Luxemburg	Franc	25·1	179·7		179·7	615·9
Norway	Krone	360·1	687·0	329·9	1,016·9	182·4
Spain	Peseta	9,562·3	11,102·3	910·8	12,013·1	25·6
Sweden	Krona	648·3	1,043·4	523·6	1,567·0	141·7
Switzerland	Franc	1,710·3	3,700·2		3,700·2	116·3
‡ Including new States.						
IV. Countries Outside Europe.						
Argentina	Peso	1,238·0	644·8	626·1	1,270·9	2·7
Brazil	Milreis, p. £	Milreis p. 726·7 £ 103·8	1,042·3	£ 103·4 Fr. 322·2	£ 177·0*m*	
China	Chinese $	-	241·7	1,644·9	1,886·6	
Japan	Yen	2,719·4	2,215·9	1,311·1	3,527·0	29·7
Peru	£P.		5·8	1·0	6·8	
Uruguay	Milreis	136·3	43·3	128·7	172·0	26·2

(*b*) March 31, 1914. (*c*) March 31, 1920. (*d*) Excluding reparation, etc., under the Peace Treaty. (*e*) Including the debt of the Reichsländer. (*f*) Only that portion of the debt of the Austro-Hungarian Empire is included which, according to the stipulations in the Peace Treaty, is regarded as payable by Austria and Hungary respectively. (*g*) June 30, 1920. At current rate of exchange. (*h*) Including reparation, etc., under the Peace Treaty. (*i*) June 30, 1920. (*k*) To this should be added about 10 milliard lei in respect of Peace Treaty stipulations, and 5 milliards incurred in connection with the withdrawal of Austrian notes. (*l*) Sterling debt, estimated at R.15=£1. (*m*) Estimated total. (*n*) Relief and other similar loans at current rates of exchange not yet fully realised.

a very short period, and are, moreover, payable in currencies less depreciated than that of the borrowing country, thus entailing on repayment a considerable loss on exchange. The tables given at the foot of the preceding page indicate the internal and external debt of the principal European and foreign countries at the end of 1919, particulars being also included of the total debt in 1913. During 1920 the position was, unfortunately, aggravated by the continuous increase in Government expenditure and the growing inability to defray outlay from current taxation. It might be remarked that the figures given for Germany exclude reparations under the Peace Treaty and under the arrangement recently arrived at in Paris. In addition to these Government debts, nationals have in many cases borrowed extensively from abroad, and holdings of foreign securities have, both through public and private channels, been disposed of on a large scale during recent years. The hugeness of the internal debt spells in itself a tremendous increase in purchasing power, but it is unhappily coincident with a decline of what might be called international purchasing power. It is this decline which it must be the aim of all export credit schemes to remedy, but the remedy will be fruitless unless national finances and national currencies are at the same time reorganised and production is restored.

The slow progress made at London in the attempt to settle the affairs of Eastern Europe leaves us little hope for any far-sighted or concerted effort being made in the matter of export credits or of enjoining on individual countries, through the League of Nations or otherwise, the necessity of curtailing Government expenditure. Budgets must be balanced as a preliminary to any effort at checking further inflation and reducing the volume of existing paper currencies. By these methods alone can the national finances be stabilised. The present deficits cannot be continued indefinitely, and some drastic action is clearly needed to secure their curtailment. The widespread depression in trade is largely the result of Governmental extravagance, and no complete recovery can be anticipated while taxation weighs so heavily on all classes in every country.

BRITISH RAILWAYS AND THE COLWYN REPORT.

CONSEQUENT on the Government guarantee of net revenue, the results of British railways do not show any material alteration, despite the very heavy increase in operating costs. Details for a number of the leading companies, on the lines of those already published in THE STATIST, are given below. Current returns provide no index, however, as to income prospects. It is impossible for the investor to form any estimate of next year's dividends, but the unsettled condition of the Home Rails market renders an analysis of the existing situation imperative.

On August 4, 1914, the Government, acting under powers conferred by the Regulation of the Forces Act, 1871, took possession of the controlled railways of Great Britain and incurred therewith the liability for "such full compensation for any loss or injury they (the companies) may have sustained by the exercise of the powers of the Secretary of State" (Section 16). On August 6 it was agreed between the Board of Trade and the Railway Executive Committee that "to ascertain the compensation payable, the aggregate net receipts of all the railways taken over during the period for which they are taken over shall be compared with a similar aggregate for a corresponding period of the previous year. The ascertained deficiency shall be the amount of compensation due. Any question as to the amount of the deficiency shall, in default of agreement, be determined by the Railway and Canal Commission," and by provision in the Ministry of Transport Act, 1919, Section (3) (1) (*a*), the Government took upon itself a statutory obligation to retain possession for a period of two years from the passing of the Act—*i.e.*, up to August 15, 1921—"on the same terms as to compensation as those heretofore in force."

The earning prospects of the railways after August next are still a matter of grave uncertainty, the seriousness of which is reflected in the slump in quotations for railway stocks during the past six months. The only definite details as to Government intentions are

		Gross Receipts	Operating Expenses	Misc. Receipts	Net Income	Rental, Deb. and other Interest	Reserve, &c.	Preference	Dividends: Preferred Ordinary £	%	Deferred Ordinary £	%	Undivided Ordinary £	%	Carry-forward £
Brecon & Merthyr	1920	£ 347,042	£ 294,110	£ 5,556	£ 58,188	£ 43,110	£ 4,000	£ 12,474	-	-		-	—	—	173
	1919	256,039	203,380	5,854	58,513	41,460	4,000	12,474				-	—	—	1,570
	1918	215,073	163,825	5,589	56,837	[41,312	4,000	12,474					—	—	991
Caledonian	1920	13,097,416	10,938,408	190,499	2,349,506	905,183	—	772,883				-	669,394	3⅝	20,864
	1919	10,221,331	8,052,115	201,915	2,370,833	903,539	—	772,883	- -	—	—	—	692,476	3⅜	18,817
	1918	7,957,030	5,784,151	193,073	2,365,951	901,862	- -	772,883	—	—	—	—	692,476	3¼	16,882
Furness ...	1920	1,633,749	1,369,868	7,655	271,536	94,859	4,000	121,195	-	—	-	—	52,840	2	4,065
	1919	1,286,689	1,025,118	14,764	276,335	94,859	7,000	121,195	-	—	—	- -	52,840	2	5,423
	1918	1,107,772	837,014	12,313	283,071	94,859	13,682	121,195	-	-	—	—	59,445	2½	4,982
Glasgow & South Western	1920	5,658,044	4,857,549	46,075	846,570	253,483	-	301,962	152,725	2½	137,452	2¼	—	—	19,722
	1919	4,238,810	3,440,972	42,965	840,803	246,952	—	301,962	152,725	2½	137,452	2¼	- -	—	18,773
	1918	3,234,067	2,452,864	44,633	825 836	237,263		301,962	152,725	2½	137,452	2¼	—	—	17,061
Great Central	1920	15,325,082	13,199,556	146,582	2,272,108	1,374,658	—	897,076	-	—	-	- -	- -	—	10,261
	1919	11,458,141	9,346,873	141,759	2,253,027	1,355,099	—	897,076	-	-		—	- -	- -	9,887
	1918	9,314,597	7,203,031	142,121	2,253,688	1,356,454	—	897,076	-	- -		-	—		9,036
Great Northern of Ireland	1920	2,906,876	2,452,760	9,747	463,863	147,195	- -	79,967					243,041	6	44,147
	1919	2,292,744	1,841,717	15,877	[466,904	151,417	-	79,967		—		-	243,041	6	50,487
	1918	1,865,488	1,413,626	21,660	473,522	139,166	- -	79,967		-		—	243,410	6	58,009
Great Western	1920	35,768,692	30,089,243	722,357	[6,401,806	2,009,504	200,000	1,494,162		—	-		2,688,461	7½	277,411
	1919	27,457,643	21,792,343	720,331	6,385,631	2,002,870	200 000	1,494,162	—	-	—	—	2,688,461	7½	267,732
	1918	22,048,757	16,194,567	546,612	6,400,802	1,999,206	200,000	1,494,077	—	—	—	—	2,688,041	7½	267,594
Hull & Barnsley	1920	1,517,727	1,110,842	3,493	410,377	223,902	18,000*	56,250	—	—	—	—	148,500	4½	16,443
	1919	1,286,308	882,056	10,230	414,482	220,340	12,000*	56,250	—	-	—	-	148,500	4½	16,717
	1918	1,090,974	[668,260	5,466	428,180	219,900	5,000	56,250	- -	—	—	—	148,500	4½	15,325
Liverpool Overhead	1920	226,416	193,752	2,684	35,376	6,755	6,128	7,931	- -	—	—	—	15,000	3	5,577
	1919	169,790	136,873	2,314	35,231	6,755	4,400	7,931	-	-	—	—	16,250	3¼	6,015
	1918	141,169	108,834	2,192	34,527	6,755	4,400	7,931	—	—	—	—	16,250	3¼	6,120
London & North Western	1920	40,309,850	34,080,449	633,898	6,863,299	1,686,088	100,000	1,845,609	- -	—	—	- -	3,218,259	7½	284,132
	1919	31,375,489	25,281,514	713,713	6,807,688	1,637,373	100,000	1,845,609	-	-			3,218,259	7½	270,790
	1918	25,040,697	19,074,358	620,282	6,586,621	1,623,270	100,000	1,845,609		-		—	3,003,708	7	264,344
London & South Western	1920	13,315,258	11,242,248	220,490	2,293,500	594,119	40,000	791,152	339,444	4	169,722	2	362,365	6	65,554
	1919	10,158,168	8,122,686	263,182	2,298,664	595,556	40,000	791,152	333,834	4	166,917	2	370,780	6	68,858
	1918	8,911,756	6,877,713	230,731	2,264,755	595,449	20,000	791,152	328,056	4	153,776	1⅞	371,542	5⅞	68,434
Maryport ...	1920	316,318	265,282	380	51,415	5,548	3,000	—	-	-		- -	42,779	5½	2,703
	1919	225,822	174,676	420	51,566	4,411	4,500	—	—	—			42,779	5½	2,615
	1918	174,315	123,936	818	51,226	4,286	4,000	—	—	—	—	- -	42,779	5½	2,739
North British	1920	14,359,562	11,983,995	63,351	2,438,918	903,833	20,000	1,078,827	287,352	3	150,011	1½	—	- -	33,675
	1919	10,661,416	8,317,451	66,405	2,410,370	872,632	20,000	1,078,827	287,352	3	150,011	1½	—	—	34,780
	1918	8,411,089	6,090,645	71,172	2,392,115	888,988	20,000	1,078,827	287,352	3	120,009	1	—	—	33,232
North London	1920	845,869	685,635	58,445	218,679	53,133	10,000	42,750	—	—	-	-	111,892	5½	14,565
	1919	680,563	515,420	54,437	219,580	52,988	10,000	42,750	—	-	—	-	111,892	5½	13,661
	1918	563,711	408,587	48,206	203,330	52,902	10,000	42,750	-	—	—	-	96,634	4¼	11,711

* Appropriation from reserve.

embodied in the White Paper Cmd. 787, which suggests that compulsory formation of seven groups of railroads for the United Kingdom, the fixing of rates and fares at such a level as to enable the companies to earn a net revenue equivalent to the combined pre-War net revenue of all the companies in the group (the State sharing any surplus profits but not losses), and the representation of labour and the trading community in the administrative councils of the railways. The grouping proposals have already met with strenuous opposition from all the companies except the North-Eastern, and Sir Eric Geddes has refused to offer an opinion as to alternative arrangements. The future of rates and fares is an even still more thorny problem. The large increase in charges made in August and September last is to remain in force for eighteen months after the expiration of the period of Government control, in order to enable the railway companies to apply to Parliament for the necessary alteration in their statutory powers. Nothing is settled as to how the deficit will be met in the interval—a deficit which may assume serious proportions if the present trade depression is to continue.

Beyond the fact that the Ministry of Transport does not enjoy the confidence of the community, there is nothing alarming in existing conditions; but the current uncertainty and the consequences it has already entailed call for an immediate and exact statement as to the legislative enactments to be introduced after the Easter recess. It is difficult to believe that the Government, whether guided by principle or expediency, would wish to subvert the rights of the proprietors of the British railways. "Debenture, Preference, Guaranteed, or Rent-charge stocks of railways in Great Britain and Ireland . . . which have for ten years next before the date of investment paid a dividend on Ordinary stocks or shares" are trustee securities. To flout the claims of stockholders would mean undermining the whole structure of British trusteeship. A further essential consideration is that the prospect of a deficit would entail continued postponement of long overdue capital emissions whose flotation would help in no small measure to relieve unemployment in our fundamental industries.

The report of Lord Colwyn's Committee, appointed to consider the nature and terms of the agreements between the Government and the railway companies, has served to increase the gloom in the railway share market, but its findings have been discredited in the business community, and it is doubtful if its proposals will find place in the coming Act. Its setting up was rather unnecessary, as, according to the agreement of August 6, 1914, the Railway and Canal Commission was appointed arbitrator in cases of dispute between the Government and the companies. The report states in the opening paragraphs that "the interpretation of agreements is normally a matter of law," and admits later that "this Committee is not competent to express legal dicta." Such a confession invalidates its conclusions, which, amounting as they do to a virtual suggestion of repudiation of the State's liabilities, would in any case possess little prospect of being affirmed by the House of Commons. Investors may rely upon the ability of the Railway Companies' Association and the stockholders' associations to make a stubborn defence of their interests. A considerable amount of Press propaganda work has already been carried out and the emphasis of grievances may tend to enlarge their importance. When reflecting on the heavy penalty which the railways have paid for their war-time association with the State, the public should not forget the various incidental advantages also obtained. They have been helped over several strike periods and a heavy trade depression, and the Chancellor of the Exchequer has agreed that the corporation tax shall not apply for three years. No other public utility undertakings have enjoyed so wide a measure of support. The appended table shows the recent heavy fall in railway share quotations and the current yields. In the light of the foregoing remarks the yield in many cases will be found attractive:—

	Amt. Outstanding £	1920 High	1920 Low	Price Jan. 30'20	Present Price	Current Yield % £ s. d.
DEBENTURE STOCKS:						
Caledonian 4% ...	11,664,420	69¾	61	64	65½	6 6 0
Cambrian 4% "A" ...	1,421,211	62¼	49	54½	57½	6 19 6
Glasgow & S.W. 4%	4,842,640	60½	60½	64	61½	6 10 0
Great Central 4½% ...	11,367,341	70¼	64½	67½	65½	6 17 5
Great Eastern 4% ...	18,542,496	70¼	60	65	60½	6 12 2
Great Northern 3% ...	15,744,138	56	47	50	48	6 5 0
Great Western 4%	15,278,943	76	65½	68	65½	6 8 0
Highland 4	1,557,840	64½	58½	59½	60½	6 12 2
Hull & Barnsley 5	1,578,947	51	45	46½xd	46	6 10 5
Lanc. & Yorks. 3% ...	20,[illegible]087	54½	46½	47	48	6 5 0
London & N.W. 3	20,022,475	57	48½	51	49	6 2 5
London & S.W. Cons. 3%	14,527,732	54½	47	49xd	48	6 5 0
London, Brighton & South Coast 4% ..	1,306,239	70	60½	62½	65½	6 8 0
Metropolitan 5	3,601,278	61	51	53½	55½	6 10 11
Midland 2½ , ,	13,005,655	46½	40½	41½xd	40	6 0 0
North Eastern 3% ...	24,210,075	54½	46½	50	48	6 5 0
South Eastern 5%	4,342,440	85½	73	77½xd	78½	6 7 5
Taff Vale 3 % ...	1,526,258	53	46	47	47	6 7 8
GUARANTEED STOCKS:						
Glasgow & S.W. 4% ...	935,450	66½	57	60½	55½	6 16 8
Great Western 5% Cons.	17,946,891	88½	75½	80½	74½	6 14 2
Lancs & Yorks Cons. 4%	2,596,012	70⅝	59	63	59½	6 14 6
London & N.W. 4% ...	15,100,406	72½	59	65	60½	6 12 2
London Brighton & S.C. 5%	1,955,860	85½	71	75½	72	6 18 10
Midland 2½%	18,089,561	45½	37	40½	37	7 0 6
North British 3% Lien	7,623,775	50½	42½	46xd	45½	6 11 10
North Eastern 4% ...	8,466,903	71¿	59	65	60½	6 12 2
PREFERENCE STOCKS:						
Caledonian 4% No. 1	3,579,935	66½	52	56½	55½	7 4 2
Furness Cons. 4% ...	1,300,750	62½	49	54½	52½	7 12 4
Great Eastern 4% ...	11,866,708	62¼	49	54	48½	8 5 0
Great Northern 1% ...	12,819,520	68	53	60	53	7 11 0
Great Western 5% ...	11,936,348	87½	69	75	69½	7 6 0
Lancs. & Yorks. 3% ...	25,490,900	52¿	40½	45	39½	7 11 11
London & N.W. Cons. 4%	23,080,620	71	57	62	57½	6 19 2
London Brighton 5% No. 1	6,190,315	81½	65	70	64	7 16 3
Metropolitan 3½% ...	3,611,558	54½	43	46½	45½	8 0 11
Midland 2½ , ...	63,990,674	43⅝	34⅜	38½	34	7 7 1
North British Cons. 4%	3,850,198	64½	50½	55½	55½	7 9 7
North Eastern 4% ...	16,295,527	69½	55½	61	55½	7 4 2
South Eastern 4½% ...	2,172,580	70	56⅝	59½xd	56	8 0 8
Taff Vale 4%	3,453,277	63½	51	55½	52½	7 12 4

ROYAL STATISTICAL SOCIETY.—The Council of the Royal Statistical Society will, in November 1921, award the Frances Wood Memorial Prize, value £30. The prize will be awarded for the best investigation of any problem dealing with the economic or social conditions of the wage-earning classes. The subject is to be chosen by the competitor and to be treated on statistical lines. Amongst those eligible to compete are all undergraduates or graduates of not more than three years' standing of universities in the United Kingdom; non-graduate students who have attended a tutorial class of the Workers' Educational Association for at least two years during the four years preceding the award; and students who have resided, and followed a course of study for at least one year, at Ruskin College, in the four years preceding the award. Those submitted, or intended to be submitted, as university exercises, and also published papers, are admissible. Essays must be sent to the Hon. Secretaries of the Royal Statistical Society, 9 Adelphi Terrace, W.C. 2, not later than July 1, 1921.

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AUSTRALIAN STATE AND COMMONWEALTH BORROWING.

From the British investor's point of view Australia has been somewhat of a storm centre in the last twelve months, and his mind has not been set at rest by recent legislation in a number of the States. Some of the Legislatures seem unmindful of the services rendered by British capital in opening up the country, and of the essential need for further supplies of it if development on any large scale is to take place. We must not, indeed, overlook the services rendered by Australia during the War, and the strain to which she submitted in order to finance War expenditure. For the five financial years 1914-19 the cost to her of the War worked out at £268,254,993, of which £45,958,072 was derived from the Consolidated Revenue and £222,296,921 from the War Loan funds. On June 30, 1919, the total public debt of the Commonwealth was £325,770,747. On the same date the gross and net indebtedness of the six States reached £396,356,149 and £384,686,437 respectively, the net total working out at £74 16*s.* 8*d.* per head of population, as compared with £62 18*s.* 11*d.* on June 30, 1914. The total debt of the individual States and the Commonwealth was £722,126,896. Particulars of the distribution of the non-Commonwealth debt in June 1919, as between the different States are set out in the table below, but in addition recent heavy borrowings in the London market have to be taken into account. In January 1920 Western Australia placed £1,500,000 Five and Three-quarter per Cent. Inscribed stock at ninety-eight, and the Victorian Government followed in July with £2,725,000 Six and Three-quarter per Cent. Inscribed stock to redeem outstanding Four per Cent. Debentures due on October 1, 1920. New South Wales came on the market no less than three times during last year, calling in February for £2,000,000 Five and Three-quarter per Cent. Debentures at ninety-eight and a-half (really a conversion loan for an equivalent amount of Four and a-Half per Cent. Debentures maturing on March 1), in June for £2,500,000 Six and a-Half per Cent. Inscribed stock at 100, and in November for £4,000,000 Inscribed stock on the same terms. Early in January of this year the Commonwealth Government made an offer at ninety-five per cent. of £5,000,000 Six per Cent. Registered stock, 1931-41, in connection with repatriation and other expenditure arising out of the War. This was the first application made by the Commonwealth since August 1918, but the individual States, as pointed out above, have borrowed more frequently, New South Wales alone being responsible in the last two years for emissions totalling £12,500,000. Fifty-seven per cent. of the January Commonwealth issue was left to the underwriters.

A further bid for the support of the British investor will probably be made soon on behalf of New South Wales, and possibly in this connection the Labour Premier is now on his way to this country. It will be difficult, however—as Mr. Theodore, the Premier of Queensland, found out—to restore confidence by mere verbal assurances, especially in view of the pending New South Wales Large Holdings Sub-Division Bill, which threatens the interests of all British land-owning companies. Legislation of this character materially affects the prospects for future loans, and as such is most damaging to the State's credit. Ability to borrow is essential to the development of all the States in the Commonwealth, and in the absence of the necessary guarantees as to the safety of his capital the British investor will not easily be moved to respond generously to further appeals.

To afford a clear idea of the present position of Australian securities in the London Stock Exchange we subjoin a table showing all the Commonwealth and State issues made during and since the War which have obtained a quotation:—

	Price of Issue	Current Middle Price	Flat Yield £ s. d.	Yield with Redemption £ s. d.
Australia (Comm. of) 6% Registered Stock, 1931–41	100	94	6 3 9	6 5 3
Australia (Comm. of) 5½% Debentures, 1920–22	100	97	5 8 3	8 8 3
Australia (Comm. of) 5½% Debentures, 1922–27	98	98½–99½	5 19 7	7 4 6
Australia (Comm. of) 5½% Registered Stock, 1920–22	100	97	5 8 3	8 8 3
Australia (Comm. of) 5½% Registered Stock, 1922–27	98	98½–99½	5 15 8	6 10 9
Queensland 4½% Bonds, 1920–25	99	86½	5 4 1	8 16 0
Queensland 4½% Inscribed Stock, 1920–25	99½	89	5 1 2	7 18 5
Queensland 6% Inscribed Stock, 1930–40	98½	97	6 3 9	6 5 6
South Australia 5% Bonds, 1921–23	99	96	5 4 2	7 4 9
South Australia 5½% Bonds, 1922–27	97	92	5 19 7	7 4 6
South Australia 5% Registered Stock, 1921–23	99	96	5 4 2	7 4 9
South Australia 5½% Registered Stock, 1922–27	97	94	5 17 0	6 15 3
New South Wales 4½% Inscribed Stock, 1922–27	99½	86	5 4 8	7 12 3
New South Wales 5% Inscribed Stock, 1921–23	99	95	5 5 3	7 16 7
New South Wales 5½% Inscribed Stock, 1920–22	100	97	5 8 3	8 8 3
New South Wales 5½% Inscribed Stock, 1922–27	98	92	5 19 7	7 4 6
New South Wales 5½% Inscribed Stock, 1924–54	98	94	5 17 0	6 3 9
New South Wales 5½% Inscribed Stock, 1925–55	99½	95	6 1 0	6 6 0
New South Wales 5½% Inscribed Stock, 1922–32	Conv.	94	6 2 4	6 10 9
New South Wales 6½% Inscribed Stock, 1930–40	100	99½	6 10 0	6 10 11
Victoria 4½% Consolidated Inscribed Stock, 1920–25	100	88	5 2 4	8 5 4
Victoria 5½% Consolidated Inscribed Stock, 1924–54	100	95	5 18 5	6 6 3
Victoria 6% Consolidated Inscribed Stock, 1923–25	Conv.	101	6 5 9	5 19 3
Western Australia 5½% Consolidated Inscribed Stock, 1930–40	98	97	5 18 6	6 0 5

It will be noticed that in all cases except one the loans are quoted below the issue price. Particular interest attaches to the quotations for the loans floated by New South Wales, which were issued at prices varying from 98 to 100, and bore interest at rates varying from 4½ to 6½ per cent. Of current middle prices the lowest is 86 for the 4½ per cent. Inscribed Stock, 1922-27, which was issued at 99½, and the highest 99½ for the 6½ per cent. Inscribed Stock 1930-40, issued at par.

In view of the discount at which most of the various stocks above referred to are now quoted, and of the danger of losing that trustee character which had so much to do with their former popularity, it would perhaps be advisable to restore the agreement that operated during almost the entire period of the War between the State and Central Governments in Australia. Under this arrangement the Commonwealth Government was to be the sole borrower in the London market, and the individual States were to desist from borrowing activities on this side. The flat yield and the yield with redemption obtained from investing in the different stocks at current prices are set out in the above table. It will be seen that Queensland stock affords the highest yield, presumably because the suspicion of investors has been aroused by recent events.

Public Debt of the Several States of the Commowealth on June 30, 1919.

State	Floated in London £	Floated in Australia £	Gross Indebtedness £	Accrued Sinking Fund £	Net Indebtedness £	Gross Indebtedness per Head of Population £ s. d.	Net Indebtedness per Head of Population £ s. d.
New South Wales	98,989,891	48,184,645	147,174,536	388,259	146,786,277	74 19 6	74 15 3
Victoria	43,400,300	38,631,629	82,031,929	2,600,778	79,431,151	55 18 3	54 2 8
Queensland	51,855,647	13,725,474	65,581,121	385,540	65,195,581	92 0 0	91 9 2
South Australia	23,034,057	19,616,149	42,650,206	1,509,930	41,140,276	93 10 10	90 4 7
Western Australia	31,008,858	12,628,218	43,637,076	6,13 ,008	37,438,068	135 0 2	116 0 10
Tasmania	9,911,250	5,370,031	15,281,281	646,197	14,635,084	72 9 3	69 8 6
Total	258,200,003	138,156,146	396,356,149	11,669,712	384,686,437	77 2 1	74 16 5

INDUSTRY AND TRADE OF NORTHERN IRELAND.

UNDER the Government of Ireland Act that part of Ireland where manufacturing industry is most highly localised and developed forms a separate unit for administrative and legislative purposes. This unit, defined as "Northern Ireland," embraces the Parliamentary counties of Antrim, Armagh, Down, Fermanagh, Londonderry, and Tyrone, and the Parliamentary boroughs of Belfast and Londonderry. Particulars taken from the volume of agricultural statistics for 1916 assist towards a broad definition of this region in its relation to the remainder of Ireland, and the comparative results can be tabulated as follows:—

	Northern Ireland	Southern Ireland	North as Percentage of all Ireland
Area (acres)	3,351,970	17,019,155	16
Population (1911) ...	1,250,531	3,139,688	28
Rateable Valuation (1916)	4,805,118	11,321,370	30

Covering but sixteen per cent. of the area of the entire country, Northern Ireland contains twenty-eight per cent. of its inhabitants, and its valuation reaches a still higher percentage—thirty. These figures are illustrative of a region where highly organised industries have made great progress, where occupation is consequently given to large numbers of people, and where the accumulation of wealth is rapid. While business men cannot be deprived of a large share of credit for this advancement, it must also be remembered that the sound foundation laid down by the energetic agricultural interests was of inestimable value. When bitter agrarian disputes were rife between landlord and tenant in other parts of Ireland towards the end of the last century the Ulster farmer in comparison suffered but little disquietude. The existence of the "Ulster tenant right" gave him a certain security which was unfortunately lacking elsewhere, and, as evidenced by the high level agriculture has reached in the province, he was not slow to take advantage of the fact. Further assisted by the Land Purchase Acts, of which they were quick to avail, many Ulster farmers agreed to purchase their holdings, and the terms of the repayment of the advance provided by the State—at the rates of three and a-quarter per cent. and three and a-half per cent., including interest and sinking fund, under the 1903 and 1909 Acts respectively—constitute in these days of high interest rates no grievous handicap. Of some significance in the future political history of Northern Ireland is the presence of a contented farming community which probably numbers between farmers and labourers, male and female, about 220,000. It is capable of serving as a useful counterpoise to elements in the large towns which may in the future conceivably absorb extremist ideas, and will permit the Government to devote its attention to the more pressing problems connected with industry and trade. According to 1916 returns, 79,578 holdings in the "six counties" are described as owned by their occupiers, while 48,772 are recorded as tenanted. The manner of division of the land is indicated in the following table:—

Division of Land in Northern Ireland.
Number of Holdings in each County.

	Not Exceeding 1 Acre	Above 1 and Not Exceeding 5 Acres	Above 5 and Not Exceeding 15 Acres	Above 15 and Not Exceeding 30 Acres	Above 30 and Not Exceeding 50 Acres	Above 50 and Not Exceeding 100 Acres	Above 100 Acres
Antrim ...	5,525	1,696	4,515	5,297	3,488	2,532	856
Armagh ...	2,235	2,962	7,320	4,164	1,510	635	156
Down ...	8,951	3,023	7,272	5,705	3,150	1,967	510
Fermanagh ...	1,312	796	2,646	3,551	2,172	1,380	501
Londonderry ...	2,236	1,168	4,141	3,794	2,193	1,566	709
Tyrone ...	3,548	1,991	6,696	7,126	3,883	2,628	853
Totals ...	23,807	11,636	32,590	29,637	16,396	10,708	3,576

It will be seen that of the total number of holdings —128,350—89,331, or seventy per cent., are between five and one hundred acres. Within these limits are many farms which, owing to their convenient size, lend themselves easily to a system of intensive cultivation. The agricultural production of Northern Ireland in 1916 and the number of live-stock in 1918, together with the proportions these represent of all Ireland, are shown below:

Crop Produce in 1916 and Number of Live-stock in 1918

	Northern Ireland	Southern Ireland	Production, &c., of Northern Ireland as Percentage of all Ireland
1916.			
Wheat (cwt.)	193,139	1,321,343	12
Oats ,, ...	4,933,654	12,881,694	27
Beans ,, ...	16,241	8,593	65
Potatoes (tons)	715,899	1,717,447	29
Hay ,, ...	912,788	4,412,644	17
Flax (stones of 14 lb.)	1,872,968	415,084	81
1918.			
Horses (No.)	131,435	487,372	21
Cattle ,, ...	770,129	4,093,153	15
Sheep ,, ...	409,087	3,218,091	11
Pigs ,, ...	115,305	859,080	11

It is, however, in the department of manufacturing industry that Northern Ireland is best known. Her pre-eminence in this respect is a little difficult to understand considering that the home supplies of coal and iron are on the meagre side, although the exploitation of the Coalisland district may help to redress the balance so far as the farmer is concerned. Proximity to Southern Scotland and Northern England carries with it great advantages for the importation of these materials, and the conjuncture of a favourable geographical position, skilful technique, and an enterprising spirit will go far to secure the continuance of industrial prosperity. Most of the six counties are connected with some branch or other of the linen industry; but, though Belfast is the headquarters of the shipbuilding industry, flourishing yards are found in Londonderry and other parts. The excellent quality of the flax grown in the neighbourhood contributes not a little to the fine quality of the linen products, but in normal times well over eighty per cent. of the flax used was imported. The number of spinning spindles in Ireland in 1919 was returned at 955,171, and of power-looms at 37,601. Most conspicuous amongst the other industries of Northern Ireland are engineering, ropemaking, tobacco manufacture, distilling, cotton printing and dyeing, and the making-up trades. Cotton piece-goods are received from Manchester for bleaching, printing, and finishing; the ability to execute these processes is responsible for a trade of large dimensions. The output of the woollen industry is continually increasing, and an export trade is springing up. From the suitability of the water available Belfast mineral-waters derive a considerable share of their popularity. The volume of the more important items in the export trade done from Belfast and other Irish ports is shown below, together with particulars of the value of all-Ireland exports:—

Exports from Some Irish Ports during 1919

	Belfast	Cork	Dublin	Total for Ireland Quantity	Total for Ireland Value £
Steam vessels (tons) ...	-				10,600,000
Flax, tons	1,705			1,765	511,850
Linen yarn (lb. ...	13,550,544		1,120	14,272,608	3,151,868
Linen goods (cwt.) ...	588,446	2	5,007	600,162	31,805,586
Cotton yarn (lb.) ...	516,208	-	84,112	641,112	134,190
Cotton goods (cwt.) ...	155,666	10	3,211	228,750	11,006,100
Woollen goods (cwt.) ...	14,981	4,904	15,786	48,452	2,272,399
Rope, cordage and twine (cwt.)	223,526	499	542	225,567	1,171,160
Tobacco, manufactured (lb.)	8,136,649	17,110	170,979	8,470,916	1,719,270
Home-made spirits, potable (whiskey, &c.) proof gals.				7,029,121 (1920)	9,496,000 (1920)
Home-made spirits, non-potable, proof gals. ...	-			1,518,041	2,275,000
Aerated and mineral waters (cwt.) ...	116,866	166	18,864	136,461	206,500

(a) Ex-bonded stocks.

LONDON AND RIVER PLATE BANK.—We are informed by the London and River Plate Bank, Limited, that a branch of the Bank was opened at Antofagasta, Chili, on the 22nd instant.

THE CANAL ZONE.

ACCOMPLISHMENTS AND POTENTIALITIES.

We have before us the results of the working of the Panama Canal during the first four years of its existence, some figures for 1919, and some further figures which bring our information to the end of June of last year. This information has been supplemented from private and official sources, and enables us to make a fairly accurate calculation of what the Canal has been actually able to achieve up to the end of 1920.

It will be remembered that the Panama Canal was opened actually in August 1914, that is to say, almost exactly at the beginning of the great European War. Consequently, the first four years of its working was an abnormal period in a quite exceptional degree. A war was in progress which has been extravagantly described as the greatest war in history. The great wars in which the ancient civilisations of the world disappeared were, however, far greater. The war which ended in the total disappearance of the Roman Empire, the wars which split up Christendom from being one composite entity working for a common end into a hundred warring fragments which hated one another more cordially than the common enemy, and the wars at the end of the eighteenth and the beginning of the nineteenth centuries which ushered in the various modern sects of democracy, were far greater and more lasting in their influence. The recent war, inasmuch as it has settled nothing on any subject, not even fixed the boundaries of any particular country, cannot be described as a conclusive war in any sense. Consequently, it is not what a great historian once described as one of the decisive battles of history. Nevertheless, the War was a terrible affair, in which between ten and twelve hundred millions of people were arrayed against the German Government. That is to say, three-quarters of the estimated human population of the world were directly or indirectly engaged in arms. Trade, therefore, and the development of peaceful avocations of every kind had to be neglected to an extent that has not been witnessed in the lifetime of any person now living. As a consequence, the working of the Panama Canal during the years of the War was carried on under wholly abnormal conditions. Since the Armistice of November 1918 it may be claimed, in a sense, that the Canal has been in a position to operate under normal conditions and to show us its real potentialities. We differ, however, altogether from that view. In the first place, there was little or nothing to carry. When the War came to an end there was a shortage of everything, and there is still an effective shortage of everything. Either there is nothing to be obtained, or what is obtainable is offered at such extravagant prices that no one is able to afford. The world at present is very much in the position of a body of hungry men walking through an arcade composed of jewellers' shops. There is very little effective demand for the goods offering; and apparently the world which provides food, raw materials, and manufactures has not yet seen its way to adapt its working conditions to provide us with an ample supply of either food, raw materials or manufactures upon such an economic basis as we can afford to consume them. Consequently, we submit that the real capacity of the Panama Canal as one of the world's trade routes has never yet been tested from the commercial or economic point of view. Nevertheless, the Canal has accomplished a really great work. It has connected, and admits of ships passing from, the Atlantic to the Pacific in a period of, roughly, about ten hours. The time varies, of course, largely according to the conditions of working in the Canal at the time any particular ship is passing through. The Prince of Wales' ship, during his recent tour, took some thirteen hours to go through. Recently, owing to trouble in the Gaillard Cut, a vessel took over twenty hours going through. But, speaking generally, it is possible for a ship to run through from the Atlantic Ocean to the Pacific in between ten and twelve hours. Consequently, the theory which has existed ever since the time of the Emperor Charles the Fifth, that it was practicable to cut a ship canal through the Isthmus of Panama, has been amply demonstrated, and great ocean-going vessels now run through in the short space of time specified. Those who desire to see the Canal can travel along from Cristobal (Colon) to Balboa on the Pacific in about an hour and a-half, and await the arrival of the steamer. The Canal is a great enterprise, and has proved itself a great success. It is about half the length of the Suez Canal, but it is more than twice as broad, and nearly fifteen feet deeper. In spite of the abnormal conditions under which the Canal has been working during the six and a-half years of its existence, it is satisfactory to note that British shipping holds the leading place in its passage through the Canal. This being so, under the exceedingly difficult conditions under which British shipping has been carried on during the whole period of the Canal's existence, there is every reason to hope that British shipping will once more resume the position which it occupied in the pre-War period.

As space is limited we will now briefly consider the potentialities of the Canal. Directly and indirectly the Canal promises to be one of the world's great waterways. The Canal itself, as the size of the ships increases, will probably require to be deepened, as has been the experience of the Suez Canal. As we have just said, the breadth of the Panama Canal is more than double that of the Canal at Suez. It is, however, only about half the length, and the depth, as we have said, is some fifteen feet greater. The construction of the Suez Canal, connecting the Mediterranean with the Red Sea, was a comparatively easy proposition. The construction of the Panama Canal, owing to the fact that it had to be cut through country that rises and falls to a very great extent, was a far different proposition, and the cost was correspondingly great. There is, perhaps, an even greater difference in the type of country through which these two great waterways respectively pass. The Suez Canal is built through an arid desert, and however its neighbourhood may be developed, its agricultural potentialities are necessarily limited to the amount of water which can be derived from the Nile. Experience has shown at Suez that the principal development has been of an agricultural nature so far as purely local interests are concerned. The primary object of both canals is to develop the international trade of the world and to develop the world's transportation facilities. So far, however, as local interests are concerned, it has been found possible at Suez to develop some eight million acres. Now, at Panama the possibilities of development are enormously greater. The Canal passes through a region which is subject to a rainfall at various seasons varying between 60 and 130 inches. Consequently, from an agricultural point of view, it passes through a region which potentially is naturally one of the most fertile in the world. There are, however, very serious drawbacks at Panama which have never been experienced at Suez. The primary reason why the Panama enterprise under the celebrated Ferdinand de Lesseps came to grief was the terrible mortality experienced amongst the workers on the Canal. The result was that it was found impracticable to build the Canal as a purely commercial enterprise. That is to say, it was not possible for a company to raise sufficient money to build a canal connecting the Atlantic and the Pacific Oceans. At Suez, as the reader knows, the Canal was built by a Company, and that Company has been able to pay very handsome dividends from quite an early period in its existence. Through the careful study of various medical officers of health, both American and European, the actual Canal Zone itself has now been made practically healthy. That is to say, whereas yellow fever raged on what is now the Canal Zone in the pre-Canal period, in the post-Canal period

that area has been completely relieved from this terrible and dangerous disease. In dealing with malaria the Canal Zone officials have been far less successful. This is owing to the fact that medical officers of health, in dealing with malarial fevers, must have control of an enormous area as compared with what is necessary in dealing with yellow fever. Yellow fever, apparently, is bred exclusively by the mosquito, which lives in shallow-water receptacles adjacent, or near, to habitations; whereas the germs of malaria appear to be carried from immense distances. The latest information we have before us on the subject of health conditions at the Canal Zone was in the early part of last year, and several cases of malaria were reported at the period to which we refer, according to official information furnished by the authorities at Balboa Heights. Consequently, it seems evident that as time goes on it will be necessary for the Canal Zone authorities to obtain greater power over neighbouring districts than they at present possess. It is notorious that the two American towns at the Atlantic and Pacific sides of the Zone respectively are far more healthy and in a far more sanitary condition than is the case with the two adjacent and much older cities. Moreover, the conditions in the Republic of Panama itself, as distinct from those prevailing within the Canal Zone, leave a very great deal to be desired.

The Republic of Panama, as the reader is aware, is in area a little bigger than the whole of Ireland. It has altogether a population of only about 400,000 people. With such a relatively extensive area and such an exceedingly small population, in a tropical country subject to torrential rainfalls at various seasons of the year swamps are created, which in themselves afford facilities for the breeding of disease. Consequently, it will be necessary in some form or other, not necessarily Governmental, for the Canal authorities to make it possible for the Republic of Panama to improve the health conditions prevailing in the neighbouring Republic, of which, territorially, the Canal Zone forms part. The object might be attained merely by the American Government making certain advances of a monetary character to the Republic of Panama. Or, of course, the object might be attained in some other way. Whatever actual arrangement is arrived at between the Government of Panama and the authorities of the Canal Zone is comparatively a matter of trifling importance, provided that the health conditions of the territory adjacent to the Canal are raised to the level which has already been attained within the Canal Zone itself. Assuming this object is attained, the development both of the Canal Zone and of the adjacent territories should be comparatively rapid, and out of all proportion greater than anything which has been possible at Suez. Apparently the territory of the Canal Zone proper will be largely devoted in the near future to what we may call for convenience town occupations. But there is enormous scope over an appreciable part of the Zone territory, and still greater in adjacent territories, for the development of agriculture upon a great scale. As things are at present the Canal is almost wholly provisioned, and obtains its supplies, from the United States of America, of which, for practical purposes, the Canal Zone forms part. It may at once be admitted that the terms on which not merely the employees of the Canal, but residents and visitors, can obtain supplies are exceedingly favourable, and the supplies themselves leave nothing to be desired. Nevertheless, it would manifestly be an advantage if the Canal authorities were able to obtain a large proportion of their actual provisions from local sources.

Prices and Wages in India. Issued by the Department of Statistics, India, by Order of the Governor-General in Council. (Calcutta: Superintendent Government Printing.) Price 3*s*.

UNEMPLOYMENT AND WAGES IN JANUARY.

Detailed particulars are now available from the Ministry of Labour as to the course of unemployment during January. As was to be expected, there were large increases both in the number of workpeople unemployed and in the number working short time. In a few industries, including pottery, brick, and cement manufacture, and shale mining, employment continued good, and it was fairly good in the building trades. In most of the other industries, however, it was slack, and the tinplate, textile, clothing, boot and shoe, furnishing and leather trades were especially depressed. The percentage unemployed among members of trade unions (mainly of skilled workpeople) from which returns are received rose from 6.0 at the end of December to 6.9 at the end of January, and the percentage unemployed among the 12,000,000 workpeople insured under the Unemployment Insurance Act rose from 5.8 to 8.2 in the same period. In addition, 254,000 males and 383,000 females were registered as working systematic short time, at the end of January, to such an extent as to entitle them to benefit under the Unemployment Insurance Act or the Out-of-Work Donation scheme. The number of workpeople registered at the Employment Exchanges as unemployed at January 28 was approximately 1,065,000, of whom 685,000 were men, 278,000 were women, and the remainder were boys and girls. At the end of December the corresponding number was 757,000, of whom 508,000 were men and 188,000 were women.

The total number of trade disputes, involving stoppages of work, reported to the Department as beginning in January was forty-four. In addition, forty-nine disputes which began before January were still in progress at the beginning of that month. The total number of workpeople involved in all disputes in progress in January was about 23,000, as compared with 72,000 in the previous month and 119,000 in January 1920. Of these 23,000 workpeople, approximately 10,000 were ship joiners, who had been on strike since December 1, 1920, against a proposed reduction in wages. The estimated aggregate duration of all disputes during the month was about 408,000 working days, as compared with 429,000 days in December 1920 and 1,793,000 days in January 1920.

In the industries for which statistics are available changes in rates of wages reported to the Department as having been arranged to come into operation in January affected over 2,100,000 workpeople, of whom nearly 700,000 received a net increase, amounting to over £54,000, in their weekly wages, and 1,450,000 sustained a net decrease amounting to about £168,000 per week. The latter figures include coal miners, who received an increase and also sustained a decrease during the month, the wages of men eighteen years of age and over being increased by 1*s*. 6*d*. a day or shift in the early part of the month, and reduced at the end of the month by 2*s*. a day or shift. Other bodies of workpeople whose rates of wages were reduced included woollen and worsted operatives in Yorkshire, iron and steel workers in the North of England and West of Scotland, and blast-furnace workers in North Staffordshire. Railwaymen received an increase of 1*s*. per week under the operation of their "cost of living" sliding scale, and there were slight increases in the wages of workpeople in the bleaching, dyeing, &c., trades in Lancashire and Yorkshire, and increases varying from 2*s*. 6*d*. to 4*s*. per week in the wages of adult workpeople in the heavy chemical and soap and candle trades.

At February 1 the average level of retail prices of all the commodities taken into account in the statistics prepared by the Ministry of Labour (including food, rent, clothing, fuel and light, and miscellaneous items) was 151 per cent. above that of July 1914, as compared with 165 per cent. at January 1. The decrease during

the month was mainly due to reductions in the prices of food and clothing. The statistics are designed to indicate the average increase in the cost of maintaining unchanged the average pre-War standard of living of the working classes. Accordingly, in making the calculations, the changes in the prices of the various items included are combined in proportions corresponding with the relative importance of those items in pre-War working-class expenditure, no allowance being made for any changes in the standard of living.

BRITISH AND AMERICAN COAL EXPORTS.

Coal exports from the United Kingdom in 1920 reached a total of 24,931,853 tons, a decrease of 10,317,715 tons as compared with 1919, and of 48,468,265 tons on 1913. Coal shipped for the use of steamers engaged in the foreign trade at 13,840,360 tons showed an increase on the 1919 figure, 12,004,812 tons, though still far below that for 1913, 21,023,693 tons. Last year the domestic coal shipped overseas from the United States, taking account only of bituminous coal, was 20,452,859 tons, a record export compared with shipments of previous years. In December alone the returns of the Department of Commerce showed shipments totalling 1,304,196 tons valued at $13,593,719; in addition, there were shipped to Canada during the month 1,332,258 tons valued at $8,693,890, and to Mexico 46,261 tons valued at $437,043, making the total exports for the month 2,682,715 tons valued at $22,724,724. The latter figure in the case of overseas exports includes freight to the point where shipments left the country, and also various loading charges and incidental expenses. The average price of coal shipped overseas in December was estimated at $10.42, which at the average rate on London ruling in that month was approximately £3 per ton. The United States Department of Commerce widely advertise the fact that American coal exporters are making heavy inroads into coal markets formerly supplied from Great Britain, and in driving home the point they draw attention to the continuous increase in American coal exports in recent years, and to the equally continuous decline in the figures for Great Britain. To regain the ground which we have lost it is necessary to reduce the cost of production, but unfortunately at the moment any movement that takes place is likely to be in the opposite direction. The various items in costs in each of the first three-quarters of 1920 are set out in the following table:—

	Quarter ended—					
	March 31—		—June 30—		—September 30—	
	£	Per Ton	£	Per Ton	£	Per Ton
Wages ...	63,220,756	22 8·50	66,570,490	25 5 72	69,908,316	26 7·06
Stores and timber	12,758,171	4/6 99	15,638,605	5 2 63	14,563, 12	5 5·64
Salaries, management and general expenses ...	4,569,566	1 7 70	6,250,094	2 4 70	6,689,001	2 6·15
Royalties ..	1,747,653	0/7·53	1,662,763	0/7·64	1,690,734	0/7·62
Total costs ...	£82,296,146	29/7·72	£88,121,952	33 8·69	£92,852,163	34 10·47

In the three quarters the tonnage disposed of commercially was, following the chronological order, 55,680,878 tons, 52,260,732 tons, and 53,252,648 tons, including in each case coal shipped for export and foreign bunkers. In the last quarter, as compared with the first, there was a decline of 2,428,230 tons, but in the same period wages advanced by over £6½ million, from £63,220,756 in the March quarter to £69,908,316 in the September quarter, an increase of 3*s*. 6.56*d*. per ton. Wages in the last quarter were equivalent to seventy-five per cent. of the total cost of production. The obvious method of reducing costs is, therefore, to economise in wages; but an alternative is to increase output. This means, however, the provision of machinery and the sinking of much additional capital in colliery enterprises, and where coal is concerned capital displays a pardonable hesitancy.

The pool system weighs heavily on the more efficient collieries, and should be abandoned as a first step towards securing reduced costs of production. Of the ten districts into which coalfields are officially divided for inspection purposes only four show a credit in working, the remaining six displaying a loss. In the adjoining table we set out the financial results for the various districts in the quarter ended September 30 last:—

	—Net Costs—		—Proceeds—		Credit or Debit—
	£	Per Ton	£	Per Ton	
S. Wales and Monmouth ...	23,810,273	43 10 06	30,121,974	55/5·51	+6,311,701
Durham ...	12,548,877	33/11 26	15,163,042	41 0 10	+2,614,165
Yorkshire ...	12,375,392	28/11·70	14,178,844	33/2·37	+1,803,452
Northumberland ...	4,718,666	35/11·59	6,328,252	4-/2·81	+1,609,586
Staffs, Shropshire and Warwick	6,502,430	32 4·75	6,455,042	32/1·91	— 47,388
Scotland	11,735,534	35 5·53	11,602,077	35/0·69	— 133,457
Cumberland and Westmorland	913,848	41 2·03	695,074	33/7·14	— 218,774
Lancashire and N. Wales	9,143,928	37 2 18	8,283,336	33/8·46	— 860,592
Derby, Notts and Leicester	9,415,497	26/4·24	11,283,733	31/6·98	—1,868,236
Other English Counties	1,306,144	56 2·98	1,302,433	36/1·64	— 4,001

Credits are shown in the coal-exporting areas where a high average price per ton is secured for the product; *e.g.*, South Wales, 55*s*. 5.51*d*. per ton, Northumberland 48*s*. 2.81*d*. per ton, Durham 41*s*. 0.10*d*. per ton. The minimum of 31*s*. 6.98*d*. per ton was reached in the cases of Derby, Nottingham, and Leicester, and the maximum for the areas working at a loss was 36*s*. 1.64*d*. per ton reached by "other English counties." Most of the credits above shown have now been converted into debits and the financial obligations of the Government under the Coal Mines Emergency Act threaten to become serious. The profits pool is rapidly dwindling, and this decline must be attributed to the falling off in the export trade. In January only 1,700,106 tons were exported, as compared with 3,358,572 tons in the corresponding month last year, and the aggregate f.o.b. value was only £5,555,708, as compared with £11,542,137. The home demand for industrial purposes has also fallen off, and for obvious reasons. To increase output before demand revives would only aggravate the seriousness of the present position, and the only way left to reduce costs of production is by curtailing wages. The Coal Miners' Federation as a body is opposed to such a scheme in the absence of similar arrangements with regard to profits; but they are willing to reject the old system of the general regulation of wages by flat rate advances or reductions, and to incorporate the district percentages in a new standard, with the war wage and the Sankey wage in addition thereto. As we pointed out last week, the various wage advances granted under the Government *régime* were made irrespective of districts or of quality or value of coal produced, and on the restoration of freedom the poorer areas found it an economic impossibility to retain the same wages as the more favoured. The second table above given clearly proves this contention, but to prevent unemployment the miners wish to continue the pool system. This, however, would place an intolerable burden on the more efficient pro-

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ducers, and would, moreover, be penalising the community in the shape of increased price cost for coal, an effect that would also hamper the restoration of the export trade.

CHINESE GOVERNMENT RAILWAYS.

THE results of the working of the Chinese Government railways in 1919 are now available. The number of kilometres of Government railway in operation is 6,410; the provincial and private railways subject to the control of the Ministry of Communications comprise 773 kilometres, and the concessioned railways in South Manchuria, Shantung, Yunnan, and elsewhere 3,780 kilometres, making a grand total of 10,963 kilometres, or 6,813 miles. The railway system now in operation is for the most part located north of the Yangtse River. The Shanghai-Nanking, the Hupeh-Hunan, and one other line extend the system into Southern China. Further extensions are contemplated in the latter area, and the room for developments is great, since, if we exclude from consideration the dependencies of Mongolia, Turkestan and Tibet, China has approximately 276 square miles of territory and 54,000 population for each kilometre of railway, as compared with forty square miles and 8,600 population in India, and twelve square miles and 3,800 population per mile of railway in the United States.

The State-owned railways are one of the principal sources of revenue of the Chinese Government, and the increase in net operating revenue in 1919 is not only a satisfactory feature for them, but one of interest to holders of Chinese securities. In the following table the aggregate working results for the various lines in the latest two years covered by the returns are shown:—

	1919	1918	Increase(+) or Decrease(—)
	$	$	$
Operating Revenues	83,047,390	77,652,153	+ 5,395,237
Operating Expenses	38,440,541	34,322,615	+ 4,117,926
Net Operating Revenues ..	44,606,849	43,329,538	+1,277,311
Income Debits	10,348,121	11,033,562	685,441
Income Credits	2,219,553	1,209,144	+ 1,010,409
Net Income Debits	8,128,568	9,824,418	+ 1,695,850
Surplus for the Year	36,478,281	—	
Less Hupeh-Hunan	28,889	—	
True Surplus	36,449,392	33,505,120	+ 2,944,272

It is noticeable that the increase in revenue is less than one-half that shown in 1918, but the railway income in the latter year was credited with a considerable volume of receipts which normally would have fallen to the year 1917. Despite this, there seems to be a perceptible slackening in the rate of increase, and this undesirable result is due to the closing down of some of the lines, such as the Changchow Amoy, to all but military traffic. A decline is noticeable in passenger traffic, and this was due to the fact that under a new order depreciated banknotes were not accepted in payment of fares. This resolution was, in effect, tantamount to raising fares by about fifty per cent., and the slightness of the falling-off that occurred is, therefore, not a matter for surprise, but rather for congratulation.

The number of persons in the employment of the various railways, as shown by the pay rolls for the month of December, was 73,651, an increase of 15.5 per cent. compared with the previous year. The Government's equity in the ownership of the combined railway properties is $174,843,456, and the total non-Government equity, comprising shares, mortgage bonds, and other secured indebtedness, is $336,505,513. For the most part the lines not showing a profit over interest upon Government investment are short lines, many of which are new or without connections. The line mileage owned and that operated have become quite distinct owing to the development of joint traffic, interline leases, and operating agreements.

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Financial Notes.

The Indian Currency Problem.

IN the light of subsequent developments, it is apparent that a gross miscalculation was made when the Indian Currency and Exchange Committee recommended last February the stabilising of the rupee at 2*s.* (gold), a recommendation that was given legislative sanction on September last. The chief reason which led to this step was the continued rise in the price of silver during the War, and especially after the Armistice up to February of last year, making the bullion content of the rupee worth more than the nominal sterling equivalent of the coin, and rendering its maintenance at the old parity of 1*s.* 4*d.* impossible of achievement. At that time, it must be admitted, there was some justification for the raising of the nominal value of the rupee above its intrinsic value, as the future course of silver prices was a matter of the greatest uncertainty; but even then, if the alternative of lowering the fineness of the coined rupee were adopted, an alternative which we favoured at the time, much needless expense to the Indian taxpayer would have been spared, and, if necessary, the fineness of the rupee could again be raised to the old standard when the price of silver had receded sufficiently far to allow of this step. But whatever justification the Currency Committee may have had for their recommendation, the sharp fall in the price of silver after February took away any excuse for the action of the Legislative Council at Simla on September 8, 1920, in giving legal effect to the recommendation. Of course, this action had practically no effect on the trade of India, or even on the level of rupee exchange, for the Government very soon abandoned their fruitless efforts to raise artificially the value of the rupee to the adopted parity of 2*s.* (gold), and this legislation now remains a dead letter. A very pertinent point, however, is that the revaluation of the sterling and gold portion of the paper currency reserve, as recommended by the Committee, and the selling of reverse drafts at rates higher than those ruling in open market, cost the taxpayer about thirty-five crores of rupees, an expense which is now utterly useless. Besides this, it must be noted that when, a few months ago, the Government discontinued their efforts to support exchange by selling reverse drafts, the value of the rupee dropped precipitately. So violent has been the fall [illegible] merchants in Karachi, Bombay, and Bengal [illegible] forward contracts are now faced with the prospect of bearing heavy losses in order to fulfil their engagements. It has been suggested that the Government should come to the support of those [illegible] exchange at the rate ruling at the time the contracts were made; but, while there is little justification for making the taxpayer bear the loss [illegible] never specifically pledged itself to maintain [illegible] to the sovereign rate, yet the fact that the Government implicitly aimed at this rate [illegible] their traditional control of Indian exchange [illegible] market value to the rupee higher than the [illegible] of supply and demand alone would create. What is

not for the Government's attitude, open-market rates for the rupee would undoubtedly have moved less violently, and accordingly the Government are in a measure indirectly responsible for the sharpness of the decline during the past few months, and consequently for the hardship to the aforementioned merchants. This hardship cannot now be remedied, but the same does not hold true of the loss of thirty-five crores of rupees to the Indian taxpayer. A great part, if not all, of this can be recovered if the old parity of 1*s.* 4*d.* is reverted to and the paper currency reserve revalued on this basis; while, were an attempt now made to keep the rupee at the old level, success would mean an incalculable benefit to trade between this country and India. Yesterday's rupee rate was 1*s.* $3\frac{3}{8}$*d.*; taking yesterday's New York cable rate as the basis for the sterling value of gold, the sterling equivalent of the rupee at the new parity was a little over 2*s.* 6*d.* Accordingly the rupee was nominally at a discount of nearly fifty per cent. In face of this divergence, and especially considering the position of the Silver market and the state of India's trade, the futility of any attempts to make the new parity effective is obvious.

Economic Development of Chosen,

The addition of Chosen, more familiar to some under its modern name, Korea, to the Japanese Empire in August 1910, passed almost unnoticed in Europe, as the economic importance of the country had not been adequately realised. Sources of information were indeed few, and scarcely reliable, but enlightenment is now forthcoming in the form of a well-timed publication by the Bank of Chosen, in commemoration of its decennium, entitled the "Economic History of Chosen." After a preliminary geographical and climatic survey, the races and languages are dealt with, and a short summary given of Korean history. Subsequent chapters treat of the natural resources in the shape of mining, forestry, fishing and agriculture. The growth of commerce and trade, and with them of manufacturing industries, is analysed. Some highly interesting chapters are devoted to the budgetary system, the establishment of a National Treasury, the change in the methods of taxation, and the reform of the currency. In pursuance of the last-named object the Bank of Korea had been set up in 1909, and its name was altered on the Japanese annexation to the Bank of Chosen. Under the provisions of the new Act the Bank of Chosen was regarded as having been established on the same day as the Bank of Korea, so as to ensure the continuance of all contractual and other obligations. The Bank engages in the discounting and collection of bills of exchange and other commercial bills, in receiving deposits, and making loans and advances, and in buying and selling bullion and exchanging coins. Latterly its sphere of activity has been considerably widened, and business has been particularly developed in Manchuria, where it now practically occupies the position of central bank, which it holds also for Chosen. An economic history of the former country, on lines similar to that above mentioned for Chosen, has also been issued by the Bank, and the two volumes together form an invaluable compendium of statistical and general information on two little-known countries in the Far East. An interesting and valuable foreword is in each case contributed by the Governor of the Bank of Chosen.

—— and of Manchuria.

Chamber of Shipping Report.

The annual report of the Chamber of Shipping of the United Kingdom is a most informative document, not only for shipowners, but also for the general business public, furnishing as it does a comprehensive review on all subjects relating to shipping and illustrated by complete statistical tables and diagrams. The dramatic collapse of the freight market is attributed directly to the disorganisation of international trade incidental to the world-wide economic depression, making a surplus in tonnage over the world's requirements. In support of this view, it is stated that the weight of our imports and exports during last year were about forty per cent. below those of 1913, while the gross tonnage belonging to the United Kingdom and British Dominions on June 1920 at 20,582,652 shows an increase of 151,109 as compared with June 1913. The entrances and clearances of British ships in the foreign trade of the United Kingdom, which were 72,000,000 net tons in 1913, amounted to 44,000,000 in 1919 and rose to 50,000,000 in 1920, the last-mentioned figure showing a fall of thirty-one per cent. as compared with 1913.

AUSTRIAN LANDERBANK AND LONDON CREDITORS.

In connection with the second most important banking institution in Austria, the Austrian Länderbank, particulars have transpired during the week of a scheme of purchase which, while safeguarding British interests, involves the transfer of the Bank to a group of French bankers. As French interests originally participated in its foundation, the change is not such a radical departure as might seem at first sight. Further developments will be rendered possible by enhanced resources, which will assist in the restoration alike of the Bank's finances and those of the country where it operates. The title is to be changed to "Banque des Pays de l'Europe Centrale," and in place of the existing capital of 160 million kronen, in 400,000 fully-paid shares of Kr.400 each, there are to be created the like number of Ordinary shares of Fr.100 each, together with 600,000 Preference shares of the same denomination. The placing of these latter through French channels appears to be ensured, and sixteen members of the maximum board of thirty-two directors are to be of French nationality.

In priority, so far as principal is concerned, to these two classes of capital will rank an issue of Transferable Certificates, to be offered to the sterling creditors of the Bank's London branch in settlement of their claims. These certificates are to be secured by a trust deed, and the dates of their repayment will, subject to certain conditions, be at the option of the Bank, the holders having the alternative of taking payment (in whole or in part) in Ordinary shares at par and at the rate of Fr.25 to the £, at which price and rate, indeed, the certificate-holders may, after a certain time, have the right to convert.

In the apportionment of the divisible profits the following order of priority, as between Preference and Ordinary shares, will be observed: (1) A non-cumulative dividend of six per cent. to the Preference shareholders; (2) five per cent. of the balance to the directors by way of remuneration; (3) a further dividend of fifteen per cent. of the remaining profits to the Preference shareholders; (4) a non-cumulative dividend of six per cent. to the Ordinary shareholders. The certificate-holders, however, will be entitled to non-cumulative interest at the rate of six per cent. per annum after payment of the non-cumulative dividends on the Preference and Ordinary shares and the directors' percentage of profit. The amortisation of the certificates will be effected out of the available profit balances, and if the Bank should fail to carry out the provisions of the scheme the whole amount of the certificates will thereupon become due and payable by the Bank to the trustees. The certificate-holders will have a representation of seven on the board.

The extension of French banking influence in Eastern Europe portended by this development is further emphasised by the proposal of the Banque Belge pour l'Etranger to take over the branches in Czecho-Slovakia of the Wiener Bankverein. Industrial and commercial interests in both France and Belgium will undoubtedly derive benefit from this penetration by institutions of their own nationality.

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FOREIGN CREDITS.

As is the case with the Press of this country, the American newspapers received in London at the beginning of the week are full of the question of foreign credits. American manufacturers, traders, and exporters, like our own, are feeling the growing difficulty of disposing of the surplus product of their various industries over and above the amount required by the home consumer. Although the United States is not, of course, dependent upon foreign trade to anything like the extent that is the case with ourselves, her traders and her economic system generally are feeling the serious disadvantages which accompany the falling-off of international trade in any highly developed economic system. Although, as said above, foreign trade is not of the vital necessity to the United States that it is to ourselves, America, nevertheless, must find an outlet to enable her to meet her foreign obligations. She still has to pay, by means of her exports, interest upon foreign moneys employed within her borders. She has to pay for her imports, which are very considerable. Lastly, she has to meet the expenses of her citizens travelling abroad. For all these reasons bankers, merchants, traders, and the financial Press are practically as anxious as we are to find a method whereby America could once more engage in foreign trade upon as great a scale as she did, for example, during the period of the recent European War, and for some time after the conclusion of the Armistice in November 1918.

The real difficulty is to devise a scheme which, while fostering trade, would not impose an unduly heavy burden upon the taxpayer. The demand for American and for our own manufactures has largely come to an end because more than two-thirds of Europe have little to give in exchange for commodities that we wish to sell. Barter has been suggested; but it has been abandoned owing to the practical difficulties which it presents. As a fact, international trade is largely a matter of barter. Real credits in normal times are granted by bankers against tangible assets. The difficulty of setting trade in motion at the present time arises from the fact that the greater part of the population of Europe have no tangible assets against which any bankers would be willing to open credits. It is suggested in the American Press, as it has so often been amongst ourselves, that credits should be opened which would enable agriculturists and traders in the vast areas of Europe to produce something which the manufacturers in America and England would desire to buy. There are, as we have already said, no tangible assets against which bankers could be expected to grant credits. Practically, those who ask credits really demand that the taxpayers of the countries granting the credits shall find the means and bear the losses, in the hope that some improvement will result in the impoverished parts of Europe. Is such a proposition reasonable? Are we not unduly impatient? Would it be really practicable for America and England to grant such credits as would enable two-thirds of the population of Europe, now having little or nothing to sell, to buy the manufactures of America and England upon the scale to which they were accustomed at the time when they were producing food, raw material, and certain classes of manufactures upon a basis relative to their purchasing power?

UNEMPLOYMENT AND TRADE.

According to advices received from the United States there is practically, bearing in mind the different conditions prevailing in the two countries, as much lack of employment in the United States as there is in Great Britain. Figures issued by the Department of Labour at Washington give the total number of unemployed in mechanical industries at just under three and a-half millions. According to these figures, it would seem that very nearly one-third of the total number employed in the mechanical trades were, at the time these figures were made up, out of employment. Of course we have, and in the nature of the case could have, nothing comparable to this in England, and, indeed, in any part of Europe where industry is highly organised. In addition to what are called "the mechanical trades," in which is included the motor industry, to which we propose to refer later, there are in all nearly two millions of people unemployed in some 190 cities of the United States. These include workers engaged in the textile industries, metals, the manufacture of machinery, electrical goods, the building trades, the making of leather goods, what is known in America as the lumber or timber trade, house furnishing, glassware, clay, and cement—altogether, as we have said, some two millions unemployed, of whom nearly a quarter of a million belong to New York City and its environs. We said above, in dealing with the mechanical trades, that a very large proportion of those unemployed were connected with the motor industry. This industry has been developed to an extraordinary extent in the United States, which absorbs by far the greatest number of cars constructed by the various motor firms of the world. Naturally, such an industry would experience extraordinary vicissitudes. The United States is a young country in an economic sense, and the methods of its people differ widely, and must necessarily differ widely, from those of more settled communities. Fortunes are made with great rapidity and lost with equal facility. A country that has only some 100 millions of inhabitants and is in area equal to about three-quarters the size of Europe is not compelled to observe the caution which is imposed upon those of us who are inhabitants of a more intensely settled area. Practically, in a period of prosperity we have to make provision for the inevitable reaction which we know will come sooner or later. This is not done to the same extent in the United States. During the War period capitalists made fortunes, and the salaried and wage-earning classes obtained salaries to which they had never expected to attain. Consequently there was a period of wild extravagance, which must inevitably have come to an end [illegible]

What is happening at the present time in the United States throws an illuminating light on the causes which affect world prosperity. It might have been assumed, and, had we not had experience of the falsity of such

a theory, not unnaturally, that the United States, coming into the War only a few months before its conclusion, and having, apparently, absorbed a large part of the mobilisable capital of Europe during the long period of desperate struggle through which the Continent had passed, whether Europe became derelict or was able to resume its former activities, the United States at least would not suffer from the effects of the War. On the contrary, it would have obtained capital which would have enabled it to develop its industry to an extent never before witnessed in the history of the Union. As a matter of fact, exactly the contrary is what has happened. Taxes are phenomenally high in the United States, as they are in Europe. There is a floating debt equal in round figures to about seventy per cent. of that with which we are burdened in this country. The railways in particular, and the transportation system in general, is in almost as deplorable a condition as is the case with our own. How the American railways are to be reconstituted in the state of efficiency to which they had attained at the outbreak of the recent European War without Government assistance is as difficult a problem for the various managers at the other side of the Atlantic as it is for our own railway managers here at home. In both countries the Government took over the railroad systems and worked them without regard to their future. Other means for developing the transportation facilities, particularly the roads, have been neglected. The one exception was the building of shipping upon an extravagant scale. So extravagant, however, has been that construction that when it is attempted to earn a reasonable rate of interest upon the capital expended it becomes impossible to find employment for more than about half the tonnage available, and even that half which is employed finds it difficult to earn a living without assistance from the Government. It has to be remembered that production of food and raw materials is still the most important industry of the United States; and that she sold vast quantities of produce to Europe, and has not yet been paid for her products. Partly this is due to the inability of Europe to furnish products or to render services to an adequate extent. But partly it is due to the fiscal system of the United States, which makes it exceedingly difficult for Europeans to import goods into that country. It is to be hoped that, in the interests of the reconstruction of Europe, and for the development of the United States itself, a careful study of the altered position which has been brought about as a result of the War will be made by the incoming Administration. The time has long since passed when it was necessary to protect small and weak industries in the United States. It would appear that the most important interest of the near future is to assist reconstruction in Europe and to enable the United States herself to develop her great natural resources.

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SOUTH AND CENTRAL AMERICA.

We regret that owing to pressure upon our space we are again compelled to hold over our usual article under the above heading.

Guaranty Trust Company of New York.—The condensed statement of liabilities and assets of the Guaranty Trust Company of New York as at December 31 last is of special interest because accompanied by a profits account in respect of the twelve months ended on that date. During 1919 the Company's undivided profit balance increased from $3,292,321 to $6,239,890, or by nearly ninety per cent., and the particulars now published show a further increase of over ninety-three per cent. in this steadily growing marginal fund—to $12,075,072, after a dividend distribution, as before, of twenty per cent. on the capital of $25,000,000. The net profits of the past year, which are supplemented by miscellaneous credits of $155,625, are returned at $12,355,950 (the total being equal to fifty per cent. on the paid-up capital, or twenty-five per cent. on capital and surplus combined), out of which $1,676,392 was appropriated for distribution to officers and employees on the "additional compensation" plan in force. At $637,353,688 deposits are some $37 million below the corresponding amount at the half-year, but have recovered from the $614,788,092 of November 15, while the balance-sheet total has moved upward from $907,169,458 on June 30 to $923,663,338. The cash assets, at $217,780,216, are materially higher, while loans and bills purchased figure at $501,582,486, against $526,548,474 six months earlier.

Railways in India. Administration Report for the Year 1919-20. Two vols. (Simla: Government Central Press.) Price Rs. 2.4.

The Mining Manual and Mining Year-Book for 1921 (Thirty-fifth annual issue), by Walter R. Skinner, editor of the *Oil and Petroleum Manual*, has just been issued. Price 20*s.* net; 21*s.* post free inland and 21*s.* 6*d* post free abroad. It contains full particulars of 1,430 mining companies as well as exploration and mining investment companies arranged in alphabetical order. The particulars given of each company include the directors and other officials, date of establishment, seat of operations, description of the property, with the purchase consideration, plant erected or in course of erection, present working results, ore reserves, details of capital, calls, dividends paid, the financial position as disclosed by the latest accounts, and the highest and lowest prices of the shares for the last three years, together with latest price. Lists are also given of the officials connected with the companies, and comprise 3,530 directors and 952 mining and consulting engineers, their addresses, and the names of the companies with which they are connected.

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LANGKON (NORTH BORNEO) RUBBER.

Issued Capital: £79,276 in Shares of £1 each.

	Total Planted Acres	Area in Bearing Acres	Rubber Output L.	Yield per Bearing Acre Lb.	Av. Price Realised per Lb.	"All-in" Cost per Lb.	Net Profit £	Dividend Amount £	Dividend %
1918 ...	1,153	721	251,080	348	1/11½	1/6	2,454	—	—
1919 ...	1,208	751	257,366	343	1/7½	1/8½	1,875*	--	—
1920 ...	1,313	824	321,096	389½	2/0½	1/5¼	8,596	7,928	10

* Loss.

Price of Shares, 13/9. Market Capitalisation per planted acre, £42.

A MUCH-NEEDED improvement is reflected in the report issued by Langkon (North Borneo) Rubber Company for the year ended March 31, 1920. The crop harvested was not only considerably in excess of that secured in the previous year, but was also greater than the estimate by 21,096 lb. This harvest of 321,096 lb. represented an average yield of 389½ lb. per bearing acre, an increase of over 46 lb. as compared with 1918-19. The year under review was one characterised by rising prices, and the additional outlay which stores and materials involved was aggravated by the loss incurred on rice. In this case the provision of rice to the coolies below cost price added nearly 2*d.* per lb. to the cost of the crop. Nevertheless, owing to the efficiency of the administration, and in part also to the increase in the quantity of rubber handled, the cost of production exhibited a satisfactory reduction. The f.o.b. cost dropped from 1*s.* 4½*d.* per lb. in 1918-19 to 1*s.* 0¾*d.* per lb.; whilst the "all-in" cost amounted to 1*s.* 5¼*d.* per lb., as against 1*s.* 8½*d.* per lb. Furthermore, this decline coincided with a no less pleasing improvement in the sale price of the crop, the average gross price working out at 2*s.* 0½*d.* per lb., as compared with 1*s.* 7½*d.* per lb. Accordingly, instead of a loss of one penny per lb. in 1918-19, there remains a profit of 7¼*d.* per lb., which amounts to £8,596. The directors declared the maximum dividend of ten per cent., absorbing £7,928, as against nothing in the two previous periods and ten per cent. in 1916-17. It will be recollected that in its early days this Company received a dividend of four per cent. on its paid-up capital for the first six years, guaranteed by the British North Borneo Company, the total amount thus disbursed to be refunded, without interest, out of surplus profits exceeding the amount required to pay a ten per cent. dividend on the capital of the Company. Consequently, until this liability has been discharged no higher dividend than ten per cent. can be paid. Hence the balance of £668 of the profit after paying this dividend is paid over to the British North Borneo Company, thereby reducing the amount of this liability to £10,897. The balance carried forward to the next accounts remains unchanged at £3,331.

The outlook for the current year is by no means promising. Originally the estimate anticipated a crop of 300,000 lb. However, as the Company is participating in the reduction of twenty-five per cent. advocated by the Rubber Growers Association, a revision of this estimate is necessary. The returns for the first eight months record a total of 218,647 lb., and it is unlikely that the final crop will now exceed 275,000 lb. This reduction forecasts an increase in the cost of production, which is already much above the best price ruling for plantation crêpe. In the absence of satisfactory forward contracts, of which no information is forthcoming, the Company will again record a working loss, but greater than that of 1918-19. It is to be hoped that the efficient administration will be reflected in the reduction of working costs to the lowest level. The condition of the estate is reported to be very good, and the whole area has been well weeded. Economies may be possible in this direction; whilst it is most desirable that no further planting operations should be undertaken. Financially the position of the Company, as disclosed in the balance sheet dated March 31, 1920, is somewhat weak. Sundry creditors, including the dividend of ten per cent. and the £668 repaid in respect of the dividend guarantee, amounted to £22,457, whereas liquid assets do not appear to have exceeded £17,418. Apart from the outstanding liability of £10,897 on the dividend guarantee, there is a mortgage of £25,000 held by the British North Borneo Company. In view of these facts we are rather surprised that the directors did not pursue the more conservative and more correct policy of passing over the dividend and retaining the cash to cover their expenditure during the trying period that they realised they had to face. Considering the depressed condition of the Rubber market since the autumn of 1920, the low price which the best plantation crêpe still commands, and the financial stringency which the balance sheet of this Company discloses, we are not astonished to find the £1 shares quoted at 13*s.* 9*d.*, equivalent to the low market capitalisation of £42.

PRYE RUBBER AND COCONUT PLANTATIONS.

For this rubber and coconut Company the year ended March 31, 1920, has been one of prosperity. With the disappearance of the restrictions that reduced the rubber crop of the previous year to 195,694 lb. there was a corresponding recovery in the crop harvested to 237,830 lb., the estimate being exceeded by 7,830 lb. With 1,110 acres in bearing this represented an acreage yield of 214 lb., as against 176 lb. in 1918-19, and 290 lb. in 1916-17. On the surface a return of 214 lb. per bearing acre leaves much room for improvement; but it is necessary to recollect that the estate contained a number of poor areas, in which a tenacious subsoil prevented the roots of the trees from getting deep down. Consequently, one of the directors who had just returned from visiting the estate declared that it was not reasonable, in view of this fact, in conjunction with the conservative system of tapping in force, to look for a higher yield than 500 lb. per acre. The coconut crop not only failed to come up to the estimate of 1,800,000 nuts, but fell short of the crop of the previous year by over 160,000 nuts. As the estate had a full complement of labour, this deficiency must be attributed rather to unfavourable climatic conditions. However, both in the case of the rubber and the resulting copra, there was a marked improvement in the price realised by the sale of the crops, as against an average net price of 1*s.* 4.63*d.* per lb. in 1918-19, there was secured for rubber during the year under review an average of 1*s.* 9.51*d.* per lb., whilst the average net price per ton of copra jumped up from less than £19 10*s.* to over £42. The accounts do not distinguish between the outlay on rubber and on coconuts. Consequently, it is not possible to see how the relative costs of production varied. Generally speaking, however, it is stated that the estate's expenditure increased from £14,800 in 1918-19 to £15,656 in the year under review. Part of this increase is explained by the loss on rice supplied below cost price to the native force, the loss for the year under review amounting nearly to £1,100. But in the main the addi-

tional expenditure represented the outlay that had been incurred in the attempt to fertilise the soil on the poorer parts of the estate by extensive manuring.

In the following table are embodied the actual results for the year under review in contrast with those of previous periods:—

Issued Capital; £99,247, in Shares of £1 each.
7% Debenture Stock, £6,680.

	Years to March 31—			
	1920	1919	1918	1917
Area under rubber (acres) ...	1,322	1,322	1,322	1,202
Area in bearing (acres)	1,110	1,110	995	924
Rubber crop (lb.)	237,830	195,694	245,838	268,086
Yield per bearing acre (lbs.) ...	214	176	247	290
Av. net sale price per lb.	1/ ·51	1·463	1·856	2·282
Area under coconuts (acres) ...	822	822	822	822
Coconut crop (No.)	1,367,908	1,529,897	1,574,369	787,287
Av. net price per ton of copra	£ 2	£19·42	—	—
	£	£	£	£
Total revenue	32,983	20,093	25,823	33,292
Total expenditure...	20,201	19,043	19,037	18,140
Net profit	12,782	1,050	6,786	15,152
Sundry allowances	—	—	—	2,500
Dividend	12,406 (12½%)	4,380 (5%)	5,227 (6%)	13,008 15%
Balance	376	Def. 3,330	1,559	Def. 356
Brought forward	1,142	4,472	2,913	3,269
Carried forward	1,518	1,142	4,472	2,913

Financially it can be seen that owing to the more satisfactory prices obtained for rubber and copra, the net profit for the year amounted to £12,782, as against £1,050 in 1918-19. Accordingly, instead of the dividend of five per cent. which was paid in 1918-19 by encroaching on the amount brought forward, shareholders received the substantial dividend of twelve and a-half per cent., whilst the amount carried forward was increased slightly to £1,518.

During the year under review nearly two-thirds the total revenue of the Company was derived from the rubber crop. Consequently, the depression in the Rubber market since the autumn of 1920 renders the outlook for the current year somewhat discouraging. The estimate of the rubber crop was 270,000 lb., of which seven months of unrestricted tapping had yielded 130,000 lb. Allowing for the twenty-five per cent. reduction for the remainder of the period, the final crop is not likely to exceed 220,000 lb. In view of the extremely low prices ruling for rubber since December it is very satisfactory to learn that 185,720 lb. have been sold forward at prices ranging from 2*s*. to 2*s*. 6½*d*. per lb. This should ensure a profit on the whole crop. Furthermore, during 1921 forward contracts have been entered into for the sale of 53,760 lb. at 2*s*. 10*d*. per lb., of 26,880 lb. at 2*s*. 2*d*. per lb. ex-warehouse, and of 13,440 lb. at 2*s*. 6½*d*. per lb. With rubber so heavily depressed the directors deserve to be congratulated on their contracts. As regards coconuts, the estimate anticipates a crop of 1,600,000 nuts, which should be secured granted favourable climatic conditions. Although the price for copra is not so favourable as during the year under review, it is yet profitable, and consequently the Company can count on a reasonable income from this source during the current year. Financially the balance sheet dated March 31, 1920, discloses a very strong position. Including the dividend of twelve and a-half per cent., absorbing £12,406, current liabilities did not exceed £14,896, and were apply secured by liquid assets which were available to a total of £31,817. As a result of their policy of providing systematically for depreciation, buildings and machinery now stand in the books at the nominal value of £1, the sum of £2,765 being written off during the year out of profits and £212 in respect of premiums received on shares. The period during which holders of Debenture stock could convert their holdings into shares has expired, leaving a balance of £6,680 to be paid off. Arrangements have been made to redeem £2,000 in February 1921. The extent of the dividend for the current year will depend in part on the recovery in the Rubber market during the next six months, and in part on the measure to which the estimate of the coconut crop is realised. Quoted in the market at 22*s*. 6*d*., the £1 shares afford a return of nearly nine per cent. on the basis of a dividend of ten per cent.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.
ESTABLISHED 1824.
ASSETS Exceed £12,000,000.
FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY, HOUSEHOLDERS' CONSOLIDATED and MARINE INSURANCES effected on the most favourable terms.
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BRITISH EQUITABLE
Assurance Company, Limited.
ACCUMULATED FUNDS exceed - - £1,585,000
SUBSCRIBED CAPITAL - - - - £300,000
PAID-UP CAPITAL - - - - - £34,500
The Company transacts the following classes of business:—
LIFE, FIRE, ACCIDENT, BURGLARY, EMPLOYERS' LIABILITY, MOTOR-CAR, THIRD PARTY, AND PLATE GLASS.
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HAS **REDUCED** ITS PRIME COST PREMIUMS
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A. D. BESANT,
General Manager,
15 St. James's Square, S.W. 1,
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Insurance Notes.

PEARL ASSURANCE COMPANY, LIMITED.

The development of the big ordinary and industrial life companies has been very striking of late years. This has been specially so in connection with their non-industrial departments. Through their far-reaching agency organisations engaged in their industrial sections they have been able to get into touch with an immense number of persons whom the agents of companies confining their operations to ordinary life assurance fail to reach, and they have thus been the means of greatly extending the popularity of life assurance amongst the masses. In so doing they have rendered great service to the community. Life assurance used to be quite a middle-class affair—a luxury for those who wear black coats, or who at all events used to do so. Now it is within the grasp of the horny-handed. This is as it should be. The worker's condition has changed and his earnings have increased. He is in a position to acquire some of the comforts and refinements of life which were formerly beyond his reach, and to assume greater responsibilities as regards his family and dependents. It is largely due to the enterprise of the industrial offices that he is now doing so, if only to a limited extent, through the medium of life assurance. Some of the most satisfactory work of these institutions is shown in this direction. Beginning with industrial assurance—never a model form of thrift—they have taught their clients to look for and obtain a better means of achieving the laudable object of providing for those who have to depend upon them for financial protection.

Next in rank among contemporary institutions to the Prudential—if still a far way behind it—comes the Pearl Assurance Company as a combined ordinary and

industrial life office. Its progress in both its leading departments has latterly been by leaps and bounds, and its annual report for 1920 supplies very interesting reading and tells an encouraging story of progress. During last year the Company's total premium income in all departments was increased by £809,173 to £6,528,745, and the total funds by £2,557,908 to £19,381,468. The annual valuation at the close of the year shows a surplus of £470,558, inclusive of £143,106 brought forward from 1919, as compared with a surplus of £438,249 at the end of 1919, inclusive of £120,509 brought forward from 1918. The net surplus, in a year of unusual difficulties, has therefore been increased, deducting the balance brought forward, by £9,712 as compared with 1919. Of the 1920 surplus the sum of £308,717 is recommended to be distributed among the participating policyholders and ordinary shareholders according to the Company's regulations, whilst the sum of £40,000 is added to the non-contributory staff pension fund (which will apparently stand thereafter at £184,315), and an unappropriated balance of £121,841 is carried forward. A satisfactory increase in premiums and funds is shown in all the leading departments of operation.

In the ordinary section of the life business the number of new policies issued in 1920 was 47,774, assuring the sum of £7,292,446. Although this is less by 13,609 policies and £1,106,793 in sums assured than the altogether exceptional record of the Company in 1919, when the full force of the return of men engaged in the War to civilian employment was felt, it is far in excess of anything else in the Company's experience. One notable sign is the increase which has again taken place in the average amount of each new policy. Not very long ago the average amount was about £100; in 1919 it was a little over £140, and in 1920 it slightly exceeded £150. The increase does not yet make up for the reduced purchasing power of the sovereign, but it shows at least that the margin of their savings which the working classes are applying to thrift of this kind is larger than it was. The total net life premium income in the ordinary section amounted to £2,082,473, showing an increase of £265,048. The claims by death in this branch absorbed £206,229, as compared with £227,035 in 1919. Endowment assurances matured to the extent of £254,986. Expenses of management of all kinds in connection with both old and new ordinary life business, and inclusive of commission, amounted to £293,152, or to about fourteen per cent. of the premiums. In 1919 the relative proportion had been about 12.2 per cent., but under recent conditions the increase in this respect is less, perhaps, than might have been expected, and the resulting expense ratio in 1920 must be esteemed a moderate one. A more than counterbalancing factor in favour of the Company is a rise in the net interest yield in the ordinary department from about £3 18*s.* per cent. in 1919 to about £4 3*s.* 10*d.* in 1920. The ordinary life assurance fund was increased during 1920 through the year's operations by £1,614,525 to £8,711,952.

The revenue account in 1920 of the industrial branch shows a premium income of £4,223,071, and an increase in this respect as compared with 1919 of £490,689. The total claims in this section amounted to £1,470,958, of which claims by death represented £1,251,450 (as compared with £1,312,940 in 1919), the matured endowment assurances amounting to £219,508. That the expense ratio on the industrial business should show a substantial increase during last year was perhaps inevitable, in view of the large additions to the remuneration of their agents, which was unavoidable. The action taken by the agents about a year ago will no doubt be generally remembered. The proportion of premiums absorbed in this way in 1920 was about 45.5 per cent., as compared with forty per cent. in 1919. Expenses were previously higher than desirable, and the present ratio represents a disquietingly heavy tax upon thrift. It is certainly to be hoped that some alleviation of this unsatisfactory feature may be ultimately found, for it cannot be regarded without misgiving. In other respects the departmental account is satisfactory. The net interest yield on the industrial funds, amounting, as in 1919, to about £3 15*s.* per cent., gives a profit of 15*s.* per cent. above the valuation standard. The industrial life fund was increased in 1920 by £886,184 to £8,113,521.

In 1919 the Company extended its operations so as to include fire and general insurance, in addition to such other descriptions as employers' liability, accident, and capital redemption business as it had previously undertaken. These departments are of quite minor importance at present, but eventually may develop into valuable subsidiaries. It is evident that in its new spheres of enterprise the Company is disposed to act cautiously; but progress is being made, and the modest proportions of the business, comparatively speaking, considering the large agency connections, is indicative of good quality. The premium income and funds at the close of 1920 in other departments than those of life assurance were as follows:

Department	Premium Income	Funds
	£	£
Accident	47,315	28,802
Employers' liability	7,999	7,508
Fire and general	67,061	33,552
Capital redemption	824	1,157

The Company's balance sheet as at December 31, 1920, shows total assets of £19,715,619. Nearly half of these assets take the form of British Government securities. It is satisfactory to observe that the cost of the purchase of the goodwill of the London, Edinburgh and Glasgow Assurance Company, which stood in the balance sheet of 1919 at £250,000, was written down out of profit and loss account by £75,000 in the course of last year, and is consequently now reduced to £175,000. As against this there is a reserve fund of £300,000, apart from the investment reserve fund of £400,000. The directors certify that a careful investigation as to the actual saleable value of the Stock Exchange securities at the close of last year, as compared with the book value, shows that the investment reserve fund was much more than sufficient to provide for any depreciation in those of a permanent character, and that adequate provision by means of sinking funds had been made for any difference between book value and redeemable value in the case of terminable holdings. They state also that the assets in their belief (having regard to the standards indicated) were, at the date of their certificate, in the aggregate fully of the value stated, less the investment reserve and reserve funds taken into account, and that they made ample provision for all the liabilities of the Company.

LONDON ASSOCIATED REINSURANCE CORPORATION, LIMITED.

The London Associated Reinsurance Corporation, Limited, which is managed by the London Assurance Corporation, has an authorised capital of £1,025,000, of which £1,000,000 Seven per Cent. Cumulative Participating Preference shares of £1 each, 4*s.* paid, and £25,000 Ordinary shares of £1 each, fully paid, have been issued, making a total paid-up capital of £225,000. The first report and balance sheet of the Company, now published, covers the period November 27, 1919, to December 31, 1920, and shows a premium income in the fire and accident revenue account, after deducting reinsurances, of £105,148, exclusive of premiums receivable in respect of the three months to the end of December last. The claims paid and outstanding, at £33,811, show a ratio of 32.16 per cent., commissions of 24.39 per cent., and expenses of management of 3.11 per cent. The fire and accident fund at the end of the year amounted to £42,416, or 40.34 per cent. of the premium income. In the marine revenue account premiums, after deducting brokerage, commission, discount, and reinsurances, were £69,326, while claims paid, less

recoveries, amounted to £17,005, or 24.53 per cent. The expenses of management showed a ratio of 5.50 per cent. The sum of £9,010 is transferred to the profit and loss account, leaving a balance of £39,500, or 56.97 per cent. of the premiums. Including this amount transferred from the marine fund and £7,837 received as interest on investments, the profit and loss account amounts to £17,344. After payment of the usual fees and the Preference dividend a balance remains of £290, which is carried forward to the next account. In the balance sheet the investments, including the £20,000 deposited with the High Court and accrued interest, are entered at cost as £259,327. Cash amounts to £34,197, and sums due from trading companies to £81,314, making total assets £374,838.

SUN LIFE ASSURANCE COMPANY OF CANADA.—Another most successful year's business is reported by the Company. New life assurance policies were granted during 1920 for the large sum of £21,963,959, an increase of £4,179,949 compared with the previous year. Premium income for the year amounted to £4,392,915, bringing the total yearly income to £5,993,064. Funds have increased by £1,624,277, and now amount to £23,004,545. Annuity consideration money was £323,003 for the year. The total assurances in force are now £99,994,744.

PHŒNIX ASSURANCE COMPANY, LIMITED.—Consequent on the retirement of Mr. J. Sandeman Allen from the position of General Manager and Secretary of this Company, the following new appointments have been made:—Underwriter, Mr. J. Ferguson; Deputy-Underwriter, Mr. E. S. Lund; Assistant Secretary, Mr. E. V. Rutter.

UNION MARINE INSURANCE COMPANY, LIMITED.—Consequent on the retirement of Mr. J. Sandeman Allen from the position of General Manager and Secretary of this Company, the following new appointments have been made:—Underwriter, Mr. J. Ferguson; Deputy-Underwriter, Mr. E. S. Lund; Assistant Deputy-Underwriter, Mr. J. R. Trench; Secretary, Mr. R. A. C. Thomas; Assistant Secretary, Mr. E. V. Rutter.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Oth r Alloca-tions £	Curry-forward Amt. £	Curry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Breweries and Distilleries :											
Mackeson & Co.	Sept. 30	18,006	3,000	11¼	8,100	5,000		16,814	+ 1,606	—	—
Robertson (John)	Dec. 31	28,040	525	10†	7,000	5,000	-	23,815	+15,521		—
Commercial and Industrial :											
Allan (J. & R.)	Jan. 20	18,557	3,000	7½	5,887		11,610	8,790	— 1,940	21,171	7
Annandale & Son	Dec. 25	7,333	1,750	7½†	4,500	-	-	8,390	+ 1,083	8,139	10†
Artizans and Labourers General Dwellings	Dec. 31	86,464	37,187	4	49,242	—		7,943	+ 34	94,870	4
Barlow & Jones	Dec. 31	100,005	25,450	20	56,000	—		48,840	+ 18,556	113,904	20
Bradford Dyers Assn.	Dec. 31	561,345	125,000	20	271,295		160,000	402,369	+ 5,048	592,991	22½
British Wagon	Dec. 31	17,116		13⅓	12,133	5,000		2,220	+ 2·3	19,829	14·1
Civil Service Supply Assn.	Dec. 31	57,787		18	73,693		5,000	9,568	—10 912	50,987	16
Country Life	Dec. 31	21,521	5,500	12½	12,500	1,750	1,405	6,111	+ 366	21,911	12½
Culter Mills Paper	Dec. 31	8,867		10	10,500		-	7,424	1,633	31,213	15
Fleming, Reid	Dec. 31	104,121	7,350	15†	52,500	32,000	—	30,517	+12,271	—	—
Harris & Shelton	Dec. 31	21,886	2,030	10	7,236	10,000	750	11,682	+ 1,871	—	—
Harrison, Barber	Dec. 31	9,456		6	7,800	1,000		1,376	+ 656	14,315	9
Hawthorns Hotel (Bournemouth)	Dec. 31	3,022	588	10	2,240			3,975	+ 193	2,555	8
Holborn & Frascati	Dec. 31	63,911	7,500	15	34,800	10,000	11,500	17,589	+ 111	91,942	11
Hollins (William)	Dec. 31	179,759	19,500	10†	97,944	50,101	15,579	25,415	— 3,366	149,716	12½†
London Produce Clearing House	Dec. 31	Dr. 9,009	-	-	-	—	—	32,921	— 9,009	3,290	—
Mather & Platt	Dec. 31	203,711	20,000	10†	105,000	—	- -	105,456	+78,711	150,917	10†
Millar (A.)	Nov. 30	18,082	3,000	17½	9,852	5,000	—	8,940	+ 850	46,030	15½
Selfridge	Jan. 31	268,822	96,482	10†	50,000	25,000	95,300	141,243	+ 2,040	105,695	7†
Venesta	Jun. 30'19	106,184	15,000	20	50,000	—	—	156,235	+41,484	146,294	20
Vyse, Sons & Co.	Dec. 31	44,031	13,050	15	21,750	10,000	5,000	11,105	— 5,769	75,036	15
Wallis (Thomas)	Jan. 31	47,991	9,000	14	28,000	5,000	2,000	21,467	+ 3,991	91,296	14½
Electric Lighting and Power :											
Smithfield Markets Elect.	Dec. 31	5,219	—	5	3,000	2,000	800	748	— 381	5,461	2
Tramways Light & Power	Dec. 31	31,718	—	6	28,294	5,000	—	2,257	— 1,577	26,642	7
Westminster Elect. Supply	Dec. 31	101,942	24,750	10	77,969	-	—	12,698	— 777	103,647	10
Financial Land and Invest. :											
Exploration Co.	Dec. 31	37,162	- -	10†	37,500	—	—	87,047	— 338	88,287	15†
Portman Building Society	Dec. 31	11,128		—	7,602	700	500	7,126	+ 2,326	10,640	—
Financial Trusts :											
Average Trust	Dec. 31	1,921	250	20	1,000	—	—	741	+ 671	1,886	30
International Invest. Trust.	Jan. 31	45,997	18,900	6	16,800	—	2,529	11,219	+ 1,155	38,616	5
Merchants Trust.	Jan. 31	81,718	19,250	9	43,312		- -	35,366	+19,156	67,083	8
Orient Trust	Dec. 31	10,818	-	5	9,515	—	-	6,623	+ 1,303	10,364	7½
Premier Investment	Jan. 31	46,890	22,500	6½	19,500	—	-	25,240	+ 4,890	44,804	6
Railway Debenture & Gen. Trust	Jan. 15	56,869	22,505	6	30,006	—		14,204	+ 4,358	52,856	6
Railway Investment	Jan. 31	25,663	68,000	1½	25,642	—	-	77	+ 21	—	—
Railway Share, Trust & Agency	Jan. 15	51,464	28,278	5	20,000	—	- -	16,870	+ 3,186	54,341	5
Gas :											
Barnet District Gas & Water	Dec. 31	10,279	—	—	10,383	-	—	28,131	— 104	11,558	-
Chester United Gas	Dec. 31	5,033	1,050	2½	3,500		-	674	+ 484	5,704	2½
Glossop Gas	Dec. 31	1,404			1,640		-	3,234	+ 360	2,130	—
Hastings & St. Leonards Gas	Dec. 31‡	7,694		-	5,693		-	36,460	+ 4,001	9,655	—
Hornsey Gas	Dec. 31‡	5,028	1,152	—	1,982	-	—	16,703	+ 1,894	3,475	—
Ilfracombe Gas	Dec. 31	1,260		5	1,264			827	- 4	2,017	5
Ipswich Gas	Dec. 31	5,879			5,553		-	10,936	+ 126	6,482	
Liverpool Gas	Dec. 31	133,111		3½	79,773		-	75,166	+53,358	-	
Mirfield Gas	Dec. 31	3,719		3½	3,535	-		2,353	+ 186	3,589	3½
Nuneaton & District Gas	Dec. 31	3,558		1·56	2,270			3,686	+ 1,288	-	—
Southgate & District Gas	Dec. 31	4,677	1,562		2,472		-	6,533	+ 1,043	—	—
Swindon United Gas	Dec. 31	5,201		3½	4,206	532	300	5,315	+ 286	9,483	3½
Tynemouth Gas	Dec. 31	7,851	420	3½	6,445		-	3,238	+ 985	9,118	3½
Watford Gas & Coke	Dec. 31‡	1,912			1,604		-	509	+ 309	1,422	
York Gas	Dec. 31	12,930	1,400	3	7,770		-	15,163	+ 3,760	- -	-
Insurance :											
Merchant's Marine Insur.	Dec. 31	51,873	-	24	30,000	50,000		47,539	— 8,127	64,871	12½
National Boiler & Gen. Insur	Dec. 31	37,193	-	42½	15,750	6,841	15,000	3,949	— 399	31,057	12½
Scottish Temperance & Ent. Gen.	Dec. 31	1,719	—	10	2,500	-	—	3,367	790	-	-
Mining :											
Culloden Consolidated	Dec. 31	1,893	-	5†	10,000	—	—	26,088	+24,893	50,862	15†
Railways Home :											
Cambrian Ry.	Dec. 31	5,965	-	-				14,755	+ 3,093	4,800	-
London & North Western	Dec. 31	5,177,211	1,845,609	7½	5,218,259	100,000	-	284,133	+13,343	5,170,314	7½
Mersey Ry.	Dec. 31	998	—	-		-	1,000	58	- 2	1,035	—
Railways Indian :											
Delhi Umballa Kalka	Sep. 30	137,622	6,050	14	88,600	25,133	5,499	23,442	+12,340	174,567	14
Kohukmet & Kumaon	Sep. 30	84,940	12,033	10	31,333	10,000	8,758	46,414	+ 7,001	84,966	-
Tea, Coffee and Rubber :											
Diapoori (Limited) Rubber	Apr. 31	9,607	-	20	22,401	1,000	- -	12,872	—13,794	14,901	20
Stoughton (Perak) Rubber	Sep. 30	1,800	-				1,364	592			-
Waterworks :											
Jersey New Waterworks	Dec. 31	6,579		8†	6,545			206	+ 34	4,233	6
Luton Water	Dec. 31‡	133,111		3½	79,773	—		75,166	+53,338	-	—
Thirsk District Water	Dec. 31	1,499		1½	1,080		-	1,610	+ 419		—
Wey Valley Water	Dec. 31	1,277	—	2½	1,181	-	-	1,429	+ 96	-	-
Woking Water & Gas	Dec. 31‡	2,753	—	2½	3,575	- -	—	1,323	— 822	3,987	2½

* After providing for all Government taxation, prior charges, &c. † Tax free. ‡ Half-year.

NOTE. Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

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COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.
Head Office :
24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£31,801,986.

Commercial.

EMPIRE COAL.—I.

An official announcement was made recently by the Mines Department that the Government had decided to discontinue its control of coal as from March 31 next.

It will be remembered that our coal, like food and nearly everything else, was controlled and rationed during the period of the War. We expressed our opinion as to the policy pursued at the time, and we do not propose to enter once again upon the discussion. It had been hoped, however, that immediately, or at any rate within the period of a few weeks, after the conclusion of the Armistice the coal trade of the country would have been completely released from Government control. This, however, never materialised. The Cabinet, as the supreme authority, appears to have seen from the outset that the continual Government control of industry after the War could not fail to interfere with the operations of trade, and if it were sufficiently effective and maintained long enough it could not fail, likewise, to prove utterly disastrous. As a result tentative measures were adopted with a view to decontrolling one branch of industry, while maintaining control of another. The Cabinet allowed itself to be so controlled by the Control Boards that it never pursued, with regard to the coal trade or to any other industry, a well-defined policy either of controlling or freeing coal. It was too intelligent to continue a policy which it saw as clearly as we do had only to be made really effective to strangle trade altogether. On the other hand, it could not bring itself to come to a definite decision that, since it was not desirable to compel the trader to submit his every action to the censorship of a Government Department, control should be abolished and the trader allowed free play to find a market for his wares or take the consequences. The result was that the Government became timid and, after partly releasing the coal trade from the strangling hand of bureaucratic control, came to the conclusion that it had gone too far and reimposed the control with more rigour than ever. The official way of putting the announcement is that the demand for bunker coal and for coal for export was so persistent that had they not reimposed control there would have been no coal for the home consumer. As the home consumer, even in the great days of the coal export trade before the War, took more than two-thirds of the total coal raised in the country, it would have been an exceedingly big proposition for the coal interests to have disposed of all the coal raised in any given year to places overseas. What is really true is that the inability of Government to make up its mind either for or against control led to embarrassment in the coal trade, as it did in nearly every other trade. The final result, as the reader is aware, of reimposing control in all its rigour has been virtually to kill the export trade altogether.

In the period before the War there was a discussion—which never, however, emancipated itself from the academic stage—as to whether coal exports were desirable, bearing in mind that, as far as we know, our coal measures, once exhausted, cannot be refilled. There is much to be said on both sides of the question; but the economic position of England is so remarkable that the practical difficulties in the way of forbidding exports, even before the War, were almost insurmountable. In these times those difficulties have become greatly exaggerated. We are naturally so accustomed to the conditions under which we live that we do not realise that the economic structure of modern England, as we know it, is peculiar in a sense that is true of hardly any other country in the world. We maintain an enormous population on a very restricted area, and that small area by no means particularly fertile. We do not produce either food or raw materials in anything like adequate quantities to sustain ourselves or to feed our manufactures. We obtain two-thirds of the food we eat from overseas. Only one loaf of bread in five consumed in this island could be made of English wheat, because the British Islands only produce enough wheat to feed one-fifth of our population. Peculiar as our position is with regard to food, it is still more remarkable when we consider the position of the great manufacturing industries of the country. To feed these we import eighty per cent. of the total raw material required. A foreigner visiting these shores, and never having studied our economic conditions, might well ask in amazement how we maintain over forty millions of people. He might not unreasonably predict complete and absolute disaster if ever we encountered a crisis. We know ourselves, however, that we have encountered and surmounted many crises in our history. Nevertheless, the economic condition of England is remarkable, and appears to the outside observer to rest upon no secure basis. It is for this reason that we maintain, and must maintain, a great mercantile marine. With us shipping is essential, and if we can run a ship at a profit, however small, we must endeavour to keep the ship afloat. It is owing to our economic needs that we so long enjoyed the command of the seas, because we were compelled to carry on the seafaring business with an economy which did not commend itself to countries which were differently situated. One of our means of keeping down freight rates to buy food and raw materials was by carrying coal to all who might be willing to purchase it from us. The reason we did this was that our ships had to go out in any case to bring home food or raw materials. Food and raw materials are bulky articles, and vessels on the outward voyage would be practically empty if they restricted themselves to carrying manufactured goods. Consequently they were willing to ship coal for very moderate freights. Coal exports, in fact, cheapened the carriage of our bread and meat [illegible]. In the [illegible] of our prosperity [illegible] exported [illegible] 50,000,000 tons [illegible]. We must [illegible] been the position [illegible] before the outbreak of the recent War, the present is hardly a time to consider, even as an academic question, the advisa-

bility or otherwise of coal exports. It is imperative that we should export what we can in order to reduce, if possible, our enormous foreign debt, which is weighing so heavily upon our prosperity and is depriving us, and will continue to deprive us until it is liquidated, of a very large measure of the fruits of our labours.

In a concluding article we hope to give such details as our available space will admit of of the total coal production, the total coal consumption, and the estimated coal reserves of the whole of the British Empire. If we have sufficient space left we hope, very briefly, to conclude with a review of the coal production, consumption, and estimated coal reserves of the world as they are known, or believed to be known, in the international markets. The total coal resources of Great Britain are estimated at between 180,000 and 190,000 million tons. On the basis of our coal consumption as it existed in the period that preceded the outbreak of the recent War it will be seen that, assuming such estimate to be capable of materialising, we have supplies which should last for a period extending over 500 years. The Commission based their estimate on the assumption that the coal production, consumption and export from this country would expand in the same ratio as it had been doing in the preceding decade. The reader is aware, however, that this assumption has not been borne out by the facts. Far from increasing at the ratio they expected, we have been raising some 70,000,000 tons less of coal than was the case in the pre-War period. Whether the present production will be maintained, will increase, or will further decline, we have, of course, no means of estimating. The largest coalfield in this island is that situated in Southern Yorkshire, Nottinghamshire, and Derbyshire. This field is by far the largest in England. It extends from Nottingham to Leeds, a distance of, roughly, sixty miles. It is bounded on the west by a line drawn from Halifax to a point somewhat east of Derby, and on the east by a line running through, or rather east of, the towns of Pontefract, Doncaster, Worksop, Mansfield, and Nottingham. Almost equally extensive is the vast field under Durham and Northumberland. It is fifty miles long, and its width ranges from four or five miles up to as much as thirty miles. Under twenty miles long is the still considerable coalfield of Cumberland; while the Lancashire and Cheshire fields extend for a distance of over thirty miles. Comparatively small is the aggregate of coalfields which extend from Worcester to considerably north of Derby, and stretch out in the east as far as Leicester. These fields, as far as they have been worked, are not continuous in the sense that is true of the vast coal areas to which we have already referred. Practically as big as the largest is the enormous coalfield known as the South Wales area. This stretches throughout various districts of the counties of Monmouth, Glamorgan, Brecknock, Caermarthen, and even into Pembrokeshire. The South Wales coalfield is unique in possessing in part of its area the famous hard steam coal, valued, until oil came to be used, by the navies and the great liners of every nation in the world. Until the oil-burning ship came to be built the demand for Welsh hard steam coal was world-wide, no other coal known possessing exactly the same qualities. The principal coalfields of Scotland are found under Midlothian, East Lothian, the counties of Fife, Linlithgow, Clackmannan, Lanark, and Ayr. They are very extensive and stretch in a great belt for more than ninety miles. The breadth varies between twenty and thirty miles. Practically the whole known coal area in Scotland lies between the towns of Dumfries and Dundee.

As we have said, the total British production in the pre-War period closely approached 300,000,000 tons annually. The total production for the whole Empire was well under 350,000,000 tons. It will be seen, therefore, that so far as actual production is concerned the British Empire, outside the confines of the island of Great Britain itself, has been so far an almost negligible quantity in the actual production of coal. We exported from this island in the pre-War period practically twice as much as we raised from the various coalfields in the British Empire outside. This is only true, however, of facts as they have been in the past, as distinct from potentialities. While this island was raising something less than 300,000,000 tons in the pre-War period, she is estimated to possess coal resources amounting in the aggregate to approximately 190,000 million tons. Canada in the pre-War period was producing a little over 12,000,000 tons, but she is estimated to possess coal resources exceeding 1,200,000 million tons. Australia in the pre-War period produced even less than Canada from her famous fields in Newcastle, New South Wales; but she is estimated to contain coal resources exceeding in the aggregate 165,000 million tons. Altogether it is estimated that the total coal resources of the British Empire, which it may or may not be practicable to work in the future, exceed in the aggregate 1,700,000 million tons.

Industrial Companies.

THE BRADFORD DYERS' ASSOCIATION, LTD.

Issued Capital: £3,856,477, in 2,500,000 5% Cumulative Preference Shares and 1,356,477 Ordinary Shares of £1 each.
4½% 1st Mortgage Debenture Stock: £1,453,750.

Year to Dec. 31	Net Trading Profits	Depreciation	Net Profit	Debenture Interest and Preference Dividends	Ordinary Div.	Reserve and other Allocations	Carried Forward
	£	£	£	£	£ %	£	£
1914 ...	381,883	90,000	291,883	183,150	67,824 5	7,500	125,883
1915 ...	565,404	90,000	475,404	183,150	135,647 10	164,628	117,861
1916 ...	797,331	90,000	707,331	183,150	203,472 15	220,000	218,570
1917 ...	805,089	90,000	715,089	183,150	237,384 17½	300,000	213,126
1918 ...	639,854	125,909	513,945	183,150	287,384 17½	20,000	286,537
1919 ...	904,391	235,249	669,142	183,150	565,208 22½	70,000	397,321
1920 ...	948,595	231,102	717,493	183,150	271,295 20	260,000	400,369

* After providing for taxation and contingencies and deducting directors' remuneration.

DESPITE the depression which has been manifest in the textile industry since last autumn, this Association in its report for the past year is again able to show very satisfactory results. As indicated in the above table, the net trading profits, including miscellaneous income, amounted to £948,595, represent[illegible] increase of £44,204 as compared with the previous year. Provision has been made for bonus to employees, income tax, excess profits duty, corporation tax, and contingencies before arriving at the profits, but, as usual, no information is furnished of the total amount of the deductions. It is obvious, however, that the amount set aside for taxation has been much greater than in the previous year. The provision for depreciation is reduced from £235,249 to £231,102, leaving a net profit of £717,493, which constitutes a record in the history of the Association and compares with £669,142 for the previous year. Debenture interest and Preference dividends absorb £58,150 and £125,000 respectively, the same as in the preceding years. The Ordinary dividend is reduced from twenty-two and a-half per cent. to twenty per cent., involving a corresponding reduction in the amount distributed. The reserve and other allocations, however, are increased from £70,000 to the large total of £260,000, the investments contingency fund receiving £100,000, as against £20,000, and the employees' benefit fund £160,000, as against £50,000. It is of interest to note that the allocation to the various benefit funds is almost equal to three-fifths of the amount of the Ordinary dividend. It may be also pointed out that, in consequence of the alteration made in the employees' bonus scheme in February 1920, the proportionate bonus payable to employees on Ordinary shares held by them has been doubled, being now the same as the dividend paid on the Ordinary shares, provided the latter is not less than five per cent. The employees who hold Preference

shares under the required conditions are also entitled to a bonus on such shares at half the rate of the Ordinary dividend. In February 1920 the employees held upwards of £320,000 of the share capital, and, as already stated, the bonus payable in respect of such holdings has been deducted before striking the net trading profit.

The position shown in the balance sheet at the end of the past three years and at December 31, 1914, is summarised in the following table. It may be pointed out that the balance sheet incorporates the accounts of the subsidiary companies forming the branches of the Association and of undertakings owned and controlled by the Association.

Balance-sheet Analysis.

LIABILITIES.

Dec. 31	Issued Share Capital	Debenture Capital	Sundry Creditors[a]	Reserves and Carry-forward	Total
	£	£	£	£	£
1914 ...	3,856,477	1,453,750	425,556	668,754	6,404,537
1918 ...	3,856,477	1,453,750	1,244,174	1,413,640	7,968,041
1919 ...	3,856,477	1,453,750	1,685,081	1,517,321	8,512,629
1920 ...	3,856,477	1,453,750	2,558,311	1,730,369	9,598,907

ASSETS.

Dec. 31	Fixed Assets and Goodwill	Stock	Sundry Debtors	Investments and Loans	Cash	Total
	£	£	£	£	£	£
1914	5,147,198	409,946	289,035	262,928	295,430	6,404,537
1918	4,780,418	979,847	592,533	1,253,978	361,265	7,968,041
1919	4,475,599	887,245	1,044,877	1,752,755	352,152	8,512,629
1920	4,684,515	1,369,180	1,111,233	2,006,685	427,294	9,598,907

[a] Including final dividends payable and estimated liability in respect of taxation, &c.

It will be observed that the rapid progress made during recent years has not been due to any expansion in the share or loan capital of the Company, although account must necessarily be taken of the increased reserves which have been employed in the business. The general reserve figures at £1,000,000, to which it was raised by an allocation of £200,000 in 1918. The investments contingency fund with the transfer now made amounts to £170,000. The 1918 balance sheet of the Association showed the amount at credit of its benevolent funds, but this practice has since been discontinued. As at the date of the annual accounts the sums allocated for each year had not yet been handed over, such allocations are included in the above table under the heading of reserves and carry-forward for the appropriate year. Debts due by the Company, including dividends payable and estimated liability in respect of taxation and contingencies, amount to £2,558,310, as against the previous total of £1,685,081. On the assets side of the balance sheet, the properties, with which are included trade marks, goodwill, and holdings in companies owned and controlled by the Association, show additions (less sales) for the year of £440,117. Allowing, however, for the amount written off for depreciation the net increase does not exceed £208,915. Stocks figure at £1,369,180, or nearly £482,000 more than at the date of the previous statement. The reserve fund investments, which are almost entirely represented by Government and railway securities, remain unaltered at £130,000; but "other investments and loans" have been increased by £253,930 to the large total of £1,876,685. Debts due to the Company and cash holdings have also been increased by £66,356 and £75,142 respectively. Owing to the composite nature of the item "sundry creditors" it is not possible to form any accurate estimate of the ratio between current liabilities and liquid assets. It will be seen, however, that the combined totals of cash, debts and "other investments and loans" exceed "sundry creditors" by £986,902, as compared with £1,464,703 in the previous balance sheet.

The report contains no reference to the general trading conditions, but a detailed review may be anticipated at the forthcoming annual meeting. While the prevailing depression in the textile trades is of intimate concern to the Association, the removal of the heavy burden of the excess profits duty should prove to be of considerable advantage, in view of the fact that profits are likely to be maintained at a level well above the pre-War standard.

In the following table we set out the prices and yields of the different shares of the Company, the yield on the Ordinary shares being calculated on the basis of a dividend of fifteen per cent.:—

	Price	Yield
	£ s. d.	%
5% Cum. Pref. shares	0 15 10	6 6
Ordinary shares	1 17 9	7 4
4½% 1st Mortgage Deb. stock	66 10 0	6 9

HARROD'S STORES, LIMITED.

Issued Capital: £4,900,000, in 3,000,000 7½% Cum. Pref. Shares, and 1,900,000 Ordinary Shares of £1 each.

Year to Jan. 31	Net Profit[a]	Pref. Div.	To Reserve	Ordinary Div.		To Special Founders' Shares Div.	To Contingencies Fund	Other Allocations	Carried Forward
	£	£	£	£	%	£	£	£	£
1915	309,229	47,726	21,350	156,000	26	86,075			15,072
1916	202,884	60,000	9,488	120,000	20	49,500	—	—	28,967
1917	235,045	60,000	12,124	90,000	15	49,758	—	5,800	46,330
1918	282,293	60,000	16,023	90,000	15	67,103	—	14,065	81,432
1919	352,042	60,000	73,844†	166,250	17½	—	50,000	16,399	66,481
1920	583,635	60,000	51,795	261,250	20	—	25,000	43,181	208,890*a*
1921	536,042	142,500	39,000	332,500	17½	—	—	6,164	224,768‡

[a] After providing for depreciation, sinking funds, &c.
† Including £46,330 transferred in connection with conversion of Founders' shares.
‡ Subject to certain reserves. (*a*) Subject to excess profits duty, if any.

The preliminary statement of profit presented by the directors of this Company for the twelve months to January 31 last does not compare very favourably with that for the previous year, but, having regard to the adverse trading conditions prevailing during the second half of the period, the results may be considered satisfactory. The net profit, after providing for depreciation and sinking funds, works out at £536,042, or £47,593 below the record established in 1919-20. From the figures supplied it is apparent that the proposed distribution on the Preference shares amounts to £142,500, as against £60,000 a year ago. This expansion is explained by the issue during the year of £1,800,000 in Seven and a-Half per Cent. Cumulative Preference shares, ranking fully for dividend as from August 1, 1920, and by the increase in the dividend on the old Preference capital from five per cent. to seven and a-half per cent. as from the same date. The smaller balance profit available for Ordinary distribution automatically reduces the reserve allocation from £51,795 to £39,000. It is proposed to pay an Ordinary dividend of seventeen and a-half per cent., as against twenty per cent. last year, but, owing to the additional capital ranking for dividend, the amount involved is £332,500, as compared with £261,250. The increase in capital having been effected, however, by the bonus capitalisation of £375,000 from the reserve, the dividend is actually equivalent to 23.3 per cent. on the previous basis. Presumably, it is not proposed to make any allocation to the special contingencies and development fund, to which a sum of £25,000 was transferred last year and £50,000 in 1919. It would also appear that special allowances by way of bonus and contributions to benefit funds have been reduced from £43,181 to £6,164. The balance of £224,768 which is carried forward, "subject to certain reserves," compares with £208,890 brought in from last year. The report states that the reserve fund, with the proposed allocation of £39,000, will be increased to £1,215,775. As the bonus capitalisation of £475,000 in March 1920 did not reduce this fund below £1,288,670, a further sum of £102,895 must have since been appropriated for other purposes. Owing to the absence of particulars, a detailed analysis of the Company's position must be postponed until the full report and balance sheet are published. During the week an issue of £1,000,000 Preference shares ranking *pari passu* with the existing Preference shares has been underwritten.

COURTAULDS, LIMITED.

Share Capital: £12,000,000, in £1 Shares.

Year	Net Profits*	Dividend — Amount	Dividend — Rate	Placed to Reserve	Written Off	Amount of Carry-forward
	£	£		£	£	£
1914 ...	520,540	250,000	12½	200,000	Nil	188,018
1915 ...	741,668	400,002	20	200,000	Nil	329,684
1916 ...	1,083,923‡	600,002	30	200,000	136,197	277,408
1917 ...	1,170,862‡	600,002	30	767,091	105,743	62,935
1918 ...	1,184,685‡	600,002	30‡	532,909	66,751	148,211
1919 ...	2,280,861‡	1,200,001	40§	999,993	Nil	229,078
1920 ...	1,804,796‡	1,450,000	25½§	200,000	—	383,874

* Final dividend 17½%, free of tax.

† After providing for depreciation, Debenture interest, trustees' and directors' fees, income tax, and management expenses.

‡ After providing also for excess profits duty.

§ Free of income tax.

PRESUMABLY as a result of the heavy fall in textile values and increased taxation, the net distributable profits of this Company for 1920 are down from £2,280,861 to £1,804,796. The deductions made before arriving at the net results include provisions for depreciation, Debenture interest, excess profits duty, corporation tax, income tax, management expenses, and fees. Provision has also been made for losses on contracts outstanding at December 31, and for expenses involved in the issue of new capital. No information is furnished as to the total amount of the various deductions, and comparisons with the results shown in previous years may consequently be rather misleading. It is important to bear in mind that the tax payable upon dividends to shareholders is included among the deductions for income tax, and a large increase in the amount of the dividends has accordingly a very direct bearing on the net profit shown in each year. A final dividend of six and a-quarter per cent. is now declared, making, with the interim dividend of seventeen and a-half per cent., a total of twenty-three and three-quarters per cent, free of tax, for the past year, as compared with forty per cent., tax free, for 1918-19. It will be observed from the above table, however, that the total distribution involves a sum of £1,450,000, as against £1,200,001. This is explained by the fact that the interim dividend was paid on the then existing capital of £4,000,000, whereas the final dividend is payable upon a capital increased to £12,000,000 by a bonus distribution in November 1920 of 8,000,000 shares to existing holders in the ratio of two shares for every share held. Consequently the final dividend of six and a-quarter per cent. is actually equivalent to eighteen and three-quarters per cent. on the previous capital of £4,000,000. Therefore the total dividend is equivalent to thirty-six and a-quarter per cent., free of tax, on the capital at the beginning of the year. The reserve allocation is reduced from £999,993 to £200,000, but the balance carried forward is raised from £229,078 to £383,874. On the whole, the results disclosed in the preliminary statement appear to be satisfactory.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

LIVERPOOL CORPORATION.

Offer for tender of £1,000,000 One-Year Bills.

The Corporation of Liverpool gives notice that tenders will be received for £1,000,000 Liverpool Corporation bills to be issued under the Liverpool Corporation Acts, 1900, 1905, 1913, and the Local Government Board's Provisional Orders Confirmation (No. 5) Act, 1915, in replacement of bills falling due on the 4th proximo. The bills will be in amounts of £1,000, £5,000, or £10,000, and will be repayable on March 4, 1922. Tenders must specify the net amount per cent. which will be given for the sums applied for; and those of private individuals must be made through a London bank. The issue will, of course, appeal only to banks and other subscribers for Treasury bills, but as the Liverpool issue will probably command a somewhat greater discount than the Government bills, it should meet with a ready demand. Further details are obtainable in our advertisement columns.

BOLCKOW, VAUGHAN AND COMPANY, LIMITED.

Prior to obtaining a Stock Exchange quotation for the recent issue at par of £1,000,000 Eight per Cent. First Debentures, the directorate of Bolckow, Vaughan and Company has issued the necessary public statement. The Company, incorporated in 1864, owns collieries, coke-ovens, and by-product plants in the Durham coal-field, ironstone mines in the Cleveland district of Yorkshire, and extensive iron and steel works on the River Tees. The authorised capital is £5,000,000, of which £4,227,720 has been issued. Extensions of the works during the last five years have practically doubled the steel-producing capacity, amounting now to upwards of 500,000 tons of steel ingots per annum. With the growth in output net profits have registered a corresponding increase. They fell from £548,097 in 1913 to £258,214 in 1914, but have mounted gradually ever since, till £798,950 was reached in 1920. As the yearly interest on the £1,000,000 Debentures is only £80,000, its security is beyond doubt; and net assets, at £5,705,879, provide ample security as to capital. The Debentures have been issued to finance the extension of the Company's properties and to provide additional working capital, the right being reserved to extend the issue by a further £1,000,000. The emission will constitute a floating charge on the undertaking and all other assets, present and future, the Company undertaking not to create any mortgages or other charges ranking in priority to the Debentures, except to secure banker's loans. Repayment will be affected at par as follows:—£265,000 on December 7, 1925, £340,050 on December 7, 1930, and £394,950 on December 7, 1935; but the Company retains the option to pay off the whole or any part of the loan outstanding at any time after December 31, 1927, at a premium of two per cent., three months' notice being given. Despite the depression in the steel trade, the issue is an attractive investment of its class.

BRYN TIVY PRIVATE HOTEL (BLACKPOOL), LIMITED

Offer at par of 9,300 £1 Eight per Cent. Cumulative Preference, and 41,900 £1 Ordinary, shares.

The Company has been formed to acquire a semi-completed hotel on the North Shore, Blackpool and the assets and goodwill of the Bryn Tivy Boarding Establishment. The purchase price is £17,455, payable £10,055 in cash and £7,400 in shares. The prospectus states that the directors, having in mind the previous results obtained by the vendor (whose services are retained), anticipate a large measure of success for the undertaking. Instead of making a specific statement of past profits, however, they put forward a table of dividends paid by *other* companies. A further remarkable omission is the certified valuation of the assets acquired. These defects in the prospectus and the apparent lack of intention to obtain a Stock Exchange quotation render the shares decidedly unattractive. The lists close on Monday, February 28.

ISSUES TO SHAREHOLDERS.

BRUCE PEEBLES AND COMPANY: 36,469 £1 Ordinary at 18*s.* net, in the proportion of two new shares for every nine held.

KENT PORTLAND CEMENT: £600,000 Eight per Cent. Debentures at 98, redeemable at 102 by ten equal annual drawings, commencing June 1, 1923. Offer open till March 7.

PENDING ISSUES.

SUDAN GOVERNMENT: £2,800,000 Five-and-a-Half Bonds (1929-59) at 92.

HARROD'S, LIMITED: 1,000,000 Seven-and-a-Half per Cent. Preference shares of £1 each, ranking *pari passu* in all respects with the existing Preference shares. Shareholders will receive preferential allotment.

Modern Irish Trade and Industry. By E. J. Riordan. With an Historical Introduction by George O'Brien, Litt.D. Price 7*s.* 6*d.* net. (London: Methuen and Company.) Eminently readable and very useful as a work of reference. The causes which led to the decay of many Irish industries are analysed in the Introduction. The major portion of the work deals with industrial history from 1350 to the present day, and not only refers to industries proper, but also to banking, transit, &c.

MEETINGS
OF PUBLIC COMPANIES.

Chamber of Shipping of the United Kingdom.

Taxation and Industrial Depression: Future of British Shipping

THE forty fourth annual meeting of the Chamber of Shipping of the United Kingdom was held at the Steamers Hall, Towngate Hill, Cannon Street, E.C., on February 25, Mr. W. J. Noble (the President for the past year) being in the chair.

On the proposition of Capt. H. B. Hooper, R.I.M., seconded by Mr. J. R. Harrison (of Glasgow), Sir Owen Philipps, G.C.M.G., M.P., was elected President for the ensuing year, and Sir Frederick W. Lewis was elected Vice-President.

Sir Owen Philipps, who was received with applause, then took the chair, and delivered his Presidential address, in the course of which he said:

You have honoured me by electing me to preside over the destinies of the Chamber of Shipping of the United Kingdom at one of the most critical periods that British shipowners have ever had to face. Notwithstanding the devastation caused in the War by German submarines, but possibly as a direct result of their intensified campaign, not only has all the wastage of ships during the War been made good, but the world's mercantile shipping since 1914 has been actually augmented by considerably more than 10 million tons gross register. The total tonnage of the world, which at that time was well under fifty million tons, is at the present day considerably over sixty million tons, and there is still a very large number of steamers in various stages of construction.

The shipping trade is in the throes of a very severe slump. The slump has been expedited by the abnormally high cost of production of commodities, which cost had advanced beyond anything that was at all reasonable. In my view the present excessive burden of taxation is largely responsible for the industrial depression in this country.

Effects of Excessive Taxation.

Industry is still labouring under a 6*s.* in the £1 income tax and a 1*s.* in the £1 corporation duty—that is, more than one-third of the entire profits of industry go direct to the Exchequer; and this is exclusive of super-tax up to a further 6*s.* in the £1 which individuals have to pay. In my opinion, this amount of taxation is too burdensome and tends to throttle energy, initiative, and business development, in addition to which it is the direct cause of increasing greatly the costs of production and thus causing unemployment.

The former prosperity of British trade was built up on cheap coal, which is still the motive power of all industry, as no industry can be carried on without it.

Future of British Shipping.

Now as to the future of British shipping. Seven years ago our late enemies were our principal competitors in shipping. Now, for the moment, they are down and out—but only for a time. Before very long, I, for one, feel certain, we will find their vessels in many ports where they were in evidence prior to the War. In the new fleet which they build they will doubtless take advantage of the experience they gained in the past, the result of which may be that they will not repeat the errors in design and construction which are manifest in most of the ex-German ships that are now being sold by Lord Inchcape on behalf of the British Government. Seven years ago the United States owned just over five million tons of mercantile shipping, of which less than three million tons were employed in oversea trade. As a direct result of the magnificent effort the American people and American shipowners made on behalf of the Allied cause—which effort helped so largely to bring about the defeat of the submarine campaign—America has to-day the second largest merchant fleet in the world, and now owns over sixteen million tons of shipping, of which over fourteen million tons are employed in oversea trade. The United States, therefore, have much more than taken the place forfeited by Germany. The aggregate of the German oversea mercantile marine was only just over five million tons, whilst the present mercantile fleet of the United States is three times the size of the pre-War German mercantile fleet.

As I have already said, there are over sixty million tons of world shipping afloat, compared with under fifty million tons prior to the War. In other words, there are, roughly speaking, six vessels to-day to do the work of every five vessels before the War. As the total quantity of trade of the world, reckoned in tonnage, has not resumed even the pre-War level, there are consequently more vessels afloat than the world is at present in need of.

There are over five million tons of shipping at the present time laid up in various parts of the world, which may, roughly, be divided as follows: Considerably more than two million tons of British shipping; two million tons of American shipping laid up; and one million tons of Scandinavian and other shipping laid up. The outlook for shipping at the moment, therefore, is not bright, and it is quite possible that we may see a considerably larger number of steamers laid up before things improve.

Personally, I am an optimist about British shipping.

The report and accounts were adopted, and the auditors were appointed, and a vote of thanks was given to the retiring officers.

Emigrant Control.

Sir Alfred Booth, Bart., then proposed: That this Chamber urges His Majesty's Government, in the interests both of British trade and of British steamship lines, to bring immediate pressure to bear upon the German Government to carry out the terms of the Peace Treaty under which no discrimination is to be exercised against British lines by the withholding of emigrant licences, the reintroduction of emigrant "control" stations, or any action which would have the effect of impeding the transport of passengers for conveyance by British lines, not only those from and to German territory, but also transmigrants whom such lines may desire to pass through Goermany from or to Central and Eastern Europe." Before the War, he said, Germany took advantage of her geographical position to secure for her shipping almost a monopoly of the great tide of emigration from the territories east and south of her borders. She did this by establishing control stations on those frontiers through which every emigrant on his way to the seaboard had to pass. These control stations were managed by the Hamburg-American Line and the North German Lloyd, and it was easy for them to refuse to pass any passengers booked for foreign lines unless it suited them to do so. Clause 322 of the Treaty provided that "Germany undertakes neither to impose nor to maintain any control over transmigration traffic through her territories beyond measures necessary to ensure that passengers are bona-fide in transit; nor to allow any shipping company or any other private body, corporation or person interested in the traffic to take any part whatever in, or to exercise any direct or indirect influence over, any administration service that may be necessary for this purpose." Further, in Clause 327, they read: "The nationals of any of the Allied and Associated Powers as well as their vessels and property shall enjoy in all German ports and on the inland navigation routes of Germany the same treatment in all respects as German nationals, vessels, and property." The clauses of the Peace Treaty did not involve any of the difficulties which attached to some of its other provisions. There was no question here of dumping cheap goods in competition with the British manufacturer. Mr. J. W. Clark seconded the resolution, which was supported by Mr. Bruce Murray, and unanimously agreed to.

Private Enterprise and Freedom from Flag Discrimination.

The Chairman said the next resolution on the agenda was to have been proposed by Lord Inchcape, but, owing to unavoidable circumstances, he was not able to be present. In the absence of Lord Inchcape he would ask Mr. Howard Houlder to move the resolution.

Mr. Howard Houlder then moved the following resolution: "This Chamber desires to place on record its recognition of the success of the steps taken in furtherance of the British Government's policy of restoring the complete freedom of the Mercantile Marine and its conviction that the best interests of the communities of the world will be served only by leaving shipping entirely to private enterprise and by opening and keeping open all ports of the world to international shipping without discrimination."

Mr. J. Howard Glover seconded the motion, which was carried unanimously.

Sir Alan Anderson, K.B.E., then proposed: "That an earnest warning should be uttered against the unwisdom of undue interference by the Governments of the world with the discretion of shipbuilders and shipowners, in the construction, equipment, and management of ships." The resolution, he said, marked the falling tide of Government interference with the shipping enterprise. Not only shipowners, but everyone, would agree that undue interference was bad. The overseas trade and most of their oversea shipping must be the [illegible] famine, for without shipping their oversea trade was no longer possible. [illegible] that the Government in advance of other States which com- [illegible] committed the [illegible] to [illegible]

regarded bulk heads and the provision of boats. As regarded wireless, also, shipowners on whose trade there was no demand for a continuous wireless service should comply with life-saving necessities, but beyond that should be free to judge for themselves.

Captain H. B. Hooper seconded the motion, which was carried unanimously.

Mr. Daniel Radcliffe next moved: "That this general meeting of the Chamber of Shipping of the United Kingdom, while maintaining its emphatic protest against the continued discrimination between shipping and other industries, has observed with satisfaction the recent material fall in bunker coal prices, but thinks its imperative to record the necessity for further material reductions in all capital and running costs in shipping, and for increased efficiency and despatch in handling ships and their cargoes in port; further, this meeting welcomes the close investigation of the question of hours and wages at the hands of representatives of owners and men." The shipping industry, he said, were now anxiously watching costs in various directions. In pre-War days the cost of coal in South Wales was 11*s.* per ton, while it was now between 40*s.* and 50*s.* That cost was mainly brought about by the high prices of labour, and one of the curses of the mining trade was the minimum rate of wage, which would have to be done away with if the best results were to be obtained.

Sir Arthur Sutherland seconded the resolution, which, after some discussion, was agreed to.

A vote of thanks was accorded to Sir Owen Philipps for presiding, and the proceedings terminated.

Selfridge and Company, Limited.

Good Progress in Adverse Year.

THE thirteenth ordinary general meeting of Selfridge and Company, Limited, was held on February 25 at the Company's Store, Oxford Street, W., Mr. H. Gordon Selfridge (Chairman and Managing Director) presiding.

The Secretary (Mr. A. H. Youngman) read the notice convening the meeting.

The Chairman, in moving the adoption of the report, said:—

The twelve months ending January 31 last will go down into commercial history as being the period showing the highest point in after-War prices, but also as including the sharpest slump in values which Great Britain has ever experienced. Last February prices in wool, cotton, silk, and flax, and all goods manufactured from these staples—in metals of nearly every kind—in articles of food—in substantially every kind and class of merchandise here and all over the world, were higher than ever before, and were still advancing.

This, all because it so increased the cost of living, created a certain amount of unrest and of irritation in the minds of the consuming public, and whilst such conditions could, if the merchant chose, greatly assist in increasing his gross profit, it was by no means used by the majority for that purpose.

Business was, early last year, undoubtedly good. People were buying freely. The money which demobilised soldiers had received was still only partly spent, and of the millions paid to munition workers at least some still lingered in the pockets of their owners.

But the man of business cannot afford to assume that, because trade is good, it always will be. If he is wise he will keep most careful watch of the horizon for any possible change in the commercial weather—and this is just what we endeavoured to do last year.

February was good. March was good. In April certain small but unmistakable signs appeared—signs of a change. In May these signs became a little stronger. All seemed good, however, on the surface. Mills were so oversold that orders booked for delivery many months before were still unfilled. Manufacturers, salesmen, shippers, retail and wholesale buyers, all talked higher prices, and everyone seemed intent on piling up as much merchandise and booking as many orders as possible.

Public Purchasing Power: Signs of Weakness.

But really things were not quite so rosy as they appeared. The purchasing ability of the great public showed evidences of weakness. People began to hesitate at paying the unduly high prices, and, furthermore, their money was beginning to give out—at least we in this business felt sure of it.

We accordingly took steps which would put our stocks of merchandise and our commitments—or orders placed with mills—into the condition which we would most nearly wish them to be when the inevitable drop in prices arrived.

By August 1 we had reached that point, and, while the enthusiasts were still loudly talking higher prices, there were stronger and stronger signs of their softening.

September emphasised the weakness, and department buyers generally began to show more hesitation. Their returns showed a falling-off. If they could not sell they could not buy; and manufacturers, instead of seeing their travellers return with books full of orders, found that orders were growing hard to get. And then the slump became general. The public refused to buy except on heavy price-reduction basis, and those merchants, who already had too large stocks, could not buy of the great lots which manufacturers, often because they needed money, were throwing on to the market, but were obliged instead to cut their own prices and sacrifice profit, and this they did, and have continued to do, until the present, but in the meantime their stocks are being brought into better condition.

This, then, is the brief story of the year. And the same causes brought about poor trade abroad as here at home. The chief reason why local trade in England has been comparatively slow during the past six months is that the money which so easily found its way into so many people's pockets during the War and after-War days was giving out, and it had been from this class that many distributing houses had been, for a long time, receiving a large proportion of their business.

There were, of course, other causes contributing to the slump and to the slow business, not the least being the arbitrary and not entirely wise acts of various Governmental departments. Nearly everyone thinks he can do well three things, namely, run a newspaper, poke a fire, and manage the Government, and we do not belittle the very, very great difficulties of piloting this ship of State through the intricate after-War channels, with their many dangerous reefs, and bringing it into the safe open water which all will welcome as a proof that normal times are again in sight.

And, unless we are mistaken, those times are steadily and surely coming nearer. Just as we felt sure of the proximity of the slump as long ago as last May, so now we recognise what are to us unmistakable signs of the approach of better times. We cannot foresee any sudden resumption of normal conditions, nor does it seem that they will come at all other than very gradually. But, in our judgment, the most difficult times have been reached, and in some instances passed, and things should be gradually better from now on—at least for the majority of businesses similar to this.

Comparison of Profits.

But shall we look at the report and its figures?

This house of business is somewhat less than twelve years old. Its doors were first opened to the public on March 15, 1909, and it may be of interest to again read the figures indicating its profits for these twelve years:

Year ending March 15, 1910, net profit						...	£6,102
10½ months ending Jan. 31, 1911, net profit						...	36,261
Year ending Jan. 31, 1912, net profit						...	50,247
,,	,,	,,	1913	,,	...	...	104,029
,,	,,	,,	1914	,,	...	...	131,546
,,	,,	,,	1915	,,	...	...	134,791
,,	,,	,,	1916	,,	...	...	150,222
,,	,,	,,	1917	,,	...	...	225,137
,,	,,	,,	1918	,,	...	...	258,764
,,	,,	,,	1919	,,	...	...	322,824
,,	,,	,,	1920	,,	...	...	372,479
,,	,,	,,	1921	,,	...	...	375,031

This last result (that of 1921) has been arrived at, as is always our arbitrary rule, after inventorying our stocks of merchandise at prices never above cost, but always as low as or lower than prices prevailing at time of inventory, and in a falling market such as we have been having during past months, this is a very important point. It is one, too, which we feel sure will be rigidly insisted upon as a rule by our neighbours conducting similar businesses here and in the provinces.

From these above profits there has been paid or set aside during the past seven years for depreciation of properties, of fixtures, of investments, for the payment of the preliminary expenses, and for the cost of issuing new capital, &c., £444,785.

Depreciation is the same thing as retaining capital in the business. Our desire is that every item on the credit side of the balance sheet shall be *worth decidedly more* than the figures represent it to be, and a policy of constant and sharp depreciation brings about this result. We have been, and shall continue to be, aggressive on this point.

In addition to this, we have created a reserve fund of £175,000.

Conservative Estimation of Balance Sheet Items.

The excess profits duty collector has required us to set aside about £435,000, which has, of course, also been taken out of these profits.

Our stock in the present balance sheet stands at £630,398, or £70,391 above that of last year, but this includes stocks in our wholesale house, which last year had only been newly organised. These wholesale stocks much exceed the above difference. The stocks therefore, in this store are, in figures, decidedly less than those of last year. They, furthermore, have almost all been received from manufacturers and others during the past month or two or three, and represent only a very few weeks' turnover.

We detail to you all of these points only to show how carefully they are always considered, and how totally disinclined we are to deceive ourselves by estimating any item in the balance sheet other than very conservatively. The other items speak for themselves. Of course, the first figure on the credit side—*i.e.*, the one "including cost of buildings"—has considerably increased, and will continue to increase as the costs of our new great building, now in course of construction, are added.

Regarding this building, I may say that in perhaps a month we shall remove into several of the new floors, those men's departments which for the several War years have been so inadequately housed in the poor little buildings in Oxford Street and Orchard Street. These, then, will be pulled down and the building of that portion begun. It adds enormously to the time required, and to the difficulties of building, to be obliged to build and to carry on business at the same time. Difficulties only exist, however, to be overcome, and in this opinion we are delightfully assisted by as loyal, as enthusiastically earnest, as imaginative and as happy a staff of courteous, charmingly mannered young men and women as we believe can be found in any organisation in the world.

We wish it were possible to enter our staff as a whole in splendid competition for a blue ribbon against any and all comers, and we doubt but that every member would feel sure that the organisation to which he belongs, and of which he feels so proud, would certainly win that prize.

Public Interest in Company's Securities.

It may be wise to refer to our branches which have, as a whole, done well everything considered. Expenses have, however, been necessarily high, and large sums have been spent in the endeavour to bring several of the premises up to a reasonably fit condition.

The newly organised wholesale house will prove of great advantage to these branches, and we look forward to their future with utmost confidence.

May I add that our capital is very widely spread, and it may interest you to know that, excluding my own shares, the average holding in the Company is only £110. This proves the public interest in our securities, and that the shares are very largely held not by rich people, but by those who by dint of sheer economy and often of the sacrifice of reasonable comforts have accumulated a little money and desire that it shall be safely invested and give them a good interest. What is true of our house is almost always equally true of other large industrial concerns, and is too often forgotten in the discussion of economic questions.

The resolution was unanimously adopted.

Great Northern Railway Company (Ireland).

Future of the Irish Railways.—Government Control.

Mr. Fane Vernon (the Chairman), presiding at the annual general meeting on February 23, said: We have in the past year completely renewed 46½ miles, of which twenty-one represented arrears incurred through our inability, owing to circumstances arising out of the War, to carry out the full renewal programme during the years 1916-19. Of the 46½ miles, 15½ were laid with 90-lb. bull-head rails, and 31 miles with 85 lb. flange rails, and, in addition to this, 4 miles of good 85-lb. bull-head rails, taken from the main line, have been relaid on branch lines, with new sleepers, fishplates, fastenings, &c., which will make a road good enough to last for a number of years; so that a total of 50½ miles have been dealt with, thereby reducing the arrears of work which necessarily accumulated during the War.

The increases in the cost of both materials and labour have been so enormous that a mile of renewal, which in 1913 cost £1,914, cost last year £5,402.

The overline bridge at Ballyhaise, and the underline one at Lisnaskea, renewal of which had to be postponed for war reasons, have now made considerable progress, and we expect delivery of the steelwork for the superstructures within the next two months.

Rolling Stock.—Out of twenty new engines, ordered in February 1919 to replace old ones due for renewal, we had at last received three by the end of 1920. Since that date eleven more have been delivered, and we expect to receive the remaining six during the next four months. Ten carriages and 205 wagons have been renewed at Dundalk Works. Of the 155 wagons which, as I stated at the last shareholders' meeting, remained to be delivered on capital account, 151 had been received up to December 31 last. The cost of these, upwards of £51,000, had to be provided within the year. Items of this kind, together with the amounts which are locked up in coal and stores at the present high prices, are beginning to cause no small financial difficulty. The finding of cash, or "till money," for these and other purposes must become a very serious problem in the near future.

It is estimated that the wages bill of the Irish railways, which in 1913 amounted to about one and a-half millions, will in 1921 at the present-day rates be upwards of £6,300,000, an increase of four and three-quarter millions, or about 300 per cent. The total amount of salaries and wages paid by this Company for the year ending December 31 last was £1,406 000, as compared with £1,098,000 in 1919 and £357.000 in 1913, and they are still going up, though hopes are held out that a decrease will begin after March 31 owing to the operation of the "cost of living" sliding scale.

Government Control.

So far as this meeting is concerned, the question which overshadows all others is, of course, the future of the Irish railways. When the Government took over control they entered into an agreement, subsequently confirmed by Act of Parliament, to make good to the companies their 1913 net receipts. This control was continued under the Ministry of Transport Act, 1919, Section 3 (1).

The Government of Ireland Act, Section 10 (2), runs as follows:—

"Provided also that the appointed day fixed for the purpose of this sub-section shall be a date not earlier than the expiration of the period of two years mentioned in Section 3 (1) of the Ministry of Transport Act, 1919, and all claims arising before the appointed day under Section 8 of the Ministry of Transport Act, 1919, or determinable as if they were claims so arising, shall be satisfied by the Minister of Transport in accordance with that Section."

Meanwhile, unless and until fresh provision is made by the Council of Ireland, or the Parliament of the United Kingdom, the companies will be empowered to continue to charge the rates and fares in operation at August 15 next. Your directors, together with those of other railway companies, have now for two and a-half years been constantly occupied with the problem of the future of the Irish railways. It was pointed out at many meetings, both in Dublin and London, that the whole matter had been thoroughly discussed, but no policy for the future had yet been formulated apart from the declaration in the White Paper to the effect that the Irish railways naturally fall to be dealt with under the new legislation in regard to Ireland. This "White Paper" indicated that there would be no Government scheme for restoring the Irish railways to their pre-control position, but the Rates Advisory Committee, to whom certain matters in connection with the railways were referred for consideration, recommended that the Irish companies should be dealt with at the same time as those of Great Britain.

The deputation further contended that though, in the present state of the country, it is difficult to make a reliable estimate of the financial position as it will be on the withdrawal of the existing Government guarantee, it is certain that the Irish railways will be, either as a whole or as individual concerns, unable to continue the present conditions of service or rates of wages, and that many companies will be unable to earn even their bare working expenses.

Mr. William P. Cairns seconded the adoption of the report.

Isle of Wight Railway Company.

The annual general meeting of this Company was held at the Cannon Street Hotel on Tuesday, February 22, Mr. Percy W. Gilbert presiding. The Chairman, in moving the adoption of the report and accounts, said: The total receipts from railway working amounted to £91,028, and the working expenses to £70,040, leaving a net receipt from railway working of £20.988, to which has to be added £2,756, receipts from rents, tolls, &c., making a total net income of £23,744. The balance brought in from the last account is £2,432; and, adding this to the net income for the year, we have a total of £26,176. Out of this has to be paid £8,416 for interest on Debenture stock and other fixed charges, and £6,550 for interim dividends on the Preference and Ordinary stocks, leaving a balance of £11,210 now available for further dividends, and we are to-day recommending that final dividends be declared of two per cent. on the Preference, two per cent. on the Preferred Converted Ordinary, making on each of these stocks four per cent. for the year. We also recommend that a final dividend of one and three-quarters per cent. be paid on the Deferred Converted Ordinary stock, making the three-quarter per cent. interim dividend paid on August 22 two and a-half per cent. for the year, the same as in 1919, leaving a balance forward of £2.888. The past season proved to be a very good one, the number of passengers conveyed being 1,200,000, as against 1,147,000 in 1919. The railway working expenditure shows an increase of £21,135 for the year 1920, compared with 1919. With regard to the future, you will have received from me a copy of a letter setting out the opinions of the railway companies on the outline of proposals as to the future organisation of railway undertakings and their relation to the State. As at present arranged, the Government propose to hand back the railways on August 15 next, and to shortly introduce a Bill into Parliament dealing with the future. I understand it is intended that this should provide for the formation of a southern group, to consist of London and South-Western Railway, London, Brighton and South Coast Railway, South-Eastern and Chatham Railway, London, Chatham and Dover Railway, and it is probable that provisions may be included by which the "group" shall, by voluntarily arrangement, or, failing that, by compulsion and on arbitration terms absorb the smaller companies. What our position will be in the interim between August 15 and such absorption, should it take place, it is most difficult to say. We hold that it is an obligation that the Government should hand back our railway to us in its pre-War state of solvency, and, failing this, to provide for full compensation for loss of earning power as provided for in the Act of 1871, under which they took over the railway.

The Hon. Gilbert Rollo seconded the resolution, which was carried unanimously.

Anglo-Persian Oil Co., Limited.

Further Capital for Extensive Programme of Developments.—Net Profits Estimated at £4,000,000.

An extraordinary general meeting of the members of this Company was held on February 22 at Winchester House, Old Broad Street, London, E.C., to consider a special resolution (1) converting the existing Six per Cent. Cumulative Participating Preference shares as from April 1, 1921, into Eight per Cent. Cumulative Non-participating First Preference shares; (2) giving the holders thereof the right, in the event of liquidation, to the repayment of the capital, in priority to other issues of capital, plus ten per cent., or the average premium shown by the market price during the preceding six months, whichever be the greater; (3) giving the directors power to issue the unissued shares either as First Preference shares up to a maximum of £10,000,000 of this class, or as Second Preference shares, subject to a similar maximum, or as Ordinary shares; (4) fixing the voting power at one vote for every five Preference shares and two votes for every Ordinary share, with consequential amendments of the articles of association arising out of these alterations. Sir Charles Greenway, Bart. (the Chairman of the Company), presided.

The Chairman: Gentlemen,—This is an extra-ordinary general meeting of the members of the Company, and I will ask the Secretary to read the notice convening the meeting. With your permission, I do not think we need go through the resolution unless any of you particularly would like it read in detail, but there is one alteration to which I will draw your attention. If you will look at paragraph 6 in the special resolution, we propose to introduce one word. The paragraph will read: "The said 5,000,000 Preference shares in the present capital shall henceforth be and be called Eight per Cent. Cumulative First Preference shares. . . ." That is merely to christen them, so that they may be distinguished from the Second Preference shares which are shortly to be issued, and there are corresponding alterations in the other paragraphs of the resolution.

The Secretary (Mr. F. Macindoe) then read the notice convening the meeting.

New Capital for Developments.

The Chairman said: Gentlemen,—As was explained in the letter accompanying the notices convening the meetings which are being held to-day, the object of the special resolution which I am about to put is to raise further capital in connection with our extensive programme of developments. As you are aware, we are to a considerable extent meeting the outlay for these developments out of the large sums which we are setting aside from profits each year for depreciation and reserves, but the expenditure necessary to attain a completely independent status in all the branches of our business is so large that we cannot entirely meet it out of profits without delaying our expansion, which would, of course, be foolish in the extreme, as we might thereby be forced to sacrifice our independence. We shall, therefore, in all probability have from time to time to augment the funds obtainable from this source by issues of new capital, and for this purpose we are asking you for power to create £10,000,000 of Second Preference shares, to rank, both as regards dividend and capital, after the existing Preference shares, and to create a further £5,000,000 of First Preference shares ranking *pari passu* with those already issued.

I have no doubt, gentlemen, that you will all, Ordinary as well as Preference shareholders, warmly support the resolution which is to be submitted to you, because the Ordinary shareholders will benefit by the new capital to be provided, and the Preference shareholders will not only get their security largely enhanced by the proposed issue of Second Preference shares, but will at the same time benefit by their dividend being improved to a fixed eight per cent. per annum, and by the premium payable in the event of liquidation being altered from ten per cent. to ten per cent. or the average market premium for the previous six months, whichever may be the higher. These further benefits to the existing Preference shareholders have been decided upon by the board to meet the views, as far as possible, of a large number of shareholders who have expressed a desire to share more largely in the great prosperity of the Company, either by an improved rate of dividend on their Preference shares or by being given an opportunity of subscribing for Ordinary shares.

This is a desire with which, I may say, the directors fully sympathise, as they also are, unfortunately, not holders of Ordinary shares. It is now partly met by the improved terms that we are giving to the existing Preference shareholders, and will, I think, be further met by the issue of Second Preference shares which we shall shortly be making. The amount of Second Preference shares to be issued and the terms to be offered have not yet been settled, but they will be fixed on such a basis as will, I am satisfied, ensure success.

As regards an issue of Ordinary shares, I can say nothing definite at present, but I am hopeful that I may be able at some future time to announce an issue of this class of shares with such modified rights of voting as may be necessary to preserve the Government's voting majority.

Current Year's Profits.

Now, gentlemen, you will no doubt desire, in view of the proposed increase of capital, to hear something as to the Company's progress in the matter of profits. As you are aware, the net profits for the year ended March 31, 1920, after making liberal allowances for depreciation, and paying Debenture interest, income tax and royalty, amounted to £2,611,615. I am now in a position to say that the net profits, after making the same deductions, for the year ending on March 31 next will not be less than £4,000,000, which is sufficient to cover the dividend on the existing Preference shares ten times over.

And there is no reason to anticipate any falling off in these profits, but, quite the contrary, for our throughput of oil is rapidly increasing as our various extensions come into operation, and, as you are aware, we have not benefited to any great extent from the high prices which have been ruling for petroleum products during and since the War owing to the fact that the bulk of our production was contracted for before the War on the basis of pre-War prices. Consequently the Company will not suffer to any large extent, if at all, should prices fall to the pre-War level, and any loss that may be sustained in this way will in all probability be far more than compensated for by our largely-increased throughput and by the advantages we shall gain from our additional refineries and by carrying out our own transport and distribution.

Our chief advantages are:—(1) Extraordinary low cost of production, owing to the great productivity of our wells, in which respect we have a great advantage over all other oilfields, excepting, perhaps, those of Mexico; and (2) an unusually high proportion in our crude of the more valuable products of petroleum, our yield of benzine and kerosene being twice as much as that of the average obtained from the oilfields of the United States and considerably more than that proportion of the average obtained from Mexican crude. With these great advantages, we are in a position to met any competition that may be forthcoming in the future, and to face with equanimity any possible fall in prices.

Slump in Oil Shares Overdone.

Before concluding my remarks, I would like to say a word on the subject of the great slump which has taken place recently in the prices of Ordinary shares in oil companies. This slump has, in my opinion, been overdone just as much as was the boom eighteen months ago.

There has been a good deal of loose talk about the decline in the prices of petroleum products, and the further reduction still to take place, but it must be remembered, firstly, that these are to a large extent offset by the decline in freights, and, secondly, that there is still room for a considerable fall before the profits of the leading companies applicable to dividends will be materially affected, because a considerable portion of the profits made in the recent fat years has, quite wisely, been employed in writing down capital outlay on a very liberal scale and in the building up of reserves.

The greatest percentage of fall in the prices of petroleum products is shown in the price of fuel oil, but it must be borne in mind that the income from this product forms, in the case of most companies, only a comparatively small proportion of their revenues. Moreover, the present over-supply of this product is only a temporary phase, due to the sudden reversal of position brought about by the large curtailment of consumption by the various naval Powers, and as soon as other consumers, and also suppliers, are able to adapt themselves to the changed conditions, there will be a ready market for all the fuel oil that the world can produce. Intrinsically, the value of the shares of the leading oil companies is to-day at least as much as it was eighteen months ago—allowing, of course, for the bonus distributions which have been made in the meantime—because their assets have, in most cases, largely increased in value, and the demand for the various products of petroleum must continue to expand as time goes on up to the full limit of production.

Therefore the depreciation which has taken place in the value of many oil shares is, apart from what may be attributed to financial stringency, purely sentimental. But this slump has principally affected the prices of Ordinary shares, and it brings into prominence very forcibly the attractiveness of our Preference shares. As you are all aware, the market price of these has remained at practically the same level throughout the slump, while the depreciation in Ordinary shares of oil companies has amounted to something like fifty per cent. From this, I think, it is evident that a large number of investors prefer a fixed dividend at a good rate, with protection against a fall in capital value, to the uncertain dividends and fluctuations in value of Ordinary shares, which, if at any time they have to be realised, may mean the loss of half the sum invested.

Royalty Payable to Persian Government.

There is one other point in connection with the resolution now before you which I should, perhaps, explain. That is the alteration in article 110 of the articles of association referred to in paragraph (*e*) of the resolution. This change in the form of the article is necessitated by the fact that by some oversight the royalty payable to the Persian Govern-

ment was erroneously stated in the original articles of association as one-sixteenth of the annual net profits instead of sixteen per cent. of the annual net profits. The altered form of article 110 puts the matter in order.

I now beg to move this amendment: "That in the new article 6, line 2, in the new article 6 (*a*), line 7, and in the new article 6 (*b*), lines 4 and 9, the word 'First' be inserted between the words 'Cumulative' and 'Preference.'"

Sir Edward Packe, K.B.E., seconded the motion, which was carried unanimously.

The Chairman: I now beg to move: "That the special resolution as printed in the notice and as amended be passed as an extraordinary resolution."

Mr. R. I. Watson seconded the motion.

The Chairman, in reply to questions, explained that, as only a small proportion of the Company's products was sold in rupees and krans, the depreciation in the value of those currencies would have very little effect on the profits of the Company.

The resolution was carried unanimously, and at subsequent separate general meetings of the Preference and Ordinary shareholders corresponding resolutions were unanimously approved.

St. James' and Pall Mall Electric Light Company, Limited.

Expansion of Business.

THE ordinary general meeting of this Company was held on February 22 at the offices, Carnaby Street, Golden Square, W. Mr. Walter Leaf presided, and, dealing with the accounts, said: You will note, in the first place, a satisfactory growth alike in our connections, which have increased by 1,002 kw., or over five per cent., and our output, which has grown from a little over 12,000,000 units to 13,500,000, or nearly eleven per cent. This growth would have been still more noticeable had it not been for the abnormally mild weather of the present winter. A large part of our new connections have been for heating purposes, and have been but little used. We have here a latent expansion, which will only show itself when we return to more normal climatic conditions.

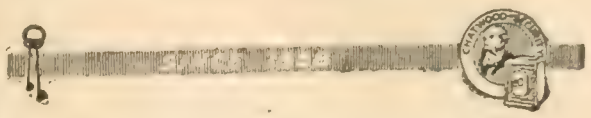
The profits we showed you last year justified an increase in dividend, but I spoke to you then of our wish that our customers should share in it. We found ourselves able to allow an all-round discount of five per cent. on our accounts for the first three quarters of 1920 to customers paying standard rates, which was equivalent to returning to them an amount considerably in excess of the extra dividend. Unfortunately the situation at the present moment is not so clear as one could wish. The future course of the Coal market, consequent on the coming removal of Government control, is very obscure, and we shall, during this year, have to face a heavy increase in charges for interest and expenses on the capital which we are spending here and at Grove Road. We have, therefore, found it necessary to withdraw the discount, at least for a time; and we have taken the opportunity to consolidate in a fresh tariff the various additions we have had to make in difficult times. The increase in charge is hardly more than nominal, and the highest price charged is still below the maximum allowed by our Order.

The surplus remaining, after paying the same dividend as last year, we have placed to the credit of our contingency fund, which is thus increased from £20,000 to £30,000.

Our total revenue has risen by over £19,000. Unfortunately our expenses continue to grow in an even larger ratio. They appear to have advanced from £170,000 to about £187,000, but the real increase in recurrent costs is still greater, for whereas last year we had to apply £14,727 to writing our investments down to market price, this year we have needed only £1,579 for the same purpose.

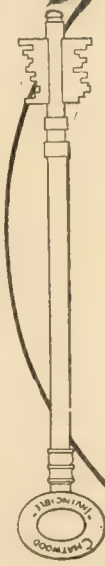
The Position of the Central Company.

You will notice in the St. James' accounts the large increase in the sum which we have advanced to the Central Company, in equal shares with the Westminster Company. Last year it stood at £55,000; this year it is no less than £112,000. This leads me to speak to you at some length of the position of the Central Company, which every year is a more vital part of our general scheme of supply. As I told you last year, we had sanctioned very large extensions to the Grove Road Station, and we are now in a position to report to you on the progress that has been made. There has been further serious delay in the completion of the first of the two 10,000 kw. sets on order, but it is now in course of erection, and will be completed within the next few months. In consequence of this delay the available plant at Grove Road, together with the steam plant in the stations of the St. James' and Westminster Companies, was only just sufficient to meet the demand, which, however, was throughout the winter carried on without disturbance or breakdown. Good progress has been made in the manufacture of the second 10,000 kw. set and



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the additional boilers, and this plant should be completed in time for next winter's load.

The reorganisation of Carnaby Street Station, in accordance with the policy of the board of superseding the uneconomical steam plant, has been proceeded with, but has been delayed by the non-completion of the new plant at Grove Road referred to above. Motor converting plant of the latest type, of 1,000 kw. capacity, has, however, already been installed, and the remainder of the necessary machinery has been manufactured, and will be brought into commission during the coming summer.

There was considerable difficulty in the early part of the year in securing adequate supplies of coal, and reserve stock fell to a very low point. Arrangements were made accordingly to control a certain number of wagons for the last nine months of the year, which ensured full supplies of coal of the right quality, so that stocks were built up to a satisfactory figure, and covered the shortage due to the miners' strike in October last without difficulty.

An important agreement has been negotiated during the year with the unions representing the workmen throughout the industry in the London area, which regulates wages by agreement over a long period, and which should go very far to prevent disputes and difficulties during the period of falling wages which is likely to occur within the near future. This agreement involved some increase in wages, while the cost of living has been high, but provides for a steady reduction as the cost of living falls. The relations between our Companies and their employees have been excellent throughout the year.

Issue of Short-Note terms.

The policy of the Central Company has been to keep their station absolutely up to date, and for this purpose they have not hesitated to authorise these extensions alike in buildings and plant, involving from first to last a capital outlay of some £800,000. The work has been carried out with the express sanction of the Electricity Commissioners, and, though this sanction does not import any legal guarantee, it seems virtually to indicate the intention that if, as seems probable, the generation of electricity in London is taken over as a public service under a joint electricity authority, the works which have been thus sanctioned should be fully utilised in the future supply of London.

Under these circumstances the board of the Central Company have no anxiety as to obtaining the full return of the capital so laid out. But the financing of the expenditure during the period of transition is a difficult problem. The point has been reached when it is no longer wise to extend the loans made by the two parent companies to the Central Company. Until a scheme is formed which will define the future position of the electric companies of London it is not practicable to issue further capital in the form of shares. The board of the Central Company have therefore decided, with the co-operation of the boards of the parent companies, to make an issue of short-term notes, which will be placed on the market as soon as the moment seems favourable. The notes will be secured by the joint and several guarantees of the parent companies, as well as by a charge on the Grove Road properties, subject, of course, to the existing mortgage, and will form a security of the highest class. The rate of interest which we shall have, under present circumstances, to pay will of necessity be high, but we have not the least doubt that in a comparatively short time we shall be able to recoup ourselves by the increased efficiency of the new plant.

The Future of the Metropolitan Electric Supply.

We have placed before you in our report the main facts with regard to the coming negotiations for the future of the electrical supply of London. The moment is a critical one for our industry. The Electricity Commissioners, who are possessed of almost unlimited powers, have appointed the end of March for the submission of schemes for the whole reorganisation of the supply of the Metropolis, and they have included in the Metropolis an immense area which covers the larger portion of the Home Counties. On the technical portion of that scheme our able engineers have long been engaged, and their labours are nearly complete. They have been working throughout in concert with the engineers of the London County Council and the municipal authorities, and we have no doubt that their joint efforts will result in the best solution possible, if indeed any complete solution is possible, of the great problem that has been put before them. But the technical part of the problem is not all. We are engaged on the equally difficult question of the administration of the supply. So far as we can gather the intention of the Commissioners, it is to take over the whole of our generating systems and place them in the hands of a joint electricity authority for the area, while leaving to the present authorised undertakers their existing systems of distribution, with an extended tenure in the case of those whose Order expires in 1931, including, of course, our own. Our efforts are being directed to three main points. In the first place, we are doing our best to insure that the Joint Electricity Authority shall be a business board of management, and not, as might possibly be the case, a political cockpit. In the second, we are endeavouring to make sure that the price at which our generating systems are taken over shall be a fair price. And, thirdly, we are aiming at securing such terms for the renewal of our tenure as will allow us a fair return upon our capital—such a return, that is, as will enable us to raise from time to time the fresh capital that will be needed for growth. If we cannot obtain all these points it may possibly be advisable for us to stand aside and be content with the terms of purchase to which we are entitled under the Act of 1888. The whole position is one which bristles with difficulties; it is making a heavy call upon our time and energies, and we ask your good will to support us in the work.

The report and accounts were unanimously adopted.

British Trade Corporation.

The fourth ordinary general meeting of this Corporation was held on February 23 at the Institute of Chartered Accountants, Moorgate Place, E.C., Lord Faringdon (the Governor) presiding.

The Governor, in moving the adoption of the report and accounts, dealt first with the figures submitted therein. Calling attention to the item of £307,380, capital in subsidiary companies, he said that the auditors, in their certificate, stated that they were unable to form an opinion as to its value. Neither were the directors. The sum represented less than the cost price of the Corporation's interests in the Anglo-Brazilian Commercial and Agency Company, the Levant Company, the Trade Indemnity Company, and the South Russia Banking Agency—all interests that had been deliberately acquired to help British trade. It was too soon to say whether the acquisitions had been wise or not. The Anglo-Brazilian Commercial and Agency Company was opening up a good general business, chiefly in districts previously occupied by the German merchant, and he had reason to believe it would be successful. The Levant Company was suffering from the heavy fall in commodities, and several of its fields of operation were handicapped by unstable exchanges, so that regions that had seemed to open up unlimited opportunities for British goods were almost closed at the present time, but he was optimistic enough to feel that those were troubles that time would heal, and that at no distant date the board would be able to report a revival. The directors were informed that the Trade Indemnity Company showed a considerable increase in its premium income, and was doing all in its power to assist the export trade. It was hoped that the organisation of that Company might be utilised if any larger scheme of overseas trade credit were evolved. Most of the proposals in that connection which came direct to the British Trade Corporation were for credits, not for the export of British manufactured goods, but for raw materials to restore industries in Czecho-Slovakia, Austria, &c. It was rather difficult to see how British trade would be directly benefited if such proposals were entertained by themselves or others. The South Russia Banking Agency was in *statu quo*. No transactions could possibly take place until trade with Russia was placed upon some secure basis. The progress made by the National Bank of Turkey was satisfactory if the unfavourable conditions were taken into account.

The profits of the Corporation for the past year amounted to £119,309, and the directors recommended the payment of a dividend of 8*s*. per share, leaving £61,901 to be carried forward.

Sir Henry Babington Smith, G.B.E., K.C.B., C.S.I. (Deputy-Governor), seconded the motion, which was carried unanimously.

Wandsworth, Wimbledon, and Epsom District Gas Company.

Increased Sales.

The ordinary general meeting of this Company was held on February 22 at the Cannon Street Hotel, E.C., Mr. H. E. Jones (Chairman of the Company) presiding.

The Secretary (Mr. Charles W. Braine) read the notice convening the meeting.

The Chairman, in moving the adoption of the report, said the Company had had an eventful and anxious but progressive year. In the midst of all the chaos of uncertain, irresponsible meddling by bureaucratic interference which had rendered the gas dearer in price and worse in quality all over the kingdom, by a strange compulsion the gas consumers of the kingdom had gone on demanding more gas, and the sale of gas of their Company during the past year showed an increase of nearly seven per cent. The rebate of 10*s*. per ton received on coal used for domestic and household purposes had been distributed to such consumers as were entitled to it, although he doubted whether it had done much good to anybody, although he supposed the consumer had reaped a little advantage. They had had a miners' strike, and their stock of coal had run down, and this had created some anxiety. They had been told in the past not to sell their coke, and, therefore, large stocks had accumulated; but they would be glad to sell their coke to-day at a price a good deal less than that which was ruling when the embargo was put upon them. The influence of bureaucratic control from Whitehall had not only damaged their dividends very seriously during the last three or four years, but had created great hardship on the directors and staff generally. They

had been compelled to make gas of a quality much worse than they cared to make, and following upon this the advance in the price of labour and materials, and especially of coal, had necessitated a rise in the price of gas in the past, though happily not within the past year. At one time the directors were very much afraid that an advance would have to be made, but the notice of an increase last June was withdrawn.

The Dividends.

Under a special Act they were allowed by the Board of Trade to pay a dividend of three-fourths their standard dividend, or three-fourths of their pre-War actual dividend, whichever was the lower. Nine or ten companies had had to take advantage of this relief Act, but the Company's dividends, and a good deal of their capital, was still above the three-fourths permitted. This, in the circumstances of the high prices and other difficulties, spoke very favourably of the working of the company. These dividends were being paid after full allowance for all necessary repairs to the undertaking and after everything connected with the manufacturing had been thoroughly maintained in an efficient condition. The result was that they had been able quite easily to meet the extra demands of the seven per cent. of increase in gas made upon them, and this, in the circumstances, he considered rather extraordinary. With the exception of one company, their increase had been the largest of any concern in the neighbourhood of London. Their capital in the year had been raised only by £63,000, which was roughly five and three-quarters per cent., although the sale of gas had gone up seven per cent.

The Gas Regulation Act.

The report stated that under the Gas Regulation Act of last year the Company was in the hope of securing what it had long been entitled to, a better return on the investment than their shareholders had been receiving during the War period. Under this new Act the gas companies were enabled to apply for power to charge, without damage to the dividend, the extra cost of the manufacture and delivery of gas which had arisen owing to the altered conditions of labour and prices. They were putting in a claim of 14.68*d.* per therm, which was 2*d.* or 3*d.*, and in some cases even 4*d.*, below claims put in by their immediate neighbours. Why had they been able to do this? He had spoken of their low capital, due to the care with which their engineering developments had been carried out, but he would also mention that their predecessors on the board had procured a most magnificent waterside manufactory, which could be approached by ships navigating the sea direct from Newcastle. These works, he thought, were the envy of many gas companies. These works, and other favourable conditions, gave the directors hope that they would be able to restore to the shareholders their pre-War dividends. An Act of Parliament promoted in the last Session secured to them six acres of land which they had bought when land was cheap. He considered that the obtaining of the Bill was worth to the Company at least £150,000. There was a good deal of misguided opposition to the Bill, but the Courts had taken a different view of the matter. A further Bill had been deposited in Parliament, but clauses relating to the acquisition of the Sutton Gas Company had been dropped, because he considered the shareholders of that Company had been misled.

Mr. R. Garraway Rice (Deputy-Chairman) seconded the motion, which was carried unanimously, and, at a subsequent meeting, the creation and issue of further Preference and Debenture stock was approved.

Crockers, Limited.

Excellent Results Achieved.

The twentieth annual general meeting of this Company was held on February 24 at Cannon Street Hotel, London, E.C. Mr. John Eccleston Sheldon presided, and in the course of his speech said: When I had the pleasure of addressing you at our last annual meeting I dealt somewhat exhaustively with the figures disclosed in the accounts, and went on to say: "This is a strong position for us to be in, especially in view of the extended business which we are hoping for, and which, I venture to think, will be realised, but I may add that, in spite of the talk of the boom, or a boom—whichever way it is at present viewed—there are many dangerous positions, and we shall continue, as we have always done, to pursue a cautious policy." We proceeded accordingly, and for the first part of the year we achieved most excellent results. But shortly there developed a position in the world's trading that had never been imagined, even in the minds of those best able to foresee, the results of which doubtless many of you have experienced. It will not surprise you to know that, in spite of our cautious policy, we found ourselves, in common with the majority of businesses, with a far larger stock than we had budgeted for, and, consequently, having to face a concomitant depreciation; and, with regard to that depreciation, I am happy to be able to assure you that we have faced the position boldly, that the stock of every department has been scrutinised by every member of your board, and that they consider the depreciations which have been made are adequate. I am happy to relate that these commitments on account of purchases are only about one-half of what they were at this time last year. In this connection I may state that we are giving careful attention to any depreciation that may be necessary—and certainly will be necessary—on these commitments, as we are determined fully to maintain the reputation we have, not only for giving "Britain's Best," but also that the prices should be on competitive lines.

Premises Account.

Your board has, for some five or six years, been negotiating for the purchase of the freehold of Nos. 84, 85, and 86 Watling Street, which was a portion that cut right into our main building, and would eventually have greatly depreciated our own freehold, and would have involved us in considerable outlay with regard to reconstruction. As the acquisition of the freehold would convert the whole of the Company's block into freehold your directors realised the importance of bringing the negotiations to a successful issue. It is satisfactory, therefore, to be able to state that these negotiations were completed in the early part of last year by the acquisition of the freehold in question. At the same time, your directors felt that it was not desirable to lock up the liquid capital of the Company to the extent of £20,000. They therefore decided to mortgage this portion of the property in the sum of £15,000, which they were able to do on what can only be considered as very satisfactory terms.

I should like to refer to the question of the heavy burden of taxes which we have had to bear during the last six years—that is, from 1914 to 1919 inclusive. During that period the amount of excess profits duty which we have been called upon to pay is the huge amount of £294,612, and a further sum of £33,897 for income tax, making a total of £328,509.

As to the future, I do not attempt to prophesy. As far as our own business is concerned there are grounds for a measure of optimism, and for these reasons, among others: although the slump may not as yet have touched bottom in certain directions, the President of the Board of Trade, who has exceptional data to go upon, has stated that he could see signs of improvement. Further, I would point out that our business, broadly speaking, is not one dealing in luxuries, but largely necessities, and it is necessities that the people are wanting the world over; but little improvement can be looked for until the foreign markets, in which our own is also involved, are freed from their present fetters.

After making the usual allowances for adjustments, the amount of profit for the year was £27,696, and there is

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a disposable balance of £43,608. We propose to pay a final dividend on the Cumulative Preference shares at the rate of five per cent. and a further dividend on those shares of one and a-half per cent., making six and a-half per cent. for the year, and also a final dividend on the Ordinary shares at the rate of fourteen per cent. per annum, making ten per cent. for the year. We have a balance to carry forward of £18,127, against £15,912 a year ago.

The report was unanimously adopted.

Wm. France Fenwick & Co., Ltd.

The Shipping Outlook.

THE twentieth annual meeting of this Company was held on February 24 at 5 Fenchurch Street, E.C., Mr. H. C. Pelly presiding.

Proceeding to move the adoption of the report and accounts, he said that the whole of the surveys, repairs, and reconditioning of the fleet, which had been delayed owing to the War, had now been completed, and their fleet of sixteen steamers was once more in excellent order. Full provision had been made in the accounts for the amount for which they expected to be liable in respect of excess profits duty and corporation profits tax, and that sum was far in excess of what was proposed for the total distribution among the Preference and Ordinary shareholders. Another matter which had adversely affected them was the coal-miners' strike of last autumn, when most of their steamers were once again under the direction and orders of the Shipping Controller, and were for some weeks lying idle in port. During the year they had amalgamated their insurance department with a similar department of Messrs. Staley Radford and Company's business, and it was now carried on separately as Staley Radford and France Fenwick (Insurance), Limited. The arrangement had proved satisfactory, and had inspired new life into that portion of their business, from which, as a result, they might expect a better return. Their holding in this subsidiary company amounted to two thirds of its capital.

The trading profit for the year amounted to £149,697. After paying the full Preference dividend, placing £28,211 to the general reserve fund (which would then amount to £425,000), and deducting £56,250 for interim dividend and bonus paid on September 1 last to the Ordinary shareholders, there remained a balance of £73,707, out of which the directors recommended payment of a final dividend of five per cent., together with a further bonus of two and a-half per cent., making in all fifteen per cent., free of income tax, for the year.

Investments in Government securities had again been taken at cost; these were chiefly represented by £250,000 Treasury bills and by Government securities maturing at par, or at a premium, during the next few years. Under these circumstances the directors felt there was no occasion to write them down, as they need only hold the bulk of them for a few years to see a substantial accretion of profit from this investment.

Sir George Higgins, C.B.E., seconded the motion, which was carried unanimously.

Jeremiah Rotherham and Co., Ltd.

THE twenty-third annual general meeting of this Company was held on February 23 at the Shoreditch Town Hall, Mr. Frederick Snowden (Chairman of the Company) presiding.

The Chairman said: The result of the year, so far as the payment of dividend is concerned, I do not think you will grumble at, for, although on paper we are showing payment of a bonus of six per cent., as against a bonus of fifteen per cent. last year—that is, a total distribution of fifteen per cent. for the year, as against twenty-five per cent.—the difference is really more apparent than real, for last year we allotted to Ordinary shareholders 200,000 shares in virtue of their holding the 400,000 shares previously issued, so that we have now to pay on 600,000 Ordinary shares, as against 400,000, but, as a matter of fact, we are paying quite as much in amount by way of dividend and Debenture interest, excepting about £1,666. That is, last year, although we paid twenty-five per cent., we distributed £101,666, whereas this year, although we are paying a dividend of only fifteen per cent., we are really paying £100,000. Had the calculation been made on last year's dividend you are really getting on that basis twenty-two and a-half per cent., so that the actual difference is really only two and a-half per cent. In the circumstances, seeing what the trade has been, I do not think you will have any reason to grumble at that result.

I will now turn to the balance sheet. The stock is £173,729 more this year than last year. I can assure the shareholders—I am not going to prophesy—that on February 15 of the present year we had reduced our increase of stock from £173,000 to £83,000, so that you will glean from that that the directors had in mind the importance of the question. Another important item is the book debts. Those owing to us are £113,449 less than last year.

We now propose placing £10,000 to general reserve, £10,000 to general contingency account, and £6,000 to depreciation of investments. With regard to the excess profits duty and the corporation profits tax, we do not know what the amount will be, but assuming that it will be £58,000 we shall have to carry forward £109,126 as a sort of working balance, as against £120,000. It may interest you to know that, including this year, we have paid for excess profits duty £494,778, or very nearly half a million. It is satisfactory that the Chancellor of the Exchequer has promised to take off this iniquitous tax.

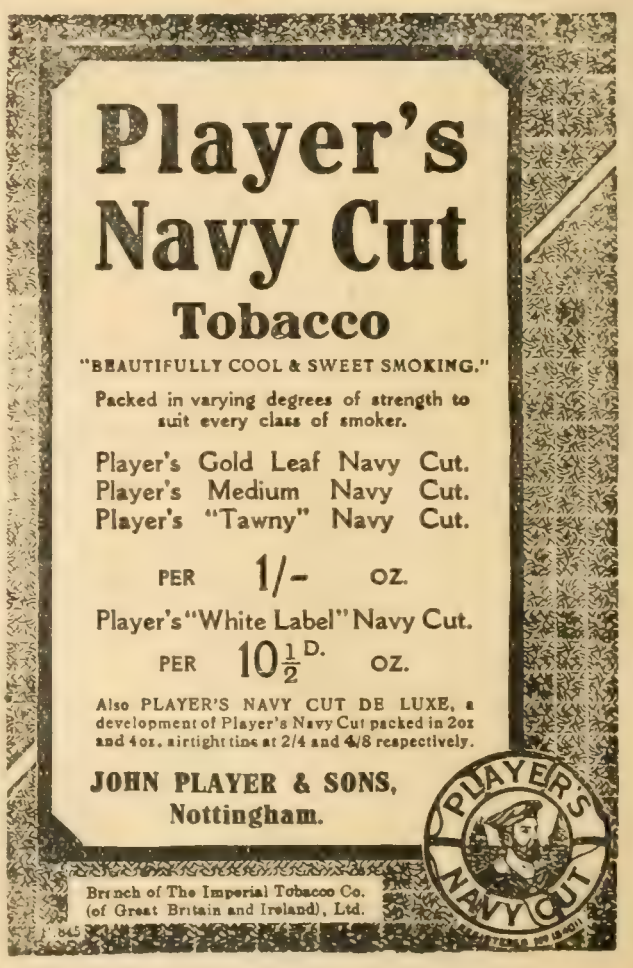
Mr. William Ellis seconded the resolution.

South Metropolitan Electric Light and Power Company, Limited.

THE ordinary general meeting of this Company was held on February 23 at Winchester House, E.C.

Mr. Henry St. John Winkworth said: The total horse-power connected at the end of the year was 30,726, as compared with 28,596 at the end of the previous year; and 539 new services, representing 56,553 35-watt lamps, were connected during the year, compared with 522 services and 59,410 lamps last year. The total number of consumers connected to the Company's system at December 31 was 8,091. The number of units sold was 17,643,122, as compared with 15,642,716 in the previous year, representing an increase of just over two millions, and the average price obtained from all classes of supply increased from 2.39*d.* to 2.55*d.* per unit. Only a small addition in the price was charged to the consumer, the higher cost of production being substantially covered by the increased output and a better load factor. The total receipts amounted to £199,037, an improvement of £32,041. Coal had cost £73,570, an increase of £13,618. It was also most important, in the interest of commerce and trade generally, that there should be a steady decline from the extravagant price they were now paying for coal. There was again a marked increase in the wages of workmen, which, under present-day conditions, were about 250 per cent. over pre-War figures, but it was hoped that the new wages agreement which had been arrived at in connection with the London electric supply industry would remove one of the most fruitful causes—perhaps the most fruitful cause—of dispute. The total expenditure amounted to £116,216. The available balance was £96,146, and of this it was proposed to place £23,000 to depreciation account and £10,000 to reserve account. The dividend on the Ordinary shares was being increased from six per cent. to eight per cent., and they were carrying forward £18,260, as compared with £12,323 brought in.

The report was unanimously adopted.



The International Paint and Compositions Co., Ltd.

THE thirteenth ordinary general meeting of the International Paint and Compositions Company, Limited, was held at Winchester House, E.C., on February 25, Colonel Sir Herbert Jekyll, K.C.M.G., presiding.

The Chairman said that after writing off bad debts the profit for the past year was £37,686 odd as compared with £63,655 in 1919. The directors recommended a final dividend of three per cent. on the Ordinary shares, making, with the three per cent. already paid, six per cent. for the year, as compared with ten per cent. paid in 1919. In the last quarter trade showed marked signs of depression, which became more and more pronounced as time went on, though they were not affected materially until the last month, while the prices of raw materials, which had already begun to show a downward tendency, fell rapidly, and had continued to fall up to the present time. This Company, in common with almost all other industrial undertakings, had been prejudicially affected by the slump in trade, but it had been affected much more by the fall in the price of raw materials. When the time arrived for valuing the stocks, the bulk of which had been taken in earlier in the year at high prices, the valuation disclosed a heavy loss. The balance of stocks contingency fund had gone far to meet the loss in the value of raw material, but there remained a debit balance of £5,637 on account of raw materials alone which had to be charged against the profit of 1920. It was proposed to allocate £5,000 to stocks contingency fund in order to make provision for the possibility of a further decline in price in the course of the year. It was necessary for the Company to maintain large stocks of manufactured goods both at home and abroad, and allowance had been made for their depreciation. During the last seven years working charges and wages at the factory had increased threefold, while maintenance and salaries had increased more than twice. Apart, however, from the loss attributable to the depreciation in the value of stocks, there was little cause for discouragement in the results disclosed by the accounts. So far orders were not coming in as well as they could wish, and since the beginning of the year they had not been able to keep the factory fully employed, but should trade revive there was no reason why the Company should not share in the common prosperity.

The report and accounts were unanimously adopted, and the retiring directors were re-elected, although the proposition was opposed by Mr. John Balfour and other shareholders, who thought that the board, consisting of nine directors, should be reduced.

Vyse, Sons and Company, Ltd.

THE twenty-third ordinary general meeting of this Company was held at 76 Wood Street, E.C., on February 25, Mr. Sidney Thirkell (the Chairman) presiding.

The Chairman said that it was a great satisfaction to the directors to show a profit which was a substantial advance on any shown in pre-War years. Stock showed an increase of £86,000, which the Managing Director would deal with in his speech.

Mr. Claude Thirkell (Managing Director), in seconding the motion, said that shareholders would be pleased to learn that the directors had taken the matter of the stock into the fullest consideration and had valued it and all liabilities in connection therewith on a basis which would allow for its realisation under normal conditions at a normal rate of profit. The Company's export trade was adversely affected by the present position of the world's exchanges, and the financial restrictions placed upon banking facilities in connection with their foreign trade Referring to the resolution to increase the borrowing powers of the Company, the reason for doing so, first and foremost, was the development of the business. There were times during the year when considerable sums beyond the amount normally available were required. Since the last meeting shareholders would be interested to learn that he had paid a visit to their Canadian branch and also to many of the Company's customers throughout the United States. His visit also enabled him to obtain an insight into many features of American commercial organisations, and particularly it enabled him to visit the factories of the Warner Corset Company, for whom they were acting as sole representatives in this country. He believed there was a big future for that well-known brand of corsets; in fact, since they had recommenced operations they had established arrangements with many of the most prominent retailers throughout the country, and they were looking forward to the future with every assurance of prosperity. The year 1920 had been a difficult one, and it had only been through the support which the board had received from the staff that they had carried on so successfully; but if 1920 had been difficult, in his opinion 1921 would be still more difficult, but with the knowledge of the support he had mentioned they faced the difficulties of the coming year with every confidence.

The report was carried unanimously.

Bovril, Ltd.

Company's Anti-Profiteering Policy.

SIR GEORGE LAWSON JOHNSTON, Chairman of Bovril, Limited, had some piquant and pointed things to say about War profiteers in his address to the shareholders at the annual meeting of the Company on February 25.

Comparing them with the buccaneers of bygone days, he remarked that, while the latter had somewhat hazy views regarding proprietorial rights, some of them had attractive attributes of personal courage and hardihood which earned for them a certain romantic fame. He did not think the legally respectable profiteers of 1914-1919 would ever fill such a popular niche in history.

Excess profits duty, Sir George said, has few friends to-day, largely because it outlived its time and became a hindrance to fresh peace-time enterprise. In spite of all its failings, however, it was probably the best rough-and-ready means that could have been devised of securing for the country a good proportion of the excess War profits, and it was a tax that could not have been maintained if the great majority of people had not recognised its fundamental justice, and even felt a certain satisfaction in seeing what they regarded as blood-money extracted from the profiteers.

It was somewhat interesting from the Bovril standpoint to note that the price of food had come down about fifteen points last month, and that it was still 163 per cent. above the pre-War basis. He hoped that before the next Bovril annual meeting it would have got well below the 100 per cent. premium.

Both in precept and example, Sir George claimed, Bovril had "done its bit" in the matter of anti-profiteering. Throughout the whole trying period of the War Bovril prices had been maintained at the pre-War level, and the small advance of 1*d.* in the shilling made in 1920 was largely dictated by the need for providing a more adequate margin of profit for the wholesale and retail distributors of Bovril, and went principally to them.

In the present unsettled state of affairs all over the world it was impossible to say that they had reached finality in their prices, but if they should again be compelled to revise them Bovril consumers might rest assured that they would be guided by the same principles and considerations as had moulded their policy hitherto.

There had been some talk of a turnover tax, from a penny to threepence in the pound, on sales, as a substitute for the excess profits duty. This would hold no particular terrors for Bovril, Limited.

At their last meeting he had described in some detail the advantages of what he termed "perpendicular" amalgamations over the "horizontal" ones that were then so much to the fore. This turnover tax would certainly favour the upright group, who would only pay once on a product passing through many processes.

Substantial progress had been made during the year in the development of the Company's nutrient laxative Virolax. The unique value of this very pleasant preparation has been generally recognised by the medical profession.

The Mystery of Influenza.

Thanking the shareholders on the occasion of his re-election to the board, Sir James Crichton-Browne said he considered it a privilege to be associated with the directorate of a Company that was really an adjunct to the Ministry of Health. It was eminently satisfactory to find that such diseases as typhoid fever, scarlet fever, and consumption had, during the last fifty years, steadily diminished both in prevalence and virulence. For this we had to thank modern sanitation, improved drainage, water supply, housing, and the generally higher standard of living attained by our people. Amongst the agencies which had helped to secure this beneficent result he would claim an honourable place for Bovril, a food which by its unique nutritive and body-building power had helped to maintain the stamina of those who partook of it and to increase their resistance to disease.

The strength of the resistance, Sir James said, was the important matter. Remedies were all very well, and, indeed, indispensable, but prevention was far better.

Notwithstanding all the skill and diligence brought to bear on its study, influenza remained to a great extent inscrutable—a veiled assassin—a perplexing mystery—an unsolved problem, the solution of which would be one of the greatest triumphs of scientific medicine. Its true cause had not yet been differentiated, nor the specific organism responsible for it isolated, nor had any protective vaccine against it been evolved.

All wise and approved precautions, Sir James urged, should therefore be scrupulously observed, and the best safeguard was to raise the whole standard of the life of the nation. In the view of Sir George Newman, Chief Medical Adviser of the Ministry of Health, "no technical device or narrow specific remedy against influenza can avail, apart from the sanitary environment of the community and the sound nutrition of the individual." It was in maintaining the nutrition of the individual that Bovril played its part in our defence against influenza. Once influenza had been contracted, he believed the best prescription for treatment could be conveyed in three words—"Bed and Bovril."

BANK OF MONTREAL

Established in 1817.
Paid-up Capital, $22,000,000.
Rest, $22,000,000.
Undivided Profits, $1,251,850.
Total Assets (30th Oct., 1920), $560,150,812.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, C.M.G., M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq., K.C., General Sir Arthur Currie, G.C.M.G., K.C.B., Hon. Sir Lomer Gouin, K.C.M.G.

Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.

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9 Waterloo Place, Pall Mall, S.W. 1.
PARIS AGENCY: BANK OF MONTREAL (FRANCE), 17 Place Vendome, Paris.
London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. B. S. Balfour.
Manager: George Cyril Cassels.

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The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico, and France.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C.3

Authorised Capital	£2,000,000
Called-up Capital	£1,000,000
Reserve Fund	£225,000
Reserved Liability of Shareholders ..	£1,000,000

BRANCHES:
AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, HILLAH, MOSUL, BOMBAY, CALCUTTA, COLOMBO.

BOARD OF DIRECTORS
Chairman.
The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T.
Deputy-Chairman.
J. S. HASKELL, Esq.
SIR J. LEIGH-WOOD, K.B.E., C.B., C.M.G. G. BROMLEY-MARTIN, Esq.
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The Bank issues Drafts, Telegraphic Transfers, and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East. Deposits are received for one year at 6 per cent. per annum and for shorter periods at rates which can be ascertained on application. On Current Accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

BANQUE NATIONALE DE CREDIT.

CAPITAL	Frs. 500,000,000
RESERVE FUND	„ 90,000,000
DEPOSITS	„ 2,400,000,000

Head Office:
— PARIS. —

300 Branches in France.

4 Branches in the Rhenish Provinces.

GENERAL BANKING BUSINESS.

THE
Merchants Bank of Canada

Total Deposits (30th Oct., 1920) $170,000,000
Total Assets (30th Oct., 1920) $209,000,000

399 BRANCHES IN CANADA

Special Department at Montreal gives manufacturers and merchants opening up in Canada all information regarding Water Power, Sites, Tariffs, etc.

COMPLETE BANKING SERVICE

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J. B. DONNELLY, D.S.O., *Manager.*

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C. 2.

Paid-up Capital	£4,931,100
Reserve Fund	3,350,000
Reserve Liability of Proprietors	4,931,100
	£13,212,200
Aggregate Assets, 30th Sept., 1920	£72,467,795

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business. H. MELDRUM, Acting Manager.

THE CANADIAN BANK OF COMMERCE.

HEAD OFFICE ... ... TORONTO.

Paid-up Capital ... $15,000,000 (£3,082,192)
Reserve Fund ... $15,000,000 (£3,082,192)

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Vice-President and General Manager: SIR JOHN AIRD.
Assistant General Manager: H. V. F. JONES.

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C. CAMBIE, Manager.

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital	£250,000 0 0
(25,000 Shares of £10 each)	
Reserved Fund	£725,000 0 0
Reserve Profits	£20,562 0 0

Reserve Liability of Shareholders, £250,000.

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Branches: 120 all over Finland.

Paid-up Capital ..	Fmk. 150,000,000
Reserve Funds ..	„ 88,000,000

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Lahore	Aden Point		
Amritsar	Colombo	Entebbe	
Delhi	Kandy	Kampala	Uganda
Tuticorin	Nowera Eliya	Jinja	
	Dar-es-Salaam, Tanga		Tanganyika Territory

SUBSCRIBED CAPITAL £4,000,000
PAID-UP CAPITAL £2,000,000
RESERVE FUNDS £2,300,000

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ESTABLISHED 1869.

Capital Paid up	$19,000,000
Reserve Funds	$19,000,000
Total Assets	$584,000,000

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Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C. 3.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1920,

Annual Income Exceeds - -	**£6,300,000**
Assets Exceed - - - -	**£19,000,000**
Claims Paid Exceed - - -	**£32,000,000**

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The Statist.

LONDON, SATURDAY, MARCH 5, 1921.

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The Money Market.

Friday, March 4, 1921.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate ...	7 (Apr. 15, '20)	6 (Nov. 6, '19)
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	5 (Apr. 15, '20)	4† (Nov. 6, '19)
Discount Houses (Notice)	5½ (Apr. 15, '20)	4½ (Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6½	—	—
Bank Bills	6 11/16	6 11/16–¾	6 11/16	6⅞
Trade Bills	—	7–7¼	7¼–½	7½

FOREIGN BORROWING IN LONDON.

IT is interesting to note that the San Paulo Loan offered on Wednesday was the first foreign loan specifically floated in London since October 1919, the issue on that date being £1,803,300 Eight per Cent. Sterling Treasury Notes (1925-29) of the Chinese Government, offered at the price of 98. The San Paulo issue was for £2,000,000 in Eight per Cent. Sterling Bonds offered at 96½, the effective rate of interest being £8 5*s.* 10*d.* per £100. The loan seems to have come on the market at a fortunate moment, for the amount offered was very quickly taken up. Its success may be partly attributed to the fact that on the date of the issue there was a considerable amount of money available for investment, following the distribution of Government interest payments on Tuesday last, and partly, no doubt, to the high rate of interest offered and the soundness of the security; but it is still significant of the fact that foreign borrowers having a sound investment to offer can still count on a favourable reception in the London capital market. It is possible that the success of this issue may encourage other foreign Governments and municipalities to seek funds here. Before the War London was the premier capital market of the world, but since then our position in this respect has undergone vital change, and recently there has been a tendency on the part of foreign borrowers to turn to New York instead of this country. Indeed, it was understood in at least one instance that where a foreign issue in London was contemplated the intending borrowers were told that an issue in our market would not for the time being be looked upon with favour by the authorities, and as a result, though the proceeds of the loan in question were designed for making payments in this country, the flotation was transferred to New York instead. Recent borrowers on the other side of the Atlantic include the Governments of Switzerland, France, Belgium, Norway, and Denmark, as well as various municipalities in those countries, and nearly all of these met with success. The issues, however, could have been made much cheaper here, and it is for this reason we think that if no obstacles are opposed by our financial authorities the success of the San Paulo issue will divert some future foreign loans from New York to London.

Now, if the long view is taken, a recrudescence of foreign borrowing here is to our interest, for, apart from the possibility of some of the proceeds being spent in this country, all capital invested by us abroad, though involving a sacrifice for the time being, will ultimately tend to increase the quantity of commodities we are entitled to demand from foreign countries, when the interest payments come to be made. Were we now to recommence the investing of capital abroad on a large scale we would, in time, come to enjoy the position we occupied before the War, of a nation to whom foreign countries were extensively indebted. Such a position would be calculated to extend and consolidate our commercial relationships, and apart from this consideration, its advantages during another such crisis as was forced upon us by the European War would be incalculable. It cannot be doubted, for instance, that one of the chief reasons why we have

been able to recuperate so rapidly from the effects of the War was our ability during the conflict to draw on the enormous credits we had piled up abroad, chiefly in the United States.

Having regard to our more immediate interests, on the other hand, it is hardly questionable that the discomforts occasioned to us by extensive foreign borrowing here would more than outweigh any future advantages. There is with us a very real scarcity of capital, and moreover, at the moment, production instead of increasing is on the decline, while real saving is at a very low ebb, and there is so much capital required at home that we have very little to spare for other countries. This consideration must appear all the more prominent in view of the probability of the establishment of an exports credits scheme in the near future. In fact, our own resources will have to be availed of to the uttermost if we are to meet all our requirements for capital without involving a renewal of the creation of banking credits on a large scale, a method which, as we know to our cost, so easily leads to inflation and deludes us by the appearance of fictitious prosperity it imparts to our economic life. To avoid difficulties, then, it would be well if intending foreign borrowers were reminded that our investment resources are strictly limited, and that the present is not a time for extensive flotations in our market.

In the Money market during the week cash displacements were on a considerable scale, and were generally in the direction of establishing easier conditions. Besides the usual transference of revenue to the Exchequer and the repayments falling due to the Bank, Treasury bill maturities were unusually heavy, and a large amount appears to have been allowed to run off. There were also large disbursements of railway dividends, but the chief factor operating on the market was the distribution of over £20 million interest payments by the Government on the 1st inst., the effect of which was very quickly felt. Towards the end of the week the relaxation of the pressure was most pronounced, and day-to-day loans were generally arranged from 5 to 5½ per cent., as compared with a range of 5½ to 6 per cent. early in the week. Weekly loans continued at 5½ per cent. Business in the discount market was exceedingly quiet owing to the poor supply of bills offering, but after the turn of the month a decidedly easier tendency became evident. After Tuesday June bills were quoted down to 6⅞ to 6⅝ per cent., as compared with 6¾ per cent. for the three months' bill previously. Two months' paper became cheaper at 6½ to 6⅜ per cent., and six months' maturities showed little change at 6 to 6½ per cent.

Foreign Exchanges.

The Foreign Exchange market was, on the whole, characterised by inactivity during the week, due to the coincidence of the Allied Conference in London, the outcome of which was evidently regarded by dealers as a factor of great importance in foreign-exchange values. In the earlier part of the week there was little disposition either to buy or to sell any particular currency, though sentiment generally seemed to favour an appreciation of the mark and of the currencies of our late Continental Allies. When the news came of the offer made by the German delegates, with its refusal by the Allied Council and the ensuing ultimatum to Germany, business was brought almost to a standstill. At first the value of the mark, as well as of francs and lire, suffered a sharp relapse, but before the close of the day the trend of quotations was reversed, and, on the whole, these currencies show very little change during the week, it being probably recognised that the effects on their value of what actually occurred during the negotiations had already been discounted in advance. This, indeed, may be said to be true, at all events, of the mark, while French and Belgian francs and Italian lire cannot now be very much affected by even a change in the amount of the German indemnity such as was contemplated by the German delegates. There were few movements in other exchanges sufficiently remarkable to merit special mention, but another slight advance occurred in the New York rate, to-day's cable quotation being 3.90⅜. European neutrals generally moved in our favour. The South American group was steady to firm, and Eastern currencies showed further weakness.

Income and Expenditure.

A distinctly unfavourable trend is shown in the latest return of Public Income and Expenditure. For the week ending on the 28th inst. the revenue showed a fall of £2,142,801, at £50,401,601, as compared with the previous week, while expenditure, at the same time, rose by £3,475,301 to £18,684,851, so that the surplus revenue for the week was £31,716,750, or £5,618,101 below that of the previous week. The position, however, is more unsatisfactory than is indicated by these figures, for sales of Government assets were used to supplement revenue to the extent of £13,291,939 during the week under review, as against £2,946,540 for the previous week, an increase of £10,345,399; ordinary revenue, accordingly, was only £37,109,662, or £12,488,200 below that for the preceding week.

Other Exchequer issues, however, were not on a large scale, the chief items being £5,960,000 for Treasury bills allowed to run off, £1,473,681 for War Loans, Exchequer Bonds, &c., surrendered in payment of excess profits duties, £1,500,070 for repayment of foreign debt, and £1,250,000 for proceeds of National Savings Certificates issued under the Finance Act, 1920. The revenue surplus, after meeting these demands, was sufficient to effect a repayment of £21,950,000 in the outstanding Ways and Means Advances. This allowed of the advances by the Bank of England, which stood at £14½ million on February 19, being altogether repaid, while the liability to Public Departments was reduced by £7,450,000 to £189,622,000. The total of Treasury bills outstanding on Saturday last was £1,109,799,000, and the total Floating Debt was £1,229,421,000, showing a decline of £27,910,000 on the week; as compared with February 28, 1920, it shows an expansion of £41,506,000, but as compared with the beginning of the financial year there is a reduction of £12,784,000.

Currency Notes.

It is not surprising, considering the very heavy cash displacements during the week, that the note circulation should have expanded, and as these were still on a large scale after Wednesday, to which date the currency note statement is compiled, it is not unlikely that a similar movement will be shown in the next return. The combined circulation of currency notes and Bank of England notes shows a rise of nearly £3,000,000. The former issue increased by £1,295,324 to £334,969,704, fresh issues during the week, at £8,874,126, being the largest for any week since the commencement of the year. The latest total recorded above is £7,440,769 above that returned a year ago, but £29,955,063 below the figure for December 29, 1920. The fiduciary issue is

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£287,019,704, or more than £30½ million below the maximum for 1921.

Bank of England.

The Bank's statement for the week ending on the 2nd inst. discloses some interesting and significant features. The holding of Government securities shows the substantial advance of £13,364,000. This renewed borrowing by the Government on Ways and Means was probably in order to meet the comparatively heavy interest disbursements during the week, of which mention is made in a previous column. It would seem to indicate also—for the disbursements just noted would hardly be of themselves sufficient, in view of the strong showing made by revenue at present, to cause such a large recourse to temporary borrowing—that a considerable portion of maturing Treasury bills, these being on a large scale during the week, were not renewed. This view is corroborated by the movement shown by the statement in "other deposits," which rose on the week by £13,210,000. It would be interesting, however, to know how far this movement, which also figured in the statement for the last week of January, was influenced by the publication of monthly balance sheets by the clearing banks. "Other securities" also showed an increase, the movement being £3,705,000, as against £10,021,000 last week. The note circulation rose by £1,601,000 to £129,999,000, and the total coin and bullion shows a minor decline, so that the reserve is £1,603,000 lower at £17,477,000. The increase in liabilities already noted tended still further to depress the reserve ratio from 15 per cent. to 12.2 per cent., this latter comparing with 19.6 per cent. a year ago.

Bullion.

All available supplies of gold were again taken for New York. To-day's parity price, at 105*s.* 3*d.*, shows a fall of 13*d.* as compared with a week ago.

Apart from a recrudescence of buying for the Indian Bazaars little support was forthcoming for the silver market. This influence, however, was strong enough to carry the spot price from 31⅞*d.* on February 25 to 33*d.* on the 28th. After that date the decline was renewed, and by Wednesday the cash quotation had dropped 1½*d.* As the buying was largely for immediate shipment, a premium on spot silver was re-established on Monday last. The market displayed considerable activity during the week, due to heavy transactions on Chinese account. These included both selling and buying, with the balance on the side of selling. American supplies were arriving less freely, but Continental silver was again largely in evidence. The factors making for weakness were still predominant at the close of the week, and no immediate upward movement in quotations is looked for unless Indian buying is resumed.

The following are the market quotations for gold and silver for the past week:—

	Feb. 26	Feb. 28	Mar. 1	Mar. 2	Mar. 3	Mar 4	Average
Silver (per oz. std. ·926 fine):—							
Spot ...	32*d.*	33*d.*	32½*d.*	31½*d.*	31⅝*d.*	31½*d.*	32*d.*
Forward ...	32*d.*	32½*d.*	32*d.*	31*d.*	31⅝*d.*	30½*d.*	32*d.*
Gold (per oz. fine) —	106 1	105 1o	105 8	10 7	105⅝	105 8⅜	

Recent movements in the Indian Currency Returns are shown below:—

1921	Note Circulation Lacs	Silver In India Lacs	Gold In India Lacs	Gold Elsewhere Lacs	Gold or Metallic Res. to Notes	Government Securities Indian Lacs	Government Securities British Lacs
Feb. 22	16,714	6,372	2,400	—	[illegible]	6,807	835
Feb. 15	16,382	6,340	2,400	—	[illegible]	6,807	835
Feb. 7 ..	16,356	6,314	2,400	—	[illegible]	6,807	835
Jan. 31 ...	16,341	6,299	2,400	—	53·2	6,807	835
Jan. 22 ...	16,284	6,246	2,396	—	53·1	6,807	835
Jan. 15 ..	16,135	6,101	2,389	—	[illegible]	6,807	835
Jan. 7 ...	16,145	6,114	2,389	—	52·7	6,807	835
1920							
Dec. 31 ..	16,140	6,109	2,389	—	52·7	6,807	835
Dec. 22 ...	16,100	6,085	2,379	—	52·9	6,807	835
Dec. 15 ...	16,062	6,041	2,379	—	52·4	6,807	835
Nov. 30 ...	16,021	5,993	2,386	—	52·5	6,807	885
Sept. 30 ...	15,763	5,806	3,615	—	59·8	4,714	1,628
June 30 ...	16,144	4,555	4,348	249	55·7	3,525	5,727
March 31 ..	17,452	3,985	4,137	345	50·2	1,959	6,671
Jan. 7 ..	18,62[illegible]	4,25[illegible]	3,421	945	46·3	1,[illegible]	8,[illegible]

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Wall Street was considerably affected by the attitude of the Germans on the reparations question, and business became much restricted, while there was a tendency to depress quotations. Call money ranged again from six to seven per cent.

The latest weekly returns of the United States Federal Reserve Banks and the New York City Banks and trust companies show a continuance of the trend of movements of recent weeks, with a few minor exceptions, including a fractional decline in the reserve ratio of the former group. The New York Associated Banks record a further decline in net demand deposits amounting for the week ending on the 26th ult. to $25,140,000. This brings the total depletion in deposits since the beginning of the year to $214,110,000, the latest total recorded being $3,760,280,000. At the same time the aggregate reserve declined by $1,990,000 to $509,990,000. Despite this movement, and on account of the fall in liabilities already noted, the average excess reserve shows an advance of $1,310,000 to $11,790,000, while the actual excess at the end of the week was $2,550,000 above the average figure at $14,340,000. Loans, discounts, and investments fell again by $17,360,000 to $4,991,440,000, this figure being the lowest since the end of August 1919, and $270,530,000 below that returned on December 31, 1920.

The Federal Reserve Banks' statement records a further addition of $7,660,000 to the gold holdings. The total reserves, including gold, legal tender notes, and silver, now amount to $2,357,000,000, this being the highest ever recorded. Both deposits and the circulation of Federal Reserve notes show a considerable increase, the latter advancing by $14,270,000 to $3,051,710,000, and for this reason, despite the increase in reserves, the ratio of total reserves to the combined net deposit and Federal Reserve note liabilities shows a decline from 50.3 per cent. to 49.9 per cent. Rediscounts for member banks show an expansion of $31,840,000 to $2,396,250,000, the total bill holdings now standing at $2,566,750,000.

Stock Exchange.

The Gilt-edged section [illegible] tone. The disbursement on Tuesday of £20,500,000 as interest [illegible] Victory and National War bonds [illegible] a further £10,000,000 [illegible] by [illegible] of investments [illegible] of the [illegible] caused [illegible] [illegible] [illegible]

46½ ex dividend, the yield is only £5 7*s.* 6*d.* per cent. The high price is explained by the fact that many trustees are allowed to invest their funds in Consols only, and the investment money from certain Government Departments is governed by similar conditions. Funding Loan and Victory Bonds both finished higher on the week. The various series of War Bonds eased away slightly. County and Corporation Stocks developed no interest till Thursday, when a moderate investment demand levered up several to higher levels. Irregular movements, few in number, characterised the Colonial department.

Excepting Japanese descriptions, Foreign Bonds commenced with a downward trend. The weakness became more evident through the mid-week, but a more buoyant tendency was discernible on Thursday. Chinese issues were an outstanding feature of strength after an initial period of ease had passed, the Four-and-a-Half per Cent. Gold Loan 1898 being in particular demand. Some Argentine, Brazilian, and Egyptian varieties were other favourites. Japanese varieties eventually lost their rise and closed worse on balance.

No influence of sufficient weight has yet appeared to dispel even in part the gloom of the Home Rails market. Monday's debate in the House of Commons only served to emphasise the obscurity of the outlook, and prices, particularly among the Heavies, in consequence sagged consistently up to the close. Though shareholders have been continuously assured by all sections of the financial Press that the current nervousness is not warranted, despite the conditions ruling, there seems no probability of a cessation of the selling campaign. Many trustees, thinking that in the event of their holdings ceasing to be trustee securities they will be under compulsion to sell, have hastened to get out before prices go lower. Such action is quite unnecessary, as the Trustee Acts give specific protection on the point. One of the most unfortunate aspects of the slump is that its effects are cumulative. Numerous cases have occurred where stock deposited as collateral for bankers' loans has ceased to provide sufficient cover at its depreciated value and, *faute de mieux*, has had to be thrown on the market to pay off the loans.

The news that the Argentine Railway Department had reported favourably on the scheme for raising rate schedules proved a "bull" point in the Foreign Rails section. The mid-week firmness of quotations was not maintained to the end, but Argentine varieties, though lower than the best, finished better, though business at no time assumed large proportions. Grand Trunks were scaled down further.

Apart from a few exceptional features, the Industrial group displayed an unbroken list of declines. The revival of difficulties with the coal-miners and reports of further cessations of operations by leading firms intensified the apathetic attitude of the public towards markets. Iron and Steel shares were subject to quiet realisations, but declines though numerous were confined to narrow limits. Shipping securities pursued a similar trend, Indo-Chinas being again active though unaltered on balance. Textile prices developed considerable weakness and depreciations were heavy. Courtaulds fell after the publication of the report, in which reference was made to the uncertain prospects. Elsewhere Liptons and Whiteleys were the only buoyant items.

The recent quietness of the Oil share section continued undisturbed during the week, and no prospect of shaking off the prevailing gloom was evident. The continued cuts in the price of Pennsylvania crude oil have had an inevitably depressing influence, not so much through their individual effects on profits but because their quick succession has shaken public confidence in the future trend of prices. The outstanding event was the underwriting for the Anglo-Persian Oil Company of £3,500,000 Nine per Cent. Second Preference shares, which will be offered to the public at par on March 11.

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Mining Topics.

The comparative absence of interest in shares even of first-class gold producers, which, now that they are quoted ex dividend, stand at relatively low prices, cannot be entirely explained by the reactionary tendency of the price of gold consequent upon the improvement in the New York exchange. Undoubtedly the market is still dominated by the large number of ex-enemy shares, and once a solution was reached on this point the revival would not be long in appearing. Consequently it is to be hoped that the visit of the Colonial Custodian to this country has borne fruit in this direction. The market is optimistic and considers the early departure of the visitor by the outgoing mail as a favourable omen. Meanwhile it is known that over 175,000 Modders have been realised, as well as a large line of Knights Deep. Incidentally we learn that the battery on Knights Deep has been sold for £15,000. During the week, however, the market has been somewhat dull and reactionary. Diamond shares weakened on the announcement of the closing down of Frank Smith mines. Rhodesian shares have dropped owing to the suspension of activities as a result of the labour deadlock, and, although Falcons were not concerned in this respect, the shares fell to 5*s.* 6*d.* on the belief that the coming report would be unfavourable. Liquidation announcements include a first distribution of 5*s.* per share on March 15 by Ginsberg Gold Mining and an expected first distribution of 2*s.* per share by Glencairn Main Reef towards the end of March.

CHINESE ENGINEERING AND MINING COMPANY, LIMITED.

For this well-known Chinese coal-mining Company the year ended June 30, 1920, has been a period of pronounced prosperity. The coal sales of the Kailan Mining Administration jumped up from 3,128,677 to 4,010,980 tons. Moreover, as this increase in sales coincided with a satisfactory improvement in the sale price per ton, the gross profits expanded by over forty per cent. from $8,424,101 to $12,067,814. The net profit has risen from $5,995,735 to $8,917,456, of which the amount retained by the Chinese Engineering and Mining Company is $4,581,805, as compared with $3,162,910 in the previous year. How these results compare with those of previous years can be seen from the following table:—

Kailan Mining Administration Results.

	Years ended June 30				
	1920	1919	1918	1917	1916
Coal sales	4,010,980 Tons	3,128,677 Tons	2,996,668 Tons	2,766,783 Tons	2,667,743 Tons
Gross profits	12,067,814 $	8,424,101 $	8,703,355 $	5,776,339 $	5,201,094 $
Bond interest... ...	62,640 £	64,080 £	65,520 £	66,960 £	68,400 £
Bond redemption ...	24,000 $	24,000 $	24,000 $	24,000 $	24,000 $
Chihli Provincial Government's proportion of profit ...	593,005	369,323	374,536	181,220	124,591
Depreciation	1,810,172	1,263,615	1,305,503	866,451	780,164
Net profit	8,917,456	5,995,735	6,211,568	3,731,987	3,177,539
Chinese E. and M. Co.'s proportion... ...	4,581,805	3,162,910	3,299,398	2,146,974	1,906,523

Chinese Engineering and Mining Co.

	Years ended June 30					
	1920	1919	1918	1917	1916	1915
Proportion of Kailan Administration's net profit	£ 1,118,008	£ 602,930	£ 524,123	£ 263,899	£ 186,184	£ 156,105
Interest	93,712	67,938	59,475	32,944	19,695	11,349
Sundry receipts	4,643	4,287	4,265	4,115	4,956	4,089
Total revenue	1,216,363	675,155	587,863	300,958	209,845	171,543
Office, &c., expenses ...	103,951	22,281	19,353	9,396	8,120	12,476
Net profit	1,112,412	652,874	568,510	291,562	201,725	159,067
Deduct:						
Income tax	99,952	74,441	54,023	42,031	25,507	12,176
Excess profits tax ...	545,705	300,000*a*	351,909*a*	82,819	13,254	—
Dividends*	300,000 (30%)	200,000 (20%)	150,000 (15%)	125,000 (12½%)	100,000 (10%)	100,000 (10%)
	936,655	574,441	555,932	250,850	138,761	112,176
Balance profit	175,757	78,433	12,578	40,712	62,964	46,891
Brought forward ...	285,100†	215,413	202,835	162,123	99,159	52,268
Carried forward	460,857‡	293,846	215,413	202,835	162,123	99,159

* Dividends paid free of income tax.
† After deducting directors' extra remuneration, £18,746.
‡ Subject to directors' extra remuneration of £18,962.
(*a*) Reserve for excess profits duty and/or, on 1919 profits, tax.

Converting these figures into sterling, we find that the revenue in respect of coal-mining operations works out at £1,118,008, as against £602,930 in 1918-19. Whilst in part reflecting the increased trading activity of the year under review, this marked expansion is also largely due to the more favourable nature of the Hong Kong exchange. During the year this rate rose as high as 6*s*. 1½*d*., and did not fall below 3*s*. 7½*d*., whilst the average rate at which remittances were made amounted to 4*s*. 10½*d*., as compared with 3*s*. 9¾*d*. in 1918-19. Thus, as the following table shows, of an actual increase of £515,078 in the profits received from the Kailan Administration, no less than £243,408 must be attributed to the increase in the sterling value of the Hong Kong rate, whilst the actual growth in trading accounted for a rise of £271,670.

	Years ended June 30				
	1920	1919	1918	1917	1916
Increase or decrease in proportion of profit from Kailan Administration	£ +515,078	£ + 78,807	£ +260,224	£ +77,715	£ +30,079
Average rate of exchange ...	4/10½	3/9¾	3/2⅝	2/5½	1/11 5/16
Increase or decrease due to exchange	+243,408	+ 100,500	+117,713	+58,750	+35,250
Increase or decrease due to productive work ...	+271,670	−21,700	+142,511	+18,965	− 5,189

As a result of this improvement in the sterling revenue from coal, in conjunction with an expansion in receipts from interest, which figured at £93,712, as against £67,938, the total revenue is returned at £1,216,363, an increase of over £541,000 as compared with 1918-19. On the other hand, it will be noted that expenditure has risen at a still more rapid rate from £22,281 to £103,951. This is explained entirely by the heavy loss of £86,315 incurred on the sale of Four per Cent. Funding Loan; whereas the loss on the sale of Government securities in the previous year was only £731. The extent to which the Company is handicapped by Government taxation can be measured by the fact that out of a net profit of £1,112,412 income tax, excess profits duty and corporation profits tax call for £636,655. Nevertheless, as a result of the pronounced prosperity of the year, the dividend paid to shareholders is increased from twenty per cent. free of tax to thirty per cent. free of tax, which is equivalent to nearly forty-three per cent. subject to tax. The balance carried forward to the next accounts is increased from £293,846 to £460,857, but is subject to a deduction of £18,962 in respect of directors' extra remuneration, leaving a net balance of £441,895. Of this balance it has been decided to capitalise £400,000, and to distribute to existing shareholders as a bonus two fully-paid shares in respect of every five shares held. This distribution is expected to take place in April. To facilitate the operation the authorised capital of the Company has been increased from £1,000,000 to £2,000,000 by the creation of 1,000,000 Ordinary shares of £1 each. As the shares have not been quoted in the market below 85*s*. recently, this distribution represents a very generous bonus in addition to the dividend of thirty per cent. free of tax.

Whilst it would be difficult to state that the outlook for the current year is as promising as that of the year under review, it is [illegible] prospects on the whole are distinctly favourable. The Company can find a ready market in China and the Far East for as much coal as it can produce. Hitherto the sales have been restricted primarily by insufficient port accommodation and lack of adequate railway facilities. In order to remedy the first defect it is proposed to erect a new breakwater at Chingwangtao, and to increase the number of berths to twelve. Pressure is being brought to bear on the Chinese Government to double the railway between the mines and Chingwangtao. To cope with the increasing demand the output facilities of the existing mines are being improved to enable them to produce up to 4,500,000 tons per annum, and subsequently arrangements will be made to open a new mine capable of producing 1,500,000 tons a year. But the Company with its usual enterprise is going further afield still, and is now turning its attention to the rich iron-ore deposits on the Yangtse River. Already deposits containing some 4,000,000 tons of workable ore of high grade have been acquired, with the intention of working them up at Chingwangtao, and inquiries are being pursued with a view to securing further supplies. In conjunction with the coalfields this venture holds out great promise. At the same time, this new departure, as well as the developments proposed in the coalfields and at the port, will require extra capital. Consequently an issue out of the remaining 600,000 Ordinary shares may be made later on. As regards the immediate outlook, it appears that recent hostilities in Northern China have held up the delivery of coal. Consequently, the sales for the six months to December 31, 1920, show a slight falling off as compared with the corresponding period of 1919. Subsequent returns, indicating an increase in the sales, would point to a restoration of more normal conditions. The exchange situation has become slightly less favourable. For the first half of the current year the Hong-Kong rate has not exceeded 4*s*. 1½*d*., and has been as low as 3*s*. 0½*d*. However, the average for the period has not fallen below that for the year 1918-19. On the whole, the tendency for the remainder of the year favours a still lower rate. Consequently, profits from the exchange will not reach as great a magnitude as in the year under review, and it is doubtful whether as high an average as 3*s*. 2½*d*., as in 1917-18, can be maintained. Financially, the position of the Company as at the balance sheet dated June 30, 1920, is very sound. Liabilities, including the final dividend of 20% and Government taxation of £636,000, did not exceed £937,615, whereas liquid assets consisting of cash, Government securities, bills receivable and sundry debtors amounted to £1,442,776. The cash balance alone exceeded £875,316. Quoted in the market at 87*s*. 6*d*. ex bonus, which is equivalent to a net price of 62*s*. 6*d*. per share, the shares would afford a return of [illegible] per cent. subject to tax, on the basis of a dividend of thirty-one and a-quarter per cent. subject to tax, or twenty-two per cent. free of tax.

KAMUNTING TIN.

	Ground Treated Cubic Yards	Tin Ore Tons	Price Realised per Ton £	Working Costs* per Ton £	Working Profit £	Net Profit £	Dividends† Amount £	Dividends† %
1917...	936,500	369	103·5	39·3	23,715	15,927	6,500	5
1918...	834,013	397	145·6	40·3	41,790	35,195	13,000	10
1919...	836, 00	323	135·2	58·0	24,928	16,777	6,500	5
1920...	948,500	349½	171·6	80·3	32,315	23,802	21,384	19

Results for Years to June 30

* Excluding depreciation. † Free of income tax.

THE report of this Malayan tin-mining concern shows that good progress has been made for the year ended June 30, 1920. There was an increase in the area of ground worked by the dredge from 836,500 to 948,500 cubic yards. However, the ground as a whole was not so rich in tin as that treated in the previous year, for whilst the output of tin ore actually increased from 323 to 349½ tons, the average yield per cubic yard fell from 0.86 to 0.77 lb. At the same time, owing to the high level of the prices which ruled for tin during the period under review, the average price realised by the sale of the ore worked out at £171.6, as compared with £135.2 in 1918-19. Excluding depreciation, working costs advanced from £58 to £80.3 per ton, or from 5.38*d.* to 7*d.* per cubic yard. Including depreciation, the cost per cubic yard reached 9.43*d.*, as against 7.81*d.*, notwithstanding the increase of 112,000 cubic yards in the area treated by the dredge. Hence, despite the higher price obtained for the output and the increased output available, the working profit only rose from £24,928 to £32,315. The net profit, after charging administrative expenditure and providing £6,782 for depreciation as usual, is returned at £23,802, as against £16,777 in 1918-19. It was further increased by a refund of £3,986 of excess profits duty owing to the mediocre results of the previous year. Again, whereas in the previous year there was a deduction of £11,973 for excess profits duty for 1918, no such deduction was made out of the profits of the year under review. However, the dividend paid to shareholders is at the same rate as in 1917-18, namely, ten per cent. free of tax, which is equivalent to fourteen and two-sevenths per cent. subject to tax. Yet the amount required to pay the dividend is £21,384, instead of £13,000. The increase is explained by the growth in the issued capital during the year from £130,000 to £213,835. The authorised capital was raised from £150,000 to £300,000, and an issue of 130,000 shares of £1 each at a premium of 10*s.* was made to existing shareholders, and 15,000 shares were allotted as fully paid to F. M. S. Timah, Limited, in return for services rendered in exploring the new area acquired by Kamunting. Only 10*s.* had been called up on the issue of 130,000 shares at the date of the balance sheet; whilst 148,835 shares were fully paid.

The Company has now 1,400 acres of land, of which only a little over 100 acres have been worked out. A contract has been placed for the construction of two additional dredges, each capable of treating 100,000 cubic yards a month. With tin falling steadily below £160, dividend prospects are at best somewhat obscure. Although Straits tin commands over £175 per ton, the margin is too small to alter the outlook fundamentally. Until recently the action of the F.M.S. Government in pegging tin at a minimum of £200 a ton lightened the burden for local producers. Now, however, it is announced that no further purchases will be made. Financially Kamunting is well able to weather the storm. The balance sheet dated June 30, 1920, shows that current liabilities did not exceed £37,011, whereas liquid assets in the form of sundry debtors and cash were available to a total of £121,490, the cash balance alone amounting to £104,405. Thus the Company is well provided with funds to meet its current expenditure, and can supplement the total by calling up the remaining £97,500 on the recent issue. In the market the £1 shares, fully paid, are quoted at 30*s.* 3*d.*, at which price a dividend of ten per cent., free of tax, would afford a yield of over six and a-half per cent., free of tax.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, March 2, 1921.

Issue Department.

Notes Issued	£144,961,035	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,511,035
	£144,961,035		£144,961,035

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£44,393,742
Rest	3,528,362	Other Securities	93,925,281
Public Deposits	18,276,365	Notes	15,661,085
Other Deposits	124,468,748	Gold and Silver Coin	1,816,107
Seven-day and other Bills	46,740		
	£160,793,215		£160,796,215

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1921.	Circulation £	Coin and Bullion £	Deposits—Public £	Deposits—Other £	Securities—Govt. £	Securities—Other £	Reserve £	Ratio Reserve to Liabilities %	Bank Rate * %	Three Months' Bills %
Mar. 2	129.3	128.3	13.2	124.4	44.3	98.9	17.4	12·2	7	6⅜
Feb. 23	127.7	128.3	15.9	111.2	31.0	95.2	19.1	15·0	7	6⅜
Feb. 16	127.8	128.3	15.5	114.0	43.5	85.2	18.9	14·6	7	6⅛
Feb. 9	128.9	128.2	20.1	106.3	50.2	76.5	17.7	14·0	7	6⅛
Feb. 2	129.6	128.3	18.6	129.8	70.6	78.7	17.1	11·5	7	6⅛
July 22, '14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 3, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Mar. 2 1921	Mar. 4 1920	Mar. 5 1919	Mar. 6 1918	Mar. 1 1911
Bank of England (in £ sterling, 00,000's omitted):					
Circulation	£129.3	£91.5	£71.1	£47.6	£27.5
Public Deposits	18.2	22.4	25.7	41.0	19.0
Other Deposits	124.2	135.4	128.7	137.7	39.2
Government Securities	44.3	52.7	59.2	67.7	14.6
Other Securities	98.9	92.3	84.7	98.2	32.8
Reserve	17.4	30.9	28.6	30.9	29.1
Ratio to Liabilities	12·2%	19·6%	18·52%	17·31%	49·89%
Coin and Bullion	128.3	113.6	81.2	60.1	38.1
Money:					
Bank of England Rate	7%	6%	5%	5%	3½%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	5⅝%	3⅞-4%	3⅝-3¾%	2½%
Exchanges:					
Paris Cheque	53·99	49·01	26·10	27·20½	25·29½
New York 60 days	3·85	3·44	4·73½	4·72½	4·83½
Bombay Telegraphic Transfers	1·32	2/7⅛	1/58½	1/48½	1/4⅞
Prices:					
Consols 2½% Cash	46⅛	49½	58½xd	54xd	80½xd
French Rentes 3% Money	58·55	58·20	63·25	57·50	97·62
Silver, London spot oz.	31¼d.	77½d.	47½d.	42¾d.	24⅝d.
Wheat, *Gazette* average qr.	74/7	72/6	72/7	7 /2	30/2
Cotton, Mid Upland lb.	7·87d.	31·55d.	18·68d.	23·65d.	7·72d.
Iron, Scotch pig ton	156/0	181/0	101/0	101/0	54/7½

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Mar. 2, '21	8,974,126	7,678,802	334,969,704	28,500,000	19,450,000	14·3
Feb. 23, '21	6,044,999	7,867,923	333,674,380	28,500,000	19,450,000	14·4
Mar. 3, '20	8,494,128	5,958,985	327,528,935	28,500,000	4,800,000	10·1
Mar. 5, '19	7,557,484	4,406,871	318,116,294	28,500,000	—	8·9
Mar. 6, '18	6,449,940	4,170,153	220,619,323	28,500,000	—	12·9
Mar. 7, '17	6,462,901	6,856,375	143,957,699	28,500,000	—	19·8

Balance Sheet, March 2, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	266,420 045	Other Bankers	—
Ten Shilling	40,919,659	Trustee Savings Banks ...	—
Certificates outstanding ...	27,630,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	334,969,704	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,298,347	Government Securities ...	305,112,093
		Balance at Bank of England	136,435
Investments Reserve A/c ...	15,929,477		
Total	353,197,528	Total	353,197,528

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Feb. 26,'21...	£50,402	£18,685	£31 717‡	£77,478	£109,7?4	£4,873
Feb. 19,'21...	52,544	15,210	37,334‡	8?,856	122,353	5,462
Feb. 12,'21...	43,488	18,428	25,060‡	86,669	111,866	4,624
332 dys.'20-21	1,197,055	998,966	198,989‡	5,136,872	5,345,229	—4,496
334 dys.'19 20	1,051,313	1,346,434	295.121	5,621,817	5,326,686	—8,217
Yr. '20 21*	1,418,300	1,233,642	184,658‡	—	—	—
Yr. '19 20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,369
Yr. '18 19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499 604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
Feb. 26,'21...	£5,527	£23,571	£3,448	£17,856	£2,484	£4,250	£11,951
Feb. 19,'21...	12,74?	21,368	5,919	12,516	2,?04	595	12,510
Feb. 12,'21...	4,496	21,516	3,140	14,336	5,471	432	12,525
332 days'20-21	303,739	293,803	195,622	463,891	315,890	22,996	659,180
334 days'19 20	257,14?	287,?66	261,334	245,572	294,834	12,274	1,039,326
Yr. '20 21*	348.650	385.800	220.000	463.850	345.000	31.198	807.904
Yr. '19-20	283.023	359.099	290.045	407.404	332.034	16.171	1,317.568
Yr. '18-19	162.220	291.186	285.028	150.587	269.964	11.380	2,297.956
Yr. '17-18	110.033	239.509	220.214	137.478	189.851	11.401	2.494.968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Feb. 26, 1921 ...	£1,109,799	£189,622	£1,299,421	£21,308
Feb. 19, 1921 ...	1,1?5,759	2?1,?72	1,327,331	21,008
Feb. 12 1921 ...	1,127.674	231,222	1,358,896	20,663
Feb. 5, 1921 ...	1,132,829	24?,072	1,381,901	20,323
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates, including supplementary grants. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 8, '14	...	£10.977	£633	£11.610	£41.925	£51.800	£6.263
Feb. 17, '21	...	10.681	1.172	11.332	32.036	238.351	62.115
Feb. 24, '21	...	10.661	1.193	11.859	32.552	238.747	57.678

		Claim on Austro-Hung. Bank	Continzent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Jan. 31, '21	...	£396.732	£63.955	£70,904	£91.956	£453.679	£50.628
Feb. 7, '21	...	396.735	63.914	73.387	91.403	450.252	58.870
Feb. 15, '21	...	396.790	61.224	73.332	83.664	444.154	41.473

		—Cash— Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4.100	£341	£4.441	£6.197	£786	£8.893	£47
Dec. 31, '20	...	12.643	145	12.788	13.345	522	30,928	3.623
Jan. 31, '21	...	12.643	141	12.784	15.928	895	29,009	3,489
Jan. 31, '20	...	12.602	188	12,790	15.084	912	26.375	1,902
Jan. 31, '19	...	10.405	135	10.540	4.110	5.563	23.936	1,016

		—Gold— In Bank	Abroad	Total Cash Incl'g Silver	Bills	Circulation	—Deposits— Public	Private
FRANCE.								
July 30, '14	...	£185.654		£190.667	£97.768	£267.327	£15.302	£37.903
Feb. 24, '21	...	142.186	77.934	230.584	1.8.463	1.5.1.224	1.409	130.703
Mar. 3, '21	...	142.139	77.934	230.737	125.318	1.515.938	3.761	134.049
Mar. 4, '20	...	144.155	79,131	233.356	78.918	1,534.230	2.051	123,379
Mar. 6, '19	...	142.358	79,132	234.057	40,999	1,323.676	3 038	102,833

		—Cash— Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£67.843	£16.727	£84.570	£5.279	£10.055	£94.545	£47.198
Feb. 15, '21	...	54.577	367	54.944	1,16.,06.	2.5.8.,77	3.295.,70	744...7
Feb. 23, '21	...	54.577	379	54.956	1.09),959	2,551,343	3,275,993	686,495
Feb. 23, '20	...	54,550	1,180	55.730	616,509	1,896,183	1,976,010	592,000
Feb. 22, '19	...	112.338	1,043	113,411	239,313	1,216,481	1,187,355	494.691

		—Cash— Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14		£13.498	£249	£13.745	£13,422	£10,332	£35.660	£1.437
Feb. 14, '21	...	53.012	1,844	54.356	17.404	40.233	87.041	4,753
Feb. 21, '21	...	53,012	1,778	54.790	17.691	18.490	85,973	3,766
Feb. 21, '20	...	52,743	757	53,506	24,786	17,781	84,445	11,249
Feb. 22, '19	...	56,443	759	57,202	8,422	15,186	83,394	3,350

		—Cash— Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	—£48,456—		£25.017	£69.204	£8.897
Nov. 30, '20	...	£32,768	£3.000	35.768	14.599	193,478	616.783	83.146
Dec. 10, '20	...	32.768	3.000	35.768	17.231	195.528	611,454	75.324
Dec. 10, '19	...	32.198	3.004	35.202	17,707	90.319	491,333	74.057
Dec. 10, '18	...	32.699	3.080	35.779	7.275	60.532	365.510	56.743

		Gold	Discounts	Advances	Notes	—Deposits— Public	Private
JAPAN.							
Aug. 1, '14	...	£21.867	£1,029	£7.963	£32,722	£13 818	£1,521
Jan. 15, '21	...	112,391	5.869	9.872	110.265	88..05	20.906
Jan. 22, '21	...	109,570	5.590	9.892	110,331	98.169	19,032
Jan. 24, '20	...	94,641	13,252	34,400	125,452	112,859	8.954
Jan. 25, '19	...	71,324	7,825	41,932	93,140	101,534	8,917

		Cash Own Vaults	Aggregate Reserve	Loans, Discts. Invest. &c.	—Net Deposits— Demand	Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14...		—	£89.833	£411.238	—	—	£887.165	£1,720
Feb. 19, '21...		£15,928†	102,396	1,01.,760	£757,084	£47,044	814.333	2,096
Feb. 26, '21...		15,.04†	101,998	998,288	752,056	46.928	810.392	2,308
Feb. 28, '20...		19,542†	112,950	1,019,144	811,414	49,546	885,630	5,114
Mar. 1, '19...		19,194†	110,412	958,684	767,438	28,363	853,204	8,774

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'ts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£6,752	£793
Feb. 15, '21	...	8,115	2,770	500	22,259	22,753	7,370
Feb. 22, '21	...	8,115	2,647	500	24,258	22,566	7,450
Feb. 23, '20	...	8,128	3,131	579	18,164	22,186	4,027

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
Oct. 6, '20	...	£1,906	£3,921	£5,827	£26,893	£119,840	£4,774
Oct. 13, '20	...	1,906	3,921	5,827	29,347	119,490	4,502
Sept. 3, '19	...	1,905	3,924	5,829	7,846	66,556	8,774
Sept. 4, '18	...	1,905	3,742	5,647	10,795	54,450	2,357

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Dec. 4, '20	...	£126,003	£29.103	£4,834	£33,742	£363,983
Dec. 11, '20	...	126.003	30.084	5,517	35,571	371.501
Dec. 18, '20	...	126.003	29,659	4,783	34.442	373,226
Dec. 20, '19	...	54,821	8,671	2,218	10,889	163,559

		—Gold— In Bank	Abroad	Total Cash Incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14...		£160.114	£14.395	£181.892	£76.081	£163.411	£6.589	£109.911
Oct. 29, '17...		129.523	230.865	378.205	1.889.559	1.838.217	15.783	345.550

		—Cash— Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21.804	£29.187	£50,991	£40,572	£13.778	£77,557	£18.955
Feb. 19, '21	...	98,772	23.390	12 . 72	96,213	13.779	17 .504	45,351
Feb. 26, '21	...	98,936	23.425	122,261	101,794	13.779	169.744	45,792
Feb. 28, '20	...	98.131	25.185	123,816	87,436	13.779	145.053	44,027
Mar. 1, '19	...	89.148	25.316	114,964	74,281	13.778	135,312	41,232

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Feb. 19, '21	...	15.656	6,071	705	31.742	35,627	14,840
Feb. 26, '21	...	15.654	5,978	705	29.954	26,631	12,643
Feb. 28, '20	...	14,735	5,790	2,634	27,991	33,785	10,180
Mar. 1, '19	...	16,010	8,152	3,034	19,377	40,753	4,868

		—Cash— Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Feb. 15, '21	...	21,720	6,110	28,830	11,828	35,838	4,131
Feb. 23, '21	...	21,725	6,467	28,192	12,600	35,825	4,169
Feb. 23, '20	...	21,157	3,372	24,529	10,283	35,563	5,003
Feb. 23, '19	...	16,432	2,568	19,000	20,224	33,820	5,992

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.		—Gold— Held by Banks	With Agents	Total Cash	Bills Discounted	Accept ances	—Deposits— Govt.	Total. Net	Circulation
Feb. 21, '21	...	—£426 539—		£470.598	£472,532	£33 374	£12 304	£323.024	£.07 480
Feb. 28, '21	...	—423.062—		471.400	479 250	34. 00	12.598	334.318	610.342
Mar. 1, '20	..	—333.363—		416 614	490.702	103.224	26.732	376 914	603 996
Mar. 3, '19	..	163.016	261.584	437.746	375.964	55.384	42.110	359 348	494.462

II.—CURRENT BANK RATES OF DISCOUNT.

		%	Date Fixed.			%	Date Fixed.
Amsterdam	...	4½	June 1,'15	Lisbon	...	7	Sept. 3,'20
Berlin	...	5	Dec. 23,'14	Madrid	...	6	Nov. 4,'20
Berne	...	5	Aug. 21,'19	Paris	...	6	Apr. 8,'20
Bombay	...	7	Jan. 27,'21	Petrograd	...	8	July 29,'14
Brussels	...	5½	Apr. 28,'20	Rome	...	6	May 12,'20
Calcutta	...	7	Jan. 27,'21	Stockholm	...	7½	Sept. 16,'20
Christiania	...		June 25,'20	Tokio	...	8·03	Nov. 18,'19
Copenhagen	...	7	Apr. 16,'20	Vienna	...	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Mar. 4, '21	Feb. 25, '21	Feb. 18, '21	Feb. 11, '21
Berlin	Cable	2.9 0	2.2 n.	2.4 n.	2.0 n.
Brussels	Cheques	51fr. 82½	52fr. 0.½	51fr. 35½	51fr. 50c.
Denmark	Cable	21kr. 47	21kr. 40	21kr. 42	20kr. 80
Holland	do.	11 . 67½	11 . 4 .	11 . 4 .	11 . 5 c.
Italy	do.	106 r. 25	106 r. 25	106 r. 25	106 r. 25
Lisbon and Oporto	do.	5 1	61.	6 .	6 1
New York	do.	$3 89½	$3 89½	$3 90½	$3 89½
—	Cheques	$3 9 4	$3 87½	$3 91¼	$3 91
Norway	Cable	23kr. 65	21kr. 75	22kr. 42	21kr. 40
Paris	3 mos.	54fr. 72½	54fr. 3.c.	54fr. 15c.	54fr. 55c.
—	Cheque	53fr. 97½	55fr. 0.c.	53fr. 60c.	53fr. 80c.
Spain (Bank places)	3 mos.	41 1 4.	42½ d.	4 1 d.	4 1.
—	Cable	230. 50	27p. 92	27p. 75	27p. 65
Sweden	do.	17kr. 50	17kr. 35	17kr. 47	17kr 45
Switzerland	3 mos.	23fr. 85c.	23fr. 85c.	24fr. 02c.	23fr. 40c.
—	Cable	23fr. 35c.	23fr. 45	23fr. 52c.	23fr. 90c.

ON LONDON—		Mar. 4, '21	Feb. 25, '21	Feb. 18, '21	Par.
Alexandria	Sight	97⅛pl.	97⅛pl.	97⅛pl.	97⅛pl.
Amsterdam	Cheques	11 . 37c.	11 . 34½	11 . 34c.	12·107fl.
Athens	Cable	5 fr. 75	5 fr. 75	52dr. 00	25dr. 22½
Bombay	Transfers	1s. 3 1.	1s. 3 1d.	1s. 4 1d.	2s.*
Brussels	Cheques	51f. 80c.	51f. 90c.	51f. 55c.	25f. 22½c.
Buenos Ayres	Transfers	48 1.	—	49 1.	47·58d.
Calcutta	do.	1s. 3 1.	1s. 3½d.	1s. 4 1d.	2s.*
Christiania	Sight	23kr. 70	24kr. 31½	22kr. 40	18·159kr.
Copenhagen	do.	22kr. 45	21kr 43	21kr. 38	18·159kr.
Helsingfors	Cable	135m.	142m.	118m.	25m. 22½
Hong Kong	Transfers	2s. 3 1.	2s. 3 1.	2s. 3 1.	—
Italy	Sight	106fr. 50c.	106fr. 25c.	106 r. 32c	25fr. 22½c.
Lisbon	do.	5 1.	5 1.	9 1.	53½d.
Madras	do.	1s. 3 1.	1s. 3 1.	1s. 4½d.	2s.*
Madrid	do.	27p. 93	27p. 30½	27p. 72	25p. 22½
Montevideo	Transfers	47	47 1.	4 1.	51d.
Montreal	Cable	$4 4	$4 4 .	$4 49	$4 86⅝
New York	Sight	$3 83	$3 8 c	$3 91	—
—	60 days	$3 8	$3 83	$3 89	—
—	Cable	$3 83½	$3 84½	$3 92	$4 86⅝
Paris	Cheques	53f. 99c.	54f. 30c.	53f. 70c.	25f. 22½c.
Rio de Janeiro	90 days	10 1.	—	10½d.	16d.
Shanghai	Transfers	2s. 1 1d	3s. 3 1.	3s. 3½d.	—
Singapore	Sight	2s. 3 3d.	2s. 3 1.	2s. 3 1.	—
Stockholm	do.	17kr. 51	17kr. 32½	17kr. 36	18·159kr.
Switzerland	do.	23f. 35c.	23f. 3 c	23f. 52c.	25f. 22½c.
Valparaiso	90 days	9 1.	9 1.	9 1.	18d.
Yokohama	Sight	2s. 5 1.	2s. 5 1.	2s. 5 1.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—	Rate Current* Mar. 2, '21	Feb. 23, '21	Par as at 1 y Quoted	Rate July 3
Amsterdam, sight ...	34 15c.	34 18c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	25·125c.	25·125c.	48 66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	127 75	125 0		
Christiania, cheques ...	15·65c.	17·50c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	17 55c.	18 15c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	7 50c.	7 95c.	19·295c. for 1 drachma	
Hongkong, cheques ...	46·0c.	48·75c.	74·59c. for Mex. $1	46·4c.
Italy, sight	36 45l.	36 5l.	5·18½ lire for $1	5·17l.
Lima, cheques ...	4·10l.	4 10l.	4 3635 $ for 1 libra	
Manila, cheques ...	46·00c.	46·00c.	50c. for 1 peso	49·8c.
Montreal	12·375% disc.	12·25 % dis.	Premium per $100	Par
Paris, sight	14 02fr.	13 94fr.	5·18½ francs for $1	5·16fr.
Rio de Janeiro, cheques	6 50mil.	6 74 mil.	3 032 milreis for $1	
Shanghai, cheques ...	60 0s.	65·75s.	52·96s. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42 00c.	56·77c. for $1	57·12c.
Spain, cheques	13 90c.	13 98c.	19 30c. for 1 peseta	
Stockholm, cheques ...	22 30c.	22 35c.	26 80c. for 1 kroner	
Switzerland, cheques ...	6 02fr.	6 06fr.	5 18½ francs for $1	5 18½fr.
Valparaiso, cheques ...	15 25c	15 50c.	20 61c. for 1 peso	
Yokohama, cheques ...	43·0 .	43 20c.	49 84c. for 1 yen	49·90c.

* According to Foreign Par Commercial News.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week	Amount.	Inc. or Dec.*	12 Mos. Amt.	Inc. or Dec.*
	1921	(In £'s sterling, 000's omitted.)			%
BIRMINGHAM ...	Feb. 26	£2,400	— £1,437	£87,040	— £6,913 — 20·3
BRISTOL	,, 26	1.335	— 457	14 4 1	— 2 6 . — 15·7
DUBLIN	,, 26	6.798	— 1,871	67.744	— 12.9 . — 16·0
HULL	,, 26	1,273	—	4,656	— —
LEEDS	,, 26	1,169	— 935	10,743	— 3,5 — 24·8
LEICESTER	,, 26	779	— 4 1	7 352	— 4,11 — 36·9
LIVERPOOL ...	,, 26	8.95	— 10,137	93.103	— 70,1 — 43·7
MANCHESTER ...	,, 26	15.192	— 13,..	1 5 7.5	— 110,5 — 43·4
NEWCASTLE	,, 26	2,435	— 1,311	2 . .	— 6 . — 30·7
NOTTINGHAM ...	,, 26	661	— 3 1	6,831	— 3,41 — 33·5
SHEFFIELD	,, 26	450	— 5 7	12,280	— 7 — 5·7
LONDON—	1921				
TOWN	Mar. 2	674.608	— 62.791	5,712,533	— 293.030 — 4·8
METROPOLITAN	,, 2	33.637	— 9,244	4 1 7	— 53.859 — 14·9
COUNTRY	,, 2	62.1 0	— 19,522	6 . 7 0	— 1 . — 19·7
TOTAL	Mar. 2	770.4 1	— 9 7	9 . .	— 1 . — 6·8

* Not available for previous year.

V.—FREIGHTS.—According to Messrs. [illegible] & Co., Ltd.

HOMEWARDS.	1921 Mar. 4	1921 Feb. 25	1914 Feb 27
Alex. to U.K. ...	1/3	1/3	6
Aust. to U.K. ..	61/3	61/3	25 0
Bengal to Cont'l	—	—	—
Bombay to U.K. ...	—	— d.w. 16 3	—
Burmah to U.K. ..	—	—	—
Calcutta to U.K. ..	—	— d.w. 17 6	—
Darwins to U.K. ..	26/3	27 6	—
R. Plate to U.K....	37 6	37/6	11·6

OUTWARDS.—			
[illegible]	...	17/6	17·6	7/3
[illegible]	...	21/3	21·0	14 3
St. Vincent	...	1 0	—	6/10½

* Per ton. † [illegible]

Time Charter, nominal.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAR. 4, 1921	MAR. 5, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	156 0	181/0	57/0
— Middlesbro' warrants ...ton	150/0	175/0	51/0
— Hematite warrants ...ton	180/0	220/0	61/0
— Staffordshire bars, London ton	£31 10	£27	£8 10
— Common bars ...ton	£23	£24	£6 16
Steel Rails ...ton	£18	£19 15—£20 5	£6 2/6
Galvanised Sheets ...ton	£25	£50—£53	£16 17 1
Copper—Standard ...ton	£67	£114 10	£66
Tin—English Ingots ...ton	£150—£151	£387	£142 15
— Straits ...ton	£16	£39½	£139 10
Tinplates, I.C. Coke, S. Wales...box	28 0—29/0	72/0	11/0½—12/0
Lead—Soft Foreign ...ton	£18 12/6—£19 5	£43—£50 5	£19
Spelter—Ord. Foreign ...ton	£23 12/6-25 2 6	£56—£59 5	£21 7/9
Quicksilver—(75lb.) ...bottle	£12 10—£13	£24 10—£25	£7
Aluminium ...ton	nom	£16	£82
Antimony—Regulus Foreign ...ton	£25	£69	£27 10
— English ...ton	£37—£42	£7	—
Coal—(best) Yorkshire ...ton	37/2—38/2	23 0—24 0	17 6
— Steam (best) Newcastle ...ton	50/2—55/2	46 0—51 0	14 6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	14 0	16 6	7 4
Soda—Crystals ex wharf ...ton	140 0	185 0—190 0	42 6—45 0
Copra—Malay and States ...ton	£50 1	£70	£23 15 £24 7 6
Gambier—Good marks ...cwt	30 0—32/6	52 0	16 10½
Indigo—Bengal good to fine ...lb.	11/8—14/6	13/0—16/6	3/2—3/8
Linseed Oil—Raw ...ton	£31	£127	£25 5
Linseed—Calcutta, spot ...ton	£17 15	£57 10	£13 16 9
— Cakes, U.K. made, ex-mill ...ton		£25	£7 17/6—£8
Olive Oil—Spanish ...ton		—	£49 10
Palm Oil—Lagos ...ton	£36	£96 10	£31 10
Petroleum—American ...gallon	2/3	2/1	7½d.
Rape Oil—Refined English ...ton	£58	£137	£32
Soya Oil—Refined ...ton	nom	£136	£24 10
Tallow—Imported ...cwt	36 0 50/	107 0 117/	29 3 33 3
Turpentine—American ...cwt	55 0	220/	33 7½
Rape Seed—Toria ...ton	£16	£54	£13 5
Rubber—Para, spot ...lb.	11½	2/7½	2/9½
— Fine plantation (std. crepe) lb.	1/3	2/6	2/2
— World's Production (tons)	26 620	30,370	8,467
Shellac—T.N. Orange, fair ...cwt.	290/0—320/0	820/0	63 0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	7 87d.	31 55/	7 53/
— Egyptian good fair ...lb.	9 00d.	75 50/	8 75d.
— Pernambuco fair ...lb.	6 87/	34 80/	7 73/
— Midland Upl. New York ...lb.	11 50/	40 65	13 25/
— Stock, Liverpool (Bales) ...bales	1,035,000	1,109,81	934,600
Flax—Petrograd, Ynapol ...ton			£28
Hemp—New Zealand ...ton	£45	£64	£25 10
— Manila fair ...ton	£49	£77	£26 10
Jute—First Marks ...ton	£31	£63	£26 15
— Red SOC ...ton	£28	£58	£24 15
Silk—Common, New Style ...lb.	21 6		12/0—12/6
— No. 1-1½ Japan ...lb.	25/6	—	—
— 1st Order Italian ...lb.	24/0	—	—
Wool—Pt. Philip unwashed av. lb.	1 9	5 6	11½d.—1 0
— Lincoln Half Hogs ...lb.	11d.	2 3	10½
Hides—Eng. Ox, best, 70lb. up lb.	6½d.	15½d.—16d.	7½d.
Leather—Dressing Hides ...lb.	2/0—2/6	4 0—4 6	1 4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	69,142,000	87,767,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	198c.	nom	67½c.
— English Gazette, aver. 480lb. qr.	74 7	72/6	34/3
Flour—G.R. ...280lb.	63 0	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	52 7	98 1	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	35/6	58 5	20 0
Maize—N.Y. (new bushel)...56lb.	88½	171½	76½c.
— Amer. mixed, Liverpool...480lb.	47 6	nom	32 4
— La Plata ...480lb. qr.	55 0	65/0	25/9
Potatoes—Good English ...ton	190 0	300 0	70/0—75/0
Rice—Bassein ...cwt.	13 6—14/6	26 0	7 0—7 3
Tapioca—Pearl, medium ...cwt.	24 0	41/0	14/0—17/8
Hay—best ...2,018lb. load	—	—	82 6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	8 0	6/8	3/8—3/10
— Scotch sides ...8lb.	11/4	10/0	4/6—5/0
— English ...8lb.	11/4	10/0	4/2—4/5
Mutton—Scotch wethers...8lb.	14/0	10/6	5/8—6/0
— English wethers ...8lb.	14 0	10/6	4/6—5/4
— New Zealand frozen ...8lb.	6/0	10/	2/4—3/2
Pork—English and Irish ...8lb.	11/8	11 8	3/6—4 0
Bacon—Irish, delivered ...cwt.	†210/0	200/6	60/0—74/0
— Danish ...cwt	†213/0	†192 0	58 0—68 0
— Canadian, ex Port ...cwt.	†170 0	†187/0	—
— American, ex Port ...cwt.	†130/0—136 6	†187/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†180/0	†190/0	75/0—79/0
— — short cut, ex Port ...cwt.	†175 0	†190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†138/0	†198 6	51/9—52/9
Butter—Danish ...cwt.	†298 8	303 4	117/0—120/0
— French ...cwt.	†298 8	303 4	96/0—108/0
— Australian ...cwt.	†298 8	303/4	98/0—110/0
— New Zealand ...cwt.	†298 8	303 4	108/0—114/0
Cheese—Canadian ...cwt.	158/0—158 0	†145/0	66/0—68 0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt.	†168/0—230/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Jan. 31 ...cwt.	1,640,274	1,970,223	19,777,254
— Home consump'n to Jan. 31 cwt.	1,813,763	2,239,853	17,272,000
— In Bond Jan. 31 ...cwt.	7,693,000	6,102,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	30/0	53/0	10/3
— — Yellow crystals ...cwt.	62 0	63 6	12/6—14 0
— — Tate's Cubes, No. 1 ...cwt.	72 0	72 0	18/0
Coffee—Imports to Jan. 31 ...cwt.	56,861	80,062	720,360
— Home consumpt'n to Jan. 31 cwt.	26,408	26,645	141,410
— Exports to Jan. 31 ...cwt.	27,951	52,610	340,250
— In Bond Jan. 31 ...cwt.	653,000	733,000	484,000
— Price, Costa Rica gd. to fine cwt.	95/0—133/0	158 0—164/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	60 0nom.	130 0—132/0	41 6
Tea—Imports to Jan. 31 ...lb.	40,613,639	48,548,454	123,230,277
— Home consump'n to Jan. 31 lb.	33,630,356	31,751,769	155,447,972
— Exports to Jan. 31 ...lb.	1,845,070	3,043,709	26,561,765
— In Bond Jan. 31 ...lb.	224,415,000	215,175,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	8½d.	1/5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	5½d.	1/6	8½d.
— — Common Congou ...lb.	2½d. nom.	1/3	5½d.
Cocoa—In Bond Jan. 31 ...cwt.	1,104,000	795,000	309,000
— Grenada, good to fine ...cwt.	51/0—53/0	85/0	52/6—56 0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or −	Net	+ or −
Canadian Pacific	Jan.	$14,465,000	+ 550,000	$641,000	+ $55,000
	1 mo. to Jan.	14,465,500	+ 550,000	641,000	+ 55,000
Grand Trunk	Jan.	£1,315,600	+ £277,100	Dr. £111,600	+ £55,500
	1 mo. to Jan.	1,315,600	+ 277,100	Dr. 111,600	+ 55,000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

**** No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Jan. 22	1,044	R2,28,347	— 14,733	16	37.14.418	— 37.430
Barsi Light ...	Jan. 29	118	20.500	— 21.000	43	11.49.900	— 1.34.000
Bengal & N.W.	Jan. 22	2,067	4.69.970	— 82.185	16	77.51.523	+ 1.71.489
Beng. Dooars	Feb. 5	158	23.760	— 6,288	18	5.67.759	— 2.78.735
Beng. Nagpur	Jan. 29	2,695	12,44.000	— 1.49.000	7	5.24 51.110	— 15.31.865
Bomb. Baroda	Feb. 19	2,871	21,08.000	+ 90.000	20	3.73 23.000	— 8.72.000
Burma ...	Jan. 22	1,342	6.40.877	+ 27 695	16	92.28.934	— 5.31.418
Del.Um. Kalk.	Feb. 19	239	82.000	— 19.038	20	20.12.705	+ 2.368
East Indian ...	Feb. 19	2,772	28.57.000	— 31.000	20	5.60.15.000	+ 24.24.000
Gt. Indian Pen	Feb. 19	3,121	28.80.000	+ 1.92.200	20	5.47.58.929	+ 9.86 703
Madras & S.M	Feb. 5	3,152	11.80.000	— 50.91	8	5.29.46.492	— 5.26 303
Nizam's Guar.	Jan. 29	900	3.51.263	— 11.666	17	49.33.348	— 95.442
Rob. & Kmn.	Jan. 22	576	115.530	— 3 45	16	16.09.855	+ 34.510
South Indian	Jan. 15	1,852	5.91.936	— 1.03.316	41	3.26.09.919	+ 9.64.108
South Punjab	Oct.	716	9.00.533	+ 2.70.896	1m	—	—
COLONIAL							
Can. Northern	Feb. 2	9,704	$1.153.100	+ 227.600	7	8.843.900	+ 1.833.700
Can. Pacific ...	Feb. 21	13.388	2.913.000	+ 12.000	7	23.535.000	116 000
Grand Trunk	Feb. 21	3.616	£293 227	+ 102.396	7	2,213,639	+ 490.618
Manitoba and	Nov.	810	96.579	+ 30.201	2m	181,805	+ 35,552
Mid. W. Aust.	Dec.	277	13.03.	+ 705	6m	66.741	+ 6.651
New Cape Govt	Feb. 5	205	2.992	— 86	9	13.284	— 2.567
Rhodesia Rys.	Nov.	1,397	139.902	+ 36.59	2m	264.627	+ 47,925
Temiscouata...	Dec.	—	$39.50	+ 6,999	12m	432.731	+ 58.503
FOREIGN.							
Argentine.							
Arg. N. East...	Feb. 26	752	£ 12.700	+ 70	35	403 400	— 2.600
Arg. Transand	Feb. 26	111	£ 3.57	— 1.925	35	91.989	— 5.877
B.A. & Pacific	Feb. 26	3.425	£ 154.000	— 10.000	35	4.276.000	— 772 000
B.A.Gt. South.	Feb. 19	3.903	£ 2'4.000	+ 16.000	34	5.271.000	— 687.000
Do.	Feb. 19	Net	£ 67.000	— 9.000	34	769.000	— 1.258.000
B.A. Western	Feb. 26	1,882	£ 94.000	— 25.000	35	2.606 000	— 79.900
Do.	Feb. 26	Net	£ 22.000	— 11 000	35	252.000	— 908.000
B. A. Central	Jan.	190	£ 38 16	— 6.525	7m	337.128	+ 22.545
Cent. Argen.	Feb. 26	3.305	£ 178.000	— 14.000	35	6.641.000	+ 521.000
Cord. Central	Feb. 26	1.205	£ 32.500	— 27.800	35	1.794.500	— 279 500
Entre Rios ...	Feb. 26	811	£ 26.100	— 5,300	35	761.000	— 48,200
Brazilian.							
Brazilian South	Jan.	110	M 40.250	— 18,500	1m	—	—
Brazil Railway	Dec.	3.530	M4.859.000	— 141.271	12m	57.772.000	+ 7.619.243
Gt. W. Brazil	Feb. 26	1.010	£ 18.000	— 11.700	9	139.600	— 118.700
Leopoldina ...	Feb. 19	1.831	£ 39.170	— 14.715	8	235.032	— 170.964
Mogyana ...	Dec.	1.180	M1.561.000	— 956.490	12m	22.267.000	— 2.474.651
Paulista ...	Dec.	766	M2.650.000	— 906.03	12m	22.479.000	— 1.225.892
San Paulo ...	Feb. 27	153	£ 27.125	— 15.757	9	282.150	— 121.983
Sorocabana ...	Dec.	1.003	M1.749.000	— 246.168	12m	21.953.000	+ 976.69
S. of Bahia S.W	Jan.	52	M 129.000	+ 25.000	1m	—	—
Chilean and Peruvian.							
Antofagasta...	Feb. 27	838	£ 35.730	— 27.530	9	272,260	— 37.935
Arauco ...	June	84	£ 12.000	+ 500	6m	76.000	+ 10.700
Nitrate (2 wks)	Feb. 28	390	£ 30.980	+ 2.822	8	100.754	— 73,638
Peruvian Corp.	Jan.	1.140	S 1.292.855	— 4.66.	7m	8.255.350	— 24.944
Taltal ...	Jan.	180	£ 24.075	— 8,323	7m	199.457	+ 71,942
Cuban.							
Cuban Central	Jan. 29	362	£ 37.360	+ 19.872	31	707.279	+ 82.212
Cuba Railroad	Nov.	—	$ 1,087 457	+ 65.106	5m	5.517.674	+ 353.717
Havana Cent.	Feb. 19	70	£ 16.833	+ 4.066	34	473.220	+ 111 216
U. of Havana	Feb. 26	681	£ 181.795	+ 26.203	35	3.787.219	+ 519 995
W. of Havana	Jan. 29	155	£ 14.131	+ 10,745	31	335.798	+ 86.413
Uruguayan.							
Cent. Uruguay	Feb. 19	273	£ 32.161	+ 12.522	34	743.624	— 16.409
,, (E. Ext.)	Feb. 19	311	£ 7.107	+ 376	34	182.875	— 19.499
,, (N. Ext.)	Feb. 19	185	£ 3.125	+ 104	34	98.011	— 25.953
,, (W. Ext.)	Feb. 19	211	£ 2.481	— 75	34	87.166	— 5.280
Mid. Uruguay	Jan.	319	£ 17.447	— 3.278	7m	124.941	— 15.896
N.W. Uruguay	Jan.	113	$ 4.787	— 3.549	7m	41.608	— 8.028
Urug. North	Jan.	73	£ 1.915	— 1.342	7m	14.814	— 2.841
Miscellaneous							
Alcoy & Gandia	Feb. 26	33	Ps. 18.000	+ 3.500	9	156.900	+ 57,000
Bilbao ...	Jan.	15	£ 2.975	+ 523	1m	—	—
Bolivar ...	Jan.	136	£ 7.098	— 2.462	1m	—	—
Colomb. Natnl.	Jan.	86	£ 19.140	+ 1.340	1m	—	—
Costa Rica ...	Dec.	189	£ 26.028	— 1.324	6m	147.385	+ 1,714
Dorada Ext.	Jan.	70	£ 16.000	+ 4.000	1m	—	—
Egyptian Delta	Feb. 10	559	£ 13.146	— 379	44	446.904	+ 104.272
Gt. S. of Spain	Feb. 19	104	Ps. 62.447	— 10.506	7	616,606	+ 139,814
La Guayra & Ca.	Jan.	22	£ 11.800	— 3,630	1m	—	—
Ottoman Ry.	Feb. 19	379	£ 9.610	—	—	—	—
Paraguay Cent.	Feb. 19	274	£ 3.763	+ 570	34	154.530	— 15.510
Puerto Cabello	Jan.	34	£ 4.250	— 1.000	1m	—	—
Salvador ...	Feb. 26	100	£ 4.878	— 3.504	35	122.033	— 14.894
Santa Fé Prov.							
French Rys.	Jan.	1,181	£ 136,048	— 18.321	1m	—	—
S'm'na & S'ti'go	Jan.	80	£ 6.500	— 4.765	1m	—	—
Zafra & Huelva	Jan.	112	£ 15.366	+ 1.245	1m	—	—
TRAMS.							
Anglo-Argent.	Feb. 25	400	£ 78.802	+ 2,593	8	634.580	+ 76.968
Auckland Elec.	June 30	27	—	—	52	292.502	— 2.063
Bombay Elec.	Sept.	39	R 8.49.038	+ 1.15.373	9m	73.27.000	+ 10.06.847
Brazilian Trac.	Dec.	378	M12.600000	+ 2.861.000	12m	134.906.000	+ 21.832.000
Brisbane Elec.	Jan.	40	£ 414.300	+ 2.025	1m	—	—
Brit. Columbia	Nov.	334	$ 805.633	+ 71.652	5m	3.841.032	+ 402.440
B. A. Lacroze	Jan.	51	£ 61.111	+ 8.468	7m	397.397	+ 61.178
Calcutta ...	Feb. 10	35	R 3.906	— 87.257	7	3,58,6.9	— 286.523
Cape Electric	Oct.	42	£ 32.698	+ 5.955	4m	120.814	+ 35.922
Carth. & Herr.	Feb.	9	£ 2.839	— 1.169	2m	6.716	2.040
Chatham & Dist	Feb. 17	15	£ 1.511	+ 16	7	10,987	+ 829
Havana Elect.	Nov.	86	$ 1,037.352	+ 157,61	11m	10,366,708	+ 1,890.498
Isle of Thanet	Feb. 23	20	£ 519	— 14	21	11,733	+ 642
Kalgoorlie ...	Nov.	20	£ 2.969	+ 110	11m	33.672	+ 3 180
Lanarkshire...	Dec. 31	28	£ 5,467	+ 1,927	52	221.564	+ 27.728
Lima Light ...	Nov.	85	£ 54.261	+ 2.151	11m	621,807	+ 89 377
London C.C. ...	Mar. 2	141	£ 97.887	+ 19.95.	46	4.386.417	+ 567.127
Madras (2 wks.)	Jan. 15	15	R 38.198	— 10.685	2	—	—
Manila Electric	Dec.	55	$ 315.599	+ 38.669	12m	3.419.389	+ 1,214.168
Pernambuco...	Feb. 27	59	£ 4,458	— 3.414	9	38.560	— 32.044
Provincial ...	Feb. 12	21	£ 2.804	— 156	19	59,114	73
Rangoon Elec.	Nov.	25	£ 6.964	— 415	11m	85.314	+ 11,785
Shanghai Elec.	Jan.	26	$ X. $155.705	+ 19.705	1m	—	—
Singapore Elec.	Jan. 22	28	$ 9.988	— 9.727	4	33.930	40 093
U. of Montevid.	Jan.	90	£ 50.863	+ 3.096	3m	143,644	+ 11.184

Foreign Exchange Fluctuations

MERCHANTS importing goods from abroad for sale in this market may eliminate the uncertainties of exchange which affect the selling price of their commodities by securing with us contracts for forward exchange covering fixed periods. Similarly, exporters selling abroad in foreign currencies may protect their sterling proceeds by forward contracts.

The Guaranty Trust Company of New York is prepared to make quotations for forward exchange embracing all the main currencies of the world as well as the United States dollar.

Our Officers will be glad to explain in detail how merchants and others may eliminate the uncertainties of exchange in their transactions.

Guaranty Trust Company of New York

A Complete International Bank

32 Lombard Street, London, E.C.3.

PALL MALL OFFICE 50 Pall Mall, London, S.W.1 — LIVERPOOL OFFICE 27 Cotton Exchange Buildings

NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid-up Capital, Surplus and Undivided Profits (Dec. 31, 1920) - - - - $62,075,072.37
Total Assets (Dec. 31st, 1920) - - - $923,663,338.12

The Statist.

LONDON, SATURDAY, MARCH 5, 1921.

THE INDEMNITY CRUX.

THE Premier's reply to the German delegates on Thursday last is a clear indication of the Allies' intention not to be frustrated of the fruits of victory. As the Premier remarked, the victors must not be called upon to pay the price of defeat. The sanctions which will inevitably follow the refusal of the German Government either to accept the proposals now put forward on behalf of the Allies or to frame suitable counter-proposals are serious in themselves, and will be followed by other and more drastic measures in the event of Germany's failure to realise the seriousness of the situation. Such advices as have reached here from Berlin indicate that public opinion in the capital and throughout the country has not fully grasped the implications of Mr. Lloyd George's strongly worded message. Both the *Vorwärts* and the *Vossische Zeitung* cling to the belief that a re-wording of the offer made by Dr. Simons would meet the needs of the case, while the *Berliner Tageblatt* affirms that the ultimatum cannot really be considered as final. There seems to be an under-current of hope, too, that the firm front now presented by the Allies will gradually crumble, and, while some colour is lent to this opinion by the marked disinclination of Italy to undertake any military obligations for the enforcement of the Paris pact, the determination of Great Britain, France and Belgium to co-operate with whole-hearted unanimity in the present crisis is unmistakable. It is to be hoped that the Germans will appreciate this before formulating their reply on Monday. There are no existing [illegible] grouping of political parties in the Reichstag in order to consolidate opposition to the Allied demands, which appear equally unacceptable to all parties. The Centre has hitherto been reluctant to associate with groups on the Right or Left wing, but it may be driven by force of circumstances to abandon its policy of isolation.

The renewal of hostilities with Germany is not to be lightly contemplated, as it would not only involve additional expense, but would ultimately defeat its own object by destroying those recuperative powers which it should be our aim to foster. On February 1 the number of British troops in the Army of Occupation was 12,909, all ranks, and the cost worked out at £219,200 per month. In the event of the occupation of Duisburg, Ruhrort, and Düsseldorf, and of any extension of military activity beyond the present bridgeheads, this force would have to be largely augmented; and, though additional as well as present expenses would be chargeable on the indemnity, the latter has already swollen to somewhat portentous dimensions. Too much consideration, indeed, appears to have been given all along to the size of the indemnity and too little to the method of payment. Yet the latter is an equally, if not more, vital matter. No creditor gains either by placing a strain on his debtor under which the latter breaks, or by demanding restitution of debts in a manner harmful to himself. Though financial experts have been called into conference, there is no evidence that their advice, either as to the amount or the means of payment of the indemnity, has been taken. Such contributions as have been exacted from Germany do not appear to have operated wholly to our advantage. The merchant ships are laid up in many of our ports, and the newly-built trawlers have been such a drug on the market that it has been found impossible to dispose of them, and fishing interests have asked the Government to refuse delivery of any more. The coal received by France has effectively checked the demand for British coal and has led to the working of short time in many of the mines in our coal-exporting centres. Unemployment is also rife in French collieries, and, besides, Germany is unable to afford adequate supplies of fuel to her own industries or to export coal to neighbouring distressed countries, such as Austria. It is useless to transfer property from where it is urgently needed to a place where it has little or no value. German shipping would earn money for Germany and thereby enable her to create wealth which would benefit the Allies. Tonnage while it lies idle in Allied harbours can be productive of no such good. Moreover, Allied countries, while insisting on German payments which, apart from the transfer of gold and foreign securities, can be ultimately effected only by means of a surplus of exports over imports, are busy devising tariffs for excluding foreign commodities. The logic of such a proceeding is not clear. It is impossible to secure payment of the bill we have presented in supplementary or non-competitive products. Trade must be permitted to flow in natural channels if we are to receive an indemnity of any size or value, and restrictive legislation running counter to this object should be avoided.

A fresh offer will, no doubt, be forthcoming from Germany before the period of the ultimatum expires, and it will deserve consideration in the light of the foregoing remarks. The truculent tone of such journals as the *Berliner Tageblatt*, which counsels a refusal of the Allied claims, may be ignored, as the German Government and the press in the German people are not desirous of seeing the [illegible] occupation extended, their Customs offices occupied, and a proportion of the payments due for their exports diverted by Allied Governments for the satisfaction of Allied demands. Here and there voices may be raised in protest, and if such protests eventuate in action the Allies [illegible] to enforce their will.

INDEX-NUMBERS OF THE FOREIGN EXCHANGE VALUES OF THE £ STERLING.

According to our calculations, shown below, the value of the £ sterling abroad shows a slight decline during the month of February as compared with the preceding month, the index-number for last month being 120.9, as against 122.4 in January. With the exception of January, however, it is the highest for any month since the Armistice, and as compared with February of last year it shows a substantial improvement, the index-number for that month being 94.9, or the lowest since the Armistice. The following table shows the index-numbers for each month since November 1918: —

Index-number of Foreign Exchange Values of the £ sterling.

Month	Index Number	Month	Index Number	Month	Index Number	Month	Index Number
1918		1919		1920		1920	
Nov.	98·7	June	100·4	Jan.	98·5	Aug.	100·1
Dec.	98·7	July	101·7	Feb.	94·9	Sept.	100·2
1919		Aug.	101·6	Mar.	102·9	Oct.	108·7
Jan.	98·9	Sept.	100·7	Apr.	109·7	Nov.	111·2
Feb.	99·1	Oct.	100·3	May	107·5	Dec.	114·5
Mar.	99·2	Nov.	100·2	June	106·3	1921	
Apr.	100·3	Dec.	98·3	July	100·2	Jan.	122·4
May	101·2					Feb.	120·9

The index-numbers represent the collective value of the £ abroad expressed as a percentage of its collective value at the old parities in terms of the foreign currencies. A brief description of the method of construction was contained in THE STATIST of February 19, 1921, but it will not be amiss to give a short explanation here. In the subjoined table the details for the past two months and for February 1920 are presented. The exchange rates given are the average of the daily cable quotations, and these are shown expressed as a percentage of the parity. Where the usual method of quoting is in sterling instead of in the foreign currency, the percentages, of course, as in the latter case, are calculated from the value of the £ in terms of the foreign currency. The index-numbers represent the weighted geometric average of these percentages for each month. The weighting is based on an estimate of the volume of transactions in each exchange. For this purpose the total value of the trade between the United Kingdom and the different countries abroad, including imports, exports, and re-exports of merchandise, as well as movements of the precious metals and also an estimate of our "invisible" exports, is taken to indicate the relative importance of the different exchanges. Investigations into the volume of our "invisible" exports to the different countries are being further prosecuted, and the complete results we hope shortly to publish. The provisional figures (in millions of £'s) for the last quarter of 1920 are as follows: United States, 26.6; France, 24.5; India, 6.6; Africa, 6.5; Netherlands, 1.96; Australia and New Zealand, 6.6; Argentina, 10.0; Canada, 6.6; Germany, 3.8; Belgium, 5.0; Sweden, 2.0; Egypt, .54; China, 1.3; Spain, 2.35; Japan, 3.8; Italy, 6.0; Denmark, 1.2; Norway, 1.2; Turkey, 1.3; Brazil, 4.0; Switzerland, .48; Straits Settlements, .6; Chile, 2.0; Greece, 1.2; Portugal, 1.0; Hong-Kong, .19; Uruguay, .83.

An important group of exchange operations—namely, speculative and arbitrage transactions—is omitted from the estimate, as reliable data as to the amount of these for the different exchanges are unavailable. The volume of such operations varies generally according to the activity or inactivity of the particular exchange resulting from the influence of the less transient factors, and on that account may be taken to be, on the whole, in proportion to the volume of transactions arising from other sources, such as the movements of merchandise or "invisible" exports and imports. Besides, speculative and arbitrage transactions, though perhaps the prime cause of daily exchange fluctuations, do not influence the course of rates over extended periods, their action being rather to correct anomalies in quotations or anticipate the influence of the more fundamental factors.

As the relative values of our trade with the different countries have varied considerably since the Armistice, and will continue to do so until the post-War international trade relationships have evolved into a more settled form, it was found necessary to change the weighting assigned to the different exchanges in accordance with these variations. The different exchanges during each quarter of the calendar year are "weighted" according to the total trade with each country during the preceding quarter, it being understood that the term "trade" includes all the transactions detailed above. The figures for the last quarter of 1920 are shown in the table, and with them the actual weighting used in arriving at the index-number, calculated, of course, from the trade figures. Data for previous months as far back as the Armistice were published in THE STATIST of February 12 last.

Foreign Exchange Values of the £ Sterling.

Country.	Method of Quoting.	Par	Exchange Rates: Feb. 1921 Average Rate	Feb. 1921 % of Par	Jan., 1921 Average Rate	Jan., 1921 % of Par	Feb., 1920 Average Rate	Feb., 1920 % of Par	Total Trade Sep.-Dec. 1920 in Millions of £'s	Weighting used for Index-Numbers
United States	Dollars to £	4·867	3·87¼	79.6	3·71¼	76.9	3·33	68 4	212·64	226
France	Francs to £	25·225	54·11	214.5	58·93	233·6	46·51	184·4	88·40	95
India	Pence to Rupee	16†	1/4 ⅝	98.1	1/5 ⅛	91·5	2/8 ⅜	49·7	80·78	85
Africa	—	—	—	101.2	—	102.6	—	77.8	53·74	57
Netherlands	Florins to £	12·107	11·33	93.6	11·36	93.9	9·14	75.5	52·32	55
Australia	—	—	—	101.5	—	101.5	—	100.2	48,09	51
Argentina	Pence to Peso	47·58	49 ⅛	96.2	50⅛	94.9	68·38	69.6	46·98	50
Canada	Dollars to £	4·867	4·39⅜	90.4	4·27	87.8	4·19	80.7	45·15	48
Germany	Marks to £	20·43	236½	1,158.0	242	1,184·0	331·4	1,622.0	30·69	32
Belgium	Francs to £	25·225	51·70	204.9	56·05	222.2	46·53	184.5	28·41	30
Sweden	Kronen to £	18·159	17·42	95.9	17·54	96.6	18·16	100.0	23·75	25
Egypt	Piastres to £	97½	97	99.9	97⅛	100.2	97¼	100.0	22·47	24
China	Pence to Tael	32½*	3/1¼	80.8	3/11⅛	68.8	8/4½	32.4	20.81	22
Spain	Pesetas to £	25·225	27·69	109.7	27·79	110.2	19·53	77.4	20·63	22
New Zealand	—	—	—	101 3	—	101.3	—	100.4	20·22	21
Japan	Pence to Yen	24·58	2 5⅛	82.1	2 6⅛	80.0	2/10⅝	71.4	19·37	21
Italy	Lire to £	25·225	105·61	418.7	105·54	418.5	62·34	247.1	18·91	20
Denmark	Kronen to £	18·159	20·93	115.3	20·96	115.4	22·98	126.5	17·04	18
Norway	Kronen to £	18·159	21·77	119.9	21·42	117.9	19·59	107.9	14·11	15
Turkey	Piastres to £	111	583¾	526.0	580¼	523.0	410¼	369.7	13·29	14
Brazil	Pence to Milreis	16	9¼	162.0	9⅛	163.4	18⅛	88.6	13·25	14
Switzerland	Francs to £	25·225	23·64	93.7	23·74	94.1	20·76	82.3	11·30	12
Straits Settlements	Pence to Dollar	28	2 3⅜	100.7	2 3⅝	101.1	2 4½	99.7	10·36	11
Chile	Pence to Peso	18	8 4½	205.0	9⅝	196.7	15⅞	116.6	8·46	9
Greece	Drachmas to £	25·225	52·60	208.5	50·20	199.0	29·44	116.7	6·90	7
Portugal	Pence to Escudo	53½	6⅛	869.2	6½	819.2	17·44	305.4	5·32	6
Hong-Kong	Pence to Dollar	23·81*	2 5⅛	81.3	2 11½	67.6	5/10	34.0	5·23	6
Uruguay	Pence to Peso	51	48½	105.4	49½	103.1	67¾	72.4	3·45	4
Index-numbers (Weighted Geometric Average)				**120.9**		**122.4**		**94.9**		**1.000**

* For Shanghai and Hong Hong the parity has been taken as the average T.T. rates for the year 1913.
† The old fixed parity rate of Rs. 15 to £1 has been taken for India in preference to the new rate of Rs. 10 to the sovereign.

It is hoped that this index-number will add to the statistical information at the disposal of our readers by enabling them to discern the general trend of the value of our currency abroad amidst the multitude of daily exchange fluctuations. Following our example the *Frankfurter Zeitung* has published a similar index-number (unweighted) recording variations in the German mark. The value of the latter in percentages of the normal shows rapid changes, and on the whole a big decline since June last, as may be seen from the following figures, which represent the value of the mark in percentages of the normal:—1920, January, 13.4; February, 8.2; April, 10.1; May, 7.3; June, 18.3; August, 17.2; September, 15.5; October, 13.1; November, 10.5; December, 11.7; 1921, January, 11.1; February, 11.6.

BANKING AND INDUSTRY.

The policy of identifying banking interests more closely with the initiation and conduct of industrial enterprises has few whole-hearted adherents in the United Kingdom. To follow the German example would seriously impair that liquidity of funds which it is the basic principle of British banking to maintain, and would endanger its power to meet liabilities to depositors on demand or on short notice. But, so far as we are concerned, there is little reason to anticipate a demand for a departure from existing custom. For all practical purposes the promoter of a sound industrial project will experience little difficulty in normal times in procuring the necessary finance from the public, although there are a number of exceptional cases when such a resource, by reason of some peculiarity in the scheme, is denied to the promoter. Even under such circumstances a willing listener may be found in those financial houses constituted to deal with transactions outside the ambit of the ordinary joint-stock banks which, particularly in regard to large contract operations, are prepared to invest large amounts of capital and to undertake more than the ordinary measure of risk. Moreover, for the purpose of satisfying the requirements of the industries with which they associate themselves, certain finance corporations—some of recent formation—fulfil functions and make advances for objects not properly falling within the purview of ordinary banking concerns. Outside these exceptional cases it is probable that the machinery and the facilities for carrying on home and foreign trade are provided in ample measure by home banks and their foreign branches and agents.

It has often been urged in Ireland that the banks should play a more active part in the industrial development of the country. Especially before the War a strong body of opinion was in favour of this course, and, in all probability, the movement derived its force from the difficulty of persuading the farming community to subscribe the capital necessary for the formation of industrial undertakings. Suspicious of the objects of these concerns, the average farmer preferred to be on the safe side, and was quite content to allow his savings to accumulate in a bank at a moderate rate of interest. Within recent times his views have been somewhat modified; the tendency to look for alternative investment is greater; and without doubt the explanation is to be sought in the new organisations, which, though set up primarily for the defence of farming interests, do not hesitate to consider the initiation of industries capable of utilising home raw materials. The success of the co-operative network of butter and cheese factories has already shown that the farmer can, if inclined, do much useful work in this direction. It is obvious, however, that further achievements must to a large extent be financed by the individual investor. A bank cannot afford to lock up any large proportion of its funds in plant and equipment; and attempts to finance long-term business with short-term deposits are foredoomed to failure. In Japan there are State support and control in the case of banks designed to assist in the commerce and industry of the country. To quote particulars as regard one of these banks, the Nippon Kogyo Ginko, its by-laws, which require Government sanction, forbid the loan of an amount exceeding one-half of the Bank's paid-up capital on urban land or industrial buildings; its Debentures may not exceed the value of certain securities held by it, or be more than ten times the paid-up capital; and the Bank must not give loans for longer periods than ten years. Many favour the setting up in India of a somewhat similar banking system, and there, as in Japan, the German model serves as an inspiration. The close nature of the tie between German banking and German industries—as close now as before the War—was at the outset motived by the peculiar conditions of the country, the individual members of the public having neither the capital nor the desire to support industrial ventures. The short-term credits granted by the banks were gradually merged in long-term credits, and when these, in turn, developed into issues of shares and bonds, the connection between the banks and industrial production was so closely knit as to leave them inseparable. Then followed an exchange of representatives on the boards of the respective concerns. The position now is that many of the largest businesses in Germany are dominated by the financial interest. In pre-War days the eight leading German banks were represented on the directorates of 697 industrial companies and banks. Some characteristics of the great German industrial banks are the high proportion of their paid-up capital to their total cash, and the readiness with which they finance industrial and commercial business and participate in fresh industrial ventures, by taking up and eventually selling blocks of shares in such undertakings. In adjudging the merits of these fresh ventures they are assisted by the wide range of knowledge and technical experience at the disposal of the other industrial undertakings in which they are interested. The system has very apparent dangers. Failure is not infrequent, especially amongst the smaller banks, which identify themselves closely with one particular branch of industry and are, consequently, dependent on its fortunes. They are, however, often rescued from an awkward predicament by the large banks, whose action is guided by the necessity of preserving public confidence. These latter, it is claimed, can, owing to the variety and extent of their sources of information, form a fairly accurate judgment of the future course of industrial fluctuations, and thus anticipate a general trade depression by taking appropriate protective measures. From its remarkable growth between 1888 and 1907, as illustrated in the following table, this would seem in large measure true:

Consolidated Statement for the Commercial Banks of Germany.

(In Thousands of Marks).

	1888	1907
No. of Banks	164	421
Subscribed Capital	866,542	3,019,537
Paid-up Capital	846,724	2,873,295
Surplus	125,183	643,936
Paid-up Capital and Surplus	971,907	3,517,231
(*a*) Deposit and Cheque Accounts	401,605	2,697,314
(*b*) Credit Accounts	881,952	4,816,786
(*c*) Acceptances	470,153	2,262,889
Total (*a*), (*b*) and (*c*)	1,753,710	9,776,989
Cash and Balance at Reichsbank	155,525	553,675
Securities and Syndicate Participations	338,391	1,289,563
Bills Discounted	574,485	2,895,304
Loans on Collateral	357,235	1,338,714
Debit Accounts (overdrafts)	1,277,680	6,373,224
Permanent Participations	32,405	439,365
Ratio of Capital and Surplus to Deposits, Credit Accounts and Acceptances	55·4%	34·5%
Dividends { Amount	63,539	207,812
Dividends { % of Capital	7·5	7·3

CAPITAL ISSUES IN FEBRUARY.

With the continued dryness of cash resources a large number of capital issues had been planned for February. The poor response to the industrial emissions in January formed so sharp a contrast, however, to the success of competitive gilt-edged emissions as to compel issuing houses to defer their February commitments and the total offerings amount as a result to only £14,000,000 approximately. The bulk of this was on municipal and Government behalf, and the appeals of private enterprises came to only £2,500,000, as compared with £39,000,000 for February 1920, £10,000,000 for February 1919, and £17,000,000 for February 1914. The results for the first two months of the year are no less striking, the current figures being £12,000,000, against £78,000,000 in 1920, £18,000,000 in 1919, and £38,653,868 in 1914. The grand totals reveal similar movements, it being remarkable that the flotations in February 1914 were two and a-half times those for the past month, despite the present attenuated value of the pound sterling.

Over eighty per cent. of the pre-War subscriptions went abroad, and the home requirements at £6,000,000 were in consequence less by nearly 3 millions than those for the month of February just ended. The exports of capital during February show a gradual increase during the past three years, but are still much below the pre-War figure. In the second month of 1914 the Colonies took approximately £19,000,000, and foreign countries nearly £11,000,000, making in all £30,000,000. The corresponding figure in 1919 was £4,000,000, in 1920 £5,000,000, and this year again £5,000,000. For the first two months of 1914 the capital required from the London market on Colonial and foreign account came to about £67,000,000. For 1919 it was £7,000,000, for 1920 £15,000,000, and for 1921 £12,000,000. The absence of foreign issues during recent years is due mainly to Treasury restrictions and the attractive offers of home undertakings, but a no less important influence is the disturbed political and economic outlook abroad. That the British public is as willing as ever to answer the appeals of other countries which offer sufficient security is evidenced by the result of the Sao Paulo loan during the week. Though £2,000,000 in Eight per Cent. Sterling Bonds at 96½ was offered, it was subscribed within a few hours. The issue was not underwritten, and was timed to precede a similar flotation in New York by a few days, an index of the faith of the sponsors in the strength of the London market.

During February banks and breweries were absent from the list of applicants for fresh capital. Coal, iron, steel and engineering firms, though obviously in need of new liquid resources, showed an equal disinclination to make public appeals. The actual total under this head was £412,822, against £4,471,875 in February 1920. The Leeds Forge Company was responsible for £400,000 in Eight per Cent. Twelve-Year Debenture stock at 95. Commercial and Industrial interests asked for £1,648,688, as compared with £12,628,398 for the previous February. This heavy fall indicates with comparative accuracy the extent of the transition from the expansionist policies of the boom period to the conservative plans which characterise the present trade depression. Gas undertakings, assisted by the higher charging powers granted to them under the Gas Regulation Act, continue steadily but quietly to absorb investment funds. The issues are generally of modest amount and well-secured, but considering that their appeal is narrowed by the absence of an active market, the large measure of success attendant on them is a tribute to their inherent soundness. The depression in the motor trade has resulted in a complete cessation of appeals from such quarters. The prospectus for £500,000 Ten per Cent. First Mortgage Debentures on behalf of Austin Motors has been expected for some considerable time, but in view of ruling market conditions it has not yet been launched. Mines and Rubber companies, in common with other speculative sections, are prominent in their absence from the lists, and Oil enterprises have also shown a falling-off in applications. Railway emissions have long ceased to appear. The chairmen at all the recent meetings have reflected on the urgent necessity of capital increases, which are, of course, impossible to carry out until the earning capacities of the various companies are placed on a more stable basis. Granting legislation of a satisfactory nature during the coming session, many heavy prior-charge issues may be expected before the summer. Municipal applications stand at £3,581,250, the Four Towns loan being the outstanding item. Liverpool Corporation made a bill issue of £1,000,000, which it placed at the low discount of £5 16s. 1½d. per cent., but being a conversion loan the figure is not incorporated in the tabular statement below. The Government total of £7,790,000 includes a flotation of £5,000,000 in Six per Cents. at 95 by the Commonwealth Government of Australia, and net public subscriptions for National Savings Certificates and Treasury bonds.

CAPITAL ISSUES OF THE UNITED KINGDOM.

Calculated at Price of Issue and Exclusive of Conversion Loans, Bonus Shares and Shares issued to Vendors.

	February				First Two Months			
	1921	1920	1919	1914	1921	1920	1919	1914
	£	£	£	£	£	£	£	£
Banks		5,478,820	1,111,273			9,253,826	6,814,273	200,000
Breweries		222,471	—	911,500		222,471	—	911,500
Coal, Iron, Steel and Engineering	412,822	4,471,875	3,212,500	482,500	412,822	9,662,672	6,868,500	482,500
Commercial and Industrial	1,648,688	12,628,398	406,721	818,894	2,459,138	34,126,424	1,310,159	2,607,865
Electric Light and Power	142,500	167,707	724,131	2,534,000	342,500	167,707	724,131	2,680,250
Financial Land and Investment	—	2,925,631	150,000	2,013,913	—	3,645,863	150,000	3,415,913
Gas and Water	153,971	—	14,790	415,000	389,059	382,500	26,500	415,000
Insurance	—	50,000		51,245	—	969,945	—	220,911
Mines	70,200	459,778	182,000	471,000	70,200	1,793,184	527,083	793,500
Motors	—	2,420,000	1,000,000	250,000	14,790	3,616,762	1,176,786	460,000
Nitrate	—	—	149,250		—	—	149,250	—
Oil	10,000	2,853,401	59,346	237,500	6,074,411	3,150,901	59,346	461,209
Rubber	95,125	688,168	10,000	219,196	141,621	1,740,635	10,000	271,996
Railways	—	—	—	3,785,150	50,000	1,116,000	—	19,761,024
Shipping	—	6,240,104	—	3,408,500	2,183,260	8,282,764	—	3,893,500
Tea and Coffee	32,500	—	—	—	57,790	126,720	—	—
Telegraphs and Telephones	—	—	—	194,000	—	—	—	194,000
Tramways		—	—	1,517,000		—	—	1,885,000
Total	**2,565,809**	**38,606,359**	**10,323,011**	**17,312,398**	**12,195,591**	**78,258,374**	**17,816,628**	**38,653,868**
Municipal	3,581,250	953,094	—	6,131,854	3,878,240	1,992,010	—	8,499,487
Government	7,790,000	2,200,000	37,817,507	12,029,594	19,248,226	11,470,000	260,435,038	30,721,094
Grand Total	**13,937,059**	**41,759,453**	**48,140,518**	**35,473,846**	**35,322,057**	**91,720,384**	**278,251,666**	**77,874,449**
Home	8,836,734	37,136,235	43,800,791	6,030,234	23,731,245	76,810,863	270,826,793	11,096,371
Colonial	5,050,325	2,453,567	3,891,346	18,682,656	5,123,101	11,641,006	6,976,492	29,899,339
Foreign	50,000	2,169,651	448,381	10,760,956	6,164,411	3,268,515	448,381	36,878,739
Total	**13,937,059**	**41,759,453**	**43,140,518**	**35,473,846**	**35,322,057**	**91,720,384**	**278,251,666**	**77,874,449**

EUROPEAN TRANSPORT AND TRADE.

THE two most important agencies of European transport—shipping and railways—have undergone great transformation as a result of the War. With reference to the former, this transformation has taken the form of a reduction of tonnage, and to some extent of efficiency. But while the demand for shipping can be immediately made good by chartering vessels from other countries, the same remedy is obviously inapplicable in the case of the European railways, the carrying capacity of which has, on the whole, substantially declined since 1913. For the reduction in European steam tonnage the chief causes are, of course, the naval war and the allocation of Central European fleets to extra-European nations, the position in June 1914 and June 1920 as indicated by Lloyd's Register Book being as follows:—

European Steam Tonnage.

(000's omitted)

	June 1914 Tons Gross	June 1920 Tons Gross	Difference
United Kingdom	18,892	18,111	— 781
Germany	5,135	419	— 4,716
Norway	1,957	1,980	+ 23
France	1,922	2,963	+ 1,041
Holland	1,472	1,773	301
Italy	1,430	2,118	688
Austria-Hungary	1,052	Nil	
Sweden	1,015	996	19
Spain	884	937	53
Greece	821	497	324
Denmark	770	719	51
	35,350	30,513	4,837

European tonnage between the two periods has fallen by 4,837,000 tons, or thirteen per cent., but, in contrast, it may be remarked that the world's steam tonnage increased from 45,404,000 to 53,905,000 tons, or eighteen per cent. The decline in the amount of shipping owned by Europe, though it will affect the earnings derived therefrom, and consequently influence the direction of her trade, is not of such moment as the low state of efficiency of her railways. Without doubt the work of restoring them to normal efficiency has made considerable progress since 1919, but much remains to be done before they can meet satisfactorily the demands of trade. Particularly in belligerent countries the extensive strain of war traffic, the inability to keep pace with repairs and replacements, the shortage of coal and skilled *personnel*, constitute impedimenta to progress the removal of which cannot be accomplished without great effort. The consumption of rolling-stock has been enormous. At the outbreak of war French railway companies possessed about 13,800 engines and 356,000 trucks; only about fifteen engines and 900 trucks were then put out of use yearly, but during hostilities the corresponding numbers grew to 900 and 25,000 respectively, and matters were so serious at the end of 1919 that the idea of stopping some classes of traffic completely was seriously entertained. In the same year eighteen per cent. of Italian wagons and twenty-seven per cent. of locomotives were awaiting repairs. Though the introduction of additional rolling-stock and railway equipment has improved matters in each of these countries, in the case of Italy the problem is still very acute. According to the report on the state of Germany recently issued by the Department of Overseas Trade, "railway traffic conditions are much improved. . . . From October to February the transport situation in Germany is bad, and always has been, as the railways have to cope with the dual task of distributing the harvest and the winter coal supplies, while the inland waterways cannot be fully utilised for part of the period owing to low water caused by frost. This situation has arisen in a somewhat severe form this year, and will impede not only the deliveries of coal to the Allies, but also its distribution within the country." Perhaps the most conspicuous example of railway transport disorganisation is to be found in the Succession States [illegible] policies adopted by them immediately after formation. [illegible] States hastened to seize the [illegible] in their territory, and allowed no trains to be made up for travel outside its own boundary. Some States had locomotives but no trucks, and trade had practically come to a standstill before all concerned began to assume a more accommodating attitude. Among this group of nations the difficulty of importing railway equipment is, owing to their depreciated currencies, a serious one, but the use now made of the Danubian [illegible] as an emergency [illegible] Russian communications are, needless to say, thoroughly disorganised. In connection with the contract recently signed between the Russian trade delegation and a British firm for the repair of Russian locomotives, it was stated that, of nearly 9,000 engines owned by seventeen lines in Russia, only [illegible] in running order at the beginning of last year. There is no reason to suppose that matters have since improved.

By providing necessitous countries with credits a trade revival may be stimulated in Europe, but an essential condition of a permanent trade recovery is the complete reorganisation of the transport system. The inconveniences to which merchants are subjected at present prevent the rapid interchange of commodities, and are destructive of confidence; goods undergo considerable depreciation, pilfering and delay in delivery, and the loss of interest on capital owing to the slowness of their movement into consumption is a serious item. What individual Governments are inclined to forget is that failure to reconstruct communications within their own boundaries reacts prejudicially on the interests of the Continent as a whole, for a weakness in any link of the European chain is speedily felt by the remainder. It must be admitted, however, that some countries do not find it very easy to negotiate the credits necessary for the importation of rolling-stock and equipment, and, under the circumstances, one is tempted to place this question in the forefront of any exports credits scheme. The proportions of the trade of certain European countries carried on by land and sea, as shown below, indicate the important part land transport plays:—

Percentage Proportions of the Total Imports and Exports into and from the Undermentioned Countries by Land and Sea in 1912.

	Per Cent. Proportion of Imports		Exports	
	By Land	By Sea	By Land	By Sea
France	32·5	67·5	39·2	60·8
Spain (*a*)	27·1	72·9	17·4	82·6
Belgium	40·6	59·4	62·1	37·9
Netherlands (*a*) (*b*)	56·6	43·4	78·6	21·4
Sweden (*c*)	1·5	98·5	4·3	95·7
Norway	10·4	89·6	2·6	97·4
Russian Empire (except Finland)	53·7	46·3	32·5	67·5

(*a*) Including bullion and specie.
(*b*) Percentages based on the *quantities* imported and exported.
(*c*) Figures relate to 1911.

The rehabilitation of communications in some of the above-mentioned countries is, it might be remarked, made still more difficult by the destruction of roads and bridges during the War. The export credits granted by our Government embraces a number of the above countries; but in effect it throws a twenty per cent. rise on the exporter, as he finds it very difficult to insure the margin above the eighty per cent. allowed. Moreover, as the Federation of British Industries points out, the merchant is not allowed to include his overhead charges in his costs for the purpose of obtaining an advance. Further, the Department's advances and expenses, until completely discharged, constitute a first charge on the proceeds of the bills accepted by the importer, and the exporter thus has to bear the whole of any eventual loss in excess of eighty per cent. of the total amount payable by the importer.

FINANCIAL SITUATION IN FINLAND.

THE reports of the counter-revolution in Petrograd bring with them the possibility of disturbances affecting neighbouring States. The repercussion, however, of a successful movement, at the moment unlikely, against the existing Government would be felt principally in South-eastern and South-western Russia. To the west Finland would probably not be seriously affected, and, in any case, a change in the Russian Government would be all to the benefit of the Finnish Republic. Since its constitution the latter has made steady progress in economic reconstruction, and has had the wisdom to rely mainly on internal efforts instead of seeking aid abroad. The only foreign loan of importance raised by the State since the end of the War was, we learn from the Bank of Finland, that floated in Norway for purchasing a firm engaged in the timber industry in Finland. No mention is made of a Swedish short-term loan of 11,000,000 kr. contracted in 1918, and of a loan of $5,000,000 from the United States Grain Corporation, maturing June 30 next. In recent years payments on foreign loans have been honoured by the Finnish Treasury and Finnish municipalities, except in cases where payment has been prohibited by law. Of a total debt of Fmk. 1,928,800,000, Fmk. 434,100,000 has been raised abroad. The national debt shows a marked increase since 1913, when it amounted to Fmk. 173,000,000, this sum having been spent solely on railway construction. The increase has not been altogether of an unproductive character, as, in addition to unavoidable war expenses, the State has made extensive purchases of shares in industrial establishments which possess vast landed properties. The income derived from these properties is in fact one of the principal sources of State revenue The following table shows the capital value of the various classes of Government-owned property and the estimated revenue therefrom in 1920:—

State-owned Property—Capital Value and Revenue.

(In millions of Fmk.)

	Valuation	Revenue
Forests	2,294	95
Railways	2,440	290
Lands	260	
Other property	1,070	16
Total	6,064	401

The sums here set forth are exclusive of the value of fortresses and military stores and of waterfalls owned by the State. The Crown forests cover an area of 5.4 million hectares of dry forest land and 6.5 million hectares of bogland, a total of 28.4 million acres. The trade policy of the Finnish Government, though improved in many respects, has been at times somewhat ill-considered, and this accounts in part for the fluctuating value of the Finnish mark. Though the parity is 25.22½ and it touched 178 on November 27, 1920, the lowest quotation for the year was 60 on March 9. Latterly a marked improvement has been shown and the pound sterling can now be purchased for Fmk. 135. The 1920 fluctuations cannot, of course, be dissociated from the heavy adverse trade balance. In the period January to June imports were valued at Fmk. 1,492,741,249 and exports at Fmk. 786,780,026, or 51.4 per cent. of the imports. The position recently has been better, and in the twelve months to the end of December last imports reached Fmk. 3,620.3 million and exports Fmk. 2,906.6 million, or 80.3 per cent. of the imports. An interesting compilation by the Bank of Finland shows that whereas before the War Germany occupied first place amongst countries trading with Finland, Russia second, and Great Britain third, the order now is, following the 1920 returns, Great Britain, United States, and Germany.

The growth of the national debt in recent years and the proximity of Finland to Russia have been factors unfavourably influencing foreign opinion in regard to Finland's prospects. Any change in the Government of Russia would redound to Finland's advantage; and, in addition, the ultimately productive character of much of the national debt must be emphasised. At the same time it must not be overlooked that revenue has not increased concurrently with expenditure in recent years. The respective figures are given in the adjoining table:—

Revenue and Expenditure.

(In millions of Fmk.)

Year	Revenue	Expenditure	Surplus + or Deficit −
1913	181·2	184·1	− 2·9
1917	519·5	479·3	+ 40·2
1919	1,056·4	1,566·6	−510·2
1920	1,648·1	1,930·8	−282·7

Interest and sinking fund on debt have been largely responsible for the expansion in State outlay, and at the end of 1920 the national debt comprised (1) Domestic Funded Debt, Fmk. 907.1 million; (2) Domestic Floating Debt, Fmk. 587.6 million; (3) Foreign Debt, Fmk. 434.1 million; a total of Fmk. 1,928.8 million. Taxes have latterly been levied on war profits and property, on capital and interest coupons, and on large incomes, bringing the total revenue from direct taxes in 1920 to Fmk. 327.2 million. The country is, of course, mainly agricultural, and though it will no doubt be possible to raise more money by direct taxes, it would be easy to overstep the limit of discretion, incomes being derived mainly from agriculture and the working up of forest products.

The notes in circulation in Finland at the end of 1920 were Fmk. 1,341 million, as compared with Fmk. 1,123.9 million in 1919. The whole issue has been made by the Bank of Finland, which operates under the guarantee and control of the Finnish Diet and has since 1886 been the only Bank of issue in the country. In addition there are a number of private and of savings banks, the growth of which is illustrated in the following table:—

Banking Statistics.

(In Millions of Fmk.)

	Private Banks		Savings Banks
	Capital and Reserves	Deposits	
1910	121·4	583·7	—
1913	159·9	673·8	301·5
1918	–	—	772·2
1919	896·1	3,384·6	910·5

The total deposits of the various banks, exclusive of those of the Bank of Finland, were Fmk. 4.295.1 million, as compared with Fmk. 975.3 million in 1913; but the increase is, of course, largely a measure of the extent to which the currency has been inflated and cannot be taken as an indication of real prosperity. The number of private banks in Finland at the end of 1920 was twenty-three and of savings banks 456. The deposits of the latter, according to an estimate of the Bank of Finland, amounted to approximately Fmk. 1,000 million. The thrifty habits of the people do not, therefore, appear to have been undermined during the long period of turmoil through which they have passed, and if peace can be assured, together with a continuance of a stable and wise administration, the complete rehabilitation of the new Finnish Republic is only a matter of time.

OFFICIAL AUDITING OF BANKS.—A Bill has been presented by Mr. Walter Forrest, M.P., providing for an annual audit of the accounts of banks in Great Britain by officers appointed by the Board of Trade. Exemption from the official audit may be granted to banks whose auditor's certificate is approved by the Board. Full powers of investigation are to be vested in the officials entrusted with the audit, but the information is to be confidential unless the Board deem publication necessary. It is proposed to exclude foreign banks from the scope of the measure, which is intended to remain in force for ten years only.

MEXICO.

IMPROVING CONDITIONS.

In a circular issued to the Press by the Anglo-South-American Bank, the manager at the branch in Mexico City reports that the improvement in the financial situation is maintained, and several of the banks which suspended operations during the present crisis have been reopened. In some cases this has only been possible as a result of special arrangements; but, generally speaking, the position is much more satisfactory. Writing on November 27 last we said: "After ten years of revolution there appears every reason to hope that Mexico is at last settling down to a time of quiet recuperation. Those in touch with conditions in the Republic take an exceedingly favourable view of the situation." We went on to say that while the preceding Administration had really desired to do its best for Mexico—as, indeed, everybody who gets to the top naturally does—it lacked the support which would have enabled it to translate those desires into actual facts. President Obregon seems really at last to have effective control over the whole of the armed forces of the Republic. Consequently, a steady improvement in conditions should, if our information is correct, be confidently looked for. Mexico, with adequate assistance, is capable of supplying the world at the present time with the things most urgently needed. It is said, and with a large measure of truth, that the cost of production, and particularly the high rate of wages, which accounts under modern conditions for more than seventy per cent. of the cost of production, is so extravagant that it is killing industry, not merely in England, but throughout the world; and that unless a reduction in the cost of production can be accomplished there will be a steady increase in unemployment in all countries where that cost is comparable with what is the case in this country, in our own Colonies, and in the United States. That the cost of production is extravagant no economist is likely to deny; but cost of production must remain extravagant while the cost of living continues at its present level. While a workman has to pay the equivalent of an English shilling for a loaf of bread it follows that he must continue to demand such a high rate of wages that his labour will only be effectively profitable in those trades where the price he charges is only regulated by the ability of the purchasers to pay. It is, of course, perfectly true that the present cost of production is itself tending to check consumption to such an extent as eventually to reduce prices; or if in the sequel it fails to do so, as it has done in many countries in the past, it will effectually first check the growth of, and finally reduce, the population. Shipowners complain, and not unnaturally, of the heavy fall in freights which has taken place during the past twelve months. They complain, further, that it is not possible to make a profit under prevailing conditions. Owing to the growth in the cost of operating ships this contention may be perfectly true; and, for anything we know to the contrary, the shipowner, if challenged, may be perfectly able to substantiate his contention by the production of actual figures of costs and receipts. This does not, however, alter the fact that freights are still very high if we really desire to reduce the cost of living in this country.

One of our greatest natural advantages, which, of course, has its corresponding drawbacks, is that we are a small island situated almost in the centre of the great aggregate of land of the Northern Hemisphere, and should be capable of obtaining supplies by the cheapest form of transportation known, which is water-carriage. We have only to pay the cost of operating ships to any of our ports, whether goods are brought from Sydney, in New South Wales, or from the Channel Islands. In comparison with the cost we are not getting the benefit of the cheap water-carriage to which we were formerly accustomed. It is contended that ships are not operated with the economy that was customary before the War. Neither do they perform, taking cubic space with cubic space, anything like the effective services they rendered ten years ago. It may be that no adequate supplies of freights are offering. There may be a lack of food and of raw materials throughout the world. If so, the sooner we increase the supplies of food and of raw materials the better it will be for this country, if we propose to go on with a population exceeding forty millions of inhabitants. We do not imagine that anyone will dispute the contention that, if this country is to maintain a population of forty millions upon some 88,000 square miles, it is not within the power of man to provide the food required and the raw materials needed to enable that population to earn a living out of the restricted area of these islands. Anyone who will turn up the table of freights published each week in our Tabular Appendix will see that at the present time we are asked to pay freights from Mediterranean ports to England which are equivalent to the rates at which we could have shipped cargoes from east coast ports in South America to this country before the War.

In a review of a book in *The Times* last week it was stated that Mexico is bankrupt, and admits that she is bankrupt, but pleads for time to enable her to pay her debts. We have not seen the book, and, consequently, do not know whether the opinion expressed is that of the author or the reviewer. The contention, however, is only partially true. Mexico is, no doubt, bankrupt in the sense that she cannot, however honestly her Government may try, meet her liabilities at the present time. She has, on the other hand, assets of very great value which will enable her, if order is maintained, to fully meet her liabilities in the future. Applying the standard referred to it will be perfectly true to say that all Europe is bankrupt at present. No single country in Europe is meeting its obligations at the present time. We are none of us even paying the full interest on our foreign debts. The European countries can, if they will, meet their obligations in due course. The point of real interest with regard to Mexico is, Can she render such services to the world as a whole that it is worth while to give her such assistance as will enable her to liquidate her obligations in due course? If we thought she was going to plunge into another revolution we should say "No." We have already said, however, that according to the best information we are able to obtain the political constitution of the country seems reasonably secure, and much more satisfactory than it has been for a long time past. Consequently, we think it is desirable that a reasonable arrangement should be come to with Mexico to enable her to meet her obligations when she can. Assuming that order is maintained in Mexico for any considerable time, the advantage to Mexico's creditors is real and would be immediate. Even under

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existing conditions Mexico has something like 300 petroleum wells working, and produces about 80,000,000 barrels of petroleum in a year. Next to the United States she is the greatest producer of silver of any country in the world. In other words, she is pre-eminently a producer of food products and of raw materials. Mexico has an area exceeding three-quarters of a million square miles. In other words, she is practically as big as the whole of Western Europe, including the States of the late Empires, Germany and Austria. As we have said above, a country producing food and raw materials, particularly in a period like the present, renders every season that she produces these raw products a great service to the world. Consequently, any reasonable arrangement that can be come to whereby Mexico is able to meet her liabilities without unduly straining her resources yields an immediate result. Mexico grew cotton and manufactured cotton fabrics when Cortez conquered the country at the commencement of the sixteenth century. Probably she is capable of growing cotton at the present time to almost as great an extent as that valuable textile is produced in the United States. The world wants increased supplies of cotton, but requires that those increased supplies be produced upon a reasonable basis of economic values. Apparently, the United States is no longer in a position to supply the world with anything like the proportion which she has hitherto exported upon any reasonable basis of economic values.

Mexico, as we have said, has grown cotton for 400 years—that is to say, during the whole period that she has been known to Europe—and no doubt grew cotton for centuries before she became known to Europe. Consequently, there is a soil, a climate, an environment and a trained population capable of producing cotton upon an enormous scale. In the growth of cotton alone, if Mexico could be induced to increase her production to any reasonable proportion of what she was capable of producing, it would hardly be unreasonable to say that she would by that alone indemnify her creditors for any indulgence that they might be prepared to accord her in delaying the liquidation of her liabilities. Cotton, however, is far from being the only raw material which Mexico is capable of producing. It is believed that in the production of silver, as well as in the production of petroleum, Mexico is capable of taking the foremost place as the world's producer of these two commodities. Mexico, as we know it, is, for the most part, a vast elevated plain, lying between an eastern and a western range of mountains, with tropical areas to the east and to the west of these mountains and with tropical areas in the low-lying valleys of various parts of the plateau. On the whole, the country rises from about an elevation of some 3,000 feet, where the Mexican frontier joins that of the United States, to an elevation exceeding 8,000 feet in the southern part and in the vicinity of Mexico City. It will be observed from the brief description that we have given that Mexico resembles in many ways the continent of South America—that is to say, altitude rather than latitude determines the agricultural potentialities of any specified area. Consequently, we have in places within the same latitude the semi-tropical products of the coast lands, while in the altitudes of the plateau of the interior are produced the cereals and the leguminous plants to which we are accustomed here in Europe.

Anglo-South American Handbook for 1921. Edited by W. H. Koebel for the Federation of British Industries. Price 25*s.* net. (London: T. Fisher Unwin.) The Federation has done well in securing the services of Mr. Koebel in compiling this volume, which deals separately and exhaustively with each of the several South and Central American States. Mr. Koebel needs no introduction as a writer on South America. His works on the several States are sufficient recommendation for this new volume.

THE NEW COMMONWEALTH BANK ACT.

On December 14 there came into operation the Commonwealth Bank Act, 1920—a measure passed in the previous month by the Australian Legislature in amendment of the Commonwealth Bank Act, 1911-1914. The effect of the new statute is to repeal the Australian Notes Act, 1910-14, and to vest the power of note issue in the Commonwealth Bank of Australia, which has henceforth to maintain a separate Note Issue Department. At the head of this department the Governor of the Bank presides, *ex officio*. The remaining three directors on the board of management are appointed by the Governor-General, one being an officer of the Commonwealth Treasury, and their period of office will ordinarily be for five years. Continuity of policy is, however, provided for by the presence on the board of at least two directors who have served in the previous year, two of the three now appointed holding office for terms of only three and four years respectively.

While the assets and liabilities of the Treasury under the Australian Notes Act, 1910-14, are transferred to the Note Issue Department of the Commonwealth Bank, State notes are no longer recognised as legal tender. As regards the future, notes of the following denominations—viz. 5*s.*, 10*s.* £1, £5, £10, or any multiple of £10—shall "(*a*) be printed and issued by the board from the Commonwealth Bank; (*b*) be legal tender throughout the Commonwealth and throughout all territories under the control of the Commonwealth, except in respect of payments due by the Note Issue Department; and (*c*) bear the promise of the Treasurer to redeem the notes in gold coin (or, in the case of a single 5*s.* Australian note, in silver coin) on demand at the head office of the Commonwealth Bank." In debate on the Bill it was admitted that this convertibility of the note was at present, of course, only an ideal to be worked for, it being anticipated that their good sense would lead the Australian public to be satisfied with the security afforded against the Bank's commitments. On this assumption the restriction (for so vast a territory) of the place of note redemption to the single location of the Bank's head office has only an academic significance. The board has to maintain as a reserve, in gold coin or bullion, at least twenty-five per cent. of its liability under Australian notes issued. Other funds may be deposited with a bank, placed in securities of the United Kingdom, the Commonwealth, or a State thereof, or invested in trade bills of not more than 120 days' currency. The departmental profits, after payment of an approved rate of commission to the Commonwealth Bank for the purposes of its general business, are to be placed to the credit of the Treasury.

On the last Monday of each month the board has to prepare a statement showing the nominal value of the notes in circulation and the amount of gold coin held by the Issue Department. This statement has to be countersigned by the Governor and forwarded to the Treasury for publication in the Commonwealth *Gazette*. In order to facilitate matters, institutions carrying on the business of banking have to furnish the Chairman of Directors at Sydney with weekly returns showing the value of notes held by them as at the close of business on each Monday.

Though the Governor and board of directors are responsible for the issuing of notes, the Treasury is behind them, and in a time of crisis the Governor-General may authorise the transfer to the latter of the control of, and responsibility for, the whole or part of the note issue, until public confidence is restored, when control will be again vested in the board. In ordinary times the regulation of the note issue by an independent board, with a single Treasury representative, would seem to lessen the possibility of political influence or suspicions.

INDIAN IMPORT DUTIES AND THE BUDGET.

THE financial statement of the Government of India presented to the Indian Legislative Assembly on the 1st instant shows that the anticipated revenue surplus of Rs. 10½ crores (or £6,993,000, taking the rupee at 1*s.* 4*d.*) has become a deficit of Rs. 11¾ crores (£7,825,000). The calculations were upset mainly because of military expenditure amounting to Rs. 70.4 crores, against the Budget estimate of Rs. 55.2 crores. In respect of the year 1921-22 the estimated expenditure is Rs. 129 crores, while the revenue on existing taxation would yield only Rs. 110½ crores, including the provincial contributions of Rs. 9.83 crores. The largest item is the provision for defence, Rs. 62.2 crores. According to statements made to the Legislative Assembly civil expenditure is on the lowest possible scale. The final deficit will, therefore, probably not be less than Rs. 18¼ crores (£12,321,000), an increase of Rs. 6¾ crores (£4,495,500) on the deficit for 1920.

The gap between revenue and expenditure can be bridged only by additional taxation, and it is to the credit of the Assembly, that at the outset of its control over taxation, it chose the unpopular but sounder course. Under the Government of India Act all proposals for expenditure are subject to the votes of the House, which has, moreover, a decisive voice in questions of additional taxation. The increased demands on the taxpayer would not be necessary had the monsoon—and, consequently, trade conditions—proved more favourable; but a poor monsoon, combined with a large balance of trade against India from September last, had a detrimental effect on public revenue. Under the Government proposals the additional taxes will give the following yields: Customs, Rs. 8.17 crores; railway surcharges, Rs. 5.50 crores; postal charges, Rs. 2.25 crores; taxes on income, Rs. 3.25 crores; total, Rs. 19.17 crores. British exporters are concerned mainly with the increase in customs duties, and under this head the general *ad valorem* duty on manufactures has been raised from seven and a-half per cent. to eleven per cent. These increases came into force on Tuesday last. Lancashire, fortunately, is not grievously affected, though the cotton excise duties remain unchanged, but the concessions allowing machinery and stores for cotton mills to enter free of duty have been withdrawn. Lest, however, the general increase in duties might occasion alarm amongst British traders, an announcement has been made by the Secretary of State for India that a Commission—presumably constituted in India—will be appointed to examine, with reference to all the interests concerned, into the future fiscal policy of the Government of India, including the desirability of adopting the principle of Imperial Preference.

On the presentation of the Budget statement no effort was made to conceal the fact that Government expectations in regard to exchange had been falsified, and that, indeed, the efforts to make good the Government's policy had in part contributed to the falling-off in the export trade and the consequent excess of imports. Foreign trade returns just to hand, for the period from April 1920 to January 1921, show a net balance of trade against India of Rs. 38 crores, as compared with a balance of Rs. 66.5 crores in favour of India in the corresponding period of the previous year. Exchange difficulties are making Indian merchants more reluctant to meet their obligations, the balance of trade having swung so decisively against India and the fall in silver having so materially curtailed its purchasing power. The Government last year changed the rupee parity to ten to the gold sovereign from fifteen to the pound sterling, and at the new value of 2*s.* many contracts were entered into by Indian importers. The market value of the rupee is now 1*s.* 3½*d.*, and the consequent repudiation of contracts, justified in India by the failure of the Government to carry out its rupee policy, occasions tremendous hardship to a large section of our exporters. At a recent meeting of the East India section of the London Chamber of Commerce the action of Indian importers' associations in urging dealers to repudiate their obligations unless a value of at least 2*s.* was assigned to the rupee, was severely, and justly, criticised. The Secretary of State for India admitted on Wednesday last, in reply to a question in the House of Commons, that most of the important Indian piece-goods associations have passed resolutions against the payment of drafts under a two-shilling rate of exchange. Mr. Montagu added that he was informed by the Government of India that they could not usefully intervene in the matter, but surely the Government, having caused the present *impasse*, should help to clear it up and should, at any rate, endeavour to uphold the principles of fair commercial dealing amongst the Indian business community.

BRITISH RAILWAY RETURNS.

STATISTICS have been published by the Ministry of Transport showing the results of working the controlled railways in the United Kingdom during the month of December and during the nine months to the end of 1920. Up to November 30 the receipts had exceeded the outlay by £9,302,367, but a loss of £2,763,125 in December brought the credit balance down to £6,539,242. In the nine months "other businesses" —that is, steamboats, canals, hotels, &c., worked in connection with railways—showed a loss of £891,105, thus further reducing the balance to £5,648,137. The Government guarantee for the nine months amounted to £38,174,000, and, deducting the surplus of revenue over expenditure above mentioned, £5,648,137, the net Government liability amounts to £32,525,863. This works out at £3,613,985 per month. The actual deficit in December, £7,024,246, was much in excess of this average. In the December expenditure abnormal items estimated at over £3,000,000 are included, and out of the total deficit of £32½ million it is said that extraordinary factors of various kinds accounted for approximately £20,000,000. No light, however, is thrown on the nature of these factors, but they seem to have operated with greatest force towards the end of the year, when the depression in trade, with the exceptionally high cost of labour and material, was also most acutely felt. A general statement of the results in United Kingdom is appended herewith:

	April-Nov.	Dec.	April-Dec.
	£	£	£
Receipts	170,687,588	21,581,187	192,268,775
Expenditure ..	161,385,221	24,344,312	185,729,533
Balance	9,302,367	—2,763,125	6,539,242
Other businesses	689,984	— 201,121	— 891,105
Total balance ...	+ 8,612,383	2,964,246	5,648,137
Govt. guarantee ...	34,114,000	4,060,000	38,174,000
Net liability ..	25,501,617	7,024,246	32,525,863

While the railways in Great Britain made a total profit for the nine months of £6,011,774, as against the Government guarantee of £36,723,000, the loss on Irish railways amounted to £363,637 in addition to the guarantee, making a total Government liability of £1,814,637. The results show the need in both countries of either a drastic cut in working expenses or a big increase in freight and passenger charges. Such charges will be hard to raise, as they will diminish traffic; therefore, recourse must be had to the first alternative. The comparative figures for Great Britain and Ireland may be set out as follows:

	April-Dec.	Dec.
	£	£
Great Britain	30,711,226	6,744,745
Ireland ...	1,814,637	279,501
United Kingdom	32,525,863	7,024,246

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Sorabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Economic Conditions in Yugo-Slavia.

NOTWITHSTANDING the unsettled state of the Serb-Croat-Slovene Kingdom, due to the recent elections for the Constituent Assembly, the economic situation of the country is not unfavourable. The Department of Overseas Trade states that as regards agriculture there is an ascertained surplus of foodstuffs, and, in addition, many valuable forest products. Contrary to what has already been reported in certain quarters, trade by barter has not taken the place of money in the interior. The paper currency is the accepted medium of payment by the peasants, the trouble being rather that they demand too much of it. The exchange, although low, is better than that of the surrounding countries, the dinar standing higher than the Austrian, Hungarian, and Czech crowns, the leu, leva, Polish and German mark, and others. Representatives of several United Kingdom firms have recently secured some orders, mostly in textiles. The course of sending representatives to investigate on the spot is advisable, for there will be found not only a ready market for United Kingdom manufacturers, but a considerable quantity of goods for export which are required in this country. The export of the available material would have the effect of establishing the necessary sterling credits, from which payments could be made for the British manufactures required in Yugo-Slavia. Transport within the country is still in a dislocated state, but improvements are being effected.

Official Statistics Committee.

During the week Mr. Wilson-Fox elicited from the Lord Privy Seal the interesting information that the findings of the Committee at present engaged, under the Chairmanship of Sir Alfred Watson, inquiring into matters connected with the preparation and publication of official statistics would be made public. It will be remembered that this Committee was constituted, in the first instance, to consider various proposals put forward by the British Empire Statistical Conference, and to ascertain the views of the Home Departments thereon. Subsequent to its constitution the Committee was further asked to report as to the need for official inquiry into certain defects in official statistics, alleged in a petition to the Prime Minister, and also on the proposal to set up a permanent Consultative Committee on Official Statistics. The Committee is in some respects an exceptionally strong one, including as it does the Government Actuary, Sir Alfred Watson, and Mr. A. W. Flux, of the Board of Trade, in addition to the Registrar-General and the principal officers of the various statistical departments. It is to be hoped that Mr. Bonar Law's promise of giving publicity to the recommendations of the Committee will not be fulfilled, as so many of these promises are, at a time when public interest on the subject will have waned.

American Coal in Europe.

During the twelve months ended June, 1913, 476,000 tons of coal were exported from the United States to Europe. For the calendar year 1920 the European imports of American coal amounted to 13,383,000 tons, an increase of no less than 2,712 per cent. as compared with the pre-War year. The domestic coal shipped overseas last year from the United States, taking into account only the bituminous variety, was 20,452,859 tons, a record export contrasted with shipments in previous years. Of this total 65.4 per cent. went to Europe. Even Australia, which supplied only 100 tons to Europe in the calendar year 1913, sent 113,000 tons in 1920. Amongst the European importers complaints have frequently been made to the effect that much of the American coal on arrival is found pulverised as a result of the long voyage. On this account British coal is more in favour on the Continent, even when quoted at higher rates, but obviously there is a limit beyond which it becomes more economical to purchase American coal. It is the duty of the various interests involved in the coal export trade in this country to keep our prices below this limit, and this can be done only if costs of production are reduced. The miners are chiefly concerned in this matter, as can be seen from the tables published in our issues of the 19th and 26th ult. In the first three quarters of 1920 the total disbursements for wages, salaries, royalties, and other expenses were £82,296,146, £88,121,952, and £92,852,163, of which the miners took respectively £63,220,756, £66,570,490 and £69,908,316. Practically four-fifths of the expenses connected with coal-raising, therefore, go directly into the miners' pockets, and here obviously is the greatest margin for economy. The wage payments here taken into account are irrespective of the specially cheap coal supplied to miners. While the sums going to the miners have increased, their output has fallen heavily, as is shown by the following figures relating to the four quarters of 1920:—

Quarter ended	Output in Tons	Avg. No. Employed	Output per Person Tons
March 31, 1920	... 62,103,000	1,188,500	52·253
June 30, 1920	... 58,166,000	1,200,300	48·460
September 30, 1920 ..	.. 59,251,000	1,207,800	49·057
December 31, 1920 ..	... 49,775,000	1,220,700	40·776
Total . .	. 229,295,000	1,204,300	190·387

Taxation and Expenditure.

The incidents at this week's Conference, though they may have their dramatic value, are not very helpful as regards the final decision on Germany's capacity to pay. The burden of State expenditure and of taxation is one test of the latter, and in the adjoining table we give particulars as regards the *per capita* burden for four Allied countries and for Germany in 1913 and 1920:—

Taxation and Expenditure per Head.

Country	Unit of Currency	Taxation per Head 1920	Taxation per Head 1913	Expenditure per Head 1920	Expenditure per Head 1913
United Kingdom	£	22·1	3·6	29	3·7
France	Franc	374·9	84·5	1,127	113·3
Italy	Lira	209·8	53·8	591	68·4
United States of America ...	$	53·8	6·8	70	7·4
Germany	Mark	474·9	31·3	1,604	52·2

On the basis of these figures the increase in State expenditure in Germany has been greatest—2,972.8 per cent.; as has also the increase in revenue—1,417.2 per cent. For other countries the percentage increase in expenditure and tax revenue respectively has been as follows: France, 894.7 per cent. and 343.6 per cent.; United States, 845.9 and 691.2; Italy, 764.0 and 289.9; and the United Kingdom, 683.7 and 531.4 per cent. The big expansion shown by the United States is due to the relatively small outlay by the Federal Government before the War and the great increase in its commitments in recent years. Figures as to taxation are not altogether a sure index of capacity to pay, since Government operations may be financed by external loans, and the extent to which State expenditure has been met by inflation varies in different countries. If we take the proportion of expenditure to national income, on the lines recently suggested in our columns, we find that proportion is highest in the case of France (forty per cent.), and in other countries the figures are as follows: Italy,

thirty per cent.; Germany, twenty-three per cent.; United Kingdom, twenty-two per cent.; and the United States, nine per cent. This method provides a sure test of the extent to which taxation can be considered burdensome, and by following it the United States is relegated to its true position of the least heavily taxed of the countries mentioned. Of course, the actual proportion taken by the State would be higher if all expenditure by individual States in the Union were included. The problem of making Germany pay the sum agreed on in Paris, considered from both the points of view above outlined, is obviously a matter of considerable difficulty, as the possible margin of expansion is limited.

Another Banking Failure.

The business of the South American merchant banking house of J. Lionel Barber and Company, Limited, whose suspension of payment was reported in Liverpool (where its registered office is situated) on Thursday, dates back to 1899, although it was in 1912 that the private Company was formed. The Company has not been in the habit of publishing a balance sheet, but from particulars officially supplied it would appear that at the end of 1919 its balance-sheet totals were in the region of seven figures, the items including bills payable to the amount of over half a million. Considerable surprise has been occasioned in the northern city, where the firm, as well as being highly respected, was regarded as one of the most prosperous. In London the greater part of its business consisted of dealings in South American bills of exchange. Of the share capital of £155,657 (in £1 shares, fully paid) £30,000 was in Deferred Ordinary, and the balance in Cumulative Preferred Ordinary shares. It will be remembered that an official of the Bank was recently charged at the Guildhall with falsifying the accounts of his employers, and it may be that the position which has arisen is not altogether unconnected with liabilities unwittingly incurred by the Bank without consideration. It is understood that a meeting of the shareholders will be held on Tuesday next.

Export Credits.

The Economic and Finance Committee of the League of Nations, in accordance with the powers received by them from the Council of the League of Nations, have taken the necessary measures for putting into execution the decisions reached at Geneva concerning the scheme for international credits. A Sub-Committee, consisting of M. Avenol, Sir Henry Strakosch, and M. ter Meulen, will carry out provisionally the duties entrusted to the International Commission proposed under this scheme. Sir Drummond Drummond Fraser, K.B.E., joint managing director of the Manchester, Liverpool, and District Bank, has accepted the post of organiser provided for under the decisions reached at Geneva.

Iron and Steel Prices.

In order to cope with Belgian and German competition in overseas markets, English and Scottish iron and steel manufacturers are quoting revised prices. These quotations show a marked reduction over those prevailing a week ago, particularly in the case of all steel for shipbuilding purposes. Since January 1 malleable iron has dropped £7 per ton, the latest quotation being £2 per ton less than last week's price, and steel sheets are now £22 per ton, as against £38 10s. in May last. These changes are welcome as indicating a desire to meet foreign producers on the only ground on which they can be met—that of cheapness, but there is still a margin in favour of imported iron and steel. Undoubtedly much of the latter now reaching these shores is being sold under compulsion from banks and financial houses, and when weakly-held stocks have been liquidated no doubt the price-lists of foreign makers will show a substantial rise above present levels. Activity in the iron and steel trades abroad has latterly been diminishing, but manufacturers have had the advantage of a rather sharp fall in fuel prices.

American Topics.

THE ALLIED DEBTS.

An interesting article appears in the *American Banker* of New York, just to hand, on the subject of the debts of the various countries of Europe to the United States of America. It appears that a Society known as the "Mississippi Valley Association," representing various States in the Mississippi Valley, and having its headquarters at St. Louis, has formulated proposals for the funding of the Allied European debts to America. The Association, we gather from our New York contemporary, appears to be mostly composed of traders anxious to develop the districts in which their several businesses are located. It goes without saying, however, that they are anxious to have the incubus of this debt got out of the way. It is pointed out that the debt constitutes a non-active asset. The proposal is to fund these debts, which in the aggregate amount to 10,000 million dollars, or at the par of exchange £2,000,000,000. A funding proposal is, of course, a very great improvement upon asking the United States to cancel the debts altogether, which it is believed was actually proposed from this side, and was naturally declined by America as utterly unreasonable. What justification there is for asking the United States to cancel debts duly borrowed by responsible Governments we entirely fail to see. When the New York Money market hesitated to advance the original £100,000,000 upon the joint guarantee of France and England without collateral, we felt and expressed surprise that such a joint guarantee should not be deemed sufficient for what was comparatively a small loan. If, however, as soon as it becomes inconvenient to pay, creditors are to consider themselves at liberty to ask the debtor to release them from their bond, it will be no wonder in the future if lenders ask, and, indeed, insist upon, very substantial collateral.

While we utterly disassociate ourselves from any proposal to escape from liabilities into which we entered with our eyes open, and presumably after having counted the cost, it does not follow that a proposal which would deal with the loan either by funding it or by other means is necessarily acceptable either with or without examination. The amount of the Allied loan specifically lent to this country by the United States was only a little over £800,000,000. Inasmuch, however, as the American Government and American bankers for the most part declined to have direct dealings with the other belligerents without our specified guarantee, it may be said that we are responsible for the whole of the debt, including the amount lent to Russia. Of course there is no prospect of any part of this debt being recovered from Russia during any period which affects existing interests. Even if Russia ultimately recovers, and is able and willing to pay her share of the liabilities, in the nature of the case she will not be in a position to do so until long after the question of existing liabilities has been definitely settled. The proposal to fund the debt in the form suggested in the columns of the *American Banker* is open to the same objection which is made to nearly all the proposed credit schemes of the present time. It is a proposal by American traders to further the interests of American trade, and, no doubt, incidentally to further the trade of the world. In order to bring this about and relieve the international markets of this load, it is proposed that the American Government shall issue bonds at a specified rate of interest. That is to say, the scheme is open to the same objection as that of most of the credit schemes now before the public. It asks the American taxpayer, as the credit schemes always ask the taxpayer of any country granting a credit, to bear the burden. Moreover, President Harding, in his inaugural address, has declared for lightened tax burdens and a general reduction of expenditure.

THE SHIPPING POSITION.

Readers may have observed a brief telegraphic summary, which appeared in the daily Press at the end of last week, of a report from Washington issued by the American Shipping Board. The actual report has not yet been received in London, and, consequently, our information is limited to the facts disclosed in the brief summary telegraphed across the Atlantic to which we have already referred. From this report it would appear that something like fifty per cent. of the total mercantile marine of the United States, the bulk of which came into existence under the auspices of the Board during the War period and in the early months succeeding the Armistice of November 1918, is, to use the technical phrase, "laid up." The balance, we gather from the report, continues to carry on its operations simply by favour, and with the assistance, of the American Shipping Board. That is to say, the mercantile marine, exclusive of that engaged in the coasting trade and certain specified shipping interests trading with Panama and various Central American States, is carrying on business mainly at the expense of the taxpayers of the United States.

In our issue of January 29 last we wrote on this subject in an article headed "The Question of Shipping." We said at that time that, according to the report of the United States Shipping Board, there was a decrease in the construction of shipping under the ægis of the Board amounting to 2½ million tons in 1920, compared with the tonnage constructed during the preceding year. We added that it is this decrease in constructed tonnage in the United States that accounts for practically the whole decrease in the output of the world's mercantile marine for the year ended December 31 last. We put two questions: "Does the American mercantile marine rest upon any sound economic basis?" and asked further, "What does the United States require a mercantile marine for?" At that time we pointed out that her shipbuilding yards could not go on without the assistance of the United States Government, which really means the taxpayers in the various States of the Union. Her carrying trade would virtually come to an end—other, of course, than the coasting trade, which is rigorously protected—were it not for the support afforded by the taxpayers of the country. No one, of course, denies that the United States is a very wealthy country. It came out of the recent War probably in a more satisfactory position than any of the other belligerents. It can, if so minded, afford luxuries, and expensive luxuries at that. To maintain, however, a great mercantile marine for the purpose of showing the world what it is possible for a wealthy country to do is to indulge in an exceedingly expensive luxury. Is it reasonable to expect that the taxpayers of the United States will indefinitely be satisfied to find the means whereby the Shipping Board can hope to carry on its present policy?

To appreciate what the United States is attempting to do at the present time in creating a great mercantile marine out of moneys gathered from the taxpayers, as distinct from allowing shipowners to build ships and run them as a business if they are able and willing to do so, we should first appreciate what is the economic position of that country at the present time. Readers who are personally unacquainted with the United States may think of that country very much as they think of our own or of the more progressive countries of Western Europe. Except that the population and the civilisation of the United States is of European origin, it would be difficult to draw a picture which has as little relation to the actual facts. The total population of the United States is somewhat less than that of France and Germany, as those countries existed in the period that preceded the outbreak of the recent War. For the most part the population is scattered over an area equal to about seventy-five per cent. of the whole of Europe, while the area is equivalent to that of the whole of Europe, excluding Scandinavia and half of European Russia. In other words, the population of the United States, if it were possible to transfer it bodily to Europe, would leave unoccupied the whole of the late Austrian Empire, Italy, Turkey, half of European Russia, as well as these islands. Of course, as the reader is aware, in a sense no part of the United States can be said to be wholly unoccupied. In a practical sense, it should be clearly understood that it is not possible for 100,000,000 people to effectively occupy and economically develop an area extending over three-quarters the size of Europe. One of the greatest difficulties of the United States at the present time is to find means whereby she can reconstruct her plant, which needs repairing from the wastage occasioned by the recent War, and to develop the enormous resources of the immense area within the sovereignty of the Union. Is it, therefore, a practical proposition to divert funds urgently needed for carrying on the regular business of the country for the purpose of building up a mercantile marine for which apparently there is no sound economic demand?

SOUTH AND CENTRAL AMERICA.

We regret that owing to pressure upon our space we are again compelled to hold over our usual article under the above heading.

We have received a copy of the *Mexican Review* for the month of February, which is now published in Washington, D.C. For some time we have missed our contemporary's welcome news on the state of things prevailing in the Mexican Republic. The last copy to hand, which was also published in Washington, was very much smaller than the issue now before us. We welcome the expansion in the size of the Review, and its apparent prosperity, as an augury of improvement in the condition of the country it represents.

Treaties for the Advancement of Peace between the United States and Other Powers, negotiated by the Hon. William J. Bryan, Secretary of State of the United States. With an Introduction by James Brown Scott. (New York: Oxford University Press.)

Economica, the Bulletin of the London School of Economics and Political Science, in its January number contains articles on "Economics as a Liberal Education," by Sir W. H. Beveridge, K.C.B.; "Bank Deposits," by Professor E. Cannan; and "The Economics of Employment in England, 1660-1713"; while other contributions are from the pens of Misses P. Campbell, S. Bushell, and M. Hogg.

The Nation's Financial Outlook. By A. B. Thornton, F.S.I. Price 2*s.* 6*d.* (London: P. S. King.) Mr. Thornton reviews the present position of the nation in regard to its public finances, and the problems to be solved in controlling these finances if the country is to maintain its credit. With his conclusions most people will agree, but they require driving home on every possible occasion.

The Incorporated Accountant's Year-Book, issued by the Council of the Society of Incorporated Accountants and Auditors, now published for 1921, contains the names of 3,140 members. Of these, 2,468 are in England and Wales, 116 in Scotland, 84 in Ireland, and 472 in the British Dominions and colonies and foreign countries. The Society has district organisations in thirteen of the leading towns of the United Kingdom, and there are also branch societies in Scotland, Ireland, Australia, South Africa and Canada. The current volume extends to 568 pages.

We welcome the seventeenth edition of *The "Financier" Rubber-Share Handbook*. The price is 10*s.* net. In his interesting Preface Mr. Killick points out that although the present situation in the industry is one of real gravity, the outlook is fraught with much that is encouraging. Rubber is an essential raw material, the production of which must in time revert to an economic footing. Germany and Russia, normally large consumers, have taken very little during the past four years. At the present time those countries provide the most promising outlet for a portion of the surplus.

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Insurance Notes.

SUN LIFE ASSURANCE SOCIETY.

A LIFE office like the Sun, which has been in active operation since the era of Wellington's campaigns in the Peninsula, belongs, of course, to the old guard, and might be supposed to wear its laurels leisurely. But this veteran shows all the activity and vitality of youth. Not only does it keep its place in the foremost ranks, but it seems to improve its position year by year. The new business reported by it for 1919 established an outstanding record in the history of its development, and the corresponding figures for 1920 are bigger still. The fact proves the existence of a first-class, well-conducted, and efficient agency organisation. During last year the Society issued no fewer than 12,630 new life policies, assuring the sum of £5,396,477. After deduction of reassurances, the net amount retained at the sole risk of the Society was £5,312,477. The 1920 returns show an increase of 1,921 policies and of a net amount of £880,272 in sums assured, over those of 1919. All of the Society's business is obtained within the United Kingdom, and the new record eclipses that which any British company not possessing an industrial department ever reported as having been altogether produced in this country prior to last year. One hesitates to assume that this achievement will still prove a record when all the new business returns of 1920 are published, but up to the time of writing it holds the field.

The Society's total net life premium income in 1920, amounting to £1,320,696, shows an increase of £124,115. One must expect an increase in all expense ratios of life offices, owing to higher salaries and other causes, and a larger new business, which involves some initial if reproductive expenditure, tends in the same direction. The Sun Life expense ratio rose from 18.2 to 20.6 per cent. in 1920. This is five or six per cent. higher than the Society's pre-War expense ratio, but it is still within the margin of premiums reserved for expenses and contingencies on the occasion of the Society's last quinquennial valuation, as at the close of 1916. The claims by death on the life fund in 1920 amounted to £508,289, including reversionary bonuses, as compared with £546,911 in 1919. Endowment assurances matured for £296,230. Through last year's operations, and after providing for a loss of £144,314 on realisation of assets, the life assurance fund was increased by £465,410 to £11,372,966. The interest yields during the year on the life fund were £4 18*s.* 11*d.* per cent. before, and £4 2*s.* 4*d.* per cent. after, deduction of income tax. The net yield as compared with that earned in 1919 indicates an increase of 2*s.* 8*d.* per cent.

The annuity account for 1920 shows that the sum of £31,943 was received as consideration for new annuities, and that annuities for £123,263 were paid. At the close of the year the annuity fund amounted to £1,417,323.

The Society transacts a considerable quantity of sinking-fund and capital redemption business. According to the account relating to this department the relative premiums amounted in 1920 to £113,829, and the appropriate fund at the close of the year to £1,773,918. The only other kind of insurance undertaken appears to be a small amount of accident insurance, the premiums in this section having been £3,820 in 1920 and the relative fund at close of year £17,664.

The authorised share capital amounts to £1,000,000, of which £480,000 is subscribed and paid up in fully-paid shares of £10 each. At the last quinquennial valuation no general distribution of profits was made owing to the adverse influence of the War, but provision for interim bonuses during the present quinquennium in all cases of claims was made, and a substantial surplus of over £600,000 was carried forward, so that there would seem some reason to hope for an improved result from the next investigation, which falls to be made at the close of the present year. Meanwhile, the annual dividend to shareholders has been restricted to 7*s.* 6*d.*, free of tax, per share. The proprietors' fund at the close of the year amounted to £492,210. The balance sheet relating to the life assurance, annuity, sinking-fund, and capital redemption and accident insurance funds concurrently showed assets of £14,445,844. More than half of this amount was represented by British Government securities.

The result of the approaching quinquennial valuation will, doubtless, depend to a large extent upon the amount of depreciation in securities which the Society, like every other office, will be called upon to face; but in all matters under the control of directors and administrators the Society seems to have fared well since the last investigation, and, looking to the strength of its reserves, it may be expected to give as good an account of itself as the great majority of its contemporaries when the actuarial stocktaking is made.

One reason for the striking success of the Sun Life Assurance Society as a business getter is its freedom from formality, its open-mindedness as regards new schemes, and its adaptability to the desires and requirements of its patrons. It was one of the first institutions of the kind to grant life policies, under certain protective but not irksome conditions, to proposers who are able to satisfy it as to their personal health and family history, and who prefer to dispense with the ordeal of a medical examination. The business done by the Society on these lines has been of large amount, and is reported to have given entirely satisfactory results. Another attractive feature is the receiving of premiums by monthly instalments in suitable cases. Reductions of premiums of appropriate amounts are made to total abstainers.

NATIONAL PROVIDENT INSTITUTION.

One of the most admirable of those British life offices which were founded on the mutual system is the National Provident Institution. It was a consistent and substantial producer of bonus prior to the War, and, despite the experiences of that terrible period, it may be expected to resume its traditions of profit distribution as soon as almost any of its contemporaries who thought it right, like itself, to postpone such apportionments until the arrival of a more normal period. On the occasion of the last quinquennial valuation in this Society, towards the close of 1917, while no general distribution of bonus was made or given, an unappropriated surplus of £400,000 was carried forward after a conservative valuation on a three per cent. basis, while a suitable provision was made for the payment of interim bonuses in the case of policies becoming claims during the present quinquennium. This should prove a tower of strength at the next valuation in 1922.

It is pleasant under these circumstances to see that the Society is participating to a satisfactory degree in the revival of life assurance which has been so notable a feature since the conclusion of hostilities with Germany. The report for the financial year ended November 20, 1920, announced (as did its predecessor)

that the amount of its new life business, both gross and net, exceeded that transacted in any previous year in the Society's history. New life policies were issued for £1,329,635, of which £46,000 was reassured, the net amount retained at its own risk thus being £1,283,635, as compared with £1,138,725 in the preceding twelve months. The total net premium income, amounting to £598,861, shows an increase of £31,974. Expenses of management, inclusive of commission, absorbed about 13.7 per cent. of premium income, the corresponding proportion in 1918-19 having been 12.4 per cent. Under existing circumstances the ratio is a modest one, and it only represents about two-thirds of that anticipated in the margin of premiums on business in force at the date of the last valuation reserved for expenses and contingencies. The claims by death amounted to £307,785, which is (as in the previous year) only about two-thirds of the actuarial estimate, and the expression of the opinion in the directors' report that the mortality experience of the institution continues to be favourable appears, therefore, to be fully justified. Endowment assurances for £286,707 matured during the financial year. Through the operations in that period the life assurance fund was increased by £172,318 to £7,573,800. The average net interest yield, after deduction of income tax, per cent. was £4 1*s.* 3*d.*, as compared with £3 17*s.* 2*d.* in 1918-19, and thus shows a profit of £1 1*s.* 3*d.* per cent. over the assumed valuation rate. From all normal sources it is clear that the Society has been making good profits. The balance sheet on November 20, 1920, shows total assets of £7,797,364. It is reported that from the commencement of the institution in 1835 to the close of the last financial year over £21,371,000 had been paid by it in claims on the death or survivance of members.

VICTORY INSURANCE COMPANY, LIMITED.

This Company, which is of recent formation, has just published its first report, covering the period to December 31, 1920. The issued capital of £500,000 is divided into 500,000 shares of £1 each, on which 10*s.* has been paid. The total assets of the Company amount to £439,743, inclusive of £120,921 cash at bankers and in hand, and £225,462 invested in Government securities. The value of the latter item on the date of the balance sheet was £223,244, excluding accrued interest. The losses for the period under review absorbed £76,686, or 36.29 per cent. of the premium income of £211,291. Commissions and management expenses accounted for £50,212, or 23.76 per cent. of the premium income. The balance after deduction of these two items amounts to £84,393, and the directors recommend that this sum be carried forward. Interest and dividends, less income tax thereon, amounted to £11,027, which, together with the sum of £222 received in respect of transfer fees, makes a total of £11,249, and after allowing £262 auditors' fees there remains a balance of £10,987 to the credit of profit and loss account, the whole of which has been applied to writing down preliminary expenses. The preliminary expenses amounted to £24,998, and the sum remaining after deducting £10,987 amounts to £14,011.

The Standard Bank of South Africa, Limited.—The directors of the Standard Bank of South Africa, Limited, have resolved, subject to audit, to pay to the shareholders out of the profits for the period to December 31, 1920, a second interim dividend of 7*s.* per share (being at the rate of fourteen per cent. per annum), subject to income tax. Warrants for the dividend will be posted on April 15 next. As the Bank's accounts are now made up to March 31, the directors' recommendations regarding a final dividend will be announced in May next, and the report and accounts for the fifteen months to March 31, 1921, will be submitted to shareholders for their approval at a general meeting to be held in July.

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Rubber Topics.

However optimistic one may be, it is difficult to discover the silver lining in the cloud of depression that still hangs over the Rubber market. During the week the commodity developed a reactionary tendency, crêpe falling steadily from 1*s.* 1½*d.* at the opening to 11¾*d.* on Wednesday. Rumour was busy accounting for this fall by liquidations due to the refusal on the part of the Government to legislate for the drastic restrictions advocated in Malaya; but inquiries failed to procure any confirmation. There was a slight recovery to 1*s.* on Thursday. In the Share market the "bears" were in the ascendant, though the volume of transactions was necessarily small. Rubber Trusts dropped from 18*s.* 6*d.* to 17*s.* 6*d.*; Anglo-Dutch weakened from 26*s.* to 25*s.*; United Serdang lost 3*d.* on the adverse report to 3*s.* 6*d.*; whilst United Sua Betong reacted ⅛ to 47*s.* 6*d.* Additions to the London stocks during the week dropped to 445 tons. Yet the total stock of 59,148 tons is almost three times the quantity held at the corresponding period of 1920.

SUMATRA PARA.

Issued Capital: £199,929 in 2/0 Shares.

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	Dividend %
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1916-17	4,067	2,418	727,727	300	2/9¼	1/3.83	57,847	52,083	41⅔
1917-18	4,067	2,563	861,528	337	1/10¼	1/3.56	28,167	26,042	20⅚
1918-19	4,067	3,177	821,536	259	1/9	1/5	14,538	26,042	20⅚
1919-20	4,067	3,617	1,200,454	332	1/11½	1/4	37,546	33,309	16⅝

Price of Shares, 3/7½. Market Capitalisation per planted acre, £89.

Shareholders in Sumatra Para Rubber Plantations have every reason for congratulating themselves on the satisfactory report issued for the year ended June 30, 1920. The estimate foreshadowed a crop of 1,100,000 lb., whereas there was actually harvested a crop of 1,200,454 lb. This increase of nearly fifty per cent. on the restricted crop of the previous year is reflected in the return per bearing acre of 332 lb., as compared with 259 lb. in 1918-19. Partly as a consequence of this marked growth in the quantity of rubber collected, but also partly as a result of the efficiency of the administration, there is a reduction in the "all-in" cost from 1*s.* 5*d.* per lb. to 1*s.* 4*d.* per lb. This reduction was effected in face of an adverse exchange rate and a loss on rice supplied to the coolies, the latter amounting to £13,100, or 2½*d.* per lb. of the crop. Again, the average price realised by the sale of the crop increased from 1*s.* 9*d.* to 1*s.* 11*d.* per lb., and the improvement would have been still more pronounced but for the fact that, owing to the slump in rubber, a rather larger stock than usual had to be included at the low quotations current in the market. Nevertheless, despite these drawbacks, the profit per lb. worked out at 7½*d.*, as against 4*d.* in 1918-19; whilst the net profit expanded from £14,538 to £37,546. The dividends paid to shareholders aggregated 16⅔ per cent., as compared with 20⅚ per cent. in the previous year; but the amount absorbed increased from £26,042 to £33,309. This is explained by the increase in the capital during the year from

£125,000 to £199,929. It will be recollected that in February the authorised capital was raised from £125,000 to £250,000, and that £62,500 out of the reserve of £80,000 was capitalised. Shareholders received a bonus of one fully-paid share for every two held, thereby increasing the issued capital to £187,500. Subsequently 125,000 shares of 2*s.* each were offered to shareholders *pro rata* at a price of 7*s.* per share, and of these 124,289 shares were allotted, thus bringing the issued capital to £199,929. Allowing for the bonus issue, the dividend of 10½ per cent. is equivalent to twenty-five per cent., as compared with 20½ per cent. for 1918-19. The balance carried forward to the next accounts is increased from £4,897 to £7,634.

With the severe depression that swept down on the Rubber market, especially since the autumn of 1920, the outlook for the current year is not as favourable as that of the year just reviewed. Originally the Manager expected a crop of 1,380,000 lb.; but in view of the twenty-five per cent. restriction in force since last November a revision becomes necessary. The crop actually harvested for the first six months amounts to 620,000 lb. Assuming no greater curtailment than twenty-five per cent. for the remainder of the period, the total crop will not be equal to that secured in 1919-20. Any more drastic restriction will tend to bring it below 1,000,000 lb. These collateral points to an increase in the "all-in" cost, which should, however, be offset to some extent by the improvement in the exchange situation and the fall in the price of rice. Nevertheless, it is obvious that so long as the best plantation crêpe does not command a better price than 1*s.* 2*d.* per lb. production must be carried on at a loss. In the light of this fact it is good to learn that forward contracts have been entered into for the sale of 224,000 lb. at the gross average price of 2*s.* 3½*d.* per lb. Such forward sales should help to provide the funds required for the carrying on of the necessary work during the crisis. Financially the Company is in a very sound position. The balance sheet dated June 30, 1920, shows that with the inclusion of the final dividend of £16,661 current liabilities did not exceed £52,047, whereas liquid assets in the form of cash, Treasury bills, sundry debtors, and rubber were available to a total of £88,540. In addition, 1,000 First Mortgage Debentures of £10 each in the Sumatra Proprietary Rubber Plantations figure in the accounts at the low price of £6.949. During the year under review £9,220 had been redeemed at £98 per cent. Consequently the valuation of the remainder at less than £70 is very conservative. Although by the capitalisation referred to above the reserve was temporarily reduced from £80,000 to £17,500, it now stands at £48,572 as a result of the premium of 5*s.* on the recent issue of shares. However, as long as the price of rubber remains as low as at present it is difficult to see how any dividend can be declared. This uncertainty is reflected in the low market quotation of 3*s.* 7½*d.* for the 2*s.* shares, which corresponds to a market valuation of only £80 per acre.

MERCHISTON RUBBER.

Issued Capital: £50 000 in Shares of £1 each.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Yield per Bearing Acre lb.	Price "All-in" Realised per lb.	"All-in" Cost per lb.	Net Profit £	Div. Amt. £	Div. %
1917 ...	841	—	91,773	—	2s. 0.54d.	1s. 5.11d.	6,[illegible]	5,000	7½
1918 ...	841	—	152,412	—	1s. 11.84d.	1s. 3.45d.	4,[illegible]	—	—
1919 ...	841	—	124,499	—	1s. 6.94d.	1s. 5.60d.	1,189	2,000	5
1920 ...	841	650	285,960	440	1s. 10.34d.	1s. 1.80d.	10,392	4,000	2½

Price of Shares, 32 6. Market Capitalisation per planted acre, £97.

The extent to which the restrictions on output in force during 1918 handicapped operations on Merchiston estate can be readily perceived on studying the excellent report presented by this rubber Company for the year ended March 31, 1920. With the restoration of normal tapping there had been anticipated a crop of 210,000 lb. However, having been able to secure an adequate supply of tappers, the Company actually harvested a crop of 285,960 lb., as compared with the restricted crop of 124,499 lb. in the previous equivalent to the satisfactory return of 440 lb. per acre, an average which is still more creditable when it is remembered that only moderate returns were obtained from the stretch of flat lands, the drainage of which has always been difficult. Thanks to this pronounced increase in the quantity of rubber secured there was a corresponding decline in the cost of production. The estate cost, which reached 1*s.* 1¾*d.* per lb. in the previous year, worked out at 10¾*d.* per lb. only; the f.o.b. cost dropped from 1*s.* 2.78*d.* per lb. to 11.59*d.* per lb., whilst the "all-in" cost was returned at 1*s.* 1.8*d.*, as against 1*s.* 5.6*d.* per lb. Moreover, with an improvement in the condition of the Rubber market the average gross price realised by the sale of the crop was equivalent to 1*s.* 10.34*d.* per lb., as compared with 1*s.* 6.94*d.* per lb. Thus, on a crop which had increased in quantity by over 120 per cent., the profit per lb. rose from 1.34*d.* to 8.54*d.* Accordingly, there was earned the record net profit of £10,392, as against £1,189 in 1918-19 and £6,065 in 1916-17. Shareholders participated fully in the prosperity of the year, receiving the record dividend of twenty-two and a-half per cent., as compared with the mediocre return of five per cent. in the previous year. Moreover, after deducting £450 in respect of directors' extra remuneration, the balance carried forward to the next accounts is increased from £2,310 to £3,252.

The reward accruing to the shareholders was not confined to the generous dividend of twenty-two and a-half per cent. It was also decided to capitalise the development reserve of £6,000, and to make a bonus issue to existing shareholders of three fully-paid shares for every twenty shares held. Subsequently the issued capital, thus raised to £46,000, was increased to £50,000 by the issue *pro rata* to shareholders at par of the remaining 4,000 shares. The funds thus provided would be ample to bring the whole of the planted area into bearing, and to provide in addition the extra factory accommodation. At the close of the year under review 774 acres were mature, and only sixty-seven were yet to come into bearing. From this area there had been expected for the current year a crop of 335,000 lb. Returns for the nine months ended December 31, 1920, show that 202,008 lb. only had been harvested. Making allowance for the restriction of twenty-five per cent. for the remainder of the period the total crop cannot exceed 270,000 lb. In view of the unremunerative prices now ruling for rubber, it is satisfactory to learn that there have been sold forward at the good average gross price of 2*s.* 0.4*d.* per lb. 89,600 lb. of the current crop. The receipts from this sale, in conjunction with the proceeds of the new issue of 4,000 shares, should provide the bulk of the necessary expenditure, and thereby obviate the realisation of the stock at the loss involved by existing quotations. Financially the position of the Company as revealed in the balance sheet dated March 31, 1920, is sound. Current liabilities, including the dividend of £9,000, did not exceed £13,740, whilst liquid assets were available to a total of £18,637. The depression in the Rubber market renders the dividend outlook at best uncertain. Consequently, the £1 shares appear to be rather fully valued under existing conditions at the market quotation of 32*s.* 6*d.*

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Commercial.

THE LINEN EXPORT TRADE.

At the beginning of last year linen factors were mainly preoccupied with the problem of securing raw material; now they are confronted with the difficulty of disposing of accumulated stocks—for the most part in the hands of retailers—and attracting new buying orders for linen yarns and cloth. Most industries in the United Kingdom are in a similar plight, but so far as the linen industry is concerned the hope might have been lawfully entertained that the continued shortage of flax supplies would help to bolster up the demand for linen, or at any rate pure linen, products. This, however, did not prove to be the case, and linen yarns, after fetching fancy prices to about March 1920, fell afterwards into line with other commodities in their downward trend. A move towards price stabilisation was made in October, when British, French, and Belgian spinners agreed to maintain a minimum price list on yarns until next April; but this agreement was abrogated in January at the instance of the Continental spinners, and yarn producers are now free to sell at their own prices. It would, we imagine, be a matter of some difficulty to carry out this understanding, as the exchange position confers certain advantages on Continental exporters. In any case, the downward movement in cotton would render the maintenance of an arbitrary price-level for flax yarns a matter of great difficulty. Flax and cotton are interchangeable to a certain extent, and, except for certain classes of linen goods, any great disparity in the prices of the finished products will encourage the purchaser to take up the lower-priced article.

The boom in the linen export trade during the earlier part of last year is best expressed when we ascertain, as in the following table, the percentage this period contributed of the entire exports for 1920:—

	(1) Jan.-June 1920		(2) 1920		(1) as % of (2) Quantity	(1) as % of (2) Value
	Quantity	Value £	Quantity	Value £		
Flax & hemp yarns (cwts.)	1,748	972,179	2,855	1,727,957	61	56
Piece-goods (sq. yds.)	62,632,900	8,727,073	93,072,500	14,937,838	67	58
H'kerchief not in piece (doz.)	896,511	444,678	2,033,846	1,137,179	44	39
Damask table linen (not in the piece)	—	1,045,066	—	2,249,161	—	46
Finished thread (cwt.)	12,137	684,352	27,833	1,704,665	43	40
Linen manfrs. (all others)	—	789,488	—	2,119,478	—	37
Total	—	12,662,836	—	23,876,278	—	53

It appears that the exports in the first six months of the year were in point of value fifty-three per cent. of the entire year's exports. The first half-year witnessed the most striking developments in the trade in piece-goods and flax and hemp yarns, particularly in regard to the quantity exported, for it will be observed that values did not rise in the same proportion, though they are well over the fifty per cent. mark. In contradistinction, the demand for the remaining classifications reached its summit during the later period of the year. Handkerchiefs and finished thread represented in the earlier portion as to quantity but forty-four per cent. and forty-three per cent. of the complete year's exports, and in general, judging by the percentages, the most valuable part of the trade in the last four classifications was done in the closing period. The decline in the piece-goods and flax and hemp trade from June onwards thus seems to have been in some degree offset by the greater activity of the remaining branches. As regards piece-goods, the value of which in 1920 accounted for £14,937,838, or sixty-two per cent. of the total exports for the year, the exports to the United States were valued at £6,130,545, and the greater part of this business was done during the earlier portion of the year. Between January and June no less than 33,736,000 square yards were exported to that country, the total exports thereto for the year amounting to 44,907,800 square yards. In the deflation policy pursued by the Federal Reserve Board is to be found the explanation of the falling-off in the American demand. The downward trend of prices in most commodities induced economical buying on the part of the general public, and wholesalers and retailers had, consequently, little inclination to carry heavy stocks. When wholesale prices, both here and in the United States, have reached a more stable level, and when a coincidence of values is thereby established, it is probable that the demand for piece-goods will be given a new impetus in the latter. It is noticeable that, with the exception of France, the most important customers of the linen trade—at least so far as piece-goods are concerned—are to be found outside Europe. Concerning the purchase of goods expressed in sterling values, the advantages they possessed varied to some extent; but, as may be seen from the following table, the exchange position did not operate so strongly against any of them as against France, and France, it may be remarked, is favoured as against other European nations.

Value of Piece-goods Exported from U.K. in 1920 to certain Countries, together with particulars of the Average Values of the Pound Sterling ruling therein.

	Value of Piece-goods Exports £	1920 Average Value of £ Sterling expressed as a Percentage of Parity		
		Jan.	June	Dec.
France	643,981	183·1	202·1	232·8
United States ...	6,130,545	75·5	81·2	72·1
Australia	974,404	101·2	100·2	101·5
Argentine Republic	764,145	75·2	82·0	89·3
Canada	687,230	82·8	92·1	83·8
Brazil	589,705	90·8	104·9	150·6

The figures representing the value of sterling as a percentage of the parity are taken from The Statist's index-numbers of foreign exchange values of the pound sterling, first published in our issue of February 19. The appreciation of the pound on its par value originally made purchasing on French account a costly matter, and, furthermore, the value of the pound in terms of French currency has here greatly augmented during the year. The gap between the 1920 value of the pound sterling and its par value broadened as regards the United States during the year, and should in the ordinary course have favoured American purchasers. Of special note is the startling depreciation of Brazilian currency; the pound sterling was valued at only 90.8 per cent. of its par value in January, and 150.6 per cent. in December.

Foreign competition in the home market has grown more acute since 1919. The Belgian industry has made a remarkable recovery, and the high price a sterling bill fetches in Continental currencies inclines

spinners and weavers to look on the United Kingdom with a favourable eye. Imports of piece-goods and other manufactures of linen increased from £165,511 in 1919 to £726,630 in 1920, and, correspondingly, flax and hemp yarns increased from £418,894 to £4,401,136. The average value of the imported yarns —cost, insurance, and freight—was £533 per ton, and this compares with a value of £605 per ton for our yarn exports.

Industrial Companies.

THE LEEDS FORGE COMPANY, LIMITED.

Issued Share Capital: £750,000, in 150 000 7% Cum. Preference Shares and 600 000 Ordinary Shares of £1 each.
Debenture Capital: £150,000, in 3,000 5% 1st Mortgage Debentures of £50 each.

	Net Profit	7% Pref. Div.	Ordinary Dividend		To Reserve Fund	Carried Forward
	£	£	£		£	£
1914	19,086	8,400	15,000	10‡		15,277
1915	18,773	8,400	15,000	10‡		10,191
1916	41,847	8,400	15,000	10‡		28,938
1917 ...	}	8,400	15,000	10‡		
1918 ...	} 102,391	8,400	22,500	15‡	–	
1919 ...	}	8,400	22,500	15‡	—	46,129
1920	68 470‡	9,450	45,000	7½	30,000	30,149

* After providing for depreciation, Debenture interest and taxation, including income tax on Ordinary dividends. † Free of tax.
‡ After providing for depreciation, Debenture interest and taxation, and writing off issue expenses.

The report of this Company for the past year shows that after charging usual depreciation and providing for excess profits duty the profit on working account, including miscellaneous income, amounted to £130,338. The practice of deducting income tax on dividends payable before showing the profits has been discontinued in the present report, but even allowing for this alteration the profit is almost equal to the combined figures shown for the three preceding years. Owing to the condensed form of the accounts, however, it is difficult to make any detailed comparison. Corporation tax and income tax, excluding that payable upon the Ordinary dividends, absorb £22,872, special allowances for depreciation £20,000, Debenture charges £7,500, and miscellaneous expenses £11,496, leaving an available balance of £68,470. The Preference dividends amount to £9,450 as against £8,400, the increase being due to the bonus issue of £30,000 ranking for dividend as from July 1, 1920. The Ordinary distribution, which was at the rate of fifteen per cent. free of tax (or 21½ per cent. subject to tax) in 1919, is reduced to seven and a-half per cent. subject to tax. Allowing, however, for the bonus share distribution during the year, the dividend is actually equivalent to twenty-five per cent. subject to tax on the previous capital basis. The reserve, to which no allocation from revenue was made in the preceding years, is credited with a sum of £30,000, but the balance carried forward is reduced from £46,129 to £30,149.

A summary of the balance sheet is contained in the following table, in which allowance is made for the proposed allocations from the profit and loss account:—

Balance Sheet Analysis.

	LIABILITIES.			ASSETS.			
Dec. 31	Issued Capital	Sundry Liabilities	Reserve and Carry-forward	Fixed Assets	Stocks	Investments	Debtors and Cash
	£	£	£	£	£	£	£
1919...	420,000	550,997	166,129	301,212	351,028	44,000	440,886
1920...	900,000	610,221	60,149	567,744	411,412	331,481	259,733

It will be remembered that the Company wrote up its fixed assets during the year by £260,000, and distributed that amount, together with the £120,000 standing to the credit of the reserve, among the shareholders in the proportion of seven Ordinary shares for every three held, and one Preference share for every four held. The Ordinary capital was thereby raised from £150,000 to £500,000, and the Preference capital from £120,000 to £150,000. The Ordinary capital of the Company has since been increased to £600,000, in consequence of the acquisition of the whole of the Ordinary shares in the Newlay Wheel Company in exchange for 100,000 of its own Ordinary shares. As shown in the above table, the total issued share and Debenture capital amounted to £900,000 at December 31 last, as compared with £420,000 at December 31, 1919. The fixed assets, which were written up from £301,212 to £561,212 under the capitalisation scheme, show net additions of £26,532 before providing for special depreciation, but allowing for this item the increase does not exceed £6,532. Stocks and work in progress show a further expansion of £60,384, but debts due to the Company have been reduced by £181,255 to £258,301. The expenses of amalgamation and increase of capital are written off by the allocation of £8,996 now [illegible] reserve. The investments are almost entirely represented by shares in subsidiaries. The Company holds £17,000 Six per Cent. Preference shares in the Newlay Wheel Company, in addition to all the Ordinary shares. The Company's holding in the Bristol Wagon and Carriage Works Company is shown at £208,088, practically all the shares being acquired during the year. To repay the bank loans raised to effect the purchase, and to furnish additional working capital, the Company issued last month £400,000 Eight per Cent. Convertible Debenture stock. On the occasion of this issue it was stated in the prospectus that the Company had on hand railway and Government orders considerably in excess of those for the corresponding period of the previous year. Having regard to the present industrial crisis, however, it is very improbable that the full benefits of recent extensions will be realised during the current year. Still the removal of the excess profits duty should prove to be of some advantage.

The prices and yields of the different shares are set out in the following table, the yield on the Ordinary shares being calculated on the basis of a dividend of seven and a-half per cent.

	Price	Yield
	£ s. d.	%
Ordinary shares	1 1 6	7 0
5% 1st Mortgage Debentures	37 15 0	6 6
8% Convertible Debenture stock (similar to £50 paid to 30	1 0	7 8

JEREMIAH ROTHERHAM AND CO., LIMITED.

Issued Capital: £800,000, in 200,000 5% Preference Shares and 600,000 Ordinary Shares of £1.
4% Mortgage Debenture Stock: £200,000.

Year to Jan. 15	Net Profit	Excess Profits Duty	To General Reserve	Other Allocations	5% Pref. Div.	Ordinary Div.		Carried Forward
	£	£	£	£	£	£	%	£
1915 ...	64,128		12,000	5,000	10,000	30,000	10	32,272‡
1916 ...	94,583	—	10,000	8,000	10,000	36,000	12	62,855‡
1917 ...	126,183	74,843	10,000	15,022	10,000	45,000	15	34,273‡
1918 ...	176,835	97,145	10,000	10,000	10,000	51,000	17	32,962‡
1919 ...	276,503	172,613	10,000	10,000	10,000	54,000	18	52,852‡
1920 ...	307,638	92,176	11,147	35,000	10,000	91,667	25	120,500‡
1921 ...	172,627	-§	10,000	16,000	10,000	90,000	15	167,127‡

* After charging depreciation and Debenture interest. † Subject to excess profits duty. ‡ Subject to excess profits duty and corporation profits tax. § Not ascertained.

Further evidence of the effects of the recent depression upon wholesale drapery concerns is furnished by the report of this Company for the twelve months ended January 15 last. The net profit, after providing for income tax, depreciation, and Debenture charges, amounted to £172,627, representing a reduction of over £135,000 as compared with the previous year. Although the liability for excess profits duty and corporation tax is not stated, it is clear that the total amount payable in respect of the past year should be over £30,000 less than for 1919-20. The transfer to general reserve is reduced from £11,147 to £10,000, and the amount set aside to sundry reserves is also reduced from £35,000 to £16,000. The Ordinary distribution is fifteen per cent., as compared with twenty-five per cent. for the previous year, but, owing to the new capital of £200,000 ranking for dividend, the amount absorbed is £90,000, as against £91,667. As the expansion in the share capital was effected by the

bonus capitalisation of reserves, the Ordinary distribution is actually equivalent to twenty-two and a-half per cent. on the previous basis. The balance of £167,127 is carried forward, subject to excess profits duty and corporation tax. The final balance, after discharging the liability under these headings, should amount to about £100,000, as compared with £120,500 brought in from the previous year.

The principal items of the balance sheet are summarised in the following table:—

Balance Sheet Analysis.

	Issued Capital*	Sundry Creditors†	Reserves and Carry-forward	Fixed Assets	Stocks	Investments	Debtors and Cash
	£	£	£	£	£	£	£
1919...	800,000	323,496‡	449,996	375,176	427,618	94,698	675,994
1920...	1,000,000	290,335	322,560	373,555	601,347	98,544	539,449

* Including Debenture stock, £200,000. † Including final dividends payable.
‡ Including liability for excess profits duty and corporation profits tax.

The capitalisation of £200,000 has been financed to the extent of £132,466 from the general reserve and £67,534 from the capital reserve. The former account now stands at £60,000. The reserve against book debts remains unaltered at £25,000. With the allocations now made the general contingency account and employees' benefit fund are increased to £29,395 and £28,179 respectively. The War contingencies account remains practically unchanged at £12,859. The fixed assets include goodwill, the valuation of which is not disclosed. The most important alteration among the assets is the expansion in stocks from £427,618 to £601,347. Government investments, excluding those held in respect of the employees' benefit fund, have been reduced by £15,000 to £49,193. It is stated in a footnote that their market value is £43,110, but a specific reserve of £6,000 has now been created to cover this depreciation. It is of interest to note that the Company now holds £33,920 of its own Debenture stock, purchased at a cost of £27,172. Debts due to the Company have been reduced by £112,685 to £498,722, and cash holdings by £23,862 to £40,726. A summary of the position shows that the liquid assets, even with the exclusion of investments and stock, exceed current liabilities, including dividends payable, by £249,114. Allowance has to be made, however, for the outstanding liability for taxation in respect of the past year. It may be pointed out that the Company will remain within the scope of the excess profits duty during the first half of the current financial year. In view of the prevailing depression, however, it is not likely that its liability in this respect will involve any large contribution to the revenue. The Ordinary shares of the Company are now quoted at 28*s.* 9*d.*, yielding a return of nearly seven per cent on the basis of a dividend of ten per cent.

THE POWELL DUFFRYN STEAM COAL CO., LTD.

Paid-up Capital: £3,344,862, in 31,159 6% Preference Shares of £5 each, 105,141 6% Non-Cumulative 2nd Preference Shares of £1 each, and 3,352,052 Ordinary Shares of £1 each (of which 446,876 shares are 8/- called up and paid in respect of capital).

Year	Net Profit*	Preference Dividends	Ordinary Dividend		To Reserve	Special Allocations	Carried Forward
	£	£	£	%†	£	£	£
1917 ...	521,745	9,348	535,128	20	75,000	—	103,691
1918 ...	529,198	9,348	535,192	20	80,615	80,000	121,106
1919 ...	544,992	9,348	458,791	20	75,000	—	115,816
1920 ...	625,008	15,656	588,891	20	25,000	—	111,277

* After providing for depreciation, taxation, &c. † Free of tax.

The report of this Company for the past year contains some features of outstanding interest. Due partly to the strike, but mainly to short working, the output of coal, at 3,849,904 tons, was 147,466 tons below that for 1919. The accounts, however, show a balance profit of £625,008, as compared with £544,992 for the previous year. The figures are arrived at after providing for depreciation, taxation and contingencies. It is important to note that the income tax on the Ordinary dividends, which has been charged before striking the profit, is over £39,000 more than for 1919. Owing to the creation of additional capital, the amount required to meet the Preference dividends is increased from £9,348 to £15,656. Similarly the Ordinary dividend, which remains at twenty per cent., free of tax, involves a distribution of £588,891, as compared with £458,791 for the previous year. The reserve allocation is reduced from £75,000 to £25,000, leaving a balance to be carried forward of £111,277, as against £115,816 brought in.

The principal items of the balance sheet are set forth in the following table:—

Balance Sheet Analysis.

	LIABILITIES.			ASSETS.			
Dec. 31	Paid-up Capital	Sundry Liabilities*	Reserves & Carry-forward	Fixed Assets	Stocks and Stores	Investments	Debtors and Cash
	£	£	£	£	£	£	£
1919	2,479,546	2,746,611	481,477	2,115,462	347,626	1,891,314	1,353,232
1920	3,344,862	3,576,862	566,709	2,413,148	400,638	2,, 4,373	2,230,274

* Including final dividends payable and provision for taxation and contingencies.

In April 1920 the Company issued 671,924 £1 Ordinary shares (of which 499,092 were for cash) in exchange for, and to provide capital for the acquisition of the holding in the Rhymney Iron Company. The Preference shares of the latter were similarly acquired by the issue and exchange of £105,141 Six per Cent. Non-Cumulative Second Preference shares. With the increase from £89,375 to £178,750 in the amount called up on the shares which were issued in 1919, the total paid up capital now amounts to £3,344,862, as compared with £2,479,546 at December 31, 1919. The balance sheet shows an increase in "creditors and sundry credit balances" from £2,509,562 to £3,260,641. Included under this heading is a provision for taxation and contingencies, the amount of which is not disclosed. The general reserve, with the allocation now made, is increased to £300,000; while the share premium account, at £130,431, shows an increase of £64,770, representing the premium instalment payable with the further call of 4*s.* per share on the issue made in 1919. The reserves for fire insurance and pensions remain unaltered at £15,000 and £10,000 respectively. The additions during the year (less sales and depreciation) to the properties amounted to £297,686 as compared with £137,580 for the previous year, the increase being almost entirely represented by expenditure on the collieries. The holding in the Rhymney Iron Company figures at £785,057, in addition to which there are investments in other companies amounting to £307,981. Investments in British Government securities, which figure at £1,165,760, as compared with £1,367,665 at December 31, 1919, are now valued at middle market price, instead of at cost as in the previous balance sheet. French Government bonds purchased during the year are valued at £185,635. Debts due to the Company have been increased by £349,333 to £1,248,355, and cash holdings by £477,708 to £981,919. Owing to the manner in which the accounts are presented, it is difficult to form any accurate comparison between liquid assets and current liabilities. A rough summary, however, shows that, as in the previous statement, the total of Government investments, debts due to the Company, and cash is slightly in excess of sundry liabilities, including final dividends payable and provision for taxation and other contingencies.

Regarding the development of the Company's properties, the report states that arrangements have been made for extensive renewals and alterations, and it is proposed to commence sinking operations at the new pits towards the end of the present month. The outlook for the current year, however, is rendered very uncertain by the prevailing trade depression and by the attitude of the Government and the miners towards the question of decontrol. The fully-paid Ordinary shares of the Company are now quoted at 38*s.* 6*d.*, at which price a dividend of nearly thirteen and a-half per cent., free of tax, would be required to give a return of seven per cent. free of tax, equivalent to ten per cent. subject to tax.

HARRODS LIMITED.

The full report of this Company now to hand enables us to supplement the analysis contained in last week's issue. It will be recollected that the net profit for the twelve months to January 31 last amounted to £536,042, as against £583,635 for the previous year. The directors state that the year's sales have registered a further increase of £1,165,000, and that the rate of gross profit has been still further reduced. The comparatively moderate decline in the net profit shown is largely explained by the fact that contingency reserves amounting to £100,000, which were created during the past two years, have been brought into the trading account to meet part of the heavy fall in the value of stocks. The sums credited to profit and loss in respect of dividends on investments amounted to £66,215, as against £21,020, and this increase would have been still greater were it not that five-twelfths of the dividends received from shares held in Swan and Edgar were credited against the purchase price.

A summary of the balance-sheet position at the end of the past two financial years is embodied in the following table:—

LIABILITIES.

Jan. 31	Issued Capital	Sundry Liabilities*	Sundry Funds	Pension Funds	Reserves Carried Forward	Total
	£	£	£	£	£	£
1920	2,625,000	2,821,874	213,778	72,024	1,072,500	7,705,146
1921	4,915,000	2,780,972	230,941	80,455	1,140,611	9,147,979

ASSETS.

Jan. 31	Properties Goodwill, &c.	Stocks	Investments	Debtors	Cash	Total
	£	£	£	£	£	£
1920	3,239,891	1,599,178	982,348	1,624,799	258,727	7,705,146
1921	3,771,355	1,772,941	1,657,056	1,939,042	505,585	9,147,979

* Including final dividends payable.

The increase in capital is due to the issue of £1,800,000 Preference shares, and £490,000 Ordinary shares of which £475,000 represented the bonus capitalisation of part of the reserve. Among the sundry liabilities of the Company the amounts due to bank and on deposit and current account have been increased by nearly £100,000 respectively, but a diminution of over £279,000 is shown in "sundry creditors and credit balances." The exact nature of the credit balances is not disclosed, but it is apparent that various reserves for contingencies are included under this heading. As a sum of £100,000 has been transferred from these reserves to profit and loss, the actual reduction in sundry creditors is presumably much smaller than the total figure would indicate. The reserve fund, with the allocation of £39,000 from revenue, now amounts to £1,215,776, as compared with £1,763,671 a year ago, the reduction being due to the capitalisation of £475,000 and the writing off of expenses amounting to £111,895 involved in the issue of the new Preference shares. The carry-forward of £224,768 is subject to corporation tax, excess profits duty (if any), and to a provision of £90,000, against possible exchange losses in respect of the Belgian business. The properties of the Company show an increase of £531,461, due mainly to additions to freeholds. Stocks figure at £1,772,941, as against £1,599,178, but the actual expansion has obviously been much greater in view of the severe fall in values. The increase of £674,508 in investments (the value of which is shown in one total) is apparently due almost entirely to the acquisition during the year of all the shares of Walter Carter, Limited, and practically the whole of the shares of Swan and Edgar. The investments in the Company's foreign subsidiaries and in Dickens and Jones remain practically unchanged. Debts due to the Company have been increased by £314,243, which may be explained in part by the inclusion in the present balance sheet of an amount owing by Harrods (Continental). A summary of the position shows that, apart from any liability for taxation, the current liabilities, including "credit balances" and final dividends payable, exceed the liquid assets other than stocks and investments by £536,314 as compared with £[illegible],045 a year ago.

This strengthening in working capital, notwithstanding the receipts from the issue of shares during the year, is not surprising when account is taken of the heavy expenditure on properties and stocks, together with the large sums involved in the acquisition of the shares of the companies referred to above. During the week an issue of £1,000,000 Seven and a-Half per Cent. Cumulative Preference shares has been underwriten. The new capital is required for the purpose of paying the balance of the purchase money for the Brompton Road freehold, to replace funds used for other capital expenditure, and to discharge bankers' loans.

The uncertain outlook at present renders it very difficult to estimate the prospects for the current year. The remarkable expansion in the Company's activities during recent years is a tribute to the energy of the directorate, but care must be taken to limit the losses which may arise from the liquidation of stocks in a falling market. Much of the recent capital expenditure can scarcely be expected to contribute proportionately to revenue for some time. It will be seen that the Ordinary dividend of seventeen and a-half per cent. can only be maintained by a large increase in profits, as the Preference dividends for the current year will involve a charge of approximately £300,000, as compared with £142,500 for the past year. Assuming a dividend of twelve per cent., the Ordinary shares, now quoted at 31*s.*, yield a return of over 7.9 per cent. The Preference shares, quoted at 20*s.* 3*d.*, yield a return of 7.4 per cent.

COURTAULDS, LIMITED.

Beyond a rather brief reference to the abnormal trading conditions of the past year the published report of this Company for 1920 adds little to the preliminary announcement commented upon in last week's issue. Some striking changes, however, are shown in the balance sheet, a summary of which is embodied in the following table:—

Balance Sheet Analysis.

Dec. 31	LIABILITIES. Issued Capital	Creditors*	Reserves and Carry-forward	ASSETS. Fixed Assets	Stocks and Stores	Investments†	Debtors	Cash
	£	£	£	£	£	£	£	£
1918	2,000,007	1,730,209	2,088,676	561,042	968,177	3,251,347	1,055,327	
1919	4,000,000	2,977,563	1,521,921	747,436	1,059,916	4,955,998	1,755,134	
1920	12,000,000	5,568,745	1,083,874	1,484,021	1,669,584	12,536,979	2,962,035	

* Including final dividends payable on Ordinary and credit balances.
† Exclusive of valuable investments.

The trebling of the capital was effected by the capitalisation of £8,000,000 of a reserve to which £607,157 had been credited in November last by placing a corresponding value on shares held in the Viscose Company. The general reserve, with the present allocation of £200,000, is increased to £700,000, but it is significant that the special reserve of £600,000 for depreciation of trading stocks, contingencies, and renewals and repairs has disappeared. Sundry liabilities other than final dividends payable are represented by "creditors and credit balances," amounting to £4,818,745, as compared with £2,177,563 at the date of the previous balance sheet. The credit balances presumably include provision for taxation and other contingencies, but the remarkable expansion [illegible] must be due almost entirely to increased trading liabilities. The execution of the heavy programme of extension outlined by the directors a year ago is reflected in the increase in the fixed assets from £747,436 to £1,484,021. Stocks and sundry shares figure at £1,669,584, as against £1,059,916, but in view of the serious slump in values the actual increase, expressed in quantities, has clearly been far greater. The writing up of shares in the Viscose Company held but not valued at the date of the previous balance sheet is mainly responsible for the expansion of £7,[illegible] investments in the Viscose Company, the report states [illegible]

goodwill, which at current exchange rates would exceed the valuation per share which has been placed upon that holding. The shares held in other Viscose companies and in English commercial concerns, are valued at cost or under, and Government and railway securities at market prices, but no indication is furnished of the sums involved under each heading. As in the previous years no valuation is placed upon the shares held in the Russian Viscose Company. Debts due to the Company have been reduced by £365,354 to £413,908, but cash holdings are over £1,570,000 the larger at £2,548,127. Owing to the summarised form of the accounts it is not possible to form any accurate comparison between current liabilities and liquid assets. It will be seen, however, that sundry liabilities, including credit balances and final dividends payable, exceed the combined totals of debtors and cash by approximately £2,600,000, as compared with £1,200,000 at the date of the previous balance sheet.

The directors in their report state, in consequence of the trade depression, it was found necessary to reduce production during the latter half of the past year. It is also pointed out that "in the textile department more particularly the situation was and remains aggravated by the continuous import of foreign silk goods favoured by the exchange." The business of the Viscose Company was of "record dimensions" during the early part of 1920, but was marked in the later part of the year by "falling prices and reduced production." These facts help to account for the recent sharp fall in the value of the shares, which are now quoted at 26*s.* 6*d.* At this price a yield of six per cent., free of tax (or over 8½ per cent., subject to tax), is obtained on the basis of a dividend of eight per cent., tax-free, for the current year.

THE CAIRN LINE.

Issued Capital: £1,200,000, in £1 shares; 5% Debentures, £64,700.

Year	Net Trading Profit	Provided for taxation, &c.	Depreciation &c.	Net Profit	Debenture Interest	Dividend		To Reserve	Carried forward
	£	£	£	£	£	£	%	£	£
1915...	279,823	140,000	35,500	104,280	8,016	70,040	30*	25,000	11,806
1916...	314,022	200,000	15,270	98,752	5,823	18,290	20	15,000	10,444
1917...	98,924	32,500	—	66,424	7,832	43,377	15	—	25,659
1918...	115,866	40,000	15,000	60,866	6,663	38,032	10	10,000	31,830
1919...	312,447	140,000	47,500	125,415	6,747	54,375	10	20,000	76,122
1920...	281,690	130,000	40,000	111,690	4,875	120,000	10		62,938

* Free of tax.

In view of the prevailing depression in the shipping industry, especial interest attaches to the report of this Company for the year to December 31 last. Earnings, it is stated, were well maintained for the greater part of 1920, and the serious fall in freights which took place towards the end of the year is accordingly not reflected to any material extent in the accounts now presented. As shown in the above table, the net trading profit, including interest on investments, amounted to £281,690, representing a decline of not more than £30,757 as compared with the previous year. The provision for taxation, classification, repairs, and contingencies is reduced from £140,000 to £130,000, and for depreciation from £47,500 to £40,000, leaving a net profit of £111,670, which compares with £125,415 for 1919. It is important to bear in mind that income tax on dividends payable is included as usual in the provision for taxation. The dividend is maintained at ten per cent., free of tax, but the amount absorbed is £120,000, as against £54,375. This increase is explained by the capitalisation of £600,000 of the reserve towards the end of 1919, and the distribution of a corresponding amount in bonus shares to shareholders. As the capital was doubled by this operation, the dividend now paid is actually equivalent to twenty per cent., free of tax, on the previous capital basis. No allocation is made to the reserve, the undivided balance of £62,938 being nearly £13,200 less than the amount brought in.

A summary of the principal items of the balance sheet at the end of the past two years is embodied in the following table:—

Balance Sheet Analysis.

Dec 31	LIABILITIES. Issued Capital	Creditors	General Contingency Reserve	Carry forward	ASSETS. Fixed Assets	Investments	Debtors	Cash
	£	£	£	£	£	£	£	£
1919	1,275,784	99,758	375,807	176,122	666,948	998,950	173,294	88,279
1920	1,261,700	113,212	413,750	162,938	956,315	721,765	79,901	123,599

Including Debenture stock.

During the year the Company redeemed First Mortgage Debentures amounting to £15,890, leaving a balance outstanding of £64,700, for the redemption of which there are invested funds of £63,743. The contingency reserve, which presumably includes provision for taxation and repairs, is raised to £413,730 by the present allocation of £130,000, and, as at the date of the previous statement this reserve amounted to £375,807, a sum of £92,077 must have been applied during the year in meeting the demands for which the fund has been created. The net increase of £289,367 in the fixed assets is mainly accounted for by the addition of a new steamer to the Company's fleet. The capital expenditure involved is reflected in the reduction of £274,185 in Government and railway investments. Debts due to the Company have also been reduced by £93,393, but cash holdings at £123,599 show an increase of £35,320. It should be noted that dividends have been paid before arriving at the cash balances. The financial position, as shown in the accounts, is quite satisfactory, and an outstanding feature is the remarkable degree of liquidity in the assets. Thus the total of investments, debtors, and cash exceed current liabilities by over £785,000. Allowance has to be made, however, for the liability for taxation, the amount of which is not disclosed, and for expenditure which may be involved on renewals and repairs. It may be pointed out that the Company has not entered into any further commitments for new tonnage.

The present shipping depression, the duration of which it is impossible to estimate, renders uncertain the prospects for the current year. No useful deductions can be drawn from the accounts now presented, as the serious fall in freights is not reflected therein to any material extent. That the future is not without promise is evidenced by the liberal dividend distribution to shareholders in respect of the past year and by the announcement that the directors hope to make an interim distribution on account of the current year at an early date. The shares of the Company are now quoted at 17*s.* 6*d.*, at which price a yield of 9.6 per cent., subject to tax, is obtained on the basis of a dividend of 6 per cent., free of tax. The Five per Cent. First Mortgage Debentures, quoted at 82, yield a return of 6.1 per cent.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

SUDAN GOVERNMENT.

Offer at ninety-two per cent. of £2,880,000 Five and a-Half per Cent. bonds, redeemable at 105 per cent. by a cumulative sinking fund operating by means of annual drawings between 1929 and 1959. Flat yield, £5 19*s.* 7*d.* per cent. per annum. Yields with redemption: maximum, £7 8*s.* 10*d.*; minimum, £6 2*s.*; average, £6 6*s.* per cent. per annum. Premium on redemption at purchase price, £14 2*s.* 7*d.* per cent.

The Bank of England is authorised to receive applications for the above bonds, which are an addition to and rank *pari passu* with the £3,500,000 like bonds placed in October 1919 at 95½. The emission forms the balance of a total authorised issue of stock and bonds sufficient to raise a sum of £6,000,000 to meet expenditure on irrigation, railways, and other revenue-producing works.

It is secured on the general revenues and assets of the Sudan, with priority over subsequent charges, and the Imperial Government guarantees the interest, but not the capital. A first dividend of one-eighth of one per cent. will be paid on May 1, 1921. If payment in full is made under discount on March 16 the first dividend will amount to less than one and a-half per cent. per annum on the paid-up capital, but if payment is extended over the full period the interest allowance will be equivalent to a reduction in price to 91⅞. The issue is, of course, a gilt-edged investment, and as the premium on redemption is free of income tax the yield is attractive. The lists closed on Friday, March 4.

STATE OF SAN PAULO.

Offer at ninety-six and a-half per cent. of £2,000,000 Eight per Cent. Sterling bonds, 1921, redeemable at 105 per cent. not later than January 1, 1951, by means of a cumulative sinking fund or by purchase in the open market. Flat yield, £8 5*s.* 10*d.* per cent. per annum; minimum yield on redemption, £8 7*s.* 6*d.* per cent. per annum.

Since 1905 the State of San Paulo has issued and redeemed five sterling loans, totalling £29,700,000, secured on the coffee surtax. The latter is at present without liability except for a charge of £285,000 (maximum), payable to the Federal Government of Brazil annually till August 1, 1924. The free balance is now hypothecated as security for a further loan of approximately £6,000,000, of which £2,000,000 was floated in London, $10,000,000 in New York, and Fl.18,000,000 in Amsterdam. The general bond securing the present issue provides that thirty per cent. of the net proceeds of the surtax will be remitted weekly to London, and also contains the benefit of a charge, subject to the prior rights of the New York and Amsterdam emissions, on the remaining seventy per cent. of the proceeds. When redemption of the latter loans is completed on January 1, 1936, the total proceeds of the surtax are to be remitted to London for the service of the sterling bonds. Until August 1, 1924, when the sinking fund comes into operation, remittances, after providing for interest, will be utilised in purchasing bonds at or below 105, plus accrued interest. Thereafter annual drawings will take place if the price exceeds 105. Owing to the uncertainty of the amount that will be redeemed each year, it is not possible to calculate an average yield on redemption, but it will substantially exceed the minimum yield. Offering such attractive terms, and launched under the auspices of the houses of Baring, Rothschild, and Schroder, the loan was assured of success. Considering current market conditions, however, its over-subscription within a few hours of the opening of the lists was not expected.

THE DUNLOP RUBBER COMPANY, LIMITED.

Offer for sale at ninety-eight per cent. of £3,000,000 Eight per Cent. First Mortgage Debenture stock, repayable at 105 by means of a cumulative sinking fund, commencing in 1923, by equal annual drawings, the first in 1928 and the last in 1940. Flat yield, £8 3*s.* 4*d.* per cent. per annum. Yields with redemption: maximum, £8 19*s.* 2*d.*; minimum, £8 5*s.* 10*d.*; average, £8 9*s.* 10*d.* per cent. per annum. Premium on redemption at issue price, £7 2*s.* 10*d.* per cent.

Under the recent scheme of reorganisation (when Mr. F. A. Szarvasy, of the British, Foreign, and Colonial Corporation, became Chairman *pro tem.*) it was arranged to restore financial liquidity by the issue of the present Debenture stock. It is secured by trust deed as a specific mortgage upon the property and plant owned directly, or indirectly by shareholdings, by the Company. The deed contains a covenant that no mortgage shall be created by any of the subsidiary companies, except the Dunlop Rubber and Tyre Corporation of America, which has $6,000,000 bonds outstanding and intends to issue a further $12,000,000 or $14,000,000. The balance of £3,000,000 Debenture stock cannot be used by the Company for other purposes than collateral security to bankers' advances.

Commencing in 1896 with a capital of £20,000, the Company has to-day a capital as follows:—

Authorised		Issued
1,000,000	6½ Cumulative "A" Preference Shares of £1 each	£1,000,000
1,000,000	7% Cumulative "B" Preference Shares of £1 each	£1,000,000
3,000,000	8% Cumulative "C" Preference Shares of £1 each ...	£3,000,000
15,000,000	Ordinary Shares of £1 each ...	£13,000,000
20,000,000		£18,000,000

LOAN CAPITAL

Authorised		Now Offered
£6,000,000 ...	Eight per Cent. First Mortgage Debenture Stock ...	£3,000,000

It is a practically self-contained unit, owning or controlling rubber estates, cotton mills, and steel plant, and has branches in all the important centres of the world. The whole of the Company's manufacture of solid and pneumatic tyres is now being concentrated on Fort Dunlop, Birmingham, which when completed will allow of production on the most economical lines. The rubber estates in Malay comprise 60,000 acres, of which 47,000 are planted and 16,000 in bearing. They appear in the balance sheet at £60 per planted acre, but are stated to be worth at least £85. The Dunlop Rubber cotton mills at Rochdale, valued at only £6,250 in the books, will, when complete, be capable of an annual output of about 17,500,000 lb. weight of fabric. In addition to these properties, there are factories in Staffordshire, Paris, and America. The net assets stand in the balance sheet at £15,985,324, after allowing liberal depreciation on buildings, plant, and stocks of raw materials. The conservative nature of the estimate is borne out by the Stock Exchange valuation, which, despite the current depression, exceeds £14,000,000. The issue is therefore amply covered as to capital. The annual interest charge will amount to £240,000, and the total service of the debt about £500,000 per annum. As net profits for 1920 reached £2,168,896, less excess profits duty, there is a substantial margin for reduction in profits before the service of the Debenture stock is endangered. As a sound industrial investment the offer should meet with a prompt response, particularly from shareholders, who will receive preferential allotment. Further particulars may be obtained in our advertisement columns.

THE ROCHESTER, CHATHAM AND GILLINGHAM GAS COMPANY.

Offer at par of £72,300 Eight per Cent. Ten-Year Debenture stock, to be redeemed at par on January 1, 1931.

The Company, incorporated in 1825, supplies gas in Rochester, Chatham, Gillingham, and Strood. The authorised loan capital is £234,990, of which there has been raised only £30,000. The development of the Company's area and the consequent increase in the demand for gas have necessitated the extension of the works and mains, and the present issue is being made to repay bankers' loans obtained to finance the operations. The net revenue for the year ended December 31, 1920, was £22,423, which gives adequate cover for £7,234 required annually as interest on the existing loan capital and that now issued. The security will be further strengthened by the increased charging powers granted under the Gas Regulation Act which came into operation on January 1, 1921. The issue is transferable by deed in the usual way, but investors will note the absence of a Stock Exchange quotation. The lists close on Friday, March 11.

THE ANGLO-TEXAS OIL COMPANY.

Offer for sale of 600,000 Ten per Cent. "A" Cumulative Participating Preferred shares of $1 each at 5*s.* per share.

The Anglo-Texas Oil Company, incorporated under the laws of Delaware, owns oil properties in Oklahoma which have been in operation since January 1920. The whole of the present capital of $4,000,000 is held by the British Motor Spirit Company. The present emission ranks ahead of the shares already issued. Profits will be divisible as follows: Ten per cent. on the $600,000 "A" Preferred shares, eight per cent. on the $3,000,000 Preferred shares, a further five per cent. on the "A" Preferred, and the balance as dividend on the Common shares. Interest will presumably be paid in dollars, but where it will be payable is not stated. A letter from the President of the Company quotes facts and figures which seem to give adequate guarantee as to capital and interest, but in the absence of auditors' certificates and independent valuations it is not possible to estimate the security behind the issue. The lists closed on February 28.

ISSUES TO SHAREHOLDERS.

Steaua Romana Societe Anonyme pour l'Industrie de Petrole Bucarest.—At an extraordinary general meeting held on December 16, 1920, it was decided to increase the capital to Lei 300,000,000 by the issue of 400,000 new shares of Lei 500 each, and to offer shareholders the right to take up two new shares for every share held. The new shares will rank for dividend as from January 1, 1921.

Peruvian Leaseholds.—£60,000 Fifteen per Cent. Income stock

PENDING ISSUES.

An issue at par of 3,500,000 £1 Nine per Cent. Cumulative Second Preference shares of the Anglo-Persian Oil Company, part of the £10,000,000 Second Preference capital recently authorised, was underwritten during the week. The issue will be entitled, in the event of liquidation, to be repaid at 110 per cent., or at the average premium ruling on the Stock Exchange for the previous six months if the latter is the greater. The lists for public subscription will open on March 11. The prospectus of WHELDON AND WESLEY, LIMITED, will shortly be published, offering for subscription 10,000 Eight per Cent. Participating Preference and 8,447 Ordinary shares of £1 each at par.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Railways—Home :											
Bridgewater	... 31/12/20	4,691	2,500	2½	2,000	—	—	8	— 9	4,683	2½
North Lindsey Light	... 31/12/20	5,294	3,640	2½	1,643	—	—	34	+ 11	5,396	2½
Railway—Indian and Colonial :											
Southern Punjab	... 30/9/20	274,916	92,000	16	160,000	—	—	148,876	+22,916	261,745	16
Railways—Foreign :											
Gt. Western of Brazil	... 31/12/19	18,417	—	—	—	3,000	15,000	1,307	+ 417	—	—
Breweries and Distilleries :											
Bent's Brewery	... 31/12/20	32,056	7,698	15	21,000	2,000	—	34,044	+ 1,358	71,068	15
Reid (W. B.)...	... 31/12/20	58,111	—	12½	27,437	30,000	—	45,397	+ 673	68,656	15
Canals and Docks :											
King's Lynn Docks & Rly. ...	... 31/12/20	6,642	6,570	—	—	—	—	92	+ 72	6,515	—
Commercial and Industrial :											
Aberthaw & Bristol Channel Portland Cement	... 31/12/20	56,170	7,847	15†	24,959	20,000	—	38,982	+ 3,373	54,872	17½†
Birmingham Household Supply ...	... 29/1/21	5,175	600	15	4,540	—	—	859	+ 35	—	—
Buttons	... 31/12/20	67,449	6 333	12½†	38,982	15,000	1,000	17,864	+ 6,133	54,672	10†
City Safe Deposit	... 31/12/20	4,267	1,299	5	1,254	1,340	—	739	+ 374	3,784	5
Coltsfoot Synd.	... 31/12/20	40,785	5,111	25	15,000	—	5,000	74,706	+15,674	43,191	25
Dickins & Jones	... 31/1/21	105,778	12,500	7	24,500	50,696	15,000	51,873	+ 3,082	126,252	7
Drakes	... 31/12/20	18,935	2,400	10	5,000	8,755	—	10,817	+ 7,780	6,718	8
Dublins Artisan's Dwellings ...	... 31/12/20	10,130	—	3	5,678	—	—	4,452	— 1,226	14,851	5½
English Velvet & Cord Dyers ...	... 31/12/20	77,004	10,594	10	13,512	20,000	—	26,456	+ 2,897	88,589	12½
Fore Street Warehouse	... 18/12/20	90,175	—	10	32,250	8,000	—	7,738	+ 223	75,386	10
Hackney & Shepherd's Bush Empire	... 31/12/20	50,968	2,700	15	6,000	—	—	41,411	+12,268	29,347	15
Harrod's	... 31/1/21	532,504	142,500	17½	335,125	39,000	—	224,768	+15,878	577,955	20
Hine, Parker	... 31/1/21	1 ,828	2,500	10	11,000	—	—	13,510	+ 1,328	27,727	12½
Leed's Industrial Dwellings ...	... 31/12/20	2,435	—	2½†	1,975	—	—	469	+ 460	1,963	2½
Leicester Palace Theatre	... 31/12/20	14,631	—	15	4,080	1,000	—	23,717	+ 9,551	14,904	15
Manchester Commercial Buildings...	... 31/1/21	17,213	—	9·14	14,838	1,990	—	1,714	+ 385	14,515	8·6
Manchester Royal Exchange ...	... 28/2/21	Dr.6,234	—	5	17,662	—	—	56,891	—23,897	23,022	5
Matador Land and Cattle	... 15/12/20	51,864	—	20	28,000	27,618	—	12,296	— 3,754	32,113	20
Tim Brothers	... 31/1/21	26,455	5,500	12	18,000	5,000	—	18,709	— 2,065	33,704	12
Redheugh Bridge Co.	... 31/12/20†	2,768	800	3	1,800	—	1,000	362	— 832	—	—
Telegraph Construction & Maintenance	... 31/12/20	110,187	—	10	89,640	20,000	—	115,388	+ 547	124 184	10
Wood Timbers	... 31/12/20	87,429	14,700	11¼	11,250	50,000	—	15,451	+11,479	57,690	11¼
Electric Lighting and Power :											
Charing Cross, West End and City	... 31/12/20	88,275	36,000	8	32,000	25,000	—	16,882	— 4,725	84,928	7
Metropolitan Elect. Supply ...	... 31/12/20	88,319	17,127	7	70,000	—	1,149	4,514	- 18,388	64,219	6
Midland Elect. Corpn. for Power Dist.	... 31/12/20	58,919	14,000	10	17,712	5,000	—	36,486	+22,207	36,988	10
National Elect. Supply	... 31/12/20	12,065	3,309	12½	5,425	3,000	—	1,367	+ 331	11,408	10½
Newcastle & District Elect. ...	... 31/12/20	27,104	—	5	10,412	16,000	—	13,955	+ 692	8,494	4
Notting Hill Elect. Lighting ...	... 31/12/20	15,916	6,048	4	7,574	—	431	3,647	+ 1,863	14,422	4
Financial Land and Invest. :											
British Assets Trust	... 15/1/21	36,844	18,200	20	18,200	—	—	10,878	+ 444	30,773	20
City Property Invest. Trust. ...	... 31/1/21	7,232	1,546	12	2,081	—	—	4 531	+ 604	7,492	12
Heritable Securities & Mort. Invest.	... 31[12/20	1,669	—	7	2,017	—	—	2,417	— 348	1,773	7
River Plate Trust, Loan & Agency	... 31/12/20	274,962	75,000	20	156,000	40,000	—	147,875	+ 3,962	275,682	20
Financial Trusts											
Scottish Northern Invest. Trust ...	... 5/2/21	40,355	8,925	10†	14,000	14,735	—	11,601	+ 2,695	33,918	10†
Gas :											
Bridgend G. & Water	... 31/12/20	Dr. 279	—	—	—	—	—	Dr. 223	— 279	1,993	—
Brighton & Hove General G. ...	... 31/12/20	31,666	11,231	7½	24,095	—	—	19,798	— 3,660	19,095‡	3½‡
Cork G. Consumers	... 31/12/20‡	3,071	—	3	3,070	—	—	1	+ 1	—	—
Dover G.	... 31/12/20	6,935	—	5	6,584	—	—	881	+ 451	5,704	2½
Gloucester G. Light	... 31/12/20‡	5,014	—	2½	4,731	—	—	10,140	+ 283	—	—
Harrow & Stanmore G.	... 31/12/20‡	6,236	525	1⅞	4,260	—	—	7,636	+ 1,451	—	—
Metropolitan G.	... 31/12/20‡	39,363	—	6	65,000	—	—	25,002	—25,637	49,143	6½
Redhill G.	... 31/12/20	5,061	—	3½	4,718	—	—	1,521	+ 343	4,757	3½
Romford G. & Coke	... 31/12/20‡	1,807	—	4½	1,858	—	—	4,787	— 52	2,589	5†
Insurance :											
Pearl Assurance	... 31/12/20	153,619	18,000	41¼	124,010	—	14,440	180	— 2,831	93,612	50†
Victory Insurance	... 31/12/20	10,987	—	—	—	—	10,987	—	—	—	—
Iron, Coal and Steel :											
Bessemer (Henry)	... 31/12/20	24,432	5,000	10	23,350	—	—	37,610	— 3,918	25,568	10
Great Western Colliery	... 31/12/20	150,150	5,000	12½	130,000	—	—	70,863	+15,150	141,555	20
Monk Bridge Iron & Steel ...	... 31/12/19	32,386	15,000	—	—	—	—	58,659	+18,386	51,888	6
Powell Duffryn Steam Coal ...	... 31/12/20	625,008	15,656	20†	588,891	25,000	—	111,277	— 4,539	544,992	20†
Oil :											
Santa Maria Cons. Oil Fields ...	... 31/12/20	11,706	11,375	—	—	—	—	331	—	—	—
Shipping :											
Cairn Line of Steamships	... 31/12/20	106,816	—	10†	120,000	—	—	62,938	—13,184	118,667	10†
Tea, Coffee and Rubber :											
Dimbula Valley (Ceylon) Tea ...	... 31/12/20	7,585	3,784	—	—	—	—	6,172	+ 3,601	40,038	30
Glen Bervie Rubber	... 30/9/20	Dr.4,030	—	—	—	Dr.5,000	—	1,641	+ 947	8,133	15
Glendon Rubber	... 30/9/20	Dr.1,739	—	2½	1,300	—	—	1,636	— 3,039	15,755	22½
United Serdang (Sumatra) Rubber	... 31/8/20	98,225	—	5	25,000	20,000	1,532	83,353	+51,693	107, 726	10
Val D'Or Rubber	... 31/10/20	3,757	—	—	—	—	—	11,321	+ 3,757	13 434	12½
Tramways and Omnibus :											
Para Elect. Railways & Lighting	... 30/11/20	59,125	19,566	6	23,400	10,000	10,000	18,157	— 2,774	—	—
Waterworks :											
Leatherhead & District W. ...	... 31/12/20‡	1,561	—	5	1,598	—	—	105	— 37	1,543	5
South West Suburban W.... ...	... 31/12/20‡	6,564	5,524	2½	3,150	—	—	231	— 129	—	—

* After providing for all Government taxation, prior charges, &c. † Tax free. ‡ Half-year.

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts they may issue for insertion in the above table.

Prospettive Economiche, 1921. By Professor Georgio Mortara, of the R. Instituto Superiore di Studi Commerciali, Rome. An analysis of the war time, post Armistice, and prospective conditions in Italy as affecting the agricultural, textile, and extractive industries, labour, emigration, transport, and finance. Published by Società Tipografica Leonardo da Vinci, Città di Castello.

Der Kampf um den Weltmarkt. Compiled by Paul Hermberg, D.Ph., and edited by the Institüt für Weltwirtschaft und Seeverkehr, Kiel University. An exhaustive collection of trade statistics and information for the various countries of the world, particular effort being made to indicate the nature and extent of the struggle between England, the United States, France, and Germany for international markets. Published by Gustav Fischer, Jena. Price 25 marks.

The Free Trader, Nos. 1 and 2, February and March 1921. Price 3*d.* each. Published by the Free Trade Union, 69 Victoria Street, London, S.W. 1.

Can Our Industrial System Survive? A treatise by J. S. M. Ward, B.A., on the European financial crisis as indicated by the present rates of exchange. The price is 2*s.* 6*d.*, and the publishers Messrs. William Rider and Son, 8 Paternoster Row. Mr. Ward, who is head of the Intelligence Department of the Federation of British Industries, explains the nature of the danger that is menacing civilisation to-day, and shows how Europe, outside of Russia, owing to the present industrial system, has a population which she cannot under present circumstances continue indefinitely to support, and brings home the fact that the situation cannot be saved by temporary expedients which violate recognised economic laws.

MEETINGS
OF PUBLIC COMPANIES.

The Bradford Dyers' Association, Ltd.

HEAVY COST OF PRODUCTION SIR MILTON SHARP ON LABOUR CO-OPERATION.

The twenty-third ordinary general meeting of the Bradford Dyers' Association, Limited, was held on Monday, February 28, in the Mechanics' Institute, Bradford. Sir Milton Sheridan Sharp, Bart., Chairman of the board of directors, presided, and he was supported by Mr. George Douglas, the Managing Director, Mr. Harry Ramsden Armitage, Mr. James Sharp, and Mr. Henry Sutcliffe Smith, of the Executive Committee. The minutes of the extraordinary general meeting held on March 15, 1920, having been confirmed, it was agreed that the report and balance sheet and the auditors' report, which had been circulated, should be taken as read.

In moving the adoption of the report and balance sheet the Chairman said:—

I think it may be said with certainty that no such startling change in the conditions of industry and commerce as that which we have experienced since we met a year ago has ever been seen in so short a time. A year ago we were seemingly at the height of prosperity; suddenly we were plunged into the deepest depression, and to-day we meet under conditions of unprecedented stagnation, which have thrown the whole world into confusion. When we look at the destruction of human life and of wealth caused by the War, the imagination is paralysed. With some 10,000,000 of the flower of the human race removed by death; with at least as many permanently disabled in the struggle; and with fifty to sixty thousand millions sterling of the world's wealth blown from the cannon's mouth, can we wonder that the appalling drain on its manhood and its treasure should leave the world bleeding and exhausted? Imagination cannot picture, nor can description exaggerate the influence of the catastrophe, as the direct result of which the world is now so grievously suffering. Oppressed as we are by such great and pressing evils, which have inflicted upon us such incalculable injury, there is imposed upon us the imperious duty of endeavouring to rise superior to the terrible disaster. Just as the War called forth all the great qualities inherent in our race, so now, by throwing ourselves into the work of reconstruction as we threw ourselves into the work of the War, and by all classes pulling together as one unit, we may hope in time to ameliorate the profoundly serious condition of our country and of the world, and show ourselves worthy of that noble army of 600,000 of our race who gave their lives that we might live. Whilst we know that the factors which led to our prosperity, to the present depression, and to the tremendous inflation of prices, are all attributable to the War, it is both interesting and instructive to look at them with greater closeness. In all the belligerent countries vast numbers of men, who up to the outbreak of war were engaged in production, were called up for military service. A large percentage of those left were drafted to the production of war materials at ever-increasing rates of wages.

Shortage of Labour.

The resulting abnormal shortage of labour for the production of articles for civilian use had the effect of enormously raising the cost of labour all round, which in itself was a very material factor in forcing prices of manufactured commodities to a fabulous height. This inflation was aggravated by the whole of the productive area of Belgium, and a large part of that of France and Russia, falling into the hands of the enemy, with the consequent entire stoppage of industry, whilst at the same time Italy was unable to obtain coal for manufacturing purposes, and the factories in the United States were working for the Army and Navy and in supplying the requirements of their own immense civil population. We therefore had an extraordinary demand from most parts of the world for our textile and other productions, and the almost entire stoppage in the importation of textiles from abroad caused the home market to be entirely dependent on our own producing areas. This combination of circumstances, together with the spirit of speculation it set up, developed buying at highly inflated prices, encouraged and stimulated by the wild orgy of extravagance which, unfortunately, was so generally prevalent in Great Britain and other parts of the world. Practically every commodity advanced in price by leaps and bounds to unprecedented heights, and in this connection the pernicious influence of the excess profits duty was most marked, contributing as it has done not a little to bring us to our present sad plight. A corresponding reaction was bound to follow, but this came much more swiftly and suddenly than was generally expected. Its suddenness caught the whole trading community holding enormous stocks of manufactured goods, and committed to contracts for forward delivery at such high prices as the world cannot pay. The consequent strain on the financial resources of the trading community throughout the world is so severe as to be quite beyond all precedent.

Difficulties of Export Traders.

At our meeting two years ago I called attention to the grave danger which threatened us from our high cost of production. I said then: "It is impossible to view with anxiety the probable disastrous influence on our great export trade of our present high costs of production, whilst the present demands of labour, if conceded, unless counterbalanced by a relative reduction of costs by increase of production, would add so largely to the very high costs of to-day as to place in the gravest peril a great volume of our export trade. Your directors have endeavoured, not by precarious conjecture, but by close investigation, to estimate its incidence on the exports of such textiles as are handled by the Association in the light of our knowledge of what competing countries can do. This careful calculation of consequences has led us to the deliberate conclusion that a large percentage of such exports would be immediately lost, and a still larger percentage placed in most serious danger." What your directors clearly foresaw two years ago has come to pass. The position of export traders is beset with the gravest difficulties. The rapid and startling depreciation of the silver currencies of the Far East—the Indian rupee and the various Chinese dollars—is a serious bar to exports and to the realisation of stocks held there, whilst business with the continent of Europe is made almost impossible by the ruinously high rates of exchange which the foreign importer has to pay for pounds sterling. To pay for the goods imported from this country the French customer has to pay for one pound sterling the equivalent of £2 3*s.* 2*d.* in francs, the Belgian customer the equivalent of £4 3*s.* 7*d.* in lire, the German customer the equivalent of £11 13*s.* 4*d.* in marks, the Czecho-Slovakian customer the equivalent of £12 18*s.* 4*d.* in kronen, the Austrian customer the equivalent of £72 18*s.* 4*d.* in kronen, and the Roumanian customer the equivalent of £11 10*s.* 10*d.* in lei. With such exceedingly high rates of exchanges remittances in many cases are impossible, and in consequence of such rates British goods become prohibitively expensive when laid down in the country to which they are exported. The exporter, therefore, is suffering the threefold hardship of not being able to obtain payment for goods already delivered, of not being able to sell the goods he holds, and of not being able to book fresh orders for forward delivery. Unless rates of exchange can be reduced and stabilised by mutual international and Governmental arrangement, it is difficult to see how they can be brought more nearly to the normal, excepting by a greater interflow of trade between the countries concerned. It is now more than ever necessary to bear in mind that if Great Britain is to prosper she must be a shopkeeper, a buyer and a seller; she must be able to buy cheaply and to sell cheaply—only by so doing can she command the markets of the world. The War has left us with an impoverished world as a customer, and it will only be by the whole-hearted co-operation of employers and employed by the application of high technical skill, and by a drastic reduction in the costs of production, so that we can place our goods where they will meet the buying requirements of the world, that we can hope to [illegible] prosperity.

High Costs as Barrier to Exports.

It is beyond a question that our high costs of production are an almost insuperable bar in the way of any general great revival in industry and commerce. Markets are closed to us by reason of the high prices we are asking, and until we recover our ability to offer goods at prices which the markets can pay it is vain to expect [illegible] demand. There is nothing facing the industrial community to-day in any way comparable in importance with that of securing in the shortest possible time such a reduction in the costs of production as will set business moving again.

Bearing on this I may tell you that whilst our costs of production exhibit no reduction, we, nevertheless, have a full appreciation of our obligations to take our share with the rest of the trade in restoring more normal conditions in order to set industry going again, and so alleviate the distress which has arisen from unemployment. By what means, then, may we hope to reduce the costs of production to a point which will enable us to offer goods at such prices as the world can pay? So far as I am able to see there are three ways only :

1. By a reduction in profits.
2. By a reduction in wages.
3. By a greatly increased efficiency of production with a consequent lessening of its cost.

In regard to the first, this in most businesses has already come about. Indeed, in the textile trade it may be said with certainty that losses, rather than profits, are the order of the day.

In regard to wages, for my part I shall be extremely sorry to see any reduction in wages, except such as can be made without affecting their purchasing power, as I am convinced it would not be an advantage to the country to have the relative position of the workers disturbed so far as the cost of living is concerned. With a fall in the cost of living, however, a corresponding reduction in wages cannot fairly be resisted, but I am speaking immediately at such length on the relationships between Capital and Labour that I must ask you to take what I have just said in conjunction with what follows.

To come to the third method, namely, "by a greatly increased efficiency"—that, in the opinion of your directors, is the way of salvation, and I shall indicate shortly the means by which we believe it can be secured.

Economic Peace Essential.

Incomparably the greatest questions we can discuss to-day are the means by which we may hope to see the prosperity of the world restored, for which the first and primary essential is the establishment of peace—of real peace throughout the world. The simple yet momentous truth is now brought home to the world that no nation can suffer without the whole family of nations sharing in that suffering, and the duty is imperatively imposed upon us of doing everything in our power to aid the economic recovery of mid-Europe, as that must precede or run concurrently with our own return to prosperity, and it would be in defiance of the dictates of wisdom if we refrained from aiding the re-establishment of industry, and from the relief of suffering and distress, even in the countries of our late enemies. Magnanimity is often the truest wisdom, and by pouring oil into their wounds we shall help to overcome the animosities caused by the War, and thus bring nearer a real League of Nations. The second great essential to our recovery is a transformation in the attitude of employers and workers towards each other. These two bodies, so dependent on each other, could, by complete unity of purpose, very quickly lessen our economic troubles, as the efficiency of production is capable, in most industries, of being so greatly increased as to immensely cheapen its cost, whilst the gain from a cessation of strikes would be quite beyond the power of any statistician to compile. During the last two years 61,000,000 working days have been directly lost by strikes, whilst the additional indirect loss by the forced cessation of work by others is incalculable. No country can stand such a drain on its resources without incurring the gravest risk of ultimate disaster. Is there any possibility of uniting employers and employed in a permanent peace? I am persuaded by my experience that there is.

I have lived amongst, and been closely associated with, the workers all my life, and I am convinced that the overwhelming majority of British workmen are neither revolutionary nor anarchist in their outlook. I do not believe any section in the community contains a higher proportion of men of integrity and common-sense, of clearer insight and right intentions, or a fuller share of that innate sense of justice which is the distinguishing characteristic of our race, and it is beyond question that their hearts are readily responsive to any appeal founded on principles of equity and fair dealing. It would be idle to argue that the workers as a whole are contented with their lot in life, but discontent with one's lot may be a virtue, and not a vice, and I hold the profound conviction that it will be the fault of other sections of the community, and particularly their lack of imagination and sympathetic appreciation of the conditions surrounding the daily life of the worker, if, in this country we develop a democracy of anarchical discontent and violence. Do not, however, let us be blind to the fact that we have reached a grave turning-point. The extremists in the country, relatively few though they be, foment discontent and apparently exercise an influence altogether disproportionate to their numbers. This we cannot ignore and must take account of, and I fear the extent and character of the extremists' propaganda, which has for its object the entire subversion of the existing order, by tearing the fabric of society in pieces, is not generally understood or appreciated.

The Company's Labour Policy.

One glance at the condition of Russia is sufficient to bring home a sense of the terrible consequences of the success of such propaganda. What, then, needs to be done to secure the triumph of common-sense and reason, and what can we, as an Association, do to that end? Nothing would be so effective to this purpose as the complete removal of all differences between Capital and Labour and the destruction of the hateful barrier which so irrationally divides society to-day, and which is standing in the way of that community of interest which it is so much to the advantage of all parties to create. I say unhesitatingly that what we have already done points the way clearly to the removal of differences between Capital and Labour. To your directors no further test is necessary to bring certainty to their minds that our policy in regard to Labour from the very beginning of the Association, twenty-two years ago, governed as it has been in all our actions by the sentiment "put yourself in his place," is sound and right, and has been justified by the sanction of time, the weight of experience, and the emulation of others. Facts indisputable and decisive place this beyond doubt. In twenty-two years we have had but one strike—confined to our Yorkshire works—and even that, lasting though it did for seven weeks, never for a single moment destroyed the feeling of mutual esteem between our employees and ourselves. Our temporary difference was on a question of principle, and brought with it no shred of bitterness. Your directors have learnt from experience that the first thing needed between employers and employed is the establishment of cordial relationships of sympathy and mutual confidence, uniting both in the desire to co-operate to a common end. If you can inspire the workers with hope and confidence that there is small risk of their having to live on mean and precarious wages and inhabit squalid homes, you have gone a long way towards lifting them on to an altogether higher plane. Your directors have long realised that to do this, and as an essential condition to the making of a permanent peace between Capital and Labour, the workers must be freed from the fear which haunts their lives, namely, the dread of unemployment or of such under employment as will not even provide them a bare subsistence.

Co-operation between Capital and Labour necessary.

In this connection it is interesting to note that in the award just published, arising out of the recent wages application in our industry, the Umpire makes special reference to the desirability of settling on a scheme without delay which will embrace unemployment and under-employment. This recommendation fully justifies the attitude of your directors, who, in the course of the negotiations prior to the arbitration, along with the whole of the other employers in the dyeing and allied trades, appealed to the trade union leaders to abandon or postpone their application for an advance in wages and concentrate on these urgent and pressing problems, and we can only regret this opportunity was lost of effecting a great and beneficent reform of permanent advantage to those employed in the whole industry. The present crisis, bringing with it unemployment and under-employment on such a vast scale, brings into a clearer light than ever the vital importance of dealing with this great question, and we accordingly are pleased to state that negotiations have been resumed with this end in view. It is by the closest unity and co-operation of Capital and Labour that we can most surely overcome the grave difficulties by which we are at present oppressed, and in such connection your directors feel it is impossible to insist too strongly on the need for employers and employed having a common interest in the highest possible production.

As I pointed out a year ago, we have in recent years allocated a very considerable percentage of our profits for the benefit of our employees, and to-day we are submitting for your approval proposals for very material additions to such allocations, amounting in the aggregate to £160,000. We are sharing profits with our employees on a very large scale, as, if you agree to the proposals which are recommended by your directors to-day, we shall in the last four years have allocated (including the amounts charged against the profits for the year 1920 in respect of the Association's contributions to the staff superannuation fund and the employees' bonus register) the sum of £720,342 solely for the benefit of our employees. To-day about 3,600 of our employees are shareholders in the Association, and their holdings on December 31 last aggregated 388,000 shares, with applications on the books of the employees' bonus register for 29,000 more. This necessitates our asking your consent to-day for authority to increase the number of shares which may be placed on the employees' bonus register for bonus from 400,000 to 500,000. Your directors are firmly convinced that the proposed addition to the employees' bonus register of a further 100,000 shares will be beneficial to your interests as shareholders, and that in elevating our employees to the status of partners, and not merely fellow-workers with us, we are taking the most promising way to a sure and permanent success, providing, as it does, a practical method of making the interest of employer and employed one. Though deeply gratified by the striking extent to which our employees have become shareholders, we earnestly desire that every one of them should become a part owner of the capital of the Association, thus giving him the dual interest of shareholder and worker.

Relations with Employees.

The betterment of our employees will always be with us a primary consideration, as we realise that to the neglect of it is due in a large measure that fatal enmity between Capital and Labour which is unfortunately so common, and we shall

continue steadily in our endeavours to still further strengthen the good relationships already existing between us, our desire always being to do unto them as we would they should do unto us. Such a policy generally adopted would, I venture to believe, have a momentous practical influence in counteracting the mischievous and dangerous propaganda to which I have already referred, and no policy could be more fatal than to wait until the present cloud of discontent grows until it darkens the whole firmament. It is by the substitution of co-operation, sympathy, and confidence for antagonism, suspicion, and mistrust, and by conceding to the workers a fair and equitable share in the profits to the making of which they have contributed, that the way to industrial peace lies; and by leading, as it would, to that wider distribution of wealth, which is one of the greatest safeguards a nation can have, it would make us as a nation stronger, safer, and more contented.

High Cost of Coal.

The extremely high cost of coal, which may be rightly termed the life-blood of all industry, is a great factor in the high cost of production. With our enormous consumption the immense increase in prices which we are paying has a most serious incidence on prices for dyeing. Wages to-day, I am told, represent four-fifths of the pit-head price of coal, and I venture to think the miners' leaders should consider with great and anxious care whether their duty to the whole nation does not require them to point out to their followers that the price of coal is an influence of the utmost importance on our power of recovery from the present depression. Faced with difficulties too evident to be disputed, arising mainly out of foreign competition, non-existent for six years, but which now, try however they may, they cannot escape from, many of our industries are unable to sell their productions at anything approaching cost, largely by reason of the price of coal; and although I desire to see wages at the highest possible level, from such information as I have the conclusion is unavoidable that miners' wages have been forced to a point which, under present conditions, is a most serious menace to many industries, and assuredly miners will make a mistake if they use their strong position to maintain wages at rates which cause suffering to many thousands of their fellow-workers in other industries, and thus most seriously impede the national recovery.

A great and most serious bar in the way of our recovery is the crushing burden of taxation; and whilst most of the attacks on the Government in regard to national expenditure are too essentially one-sided and spiteful to represent the whole truth of the case, in spite of the efforts, to some extent successful, of members of the Government to make us thoroughly understand what has been accomplished, yet, estimated impartially, it must be admitted there is cause for grave disquiet, and it is beyond all question that amongst business men the conviction yet prevails generally that all has not yet been done that might be done in the way of the ruthless cutting-down of expenditure in many Government Departments. The present position of British industry imperatively demands the most drastic action to that end.

The Limit of Taxation.

It is beyond all doubt that the Chairman of the London Joint City and Midland Bank was absolutely right in saying that we have reached the limits of taxation; and during this crisis I have read no wiser words than those of Lord Inchcape when, at the recent annual meeting of the National Provincial and Union Bank of England, he said: "The mercantile community and the public generally are being called upon to hand over to the Government enormous sums in cash in payment of income tax, excess profits duty, corporation tax, and death duty. It is the burden of taxation which is drying up the resources of the country." Lord Inchcape's sober statement of a plain fact, the magnitude of which is now widely perceived, carries with it the conviction that if the process which is drying up the resources of the country is allowed to go on, only disaster of the direst kind can follow. Although we have won the War, we have not yet succeeded in winning the Peace, and, weighed down as we are by the pressure of intolerable burdens so materially detrimental to our strength, every day's delay in lightening such burdens is fraught with peril.

The Year's Results.

I have already detained you so long that my reference to the accounts must of necessity be brief. You have no doubt all studied them carefully, and I will go directly to the crucial figure—namely, that of the amount of the balance we have at our disposal to-day, which is £765,840 11s. 8d. As you will have seen from the report, your directors recommend its appropriation as follows:

	£	s.	d.
To employees' benefit funds ...	160,000	0	0
To the payment of a dividend on the Ordinary shares for the six months to December 31, 1920, at the rate of 3s. per share, making, with the interim dividend, 4s. per share for the year ...	203,471	11	0
To carry-forward	402,369	0	8

Although our profits are slightly higher than last year, the dividend suggested is two and a-half per cent. less, caused, as you will have observed, by the necessity of a very large appropriation to the investments contingency fund, owing to the fall in the market price of our investments, which are mainly in Government securities.

With reference to the recommendation to appropriate the sum of £160,000 out of the profits of the year for employees' benefit funds, it is proposed to divide this sum in the following manner:—

(*a*) To set aside £10,000 as a contribution towards the expenses of upkeep during the next ten years of Bleasdale House, Silverdale, which has been purchased, following upon my reference at the annual meetings in 1918 and 1920 to the establishment of some memorial to perpetuate the memory of our employees who fell in the recent War, including those who lost their lives in the Low Moor disaster. It is proposed that this property be equipped as a convalescent home for children of employees who were killed or died whilst serving, and, if there be vacancies, for our male employees.

(*b*) To set aside £10,000 for making provision for cases where retirement becomes necessary, owing to ill-health or other cause, before employees reach the age of sixty-five, the retiral age fixed by the trust deed under which the £50,000 voted at last meeting is being dealt with.

(*c*) To set aside £40,000 for pensions to the older members of the staff who could not be embraced within our staff superannuation scheme as originally drafted.

(*d*) To set aside £100,000 towards a superannuation scheme on a joint contributory basis for our male employees who do not come within the scope of the staff superannuation scheme. The £50,000 voted last year was intended to deal with immediate necessitous cases and to bridge the gap between that time and the formation of such a scheme as indicated. Actuaries have been consulted, and as the amount required, in addition to the proposed joint annual contributions in order to place the scheme within reach of the older employees, is considerable, your directors feel that a substantial foundation should be laid by setting aside the sum suggested.

Your directors cordially recommend you to vote the sums mentioned.

Signs of Trade Revival.

Although at present we are going through a period of acute anxiety, gloom, and depression, I think there are signs indicating that we have seen the worst. In the United States there is a revival both in the woollen and the cotton industries, but that revival has been hastened by a greater readiness than we have seen generally in this country to cut losses, and so clear the way for a resumption of activity. Until the high-priced stocks in this country are liquidated we cannot hope to see production on a normal scale. Of course, our difficulties, at least in the textile trade, are enormously greater than those of the United States by reason of the fact that some seventy-five per cent. of our production is for export, and I have shown you what almost insuperable difficulties at present stand in the way of export trade. On the other hand, the exports of the United States bear a very small percentage to production, and that country has a population of 100,000,000, the wealthiest in the world, so that revival there more quickly than here is exactly what we might expect; but there are not wanting other signs that we have touched the bottom. Inquiries are much more numerous, and although a very small percentage result in business, they are indicative of a spirit of reawakening interest; and when in every industry costs of production are reduced, as they can and must be, I believe we shall see a revival, slow at first but gradually gathering strength, sufficient to enable a reasonable return to be earned on the capital employed by industry and commerce. There is no monitor like suffering, and if we learn well the lesson taught by our present distress we shall win through it exalted and purified. One of the first lessons we need to learn is the imperative necessity for the sternest limitation of expenditure on the part of every individual; another is to recognise the fact that as a nation we are immeasurably poorer and not richer as a result of the War, and that the lost wealth can only be replaced by work and thrift. We were ready to suffer and endure all things to win the War, but we do not realise so clearly that to win the Peace also entails sacrifice and suffering, although there are now indications of some recognition of this spirit. To-day we see far less of the wanton wicked extravagance so painfully in evidence less than a year ago, and when it becomes the common knowledge and conviction that it is only work and thrift which can save us, from that very time rapid recovery will set in. I have faith that such time will come soon.

The first year I had the honour of occupying this chair was when the world-wide depression consequent on the great financial crisis in America in the autumn of 1907 was at its height. I then expressed my firm, unclouded faith in the future of this Association; amidst the far greater depression of to-day my faith in our future is just as sure and strong, and although in the current year, by following a policy which the national welfare demands, we cannot hope to do well, yet in view of our large carry-forward and reserves we can face a period of adversity with confidence

We have a superb equipment, and the loyalty, devotion, and untiring energy of our staff are not excelled by those of any organisation in the world, and I can give you the fullest assurance that in the grave difficulties by which we are surrounded your directors will exert themselves to the utmost in the furtherance of your interests.

I now beg to move that the report and accounts for the year to December 31, 1920, as now submitted, be and are hereby adopted.

Mr. Walter Somerville Kinch seconded the resolution.

No questions were asked and the resolution was carried unanimously.

Allocating the Profits.

The Chairman then moved: "That there be allocated from the profits of the Association, for the year to December 31, 1920—

"(*a*) A sum of £10,000 as a contribution towards the expenses during the next ten years of the Bleasdale House Convalescent Home:

"(*b*) A sum of £10,000 for a fund for all male employees (excluding members of the staff who come within the meaning of 'Employees' as defined by Rule 1 (*e*) of the Rules of the Staff Superannuation Fund) under sixty-five years of age who, by reason of ill-health or other cause, may be compelled to retire before reaching the age of sixty-five;

"(*c*) A sum of £40,000 for a fund for staff employees who, owing to age, were ineligible for membership of the Staff Superannuation Scheme when it came into operation;

"(*d*) A sum of £100,000 towards a fund for superannuation purposes for all male employees (excluding members of the staff who come within the meaning of 'Employees' as defined by Rule 1 (*e*) of the Rules of the Staff Superannuation Fund) subject to a deduction therefrom of any sum which may be levied thereon by the Inland Revenue authorities in respect of taxation, and that such sum be applied in such proportions as the directors may in their sole discretion determine;

That each of the above sums under (*a*), (*b*), (*c*), and (*d*) be handed to trustees to be appointed by the directors, and be respectively applied towards the respective purposes above mentioned, under and subject to such conditions and in such manner in all respects as the directors may in their sole discretion determine, and so that the surplus (if any) of the sums under (*b*) and (*c*) which ultimately may not be required for the primary purposes to which they are allocated, shall revert to and be added to the sum allocated under (*d*).

"(*e*) That a dividend be paid on March 7, 1921, on the Ordinary shares of this Association for the six months to December 31, 1920, at the rate of 3*s*. per share, this dividend being the balance of a total dividend of 4*s*. per share for the twelve months ended December 31, 1920; and

"(*f*) That £402,369 be carried forward."

Mr. George Douglas seconded this resolution, which was carried unanimously.

Mr. Ezra Clough moved: "That the limit of the number of shares which may be placed on the 'Employees' Bonus Register,' as mentioned in sub-clause (8) (*e*) of clause 126 (*a*) of the Company's articles of association, be increased from 400,000 shares to 500,000 shares."

Mr. W. B. Gurney seconded the resolution, which was carried.

Mr. W. C. Chadwick moved: "That Messrs. Isaac McIntyre Brown, Archie Ewing, Arnold Highley, Frank Hopkinson, Walter Somerville Kinch, Benjamin Robinson, Sir Thomas Robinson, M.P., Mr. James Sharp, Sir Milton Sheridan Sharp, Bart., Messrs. Walter Senior Stansfield, and Robert Turner be and are hereby re-elected to the general board of the Association."

This resolution was seconded by Mr. W. Law and carried.

Mr. H. Morrison moved: "That the sum of £2,000 be voted to the general board for their services as directors for the year to December 31, 1920, this sum to be divided as the board may determine."

This was seconded by Mr. E. H. Oldroyd and carried.

Messrs. Jones, Crabtree, and Yowett of Manchester were re-elected auditors of accounts for the period to December 31 next.

Mr. Ezra Clough, moving a vote of thanks to the Chairman for presiding and for his closely reasoned address, on behalf of the shareholders congratulated Sir Milton on the honour conferred on him by the King, and expressed the hope that the Chairman would long live to wear the honour with dignity personally, and to the advantage of that Association.

Mr. H. H. Pulman seconded the resolution, which was carried with acclamation.

The Chairman, in reply, expressed his thanks to the mover and seconder of the resolution for the kindly terms in which they had spoken and to the shareholders for the manner in which they had received the resolution. To all he returned his deep-felt and grateful thanks.

This terminated the proceedings.

Maple and Co., Limited.

Satisfactory Trading Results.

THE thirty-first annual general meeting of the shareholders of this Company was held on February 28 on the Company's premises, Tottenham Court Road.

Mr. Clare Henry Regnart, J.P. (President of the Company), occupied the chair.

The President said: You will have come to the conclusion, no doubt, from the general aspect of the figures in the report and balance sheet, that our business has increased during the last twelve months. This is quite correct, but, of course, a good deal of the increase is attributable to the augmented cost of all commodities. Since last May, however, prices have begun gradually to decline, and we have invariably given the whole of the advantage to our customers. We, like they, will hail with pleasure the day when prices return to what is known as the "normal." As prices decrease you may possibly find that the turnover of the business may fall a little in sympathy, but we shall be able to console ourselves with the fact that, although the figures may decline somewhat, we shall find a great increase in the bulk of goods sent out.

You will be pleased to learn that we have organised an improved system of deliveries by motor transport, and that we now deliver goods at the actual doors of our customers in twenty-six counties. This greatly extended service embraces an area of 21,000 square miles, and extends from the East Coast to the Bristol Channel, and from the South Coast to Derbyshire and Staffordshire, and we are contemplating its still further extension to York and Manchester. To provide for the housing of the great fleet of motor-vans necessary for a service of this character, we are erecting upon the site of our old timber yard, opposite our premises in the Euston Road, what will be the largest garage constructed of iron in the kingdom. The new timber yard is now situated on a more convenient site. You will readily realise the great satisfaction it must be to our customers in the counties—to say nothing of the enormous advantage to them—to be able to have their goods delivered from London to their door, and to have their furniture safely handled and placed in their rooms by Maple's reliable and experienced workmen.

We are actually experiencing already a great impetus to our trade which we know to be due to this cause, and we would ask you all to be good enough to make known to your friends in the country the unique advantages we are now offering them.

The Balance Sheet: Cash and Stocks Larger.

Turning now to the balance sheet, we find that the cash in hand and at our bankers is considerably more than last year, a substantial sum, indeed, being on deposit at the bank. The book debts show only a small increase in comparison with the increased turnover. The stocks in our showrooms and factories are up, both in bulk and value, owing to the higher prices prevailing during most of the year.

The freehold and leasehold properties, although as a matter of fact increased in value in many cases, have been treated upon a cost basis, and appear at practically the same figure as that of last year. Plant and machinery are less, and the same remark will apply to horses, vans, and motors.

On the liability side you will observe that trade creditors are less than one-half the amount of last year. I may say that our buying throughout the year has been cut down to the lowest point to which it could be reduced, subject, of course, to the exigencies of the business. In the provision made for sundry creditors a sum of £20,000 has been set aside as a special bonus to be paid to certain members of the staff.

The reserve for excess profits duty, corporation profits tax, income tax, and other charges is increased, as you will see, from £330,000 to £505,000. Is it necessary for me to say that these combined taxes have constituted a very heavy drain on the resources of the business, and that profits have necessarily been reduced to meet it? The account for the excess profits duty for the three years to 1918 has been met for a comparatively small sum. We are awaiting a final adjustment of the figures for 1919, and that for 1920 has yet to be declared, although ample provision has been made for both years.

The net profit owing to the allocation just mentioned is less than last year, while the interim dividend for 1920, having been paid upon a greater number of shares than in 1919, naturally absorbed a larger sum of money. The balance of £10,982 1*s*. 10*d*. carried forward to 1921 compares most favourably with the balance of £1,286 13*s*. 3*d*. brought forward from 1919.

The report was unanimously adopted.

Prudential Assurance Co., Ltd.

PROGRESS IN ALL BRANCHES.

Year's Total Income, £28,365,848—Results of the Valuation.

THE annual general meeting of the Prudential Assurance Company, Limited, was held on March 3 at the chief office, Holborn Bars, Mr. A. C. Thompson (the Chairman of the Company) presiding.

The Chairman said: Ladies and Gentlemen,—During the year that has just passed the nation has experienced to the full the aftermath of the Great War, and such experience is inevitably reflected in the statements and accounts for the seventy-second year of the Company's existence, which I now have the pleasure to present to you.

Viewed from a trading standpoint, the year has been one of the most successful in the history of the Company. As a natural corollary of the apparent prosperity of the early months of the year, the flow of new business promised results extraordinary even for the Prudential, and, in spite of the inevitable effect of the subsequent trade depression upon our new business, I am pleased, on this the first occasion upon which I have had the pleasure of occupying this chair at an annual general meeting, to be able to tell you that in all branches of the Company's activities we have achieved fresh records.

Total Income of the Company.

From the accounts you will see that the total income of the Company for the year from all sources was £28,365,848, an increase of £3,805,828 over that for 1919. This income was made up as follows:—

Premiums, industrial branch	£12,991,608
Premiums, ordinary branch	8,800,749
Premiums, general branch	222,665
Consideration for annuities granted ...	63,346
Interest and dividends	5,634,963
Working expenses of the approved societies	652,577

In order to realise the growth of the Company it is necessary to glance back at our progress during the last twenty years.

Our income during this period at quinquennial points was as follows:—

Year.	Total Income for Year.
1900	£10,063,177
1905	£12,224,314
1910	£15,174,719
1915	£17,831,591
1920	£28,365,848

Industrial Branch.

Turning to the industrial branch we are able to report an increase of £1,835,734 in the premiums received over those for the previous year. The annual premiums receivable on policies in force as at December 31, 1920, were £14,358,402, being an increase of £1,843,070 over 1919. The corresponding increase for 1919 was £1,799,766. The total number of policies in force was 23,918,536, their average duration exceeding fourteen and a-quarter years and the average age of the assured thirty-six. The figure I have given as the number of policies in force at the end of 1920 includes 2,079,270 free policies, upon which no further premiums are payable.

The results in the ordinary branch are equally satisfactory, and are even more remarkable than those for 1919.

Ordinary Branch.

In 1920 the new premium income of the ordinary branch was £1,667,281, which not only exceeds the corresponding figure for 1919, but is nearly three times that for any year prior to 1918. The number of policies issued last year was 142,163, assuring the sum of £23,528,225, which, both as regards numbers and amounts, constitutes a record for new business secured by any British life office. (Applause.)

It is perhaps worthy of notice that these policies concerned more than 142,163 persons, as 12,323 policies were granted on two or more joint lives.

The number of policies in force in this branch at the end of 1920 was 1,119,346, having an average sum assured of £121, exclusive of bonus additions.

The average sum assured under the new policies issued in 1920 was £166, against £93 in 1910. This is a very considerable increase, and indicates that the need for adequate assurance is becoming increasingly recognised, and that the Prudential is doing its part in educating the public in this matter.

In past times prospective Prudential clients have been told that we dealt in life assurances only for small amounts. Years ago that may have been the case, but it is certainly so no longer.

This can readily be seen by the following figures:—

Year.	Sum assured under new policies of not less than £500 each.
1916	£1,063,750
1918	£5,626,600
1920	£8,786,817

(Applause.) That is to say, our new sums assured for 1920 for these large policies alone exceeded the total ordinary branch new business, large and small policies taken together, of any other British Life Office.

Claims.

The year 1920 was favourable to us in one important respect, as for the first time since August 1914 we were practically immune from death claims due to the War, the amount paid from that cause only amounting to £36,196. The total sum paid on this account since the outbreak of war exceeds £5,300,000 in respect of over 249,000 claims.

The total claims and surrenders for the year in all branches amounted to very nearly nine and a-half million pounds sterling. This is slightly less than the corresponding figure for 1919, the decrease being due to the fact that in the latter year we paid nearly half a million pounds in respect of deaths due to the War, and also experienced very adverse mortality among the civilian population owing to the influenza epidemic. The decrease would have been greater but for the larger number of endowment assurance policies maturing in 1920.

During the year we have paid £3,795,575 under matured endowment assurances in the ordinary branch; the balance of the claims in this branch was made up of £1,477,966 on account of death claims, which are £147,300 less than last year; £302,944 on account of surrenders, and £127,241 in annuity payments.

In the industrial branch the claims paid amounted to £3,677,594, which is £507,341 less than in 1919, and is made up of £3,031,320 in respect of death claims, £364,972 matured endowments, and £281,302 on account of surrenders. Included in the claims is £292,477 paid during the year on account of 46,004 free policies.

Mortality.

The Registrar-General has told us that the British Isles were favoured during 1920 with the lowest death-rate on record. The business of the Prudential is such that whatever affects the population affects our business in due proportion. I am happy to say that in the matter of deaths during 1920 the Company's experience coincides with that of the Registrar-General.

In the ordinary branch the death-claim ratio of the year was eighteen per cent. less than that of 1919, and eight per cent. less than that of 1913, which was previously our best record.

In the industrial branch, which is more closely akin to the general population, the saving in life has occurred at practically all ages in respect of both male and female lives.

Progress in the General Branch.

The development of our general branch business has continued satisfactorily. The policy outlined at the last annual meeting has been strictly adhered to during the last twelve months, the risks having been selected with the greatest possible care.

Notwithstanding the care and deliberation exercised in the selection of our risks, I am pleased to be able to report a considerable expansion in the business. The premiums received have increased from £92,968 in 1919 to £222,665 in 1920. I think you will consider the progress satisfactory, and you may regard it as a question of time only before the Prudential habit of thinking in millions will be extended to the general branch.

As might have been anticipated, development is most marked in the fire department, in which the premiums received amounted to £85,265. It is an encouraging feature of this development that not only is it built up with business of good quality, but that coincident with the growth in premium income there is an increase in the average premium per policy, indicating that we are gradually obtaining our share of the larger cases.

You will be interested to hear that the powers obtained last year to transact marine business have been acted upon, and operations commenced on January 1 of this year. You are aware that the Royal Exchange Assurance (whose long record and high reputation are universally recognised) are acting as our managers and attorneys in this connection, and we believe our association with them will bring complete satisfaction to all interests concerned.

Valuation Report.

The total reserves held by the Company against its assurance and other contracts are £117,222,210—in the ordinary branch £57,877,029, in the industrial branch £59,175,245, and in the general branch £169,936. Every one of our policies, numbering nearly twenty-six millions, is treated as a liability: there is no policy for which we have not set aside a reserve. The amounts by which the reserves have been increased during the year are £3,552,813 in the ordinary branch, £5,550,841 in the industrial branch, and £75,319 in the general branch.

Industrial Branch.

The results of the valuation are very satisfactory, as they show that a considerably greater trading profit has accrued in both branches of our life business during 1920 than was the case in 1919. In spite of the increase of profits in the industrial branch, they still fall short of those that arose before the War. In addition, further provision has had to be made for depreciation in investments, so that any hope

entertained twelve months ago of a renewal of the activities of our profit-sharing scheme must still be deferred, and, as a further consequence, the shareholders cannot receive their fixed rate of dividend. A year ago our President, speaking of favourable expectations of further profit-sharing, said that they must be "subject to our being free from epidemic, and to the financial situation being not more unfavourable than at the present time." While the former condition has fortunately obtained, depreciation in securities has been still more severe, and has necessitated carrying £645,467 to the investments reserve fund, in addition to £100,000 carried to the common contingency fund.

Ordinary Branch.

The same factor which has been the determining feature in our financial policy in the industrial branch, has operated with equal force in the ordinary branch. You will remember that last year £595,000 was carried to investments reserve fund in this branch; this year that fund has been further increased by £800,000. The amount of surplus remaining is sufficient to justify us in declaring a bonus for the year of £1 per cent. of the sums assured. Taking into account the various burdens imposed upon us since 1914 by the War, one of which, namely, depreciation of securities, has been materially accentuated during 1920, it is a matter for congratulation that for every one of these abnormal and troubled years a bonus addition has been made to all our participating policies in this branch.

Last June we introduced a new table offering endowment assurance carrying a guaranteed bonus of £2 per cent. per annum, and although it has been in existence for six months only we have issued policies assuring over £400,000. It would appear that there is quite a large section of the community who, in view of the fluctuating nature of the bonuses granted by many companies during and since the War, look with favour on a table which guarantees a uniform rate of bonus during the existence of a policy.

Women and Insurance.

The universal recognition of the value of the services rendered by women during the War has caused large numbers of them to be disinclined to revert to a condition of comparative inactivity, and they are taking an increasingly prominent place in the conduct of our commercial and national affairs. In consequence, women are realising and seeking the benefits which life assurance offers, with the result that twenty-five per cent. of the new policies effected with us in the ordinary branch last year were on female lives.

The non-medical tables included in our prospectus are found to be particularly attractive, as is evident from the fact that a large proportion of the 37,000 policies issued by us during 1920 on the lives of women are under these tables.

Another satisfactory feature of our business is that our old policyholders show their appreciation of the treatment accorded to them by effecting further policies with us to replace their matured assurances or to increase existing assurances. Thus, of the 142,163 new policies issued in 1920, 38,880 were on lives which were already assured with us. It is equally satisfactory to know that we have during the year extended our connection by issuing 103,283 policies on lives previously unknown to us. No evidence could more completely indicate the confidence in the Prudential existing in the minds of the general public.

Under-Average Lives.

Until recently it was considered that life assurance could only be obtained by the healthy section of the public. It was clear that in proceeding upon these lines life assurance was fulfilling only a part of its functions, and that many of those to whom life assurance was most necessary were excluded from participating in the benefits it provides. A few years ago this Company decided that life assurance should be available to everybody on equitable terms, and that practically no person should be ineligible for life assurance on grounds of health. This principle has been carried into practice, and proposals are now accepted on under-average lives, the sum assured being temporarily reduced to meet the abnormal mortality likely to be experienced. You will be interested to hear that this type of business is increasing in amount, and, while proving reasonably remunerative to the Company, is also of great value to the lives concerned.

Report of the Committee of Inquiry.

Shortly after our last annual meeting the Committee appointed by the Board of Trade to inquire into the business of industrial assurance issued its report. A large part of this report was taken up with blemishes which have occurred, and which were alleged to have occurred, in the administration of industrial assurance.

It is not contended that life assurance is less necessary for people with limited and precarious incomes than for other classes, and the evidence that the system of industrial assurance now in operation has become deeply rooted in the social life of the people was overwhelming. No drastic change of system is recommended, but numerous recommendations are made with the object of securing some approach to a minimum standard of valuation and a higher level of administration, special regard being paid to the importance of reducing the working expenses of the business.

Most of the recommendations of the Committee have, in fact, been established as part of the general practice of the Prudential for some years past and any step in the direction of improving and facilitating the conduct of the business without unduly fettering it with rules and regulations will receive from us hearty welcome.

Two of the recommendations we cordially endorse, namely, the strengthening of reserves and the reduction of expenses. The realisation of these two objects must, it seems to us, result in better benefits to policyholders.

Monthly Tables.

For some years now we have been endeavouring to meet the requirements of our clients by the issue of cheaper forms of policy, secured by the payment of monthly premiums. These monthly premium tables have proved a phenomenal success. The amount of business written and the eagerness with which it has been taken have proved beyond a doubt that we are satisfying a real need on the part of those requiring life assurance. As and when our rate of expense permits the advantages we offer will be correspondingly extended.

Partly as a result of the introduction of these monthly tables the average premium of the whole of the industrial branch business in force has increased during the last decade from 2*d.* to 3*d.* per week. The change in the class of business transacted is still more strikingly shown by the fact that the average weekly premium under new policies issued in 1920 was nearly 8*d.*, while in 1910 it was only 2½*d.* At the present time forty-one per cent. of the total premium income of the industrial branch is from monthly tables, from which last year we obtained seventy-seven per cent. of the new business premium income.

Invested Funds.

Our investments made in 1920 yield a rate of interest exceeding seven per cent. (before deduction of tax), notwithstanding that the major portion of our money has been invested in British Government securities.

The plan adopted by the board some years ago of keeping a considerable amount of its funds in Treasury bills and short-dated securities has enabled us to take advantage of the many opportunities afforded recently of taking up large blocks of new issues yielding remunerative rates of interest, and evidence of this is already being reflected in the increased yield on our funds.

Moreover, there can be little doubt that this plan has avoided a considerable amount of depreciation which would have been suffered had these funds been invested at an earlier period in longer-dated securities.

Now, as regards depreciation, I am sorry to say this has been the worst year in the history of the Company. There has been a continuous fall in the market value of Stock Exchange securities throughout the twelve months, and it has, therefore, been necessary to set aside an appreciable portion of our valuation surplus for transference to the investments reserve funds.

On the other hand, if, as we hope, we are nearing the end of the lengthy period of falling securities, any appreciation in value will give a corresponding benefit to the Company holding large funds.

Home Railway Investments.

Perhaps the most marked and heaviest depreciation has taken place in Home Railway securities, and in view of the public interest in the future of British railways a few words on the subject from the point of view of a life assurance company holding a very large amount of these investments may not be out of place.

The fall which has taken place in the value of these securities has been caused not only by the increase in market rates of interest, but also by the uncertainty which has been created as to the future earning powers of the undertakings when the period of Government control comes to an end. It should not be forgotten that loss occasioned to insurance companies holding railway stock by any settlement which leaves the future financial prospects of the railways in doubt will, owing to the usual methods of distributing surplus, fall to a small extent on the shareholders of such insurance companies, but to a much vaster extent upon the millions of policyholders in these companies.

In other words, the question is not one affecting the registered shareholder of the railway companies alone, a large proportion of the community being also directly interested in a fair and equitable settlement. (Hear, hear.)

After referring to the causes of the existing trade depression, the Chairman said: Some progress has taken place in the process of deflation and there are satisfactory signs of a return to a saner period of more normal prices and a recognition that it is not so much the amount of wages that matters, but rather their purchasing power. It seems to me therefore that the outlook for the future is surely, if slowly, brightening. We may, I think, derive much encouragement from the success with which the exceptional difficulties encountered during the past six years have been met and overcome. We know by the best of all tests that the Prudential never previously held so high a reputation throughout the country. We know that our organisation has been greatly simplified and improved, and we believe we are justified in anticipating results in the near future which will more than content all those who wish well to the Company. (Applause.)

The report and accounts were unanimously adopted.

North British Railway Company.

Trenchant Criticism of the Colwyn Report.

THE annual meeting of shareholders of this Company was held at Edinburgh on February 25, Mr. William Whitelaw (Chairman) presiding.

The Chairman said:—The net amount expended on capital account during the past year was £45,732, as against estimate of £141,100. The expenditure on capital account for the current year is estimated at £166,000. Of this sum £110,300 is in respect of outlays for station buildings, signalling works, dormitory accommodation, due to the Government having established a universal eight-hour day, and £22,400 for rolling-stock, practically the whole of which is in respect of new East Coast Joint stock. In the account of revenue receipts and expenditure there is a decrease in net miscellaneous receipts, under the head "Rents from Houses and Lands," of £3,565.

It will be observed from account No. 9 that the total net income for the year was £2,438,917. This, with the balance brought forward from last year, £34,780, gives a total of £2,473,697. After deducting interest, rentals, and other fixed charges, dividends on the Consolidated Lien and other Preference stocks and the Preferred Ordinary stock, and setting aside the usual £20,000 to general reserve for renewals and contingencies, there remains a balance of £183,686, out of which the directors recommend a dividend of one and a-quarter per cent. for the year on the Deferred Ordinary stock, carrying forward £33,675, as to the payment of which I shall have something to say later.

I desire first of all to refer to the report of the Departmental Committee appointed by the Minister of Transport and presided over by Lord Colwyn.

It is admitted by the Ministry of Transport that when the War broke out and the Government took over the railways it was matter of contract between the Government and the railway companies that all disputes and differences, including all questions as to the meaning and effect of the agreements made, should be referred to the Court of the Railway and Canal Commission for decision. Numerous differences arose and have accumulated since August 1914, and are now pending. Nevertheless, the Ministry of Transport, acting for the Government, one of the parties to the agreements (the other being the railway companies), in the end of September last appointed a Departmental Committee to inquire into the agreements and report. There was no representative of the railway interest upon the Committee.

Terms of Reference.

Of course, the terms of the reference to the Committee were of paramount importance. They were:—"To consider and report as to—

"(1) The nature and terms of the agreements;

"(2) The possible extent of the outstanding liabilities of the State under the agreements according to the interpretations which might be placed upon them; and

"(3) Whether, with due regard to cost, any further steps should be taken to secure that the interest of the State in reference to the agreements should be adequately safeguarded."

The usual words were added to the terms of reference about making such recommendations as appear desirable in the circumstances.

Had the terms of the reference been adhered to it is possible that "irregularity" would have fairly summed up the situation, but the minutes of evidence, which I have carefully read, show that within a few minutes of the opening of the Commission the real purpose of the Committee was disclosed—namely, "to find out whether the agreements are in the interest of the State, and, if they say that the agreements are not in the interests of the State, then to consider whether in the interests of the State the agreements should be carried out."

These words, either through the mouth of the Minister of Transport's representative or of the Committee—that the terms of reference were at once superseded by a totally different issue and inquiry from that contemplated by the reference, and that the Committee's real purpose was to be to tender advice to the Government as to whether the Government should carry out their contractual obligations to the railway companies or whether they should repudiate these obligations—that was the task to which the Committee in fact devoted themselves.

Is it conceivable that Parliament would have permitted a Departmental Committee to be appointed to inquire into and report as to whether the British Government should implement or repudiate its contracts? I think not. Therefore, the Committee got to work under false colours, and its whole proceedings are vitiated and unwarrantable.

Analysis of the Evidence.

Before I come to the Colwyn Report itself I will deal, for a moment or two further, with the evidence. The leading witness was Sir George Beharrell, and there were also called Sir William Marwood and Sir Alexander Gibb, all three Directors-General, serving the Ministry of Transport. I will only say of their evidence that probably they could not help themselves, as they were acting on instructions, and I will add that they were frequently fairer to the railway companies than was to the liking of the Committee.

The three witnesses, officials of the Ministry, were followed by two chartered accountants of the highest standing—Sir Albert Wyon and Sir William Plender. The evidence of these two gentlemen is truly interesting and valuable. The questioner, almost always hostile to the railway companies, scarcely ever got the answer from the witness which he wanted. The usual answer either was that the claims of the railway companies were fair, or that the witness did not think he should be called upon to give an opinion without due deliberation.

This Committee for the most part did not ask information from the witnesses, but, having got the witness into the box, attempted to ram their own views down his throat, generally speaking, with small success.

The last and only other witness called was Sir Alexander Butterworth, the General Manager of the North Eastern Railway Company, who gave lengthy and carefully prepared evidence. But the railway witness was called too late, because it appears only too clearly from the minutes that the minds of the Committee, or of those members of the Committee who did the talking, had been made up before Sir Alexander appeared on the scene.

"Impracticable" Course.

However, the most extraordinary thing is the report itself. Two of the members of the Committee sign the report under reservation, the reservation being that, in their opinion, the agreements with the railway companies should be thrown over, and the companies left to their compensation remedies under the Statute of 1871 as interpreted by them. That reservation may be in accordance with the political views of the two members—namely, that the State is only bound by its contracts in so far as these contracts are, in the opinion of the State, in the interests of the State. Nobody, of course, pays serious attention to such views. It could never be in the true interests of Great Britain to repudiate its bargains. The majority of the Committee—6 to 2—reported against the reservation of the minority, and do not think that the agreements should be altogether ignored, but—mark the reason—the only reason assigned in the report—namely, because it would be "impracticable" to adopt such a course—not wrong, or dishonest, but "impracticable"!

The report proceeds to recommend that certain charges made by the railway companies should not be allowed, irrespective of the meaning of the agreements; that certain current payments, matters of agreement, should be discontinued, and that other outstanding claims of the railway companies should be settled, not on the basis of the agreements, but on the basis of what the Committee think the agreements should have been. The euphemism in the report that certain agreements should be "reviewed" of course just means that they should be altered by the State to suit the interests of the State.

£430,000 Withheld.

The report and the verdicts in it have no regard to the evidence which the Committee heard, and are wholly unsupported by the evidence.

Some people say that railway shareholders may console themselves with regard to this extraordinary Committee and its report because their findings and verdict are so outrageous that the report will in all likelihood prove harmless, and no Government dare adopt the report.

Perhaps so; but without waiting for the report to be considered by Parliament Sir Eric Geddes has put its policy into practice in the case of our Company, and has withheld £430,000 of the sum due to us by the State for the month of December. We immediately lodged an application with the Railway and Canal Commissioners, and I have difficulty, therefore, in entering upon the merits of the dispute. I will only say that I believe every penny of our claim is justified.

Some people may say that if we think the claim good we should pay the dividend at the usual time; and that dividends are frequently paid while some doubt remains about outstanding sums in dispute. That may be so, but not, I think, when so large a sum as this has been challenged. In our view the right course to follow is to pay, on the usual date, the dividends not affected by the withholding of the sum of £430,000. This means that the dividends will be paid on the due date on the Preference stocks down to and including the 1875 Preference stock; the remaining dividends must be postponed until the settlement of the dispute.

Apart from this temporary trouble, we have great reason to be concerned about the future of the railways. The Government by its labour policy has created a huge railway expenditure, which its policy of high rates and fares is failing to meet by many millions. Having put the companies into a quagmire of financial difficulties the Minister of Transport proposes to leave them on August 15 to sink or swim. Those able to swim, if any, will be a small minority. One policy, and one policy alone, can save the trade of this country from having to face the hopeless task of carrying on with the whole railway system reduced to a state of financial incompetence; that policy is to guarantee the 1913 financial

position of the railways until the end of 1923, so as to give reasonable time for the reorganisation of the whole railway system upon a sound financial basis by effecting all possible economies through amalgamations, the adjustment of labour conditions, and the fixing of rates and fares at the highest point which trade can carry and the travelling public tolerate.

The report and accounts were unanimously adopted. Dividend to be paid down to the Convertible Preference stock on March 19, and the remainder when the directors may determine.

Railway Share Trust and Agency Company, Limited.

Depreciation on Investments.

THE thirty-second annual general meeting of this Company was held on February 28 at the Cannon Street Hotel.

Mr. C. C. Macrae, who presided, said it was gratifying to note that the gross profits of the past year amounted to £82,937, an excess of £7,126 over those of the preceding year, which were themselves above the average of recent years and the highest on record in interest on investments for twenty years. Of this amount £79,498 was derived from interest on investments. The balance of £65,147 brought forward from the profit and loss account was dealt with by paying the full seven and a-half per cent. on the Preference "B" stock and five per cent. for the year on the Ordinary or "A" stock, leaving £16,869 to be carried forward, subject to the new corporation profits tax. The auditors recorded that the depreciation on the investments was not covered by the reserve fund. The actual depreciation was £205,006, against £182,384 in the reserve fund. It was a startling fact that the whole of this depreciation occurred in the year, and mainly in the last few months of it. Many factors contributed to bring about the depreciation, the principal ones being the acute depression in trade, the curtailment by the banks of credit, and the forced liquidation of securities largely from Continental selling, and the state of the exchanges. The valuations referred to in the auditors' report were taken on a fairly drastic scale. He had personally been through the whole of the investments endeavouring to form an estimate of their real value in normal times, and assuming a six per cent. or seven per cent. basis rate of value as the standard for sound securities of their class. In the result, he estimated that at least £113,136 of the depreciation might reasonably be recovered in the near future in the absence of any unforeseen collapse in prices, leaving only £91.870 as depreciation of a more permanent character. From this might also be deducted part of the balance carried forward this year, which reduced the more permanent depreciation to £77.000 On this estimate it would be observed that the depreciation was amply covered by the reserve fund of £182,384, and that the capital was not only intact, but showed a surplus value of thirteen and two-thirds per cent. Given a return to more normal conditions in the financial world, the Company might reasonably look forward to a marked recovery in the prices of its shares, which were now much below their intrinsic merits. He concluded by moving the adoption of the report and accounts.

Sir Reginald MacLeod, K.C.B., seconded the motion, which, after a short discussion, was carried unanimously.

Railway Debenture and General Trust Company, Limited.

Revenue well Maintained.

THE forty-eighth annual general meeting of this Company was held on February 28 at the Cannon Street Hotel, Mr. C. C. Macrae presiding.

The Chairman, in moving the adoption of the report and accounts, said that the gross profits of the past year were £124,347, being £9,909 above those of the preceding year. Of this amount £120,625 was derived from interest on investments. The result of the directors' considered policy to conserve a large proportion of the Company's funds in hand in order to take advantage of the continuing fall in prices to invest at the higher rates available was already shown in the increase of the interest gained from investments, and would be still more marked in subsequent years. After paying four and a-half per cent. on the Preference stock and six per cent. for the year on the Ordinary stock, they carried forward £14,204, subject to corporation profits tax. The one unpleasant feature in the accounts was the never-failing matter of depreciation. This year was by far the worst they had experienced in this respect. The chairman of one prominent financial company had mainly attributed the decline to the reckless Government expenditure. Dear money, the chaos in foreign exchanges, the forced liquidation of securities, might fairly be considered to be of a passing character, but he regarded the change in the standard of values to be of a more permanent character. He could not foresee a time when first-class securities would be bought on a four per cent. basis, as was the case when many of their old investments were made. The auditors in their report stated that the depreciation shown this year was not covered by the reserve fund. The amount of the depreciation was £527,126. The result of a valuation he had made was that on a cautious and conservative appraisement £304,600 might be taken off the total of £527,126, as an amount which might reasonably be expected to be recoverable on a return to normal conditions, leaving only £222,526 as depreciation of a more permanent character—an amount which was well covered by the reserve fund. Taking, therefore, the reserve fund into consideration, the Company's capital was intact, notwithstanding the heavy depreciation shown on current prices. The revenues of the Company were being well maintained, the position was quite sound, and with a return to more normal conditions the shares ought to stand at something more nearly representing their value as a dividend-yielding investment than the present totally inadequate price quoted.

Mr. Richard S. Guinness seconded the motion, which was carried unanimously.

Thomas Wallis and Co., Limited.

Strong Financial Position.

THE thirtieth ordinary general meeting of this Company was held on February 28 at the First Avenue Hotel, Mr. W. H. Nicholls, H.M.L., Chairman of the Company, presiding.

The Chairman observed that in the early months of the year under review trade was booming to such an extent that they rather expected to show a large increase over last year's record figures, but in the succeeding months sales fell off quite suddenly. However, in spite of this and of the unavoidable increase in all charges—house-keeping, rates and taxes, wages, fuel, &c.—the board thought the shareholders would agree with them that the results shown in the report were eminently satisfactory. While they welcomed any reasonable advances in wages and salaries, they hoped that all wage-earners would put in a good day's effort for their pay, and thus study their own interests, as well as those of their country. The announcement recently made by the Chancellor of the Exchequer was, of course, very welcome as far as it went, but he was hopeful that the Government might yet find "some unexplored avenues" for affording relief to the general body of taxpayers and ratepayers, whose present heavy burdens most seriously affected, if not imperilled, that private enterprise which had contributed so largely to England's greatness.

Turning to the accounts, he stated that the Company owed their bankers £30,000 more than they did last year, and the high rates for money had cost £3,000 more. It had been necessary to secure large parcels of goods, often at high prices, and to make payment in cash, and this loan was reflected in the larger item of stock—£34,000 more—all of which, like the book debts, the directors regarded as perfectly good. Excess profits duties, income tax, and corporation tax absorbed about £21,000; freeholds, leasehold, &c., stood at £11,000 more; and plant, &c., at £7,000 more. During the last few years they had expended over £30,000 in purchasing freeholds at Holborn, Finsbury, and Harrow, to meet the requirements of their expanding depository business, and furniture and other departments, and this without coming to the shareholders for additional capital, which would have been much more costly than temporary loans from their bankers. With the proposed allocation of £5,000 to the reserve fund and a handsome carry-over, the Company's actual reserves would exceed their £200,000 paid-up Ordinary capital, which was a position of very great strength, and added materially to the value of their sound and excellent property. He moved the adoption of the report and accounts, and the payment of dividends on the Preference shares at the rate of 6 per cent. per annum, less tax, and on the Ordinary shares at the rate of 20 per cent. per annum, less tax, for the six months ended January 31 last.

Mr. J. S. Lovell seconded the resolution, which was unanimously adopted.

BARCLAYS BANK LIMITED.

Head Office: 54 LOMBARD STREET, LONDON, E.C. 3.

AUTHORISED CAPITAL	£20,000,000
ISSUED AND PAID-UP CAPITAL	£15,592,372
RESERVE FUND	£8,250,000
DEPOSITS (31st December, 1920)	£327,788,370

EVERY DESCRIPTION OF BRITISH AND FOREIGN BANKING BUSINESS TRANSACTED.

DRAWING ACCOUNTS are opened on the terms usually adopted by Bankers.

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Over 1,500 Branches in England and Wales.

EXECUTORSHIPS AND TRUSTEESHIPS UNDERTAKEN.

Reliance Fuel Co., Limited.

OUTPUT COMMENCING UNDER FAVOURABLE CONDITIONS.

Efficiently Equipped Property—Works of the Highest Order.

The first ordinary general meeting of this Company was held on February 28 at River Plate House, Finsbury Circus, E.C., Mr. Howard Houlder, D.L., J.P. (Chairman of the Company), presiding.

The Secretary (Mr. W. D. Hutchings) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen, The report of the directors and the balance sheet for the period ended December 31 last are in your hands, and before I move their adoption you will no doubt expect to hear something with regard to the position of the Company in more detail than is given in the report.

As trading has not yet commenced, the balance sheet is in effect a statement of the capital expenditure and other charges connected with the construction of the works and the installation of the plant.

When the Company was formed, in August 1919, the full amount of shares offered was not applied for. In the opinion of the board, however, sufficient was subscribed to enable the undertaking to be proceeded with, more especially because certain of the directors were prepared to assist the Company financially should the necessity arise. For the reasons given in the report the total cost will reach a figure which was not originally contemplated. It will be observed from the balance sheet that on December 31 loans to the extent of £95,000 had been made to the Company, the dirctors having meantime advanced cash, or made themselves responsible for the additional funds necessary to complete the works. The amount of capital expenditure which will be required over and above the present subscribed capital it is proposed to meet by the issue of Debentures on terms which will be duly announced. The directors now think that this course will be preferable to issuing unallotted shares as indicated in the report, although they may yet decide to give the shareholders an opportunity of subscribing for additional Preference shares. (Hear, hear.)

An Independent Wharf.

As mentioned by me at the statutory meeting, the directors had then decided upon the erection of two units in order that the site and lay-out might be utilised to the fullest advantage. Subsequently, after careful consideration, in order that the Company might possess the very best shipping facilities, it was decided to construct a special loading wharf alongside the works. This wharf, in addition to its primary use, will provide space for the reception of about 3,000 tons of fuel prior to shipment—which will be an important factor in giving quick despatch to steamers loading. The fact of the Company having its own independent wharf, fitted with travelling cranes of the latest design, obviating the delays frequently liable to occur at the public dock wharves, owing to pressure there for loading berths, is most advantageous. (Hear, hear.) The special facilities provided in this way should induce preferential treatment in the Company's favour, and, taking into account the economy effected in working and the revenue derived from the payment by steamers of the customary wharfage and craneage charges, the wharf should prove to be a source of additional profit, and a valuable asset to the Company. The estimated total expenditure on the works, including £30,000 for the wharf, will be approximately £400,000.

Constructional Difficulties Overcome.

Needless to say, the directors are disappointed that the amount considerably exceeds the original estimate, and that the delay in construction has been so great; but there has been a combination of adverse conditions during the past eighteen months against which the gods themselves would have fought in vain. There is no object in my repeating what is said in the report in this connection. Everybody knows that calculations in regard to constructional work of all kinds have been falsified, and that since the Armistice increases in wages and shorter hours have gone hand-in-hand with higher costs of materials and manufacture, and lessened production, which, aggravated by strikes, some of a serious character, has caused disastrous delays and enormous additional expenditure. But, notwithstanding all the difficulties with which we have been faced, I am glad to be able to tell you that the outlook is by no means discouraging, as I think you will agree on hearing what the present position is at Llanelly.

You have already learned from the report what difficulties have had to be grappled with and overcome, and I have no hesitation in saying that every credit is due to the contractors and their staff for the way in which they have met the situation. All the members of the board have visited Llanelly, and I myself, in company with two other of my colleagues, again spent the day there last Wednesday, and made a full and careful examination of the Company's property in order that you might receive to-day an account of how matters stand. (Hear, hear.)

An Efficient Property.

We were extremely pleased with what we saw. The lay-out and all the railway sidings are completely finished. The electric power is installed. The four presses for the manufacture of ovoid briquettes are fitted up, and the machinery to work them was in operation, and the output of ovoids actually commenced. As a practical ocular demonstration I would draw your attention to the sample of ovoids in my hand which has been made at our works. There is now nothing to prevent the output proceeding on a commercial basis. (Hear, hear.) The presses for the manufacture of rectangular patent fuel are practically ready, and the outturn of this important section of the Company's product will commence as soon as the coal washing plant is ready, which it is estimated will be the case in a few weeks. One of your directors, Mr. Rees-Jones, of Cardiff, who accompanied me to Llanelly last Wednesday, and who is exceptionally well qualified to give an expert opinion, expressed himself as more than satisfied with the Company's plant and the general lay-out and facilities provided at the works. There can be no doubt whatever that the Company possesses a property which is unsurpassed, and probably unequalled, by any other of a similar character in the country. (Hear, hear.)

Company's Favourable Outlook.

Now, accepting it as a fact that the works are of the highest order and able to meet all competition successfully, it remains for me to say something with regard to the present position and outlook of the trade in which we are engaging. It may appear somewhat paradoxical, but the delay which has taken place in completing the works may prove to be almost a blessing in disguise. As you are aware, the whole position in the coal trade has been a most complicated one in the immediate past, and a crisis is being experienced which in my opinion will lead to a more stabilised condition of the industry. Had we been operating during the past year the bulk of the profits made would have been paid to the Government, and in all probability contracts for our coal supplies would have been made some distance ahead at high prices, which would have acted most detrimentally. Having in mind the probable course of events, leading to a heavy fall in the price of our raw material, the directors have entered into no contracts, except for a limited supply of coal and pitch to enable manufacture to commence.

A Colliery Secured.

In this respect there is reason to believe that the Company occupies a favourable position as compared with other fuel-making undertakings. It must be remembered that we shall be selling a manufactured article, and one which is of an essential character, and, as the selling price is adjusted to the cost of production, fluctuations in the price of coal, which is the raw material, are in a measure unimportant. The general tendency is for the price of the manufactured article not to fall in the same degree as that of the raw material. At the same time it is vital, in a successfully worked fuel business, to have a constant supply of suitable coal at a low cost. It need hardly be stated that if the main supply required at our works can be drawn from the immediate neighbourhood, thus saving cost of haulage, this condition will be fulfilled. I would mention that, having this important factor in mind and being so largely interested in this Company, one of the directors and I, in association with one or two others, during the past year purchased a colliery at Llanelly situated in close proximity to our fuel works. The quality of the coal from this colliery is excellent and well suited for our purpose, and a supply at the lowest market price is thereby ensured. I would further say that this coal will be transported from the colliery to the works over private railway tracks, thus effecting a saving in time and expense. (Hear, hear.)

General Trade Position.

With regard to the trade outlook it is idle to shut one's eyes to the fact that there is a great depression overshadowing all industries at the present time. Speaking as one with a somewhat long experience in business, I hold the view that the present acute situation cannot be indefinitely prolonged. It is a natural law that the reaction after a sudden and rapid fall comes more quickly than after a slow and gradual one. The world is suffering from the aftermath of the greatest war in history, and it was only reasonable to look for great dislocation in trade during the period of reconstruction, although a year or more ago most people lost their sense of proportion and failed to realise what it is now easy to see was inevitably bound to happen. I venture to lay it down as a good principle that it is better to start trading when things are bad than on the top of a wave of prosperity. This may be applied in the case of our business, as we shall make a commencement at a much lower level of prices and the administration costs will be on a more economical basis than could have been the case twelve months ago. The abolition of the excess profits duty and of coal control will bring a generally changed outlook, and will certainly lead in the direction of more careful attention to items of expenditure and the removal of a certain laxity in business methods which was engendered during the War period.

The Labour Situation.

It might not be out of place to say a few words on the question of labour. There is no object in dilating upon the vicious effect of the enormously increased wages, with at the same time a greatly decreased rate of production, in all industries, coal being one of the chief. It is no use merely inveighing against the miners, because there can be no doubt that they have in a great measure been led astray by fanatics, who try to make facts fit in with their theories. Although the export coal trade is at present paralysed, it is not to be supposed that this condition of things will last for long. It is quite clear that the price of coal must further come down, partly through a fall in wages, which will be no hardship, as the cost of living will assuredly come down at the same time. No one wishes the miners or any other section of the community to be underpaid, but as this country is dependent on its overseas trade for supplying the needs of the inhabitants it is obvious that, as coal is the basis of our industries, unless the price of coal is substantially lowered it is impossible for the trade of the country to be maintained and for the population to be supported. There is reason to hope, if not to believe, that those who in the recent past have been living in a fool's paradise are beginning to realise that if people do not work and produce things they cannot have the things necessary to their daily lives, whatever the theorists may be telling them. I feel confident that the sound common-sense of the British people will prevail, and that, although a difficult position has yet to be faced and overcome, reason will assert itself, and the industrial supremacy of the country will be re-established. Taking every factor into consideration, I still hold the firm conviction that the prospects of this Company are favourable and that, despite the delay and the extra cost of construction, the return to the shareholders will prove to be fully up to the original expectations. (Hear, hear.)

Directors' Shareholdings.

From time to time I have observed that the Preference shares of the Company have been dealt in on the Stock Exchange at under par. So far as the members of the board are concerned, they have not sold a single share, but have even added to their holdings. While not wishing to assume any responsibility, I would only say that, in my judgment, those who are in a position to hold their shares should do so.

Before closing, I should like to summarise one or two points which it would be well to bear in mind.

The trade in which the Company is engaging is a basic one, and even though certain industries of what is termed a "luxury" character may suffer a somewhat long period of depression there is no ground for doubting that the demand for fuel will reassert itself, and that, with its admirably situated works, so well equipped with all modern appliances and facilities for rapid output and shipment, the Reliance Company need not fear the future. This undertaking was embarked upon and is being worked by business men who have special knowledge of the fuel and shipping trades, and their faith in the business is evidenced by the great financial interest which they have in it.

The Company is singularly fortunate in having Mr. Herbert Alexander as its general manager. Too much credit cannot be given to him for the energy and skill which he has displayed in meeting and overcoming the very formidable difficulties encountered on many occasions during the construction of the works, and the directors feel assured that his services in the future will be as valuable to the Company as in the past.

I hope you will consider that, speaking on behalf of the board, I have given you a satisfactory account of our stewardship. I would repeat that my confidence in the undertaking is unabated, and I would ask the shareholders to place their "reliance" on the directors. I will now move that the report and balance sheet as presented be received and adopted—(applause)—and I will ask Mr. Herbert Rees-Jones, of Cardiff, who, as I said before, is a man who knows the fuel business from A to Z, to second the resolution. (Cheers.)

Mr. Herbert Rees-Jones seconded the motion.

Reply to a Question.

The General Manager (Mr. Herbert Alexander), in reply to Mr. Jacobs, stated that the intimation in the auditors' report that on completion of the contract adjustments would have to be made for increased costs in accordance with the terms thereof meant that at the time the contract was entered into it was impossible for any contractor to fix a definite amount, and, therefore, a clause was inserted providing that if the cost of materials and labour advanced, the advance was to be added. If, on the other hand, the cost of material and labour went down, there would be a concession. There would be an addition to the original estimated contract price. With regard to the foundations, the contractors were not able at the time to fix a definite price, and the clause was inserted in the contract that, whether the cost of making the foundations was in excess of or below a certain figure, that figure should be taken as the actual cost at the end of the contract.

The Chairman, in reply to a question, stated that the item of loans would be paid off out of the Debenture issue or the issue of further shares, or both, as the case might be.

The resolution was carried unanimously.

The Chairman next moved the re-election of Mr. Rees-Jones as a director.

Mr. W. Holford Dixon seconded the resolution, and it was carried unanimously.

On the motion of Mr. Desmond Forde, seconded by Mr. T. W. Noad, the auditors, Messrs. Richard Rabbidge and Sons, chartered accountants, were re-elected auditors of the Company for the ensuing year.

Mr. Noad then proposed a vote of thanks to the Chairman and directors.

Mr. G. Greensmith seconded the motion, and the vote was unanimously accorded.

The Chairman having briefly acknowledged the compliment, the proceedings terminated.

Mather and Platt.

Booming Trade during a Slump.

It was stated at the annual meeting of the shareholders of Messrs. Mather and Platt, Limited, which was held at the Chartered Accountants' Hall, Spring Gardens, Manchester, on Monday, February 28, that the past year had been the best in the history of the Company. Dividends were declared at the rate of five per cent. per annum, less income tax, on the Preference shares, and at the rate of ten per cent. per annum, free of income tax and less the interim dividend of three per cent. paid in September, on the 1,050,000 old Ordinary shares.

In moving the adoption of the report and balance sheet, the Chairman (Mr L. E. Mather) referred to the death of his father (Sir William Mather), the late Chairman of the Company, saying that it was largely due to his foresight, enthusiasm, and broad-minded outlook that the Company held the strong position in which it found itself to-day. They would see from the report, he proceeded, that 1920 had been the best year in the history of the Company, and would be pleased to know that the increased profit was due to the larger volume of business transacted, and that the percentage of profit on turnover was no greater in 1920 than it was in 1919. The available total was much larger than the previous year, and yet they had considered it wise to recommend the same dividend, and to increase the amount carried forward. He trusted the reasons for this would be accepted as sound and prudent.

Increase of Capital.

First of all, then, the capital of the Company had been increased by 313,660 shares, issued to Ordinary shareholders and employees, and this would absorb a larger amount of the available total in future, as they would rank *pari passu* with the old shares from January 1, 1921. In passing, he said that the issue of shares to their employees had been very much appreciated, and considerably more were applied for than they considered it wise to allot during the first year of this new departure. Secondly, the turnover had been considerably increased, and he could best illustrate this by stating that the tonnage output for the last six months of 1920 was thirty per cent. greater than for the similar period in 1913, the Company's previous record year as regarded tonnage output. He had taken six months only because of the moulders' strike, which had such a serious effect on the first half of 1920. Thirdly, they had made considerable extensions at Park Works, and had had to purchase premises in London for the use of the London and overseas organisation. All these reasons had called for more working capital, with the result that it had been necessary to draw on the bank to a greater extent than ever before. They would have noted that the last call on the new shares would produce £150,000 on March 1.

A Gratifying Outlook.

The stock, the Chairman continued, had been valued at a conservative figure in view of the falling market, and though the country was experiencing a very extensive trade depression, the Company had started the present year with a large order book, and prospects were distinctly good. This would be all the more appreciated when he pointed out that their invoicing figures for January and February were 120 per cent. over those for January and February last year. In other remarks the Chairman said that it was satisfactory to report that while unemployment was so severe Mather and Platt had more men employed now than ever before, and that although there was still unrest in certain quarters of the labour world, the condition in the Company's shops was

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very satisfactory, the output per man being practically up to pre-War standard.

There was, however, a need for greater co-operation among those in industry, for all must surely realise that the artificial conditions of war-time and booming trade were no more, and if we were to hold our own against foreign competition all sections of the community must pull together, and cut out extravagance, waste, and restrictive measures, whether affecting labour, capital, Government, or trade as a whole.

Mr. H. Richardson: Before we depart I think there is one duty we all owe to our Chairman, and that is to propose to him a very hearty vote of thanks for the able manner in which he has conducted the meeting. It has, I think, occupied about twelve minutes. This is very satisfactory to all concerned. Mr. Loris Mather is a man who is following very well in the footsteps of his very esteemed and illustrious father, and I think the results of last year's working show that this Company is in a position that is to be envied by a very large number of engineering firms at the present time. I have much pleasure in proposing a vote of thanks.

Mr. J. W. Madders: I have the greatest possible pleasure in seconding that vote of thanks.

The resolution was carried with acclamation.

The Chairman: I appreciate very much what Mr. Richardson has said on my behalf, and I only hope that we may continue to give you such satisfactory reports for the next year as we have done for the last few years. I think it only shows the satisfactory feeling of the shareholders that there are only a limited number who attend these meetings. The directors all appreciate very much, I am sure, the way in which those who do come allow the proceedings to go through in such a short and expeditious way.

Midland Electric Corporation for Power Distribution, Limited.

Expansion of the Company's Business.

The twenty-third ordinary general meeting of the above Company was held at Liverpool on Monday, February 28, Mr. James Taylor, the Chairman, presiding.

In moving the adoption of the report and accounts for the year ending December 31, the Chairman said that, in spite of the difficulties and anxieties arising from the continued increases in the cost of fuel, wages, and from labour troubles, the profit for the year was larger than that of any previous year, owing to the expansion of the Company's business. The net revenue had amounted to £109,419, an increase of £19,981, and to this had been added the sum of £14,279, being the net carry-forward after settling excess profits duty to the end of 1919. There was thus a sum available of £123,699, which it was proposed to allocate as set out in the directors' report, leaving a balance of £48,198 to be now dealt with. It was proposed to pay a further dividend of six per cent. on the old Ordinary shares, making ten per cent. for the year, and also to pay a dividend equal to ten per cent. per annum on the new shares issued in July last, calculated from the dates of payment. This would leave a balance to carry forward of £36,486, subject to excess profits duty for the year 1920, the amount of which had to be ascertained.

A public utility company such as this must necessarily always be spending fresh capital to meet the demands upon it, and during the year they had expended £80,158, and had commitments of approximately £150.000. It was to meet this that the issue of £130.000 in Ordinary shares of £1 each had been made last July. He thought it would be agreed it was a wise proceeding on the part of the directors to do this when they did, considering the difficulties of raising money to-day.

The Chairman detailed the amounts written off for depreciation, for the expenses of Debenture and share issues, and expenses during construction, and especially called attention to the fact that the Company had no item for goodwill, although, in view of the nature of the Company's business, this must be of considerable value. Reference was made in the report to the delay in the delivery of new plant ordered in March 1919. This had been most unfortunate, as the Company had been unable to connect up many consumers who urgently desired a supply of power. When the new plant was delivered this would be remedied, and all trouble arising from overload and too continuous running should disappear.

Electrical Areas Proposed.

Referring to the division of the country into electrical areas, the Chairman said it was proposed to divide the Midlands into North-West, South-West, and Eastern areas, and the Company's territory had been provisionally fixed by the Electricity Commissioners as partly in the North-Western and partly in the South-Western districts. Objections to the separation of the Company's supply area in this way had been lodged, and the position was being very carefully watched.

Despite bad trade, the demand for electric energy still continued, and the question of ordering further plant was before the directors.

In conclusion he gave figures showing the remarkable growth of the Company's business. For the first few years its progress had been slow, but the position improved considerably about 1911, and the development that had since taken place was shown by the following figures: In 1911 the capital expended was £474,461, the gross revenue was £43,159, the net profits were £2,500, the units sold were 10,264,412, and there was no dividend. In 1920 the capital expended had been £846,828, the gross revenue was £331,518, the net profits were £83,278, the units sold were 38,341,875, and the Ordinary dividend was ten per cent.

He and his co-directors wished to express, and he was sure the shareholders would join, their hearty thanks to Mr. Saies, the Secretary, and Mr. Parkinson, the Chief Engineer, who for the last twenty years had rendered yeoman service to the Company, who did not mind working when trade was bad, and had worked harder when things were more prosperous.

He concluded by moving the adoption of the report and the payment of the dividend as specified.

Mr. G. H. Nisbett seconded the motion, which was carried unanimously.

Mr. Nisbett, the retiring director, was re-elected, and Messrs. Chalmers, Wade and Company were reappointed auditors.

Holborn and Frascati, Limited.

Record Dividend and Bonus Distribution.

The twenty-fifth ordinary general meeting of Holborn and Frascati, Ltd., was held on February 28 at the Restaurant Frascati, W., Mr. Alfred R. Holland (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the gross profit for the past year was £321,038, as compared with £307,091 in the previous year, but he was sorry to say that the whole of that increase had been more than swallowed up by the general expenses, so that their net profit was some £25,000 less than it was during the record year of 1919. Shareholders would not be surprised to learn that the greater part of that increase in expenditure had been caused by higher wages. The rise in wages represented an increase of something like thirty per cent. as compared with the previous year. In addition to wages, they had to provide for the larger sum required for income tax and the new corporation tax.

In addition to these, almost every important article required to carry on their business showed a large increase in cost. Coal, linen, glass, china, electro-plate, and carpets all cost a great deal more, but he hoped they were reaching a period when prices would get easier. Before leaving the profit and loss account he would like to point out that the item interest, which represented the income from the reserve fund, was less owing to bank loan interest charges having been debited to that account.

The New Share Capital.

As regarded the balance sheet, the amount of the Ordinary share capital was increased by the last issue. The amount of Ordinary share capital issued now appeared as £232,000 instead of £150,000, which had previously appeared in the balance sheet, this having been caused by the new issue sanctioned by the shareholders last year. The premium on the shares subscribed of 7*s.* 6*d.* per share appeared as a separate item. As to the workmen's compensation fund of £4,089, he had on many occasions pointed out to the shareholders that this account was annually credited with the premium they would have to pay an outside company to cover the risk, but the board were agreed that when the fund reached £5,000 it might be considered sufficient to meet any reasonable requirements. In regard to the athletic club fund of £8,000, that represented the cost of the ground and the first instalment for laying out and preparing it. This matter had been greatly appreciated by the staff, and he felt sure the directors could confidently recommend the provision of a further £500 to complete the pavilion, &c. The amount of £8,500 in the balance sheet represented the actual cost of their athletic ground situated at Hendon. Referring to the addition to the staff provident fund of £2,500, the Chairman said the directors were of opinion that when the fund reached a total of £10,000 it should be ample to meet all requirements.

On the credit side of the balance sheet the value of the reserve fund investment account was somewhat less owing to the amount written off for depreciation last year. Stocks of wines, spirits, cigars, and provisions, £52,724, was a very large sum, representing an increase of £30,000 over the figures for 1919. The shareholders would have noticed a recommendation in the report to transfer £2,500 to a machinery depreciation account. A large sum had been spent on the upkeep of both the Holborn Restaurant and the Restaurant Frascati, and they were in most excellent condition. The dividend now recommended (applied, with bonus, fifteen per cent. on the increased Ordinary share capital, and was the largest cash distribution ever made by the Company during its twenty-five years' existence.

Mr. Frederick E. Sidney seconded the resolution, which, after some congratulatory remarks by Mr. John Balfour, was carried unanimously.

The Scottish Life Assurance Company, Limited.

Record Business.

The Duke of Atholl, K.T., D.S.O., presided at the annual meeting held on March 1 in Edinburgh, and in moving the adoption of the report said that, at a time when there is so much depression in the business world, it was most gratifying to be able to submit such a successful record of work. During the past year their net new business was £1,085,000, being a record amount. The life premium income was £337,000 net, and here they had another record figure in an increase of £35,500. The claims by death were about £83,000, or only sixty per cent. of the expectation. The interest on the life funds, after deduction of income tax, was also a record figure, being £4 9*s.* 2*d.* per cent. after writing off depreciation in investments. This satisfactory rate would justify the directors, if they thought fit (but they did not), to base their valuation on a rather higher rate of interest than the present three per cent., and would still leave a large margin. The life funds exceeded £3,000,000, being an increase of over £800,000 in the quinquennium.

The quinquennial investigation extended over 1916-20, and embraced nearly three years of warfare, resulting in war claims of over £93,000; it witnessed serious epidemics of influenza, and a further depreciation in investments. The directors had gone very carefully into the various questions connected with the investigation, with a desire to deal equitably with the various interests involved. He congratulated the Company on being able to adopt in its valuation of investments the same principles as those adopted by those conservative institutions the leading British banks. He also congratulated them on the recommendation of a bonus of £1 per cent. per annum for the past quinquennium. During the last two quinquennial periods they knew that, if it had not been for war claims and for depreciation, they would have been able to maintain intact the record of bonus of £2 per cent., and consequently they had the confident hope that, failing further depreciation or other unexpected events, there would be a return at the valuation of 1925 to the two per cent. bonus.

Sir John M. Clark, Bart., Chairman of the board, in seconding, gave details of the valuation of the life assurance contracts and of the investments. The latter had been based on the same principles as those adopted by the leading British banks, popularly known as the "Big Five."

Sir David Paulin, in supporting the motion, said he considered that the Company had adopted the most equitable method in its valuation. It was very satisfactory to know that on the conservative lines adopted by the board their valuation of securities was practically equal to that of a strict market-price valuation, but free from some of its objections.

The report was unanimously adopted, and a dividend of fifteen per cent., less tax, declared.

Underground Electric Railways of London.

Fare Revision—Effect on Revenue.

The yearly meeting of the Underground Electric Railways Company of London, Limited, was held on March 3 at Caxton Hall, Westminster.

The Right Hon. Lord Ashfield presided, and in the course of his speech, in moving the adoption of the report and accounts, said: The year 1920 has been one of progress. The facilities placed, by the group of operating companies in which you are interested, at the disposal of the public have been substantially increased. The car miles worked on the railways have been increased by 7,340,000, the miles worked by motor omnibuses by 11,814,000, and the car miles worked on the tramways by 55,000. The total car mileage of all kinds provided by this group of companies was almost 179,000,000, or over 19,000,000 more than in the previous year. The new rolling stock, ordered as speedily as possible after the conclusion of the Armistice, is being delivered. It is a great advance upon the old. The cars have more and wider doors, to expedite ingress and egress and so raise the average speed of operation. They have more air space in the roof, supporting rods instead of straps, improved lighting, and more convenient seats.

The operating companies own sixty-three miles of railway and work over fifty-two miles more; own or lease 124 miles of tramway and work over twenty miles more; work through 524 miles of streets and roads with motor omnibuses. They represent a vast network of routes and services and cover over three-fourths of the miles of routes worked within the Metropolitan Police district by transport agencies. The number of passengers carried by this group of companies in 1920 was 1,487,000,000, which is more than half the total local passenger movement of the Metropolis. The increase on the previous year is 110,000,000, or eight per cent.

New Level of Fares.

It is the absence of these reasonable rates of fare for nine months of last year which is the real source of the unsatisfactory and disappointing results of the year. Until September 26, 1920, when the new level of fares became generally effective, it is safe to say that the very success of the transport agencies in attracting and creating passenger traffic was a burden to them. Since September 26 the whole situation has been radically changed for the better. In the first three months of 1920 the railways carried 108,000,000 of passengers and earned £982,000, showing an average receipt per passenger of almost 2¼*d.* In the last three months of 1920 they carried 98,000,000 of passengers, or 10,000,000 fewer, but they earned £1,252,000, or £270,000 more, showing an average receipt per passenger of 3*d.* In the corresponding periods the omnibuses carried first 217,000,000 of passengers and earned £1,618,000, showing an average receipt per passenger of about 1¾*d.*, and afterwards 199,000,000 of passengers, or 18,000,000 less, but earned £1,984,000, or £366,000 more, showing an average receipt per passenger of almost 2½*d.* The tramways in the first three months of 1920 carried 51,000,000 passengers for £315,000, an average receipt of 1½*d.* per passenger, and for the last three months of 1920 47,000,000 for £407,000, an average receipt of well over 2*d.* per passenger. These results indicate that the increase in fares now carried through has been accepted by the public, and has unquestionably proved a substantial means for the betterment of the financial position of each of the Companies. They also confirm what I have just said about the true basis of prosperity in London traffic.

These results would be of better augury for the immediate success of the Companies were it not for one fact—the falling-off in traffic which is ensuing upon the depression in trade.

Government and the Railways.

Proceeding, he said: I am not disturbed by the unsatisfactory results of 1920. The causes which produced them have been very largely overcome, and unless the trade depression goes beyond what may be fairly anticipated I expect to be able to present to you much more favourable reports for the year 1921.

There remain two matters upon which, because of their importance, I should say a few words. The Ministry of Transport has still to present to Parliament its scheme for dealing with the railway companies. In so far as this relates to a grouping of local London companies, this Underground Company of ours is an earnest of our acceptance of the principle. Nothing but good can come of it. Other matters which are foreshadowed in the scheme must be left until the scheme is made clear. I feel sure we can all rely on the good sense and fairness of the Government and of Parliament in determining the final settlement.

Then during 1921 negotiations have been reopened with the London County Council, under the auspices of the Ministry of Transport, with a view to seeing whether any agreed settlement of the problem of London traffic can be reached. It would be improper of me to indicate the stage reached in these negotiations, but I am not without hope of some tangible and useful result being forthcoming. I am sure that on your part you would desire a settlement if one could be reached upon a basis acceptable to all interests. The year 1921 promises to be a decisive year for our Companies.

Mr. H. A. Vernet (Deputy-Chairman) seconded the motion, which was carried unanimously.

Spencer, Turner and Boldero, Ltd.

The Slump—Signs of Improvement.

The twenty-seventh annual general meeting of Spencer, Turner and Boldero, Limited, was held on March 3 at Lisson Grove, N.W. Mr. Henry John Turner (Managing Director), who presided, said that the balance sheet presented was a good and strong one. Since the closing of the books on January 15 they had completed the purchase of the freehold of the three island blocks on which the Company's warehouses stood, thus providing ample room for expansion when the opportunity presented itself. The net profit for the year was £60,855, and with the amount brought forward there was an available total of £105,501. The directors had paid an interim dividend at the rate of seven per cent. per annum, and recommended a final dividend at the rate of fifteen per cent. per annum on the Ordinary shares (including the bonus issue).

To forecast the coming year's trade was an extremely difficult task under existing conditions. Up to the present

FRANCE, our Ally, is now offering us at a MODERATE price

GOLDEN  GUINEA

THE FINEST SPARKLING MUSCATEL

Golden Guinea is superior to many of the finest Vintage Champagnes and obtainable at half the cost.
From all leading Wine Merchants.

time trade had not been as good as they could wish. This state of affairs had not been altogether unexpected, but it came with terrible swiftness, and there were some who believed it would pass with equal suddenness. There were certainly signs of improvement. They wanted the trade to gain confidence and see that it was to their interest to buy goods which would be in demand, rather than to attempt the enforced distribution of "slump" goods which the collapse of the shipping trade had thrown on the market. There were many differences of opinion on the part of commercial men with regard to economic questions and as to the effect of existing conditions on interests they represented.

In the case of this Company the issues were rather simple, being confined practically to the state of affairs in our own country. Their shipping interests were not large, so that peace at home, the happy adjustment of conflicting labour interests, and a return to the qualities of prudence, commonsense, and fair play, which were the heritage of our race, would do much to produce the more normal condition of affairs which they and so many who were similarly situated earnestly desired. Nothing would be left undone on the part of the directors, who were supported by an excellent staff, to ensure the continued progress and prosperity of this old-established and well-known business. (Applause.)

The report and accounts were unanimously adopted, and the dividends recommended were declared.

The Exploration Company, Ltd.

Sound Financial Position.

THE annual general meeting of this Company was held on March 4 at the Cannon Street Hotel, E.C., Mr. R. T. Bayliss (Chairman and Managing Director) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the gross trading profit of £74,599 fell short of that for the preceding year by about £30,000. Considering the conditions which had prevailed, he thought they might be satisfied with this result. Having established a sound financial position, the board desired to maintain it, and therefore, as in the past few years, it was proposed to restrict the dividend to the amount earned during the year, and to pay 10 per cent., or 1*s.* per share, free of income tax, leaving £87,046 to be carried forward. At the end of the year they had in cash, Treasury bills, National War and Exchequer Bonds, taken at market price, roundly £240,000, or the equivalent of 6*s.* 3*d.* per share on the Company's capital. The past year was not one in which a Company like this could expect to make large profits unless it was prepared to take uncommercial risks, and this, as custodians of the shareholders' money, the directors were not disposed to do. He was far from suggesting that by reason of present difficulties one must take a pessimistic view of the future. With the exception of gold, and in some cases silver, the present prices of some of the other metals must be approaching, if they had not already reached, the cost of production, and one was therefore compelled to the conclusion that this situation could not continue for any prolonged period. One of two things must happen: labour, which also meant cost of everything else, must come down, or the prices of metals must go up. He thought it was more likely to be the former than the latter.

Conditions in Mexico.

Reviewing the conditions in Mexico, he said that the country had suffered a severe blow and loss of revenue from the precipitous fall in the price of silver and the reduced output of this metal, together with that of gold, copper, and lead. That, however, was completely offset by its increased revenue from oil. In regard to silver, the fall in price was not altogether an unmixed evil, for it had involved a complete readjustment of the labour situation, which was getting quite out of hand. Many mines, particularly those of low grade, were closed down. Notwithstanding the present price of silver and the base metals, he regarded the outlook for mining in Mexico to-day as better than it had been for the past 10 years. With the tremendous revenue the Government was now enjoying from exports of oil, which he confidently believed would be largely increased in the future, the country was capable of being quickly re-established on a stable financial basis. He was therefore encouraged to increase the Company's interests in Mexican mines as and when good mines were brought to the attention of the directors, provided they could be acquired at reasonable prices, having regard to the post-War conditions that prevailed.

Subsidiary Companies in Mexico.

Dealing with their subsidiary companies in Mexico, he remarked that the El Oro Company completed in June last one of the most successful years in its history, marred only by the excessive burden of taxation imposed on it. That was one of the disabilities affecting the operations of many mines abroad operated and controlled by companies and persons domiciled in England. To impose a combined income and corporation tax of 7*s.* in the pound on the net profits of a mine without granting rebate or relief by reason of its being a wasting property seemed to lack justification even as a war measure. In the United States the authorities admitted that mines were wasting properties and taxed them as such. The El Oro Mine had many years of productive life in front of it, and he hoped it might gain some relief from this excessive and unjust burden. The Suchi Timber Company, of which they owned a substantial portion of the capital, had been very prosperous, but had likewise been the victim of income tax and of excess profits duty. The Buena Tierra Mine in the north was still unproductive, but the outlook was better than it was a year ago. The Santa Rosa was still closed down, but he hoped that during the year they would be able to recommence work. He was unable to announce that the board had any important new business in contemplation. The abnormal risks attaching to almost any investment at present called for great caution, but there would probably be opportunities of making money during the year that were not very apparent to-day. Such chances often came unawares, and the shareholders might rely on the directors being alert to embrace them when they appeared.

Mr. J. H. M. Shaw seconded the motion, which was unanimously carried.

ENGLISH SEWING COTTON COMPANY, LIMITED, MANCHESTER.

NOTICE IS HEREBY GIVEN that the Transfer Books of the Preference Shares of the above Company will be Closed from the 15th to 30th instant inclusive, for the preparation of Dividend Warrants.

A. F. BAYNES,
Secretary.

8th March, 1921.

LONDON ELECTRIC WIRE COMPANY AND SMITHS LIMITED.

NOTICE IS HEREBY GIVEN that the Share Registers and Transfer Books will be Closed from Thursday, March 3rd, to Saturday, March 12th, both days inclusive.

By Order,
W. J. TERRY,
Secretary.

7 Playhouse Yard, London, E.C. 1,
2nd March, 1921.

CITY OF CALGARY FOUR-AND-A-HALF PER CENT. DEBENTURES.

The City of Calgary announces that the Coupons falling due 1st April, 1921, on the above-mentioned Debentures may be presented, on and after the 14th March, 1921, between the hours of 10 and 2 o'clock (Saturdays excepted), at the Bank of Montreal, 47 Threadneedle Street, E.C. 2. Three clear days required for examination. Lists may be obtained on application at the Bank.

The National Bank of Scotland Limited

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT. ESTABLISHED 1825.

Capital Subscribed, £5,000,000.
Paid up, £1,100,000. Uncalled, £3,900,000.
RESERVE FUND, £1,000,000.

Head Office—EDINBURGH.

WILLIAM CARNEGIE, General Manager. GEORGE A. HUNTER, Secretary.

London Office—37 NICHOLAS LANE, LOMBARD STREET, E.C. 4.

T. C. RIDDELL, Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the Collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.

There is a specially equipped Foreign Department at the principal Glasgow Office.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

BANK OF MONTREAL

Established in 1817.
Paid-up Capital $22,000,000.
Rest, $22,000,000
Undivided Profits, $1,251,850.
Total Assets (30th Oct., 1920), $560,150,812.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., Wilson McMaster, Esq., Lt.-Col. Herbert Molson, C.M.G., M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq., K.C., General Sir Arthur Currie, G.C.M.G., K.C.B., Hon. Sir Lomer Gouin, K.C.M.G.

Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago, San Francisco and Spokane in the United States, and at Mexico City.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.
PARIS AGENCY: BANK OF MONTREAL (FRANCE)
17 Place Vendome, Paris.
London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico, and France.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C.3

Authorised Capital	£2,000,000
Called-up Capital	£1,000,000
Reserve Fund	£225,000
Reserved Liability of Shareholders ..	£1,000,000

BRANCHES.
AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, HILLAH, MOSUL, BOMBAY, CALCUTTA, COLOMBO.

BOARD OF DIRECTORS.
Chairman.
The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T.
Deputy-Chairman.
J. S. HASKELL, ESQ.
SIR J. LEIGH-WOOD, K.B.E., C.B., C.M.G.
G. BROOMLEY-MARTIN, ESQ.
JAMES H. BATTY, ESQ.
EMILE FRANCQUI, ESQ.
MEYER SASSOON, ESQ.

The Bank issues Drafts, Telegraphic Transfers, and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East. Deposits are received for one year at 6 per cent. per annum and for shorter periods at rates which can be ascertained on application. On Current Accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

BANQUE NATIONALE DE CREDIT.

CAPITAL	Frs. 500,000,000
RESERVE FUND	„ 90,000,000
DEPOSITS	„ 2,400,000,000

Head Office:
— PARIS. —

300 Branches in France.

4 Branches in the Rhenish Provinces.

GENERAL BANKING BUSINESS.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C. 2.

Paid-up Capital	£4,931,100
Reserve Fund	3,350,000
Reserve Liability of Proprietors	4,931,100
	£13,212,200
Aggregate Assets, 30th Sept., 1920	£72,467,795

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers, Negotiates and Collects Bills of Exchange, Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELLORS,
Acting Manager.

NATIONAL BANK OF NEW ZEALAND, LIMITED.

HEAD OFFICE 17 Moorgate Street, E.C. 2.
AUTHORISED CAPITAL ... £[illegible]
SUBSCRIBED CAPITAL ... £[illegible]
PAID-UP CAPITAL ... ... £1[illegible]
RESERVE FUND ... ... £1[illegible]
UNCALLED CAPITAL ... ... £[illegible]

Deposits by Drafts of £5 and upwards for 1, 2 or 3 years at rates to be ascertained on application.

Drafts, Letters of Credit and Wire Remittances granted, and Bills on New Zealand purchased or sent for collection.

ARTHUR WILLIS,
Secretary & London Manager.

THE MERCANTILE BANK OF INDIA, LTD.

Head Office: 15 Gracechurch St., London, E.C.3

Capital Authorised...	£3,000,000
Capital Paid up	1,050,000
Reserve Fund & Undivided Profits	1,146,430

Branches:
INDIA, BURMAH, CEYLON, STRAITS SETTLEMENTS, CHINA, AND PORT LOUIS, MAURITIUS.

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and transacts Banking and Agency Business in connection with the East on terms to be had on application.

Fixed Deposit Rates will be quoted upon application.

On current accounts interest is allowed at per cent. per annum on daily balances.

THE BANK OF ADELAIDE.

Incorporated by Act of Parliament, 1865.

Paid-up Capital	£625,000
Reserve Fund	600,000
	£1,225,000
Reserve Liability of Proprietors...	625,000
	£1,850,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.
Sydney Office: 105 PITT STREET.
Melbourne Office: 267 COLLINS STREET.
Bills on Australasia purchased or collected.
Drafts issued and **Remittances** cabled.
Deposits received for fixed periods at rates to be ascertained on application.
London Office—11 LEADENHALL ST., E.C.3.
PERCY ARNOLD, O.B.E., *Manager.*

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID	...$3,000,000.00
SHAREHOLDERS' LIABILITY	$3,000,000.00
SURPLUS AND PROFIT	...$7,500,000.00

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travelers' Cheques
available throughout the World.
Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States.
Correspondence Solicited.

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LONDON JOINT CITY & MIDLAND BANK, LIMITED.
LLOYDS BANK LIMITED
Cable Address—"FOURBANK."

NATIONAL BANK OF INDIA, LIMITED.

Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE:
26 BISHOPSGATE, LONDON, E.C. 2.

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Calcutta	Cochin	S. India	Zanzibar
Bombay	Chittagong	Mombasa	Kenya Colony
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	British E.A.
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point		
Amritsar	Colombo	Entebbe	Uganda
Delhi	Kandy	Kampala	
Futicorin	Nowera Eliya	Jinja	
Dar-es-Salaam			Tanganyika Territory.
Tanga			

SUBSCRIBED CAPITAL	£4,000,000
PAID-UP CAPITAL	£[illegible]
RESERVE FUNDS	£2,[illegible]

LONDON BANKERS—Bank of England, National Provincial and Union Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £[illegible] interest is allowed on the minimum monthly balance at the rate of [illegible] per cent. per annum.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869.

Capital Paid up	$19,000,000
Reserve Funds	$19,000,000
Total Assets	$584,000,000

Head Office—MONTREAL.

Sir HERBERT S. HOLT, *President.* E. L. PEASE, *Vice President & Managing Director.* C. E. NEILL, *General Manager.*

700 Branches in Canada and Newfoundland; in Cuba, Porto Rico, Dominican Republic, Haiti, Guadeloupe, Martinique, Costa Rica, Venezuela, and Colombia.

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URUGUAY	Montevideo. Sao Paulo.
BARCELONA, SPAIN ...	Plaza de Cataluna 6.
NEW YORK AGENCY ...	68 William Street
LONDON OFFICE ...	Princes Street, E.C. 2.

FRENCH AUXILIARY.
THE ROYAL BANK OF CANADA (FRANCE).
PARIS—38 Rue du Quatre Septembre

THE UNION DISCOUNT COMPANY OF LONDON, LIMITED.

Telegrams: "Udisco, London." 39 CORNHILL, LONDON, E.C. 3. *Telephones:* 514 Avenue (3 lines).

Capital Authorised and Subscribed	£2,000,000
Capital Paid up - - - - -	£1,000,000
Reserve Fund - - - - - -	£1,000,000

Rates of Interest allowed for Money on Deposit.

At Call - - - - 5%
At 7 and 14 days' notice - 5¼%

Terms for longer periods can be ascertained on application to the Company.

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7 ROYAL EXCHANGE, LONDON, E.C.3.

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FIRE. MARINE.

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LIFE. ACCIDENT.

All classes of Insurance.

Third Century of Active Business.

THE **OCEAN** Accident and Guarantee Corporation, Limited.

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E. ROGER OWEN, *Chairman*, Brig.-General ARTHUR M. ASQUITH, D.S.O., JEREMIAH COLMAN, Esq., J.P., The Right Hon. the EARL OF DUNMORE, V.C., RICHARD J. PAULL, Esq., The Hon. JASPER RIDLEY, Sir CLARENCE SMITH, J.P.
W. SINGLETON HOOPER, *Manager and Secretary.*

Assets - - £6,642,000
Claims paid - £21,500,000

Accident and Illness Insurance. Employers' Liability. Fidelity Guarantees. Fire and Burglary. Motor Cars. Public Liability. Inspection and Insurance of Boilers, Engines, Electrical Plant and Lifts. Executorships and Trusteeships.

Head Office: MOORGATE STREET, LONDON, E.C. 2.

BRITANNIC ASSURANCE COMPANY, Ltd.

Life and Endowment Assurance business in all branches.

Annual Income..£2,300,000 Total Funds..£5,900,000
Total Claims Paid .. £14,800,000

Chief Offices: Broad Street Corner, Birmingham.

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1920,

Annual Income Exceeds - - £6,300,000
Assets Exceed - - - - £19,000,000
Claims Paid Exceed - - - £32,000,000

IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

THE STATIST,
51 Cannon Street, London, E.C. 4.

Telegrams: "Statist Cent. London." *Telephone: City 5258-5259.*

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The Statist.

LONDON, SATURDAY, MARCH 12, 1921.

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The Money Market.

Friday, March 11, 1921.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Treasury Bills	—	6	—	—	6
Bank Bills ...	6½	6¼	6¼	6-6½	—
Trade Bills ...	—	7-7¼	7¼-½	7¼	—

MONETARY CONDITIONS HERE AND IN THE UNITED STATES.

It is well known to all in touch with the situation that present monetary conditions both here and in the United States are fundamentally different to those obtaining a year ago. Partly as a result of the policy of credit restriction pursued in both countries during the year the price-level has fallen severely since a year ago, speculation requiring borrowed money has been eliminated, and also, unfortunately, trade activity has been greatly curtailed, so that the more permanent factors in the demand for money justify a smaller volume of credits as compared with twelve months ago. With us at present Money-market conditions may, indeed, be described as stringent, but this is purely a passing phase due to the magnitude of the revenue collections, and after the end of the financial year, now less than three weeks distant, it is probable that, despite any influence the preparation of monthly balance sheets may have, monetary conditions will be easier than they have been during the current quarter, and easier also than they were after the end of March last year.

It is lawful to assume, then, that unless a rapid trade revival takes place Money-market conditions will have so changed after the turn of the quarter as to warrant lower rates generally, and it is probably this consideration that gave the Chancellor the final impetus towards reducing the Treasury Bill rate from six and a-half per cent. to six per cent., as announced in the House of Commons on Thursday night. It was known for some time that the Government was getting restive under the necessity of having to pay six and a-half per cent. on the huge amount of Treasury bills outstanding, and was in favour of a reduction of the Bank rate in order to effect a saving in this item. Some of the joint-stock banks, also, as well as the business community in general, were anxious for a reduction of the official discount rate, but the Court of Directors of the Bank apparently did not favour a change. It may be remembered that the Government was partly responsible for the raising of the Bank rate from six per cent. to seven per cent. in April last; the Treasury Bill rate was raised from five and a-half per cent. to six and a-half per cent. on April 14, the Bank rate being raised on the following day. It does not follow now, of course, that the Bank rate will be reduced following the reduction in the Treasury Bill rate; the matter rests with the Bank, but it is unlikely that the present official rate will be persisted in, seeing that the discount rate for Treasury bills forms the real effective minimum. The smallness of the change made in the latter is probably the outcome of a compromise between the Government and the Bank, but it will effect a saving of about £6½ million per annum on the interest service of Floating Debt, and will also reduce automatically later on the rate of interest paid on the ever-increasing issue of Treasury bonds. These will form its chief effects as regards the national finances; in the Stock Exchange it will give strength to fixed-interest-bearing securities, and in the Money market it will pave the way for lower rates generally. It will be interesting to observe whether the market rate will be reduced quickly in conformity with the lower Treasury bill rate, or whether the deficiency in Treasury bill sales, customary in recent weeks, will attain larger dimensions. The latter event would be of much less consequence to the Government at present than it would have been before the commencement of the current quarter; revenue at present is on a very large scale—sufficient, at all events, to allow of a considerable reduction of debt each week after meeting the ordinary demands on the Exchequer—and even if the volume of Treasury bills allowed to run off shows a substantial increase it would occasion little inconvenience to the Exchequer. It would, in fact, be in accordance with the present policy of the Government, which is to reduce the floating debt as far as possible before the end of the financial year. After the turn of the quarter it is probable that other rates will be scaled down generally in accordance with the reduction in the Treasury bill rate, and consequently the position of the Treasury bill will undergo very little change from the point of view of the joint-stock banks and the general public.

But, after all, this question of cheaper money or of the Bank's attitude in regard to the official discount rate leave untouched the broader issue which must form the prime consideration at the present time—namely, whether a change in our financial policy is pending. At present the policy is the same as that inaugurated early last year by the Government and the banks; it has for its object the prevention of inflation by refusing to create credits for purely speculative purposes, and it also aims at the reduction of prices, and with them the volume of credit and currency in circulation, to a level that will allow of a restoration of the gold standard, and so pave the way for getting back our former position in international finance. That this policy is going to be changed we do not think the reduction in the Treasury bill rate to be a sufficient indication; though money may become cheaper, it is improbable that it will become very plentiful, or that, in other words, fresh credits will be created on a large scale. The course of events in this country and in the United States has been so closely similar ever since the end of 1919 that it is probable that the policy pursued by the authorities in both countries was the result of a common agreement. If this is the case, we should be disinclined to look for any fundamental change in the policy pursued by the Bank of England unless a similar change had previously been made by the Federal Reserve Board of the United States.

In this connection it will be of interest to review the present banking position in the United States. We need hardly remind our readers that last year provided for the Federal Reserve system a more severe test than any it had to withstand since its inception—a test, however, that it withstood successfully. It may be taken that at present the crisis is passed, though not the necessity for that caution which characterised the action of the Federal Reserve Board during the past twelve months. The following tables afford a comparison of the present position with that obtaining at the beginning of the year, as well as twelve months ago, both for the United States Federal Reserve Banks and the New York Clearing Banks:—

Twelve U.S. Federal Reserve Banks.
(Millions of dollars.)

	Mar. 4, 1921	Dec. 31, 1920	Mar. 5, 1920	+ or — Mar. 4,'21 on Dec. 31, 1920	+ or — Mar. 4,'21 on Mar. 5, 1920
Total Gold Reserves ...	2,163·1	2,059·3	1,937·1	+103·8	+226·0
Total Reserves ...	2,375·8	2,249·2	2,054·6	+126·6	+321·2
Reserve Ratio*	2,341·5	2,719·1	2,408·7	—377·6	— 67·2
Total Bill Holdings ...	2,505·5	2,874·8	2,922·5	—369·3	—417·0
Deposits* ...	1,579·9	1,576·6	1,792·4	+ 3·3	—212·5
F.R. Note Circulation ...	3,042·6	3,344·7	3,030·0	—302·1	+ 12·6
Reserve Ratio†	50·8%	45·4%	42·6%	+ 5·4	+ 8·2

* Excluding U.S. Government deposits.
† i.e., ratio of total reserves to the combined net deposit and Federal Reserve note liabilities.

New York City Banks and Trust Companies associated with the New York Clearing House.
(Millions of dollars.)

	Week Ending— Mar 5, 1921	Jan 31, 1921	Mar. 6, 1920	+ or — Mar. 5,'21 on Jan. 1, 1921	+ or — Mar. 5,'21 on Mar. 6, 1920
Aggregate Reserve ...	514·4	545·9	564·9	— 31·5	— 49·6
Excess Reserve ...	13·6	19·1	20·2	— 5·5	— 6·6
Net Demand Deposits ...	3,780·4	3,974·4	4,092·6	—194·0	—312·2
Loans, Discounts, Investments, &c. ...	4,985·2	5,262·0	5,094·5	—276·8	—109·3

It will be noticed that, in general, the position of the Federal Reserve Banks shows a considerable improvement as compared with the beginning of the year, while that of the New York Associated Banks has grown weaker. This may be explained in general by the fact that since January last there has been a persistent drifting of funds from New York to interior centres, and independently of this the strength of the Federal Reserve System has been increased by large purchases of gold in the London market. On examining the figures in detail it will be observed that for the

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Federal Reserve System the reserves have been much strengthened since a year ago, while liabilities and the volume of credit operations show a considerable reduction. Since the beginning of the year these features have become more marked. The large decline that has taken place in the volume of rediscounts for member banks, as well as of open-market purchases of the bills, will be noticed especially, as well as the remarkably rapid contraction in the note circulation since the beginning of the year. A year ago the reserve ratio of the combined Federal Reserve Banks was fluctuating around about a level lower than any previously obtaining in the history of the Federal Reserve System, but at the present time the proportion of reserve to liabilities is at a level that should remove from the authorities any further anxiety on this score. The net result of the changes that have occurred is that the Federal Reserve System has now a very large margin for fresh extensions of credit if it should determine to do so. It may be noted that the leading aspects of the changes in the Federal Reserve Banks' position have also featured in the statements of the New York Banks with the exception, already noted, that both the aggregate and excess reserves have declined. Our own banking position has changed since the commencement of the year in the same direction as the Federal Reserve System. But before any conclusions can be drawn as to whether our policy for the future ought to conform with that adopted by the authorities in the United States, it must be remembered that conditions here differ in some very important respects from those ruling on the other side of the Atlantic. In the United States the price-level is only between thirty and forty per cent. above the pre-War level of prices, whereas the increase here as compared with pre-War days is still over 100 per cent. Besides this, the gold standard is effective in the United States, whereas we are still very far from being able to re-establish convertibility of the paper money. The Federal Reserve Board, despite the improved banking position, has made no reduction in rediscount rates, nor has it declared itself ready to adopt a more liberal credit policy. It it quite possible, however, that an altered policy may be now inaugurated in order to help trade out of the present depression, and, should this be the case, a similar change would probably be made here. In view of the fundamental differences in the financial position of the two countries, already noted, such a change on our part would only be for a short while, and it may be taken for granted that, however events may develop in the United States, or whatever changes may come over the London Money market, as regards the broader outlook our financial policy for a number of years to come will be in the direction of continued restriction.

The announcement regarding the lowering of the Treasury Bill rate and the issue of twelve months' bills in addition to the three months' bills did not of course affect the market until to-day, when it came as a surprise. Day-to-day money, however, as well as weekly fixtures showed little change, as, of course, the banks could not immediately reduce deposit rates. Quotations in the Bill market showed a decline. Three months' bills were quoted 6⅛-6¼ per cent., as against 6⅜-6½. Sixty days' paper was dealt in at as low as 6¼-6⅜. For longer maturities rates were similarly reduced, six months' bills being quoted down to 5¾ per cent., while for four months' maturities the range of rates was 6¼-6¼ per cent., as against 6⅜-6½.

Foreign Exchanges. Not unsatisfactory were the movements during the week in the Foreign Exchange market; they tended in the direction of an improved value for sterling, though they included adverse movements in most of the "neutral" exchanges. Movements, however, were not very violent, and the changes to be noted were generally of little importance. The New York rate at one time displayed weakness, but yesterday and to-day it recovered fully and shows even a slight improvement on the week at to-day's quotation of 3.91¾. French and Belgian francs became cheaper, weakness being especially marked in the latter; lire in contrast showed a firmer tendency; German marks also disimproved. South American rates were steady. The Eastern group was on the whole inactive, but both Shanghai taels and Indian rupees show a minor recession in value. As already mentioned, movements in the "neutral" rates were adverse. Two exceptions, however, were the Christiania and Copenhagen rates, though the improvement in these was of very moderate dimensions.

Income and Expenditure. The interest disbursements of the beginning of the month, amounting to over £19 million, did not greatly affect the National Accounts for the week, and the latest return, for the period ending on the 5th inst., is not unsatisfactory, though it shows that £16,250,000 was borrowed from the Bank during the week under Ways and Means. Revenue was £1,306,177 higher at £51,707,778, and expenditure was £40,293,738, leaving a surplus revenue of £11,414,040, as compared with £31,716,750 for the preceding week. With the exception of £20,590,000 for Treasury bills not renewed other Exchequer issues were not large, the chief items being £1,926,692, against securities surrendered for excess profits duty, £1,548,653 for foreign debt retirement, and £1,000,000 for the Depreciation Fund. As already indicated this involved fresh borrowing on Ways and Means; but the net amount borrowed was not the sum above given for advances by the Bank but £10,504,000, for the liability to Public Departments was reduced by £5,746,000. The total floating debt shows a decline of £10,086,000 on the week. Last Saturday's figure, £1,289,335,000, is £22,870,000 below that for the commencement of the financial year, though £47,243,000 above the amount returned on March 6, 1920.

Currency Notes. The circulation of currency notes shows an increase of £638,615 on the 9th inst. as compared with a week previously, the amount outstanding being £335,608,319. Fresh issues, however, were smaller than on the preceding week, at £7,483,530, and the increase in the circulation was due to a smaller volume of cancellations, returns from circulation being less than for any week since the commencement of the year.

Bank of England. The changes shown in the Bank return for the week ending on Wednesday last are on an unusually small scale. The most important, perhaps, is a decline of £9,273,000 to £115,196,000 in private balances. A repayment of some of last week's borrowing on Ways and Means is indicated by a contraction of £5,240,000 in Government securities. The note circulation fell by £825,000 to £128,474,000. The amount of the reserve rose from £17,477,000 to £18,299,000, and the reserve ratio accordingly is at 13.8 per cent., as against 12.2 per cent. a week previously.

Bullion. All available supplies in the Gold market were again taken for New York. The Silver market was again very active and prices fluctuated rapidly. Speculation was, however, the prime factor, the only real support coming from the Indian Bazaars. As Indian orders were again for immediate shipment the premium on spot was maintained. The price, on the whole, shows a moderate fall as compared with a week ago. The following are the quotations for gold and silver since the 4th inst.:—

	Mar. 5	Mar. 7	Mar. 8	Mar. 9	Mar. 10	Mar. 11	Average
Silver (per oz. std. ·925 fine :—							
Spot ...	34⅞d.	34¾d.	34¾d.	34⅝d.	34⅝d.	34⅝d	34 [illegible]d.
Forward ...	34⅞d.	34¾d.	34⅝d.	34⅝d.	34⅝d.	34d.	34 [illegible]d.
Gold (per oz. fine) --	104s.	104s.	104s.	104s.	104s.	104s.	104s.

B

Stock Exchange.

THE indemnity crux, the coal riddle, and the discouraging Board of Trade returns notwithstanding, Stock markets assumed on the whole a much brighter tone during the past week than has been the case for some time. Quotations for Home Rails displayed a buoyancy quite foreign to this department, but at no time was there any evidence of permanence in the upward movement. The actual amount of public business passing was quite small, but catching the market short of supplies, a moderate demand was sufficient to lever up prices. It will be remembered that a similar movement took place at the turn of the year, only to be followed by a relapse on renewed liquidation. The future course is largely dependent on the necessity or otherwise of further compulsory selling. There are signs that forced liquidation has ceased for some time at any rate, and the restoration of confidence to apprehensive holders has effectually dammed the flood of voluntary sales. It is more than probable that the reduction of the Treasury bill rate from six and a-half to six per cent. will assist the prior charge securities of the railways. On Friday, when the reduction had become known to the House, Gilt-edge securities were marked up all round, and the firmer tone in this section reflected itself immediately in the other departments. The breakdown of the Conference with the German delegates and the Allied march beyond the Rhine were not important influences, largely because of the difficulty in estimating the consequences. General satisfaction was expressed at the adoption at last of a definite line of action, but the imposition of the fifty per cent. export duty was regarded as a mixed blessing. On general principles anything that interferes with the course of international trade, particularly in its present feeble condition, cannot be applauded. The attitude of the German Government towards the duty is a vital factor, of course, and news as to its policy will be awaited with anxiety in many quarters.

The Gilt-edge department commenced the week with no particular tendency, but on Tuesday a slight all-round drop ensued on the news of the Allies' indemnity decisions. Appreciations were frequent on the following days, and all items finished higher on balance, the course at the close being still upward on the news of the reduction in the Treasury bill rate. The results of the Sudan loan, coming on the heels of the San Paulo success, were rather disappointing. Over eighty per cent. was left with the underwriters, and as a consequence quotations started at a discount which at one time was as low as 1½. County and Corporation and Colonial securities were quiet.

Among Foreign bonds business did not assume large proportions. The success of the San Paulo loan improved the tone of Brazilian descriptions generally, but a reaction later scaled down prices again. Russian varieties were marked up on the reported successes of the counter-revolutionaries. Spanish issues were not affected by the assassination of Senor Dato. Foreign Rails did not develop much activity, but Argentine stocks continued firm throughout.

The Industrial market did not attract much more business than usual, but, being pervaded by a more cheerful atmosphere, advances were numerous. The fifty per cent. duty on German exports was considered a "bull" point for textiles, which improved accordingly. Among Iron and Steel shares frequent appreciations were also recorded, though purchases were not heavy.

Oils opened in a dull mood, business being hardly sufficient to test quotations. The general mid-week *volte face* in sentiment, however, was quickly reflected here, and though operations were mainly confined to professional interests, a marked recovery in prices was noticeable. Shells and Mexican Eagles lead the market, and towards the close a marked all-round improvement was in evidence.

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Mining Topics.

RAND GOLD OUTPUTS IN FEBRUARY.

NORMALLY speaking, one does not expect that the February returns of the gold-mines can compare favourably with those of January, owing to the shorter working time available. On this occasion, however, it was early evident that in many cases the discrepancy would be more marked than usual. The strike which broke out on Consolidated Langlaagte towards the end of January spread rapidly to many of the Rand producers, with the result that eight days, and in several cases more, were lost before work was resumed. This compulsory decline in the quantity of gold produced had an unfortunate counterpart in the steady fall in the value of gold according as the New York rate improved during the month. Fluctuations, it is true, were not very wide; but, on the other hand, if the price did not fall below 104*s*. 7*d*., neither did it rise above 107*s*. 2*d*. Consequently, noticing the persistent tendency towards a lower level, the mines valued their output at a price varying from 103*s*. 8*d*. to 103*s*. 9*d*., whereas in January the price selected was 105s. However, this reduction in the price, coinciding with an unusually short working period, resulted in the appearance of a series of distinctly unfavourable returns.

The Johnnies group suffered heavily from this unjustifiable strike. The effect was naturally most pronounced in the case of Consolidated Langlaagte, on which the trouble first originated. The mill ran for seven days only, the quantity of ore treated amounting to 14,300 tons, as against 38,000 tons in January. Accordingly, instead of a profit of £14,522, there is recorded a loss of £3,590. With the exception of New Primrose, in whose case the quantity of ore milled rose from 19,500 to 20,300 tons, every other member registered a lower tonnage. This is reflected in a series of profits smaller in every case than those earned in January. Government Areas is credited with £105,074, as compared with £137,390, and Van Ryn Deep with £68,617 instead of £76,167. For the whole group the ore treated fell from 438,100 to 358,300 tons, and the estimated profit from £269,638 to £187,423.

The experience of the producers in the Rand Mines coterie was scarcely less happy. Here the unit of value was 103*s*. 6*d*., whereas the Johnnies group selected 103*s*. 9*d*. Eight mines, including that staunch old producer Crown Mines, lost eight days each owing to the strike. Every member of the group has treated less ore than in January, the decline being very marked in the case of the mines influenced by the strike. Thus City Deep milled 52,500 tons, as compared with 83,500 tons, and Crown Mines reduced its tonnage from 185,000 to 124,000 tons. Modder B, Modder East, and New Modder, being immune from this disturbance, register falls explained naturally

by the shortness of the month. But it is on the financial side that the full effect of the strike and of the lower value of the output per unit is indelibly imprinted. In no less than seven cases losses are returned. The heaviest loss is experienced by Consolidated Main Reef, with a total of £8,543, whereas in January there was earned a profit of £7,534. This is one of the eight mines hit by the strike. Geldenhuis Deep increases its January loss of £1,268 to £6,074. Robinson Gold Mining, again a victim of the strike, replaces a profit of £3,580 with a loss of £2,934. In the case of Knight Central, however, the increase in the loss from £367 to £2,113 is attributed mainly to the expenditure involved by repairs at east incline shaft after the accident. Of the eight members returning a profit on the working of the month, in only one case is there any increase. This distinction belongs to Village Deep, whose profit of £8,994 compares with £1,644 in January, although the tonnage crushed fell from 47,700 to 43,300 tons. The explanation resides, however, in the higher grade of the ore utilised. New Modder still retains premier place, but its profit falls from £122,265 to £100,639. Modder B returns £62,347 instead of £67,030. Handicapped by the strike, the profit of Crown Mines is only £30,154, as against £46,605, whilst that of City Deep dropped from £64,468 to £8,088.

Four members of the General Mining and Finance Corporation record lower tonnages owing to the strike. Meyer and Charlton only crushed 9,700 tons, as compared with 13,700 tons, the profit falling from £25,002 to £15,012. The profit of West Rand Consolidated is £4,869 instead of £6,304. New Goch turns a January profit of £823 into a loss of £2,303; whilst Aurora West increases the January loss of £544 to £2,101. Van Ryn, free from this incubus, nevertheless reflects the shortness of the month and the lower valuation of 103*s.* 9*d.* per ounce with a profit of £6,098, as against £10,116. Under similar conditions Modder Deep registers a profit of £66,508, as compared with £71,721, and Geduld a profit of £24,425 instead of £29,497. Valuing the output at 103*s.* 3*d.* per ounce, Brakpan Mines return a profit of £34,412, or £10,701 less than that secured in the previous month. Adopting the same price for gold, the estimated profit of Springs Mines is only £14,445, as compared with £30,045 in January. Here, however, the effect of the strike was reflected in a reduction of the quantity of ore treated by 10,200 tons to 29,500 tons.

The outlook for the current month is undoubtedly more cheerful. First, the month contains three extra working days. Granted, therefore, an improvement in the native labour force, better outputs should be returned. It is somewhat difficult to foresee the variations in the price of gold. On the whole, however, there is no reason for anticipating a lower limit than that selected by the mines as the basis for valuing the February outputs. The uncertainty of the political outlook is already reflected in a slight depreciation in the New York exchange, and a consequent improvement in the price of gold to the neighbourhood of 106*s.* *Per contra*, however, the days of profits on remittances are gone: the South African exchange is again normal. But whilst this may reduce to a small extent the profit of the mines, it throws open the London market to South African operators, and thus, by widening the range of activities, improves the position of the shares as a whole.

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ASHANTI GOLDFIELDS CORPORATION.

"LOOKED at only as a record of output and expenditure, the results for the twelvemonth, reviewed in this report, cannot be regarded with any satisfaction." In this pithy sentence the Consulting Engineer of the Ashanti Goldfields Corporation has excellently summarised the operations of the year ended June 30, 1920, as will be admitted by anyone who studies them in conjunction with those of previous years.

	Years ended June 30—					
	1920	1919	1918	1917	1916	1915
	£	£	£	£	£	£
Gold, &c., production*	410,227	418,057	464,102	476,322	475,958	447,257
Working costs ...	256,231	234,777	266,828	262,292	261,932	246,102
Working profit ...	153,996	183,280	197,274	214,030	214,026	201,155
Sundry receipts ...	10,788	11,214	8,841	[illegible]	[illegible]	5,542
Brought forward	92,410	105,471	100,278	89,052	[illegible]	62,213
Total available ...	257,164	299,965	306,393	313,462	291,242	268,910
Allocations:						
Depreciation, &c.	20,422	19,582	21,305	21,852	21,942	22,794
Govt. royalty ...	20,511	20,903	27,295	23,816	23,798	22,363
Directors' extra remuneration ...	1,480	1,811	1,884	2,057	2,022	1,884
Dividends paid ...	145,229 (62½%)	165,459 (75%)	154,428 (70%)	165,459 (75%)	154,388 (70%)	151,670 (68¾%)
Carried forward ...	89,515	92,410	105,471	100,278	89,092	70,199
	257,164	299,965	306,393	313,462	291,242	268,910
Tons milled ...	71,411	85,566	105,452	112,853	136,994	131,236
Yield per ton ...	92*s.* 1*d.*†	97*s.* 8*d.*	88*s.* 0*d.*	84*s.* 4*d.*	69*s.* 6*d.*	68*s.* 1*d.*
Costs per ton ...	71*s.* 9*d.*	54*s.* 10*d.*	50*s.* 8*d.*	46*s.* 4*d.*	38*s.* 3*d.*	37*s.* 6*d.*
Profit per ton ...	20*s.* 4*d.*†	42*s.* 1*d.*	37*s.* 4*d.*	38*s.* 0*d.*	31*s.* 3*d.*	30*s.* 7*d.*
Ore reserves (tons)	510,100	520,500	526,200	534,100	436,600	433,900
Value per ton ...	97*s.* 9*d.*	99*s.* 10*d.*	104*s.*	104*s.*	106*s.*	91*s.* 6*d.*
Issued capital	£220,000	£220,611	£220,611	£220,611	£220,611	£220,611
Net liquid resources	£104,068	£64,617	£64,205	£59,110	£62,355	£63,827

* Including small output of silver.
† Excluding gold premium of £81,349, equivalent to an additional yield and profit per ton of 22*s.* 9*d.*

The further pronounced decline in the tonnage milled from 85,566 to 71,411 tons, was the outcome entirely of the difficulties of the year under review. The situation was mainly dominated by the shortage of labour. At no period was an adequate supply of native labour available. Moreover, no less than three strikes occurred during the year, thus reducing still further the quantity of ore that could be crushed. Whilst the scarcity and dearness of foodstuffs, which constituted one barrier, was removed by granting increased wages, the Government competition and recruiting at high rates for cocoa growing attracted many natives. Thus it came to pass that at times, when the underground staff could supply a full quota of ore, sufficient labour was not at hand to secure the requisite supplies of firewood for roasting. Again, work was retarded by compulsory stoppages for repairs, notably to the main shaft haulage in February and March 1920. Partly as a consequence of this shortage, but also partly owing to the increased cost of stores and spares, Ayenim and Justice Mines remained closed, the ore being taken only from Ashanti. Working on the basis of the par value of gold in order to maintain an effective comparison, it will be noted that there was a falling-off in the grade of the ore, the average value, 92*s.* 1*d.* per ton, comparing with 97*s.* 8*d.* per ton in 1918-19. On the other hand, with wages going up and stores and spares proving more expensive, the cost per ton jumped up from 54*s.* 10*d.* to 71*s.* 9*d.*—an increase which, in view of the abnormally adverse circumstances of the year, with its unduly low tonnage, cannot be regarded as normal. However, the result was embodied in the return of a working profit of 20*s.* 4*d.* per ton, or less than half of that secured in the previous year. Fortunately, the presence of the gold premium provided a much needed relief, contributing no less than £81,349 to the revenue of the year, and thereby raising the yield per ton to the record figure of 114*s.* 10*d.* and the profit per ton to 45*s.* 1*d.* Accordingly, instead of a working profit of only £72,617, there remained [illegible] which does not compare so unfavourably with the return of £183,280 for the previous year. However, dividends paid to shareholders dropped from seventy-five per

cent. to sixty-two and a-half per cent., whilst the balance carried forward to the next accounts has been reduced from £92,410 to £69,513.

Considering the unsatisfactory condition of the labour supply, the results of the development work are very gratifying. Operations at No. 18 level, in Ashanti, continued to yield striking returns, and it is now estimated that the whole block between Nos. 18 and 17 levels contains 99,300 tons of ore, averaging 25.2 dwt., as against 86,100 tons of 23.5 dwt. in 1918-19. Furthermore, "the continuation of a run of ore beyond the supposed south-west limits of the chute at No. 13 level, as reported last year, has now been confirmed." The result includes no less than 17,006 tons of ore, averaging 27 dwt. from this section. The total reserve shows a decline of 19,400 tons, which is comparatively small if it is recollected that only lateral development has taken place, and even that on an inadequate scale during the last three years. It is stated that the profit value (based on the standard value of gold only) of the 510,100 tons is £844,500, as against £1,028,000 for the 529,500 tons in the previous year. This decline is very largely due to the wise precaution of adding 5*s.* per ton to the estimated working costs in Ashanti mine to balance the recent advances in native wages.

The outlook for the current year is dependent primarily on the labour situation. Owing to the improved condition of the shaft in Ashanti mine, as well as the plentiful reserve of ore, it was estimated that 7,500 tons could be mined every month from No. 16 level and upward, with an average value of 22.7 dwt. After deducting all necessary expenditure, the profit should reach, it was held, £100,000 for the year, excluding the revenue to be derived from the premium on gold. Returns for the first six months show that this expectation has not been realised. The labour shortage has still been acute, and hindered not only underground work, but also the supply of firewood. In no month has 7,500 tons been treated; whilst in July the total was as low as 3,332 tons, and did not exceed 5,906 tons, which was the return for September. Including the gold premium up to November 25, 1920, the financial results for the first six months leave a profit of only £45,300. The February return states that labour conditions are improving, but that the supply of firewood is still deficient. This emphasises the importance of deciding promptly on the question of wet crushing as against dry crushing. In the past, undoubtedly, when wood was plentiful and cheap, the latter proved best. Now, however, the situation has changed, and it is stated that a representative of the Minerals Separation Company is to be despatched to investigate on the spot the extent to which the ore could be treated by oil-filtration concentration. It may be, however, that when the new units of gas plants are installed the fuel problem may be solved. At present—to quote the Consulting Engineer—"the absurd disproportion, which exists between the large amount of ore easily accessible underground and the slow rate at which it can be extracted, is certainly exasperating." It is to be hoped that before the next general meeting a solution to this problem will have been found. Financially the Company is in a very strong position. During the year the issued capital was increased to £250,000 by the issue to shareholders *pro rata* of 132,308 shares of 4*s.* at a premium of 4*s.*, and of 14,635 shares at a price of 21*s.* each. The premiums of £37,622 were added to the reserve, which stands at £155,000. This influx of liquid capital is reflected in the increase in liquid assets, which amounted to £164,908, whereas current liabilities did not exceed £60,840 on June 30, 1920. An interim dividend of twenty-five per cent. for the current year was declared in November. Quoted in the market at 11*s.* 6*d.*, the 4*s.* shares afford a return of nearly ten and a-half per cent. on the basis of a final dividend of thirty per cent.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND—Accounts, March 9, 1921.

Issue Department.

Notes Issued	£144,962,525	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,512,525
	£144,962,525		£144,962,525

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£39,153,863
Rest	3,531,315	Other Securities	93,718,288
Public Deposits	17,881,125	Notes	16,483,010
Other Deposits	115,195,686	Gold and Silver Coin	1,811,981
Seven-day and other Bills	10,996		
	£151,172,122		£151,172,122

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1921.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate •	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Mar. 9	128.4	128.3	17.8	115.1	39.1	93.7	18.3	13·8	7	6⅞-¾
Mar. 2	129.3	128.3	18.2	124.4	44.3	90.9	17.4	12·2	7	6⅞
Feb. 23	127.7	128.3	15.9	111.2	31.0	95.2	19.1	15·0	7	6⅞
Feb. 16	127.8	128.3	15.5	114.0	43.5	85.2	18.9	14·6	7	6⅞
Feb. 9	128.9	128.2	20.1	106.3	50.2	76.5	17.7	14·0	7	6⅞
Jly.22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

• July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%
July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'sterling, 00,000's omitted):	Mar. 9 1921	Mar. 11 1920	Mar. 12 1919	Mar. 13 1918	Mar. 8 1911
Circulation	£128.4	£102.8	£71.4	£47.3	£27.2
Public Deposits	17.8	18.5	24.3	38.4	21.5
Other Deposits	115.1	127.3	126.9	129.0	36 7
Government Securities	39.1	40.3	55.3	56.6	14.6
Other Securities	93.7	92.1	83.6	97.8	31.9
Reserve	18.2	31.5	29.5	3 .3	29.8
Ratio to Liabilities	13·8%	21·6%	19·62%	12·67%	51·29%
Coin and Bullion	128.3	115.9	82.4	60.1	38.6
Money:					
Bank of England Rate	7%	6%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	5⅝%	3⅞-4%	3⅝-⅜%	2⅞-1%
Exchanges:					
Paris Cheque	54·75	49·52	28·23	27·24	25·29½
New York 60 days	3·86½	3·73	4·73½	4·72½	4·84·10
Bombay Telegraphic Transfers	1·3½	2/5⅜	1/5⅝	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	46½	49⅝	58	53½	81½
French Rentes 3% Money	58·25	57 65	64·50	57·50	97·50
Silver, London spot oz.	31½d.	70d.	47½d.	43d.	24⅝d.
Wheat, *Gazette* average qr.	72/5	72/7	72/6	7·/3	30/0
Cotton, Mid Upland lb.	8·38d.	30·10d.	19·00d.	23·55d.	7·59d.
Iron, Scotch pig ton	156/0	206/0	101/0	101/0	54/0

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Mar. 9, '21	7,653,530	7,014,915	335,608,319	28,500,000	19,450,000	14·3
Mar. 2, '21	8,974,126	7,878,302	334,969,704	28,500,000	19,450,000	14·3
Mar. 10, '20	6,875,051	6,213,569	328,190,417	28,500,000	4,800,000	10·1
Mar. 12, '19	7,787,416	4,804,305	321,140,385	28,500,000	—	9·9
Mar. 13, '18	6,451,740	3,824,348	223,316,715	28,500,000	—	12·8
Mar. 14, '17	5,598,449	5,734,049	143,822,099	28,500,000	—	19·8

Balance Sheet, March 9, 1921.

Notes outstanding—	£	Advances—	£
One Pound	266,993,447	Other Bankers	—
Ten Shilling	40,914,872	Trustee Savings Banks ...	—
Certificates outstanding ...	27,700,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	335,608,319	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,274,281	Government Securities ...	305,293,907
		Balance at Bank of England	128,120
Investments Reserve A/c ...	15,489,427		
Total	353,372,027	Total	353,372,027

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Mar. 5,'21...	£91,708	£40,294	£11,414‡	£115,452	£1·7,545	£4,194
Feb. 26,'21...	50,402	18,685	31 717‡	77,478	109,7 4	4,873
Feb. 19,'21...	52,544	15,210	37,334‡	85,856	123,353	5,462
339 dys.'20-21	1,248,762	1,038,360	210,402‡	5,252,324	5,472,096	—5,175
341 dys.'19-20	1,107,753	1,396,683	288.930	5,896.570	5.407.640	—9,199
Yr. '20 21•	1,418,300	1,233,642	184,658‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326.202	6,092,709	5,766,507	9,389
Yr. '18 19	889,021	2,579.301	1,690.280	7,033.402	5,351.353	12,798
Yr. '17-18	707,234	2,696.221	1,988.987	7,499.604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
Mar. 5,'21...	£4,304	£26,245	£4,986	£16,173	£19,718	£358	£20,218
Feb. 26,'21...	5,527	23,571	3,448	17,856	2,484	4,250	11,951
Feb. 19,'21...	12,741	21,368	5,919	12,516	2,.04	595	12,510
338 days'20-21	308,043	320,048	200,808	420,663	335,608	23,354	679,398
341 days'19 20	261,240	312,562	267,924	267,027	314,441	12,285	1,069,957
Yr. '20 21•	348.650	385.800	220.000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359.099	290.045	407.404	332,034	16,171	1,317,568
Yr. '18-19	162,290	291.186	285.028	150,587	269,964	11,380	2,237,958
Yr. '17-18	110,037	239,509	220.214	137.478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Mar. 5, 1921 ...	£1,089,209	£200,126	£1,289,335	£21,598
Feb. 26, 1921 ...	1,109,799	189,622	1,299,421	21,308
Feb. 19, 1921 ...	1,115,759	211,572	1,327,331	21,008
Feb. 12 1921 ...	1,127,674	231,222	1,358,896	20,663
June 30, 1919 ...	796,150	774,237	1,570,387†	—

• Budget est mates, including supplementary grants. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Feb. 24, '21	...	10,681	1,193	11,869	32,512	238,747	67,678
Mar. 3, '21	...	10,861	1,226	11,887	30,036	241,544	53,106

		Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Feb. 15, '21	...	£398,790	£61,224	£73,332	£83,664	£444,154	£41,473
Feb. 23, '21	...	396,918	61,745	72,553	84,073	442,169	40,259
Feb. 28, '21	...	398,920	60,912	69,690	87,326	454,783	35,356

		Cash			Dis-counts	Balance Abroad	Circula-tion	Deposits
DENMARK.		Gold	Silver	Total				
July 31, '14	...	£4,170	£341	£4,441	£6,197	£786	£8,693	£47
Jan. 31, '21	...	12,643	141	12,784	15,928	895	29,709	3,489
Feb. 28, '21	...	12,643	143	12,731	16,721	855	28,256	3,576
Feb. 28, '20	...	12,597	186	12,783	16,918	599	26,396	3,293
Feb. 28, '19	...	10,100	136	10,536	3,953	5,342	23,402	920

		Gold— In Bank	Abroad	Total Cash incl'g Silver	Bills	Circula-tion	Deposits Public	Deposits Private
FRANCE.								
July 30, '14	...	£165,654		£190,667	£97,788	£267,327	£15,302	£37,903
Mar. 3, '21	...	142,199	77,934	230,737	125,818	1,525,838	3,261	134,049
Mar. 10, '21	...	142,207	77,934	230,791	117,100	1,534,465	1,534	133,008
Mar. 11, '20	...	144,170	79,131	233,009	67,012	1,538,593	1,714	126,096
Mar. 13, '19	...	142,388	79,132	234,090	41,748	1,329,360	2,699	108,805

		Cash			Treasury & Other Notes	Loans & Discounts	Circula-tion	Deposits
GERMANY.		Gold	Silver	Total				
July 23, '14	...	£87,843	£18,727	£84,570	£5,279	£40,055	£94,545	£47,198
Feb. 23, '21	...	54,577	379	54,956	1,09),859	2,551,343	3,275,993	686,495
Feb. 28, '21	...	54,577	402	54,979	1,099,190	2,823,143	3,371,347	867,854
Feb. 28, '20	...	54,567	1,261	55,828	641,635	1,947,723	2,061,688	807,113
Feb. 28, '19	...	112,286	1,039	113,324	298,618	1,367,937	1,205,141	591,652

		Cash			Dis-counts	Ad-vances	Circula-tion	De-posits
HOLLAND.		Gold	Silver	Total				
Aug. 1, '14		£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Feb. 28, '21	...	53,012	1,699	54,711	18,006	20,196	87,890	3,348
Mar. 7, '21	...	53,010	1,617	54,627	19,606	18,618	87,306	3,834
Mar. 6, '20	...	52,805	800	53,605	24,830	17,205	85,316	10,613
Mar. 8, '19	...	56,412	776	57,188	9,102	15,798	84,260	5,777

		Cash			Other Cash	Loans & Discounts	Circula-tion	Deposits
ITALY.		Gold	Silver	Total				
July 31, '14	...	—	—	—£48,456—		£25,017	£69,204	£8,887
Nov. 30, '20	...	£32,768	£3,000	35,768	14,599	193,478	816,783	83,146
Dec. 10, '20	...	32,788	3,000	35,788	17,231	195,528	611,454	75,324
Dec. 10, '19	...	32,198	3,004	35,202	17,707	90,319	491,333	74,657
Dec. 10, '18	...	32,699	3,080	35,779	7,275	60,532	365,310	56,743

		Gold	Discounts	Advances	Notes	Deposits— Public	Deposits— Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,029	£7,863	£32,722	£13,818	£1,521
Jan. 22, '21	...	109,570	5,590	9,332	110,331	98,169	19,032
Jan. 29, '21	...	115,120	6,866	10,191	121,667	97,359	9,731
Jan. 31, '20	...	94,433	24,943	37,969	137,517	111,863	4,853
Feb. 1, '19	...	71,301	13,109	45,333	101,423	101,775	8,608

		Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits— Demand	Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89,888	£411,238	—	—	£887,165	£1,720
Feb. 26, '21	...	£15,704†	101,998	988,288	£752,056	£48,928	810,392	2,358
Mar. 5, '21	...	15,670†	102,884	997,038	756,084	47,172	812,502	2,722
Mar. 6, '20	...	19,294†	112,792	1,018,896	818,528	49,768	871,900	4,036
Mar. 8, '19	...	19,788†	110,516	986,804	771,464	23,893	849,974	8,518

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circula-tion	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,878	£493	£4,868	£6,752	£793
Feb. 22, '21	...	8,115	2,647	500	24,258	22,566	7,450
Feb. 28, '21	...	8,115	2,603	500	24,230	22,977	7,024
Feb. 28, '20	...	8,127	3,184	579	19,080	22,717	4,405

		Gold	Silver	Total	Discounts & Advances	Note Circu-lation	Deposits
PORTUGAL.							
Oct. 6, '20	...	£1,906	£3,921	£5,827	£26,893	£119,830	£4,774
Oct. 13, '20	...	1,906	3,921	5,827	29,347	119,490	4,502
Sept. 3, '19	...	1,905	3,924	5,829	7,846	66,556	6,774
Sept. 4, '18	...	1,905	3,742	5,647	10,795	54,450	2,357

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Dec. 4, '20	...	£126,003	£29,103	£4,834	£33,742	£363,963
Dec. 11, '20	...	126,003	30,084	5,507	35,571	371,501
Dec. 18, '20	...	126,003	29,659	4,783	34,442	373,225
Dec. 20, '19	...	54,821	8,671	2,218	10,889	163,559

		Gold— In Bank	Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circula-tion	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14	...	£160,114	£14,395	£181,892	£78,081	£163,411	£6,589	£109,911
Oct. 29, '17	...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Cash			Loans, &c.	Spanish 4%	Circula-tion	Deposits &c.
SPAIN.		Gold	Silver	Total				
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Feb. 26, '21	...	98,816	23,425	122,261	101,791	13,779	169,704	45,782
Mar. 5, '21	...	98,924	23,272	122,196	101,215	13,779	170,588	45,819
Mar. 6, '20	...	98,131	25,283	123,414	87,509	13,779	154,990	43,926
Mar. 8, '19	...	89,148	25,710	114,858	74,860	13,778	139,051	41,448

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circula-tion	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Feb. 26, '21	...	15,864	5,978	705	29,954	26,331	12,643
Mar. 5, '21	...	15,852	5,874	705	31,262	38,370	11,389
Mar. 6, '20	...	14,717	5,955	2,684	28,744	38,192	10,304
Mar. 8, '19	...	16,004	7,920	3,034	19,534	40,060	5,369

		Cash— Gold	Silver	Total	Discounts & Advances	Circula-tion	Deposits
SWITZER-LAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Feb. 28, '21	...	21,726	6,700	28,426	13,218	37,776	3,236
Mar. 7, '21	...	21,727	6,984	28,711	12,991	37,376	3,417
Mar. 6, '20	...	21,151	3,410	24,561	12,953	37,133	4,329
Mar. 7, '19	...	16,377	2,571	18,948	19,504	35,418	3,937

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold— Held by Banks	With Agents	Total Cash	Bills Dis-count'd	Accept-ances	Deposits— Govt.	Total Net	Circula-tion
Feb. 28, '21 ...	—£423,082—		£471,400	£479,250	£34,100	£12,596	£231,318	£619,343
Mar. 7, '21 ...	—432,648—		475,152	463,302	32,840	11,488	327,360	608,522
Mar. 8, '20 ..	—387,416—		410,926	481,734	102,770	16,776	353,473	606,002
Mar. 10, '19 ..	171,626	256,270	441,092	377,543	54,898	39,112	380,218	497,708

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4	July 1,'15	Lisbon ...	7	Sept. 3,'20
Berlin ...	5	Dec. 23,'14	Madrid ...	6	Nov. 4,'20
Berne ...	5	Aug. 21,'19	Paris ...	6	Apr. 8,'20
Bombay ...	6	Mar. 3,'21	Petrograd	6	July 29,'14
Brussels ...	5½	Aug. 28,'20	Rome ...	6	May 12,'20
Calcutta ...	6	Mar. 3,'21	Stockholm	7½	Sept. 16,'20
Christiania	7	June 25,'20	Tokio ...	8·03	Nov. 18,'19
Copenhagen	7	Aug. 16,'20	Vienna ...	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Mar. 11, '21	Mar. 4, '21	Feb. 25, '21	Feb. 18, '21
Berlin	Cable	245m.	239m.	242m.	234m.
Brussels	Cheques	52fr. 37c.	51fr. 82c.	52fr. 00c.	51fr. 35c.
Denmark	Cable	22kr. 62	21kr. 47	21kr.40	21kr. 42
Holland	do.	11d. 36c	11d. 37⅛c	11d. 34⅛c	11d. 34⅛c.
Italy	do.	106fr. 00	106fr. 25	106fr. 25	106·50fr.
Lisbon and Oporto	do.	5⅛d	5⅛ d.	61	61
New York	do.	$3 90⅜	$3·89⅞	$3 86½	$3 89⅜
—	Cheques	$3 91⅛	$3·91⅝	$3 87½	$3 91⅛
Norway	Cable	23kr. 35	23kr. 65	24kr. 35	22kr. 42½
Paris	3 mos.	55fr. 52c	54fr. 72c.	54fr. 30c.	54fr. 35c.
—	Cable	54fr. 77c.	53fr. 97c	55fr. 05c.	53fr. 60c.
Spain (Bank places)	3 mos.	41⅛ d.	41⅛ d.	42½d.	42½ d.
—	Cable	27p. 07	28p. 00	27p. 92	27p. 75
Sweden	do.	17kr 37	17kr. 50	17kr. 35	17kr. 47
Switzerland	3 mos	23fr. 65c	23fr. 85c	23fr. 85c.	24fr. 02c.
—	Cable	23fr. 15c.	23fr. 35c	23fr. 35c.	23fr. 52c.

ON LONDON—		Mar. 11, '21	Mar. 4, '21	Feb. 25, '21	Par.
Alexandria	Sight	97⅛pl.	97⅛pl.	97⅛pl.	97⅛pl.
Amsterdam	Cheque	11d. 36⅛.	11d. 37⅛.	11d. 34⅛c.	12·107fl.
Athens	Cable	51dr. 75	51dr. 75	51dr. 75	25dr. 22½
Bombay	Transfer	1s. 3½d.	1s. 3⅝ d.	1s. 3½d.	2s.*
Brussels	Cheque	52fr. 35c.	51fr. 80c.	51fr. 90c.	25f. 22½c.
Buenos Ayres	Transfer	43⅛d.	48⅛d.	—	47·58d.
Calcutta	do.	1s. 3⅛ d.	1s. 3⅛ d.	1s. 3½d.	2s.*
Christiania	Sight	23kr. 92	23kr. 70	22kr. 31½	18·159kr.
Copenhagen	do.	22kr. 65	22kr. 43	21kr. 43	18·159kr.
Helsingfors	Cable	144m.	135m.	142m.	25m. 22½
Hong Kong	Transfer	2s. 3⅛d.	2s. 3⅛d.	2s. 5⅛d.	—
Italy	Sight	106fr. 00c	106fr. 50c.	106fr. 25c.	25fr. 22½c.
Lisbon	do.	5⅛ d.	5⅛ d.	5⅛ d.	53½d.
Madras	do.	1s. 3½d.	1s. 3⅛ d.	1s. 3½ d.	2s.*
Madrid	do.	28p. 08	27p. 93	27p. 90½	25p. 22½
Montevideo	Transfer	47⅛d.	47⅛	47⅛ d.	51d.
Montreal	Cable	$4 45½	$4 44½	$4 41½	$4 86⅝
New York	Sight	$3 88⅛	$3 88⅛	$3 86⅛	—
—	60 days	$3 86⅛	$3 85⅝	$3 83	—
—	Cable	$3 89⅛	$3 88⅛	$3 84⅛	$4 86⅝
Paris	Cheque	54f. 75c.	53f. 99c.	54f. 30c.	25f. 22½c.
Rio de Janeiro	90 days	9⅜d.	10⅛d.	—	16d.
Shanghai	Transfer	2s. 11⅛d.	2s. 11⅛d	3s. 3d.	—
Singapore	Sight	2s. 3⅛d.	2s. 3⅛d.	2s. 3⅛d.	—
Stockholm	do.	17kr. 35	17kr. 51	17kr. 32½	18·159kr.
Switzerland	do.	23f. 13c.	23f. 35c.	23f. 35½c	25f. 22½c.
Valparaiso	90 days	9⅛d.	9⅜d.	9⅛d.	18d.
Yokohama	Sight	2s. 5⅛d.	2s. 5⅛d.	2s. 5⅛ d.	24·68d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—	Rate Current*— Mar. 9, '21	Mar 2, '21	Par as usually Quoted	Rate July 3
Amsterdam, sight ...	34 20c.	34 15c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	25·00c.	25·125c.	48·66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	127·75	127 75		
Christiania, cheques ...	15·95c.	16·65c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	16 75c.	17 55c.	26·80c. for 1 kroner	26·85c.
Greece, cheques ...	7 55c.	7 50c.	19·295c. for 1 drachma	
Hongkong, cheques ...	45·00c.	46·0c.	74·59c. for Mex. $1	46·4c.
Italy, sight	36 65l.	36 45l.	5·18½ lire for $1	5·17l.
Lima, cheques ...	3·90l.	4 10l.	4·8665 $ for 1 libra	
Manila, cheques ...	46·00c.	46·00c.	50c. for 1 peso	49·8c.
Montreal	12·375% diso.	12·375% diso.	Premium per $100	Par
Paris, sight	14 05fr.	14 02fr.	5·18½ francs for $1	5·16fr.
Rio de Janeiro, cheques	6 53mil.	6 50mil.	3 0 3 milreis for $1	
Shanghai, cheques ...	61·00c.	60·0c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42 00c.	56 77c. for $1	57·12c.
Spain, cheques	13 87c.	13·90c.	19 3 0c. for 1 peseta	
Stockholm, cheques ...	22 35c.	22 30c.	26 83c. for 1 kroner	
Switzerland, cheques ...	5·94fr.	6 02fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	15·25c	15 25c.	20·61c. for 1 peso	
Yokohama, cheques ...	48·00c.	48 00c.	49·84c. for 1 yen	49·90c.

* According to Security Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week	Amount.	Inc. or Dec.*	1921 Agg.	Inc. or Dec.*
	1921	[In £'s sterling, 000's omitted.]			%
BIRMINGHAM ...	Mar. 5	£4,451	— £1,509	£31,491	— £8,422 — 21·1
BRISTOL ...	,, 5	1,733	— 467	15 858	— 3,079 — 16·3
DUBLIN ...	,, 5	7,766	— 1,501	75·5.0	— 14,423 — 16·0
HULL ...	,, 5	1,274	—	5,930	— —
LEEDS ...	,, 5	1,817	— 224	12,530	— 3,789 — 23·1
LEICESTER ...	,, 5	905	— 682	8,257	— 4,937 — 37·7
LIVERPOOL ...	,, 5	10,367	— 8,709	109,470	— 69,773 — 39·0
MANCHESTER ...	,, 5	19,237	— 17,378	172,992	— 145,842 — 46 2
NEWCASTLE ...	,, 5	3,376	— 361	26,387	— 6,389 — 19 8
NOTTINGHAM ...	,, 5	927	— 438	7,753	— 3,878 — 33 5
SHEFFIELD ...	,, 5	2,350	— 687	14,830	— 1,433 — 8·9
LONDON—	1921				
TOWN ...	Mar. 9	£82,613	— 89,331	6,276,256	— 382,411 — 5·8
METROPOLITAN	,, 9	37,142	— 6,034	37,.15	— 64 893 — 14 8
COUNTRY ...	,, 9	77,125	— 13,177	648,913	— 133,137 — 16 5
TOTAL ...	Mar. 9	676,910	— 108,582	7,345,163	— 585,141 — 7·4

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. O. Gould, Angier & Co., Ltd.

HOMEWARDS.	1921 Mar. 11	1921 Mar. 4	1914 Mar. 6
Alex. to U.K. ...	—	1/3	6/6
Aust. to U.K. ...	61/3	61/3	55/0
Bilbao to Cardiff...	—	—	—
Bombay to p.p. ...	—	— d.w.	16/0
Burmah to U.K....	35/Cnom.—		20/0
Calcutta to p.p.(jute)	—	— d.w.	17/6
Danube to U.K.	26/3	26/3	8/4½
B. Plate to U.K....	32/6	37/6	12/0

Homewards.—	1921	1921	1914
U.S.A. to U.K. (cotton)	Mar. 11	Mar. 4	Mar. 6
Coal ...	$5/0*	$5/0*	—
U.S. to U.K. (oil)	—	—	1/9†
Gulf Ports to U.K. Cont. (cotton in bales)	—	—	11/0*
OUTWARDS.—Cardiff to			
Port Said ...	17/6	17/6	7/3
River Plate ...	21/6	21/6	14/0
St. Vincent ...	13/0	13/9	8/10½

* Per ton. † Per quarter.

Time Charter, 7/0

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAR. 11, 1921	MAR. 12, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	156 0	206/0	57/0
— Middlesbro' warrants .....ton	150 0	200 0	51/0
— Hematite warrants .....ton	180 0	260'0	61/0
— Staffordshire bars, London ton	£29 10	£27—£28	£8 10
— Common bars .....ton	£23	£24	£6 16
Steel Rails .....ton	£18 £19 15—£20 5		£6 2/6
Galvanised Sheets .....ton	£25	£50—£53	£16 17/1
Copper—Standard .....ton	£66	£110	£66
Tin—English Ingote .....ton	£152—£153	£382	£142 15
— Straits .....ton	£163	£388	£139 10
Tinplates, I.C. Coke, S. Wales...box	28 0—29/	80 0 ... 11/10½—12/0	
Lead—Soft Foreign .....ton	£18 10—£19 2/6	£48 10—£50 15	£19
Spelter—Ord. Foreign .....ton	£26 5—£26 10	£55—£58	£21 7/9
Quicksilver—(75lb.) .....bottle	£12 10—£13	£26 10n m.	£7
Aluminium .....ton	nom.	£165	£82
Antimony—Regulus Foreign ...ton	£25	£70	£27 10
— English .....ton	£37—£42	£72	—
Coal—(best) Yorkshire .....ton	37/2—38 2	23 0—24 0	17'6
— Steam (best) Newcastle.....ton	50 2—55 2	46 0—51 0	14 6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	14 0	16 6	7/4
Soda—Crystals ex wharf .....ton	140'0	185'0—190 0	42 6 45 0
Copra—Malay and States .....ton	£29 5	£68	£23 15 £24 7 6
Gambier—Good marks.....cwt	28/0	52 0	16/10½
Indigo—Bengal good to fine ....lb.	11/6—14/6	13 0—16 0	3 2—3 8
Linseed Oil—Raw .....ton	£29 10	£127	£25 5
Linseed—Calcutta, spot .....ton	£17	£64	£13 16/9
— Cakes, U.K. made, ex mill ...ton	—	£25	£7 17/6—£8
Olive Oil—Spanish .....ton	—	—	£49 10
Palm Oil—Lagos .....ton	£35 10	£91 10	£31 10
Petroleum—American .....gallon	2/3½	2/1½	7½d.
Rape Oil—Refined English .....ton	£58	£137	£32
Soya Oil—Refined .....ton	nom.	£136	£24 10
Tallow—Imported .....cwt	55 6—50'0	105/0—115 0	29 3—33 3
Turpentine—American .....cwt	55 0	250 0	33 7½
Rape Seed—Tona .....ton	£17 5	£54	£13 5
Rubber—Para, spot .....lb.	11¾d.	2 6	2 9½
— Fine plantation (stnd.crepe) lb.	1/-	2 6¾	2/2
— World's Production* Oct. tons	26.620	30.370	8,467
Shellac—T.N. Orange, fair ...cwt.	270/0—310/0	800 0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland .....lb.	8 38d.	30·10d.	7·53d.
— Egyptian good fair .....lb.	11 00d.	77·50d.	8 75d.
— Pernambuco fair .....lb.	7 33d.	33·60d.	7 73d.
— Midland Upl. New York.....lb.	11·60c.	41 00c.	13·25c.
— Stock, Liverpool (Mar. 4) bales	1,026.760	1,067,340	934.600
Flax—Petrograd, Yarapol .....ton	—	—	£28
Hemp—New Zealand .....ton	£45	£85	£25 10
— Manila fair .....ton	£38	£73	£26 10
Jute—First Marks .....ton	£31	£68	£26 15
— Red SCO .....ton	£28	£58	£24 15
Silk—Common, New Style .....lb	21 0	55'0	12 0—12'6
— No. 1-1½ Japan .....lb.	24/0	—	—
— 1st Order Italian.....lb.	22 0	—	—
Wool—Pt. Philip unwashed av. lb.	1/9	5 6	11½d.—1'0
— Lincoln Half Hogs .....lb.	11d.	2 3½	1/0½
Hides—Eng. Ox. best, 70lb. up lb.	6½d.—6¾d.	18½d.—19d.	7½d.
Leather—Dressing Hides .....lb.	1/9—2/6	4'0—4'6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	69.142.000	86.793.000	34.640.000
— Red, price, N.Y. 60lb...bushel	191½c.	237c.	67½c.
— English Gazette, aver. 480lb. qr.	72 5	72 7	34/3
Flour—G.R. .....280lb.	68'0	44 3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	52'5	97 4	25'4
Oats—Eng. Gaz., aver. 312 lb. qr.	35 7	58 11	20'0
Maize—N.Y. (new bushel)....56lb.	87½c.	171½c.	76½c.
— Amer. mixed, Liverpool...480lb.	43/0	nom.	32'4
— La Plata .....480lb. qr.	52 6	65'0	25/9
Potatoes—Good English .....ton	190'0	302 0	70/0—75/0
Rice—Bassein .....cwt.	13 6—14/6	26'0	7.0—7/3
Tapioca—Pearl, medium .....cwt.	22 0	41/0	14'0—17/8
Hay—best .....2,018lb....load	—	—	82'6
Hops—English.....cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	8'0	6'8	3/8—3/10
— Scotch sides .....8lb.	11'6	10'0	4'6—5/0
— English .....8lb.	11/6	10'0	4·2—4/5
Mutton—Scotch wethers.....8lb.	14/0	10/6	5'8—6.0
— English wethers .....8lb.	14'0	10'6	4'6—5'4
— New Zealand frozen .....8lb.	6'0	10/-	2'4—3'2
Pork—English and Irish .....8lb.	12/-	11 8	3'6—4'0
Bacon—Irish, delivered .....cwt	†200 0—215 0	200'6	60'0—74'0
— Danish .....cwt.	†213'0	†192 0	58'0—68 0
— Canadian, ex Port .....cwt.	†170 0	†187 0	—
— American, ex Port .....cwt.	†130/0—136 6	†187 0	72 0—74 0
Hams—Amer.long cut, ex Port cwt.	†180/0	†190'0	75'0—79'0
— — short cut, ex Port .....cwt.	†175 0	†190 0	71 0—74 0
Lard—Amer. boxes, ex Port ...cwt.	†94 0	†198 6	51 9—52 9
Butter—Danish .....cwt.	†298'8	303'4	117'0—120'0
— French .....cwt.	†298 8	303 4	96 0—108'0
— Australian .....cwt.	†298 8	303 4	98'0—110 0
— New Zealand .....cwt.	†298'8	303 4	108'0—114 0
Cheese—Canadian .....cwt.	153 0—158 0	†145'0	66 0—68 0
— United States .....cwt.	—	†145 0	—
— Dutch .....cwt.	†168 0 -230/0	†145 0	53'0—64 0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 28... cwt.	2.863.062	4.383.756	19.777.254
— Home consump'n. to Feb. 28 cwt.	3.742.571	4.311.845	17.272.000
— In Bond Feb. 28 .....cwt.	7.292.000	6.162.000	6,308.000
— Price, Java, 96° Pol. .....cwt.	30'0	53 0	10'3
— — Yellow crystals .....cwt.	62'0	63'6	12/6—14'0
— — Tate's Cubes, No. 1.....cwt.	72 0	72 0	18 0
Coffee—Imports to Feb 28 ...cwt.	135.307	122.624	720,360
— Home consumpt'n to Feb. 28 cwt.	48.293	49.644	141.410
— Exports to Feb. 28 .....cwt.	53.3 4	86.065	340.250
— In Bond Feb. 28 .....cwt.	687,000	700.000	484.000
— Price, Costa R ca gd. to fine cwt.	90 0—130 0	158'0—164'0	80'0—93'0
— — Brazil (Santos) good ...cwt.	55 0—60 0	130 0—132 0	41 6
Tea—Imports to Feb. 28 .....lb.	78.616.621	74.131.857	123.230.277
— Home consump'n. to Feb. 28 lb.	64.907 286	62.515.253	155.447.972
— Exports to Feb. 28.....lb.	3.921.694	7.065.201	26.561.765
— In Bond Feb. 28 .....lb.	228.021.000	203.061.000	78.292.000
— Price, Indian, Pek. Soug. gd. lb.	5·-	1 5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	5¾d.	1 6	8¼d.
— — Common Congou .....lb.	21. nom.	1 3	5¼d.
Cocoa—In Bond Feb. 28 .....cwt.	1,113.000	745.000	309.000
— Grenada, good to fine .....cwt.	52 0 54 0	85 0	52 6—56 0

* Estimated. † Nominal. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Jan.	$14,465,500	+ 550,000	$641,000	+ 55,000
	1 mo. to Jan.	14,465,500	+ 550,000	641,000	+ 55,000
Grand Trunk	Jan.	£1,315,600	+ £277,100	Dr. £111,600	+ £55,500
	1 mo. to Jan.	1,315,600	+ 277,100	Dr. 111,600	+ 55,000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
INDIAN.							
Assam Bengal	Feb. 5	1,044	R2,15,872 —	35,136	18	41,50,660 —	83,560
Barsi Light ...	Feb. 12	118	21.900 —	6.100	45	11.92.100 —	1,64,500
Bengal & N.W.	Feb. 5	2,067	5.18.410 —	37,176	18	87.39.353 +	57,271
Beng. Doors	Feb. 5	158	23.760 —	6,288	18	5.67.759 —	2.78.736
Beng. Nagpur	Feb. 5	2,695	12.51.000 —	1.98.000	8	5.37.02.110 —	17.30.283
Bomb. Baroda	Feb. 26	2,871	22.26.000 +	2.08.000	21	3.95 49.000 —	6.84.000
Burma	Feb. 5	1,342	6,31,467 —	18.075	18	1,05,47.420 —	5,30,537
Del.Um. Kalk	Mar. 5	239	87.000 +	6,789	22	22.06.705 +	8.709
East Indian ..	Mar. 5	2,772	26.44.000 +	84.000	22	6,17.01.000 +	26.40.000
Gt. Indian Pen	Feb. 26	3,121	33.55.500 +	4.40.500	21	5,81.20.522 +	14.97.588
Madras & S.M.	Feb. 12	3,152	13.00.000 +	61.892	19	5,42.46.492 —	4.64 411
Nizam's Guar.	Jan. 29	900	3.51.263 —	11,666	17	49.33.348 —	95 442
Roh. & Kumn.	Feb. 5	576	12½ 208 +	3 612	18	18.46.556 +	39.221
South Indian	Feb. 5	1,852½	6.91.773 —	67.518	44	3,44.83.358 +	4.57.542
South Punjab	Oct.	716	9.00.533 +	2,70,896	1m	—	—
COLONIAL							
Can. Northern	Mar. 7	9,704	$1.292.700 +	271.800	9	11,227,300 +	2,143,400
Can. Pacific ...	Feb. 28	13,388	3,067.000 —	405.000	8	28.859.000 —	613.000
Grand Trunk	Mar. 7	3,616	£280 216 +	36.647	9	2.773.665 +	532.979
Mashonaland	Dec.	810	101.461 +	25.681	3m	283,274 +	61,433
Mid. W. Aust.	Dec.	277	13.032 +	705	6m	66.741 +	6.651
NewCapeCent.	Feb. 12	205	3,159 +	27	6	16.443 —	2.480
RhodesiaRlys	Dec.	1,397	140.697 +	32.157	3m	405.324 +	80,083
Temiscouata...	Jan.	—	$38.891	—	1m	—	—
FOREIGN.							
Argentine.							
Arg. N. East..	Mar. 5	752	£ 13.700 +	600	36	417.100 —	9.000
Arg. Transand	Mar. 5	111	£ 3.968 —	1.952	36	95.597 —	7.309
B.A. & Pacific	Mar. 5	3,425	£ 165.000 —	5.000	36	4 441.000 —	777.000
B.A.Gt. South	Mar. 5	3,903	£ 217.000 +	11.000	36	5.715.000 —	599.000
Do.	Mar. 5	Net	£ 70.000 —	21.000	36	919.000 —	1,303.000
B.A. Western	Mar. 5	1,882	£ 99.000 —	6.000	36	2.705.000 —	805.000
Do.	Mar. 5	Net	£ 26.000 —	3.000	36	278.000 —	911.000
B. A. Central	Jan.	190	£ 38 168 —	6.524	7m	337.128 +	22.545
Cent. Argent.	Mar. 5	3,305	£ 177.000 —	6.000	36	6.818.000 +	615.000
Cord. Central	Mar. 5	1,205	£ 43.000 —	17.200	36	1.837.600 —	288.700
Entre Rios ...	Mar. 5	811	£ 26.000 —	300	36	787.300 —	48.500
Brazilian.							
Brazil Gt. South	Jan.	110	M 40.250 —	18.500	1m	—	—
Brazil Railway	Dec.	3,530	M4.859.000 —	141.271	12m	57.772.000 +	7.619.243
Gt. W. Brazil	Mar. 5	1,010	£ 17.600 —	12.900	10	157.200 —	131.800
Leopoldina ..	Mar. 5	1,831	£ 37.607 —	26,462	10	306.749 —	227,781
Mogyana	Dec.	1,180	M1,561.000 —	956.490	12m	22.267.000 —	2,474.651
Paulista	Dec.	766	M2,650.000 —	906.038	12m	22.479.000 —	1,225.892
San Paulo ...	Mar. 6	153	£ 31.676 —	21.516	10	313.826 —	143.479
Sorocabana ...	Dec.	1,003	M1,749.000 —	246.168	12m	21.953.000 +	876.55
S.of Bahia S.W	Feb.	52	M 111.000 +	34.000	2m	240.000 +	59,000
Chilean and Peruvian.							
Antofagasta...	Mar. 6	838	£ 30.820 —	26 670	10	303.080 —	264.835
Arauco	June	84½	£ 12.000 +	500	6m	76.000 +	10.700
Nitrate (2wks)	Feb. 28	390	£ 30.980 +	2,922	8	100.754 —	73.633
Peruvian Corp.	Feb.	1,140	S 1.035.400 —	86,610	8m	9.290.750 —	111.554
Taltal	Feb.	180	£ 23.880 —	19,725	8m	223.337 +	52.217
Cuban.							
Cuban Centra.	Jan. 29	362	£ 37.360 +	19.872	31	707.279 +	82.412
Cuba Railroad	Nov.	—	$ 1.087.457 +	85.106	5m	5.517.674 +	353.717
Havana Cent.	Feb. 26	70	£ 16.915 +	3.635	35	490.135 +	114 818
U. of Havana	Mar. 5	681	£ 190.860 +	39.676	36	3.977.879 +	659.671
W. of Havana	Jan. 29	155	£ 14.131 +	10,745	31	335.798 +	86.413
Uruguayan.							
Cent. Uruguay	Mar. 5	273	£ 36.854 +	9.818	36	814.914 +	3.938
,, (E. Ext.)	Mar. 5	311	£ 7 067 —	790	36	197.483 —	20.319
,, (N. Ext.)	Mar. 5	185	£ 3.118 —	2.274	36	104.568 —	28.533
,, (W Ext.)	Mar. 5	211	£ 2.819 —	1.110	36	92.776 —	6.744
Mid. Uruguay	Feb.	319	£ 18.936 —	1.058	8m	144.612 —	16.283
N.W. Uruguay	Jan.	113	$ 4,787 —	3.549	7m	41.508 —	8.078
Uruz. Northn.	Feb.	73	£ 1,766 —	737	8m	16.601 —	3.357
Miscellaneous							
Alcoy & Gandia	Feb. 26	33	Ps. 18.000 +	3,500	9	156.900 +	57.000
Bilbao	Feb.	15	£ 1.510 —	1,321	2m	4,486 —	797
Bolivar	Feb.	136	£ 8.108 —	900	2m	15.206 —	3.362
Colomb. Natnl.	Jan.	86	£ 19.140 +	1.340	1m	—	—
Costa Rica	Dec.	189	£ 26.028 —	1,324	6m	147.385 +	1,714
Dorada Ext.	Jan.	70	£ 16.000 +	4.000	1m	—	—
Egyptian Delta	Feb. 20	559½	£ 10.890 —	1.548	45	457.794 +	99.724
Gt. S. of Spain	Feb. 26	104	Ps. 49.402 —	32.701	8	666.008 +	107.113
LaGuaira & Ca.	Feb.	22¾	£ 9.330 —	4.870	2m	21.210 —	8.420
Ottoman Ry..	Feb. 26	379	£ 9.547	—	—	—	—
Paraguay Cent	Mar. 5	274	£ 4.080 +	20	36	162.280 —	16.340
Puerto Cabello	Feb.	34	£ 4.300 —	750	2m	8,750 —	1,750
Salvador	Mar. 5	100	£ 4.241 —	3.801	36	126.274 —	16.695
Santa Fé Prov.							
French Rys.	Jan.	1,181	£ 136.048 —	18.321	1m	—	—
S'm'na & S'ti'go	Jan.	80	£ 6.500 —	4.765	1m	—	—
Zafra & Huelva	Jan.	112	£ 15.366 +	1.245	1m	—	—
TRAMS.							
Anglo-Argent.	Mar. 4	400	£ 81.890 +	6.275	9	716.470 +	70,693
Auckland Elec.	June 30	27	—	—	52	292.502 —	2.063
Bombay Elec.	Sept.	39	R. 8.49.038 +	1.15.373	9m	73.27.000 +	10.06.847
Brazilian Trac.	Jan.	378½	M12,875000 +	3,220.000	1m	—	—
Brisbane Elec.	Feb.	40½	£ 43.205 +	1.605	2m	89.485 +	3.085
Brit. Columbia	Nov.	334	$ 805.633 +	71.65.	5m	3.841.032 +	402.440
B. A. Lacroze	Jan.	51	£ 61.111 +	8.468	7m	397.387 +	51.178
Calcutta	Feb. 19	35½	R 3.956 —	87.257	7	3.58.6.9 —	286.523
Cape Electric	Oct.	42½	£ 32.698 +	5.955	4m	120.814 +	35.922
Carth. & Herr.	Dec.	9	£ 2.839 —	1.169	2m	6.716	2.040
Chatham & Dist	Mar. 3	15	£ 1,581 +	104	9	14,160 +	1.413
Havana Elect.	Nov.	86	$ 1,037.352 +	157.611	11m	10,366.708 +	1.890.449
Isle of Thanet	Mar. 2	20½	£ 560 —	7	22	12.295 +	635
Kalgoorlie ...	Nov.	20½	£ 2.969 +	110	11m	33.6.2 +	3.180
Lanarkshire ...	Dec. 31	28½	£ 5.467 +	1,927	52	221.564 +	27.729
Lima Light ...	Nov.	85	£ 54.261 +	2.151	11m	621.857 +	89 377
London C.C. .	Mar. 9	141½	£ 96.945 +	19.041	47	4.433.574 +	586.380
Madras (2wks.)	Jan. 15	15½	R 38.198 —	10 685	2	—	—
Manila Electric	Jan.	55	$ 321.450 +	42.939	1m	—	—
Pernambuco...	Mar. 6	59	£ 4.538 —	3.562	10	43.098 —	35.606
Provincial ...	Feb. 12	21½	£ 2.804 —	156	19	59.114	73
Rangoon Elec.	Nov.	25	£ 6.964 —	415	11m	85.314 +	11.785
Shanghai Elec.	Jan.	26¾	M. $155.705 +	19.705	1m	—	—
Singapore Elec.	Jan. 29	26½	$ 10.678 —	9.017	5	50.608 —	49 110
U. of Montevid.	Feb.	90½	£ 43.119 +	2.860	4m	131.763 +	14.054

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The Statist.

LONDON, SATURDAY, MARCH 12, 1921.

THE ESTIMATES AND THE INDEMNITY

THE publication during the week of the estimates for Civil Service and Revenue Departments for 1921-22 has been overshadowed by developments on the Continent, but a no less careful scrutiny is desirable on that account. The total of £460,900,585 compares with an estimated expenditure of £609,181,953 in 1920. The claim of merit put forward for a reduction of £148,000,000 is somewhat misleading, as the two items are not strictly comparable, the former excluding any supplementary estimates that may be presented in 1921-22, and the latter, of course, including those presented during the past year. The original estimates are alone comparable, and these amounted for 1920-21 to £557,000,000, so that the present estimates show a decline of only £96,000,000, instead of the £148,000,000 which is paraded as a proof of Ministerial economy. This difference is accounted for rather by the natural course of events than by conscientious efforts at curtailment. Thus services arising out of the War necessarily present reduced estimates, as the purposes for which they were constituted are nearing completion. The biggest individual estimate, £111,556,666 for the Ministry of Pensions, shows a decline of over £11,000,000 compared with the previous year. The Ministry of Health is put down for £24,245,098, as against £27,587,807 in 1920-21. The largest increases are credited to the Board of Education and the Post Office, the former rising from £45,931,967 to £51,014,665, and the latter from £62,570,122 to £61,165,287. The last-named sum includes £2,700,000 hitherto paid from Post Office revenue, and to this extent the expansion is more apparent than real. Provisional figures, of expenditure in 1921-22 in the various branches are set out herewith:—

	£
Civil Service	460,000,000
Interest on Debt .	370,000,000
Debt Redemption . .	110,000,000
Army	106,315,000
Navy . .	85,000,000
Air	19,033,000
	1,150,348,000

The total of £1,150,348,000 shows no substantial reduction. The estimates for 1920-21 under these heads reached approximately £1,200 million. We have included £85 million provisionally for the Navy, as the estimates will not appear till next week. The Army estimates are down by approximately £58½ million.

The size of these preliminary demands, apart altogether from the supplementary votes which are bound to be asked for before March 31, 1922, renders the achievement of a £950,000,000 Budget impossible, and puts altogether out of court the ideal of an £800,000,000 Budget that was for a short time dangled before our eyes. Mr. Chamberlain has promised to refrain from new taxation, and has withdrawn the excess profits duty when it threatened to become a liability instead of an asset. The question arises as to how he will make up next year for the £302,000,000 special receipts included in the Budget of the current year. This sum arises from the sale of surplus assets, and these have now been largely disposed of.

The Army Estimates, when passed, will no doubt reflect the extra expenditure incurred by the advance of the Army of Occupation. Prior to the advance the cost of our troops on the Rhine was, according to an answer recently given in the House of Commons, £219,200 per month. Additional as well as present expenses are chargeable against the indemnity, but the possibility of these proving a bad debt must not be overlooked. People have lived for some time past in an atmosphere where thousands of millions are glibly talked of, and there has inevitably attached to the indemnity discussions a sense of unreality, which has been heightened by the actions of some of the principal spokesmen. It is, for example, hoped by our Government to seize for purposes of the indemnity one-half of the value of German goods imported into England by requiring British importers to make over to the Treasury fifty per cent. of the purchase price. This proviso shows an ignorance of present trade practice whereby payment has to be made by British importers before the goods are shipped from Germany. Naturally, the German exporter will recoup himself for the amount taken by our own and Allied Governments by increasing his prices, so as to allow him the same margin of profit as before. Alternatively he will be driven to sell his goods in foreign markets, thus dealing a severe blow to our own export trade. The imposition will operate for Allied countries as a sort of protective tariff, excluding those goods by the importation of which we must ultimately receive the indemnity. It is difficult to follow the processes of thought which led to the framing of such a sanction. Duties will, in addition, be collected by the German Custom houses on the external frontiers of the occupied territory for the Reparations Commission, and a tariff is to be levied on the entry and export of goods in the Rhine territory. With the latter object a line of Custom houses is to be temporarily established. No estimate has been made of the net financial advantage likely to accrue to the Allies from these measures, but it will probably be very small in proportion to our dishonoured bill for reparations and indemnity.

MUNICIPAL FINANCE.

MUNICIPALITIES—	Assessable Value	Rates per £ 1914-15	Rates per £ 1920-21	Rate Income	Produce of Penny Rate	Debt Outstanding	Estimated Population	Assessable Value per Head	Debt per Head	Rates per Head	Ratio of Rates p.h. to Debt p.h. $\frac{100(s+d)}{l/2}$
	£	s. d.	s. d.	£	£	£		£ s.	£ s.	£ s.	%
Belfast	1,686,735	-	10 8	807,000	7,000	4,185,198	387,000	4 7	10 16	2 6	21·3
Birkenhead ...	762,544	7 8	13 8	521,000	3,010	3,854,000	153,951	4 19	25 0	3 8	13·6
Birmingham ...	5,147,741	9 0	17 6	4,504,000	21,400	21,000,000	896,217	5 15	22 6	5 0	22·4
Bootle	500,754	7 8	14 2	354,000	2,000	955,077	80,029	6 5	11 19	4 8	36·8
Bournemouth ...	805,576	5 0	9 0	362,000	3,225	1,278,408	86,288	9 7	14 14	4 4	28·6
Bradford	1,777,258	9 0	16 10	1,495,858	7,020	10,464,730	293,979	6 1	35 12	5 2	14·3
Brighton	895,539	6 10	12 8	567,000	3,600	2,307,970	138,545	6 9	16 13	4 2	24·5
Bristol	1,927,972	8 8	15 3	1,470,780	7,600	9,766,823	376,321	5 2	26 0	3 18	15·0
Cardiff	1,236,684	7 10	15 10	978,000	5,000	5,027,171	212,850	5 16	23 13	4 12	19·4
City of London ...	5,880,111	6 6½	10 6	3,087,000	23,950	4,540,000	14,447	407 0	314 0	213 12	70·0
Coventry ...	527,234	7 11	19 0	500,000	2,000	3,438,863	137,470	3 17	25 0	3 13	14·6
Croydon	1,191,467	7 4	12 4	735,000	4,500	2,589,277	191,820	6 4	13 10	3 16	28·1
Ipswich	362,276	8 2	18 6	335,000	1,375	1,041,166	81,628	4 9	12 15	4 2	32·2
Lincoln	286,598	6 10	15 2	217,000	1,150	1,518,463	63,220	4 11	24 0	3 9	14·4
Liverpool	5,105,915	7 10	16 7¼	4,234,000	21,000	17,148,062	803,833	6 7	21 6	5 5	24·6
Middlesbrough ...	534,610	8 4	16 0	428,000	2,050	3,630,411	132,208	4 1	27 10	3 4	11·6
Newcastle ...	1,832,800	6 5½	13 0	1,191,000	7,355	4,006,471	287,255	6 8	14 0	4 3	29·6
Northampton ...	419,583	7 7	15 0	314,000	1,658	1,137,516	92,950	4 10	12 5	3 7	30·2
Nottingham ...	1,291,935	8 1	16 2	1,044,000	5,200	5,935,845	267,966	4 16	22 3	3 17	17·4
Plymouth ...	1,108,588	7 3	15 0	830,000	4,500	3,744,836	204,455	5 8	18 7	4 1	26·0
Portsmouth ...	1,167,749	6 8	13 0	759,000	4,700	2,205,496	251,549	4 13	8 16	3 2	35·2
Rotherham ...	291,974	9 6	17 6	255,000	1,250	2,548,896	71,785	4 1	35 8	3 11	10·0
Salford	1,117,017	8 6	18 0	1,000,000	4,370	4,017,474	235,239	4 15	17 2	4 6	25·4
Sheffield	2,175,273	9 4	18 0	1,957,000	8,000	11,669,779	493,839	4 8	23 12	3 19	16·7
South Shields ...	463,371	7 9	15 8	365,000	1,840	1,704,348	115,945	4 0	14 14	3 3	21·4
Stoke-on-Trent ...	889,759	11 0	22 3½	991,000	3,447	1,866,369	248,852	3 12	7 10	4 0	53·3
Swansea	773,994	8 7	19 10	767,000	3,100	3,166,474	167,218	4 13	18 19	4 12	24·3
Wolverhampton ...	454,871	9 3	16 8	368,000	1,863	1,916,923	102,324	4 9	18 16	3 14	19·7
COUNTIES											
Essex	4,549,964	—	- -	—	18,958	2,425,524	—	—	—	—	—
Hertfordshire ...	2,126,686	—	5 8½	604,000	8,850	2,405,044	335,000	6 6	7 4	1 15	24·3
Kent	6,417,748	-	4 9¾	1,544,000	26,740	2,005,132	1,023,400	6 5	1 2	1 5	125·0
London	45,591,000		5 2½	11,875,000	190,000	76,032,970	4,552,907	10 0	16 14	2 12	15·6
Middlesex ...	7,919,850	- -	4 7	1,815,000	32,999	5,128,422	1,280,000	6 4	4 0	1 8	35·0

THE unprecedentedly heavy borrowings by public bodies during the past year have in many cases added seriously to the ratepayers' burden. Few of the prospectuses for recent issues revealed the income derived from sources other than the rates—an omission which may be permissible in view of the high status of the borrowers; but, considering that the emissions were to be applied in housing and other reproductive schemes, investors would have been interested in a statement as to the previous profits made by the trading undertakings of the various councils. The White Paper (Cmd. 1155) recently published by the Ministry of Health, though not providing such information, gives sufficient data to allow of comparatively accurate inferences as to the strain imposed on civic resources by the existing debt.

Despite the shrinkage in the value of the pound sterling, the average increase in rates throughout the United Kingdom is only about 100 per cent. over the pre-War level. The following table shows the percentage alterations for Metropolitan and county boroughs and other urban and rural areas:—

	All Metropolitan Boroughs (including the City of London)	All County Boroughs	All Other Urban Areas (including Non-County Boroughs)	100 Typical Rural Parishes
1913–14...	100	100	100	100
1919–20...	130	141	142	146
1920–21...	190	195	196	216

The increase is least in the Metropolis and greatest in the rural parishes, a probable reason for which may be found in the fact that in the latter districts the salaries and wages of school teachers, policemen and roadmen, which have been raised substantially during the period, form a larger proportion of the total rate expenditure than in other areas. Post-Armistice conditions have necessitated a greater increase in rates than had taken place during the period of the War, consequent on the sharp rise in commodity prices in the early part of 1920 and the putting in hand of work, such as road repairs, postponed from previous years. The extension of gas, water, tramway, electric power and housing schemes has involved an additional strain in many cases, though the profits from such undertakings should normally cover the service of the debt incurred on their behalf.

Restrictions imposed, as from the commencement of the War, upon the rents of dwelling-houses within certain limits of rental having operated as restrictions upon assessable value generally, the assessments of rateable property for purposes of local rates remained, practically, on a pre-War basis during the whole period. The proportionate increase in total rate income corresponds very closely as a result with that in the actual rates imposed. The following table shows the annual growth for the past eight years in total rate receipts and assessable values, and in average amounts collected per £ of assessable value and per head:—

Year ending March 31	Total Receipts of Local Authorities from Rates	Assessable Value of all Rateable Property at Commencement of Year	Average Amount of Rates Collected— Per Pound of Assessable Value	Per Head of Estimated Population	Percentage Increase since March 31, 1914, in Average Amount of Rates per Pound of Assessable Value
	£	£	s. d.	£ s. d.	
1914	71,276,000	211,563,000	6 8¾	1 18 11	—
1915	73,734,000	214,258,000	6 10½	1 19 11	2
1916	75,851,000	216,350,000	7 0½	2 0 8	5
1917	72,885,000	217,122,000	6 8½	1 18 10	—
1918	75,377,000	218,633,000	6 10¾	2 0 1	2
1919	84,700,000	219,650,000	7 8½	2 5 2	15
1920	103,700,000	220,714,000	9 4¾	2 15 4	40
1921	148,750,000	223,656,000	13 3½	3 19 1	98

The tabular statement at the head of the page constitutes a detailed analysis of the financial position of the various corporations which made issues during the last twelve months. The statistics for assessable values, rates and population are compiled from official figures included in the White Paper already mentioned, and the debts outstanding are as stated in the prospectuses, with the necessary adjustments for subsequent public issues. No account is taken of housing bond issues, or of bank overdrafts, or of bills privately placed, but the figures may be taken as relatively accurate. In the case of every corporation the total debt outstanding exceeds the assessment valuation, the excess for Sheffield being 500 per cent.

This large surplus is an indication of the heavy commitments of municipal enterprise in the United Kingdom. The assessable values per head range from £3 12*s.* in Stoke-on-Trent to £9 7*s.* in Bournemouth, a gradual increase being discernible as one passes from industrial centres to the more purely residential districts. The considerable variation in local practice regarding valuations must, however, be borne in mind in such comparisons. The figures for the City of London are not comparable, as the estimated (night) population is but a fraction of ratepaying (day) population. A large divergence also exists in the debts per head, Stoke-on-Trent being again lowest with £7 10*s.*, while Bradford touches £35 12*s.* The rates *per capita* display a greater uniformity at between £3 and £4, but Belfast (the population of which is taken as for the 1911 Census and is probably larger) registers the lowest at £2 6*s.* and Liverpool claims the highest at £5 5*s.*

The existence of heavy debt is no reflection upon the guardians of civic finances if the interest and sinking-fund charges do not impinge upon the ratepayers' resources. The proportion which the rates per head bear to the debt per head forms, therefore, an index for comparative purposes of the success with which borrowed funds have been employed. Rotherham, with a ratio of ten per cent., would seem to occupy the most favourable position. Though carrying the heavy debt of £35 8*s.* per head, it enjoys the comparatively low rate charge of £3 11*s.* per head. Another small town, Stoke-on-Trent, stands at the opposite end of the scale. Though possessing a *per capita* debt of only £7 10*s.*, it is compelled to assess its rates at 22*s.* 3½*d.* in the £, or £4 per head, giving a final ratio of 53.3 per cent.

It is conceivable that such a ratio might be the same for two towns with widely varying debts *per capita*, and thus not provide a complete indication as to their relative financial positions. To obviate this possibility the calculation must be taken a step further. If the rates per head in a town with no outstanding debt were £x, and a subsequently incurred debt of £D per head placed an extra £d per head on the rates, the latter would then be £ $(x+d)$ per head. The ratio already mentioned would then be $\frac{x+d}{D}$ per cent. The quantity D would bear some relation to the quantity $\frac{x+d}{D}$, say $kD=\frac{x+d}{D}$. Now, D remaining unaltered, the smaller $x + d$ (*i.e.*, the rates) is, the smaller will be k; and if the debt (D) is increased without increasing the rates $(x + d)$ the smaller will k again be. It is, therefore, in the interests of financial stability that k should remain as low as possible. From the above equation it follows that $k=\frac{x+d}{D^2}$, values for which are given in the last column for the individual corporations. These figures may be considered as an index of the financial disabilities of the various municipalities, regarded from the investor's point of view rather than from that of the ratepayer. They must be accepted as an indication of rank only, quantitative comparisons not being exact measures of relative merits. The lowest figure, 28, stands to the credit of Rotherham, which carries a heavy *per capita* debt of £35 8*s.* without the necessity of imposing more than £3 11*s.* as the *per capita* rate. The next in order are Bradford, Middlesbrough, Birkenhead, and Coventry. Stoke-on-Trent stands in the least enviable position at 710. In this instance, though the debt is only £7 10*s.* per head, the rates amount to £4 per head. Portsmouth also registers a high number, 400. Though its *per capita* debt is less than one-third that of Middlesbrough, it is compelled to charge approximately the same rates. It will be noticed that, generally speaking, the figures tend to be lowest in the more industrialised centres, where business interests predominate.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

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THE general average of the prices of all forty-five commodities comprised in our index-number shows an increased rate of decline last month as compared with January, the fall during February being 7.2 per cent., as against 4.9 per cent. during the previous month. This recession is the greatest since the depression began, with the exception of the decline during December 1920, which was 7.4 per cent. The general index-number for February, 183.0, is 115.3 per cent. above the average for 1913, but 27.1 per cent. below the average for last year, and 31.2 per cent. below the peak of April last; as compared with the end of February 1920 it shows a fall of 29.7 per cent., and it is the lowest in any month since November 1917. The annexed table affords a comparison of the group and final index-numbers for last month with those for the previous month, for February of last year, and for the month preceding the outbreak of war:—

	Feb. 28, 1921	Jan. 31, 1921	Feb. 28, 1920	June 30, 1914	+ or — % Jan. 1921	Feb. 1920	Feb. 1921 on June 1914
Veg. food ..	142·9	162·5	206·2	66·5	—12·1	—30·7	+114·9
Animal food ...	268·8	282·1	236·4	97·5	4·7	+13·7	+175·7
Sugar, coffee and tea	100·1	102·9	222·2	51·8	— 2·7	—55·0	+ 93·2
Foodstuffs ...	180·3	194·0	220·7	74·8	— 7·1	—18·3	+141·0
Minerals	221·2	248·7	295·4	96·7	—11·1	—25·1	+128·7
Textiles	150·5	166·1	304·2	80·6	— 9·4	—50·5	+ 86·7
Sundries	187·0	192·3	274·8	82·5	— 2·8	—32·0	+126·7
Materials ...	185·0	199·4	289·4	85·7	— 7·2	—36·1	+116·0
Totals	183·0	197·2	260·4	81·2	— 7·2	—29·7	+125·4

It will be observed that all the groups contributed, though unequally, to the decline last month, the greatest fall being in vegetable foods. The movement in the animal food group contrasts with a rise of 5·3 per cent. during the previous month. It is worthy of note that, despite marked changes in the subsidiary groups, the movements in the two main categories, foodstuffs and materials, show a very close correspondence. Hitherto the decline has been much more rapid in the latter, but it is probable that the position will be reversed in the coming months. In this connection the following table will prove interesting; it affords a comparison of the pre-War position with the position before the present crisis and that obtaining at the moment:—

	Highest Level Reached — Date	% above 1913	Decline from, said Level to Dec. 31	% of Decline above 1913
Veg. food	June 1920	261·6	42·1 %	107·2
Animal food	Aug. 1920	196·4	8·4 %	171·5
Sugar, tea and coffee	June 1920	302·0	62·0 %	55·4
Foodstuffs	July 1920	225·8	28·1 %	134·2
Minerals	Sept. 1920	181·7	29·5 %	90·3
Textiles	Feb. 1920	262·1	70·5 %	7·2
Sundry materials ...	Feb. 1920	231·1	52·9 %	12·3
Materials	Feb. 1920	218·0	36·1 %	103·3
Totals	April 1920	213·1	31·2 %	115·3

It will be noted that, both before the depression and now, foodstuffs show a greater increase than materials relatively to the 1913 level. Also, the three groups which attained the highest rate of increase as compared with the pre-War year, namely, sugar, tea and coffee, textiles and vegetable foods, are also those which at present show the greatest decline from the highest level reached. Since most commodities are now removed from Government control and their prices are left to the free play of supply and demand, it is probable that there is a tendency at work to approximate the relative values of the different articles to the relation existing between them at some former period. There is little indication at present that it is [illegible] the pre-War [illegible] the year preceding the outbreak of War [illegible] remembered that the War has brought with it many changes in the relative [illegible] of different commodities as a result of [illegible] and [illegible] tion, so that the ratios between the values of different articles must not be expected to be those obtaining before the War. Such changes, indeed, are con-

tinually taking place, but the War, upsetting as it did the international trade of the world, emphasised this factor in the economic sphere. Oil, for instance, has risen in importance as a result of the War, being used now both as fuel and as a source of power, in a great many cases where coal was formerly in use; the increased demand for flax incidental to the development of aviation is another among innumerable instances of the working of this principle. At the same time, though fundamental changes in the importance of different commodities may have taken place, prices moved so violently during the War that up till recently values were determined artificially in a great many instances, and there is at present a tendency towards prices moving in order to reflect value-ratios more truly, such movements being independent of the changes affecting all commodities alike. This feature will obviously become more and more prominent as time passes, and may very usefully be studied later on.

Previous monthly and annual index-numbers are shown below:—

Annual Numbers Year		*End-of-Month Numbers*			
1809 [Jevons'...	189	Dec. '14 ...	118.4	July '18...	192.9
1810 adjusted...	171	Jan. '16 ...	123.6	Aug. „ ...	195.9
1818 Figures]	159	Mar. „ ...	130.4	Nov. „ ...	195.3
1873	111	Oct. „ ...	141.5	Dec. „ ...	196.0
1880	88	Dec. „ ...	154.3	Jan. '19 ...	192.1
1896	61	Jan. '17 ...	159.3	Feb. „ ...	187·5
1911	80	Feb. „ ...	164.0	Mar. „ ...	184.7
1912-13-14 ...	85	April „ ...	173.0	May „ ...	194.6
1915	108	June „ ...	180.4	June „ ...	199.4
1916	136	Aug. „ ...	175.7	July „ ...	206.4
1917	175	Oct. „ ...	180.6	Aug. „ ...	212.7
1918	192	Dec. „ ...	185.1	Sept. „ ...	214.8
1919	206	Jan. '18 ...	186·2	Oct. „ ...	224.3
1920	251	Apr. „ ...	189.8	Nov. „ ...	231.0
June '14	... 81.2	May „ ...	191.1	Dec. „ ...	235.2
				Jan. '20 ...	245.3
				Feb. „ ...	260.4
				Mar. „ ...	261.8
				April „ ...	266·1
				May „ ...	260·0
				June „ ...	255·7
				July „ ...	254·6
				Aug. „ ...	253·5
				Sept. „ ...	248·7
				Oct. „ ...	239·9
				Nov. „ ...	223.3
				Dec. „ ...	207·2
				Jan. '21 ...	197·2
				Feb. „ ...	183·0

The usual table showing the course of wholesale prices of commodities in six of the leading foreign countries is appended. A short description of each of the index-numbers here given was contained in THE STATIST of February 12. One important change is to be noted, however, in the case of Italy. Professor Bachi recently substituted a new series of index-numbers to replace those hitherto published. Under the new system the calculation will be based on seventy-six commodities. Instead of the average for the years 1901-05, the average of prices at the end of each month of 1920 forms the basis of the new series, the single index-numbers being percentages of these averages, and the group and general index-numbers being "unweighted" arithmetic averages of the ratios. Also, as in the case of THE STATIST's index-number, quotations for two or three qualities are taken for the chief commodities—such as wheat, wine, beef, cotton, wool, silk, coal, iron, timber and hides. In the following table the new calculations have been inserted for 1920 instead of the old ones, being of course adjusted to the old basis in order to preserve the continuity of the series:—

INTERNATIONAL WHOLESALE PRICES
Published Index Numbers.

	U.K. ("Statist")	America (Bradstreet's)	Canada (Dept. of Labour)	Japan (Bank of Japan)	France (Stat. Gen.)	Italy (Prof. Bachi)	Sweden (Svensk Handelstidning)
1913 ...	85·0	$9·2115	135·5	132·2	115·6	126·0	—
1914 ...	83·0	8·9034	136·1	126·3	117·9	119·8	116
1915 ...	108·0	9·8530	148·0	127·8	161·6	167·2	145
1916 ...	136·0	11·8237	182·0	154·9	217·6	253·5	185
1917 ...	175·0	15·6385	237·0	196·4	302·4	376·8	244
1918 ...	192·0	18·7117	278·3	259·0	392·1	515·5	339
1919 ...	206·0	18·6683	293·2	316·6	411·8	460·9	331
1920 ...	251·0	18·1679	333·7	341·2	588·8	786·7	347
1919							
June ...	199·4	18·8964	284·1	295·0	380·0	451·0	324
July ...	206·4	20·0017	294·0	319·0	403·0	456·6	320
Aug. ...	212·7	19·4720	301·1	324·0	401·7	465·5	321
Sept. ...	214·8	19·5215	301·5	332·0	415·9	468·3	319
Oct. ...	224·3	19·9026	299·6	352·1	441 1	492·0	307
Nov. ...	231·0	20·1756	307·7	370·2	428·5	552·9	308
Dec. ...	235·2	20·3638	322·7	381·5	488·6	576·2	317
1920							
Jan. ...	245·3	20·8690	336·4	397·9	562 7	639·2	319
Feb. ...	260·4	20·7950	343·5	413·8	605 3	701·2	342
Mar. ...	261·8	20·7124	349·0	425·0	641·0	758·5	354
April ...	266·1	20·7341	353·1	396·6	679·2	836·3	354
May ...	260·0	19·8752	356·6	328·0	635·9	831·8	361
June ...	255 7	19·3528	349 5	337·0	569·6	796·0	366
July ...	254·6	18·8273	346·8	317·0	572·9	761·3	363
Aug. ...	253·5	17·9746	330·2	311·0	579·5	787·8	365
Sept. ...	248 7	16·9094	326·6	305·0	607·7	825·9	362
Oct. ...	239 9	15·6750	317·6	298·5	580·0	8 9·8	346
Nov. ...	223 8	13 6263	301·2	292·7	532·6	844·4	331
Dec. ...	207 2	12·6631	290 5	272·0	502·6	825·8	299
1921							
Jan. ...	195·2	12 3689	–	265·8	470 0	809.5	—
Feb. ...	18[illegible] 0	– –	–	257·9	434·6	—	—

Expressed as a Percentage of 1913.

	United Kingdom	United States	Canada	Japan	France	Italy	Sweden*
1913 ...	100·0	100·0	100·0	100·0	100·0	100·0	—
1914 ...	100·9	96·7	100·4	95·5	102·0	95·1	116
1915 ...	127·1	107·0	109·2	96·7	139·8	132·6	145
1916 ...	160·0	128·4	134·4	117·2	187·0	201·2	185
1917 ...	205·9	170·0	174·9	148·5	261·6	299·0	244
1918 ...	225·9	203·2	205·4	195·9	339·2	409·1	339
1919 ...	242·4	202·7	216·4	239·5	355·6	365·8	331
1920 ...	295·3	197·2	246·2	257·9	509·3	624·3	347
1919							
June ...	235·0	205·2	209·7	223·1	329·0	358·0	324
July ...	242·8	217·2	217·0	241·3	349·0	362·4	320
Aug. ...	250·2	211·5	222·2	245·1	347·0	369·7	321
Sept. ...	252·7	211·9	222·5	251·1	359·8	371·6	319
Oct. ...	264·0	216·1	221·2	266·3	382·0	390·4	307
Nov. ...	272·0	219·0	227·1	280·0	405·0	438·7	308
Dec. ...	276·0	221·1	238·2	288·6	422·7	457·3	317
1920							
Jan. ...	288·0	226·6	248·2	301·1	486·9	507·2	319
Feb. ...	306·3	225·7	253·5	313·6	521·9	556·3	342
Mar. ...	308·0	224·9	257·5	321·5	554·5	60..·0	354
April ...	313·1	225·1	260·6	300·0	587·5	665·7	354
May ...	305·9	215·8	263·1	248·1	553·0	660·1	361
June ...	300·8	210·1	257·8	254·9	492·7	631·7	366
July ...	299·5	204·4	256·0	239·8	495·6	604·2	363
Aug. ...	298·2	195·1	243·7	235·3	501·3	625·2	365
Sept. ...	292·6	183·6	241·0	230·7	525·7	655·5	362
Oct. ...	282·2	170·2	234·4	225·8	501·7	658·6	346
Nov. ...	263·3	147·9	224·6	221·4	460·7	670·1	331
Dec. ...	243·5	137·5	211·4	205·7	434·8	655·4	299
1921							
Jan. ...	232·0	134·3	—	201·1	406·5	642·4	—
Feb. ...	215·3	—	—	195·1	375·9	—	—

*Average for twelve months to June 1914 = 100.

MONTHLY BANK STATEMENTS.

A GENERAL contraction in the more variable constituent items characterises the statements of liabilities and assets issued by the nine clearing banks whose weekly average figures for February are now available for comparison with those for the month immediately preceding. At £1,947,532,000 the aggregate assets represent a drop of £66,363,000, the corresponding decline in the liabilities being distributed between current, deposit and other accounts of £1,754,372,000, and acceptances, endorsements and guarantees of £77,376,000, in the proportion of about five to one. The cash assets (of which money at call and at short notice accounts for five per cent., against 5.5 per cent. previously) figure at 19.1 per cent., against 19.7 per cent. for January; while bills discounted and advances, at 66.8 per cent., again approximate to two-thirds of the deposits, and investments (other than holdings in subsidiary banks) to eighteen per cent.

In the following table appear average figures of the individual banks. In the case of the private banks the comparatively low proportion of cash in hand and at the Bank of England is more than offset by the larger percentage of money at call and at short notice.

February Averages.
(£000's omitted)

	Current, Deposit & other Accts.	Cash in Hand & with Bank of Eng.*	Bills Discounted*	Advances*
	£	£	£	£
Bank of Liverpool & Martins	80,208	8,041	10,491	41,998
		(10·0)	(13·0)	(52·4)
Barclays Bank	323,241	34,241	60,698	155,016
		(10·6)	(18·8)	(48·0)
Coutts and Co.	19,931	1,501	4,530	7,085
		(7·5)	(22·7)	(35·5)
Glyn, Mills, Currie and Co....	23,752	1,956	1,180	8,006
		(8·2)	(5·0)	(33·7)
Lloyds Bank	329,249	34,317	73,573	143,815
		(10·4)	(22·3)	(43·7)
London County Westminster and Parr's	308,562	31,049	68,754	137,412
		(10·1)	(22·3)	(44·5)
London Joint City and Midland	360,573	50,703	57,855	190,971
		(14·1)	(16·0)	(52·7)
National Provincial and Union	274,128	27,071	49,243	138,640
		(9·9)	(18·0)	(50·6)
Williams Deacon's	84,728	4,264	2,612	21 375
		(12·3)	(7·5)	(61·5)
Total, 9 Banks	1,754,372	193,143	328,936	843,518
		(11·0)	(18·7)	(48·1)

* The figures given below the tabulated assets represent percentages of the current, deposit and other accounts.

First with the publication of its printed figures, the London Joint City and Midland Bank supplemented the information by a statement of the average *daily* total of cash in hand and at the Bank of England, which for January amounted to £56,004,000, against a weekly average of £55,062,000, and for February to £51,028,000, against a weekly £50,703,000. Response to outside suggestions has thus only served in this case to reveal a stronger cash position than would otherwise have been disclosed.

GOVERNMENT POLICY AND IRISH TRADE.

THE attitud- of the Government on trade problems is a perplexing one. With the aid of the best business brains in the country it is endeavouring to formulate a scheme to promote the revival of trade with Europe, and at the same time its agents in Ireland are interfering seriously with all productive effort. Apparently the idea entertained is that the damage inflicted on the producing capacity of Ireland can be so adjusted as to allow the burden to fall on Irish shoulders alone. This, needless to say, is a very mistaken view. The claims to be met by the ratepayer in respect of damages committed by Crown forces already amount to millions of pounds, and, worse still, there seems to be no immediate prospect that a reversal of policy will put a stay on this rising tide of liabilities. The cumulative effect of this destruction on Anglo-Irish trade has yet to be experienced, but the time is rapidly approaching when it must result in a reduction alike of Irish imports and exports. To restore a sound industrial edifice in certain parts of Europe, especially where bickerings between various Governments exist, is, according to Government spokesmen, beyond their power. Then why destroy that edifice in Ireland, one of our most valuable markets, when it is certainly within the power of the Government to prevent it?

Additions made during the past fortnight have brought the list of destroyed creameries up to fifty-one. These butter and cheese factories constitute favourite objects for reprisals, there apparently being no conception of the important part played by Ireland in furnishing the British consumer with fresh "breakfast-table" produce. To help in clearing away misconceptions on this point the appended table, taken from a report of the Department of Agriculture, will be found useful. It contrasts the value of the Irish exports in 1919 of farm produce, food and drink, with the value of similar imports in the same year into the United Kingdom from foreign countries and British possessions.

Farm Produce, Food and Drink.

(Values expressed to the nearest Thousand Pounds).

Year 1919.	£
Exports from Ireland (*a*)	93,709
Exported to the United Kingdom from (*b*) :—	
United States of America	242,308
Argentina	61,745
Canada	74,958
British India	22,323
Denmark	7,864
New Zealand	25,543
Netherlands	11,565
Australia	36,183
Russia	905
Total	577,103

(*a*) At values free on board ship at Irish ports.
(*b*) Including cost of insurance and freight.

To make the comparison exact the figures for Ireland should be reduced by the values of the Irish produce consumed outside the United Kingdom, and the figures for other countries should be reduced by the values of goods consumed in Ireland, which are included in the totals for the United Kingdom. These deductions are, however, of little weight, hence the general accuracy of the table as it stands is unimpaired. With the sole exception of the United States, it will be observed that the values of the Irish consignments, chiefly to Great Britain, exceed those from any other country. Of a total value of £577,103,000 for farm produce, food and drink, the Irish proportion is sixteen per cent., and this represents food arriving in the British market in the freshest and most natural form. Analysing the categories of agricultural produce making up the table, the cattle and beef exported from Ireland in 1919, valued at £27,468,000, exceeded the imports from all other countries except Argentina, whose contribution worked out at £27,796,000. The Irish export of sheep and mutton, £2,145,000, was the fourth greatest, being exceeded only by the imports from New Zealand, Argentina and Australia. As regards the total value of bacon, hams, pork, and live pigs, Ireland came third on the list with a value amounting to £7,631,000, as compared with £67,629,000 from the United States and £19,534,000 from Canada. The export of poultry from Ireland was much greater than that from any other country to the United Kingdom; with a value of £2,757,000 it is well in advance of the next on the list, the United States, with £1,044,000. In regard to a most nutritious article of diet, the Irish export of butter, 347,000 cwt., at £4,902,000, was the second greatest in quantity and value, the most important being an Australian export of 417,000 cwt. at £5,251,000. Finally, the Irish export of eggs and potatoes ranks, in relation to quantity and value, far ahead of the imports into the United Kingdom from any other country. Eggs in 1919 were valued at £15,480,000 and potatoes at £2,260,000. In quantity, though not in value, the Irish export of 3,241,000 cwt. of oats was well ahead of that supplied by the United States, 2,956,000 cwt.

We have already referred to the fact that measures having for their object the injury of Irish trade cannot but inflict a corresponding injury on Great Britain. To buy from us Ireland must be in a position to sell to us, and, further, the operations of buying and selling need for their successful conduct an environment less disturbing than that now prevailing. Persistence in the policy now pursued by the Government—a policy aiming at beating a whole country into submission and directly inspired by certain members of the Cabinet, who, despite their experience since 1913, still imagine that politics and trade problems can be kept in water-tight compartments—cannot fail eventually to surround Anglo-Irish trade with the chaotic conditions now ruling in some of the European States. The importance of Ireland's external trade is clearly brought out in the table below. In imports per head of the population, as in exports, it sets up a standard approached by no other country mentioned. Taking the column devoted to "Total imports"—chiefly from Great Britain—the value of Irish trade under that head is only exceeded by eight of the nineteen countries listed: and as to "Total exports," there appear only five countries with greater values to their credit.

Particulars of the External Trade of Nineteen Countries.

	Total Imports for Home Consumption 1,000 £'s	Total Exports of Domestic Produce 1,000 £'s	Imports per Head of Population £ s. d.	Exports per Head of Population £ s. d.
France (*d*)	1,191,141	348,527	32 12 8	9 10 11
Belgium (*d*)	202,308	91,495	26 8 4	11 18 11
Netherlands (*d*)	235,478	117,609	34 14 9	17 7 0
Denmark (*b*)	56,506	53,760	18 18 0	17 19 7
Switzerland (*c*)	95,867	78,509	24 3 0	19 15 6
Sweden (*b*)	42,145	74,975	7 5 4	12 18 6
Norway (*b*)	92,108	43,779	34 19 10	16 12 8
Italy (*c*)	641,544	136,932	17 9 5	3 14 7
Spain (*c*)	23,028	37,536	1 2 8	1 16 11
Portugal (*a*)	29,095	12,603	4 17 8	2 2 4
United States (*d*)	777,779	1,614,746	7 5 9	15 2 6
Japan (not including Formosa) (*c*)	166,258	197,123	2 18 3	3 9 1
Dominion of Canada (*c*)	188,377	246,790	22 10 7	29 10 3
Newfoundland (*c*)	4,283	4,566	16 13 4	17 15 4
Commonwealth of Australia (*c*)	90,325	101,730	17 11 5	19 15 9
Union of South Africa (*c*)	45,451	28,913	6 7 3	4 0 11
Dominion of New Zealand (*c*)	23,588	27,725	19 12 6	23 1 4
United Kingdom	1,461,407	798,635	31 14 4	17 6 8
Ireland (*d*)	154,255*	171,570*	35 4 4	39 3 5

(*a*) 1916. (*b*) 1917. (*c*) 1918. (*d*) 1919.
* Excluding re-exports, estimated at £4,161,000.

BRITISH RAILWAYS.

TRAFFICS AND FINANCE.

During December last 117,204,807 passengers (exclusive of season-ticket holders) were conveyed by the railways in Great Britain, being an increase of 4,957,209, or 4.42 per cent., compared with the month of November, notwithstanding a falling off of 4,299,822 in workmen. The average receipts per journey in respect of all descriptions of passengers amounted to 13.32*d.* in December, compared with 11.62*d.* in November. The trade depression, together with the Christmas holidays, caused a decline of 8.75 per cent. in freight tonnage and 9.92 per cent. in ton miles for the four weeks ended January 2 as compared with the preceding four weeks, made up as follows:—

	Four Weeks ended—			Four Weeks ended—		
	Jan. 2, 1921	Dec. 5, 1920	Decr.	Jan. 2, 1921	Dec. 5, 1920	Decr.
	Tons	Tons	%	Ton Miles	Ton Miles	%
General merchandise ...	4,615,156	5,363,253	13·95	390,890,654	465,302,248	15·99
Coal, coke & patent fuel ...	14,799,237	16,122,541	8·21	700,682,075	761,638,767	8·00
Other minerals	4,745,278	4,989,924	4·90	231,738,590	242,087,573	4·27
Total freight	24,159,671	26,475,718	8·75	1,323,311,319	1,469,028,588	9·92

The principal fluctuations in the different descriptions of traffic were as under:—

		Tons	Per Cent.
Ironstone ...	Increase	104,910	10·78
Pig iron	,,	69,570	29·25
Grain and flour	Decrease	132,869	19·40
Road stone ...	,,	107,668	17·09
Timber	,,	84,582	13·73
Sand and gravel	,,	70,513	22·23
Limestone ...	,,	58,077	12·61
Alkali	,,	34,284	37·61

The average wagon-load was the highest yet recorded—viz., 5.67 tons, probably due to the decline in the proportion of general merchandise traffic conveyed. There was a diminution of 9.92 per cent. in the ton miles worked, but the freight-train mileage was not reduced to the same extent, the reduction being 7.74 per cent., with the result that the average train-load fell to 130.46 tons, a drop of 3.15 tons. The freight-train miles run per train hour were 7.33, as compared with 7.58 for the previous four weeks, and the freight-train miles per engine hour were only 3.02, which is lower than in any period in the year 1920. With regard to constructional work, 66 locomotives, 155 carriages, and 3,022 wagons were completed during the four weeks ended January 2. No improvement was effected in the number of locomotives under and awaiting repair, which still represents 25.5 per cent. of the total stock; but the number of wagons under and awaiting repair has now been reduced to 3.8 per cent. of the stock.

The finances of the controlled railways in the United Kingdom showed some improvement during January, despite the fact that total gross receipts were £1,724,291 less than those for December. The improvement is accounted for by a decline of £4,201,221 in the exceptionally high expenses charged for December. The working results may be set out as follows:—

	April-Dec.	Jan.	April '20 to Jan. '21
	£	£	£
Receipts...	192,268,775	10,856,896	212,125,671
Expenditure	185,729,533	20,143,091	205,872,624
Balance ...	+ 6,539,242	— 286,195	+ 6,253,047
Other businesses	— 891,105	— 21,709	— 912,814
Total balance	+ 5,648,137	— 307,904	+ 5,340,233
Govt. guarantee	38,174,000	3,490,000	41,664,000
Net liability ...	32,525,863	3,797,904	36,323,767

It will be seen that during the first month of 1921 there was a loss of £307,904 on all branches. At the end of December the credit balance was £5,648,137, and it is therefore now reduced to £5,340,233. The Government guarantee for the ten months covered by the return was £41,664,000, and therefore the net liability works out at £36,323,767, or an average of £3,632,376 per month. This is decidedly better than the December liability of £7,024,246. The small indication thereby afforded of a better state of things was partly responsible for the improved tone of railway stocks during the whole week. The Minister of Transport has promised the Railways Bill for as soon as possible after Easter, and pending its appearance, or an official forecast of its provisions, the railway stockholder must remain in uncertainty, despite the returns. As we pointed out last week, however, abnormal items estimated at over £3,000,000 are included in the December expenditure, and out of the total deficit of £32,525,863 in the nine months to December 31, extraordinary outlay accounted for approximately £20,000,000. No light is thrown in the report of the Ministry of Transport on these factors, but presumably they represent non-recurrent expenditure incurred on repairs and renewals of rolling-stock and permanent way. They seem to have been heaviest towards the end of the year when the trade depression added to the already big burden imposed by the high cost of labour and of material. The absence of these abnormal items in future years would help to reduce the estimated deficit on the working of our railways from £40,000,000 to £16,000,000, but the possibility of their partial recurrence cannot be overlooked. In this connection it is significant to note that the Civil Service estimates published during the week include only £30,220,000 in respect of railway and canal agreements, as compared with £45,400,000 in 1919-20. We are still, however, far from a credit balance, and drastic operating economies will be necessary if the railways are to pay even their meagre pre-War dividends. Under the sliding scale agreement wages will come down automatically with the cost of living, and with each drop of a shilling the companies will gain to the extent of £1,730,000. They will, further, have the advantage in the future of drastic cuts in the price of materials, but pending the details of any new grouping scheme the exact effect of these factors on the financial position cannot be determined.

CAPITAL ISSUES IN FOREIGN COUNTRIES.

The revival of industrial activity witnessed in 1919 continued into the early part of 1920, and was largely responsible for the activity in the Capital market shown in the latter year in various countries. Government borrowing, in most instances, showed a falling-off, and a diversion of funds into more productive channels was thus made possible. The partial check administered to inflation by the fact that the colossal credits hitherto created by the different States from week to week to meet deficiencies in revenue were curtailed caused in the Money markets of the world a general tightness, but this did not prevent extensive emissions of capital by manufacturing and trading enterprises of all kinds. The course of events here described is illustrated in the case of the United Kingdom, where Government borrowing, inclusive of National War Bonds, National Savings Certificates, and Treasury Bonds, amounted in 1919 to £880,400,000, but fell in 1920 to £38,550,000. In the same years commercial and industrial undertakings of every description, excluding those nationally or municipally owned, increased their issues from £194,971,000 to £299,760,000. The figures were set out in detail in The Statist of Jan. 8, and the totals are given in the following table:—

United Kingdom, Italy and Switzerland.

(000's omitted.)

		1920	1919	1918	1917
United Kingdom	£	411,430	1,091,171	1,383,493	1,925,530
*Italy	Lire	—	3,162,544	3,154,054	1,409,786
Switzerland ...	Francs	650,000	849,035	884,347	551,716

* Including increases of capital and registrations.

Returns for Italy and Switzerland are included, but in respect of the former the data for 1920 are not

yet available. Government borrowings are not taken into account for these two countries, and their absence explains the reduction in new issues in Switzerland from 849,035,000 frs. in 1919 to 650,000,000 frs. in 1920. Of course, the demand for capital for reconstruction purposes was not so great in Switzerland as in belligerent countries. The figures given are based on returns by the Banque Nationale Suisse or contained in the *Schweizerische Finanzjahrbuch*. For Holland statistics have been published by the Rotterdamsche Bankvereeniging, showing that capital applications during last year exceeded 744½ million florins, of which 132 millions were sponsored by industrial companies, and most of the remainder by oil companies, banks, shipping companies, railways, and by municipalities and other public bodies. Details as given herewith:—

Holland.

	Florins
Provincial and Municipal Loans	130,672,310
Banks and Credit Institutions	87,011,500
Mortgage Banks	6,731,250
Industrial Companies	132,217,610
Plantation „	71,870,150
Oil „	114,255,000
Rubber „	13,565,000
Shipping „	83,493,500
Tobacco „	22,421,000
Railway „	63,395,000
Tramway „	1,580,000
Miscellaneous „	17,324,975
Total	744,537,295

In the United States the demands on the Capital market in 1920 exceeded those of the previous year by 303 million dollars. In the table given below the figures used are those of Babson for last year and of the *Journal of Commerce of New York* for earlier years:—

United States of America.

(In Millions of Dollars).

	1920	1919	1918	1917
Jan.	422	242	165	183
Feb.	268	188	70	214
March	251	153	75	312
April	591	68	24	130
May	221	210	102	48
June	364	322	254	60
July	216	371	166	135
Aug.	111	220	90	186
Sept.	101	380	60	81
Oct.	341	391	76	49
Nov.	173	254	90	91
Dec.	266	223	175	42
Total	3,325	3,022	1,347	1,531

This table takes account only of emissions by companies engaged in trading and commercial pursuits. The 1920 figure surpassed all previous totals. Government borrowings are not included, and the exclusions also embrace the numerous loans floated in New York by foreign Governments and municipalities.

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TRADE OF THE UNITED KINGDOM IN FEBRUARY.

No degree of optimism could conceal the fact that the trade depression in February was more acute than in January. The continued growth in unemployment, which was brought forcibly home to us in all the leading centres of industry and commerce, furnished reliable, though none the less regrettable, evidence of the masterly inactivity which the principal industries of the United Kingdom were obliged to adopt. At the same time, whilst studying the dismal figures embodied in the latest returns issued by the Board of Trade, it is necessary to recollect that no valid comparison can be made with the figures of February 1920, owing to the great disparity of industrial conditions. We were not then in the slough of a great depression and the present pronounced tendency of prices to fall had not yet manifested itself. Moreover, the progress of the depression can be more easily followed by comparing the results with those of January, remembering all the time the shortness of the month of February in comparison:—

Course of Foreign Trade.

(000's omitted.)

	February 1921.	Inc. or Dec on 1920	Inc. or Dec on 1913	2 Mos. to February 1921.	Inc. or Dec. on 1920	Inc. or Dec. on 1913
	Amount			Amount		
	£	£	£	£	£	£
Imports ...	96,974	—73,461	+ 33,187	214,024	—139,753	+ 79,045
Re-exports ...	8,004	—14,599	— 2,741	17,959	— 30,109	— 3,491
Net Imports	88,970	—58,862	+ 35,928	196,065	—109,644	+ 82,536
Exports ...	68,222	—17,742	+ 28,048	140,978	— 30,866	+ 75,358
Exc. of Imports	20,748	—41,120	+ 7,880	55,087	— 78,778	+ 7,178

The returns of imports for January showed a decline of no less than £25,700,000 as compared with the previous month. Following on this pronounced fall come the figures for February of £96,974,000, or a still further decline of over £20,000,000. Hitherto the low record for imports belonged to March 1919, when the total was only £105,753,000. Despite the fewer days in the month, this new record of £96,974,000 for February undoubtedly reflects the severity of the current depression.

This drop of £20,077,000 in the total value of the imports represented the cumulative effect of declines in the three main classes. Imports of food, drink and tobacco amounted to £47,750,000, as against £49,158,000 in January. The value of grain and flour imported fell by nearly £3,000,000 to £8,125,000. Wheat registered a drop from £5,118,000 to £3,279,000, largely owing to the reduction in the quantities received from Australia and America. The element of falling prices is best reflected in the Australian figures:—

	Cwt.	£
January	1,017,100	1,551,867
February	239,200	297,370

On the other hand, the appreciation of the New York rate was probably the primary factor in explaining the value of £1,579,213 for 1,479,700 cwt. in February, as against £2,266,415 for 1,782,800 cwt. in January. This pronounced fall in grain and flour was partially offset by an expansion in the import of non-dutiable food and drink from £15,818,000 to £18,192,000. This was accounted for by the growth in the import of butter from £4,803,000 to £5,681,000, mainly because of the large import of 129,638 cwt. valued at £2,003,000 from New Zealand, as against 5,926 cwt. valued at £93,000 only in January. Similarly, a growth in the cheese import from the same quarter from £176,000 to £1,461,000 is reflected in the increase in the total from £1,007,000 to £1,943,000. As a result of the greater import of frozen beef from the Argentine, which amounted to £3,154,000, as compared with £1,743,000 in January, the value of meat imported rose by over £1,100,000 to £12,936,000. On the other hand, there was a fall of over £1,250,000 in the import of dutiable food and drink.

Imports of manufactures in Class III. amounted only to £23,394,000, as against £30,467,000 in January. Apart from a few trivial increases, the groups embraced in this class recorded declines as a rule. The outstanding fall from £8,951,000 to £4,625,000 was associated with the trade in manufactured oils, fats and resins. Here the fall took place notably in the import of petroleum, which amounted only to 68,501,000 gallons worth £4,440,000, instead of 95,782,000 gallons worth £8,452,000. The value of chemicals, drugs, dyes and colours was returned nearly £1,000,000 lower at £1,457,000, the import of dyestuffs dropping from £777,070 to £66,781. It will be of interest to note how the economic sanctions now being enforced on Germany will influence the trade in these commodities in the future.

The universality of the depression is best realised by studying the figures relative to the imports of the vital raw materials included under Class II. Here there is a painful repetition of declines, summarised in the fall of the total of this class from £37,005,000 to £25,504,000. Our foundational iron and steel trades, as well as the textile industries of Lancashire and Yorkshire, have curtailed their purchases. The import of iron ore and scrap is reduced by more than half to £828,000. There is a slight reduction in the import of wool from £6,239,000 to £6,019,000. But Lancashire looms ominously in the forefront with a purchase of £6,565,000 worth of cotton, as against £11,588,000 in January. One consolation may be derived from the knowledge that the falling off is associated with America, and is accompanied by lower prices and an improved exchange rate. In February our import of raw cotton from the United States reached 743,100 bales valued at £4,685,000, as compared with 1,026,440 bales worth £8,067,000 in January. Wood and timber register a fall of over £1,000,000 at £2,941,000. Paper manufacturers are contented with an import of £852,000 instead of £1,412,000.

The total value of the export trade of the United Kingdom in February was returned at £76,226,000, as compared with £102,711,000 in January. To find a lower total than this we must go back as far as May 1919, when a total of £75,840,000 was recorded. This decline of nearly £26,500,000 is, unfortunately, largely explained by the severe fall in the exports of British produce and manufactures, which only amounted to £68,222,000, as against £92,756,000 in January. Re-exports dropped from £9,955,000 to £8,004,000, the decline being evenly distributed amongst the three main classes.

To the decline of almost £26,500,000 in the trade in British produce and manufactures all three classes into which exports are divided contributed, though by no means in the same proportion. A small fall of some £750,000 to £3,075,000 in Class I. is due to the reduction in the export of other food and drink from £2,972,000 to £2,370,000. Exports of raw materials under Class II. register a decline from £7,668,000 to £5,881,000. In this group there is a wholesale series of minor decreases, the outstanding feature being the drop in the important export of coal from £5,556,000 to £4,241,000. The most interesting point, however, is that this reduction in value by nearly twenty-five per cent. coincides with an actual increase in the quantity of coal exported from 1,700,106 tons in January to 1,729,148 tons in February. The price of our export coal is thus falling, and with this fall is vanishing the profits which the industry as a whole depended upon. The losses which coalowners now complain of, and of which further evidence was furnished in a recent return by the Mines Department, showing an excess of cost of production over revenue of £4,889,000 for January, can be more easily understood. The suggested decontrol of the industry after March 31, therefore, renders it imperative that an agreement should be reached between miners and mine-owners which, whilst not impairing the standard of living of the workers, would nevertheless permit of such reduction in wages as is necessary to replace the industry on a sound financial basis.

Class III., embracing the all-important groups of manufactured goods, possesses the unique, though by no means enviable, distinction of being the one class in which every group records a fall. The total for the class is only £58,177,000, as against £79,746,000. The dearth of employment in the engineering, iron and steel trades is more than explained by the drop in the export of iron and steel manufactures from £10,692,000 to £7,223,000; whilst our trade in machinery only brought in £6,398,000, as against £8,060,000; and the export of vehicles, consisting mainly of ships not registered as British, dwindled from £7,024,000 to £3,409,000. The inability of Lancashire or Yorkshire to work more than half-time is accounted for by the steady decline in the export of textiles. The value of cotton goods exported dropped from £23,973,000 to £20,137,000. The trade in woollens was valued at £5,854,000, as against £7,902,000; whilst the export of apparel fell from £3,061,000 to £2,107,000. Moreover, the decline in value was not merely the outcome of a reduction in quantities exported, for, as the following figures show in the case of the cotton exports, there was also a distinct fall in price:—

	Cotton Yarn		Price per Lb.	Cotton Piece-Goods		Price per Sq. Yd.
	Lb.	£	s. d.	Sq. Yds.	£	s. d.
Jan. ...	7,188,900	2,181,823	6 0·8	249,360,400	19,333,924	1 6·1
Feb. ...	8,525,700	2,153,057	5 0·6	244,725,500	16,513,263	1 4·2

The other important decline in this class was in connection with the export of chemicals, drugs, dyes and colours, the value being £2,001,000, as against £3,386,000.

Excess of Imports into United Kingdom.

Month	1921	1920	1919	1918	1917
	£	£	£	£	£
Jan. ...	14,740,000	52,154,000	82,615,000	54,202,000	35,301,000
Feb. ...	20,748,000	61,946,000	55,039,000	57,214,000	24,668,000
Mar. ...	—	45,918,000	43,715,000	68,042,000	29,465,000
April ...	—	40,495,000	40,382,000	77,621,000	40,244,000
May ...	—	26,755,000	59,318,000	77,516,000	37,852,000
June ...	—	34,015,000	46,420,000	64,176,000	35,999,000
July ...	—	8,042,000	76,068,000	63,525,000	35,703,000
Aug. ...	—	24,984,000	58,743,000	64,435,000	46,220,000
Sept. ...	—	21,886,000	66,376,000	56,094,000	39,870,000
Oct. ...	—	21,460,000	54,783,000	72,768,000	39,405,000
Nov. ...	—	11,780,000	36,188,000	70,732,000	62,621,000
Dec. ...	—	33,455,000	52,717,000	74,797,000	44,450,000

Owing to the more rapid rate of decline of the exports, the adverse balance of trade for February has risen by over £6,000,000 to £20,748,000. In amount it shows a remarkable improvement on the total of £61,946,000 for the corresponding month of 1920. The comparison, however, is scarcely valid, and in consequence the improvement is highly illusory. We have observed above how there was a pronounced decline in the imports of essential raw materials. Economy in this direction, whilst it helps to husband liquid resources in a time of depression, is really mortgaging the future, and the debt will have to be repaid with interest at a later date, when, with stocks exhausted, our traders will have to purchase in the world markets under less favourable conditions. Opinions are yet divided as to the extent and duration of the depression. Personally we are inclined to hold that the bottom has now been reached, but that the recovery must of necessity be slow and painful. It will not be facilitated by any ill-conceived opposition to the reorganisation of our important coal industry on a more stable basis. The world is being slowly forced back to the *régime* of lower prices, and it were well that this fact should be recognised by Labour and Capital alike. Similarly it is unfortunate that India should have to be considering the imposition of increased tariffs at a moment when Lancashire is weighed down by the depression. Admittedly the *ad*

valorem duty of eleven per cent., as against seven and a-half per cent., is not calculated to increase the export of cotton goods to one of our best customers.

External Trade of the U.K. since 1914.

(000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1921	£	£	£	£	£
Feb. ...	96,974	8,004	88,970	68,222	20,748
Jan. ...	117,051	9 555	107,496	92,756	14,740
1920					
Dec. ...	142,785	12,699	130,086	96,631	33,455
Nov. ...	144,260	13,115	131,145	119,365	11 780
Oct. ...	149,889	16,134	133,755	112,295	21,460
Sept. ...	152,692	13,350	139,342	117,456	21,886
Aug. ...	153,255	13,368	139.887	114.903	24,984
July ...	165,342	17,848	145.494	137,452	8,042
June ...	170.491	20.124	150,367	116,352	34,015
May ...	166,334	20,260	146,074	119,319	26,755
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	85,964	61,946
Year					
1920 ...	1,936,742	222,406	1,714,336	1,335,569	378,767
1919 ...	1,631,902	164,322	1,467,580	798,373	669 207
1918 ...	1,316,150	30,945	1,285,205	501 419	783,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696 835	95,474	601,161	430,721	170,440

COSTA RICA AND PANAMA.

AN UNFORTUNATE DISPUTE.

UNDUE importance should not be attached to the unfortunate boundary dispute between the Republic of Costa Rica and Panama. It is much to be regretted that, according to a report cabled to London, still unconfirmed at the time of writing, a British subject belonging to Jamaica has been killed by the troops of Costa Rica in the territory of Panama. President Harding has despatched warships to the Isthmus with the object of protecting the lives and properties of American citizens, as well as of other foreigners more or less under the protection of the United States. The reader will doubtless recollect that Costa Rica is the most southerly of the five Republics which comprise Central America, and therefore adjoins the Republic of Panama. The district, however, in which the fighting has occurred is, of course, far removed from the Panama Canal Zone, which is naturally the area in which the United States finds it most imperative to assert its authority. Nevertheless, the whole Republic of Panama is in an especial sense, whenever it is menaced, under the protection of the great Northern Republic. It is manifest that the United States, with its enormous and important interests in the Canal Zone, cannot at any time permit warfare to continue in adjacent territories. If, unfortunately, it proves true that the life of a British subject has been sacrificed in the dispute between these two Republics, the United States Government at Washington will doubtless either invite our Government to take joint action or itself take energetic measures for the protection of subjects of foreign Powers who are pursuing peaceful avocations in that territory. It will be remembered that until the United States decided to take over the building of the Panama Canal what is now called the Republic of Panama formed part of Colombia. Consequently, the United States Government is especially interested in everything that concerns the political or economic welfare of that Republic. It is vitally interested in many ways, quite apart from the necessity of looking after the interests of a political entity which was brought into existence really for the purpose of enabling the United States to control the Panama Canal. If fighting were permitted for any considerable period in the territory of Panama it could not fail to have a most injurious influence upon not merely the economic, but the health, conditions of the Canal Zone itself. One of the great difficulties which the sanitary authorities at Balboa Heights have to contend against is the fact that they have not effective control over the whole of the Isthmus adjacent to the Canal Zone. We have pointed out again and again, and do not wish to weary the reader with the subject, that one of the great difficulties of building the Canal at all was the unsatisfactory conditions existing in that region, due to the swampy character of a great part of the territory through which the Canal was cut. Until the United States took over the ten miles of territory at both sides of the Canal yellow fever, as well as malaria, was a constantly recurring scourge throughout the district which now forms the Canal Zone. Through the energy and enterprise of the United States sanitary authorities yellow fever has been stamped out within the circumscribed area of the Canal Zone itself. This is possible because the yellow-fever mosquito breeds only in stagnant waters situated around buildings. But it is not possible, on the other hand, to extirpate malarial fever entirely. This is due to the fact that whereas yellow fever, as we have just said, is bred in adjacent areas, malarial fever may be carried by the bacillus responsible for its spread considerable distances over which the authorities in the Zone territory have no really effective control. We hope to show shortly the difficulties with which the Panama authorities are themselves faced, and the reason why it is practically impossible for them effectively to co-operate with the sanitary authorities at Balboa Heights to extirpate malarial fever throughout their territory. So far, in fact, they have not been able to extirpate malarial fever. We have said, however, enough to show the reader why it is imperative that the United States Government should insist, and insist at once, that fighting in territories adjacent to the Canal Zone must cease.

Economically the prosperity of the whole of Central America, including the Republic of Panama, is based upon coffee. Some of the finest coffee in the world is produced in this area. We in this country are particularly interested in coffee coming from Costa Rica. The Costa Rican berry contains an exceptionally large proportion of the essential oil contained in coffee, and this gives it an especially rich flavour and endows it also with an equally exceptionally rich aroma. It long puzzled coffee dealers who had no knowledge of chemistry why, taking up two samples of coffee coming from various districts, and weighing them sample for sample in each hand, and finding them to be much the same in appearance and of almost identically the same weight, the public preferred one particular brand as distinct from the other. The reason for this was explained when these samples, which had formerly been valued in the rough-and-ready method just described, were subjected to chemical analysis. Although we are in this country, and have been for many generations now, interested in the growth, financing, and transportation of coffee from various parts of the world, we have never been great coffee-drinkers. At the present time it is doubtful if we consume fifty million pounds of coffee in these islands in the course of a year, whereas we consume nearly ten times that quantity of tea. Of the coffee we do consume, up to the period of the outbreak of the recent European War a very large proportion was imported from Costa Rica. Until about twelve or fifteen years ago practically the whole Costa Rican coffee crop came to London. A very large proportion of it remained here for home consumption, a certain amount being distributed to other parts of the world. In recent years, however, owing to the great growth of the wealth and prosperity of the United States, an appreciable part of Costa Rican coffee goes to the United States. Inasmuch, however, as the United States is a coffee-drinker in the sense that we in this country are tea-drinkers, the North Americans obtain their supplies over a very wide area of Central and South America, as well as from the East. We are still probably the best customers of the Costa Rican coffee-planter.

After coffee, the most important crop, which is grown almost exclusively for consumers in the United States, is that of bananas. Then come rice, maize, cocoa, vanilla, the sugar-cane, oranges and small

quantity of cotton. The total area of Costa Rica is, roughly, some 23,000 square miles. There has been no census taken since the early nineties of last century; and, consequently, it is only possible to estimate very roughly what the population is. It is generally believed to comprise from 400,000 to 450,000 souls. It will be observed that the area is nearly half that of England proper, and that the total population of the whole of the Republic is not much more than what we should expect to find in a large provincial town. Consequently, it is evident that with such a population it is a practical impossibility to develop in any real economic sense any appreciable part of such an extensive area. Until quite recently Costa Rica was almost wholly dependent upon agricultural products, the principal of which, as we have already said, was coffee. More recently the mineral resources of the country have been to some extent developed, gold and silver being found in appreciable quantities; while copper is also mined, a serious effort to develop the copper deposits being made in connection with the great rise in the price of that metal during the progress of the recent European War. Two important industries received such an impetus as the inadequate population would admit of as a result of the late War. These were the breeding of cattle on the downs of the Pacific slope, and the development of the timber industry in the dense forests which cover the Atlantic slopes of the Republic. The forest products which have so far been developed are cedar, mahogany, rosewood, ebony, and certain dye-woods. It may interest the reader who is not acquainted with Costa Rica to know that the country is composed of two low-lying plains rising respectively from the Pacific and the Atlantic seaboards. In both instances this low-lying country gradually rises to a great central plateau, on which the bulk of the population lives. This plateau is itself mountainous.

When we say that the Republic of Panama is somewhat bigger than the whole of Ireland, and has a population estimated at considerably under half a million of inhabitants, the difficulties with which the Republican Government at Panama is faced in any attempt either at political or economic development will be readily appreciated. Owing to the existence of the Canal Zone, it is not unnatural that a wholly undue proportion of so small a population is concentrated in the two cities at the Atlantic and Pacific entrances of the Canal respectively. The attraction of pushing trade with the Canal Zone is inevitable, and will readily be appreciated. These two cities naturally attract to themselves a large proportion of a population who would be far better employed in developing the interior. While unfortunate, it is inevitable, and one can readily understand the reluctance of many of the inhabitants of these cities to seek their fortunes in increasing the real productivity of the Republic, in the mistaken hope of bettering their position by remaining in the two principal cities. The result, however, is that a rich, fertile country of very considerable extent, capable of providing immense quantities of food and raw materials, not merely for the sustenance of the Canal Zone, but for the outside world as well, is to a very large extent neglected. Curious as it may seem, the authorities at the Canal Zone find it necessary to import, not merely the greater part of the manufactured goods, but of the food products and other raw materials, from the United States, instead of obtaining them, as one would naturally expect, from local sources.

COMMONWEALTH BANK OF AUSTRALIA.—Advice has been received by the London Office that branches of the Commonwealth Bank of Australia have been opened at the following places all in the State of Queensland:—Cairns, Charters Towers, Fortitude Valley, Gympie, Innisfail, Ipswich, Longreach, Mackay, Mount Morgan, Roma, Roma Street, Brisbane, Warwick, Woolloongabba.

SURPLUS WOOL STOCKS.

DURING the last fifteen months we have dealt in these columns in some detail with the period of transition from Government control to normal trading conditions in Australasian wool buying, and we have followed the statistical position of the enormous surplus stocks, in order to assist traders in maintaining a clear view of the situation. The Ministry of Munitions have now issued a statement of Government stocks existing at December 31 last, upon which date the British-Australian Wool Realisation Association took over the responsibility of selling the remaining Australian wools, and probably the New Zealand supplies also. The following table gives a summary of this official statement:—

Stocks of Australian Wool at December 31, 1920.

1. *Merino.*

	Combing Bales	Clothing Bales	Carbonising Bales	Total Bales
Australian	686,009	117,055	95,679	898,743
New Zealand	—	3,983	—	3,983
Totals	686,009	121,038	95,679	902,726

2. *Crossbred Combing.*

	Fine	Medium	Low	Total
Australian	296,902	206,478	128,382	631,762
New Zealand	75,468	205,913	153,564	434,945
Totals	372,370	412,391	281,946	1,066,707

3. *Crossbred Clothing.*

	Fine	Medium	Low	Total
Australian	43,021	38,882	17,554	99,457
New Zealand	2,759	7,564	6,984	17,307
Totals	45,780	46,446	24,538	116,764

4. *Crossbred Carbonising.*

	Fine	Medium	Low	Total
Australian	80,457	72,545	31,937	185,939

5. *Slipes and Scoured.*

	Slipes	Scoured	Total
New Zealand	155,279	156,728	312,007

Totals.

	Australian Bales	New Zealand Bales
Merino	898,743	3,983
Crossbred Combing	631,762	434,945
,, Clothing	99,457	17,307
,, Carbonising	185,939	—
Slipes and Scoured	—	312,007
	1,815,901	768,242
	2,584,143	
Falkland Islands—Medium combing crossbred	2,331	
Total stocks, December 31, 1920	2,586,474 bales	

In addition to this material, the Government are negotiating for the purchase of 100,000 bales of Cape merino wools from the 1919-20 clip. During that season any Cape wools showing a length of staple suitable for the worsted trade were eagerly bought at high prices, and it may safely be assumed that this latest addition to the Government stock consists entirely of short, faulty wools, which are used only on the Continent or in the British woollen trade.

In our last article on this subject we stated that much of the surplus stocks of all kinds must consist of inferior types, which could have little effect upon the future prices of good material, and it will be seen that the announcement of the Ministry of Munitions fully justifies this remark. No useful comparisons can be made between the stocks on December 31 and on June 30, 1920, because some extensive reclassification of wools has evidently taken place. In several of the medium and low classes the stocks in December are actually greater than in June, although no purchases were made in the interval.

All these wools have been picked over, not once but many times, and the proportion of really good material, which will bear comparison in the eyes of British manufacturers with the majority of the new supplies coming to the market annually, is consequently very small. Even, however, if we ignore this circumstance for a moment, and examine the stocks purely on the broad classification of the wools, it will be found that the prospects of early liquidation are very poor. If we were inclined to be very optimistic we might say that the merino combing, fine cross-bred combing, and Falkland wools, amounting in all to 1,060,710 bales, or forty-one per cent. of the whole,

have a prospect of finding buyers when active trading is resumed. A second category with a smaller chance of sale might be made of the medium cross-bred combing, fine cross-bred clothing, and, perhaps, some of the N.Z. scoured, amounting in all to 614,899 bales, or twenty-four per cent. of the total stock. This would leave a third group of 910,865 bales, or thirty-five per cent. of the total, consisting of merino clothing, carbonising, low and medium cross-breds, and slipes, all of which could only be sold with great difficulty, and at prices which would in many cases fail to meet expenses. In addition, there are the 100,000 bales of short Cape merino, which will probably only find an outlet on the Continent. This summary does not represent our actual view of the position, and we doubt if it would be endorsed, much less improved upon, by anyone connected with the wool industry in this country. We repeat, therefore, that the trade in the United Kingdom has little need to fear that the existence of these stocks will be a continual menace to the market levels of good sound material. The recent events on the Coleman Street Wool Exchange tend to confirm this opinion. It is probable that the main danger lies in the enormous accumulation of short, "shabby" wools, in the use of which our Continental competitors have for so long made a speciality.

No announcement has yet appeared of any working arrangement between the British-Australian Wool Realisation Association and the holders of the new Australian clips, although some evidence of a temporary agreement was seen at the recent London sales. Some light has been thrown on the matter by the publication of a letter sent by the Association to the Colonial wool merchants in this country. The general tone of this letter was very unfortunate, and it showed a poor understanding of the present position of the industry and that of wool buyers in particular. It was stated, for instance, that the fall in wool prices must be arrested, not by improvement in demand, but by concerted resistance on the part of sellers; that it was foolish to allow buyers to pick out the very choicest parcels of wool; and that, although the present arrangements might suit private importers, they simply could not be allowed to continue from the point of view of the Association, and, whatever else happened, they were never again going to see a repetition of the experience of the December and January sales. The letter also gave the owners of new clip wool a choice between making a sacrifice by taking their share in resisting the fall in prices or accepting as inevitable that the Association would join in the scramble for the small available demand by instructing their brokers to meet competition without limit of price. It was accordingly suggested that wool should be offered for sale in equal monthly quantities in London and Australia, and that two-thirds of the London wool should be from the old clips. The fact is disclosed that this proportion of old stock is much less than the founders of the Association were willing to agree to in August and September last. A necessary corollary is that common selling limits in London should be fixed for both old and new wools, so that, as far as possible, actual sales would be in the proportion of two bales of old wool to one of new. The quantities offered at the recent sales in London were almost in the ratio of two bales of old stock to one bale of new private wool, and, after some stubbornness on the first days, the reserve prices for old wools were brought more into line with the values ruling for new material.

The Australian wool growers possess a majority on the Board of the Association, and doubtless some expressions of opinion on this letter will be forthcoming from the shareholders in Australia. Every bale sold from the old stocks represents profit, but only one-half of this belongs to the farmers, and the Association has, therefore, strong interests to contend with in the holders of the new clips, who will do everything possible to prevent the sale of the surplus stocks damaging the market for their new wools for several years to come. The wool growers have, in fact, created the Association with this definite object, and it is somewhat curious that the above threats should emanate from the London directors. In addition, the Association has not yet apparently realised the strength of the position held by wool users in this and other countries, but events in the near future will probably demonstrate this in no uncertain manner. Some working arrangement must naturally be made between the Association and the sellers of new Australian wool, but in the present and prospective conditions of trade, and in view of the supplies from other markets, it is very unlikely that the Association with the funds at its disposal will be able to force a higher level of prices. In fact, we hold to the opinions already expressed in these columns, that the bulk of the existing surplus will only be passed into consumption by making arrangements for its disposal in Continental countries, and that the utmost the new organisation can hope to achieve is to prevent the price of the rather better classes of material falling below the actual cost of production.

IMPERIAL BANK OF INDIA.

In setting forth the position on January 28, the morrow of the amalgamation of the three Presidency Banks, the first weekly balance sheet of the Imperial Bank of India is of historic interest. The combined assets of the Presidency Banks on December 31 last reached Rs.95,46,99,751 — a reduction of Rs.6,81,72,774 since the previous June, and the initial statement (rendered to the nearest Rs.1,000) of the Imperial institution shows a continuance of the shrinkage—to Rs.91,86,70,000. Below is a comparison of the principal items:—

(In Rupees—000's omitted)

	—Presidency Banks— June 30, 1920	Dec. 31, 1920	Imperial Bank of India Jan. 28, 1920
LIABILITIES.			
Capital paid up	3,75,00	3,75,00	3,75,00
Reserve funds	3,75,00	3,75,00	3,75,00
Public deposits	16,35,49	9,02,63	12,54,08
Other deposits	77,21,18	77,25,97	76,43,10
ASSETS.			
Cash	35,53,40	26,03,34	27,04,85
Government securities	13,10,15	12,98,39	12,54,08
Other investments	1,55,55	1,24,78	1,10,08
Bill's discounted	8,17,60	7,89,59	7,54,95
Loans and advances	42,98,05	45,27,92	40,75,71

The ratio of cash to deposits on January 28 was thirty-two per cent. By February 4—a week later—public deposits had dropped to Rs.4,85,36,000, while other deposits had risen to Rs.77,31,00,000 and the cash ratio to 32.2 per cent. The later balance sheet, it is indicated, includes deposits in London £3,800, advances in London £20,000, and cash and balances at other banks in London £65,309.

Swiss Banking Association.—Evidence of abundant vitality is written on the face of the latest report of this Association (L'Union de Banques Suisses), whose balance sheet totals have increased during the year ended December 31 last from Frs. 501 million to Frs. 612¾ million—the accompaniment to an enhanced turnover of Frs. 33,956 million in succession to Frs. 20,025 million in 1919. The growth of the staff, from 856 to 1,829, affords another index to the activity, actual and anticipated, of the institution, and it is chiefly in this direction that the additional outlay has been sanctioned which, falling upon considerably increased gross profits, has left their net total at Frs. 7,224,256, against Frs. 7,149,461 in the previous year. This allows of a repetition of the eight per cent. dividend previously declared, and an allocation of Frs. 500,000 to the existing reserve fund of Frs. 15 million. The paid-up capital was increased in March last from Frs. 60 million to Frs. 70 million. The Bank's liability on deposit and current accounts has grown from Frs. 355½ million to Frs. 448¾ million on the past year. Of the Frs. 294 million under "Debtors" only five per cent. relates to foreign clients.

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Financial Notes.

Government Export Credits Scheme.

THE original export credits scheme, which was introduced towards the end of 1919, included in its operation certain European countries the number of which was afterwards extended to comprise Armenia, Austria, Bulgaria, Czecho-Slovakia, Esthonia, Finland, Georgia, Latvia, Lithuania, Roumania, and Jugo-Slavia. Under the new arrangement announced by Sir Robert Horne during the week the scheme is also to apply to British Dominions. The sum of £26,000,000 was voted by the House of Commons to finance export credits, and this sum remains unchanged, though the regulations governing its use have been modified. The British exporting merchant, instead of receiving an advance of 100 per cent. of his costs, is to be guaranteed up to 85 per cent. of the invoice price of the goods sold abroad, and he will, therefore, be able to utilise the services of a banker in the ordinary way, as he could not do under the old system of advances. Further, the foreign importer, instead of being asked to supply security up to the full cost of the goods, is to put up at least 50 per cent. of their value, and the remaining 50 per cent. will be guaranteed by our Government, which will also reimburse the banker to the extent of 70 per cent. of all losses incurred by him in respect of transactions carried out under the scheme. The Ter Meulen scheme for the moment recedes into the background, but it is not impossible that some system of joint working could be devised. It appears futile to have two independent schemes in operation, both serving the same ends. Though traders have latterly been paying more attention to the Government scheme, applications for advances so far amount to only £2 000,000, of which £400,000 has been actually advanced. A wider recourse is necessary if any substantial benefits are to accrue to the industrial and trading community, but it must be recognised that export credits are merely a palliative, and do not strike at the roots of the present economic depression, which is world-wide.

The Ter Meulen Scheme.

This scheme is to be worked by the League of Nations, and Sir Drummond Fraser has been appointed organiser. "Gold bonds" are to be lent by the Governments of the importing countries to their importers, and are to be used as collateral security by the latter for payment of their debt to exporters. Importing countries will take up the bonds as national securities, and provision will be pledged by their Governments for the annual interest and sinking fund on the bonds issued. These Governments will in turn make their own terms as to security from their nationals. If the transaction is carried out as arranged the bonds are returned by the exporter to the importer, but if the importer fails to pay the exporter may sell the bonds. Before their sale the issuing Government has a right to repurchase them. Obviously the main point that arises in the scheme is the negotiability of the bonds. Unless they proved saleable in the event of the importers' default they would be worthless to British exporters. Sir Drummond Fraser has appealed to the banks to finance the exporter so that the latter should not necessarily be the person to give the credit. He asked them to employ their resources for financing long-time credits in an international trading scheme. We doubt if they will impair the liquidity of their resources, an essential feature in British banks as at present organised, by locking them up in trade advances. Besides, financial reforms must be undertaken by Continental Governments if they wish to prove themselves worthy of support. A general attempt must be made to equate Budgets and to stabilise the internal value of the various currencies in terms of commodities.

Coal Decontrol Bill.

The decontrol of the coal-mining industry as from March 31 seems assured, in view of the fact that the Government Bill has safely passed its second reading. For January a loss of £4,889,331, or 5*s.* 8.51*d.* per ton, was incurred in the working of the mines. Statistics have just been published covering the last quarter of 1920, and the debit balance on working in that quarter was £1,136,324, or 6.19*d.* per ton. In addition to this deficit, provision has to be made for depreciation, interest on Debentures and other loans, capital adjustments under the Finance Acts, and profits to which owners are entitled under the Coal Mines (Emergency) Act, 1920. Decontrol has latterly been opposed by both owners and miners, as the wage obligations contracted by the industry cannot be fulfilled without the aid of a Government subsidy, and the Government naturally object to shifting the industry's burden on to the taxpayer.

In the four quarters of 1920 the total disbursements for wages, salaries, royalties, stores and timber, and other expenses, were £82,296,146, £88,121,952, £92,852,163, and £88,125,690, of which the miners took respectively £63,220,756, £66,570,490, £69,908,316, and £65,022,070. Despite the rise in wages and the increased number of miners employed, the output in the successive quarters of 1920 declined almost continuously, as the following figures will show:—January-March, 62,103,000 tons; April-June, 58,166,000 tons; July-September, 59,251,000 tons; and October-December, 49,775,000 tons. The output of coal in the week ended February 26—the latest for which data are available—was only 4,321,400 tons, compared with 4,835,928 tons in the corresponding week of 1920. A crisis has arisen between employers and employed on the question of wages subsequent to decontrol, the latter objecting to the drastic reductions claimed by the former as essential to placing the industry on a sound financial basis. The miners are now demanding as a "standard" wage a figure that should incorporate existing rates and district percentages, with an additional flat rate, including the War and Sankey wage, and liable to fluctuation. They also request continuance of War rate payments for time lost through circumstances over which the men have no control. A National Wages Board is demanded instead of district conciliation boards. A minimum profit is suggested for owners, on a basis of one-tenth of the total amount paid away in wages at the new standard rate. Any surplus profits are to go as to nine-tenths to the miners and as to one-tenth to the owners, the latter to establish a national profits pool. These demands are not likely to be accepted without much protest, and possibly even serious action, by the owners; but the possibility of reconciling conflicting interests must not be lost sight of, nor must the industry be plunged into a strike which would probably be attended by disastrous consequences similar to those following the closing down of the mines in September and October last. A deadlock has apparently been reached, as the mineowners yesterday rejected the miners' scheme for the regulation of wages and profits. The fourteen days' notice given by the colliery owners expires on March 31.

U.S.A. Prices still Falling.

The index-number of wholesale prices in the United States, compiled by the New York office of the Federal Reserve Board for the purpose of international comparisons, showed a decline of prices during January of five per cent. The index-number is compiled from ninety wholesale price quotations for representative commodities taken in leading United States markets. In most cases weekly quotations are averaged to obtain the monthly figure, and these in turn are weighted according to the importance of the commodity before the index-number is constructed. On the basis of prices in 1913 equal to 100, commodities imported shifted from an index-number of 112 during December to 114 during January. Prices of exports declined from 146 in December to 142 in January. The all-commodities index stands at 162, as compared with 171 in December. Part of the quotations used are furnished by the Bureau of Labour Statistics; the rest are compiled from trade journals and private firms of recognised authority. Indices of wholesale prices in United Kingdom, Canada, France; Italy and Japan are now being computed on a similar basis in order that accurate comparisons may be made between the price fluctuations in these countries and the United States. For the United Kingdom the Federal Reserve Board takes THE STATIST's *Index-Numbers*. The following table shows price movements in various categories of goods month by month in the United States for each month in 1920 and January 1921:—

Index Numbers of Prices in United States.

(Average for 1913=100.)

1920	Goods Produced	Imported	Exported	Consumed	Raw Materials	Producers' Goods	Consumers' Goods	All
Jan. ...	244	212	255	240	245	256	240	242
Feb. ...	244	216	252	242	242	247	240	242
Mar. ...	250	218	256	247	246	263	241	248
April ...	265	242	264	263	265	274	257	263
May ...	266	246	262	264	263	271	261	264
June ...	260	226	256	257	255	265	255	258
July ...	253	208	248	249	249	251	250	250
Aug. ...	238	182	229	234	237	235	229	234
Sept. ...	231	164	211	227	233	225	218	226
Oct. ...	213	142	181	211	211	209	208	208
Nov. ...	195	127	163	193	192	190	187	190
Dec. ...	175	112	146	174	171	171	171	171
1921								
Jan. ...	166	114	142	164	166	166	163	162

Price movements of food showed more strength, but weakness developed in iron, steel, coal, coke, and cotton. As regards the last-named commodity the consumption in January was almost one-fourth in excess of the December figure, while 1,630,000 more spindles were at work. During February, according to Bradstreet's index-number, commodity prices declined by four per cent., chiefly in oils and metals. This is a greater fall than that recorded by the same index-number in January, though less than in the two preceding months.

Egyptian Cotton Scheme.

News has come to hand from Egypt regarding a Government proposal for the assistance of the poorer class of cotton growers, who have been hardly hit by the rapid tumble in cotton prices in the last six months. Cotton will be purchased throughout the country in maximum lots of 100 cantars. A Government cantar is equal to 99 lb. avoirdupois. An arrangement has been entered into with the National Bank of Egypt to make advances on cotton, and the Agricultural Bank has been authorised to lend money to owners of five feddans (about five acres) of land or under. As a further measure of relief the free export of wheat and maize is permitted. The prices paid for cotton purchased on Government account will fluctuate weekly with the changes in the market quotations. The exports of raw cotton from Egypt in 1920, according to the Foreign Trade Summary published in Cairo, were only 4,001,467 cantars, as compared with 6,708,905 cantars in 1919. The values rose to £E.75,096,026 from £E.65,441,901, despite the fall in quantity, but the increase was wholly due to the higher quotations ruling earlier in the year.

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American Topics.

THE PRESIDENT'S MESSAGE.

EXACTLY what some of his critics expected President Harding to say at his installation at Washington on Saturday as President of the United States it would indeed be difficult to say. The President of a great State is neither a preacher appealing for support in a charity sermon, nor can he reasonably be expected to adopt the *rôle* of philanthropist. President Harding has taken office to assume the most prominent part in the Government of the United States for the benefit of the people of that country. He is aware, as every intelligent man in the United States is aware, that it is not possible, even if it would be desirable, for the United States of America, which, great State as she is, forms only one of the world's great States, to dry-nurse the rest of the world for an indefinite period until that world shall have recovered from the effects of the recent European War. The United States did not bring on the European War—had, in fact, very little to do with the European War until towards its close. The European War was brought on by greed on one side and folly on the other.

The United States did, in fact, come into the War when we on this side seemed unable to bring it to a satisfactory conclusion without assistance. The President distinctly says in his Message that "America is ready to associate herself with the nations of the world, great and small, for conference, for counsel, to seek the express views of the world's opinion, to recommend a way to approximate disarmament, and to relieve the crushing burden of naval and military establishments." The President said: "Since freedom impelled, and independence inspired, and nationality exalted, a world super-Government is contrary to everything cherished, and can have no sanction by our Republic." What more can reasonably be expected than that the President should reserve the right of his Government to interfere in international affairs if the policy and ideals for which that Government stands are menaced?

We wrote last week on the utterly unreasonable attitude of those who would expect, or even desire, our creditors in the United States to relieve us from the debts which we have incurred with our eyes open,

expect that the President of the United States should promise, in his inaugural address at the Capitol at Washington, that he would do his best with the resources of the United States to pull the chestnuts out of the fire for the benefit of Europe is equally unreasonable. The ruler of a great nation must necessarily from his position consider the interests of the people over whom he rules. This is manifestly the primary duty of all rulers. It does not, of course, prevent the President from doing what he reasonably can, without detriment to the interests of the State for whose interest he is, in the first place, responsible, to assist, so far as the resources at his command may justify, in the reorganisation of those countries which were so recently allied to the United States. Nothing in the President's Message, so far as we are able to understand it from the cabled summary, would indicate that the United States Government is unwilling to do what may reasonably be expected of it to assist those unfortunate countries of Europe which have suffered so severely as a result of the late War. On the contrary, in the passage we have quoted the President in express terms appears anxious to afford what assistance may reasonably be expected from his Government.

In the nature of the case, in an address such as that delivered by the President at Washington yesterday week he could not be expected to enter into details. Actual proposals for facilitating the payment of Europe's debts to the United States in a measure, if any measure is contemplated, which would have for its aim the assistance of particular States, must necessarily be left for future consideration, and expressed in Messages which the President will, no doubt, in due course address to Congress. The President and the United States Government are as well aware as we are that the only practicable way of enabling Europe to liquidate its debt to the United States is by affording such facilities as may be to enable the various European States to export commodities and render services. The aggregate of those debts is too great to admit of their being discharged in any other way. The policy to be adopted with regard to such questions could not be expected to form part of the Message delivered by Mr. Harding when taking office as President of the United States.

SOUTH AND CENTRAL AMERICA.

PROSPECTS IN ARGENTINA.—II.

As we said in a recent article, Argentina lives on the production of food and raw materials upon a great scale and the despatching of an enormous proportion of that food and those raw materials across the ocean. Hence, she needs an abnormal ratio of transportation facilities, of banking facilities, and various kinds of facilities at the terminals compared with the relative magnitude of the business handled. It is to this cause mainly that great cities like Buenos Ayres, Rosario, and Bahia Blanca have grown up. Now while the various Allied Governments were purchasing without regard to cost, there was an abnormal demand for Argentine products without regard to price. There is still an abnormal demand for Argentine products; but whereas some months ago, and still more during the War, that demand was not governed by economic considerations, to-day it is governed entirely by economic considerations. The young men who, two years ago, were spending in the aggregate each day the equivalent of thousands of pounds of money borrowed on the credit of the Allies, have to-day been demobilised, are employed in civil occupations, and their spending capacity is entirely limited by the earning capacity of those young men totally unassisted by borrowings on the part of the Government to which they are subject. Consequently, they are only effective consumers within their power of earning. The same argument applies to the great corporations for which such young men will in all probability be working. They can only buy to sell to consumers within the earning capacity, or within the means of those consumers, unassisted by the advances of borrowed money from the Government to which they are severally subject. Now the various Governments are trying to bolster up conditions which do not admit of being bolstered up. The better plan would be to endeavour to face the facts as they really are. All of us are consumers of wool; but consumers at a price, and within our earning capacity. Now it happens that for various reasons the British Government—and it is within the British Empire that the greatest amount of wool known to the international markets is produced—has devised a scheme for endeavouring to bolster up the wool market in Australia and in this country. A scheme has been devised whereby the wools bought in Australia some years ago are to be doled out according to a certain arrangement propounded between the Federal Government in Melbourne and our own authorities here in Whitehall. By this arrangement it is proposed that wool is to be sold at a fixed price, and, presumably, in order to enforce that price, foreign wools will not be admitted, or will only be admitted under license to this market. Such a policy can hardly fail to meet the fate it richly deserves. The market, knowing that these immense quantities of wool are weighing it down, will naturally go on consuming from hand to mouth, and we shall all feel that prices must come down sooner or later from the very fact of the existence of these millions of pounds weight of wool existing in Australasia, as well as the enormous quantities existing in South America. It is estimated that in the Argentine Republic alone there are something like thirty million lb. of wool, not including the clip which has now just recently been gathered, which will probably increase the total by something between thirty-three and one-third and fifty per cent. Now, whereas the scheme proposed by our Government will bolster up the price of wool to something between two and three

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times what it was before the War, and about half what it was twelve months ago, wool of a coarser grade, but still eminently fitted for making clothing of good quality, is selling in the markets in various parts of the Argentine Republic at between one-fourth and one-third of the price which is being asked for wool in London or in the markets of Australia. The existence of such an artificial price, accompanied by the knowledge of the trade and of consumers, or, at any rate, of intelligent consumers, will, as we have said, check consumption; and the further knowledge that there are millions of pounds awaiting disposal in South America. The total clip awaiting disposal in the southern part of South America is probably equal to double the estimated amount we have above quoted, and which is officially reported from Buenos Ayres. Assuming that this scheme goes through between our Government and Australia, it will naturally have to receive a certain measure of trial. By that time there will be another clip in Australia and a further clip in South America. What prospect have the Government got of selling this wool at any reasonable price till, say, after the winter of 1922, when stocks will have further accumulated and the public will have refrained from buying, knowing that these immense stocks were steadily accumulating and that the price was steadily being maintained by an arrangement between the two Governments at something like three times that at which a comparatively good wool could be obtained in the markets of Buenos Ayres and Bahia Blanca?

Countries in the economic position of Argentina require reasonable assistance to enable them to dispose of their products at a reasonable price. The aim of nearly all new countries is to raise enormous quantities of produce to be sold very much cheaper than the products of the more settled countries of Europe can be sold. No one in his senses would raise meat in the Province of Buenos Ayres, and still less in Patagonia, with the object of competing with prime-fed oxen of approved breeds on the native pastures of Western Europe. Consequently, in order to have a reasonable chance of sale, they must be available at a reasonable price as compared with the home product. At the present time they are not so available. Consequently, these countries have not a reasonable chance of recuperating from the effects of the crisis through which they have lately passed. It is claimed that freights have fallen very heavily. Doubtless they have fallen by more than fifty per cent., and in some cases by as much as seventy-five per cent., below the extravagant figures at which they ruled before the War. But readers who will compare the present rates of freight with those which ruled before the outbreak of the War will see that we are asked to pay from Mediterranean ports to London prices which were equivalent to a full voyage across the Atlantic in the pre-War period. Under such conditions, how is it possible for an Argentine exporter to sell his goods at such a price as will create a demand for his products? Many of us remember when beef and mutton could be bought in London, shipped from either our own colonies or from South America, for three or four pence per pound. It was because it was possible to sell meat at this low rate of values that a market was created for colonial and foreign produce, and it enabled the poorer classes of the community who were not able to earn very high remuneration for their services to obtain abundant supplies of food furnished in a healthy and adaptable form. Until freights are allowed to fall to their natural level, and until the Government can see its way to abandon these everlasting Control Boards, it will not be possible for the newer countries of the world to supply raw products in the form of food or for the feeding of our manufactures on such a basis of values as will enable trade to recover the position which it held before the War.

We have commented upon more than one occasion upon the ill-advised action of our own and of the Australian Government in the matter of taking up the clips held over from past seasons in connection with the various Government purchases during the War. Unfortunately, while both Governments see that control must go sooner or later, they cannot make up their minds to face the inevitable. According to a cable received this week from Buenos Ayres through the *Agencia Americana*, Belgium has decided to suspend purchases of wool from Australia in favour of Argentina, where she feels more advantageous conditions obtain. That Belgium should buy wool in South America is quite natural, and was quite common before the War. As a matter of fact, South American wool is a good deal cheaper at present than Australian. On the other hand, there is an enormous quantity of Australian wool held over, as, of course, there is an enormous quantity of South American wool held over, from the period when it was so difficult to obtain transport facilities during and after the War. Surely any trading corporation, as distinct from a Government, would see the importance of clearing off stocks on hand which, in the nature of the case, cannot be held over indefinitely, except to be disposed of ultimately at a still further sacrifice.

INDIAN COTTON DUTIES.—A resolution has been passed by the Manchester District Committee of the Federation of British Industries, disapproving of the action of His Majesty's Government, in sanctioning the additional 3½ per cent. against all cotton goods entering India, without prior discussion by Parliament. The tariff against Lancashire cotton goods now amounts to 11 per cent. *ad valorem*, with a countervailing excise duty of 3½ per cent., and lack of action on the part of the Imperial Government in a measure of this character, gravely subversive of the interests of our largest export trade, cannot be favourably viewed by the industrial community.



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CORRESPONDENCE INVITED.

Rubber Topics.

INTEREST in the Rubber market remains still at a low ebb. Movements in the Commodity market were small but reactionary, the price of crêpe dropping from 1*s.* 0⅝*d.* at the opening to 1*s.* 0¼*d.* on Thursday. The position was not rendered any the more favourable by the increased addition to the London stocks during the week. Whilst landings reached 1,829 tons, deliveries amounted only to 588 tons. Returns of outputs for February disclose varying degrees of reduction. Two notable instances are furnished by Djasinga with a crop of 24,653 lb., as against 68,736 lb. for the corresponding month of 1920, and by Bukit Sembawang, whose crop has fallen from 133,525 lb. to 61,000 lb. Grand Central Ceylon registers a crop of 182,710 lb., in contrast with 243,446 lb. for February 1920. On the other hand, the crop of 83,543 lb. for Vallambrosa is not 500 lb. less than that of the previous February, and Jugra Land and Carey returns a crop of 186,904 lb., as compared with 188,157 lb. The Share market was idle and featureless. An interim dividend at the rate of six per cent. per annum is declared by Messrs. Harrisons and Crosfield on the Cumulative Preference shares for the quarter ending March 31.

MANCHESTER NORTH BORNEO.

Issued Capital: £181,000, in 165,000 Ord. £1 Shares and 161 7% Cum. Preference Shares of £100 each.

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Net Price Realised	"All in" Cost	Net Profit	Dividends Amount	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1916-17	2,963	1,205	378,165	315	2/6.6	1,2¼	24,072	16,500	10
1917-18	3,000	1,811	548,220	300	1/9.6*	1/7¼	13,690	6,600	4
1918-19	3,000	1,815	617,737	340	1/8*	1/1¼	8,104	—	
1919-20	3,000	1,815	802,364	442	2/2½	1,3½	35,287	33,000	20

* Net price.

Price of Shares, 16/3. Market Capitalisation per planted acre, £50.

THE report presented by Manchester North Borneo Rubber, Limited, for the year ended March 31, 1920, is a record of satisfactory progress. With the disappearance of those restrictions on production that were responsible for the somewhat reduced crop of the previous year, there was an expansion in the output of rubber from 617,737 to 802,364 lb. Assuming that the area in bearing remained unchanged, this would be equivalent to the high yield of 442 lb. per acre, as compared with only 340 lb. per acre in 1918-19. Notwithstanding the increased charges involved by higher wages as well as by stores and materials, this large crop was secured at the "all-in" cost of 1*s.* 3½*d.* per lb., as against 1*s.* 4½*d.* per lb. in the previous year. Moreover, with a general improvement in the market for rubber, the average net price realised by the sale of the crop increased from 1*s.* 8*d.* per lb. to 2*s.* 2¼*d.* per lb. Thus, as against a profit of 3½*d.* per lb. in 1918-19, there was recorded in the year under review a profit of 10¾*d.* per lb. Accordingly there remained the record net profit of £35,287, after paying the dividend of seven per cent. on the Cumulative Preference shares. This profit was over four times as great as that earned in 1918-19, and exceeded the previous record of 1916-17 by nearly fifty per cent. Availing themselves of the large balance brought forward from the previous year, the directors declared a dividend of twenty per cent., thus compensating shareholders for the absence of any return in 1918-19. Moreover, a sum of £5,000 is transferred to the reserve fund, leaving a balance of £21,191 to be carried forward to the next accounts, as compared with £23,094 brought forward from 1918-19.

The acute depression prevailing in the Rubber market since the autumn of 1920 casts a gloom over the outlook for the current year. The crop returns for the first ten months show a total of 723,733 lb., as compared with 669,409 lb. for the corresponding period of last year. In the absence of a more drastic curtailment for the remaining two months, there is every reason for anticipating a crop in excess of that secured during 1919-20. Whilst any such increase would operate to reduce the cost of production, it must be confessed that, in the absence of large sales in the early part of the current year or of satisfactory forward contracts, as long as rubber fails to command a better price than 1*s.* 2*d.* per lb. there is little or no margin for profit. The necessity for conserving resources will probably render it advisable to postpone the planting of the 150 acres on the Melalap estate which had been felled and cleared during the year just reviewed. Financially, the position of the Company as shown in the balance sheet dated March 31, 1920, is sound. Liquid assets in the form of cash, sundry debtors, and rubber are available to a total of £41,250, whereas, with the inclusion of the final dividend of £16,500, current liabilities plus reserves did not exceed £32,747. We are of opinion that it is not in the best interests of the Company to show under one heading such items as "sundry creditors and reserves." We submit that, in order to permit of an accurate comparison of the financial position of the Company, trade creditors should be shown as a distinct item, and that, furthermore, the general reserve should be differentiated from reserves for taxation. At present any such comparison tends to disclose a position which appears to be really less liquid than it is owing to the inclusion of reserves as a current liability. The uncertainty of the dividend outlook is reflected in the market quotation of 16*s.* 3*d.* for the £1 shares, which is equivalent to the low capitalisation of £50 per acre.

LANKAT (SUMATRA).

Issued Capital: £100,000 in £1 Shares.

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised per Lb.	"All-in" Cost per Lb.	Net Profit	Dividend Amount	
	Acres	Acres	Lb.	Lb.			£	£	%
1917...	1,910	1,450	587,298	400	2/8·1	1/7¾	44,508	35,000	35
1918...	1,910	1,750*	625,979	380*	2/3·1	1/2·3	21,785	11,250	15
1919...	1,916½	1,825	475,710	261	1/11·3	1/7	12,003	10,500	15
1920...	1,910½	1,825	691,100	378½	2/–	1/1·6	30,861	17,500	25

* Estimated.

Price of Shares, 25/7½. Market Capitalisation per planted acre, £67.

The report of this rubber Company for the year ended March 31, 1920, is a record of genuine progress. In contrast with the restricted crop of 475,710 lb. in 1918-19 there was harvested for the year under review a crop of no less than 691,100 lb. This disappearance of restrictions on output is again reflected in the average yield of 378½ lb. per bearing acre, as against 261 lb. in the previous year. There was a slight improvement in the average price realised by the sale of the crop, which, according to the accounts, worked out at a little over 2*s.* per lb., as compared with 1*s.* 11.3*d.* per lb. in 1918-19. On the other hand, this pronounced increase in the size of the crop enabled an efficient administration to reduce the "all-in" cost from the amount of 1*s.* 7*d.* per lb. in the previous year to 1*s.* 1.6*d.* per lb. in the year under review. This reduction is all the more creditable when it is remembered that a loss of £5,000 was incurred on the sale of rice to the coolies, and that, as a result of the adverse exchange, there was a further loss of

£1,671, whereas in the previous year there was a profit on exchange of £129. With a profit of 10.4*d.* per lb., as against 4.3*d.* per lb. in 1918-19, the net profit on this much larger crop reached £30,861, as compared with £12,003. Furthermore, owing to the poor results of the previous year there was a refund of £12,083 in respect of excess profits duty. Accordingly, shareholders received the satisfactory dividend of twenty-five per cent., as against fifteen per cent. in each of the two preceding years. A sum of £7,210 was transferred to the general reserve; whilst the balance carried forward to the next accounts was increased from £6,283 to £16,980, but was subject to deduction in respect of excess profits duty and directors' extra remuneration.

The outlook for the current year cannot be otherwise than gloomy. The severe fall in the price of rubber since the autumn of 1920 destroys any margin of profit on current production. In the absence of forward contracts or of sales effected in the early months, when rubber was still commanding a reasonable price, a loss is inevitable. The estimate of the current crop reached 714,000 lb. Returns for the first nine months show a total of 513,928 lb., and, allowing for a restriction of twenty-five per cent. for the remainder of the period, the total cannot well exceed 640,000 lb. Any more drastic restriction will involve a corresponding reduction from this total. Whilst this factor makes for an increase in the "all-in" cost, relief must be experienced by the more favourable nature of the exchange in conjunction with the fall in the price of rice. The process of thinning out the planted area was continued during the year under review, the total of the trees being reduced from 168,199 to 159,461. Financially the position of the Company is very sound. The balance sheet dated March 31, 1920, shows that current liabilities, including the final dividend of £10,500, did not exceed £19,276, whereas liquid assets were available to a total of £52,755. The cash balance alone amounted to £29,545, thus providing the Company with almost adequate funds to meet its essential outlay during the current year. In order to distinguish clearly between the issued capital and the actual cost of the estates to date the general reserve has been divided into two sections. The sum of £16,210, representing the amount expended on development in excess of the issued capital, is credited to "Development," and the balance of £17,790 represents the actual reserve as such. This latter portion has been raised to £25,000 by the allocation of £7,210 out of the profits of the year under review. It is stated that in future all expenditure will be charged against revenue. In view of the current depression it may be found advisable to postpone this reform until more normal conditions prevail. The uncertainty of the dividend prospects at the moment is reflected in the rather low price of 25*s.* 7½*d.* for the £1 shares, which is equivalent to a market capitalisation of only £67 per acre.

MOUNT AUSTIN (JOHORE).

Issued Capital: £600,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916-17	10,755	—	1,423,280	—	2/7	1/4·3	84,248	67,500	15
1917-18	10,792	—	2,297,577	—	2/1	1/3½	82,452	72,000	12
1918-19	10,772	10,772	2,770,612	256	1/8·9	1/3·65	61,886	60,000	10
1919-20	10,772	10,772	3,359,300	311	2/1·06	1/2·37	151,148	150,000	25†

* Dividends paid free of tax. † Less tax.

Price of Shares, 32/0. Market Valuation per acre, £90.

In accordance with anticipations, the year ended March 31, 1920, has been for Mount Austin (Johore) a period of remarkable prosperity. The crop harvested amounted to 3,359,300 lb., or an increase of nearly fifty per cent. on the crop of the previous year. The return per bearing acre worked out at 311 lb. over the large estates of 10,772 acres, as compared with 256 lb. in 1918-19. In common with most other producers, the Company had to face rising prices for stores and materials and heavier charges for wages. It is stated that the additional cost of rice involved a charge over one cent per lb. on the very large crop harvested. Consequently, despite the satisfactory growth in the quantity of rubber handled, the f.o.b. cost increased from 1*s.* 0.06*d.* per lb. in 1918-19 to 1*s.* 0.22*d.* per lb. However, administrative charges did not rise in proportion, with the result that the "all-in" cost per lb. dropped from 1*s.* 3.65*d.* to 1*s.* 2.37*d.* Furthermore, owing to the initiative displayed in securing favourable forward contracts, the average price obtained by the sale of the crop reached 2*s.* 1.06*d.* per lb., as against 1*s.* 8.9*d.* per lb. Thus, with a profit of 10.69*d.* per lb., or more than double that of 1918-19, a crop that was nearly fifty per cent. greater in quantity, it is scarcely surprising to find the record net profit of £151,148, as compared with £61,880 in the previous year. This profit has been distributed up to the hilt as usual, shareholders receiving the generous dividend of twenty-five per cent., absorbing £150,000. This year, however, the dividend is paid subject to tax, whereas in previous years dividends were declared free of tax. The balance carried forward to the next accounts is increased by over £1,100 to £7,386.

This Company constitutes one of the rare exceptions of which it can be said that the outlook for the current year is distinctly promising. The explanation resides in the excellent policy of the administration in disposing of so much of the crop in advance at remarkably good prices. For the current year the estimate originally anticipated a crop of 3,500,000 lb. Returns for eight months to November 30, 1920, show a total of 2,143,217 lb., and assuming a twenty-five per cent. reduction for the remainder of the period, it does not seem likely that the final crop will exceed 2,800,000 lb. This return implies a rise in the "all-in" cost, which may be offset by the recent fall in the price of rice. However, forward contracts have again been entered into disposing of over eighty per cent. of this possible total at prices far in advance of the unremunerative levels now existing. Thus 638,400 lb. have been sold forward at 2*s.* 2.87*d.* per lb. ex-godown; and 1,478,400 lb. at 2*s.* 5.53*d.* per lb. c.i.f. New York for the period of 1920 within the current financial year. Moreover, contracts extending over the whole of 1921 include 1,344,000 lb. at 2*s.* 4½*d.* per lb. ex-godown, and an equal amount at 2*s.* 5⅝*d.* c.i.f. New York. In addition, for the calendar year 1922 there have been sold in advance no less than 2,688,000 lb. at 2*s.* 4½*d.* per lb. ex-godown. A Company that can boast of such substantial contracts at a period when the best plantation crêpe does not command more than 1*s.* 3*d.* per lb. can assuredly look to the future with confidence. And it is no less to its credit to have over eighty per cent. of its output of manufactured rubber classified as first-grade sheet. Furthermore, it is stated that with the recent additional factory accommodation supplied better results still are expected. It is regrettable, however, that so progressive a Company should be compelled by the pressure of taxation to remove its domicile from the United Kingdom. It will be recollected that the bulk of the shares in this concern are held by persons residing permanently abroad, Danish interests being very largely involved. In view of the pressure of taxation in the United Kingdom, it was recently decided at an extraordinary general meeting to amend the articles of association to permit of the Company being managed by a board sitting outside the United Kingdom. It is to be hoped that the more recent repeal of the excess profits duty and the definite assertion that no substitute is to be imposed may cause a reconsideration of this decision. The ability of the old administration cannot be gainsaid, and is excellently reflected in the above list of forward contracts, which guarantee satisfactory dividends at a period when the rubber industry is suffering from a very severe depression. At the present quotation of 32*s.* the £1 shares would afford a return of ten per cent. on the basis of a dividend of sixteen per cent., and are a rather attractive investment.

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Insurance Notes.

PRUDENTIAL ASSURANCE COMPANY, LTD.

The annual report for 1920 of the directors of this huge and altogether exceptional insurance Company shows that the rate of progress which has characterised its development from year to year has again been accelerated. In amount of new business, premium income, and funds all former records have been surpassed.

The Company's new ordinary life business, which averaged about six millions in sums assured per annum during the first three full years of war, was raised to nearly fourteen millions in 1918; and in 1919, the first full year of peace, it amounted to £22,319,642. It would have caused no surprise if the operations of 1920 had shown some falling off from that extraordinary total, for 1919 was a marvellous and unprecedentedly good year for new life business generally, owing to the return of vast numbers of men from military to civilian employment and their again becoming eligible as new entrants into life assurance at ordinary rates. But the Company's new business record in its ordinary life department for 1920 is higher still, the new sums assured being £23,528,225. The total ordinary life premium income last year amounted to £8,800,749, which shows an increase of £1,173,202, as compared with an increase of £856,708 in 1919. What those figures mean may be inferred from the fact that the total ordinary life premium income of only seven British offices was in 1919 in excess of the actual increase of ordinary premium income which the Prudential reports for 1920. The expense ratio in the Prudential ordinary life branch shows a slight increase, having risen from 11.9 to 12.9 per cent., but the latter must now be esteemed a moderate proportion. Prior to 1919 the corresponding ratio in the Prudential Ordinary department was for many years under ten per cent.; but that condition is not likely soon to return seeing that the remuneration of all officials is now necessarily on a higher scale, and that working expenses of all kinds are inevitably enhanced in all insurance companies. The death claims in the ordinary section show a substantial decrease, having been £1,477,966, as compared with £1,625,206 in 1919. Endowment assurances for £3,705,575 matured by survivance. Through the year's operations, after transferring £81,917 to profit and loss account and £800,000 to investments reserve fund, and taking into account a sum of £63,346 received as consideration for new annuities and net interest earnings of £2,215,679, the ordinary life assurance fund was increased by £3,356,291 to £58,786,311. The net interest yield in 1920, amounting after deduction of income tax to £3 19*s.* 2*d.* per cent., shows a slight increase as compared with that in 1919. The rate assumed for valuation purposes is three per cent.

In the Company's industrial life branch the total premium income in 1920, amounting to £11,155,874, shows an increase of £1,419,471. The relative claims by death, £3,031,319, were less than those in 1919 by £618,988. The expense ratio here also is slightly higher than was the case in the preceding year, being 40.5 per cent. of the premiums. The saving of expense achieved through monthly instead of weekly collections being now made in the case of about two-fifths of the industrial life business has apparently been counteracted by the unavoidable increase in other working costs. After crediting net interest earnings of £2,458,126 and transferring £645,467 to investments reserve fund, and £318,083 to profit and loss account, the industrial life assurance fund shows an increase in 1920 of £5,547,435, and amounted at the close of last year to £59,244,233. The net interest yield in this section was £4 9*s.* per cent., which is higher by nearly 10*s.* per cent. than in the ordinary life branch. This rather irritating anomaly is apparently explained by the absurd system adopted for the assessment of the interest earnings of life offices to income tax. Expenses of management are deductible, so that the office or branch where working costs are heaviest is most favourably treated. In dealing with our thrift institutions Somerset House seems to encourage extravagance, though it is not to be inferred that extravagance prevails in the Prudential.

Although the Armistice was signed in November 1918, the directors of the Prudential find that war claims for £36,196 had to be paid in 1920. The total claims of the kind paid by it from the outbreak of War to the close of last year (although the Company was not technically liable for any such payments) amounted to more than £5,300,000, the number of the claims having been nearly 250,000. It is clear that a vast proportion of our patriot dead were insured in the Prudential.

As the result of the annual valuation on a three per cent. basis on December 31, 1919, the Actuary of the Company reports a surplus of £1,791,199 in the ordinary life branch, inclusive of £152,003 brought forward from 1919. This was, however, prior to the transfer to investment reserve account and to profit and loss account already referred to. A bonus of 20*s.* per cent. on the original sums assured is allocated to participating policies in this branch, and an unappropriated balance of £163,226 is carried forward. In the industrial branch the valuation shows a surplus of £1,132,538, including £72,394 brought forward from 1919 and £100,000 transferred from the Courts (Emergency Powers) Act reserve. After the transfer to investments reserve above referred to the sum of £100,000 is carried to the common contingency fund and £68,988 is carried forward. Had it not been for the fact of continued depreciation in securities, there would apparently have been a considerable surplus available for distribution of bonuses to policyholders in the industrial branch; but under the circumstances this has not been found practicable. The industrial policyholders are not the only persons interested in the Company who are sufferers from the state of the Stock markets. The profit-sharing scheme in the industrial branch provides that after payment of a final dividend at the rate of fifty per cent. on the fully-paid Ordinary share capital (a considerable proportion of which is provided from the ordinary branch), any surplus profit shall be divided into six parts, one being retained by the shareholders, one distributed among the outdoor staff of the Company, the remaining four parts or two-

thirds of the whole) being allotted as bonuses to industrial policyholders. As has been the case in the preceding five years, the distribution to shareholders is less by one-fifth than the sum they are entitled to under these regulations.

The nominal capital now amounts to £2,000,000, of which £1,100,000 is paid up, in 1,000,000 fully-paid shares of £1 each and 1,000,000 "B" shares of £1 each with 2*s.* paid on each. The "B" shares were issued about two years ago in order to assist the development of other departments of insurance, such as fire, sickness, accident, and employers' liability business. The general branch revenue account, which deals with these descriptions, showed in 1920 a premium income of £210,843, in respect of which £137,930 was reserved at the close of the year for unexpired risks. These departments seem developing satisfactorily, and are likely ultimately to become valuable adjuncts to the main branches. It is evident that the directors are proceeding cautiously in this direction, but the enormous connections of the Company are calculated in due course to influence a widespread extension.

It was decided at a special meeting of shareholders in October of last year that the Company should commence the transaction of marine insurance business. The sanction of the Court to this step was subsequently obtained, and it is stated in the annual report that an agreement has been entered into with the Royal Exchange Corporation, under which the Corporation agree to act as managers and attorneys of the Company in respect of marine business. This new departure will be watched with much interest.

The four Prudential Approved Societies established in connection with the national scheme of sickness insurance paid to their members in 1920 a sum amounting approximately to £2,092,500, making a total of over £12,316,000 paid since this system was introduced; 318,703 new entrants, of whom 180,729 were women, were admitted to membership of these Societies in the course of last year.

The general balance sheet of the Company as at December 31, 1920, shows total assets of £124,453,151. Allowing for a repayment of £3,500,000 to bankers during the year, this represents an actual increase of assets in 1920 amounting to the enormous sum of £10,213,815. About forty per cent. of the total assets were invested at the close of the year in British Government securities.

Theatre Companies.—A meeting of St. Augustine's Parade Hippodrome, Ltd., Bristol, was held on March 8, when Sir Oswald Stoll, the Chairman and Managing Director, stated that in Bristol last year over £20,000 was paid in entertainments tax—several times more than the dividend they were distributing. All this badly conceived taxation put a stranglehold on business which made the future very black. Mr. H. J. Thomas was re-elected director, and the appointment of Mr. W. S. Gordon Michie as director was confirmed. At the meeting of the Hackney and Shepherds Bush Empire, Ltd., which followed, Sir Oswald Stoll, the Chairman, stated that their interest in the Alexander Theatre had been disposed of at a profit, and with a provision against the use of the theatre to their detriment. The profits for the year were down upon those of the previous year, the reaction from War prosperity being the main cause of that. Mr. H. J. Thomas was re-elected director. Sir Oswald Stoll, who also presided at the subsequent meeting of the Leicester Palace Theatre, Limited, pointed out that the varied fortunes of the year had resulted in an increased profit on the preceding year, but the long queues of unemployed in Leicester did not augur well for the future when the unemployment doles had been discontinued. Major B. W. Broad was re-elected director.

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Commercial.

BRITISH SHIPPING AND CONTINENTAL PASSENGER TRAFFIC.

The resolution, unanimously adopted recently by the Chamber of Shipping, "that this Chamber urges His Majesty's Government, in the interests both of British trade and of British steamship lines, to bring immediate pressure to bear upon the German Government to carry out the terms of the Peace Treaty under which no discrimination is to be exercised against British lines by the withholding of emigrant licences, the re-introduction of emigrant 'control' stations, or any action which would have the effect of impeding the transport of passengers for conveyance by British lines, not only those from and to German territory, but also transmigrants whom such lines may desire to pass through Germany from or to Central and Eastern Europe," draws attention to a traffic the future of which shall, we hope, be more prominently identified with British shipping than has been the case in the past. Owing to the practical monopoly of the Continental emigration flow established, with the connivance of their Government, by German shipowners, the part played therein by our shipping concerns has been of a relatively insignificant nature. This is evident from the following statement, showing the number of third-class Continental passengers carried by the United Kingdom and Continental services of various steamship lines to the United States and Canada during 1913, and the percentage in each case of the total number carried by all lines:—

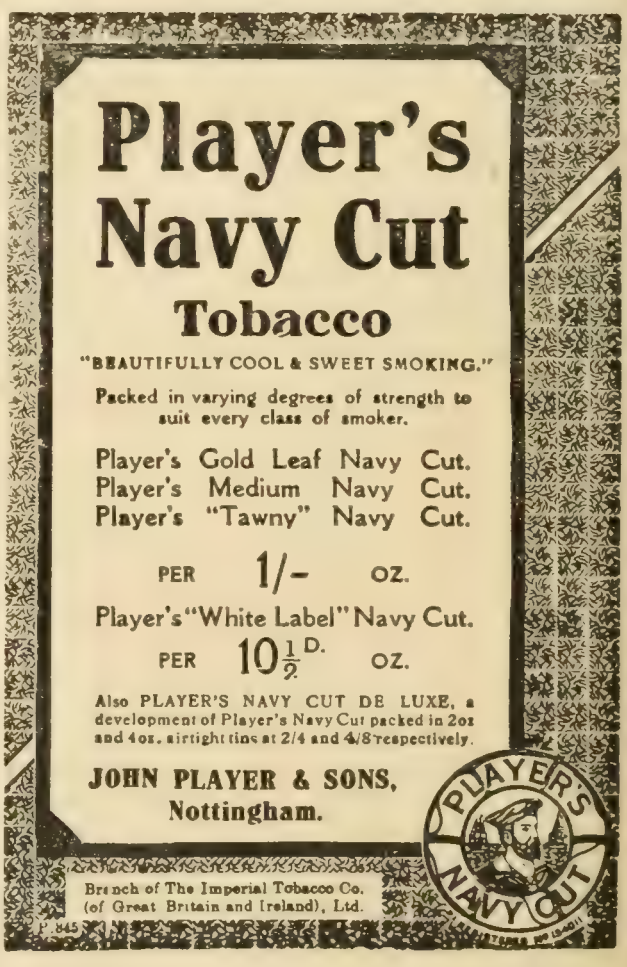
	Number	Per Cent.
From United Kingdom Ports by transhipment or by subsequent call at a French Port:		
British Lines	78,000	9
American Lines	23,000	3
Total	101,000	12
From Continental Ports by direct service:		
British Lines	91,000	11
Enemy Lines	417,000	50
Other Lines	220,000	27
Total	728,000	88
Total all Lines	829,000	100

The services from the United Kingdom accounted, it will be observed, for but twelve per cent. of the total traffic, and the total carryings of the British lines by all services comprised only twenty-three per cent. of the whole, as against fifty per cent. credited to the enemy lines. These particulars do not include emigrants from Norway, Sweden, Denmark or Finland who embarked at Scandinavian or Finnish ports; neither do they include emigrants from Italy, Greece, and Turkey, as the competition of the steamship lines was not affected in either case by the control station system. With the exception of the small numbers coming from Holland, Belgium, France and Switzerland, who were enabled to evade the control stations, they embrace passengers carried from Northern Continental ports, and consequently liable to be affected by control in one manner or another. The principal contributors to this type of Continental passenger traffic were Russia and Austria-Hungary, and Germany, owing to her favourable geographical position, was well placed to exploit it. Thus assisted by Nature, she was enabled in the course of the generation preceding the War to bring about that remarkable expansion of German shipping witnessed on the North Atlantic. Of the 1,964,000 immigrants received by the United States, Canada, Argentina and Brazil in 1912-13, 312,000, or sixteen per cent., came from Russia, and 284,000, or fifteen per cent., from Austria-Hungary. To the object of capturing these important proportions the artifices employed conjointly by the German Government and the German shipping lines were mainly directed. When originally established in 1894, during a cholera epidemic in Russia, the control stations were designed for the purpose of examining Russian emigrants seeking admission into Germany. Afterwards they were utilised as a weapon for confining the growing stream of Eastern emigration to German shipping and for combating British shipping in the struggle for the Atlantic carrying trade. The decision to place them in charge of the representatives of the two leading German companies was a clever recognition that they could very usefully fulfil a different function. As a result of this step, the companies were enabled to manipulate the German emigrant regulations so as to direct emigrants to their own lines. An emigrant, it was laid down, could not pass through Germany unless he had in his possession the sum of 400 marks, but in actual practice a lesser sum sufficed, provided the German lines accepted responsibility for his leaving German soil. This, needless to say, they were only prepared to do when the passenger booked by one of their own vessels. With this added element of strength in their position the German companies were enabled to exercise great pressure on emigrants to prevent them travelling by other lines. Other matters of complaint by British shipping interests were the vexatious conditions attached to the licences granted by the German Government permitting them to undertake the carriage of passengers from Germany who booked on a "cash," as distinct from a "prepaid," basis. The conveyance from Germany to Great Britain of passengers booked in Germany had to take place from only two German ports, and only two companies, one of them in German hands, were allowed to engage in this traffic; furthermore, the vessels so employed had to conform to the German regulations respecting emigrant ships. These regulations were intended to make transhipment in the United Kingdom unduly expensive, and thus to weaken British shipping as a competitive factor. From time to time applications were made by the British companies to be allowed to pass their "cash" passengers through non-German ports, but these were never conceded, although German concerns were free to utilise Antwerp and Rotterdam.

The future course of the Continental emigrant traffic is somewhat dubious at the moment. Political conditions and transport disorganisation in Russia and the States formed from the old Austro-Hungarian Empire must continue for some time to exercise a depressing influence. The effect of a heavy increase of taxation on the movement of German population also offers ground for interesting speculation. The German mercantile marine has largely disappeared, but German interests will endeavour to give the foreign connections they have formed the benefit of the emigrant traffic. Under the circumstances, the necessity for expediting the negotiations for the removal of the discriminating clauses against British shipping is apparent.

DIRECT FOREIGN TRADE OF IRELAND.

As regards the indirect colonial and foreign trade passing to and from the Irish ports *via* Great Britain, there are at present no means of distinguishing it from the colonial and foreign trade of Great Britain; and, consequently, the total trade of Ireland with countries outside the United Kingdom cannot be ascertained. Where direct trading between Ireland and other countries has been instituted some statistical data are available which help, to some extent, to bridge the void caused by the absence of details of Ireland's indirect trade through Great Britain. Particulars of this direct trade are especially welcome at the moment, strenuous efforts having been made during the past year to establish direct steamship services between various Irish ports and abroad. Under the circumstances the Statistical Branch of the Department of Agriculture is to be congratulated on the publication of a very complete survey of the present position. The following table shows the total value of the commodities imported directly into Ireland from each of the principal foreign countries and British possessions:—



Direct "Foreign" Imports.

Country from which Consigned	1913	1919	1920
	£	£	£
Belgium	1,903,173	274,599	4,184,537
Holland	839,214	1,558,217	2,021,426
Sweden	299,869	893,979	1,737,656
Russia	1,795,908	24,800	707,982
Germany	1,285,596	24,568	596,666
Portugal	14,390	452,690	383,158
Spain	38,279	238,265	315,058
Roumania	169,703	—	283,633
Norway	34,720	111,354	251,553
France	56,442	52,811	243,537
Italy	7,960	—	215,580
Other European Countries	23,783	170,554	40,180
Europe—Total ...	**6,469,037**	**3,801,837**	**10,980,966**
U.S.A.	4,423,716	9,239,871	13,565,885
Argentina	3,840,290	3,636,004	8,681,262
Canada	1,309,046	6,911,598	5,178,856
Other American Countries	135,844	141	148,558
North and South America—Total ...	**9,708,896**	**19,787,614**	**27,574,561**
Australasia	346,276	1,415,896	2,851,904
Asia	738,927	632,498	849,543
Africa	69,272	703,880	333,435
Grand Total ...	**17,332,408**	**26,341,725**	**42,590,409**

The grand total of the imports in 1920 was £42,590,409, and this indicates an increase of no less than £16,248,684 on 1919. It is probable that the figures for the latter year were much reduced below the normal level—taking 1913 in this connection—owing to trade and shipping disorganisation and port congestion. The greater value of imports in 1920 from Europe is very noticeable, the increase over 1919 working out at 188 per cent., while imports from North and South America increased only by thirty-nine per cent. Trade with Australia witnessed a remarkable expansion in 1920, the value of the imports having increased by 101 per cent. over 1919. As will be observed, the most important source of Irish commodity imports is the American group; next in order comes Europe, and the trade with other continents is on a comparatively small scale. Amongst the American countries the United States occupies the leading place, and Belgium in 1920, as in 1913, fills a similar position in Europe. The revival in trade with Russia is somewhat surprising, the imports therefrom in 1919 coming to only £24,800, as against £707,982 in 1920. Of the 1920 figure, flax imports, obtained in some degree by barter, were valued at £649,000.

The direct foreign imports are divided in our next table into appropriate classifications. For purposes of comparison the value of imports into Ireland from all sources is also given:—

Classified "Foreign" Imports.

	1913	1919	1920
	£	£	£
Farm produce, food and drink (direct)	9,805,676	18,593,135	25,828,669
Do. (from all sources)...	25,765,221	55,244,605	(a)
Raw materials (direct) ...	5,187,905	4,628,249	8,101,806
Do. (from all sources)...	12,114,200	24,433,511	(a)
Manufactured goods (direct)	2,147,558	2,321,680	8,467,045
Do. (from all sources)...	36,587,862	79,037,828	(a)
Unclassified	191,269	798,661	192,889
Total direct	17,332,408	26,341,725	42,590,409
Cross-channel	57,134,875	132,374,219	(a)
Total imports (Ireland)	74,467,283	158,715,944	(a)
Total direct trade as % of total imports from all sources	23·3	16·6	(a)

(a) Not yet available.

Curiously enough, the most valuable portion of the direct imports trade comes under the classification of farm produce, food and drink. Grain from the United States and other countries constitutes a very large proportion of this trade, the imports under that head coming approximately to £22,862,000 in 1920; tea and sugar, at £1,077,439, ranks next in value. So far as "raw materials" are concerned, flax—£2,778,770—heads the list, and amongst manufactured goods the same position is held by metals and metal manufactures with £2,150,772. Expressed as a percentage of total imports the total Irish direct import trade fell from 23.3 in 1913 to 16.6 in 1919; but the figures for 1920, when published, will undoubtedly reflect an improvement.

Great efforts were made during 1920 to provide steamers discharging at Irish ports with a return cargo of Irish produce. Judging by the disproportion between Irish direct exports and Irish direct imports it must be confessed that the results attained have not been wholly satisfactory. No doubt there are considerable difficulties in the way of organising such a service, and a considerable time may elapse before a workable scheme can be evolved. The present position of the direct exports trade is shown in some detail in the following statement. A noteworthy point is that the total direct exports in 1920, £1,555,862, reveal a very distinct falling off in value compared with the £2,119,383 recorded for 1913. The percentage that they bore to the total exports fell from 2.9 in 1913 to 1.1 in 1919. For the principal explanation of this poor display in the last two years we should look to the practical stoppage of outward consignments to Russia; the contrast between the 1913 and the 1920 figures in this respect is striking. More favourable features are furnished by Irish exports to the United States, it being scarcely necessary to recall that the upholders of direct trading have directed their greatest energies towards this field:—

Direct "Foreign" Exports.

Country to which Consigned	1913	1919	1920(b)
	£	£	£
Belgium	33,223	371,055	435,723
Holland	60,749	218,419	181,563
France	103,184	743,426	130,768
Spain		95,749	72,376
Norway	2		71,885
Germany	97,276	158,901	68,135
Russia	1,400,953	–	3,806
Portugal	—	59,467	—
Other European Countries ...	32,580	833	113,492
Europe—Total	**1,727,967**	**1,647,850**	**1,077,748**
U.S.A.	99,020	–	470,114
Australia	204,000		
Canada	86,349	882	
Other Countries	2,047	287,978	8,000
Direct Exports—Total ...	**2,119,383**	**1,936,710**	**1,555,862**
Total Exports ...	73,877,389	176,031,481	(a)
Percentage of Direct Exports to Total Exports	2·9	1·1	(a)

(a) Figures not yet available.
(b) 1920 figures subject to revision.

Eastern Bank, Limited.—A striking increase in the balance-sheet totals of the Eastern Bank—from £7,576,973 at the end of 1918 to £16,676,409 on December 31, 1919—has been followed by a reduction to £13,050,388 at the end of 1920, a prime factor in the fluctuation having been first the rise from 1*s.* 6*d.* to 2*s.* 4*d.*, and then the fall to 1*s.* 5*d.*, in the sterling value of the rupee on the respective dates. In net profits, however, the growth has been continuous, the £121,363 now disclosed comparing with £102,645 in respect of 1919. The final dividend recommended on this occasion is 5*s.* per share, less income tax, making 8*s.* per share for the year, as against 7*s.* per share previously. £40,304 is carried to reserve, and the profit balance retained is £31,009, against £29,951 brought into the account. Following the increase of capital, by means of a new issue of shares at a premium in the previous September, a call in July last of £1 per share has placed the Bank in possession of a total paid-up capital of a million sterling.

Industrial Companies.

W. T. HENLEY'S TELEGRAPH WORKS COMPANY, LIMITED.

Issued Share Capital: £350,000, in 40,000 4½% Cum. Pref. Shares of £5 each and 650,000 Ordinary Shares of £1 each. 4½% 1st Mortgage Debenture Stock, £150,000.

Year	Net Trading Profits*	Debenture Interest	Income Tax	Deb. Int., and Pref. Div.	Ordinary Div. £	Ordinary Div. %	To General Reserve	Other Allocations	Carried Forward
	£	£	£	£	£	%	£	£	£
1915	158,334	41,950	5,110	15,750	70,000	25	25,000	34,680	55,264
1916	195,195	59,916	17,713	15,750	50,000	25	20,000	17,650	69,730
1917	255,990	66,332	28,755	15,750	50,000	25	25,000	7,801	112,042
1918	209,636	15,832†	36,586	15,750	60,000	15	25,000	7,500	122,099
1919	200,593	25,217	45,458	15,750	60,000	15	20,000	14,543	141,633
1920	235,459	35,681	45,524	15,750	60,000	15	18,432	18,166	183,538

* After providing for contingencies, special taxation, and directors' fees, &c.
† Including £10,477 provided for deferred repairs.

HAVING regard to the abnormal industrial conditions prevailing during the past year the report of this Company for 1920 may be considered very satisfactory. The net trading profit, after providing for contingencies and special taxation, amounted to £235,459, representing an increase of almost £35,000 as compared with the previous year. The extent of the provisions made before arriving at the profit is not disclosed, but presumably the deductions have been considerably greater than in the previous year in view of the increase in the excess profits duty and the imposition of the new corporation profits tax. The allowance for income tax remains practically unchanged at £45,524, but depreciation calls for a sum of £35,681, as compared with £25,217 for the previous year. Debenture interest and Preference dividends absorb £15,750, leaving a balance profit of £138,504, as against £114,168. The Ordinary dividend is maintained at fifteen per cent., involving a distribution of £60,000. The transfer to general reserve is reduced from £20,000 to £18,432, and the provision in respect of depreciation of investments from £9,543 to £7,559. During the year the realisation of Government investments and trustee securities involved a loss of £35,681, against which the reserve of £30,074 created to provide for such a contingency is brought into the profit and loss account, leaving a net loss of £5,607. To this loss is added the provision now made, so that the actual debit for the year amounts to £13,166. The contribution to the employees' benefit funds is maintained at £5,000, leaving a balance of £183,538 to be carried forward, as compared with less than £141,650 brought in from 1919.

In the following table is embodied a summary of the principal items of the balance sheet at the end of the past two years:—

	1919	1920		1919	1920
	£	£		£	£
Share capital ...	600,000	600,000	Fixed assets	592,710	116,949
Deb. capital ...	150,000	150,000	Stock ...	457,397	629,587
Sundry liabilities*	569,546	1,054,777	Trading invest.	186,552	257,797
Reserves ...	162,044	176,777	Other invest.	190,382	148,004
Carried forward	141,633	183,538	Debtors ...	401,044	591,109
			Cash	118,138	71,646
	1,913,223	2,165,092		1,913,223	2,165,092

* Including provision for contingencies, taxation and final dividends.†

Sundry liabilities show an expansion of £195,231, but as undisclosed reserves for contingencies and taxation are included under this heading the increase may be attributable only in part to trade creditors. The balance of £1,567 standing to the credit of the Special War Reserve is now transferred to the general reserve, which, with the allocation now made from revenue, is increased to £170,000. The provision for postponed repairs, however, is reduced from £10,477 to £6,777. On the assets side the additions during the year to the properties and plant and machinery are shown at £102,191, as against £30,327 for 1919, but allowing for depreciation the net additions do not exceed £64,239. Stocks have been increased by nearly £242,200. The amount paid up on the shares held in the subsidiary undertaking—Henley's Tyre and Rubber Company—has been increased from £140,000 to £200,000, the shares being now fully paid. It is stated that this Company has had a successful year's trading, and, owing to the practice of purchasing against requirements only, has been able to take full advantage of the fall in rubber prices. The amount held of the Company's own Debenture stock remains unaltered at £10,895, but Debentures and shares in other Companies show a small increase at £26,902. The outstanding alteration among the assets is the reduction in Government investments from £406,381 to £148,004, for the purpose of providing funds to finance stocks. The increase in sundry debtors corresponds very closely with the expansion in current liabilities. Owing to the manner in which the accounts are presented, it is not possible to draw any exact comparison between liquid assets and sundry creditors. It is clear, however, that current liabilities, including sundry undisclosed reserves and final dividends payable, exceed the liquid assets by over £66,000, whereas at the date of the previous balance sheet the liquid assets showed a surplus of more than £244,000. The position has been considerably eased, however, by the recent issue of 250,000 £1 Ordinary shares at a premium of 4*s.* each. On the occasion of this issue it was stated in the prospectus that the directors had every confidence that the rate of dividend would be maintained on the increased capital. Although the Company is not likely to be unduly affected by the prevailing industrial depression, it can scarcely be anticipated that the new capital will be immediately productive. The removal of the excess profits duty should prove advantageous, and even if profits do not show any increase, the large undivided balance which is carried forward to the current year would facilitate the maintenance of last year's dividend. On the basis of a dividend of twelve per cent. the Ordinary shares now quoted at 24*s.* 6*d.* ex-dividend yield a return of nearly 9.8 per cent. The Four and a-Half per Cent. Cumulative Preference shares, which are quoted at 64*s.* 9*d.* (ex-dividend), yield a return of nearly 7 per cent., while the Four and a-Half per Cent. First Mortgage Debenture stock at 67 affords a yield of 6.7 per cent.

THE CITY OF LONDON ELECTRIC LIGHTING COMPANY, LIMITED.

Issued Share Capital: £1,105,950, in 400,000 6% Preference Shares and 705,950 Ordinary Shares of £1 each.
Debenture Capital: £400,000 5% First Debenture Stock and £300,000 4½% Second Debenture Stock.

Year	Net Rev.	Debenture Int., &c.	Other Charges	To Reserve	Preference Div.	Ordinary Div. £	Ordinary Div. %	Carried Forward
	£	£*	£	£	£*	£*	%	£
1915...	150,759	34,613	1,749	50,000	20,800	48,946	8	18,024
1916...	135,779	30,731	1,614	40,000	18,000	42,779	8	17,132
1917...	141,661	29,222	1,640	50,000	18,000	42,357	8	17,753
1918...	141,607	27,377	4,445	50,000	17,100	40,238	8	20,019
1919...	185,748	25,863	15,687	62,150	16,800	64,241	13	23,650
1920...	217,961	27,375	18,625	85,378	16,800	69,183	14	23,650

* Net.

Shareholders of this Company have reason to congratulate themselves on the report presented for the past year. The gross revenue, which rose from £389,859 in 1918 to £526,872 in 1919, has been further increased to £656,093. However, working and general expenses, particularly in connection with generation and distribution, show an increase for the year of £92,872, leaving a net revenue of £217,961. This represents an expansion of not more than £32,223 as compared with 1919. Interest charges involve an outlay of £27,375, as against £23,863, and depreciation of investments £15,499, as against £10,000. Contributions to benefit funds are reduced to £2,725, but the reserve receives an allocation of £85,378, as compared with £62,130 for the previous year. The distribution on the Preference shares remains unaltered at £16,800. The Ordinary dividend (including bonus) is raised from thirteen per cent. to fourteen per cent., involving a corresponding increase in the amount distributed. It should be noted that the Debenture interest and dividends represent the net amounts distributed, as the Company follows the unusual and rather misleading practice of charging income tax on such payments against revenue.

A summary of the principal items shown in the balance sheet at the end of the past two years is embodied in the following table:—

LIABILITIES.	1919 £	1920 £	ASSETS.	1919 £	1920 £
Share capital ...	1,105,950	1,105,950	Fixed assets	1,990,772	2,112,659
Deb. capital ...	700,000	700,000	Shares ...	63,120	94,357
Sundry lia.* ...	269,812	354,533	Investments	172,152	101,314
Reserves ...	313,565	347,924	Sundry debtors	166,880	209,809
Carried forward	23,050	23,650	Cash	11,453	13,918
	2,412,377	2,532,057		2,412,377	2,532,057

* Including final dividends payable.

The sundry liabilities include a premium of £100,000 payable on redemption of the First Mortgage Debenture stock. The amount due in respect of capital outlay and on open accounts shows an expansion from £90,519 to £141,522, the liability in respect of employees' deposits being also increased from £9,611 to £30,887. In addition to the allocation of £85,378 now made the reserve account has been credited with the sum of £12,607, realised on sale of old stores during the year. The debits to this account include depreciation of £63,564, chiefly in respect of plant and machinery. A sum of £2,442 has also been transferred from this account to the reserve for special contingencies, which now amounts to £12,561. The expenditure on capital account for the year amounted to £176,451, as against £28,466 for 1919, but, allowing for depreciation, the net additions do not exceed £112,887. The bulk of the expenditure has been incurred on plant and machinery, but the net additions to buildings and mains exceed £60,000. The heavy outlay involved on the fixed assets and stores is partly reflected in the reduction of Government and railway investments from £172,152 to £101,314. A summary of the position indicates that the liquid assets, excluding stores, exceed current liabilities (excluding premium due on Debenture redemption) by £70,508, as compared with £179,673 in the previous balance sheet.

It will be remembered that the authorised capital of the Company was increased by £800,000 a year ago, and it is intended shortly to raise new capital It is also proposed that the borrowing powers of the directorate shall be increased to a total sum not exceeding the subscribed capital. These proposals point to a further expansion in the Company's activities during the current year, and presumably the developments include the execution of the contract with the County of London Company for a bulk electricity supply to be given to the latter from the Company's station. The new scheme would involve considerable additions to this station, which at present supplies a very important area.

The prices and yields of the different shares of the Company are set out below, the yield on the Ordinary shares being calculated on the basis of a dividend of twelve per cent.:—

	Price £ s. d.	Yield %
6% Preference shares	9 17 0	8.5
Ordinary shares	1 2 0	10.9
5% 1st Debenture stock	83 10 0	6.0
4½% 2nd Debenture stock	68 10 0	6.6

(ex-dividend).

LINOLEUM MANUFACTURING CO., LTD.

Issued Share Capital: £500,000, in 100,000 Shares of £5 each.

4% Debentures, £36,400.

Year	Net Profit* £	Investment Depreciation £	To General Reserve £	Other Allocations £	Dividend £	Dividend %	Carried Forward £
1916	53,596	12,272	10,000	—	30,000	7½	19,921
1917	62,012	3,819	10,000	—	40,000	10	28,114
1918	87,693	—	20,000	10,000	60,000	15	25,807
1919	99,695†	11,284	—	5,000	90,000	20	19,218
1920	94,643†	11,868	5,000	—	75,000	15	21,993

* After providing for Excess Profits Duty and depreciation.
† After providing also for Income Tax on dividends.

The report of this Company for the past year shows that the remarkable progress made during 1919 has been very well maintained. The net profit, after providing for depreciation, excess profits duty, and income tax, works out at £94,643, as compared with £99,695 for the previous year. It should be noted that the provision for taxation includes the tax payable on the dividends, and although the amount set aside for this purpose is smaller than in the previous year, still this should be easily offset by the increase in the excess profits duty and the liability for Corporation tax during the period covered by the present accounts. The results would accordingly appear to be more satisfactory than the accounts actually show. The continued depreciation of investments which has characterised the annual reports of the Company involves an allocation of £11,868. The general reserve to which no transfer was made last year is credited with a sum of £5,000, but no allocation is now made to the benefit fund. The distribution, which was actually at the rate of twenty per cent., free of tax, for 1919, and not fifteen per cent. as commonly stated, is reduced to fifteen per cent. involving a corresponding reduction in the amount involved from £90,000 to £75,000.

A summary of the principal items of the latest published balance sheets is embodied in the following tabular statement:—

LIABILITIES.	1919 £	1920 £	ASSETS.	1919 £	1920 £
Share capital ...	500,000	500,000	Fixed assets ...	186,379	205,576
Debenture capital	46,400	36,400	Stocks	186,563	377,638
Sundry liabilities	212,824	230,126	Investments ...	396,119	112,236
Reserves ...	182,115	149,960	Sundry debtors	173,548	211,018
Carried forward	19,218	21,993	Cash	23,378	24,981
	960,587	938,479		960,587	938,479

It will be seen that the Share capital remains unaltered, but £10,000 of the Debenture stock was redeemed during the year. It may be pointed out that a sum of £40,000 has been transferred from the general reserve to cover excess profits duty. It would therefore be of interest to ascertain the amount actually charged against revenue for the past year. Of course, it may be that all or part of this £40,000 was required to make good under-estimated liability for previous years. Information on this point will, perhaps, be forthcoming at the general meeting. The insurance and benefit funds remain practically unaltered at £55,936 and £15,619 respectively. The additions during the year to land, buildings, plant, and machinery amounted to £29,462, as against £5,729 for 1919, but, allowing for depreciation, the net increase does not exceed £19,197. The abnormal expansion of £191,075 in stocks and of £37,500 in debts due to the Company is reflected in the reduction of £271,483 in investments. The surplus of liquid assets (excluding stocks) over current liabilities, including final dividend payments, amounts to £125,139, whereas at the date of the previous balance sheet a surplus existed of over £374,800.

The directors, in their report, state that the turnover during the period under review exceeded all previous records, but profits were naturally affected by the heavy fall in the price of raw materials. Shareholders will note with satisfaction that present production at the Company's factory exceeds all pre-War figures. The removal of the excess profits duty should act as an incentive to further development during the current year, but the present unsettled industrial conditions emphasise the vital importance of a conservative policy. The shares of the Company are now quoted at 8½ ex-dividend, at which price they afford a yield of 7 per cent. free of tax (or 10 per cent. subject to tax), on the basis of a dividend of 12 per cent. tax free. The 4 per cent. Debenture stock is not officially quoted.

The Sinews of Transport in the Production of Wealth. By William Drury, M.A. Price 1s. (London: Frances Hodgson.)

Messrs. Freke C. Mathieson, of 16 Copthall Avenue, are issuing a long galley form suitable for putting up in offices, summaries of new companies, appeals for capital, reconstructions, alterations of shares, rights to subscribe for new shares and other items under the heading of 1921 *Financial Notes*. These Notes are to be published every month, and are to be circulated among those forwarding an annual subscription of one guinea.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Railways—Home :											
Glasgow Subway	31/12/20	Dr. 15,830	—	—	—	—	—	Dr. 15,328	—15,830	26	—
Horncastle Railway	31/12/20	2,388	—	7	2,352	—	—	297	+ 35	2,201	7
Sidmouth Railway	31/12/20‡	843	—	2	829	—	—	193	+ 13	—	—
Wirral Railway	31/12/20	16,688	11,773	—	—	5,000	—	2,006	— 85	19,972	—
Railway —Indian and Colonial :											
Midland Railway Co. of Western Australia	30/6/20	Dr. 10,572	—	—	—	—	—	Dr. 96,221	+10,572	16,612	—
Breweries and Distilleries :											
Forest Hill Brewery	31/12/20	11,776	—	12½	11,250	—	—	9,357	+ 526	19,833	15
Plymouth Breweries	31/12/20	12,714	6,964	10	1,991	3,000	1,474	1,326	— 715	4,602	12½
Commercial and Industrial :											
Aberdeen Jute	31/1/21	4,623	—	25†	3,719	—	—	4,641	+ 904	7,741	25
Alexander, Fergusson	31/12/20	18,810	3,062	17½	10,719	4,000	—	7,163	+ 1,029	12,173	12½
Aplin & Barrett	31/12/20	21,490	4,500	10	10,000	10,000	4,000†	56,135	— 7,010	52,307	20
Bagots, Hutton	31/12/20	3,009	1,560	6	1,258	1,000	—	3,211	— 809	8,972	6
Barker (Henry)	31/1/21	4,017	1,375	10†	2,500	—	—	5,257	+ 141	6,758	10
Bath and Portland Stone Firms	31/12/20	29,845	—	10	22,708	11,625	—	9,515	+ 5,511	14,277	10
Evans, Sons, Lescher & Webb	31/12/20	23,225	18,138	5†	15,000	—	—	10,155	— 9,922	72,309	15†
Harries (T. J.)	19 2 21	17,665	2,520	12½ Ord. 7 Def.	9,054	6,000	—	1,795	+ 91	22,387	12½ Ord. 7 Df. ,,
Henley's (W. T.) Telegraph Works	31/12/20	141,897	9,000	15	60,000	25,992	5,000	185,538	+41,905	113,624	15
Hotel Cecil	31 8 21	18,096	25,000	—	—	—	—	9,090	— 6,904	—	—
Linoleum Manufacturing	31 12 20	82,775	—	15†	75,000	5,000	—	21,993	+ 2,775	88,411	15
Locke, Blackett	31 12 20	28,904	2,450	10†	5,250	11,250	10,000	2,162	— 46	—	—
Morris (D.)	31/12/20	23,245	7,000	10	13,437	3,592	—	2,046	— 784	—	—
Morton (C. & E.)	31/12/20	183,495	30,000	20	90,000	—	23,500	203,213	+39,995	158,688	20
Oakey (John)	31/12/20	41,986	6 000	10	35,000	10,000	—	4,116	+ 986	36,339	20
Peters (G. D.)	31/12/20	26,202	8,850	10	10,325	10,000	—	15,342	— 2,973	—	—
Pirie (Alexander)	31/12/20	87,151	24,331	6 Ord. 8 Def.	42,000	20,000	—	44,270	+ 820	105,543	6 Ord. 8 Def.
Radiation	31/12/20	154,552	44,805	6	92,735	—	—	40,754	+17,013	—	—
Rowton Houses	31/12/20	16,866	5,374	5	7,116	3,703	—	3,644	+ 673	14,797	5
St. Ivel	31/12/20	9,045	6,000	50†	5,000	2,500	—	18,336	— 4,455	25,072	50†
Sweet & Maxwell	31/12/20	4,973	1 960	5	1,243	—	—	2,491	+ 1,770	6,715	3
Switzer	31 1 21	9,197	1,500	6†	4,800	2,500	—	9,900	+ 397	16,962	8†
Walkers, Parker	31/12/20	104,179	—	15	33,375	50,000	4,000	65,491	+16,804	—	12½
Walton (Isaac)	31/1/21	30,877	8,400	18¾	18,750	—	—	12,228	+ 3,727	69,079	18¾
Warden	5/2/21	6,955	1,750	12½	4,375	1,000	—	2,248	— 170	11,115	10
Withers	31/12/20	1,262	2,160	—	—	300	—	296	— 1,198	—	—
Electric Lighting and Power :											
City of London Electric Lighting	31/12/20	174,687	16,800	12	69,183	85,378	2,725	23,650	+ 600	151,885	10
County of London Electric Supply	31/12/20	131,530	27,300	8	42,324	62,500	—	18,595	— 593	118,296	8
Financial Land and Invest. :											
Nat. Mort. & Agency Co. of New Zealand	30/9/20	47,188	—	15†	30,000	5,000	—	42,941	+12,188	38,940	15†
Property & Estates Co.	31/12/20	5,342	1,440	—	—	—	—	11,285	+ 3,902	4,930	—
Scottish Western Investment	31/1/21	62,063	17,850	11	30,800	—	—	64,730	+13,413	57,922	10
Financial Trusts :											
Caledonian Trust	31/1/21	28,911	8,925	8	11,200	—	—	42,181	+ 8,786	26,818	7
Gas :											
Harrogate Gas Company	31/12/20	22,563	1,434	10	8,356	—	—	35,272	+12,773	17,784	10
Leyland Gas Company	31/12/20‡	296	—	1⅞	559	—	—	2,324	— 243	1,038	1⅞
Richmond Gas Company	31/12/20‡	3,543	—	3¾	3,400	—	—	3,511	+ 143	3,543	3¾
Thirsk Gas Company	31/12/20	Dr. 206	11	5	600	Dr. 703	—	—	—	—	—
Insurance :											
General Reinsurance	31/12/20	2,019	—	—	—	—	—	2,019	—	—	—
Maritime Insurance	31/12/20	13,92	—	30†	21,000	—	—	178,341	— 7,408	—	—
Victory Insurance	31/12/20	10,987	—	—	—	—	10,987	—	—	—	—
Iron, Coal and Steel :											
Bearpark Coal and Coke	31/12/20	106,083	—	30	85,050	15,000	5,000	10,135	+ 1,033	68,109	22½
Nitrate :											
Rosario Nitrate	30/9/20	125,666	—	20†	120,000	—	—	23,206	+ 5,666	39,487	10†
Tamarugal (New) Nitrate	31/7/20	90,403	9,695	20	54,591	—	—	32,660	+26,117	—	—
Shipping :											
Lamport & Holt	31/12/20	301,872	108,514	10	179,327	—	14,000	100,497	+ 31	—	—
Tea, Coffee and Rubber :											
Batu Kawan Rubber and Coconut	30/9/20	13,893	—	—	—	2,000	—	14,797	+11,893	15,567	12½
Gedong (Perak) Rubber	31/10/20	6,635	—	5	2,865	—	—	3,974	+ 3,770	11,720	15
Rubber Estates of Ceylon	31/10/20	Dr. 11,592	—	—	—	—	—	Dr. 7,747	—11,592	11,790	10
United Lankat Plantations	31/10/20	21,849	2,000	30	64,800	—	—	37,636	—44,951	63,168	45
Waterworks :											
Bristol Waterworks	31/12/20	48,577	—	6⅔ Ord. Shs. 4⅓ Ord. Stk.	52,905	-	-	1,602	- 4,326	56,141	6⅔ Ord. Shs. 4⅓ Ord. Stk.
Falmouth Waterworks	31/12/20	5,400	2,150	10	1,000	250	—	1,823	—	4,351	10

* After providing for all Government taxation, prior charges, &c. † Tax free. ‡ Half-year.

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

THE ANGLO-PERSIAN OIL CO., LIMITED.

Offer at par of 3,500,000 £1 Nine-per-Cent Cumulative Second Preference shares.

The Anglo-Persian Oil Company was formed in 1909 to exploit oil concessions in Persia. In the early stages lack of transport and distributing facilities compelled it to enter into contracts covering all its exports of benzine and kerosene up to December 31, 1922, but in the interval it has extensively developed its producing territory, built pipelines, refineries, installations and tanker fleets, and considerably extended its oil concessions throughout the world. The Company now controls the British Petroleum Company, the British Tanker Company, the Homelight Oil Company, the Petroleum Steamship Company, the National Oil Refineries, the Tanker Insurance Company, and various oil-producing undertakings. The existing issued capital is £12,500,000, of which £5,000,000 are in Eight per Cent. First Preference, and the remainder in Ordinary shares. There is also outstanding £4,875,000 of 5% First Debenture stock. The shares now offered will rank in all respect after the First Preference and before the Ordinary. In the unlikely event of a winding-up, holders will be entitled to repayment at a premium of ten per cent. or at the average premium ruling on the Stock Exchange for six months previous, whichever is the higher. The net assets, allowing for Debenture liability, stand in the books at £14,260,307, which provides ample security for the total Preference capital. Though the contracts already mentioned did not permit the Company the full benefit of the high prices of refined oil products, profits have been remarkably high. For 1917 they were £344,000 after allowing Debenture interest but not excess profits duty; for 1918 they amounted to £1,309,000; for 1919, £2,011,000; 1920, £2,612,000; and for the year ending March 31, 1921, it is anticipated that they will exceed £4,000,000. The completion of the Swansea refinery should add considerably to profits in the ensuing

year; a movement which should be assisted by the lapsing of the transport and distributing contracts. As the total Preference dividend will amount to only £715,000 yearly, present profits offer excellent guarantee as to its security. It is a mark of the real stringency of the capital market that a company of such high status should consider it necessary to offer a rate of nine per cent. on its Preference shares. Further details are available on pages ii and iii.

HARRODS, LIMITED.

Offer at par of 1,000,000 £1 Seven and a-Half per Cent. Cumulative Preference shares.

Messrs. Harrods are best known by their stores in Brompton Road, London, but they also possess controlling interests in Dickins and Jones and Swan and Edgars, London; Kendal, Milne and Company, Manchester; and Harrods, Buenos Ayres. The issued capital stands at £4,915,000, £3,000,000 being in Seven and a-Half per Cent. Preference and the remainder in Ordinary shares. The gradual expansion in activities has been marked by a corresponding increase in profits and dividends. The expenditure involved during the past year in completing the purchase of the Brompton Road freehold and other capital outlays in London and Manchester has, however, seriously impaired the liquidity of the Company's position. The total assets, amounting to £9,447,010, according to the balance sheet for January 31, 1921, consisted of £3,771,355 in properties, &c., and £5,369,039 for stocks, debtors, and investments, leaving only £305,616 in cash, subject to dividend disbursements. The object of the present issue is to replace such outlays and thus restore financial liquidity. The shares now offered will rank equally in all respects with the existing £3,000,000 Preference shares. Capital security offered by certified net profits amounts to over £6,000,000, on a conservative basis of valuation. Security as to dividends is not, however, so pronounced. Annual dividends on the £4,000,000 Preference shares will amount to £300,000, a figure which exceeds the profits of previous years except those for 1919 and 1920, which were £352,042 and £483,635 respectively. With a wider range of business future profits may reasonably be expected to surpass £300,000, but unless the high status of the firm be taken into account the margin cannot be considered sufficient to justify a comparatively low rate of interest. The lists close on Saturday, March 12.

SERVICE FLATS, LIMITED.

Offer at par of 80,000 £1 Eight per Cent. Participating Preference shares.

The Company has been formed to construct flats on what is to be known as the Davis system. Each flat will consist of three to six rooms with kitchen and bathroom, will be connected direct with a central kitchen (to be controlled by a tenants' committee), and will be centrally heated. Three sites in London have already been acquired involving an expenditure of upwards of £12,000 by the vendor. The authorised capital is £100,000, comprising the present issue and £20,000 in 10*s*. Ordinary shares. It is not clear from the prospectus, however, what the actual issued capital is. The vendor's consideration is £25,300, of which £20,000 will be in cash or shares at his option. He thus obtains over £13,000 profit, including remuneration for patent rights ceded, besides obtaining contracts for a building company of which he is a salaried director. The participating rights of the Preference shares entitle them to two-fifths of the surplus profits left after a payment of eight per cent. on both Preference and Ordinary shares, and it is estimated that profits will be sufficient to admit a declaration of ten per cent. on the shares now offered. The prospectus is not a very convincing document, and intending investors will note the absence of a statement as to a Stock Exchange quotation. There is no fixed closing date for applications.

THE LONDON CALEDONIAN TRUST, LIMITED.

Offer of 400,000 £1 shares at a premium of 1*s*. per share.

The Company was formed in 1912 with a capital of £100,000, and commenced business in the following year, during which profits were sufficient to pay a dividend of seven and a-half per cent. after writing off preliminary expenses. The War caused a suspension of operations till January 1919, for the first three months of which a dividend of five per cent. was paid. For the year ended March 31, 1920, a dividend of ten per cent. was declared, and for the current year a similar payment is anticipated. The Company in the first instance devoted its attention to general financial business, including that of underwriters, and later interested itself in insurance. Through its investments in the Consolidated Assurance Company and the Western Alliance Re-insurance Company it possesses many opportunities to participate in re-insurance treaties, of which it intends to take advantage with when the increased capital is obtained. Half of the 400,000 shares have already been privately placed on the terms of the prospectus. Only 10*s*. plus the premium will be called up on allotment, and the directors do not intend to make any further call. The directors have entered into a contract with the Commercial Bank of London, Limited, for the purchase of the premises and furniture at 37-41 Gracechurch Street, E.C. 2, for £162,000 in cash. The prospectus makes no mention, however, of an independent valuation, and the object of the contract—"to enable this Company and certain insurance companies to be housed in one building"—is not quite lucid. Beyond the fact that the board is strong there is little in the prospectus to justify the premium, which amounts to ten per cent. on the paid-up capital. The lists close on March 11.

ISSUES TO SHAREHOLDERS.

Alexandria Water: 20,000 £5 shares at par.

Parit-Bruas (Malay) Rubber: 15,000 £1 Ordinary shares at 22*s*. 6*d*. each.

Electrical Distribution of Yorkshire: 30,000 £1 Ordinary shares at par.

Scottish Motor Traction: 35,000 £1 shares at par.

International Sleeping Car (Compagnie Internationale des Wagons-Lits: 68,750 250-franc shares in the proportion of one new share for every four held. The subscription price is 310 francs if made in Belgium, and 325 francs if made in France.

PENDING ISSUES.

On Thursday an issue was underwritten for £6,500,000 Five and a-Half per Cent. stock, 1941-61, at 90, on behalf of the Corporations of Birmingham and Liverpool, the latter being responsible for £3,500,000.

Another Australian loan was foreshadowed by Mr. H. N. Barwell, Premier of South Australia, who stated in a speech at Adelaide that he intended to ask London for a loan of £3,000,000.

It is understood that preliminary arrangements have been made for the issue of £200,000 Eight per Cent. Fifteen-Year First Mortgage Registered Debentures at 95, redeemable at 102½, on behalf of the British Central Africa Company.

The February issue of the monthly *Journal of the Bradford Chamber of Commerce* contains an exhaustive article by Mr. A. H. Gibson, on "The Coming Rise in High-class Investment Prices." Mr. Gibson gives reasons for believing that there will be a rapid rise in the prices of gilt-edged securities during the next few years. By means of a chart he shows that during the last hundred years there has been a sympathetic movement between commodity prices and the yield of Consols, and he predicts that, as the corollary of a steady decline in prices in the course of the next ten years, Consols will reach a price of 77. The Journal also contains other articles of general topical interest. Mr. Kramrisch, the Serbian Consul in Bradford, contributes an account of conditions in South-East Europe, while there is an interesting statement of the results of the Hull experiment in the municipalisation of the telephone service.

The Truth About Upper Silesia. A speech made in the Polish Diet on January 28, 1921, by Deputy A. Wierzbicki. A resolution was passed by the Diet to publish this speech at the expense of the nation, and copies in English can be obtained by applying to the Diet of the Polish Republic, Warsaw.

Belgium: From the Roman Invasion to the Present day. By Emile Cammaerts. Price 12*s*. 6*d*. (London: T. Fisher Unwin.) Written by one of the most distinguished Belgian authors, this work is one of the most brilliant and informing contributions in "The Story of the Nations." In view of the wonderful patriotism of her people, as exhibited during the late war, a good history of Belgium cannot fail to prove interesting to British readers.

MEETINGS
OF PUBLIC COMPANIES.

Harrods, Limited.

Further Issue of Preference Shares Sanctioned.

THE thirty-first annual general meeting of Harrods, Limited, was held on March 7 on the Company's premises, Brompton Road, S.W., Sir Alfred J. Newton, Bart., presiding.

The Chairman, in moving the adoption of the report and accounts, said: Although the net profit earned fell below last year's figure, it would be satisfactory to the shareholders to see that the Company was in a position to pay seventeen and a-half per cent. on the Ordinary shares for the year. Taking into consideration the 475,000 Ordinary shares distributed as bonus during last year, this was equivalent to a distribution on the Ordinary capital of a little over twenty-three per cent. This year's accounts included twelve months' trading of the business of Kendal Milne and Company, Manchester, against six months last year. The profit and loss account showed that the gross profit amounted to £2,238,176, being an increase of £385,315 as compared with the previous year. Dividends on investments amounted to £66,215, an increase of £45,194. The total working expenses for the year amounted to £1,773,171, showing an increase of £430,012. The largest item of expenditure was £938,957 for salaries, wages, &c., and maintenance of staff, being an increase of £245,482. Interest paid to bankers and on deposit and current accounts required £111,087, an increase of £54,760. The additional capital now proposed would see this item very substantially reduced during the current year. The reserve fund now stood at £1,215,775 after allowing for the capitalisation of the bonus shares and the payment of expenses of issue of the £1,800,000 Preference capital.

Changed Trading Conditions.

The year's trading of the Company in London and Manchester showed the very satisfactory increase of £1,165,000. The greater portion of this increase was, of course, obtained during the first half of the year. The second half of the year witnessed a great—in fact, a dramatic—change in the trading conditions of the country, almost as sudden in its appearance as it was widespread. The forced realisation of stocks had chiefly affected wholesale drapery, clothing, and kindred businesses, and this had reacted, though not to the same extent, upon the retail houses, with the result that retail prices for the time being were forced down to an unremunerative level, particularly as to certain classes of merchandise in the drapery and general clothing sections. The directors were of opinion that they had passed through the worst phase of forced realisation of stocks. The selling price of all commodities must be determined by the cost of production if business was to be conducted on a sound and healthy basis. While it was very gratifying to see the reduction which had already taken place in the cost of living, and particularly in the food section, the public should guard against expecting this reduction to continue at a rapid rate.

Swan and Edgar Acquisition.

During the year under review they had completed the purchase of practically the whole of the shares of Swan and Edgar, Limited. This purchase, which took effect at the end of last June, included profits as from February 1, 1919. The profits for the year ended January 31, 1920, were left in the Company, being added to their reserve fund. As to the profits for the year ended January 31, 1921, seven-twelfths had been brought into the present accounts as dividend, and the balance had been applied in reduction of the purchase price.

Dealing with the Company's business in Belgium, he said that the result of the year's trading had not realised the board's expectations. The slump in trade had also been fully experienced in Belgium, resulting in a trading loss which had been fully provided for in the profit and loss account. The stocks in Belgium had been written down to present-day market value, and to meet present-day competition. Attention was drawn in the report to the continued deficiency in respect of the money employed in the Belgian business, due to the adverse rate of exchange, and although they did not expect this deficiency to become permanent, they had, as a precautionary measure, set aside £90,000 as a reserve until the rate of exchange improved. They were constantly increasing the number of their regular purchasing customers in Belgium, having many thousands already on their books, and when an improvement in trade and in the rate of exchange took place they might look forward to being able to present more satisfactory results from that quarter. A contract had been entered into for the purchase of the freehold of the Company's main block of buildings erected on the Brompton Road leasehold site upon terms which the directors regarded as eminently satisfactory to the Company. The lease had only sixty-one years to run, which was a short life in the history of the Company such as theirs. The purchase would result in a saving to the Company.

The report and accounts were unanimously adopted, and the Chairman announced that the dividend warrants would be posted on March 10.

A resolution was passed increasing the capital to £6,500,000 by the creation of 1,000,000 Seven and a-Half per Cent. Cumulative Preference shares of £1 each, ranking as to dividends, capital, and in all other respects *pari passu* with the existing 3,000,000 Preference shares.

Isaac Walton and Co., Ltd.

Satisfactory Year's Trading.

THE seventeenth annual general meeting of this Company was held at 169 Newington Causeway, S.E., on March 11, Mr. Chas. Stuttaford presiding.

The Chairman congratulated the shareholders on the very satisfactory year's trading. The twelve months ending January 31 last, he said, had shown very remarkable fluctuations. He continued: The trading profits amount to £51,553, after making provision for excess profits duty and corporation profits tax. The stocks are slightly higher, showing an increase of £2,481. This is caused by the decrease in trade towards the end of the year and our obligation to take goods ordered many months previously. The debtors' accounts are at a very satisfactory figure, showing a decrease of £3,596, and all bad or doubtful debts have been provided for. Regarding our freehold properties, there is an additional outlay at Newcastle and Holloway of £12,298. During the year we have opened in connection with our Holloway Road premises an arcade running into Seven Sisters Road, which gives us a very valuable additional window space of some 160 feet. The arcade was opened during January, and we hope to derive great benefit from this extension, as it brings us into an additional important main thoroughfare. The freehold premises we purchased in 1919 at Newcastle were subject to a tenancy expiring in August next, but during last year a very serious fire occurred, practically destroying one of the blocks (for which we were fully covered by insurance). We subsequently arranged with the tenants to give up possession after the fire, and have since been making the necessary alterations for carrying on our business. We have built additional floors and improved the building generally, and hope to be in a position to commence with the construction of shop fronts very shortly. Our leasehold properties, which have stood in the balance sheet at £22,887, have been written off; these are all valuable leases, which we consider fully worth the amount stated. We now absorb the sinking fund created for that purpose, and consequently create a substantial reserve. The fixtures and fittings have been valued during the year, and the difference has been carried to the reserve account for fixtures and fittings. The goodwill has been written down to £25,000. The capital of the Company has been increased to £240,000. Trade accounts owing by the Company are less by £2,989. Sundry accounts amount to £96,896, and show an increase of £11,982. In this account are reserved large amounts for excess profits duty and corporation profits tax.

The report was adopted, and a final dividend on the Ordinary shares of 2*s.* 6*d.* per share, making 3*s.* 9*d.* for the year, was declared.

River Plate Trust, Loan and Agency Company, Ltd.

The Corporation Profits Tax.

THE fortieth ordinary general meeting of this Company was held on March 11 at 52 Moorgate Street, London, E.C.

Mr. James Anderson, who presided, said that, as compared with a year ago, the gross profits were £13,000 up, and there was a reduction of some £3,000 in charges. This would in the ordinary course have made the net result for the year some £16,000 better, but the whole of the £16,000 was swallowed up by the new corporation profits tax. It was unfair because it was of the nature of a special and additional income tax on partnership in the form of joint-stock companies, while all other forms of partnership were exempt. It was also objectionable because it discriminated between partners. What inducement was there nowadays to form new companies, in view of the existing load of taxation, and the uncertainty as to whether additional special taxation of the nature of the corporation profits tax might not be imposed? Joint-stock companies had done great service in the past in the extension of British commerce and enterprise to the ends of the earth. It was surely a short-sighted policy to weaken and discourage so useful a form of enterprise.

Dealing with the leading figures of the accounts he said that mortgage loans, amounting to £2,493,000, represented forty-six per cent. of the total assets. The tide now seemed to be on the turn, the amount of loans outstanding having been increased during the past year by £203,000. Investments aggregated £2,618,000, equal to forty-eight per cent. of the

total assets, and these investments, both Government and general, stood in the balance sheet at their market value on December 31 last. The Company's liabilities were now reduced to a small figure in comparison with the liquid assets; in fact, they were exceeded by their holding of British Government securities alone. The directors recommend the payment of the usual dividends of twenty per cent. on the "A" and seven per cent. on the "B" shares, placing £40,000 to the reserve fund and adding £3,961 to the carry-forward.

The report was unanimously adopted.

Metropolitan Electric Supply Company, Limited.

Increased Revenue and Dividend.

THE thirty-fourth ordinary general meeting of this Company was held on March 8 at Winchester House, Old Broad Street, E.C., Mr. A. W. Tait, C.B.E. (the Chairman), presiding.

The Chairman said: The gross revenue for the year, excluding interest and dividends on investments, was £516,594, as compared with £413,059 in the previous year. The revenue from sales of current was £497,675, as compared with £396,590 last year.

The number of units sold was 27,798,000, as compared with 25,127,000 last year. The increase is satisfactory when we remember that for each of the years 1918 and 1919 we had to record some slight decrease on the previous year. These decreases were in consequence of the falling off of the power load from the high peak reached by industry while on War work. The increase now recorded shows that that has in a large measure been overcome, and, although industry is not working at the same pressure or for the same number of hours as it was during the War, there has been a considerable extension of the lighting load, due to the removal of all restrictions and to the large increase in the number of connections to the Company's mains.

The satisfactory feature is the number of new consumers connected during the year.

The costs of generation and distribution of electricity show an increase over the previous year of approximately £59,000, and of this sum £33,000 is accounted for by the increased cost of coal, the increase in that item alone during the year, as compared with the previous year, being no less than 10*s.* 9*d.* per ton.

Increased Costs.

The increase in wages and salaries for generation alone accounts for approximately £3,200 of the increased costs, and this is without allowing for the wages which enter into the costs of repairs and maintenance and distribution of electricity and the wages of meter readers and inspectors.

Further increases have been granted during the year under review, and an agreement has been entered into with the unions whereby the rates have been standardised, having relation to the cost of living, but, unfortunately, this agreement, while providing for increases automatically above the figure of 150 per cent. increase on pre-War costs, does not provide any automatic decrease below that figure.

The increase in the load in the Metropolitan area, as well as the Uxbridge area, made it necessary to proceed with the installation of further plant at the Willesden Station and the laying of further mains in order to connect the two systems. The scheme for the extensions has been prepared by our consulting engineer, Mr. Highfield, and the work is being carried out under his supervision.

The orders have been placed for the whole of the necessary plant and equipment.

It is hoped that the new plant will be installed in time to give supply before the end of this year, and when it is in operation the Company will not only be able to give considerably increased supply to its present and prospective customers, but should also be able to effect considerable economies in generation and distribution, due to the increased efficiency of the plant and the ability to supply the load wherever it may arise in a more economical manner.

Capital Requirements.

This programme, to which the Company is committed, necessarily involves the raising of further capital, and to

THE SOUTH AMERICAN BANKS.

This Map indicates the points at which
THE ANGLO-SOUTH AMERICAN BANK, LTD.,
and its affiliated Institutions,
THE BRITISH BANK OF SOUTH AMERICA, LTD.,
and THE COMMERCIAL BANK OF SPANISH AMERICA, LTD.,
are established.



repay bank loans and provide for the expenditure still to be met it is anticipated that a sum of approximately £500,000 will be required, and negotiations have been entered into for the purpose of raising this sum.

The directors recommend a final dividend at the rate of ten per cent. per annum, absorbing £50,000, making a total distribution for the year of seven per cent., leaving a sum of £4,513 to be carried forward.

The directors are pleased again to be able to recommend an increase in the dividend, accompanied as it is by a substantial increase in the amount carried to depreciation and reserve fund. The progress which the Company has made during the last few years is gratifying, particularly when we bear in mind the many difficulties which have arisen and which have been overcome in that abnormal period, and the shareholders should be satisfied that they have participated in that improvement by the increasing return which they have received upon their investment during the last four years.

I think that when we meet next year we shall be able to submit as satisfactory an account as we are doing on this occasion, because I believe that the peak of high prices has been reached and passed, and it is therefore reasonable to assume that some decrease in costs should occur in the current year.

In conclusion, he said that, with regard to the position under the Electricity Supply Act, 1919, it was hoped that the scheme ultimately put forward would be such as would secure the best use of existing resources and experience, with the object of producing and selling electricity as widely and cheaply as possible.

The report and accounts were adopted.

Great Western of Brazil Railway Company, Limited.

New Contract Approved.

THE adjourned ordinary general meeting of this Company was held on March 9 at River Plate House, E.C.

Mr. Follett Holt, who presided, said that the directors were able to lay before the shareholders a scheme which, while not affording them any recompense for their losses of the last seven years, would, the board felt assured, regain for the Company the satisfactory, though modest, position it held previously.

The main feature of the new contract which the proprietors were being asked to confirm was that they surrendered to Brazil the ownership of their lines and received in return a new lease of the whole system of 1,005 miles of railway, subject to greatly reduced payments to the Government and the right to the periodical revision of the tariffs to secure a net revenue sufficient to allow the payment of fair dividends and the complete amortisation of the capital during the period of the lease. The Brazilian Government recognised that the shareholders were entitled to a fair return upon their capital, and could not, therefore, without breaking faith with the Company, stand in the way of increases to the tariffs, which could be brought into effect without doing more than make the users of the railway pay a fair and reasonable sum, well within their means, for the benefits conferred upon them by the transport facilities they enjoyed.

Preparation of New Tariff.

The Government had now a Commission at work studying with the Company's officials the working results for 1920 and, based on these, the tariff adjustments necessary to meet the conditions of the new contract. The provision in the contract for the redemption of the shareholders' capital should, as time went on, have a very steadying effect upon the capital value of their investment, and, speaking personally, he would like to see all public utility companies abroad working on the same basis. During the last six years the railway had suffered for reasons which were well known to the shareholders, but, with the skilled heads of departments that they had, and the funds which had become and were becoming available under the operation of the arrangement arrived at with the Government, the depreciation which the property had suffered would no doubt be put right within a reasonable period.

The gross receipts for 1919 exceeded all previous records, but, unfortunately, were largely swallowed up by greatly increased working expenses. This year they had been dealing with very heavy traffic, and the currency receipts had been large, but, converted into sterling at the very depreciated exchange rate of to-day, the sterling receipts showed a heavy falling off. They had cabled to the Manager with a view to obtaining the latest traffic news, and his reply was as follows: "From the present harvest we expect to carry about another million sacks of sugar and 100,000 sacks of cotton. As a result of the low exchange there is a slump in imported goods. Weather prospects for the coming sugar harvest are excellent, and the next crushing promises to surpass the present output."

A resolution was unanimously passed approving the new contract, and the report and accounts for the year ended December 31, 1919, were adopted.

The Coliseum Syndicate, Limited.

Sir Oswald Stoll's Views on Dividend Values.

AT the thirteenth annual general meeting of the London Coliseum, held on March 8, the Chairman, Sir Oswald Stoll, in moving the adoption of the report and accounts, said: I rise to move the adoption of the report and accounts, which I assume may be taken as read. At the wish of my colleagues, and in keeping with my own desire, I have to express the regret that we feel at the loss of our fellow-directors, the late Walter Battle and John Davies Williams, for both of whom we had great respect and sincere regard. We held their services on the board in high esteem, and we feel our appreciation of them to be worthy of the fullest endorsement by every member of the Company. Turning to the recommendations in the report, there is no appropriation to reserve this year outside of the customary £5,000 set aside for the redemption of Debentures. Last year a special appropriation of £25,000 was made, but this was done in order to make up the figures required to be capitalised and exchanged for the bonus shares which were duly distributed. The profit from theatre, investments, rents, &c., shows an increase on that of last year. A larger return upon our investments made up for an increase in trading expenses and prevented a reduction in results. Everything now costs us more than ever before, yet we are threatened with a return of receipts to pre-War level. In view of this outlook, it is fortunate that we have been able, by good use of resources accumulated in the past, to provide ourselves with further sources of revenue. The dividend which we are recommending to-day is fixed at the usual rate. But the fact that values in dividends are not what they used to be indicates the difficulties that lie before all businesses, including our own, dependent on the spending power of the public. An investor may get twenty-five per cent. dividend on his investment, as he used to do, but he has not so much real money to spend. Both Mr. Austen Chamberlain and Mr. Reginald McKenna explained that £200 of pre-War money equalled £500 of to-day. Twenty-five per cent. pre-War on the same capital, therefore, requires sixty-two and a-half per cent. to equal it to-day. By the extent to which dividends fall short of two and a-half times their pre-War level investors are thus being depleted of former resources. Their spending power is curtailed accordingly, and businesses that depend on that spending power must inevitably shrink. That shrinkage produces short time and unemployment amongst wage-earners, and the businesses that are supported by wage-earners are also made to feel the pinch.

Heavy Taxation.

There are other things by which the value of the return upon investments is decreased besides the low value of paper money. It is further increased by extraordinarily high taxation on production. Income tax and super tax are crushing in their effects. They bring the net income down below pre-War figures, although those figures are equal to no more than two-fifths of pre-War values. That policy is taking the heart out of enterprise, as well as taking away the means to be enterprising. Excess profits duty is now to be abandoned, but it should never have been imposed except on profit exceeding two and a-half times pre-War profit. The ill-effects of having based it on pre-War standards will be felt for many a day. The irony of the situation is that, although heavy taxation lowers the value of dividends and reduces the support which people with money can give to business, it is supposed nevertheless to be good for the community. The Government is said to collect the money and pass it round. But a lot of the money is not passed round. After collection much of it disappears altogether in wiping out debit balances contracted by the Government. The rest of it, particularly income tax, super tax, and corporations tax, is collected from people who know how to use money in employing wage-earners productively in business. From them it is passed on to people who neither know nor care about its business use, people who are not engaged in production; people who, like the Government, extinguished these monetary resources in wiping out the debit balances which their unproductive activities represent in the business profit and loss account of the nation. Money which is so extinguished depletes the national trading resources and injures every business. Depreciated paper money and heavy taxation on production, which have such a depressing effect on the value of dividends, are said by some to be inevitable because there has been a war. But as a matter of fact they constitute a policy that is preferred over any other for a distinctive reason.

Depreciated Money and High Prices.

The policy is deliberately framed to maintain the low value of money in purchasing power, so that debt incurred during the War shall not be repaid in money of higher value than that of the money in which the loans were raised. Mr. McKenna said recently that to bring prices back to their former level and so repay the National Debt with a premium was repugnant to every principle of equity and economic propriety. Mr. Stanley Baldwin, for the Treasury, had expressed similar sentiments. But what is the effect of the

policy of holding prices up in depreciated money? It is this: Practically the whole community is victimised. All the people who live from hand to mouth, who, in order to live, must spend with one hand the money that they receive with the other hand, and who must spend it as fast as they get it, all the wage-earners and the small investors, all are penalised intolerably by having their money kept at a low value with prices artificially raised against them. That is neither equitable nor economically proper. Such a policy will force the fight for financial liberty, which is a greater need of this country to-day than the struggles for religious and political liberty were in days gone by. I now beg to move that the following dividends be confirmed, namely, 1920, August 20, interim dividend on Ordinary shares, £8,823 10*s.*; August 20, dividend on Preference shares (paid half-yearly on February 27 and August 27, 1920) for year, £2,640; October 28, dividend on "B" Preference shares for half-year, £2,470 11*s.* 7*d.* That the directors' report, balance sheet, profit and loss account for the year ending December 31, 1920, be approved and adopted, and that the balance of £85,882 19*s.* at credit of profit and loss account be dealt with as follows: That £5,000 be set aside for redemption of Debenture stock. That a dividend be paid on the Ordinary shares for the second half of the year 1920 at the rate of twenty-five per cent. per annum (less tax), absorbing £6,176 9*s.*, which makes twenty-five per cent. for the year (less tax), and that the balance of £74,706 10*s.* be carried forward to the current year's accounts, subject to the Managing Director's remuneration according to his agreement, income tax on final dividend, corporation profits tax, and excess profits duty (if any).

Mr. Thomas seconded the motion, which was carried unanimously.

Major H. W. Broad, who retired from the board by rotation, and Mr. W. S. Gordon Michie, who retired under Article 80, were re-elected directors; and the auditors, Messrs. Gillespie Brothers and Company, were also re-elected.

United States Debenture Corporation, Limited.

Record Gross Revenue.

THE ordinary general meeting of this Corporation was held on March 8 at Winchester House, Old Broad Street, E.C., Mr. Frank Chaplin (the Chairman of the Corporation) presiding.

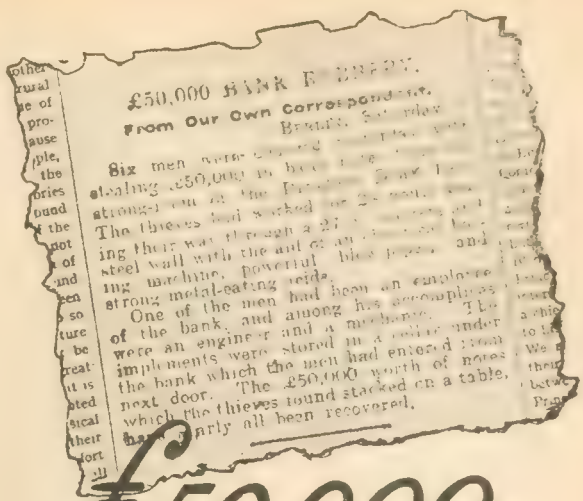
The Chairman said: My predecessor in the chair at the last annual meeting mentioned the fact that we had good reason to congratulate ourselves on the results of the year then under review. I am pleased to say that I am to-day in that happy position also, for the amount of the gross revenue is higher than we have ever shown before. The investments stand at £2,055,052, which is about £10,000 less than last year; but, on the other hand, cash at bankers is £58,599, as against £37,995 last year. Sundry debtors and debit balances at £16,942 are about the same figure as last year. After meeting expenses of administration and interest on Debenture stock there is a divisible balance of £79,654 odd, and, after payment of the usual dividends on the Preference stocks and an interim dividend of five per cent. on the Ordinary shares, it is proposed to pay a further dividend of seven and a-half per cent. on the latter, making twelve and a-half per cent. for the year; to place £2,000 to staff pension fund, making this fund £8,677 16*s.* 7*d.*; and to carry forward £21,529 11*s.* 2*d.* to the next account.

You will observe, gentlemen, that this year, instead of paying a final dividend of five per cent. and a bonus of two and a-half per cent. on the Ordinary shares, as we did last year, it is proposed to make the whole final payment of seven and a-half per cent. in the form of a dividend, as it is the opinion of the directors that, unless anything unforeseen happens, there is every likelihood of our income being sufficient to maintain this dividend.

You will notice that changes in our securities during the year have resulted in a surplus on realisation of some £18,045, which has been utilised in writing down certain investments. The number of investments held by the Corporation is 407, against 404 held last year; sixty-one per cent. of the amount invested consists of British Government securities and Debentures and bonds. The percentage of Preference stocks and shares is now twenty-four per cent., against twenty-five per cent. last year, and Ordinary and Deferred stocks and shares fifteen per cent., against fourteen per cent.

With regard to the valuation of the investments of the Corporation on January 31 last, which has been made on the usual basis, a depreciation is shown. This amount is under five per cent. on the £2,055,000, being the total price that the investments stand at in our books after deducting the reserve fund and carry-forward. What is of importance is the soundness of the investments and the consequent security of revenue. Our revenue account, I trust, speaks for itself in that respect.

The report and accounts were adopted.


£50,000 BANK ROBBERY.
From Our Own Correspondent.
£50,000 Bank Robbery

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National Mortgage and Agency Company of New Zealand, Ltd.

Increased Net Profit.

THE forty-fifth ordinary general meeting of this Company was held on March 9 at Winchester House, Mr. Robert Logan presiding.

The Chairman moved the adoption of the report and accounts, and said he had never known a year in the Company's history in which more care and attention to its business had been required. Perhaps the most serious problem now was the slow demand in this country for several articles of Colonial produce, notably wool. The prospect of marketing the new season's clip gave real cause for concern. The heavy stocks of old wool remaining unsold in the hands of the British Government—estimated at about two and a-half million bales—were seriously handicapping the market for the new season's clip. A large proportion of the Government wool was represented by the coarser and inferior qualities, which many countries would be glad to have, and it might be suggested that, so far as Government wools were concerned, it would be better to sell what was not required for home use to such countries at much lower prices than that at present ruling, instead of keeping it as a dead weight on the market. The disposal of frozen meat was also giving the Company's management some cause for concern. In the ordinary course a considerable proportion of the New Zealand output would, by this time, have been sold to arrive, but, mainly owing to unsettled prospects, buyers were unwilling to buy forward at the prices asked by shippers from the Dominions. The shortage of refrigerated freight space was also becoming acute, and their information was that shipments for the next two months would be comparatively small.

Although the earnings last year were the highest in the Company's history, that had been mostly the result of the high prices ruling. At the moment prices for practically all the commodities which they handled were much lower, and the tendency was distinctly downward, making the sale of the Company's staple products difficult, and, in some cases, almost impossible for the time being. It was, therefore, only reasonable that they should look forward to a lower standard of earnings, but the directors had every confidence that the Company was in a position to hold its own, come what might. The net profit was £77,940, against £65,753 in the previous year. They were able to pay the usual dividend and bonus, and to carry forward £42,941, as against £30,753 brought in.

Mr. L. E. Smith seconded the motion, which was carried unanimously.

BANK OF ATHENS.—According to a law recently passed in Greece, at the general meetings of the Bank shareholders are now entitled to one vote for every twenty-five Ordinary shares and/or one vote for every 100 "Actions de Jouissance" held by them.

Oxford Electric Company, Ltd.

Satisfactory Year's Working.

THE thirtieth ordinary general meeting of the shareholders of this Company was held in the Randolph Hotel on March 7, Sir Henry C. Mance, C.I.E., LL.D., Chairman of the directors, being in the chair.

The Secretary (Mr. H. Eeles) read the Chairman's report on the financial position of the Company. The net revenue account, inclusive of £188 5*s.* 3*d.* brought forward from last year, shows an amount to credit of £11,778 12*s.* After providing £3,010 2*s.* 6*d.* for Debenture and sundry interest and capital issue expenses £453 16*s.* 1*d.*, the balance available is £8,314 13*s.* 5*d.*, which your directors propose to appropriate as follows: To dividend at the rate of five per cent. per annum on the Preference share capital (whereof two and a-half per cent. was paid in September last), £2,750; to dividend at the rate of five per cent. per annum on the Ordinary share capital (whereof two and a-half per cent. was paid in September last), £5,000; reserve and renewal of plant account, £456 13*s.* 3*d.*; leaving a balance to be carried to next year's accounts, £108 0*s.* 2*d.*

The Chairman, in moving the adoption of the report and accounts, said: So far as general business in Oxford is concerned, 1920 is the first normal year we have had since the commencement of the War. The coal strike and the extension of summer time to October last was, of course, to some extent detrimental to us; but, notwithstanding this, it is satisfactory to note that our output has increased by twenty-six per cent. over that of the preceding year. This part of England has not yet been included in any electricity district, no doubt for the reason that Oxfordshire is not a manufacturing district, and that our position is somewhat isolated. A further measure will be under the consideration of Parliament this session. This appears to be an enabling Bill, giving lending and borrowing powers to various authorities, but I do not expect much assistance in the future in this direction. If the Government would take this responsibility (which would cost them nothing), they would be rendering a real service to the industry throughout the country. The progress of the new Bill will be very carefully watched by the Provincial Electric Supply Committee in the interests of this and other Provincial Electric Companies. I will now put the resolution: That the report and accounts be received and adopted and the recommendations of the directors contained therein approved.

Sir Robert Buckell said: I rise with pleasure to second the adoption of this report.

The Riddle of the Exchanges. By Howard Bridgewater. Price 1*s.* (London: A. Mitchelson and Company.) Designed to make clear to the uninitiated the causes of the fluctuation in the rates of exchange, suggesting means whereby the problems presented by the abnormal rates now ruling may be solved.

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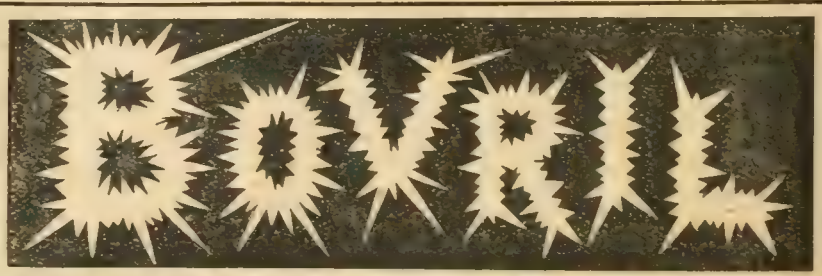
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IMPORTANT NOTICE.

EASTER HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Thursday next, March 24, instead of Saturday.

The Statist.

LONDON, SATURDAY, MARCH 19, 1921.

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The Money Market.

Friday, March 18, 1921.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates :—	60 Days	3 Mos.	4 Mos.	6 Mos.	12 Mos.
	%	%	%	%	%
Treasury Bills	—	6	—	—	6
Bank Bills ...	6⅝–½	6¼	6¼	6 6¼	
Trade Bills ...	—	7–7¼	7¼–⅜	7¼	—

REVENUE AND DEBT REPAYMENT, 1920-21.

At the commencement of 1921 the prospects for Exchequer financing were none too bright in view of the comparatively poor showing made by revenue up to that date and the extent of the trade depression. The position has changed so much since then, however, that at the moment, with only two and a-half weeks of the financial year to run, it seems likely that when the accounts for the full period of twelve months are published they will show a surplus of revenue equal to that originally anticipated by the Chancellor. Between January 1, 1921, and March 12 last revenue amounted to £398,806,251 and expenditure to £218,990,062, making a surplus revenue of £179,816,189, a surprisingly large figure when one considers the position of trade during the period. Besides other repayments of unfunded debt it enabled a reduction of £136,396,000 to be made in the floating debt; Treasury bills were diminished by £14,230,000 and Ways and Means Advances by £122,166,000, advances by the Bank being reduced from £87¼ million to £2¾ million, and Advances by Public Departments from £218,722,000 to £181,056,000.

On reviewing the position for the whole financial year up to Saturday last it will be found that debt repayments were on a very large scale—larger than anticipated by the Chancellor in April last. The chief items represent compulsory repayments, and on account of the extent of these it is unfortunate that only a comparatively small reduction could be effected in the floating debt, which, of all forms of unfunded debt, constitutes the greatest menace to the financial position. The redemptions of unfunded debt between April 1, 1920, and March 12, 1921, are summarised in the following statement:—

	£
Securities received for Revenue	69,140,463
American Loan (1915)	59,229,221
Other Foreign Debt	41,069,049
Depreciation Fund	29,260,245
Exchequer Bonds	27,623,160
Ways and Means Advances	21,081,000
Treasury Bills	19,439,000
	266,842,138

To provide for these demands on the Exchequer only £41 million of new debt had to be created, the revenue surplus amounting to £225,930,198. This figure is only £8 million below the estimated Budget surplus, without taking account of the supplementary grants passed during the year; and if the surplus during the remaining period of March is at all on a scale approaching that of recent weeks, the original estimate of £234 million will be exceeded. A comparison of the revenue and expenditure up to date with the Estimates for the whole financial year is afforded by the following table:—

	April 1, 1920, to March 12, 1921	Budget Estimates, 1920-21
	£	£
Revenue	1,287,609,979	1,418,300,000
Expenditure	1,061,679,781	1,223,642,000*
Excess Revenue ...	225,930,198	184,658,000

* Including supplementary grants.

The net reduction in the floating debt since the beginning of the year is £40,520,000, and receipts from Treasury bonds in the same period amount to £21,883,150, the proceeds of these being hypothecated to reduction of the floating debt. The following statement shows the net receipts into the Exchequer from revenue and the chief items raised by creation of debt:—

	£
Surplus revenue	231,311,801*
Treasury Bonds	21,883,150
Savings Certificates...	10,280,794
	263,475,745

*** Including reduction in balances in Exchequer during the period, £5,381,603.**

Though the fact is apt to be lost sight of in reviewing our financial position, it is worth while pointing out that the financial year now drawing to a close is the first since the commencement of the War in which we were able to pay our way, and, in addition, provide something for debt redemption.

The supply of floating credits seemed to have undergone a considerable contraction during the week as a result of the large amount of revenue transferred to the Exchequer, and it seemed also as if subscriptions to Treasury Bills were exceptionally heavy, with a view probably to laying in a supply of end-of-June maturities. Latterly, day-to-day money ruled about 6 per cent., and as high as 7 per cent. was frequently paid in order to avoid borrowing at the Bank. The amount borrowed at the Central Institution, however, seemed to be on a large scale. In the Discount market the tone was steady, and again there was only a moderate amount of bills offering. Very little change occurred in the longer-dated maturities, but near dates were not in request, and rates were marked up.

Foreign Exchanges. Movements in the Foreign Exchange market during the week were on a comparatively small scale, and on the whole there are no new developments to be recorded. The most striking feature was a further improvement in the value of the lira, despite the fact that the currencies of France and Belgium suffered a depreciation, while the value of the mark is unchanged on the week. To-day's cable rate on Rome is 97½, as compared with 106 a week ago. It is, of course, difficult to account for movements of this nature under the conditions governing the Foreign Exchanges at present. In general, speculative operations are the predominating influence in short-period fluctuations, and, in the absence of any striking change in the fundamental position, such day-to-day variations must be attributed to the all-pervading and often erratic influence of the speculator. This movement in the Italian exchange, then, is probably the result of speculative purchases of lire. The improvement, however, has been rather more persistent than usual, and it is probable that the market view of the position of the lira is correct, for Italy has of late shown abundant signs that its economic situation is steadily improving. Another feature to be noted is a continued improvement in the dollar rate, which rose during the week from 3.90 to 3.91¼. The Scandinavian group moved adversely. Among "neutrals" the Swiss rate declined, but the value of the peseta improved. Of Eastern exchanges the rupee continued weak, being quoted at 1*s.* 3¼*d.* to-day. The Shanghai tael is a trifle better at 3*s.*

Income and Expenditure. During the week ending on the 12th inst. revenue showed a fall of £12,681,000 at £38,847,000. The surplus over expenditure, however, was £15,527,000, or £4,635,000 above the surplus for the preceding week, for expenditure was £16,974,000 lower at £23,320,000. The reduction in expenditure was, of course, due to the absence of the large interest disbursements of the previous week. The fall in revenue was due to a decline of £5½ million in income-tax receipts and a reduction of £5.2 million in the receipts from sales of assets. Contrary to the trend of previous weeks, the financing of Treasury-bill maturities was provided for almost fully by sales of new bills; of maturities amounting to £57,585,000 only £899,000 on balance were called for payment. Other Exchequer issues were also on a small scale, the most important being £1,222,775 for War Loans, Exchequer Bonds, &c., surrendered in payment of excess profits duties and death duties. Accordingly, a substantial reduction was made possible in the recent borrowing from the Bank of England on Ways and Means; on Saturday last the liability to the Bank stood at £2¼ million, as against £16¼ million a week previously—a decline of £14 million. Advances by Public Departments were also reduced by £2,820,000 to £181,056,000, making a total reduction of £16,820,000 in Ways and Means Advances outstanding. The total floating debt shows a decline of £17,650,000 at £1,271,685,000.

Currency Notes. The Currency Note Return shows that notes have returned from circulation at a slightly faster rate during the week ending on the 16th inst. Cancellations during that period amounted to £7,080,114, or £167,000 in excess of fresh issues. The combined circulation of currency notes and certificates, however, shows an increase of £223,000 to £335,841,319. The latest total recorded is £335,841,319, as compared with £326,258,886 on March 17, 1920, an increase of £9.6 millions. The fiduciary issue is returned at £287,891,319, and the reserve ratio is 14.3 per cent.

In the last two weeks of March 1920 the circulation of currency notes commenced to increase, and it was only in the third week of April that a reaction began. During previous years the general upward movement in the circulation was so strong that it is difficult to trace the operation of temporary influences. Comparison of movements at present with those of previous years must be so modified by a consideration of the change in conditions as to be inadmissible. It is likely, however, that, since there is probably no further room for reduction in Ways and Means Advances by the Bank, the ordinary influences will predominate on the present occasion, these being for the moment in the direction of an increased circulation. There should be a rapid contraction, however, shortly after the turn of the financial year.

Bank of England. The movements recorded in the Bank of England return for the week ending on Wednesday last are again on a small scale, and call for little romment. In contrast with the movements shown in the Currency Note return, the circulation suffered a further contraction during the week. The decline, however, was a small one, only £368,000. The latest amount recorded is £128,106,000, or only £6,476,000 below the high record of December 22 last. The coin and bullion holdings remain practically unchanged at £128,325,000, and the reserve shows an increase of £370,000 to £18,669,000. Deposit liabilities other than Government deposits were again reduced, the fall last week being to £7,937,000. As a result of these changes the proportion of reserve to liabilities improved from 13.8 per cent. to 14.8 per cent. With the exception of that recorded on February 23 last, this figure is the highest since June 23 of last year, and compares with 21.8 per cent. on March 17, 1920. A reflection of Money market conditions is reflected by a comparatively large expansion in "other" securities; the movement during the week was £8,359,000. Government securities are £15,630,000 lower, and it is probable that the publication of the next statement of Income and Expenditure will show that the Ways and Means Advances by the Bank represented by this item will have been altogether repaid.

Bullion.

To-day's parity price for gold, shown below, is 3*d.* below that of a week ago.

Under the influence of an improved inquiry from the Indian Bazaars, the Silver market acquired a firmer tone, and the price improved up to Tuesday last. Supplies of the metal were adequately maintained, and the improved tone disappeared after the 15th inst. To-day's quotation is $\frac{3}{4}$*d.* below the highest for the week, but 1$\frac{1}{4}$*d.* above that fixed on the 11th inst. The premium on spot was maintained and stood at $\frac{1}{2}$*d.* on to-day.

The following are the quotations for gold and silver since a week ago:—

	Mar. 12	Mar. 14	Mar. 15	Mar. 16	Mar. 17	Mar 18	Average
Silver (per oz. std. ·925 fine):—							
Cash ...	32$\frac{7}{16}$*d.*	33$\frac{1}{16}$*d.*	33$\frac{1}{16}$*d.*	32$\frac{1}{16}$*d.*	32$\frac{1}{16}$*d.*	32$\frac{5}{16}$*d.*	32·85*d.*
Forward ...	30*d.*	32$\frac{1}{16}$*d.*	31$\frac{3}{16}$*d.*	31$\frac{3}{16}$*d.*	31$\frac{3}{16}$*d.*	32$\frac{1}{16}$*d.*	31·64*d.*
Gold (per oz. fine) —	105/2	105/6	105/1	105/1	105/4	105/-	105/2·6

Recent movements in the Indian Currency Returns are shown below:—

1921	Note Circulation Lacs	Silver In India Lacs	Gold — In India Lacs	Gold — Elsewhere Lacs	% of Metallic Res. to Notes	Government Securities — Indian Lacs	Government Securities — British Lacs
Mar. 7 ...	16,441	6,393	2,406	—	53·5	6,807	835
Feb. 28 ...	16,490	6,411	2,407	—	53·6	6,807	835
Feb. 22 ...	16,414	6,372	2,400	—	53·4	6,807	835
Feb. 15 ...	16,382	6,340	2,400	—	53·1	6,807	835
Feb. 7 ...	16,356	6,314	2,400	—	53·3	6,807	835
Jan. 31 ...	16,341	6,299	2,400	—	53·2	6,807	835
Jan. 22 ...	16,284	6,246	2,396	—	53·1	6,807	835
Jan. 15 ...	16,135	6,104	2,389	—	52·6	6,807	835
Jan. 7 ...	16,145	6,114	2,389	—	52·7	6,807	835
1920							
Dec. 31 ...	16,140	6,109	2,389	—	52·7	6,807	835
Sept. 30 ...	15,763	5,806	3,615	—	59·8	4,714	1,628
June 30 ...	16,434	4,555	4,348	249	55·7	3,525	3,727
March 31 ...	17,452	3,985	4,437	345	50·2	1,959	6,672
Jan. 7 ...	18,621	4,257	3,421	913	46·3	1,750	8,250

NEW YORK.

That the disimprovement in the position of the New York City Banks and Trust Companies, which has been noticeable ever since the commencement of the year, is not yet at an end is shown by the latest average weekly statement. The aggregate reserve shows another fall of $2,840,000, the latest total being $511,580,000, or $34,310,000 below the amount returned on December 31 last. This decline during the week was again accompanied by a decline in the excess reserve, which is $2,890,000 lower at $10,720,000, for net demand deposits, contrary to the movements during recent weeks, show a small increase to $3,780,840,000. The figure here shown for the excess over legal requirements is $12,280,000 below the average for the first week of January. Such a decline would give rise to uneasiness if the credit position of the banks was being extended, but this is not the case at present; on the contrary, loans have been consistently reduced since the beginning of the year. Loans, discounts, and investments show a decline of $316,450,000 on the average for the last week of December and a fall of $540,610,000 from the high record for the week ended on October 16 last. The latest total is $4,945,520,000, or $39,670,000 below that recorded a week previously.

Tax payments had very little effect on money rates, and call money, after ruling at seven per cent., declined latterly to six per cent. There is very little talk as yet of a reduction in the Federal Reserve Board's rediscount rates. In the Stock markets there was a reaction from the recent decline, but the upward movement was not of an extensive nature.

Stock Exchange.

The possibility of recovering foreign markets continues to be the all-absorbing topic in financial and industrial circles. The vital problem in the industrial depression is the elimination of all obstacles in the channels of trade with our foreign customers, and in this connection the past week has been productive of two developments, which, though not perhaps immediately reproductive in themselves, are an indication that national policy is moving in the right direction. Great Britain, France, Italy, and Japan have decided to postpone certain claims on Austria enforceable under the Treaty of St. Germain, and to allow such assets as are pledged to them to be used as backing for Relief Credits bonds, if other interested Governments decide likewise. The benefits of the Ter Meulen scheme may therefore be quickly applicable to Austria (which already comes under the British scheme) with consequent benefit to ourselves. Russia has also been brought within the orbit of our trading activities by the signing on Wednesday of the Anglo-Russian Trade Agreement by Sir Robert Horne and M. Krassin. The opening of the vast Russian markets should *a priori* be followed by a much increased demand for British products. Share values did not, however, reflect such prospects during the week. Courtaulds were marked up on the signing of the document, but relapsed again, and steel issues remained quite unaffected up to the close. The trade agreement has not met with the unmixed approbation of business interests here, and until many details are definitely settled, particularly those as to recognition of past debt and methods of payment in the future, it cannot be considered as operative. It has, however, carried us a long way towards the resumption of commercial relations with a potentially valuable customer.

The Gilt-edge section remained throughout the week the firmest section of the House. Prospects of cheaper money resulted in numerous enquiries, and with a marked absence of selling orders an all-round marking up of quotations was the inevitable result. The Bank rate, as was generally anticipated, was not altered on Wednesday, and helped towards a more unanimous belief that it will not be changed during the current month at any rate. Profit-taking on a moderate scale induced an unsettled tendency towards the close, Consols, Victory Bonds, and War Fives reacting slightly. All items on the list, however, finished better on balance. Bank of England stock was not affected by the declaration of a final dividend of five per cent. subject to tax, making ten per cent. for the year.

County and Corporation stocks did not attract much attention, but such movements as occurred favoured holders. In this department more attention is being devoted of late to the older issues, which in many cases possess advantages not generally recognised, for investors who can afford to lock up their funds. A two and a-half per cent. bond at present bears a quotation of about fifty in order to

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bring it into line with current values. The premium on redemption is, therefore, approximately 100 per cent., while that on recently issued six per cent. stocks quoted around par is less than five per cent. It will generally be found that of the two securities, the older will give the lower flat yield, and about the same yield on redemption; but as the latter is tax-free in so far as it is made up of redemption premium, it may yield a substantially higher net return than the newly-created and apparently more favourable issue. Such advantages should, of course, be discounted in the jobber's price, but public demand does not always permit of such adjustment. Another point of importance is that the less recently created emissions, excepting those of London, are not numerous, and readily respond even to moderate inquiry. Next week in continuance of our recent articles on municipal finance, we propose to give a detailed analysis of a comprehensive list of such stocks, showing in each case the true return on the investment.

Business did not at any time assume large proportions in the Foreign Bonds section, but in the absence of liquidation, minor support sufficed to maintain a cheerful tone. Argentine, Brazilian, and Chilean varieties improved somewhat. Chinese and Japanese descriptions were also firmer, and Russians moved up nominally on the signing of the trade agreement.

Our remarks of last week that little evidence of permanence was discernible in the upward trend of Home Rails quotations, excepting for what benefit prior charges would derive from the reduction in the Treasury bill rate, have been borne out during the week. Prior charge securities continued to appreciate steadily, but the Ordinary stocks reacted in the mid-week to profit-taking pressure, and, though some recovery was noted later, the close was dull. The prospects of a wage reduction of 5*s*. per week among the railwaymen is a favourable feature, but it has not affected share values up to the present, as the men's final attitude towards it has not yet crystallised out. Underground issues were not affected by the traffic return. The receipts of the common fund companies was £225,200 for the week, or 1,900 lower than in the corresponding week last year, and the total for the current year is now £2,299,100.

The main influence on Argentine Rails was the report that the Argentine Minister of Public Works had ordered the suspension of the increased railway rates. The first effect was a sharp scaling down of prices, and, though a more optimistic attitude was adopted later no improvement in values came in evidence. Brazilian descriptions moved irregularly, but no more alterations of note occurred.

Public interest in Industrials shows no signs of reviving, despite the keen activity of professional operators. In the absence of outside support price changes during the week, though small, were generally downward. Iron and Steel shares remained quiet. Textile and Shipping securities presented a similar front. Brewery prior charges attracted some inquiry, and Bank varieties also developed a firmer tone. Dunlop Debentures, though failing to meet with a favourable response while the lists were open, met with a ready demand when quoted on the Stock Exchange at a discount of about 4. Elsewhere British Aluminium Ordinary moved up on the dividend declaration.

The Oil Share market opened with a continuation of the activity of the previous week, but a sharp reaction took place later in Mexican Eagles on reports that salt-water intrusions had begun to threaten the Naranjos and Panuco fields. The Shell group as a whole drooped pending a statement by the directors. Interest for the remainder of the week centred on Mexican Eagles, buyers being readily obtainable at the lower levels. Burmahs and Phœnix each lost an initial rise. Anglo-Persians improved on the news that the issue of £3,500,000 in Nine per Cent. Cumulative Second Preference shares at par was largely over-subscribed.

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Mining Topics.

At best the Mining market was in a very indifferent mood during the week. The returns of the Transvaal Chamber of Mines only went to confirm the opinion [illegible] the individual results last week. Not for many a year has the Rand recorded so low a production as the 558,137 oz. credited to February. As compared with the same month of 1920 there is a decline of over 67,000 oz. On the other hand, official statistics confirm the statement we made recently to the effect that the gold production of Ontario during 1920 constituted a record in the history of the province, the quantity increasing from 505,946 to 564,309 oz., whilst the value reached $11,665,735, as against $10,451,709. However, the improvement in the native labour supply on the Rand gold-mines from 165,287 at the end of January to 171,518 at the end of February should augur well for the March returns. More than ordinary interest attached to the meeting of the National Mining Corporation. Apart from the information that the heavy depreciation in investments was mainly the outcome of the slump in values of silver and the base metals, it was frankly admitted that the amount due in respect of contingent liabilities on shares reached £245,000. The fact that the policy of the Corporation had been based on the ability to utilise the uncalled portion of the capital provided a tangible objection to the suggested cancellation of the uncalled liability of 10*s*. per share. After much justifiable criticism the wise decision was reached to give the board another opportunity of proving its ability. Few will venture to disagree with the opinion of the Chairman as to the potentialities of the Burma Corporation.

BENUE (NIGERIA) TIN.

Issued Capital: £30,000 in Shares of 10s. each.

	Output of Black Tin	Av. Price Realised per Ton	Working* Costs per Ton	Results for Years to July 31— Working Amount	Profit Per Ton	Net Profit	Dividends— Amount	
	Tons	£	£	£	£	£	£	%
1918 ...	192	230·5	98·1	25,131	132·4	17,921	7,500	25†
1919 ...	89	155·4	109·7	4,077	45·7	2,789	3,000	10‡
1920 ...	36	184·0	145·3	1,390	38·7	1,791§	—	—

* Excluding depreciation. † Free of tax. ‡ Subject to tax. § Loss.

Even in the absence of abnormal expenditure it is evident from the report of the Benue (Northern Nigeria) Tin Mines, Limited, for the year ended

July 31, 1920, that the results could not have compared favourably even with those of the previous year. Thrown back on primitive methods of tin-winning owing to the impossibility of introducing adequate mechanical contrivances during the War, the Company was able to earn sufficient revenue as long as any of the richer portion of its properties could be treated. However, as the table shows, the process of exhaustion soon manifested itself, and results revealed that a time was fast arriving when a continuance of old methods would no longer prove remunerative. Thus, during the year under review the quantity of black tin obtained amounted only to thirty-six tons, as compared with eighty-nine tons in the previous year. In part this reduction was counterbalanced by the improvement in the average price realised by the sale of the ore from £155.4 to £184 per ton. Unfortunately, as a result of this marked decline in the quantity of tin won, in conjunction with the higher prices of stores and materials, as well as of wages, working costs rose from £109.7 to £145.3 per ton, thus more than offsetting any advantage gained by the better price which the output commanded. Consequently, the working profit dropped from £45.7 to £38.7 per ton, and in amount from £4,077 to £1,390. Apart, then, from any abnormal circumstances, the mediocre results of the year, after allowing for London administrative expenditure, would not have justified any dividend declaration. But two sources of unusual expenditure had also to be met. In the first case, the option which had been secured over certain properties which on preliminary investigation held out much promise proved, on more systematic examination, worthless. Accordingly, the scheme was abandoned and the initial expenditure of £2,242 written off. The second sum of £916 represented expenditure incurred during the period in connection with the inquiry set up by the Company to investigate the charge made by the Government of Nigeria "that extensive workings of tin had taken place on areas outside the Company's boundaries." Damages to the extent of £11,500 were claimed and cancellation of leases threatened. The report of the inquiry obliged the Company to acknowledge the liability, and the claim was eventually settled by the payment of £6,000. Subsequently the Company proceeded against one of their late employees for breach of agreement and damages, but at the date of the general meeting the matter was *sub judice*. However, as regards the year under review, both these factors produced a net loss of £1,791, as compared with a net profit of £2,789 in the previous year. Moreover, this loss would have been greater still had any reserve for depreciation been written off, as in other years. Deducting this loss from £6,756 brought forward from 1918-19, there is carried forward to the next accounts a balance of £4,965.

The outlook for the current year is none too cheerful, and unless a satisfactory recovery in the price of tin sets in soon it looks as if shareholders would again experience a year barren of dividends. With tin commanding less than £160 per ton, whereas in 1919-20 the average for the year exceeded £287, it is difficult to see how any profit can be earned by a Company whose working costs exceeded £145 per ton of black tin in the year under review. Still working in a primitive manner, the returns to hand indicate the further exhaustion of remunerative areas. The output of black tin for the first three months of the current year only reached five and a-half tons, as against ten tons for the corresponding period of 1919. An engineer has been sent out to report on the property with a view to discover whether the introduction of machinery would pay. Apart from its own properties, the Company has acquired 9,033 shares of £1 each in the Premier Hydraulic Tin Mines of Nigeria, from which much is expected. This Company was formed as the result of an investigation conducted by the Nigerian Hydraulic Tin Mines, Limited, in which Syndicate Benue holds 500 shares of £1 each, and expects, in addition to the return of its capital, a considerable number of fully-paid shares in the Premier Hydraulic Company. At present, however, even this Company is suffering, in common with the others, from the low price of tin. Consequently, the immediate prospects of the investment are at best uncertain. Nevertheless, the financial position of Benue, as evidenced in the balance sheet dated July 31, 1920, is sound. Including the Government claim for £6,000, current liabilities did not exceed £10,112, whereas liquid assets were available to a total of £32,676, and although £24,316 represented the value of investments at cost, it is clear that, notwithstanding the marked depreciation in securities, there is an ample margin over current liabilities. The gloomy outlook of the moment is discounted by the market quotation of 3*s*. 9*d*. for the 10*s*. shares.

GAIKA GOLD MINING.

Yr. to to June 30	Tons Milled	Gold Yield per Ton	Working Costs per Ton*	Working Profit £	Working Profit Per Ton	Net Profit £	Dividends £	Dividends %
1916 ...	37,795	47/0	26/5	38,889	20/7	35,111	34,187	12½
1917 ...	38,320	43/10	29/6	27,513	14/4	21,097	27,350	10
1918 ...	38,554	40/0	29/11	18,933	10/1	13,775	13,675	5
1919 ...	36,789	36/4	26/4	18,470	10/0	13,625	8,205	3
1920 ...	36,724	34/10†	27/4	13,711†	7/6†	28,996‡	20,512	7½

* Excluding depreciation and realisation charges.

† Excluding gold premium of £16,797, equivalent to an additional yield of 9*s*. 2*d*. per ton.

‡ Including gold premium.

A SATISFACTORY report is presented by this Rhodesian gold-mining Company for the year ended June 30, 1920. There was no material alteration in the quantity of ore treated, which amounted to 36,724 tons, as compared with 36,789 tons in the previous year. Working on the basis of the par value of gold in order to maintain an effective comparison, it will be seen, however, that there was a reduction in the grade of the ore, the average yield per ton falling from 36*s*. 4*d*. to 34*s*. 10*d*. At the same time working costs per ton rose from 26*s*. 4*d*. to 27*s*. 4*d*., the result being due, in the main, to higher railway charges and to the general advance in wages. The cumulative effect of this decline in the grade of the ore and this growth in the cost of production is reflected in the working profit of £13,711, or 7*s*. 6*d*. per ton, as against £18,470, or 10*s*. per ton, in 1918-19. However, during the year under review the mine reaped an additional profit from the premium on gold, which was so high that the gold secured on an average 107*s*. per ounce instead of the normal price of 85*s*. Including this gold premium, which amounted to no less than £16,797, we find that the average yield per ton worked out at 44*s*. and the working profit at £30,508, or 16*s*. 8*d*. per ton. At the same time receipts from interest increased from £1,715 to £2,685; whilst deductions in respect of taxation were £600 only, as against £5,059. This latter is explained by the fact that refunds of £1,682 were received, which, with the deductions from the dividend of three per cent., gave a total of £9,605, which was available to meet the assessment of £7,600 for the year under review and leave a balance of £1,833 towards the assessment for the current year. Consequently the only deduction that had to be made was for the corporation profits tax. With all these favourable factors there was recorded a net profit of £28,996, as compared with £13,625 for 1918-19. Accordingly the dividend paid to shareholders is increased from three per cent. to seven and a-half per cent., absorbing £20,512 as against £8,205. Meanwhile, the balance carried forward to the next accounts is increased from £1,981 to £9,865.

As regards development work, [illegible] mainly confined to the Rubble section, with very satisfactory results. At No. 1 level winze No. 2 north has opened up ore averaging 14.7 dwt. over 36 inches for 75 feet. But it was pre-eminently in the second

and third levels that the most promising results were achieved. At this level ore averaging as much as 29 dwt. over 40 inches has been exposed over 120 feet in the north drive. Ore of 63.4 dwt. over 56 inches for 114 feet has been secured by a winze No. 2 north sunk to the third level. At the third level in the north drive there is a length of ore of 200 feet with an average value of 21.7 dwt. over 10 feet. In the south drive ore of 42.1 dwt. over 37 inches exists for 120 feet. For a depth of 50 feet ore of 44.3 dwt. over 37 inches was exposed by a winze from this drive to the fourth level; but at this depth the winze ran into unpayable ground. How these results have influenced the ore reserves can be seen in the following table:—

Ore Reserves.

June 30	Ore Reserves Tons	Value Dwt.	Value £ s. d.
1917	85,831	12·9	54 10
1918	80,000	13·1	55 8
1919	60,000	12·4	52 8
1920	64,000	15·7	66 7

This increase in tonnage, and more especially in value, is due entirely to the opening up of the rich ore in the Rubble section, as a result of which 12,500 tons of 27.9 dwt. were added to the reserves. A more recent cable refers to exploratory work at No. 7 level in the north section, where a drive from a cross-cut revealed ore averaging 33 dwt. over 3 feet for a distance of 30 feet. Owing to the reputation of the mine for patchiness, it is added that not much importance can be attached to this development pending the results of a further drive.

The outlook for the current year is on the whole encouraging. Returns for the first six months show that 22,666 tons have been crushed, and that, calculating the value of gold at par, there has been secured a profit of £5,167. Now, during this period, whilst realisation charges had been restored to a more normal level, the premium on gold reached a high figure. Consequently, receipts from the gold premium should increase this profit considerably. It is also gratifying to note that working costs as returned to date showed a tendency to decline, except in December. Provided the Rhodesian Chamber of Mines continues to offer a steady front to any further claims for increases in wages there is no reason why the working costs should not be less than in the year just reviewed. The expressed policy of the directors of this mine is to treat low-grade ore as long as the premium on gold permits. Consequently, the average yield per ton is well below the average value of the ore reserves. This policy, whilst it prevents the realisation of large profits under existing circumstances, is in the long run more favourable to the shareholders, as the holding up of the high-grade ore of the Rubble section guarantees a good profit when the price of gold has dropped, and thus prolongs the life of the mine. At the same time directors should aim at securing a reasonable return for the shareholders. Assuming a similar rate of progress as regards crushing for the next six months, with the utilisation of a higher grade ore in order to balance the steady relapse in the price of gold, there is no reason why a dividend of five per cent. should not be declared for the current year. Financially the position as disclosed in the balance sheet dated June 30, 1920, is very satisfactory. Current liabilities, including the dividend of £20,512, did not exceed £29,471, whereas sundry debtors, cash, and gold reached a total of £46,520. Moreover, there were also investments which figured in the balance sheet at £40,553, the market value of which at the date of the accounts was £37,408. It was with a view to counteract this depreciation that the directors decided to carry forward such a large amount as £9,865, instead of paying a larger dividend. Such a conservative policy reflects to their credit. Quoted in the market at 8s., the £1 share affords on the basis of a dividend of five per cent. a return of twelve and a-half per cent.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND—Accounts, March 16, 1921.

Issue Department.

Notes Issued	£144,963,185	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,513,165
	£144,963,185		£144,963,185

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£23,523,863
Rest	3,536,889	Other Securities	102,076,713
Public Deposits	18,910,444	Notes	16,8 7,090
Other Deposits	107,259,094	Gold and Silver Coin	1,812,314
Seven-day and other Bills	10,553		
	£144,269,980		£144,269,980

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1921.	Circulation £	Coin and Bullion £	Deposits Public £	Deposits Other £	Securities Govt. £	Securities Other £	Reserve £	Ratio Reserve to Liabilities %	Bank Rate * %	Three Months' Bills %
Mar. 16	128.1	128,3	18,9	107,2	23,5	102,0	18,6	14·8	7	6¼
Mar. 9	128.4	128.3	17,8	115,1	39.1	93,7	18,3	13·8	7	6⅞
Mar. 2	129.3	128.3	18,2	124,4	44.3	93.9	17.4	12·2	7	6⅞
Feb. 23	127.7	128.3	15,9	111.2	31,0	95,2	19,1	15·0	7	6⅞
Feb. 16	127,8	128,3	15,5	114,0	43,5	85,2	18,9	14·6	7	6⅞
Jly.22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 3, 1919, 6%. Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Mar. 16 1921	Mar 17 1920	Mar. 19 1919	Mar. 20 1918	Mar. 15 1911
Bank of England (in £'sterling, 00,000's omitted):					
Circulation	£128.1	£101.2	£72.2	£47.4	£27.1
Public Deposits	18.9	18.4	27.2	35.4	23.4
Other Deposits	107.2	133.0	121.8	134 4	40.1
Government Securities	23.5	42.1	56.6	57.0	14.6
Other Securities	102.0	91.9	80.8	99.2	35.8
Reserve	18.6	35.5	29.6	3 ,7	31.5
Ratio to Liabilities	14·8%	23·5%	19·89%	19·67%	49·60%
Coin and Bullion	128.3	118.2	83.4	60.6	40.2
Money:					
Bank of England Rate	7%	6%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅞%	5⅛%	3⅛%	3⅛ ⅜%	2⅛ ⅛%
Exchanges:					
Paris Cheque	56·12	50·85	27·11½	27·20	25·28
New York 60 days	3·87½	3·72	4·68	4·72½	4·83·90
Bombay Telegraphic Transfers	1 3⅛	2/4½	1/5⅜	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	47⅛	47⅛	57⅛	54½	80⅛
French Rentes 3% Money	57·85	57·00	62 50	56·75	96·62
Silver, London spot oz.	32⅝d.	70⅛d.	47½d.	45d.	24⅞d.
Wheat, *Gazette* average qr.	75/0	72/6	72 5	72/4	30/1
Cotton, Mid Upland lb.	8·71d	30·64d.	19·14d.	24·82d.	7·73d.
Iron, Scotch pig ton	156·0	206·0	101/0	101/0	54/1½

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Mar. 16, '21	7,413,114	7,180,114	335,841,319	28,500,000	19,450,000	14·3
Mar. 9, '21	7,653,530	7,614,915	335,608,319	28,500,000	19,450,000	14·3
Mar. 17, '20	6,732,690	8,664,221	326,258,886	28,500,000	4,800,000	10·2
Mar. 19, '19	8,241,827	5,186,757	324,195,455	28,500,000	—	8·7
Mar. 20, '18	5,269,141	4,663,759	223,922,097	28,500,000	—	12·7
Mar. 21, '17	4,642,561	5,421,508	143,043,152	28,500,000	—	19·9

Balance Sheet, March 16, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	268,763,328	Other Bankers	—
Ten Shilling	40,971,991	Trustee Savings Banks ...	—
Certificates outstanding ...	28,100,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	335,841,319	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,244,361	Government Securities ...	305,396,755
Investments Reserve A/c ...	15,414,092	Balance at Bank of England	153,017
Total	353,499,772	Total	353,499,772

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Mar. 12,'21...	£38,847	£23,320	£15,527‡	£68,288	£84,023	£3,987
Mar. 5,'21...	51,708	40,294	11,414‡	116,452	127,545	4,194
Feb. 26,'21...	50,402	18,685	31,717‡	77,478	109,784	4,873
346 dys.'20-21	1,287,610	1,061,650	225,960‡	5,320,612	5,555,912	—5,382
348 dys.'19-20	1,164,918	1,438,196	273,278	5,747,298	5,474,018	—9,080
Yr. '20-21*	1,418,300	1,233,642	184,658‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,355
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,738
Yr. '17-18	707,234	2,698,221	1,988,987	7,499,604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
Mar. 12,'21...	£5,627	£20,667	£3,593	£9,160	£4,056	£1,956	£18,308
Mar. 5,'21...	4,304	26,245	4,986	16,173	19,718	358	20,218
Feb. 26,'21...	5,527	23,571	3,448	17,856	2,484	4,260	11,961
346 days'20-21	313,670	340,715	264,001	429,224	338,664	25,309	697,708
348 days'19 20	264,901	328,258	273,092	293,667	316,378	13,313	1,108,507
Yr. '20 21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Mar. 12, 1921 ...	£1,087,879	£183,806	£1,271,685	£21,883
Mar. 5, 1921 ...	1,089,209	200,126	1,289,335	21,598
Feb. 26, 1921 ...	1,109,799	189,622	1,299,421	21,308
Feb. 19, 1921 ...	1,115,759	211,572	1,327,331	21,008
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates, including supplementary grants. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

BELGIUM.	Gold	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Mar. 3, '21 ...	10,661	1,226	11,887	30,036	241,544	53,106
Mar. 10, '21 ...	10,661	1,257	11,918	29,280	242,332	49,491

CZECHO-SLOVAKIA.*	Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
Feb. 23, '21 ...	£396,918	£61,045	£72,553	£84,023	£442,169	£40,259
Feb. 28, '21 ...	396,920	60,912	69,690	87,926	454,783	35,356
Mar. 7, '21 ...	396,925	63,666	70,080	86,372	453,385	41,227

DENMARK.	Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£3,693	£47
Jan. 31, '21 ...	12,643	141	12,784	15,928	895	29,009	3,489
Feb. 28, '21 ...	12,643	148	12,791	16,721	855	28,250	3,576
Feb. 28, '20 ...	12,597	186	12,783	16,948	599	26,396	3,293
Feb. 28, '19 ...	10,400	136	10,536	3,953	5,342	23,402	920

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
Mar. 10, '21 ...	142,207	77,934	230,791	117,100	1,534,465	1,524	132,009
Mar. 17, '21 ...	142,215	77,934	230,748	114,558	1,529,816	2,571	123,504
Mar. 18, '20 ...	144,193	79,131	233,275	66,817	1,528,400	4,416	135,392
Mar. 20, '19 ...	142,468	79,132	234,168	41,176	1,330,481	4,401	110,674

GERMANY.	Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14 ...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Feb. 28, '21 ...	54,577	402	54,979	1,099,190	2,823,143	3,371,347	867,854
Mar. 7, '21 ...	54,577	445	55,002	1,136,706	2,761,616	3,395,391	793,521
Mar. 6, '20 ...	54,569	1,335	55,904	651,652	2,013,553	2,062,418	667,665
Mar. 7, '19 ...	112,216	1,048	113,264	300,926	1,326,346	1,212,399	544,972

HOLLAND.	Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Mar. 7, '21 ...	53,010	1,617	54,627	19,606	18,618	87,306	3,834
Mar. 14, '21 ...	53,010	1,544	54,554	18,358	18,752	86,655	4,327
Mar. 13, '20 ...	52,811	823	53,634	22,917	17,005	84,776	9,090
Mar. 15, '19 ...	56,253	789	57,042	9,819	16,149	83,616	6,361

ITALY.	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48,456	£25,017	£69,204	£8,887	
Nov. 30, '20 ...	£32,768	£3,000	35,768	14,599	199,478	616,789	83,146
Dec. 10, '20 ...	32,768	3,000	35,763	17,231	195,528	611,454	75,324
Dec. 10, '19 ...	32,198	3,004	35,202	17,707	90,319	491,353	74,657
Dec. 10, '18 ...	32,699	3,080	35,779	7,275	60,532	365,310	56,743

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,029	£7,863	£32,722	£13,818	£1,521
Jan. 22, '21 ...	109,570	5,590	9,892	110,331	98,169	19,032
Jan. 29, '21 ...	115,120	6,866	10,191	121,667	97,359	9,731
Jan. 31, '20 ...	94,433	24,943	37,969	137,517	111,863	4,853
Feb. 1, '19 ...	71,301	13,109	45,383	101,433	101,775	8,608

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits Demand	Net Deposits Time	Total	Excess Reserve
Aug. 1, '14...	—	£89,888	£411,238	—	—	£887,165	£1,720
Mar. 6, '21...	£15,670†	102,884	997,038	£756,084	£47,172	812,502	2,722
Mar. 12, '21...	16,378†	102,316	989,104	756,168	47,214	806,756	2,144
Mar. 13, '20...	19,514†	114,426	1,022,082	819,218	56,162	872,992	5,574
Mar. 15, '19...	19,154†	112,394	970,062	781,030	29,552	852,942	8,920

NORWAY.	Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,878	£493	£4,868	£6,752	£793
Feb. 28, '21 ...	8,115	2,603	500	24,289	22,977	7,024
Mar. 7, '21 ...	8,115	2,395	500	23,703	22,936	6,365
Mar. 8, '20 ...	8,127	4,577	579	19,017	22,552	6,058

PORTUGAL.	Gold	Silver	Total	Discounts & Note Circulation Advances	Circulation	Deposits
Oct. 6, '20 ...	£1,906	£3,921	£5,827	£28,898	£119,830	£4,774
Oct. 13, '20 ...	1,908	3,921	5,827	29,347	119,490	4,502
Sept. 3, '19 ...	1,905	3,924	5,829	7,846	66,556	6,774
Sept. 4, '18 ...	1,905	3,742	5,647	10,795	54,450	2,357

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Dec. 4, '20 ...	£126,008	£29,103	£4,834	£33,742	£363,963
Dec. 11, '20 ...	126,008	30,064	5,507	35,571	371,501
Dec. 18, '20 ...	126,008	29,659	4,783	34,442	373,226
Dec. 20, '19 ...	54,821	8,671	2,218	10,889	163,559

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,911
Oct. 29, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Mar. 5, '21 ...	98,924	23,272	122,196	101,215	13,779	170,598	45,819
Mar. 12, '21 ...	99,037	23,293	122,330	99,155	13,779	169,988	48,531
Mar. 13, '20 ...	98,123	25,249	123,372	85,981	13,779	154,742	44,661
Mar. 15, '19 ...	90,250	25,739	115,989	73,752	13,778	138,876	41,456

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Mar. 5, '21 ...	15,653	5,874	705	31,252	38,370	11,589
Mar. 12, '21 ...	15,652	5,852	705	31,146	37,572	12,000
Mar. 13, '20 ...	14,682	5,992	2,684	32,093	38,353	14,432
Mar. 15, '19 ...	16,001	8,116	3,035	22,673	40,618	8,327

SWITZERLAND.	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Feb. 28, '21 ...	21,726	6,700	28,426	13,218	37,776	3,236
Mar. 7, '21 ...	21,727	6,984	28,711	12,991	37,376	3,417
Mar. 6, '20 ...	21,151	3,410	24,561	12,953	37,133	4,329
Mar. 37, '19 ...	16,377	2,571	18,948	19,504	35,418	3,937

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Accept ances	Deposits Gov't.	Deposits Total Net	Circulation
Mar. 7, '21 ...	£432,618	—	£475,152	£463,302	£32,800	£11,783	£327,360	£493,522
Mar. 14, '21 ...	437,582	—	479,586	473,600	29,122	16,304	341,089	501,168
Mar 15, '20 ..	337,277	—	411,346	434,677	100,934	11,664	354,822	616,950
Mar. 17, '19 ..	167,932	257,974	439,346	377,272	52,428	30,156	353,890	500,620

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	7	Sept. 3,'20
Berlin	5	Dec. 23,'14	Madrid	6	Nov. 4,'20
Berne	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay	6	Mar. 3,'21	Petrograd ...	8	July 29,'14
Brussels	5½	Nov. 28,'20	Rome	6	May 12,'20
Calcutta	6	Mar. 3,'21	Stockholm ...	7½	Sept. 18,'20
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Mar. 18, '21	Mar. 11, '21	Mar. 4, '21	Feb. 25, '21
Berlin	Cable	245m.	245m.	239m.	242m.
Brussels	Cheques	51fr. 87c.	52fr. 37c.	51fr. 82c.	52fr. 00c.
Denmark	Cable	22kr. 57	22kr. 62	22kr. 47	21kr.40
Holland	do.	11d. 36c.	11d. 36c.	11d. 37½c.	11d. 33¼c.
Italy	do.	97·56fr.	106fr. 00	106 r. 25	106fr. 25
Lisbon and Oporto	do.	5½d.	5½d	5½d	81.
New York	do.	$3 91½	$3 92	$3 89½	$3 86½
—	Cheques	$3 92	$3 91½	$3 89½	$3 87½
Norway	Cable	22kr. 45	23kr. 85	23kr. 85	22kr. 35
Paris	3 mos.	56fr. 87c	55fr. 50c.	54fr. 72c.	54fr. 30c.
—	Cable	56fr. 12c.	54fr. 77c.	53fr. 97c	55fr. 05c.
Spain (Bank places)	3 mos.	41¼d.	41¼d.	41¼d.	42¼d.
—	Cable	28p. 10	27p. 07	28p. 00	27p. 92
Sweden	do.	17kr. 17	17kr 37	17kr. 50	17kr. 35
Switzerland	3 mos	23fr. 10c.	23fr. 65c.	23fr. 85c.	23fr. 85c.
—	Cable	22fr. 58c.	23fr. 15c	23fr. 35c	23fr. 35c.

ON LONDON—		Mar. 13, '21	Mar. 11, '21	Mar. 4, '21	Par.
Alexandria	Sight	97½pl.	97½pl.	97½pl.	97½pl.
Amsterdam	Cheques	11d. 33c.	11d. 36c.	11d. 37½c.	12·107fl.
Athens	Cable	51dr. 87	51dr. 75	51dr. 75	25dr. 22½
Bombay	Transfers	1s. 3d.	1s. 3d.	1s. 3d.	2s.*
Brussels	Cheques	53fr. 78c.	52fr. 33c.	51fr. 80c.	25f. 22½c.
Buenos Ayres	Transfers	47⅞d.	43½d.	43½d.	47·58d.
Calcutta	do.	1s. 3½d.	1s. 3½d.	1s. 3½d.	2s.*
Christiania	Sight	24kr. 44	23kr. 92	23kr. 70	18·159kr.
Copenhagen	do.	22kr. 67	22kr. 65	22kr. 46	18·159kr.
Helsingfors	Cable	153m.	144m.	135m.	25m. 22½
Hong Kong	Transfers	2s. 4¼d.	2s. 3½d.	2s. 3½d.	—
Italy	Sight	97r. 75c.	106 r. 00c	106r. 50c.	25lr. 22½c.
Lisbon	do.	5½d.	5½d.	5½d.	53½d.
Madras	do.	1s. 3½d.	1s. 3½d.	1s. 3½d.	2s.*
Madrid	do.	28p. 10	28p. 08	27p. 93	25p. 22½
Montevideo	Transfers	45½d.	47½d.	47½d.	51d.
Montreal	Cable	$4 47⅝	$4 45½	$4 44½	$4 86⅝
New York	Sight	$3 89½	$3 89½	$3 88	—
—	60 days	$3 87½	$3 88½	$3 86½	—
—	Cable	$3 90½	$3 89½	$3 88½	$4 86⅝
Paris	Cheques	56fr. 12c.	54fr. 75c.	53fr. 90c.	25f. 22½c.
Rio de Janeiro	90 days	9⅞d.	9¾d.	10⅛d.	16d.
Shanghai	Transfers	3s. 0½d.	2s. 11⅝d.	2s. 11⅝d	—
Singapore	Sight	2s. 3½d.	2s. 3½d.	2s. 3½d.	—
Stockholm	do.	17kr. 15	17kr. 35	17kr. 51	18·159kr.
Switzerland	do.	22f. 58c.	23f. 13c.	23f. 35c.	25f. 22½c.
Valparaiso	90 days	9⅜d.	9⅛d.	9⅝d.	18d.
Yokohama	Sight	2s. 5⅛d.	2s. 5⅛d.	2s. 5½d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, September 3, 1920.

NEW YORK ON—	Rate Current* Mar. 16, '21	Rate Current* Mar. 9, '21	Par as to any Quote	Rate July 3
Amsterdam, sight ...	34 33c.	34 20c.	40·20c. for 1 guilder	40 25c.
Bombay, cheques ...	25·125c.	25 00c.	48 66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	132·00	127 75		
Christiania, cheques ...	15·85c.	15·95c.	26·80c. for 1 krone	
Copenhagen, cheques ...	17 00c.	16·75c.	26·80c. for 1 krone	26·85c.
Greece, cheques ...	7 53c.	7 55c.	19·295c. for 1 drachma	
Hongkong, cheques ...	46·0c.	45·00c.	74·59c. for Mex. $1	46·4c.
Italy, sight	37·25l.	36·65l.	5·18l. are for $1	5·17l.
Lima, cheques ...	3 90l.	3 90l.	4 8665 $ for 1 libra	
Manila, cheques ...	46·00c.	46·00c.	50c. for 1 peso	49·8c.
Montreal	12·75% disc.	12·375 % disc.	Premium per $100	Par
Paris, sight	14 41fr.	14 05fr.	5·18f. francs for $1	5·16fr.
Rio de Janeiro, cheques	7 15md.	6 93md.	3 032 milreis for $1	
Shanghai, cheques ...	62 50c.	61·00c.	52·98c. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42 00c.	56 77c. for $1	57·12c.
Spain, cheques	13 83c.	13 87c.	19 3c. for 1 peseta	
Stockholm, cheques ...	22 65c.	22 3c.	26 83c. for 1 krone	
Switzerland, cheques ...	5·83fr.	5·34fr.	5 18f. francs for $1	5·18fr.
Valparaiso, cheques ...	15 25c	15·25c.	20·61c. for 1 peso	
Yokohama, cheques ...	48·0c.	48 0c.	49·84c. for 1 yen	49·90c.

* According to Foreign Exchange Committee of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1921 Aggr.	Inc. or Dec.*
	1921	[In £'s sterling, 000's omitted.]			%
BIRMINGHAM ...	Mar. 12	£2,283	— £1,474	£33,773	— £9,836 — 22·6
BRISTOL	,, 12	1,414	— 244	17,252	— 3,333 — 16·1
DUBLIN	,, 12	7,880	— 2,368	83,390	— 16,791 — 16·8
HULL	,, 12	1,157	—	7,087	— —
LEEDS	,, 12	942	— 917	13,472	— 4,636 — 25·8
LEICESTER	,, 12	937	— 877	9,794	— 5,974 — 38·9
LIVERPOOL	,, 12	9,369	— 10,052	118,839	— 79,830 — 40·1
MANCHESTER ...	,, 12	15,779	— 17,911	183,771	— 166,443 — 48·8
NEWCASTLE	,, 12	2,167	— 1,133	28,554	— 7,932 — 20·8
NOTTINGHAM ...	,, 12	710	— 856	8,463	— 4,734 — 35·8
SHEFFIELD	,, 12	1,039	— 216	15,719	— 1,649 — 9·5
LONDON—	1921				
TOWN	Mar. 16	672,332	— 63,493	6,847,563	— 450,879 — 6·1
METROPOLITAN	,, 16	33,983	— 9,843	404,149	— 74,536 — 15·5
COUNTRY	,, 16	63,729	— 20,317	782,641	— 159,451 — 17·2
TOTAL	Mar. 16	681,041	— 93,428	8,914,507	— 684,866 — 7·3

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gerrard, Argles & Co., Ltd.

HOMEWARDS.	1921 Mar. 18	1921 Mar. 11	1914 Mar. 13
Alex. to U.K. ...	11/3	—	6/6
Aust. to U.K. ...	61/3	61/3	25/0
Bilbao to Cardiff...	nom.	—	—
Bombay to p.p. ...	—	—	d.w. 15/9
Burmah to U.K....	35/0	35 (nom.	20 0
Calcutta to p.p.(jute)	—	—	d.w.17/8
Danube to U.K.	28 9	26 3	8 6
R. Plate to U.K....	32 6	32 6	10/6

* Per ton.

Homewards.	1921 Mar. 13	1921 Mar. 4	1914 Mar. 7
U.S.A. (Pacific Coast)	—	$3·0	—
(U.S. to U.K. dir.)	3/0	—	1/3†
Gulf Ports to U.K. Cont.			
(Round trip) ...	—	—	11/0*

OUTWARDS.—Carried to

Plate coast ...	17/0	17/6	7/3
River Plate ...	21/0	21/6	14/6
St. Vincent ...	13/0	13/0	6/10½

† Per quarter.

Time Charter, 7/0.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAR. 18, 1921	MAR. 19, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	156/0	206/0	57/0
— Middlesbro' warrants .....ton	150/0	200/0	51/0
— Hematite warrants .....ton	180/0	269/0	61/0
— Staffordshire bars, London ton	£27 10	£27—£28	£8 10
— Common bars .....ton	£23	£24	£6 16
Steel Rails .....ton	£18	£21 5—£22 5	£6 2/6
Galvanised Sheets .....ton	£24 10—£26	£55	£16 17/1
Copper—Standard .....ton	£62	£106 10	£66
Tin—English Ingots .....ton	£152—£153	£350	£142 15
— Straits .....ton	£163	£355	£139 10
Tinplates, I.C. Coke, S. Wales...box	28/0—29/0	80/0	11/10½—12/0
Lead—Soft Foreign .....ton	£18 15—£19	£46—£48 5	£19
Spelter—Ord. Foreign .....ton	£25—£25 17/6	£54 10—£56 10	£21 7/9
Quicksilver—(75lb.) .....bottle	£12	£26 10s m.	£7
Aluminium .....ton	nom.	£165	£82
Antimony—Regulus Foreign ...ton	£25	£70	£27 10
— English .....ton	£37—£42	£72	—
Coal—(best) Yorkshire .....ton	37/2—38/2	23/0—24/0	17/6
— Steam (best) Newcastle.....ton	50/2—55/2	46 0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	14/0	16/6	7/4
Soda—Orystals ex wharf .....ton	140/0	185/0—190/0	42/6—45/0
Copra—Malay and States .....ton	£29	£67 £23 15-£24 7/6	
Gambier—Good marks.....cwt.	30/0	52/0	16/10½
Indigo—Bengal good to fine ....lb.	11 6—14 6	13 0—16 0	3/2—3/8
Linseed Oil—Raw .....ton	£30	£125	£25 5
Linseed—Calcutta, spot .....ton	£18	£54	£13 16/9
— Cakes, U.K. made, ex mill ...ton	—	£25	£7 17/6—£8
Olive Oil—Spanish .....ton	—	—	£49 10
Palm Oil—Lagos .....ton	£36	£91	£31 10
Petroleum—American .....gallon	2 3½	2/1½	7½d.
Rape Oil—Refined English .....ton	£58	£137	£32
Soya Oil—Refined .....ton	nom.	£127	£24 10
Tallow—Imported .....cwt.	55 6—50 0	106 0—116 0	29/3—33/3
Turpentine—American .....cwt.	58/0	240/0	33/7½
Rape Seed—Toria .....ton	£17 10	£51 10	£13 5
Rubber—Para, spot .....lb.	11½d.	2 4½nom.	2/9½
— Fine plantation (stnd.crepe) lb.	11½d.	2/4½—3	2/2
— World's Production* Oct. tons	26,620	30,370	8,467
Shellac—T.N. Orange, fair ...cwt.	270/0—300/0	800/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland .....lb	8 71d.	30 64d.	7 53d.
— Egyptian good fair .....lb.	11 00d.	75 50d.	8 75d.
— Pernambuco fair .....lb.	7 71d.	34 14d	7 73d.
— Midland Upl. New York.....lb.	11 60c.	41 00c.	13 25c.
— Stock, Liverpool (Mar. 11) bales	1,017,550	1,047,380	934,600
Flax—Petrograd, Yarapol .....ton	—	—	£28
Hemp—New Zealand .....ton	£45	£85	£25 10
— Manila fair .....ton	£38	£72	£26 10
Jute—First Marks .....ton	£32	£68	£26 15
— Red SCO .....ton	£28	£55	£24 15
Silk—Common, New Style .....lb.	21/0	50/0	12/0—12/6
— No. 1-1½ Japan .....lb.	24/6	—	—
— 1st Order Italian.....lb.	24/0	—	—
Wool—Pt. Philip unwashed av. lb.	1/9	5 6	11½d.—1/0
— Lincoln Half Hogs .....lb.	11d.	2/3½	1/0½
Hides—Eng. Ox. best, 70lb. up lb.	6½d.—6¾d.	18½d.—19d.	7½d.
Leather—Dressing Hides .....lb.	1/9—2/6	4/0—4/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	69,142,000	82,954,000	34,640,000
— Red, price, N.Y. 60lb...bushel	182c.	237½c.	67½c.
— English Gazette, aver. 480lb. qr.	75 0	72/6	34/3
Flour—G.R. .....280lb.	63 0	44 3	28/6
Barley—Eng Gaz., aver. 400lb. qr.	51/10	96 5	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	35/2	57/11	20/0
Maize—N.Y. (new bushel)....56lb.	85½c.	171½c.	76½c.
— Amer. mixed, Liverpool...480lb.	42/0	nom.	32/4
— La Plata .....480lb. qr.	52/6	65/0	25/9
Potatoes—Good English .....ton	190/0	†295/0	70/0—75/0
Rice—Bassein .....cwt.	13/6—14/6	26/0	7/0—7/3
Tapioca—Pearl, medium .....cwt.	22/0	40/0	14/0—17/8
Hay—best .....2,018lb...load	—	—	82/6
Hops—English.....cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	8/0	6/8	3/8—3/10
— Scotch sides .....8lb.	11 0	10/0	4/6—5/0
— English .....8lb.	11/0	10/0	4/2—4/5
Mutton—Scotch wethers.....8lb.	13/8	10/6	5/8—6/0
— English wethers .....8lb.	13/8	10/6	4/6—5/4
— New Zealand frozen .....8lb.	6/0	10/6	2/4—3/2
Pork—English and Irish .....8lb.	11/10	11 8	3/6 4/0
Bacon—Irish, delivered .....cwt.	†200/0—215 0	200 6	60 0—74 0
— Danish .....cwt.	†215 0	†192 0	58/0—68/0
— Canadian, ex Port .....cwt.	†170 0	†187 0	—
— American, ex Port .....cwt.	†130/0—136 6	†187 0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	†180 0	†190 0	75/0—79/0
— — short cut, ex Port .....cwt.	†175/0	†190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†94/0	†198/6	51/9—52/9
Butter—Danish .....cwt.	†298 8	303 4	117/0—120/0
— French .....cwt.	†298 8	303 4	96/0—108/0
— Australian .....cwt.	†298 8	303 4	98/0—110/0
— New Zealand .....cwt.	†298 8	303/4	108/0—114/0
Cheese—Canadian .....cwt.	160.0—164.0	†145/0	66/0—68/0
— United States .....cwt.	—	†145/0	—
— Dutch .....cwt.	116/0—138 0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 28... cwt.	2,863,062	4,383,756	19,777,254
— Home consump'n to Feb. 28 cwt.	3,742,571	4,311,845	17,272,000
— In Bond Feb. 28 .....cwt.	7,292,000	6,162,000	6,308,000
— Price, Java, 96° Pol. .....cwt.	30/0	53/0	10/3
— — Yellow crystals .....cwt.	62/0	63/6	12/6—14/0
— Tate's Cubes, No. 1.....cwt.	72/0	72/0	18/0
Coffee—Imports to Feb. 28 ...cwt.	136,307	122,624	720,360
— Home consumpt'n to Feb. 28 cwt.	48,293	49,644	141,410
— Exports to Feb. 28 .....cwt.	53,864	86,065	340,250
— In Bond Feb. 28 .....cwt.	687,000	700,000	484,000
— Price, Costa Rica gd. to fine cwt.	88/0—124/0	158/0—164/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	50 0—55 0	130 0—132.0	41 6
Tea—Imports to Feb. 28 .....lb.	78,616,624	74,131,857	123,230,277
— Home consump'n to Feb. 28 lb.	64,907,286	62,515,253	155,447,972
— Exports to Feb. 28.....lb.	3,921,694	7,083,201	26,561,765
— In Bond Feb. 28 .....lb.	228,021,000	203,061,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	3½d.	1/5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	5½d.	1/6	8½d.
— — Common Congou .....lb.	2½d. nom.	1/3	5½d.
Cocoa—In Bond Feb. 28 .....cwt.	1,113,000	745,000	309,000
— Grenada, good to fine .....cwt.	50/0—52 0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	..... Jan.	$14,465,000	+ 550,000	$641,000	+ $55,000
	1 *mo.* to Jan.	14,465,500	+ 550,000	641,000	+ 55,000
Grand Trunk	..... Jan.	£1,315,600	+ £277,100	Dr.£111,600	+ £55,500
	1 *mo.* to Jan.	1,315,600	+ 277,100	Dr. 111,600	+ 55,000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or—on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Feb. 12	1,044	R2,21,978	— 41,143	19	44,89,012	— 68,309
Barsi Light ...	Feb. 12	118	21,900	— 6,100	45	11,92,100	— 1,64,500
Bengal & N.W.	Feb. 12	2,067	5,93,760	+ 52,819	19	93,33,113	+ 1,10,090
Beng. Dooars	Feb. 12	158	20,137	— 7,829	19	5,87,896	— 2,86,664
Beng. Nagpur	Feb. 19	2,695	12,74,000	— 40,000	10	5,61,70,110	— 17,45,139
Bomb. Baroda	Mar. 5	2,871	22,26,000	— 1,51,000	22	4,17,75,000	— 8,15,000
Burma	Feb. 5	1,342	6,31,467	— 18,075	18	1,05,47,420	— 5,30,537
Del.Um. Kalk.	Mar. 5	239	87,000	+ 6,789	22	22,06,705	+ 8,709
East Indian ...	Mar. 12	2,772	27,33,000	— 60,000	23	6,44,34,000	+ 25,90,000
Gt. Indian Pen	Mar. 5	3,121½	30,06,600	+ 2,70,300	22	6,11,27,122	+ 11,92,114
Madras & S.M.	Feb. 19	3,152	12,40,000	— 26,438	20	5,57,94,072	— 1,83,269
Nizam's Guar.	Feb. 19	900	3,38,483	+ 27,735	20	61,01,498	+ 94,831
Roh. & Kumn.	Feb. 12	576	124,751	+ 1,751	19	19,68,386	+ 36,051
South Indian	Feb. 12	1,852½	6,98,845	— 61,867	45	3,51,82,803	+ 3,95,675
South Punjab	Nov.	716	8,18,814	+ 50,266	2*m*	17,18,407	+ 3,21,162
COLONIAL							
Can. Northern	Mar. 7	9,704	$1,292,700	+ 271,800	9	11,227,300	+ 2,143,400
Can. Pacific ...	Mar. 7	13,388	3,255,000	+ 11,000	9	30,114,000	— 602,000
Grand Trunk	Mar. 14	3,616	£233,488	— 36,846	10	3,067,153	+ 569,825
Mashonaland	Dec.	810	101,461	+ 25,881	3*m*	283,274	+ 61,433
Mid. W. Aust.	Jan.	277	10,425	— 2,292	7*m*	77,166	+ 4,363
New Cape Cent.	Feb. 19	205	2,840	— 397	7	19,084	— 2,877
Rhodesia Rlys	Dec.	1,397	140,697	+ 32,157	3*m*	405,324	+ 80,082
Temiscouata...	Jan.	—	$38,891	—	1*m*	—	—
FOREIGN.							
Argentine.							
Arg. N. East...	Mar. 12	752	£ 14,500	+ 2,600	37	431,600	+ 600
Arg. Transand	Mar. 12	111	£ 3,174	— 2,646	37	99,131	— 10,476
B.A. & Pacific	Mar. 12	3,425	£ 164,000	— 6,000	37	4,605,000	— 783,000
B.A.Gt. South	Mar. 12	3,903	£ 225,000	+ 28,000	37	5,940,000	— 641,000
Do.	Mar. 12	Net	£ 70,000	+ 5,000	37	989,000	— 1,296,000
B.A. Western	Mar. 12	1,882	£ 99,000	— 8,000	37	2,804,000	— 813,000
Do.	Mar. 12	Net	£ 26,000	— 4,000	37	304,000	— 915,000
B. A. Central	Jan.	190	$ 38,163	— 6,522	7*m*	337,128	+ 22,545
Cent. Argent.	Mar. 12	3,305	£ 179,000	— 10,000	37	6,997,000	+ 505,000
Cord. Central	Mar. 12	1,205	£ 46,200	— 3,900	37	1,883,800	— 300,600
Entre Rios ...	Mar. 12	811	£ 26,900	+ 1,500	37	814,200	— 47,000
Brazilian.							
Brazil Gt. South	Jan.	110	M 40,250	— 18,500	1*m*	—	—
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12*m*	57,772,000	+ 7,619,243
Gt. W. Brazil	Mar. 12	1,010	£ 16,700	— 12,600	11	173,900	— 144,200
Leopoldina ...	Mar. 12	1,831	£ 33,969	— 29,931	11	340,718	— 257,712
San Paulo ...	Mar. 13	153½	£ 31,676	— 26,554	11	339,319	— 169,033
S.of Bahia S.W	Feb.	52	M 111,000	+ 34,000	2*m*	240,000	+ 59,000
Chilean and Peruvian.							
Antofagasta...	Mar. 13	838	£ 32,140	— 27,040	11	335,220	— 291,875
Arauco	June	84½	£ 12,000	+ 500	6*m*	76,000	+ 10,700
Nitrate(2wks)	Feb. 28	390	£ 30,980	+ 2,922	8	100,754	— 73,638
Peruvian Corp.	Feb.	1,140	S 1,035,400	— 86,610	8*m*	9,290,750	— 111,554
Taltal	Feb.	180	£ 23,880	— 19,725	8*m*	223,337	+ 52,217
Cuban.							
Cuban Central	Jan. 29	362	£ 37,360	+ 19,872	31	707,279	+ 82,212
Cuba Railroad	Dec.	—	$ 1,373,421	+ 215,241	6*m*	6,891,095	+ 568,959
Havana Cent.	Mar. 5	70	£ 17,278	+ 3,871	36	507,413	+ 118,689
U. of Havana	Mar. 12	681	£ 185,801	+ 24,903	37	4,163,480	+ 584,574
W. of Havana	Jan. 29	155	£ 14,131	+ 10,745	31	335,798	+ 66,413
Uruguayan.							
Cent. Uruguay	Mar. 5	273	£ 36,854	+ 9,818	36	814,914	+ 3,908
,, (E. Ext.)	Mar. 5	311	£ 7,067	— 190	36	197,483	— 20,319
,, (N. Ext.)	Mar. 5	185	£ 3,118	— 2,274	36	104,568	— 28,933
,, (W.Ext.)	Mar. 5	211	£ 2,818	— 1,110	36	92,776	— 6,744
Mid. Uruguay	Feb.	319	£ 18,936	— 1,058	8*m*	144,842	— 16,283
N.W. Uruguay	Feb.	113	$ 5,319	— 1,436	8*m*	47,235	— 9,336
Urug. Northn.	Feb.	73	£ 1,766	— 737	8*m*	16,601	— 3,357
Miscellaneous							
Alcoy & Gandia	Mar. 5	33	Ps. 12,000	—	10	168,900	+ 57,000
Bilbao	Feb.	15	£ 1,510	— 1,321	2*m*	4,486	— 797
Bolivar	Feb.	136	£ 8,108	— 900	2*m*	15,206	— 3,362
Colomb. Natal.	Jan.	86	£ 19,140	+ 1,340	1*m*	—	—
Costa Rica ...	Dec.	189	£ 26,028	— 1,324	6*m*	147,385	+ 1,714
Dorada Ext.	Jan.	70	£ 16,000	+ 4,000	1*m*	—	—
Egyptian Delta	Feb. 28	559½	£ 8,740	— 2,137	47	436,534	+ 97,587
Gt. S. of Spain	Mar. 5	104	Ps. 68,393	+ 2,203	9	734,401	+ 109,316
La Guaira & Ca.	Feb.	22¾	£ 9,330	— 4,870	2*m*	21,210	— 8,420
Ottoman Ry.	Mar. 5	379	£ 10,178	—	—	—	—
Paraguay Cent.	Mar. 5	274	£ 4,080	+ 20	36	162,280	— 15,340
Puerto Cabello	Feb.	34	£ 4,500	— 750	2*m*	8,750	— 1,750
Salvador	Mar. 12	100	£ 4,667	— 1,852	37	130,941	— 20,547
Santa Fé Prov. French Rys.	Jan.	1,181	£ 136,048	— 18,321	1*m*	—	—
S'm'na & S'tl'go	Feb.	80	£ 7,430	— 4,983	2*m*	13,930	— 9,746
Zafra & Huelva	Jan.	112	£ 15,366	+ 1,245	1*m*	—	—
TRAMS.							
Anglo-Argent.	Mar. 11	400	£ 82,703	+ 6,917	10	799,173	+ 77,610
Brazilian Trac.	Jan.	378½	M12,875000	+ 3,220,000	1*m*	—	—
Brisbane Elec.	Feb.	40½	£ 43,205	+ 1,605	2*m*	89,485	+ 3,085
Brit. Columbia	Dec.	334	$ 868,677	+ 85,353	6*m*	4,709,709	+ 487,793
B. A. Lacroze	Jan.	51	£ 61,111	+ 8,468	7*m*	397,397	+ 51,178
Calcutta	Mar. 12	35½	R 80,635	— 7,955	10	5,78,724	— 385,834
Carth. & Herr.	Feb.	9	£ 2,839	— 1,169	2*m*	6,716	— 2,040
Chatham & Dist	Mar. 10	15	£ 1,593	+ 202	10	15,753	+ 1,345
Havana Elect.	Nov.	86	$ 1,037,352	+ 157,611	11*m*	10,366,708	+ 1,890,499
Isle of Thanet	Mar. 9	20½	£ 546	+ 4	23	12,839	+ 639
Kalgoorlie ...	Dec.	20½	£ 3,140	+ 580	12*m*	36,812	+ 3,760
Lanarkshire ...	Dec. 31	28½	£ 5,467	+ 1,927	52	221,564	+ 27,729
Lima Light ...	Dec.	85	£ 62,899	+ 5,006	12*m*	683,929	+ 93,605
London O.C....	Mar. 16	141½	£ 98,594	+ 21,701	48	4,532,227	+ 608,140
Madras (2wks.)	Jan. 15	15½	R 38,198	— 10,685	2	—	—
Manila Electric	Jan.	55	$ 321,450	+ 42,939	1*m*	—	—
Pernambuco...	Mar. 13	59	£ 4,557	— 3,187	11	47,695	— 38,793
Provincial ...	Mar. 5	21½	£ 2,830	— 236	22	67,816	— 479
Rangoon Elec.	Nov.	25	£ 6,964	— 415	11*m*	85,314	+ 11,785
Shanghai Elec.	Jan.	28¾	M.$155,705	+ 19,705	1*m*	—	—
Singapore Elec.	Feb. 12	28½	$ 12,751	— 9,070	7	74,693	— 67,762
U. of Montevid.	Feb	90½	$ 43,119	+ 2,860	4*m*	131,763	+ 14,054

UNDERGROUND ELECTRIC RAILWAYS CO. OF LONDON, LTD.

Metropolitan District Rly., London Electric Rly., City and South London Rly., Central London Rly., London General Omnibus Co.

Week to March 12, £225,222; Aggregate, Jan 1—Mar. 12, £2,299,053.

Metropolitan Electric Trams, London United Trams, South Metropolitan Electric Trams, Tramways (M.E.T.) Omnibus Co., Gearless Motor Omnibus.

Week to Mar. 12, £49,815; Aggregate, Jan. 1—Mar. 12, £501,839.

Announcement

THE Guaranty Trust Company of New York announces the opening of an additional office at 29 Kingsway, London, W.C. 2.

The New Kingsway Office is an integral part of the comprehensive banking organisation of the Guaranty Trust Company of New York. It is in constant touch with the Company's offices in England, in the United States, and in Paris, Brussels, Havre and Constantinople; and with its affiliations and correspondents in the world's chief trading centres.

This office undertakes all forms of international banking and is equipped to afford complete and direct banking service for commercial and financial transactions in all parts of the world.

Guaranty Trust Company of New York

A Complete International Bank

Kingsway Office: 29 Kingsway, W.C. 2

CITY OFFICE
32 Lombard Street, E.C. 3

PALL MALL OFFICE
50 Pall Mall, London, S.W. 1

LIVERPOOL OFFICE
27 Cotton Exchange Buildings

NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid-up Capital, Surplus and Undivided Profits (Dec. 31, 1920) - - - - $62,075,072.37
Total Assets (Dec. 31, 1920) - - - $923,663,338.12

EASTER HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Thursday next, March 24, instead of on Saturday.

The Statist.

LONDON, SATURDAY, MARCH 19, 1921.

THE NATIONAL FINANCES.

In the middle of 1920 the Government, yielding in part to popular pressure, made reductions of over £8½ million in the Estimates, and this sum must be deducted from the Supplementary Estimates presented during the financial year now drawing to a close, in order to obtain an accurate idea of Government expenditure. The Supplementaries in all just exceed £108,490,000, and the necessary deduction reduces the amount to £100,000,000 in round figures. Allowance must also be made for the inclusion of £20,000,000 in the original Budget as provision for additional Votes being called for later on, and this further whittles down the gross sum to £80,000,000. The Chancellor of the Exchequer anticipated that savings in other directions, amounting in all to £60,000,000, would be effected, and this, if used as a set-off, would reduce the net expenditure over and above the amount called for in the Budget to £20,000,000. Adding this to the original estimated outlay, £1,204,000,000, we get an empirical total of £1,224,000,000. The Budget and Supplementary Estimates in all actually reach £1,233,642,000, and the revenue, which was placed at £1,418,300,000, should give an accruing surplus of £184,658,000. The surplus at first anticipated was £234,000,000, and up to the 12th instant expenditure totalled £1,288,000,000 approximately, and revenue £1,062,000,000, the excess of receipts thus working out at £226,000,000, or not far short of the original estimate. There is every reason to believe, therefore, that the surplus foreshadowed in April last will be realised, unless revenue for the remainder of the month falls altogether below anticipations.

The Chancellor of the Exchequer is fortunate in finding his forecasts so happily realised, but, as will be seen by reference to the article on "Revenue and Debt Repayment, 1920-21," in an earlier part of the present issue, compulsory retirements of unfunded debt have practically wiped out all the sum available for reduction in bulk of the floating debt. Of course, the reductions that have taken place in our short-term obligations are all to the good, including as they do nearly £101,000,000 of foreign debt (the major portion of which is accounted for by the American Loan repayments of practically £59¼ million), £27 million of Exchequer bonds, £21 million of Ways and Means Advances, £19 million of Treasury bills, £29¼ million paid into the Depreciation Fund, and the cancellation of over £69 million of securities received by way of revenue, making a total of nearly £267,000,000. Additional debt to the extent of £41 million had, however, to be created to enable these operations to be carried out. The receipts from Treasury bonds—which are, of course, specifically set aside for the extinction of floating debt—have been disappointing, amounting in all to slightly less than £22,000,000; but considerable satisfaction may be derived from the thought that a good start has been made in the policy of debt reduction—always a painful process, but one necessary to restore our internal finances to order, and thus improve our international position.

The problem of repaying foreign debt has increased in difficulty, owing to the liquidation of a large part of our investments abroad. Before the War we held, for example, approximately 1,000 million sterling of American securities. The mobilisation scheme organised by the Treasury led to the deposit in official quarters of nearly £650,000,000 of dollar and other securities that could be used to bolster up the American exchange; and in all there were disposed of through Government sources, before and during the operations of the American Dollar Securities Committee, about four hundred millions worth. Probably £200,000,000 were disposed of through various private channels, and this leaves us, at an optimistic estimate, with £400,000,000 still on hand. Securities to the value of £211,000,000 have been, or are being, returned by the Committee. Future debt repayments to the United States will be made without the aid of these securities, but the ease with which the American Loan of 1915 was repaid in October last must not be misinterpreted. In the coming financial year the Chancellor of the Exchequer will find certain fruitful sources of revenue dried up. From April 1, 1920, to March 12, 1921, he derived £204,001,000 from excess profits duty and munitions levy, and £258,129,538 "special receipts," which were drawn mainly from the realisation of War assets. Excess profits duty has been abolished, though a substantial amount of arrears remains to be collected, and special receipts are bound to decline heavily in the coming year. It is not clear whether Mr. Chamberlain will retain the Chancellorship, in view of the sudden and unexpected resignation of Mr. Bonar Law, but if he does he will find the position of guardian of the public purse much more trying. Judging by the estimates already presented—which, however, have to receive Parliamentary sanction—the expenditure is not likely to be reduced below £1,000 million, as compared with the old estimate of £1,233,642,000. The economy effected is equivalent to nineteen per cent., but the times call for a much more drastic cut. Despite hardships, the taxpayer might be prepared to shoulder the burden if he were convinced that efficient service was obtained, but this is more than doubtful, and criticisms are being legitimately advanced as regards quite a number of branches in the public service.

TEXTILE COMPANIES' RESULTS.

In many respects the past year has been remarkable for the drastic changes which have taken place in the position of the textile industry. The year opened on a full tide of prosperity with mills working at maximum capacity; and although a falling-off in new business became apparent in April, profits for the first six months of the year reached record proportions. The autumn brought unmistakeable evidence of the passing of the boom period, and with the slackening of demand, which was accentuated by the wholesale cancellation of forward contracts, stocks began to accumulate with alarming rapidity. Reduced production followed with all its attendant disadvantages, and at the close of the year the industry was faced with a depression of extreme severity. The effects of the conditions prevailing during the first and second half of the year can best be seen by reference to the accounts of some of the most important textile undertakings. Although only a comparatively few firms publish their trading results, the list of companies whose reports are analysed below can be taken to be fairly representative. The figures are compiled, as far as possible, on a uniform basis, provision for taxation, depreciation and other prior charges being deducted in all cases before arriving at the net profits. It should be noted, however, that where dividends are declared free of income tax, the tax payable has also been deducted. Considerable variation is shown in the results of those companies whose accounts have been made up to December 31 last. Although an increase in net profit, due in part to the creation of new capital, was registered by Hollins and Company, Barlow and Jones, and Woolcombers, a sharp decline was shown by Courtaulds, Emmotts and Walshaw, and Rylands. In the case of the last-named Company, the severity of the depression may be measured by the fact that, whereas the net profit for the first half-year, before deducting taxation, reached the record total of £725,925, a loss of £63,895 was sustained during the second half-year. The effects of the heavy slump in values are reflected with almost equal severity in the case of Lister and Company, whose accounts, made up to November 30, show a decline in net profit from £276,533 to £134,783. It is apparent that, if the profits were shown before deducting taxation, the actual decline would appear to be far greater. As regards the Amalgamated Cotton Mills Trust, comparisons are vitiated by capital alterations, to which reference is made later. It may be stated here that while the issued capital—excluding the bonus share distribution—was quintupled, the revenue was multiplied sixfold. The Trust is, of course, entirely a holding Company, but its revenue may be taken as an index of the prosperity of the various important concerns controlled by it. The increased profits of Joshua Hoyle and the Linen Thread Company, whose accounts are made up to September 30, are also explained in large part by the issue of additional capital. The accounts of the three remaining companies in the list reflect in varying degrees the prosperity experienced during the first half of the year. Tootal Broadhurst have increased their net profits from £256,790 to £348,377, and the York Street Flax Spinning Company from £57,566 to £65,889. Although a slight decline is shown in the case of J. and P. Coats, it is apparent that the deductions in respect of taxation have been far greater than in the previous accounts.

Generally speaking, the dividend distributions have been on a much more liberal scale than in 1919.

Name of Company	Year ended	Net Profit* £	Preference Dividend £	Ordinary Dividend £	%	To General Reserve £	To Sundry Reserves £	Other Allocations £	Carried Forward £
Courtaulds ..	1918 Dec. 31	1,184,938	-	650,002	32½†	132,909	250,000	66,751	148,211
	1919 ,,	2,280,861	-	1,200,001	40 t.f.	999,993	—		229,078
	1920 ,,	1,804,796	-	1,450,000	23¾ t.f.	200,000	—	-	383,874
Rylands	1918 ,,	666,757	- -	250,000	15		360,000	25,000	213,050
	1919 ,,	556,687	-	350,000	17½	-	100,000	50,000	269,737
	1920 ,,	250,030	52,274	300,000	15	- -	- -	50,000	117,493
Wm. Hollins ...	1918 Nov. 30	98,690	18,000	47,812	12½	10,000	2,000	16,860	16,723
	1919 Nov. 29	131,109	18,000	66,177	16¼	10,000	2,000	22,873	28,781
	1920 Dec. 31	190,615	19,500	108,801	10¾	44,098	6,003	15,579	25,415
Barlow & Jones	1918 ,,	82,473	10,533	31,601	15	50,000		—	20,621
	1919 ,,	132,863	10,533	52,667	25	50,000	-	10,000	30,284
	1920 ,,	134,911	36,355	80,000	20	—		- -	48,840
Woolcombers ...	1918 ,,	41,120	14,700	7,150	11¼	15,000	5,000	—	6,294
	1919 ,,	67,690	14,700	10,312	11¼	35,000	10,000		3,972
	1920 ,,	127,625	14,700	11,250	11¼	50,000	40,000		15,451
Emmotts & Walshaw	1918 ,,	34,136	2,750	7,500	15	10,000	-	- -	24,321
	1919 ,,	29,019	2,750	10,000	20	20,000			20,590
	1920 ,,	9,901	2,750 .	10,000	20	—			17,741
Lister	1918 Nov. 30	245,267	30,000	118,750	12½	50,000	15,000	15,000	187,812
	1919 ,,	276,533	30,000	142,500	15	100,000		15,000	176,475
	1920 ,,	134,783	30,000	106,875	7½	—		- -	174,383
Amalgamated Cotton Mills	1919 Oct. 31	114,417	26,490	80,000	40 t.f.	—	—	7,157	769
	1920 ,,	778,589	88,085	573,750	22½ t.f.	—	-		117,524
Joshua Hoyle	1918 Sept. 30	106,519	—	69,800	20 t.f.	33,562			21,690
	1919 ,,	136,721	6,125	80,000	20 t.f.	33,037	-	.	39,249
	1920 ,,	229,507	37,747	112,500	25 t.f.	30,033			88,476
Linen Thread ...	1918 ,,	288,509	121,000‡	60,500	11 t.f.	100,000			249,627
	1919 ,,	284,399	121,000‡	60,500	11 t.f.	100,000	—	-	252,527
	1920 ,,	293,088	121,000‡	69,223	11 t.f.	100,000	-		255,392
J. & P. Coats	1918 June 30	2,982,066	750,000‡	1,350,000	30	--	100,000		2,305,377
	1919 ,,	3,694,011	750,000‡	1,800,000	40	-	900,000	250,000	2,299,388§
	1920 ,,	3,691,889	330,000	2,358,219	17½	—	600,000	—	903,058
Tootal Broadhurst Lee	1918 ,,	186,457	20,000	55,207	13¾	63,836	27,315	100,000	95,766
	1919 ,,	256,790	20,000	64,000	10	80,000	20,000	70,000	98,556
	1920 ,,	348,377	20,000	120,000	15	120,000	41,798	60,000	85,135
York Street Flax Spinning	1918 July 31	40,302	15,000	24,000	8 t.f.	—	—	—	31,668
	1919 ,,	57,566	15,000	24,000	8 t.f.	20,000	--	-	30,234
	1920 ,,	65,889	21,041	26,000	8 t.f.	10,000	—	—	39,082

* After providing for taxation, depreciation and other prior charges. † Final dividend of 17½% free of tax.
‡ Including Preferred Ordinary dividend. § Reduced to £499,388 under Capitalisation scheme.

Despite reduced profits, Courtaulds have declared a dividend of twenty-three and three-quarters per cent., tax-free, which, allowing for the bonus share distribution during the year, is equivalent to thirty-six and a-quarter per cent., tax-free, as compared with forty per cent., tax-free, for the previous year. Similarly, the dividend paid by Rylands has only been reduced from seventeen and a-half per cent. to fifteen per cent., while that of Emmotts and Walshaw has been maintained at twenty per cent. A more conservative policy is adopted by Woolcombers, whose dividend remains at eleven and a-quarter per cent., and Hollins and Company, whose dividend, expressed subject to tax, is reduced from sixteen and eleven-fourteenths per cent. to ten and eleven-fourteenths per cent., while Barlow and Jones have also reduced their dividend from twenty-five per cent. to twenty per cent. The dividend of Lister and Company, although nominally only seven and a-half per cent., against fifteen per cent. for 1919, is actually equivalent to eleven and a-quarter per cent., allowing for the bonus capitalisation during the year. Making similar allowances for bonus capitalisation, the dividends of the Amalgamated Cotton Mills Trust, Tootal Broadhurst Lee, and J. and P. Coats are actually equivalent to thirty-three and three-quarters per cent., tax-free, eighteen and three-quarters per cent., and about thirty-five per cent. respectively. The Linen Thread Company and the York Street Flax Spinning Company have maintained their dividends, tax-free, at eleven per cent. and eight per cent. respectively, while the dividend, tax-free, of Joshua Hoyle has been increased from twenty per cent. to twenty-five per cent.

An analysis of the latest published balance sheets of the various companies is set out in the table at the foot of the page. Capital alterations constitute the outstanding feature. Increases in capital have been effected through the reserve capitalisation of £8,000,000 by Courtaulds; £190,790 by Hollins and Company; £475,000 by Lister and Company; £2,250,000 by the Amalgamated Cotton Mills Trust; £7,300,000 by J. and P. Coats, and £[illegible] by Tootal Broadhurst Lee. It should be pointed out that the bonus issue of Hollins and Company was made in part commutation of managers' commissions, and that of the bonus issue of J. and P. Coats £2,800,000 represented a special distribution in respect of the conversion of £3,000,000 Preferred Ordinary stock into an equal amount of "B" Preference shares. It may be mentioned also that the reserve capitalisation by Courtaulds was mainly effected by taking credit for the appreciated value of shares held in one of its subsidiary undertakings. It should be noted that since the date of the last balance sheet the Ordinary capital of the Linen Thread has been increased to £1,650,000 by the capitalisation of £550,000 of the reserve and the issue of bonus shares to shareholders. It will be seen that in many cases also share issues were made for cash, the outstanding changes being the issue of £1,800,000 Preference shares and £2,200,000 Ordinary shares by the Amalgamated Cotton Mills Trust; £2,950,000 Ordinary shares by J. and P. Coats; £1,500,000 Preference shares (in July 1920) by Rylands; and £743,978 Preference shares and £400,000 Ordinary shares by Joshua Hoyle. The new capital has been almost entirely devoted in several instances to the financing of heavy stocks, and the acquisition of interests in other concerns. Accordingly, as compared with the previous year, the liquid assets, excluding stocks and investments in other undertakings, have not been materially increased. On the whole, however, the liquid assets of the various companies as at the date of the balance sheets show a considerable surplus over current liabilities, but allowance must be made for the fact that in many cases the investments held are not of a readily realisable nature. It should be noted that the stocks of those companies whose accounts have been made up to the closing months of 1920 have been valued on a lower basis than in 1919, and, consequently, the actual increase in quantities has been even still greater than the values indicate. In some of the recent reports the necessary information is not furnished as to the actual basis upon which the stocks are valued. In the interests of shareholders and the investing public it is essential that such particulars should be given, especially in view of the dominant position occupied by stocks among the assets in [illegible] slump in prices during recent months. The downward trend of prices is bound to be accelerated by the recent decision of some important firms to cut their sale prices drastically, the reduction in one case amounting to over thirty per cent.

Analysis of Latest Published Balance Sheets.

Name of Company		Share Capital: Preference	Share Capital: Ordinary	Debenture Capital	Sundry Liabilities*	Reserves and Carry-forward	Fixed Assets	Stocks	Investments	Debtors and Cash
		£	£	£	£	£	£	£	£	£
Courtaulds ...	1919	—	4,000,000	9,125	2,968,438	1,521,921	747,436	1,059,916	4,935,998	1,756,134
	1920	—	12,000,000	9,125	5,559,620	1,083,874	1,484,021	1,669,584	12,536,979	2,962,035
Rylands ...	1919	—	2,000,000	—	3,477,201	1,275,075	622,731	2,263,745	134,394	3,730,384
	1920	1,500,000	2,000,000	—	2,467,756	1,185,801	595,956	3,301,446	91,489	3,164,666
Wm. Hollins ...	1919	360,000	761,118	—	853,751	226,258	453,599	897,519	113,405	736,604
	1920	360,000	1,155,528	—	690,615	75,415	512,481	1,206,861	120,616	441,600
Barlow & Jones	1919	210,664	210,671	240,000	1,128,610	340,284	231,014	751,626	—	1,147,589
	1920	553,000	400,000	—	1,085,535	258,840	283,035	891,671	—	1,122,669
Woolcombers' ...	1919	210,000	100,000	325,000	581,623	233,972	627,452†	240,919	225,966	350,258
	1920	210,000	100,000	325,000	518,035	335,451	616,098†	220,254	269,458	382,676
Emmotts & Walshaw	1919	50,000	50,000	—	64,668	70,590	44,421	132,887	15,000	42,943
	1920	50,000	50,000	—	44,273	67,741	44,224	129,079	10,000	28,711
Lister	1919	600,000	950,000	250,000	1,006,021	771,475	1,302,197†	1,071,808	266,243	937,248
	1920	600,000	1,425,000	250,000	1,034,497	279,383	1,329,273†	881,100	303,205	1,075,302
Amalgamated Cotton Mills	1919	800,000	200,000	403,866	897	769	—	—	1,357,265	61,109
	1920	2,600,000	4,650,000	378,782	767,251	117,524	—	—	7,140,496	1,831,146
Joshua Hoyle ...	1919	250,000	400,000	—	721,558	179,249	209,919	780,789	148,357	411,742
	1920	993,978	800,000	—	1,564,153	448,476	340,178	1,302,937	1,411,817	749,410
Linen Thread ...	1919	2,200,000(b)	550,000	1,000,000	305,246	952,527	2,986,820‡	289,679	45,000	1,712,265
	1920	2,200,000(b)	1,015,819	1,000,000	185,881	1,055,392	2,986,574‡	259,344	45,000	2,166,174
J. & P. Coats	1919	5,500,000(b)	4,500,000	—	5,118,262	14,396,428	11,928,175§	6,388,464	2,513,146	8,684,905
	1920	5,500,000	14,750,000	—	7,908,783	8,100,098	11,954,150§	7,357,878	2,967,898	13,966,176
Tootal Broadhurst Lee	1919	400,000	640,000	300,000	1,033,629	578,973	316,820	2,558,108 (	52,749	24,925
	1920	400,000	800,000	300,000	2,154,602	616,771	337,782	3,715,974 (	70,026	140,991
York Street Flax Spinning	1919	250,000	300,000	250,000	687,739	285,234	279,231	936,197	30,048	506,897
	1920	550,000	480,000	250,000	1,396,500	344,081	279,100	1,396,856	42,388	702,237

* Including dividends payable and estimated liability for taxation. † Including goodwill and patents.
‡ Including shares in other companies. § Including goodwill and investments in other companies.
(a) Including debtors. (b) Including Preferred Ordinary shares.

RUSSIAN TRADE AGREEMENT.

We have been favoured with a copy of the complete text of the Agreement signed on Wednesday between our Government and what is styled the Government of the Russian Socialist Federal Soviet Republic. The Agreement is expressly stated to be a preliminary to the conclusion of a general peace treaty. Both Governments undertake to give all the assistance possible to the International Mine Clearance Committee for the purpose of freeing the Baltic from impediments to shipping, and, further, to desist from hostile action and from official propaganda, directly or indirectly, against one another. The Soviet Government undertakes, in addition, to refrain from all military or diplomatic activity calculated to cause hostility amongst the peoples of Asia, particularly in India and Afghanistan, towards the British Empire. All British subjects in Russia are to be immediately permitted to return home, and similarly all Russian citizens throughout the Empire who desire repatriation are to be free to return.

Now that the much-disputed Agreement has become an accomplished fact, at a moment, too, when the existing Russian Government is threatened with serious internal danger, the question of the advantages accruing from it to this country arises. Trade necessarily involves an exchange of goods, but the question of the ownership of Russian goods or Russian gold landed in this country is yet undecided. Pending a decision of our Courts on the test case which M. Krassin desires to bring, the resumption of trade on any large scale is precluded. London bankers, at any rate, are not very hopeful of immediate benefits being realised from the new pact.

To some extent the opposition hitherto manifested by holders of Russian Government and municipal obligations dating from pre-revolution times is satisfied by a declaration of recognition of claims appended to the present Agreement. Both Governments declare that all claims of either party or of its nationals against the other party in respect of property or rights, or in respect of obligations incurred by the existing or former Governments of either country, shall be equitably dealt with in the general peace treaty. In the meantime, the present Soviet Government states that it recognises in principle its liability to pay compensation to private persons who have supplied goods or services to Russia for which they have not been paid. Details of the manner of settling this liability are to be determined in the final treaty, but something more than the present formal affirmation is desired if City opinion is to be influenced in favour of the Agreement.

From a perusal of the various clauses it is not clear whether the Russian Government will permit private traders to enter the country and purchase direct from producers. Such a step would possibly lead to the breaking up of the public monopoly of distribution already established, and would also be certain to encourage private production, both developments being equally obnoxious to the existing Socialist *régime*. An analogous problem arises as to the possibility of importing on the Russian side goods otherwise than on public account. It is apparently the purpose of the Soviet Government to monopolise the handling of all imports when landed, and to control exports right up to the moment of shipment. If their intention is such as is here stated, their eagerness to obtain formal recognition from Great Britain and from the Governments of other countries is readily understandable.

No enlightenment has been forthcoming on the vital question of Russia's present capacity to export. Before the War food and agricultural produce, including flax, were the principal exports. Now the flax-growing areas have been ceded to the Succession States, and the production of food has been so drastically curtailed that there is a serious shortage in not a few localities. This shortage is, indeed, partly accounted for by the breakdown in transportation, but it is also due to the deliberate withholding of supplies by the peasants. Last year, out of minimum estimated requirements of 400 million poods of grain, the Government succeeded in purchasing only 200 million poods. Whether the resumption on a large scale of international trade will alter the conditions of internal trade remains to be seen, but some change in the existing *modus operandi* seems necessary if economic vitality is to be restored.

RELIEF FOR AUSTRIA.

We welcome the announcement made on Thursday by the Chancellor of the Exchequer of a plan for relieving distress in Austria, a country to whose unfortunate plight we have repeatedly drawn attention. Some time ago Austria was placed within the orbit of operations of the export credits scheme of the Department of Overseas Trade, and now the Governments of Great Britain, France, Italy and Japan have decided to waive for the moment their claims under the Treaty of St. Germain, and to allow such assets as are pledged to them to be used as backing for relief credit bonds, if other interested Governments agree to a similar temporary waiving of claims. It is further announced that the Financial Committee of the League of Nations will within a fortnight examine, in conference with bankers, the proposals put forward by Austrian Ministers as regards the amount of loans needed and the character of the security available. The whole of the assets of Austria are at present pledged as security for payments due under the Peace Treaty. The temporary abrogation of these payments will not affect our ultimate rights; indeed, the prospect of our receiving the amount of our claims will be appreciably brightened if the economic restoration of Austria is facilitated. The Financial Committee is to take steps to assess the gold value of the advances which it could approve under the Ter Meulen scheme, against the security of the Customs revenue, the Tobacco Monopoly, and other items of Austrian taxation which the Government of Austria may itself pledge. It is stated that the assets will be under the control of this Committee of the League of Nations, and the Ter Meulen bonds issued against them will naturally be held by lenders as collateral for their advances. The scheme has its attractions, and, after the summary rejection of Sir William Good's proposals in Paris, it is pleasant to record such a changed attitude. The assistance of the banks will, however, be required to ensure the complete success of the new proposals, and we trust that such assistance will not be denied.

News of Allied assistance had a stimulating effect on the Austrian exchange, which was 2,100 kronen to the £ last week, but has since dropped to 1,475. The raising of private credits by Austrian subjects will be considerably facilitated by the step now announced, and we hope that the latter will be only a preliminary to a wider scheme embracing all the impoverished countries on the Continent.

ESTABLISHED 1810

THE
MECHANICS & METALS
NATIONAL BANK
OF THE CITY OF NEW YORK

Capital (fully paid), Surplus and undivided Profits
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LONDON CORRESPONDENTS:
London Joint City and Midland Bank, Ltd.
London County Westminster and Parr's Bank, Ltd.
Barclays Bank Ltd.

FOREIGN STATE AND MUNICIPAL BONDS.

A useful review of the position of foreign States and municipalities as regards meeting their liabilities to external holders of their bonded debt, is furnished in the annual report of the Council of the Corporation of Foreign Bondholders just published. It will be remembered that the Corporation which was founded in 1868 was incorporated by Act of Parliament in 1898, and that the Council consists of twenty-one members, six of whom are nominated by the British Bankers' Association and six by the London Chamber of Commerce, while nine are elected by the Council as a whole. The invested funds amount to about £150,000 and yield a revenue of £7,000 a year. After payment of interest any outstanding surplus goes to the general fund of the Council, this fund being held by the Council as Trustees for the benefit of British investors.

Special mention is made in the Report of the interesting debt settlement in the State of West Virginia; which was compelled by the Supreme Court of the United States to recognise its obligations after a refusal to do so extending over fifty years. Judgment in respect of the Debt, though delivered in 1915, was not carried into effect until 1920. It might be thought that the eight other defaulting States of the American Union, namely, Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, and North and South Carolina, could be similarly brought to book, but it appears that while the Constitution of the United States compels a State to come into Court if sued by another State or country, no such compulsion can be applied where the suit is brought by an individual. In the case of West Virginia the plaintiff was the State of Virginia itself. The difficulty of finding a State or country to take action to enforce the legitimate claims of debt-holders enables the defaulting States to take unfair advantage of their constitutional privileges. The State of New York was not long ago credited with the intention of suing the defaulters, but the New York State legislature, so far from initiating proceedings, has allowed Savings Banks to invest in the recent loan issues of the defaulting States, though such investments had previously been forbidden by law.

Mexico has still made no effort to redeem her external Debt obligations despite the promises so freely made on behalf of the new Government. The revolution of April last, which led to the assassination of President Carranza and the Presidency of General Obregon, is expected, however, to lead ultimately to better things. One proof, at any rate, of the new Government's good intentions was seen in the restoration last June of the Mexican Railway to its proprietors. The Government have further undertaken to reimburse the railway for any loss sustained, and pending a determination of its total claim the Company is to receive $200,000, United States, per month, payments to start from January 1921. Outside the Mexican Railway, however, practically all the lines remain in the hands of the Government; and the service of the Debt is still unprovided for.

Amongst the States of South America due praise is given to Nicaragua, not only for carrying out the terms of the agreement reached in 1917, but for anticipating the time within which it had undertaken to do so. Honduras, it might be noted, continues without interruption its record of default which now extends to forty-eight years, while Salvador which resumed full payment for a period has again defaulted, having failed to meet the February coupons of the Loan of 1908, and the Funding Loan of 1915. It is pointed out by the Council in regard to Brazil that the arrangement made by the State of Bahia and the City of Para to pay the coupons of their external loan, partly in cash and partly in Treasury bills, has so far been carried out by the former, but that the latter failed to meet the coupons due in January last. The City of Bahia has not succeeded in fulfilling its promises to bondholders.

The position in Argentina is somewhat more satisfactory. The Province of Buenos Ayres is now paying the sinking fund on the Consolidation Gold Bonds of 1915-16, which were issued in lieu of cash payment of interest from 1915 to 1917 on six of its external loans. Payments to the sinking funds of other Buenos Ayres Provincial Loans, which had been suspended for some time, were resumed in 1919 on the various issues with the exception of the Four and a-Half per Cent. (German) Loan of 1920. The Province of Corrientes has, according to the Report, met two coupons on its Foreign Debt, those due in February and August 1918, in July 1920 and in February 1921 respectively, but the sinking fund has been in default since 1915. No change is recorded in the unsatisfactory situation as regards the City of Rosario Loan. The coupon due in May 1920, was not paid until October, and for the coupon due in the following November the bills given by the Province of Santa Fé mature only in the present month. The action of the municipality towards its creditors seems highly unjust, especially as the interest on the loan is not more than £80,000 a year, a sum that should prove a small burden for a city with a population of a quarter of a million, and ranking, after Buenos Ayres, as the most prosperous municipality in Argentina. The position as regards Ecuador has changed since the date of the Council's report since news has been received from Guayaquil that the sum of £6,000 has been remitted on account of the service of the Guayaquil and Quito Railway Bonds, viz., £5,000 by the Guayaquil and Quito Railway Company, and £1,000 by the Ecuador Consulate at Barcelona. The amount deposited in the bank at Guayaquil for the service of the Railway and Salt Bonds is upwards of one million sucres, but the Government of Ecuador is awaiting a reduction in the rate of exchange before remitting.

A number of other South American States, including Costa Rica, Santo Domingo and Colombia, have met their obligations regularly, and so has Venezuela in respect of her sterling debts. Information has just come to hand of the receipt of a sight draft for £4,390, being the moiety of the third fortnightly instalment of the debt service payable to the Council of Foreign Bondholders in respect of the half-year ending June 30, 1921, for the Three per Cent. Diplomatic Debt of Venezuela, 1905.

On account of the disturbed state of Russia, no steps have been taken to secure a settlement of obligations, but it is possible that suitable opportunities may arise for fruitful discussion of the subject when the present Trade Treaty has actually been in operation for a time. Of other lately belligerent countries Roumania and Bulgaria have partially resumed payment. The position as regards Greece is somewhat complicated. The heavy fall in the drachma to fifty-two to the £ is a reflection of the rapid change for the worse in internal conditions. The Report emphasises the difficulty of actually forecasting the course of events in Greece, as the future depends so much on matters of high policy. The withdrawal of financial support by the Allied Powers and the issue of a large amount of paper money, without Parliamentary sanction or backing in the way of gold, has helped the feeling of *malaise* engendered by untoward political developments. This combination of unfavourable circumstances has doubtless been responsible for the rapid decline in the drachma, which now stands at 51.75, as against a par of 25.22. With regard to [illegible] the Report states that, "In the [illegible] previous year, the net amount available [illegible] interest and sinking fund in 1920 [illegible] francs, against 9,111,172 francs in the previous year and out of this sum, as stated in the Council's report, the interest on all the loans of the various groups was raised to the full original rate, and the ordinary sinking funds of the [illegible]

increased by thirty, thirty, and thirty-two per cent. of the original interest respectively. In 1920 the gross receipts were 123,662,708 drachmas, and the proportion applicable to the plus values was 65,630,414 drachmas. The sum available for increase of interest and sinking fund will permit of the payment, for the second year in succession, of the full interest on all the old gold loans, and of additions of twenty-eight, twenty-eight, and twenty-six per cent. of the original interest respectively to the three groups."

MANUFACTURING DEVELOPMENT IN IRELAND.

THE output of the primary industries furnishes, as is well known, the greater proportion of Ireland's wealth. Nevertheless, the promotion of manufacturing industry continues to enlist the support of a large body of Irishmen. The struggle to quicken the development of the weaker branch of industry is an uphill one, as the absence of large native supplies of coal interposes an obstacle not easily to be surmounted. Furthermore, the market for Irish industrial products is somewhat scattered, and, except production is on a comparatively small scale, the demand in the centre where the factory is located is often likely to be of small proportions. Consequently, Irish industrial concerns sometimes work at a disadvantage which does not overhang the activities of those operating in a more densely populated area. As regards the coal problem, it is true that the absence of the mineral has not prevented manufacturing progress in some Continental countries; but the disadvantage it imposes is reflected in the bitter complaints by Irish manufacturers of the high prices they have been forced to pay for imported coal during the past few years.

Before dealing with the course of the Irish trade in manufactured goods since 1904 it is necessary to give as a preface the warning of the Department of Agriculture that, inasmuch as returns are furnished voluntarily, they rest on an unsatisfactory basis. In the following table the values of both imports and exports are given throughout at 1904 prices, in order that a continuous comparison may be made without reference to the break in values caused by the War:—

Irish Trade in Manufactured Goods.
(Values Estimated at 1904 Prices.)

	(000's omitted).		Excess of Imports over Exports
	Imports	Exports	
	£	£	£
1904	24,928	15,523	9,405
1905	26,594	17,121	9,473
1906	26,839	18,684	8,155
1907	26,825	17,561	9,264
1908	25,917	17,184	8,733
1909	27,464	18,642	8,822
1910	28,454	21,070	7,384
1911	28,450	21,513	6,937
1912	30,138	21,645	8,493
1913	29,425	20,869	8,556
1914	28,659	23,973	4,686
1915	27,949	21,902	6,047
1916	26,706	21,908	4,798
1917	24,655	23,012	1,643
1918	24,219	20,178	4,041
1919	22,893	17,028	5,865

Glancing, in the first place, at exports, as ability to enter outside markets in the face of severe competition is a fair index of the strength of Irish industry, it will be noticed that between 1904 and 1919, the latter an exceptional year from the difficulty of importing raw materials, these have increased by £1,505,000, or nine per cent. The year 1919 compares unfavourably with any year other than 1904. During the period 1910-12 the exports were held continually over the twenty-one million mark, and 1914 and 1917 saw the attainment of still higher figures. On the whole, the War period does not seem to have been unsatisfactory for the export business. Imports, revealing a different tendency from exports, have fallen by £2,035,000, or eight per cent., between 1904 and 1919. Since 1912, when they reached their highest level, they have shown a consistent decline. The result, between 1904 and 1919, of expanding exports and contracting imports is responsible for bringing the excess of imports over exports down by £3,540,000, or twenty-one per cent. The exchange was against Ireland by actually only £1,643,000 in 1917. From figures the authenticity of which is admittedly doubtful it would be unwise to make dogmatic conclusions, but, assuming that they represent a near approach to accuracy, it would seem that the Irish manufacturer, as indicated by the narrowing margin of excess imports, is strengthening his grip of the home market, and, as indicated by enlarged exports, is competing successfully in outside markets. Of course, it is also arguable that falling imports denote a curtailment of the Irish consumer's requirements, but this is unlikely. It must be confessed that the returns for 1920, were they available, would extend the basis of comparison very usefully. The ascertainment of the changes that have taken place since 1904 in the various categories making up the Irish manufactured goods export trade would be of some interest and value. Unfortunately, the figures available, based, of course, on 1904 prices, go back only as far as 1916, and a comparison of 1916 and 1919 would be of little value. The classified trade for the latter year is given below. Textiles, ships and machinery are of preponderating importance.

Exports of Manufactured Goods.

	1919 at 1904 Prices
	£
Textiles:—	
Yarns, rope, &c.	1,756,997
Piece-goods, drapery, &c.	8,432,409
Leather goods, &c.:—	
Leather	82,472
Leather goods and Indiarubber goods	312,896
Metal and metal manufactures, metal castings ...	309,082
Machinery, ships	5,029,645
Wooden manufactures	352,518
Paper, stationery, &c.	250,458
Bricks, earthenware, glass, &c.	20,629
Soap, oils, paints, &c.	207,363
Chemicals, fertilisers, &c.	206,936
Miscellaneous articles...	66,043
Total manufactured goods	17,027,448

A basic idea underlying the programme of the Irish Industrial Development Association is that existing Irish industries are in almost every case capable of development. In no one instance, it is pointed out, is the home market completely held by Irish products. Increased support, then, of these existing industries would add to the prosperity of the country, and it is held that it is the duty of the people to accord that support. Concurrently, it is the duty and the interest of Irishmen controlling capital to apply it to the organisation of new industries. Scores of articles which may be regarded as necessaries of life are not now produced in Ireland, and are imported year after year. Pottery, glass, builders' sanitary ware, ironmongery, agricultural and industrial machinery, hats and linoleum—to mention at random only a few—are responsible for an outlay of several million pounds annually. The contention of the Association is that manufacture of these articles in Ireland would be remunerative to all concerned, and that it may be taken as certain that that fact will be recognised in the near future by outside forces, and that foreign capital will be applied to the production of these and other goods on Irish soil.

We are afraid that the appeal to buy goods because they are Irish has not so far met with much success. The consumer is unlikely to grant this preference unless it is demonstrated that the Irish article is as cheap and as good as that produced by competing agencies. Irish enterprise and capital will do much to speed up Irish manufacturing industry, but it is scarcely necessary to point out that the economies resulting from large-scale production in many lines nowadays place competing small concerns at a disadvantage unless the balance is redressed in other ways.

COLOMBIA.

A PERIOD OF TRIAL.

While everything was going right in certain of the newer countries, and while Europe was devastated by war, we congratulated those newer countries and contrasted their apparent prosperity with the severe period of trial through which the various countries of Europe were passing. Europe at that time had to devote its energies almost exclusively to the pursuit of war, and it had no time to provide itself with such food or raw materials as it was capable of raising, still less to manufacture articles for the demands of the peaceful arts in order to obtain the means of securing further supplies of food and raw materials from overseas As a result, Europe primarily bought immense quantities of various articles of which it stood in need from the newer countries of the world, but bought those articles upon credit. The difficulties of those countries which have supplied the various warring States upon credit are now gradually coming to be realised. Practically what has happened with individuals has happened with nations. Certain people who at the time were called "profiteers" realised, on paper, immense fortunes, as a result of the War. These nominal fortunes, however, had to be applied in the extension of plant and in incurring various forms of expenditure which the particular individuals or companies concerned could not hope to maintain in any period of peace. To a very large extent the profiteers' fortunes have disappeared in an attempt, and in many cases in a vain attempt, to readjust their plant from purposes of war to the needs of peace. The public is aware from announcements in the Press how many well-known public companies which were supposed to be doing an enormous business—and, in fact, did an enormous business—during the War have within the past few months had to pass their dividends. But the public is not aware to the same extent of the number of private people who were engaged in active business during the War, and who have found that their fortunes, represented in paper, are exceedingly difficult to realise in any tangible form.

Colombia was one of the countries of South America which did exceedingly well as a result of the recent European War. Economically, it had been said that Colombia's welfare is based upon coffee. It is perfectly true that in normal times the principal export of Colombia is coffee; and, indeed, some of the finest coffee in the world is grown in the Republic. All the same, although Colombia made a very large part of the apparent fortune she realised during the War out of her exports of coffee, coffee was by no means the only export which she was able to make as a result of the demands occasioned by the War. It happens that only two countries in the world are known to possess in workable quantities platinum deposits—Russia and Colombia. Russia, as the reader is aware, became wholly inaccessible for purposes of Western trade at a very early period in the War; and the result was that the principal source of the world's supply—practically the whole commercial source of the world's supply—of platinum came to be the Republic of Colombia on the north-western coast of South America. In addition, at a time when hides and skins were of fabulous value, Colombia had an opportunity, which she was not slow to seize, of exporting hides and skins upon a very extensive scale. How considerable is the cattle industry will be appreciated when we state that there are between seven and eight million head of cattle in the Republic, which would mean at least three beasts to every two of the population of the Republic. As we have already said, the cultivation of coffee is the great dominant factor in Colombia's economics. Then, as we have mentioned, comes hides, followed by bananas, mainly exported to the United States, fibres, vegetable ivory, and Panama hats. Sugar-canes are grown on a fairly extensive scale. But they are not grown upon such a scale as would admit of the export of sugar to any appreciable extent. The only form in which the Colombian sugar industry interests the international markets is in the export of rum and molasses. There is a considerable amount of sugar over and above the needs of local requirements, which is converted into rum and is exported. We have left to the last, in enumerating the principal products of Colombia, the mineral industries. Now it is exceedingly difficult to say which of the mineral industries we should put first. As we have said, Colombia is one of the few countries in the world from which platinum can be obtained. But the platinum industry had not been developed to such an extent as would have admitted of Colombia taking the place which Russia had previously occupied in the period that preceded the outbreak of the recent War. Now in certain areas about the Magdalena River, particularly in the region where the two great branches of this river, one of the most important in South America, join, oil is produced, but nothing like to the same extent which the petroliferous indications of the area to which we refer would lead the reader who may know the district to expect. Practically what development has so far taken place has been in the hands of the American oil magnates. The potential mineral riches of Colombia are enormous. But although the mines of the Republic have been worked more or less ever since early colonial times, no single mineral industry can be said to be developed in Colombia in a modern sense. Gold and silver have been mined for centuries. Colombia is still the greatest source of supply of emeralds; she has extensive rubber forests, which are only worked to a comparatively small extent in the neighbourhood of the Magdalena River; and, of course, in addition, she has magnificent timber potentialities, which it would be hardly an exaggeration to say have never been developed at all.

As space is pressing we must now sum up in two concluding paragraphs. In one we desire to show the reason which has brought Colombia to her present position of difficulty, which is causing political apprehension as well as economic anxiety; and in another we wish to point out the enormous potentialities of the country, which so far have hardly been developed at all, and, at the same time, the extraordinary difficulties from the natural configuration of the country which confront any Company, or, indeed, the country itself, in the development of its enormous resources.

Now, as a result of the possession of so many articles required by the belligerents in the recent War, to which reference has already been made, Colombia being, as she has so often been in the past, in the position of having to send as much coffee as possible to pay the interest on her debt, she had more than paid the interest on her debt; and, in addition, she had a handsome credit balance owed to her either by Europe or by the United States. It was long since the country

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had enjoyed so handsome a trade balance in her favour. When the War ended, as the reader is aware, the demand for various classes of food and raw materials, far from coming to end, appeared to be stimulated by the peace. Shipping throughout the War period had been exceedingly difficult, and soon after the Armistice was signed in November 1918 an extraordinary stimulus was given to trade all over the world. Colombia, like nearly all countries which had large supplies of commodities required by the densely settled countries of the world, enjoyed a veritable trade boom. As a result, the favourable trade balance, as it is called, which had been built up during the War further accumulated, and Colombia seemed destined to enjoy a prolonged period of prosperity. She obtained on the security of her trade balance very large credits, mainly in the United States, and she imported immense quantities of goods of various kinds, principally from the United States, but also to some extent from Europe. Formerly such credits were entirely financed from this side, and principally through London. Since the War they have been mainly, if not wholly, financed from New York. As the reader is aware, countries situated like Colombia, which ordered immense supplies of goods from different parts of the world, found it exceedingly difficult to get delivery within a reasonable time; and in many cases goods were not delivered at the port of entry of the country, which is Barranquilla, until months after they had been ordered either in the United States or in Europe. Meanwhile the trade boom which followed the Armistice showed signs very soon of coming to an end, and, in the sequel, it actually did come to an end; and whereas, if the goods had arrived shortly after they were ordered Colombia would have been in a position to pay for them and take them up straight away, she found herself quite unable to meet the demands suddenly coming upon her. The result was that those who had advanced money on these goods insisted that they should be sold upon arrival. In the result it was found that there were comparatively few mercantile firms in a position to take the goods on delivery, and Colombian traders have in many cases been unable to take delivery of the goods formerly ordered. Meanwhile, Colombia is equally unable to sell on advantageous terms a large proportion of her own produce.

The total area of the Republic is variously estimated at from 450,000 to 480,000 square miles, while the population, according to the most recent census, is under five and a-half millions. In a sense Colombia may be described as a country of plateaux, or ravines, lying between three ranges of mountains. Hence the difficulty of developing such a country will be realised. To get to the capital, which is situated on one of the principal plateaux, Bogota, from the coast takes a whole fortnight. Railways have to negotiate 10,000 and 12,000 feet of mountains in order to get from the coast to the interior. The most convenient way of travelling is along the Magdalena River. But even this is indifferently connected with the principal towns of the interior. As the development of events in Colombia is likely to be of interest in the near future we hope to return to the subject at an early date.

STATE EXPENDITURE IN CANADA.—The main estimates presented in the Canadian Parliament for the fiscal year beginning on April 1 indicate a total expenditure during the coming twelve months amounting to $582,000,000, out of which charges on account of the Public Debt reach $143,000,000. The railway vote is $140,000,000; pensions, $31,800,000; naval service, $3,726,000; soldier land settlement, $35,000,000; soldier civil re-establishment, $19,302,000; and the demobilisation vote, $7,777,000. Sixty thousand dollars is voted for the Canadian Minister to Washington; for the Air Board, $1,625,000; and for Militia Services, $11,890,000.

FOREIGN INVESTMENTS AND SAVINGS.

DISCUSSING in a recent issue the question of foreign borrowing in the London capital market on the occasion of the San Paulo flotation we raised the question of the desirability at this juncture of the resumption of our pre-War practice of investing our savings abroad, and expressed the opinion that the present is not the time for extensive exports of our capital resources. As the observations we then made have evoked much comment, and as, moreover, the subject is one of considerable importance at the present time, it will not be amiss to re-examine its bearings at greater length.

At the outset it is proper to emphasise that if we look beyond the needs of the moment and consider only the future development of the country the desirability of a recrudescence of foreign investments will appear beyond question. Before the War we were sending abroad annually about £200,000,000 for the use of foreign and colonial Governments and municipalities and for the furtherance of private enterprise in all parts of the world. By this means we helped to utilise the resources of undeveloped countries; we opened up new and less costly sources of supply for our imports of necessary foodstuffs and raw materials, and extended the market for our products. Our foreign investments increased the demand for labour, raised the standard of living, and enabled a greater population to be maintained both at home and in those countries to which we lent our savings. Finally, to the large amount of goods and services, paid for in previous years, that we were entitled to demand from foreign countries we owe our ability to have helped our Allies so much during the War; and that we have emerged from the conflict in a favourable position as compared with other less thrifty belligerents is also the fruit of our former industry and abstention. These benefits will again accrue to us if we can recover our former position of a great creditor nation; but before we allow foreign borrowers and foreign governments to come to us for our savings, we must consider whether in view of the vital changes wrought by the War we could not employ our resources to better advantage.

In the first place, it is well to point out, and no little misconception exists in regard to this matter, that the surplus available for investment either at home or abroad is not a very large one; that, in other words, our production of commodities, together with the available amount of services, is not much more than sufficient to meet current consumption and provide for depreciation of capital as well as pay for Governmental expenditure. On comparing our excess of imports of merchandise, gold and silver during 1920 with the value of dividend and interest payments received from abroad during the year, together with the income derived from shipping, banking, insurance and other services rendered to foreign countries, it will be found that the balance in our favour is not on a scale to allow of extensive lending abroad. The "visible" excess of imports was £335,000,000, and if we put "invisible" exports at the liberal estimate of £550,000,000 for the year, the excess of exports is about £200,000,000. In addition to this, after providing for Government expenditure during the calendar year 1920, there was a surplus of revenue amounting to £150,000,000. As revenue, however, included £405,000,000 derived from sales of assets, there was in reality a deficit in recurring revenue amounting to £255,000,000. These give a fair indication of our capacity for investing abroad at the present time. At the moment, with production in a state of comparative stagnation, it is obvious that our position in this respect has grown weaker, but it will acquire renewed strength according as the depression clears away.

Here one of the vital points of the question of issue is touched. We can help greatly in relieving

the depression by endeavouring to restore the buying power of those of our foreign customers whose industries the War has left in a state of temporary paralysis. To do this it is necessary to help them to restore their capital in order to produce commodities in payment for their imports; and in lending this capital we must do our share with the other better situated countries. Here, then, is an obvious method for employing our surplus production over requirements. Under the Ter Meulen export credits scheme the period between the time of sending goods from the exporting country and the time of payment for them in commodities by the importing country is necessarily an extended one involving not a little strain on our credit resources. Now, if the banks in the exporting country are to be in a position to grant freely the necessary financial accommodation, it is of the utmost importance, unless the operation is to entail fresh inflation, that the credits should be provided out of the savings of the community. It will probably be pointed out that this constitutes foreign investing, and such in essence it is, though no foreign loan is specifically floated here. It would not, however, be generally included under the term "foreign investments," and for this reason we have chosen to treat it as distinct from foreign investing as usually understood.

There is another point to be considered in deciding how the savings which have recently begun to accumulate may best be expended, and that is in relation to our foreign indebtedness, both in respect of commodities imported and loans made to our Government during the War. It is probable that if all items in our account were written up it would be found that on balance we are a creditor nation. Unfortunately, however, the bulk of our credits abroad will not become available for some time to come, as our creditors are not in a position to pay immediately, while, on the other hand, our debts will call increasingly for liquidation in the near future. For practical purposes, then, we must regard ourselves as a debtor nation. Our liabilities abroad, indeed, especially in the United States, constitute a very pressing demand upon our savings; and investments in such countries as the State of San Paulo, to cite the case in point, constitute an unwise ignoring of these claims. It may be contended that ultimately the same results will follow, whether we employ our savings in investments abroad or in redeeming foreign debt, as a credit in one country may be used as an offset against a debit in another. This view, however, leaves out of account the fact that, while true in the long run, it does not always turn out in practice, and is less liable to do so under the present *régime* of unsettled political conditions, unstable values for currencies, and violently fluctuating exchanges; but, apart from this consideration, for our immediate purpose there is an essential difference between these two methods of disposing of our savings. In the one case a claim to future annual payments is acquired through the expenditure of capital; in the second the capital is used to relieve us of the necessity of making annual remittances on our own account. Surely the more sensible method is to repay our foreign debt before attempting to become a creditor nation ourselves. The alternative method may be likened to an investment of the surplus revenue by the Government in some such enterprise as, for example, building a railway to tap the mineral resources of Alaska, instead of using it in paying off debt; but, even if common sense does not impel us to the other course, we are urged thereto by necessity, for independently of whether we make any investments abroad, our foreign debt has to be met according as it matures, and maturities during the current year will be on an embarrassing scale.

Finally, those who advocate extensive foreign investments at present are apt to overlook the demands for capital at home. From about the beginning of 1915 the calls on our savings for the prosecution of the War were so large that the normal claims received scant attention, with the result that the normal expansion of capital was arrested, though perhaps our productive resources have grown since the commencement of the War. This enforced neglect calls for remedy at the present time, before we can afford to send capital abroad. The shortage of housing accommodation is a prominent instance of an urgent demand on our savings at the moment. The very large issues of capital during last year provide an indication of the strength of the home demand for capital. Of an estimated total subscription for all purposes, excluding Government loans of £362,000,000, £314,000,000 was required for expenditure in the United Kingdom; £35,000,000 for the rest of the Empire; and £13,000,000 was sent to foreign countries. Recently, issues of capital have shown a considerable diminution, but this provides an indication of the reluctance of investors and a scarcity of investment funds rather than a diminishing demand for capital.

Summing up, let us repeat that the amount of our savings must appear small when compared with the competing demand for capital for all purposes; and these limited resources may better be used in developing our industries at home, in paying off our debt abroad, and in restoring the productive capacity of our Continental customers, than in promoting the welfare of other foreign countries in which our interest is more remote.

DECENTRALISATION IN MANUFACTURE.

The advisability of establishing branch works abroad has lately excited some discussion amongst home manufacturers. In the main they appear to incline to the belief that, except in certain lines where competition is very keen, better results would be achieved by following the usual course of shipping manufactured articles from the United Kingdom. The opposite view appears to be favoured in America and on the Continent, and it certainly gains some support from the growth of a sentiment, especially during the War, in industrially undeveloped countries aiming at stimulating home manufactures. As illustrating the movement some particulars from Canada for the province of Ontario may be of interest. The year 1919, it is officially stated, was notable for the number of inquiries made by United States companies with a view to the proposed establishment of branch factories. The Industrial Commission of an Ontario city in close proximity to the United States was in correspondence as to this matter in November 1919 with over a hundred United States firms. In many cases a decision was made to erect such works, and construction was begun. The character of these enterprises varied from small assembling plants to large factories employing several thousand hands.

In establishing industries in Canada the United States promoters explain their action by the fact that they are thereby placed in a position to handle the Canadian market at close range and to receive the benefits accruing from any special trade arrangements made for the units of the British Empire—such as, for example, the Imperial Preference arrangement. In addition, they are enabled to handle the export orders received by the parent company in the United States for shipment to the United Kingdom and other parts in the British Empire.

A review in April 1919 of data gathered in January 1914 showed that there were 388 manufacturing works in Canada connected with similar concerns in the United States. The total investment was estimated at $204,959,592. [illegible] of the companies the actual paid-up capital has been obtained, being $51,895,350, an average of $682,834. The seventy-six for which the capitalisation has been obtained are fairly representative of the whole list, and this average has been used in estimating the total investment in all works. In 1914 the estimated number of plants was [illegible] and the total investment

$135,000,000, an average of $300,000. A considerable number of branches then included constituted, however, mere distributing agencies. The revised data include only those works involving the investment of capital in such fixed forms as manufacturing premises and machinery. Some of the concerns previously included have since 1914 passed entirely into the hands of Canadians, and these have also been eliminated; while they, generally speaking, manufacture lines in Canada similar to those manufactured in the United States by the company or companies which originally established them, they no longer represent the investment of any great amount of United States capital in Canada. On the other hand, there has been a large number of works established in Canada during recent years with United States capital, and the net decrease in the number of works is small. The average investment has increased substantially, not merely as a result of the elimination from this list of the distributing agencies mentioned above, but also owing to the increase of business in Canada.

It would be a mistake to imagine that United States manufacturers alone have been active in Canada. Their *confrères* of the United Kingdom have also been investigating the possibilities of the Canadian market from this standpoint, and, in addition, they have pushed their investigations into Australia. Complaint is made, however, that in regard to the Argentine Republic British manufacturers are failing to evince the spirit of enterprise displayed by American and Continental promoters.

Obviously, before entertaining the idea of investing capital in an overseas factory, the project will need to be carefully examined, not only from the economic, but also the political, point of view. A close connection with a market unhindered by tariff walls or other considerations is very desirable, but this may be insufficient to offset the economies in manufacture resulting from large-scale production in the United Kingdom. Should wages here fail to be adjusted to the level of a lower cost of living, an additional inducement will be held out to seek the co-operation of outside labour in catering for the needs of an outside market. In all probability, however, resort to this policy will be delayed as long as possible owing to the reputation borne by goods manufactured in the United Kingdom.

EMPLOYMENT AND WAGES IN FEBRUARY.

THERE was a further marked decline in employment in February, and most of the principal industries were seriously depressed, according to the *Labour Gazette*. In brick and cement manufacture, slate-quarrying, and shale-mining, however, employment continued good, and it was fairly good with agricultural workers and in the building and pottery trades. The percentage unemployed among members of trade unions rose from 6.9 at the end of January to 8.5 at the end of February, and the percentage unemployed among the 12,000,000 workpeople insured under the Unemployment Insurance Act rose from 8.2 to 9.5 in the same period. Excluding March 1912, when a national coal strike was in progress, the trade-union percentage unemployed is now higher than at any date since the winter of 1908-9. In addition to those unemployed, 320,000 males and 423,000 females were registered as working systematic short time at the end of February. The number of workpeople registered at the Employment Exchanges as unemployed at February 25 was approximately 1,218,000, of whom 802,000 were men, 310,000 were women, and the remainder were boys and girls. At the end of January the corresponding number was 1,065,000.

As regards wages, in the industries for which statistics are collected, changes in rates came into operation in February affecting about 1,625,000 workpeople, of whom 70,000 received increases, amounting to £8,700 in their weekly wages, and over 1,550,000 sustained decreases, amounting to nearly £450,000 a week. Among those who sustained reductions were 1,200,000 coal-miners, whose wages were reduced by 1*s.* 6*d.* per shift or day worked for those eighteen years of age and over, by 9*d.* in the case of those sixteen and seventeen years, and by 6¾*d.* for those under sixteen years, under the operation of arrangements whereby wages are regulated by the output value of coal raised, and about 200,000 woollen and worsted operatives, whose wages were reduced under the operation of sliding-scale agreements by which wages fluctuate in correspondence with the Ministry of Labour index-number of retail prices and rents.

At March 1 the average level of retail prices of all the commodities taken into account in the statistics prepared by the Ministry of Labour (including food, rent, clothing, fuel and light, and miscellaneous items) was 141 per cent. above that of July 1914, as compared with 151 per cent. at February 1. The decrease during the month was mainly due to reductions in the prices of food, but clothing also continued to decline in price. The railways will be affected by this variation, since the sliding-scale agreement provides that for each movement of five full points there shall be an increase or decrease of 1*s.* in the weekly rate of payment. The wages are revised quarterly, and on the date of the last revision (in December) the basic figure was 165. On the basis of a reduction to 141 5*s.* per week will be deducted on April 1. Such a diminution would effect a saving for the railway companies of over £7,000,000 per annum, and this, combined with the wages saved in the coal industry, would materially reduce the deficits at present incurred in working two of our pivotal trades.

The total number of trade disputes, involving stoppages of work, reported as beginning in February, was sixty-three. In addition, forty-nine disputes which began before February were still in progress at the beginning of that month. The total number of workpeople involved in all disputes in progress was about 28,000, as compared with 23,000 in the previous month, and 110,000 in February 1920. The most important dispute was that involving ship joiners, who have been on strike since December 1 last against a proposed reduction in wages.

PORT STATISTICS OF THE UNITED KINGDOM.

STATISTICS relating to the working of the principal ports for the month of January have been issued by the Ministry of Transport. In the table given below the net registered tonnage of vessels arriving and departing, with cargoes and in ballast, in the coasting and foreign trades is shown, figures for the United Kingdom as a whole being included in respect of the last four months:—

Month	Year	Arrived Total N.R.T.	Departed Total N.R.T.
October	1920 ..	8,561,913	8,352,008
November	1920...	9,174,895	9,111,247
December	1920. .	9,752,637	10,033,018
January	1921...	9,128,369	8,655,800

The estimated tonnages of imports and exports for the principal ports, with totals for the United Kingdom, are given in our next table. In comparison with January 1920 the total tonnage imported in January 1921 shows an increase of two per cent., but the total tonnage exported shows a heavy decline, amounting to 2,272,000 tons, or forty-six per cent. Whilst the export of coal and coke accounts for a fall of 1,974,000 tons, the widespread slump in the export trade is evidenced by declines in practically all classes of traffic. The total exports of the three main groups of commodities in the two periods are set forth herewith:—

	January 1920 Tons	January 1921 Tons	Decrease per Cent Tons
Food, drink and tobacco ..	171,000	96,000	43·8
Raw materials and articles mainly unmanufactured (including coal)	3,627,000	1,838,000	49·2
Articles wholly or mainly manufactured (including coke) ..	1,114,000	707,000	36·5

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Woolcombers' Profits.

THE delay in issuing the report of the Sub-Committee engaged in inquiring under the Profiteering Acts into the profits of topmakers is attributed by members to the refusal of the British Wool Federation to allow firms to supply certain figures, and the attitude of the Federation is strongly criticised in an addendum to the report signed by the Labour members and the official representatives. Pending a reply from the Federation to the charge of obstruction now made, it is impossible to decide the merits of the point at issue. With regard to profits, the Sub-Committee state that while losses may have been incurred by the trade owing to the rapid fall in values since May 1920, no evidence was given which would enable them to determine the extent to which the losses incurred were offset by gains made during the period covered by the accountants' report. It seems scarcely open to doubt, however, that the undue inflation of values in the early period was largely responsible for subsequent heavy decline. According to the Committee's investigations, which covered five firms, and took in the years from 1912 to 1919, the percentage of net profits on total turnover increased from an average of 2.19 per cent. in 1912 to 14.76 per cent. in 1919 before the deduction of excess profits duty, and to 9.69 per cent. after deduction of excess profits duty. During the same years the percentage of net profits on the total capital employed rose from an average of 15.72 per cent. to 59.44 per cent. before deduction of excess profits duty, and to 39.05 per cent. after deduction. The figures given are rather out of date, being now fifteen months old, and no information is forthcoming as to net earnings of topmakers in 1920. The scope of the inquiry was somewhat circumscribed, being confined to five firms, and it is, moreover, admitted that while charges made for combing wool into tops amounted in 1919 to about three times the pre-War figure, the profits per lb. of wool combed had risen from .289*d.* to only .478*d.*, or rather less than twice the pre-War figure. The average profit per lb. on tops was in 1912 under ½*d.*, and according to the Sub-Committee the corresponding profit in 1919 had increased to approximately 9*d.* before deducting excess profits duty, and to more than 6*d.* per lb. after deducting the duty, while the increase in net earnings is considerable. Sufficient account does not seem to be taken of the considerable reduction in turnover by many of the woolcombers, due not only to the restriction in working hours, but to the decreased output of combing machines per hour, which has been caused in part by the slackness of the operatives.

Company Registrations in 1920.

A compilation by the Board of Trade Journal shows that 11,001 companies, with a nominal capital of £593,189,032, were registered in the United Kingdom in 1920. As compared with 1919 the figures show an increase of 286 in the number of companies and of £180,221,828 in the nominal capital. The expansion over 1913 is still more striking, amounting as it does to 3,586 companies and to £436,002,379 nominal capital. Despite this there was a decline last year as against the pre-War year in the capital of companies registered as interested in mining (other than coal and iron), in gas, water, &c., and in land. The most remarkable rise took place in textiles, from £6,009,285 in 1913 to £123,471,157 in 1920. Rubber and oil, land, and finance, banking, insurance, &c., show a considerable falling off in the amount of capital registered as compared with 1919, while there was a small decline in mining (other than coal and iron). Details for the different groups are set forth in the following table:—

	Total Nominal Capital. 1920	1919	1913
	£	£	£
Coal, iron and steel	38,375,611	17,087,000	12,182,286
Mining (other than coal and iron) ...	12,351,650	1,977,100	18,124,058
Textiles	123,471,157	36,17[illegible]	6,009,285
Breweries and distilleries	3,353,000	[illegible]	[illegible]
Rubber and oil	32,995,256	36,062,390	18,383,826
Transit and transport by land and water	41,685,146	36,[illegible]	11,502,500
Gas, water, electric light and power, drainage, &c	1,393,600	1,111,570	1,742,250
Land	5,391,246	8,917,250	7,057,766
Finance, banking, discount, investment and insurance	74,816,418	79,000,250	14,208,965
Others	255,355,918	182,712,772	65,672,017
Total	593,189,032	412,967,204	157,186,653

The figures of registrations for the two months January and February 1921 are as follows:—

1920 Month	Number of Companies	Total Increase of Capital	Average per Company	Average per Business Day
		£	£	£
January	198	10,790,418	54,497	415,016
February	157	13,407,996	85,401	558,667
Two months ...	355	24,198,414	—	—

Canadian Pacific Results.

The revenue and expenditure statement for 1920 of the Canadian Pacific Railway, which has just become available, shows that a drastic upward turn took place in working expenses during last year, the figure having risen to $183,488,305 from $143,996,024 in 1919 and $123,035,310 in 1918. The expansion in gross earnings has, however, proved just sufficient to meet the increased charges, and the amount of net revenue for 1920, $33,153,044, shows little change from the two previous years, being slightly more than in 1919, and less than in 1918. The payment of the usual ten per cent. dividend reduces the surplus from earnings of railway and lake steamers from $2,203,621 in 1918 and $844,250 in 1919 to $450,359. Fixed charges have risen by more than $600,000, but special income from various sources is also up from $9,049,342 to $10,966,948. Details of the comparative position are annexed:—

	1920 $	1919 $	1918 $
Receipts	216,641,349	176,929,069	157,537,698
Expenses	183,488,305	143,996,024	123,035,310
Net	33,153,044	32,933,036	34,502,388
Fixed charges ...	10,775,409	10,161,510	10,177,513
Surplus	22,377,635	22,771,526	24,324,875
To pension fund ..	500,000	500,000	693,977
Balance	21,877,635	22,271,526	23,630,898

At the meeting to be held in May it is probable that a scheme for the creation of additional capital will be mooted.

Traffic returns for the Canadian Pacific since the date of the report have not been encouraging. Though there was a slight net gain in January the receipts for the nine weeks to March 7 last, $30,114,000, show a decline of $602,000 as compared with the corresponding period of 1919.

Roumanian Treasury Bonds.

The unfortunate position of the Roumanian exchange, which stands at about 285 lei to the £, has placed unexpected difficulties in the way of the Roumanian Government in meeting certain issues of Treasury bonds, payable to bearer, held in this country and in France, and placed subsequent to the cessation of hostilities in order to finance food and other essential imports into Roumania. Holders of bonds payable in sterling and falling due during the

year 1921, on or after March 20, must notify the Bureau de la Dette Extérieure Roumaine, Legation de Roumanie, Paris, as to the bonds held on or before the date on which they are due for payment. The Bureau will renew such bonds for one year by issuing new bonds of the same value due in one year from the due date of the existing bonds. Interest at eight and a-half per cent. per annum for one year will be paid in advance on the new bonds, and a cheque in sterling on London for such interest will be delivered with the new bonds. Should holders desire it, arrangements will be made for the exchange of bonds in London at the Bank of Roumania, Limited, but notice of this must be given to the Bureau when furnishing the particulars mentioned above. Holders will be notified by the Bureau de la Dette Extérieure Roumaine when the new bonds are ready for delivery.

Iron and Steel Production.

The production of pig iron in February amounted to 463,600 tons, a figure, if we except the months affected by the railway strike in 1919 and the coal strike in 1920, lower than in any month since monthly figures have been recorded. Of the total production 171,800 tons were hematite pig iron, 97,800 tons basic iron, 127,000 tons foundry, 41,200 forge, 9,300 tons ferro-alloys, and 16,500 tons "other qualities." The production of steel ingots and castings amounted to 483,500 tons. Comparative figures are given in the following table:—

	Pig Iron			Steel Ingots and Castings		
	1919	1920	1921	1919	1920	1921
Jan.	661,000	665,000	642,100	718,600	754,000	493,400
Feb.	626,000	645,000	463,600	734,000	798,000	483,500
Total, 12 mos.	7,798,000	8,107,900	—	7,894,000	9,056,800	—

Projected Bank Fusion.

When negotiations were in progress last year for the fusion of the London Bank of Australia, Limited, with the English, Scottish and Australian Bank, Limited, neither institution possessed a branch in Tasmania, though each had one for Hobart under contemplation—a project the latter Bank brought to fruition in October last, without the duplication of outlay which, apart from the agreement entered into, would have been involved. At the end of last week cabled information reached this country to the effect that the English, Scottish and Australian Bank was about to purchase the Commercial Bank of Tasmania, taking over the whole of the liabilities and assets. Negotiations would appear to be still proceeding, and the issue may well resolve itself into a question of terms. The Commercial Bank of Tasmania is one of the smaller Australasian banks, its assets on August 31 last having amounted to slightly under three millions sterling and its deposits to nearly £2,500,000. In addressing the shareholders at its last annual meeting the Chairman, in justification of the board's conservative policy, called attention to some of the lions in the path—political and economic—of the States of the Commonwealth. During a career of nearly ninety years the Bank has established about a score of branches in the island State, and a successful outcome of the exchange of views which has been proceeding would immediately give the larger undertaking connections in a compact territory where it had discerned possibilities.

Bank of England Profits.

The half-yearly Court of the Bank of England was held yesterday, the Governor, Mr. N. C. Norman, D.S.O., presiding. The Chairman announced that the profits of the half-year ended February 28, 1921, after provision had been made for all contingencies, were £509,942 9*s.* 11*d.*, making the amount of the Rest on that date £3,530,059 8*s.* 4*d.* After providing for a dividend of five per cent., less income tax, the Rest would be £3,020,704 8*s.* 4*d.* The Court proposed that a half-year's dividend should be made on April 5 of five per cent., less income tax. This was agreed to and the Court adjourned.

HEAD OFFICE:
1 Dale Street,
LIVERPOOL.

1836
THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY LIMITED

LONDON:
Chief Office,
1 Cornhill, E.C. 3.

TOTAL ASSETS exceed - £19,000,000
TOTAL CLAIMS PAID over £97,000,000

FIRE. LIFE. ACCIDENT. MARINE.

Annuities, Leasehold Redemption, Burglary, Fidelity Guarantee, Motor Car, Plate Glass, Personal Accident, Workmen's Compensation, Sickness, Live Stock, Loss of Profits, &c.

OFFICES IN ALL THE CHIEF COMMERCIAL CENTRES.

American Topics.

UNITED STATES FOREIGN TRADE.

Banking institutions all over the world have lately adopted a very laudable practice of collecting information regarding trade and industry in the various countries and districts in which they operate, and in which their banking interests are concerned. Bankers have an opportunity of collecting information upon trade, finance and economic conditions which are available to hardly any other class in the community. A great Government, of course, might, if it set itself to do so, collect such information. It would do so, however, at great cost to the community. Bankers, however, are undertaking these duties voluntarily at the expense of their shareholders. That the shareholders need not hesitate to incur the expense will be evident, because the knowledge will enable the officials responsible for the control of the various banks to conduct their business with greater efficiency. Those banks doing a large business abroad are extending their inquiries into the state of trade and of economic conditions in the several countries in which they are interested. Bankers in the United States are not slow to set a highly creditable example in collecting information likely to be advantageous to American banking officials, and are incidentally affording valuable information to economists all over the world. Amongst the American banks which make a practice of collecting information regarding the internal, as well as the external, trade of the various States is the National City Bank of New York.

We have before us an exceedingly interesting table, compiled by the Statistician of the National City Bank, on the imports into the United States during the year 1920. From these figures it would appear that, both in quantity and in values, the imports into the United States last year were the greatest ever recorded in the history of the United States. They consisted mainly, says the report of the Bank above referred to, of increased imports of sugar and of manufactured goods, mainly textiles. The import of sugar in quantity alone was nearly double the average for the pre-War period, while the group under the heading of manufactures ready for consumption shows an increase of seventy-five per cent., compared with the imports of manufactured articles in 1919.

This is precisely what one would reasonably expect, and is, in fact, as it should be. Altogether, Europe owes the United States, in round figures, about £2,000 millions; and of this amount we in this country are directly responsible for between £800 and £900 millions, and, in a sense, for a large part of the balance. If the United States is to be paid these vast sums within any period in which people now living

are at all interested she can only be paid by taking foreign goods and accepting foreign services. In the period that preceded the outbreak of the recent War the United States had to find each year some £200 million, which she had to remit abroad in the form of payment of interest upon her foreign debt. This was most conveniently done by shipping various food products—cotton, tobacco, and certain minerals other than coal—for which there was a demand in the countries entitled to receive these payments. It is generally estimated that the interest due from the United States to foreign investors has been reduced to the extent, roughly, of about seventy-five per cent., the balance being more than covered by the vast loans obtained by Europe from America, where the bulk of those investors are resident. Consequently, there is no real reason for America exporting large quantities of produce each year, such as existed before the War. On the contrary, the United States needs to obtain payment of the money owed her by Europe rather than to still further increase the debt. On the other hand, her economic development will be materially and indefinitely retarded if her international trade is practically brought to an end. If she continues to buy large quantities of goods from abroad she will gradually, as a natural economic result, stabilise the exchanges as between herself and the various countries from which she purchases. In that way the cost of American goods will be reduced to such reasonable proportions that it may conceivably be more advantageous for Europe to purchase supplies in the United States than from any other source.

THE AMERICAN SUGAR REFINING COMPANY.

The demoralised condition of sugar markets in the United States during 1920 is reflected in the trading results for that year of the American Sugar Refining Company. The decontrol of the commodity, with insufficient stocks in the National Sugar Bowl, caused a wild scramble for supplies in the early part of the year, and prices soared to levels never before touched. Decontrol in France in 1919 under similar circumstances had created a very heavy European demand, and the Cuban producers diverted their output to the Old World, dealing direct with the consuming countries instead of selling to refineries. The refining was done under "toll" contracts, under which the refiner accepts raw, and delivers refined, sugar in consideration of a "toll" on the quantity treated. The American Sugar Refining Company, in view of the domestic shortage, did not accept export business or make "toll" contracts, and consequently sacrificed a large volume of business; but the report insists that such action in the national interest need not have involved a loss if the United States Government activities had been efficiently directed in the service of the American consumer. Eventually, in August, the market broke and prices collapsed to an extent never before recorded. The trade became so demoralised that the American Sugar Refining Company withdrew completely from the market.

The appended table shows the profit and loss account and balance sheet for 1913, 1917, 1918, 1919, and 1920. For the past year operating profits amounted to only $1,802,437, against $10,283,081 in the previous year and $6,661,683 for 1918. As the turnover amounted to over $350,000,000, the return on each dollar of sales amounted to only half a cent, or less than one-tenth of a cent. on each pound of refined sugar sold. Income from investments, at $4,289,186, is only fractionally lower than previously. The total income proved, however, quite inadequate to meet dividend payments, which amounted to $7,312,470, and as it was considered necessary to treble the reserve allocation at $10,195,812, besides making the usual depreciation allowance of $2,000,000, the surplus, or carry-forward, is consequently lower by $10,686,280 at $12,465,858. The outstanding item in the balance sheet is stocks, which at the end of 1920 stood at $45,405,154, or three times the previous figure. Cash is also substantially lower at $8,839,932, against $28,161,879 in 1919. The capital stock remained unchanged at $90,000,000. Creditors, at $33,889,136, compare with approximately $9,000,000 in each of the three previous years.

Profit and Loss Account.—(000's omitted.)

CREDITS.	1913	1917	1918	1919	1920
	$	$	$	$	$
Operating profit	1,016	10,055	6,662	10,283	1,803
Loans and deposit interest ...	894	1,006	688	653	313
Investment income	2,275	3,130	5,203	4,314	4,289
Net investment profit ...	—	22	35	—	—
Appropriations for plants ...	963	—	—	—	—
Appropriation from carry fwd.	3,196	—	—	—	10,686
	8,284	14,213	12,588	15,250	19,507
DEBITS: -					
Depreciation, &c.	1,128	2,000	2,000	2,000	2,000
Reserves	856	4,000	2,153	3,832	10,196
Dividends	6,300	6,300	7,313	7,650	7,312
Added to carry forward ...	—	1,913	1,122	1,768	—
	8,284	14,213	12,588	15,250	19,508

Balance Sheet.—(000's omitted.)

LIABILITIES:	1913	1917	1918	1919	1920
Capital stock	90,000	90,000	90,000	90,000	90,000
Reserves	10,321	17,141	19,534	23,366	33,562
Accounts payable	2,838	8,097	9,331	8 973	6,839
Bills payable	—	—	—	—	27,150
Dividends	1,596	1,599	1,936	1,936	1,598
Carry forward	18,229	20,262	21,384	23,152	12,466
	122,984	137,399	142,185	147,427	171,615
ASSETS:					
Real estate and plants ...	49,844	45,931	45,716	45,852	51,322
Stock	17,714	9,142	13,200	15,033	45,405
Prepaid accounts	286	309	1,257	508	2,239
Accounts receivable	3,012	3,322	6,658	6 691	12,547
Accrued income	558	1,047	984	1,042	785
Loans a	1,789	1,121	2,123	5,581	2,824
General investments... ...	32,214	36,033	48,579	44,558	30,284
U.S. Liberty Bonds	—	—	—	—	14,372
Customers' acceptances ...	—	—	—	—	1,898
Cash	17,587	40,494	23,658	28,162	8,839
	122,984	137,399	142,185	147,427	171,615

SOUTH AND CENTRAL AMERICA.

THE ANGLO-SOUTH AMERICAN HANDBOOK.*

In a Preface to the edition of the Anglo-South American Handbook for 1921 the editor says, "The commercial and general interest in the Latin countries of the New World has now grown sufficiently acute to justify the production of a volume which will hold in a concise form the necessary information concerning these states. The Federation of British Industries has, therefore, undertaken this task with the idea of serving the needs not only of the general public, but of those persons or firms who are established in Latin-America, of those in Great Britain and the Dominions who are concerned in business with that continent, and of those who are desirous of entering into commercial relations with South America, Central America, and Mexico." As things are, at the remarkably modest price of 25*s.*, the Federation of British Industries have borne the expense and authorised Mr. T. Fisher Unwin to publish this exceedingly handy book of reference. They have done better, for they have appointed Mr. W. H. Koebel, the well-known writer on South American affairs, to edit the compilation. At a time like the present, when the compilation of books is so costly, the volume before us gives a surprising mass of information, which it is exceedingly doubtful if it would have been possible to get together on a purely commercial basis. The Federation of British Industries naturally, and rightly, with its enormous number of wealthy subscribers, comprising some of the best known industrial institutions in this country, [illegible] in doing, view than the purely commercial, as to whether the book would pay as a publishing proposition. At a time like the present it is desirable that as much light as possible should be thrown upon those countries of the world where opportunities exist not merely for [illegible] for obtaining new sources of supplies of food and of [illegible]

* *Anglo-South American Handbook for 1921.* Edited by W. H. Koebel for the Federation of British Industries. Price 25*s.* net. (London: T. Fisher Unwin.)

enormous number of the population existing in the particular area.

It has to be remembered that although we are accustomed to say that one-fourth of the total area of the globe is land and three-fourths is water, this is only true if we restrict our definition to the narrowest interpretation of the phrase. In a sense, and if we include the Antarctic continent, it is perfectly true to say that somewhat over one-fourth of the whole surface of the globe is land, and less than three-fourths water. When one comes to examine a map showing exactly what the various land surfaces of the world consist of, one of the most alarming discoveries one makes is the comparatively small area of the earth which is available for cultivation in any form. So far as we know, the immense Antarctic continent, which is more than twice the size of Australia, is not, and is never likely to be in any time that we can contemplate, of service as a source of supply of food and raw materials. If the student will go to a good map-maker, and ask for a map showing what the vast continent of Asia really consists of, he will be positively alarmed at the vast mass in the very centre of Asia which is almost wholly unproductive. We have, perhaps, less knowledge, surprising as it may seem, of the actual contour of the land surface of Africa than of any of the other continents. But it is certain that a very large proportion of Africa can only be made fruitful at extraordinary expense. That is to say, to obtain food and raw materials, with the knowledge we at present possess of the vast area of Africa will only be possible at relatively high economic values. Ever since the outbreak of the Great European War, in 1914, we have had sufficiently painful experience of what it means to be only able to obtain food and raw materials at relatively high economic values. The world's progress is practically impossible, and the development of the world in any economic sense is checked during the period, while it is only possible to obtain the essentials of all production upon a relatively high rate of values.

It may be asserted with a reasonable measure of confidence that although the total area of earth on the surface of the globe is roughly some fifty-five million square miles, there is not more than twenty-five or twenty-six million square miles that is really fertile. That is to say, the area upon which it is possible with our present knowledge to obtain supplies of the primary necessities from which everything manufactured or consumed is derived, upon a relatively low basis of values. Roughly, about one-third, therefore, of the really fertile area of the world is comprised in the area which we commonly call Spanish America—that is, the countries of the continent of South America, the long isthmus of Central America, comprising the five Republics, and the Republic of Mexico, which concludes the southern part of the North American continent. The whole of this area is more or less included in the book before us which is edited by Mr. W. H. Koebel. It is because Spanish America constitutes roughly about one-fifth of the really fertile regions of the earth that all economists have come to regard it as the coming potential garden from which we hope to derive our supplies of the absolute necessaries of our existence. The fertile areas of Europe, practically the fertile areas, with very few exceptions, in Asia, and some of the most fertile parts of Africa, but fortunately wholly excluding the African Tropics, have already been occupied, and many of them are feeling in an acute form the density of their populations. South America and, as we have just said, fortunately Tropical Africa still remain vast territories having the potentialities of producing enormous quantities of the absolute essentials needed for the sustenance of human life. In a sense it is a fortunate circumstance that the development of South America has so long been delayed. It has been mainly due to causes which we have explained from time to time, but which we have not space now to enter into. With the exception of Southern Argentina and Southern Chili, nearly the whole of the continent of South America, and, indeed, nearly the whole of Spanish America, lies in the tropical or sub-tropical area; and, consequently, until quite recently was subject to the disabilities which attached in men's minds to the Tropics. It was believed that what was called "climate" was more or less fatal to the health of white men; and, consequently, the development of a tropical area was virtually impossible. In these days we know that climate has very little to do with the question. It has, of course, an important influence in the development of disease, as it also has an important influence upon health. But the real causes of tropical diseases we are coming now to know with approximate accuracy. The two most important of these are yellow fever and malaria. There are six or seven others which are being carefully studied by doctors, entomologists, and others on the spot, and every assistance that wealthy institutions like the promoters of the book before us can afford to those who are working in the interests of those who will develop the Tropics deserve whatever help they are able to get. It happens that as a result of the recent terrible War all the world is in need of ample supplies of food and raw materials; and when we say ample supplies we mean that those supplies should be obtainable on a relatively low basis of economic values as distinct from the exceedingly high basis upon which they are obtainable at present. It is said, and with truth, that the cost of production in this country, in the United States, and in other manufacturing centres is so extravagant at present that we are threatening the existence of international trade. This is, no doubt, true. And it is pointed out that one reduction that will be inevitable will be a fall in wages. Wages constitute in these days such an abnormal proportion of the cost of production that this contention is probably true likewise. But how can a man reasonably be asked to accept a substantial reduction in wages when the price of the four-pound loaf is maintained at the equivalent of the English shilling? When it was said that the way to restore devastated Europe to the economic condition which it had enjoyed before the outbreak of the European War was increased and ever-increasing production, it was postulated as an axiom that could not be refuted that increased production would mean the obtaining of ample supplies upon a low basis of values. Until this can be obtained, mere increased production, without regard to cost, is an attempt to solve the insoluble.

National Institute of Industrial Psychology.—This Institute, which was formed for the practical application of science to the human conditions of industry and commerce, has now been incorporated. At the first meeting of the Council the chair was taken by Mr. H. J. Welch, of Messrs. Harrisons and Crosfield, Limited, who referred to the influential support which had been given to the Institute by many leading psychologists and physiologists, and by prominent men in industry and commerce. He referred to the three sections of the proposed work of the Institute—vocational guidance and selection, fatigue research and movement study—the purpose of all of which, he said, was the elimination of human waste. Dr. C. S. Myers, M.D., Sc.D., F.R.S., Director of the Psychological Laboratory, Cambridge, who has been one of the moving spirits in the formation of the Institute, emphasised the necessity for careful research work, and supported the Chairman's statements as to the need for a practical application of the results of such work. An Executive Committee was appointed, with power to manage the affairs and business of the Institute generally, and to appoint sub-committees, and a Scientific Committee has been appointed, which includes psychologists and physiologists from the Universities of Aberdeen, Birmingham, Cambridge, Edinburgh, Glasgow, Leeds, London, Manchester, and South Wales, and from various colleges and societies.

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PROVIDENT MUTUAL LIFE ASSURANCE ASSOCIATION.

An outstanding record of new life business is reported by this popular institution as the result of its operations in 1920. The Association was established in 1848, and up to four years ago was known as the Provident Clerks' Society. That title fairly expressed the nature of the *clientèle* of this office, and while it ranks amongst its customers all classes of the community, a very large proportion of its members still belongs to the section indicated: Through agency connections with many large commercial establishments their clerical staffs are assured on advantageous terms. These agencies are very productive, and, although the policies are generally for smaller amounts than are usual in non-industrial life offices, their total amount is large. The Society, judged by its profit-earning achievements, is very attractive. It has always been well managed, and its bonus record is excellent. Over a period of thirty years, ending with 1912, the distributed profits (all of which, owing to the Society's mutual constitution, go to the members, as the participating policyholders are called) ranged, on an ascending scale, at various quinquennial valuations from 30*s.* to 35*s.* per cent. per annum of the sums assured; and these results are really better than they look, for the premiums are somewhat less than are usually charged. At the War valuation in 1917 no general distribution of profits was made, but a considerable amount of unappropriated surplus was carried forward, while some provision was made for the payment of interim bonuses, dating from 1913, in the case of policies becoming claims during the now current quinquennium.

In 1920 the Association issued 28,214 new life policies, covering sums assured of £3,080,551, all of which was retained at its own risk. The amount is nearly double what was reported for 1919, in which year the new business was by far the largest in the Society's experience. The extent of the new business in 1920 may be indicated by the fact that the number of new policies was more than half, and their amount not far short of half, of the total contracts on the books of the Society at the date of the last quinquennial valuation. It is clear that the Society has had a fair share in the wonderful revival of life assurance business which has followed the conclusion of the Great War, and this is the more satisfactory looking to the greater competition which it has had to face from the large proprietary companies now actively engaged in the business. It will be seen that the average amount of each new policy does not greatly exceed £100, and, looking to the present value of money, a sum of this kind does not go far as a family provision. It may be, however, that many of the new policies represent additional assurances in cases of existing members, for it is clear that policyholders should at least double their cover whenever practicable. The Society may be taken to act as a sort of half-way house between industrial assurance and life assurance as generally practised by ordinary life offices, and in doing so it fills a specially useful function.

The total premium income went up in a bound by nearly one-third in 1920, rising from £299,776 to £399,668. A heavy new business necessarily means an increase in expense ratio, owing to the inevitable amount of initial, if reproductive, expenditure involved in a large acquisition of policies. Other reasons might be given for a movement in this direction, which is very general, such as the greater cost of salaries and other charges, which, under present circumstances, are unavoidable. The expense ratio rose from about 18.5 to about 21.2 per cent. of the premiums. If due consideration is given, however, to the relative proportions of old and new business in 1920, the ratio does not seem excessive. In other respects the experience of the Society, as disclosed in the accounts, appears to have been satisfactory. The claims by death were substantially less than in the preceding year, their amount being £111,648, as compared with £146,989. The matured endowment assurances amounted to £75,416, in all these cases the persons assured having survived the full term contemplated in their contracts. Through the year's operations the life assurance fund was increased in 1920 by £247,507 to £3,261,214. The net interest yield thereon seems to have amounted to about £4 6*s.* per cent., after deduction of income tax, which is considerably higher than the preceding years of the current quinquennium, giving a profit of £1 6*s.* per cent. over the valuation assumption. The revenue account relating to sinking-fund and capital redemption assurance shows a premium income of £458, and a fund at the close of the financial year amounting to £5,848.

The total assets as disclosed in the balance sheet on December 31, 1920, amounted to £3.499.687, including £986,156 in British Government securities. The investments then in force were taken at the same values as at the date of the last valuation, and those subsequently purchased were valued at cost prices. A readjustment of values falls to be made at the next quinquennial investigation.

SCOTTISH TEMPERANCE ASSURANCE COMPANY.

In the course of last year an alliance was made between the above Company and the British General Insurance Company, each of which acquired a considerable number of shares in the other. The Scottish Temperance transacts the life business of the combination now known as the "Scottish Temperance and British General Assurance Company, Limited." The life figures for that section for 1920 are presented with a separate report, which is now to hand.

These figures show satisfactory progress. The new life assurances amounted to £1,395,187, of which £130,750 was reassured, leaving a net sole retention of £1,264,437, as compared with £1,037,794 in 1919. The amount of new business is greater than was previously recorded by the Company, whose history goes back to 1883. The total net premium income rose from £308,402 to £356,326. The expense ratio was less than seventeen per cent. of the premiums, which must be esteemed a moderate proportion under existing circumstances. The claims by death aggregated £82,799, this amount differing little from the corresponding figure in the 1919 account. The mortality experience [illegible] within the amount expected and provided for." Claims for £88,148 matured by the survival of the assured to stipulated terms. Through the year's operations the life assurance fund was increased from £2,90[illegible] £[illegible]. The [illegible]

after deduction of income tax, seems to have been about £4 7*s*. 4*d*. per cent., which is substantially higher than in the preceding year, and indicates a profit on the funds of £1 7*s*. 4*d*. per cent. from this source, as compared with the valuation assumption that three per cent. would be earned.

The capital redemption account shows premiums of £3,027 and a fund of £34,079, and the accident insurance account shows premiums of £4,280 and a fund of £16,913. A surplus of £3,366 is carried forward to 1921 in the shareholders' fund, apart from paid-up capital amounting to £25,000, in 100,000 shares of £1 each with 5*s*. paid up. The dividend to shareholders, as in the former year, was at the rate of 6*d*. per share, or ten per cent. It is part of the arrangement with the British General Company that the bonus interest of participating life policyholders shall be increased to ninety-five per cent. of the life department profits, the shareholders' proportion being limited to five per cent., apart from their profits from other departments. The Company has now obtained wide enough powers to include, if thought desirable, all classes of insurance business.

The total Scottish Temperance assets on December 31, 1920, amounted to £3,265,051. Nearly two-fifths thereof take the form of British Government securities. The investments in case of purchase since the last quinquennial valuation on December 31, 1917, are taken in the balance sheet at cost prices, while book values of securities in force at that date remain unchanged. On the occasion of the last valuation no general distribution of profits was made, but interim bonuses were arranged to be paid in cases of claims during the current quinquennium, and an undivided surplus of about £100,000 was carried forward. The securities will, of course, fall to be revalued at the date of the next actuarial investigation on December 31, 1922.

The Company does not, as might be erroneously assumed from its name, confine its commitments to insurances on the lives of abstainers, but it cultivates business of this class, giving certain reductions to the abstaining section of its policyholders.

SCOTTISH WIDOWS' FUND LIFE ASSURANCE SOCIETY.

The report of the Society for the year 1920 states that the new business transacted considerably exceeds that of any previous year in the history of the Society. The amount actually completed consisted of 5,603 policies assuring £3,843,939. Of this there was reassured with other offices the sum of £470,150, leaving net new sums assured of £3,373,789. The relative new annual premium income was £138,640, and £72,631 was received in payment of the purchase price of annuities. The claims arising by death amounted to £1,078,535 (including bonus additions). This sum is well within the amount provided for in the Society's valuations—the actual claims being about sixty-six per cent. of the amount allowed for. The average gross rate of interest realised during the year on the funds was £5 5*s*. 2*d*. per cent. (subject to deduction of income tax), showing an increase of 4*s*. 4*d*. per cent. over the gross rate earned in the previous year. The expenses of management and commission together amounted to £213,561, representing 13.47 per cent. of the premium revenue, or only 8.31 per cent. of the total revenue. The revenue account shows that the total income of the year amounted to £2,568,850 and the total outgoings to £2,045,136, showing a surplus of £523,714. The sum of £500,000 has been transferred to an investment reserve fund; and after this transfer the assurance and annuity funds amounted at the end of the year to £22,532,444.

The London and River Plate Bank, Limited, inform us that J. W. Beaumont Pease, Esq., has been elected Chairman of the Bank.

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Rubber Topics.

In the Commodity market movements have again been of a reactionary character. Crêpe, opening at 1*s*. 0¼*d*. weakened gradually to 11½*d*. on Wednesday, smoked sheet responding with a drop from 10¾*d*. to 10*d*. Thursday witnessed a slight recovery, crêpe being quoted at 11¾*d*. and smoked sheet at 10¼*d*. However, as long as the London stocks continue to increase steadily and trade demands remain at a low ebb no real improvement can be anticipated. The additions to stocks during the week reached the undesirable figure of 1,600 tons, landings being returned at 2,176 tons, as against deliveries of 576 tons. In some quarters the view prevails that this weakness in the Commodity market is partially associated with the difficulties experienced by the Goodyear Tyre Company in effecting the settlement recently proposed. As it is now stated that the recalcitrant creditors are more willing to fall into line with the majority, it should be possible to test the truth of this belief.

Thanks to a better accumulation of week-end orders, the Share market exhibited an unusually firm tone on opening. Anglo-Dutch constituted a pleasant feature, moving up 1*s*. 6*d*. to 26*s*. 9*d*. Anglo-Malay gained 7½*d*. at 23*s*. 1½*d*., and Linggi 6*d*. at 30*s*. Movements for the rest of the week became irregular, but the tendency was not very reactionary. Anglo-Dutch remained steady around 27*s*.; whilst Linggi improved to 31*s*. 3*d*. Rubber Trusts after reacting to 18*s*. recovered to 18*s*. 4½*d*. Vallambrosa after improving to 13*s*. 9*d*. dropped back to 13*s*. 6*d*. Outside the leaders, attention was directed notably to United Serdang and Bukit Rajah. The former came into prominence on Tuesday, shares changing hands freely up to 4*s*. 2*d*. The latter were in demand on Wednesday and closed 10½*d*. to the good at 17*s*. 9*d*., but reacted a little on Thursday to 17*s*. 6*d*. In most cases, however, the secret of the rise in prices was rather the shortage of shares than the strength of the demand.

SEMPAH RUBBER.

Issued Capital: £77,910, in Shares of £1 each.

Results for Years to March 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1918	1,121	899	240,123	267	2/1½	1/0·52	4,907	3,896	5
1919	1,121	899	225,608	251	1/3·71*	1 2·18	577	4,675	6
1920	1,121	900	287,992	319	1/11·32	1/1·22	13,710	9,739	12½

* Average net price.

Price of Shares, 17/6. Market Capitalisation per planted acre, £61.

A SATISFACTORY improvement is recorded in the report issued by Sempah Rubber Estates for the year ended March 31, 1920. The crop harvested amounted to 287,992 lb., or an increase of more than 62,000 lb., as compared with the restricted crop of the previous year. At the same time, however, the crop failed to come up to the estimate of 320,000 lb., partially because of a shortage of labour, but also because of the decision to postpone the opening up of new areas.

However, the return of 319 lb. per bearing acre, as against 251 lb. in 1918-19, represents a creditable advance. As a result of this increased crop there was a decline in the "all-in" cost from 1*s*. 2.18*d*. to 1*s*. 1.22*d*. per lb. Let it be noted in passing that the accounts do not differentiate between the outlay on rubber and on the small coconut crop. Consequently, in the above figures all the expenditure has been debited to rubber. Hence this decline is all the more noteworthy, especially as it was achieved, despite a loss of £1,047 on the rice supplied to the native labour force. This fall in the cost of production coincided with a still more marked improvement in the average net price realised by the sale of the crop, which reached 1*s*. 11.32*d*. per lb., as against 1*s*. 3.71*d*. per lb. in the previous year. Accordingly the profit per lb. on the rubber crop amounted to 10.10*d*., instead of 1.53*d*. only as in 1918-19. Results from the fifty-one acres under coconuts were also more satisfactory. Whilst, owing to labour difficulties, the crop not only fell short of the estimate, but also was less than that of the previous year, being only 81,599 nuts as against 94,000 nuts, the financial outcome was better as the average price obtained per 1,000 nuts worked out at 170*s*. 9*d*., as compared with 69*s*. 7*d*. Thus the net proceeds of the crop amounted to £697, as against £327 in 1918-19. After writing off £1,783 in respect of depreciation of buildings and machinery, and £49 for depreciation of investments, there is left a net profit of £13,710, which not only dwarfs the mediocre return of £577 for 1918-19, but also represents a considerable advance on the return of £4,907 for 1917-18. Availing themselves of this substantial profit the directors have transferred £2,500 to the general reserve, thereby raising the total to £12,500. At the same time the dividend paid to shareholders was increased from six per cent. to twelve and a-half per cent., leaving to be carried forward to the next accounts a balance of £2,922, as against £1,451 brought forward from the previous year.

Dividend prospects for the current year are somewhat uncertain in the light of the severe depression in the Rubber market. Whereas the estimated crop was returned at 320,000 lb., there had been collected in ten months only 235,700 lb. Allowing for the restriction of twenty-five per cent. for the remainder of the period, the total crop will not exceed 275,000 lb. All signs point to a higher rather than lower "all-in" cost. On the other hand, with rubber commanding at best only 1*s*. 2*d*. per lb., the production of rubber must involve a loss at such prices. In part such a loss will be counterbalanced by forward sales, under which 114,240 lb. have been sold at an average of 2*s*. 2¼*d*. per lb. for 1920, whilst during 1921 such contracts cover 94,080 lb. at 2*s*. 6*d*. per lb. London equivalent. Nevertheless, the profit, if any, is more likely to accrue from the coconut crop, the estimate of which anticipates a yield of 100,000 nuts. As the price for this crop has maintained a more remunerative level, a better profit is expected in the current year. A small property of four acres was acquired during the year under review, whilst an application for 1,000 acres has been made to the Government of Kedah. Furthermore, negotiations were being carried on for the acquisition of adjoining estates, which were mostly in bearing. In view of the depression it may be found advisable to suspend these plans. It is also proposed to cut out sixty acres of old rubber, at the rate of twenty acres a year, on the bad patches of the estate, in order to replant under more scientific conditions. Financially the position of the Company, as disclosed in the balance sheet dated March 31, 1920, is very satisfactory. Liquid assets in the form of sundry debtors, investments, and cash are available to a total of £28,257 to meet current liabilities, which, with the addition of the dividend of £9,739, did not exceed £11,743. As a result of extensive allowances for depreciation, buildings and machinery now figure in the accounts at the nominal sum of £1. The taxation reserve stands at £4,477, as against £1,454, owing to the refund of £2,817 of excess profits duty, as the result of the poor profit of 1918-19, to income tax deducted from dividends and to a refund of £2,233 under the Stevens *v*. Boustead decision, whilst the income-tax assessment for the year under review only involved a deduction of £2,611. However, a further liability of £3,550 is anticipated for excess profits duty and corporation profits tax in respect of 1919-20. In the market the £1 shares are quoted at 17*s*. 6*d*., which is equivalent to the moderate capitalisation of £61 per acre, calculated only on the 1,121 acres under rubber and ignoring the twenty-one acres under coconuts. The market has thus discounted the uncertainty of the dividend outlook for the current year.

MERGUI CROWN (BURMA).

Issued Capital : £90,001 in 2/0 Shares.

Results for Years to March 31—

1916-17	1,949	1,434	480,397	3½	2/5.6	1/1	£12,[illegible]	£14 [illegible]
1917-18	2,080	1,511	5[illegible]	3½	2/4[illegible]	1/1[illegible]	£[illegible]	£[illegible]
1918-19	2,226	1,[illegible]5	554,849	2/4	1/11.6	1/1.7	£[illegible]	£1[illegible]
1919-20	2,585	1,[illegible]16	[illegible]53,517	3½	1/11.7	1/1.7	£[illegible]	£1[illegible]

Price of Shares, 2 1⅛. Market Capitalisation per planted acre, £37.

The extent to which an adverse exchange, and particularly one which fluctuates rather wildly, can react unfavourably on the financial results of a rubber company is excellently illustrated in the report presented by the Mergui Crown Rubber Estates for the year ended March 31, 1920. Working operations exceeded expectations, the crop of 633,517 lb. being harvested, in contrast with an output of 554,849 lb. in the previous year and an estimate of 585,000 lb. Moreover, there was a slight improvement in the average price realised by the sale of the crop, which worked out at 1*s*. 11.7*d*. per lb. But, despite the marked increase in the quantity of rubber handled, the total "all-in" cost rose from 1*s*. 2.7*d*. to 1*s*. 4.7*d*. per lb. Undoubtedly increased wages and higher prices for stores and materials made for an addition to the cost of production, but this would in all probability have been neutralised by the growth in the crop. The explanation is furnished entirely by the high rate of the Indian rupee exchange, which rose from 1*s*. 6*d*. to 2*s*. 9*d*. during the year under review. To this cause is attributed not only the increase in the sterling cost of production by over £10,000, but also the inclusion of a charge of £4,144 for exchange adjustment, as against £656 in the previous year. Accordingly the net profit dropped from £19,586 to £15,535. Fortunately, a certain degree of compensation was available in the form of a refund of £2,533 of excess profits duty, owing to the mediocre results of 1918-19, and of £5,004 in respect of income tax, primarily on the basis of Stevens *v*. Boustead decision. From the total of £23,072 was deducted a sum of £653 for income tax, of £2,107 for interest on lease, and of £2,667 for the reserve for the premium on lease. Dividends paid to shareholders aggregated fifteen per cent., as [illegible]

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[illegible] [illegible]

from declaring any greater rate in view of the uncertainty of the exchange situation. There was carried forward, therefore, a balance of £9,840, as against £4,851 in 1918-19; but this total was liable in respect of corporation profits tax, and of a further payment on account of the premium on lease.

The fixation of the par value of the rupee at 2*s.* was regarded at the general meeting as a favourable point for the current year. Estimating the cost of production on this basis, the Company anticipated a crop of 700,000 lb. at an "all-in" cost not exceeding 1*s.* 2*d.* per lb. However, as returns for the ten months ended January 31, 1921, show that the total to date was only 510,970 lb., it is not likely that the estimate will be realised. Any increase the reduction might necessitate in the forecasted "all-in" cost should be, in the ordinary course of events, more than counterbalanced by the steady fall in the value of the rupee, which is now below the former par of 1*s.* 4*d.* In view of the heavy slump in the market for rubber, it is satisfactory to record that the Company has forward contracts covering the sale of 100,800 lb. at 2*s.* 1*d.* per lb., of 24,680 lb. at 2*s.* 1¼*d.* per lb.; and, for the calendar year 1921, there have been sold in advance 246,800 lb. at 2*s.* 6*d.* per lb. and 246,800 lb. at 2*s.* 5½*d.* per lb. Thus, despite the low price now ruling for rubber, the outlook is by no means so disheartening. In view of the above forward contracts, the Company has already paid an interim dividend of five per cent. for the current year. In order to provide funds to cover the expenditure on immature rubber, an offer was made of 99,993 shares of 2*s.* each to existing shareholders in the ratio of one for every ten held, and for as many of the 9,993 as they desire. The price was 3*s.* per share. We learn that the list is yet open, pending the arrival of applications from the East, but that already the issue has met with an exceedingly favourable response. The funds thus secured, in conjunction with those on hand, will not only enable the Company to bring the whole area now planted into bearing, but will also meet the bulk of the payments due to the Government for the lease over the ensuing three years. The financial position of the Company, as disclosed in the balance sheet dated March 31, 1920, is sound. Liquid assets to a total of £42,491 are available to cover current liabilities not exceeding £33,006. Bearing in mind not only the present heavy depression in the Rubber market, but also the instability of the Indian exchange, the directors may again find it advisable to pass over the final dividend. That the market is of this opinion finds evidence in the quotation of 2*s.* 1½*d.* for the 2*s.* share, which is equivalent to the very low capitalisation of £37 per acre.

MOOPLY VALLEY (SOUTH INDIA).

Issued Capital: £250,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output Lb.	Av. Yield per Bearing Acre Lb.	Price Realised per Lb.	"All in" Cost per Lb	Net Profit £	Dividend Amount £	Dividend %
916-17†	4,150	2,400‡	468,015	195‡	2 7·3	1 1¾	27,524	9,660	5
1917-18*	4,350	—	612,210	—	1 11·8	1 7½	6,730	11,470	8
1918-19	4,350	—	741,348	—	1 8·3	1 7·2	21,309	27,132	15
1919-20	4,442	—	942,132	—	1 8·8	1 4·6	16,349	12,487	5

* 12 months. † 15 months to March 31, 1917.
‡ Approximate figure (large proportion of young rubber).

Price of Shares, 14/11½. Market Capitalisation per planted acre, £42.

The report presented by the Mooply Valley Rubber Company for the year ended March 31, 1920, owes its unfavourable characteristics entirely to the adverse rupee exchange. The crop harvested not only exceeded the estimate by 28,000 lb., but amounted to 942,132 lb., as against 741,348 lb. in the previous year. Moreover, there was a slight improvement in the average price realised by the sale of the crop, which worked out at 1*s.* 8.8*d.* per lb., as compared with 1*s.* 8.3*d.* per lb. in 1918-19. Working on the actual currency in which the costs were incurred, the f.o.b. cost per lb. reflected the usual results of an increased crop by falling from 59 to 52.5 rupee cents. But when it comes to converting these charges into sterling the result becomes transformed and an f.o.b. cost of 1*s.* 0.61*d.* per lb. is recorded, as against 9.43*d.* per lb. in 1918-19. This is accounted for by the alteration made by the Government in the par value of the rupee from 1*s.* 4*d.* to 2*s.* Thus, on the old basis of 1*s.* 4*d.* per rupee the f.o.b. cost for the current year would not have exceeded 8.4*d.*, thus showing a reasonable reduction. Furthermore, there was incurred a heavy loss on exchange, owing to the persistent rise in the sterling value of the rupee to 2*s.* 10*d.* The necessity of remitting sums to India at this unfavourable rate caused a loss equivalent to 2*d.* per lb. on the record crop harvested. Hence, despite small declines in fixed administrative charges and in freight and London selling charges, the "all-in" cost is returned at 1*s.* 4.64*d.* per lb., as against 1*s.* 1.23*d.* per lb. in 1918-19. And this figure would have been larger still had any charge been made for depreciation. The directors held, however, that, as the existing low valuation of buildings and other fixed assets, other than the estates, was considerably in excess of the replacing cost, they could dispense with any reserve of this nature owing to the unfavourable circumstances of the year. However, with a profit per lb. reduced from 7*d.* to a little over 4*d.*, it is not surprising to find that the net profit fell from £21,309 to £16,349. Out of this the directors declared an interim dividend of five per cent., absorbing £12,487, but decided, in view of the depression in the Rubber market, to refrain from declaring any final dividend. The balance carried forward to the next accounts is increased from £8,096 to £11,958.

For this, as for other companies, the depression which has dominated the Rubber market since the autumn of 1920 is the primary factor tending to make the outlook for the current year somewhat discouraging. One result is to reduce an original estimate of the crop from 1,022,189 to 750,000 lb. However, the returns for ten months show that a total of 799,807 lb. has been already harvested. Consequently, the final crop is not likely to be less than 900,000 lb., and may even reach 930,000 lb. Forward contracts include the sale of 150,800 lb. at 1*s.* 10¾*d.* per lb. ex godown Colombo, and 33,600 lb. to New York at a sterling equivalent of 2*s.* 9¼*d.* per lb. London. Unless other sales have been effected on a considerable scale before the depression set in the average price for the whole crop is not likely to be satisfactory. On the other hand, the steady fall in the sterling value of the rupee, which is even now below the old par of 1*s.* 4*d.*, should help to reduce the "all-in" cost measured in sterling to normal dimensions. Thus, on the whole, the outlook is not so unfavourable as first impressions would convey. This improvement in the exchange situation will obviate the heavy losses incurred in the year under review, a measure of which is furnished in the statement made at the general meeting, to the effect that the production of the crop and the repayment of the Rs. 1,50,000 loan to the Cochin Government cost £30,000 more than would have been necessary had the rupee remained at 1*s.* 4*d.* Incidentally this disappearance of the loan, which figured in the balance sheet at £15,075, will not only improve the financial position of the Company, but will also remove the interest charge, which amounted to £900 in the year under review. Financially the Company is in a sound position. The capital now stands at £250,000, as a result of the issue of 19,120 shares of £1 each at a premium of £1, and a bonus issue of £50,000 to existing shareholders *pro rata*. Current liabilities, including the Cochin loan subsequently paid off, did not exceed £28,291, whereas liquid assets, consisting of cash, sundry debtors and rubber, were available to the amount of £55,520. The uncertainty of the dividend outlook, despite the increased balance carried forward, is reflected in the low price of 14*s.* 11½*d.* for the £1 shares, which is equivalent to the low market capitalisation of £42 per acre.

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ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

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Example : Age 40 next Birthday.

	£	s.	d.
The Annual Premium, limited to 25 payments, to assure £2,500, payable at death, to provide Estate Duty of that amount would be	82	7	11
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Commercial.

EMPIRE COAL.—II.

In our issue of February 26 we said that, if space permitted, we hoped to give in a concluding article some details concerning the total coal production of this country, the total coal consumption, and the estimated coal resources of the British Islands and of the British Empire taken as a composite whole. Further, we added that we hoped to give from various sources, official and unofficial, the commonly estimated coal resources of the whole world. We endeavour to redeem that promise to-day. The figures from which we derive our information, which are wholly official so far as this country is concerned, can, however, only be regarded as an approximate estimate in the widest acceptation of that term. Outside the home country we rely partly upon figures compiled by officials in various Government Departments in different parts of the British Empire. These officials, in turn, have derived their information from various surveyors, some of them geological surveyors, specifically sent out by the various Colonial Governments for the express purpose of obtaining the information required. More generally, however, the information has been obtained in a very erratic manner. The surveyors reporting the discovery of coal were engaged in totally different branches of surveying from that of endeavouring to ascertain the existence or otherwise of coal deposits. Now, what are the coal resources of the Commonwealth of Australia? We hope to give the figures so far as they have been compiled, but, naturally, they only account for known and existing fields actually worked. What are the coal resources of Australasia? The reader will probably say, "The coal mines of Newcastle in New South Wales." In the opinion of certain highly competent geologists, the very extensive area of Queensland is a vast coalfield. As far as we are informed, however, it has never been worked, or at any rate to any appreciable extent. We believe that we are perfectly accurate in stating that no one in Australia, or out of it, has any real knowledge of the extent or value of these coalfields. There is a general impression that they are far more extensive than was believed when the existence of coal in that Colony was first discovered. They are, however, a long distance from consuming markets; they are situated in a warm part of the country; and there is no available labour to work them. How many other valuable coalfields exist in various parts of Australia it is quite impossible to say. Since the New South Wales fields are worked and the Queensland fields are known to exist, and are believed to be very extensive, it is highly probable that other fields of potential value exist in various parts of the Commonwealth. There seems no question that coal deposits of appreciable value exist in Tasmania. Whether they are worked to any extent we are not aware. The total estimated coal measures of the whole of the Australasian possessions of the British Crown are estimated upon the basis that we have indicated at some 170,000 million tons. Of course, it has to be remembered that Australasia is in extent of area equal to about half of Europe, including the Russian Empire as that Empire existed before the outbreak of the European War. With such an area she had a total population only a little in excess of that of the population of the Administrative County of London, and nothing like the population of what we know as Greater London.

In our article of February 26 last we explained that the pre-War production of coal in Great Britain closely approached 300,000,000 tons per annum. The total production of the British Empire taken as a whole did not amount to 350,000,000 tons. Consequently, the actual production of coal for places in the British Empire outside the island of Great Britain was almost negligible. Great Britain in pre-War days was able to supply from her own coalfields the whole of the coal required for sustaining British industries, for warming British homes, and for affording us the advantages of artificial light after sundown. In addition, this island was able each year, out of the excess of its production of coal, in addition to the amount required to meet the demands above enumerated, to furnish between seventy and eighty million tons each year as freight for our steamers in quest of food for our population and of raw materials to feed their industries. According to the most reliable estimates which have been made, the total coal resources of this island are believed to be about 190,000 million tons. Probably the estimate of the coal resources of Great Britain, bearing in mind the length of time which our collieries have been worked upon a large scale and the very large number of competent people connected with the coal industry existing in this country, is the most accurate of any in existence. If we bear in mind, however, that there was no suspicion of the existence of petroleum in this country until quite recently, a real light is thrown upon the course we should adopt in accepting the accuracy of the figures estimating the mineral resources of, say, Great Britain, because the coal resources of Great Britain have been actively worked for more than a century. As we have just said, we should have a larger number of competent men connected with the coal industry than could be expected to exist in any other country. Finally, the density of our population in Great Britain is far greater than that of any other country engaged in the coal industry. Certain great coalfields have been worked so long, and are so well known, that an estimate of mineral contents so far as these particular fields are concerned may be accepted with a reasonable degree of accuracy. The oil discovery, however, to which we have referred above, should be a warning of how little we really know regarding the mineral resources of this country, in spite of the fact that we have been mining coal on a large scale for a much longer period than has been the case in any other country. Apart from the coalfields in these islands, the coal resources of the various parts of the

British Empire are very imperfectly understood. We have referred above very briefly to the case of Australasia. A very large part of the continent of Australia has never been explored. Even if the whole of it had been explored, that would not mean that the explorers were in any sense competent to estimate the mineral resources of Australasia, whether continental or including outlying possessions. To make a real estimate of the coal resources of continental Australia alone, which would be really reliable and a standard work to be consulted by those who are able and willing to develop such resources, would be a stupendous task, and exceedingly costly.

The greatest, at least in extent, of all the coal-bearing areas in this country is that vast Northern coalfield which extends from Southern Yorkshire through Nottinghamshire and Derbyshire to within a few miles of the two towns of Derby and Nottingham. This immense field is known to extend from north to south for a distance of between sixty and seventy miles. Its exact breadth is not known, and has only been partially ascertained. The actual area worked, or actually known to be capable of being worked, does not amount to 900 square miles. The potential area which on reliable estimates is believed to be capable of being worked exceeds 2,000 square miles. Probably no better illustration is afforded of the caution with which estimates of mineral resources should be received than that of the Cumberland coalfields. It occupies the whole country west of Carlisle to the sea, and extends from a point north of that city for a distance of very nearly twenty miles; but the real area of the coalfields is quite unknown. Equally competent authorities offer estimates differing so widely that the layman begins to wonder whether they possess any reliable data upon which to base their information. Of course, more valuable from the practical point of view is the great field of Northumberland and Durham, extending for a distance north and south exceeding fifty miles, and of a breadth varying from between two and three miles to over thirty miles. From the point of view of our export trade there is, of course, no coalfield comparable to that of South Wales. Unfortunately, the Government and the miners between them have got us into such a muddle in the South Wales coal trade that the export business has practically come to an end for the present. The disproportion between the price asked for Welsh Hard Steam coal to-day is so out of proportion to anything demanded when we did an active export business that a radical change of some sort is essential if active trade is ever to be resumed. The favourable feature in the situation is the real demand for Welsh Hard Steam coal throughout the world, provided it can once again be mined at a reasonable price.

We propose to defer to a later occasion consideration of British coal measures outside this island, and, if space permits, of the world's total coal resources so far as they are known.

Industrial Companies.

MAPPIN AND WEBB, LIMITED.

Issued Capital: £1,159,000 in 750,000 8% Cum. Pref. Shares and 400,000 Ordinary Shares of £1 each.
4½% 1st Mortgage Debenture Stock: £225,000.

Year	Profit*	Depreciation	Debenture Service	Preference Dividend	Ordinary Dividend	%	To Reserve	Other Allocations	Carried Forward
	£	£	£†	£†	£†		£	£	£
1914...	41,124	4,961	10,406	22,841	2,229	5	—	—	10,530
1915...	62,301	5,619	9,759	—	—	—	—	—	21,150
1916...	44,864	5,765	8,718	—	—	—	—	—	9,231
1917...	62,270	9,553	10,937	35,120	—	—	—	—	20,890
1918...	88,814	11,324	10,516	36,197	14,250	10	10,000	10,000	17,419
1919...	108,134	10,357	10,875	17,325	21,000	15	20,000	19,511	26,684
1920...	126,908	9,555	11,065	20,353	22,726	15	20,000	30,804	38,490

*After deducting taxation including income tax on dividends.
†After deducting income tax.

Having regard to prevailing industrial conditions, the report of this Company for the past year may be considered very satisfactory. The trading profit, including income from holdings in subsidiary companies and from miscellaneous sources, amounted to £146,439, representing a decline of not more than £3,114, as compared with the previous year. Administrative expenses remain practically unaltered at £8,998, but the allowance for income tax is reduced from £33,187 to £10,533, leaving a balance profit of £126,908, as against £108,134 in 1919. No explanation is furnished as to the large reduction in the amount set aside for income tax. The manner in which the profit has been allocated is indicated in the above table. It should be noted that the Debenture interest and dividend disbursements are shown by the Company after deducting income tax, but it is not clear how the full amount so deducted has been provided for in the profit and loss account. The increase in the net amount of the Preference dividend is explained by the capital changes made during the year, which involved the issue of 200,000 Eight per Cent. Preference shares for cash, and, in addition, the allotment of 100,000 Eight per Cent. Preference shares in exchange for Preference shares of its Brazilian subsidiary. Coincident with these issues the rate of dividend on the old Preference shares was raised from five and a-half per cent. to eight per cent., the dividend being calculated at the new rate as from October 15, 1920. During the year the Ordinary capital was also increased by the issue of £200,000 Ordinary shares. Both the Preference and Ordinary shares issued for cash are only entitled to dividend on the amounts paid up from the respective due dates of instalments. The distribution on the shares exchanged represents only one month's dividend. The Ordinary dividend is maintained at fifteen per cent., which involves a distribution, less tax, of not more than £22,726. From the available surplus, £20,000 is again transferred to the general reserve, £10,000 is applied in the reduction of goodwill, and £20,804 in writing off the balance of the new issue expenses, leaving a sum of £38,490 to be carried forward, as compared with £26,684 brought in from 1919.

A summary of the principal items of recent balance sheets is embodied in the following table, adjustments being made to cover the transfers from revenue:—

Balance Sheet Analysis.

	1919	1920		1919	1920
	£	£		£	£
Capital ...	650,000	1,143,805	Fixed assets ...	274,805	317,249
Debenture stock	250,000	225,000	Stocks	682,467	714,549
Creditors* ...	542,536	581,529	Trade investments† . .	223,240	725,438
General reserve	100,000	50,000	Other investments ...	28,757	9,927
Sinking fund ...	26,075	32,961	Debtors and cash ...	166,026	170,603
Carried forward	26,684	38,490	Goodwill, &c...	130,000	120,000
	1,505,295	2,057,776		1,505,295	2,057,776

* Including final dividends payable. † Including advances.

It will be seen that the Debenture stock has been reduced by £25,000, representing the amount redeemed during the year. With the allocations made from revenue the sinking fund for Debenture redemption now amounts to £32,961, while the general reserve is increased to £50,000. The net increase of £42,444 shown in the fixed assets is entirely represented by additions to leasehold premises. Stocks, which have been increased by £32,082, are stated to be valued very conservatively. The remarkable expansion of £502,198 is shown in investments in subsidiary and connected companies, including advances and current accounts. Of this increase £100,000 represents the shares acquired in exchange during the year to which reference has already been made. The reduction in other investments is more than accounted for by the redemption of part of the Debenture stock. As already stated the balance of the issue expenses, amounting to £20,804, is now written off. The financial position discloses a considerable stringency of liquid capital. Thus, excluding stocks and debts owing by associated companies, the amount of which is not disclosed, the liquid assets do not exceed £180,540, whereas the

current liabilities, including loans and final dividend payments, amount to £561,520, representing a deficiency of £380,980, as compared with £327,773 at December 31, 1919. The adoption of a conservative policy is accordingly necessary, especially in view of the prevailing financial conditions.

The report states that the turnover of the Company and its subsidiaries during the past year reached record proportions. The outlook for the current year, however, can scarcely be regarded as very promising. It is reassuring, however, to learn that stocks have been valued on a "very conservative basis." The new capital which has been raised will doubtless contribute to revenue during the current year, but the maintenance of the dividend can only be accomplished by a large increase in profits. On the assumption of a dividend of ten per cent. the Ordinary shares, at a price of 19*s.* 7*d.* ex dividend, yield a return of 10.2 per cent. The Eight per Cent. Cumulative Preference shares at 17*s.* ex dividend afford a yield of 9.4 per cent., and the Four-and-a-Half per Cent. First Mortgage Debenture stock at 63½ gives a return of 7.1 per cent.

BRITISH INSULATED AND HELSBY CABLES.

Issued Capital: £1,500,000, in 500,000 6% Cumulative Pref. Shares and 1,000,000 Ord. Shares of £1 each.
Debentures: £500,000 4½% First and £200,000 5% Second Debentures.

Year	Profit*	Depreciatn.	Deb. Int. Pref. Div.	Ord. Div.		Reserves†	Carry forward
	£	£	£	£	%	£	£
1914 ...	272,103	25,000	62,500	75,000	15	88,500	119,380
1915 ...	289,217	35,000	62,500	87,500	17½	63,500	160,097
1916 ...	294,551	45,000	62,500	100,000	20	83,500	163,648
1917 ...	357,144	55,000	62,500	125,000	25	193,500	81,792
1918 ...	282,000	25,000	62,500	125,000	12½	55,000	99,292
1919 ...	321,523	50,000	62,500	150,000	15	55,000	103,316
1920 ...	331,048	50,000	62,500	150,000	15	55,000	116,864

* After providing for taxaton and all expenses.
† Including annual provision of £5,000 for Debenture redemption.

Little evidence of the effects of the recent depression is afforded by the trading results of this Company for 1920. The directors in their report state that during the year the factories have been "kept busy at full capacity," and this activity is reflected in the growth of the net trading profit from £321,523 to £331,048. The figures are arrived at after providing for excess profits duty and corporation profits tax, and in view of the increased taxation it is obvious that the actual provision made has been much greater than in the previous year. As shown in the above table, the distribution of the profit proceeds on exactly the same basis as in 1919. Debenture interest and Preference dividends absorb £62,500, and the Ordinary dividend of fifteen per cent. requires £150,000. The transfers to the general reserve and to the Debenture redemption account amount to £50,000 and £5,000 respectively, leaving a balance of £116,684 to be carried forward, as compared with £103,316 brought in from the previous year.

An analysis of the balance sheet at the end of the past two years is set forth in the following table:—

Balance Sheet Analysis.

	1919	1920		1919	1920
	£	£		£	£
Capital ...	1,500,000	1,500,000	Fixed assets ..	743,641	933,393
Debenture stock	700,000	700,000	Stocks	1,109,987	1,379,177
Sundry liabs.	1,160,627	1,547,686	Investments; ...	713,202	433,155
General reserve	200,000	250,000	Debtors ...	1,059,883	1,385,224
Deb. red. acc.	90,000	95,000	Cash and bills	97,230	78,601
Carried forward	103,316	116,864			
	3,753,943	4,209,550		3,753,943	4,209,550

The increase shown in sundry liabilities is mainly accounted for by the creation of bank loans, which amounted to £214,571 at December 31 last. It may be pointed out that sundry liabilities in the 1920 balance sheet include credit balances the nature and amount of which is not disclosed. Under this heading are presumably included reserves for taxation and contingencies. The general reserve and Debenture redemption account are increased by the allocations now made to £250,000 and £95,000 respectively. The fixed assets, less depreciation, have been increased by £189,752, or more than twice the net additions shown in the previous year. An increase of £269,190 is shown in stocks, but the basis upon which they have been valued is not disclosed. The investments, which include holdings in associated companies, have been reduced by £310,047, entirely as a consequence of the liquidation of Government securities. The heavy expenditure on stocks and fixed assets is reflected in the stringency of liquid capital, which, excluding stocks and investments other than Government securities, shows a deficiency of £37,226 as compared with sundry liabilities, including dividends payable, whereas at the date of the previous balance sheet a surplus existed of almost £370,000. It may be pointed out that the valuation of £251,673 originally attached to patents and goodwill has been eliminated from the balance sheet in recent years.

Although the prospects for the current year are obscured by the uncertainty of the industrial outlook, still, having regard to the nature of the Company's activities, it seems reasonable to anticipate that earnings will be maintained at a satisfactory level. The removal of the excess profits duty should accordingly prove to be of material advantage. On the assumption of a dividend of fifteen per cent., the Ordinary shares at a price of 30*s.* afford a yield of 10 per cent. The Six per Cent. Cumulative Preference shares, quoted at 15*s.*, give a return of 15 per cent. The Four-and-a-Half per Cent. First Mortgage Debenture stock is quoted at 89, and the Five per Cent. Mortgage Debenture stock at 91.

WILLIAM WHITELEY, LIMITED.

Issued Capital: £900,100, in 450,000 4½% Cum. Pref. £1 Shares, 450,000 Ord. £1 Shares, and 100 Management Shares.
4% Debentures: £900,000.

Year to Feb. 14	Trading Profit	Net Profit*	Deb. and Pref. Interest	Ordinary Div.		Reserves	Carry forward
	£	£	£	£	%	£	£
1915 ...	117,655	95,545	56,250	22,500	5	15,000	14,125
1916 ...	113,479	91,481	56,250	22,500	5	13,000	12,122
1917 ...	128,516	102,823	56,250	27,000	6	17,161	12,345
1918 ...	136,325	113,744	56,250	36,000	6	21,000	19,651
1919 ...	219,239	191,562	56,250	36,000	8	17,236	†92,808
1920 ...	331,874	299,567	56,250	63,000	14	13,000	†210.017
1921 ...	329,339	305,989	56,250	63,000	14	212,686	171.961

* After providing for depreciation, income tax, &c. † Subject to excess profits duty.

Shareholders of this Company have ample reason to congratulate themselves on the report presented for the twelve months to February 14 last. As indicated in the above table the trading profit, at £329,339, shows only a very slight decline as compared with the record results of the previous year; and this reduction is practically balanced by an increase in miscellaneous income. The deductions for depreciation, income tax, and other charges amount to £34,565, as compared with £40,569 for the previous year, leaving a balance profit of £305,989, as against £299,567. Of this sum, however, £200,000 has been appropriated to provide for excess profits duty, corporation tax, and contingencies in respect of the past two financial years. In addition, a sum of £10,000 is again placed to the general reserve and £2,686 to the reserve for depreciation of investments. Debenture interest and Preference dividends involve a distribution of £30,000 and £20,250 respectively, and the Ordinary dividend of fourteen per cent. is only maintained at the expense of the carry-forward, which is reduced from £210,017 to £171,961. It may be mentioned that a contribution of £2,000 is again made to the Employee's benefit fund.

The principal items of the balance sheet at the end of the past two [illegible] following table:—

Analysis of Balance Sheet [illegible]

	1920	1921			
	£	£		£	£
Share capital	900,100	900,100	Fixed assets ...	1,889,812	1,919,147
Deb. stock ...	900,000	900,000	Stocks ..	[illegible]	[illegible]
Sundry liabs.	889,657	1,098,1[illegible]	Investments	[illegible]	[illegible]
General reserve	190,000	[illegible]	Debtors	[illegible]	651,516
Special reserve	40,000	40,000	Cash ..	133,854	[illegible]
Carried forward	210,017	171,961			
	3,129,194	3,310,470		[illegible]	3,310,470

It should be noted that the provision to cover liability for taxation and contingencies is included above under sundry liabilities, and consequently the actual increase in ordinary creditors has been comparatively slight.

It is of interest to note that, in contrast to the general tendency, stocks valued at cost or under have been reduced. A summary of the financial position shows that the sundry liabilities, including final dividends payable and estimated liability for taxation, exceed the liquid assets other than stocks by £197,234, as compared with £148,761 at the date of the previous balance sheet. Prevailing conditions render it difficult to form any accurate estimate of the prospects for the current year. However, judging by the successful manner in which the Company has been able to tide over the recent depression, it seems reasonable to assume that a somewhat similar measure of success will attend its trading activities during the current year. The removal of the excess profits duty is naturally a factor which has to be considered also in estimating dividend prospects. The Ordinary shares of the Company are now quoted at 22*s.* 6*d.*, yielding a return of 10.7 per cent. on the basis of a dividend of 12 per cent., while the 4½ per cent. Cumulative Preference shares quoted at 12*s.* 9*d.* afford a yield of 7 per cent.

Swiss Bank Corporation.—This important Corporation has recently issued both its annual "Financial and Commercial Review," an informative summary, and an abstract of its forty-ninth annual report, the figures of the balance sheet and profit and loss account being given in sterling at the par rate of Frs.25 to the £. As the current rate Berne on London is Frs. 22.60, values are understated. Like those of Great Britain, Swiss industries depend largely on foreign markets, and in the Republic, as here, the lesson is being driven home that, to use the words of the Review, "present conditions furnish a startling proof of the economic unity of the world." Thus, while the turnover of the Corporation advanced from £2,740 million in 1919 to no less than £5,120 million, the increase in activity seems to have been largely confined to the earlier half of the year. The amount of the Bank's liabilities on deposit and current account on December 31 last was £37,192,150, against £37,920,114 twelve months before, whilst current accounts in which the Bank figures as creditor showed, at £22,368,095, the distinct but, relatively to that which had taken place in 1919, quite modest rise of £645,734. An increase of £262,356 (from £1,294,295 to £1,556,651) in gross profits has been more than offset by a forty-seven per cent. rise in general expenses and taxes, but the dividend recommended for the year has been maintained at nine per cent., operative as to the last six months on the enlarged capital of £4,800,000 paid up, as against the previous £4,000,000. Substantial provision against depreciation of securities and bad debts is again made, and, in addition, it is proposed on this occasion to supplement the reserve funds by £80,000. Of the total assets of £47,607,180, comparing with £47,398,573 in the previous balance sheet, cash represents £2,170,575, against £1,945,716; banks and bankers account for £7,302,957, against £6,468,688, and the Corporation has made it a matter of policy to increase its holding of Swiss bills—English acceptances and Treasury bills, in the hands of the London office, forming the bulk of its foreign bills. Two Swiss banking houses were taken over last year, besides which the Corporation, it will be remembered, was foremost in coming to the rescue of Leu and Company's Bank, thus helping to make it possible for Switzerland's oldest banking institution to preserve its separate identity.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

BIRMINGHAM-LIVERPOOL LOAN.

Offer at ninety per cent. of £6,500,000 Five and a-Half per Cent. Redeemable Stock, 1941-61. Flat yield £6 2*s.* 3*d.* per cent. per annum; minimum yield with redemption £6 3*s.* 7*d.* per cent. per annum.

Recent corporation loans gave a flat yield of £6 5*s.* 8*d.* per cent. at the price of issue. Subscriptions to the Four Towns emission of February last were double the amounts asked in the cases of Newcastle and Nottingham, and less than half of the Birkenhead and Salford portions. It is difficult to infer from these results whether the terms were sufficiently attractive under ruling market conditions. The present borrowers have, however, considered it feasible to reduce the flat yield to £6 2*s.* 3*d.* per cent., and by extending the redemption period to lower the yield on redemption by about 3*s.* 6*d.* per cent. Whether the reduction in the Treasury bill rate justified this action remains to be seen, and the results will be awaited with interest. Birmingham is responsible for £3,000,000 and Liverpool £3,500,000 of the stock. The latter will be redeemed at par on October 1, 1961, unless previously cancelled by purchase in the market or agreement with the holders, but each corporation will have the option of redeeming at par after October 1, 1941, three months' notice being given. Transfers will be made without payment and free of stamp duty, and may be converted into bearer certificates without charge. Each stock is secured separately on its own corporation funds and revenues. The prospectus gives the usual details concerning population, rateable values, and debts, but none as to actual revenues from rates and municipal enterprises, or the existing sinking-fund and interest charges and other liabilities. The status of the borrowers is, of course, beyond reproach, but information as to financial conditions, such as are revealed, serve no purpose unless supplemented by other vital data. The appended table, compiled from official statistics in the White Paper (Cmd. 1155) shows rateable values, estimated populations, rates in the £ and per head, and the *per capita* rateable values and debts. Comparative statistics for the last four towns to make public issues are also included:—

	Rateable Value	Estimated Population	Debt Outstanding	Rates in £ '13-'14	Rates in £ '20-'1	Rateable Value per Head	Rates per Head	Debt per Head
	£		£	s. d.	s. d.	£ s.	£ s.	£ s.
Liverpool ...	5,105,915	803,833	15,879,538	7 10	16 7½	6 7	5 6	19 15
Birmingham	5,147,741	896,217	25,000,000	9 0	17 6	5 15	5 1	27 18
Birkenhead...	762,544	153,951	3,853,989	7 8	13 8	4 19	3 8	25 0
Newcastle ...	1,832,800	287,255	4,000,171	6 5½	13 0	6 8	4 3	14 0
Nottingham	1,291,935	267,966	5,935,845	8 1	16 2	4 16	3 18	22 3
alford ...	1,117,017	235,239	4,017,474	8 6	18 0	4 15	4 .6	17 2

The debts outstanding are taken from the prospectuses, adjustment being made for the current issue; the rates taken are those of the most populous parishes in each borough. Both of the present borrowers have comparatively high rateable values per head, and consequently the rates per head are also high. Despite the heavy subscriptions by ratepayers, the *per capita* debt carried does not compare quite favourably with that of previous applicants. The stock now offered is a full trustee security. A slight "turn" is incorporated in the title to a full six months' interest on October 1 next. The lists close on Saturday, March 19.

LEVER BROTHERS, LIMITED.

Offer at ninety-two and a-half per cent. of £4,000,000 Seven per Cent. First Mortgage Stock, 1931-41. Flat yield: £7 11*s.* 4*d.* per cent. per annum. Yields with redemption: maximum £9 3*s.* 1*d.*, minimum £7 13*s.* 5*d.*, average £7 14*s.* 1*d.* per cent. per annum. (The yield increment from redemption is tax free.)

During the year 1920 the expansion of Lever Brothers' interests necessitated frequent capital emissions. The Preference issues at par, each amounting to £4,000,000 in January, June and October, followed by £4,500,000 5*s.* twenty per cent. Preferred Ordinary at 10*s.* 9*d.* in November, required in all £14,418,750 new money, which was readily obtained. During the same period the Niger subsidiary placed £3,000,000 Eight per

Cent. Preference at par and £2,500,000 Eight per Cent. Seven-Year Notes at ninety-eight. It is not the principle of Lever finance to issue either long- or short-term Debentures, but current conditions render it imperative to reduce the speculative element of new flotations to a minimum. The fact that the public took only ten per cent. of the Niger Short-Term Notes while the lists were open indicated that even Debentures, unless of long currency, are not sufficiently attractive, and helped to shape the terms of the present offer.

The Company was formed in 1894 to carry on the business of soap and glycerine manufacturers at Port Sunlight. In the interval it has expanded enormously, owning, in addition to a 500-acre factory estate at Port Sunlight, freehold and leasehold properties in London, Manchester, Newcastle and Bromborough, and controlling over 130 associated companies with branches and selling agencies throughout the world. The present capital is:

Authorised £		Issued and Fully Paid £
40,000,000	in 40,000,000 7% Cumulative Preference Shares of £1 each	23,555,193
40,000,000	in 40,000,000 8% Cumulative A Preference Shares of £1 each	15,406,386
10,000,000	in 40,000,000 20% Cumulative Preferred Ord. Shares of 5s. each	1,500,000
10,000,000	in 10,000,000 20% Cumulative A Preferred Ord. Shares of £1 each	3,000,000
10,000,000	in 10,000,000 20% Cumulative B Preferred Ord. Shares of £1 each	262,000
10,000,000	in 40,000,000 5% Cumulative Preferred Ord. Shares of 5s. each	[illegible]
10,000,000	in 1,000,000 Ordinary Shares of £10 each	2,250,000
80,000,000		46,966,499

Copartnership Certificates are additional. Despite the heavy capital increases of recent years, dividends have been consistently maintained, and reserves, specified and hidden, proportionately strengthened. According to the balance sheet of December 31, 1920, assets were £58,932,396, less liabilities of £8,197,625. Of this total, £44,988,734 was in respect of shareholdings in, and advances to, subsidiary enterprises, £4,488,994 premises and plant, and only £55,760 cash. Capital expenditure of the past year has seriously impinged upon liquidity, to restore which the present issue is being made. The Debenture stock, of which £15,000,000 is authorised, is secured by trust deed as a specific first mortgage on the principal freehold and leasehold land and buildings and plant, and a floating charge on the other assets of the Company. The land and buildings alone (apart from the fixed plant) to be specifically mortgaged stand in the books at about £3,500,000, but the directors regard the actual value as considerably higher. The security as to capital is not as apparent as is usually required for such flotations, but the status of the undertaking is in itself sufficient guarantee as to the soundness of the issue. Redemption will be effected at par or by purchase in the open market under par, at the rate of two per cent. per annum of the amount issued, commencing in 1925. The Company has the option of repaying at par the amount outstanding at any time after 1931 on giving three months' notice, final redemption to be completed by 1941. For such a high-class security the yield, combined with the substantial premium (tax free) on repayment, renders the issue highly attractive. It would, however, have been more desirable if specific arrangement were made to limit the power of subsidiaries to create prior charges on their fixed assets. Further details of the Debenture stock now offered are available on pages ii. and iii.

THE SOUTH ESSEX WATERWORKS COMPANY.

Offer at par of £50,000 Seven per Cent. Ten-Year Debenture Stock redeemable at par on July 1, 1931.

The Company, incorporated in 1861, supplies water to a district covering more than 150 square miles to the east of London. The area is bounded on the south by the Thames for twenty-five miles, and the development of the river frontage for dock, wharf, and factory purposes is continually proceeding. The increasing demand for water supplies has necessitated the extension of the Company's works and mains, to finance which the present emission is made. The authorised loan capital is £155,636, £90,850 of which has already been raised. Dividends on the Ordinary stocks have been paid at the maximum rates for the past ten years. Net revenue for the year 1920 was £21,674, which leaves a substantial margin after providing for the £7,134 required as annual interest on the existing Debenture stock and on that now being issued. The stock is a full trustee security, but investors will note that no mention is made of a pending Stock Exchange quotation. The lists close on Tuesday, March 22.

JOHN POWER AND SON (DUBLIN), LIMITED.

Offer at par of 400,000 £1 Eight per Cent. Cumulative Participating Preference shares. The participation rights entitle holders to divide equally with the Ordinary shares the surplus profits left after a payment of eight per cent. on the latter, subject to a maximum of ten per cent. in all.

The Company has been formed to acquire the business of John Power and Son, Limited, distillers, Dublin. The prospectus claims that the distillery is the oldest and largest in Ireland, and one of the best equipped in the United Kingdom. It has an annual capacity of 900,000 gallons of pot still whiskey, and a storage capacity of 40,000 gallons. The trade mark, "Power's Three Swallows" has been well advertised, and commands a high reputation. The purchase consideration is £800,000, half in cash or Preference shares, at the vendor's option, and half in Ordinary shares. Net assets are valued at £800,000, made up of £583,810, certified value of properties and plant; £25,000 goodwill; and £328,393 "stock of whiskey, grain, casks, motor-lorries, book-debts, cash, War Loan, Exchequer Bonds, &c.," less £137,203 liabilities. The omnibus item does not carry any explanation as to whether due allowance has been made for bad debts, the depreciation of casks and lorries, the serious fall in value of Government securities, and whether the values of grain stocks are based upon current market quotations. The importance of the latter item is evident from the following table of barley prices per imperial quarter, compiled from the Weekly Return of Market Prices and Agricultural Statistics issued by the Ministry of Agriculture and Fisheries:—

1920.		1920.		1921.	
January ...	101s.	June ...	82s.	November ...	81s.
February ...	95s.	July ...	82s.	December ...	72s.
March ...	88s.	August ...	78s.	1921.	
April ...	86s.	September ...	76s.	January ...	67s.
May ...	91s.	October ...	88s.	February ...	50s.

In view of current market conditions, it would have been desirable to state how far, if at all, the Company's requirements are covered by forward contracts. Profits are shown for the past four years. The income for boom years provides, however, no basis for estimating earning capacity. That the vendor takes all the Ordinary capital is an indication of confidence on his part, but the vagueness of the prospectus limits its appeal to those possessing intimate knowledge of the Company's financial position. The issue will be quoted in Dublin only. Closing date for lists, Saturday, March 19.

KUALA PERTANG SYNDICATE, LIMITED.

Prior to obtaining a Stock Exchange quotation the above Company has issued a public statement in compliance with the regulations of the Committee. The authorised capital is £54,000, in £1 shares, 38,670 of which have been issued for cash and 4,000 for consideration not specified. The estate comprises 5,400 acres, of which 1,366 are planted and about 1,000 in bearing. It is anticipated that a further 434 acres will be planted by the end of next year. Par capitalisation on the basis of present capital is at the low figure of £31 per planted acre, due to the fact that development has been financed out of profits. The yield of 400 lb. per acre obtained in the last few years on the Tasang division is a favourable indication, but the f.o.b. cost (1919) of 1s. 1d. per lb. is rather high. Conservative methods of tapping have been followed, the system now employed allowing eight years for bark renewal. To complete the planting programme an arrangement has been made with certain parties, who have agreed to take up 8,889 additional shares at 56s. 3d. each. No mortgage or other charge on the estate has been created.

ANGLO-SPANISH TARTAR REFINERIES, LIMITED.

Prior to obtaining a Stock Exchange quotation the above Company has issued the necessary public statement as to its organisation. It was promoted by the Phœnix Chemical Company (1919), Limited, to acquire a cream of tartar refinery in Barcelona. The purchase consideration was £30,000, £2,500 in cash and the remainder in shares. £15,000 of the purchase money was attributed to goodwill. A [illegible] was acquired later, but the price is not revealed. The authorised capital is £150,000, divided into 140,000 £1 Ordinary and 200,000 1s. Deferred shares. Of the Ordinary 107,500 have been issued, 80,000 being for cash at par; all the Deferred have been subscribed at par for cash. The details of the statement are much too meagre to allow of any estimate of the value of the undertaking.

ISSUES TO SHAREHOLDERS.

BATH AND PORTLAND STONE FIRMS.—2.291 £10 shares at par. The new shares will rank for dividend as from January 1, 1921.

SERDANG CENTRAL PLANTATIONS. £10.000 Eight per Cent. Convertible Deposits in multiples of £1. Deposits will be convertible at par into £1 shares up to March 1. 1924.

WOKING DISTRICT GAS.—£25,327 Seven and a-Half per Cent. Redeemable Debenture stock, and £10,000 Eight per Cent. Redeemable Preference stock, both at par, and redeemable at par on January 1, 1936.

CANADA LAND AND IRRIGATION.—£300.000 Seven per Cent. Prior Lien Debenture stock, 1929-33, at par, redeemable at a premium of 100 per cent.

PENDING ISSUES.

BANK OF AUSTRALASIA.—Acting on the authority given at the extraordinary general meetings of the proprietors held on November 27 and December 12, 1919, the directors of the Bank of Australasia have decided to issue the balance of the authorised capital, £500,000, to the proprietors at the price of £60 per share. Further particulars will be communicated in due course.

CITY OF LONDON ELECTRIC LIGHTING.—The directors' report states that owing to delays in the delivery of plant, it has not been necessary to exercise the increased capital powers, expenditure for the past year having been largely financed by sales of investments. An early issue has now become necessary, and an announcement will be made in due course.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Railways—Home :											
Nottingham Suburban Railway	31/12/20	8,763	—	5½	8,780	—	—	240	+ 13	8,763	3½
Southport & Cheshire Lines Extension	31/12/20‡	945	1,125	—	—	—	—	737	— 180	—	—
Railways—Foreign :											
Bilbao River & Cantabrian	31/12/20	17,550	1,492	10	15,000	—	2,700	2,788	— 1,553	14,586	10
Breweries and Distilleries :											
Bernard (Thomas & James)	31/1/21	—	—	10†	—	—	—	11,259	—	—	—
Bullers	31/7/20	23,353	7,500	5	7,750	—	—	8,949	+ 8,103	32,653	12½
Swansea United Breweries	31/12/20	6,263	1,120	3½	3,150	—	—	9,691	+ 1,993	—	—
Canals and Docks :											
Regent's Canal & Dock	31/12/20‡	8,120	—	⅝	7,630	—	—	2,057	+ 481	8,734	⅝
Smith's Dock	17/8/20	275,583	10,000	17½	175,000	80,000	—	90,388	+10,583	—	—
Commercial and Industrial :											
Bon Marché	15/2/21	51,568	9,091	20	24,000	10,000	—	47,487	+ 8,478	40,733	25
Borax Consolidated	30/9/20	308,853	80,000	15	172,500	29,237	10,825	119,639	+10,291	289,173	15
Bridges & Co.	17/2/21	11,809	1,785†	15†	6,000	6,000	—	6,057	— 4,977	29,681	25†
British Insulated & Helsby Cables	31/12/20	243,548	30,000	15	150,000	50,000	—	116,864	+13,548	234,024	15
Browne & Eagle	31/12/20	24,063	18,750	—	—	4,000	—	11,968	+ 1,913	—	—
Cerebos	31/12/20	62,812	6,500	15	15,750	27,500	—	73,015	+15,062	—	—
Cook (James W.)	30/11/20	41,183	—	10	30,000	—	—	26,615	+11,183	50,254	10†
Dundee Floorcloth & Linoleum	31/1/21	12,073	1,919	10	4,621	5,000	—	10,782	+ 532	30,383	10
Grainger & Smith	31/12/20	67,127	9,900	10†	46,028	—	—	20,411	+11,199	88,753	15
Greenwich Inlaid Linoleum	31/12/20	28,840	8,750	—	—	10,000	—	26,514	+10,091	—	—
Holdron (H.)	19/2/21	18,295	—	25	12,500	5,000	—	14,199	+ 795	25,516	25
Limmer & Trinidad Lake Asphalt	31/12/20	43,552	18,000	17½	18,209	4,000	—	16,595	+ 124	32,686	15
Mappin & Webb	31/12/20	95,189	20,353	15	22,726	20,000	20,803	38,490	+11,806	67,591	15
Maxim's	31/12/20	9,529	—	—	—	—	—	16,786	+ 9,529	6,748	—
Newbury's	10/2/21	11,583	—	8	5,600	6,000	500	7,295	— 516	—	—
Peters (G. D.)	31/12/20	26,202	8,850	10	10,325	10,000	—	15,342	— 2,973	65,697	15
Plummer Roddis	7/2/21	16,852	3,500	10	12,250	—	1,000	14,217	+ 102	36,887	15
Schill Brothers	31/12/20	26,407	8,750	7½	3,892	—	—	42,637	+13,765	44,969	25
Semon (Charles) (15 months)	31/12/20	Dr. 97,145	24,704	7½	18,750	—	—	Dr 140,599	—	—	—
Southall Bros. & Barclay	31/12/20	13,311	5,500	12½	10,750	3,000	—	10,994	— 5,940	26,160	15†
Thompson (Henry)	31/12/20	4,172	2,500	6	1,800	1,500	—	4,300	— 1,628	11,209	6
Tilling (Thomas)	31/12/20	94,270	16,500	10	30,885	50,000	—	59,264	— 3,115	81,141	15
United Carlo Gatti, Stevenson & Slaters	31/12/20	33,934	5,500	8	16,000	—	—	10,005	+ 2,434	28,989	6
Vickers (Ltd.)	5/2/21	8,954	1,890	4	2,450	Dr. 1,294	—	—	— 8,734	21,776	20
Western Mansions	31/12/20	6,085	—	3	4,305	1,000	—	2,240	+ 780	5,573	3
Whiteley (William)	14/2/21	59,881	20,250	14	63,000	12,686	2,000	171,961	—38,055	—	—
Electric Lighting and Power :											
Brompton & Kensington Electric Supply	31/12/20	33,152	1,953	12	20,652	10,000	—	1,776	+ 546	29,491	12
Clyde Valley Electric Power	31/12/20	146,592	18,000	7½	45,000	75,000	—	69,693	+11,392	135,751	5
Newcastle-upon-Tyne Electric Supply	31/12/20	279,729	172,422	8	103,814	—	—	13,091	+ 3,493	140,801	8
Financial Land and Investment :											
Liverpool Exchange	31/12/20	18,736	—	7½	15,000	600	3,136	—	—	20,890	3½
London & Canadian Loan Agency	31/12/20	30,395	—	9	23,116	10,274	—	2,269	— 2,995	33,522	9
South American Cattle Farms	30/9/20	32,597	—	8	16,800	—	16,860	7,632	— 1,293	—	—
Standard Property Investment	31/12/20	1,565	—	7	1,470	—	—	658	+ 95	—	—
Financial Trusts :											
General & Commercial Invest. Trust	28/2/21	29,727	10,500	8	16,800	—	—	20,092	+ 2,427	27,338	8
Girls' Public Day School Trust	31/12/20	10,373	—	—	—	10,000	—	2,017	+ 373	—	—
Gas :											
Broadstairs G.	31/12/20	2,461	100	{5 on 10% / 3½ on 7}	2,177	—	—	393	+ 184	2,112	{4 on 10% / 2⅔ on 7%}
Mid-Kent G. Light & Coke	31/12/20	545	204	—	—	—	—	6,777	+ 341	297	—
Pontypool G. & Water	31/12/20	4,419	—	—	3,718	—	—	967	+ 901	—	—
Sheppy G.	31/12/20	5,173	160	3½	2,550	—	—	5,718	+ 2,463	2,940	3
Woking District G.	31/12/20‡	1,514	692	1½	700	—	—	1,711	+ 119	1,465	1⅛
Insurance :											
Employers Liability Assurance	31/12/20	357,685	—	80	200,000	157,685	50,000	—	—	628,530	100†
Profits & Income Insurance	31/12/20	39,747	—	20	20,000	—	—	29,732	+19,747	48,576	10†
West of Scotland Insurance	31/12/20	13,099	—	10	10,500	—	—	15,283	+ 2,599	35,034	30
Iron, Coal and Steel :											
North British Locomotive	31/12/20	233,220	37,500	10†	125,000	—	5,000	404,503	+65,720	—	—
River Don & Nut	31/12/20	103,432	13,750	12	49,500	45,000	2,000	13,994	— 4,311	120,560	18
Rossington Main Colliery	31/12/20	44,092	—	—	—	—	—	30,638	+ 4,092	—	—
Steel Developments	31/12/20	5,406	—	7†	3,744	—	—	1,281	— 278	—	—
Tweedmouth Colliery	31/12/20	11,960	7,500	10	6,000	—	—	20,640	+ 1,460	—	—
Tea, Coffee and Rubber :											
Poonagalla Valley Ceylon Co.	31/12/20	Dr. 11,814	—	—	—	—	—	Dr. 4,939	—11,814	—	—
Rembia Rubber	30/9/20	2,744	—	—	—	—	—	12,988	+ 2,744	15,640	20
Tapaw Rubber	30/9/20	14,770	—	—	—	—	—	27,590	+14,770	—	—
Trong Estates (15 months)	30/11/20	8,859	—	6	6,375	—	1,174	1,290	—	—	—
Tramways and Omnibus :											
Isle of Thanet Electric Tramways	30/9/20	20,843	—	—	—	20,000	513	4,285	+ 331	—	—
Waterworks :											
Boxhall W. & G.	31/12/20‡	Dr. 267	550	150	2,412	—	—	2,787	— 3,238	3	1·53
Lowestoft W. & G.	25/12/20	14,345	3,475	{5 on 1st, 7½ on Add.}	9,163	—	—	18,316	+ 1,797	—	—
South Kent W.	31/12/20‡	384	574	14	624	—	—	1,557	+ 814	—	—
Tunbridge W.	1/1/21‡	250	55	¾	37	100	—	222	+ 58	—	—
Mining :											
Ashanti Goldfields Corporation	30/6/20	122,352	—	62½	146,229	—	—	69,513	—22,897	152,397	75
Rampden Cloncurry Copper	31/8/20‡	Dr. 49,031	—	—	—	12,746	—	—	—	Dr. 23,147‡	—
Mexico Mines of El. Oro	30/6/20	196,580	—	90†	189,000	—	—	194,268	+ 7,580	—	—

* After providing for all Government taxation, prior charges, &c. † Tax free. ‡ Half-year.

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

SUMMARY OF THE ANNUAL REPORT OF THE DIRECTORS TO THE STOCKHOLDERS FOR THE YEAR ENDED DECEMBER 31, 1920.

PUBLICATION of the annual report of the American Telephone and Telegraph Company is always awaited with keen interest, because its Common shares are more widely distributed than are those of any other American corporation, the Company now ranking third in the total amount of stock outstanding. The current report covers the most extraordinary telephone year in history, when 563,430 new stations were added to the Bell system and unfilled orders for the service were absolutely unprecedented. The daily average of 33,162,000 telephone exchange and toll connections during 1920 exceeded by 2,700,000 the daily average of 1919. This abnormal demand emphasised as nothing else has that the telephone is a nation-wide utility, which has completely revolutionised commercial and domestic life in the United States. In 1890 the whole country had in use only one-fifth the number of telephones now in use in New York City alone.

RECORD NUMBER OF SHAREHOLDERS.

President H. B. Thayer of the Company, in describing the important transactions of the past year, gives very interesting data touching the development in this country "of the cheapest, best, and most widely utilised telephone system in the world." Mr. Thayer shows that the growth of the Bell system has been along the only lines possible for a nation-wide utility operating under State laws; that on account of the State laws and State regulation there must be many operating companies, and that to provide a nation-wide outlook and control there was at the inception of the enterprise set up a contract relation by virtue of which the local operating companies pay a percentage of their gross revenue which supports a central organisation. This central organisation performs all the functions of a general national headquarters, and assuming the desirability of a nation-wide system, this contract relation under present conditions provides the only effective plan.

There are 10,500 separate telephone companies in the United States, of which twenty-nine are associated companies of the Bell system, 9,231 independent companies whose stations are connected with the Bell system, and about 1,200 independent companies whose stations are not thus connected. In addition, there are 26 032 rural lines and associations not rated as companies, but operating on a mutual and co-operative basis, which connect with the Bell system.

GROWTH OF THE SERVICE.

The number of telephone stations which constituted the Bell system at the close of 1920 was 12,601,935, of which 8,333,979 were owned by the associated companies of the Bell system and 4,267,956 by local, co-operative, and rural independent companies or associations having sub-licence or connection contracts and known as connecting companies. Associated Bell companies at the close of December had 231.316 employees. The Bell companies had 25,377,404 miles of wire, this being an increase of 1,214,405 miles during the year, of which 61.8 per cent., excluding submarine cable, were in underground cables. This percentage is constantly increasing, the total underground plant now representing a cost of $307,800,000. The new plant additions belonging to Bell-owned companies added last year cost $147,882,143, this being much the largest investment for this purpose ever made in a single year. The total expenditure for new plant additions in the twenty years ending with 1920 amounted to $1,182,280,000.

BELL SYSTEM INCOME ACCOUNT.

Inasmuch as the Bell System was under Federal control during the first seven months of 1919, it is not possible to compare the 1920 items of the consolidated Bell System's income statement with those of the year before. The figures for 1920, after excluding data for connecting, independent or sub-licence companies, and the Bell Telephone Company of Canada and the Western Electric Company, Incorporated, except as interest and dividends from these companies are included in non-operating revenue, are as follows :—

Exchange Revenues	301,282,599	
Toll Revenues	141,883,485	
Miscellaneous Revenues	6,276,031	
Total Operating Revenues		$449,442,115
Depreciation	65,731,071	
Current Maintenance	[illegible]	
Traffic Expenses	145,848,181	
Commercial Expenses	45,075,272	
General and Miscellaneous Expenses	20,500,013	
Total Operating Expenses		346,819,617
Net Operating Revenues		$102,622,498
Uncollectible Revenues	[illegible]	
Taxes	27,811,334	
		29,050,132
Operating Income		$73,572,366
Non-operating Revenues—Net		11,692,610
Total Gross Income		$ 85,264,976
Rent and Miscellaneous Deductions	5,755,808	
Interest Deductions	31,724,103	
		37,479,911
Balance, Net Income		47,785,065
Deduct Dividends		39,999,579
Surplus Earnings		$7,785,486

Companies of the System used during the year, out of revenues, for current maintenance and depreciation account, $135,396,151. Allowance for current maintenance represented 5.6 per cent. on the average plant in service, while provision for depreciation and obsolescence was at the annual rate of 5.3 per cent. of the cost of the plant. Through these outlays the property has been kept up in good condition. The effort of the past year has been to bring service up to standard and to bring wages to the new standards and to further increase revenues. Federal, State, and local taxes, chargeable against the 1920 revenue, aggregate $27,841,334, this being an increase of about $3,000,000 for the year. Interest and dividend payments were $71,723,682, leaving surplus earnings of $7,785,486, which remain invested in the telephone business, and to that extent interest and dividend payments are made unnecessary on an equivalent amount of new capital.

CONSERVATIVE VALUATIONS.

Actual appraisals of the telephone plant of the Bell System made by rate-making boards have demonstrated the conservatism of the book values. The true value of the property greatly exceeds the book cost. During 1920 surplus and reserves have increased $55,465,203. The combined balance sheets of the Bell System of the United States showed total assets at the close of 1920 of $1,634,249,533, as against $1,530,074,930 at the close of 1919. The surplus and reserves of more than $444,000,000, or more than twenty-seven per cent. of the total assets, have been invested in productive property, and on this account it is not necessary to collect capital charges. The book cost of the assets underlying the capital stock of the American Telephone and Telegraph Company, including its interest in the assets of its associated companies, amounts to more than $200 a share.

This Company and its predecessors have paid dividends of at least $7.50 a share each year for the last thirty-nine years, the annual disbursement for fourteen years past being at the rate of eight per cent. For the $442,825,400 par value of capital stock $479,509,637 has been paid into the treasury, the $36,684,237 excess representing premiums on the stock included as a part of the Company's shares.

WHO HOLDS THE STOCK.

The number of shareholders, not including employees purchasing stock under the plan of easy payments, was 139,448 on December 31, 1920, an increase of 18,988 during the year. That the distribution continues to be more general appears from the following.—

130,407 held less than 100 shares each;
8,741 held from 100 to 1,000 shares each;
274 held from 1,000 to 5,000 shares each;
13 held 5,000 shares or more each (omitting brokers, holders in investment trusts, &c.).

Of the holders of less than 100 shares each,
52,055 held 5 shares or less each;
109,080 held 25 shares or less each.
The average number of shares held was 32.
There are more women shareholders than men.

About three and a half per cent. of the stock was, at December 31, in the names of brokers, and about one per cent. of the stock is held in Europe.

Allowing for stock held by employees and by investment trusts for individuals, there are at least 165,000 actual investors in the American Telephone and Telegraph stock. The average holding is about thirty two shares, as against sixty-three shares for the average holding of a decade ago. The most extraordinary feature of this showing is that the number of shareholders has just about doubled within five years, and has more than trebled in the last ten years.

EARNINGS AND EXPENSES FOR 1920.

The statement showing earnings and expenses for the current year by the American Telephone and Telegraph Company is as follows :—

	1920
Earnings :—	
Dividends	$34,800,465 51
Interest	12,969,756 16
Telephone Operating Revenues	56,030,624 92
Miscellaneous Revenues	146,141 49
Total	$103,946,988 08
Expenses	33,260,083 98
Net Earnings	$70,686,904 10
Deduct Interest	18,865,688 44
Balance	$51,821,215 66
Deduct Dividends	35,376,792 88
Balance	$16,444,422 78
Appropriated for Contingencies	8,000,000 00
Balance, added to Surplus	$8,444,422 78

Year	Net Revenue	Dividends Paid	Appropriated for Contingencies	Added to Surplus
1920...	51,821,216	35,376,793	8,000,000	8,444,423
1919...	44,395,791	35,356,334	5,000,000	4,039,457
1918...	43,901,322	35,229,699	5,000,000	3,671,623
1917...	38,471,106	32,481,614	2,500,000	3,489,492
1916...	38,013,277	31,122,187	2,500,000	4,391,000
1915...	34,618,638	29,100,591	2,500,000	3,018,047
1914...	32,334,814	27,572,675	2,500,000	2,262,139
1913...	32,920,090	27,454,037	2,500,000	2,966,053
1912...	32,062,945	26,015,588	2,800,000	3,247,357
1911...	27,733,265	24,169,450	2,800,000	2,763,815

The earnings of the American Telephone and Telegraph Company for 1920 include, in addition to the earnings of the long-distance lines, dividends on the Company's investment in stocks of its associated companies, interest on bonds and notes of and advances to associated companies, interest and dividends from investments in other companies, earnings under the general-service contracts with associated and other companies for the furnishing of instruments and services, and other miscellaneous revenues.

Due to delay in the granting of rate increases, several of the companies earned their dividends only in part, and at the end of the year some applications for increased rates were still pending; but with the adjustments fully in effect in the majority of cases the rate of earned return on the companies' investment as a whole is substantially better than the average rate of the year.

The Company and its predecessors have paid dividends to the public at the rate of at least $7.50 per share for the past thirty-nine years, and during the past fourteen years the rate has been uniformly $8.00 per share.

MEETINGS
OF PUBLIC COMPANIES.

Scottish Amicable Life Assurance Society.

FAVOURABLE LIFE ASSURANCE BUSINESS: STRAIN ON SURPLUS EARNING CAPACITY.

THE ninety-fifth annual general meeting of the Society was held in the Society's Office, Glasgow, on Wednesday, March 16, 1921, the Rt. Hon. Earl of Elgin and Kincardine (one of the Vice-Presidents of the Society) presiding.

Mr. John A. Spens (Chairman of the ordinary board of directors) in moving the adoption of the report and accounts said : I am sure you will agree with me that I should begin my few remarks by referring to the recent death of Emeritus Professor Ramsay. He was an ordinary director from 1875 and retired in 1910. At the time of his death he was an extraordinary director. I had not the privilege of serving with him on the board though I enjoyed his friendship, but I know I express the feelings of his colleagues and the manager, as of myself, when I say he was a most valued colleague as a warm and trusted friend.

Mr. A. C. D. Gairdner found himself obliged to retire from the board owing to his residence in London. We regret his loss to us, but are glad he has accepted a seat on the London board. We wish him every success in the duties attaching to his important appointment as Chairman of the British Overseas Bank.

We congratulate Mr. Guthrie on his appointment as General Manager of the Scottish Equitable Life Assurance Society, but regret the loss of his valuable services to this Society.

The past year has been one of disappointment and disillusionment, and the outlook remains clouded and depressing. It is clear that much remains to be done before we shall have reached a foundation upon which we may hope to rebuild securely the economic structure of our national life. In these circumstances it is surprising that the year has proved to be so favourable to the transaction of life assurance business. The announcements already made by a number of offices indicate that this experience has been general, and it also applies to the Society.

"Record" New Business.

The new business of £1,300,000 exceeds by £250,000 in sums assured the amount completed in 1919, which was itself a record year, and I think we may now claim to have recovered in this respect the leeway caused by the War. During the five years now ended we have completed new assurances for £4,430,000, after deducting sums reassured with other offices, compared with £4,016,000 completed during the preceding quinquennial period.

Low Death Claims.

I am glad to report an exceptionally favourable claim experience. The amount payable, £224,000, owing to deaths among our members is the lowest reported for very many years notwithstanding the growth in the sums at risk, while the percentage, fifty-seven per cent., of the sums expected according to the OM Mortality Table is probably the lowest which has been recorded since the Society reached years of maturity.

The year's transactions would normally have resulted in the addition of the record figure of £357,000 to the funds had no provision been necessary for depreciation in the value of the assets. The annual premium income has increased by nearly £34,000, another record figure, and the interest revenue by £24,500. The rate of interest has increased to £5 2*s.* 11*d.* per cent., and the net rate, after deduction of tax, to £4 1*s.* 8*d.* per cent.

Unfortunately the rate of expense has arisen to 14.92 per cent. of the premium income, due partly to largely increased new business, but mainly to increased salaries and cost of all materials. We had hitherto been successful in controlling the rise in costs, and our average expenditure for the quinquennial period works out at the low rate of 12.70 per cent. I am afraid, however, that we must look forward to higher rates for some years to come, but the figure for the past year is considerably less than the twenty per cent. provided by our valuation basis, and compares favourably with the increased average costs of life offices generally.

Results of the Quinquennial Investigation.

I have now to ask your attention to the results disclosed by the quinquennial investigation. After a careful review of the securities, it has been found necessary to write off a sum of £52,596 from the value of the assets to bring these down to the value at December 31 last. We have considered it unnecessary, and in certain respects undesirable, to write down the Society's holding of British Government National War Bonds repayable at a premium in 1922 and 1923. These bonds have been valued at cost, under par, and if held until maturity will provide an important contribution to the surplus of the coming quinquennial period. The actual amount of depreciation in the Stock Exchange market value of these bonds was more than covered by the surplus which we are carrying forward, and since December 31 last has been considerably reduced by the rise in value which has taken place. All other securities, whether redeemable or not, have been written down to market values, and I may mention that of our Stock Exchange investments nearly ninety per cent. are repayable at fixed dates. In writing these down to present market values we have, therefore, created a substantial reserve for future contingencies.

The valuation of the Society's liabilities has been made by the Actuary upon the same basis as that employed on the previous occasion in 1915. The mortality table used omits the benefit of light mortality experienced during the first five years of assurance. The net premiums valued leave us with a margin of about twenty per cent. to meet expenses and to contribute to surplus, and it has been assumed that we shall be able to earn a future rate of interest of three per cent.

30s. Compound Bonus: Carry-forward Increased.

The result of the valuation is to show that there is a surplus amounting to £510,000 of assets over liabilities. Of this surplus the directors have decided to apply the sum of £409,000 in providing bonus additions to the policies entitled to participate at the compound rate of 30*s.* per cent. per annum, and to carry forward the sum of £101,000, which compares with £63,000 brought forward from the previous investigation. I may say that the resulting annual addition for the quinquennial period, if measured as a percentage of the sum assured, alone varies from 30*s.* under the more recent policies to nearly £4 per cent. under policies of earliest date.

We could have maintained the pre-War compound rate of 35*s.* to which you have been accustomed, but that would have left only a materially diminished surplus to carry forward, and, having regard to all the circumstances, the directors feel that they should, if they err at all, err on the side of prudence.

War Claims and Increased Taxation.

As it is, we have kept well within the Society's surplus earning capacity. The average annual surplus required to provide the bonus, including interim bonus, has been £88,000, and we are now earning nearly £80,000 from excess interest alone, in addition to which there is accruing a large contribution from favourable mortality and from the margins provided in excess of expenditure. It is not necessary to remind you that the past quinquennial period included nearly three years of war. As a result, we were called upon to meet heavy demands of an exceptional character. We paid away over £150,000 in war claims, and, although this was not all loss, we estimate that, after allowing for the reserves held against these policies, the strain upon our surplus was not less than £90,000.

Then we have had to meet largely increased taxation. The amount which we are now paying annually in income tax exceeds the amount which we were called upon to pay for the whole of the preceding quinquennial period.

Here again there has been a certain measure of compensation in higher rates of interest which we have been able to obtain on the investment of our fresh funds and the reinvestment of the proceeds of maturing securities. But this is a process which requires time to make itself felt effectively, and in the interval we have had to withdraw not less than £30,000 per annum from what would have been our normal surplus to meet increased taxation.

Lastly, there has been depreciation in security values, and although we have been able to limit the effect of this by investing largely in short-term Government stocks, we have had to provide on balance the substantial sum of £52,000 for this purpose.

Future Bonus Prospects.

In each of these directions therefore the surplus earning capacity of the Society has been subjected to an exceptional strain from which we may fairly hope we shall now be largely freed. Happily there are no more death claims to meet as the result of War. We must expect a continuance of a high rate of taxation, but each year should bring compensating relief in the higher rate of interest which we hope with confidence to secure. Already we estimate that about one-half of the increased taxation is so met, and the relief is growing. Moreover, we may reasonably hope that depreciation in security values has reached its limits, but in any case the Society's funds are so invested that we are in a favourable position in this respect. The only unfavourable feature from which I am afraid we cannot hope to escape is the increase in administration expenses. The amount involved is, however, not embarrassing and is well within our valuation provision. There are, therefore, solid grounds for regarding as temporary the comparatively small reduction in the rate of bonus, and I feel that I can invite you to look forward with a considerable degree of confidence to a return to our pre-War declaration at no very distant date.

I would conclude by expressing for myself as for my colleagues our sense of the loyal and able services of the Society's whole staff. In connection with the quinquennial valuation, the Actuary deserves special recognition. For the success which the Society has achieved during the Quinquennium, as during his whole tenure of office, in our opinion the Society owes to the General Manager more than can be specified, and during these five difficult years his gifts have been of special value.

Mr. R. E. Findlay seconded the adoption of the report, which was unanimously carried.

Metropolitan Life Assurance Society.

Favourable Mortality Experience.

THE ordinary general meeting of this Society was held on March 17 at the Cannon Street Hotel, Cannon Street, E.C., Sir John B. Wimble, K.B.E., the Chairman of the Society, presiding.

The Actuary and Manager (Mr. Henry J. Baker, F.I.A.) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said that the new business transacted last year consisted of 221 policies for the assurance of £457,011 at annual premiums of £12,135. The amount reassured was unusually large, being £167,800 with annual premiums of £4,006. The net new business, therefore, amounted to £269,211 with annual premiums of £8,129. These figures showed a small decrease as compared with those of the previous year, when, however, the new business was the largest in the history of the Society. Claims by death were unusually light. They amounted to £97,751 under 133 policies, while provision had been made, according to the table of mortality used, for 216 policies assuring £185,825. The surplus resulting from the very favourable mortality experience was, he believed, the largest the Society had had since its establishment eighty-five years ago. The expenses of management were greater than in 1919, but the percentage of premium income spent in that way was still very moderate, being only 7.8 per cent. as compared with 7.0 per cent. in 1913.

Higher Interest Rates.

Both the gross and the net rates of interest earned on the Society's funds (£5 2*s.* 11*d.* per cent. and £3 13*s.* 10*d.* per cent. respectively) showed an increase over the figures for 1919. The outstanding feature of the year's working was the serious fall in the value of first-class marketable securities. The further depreciation in their case amounted to no less than £116,231. To meet that depreciation, securities had been written down by £46,251, and the sum of £70,000 had been added to the investments reserve fund, which had consequently been increased from £100,000 to £170,000. Of the total amount of £116,231, the sum of £47,696 had been provided out of surplus, and the remaining £68,535 had been transferred to the investments reserve fund from the valuation reserves. He would remark, however, that £70,000 of the further depreciation arising last year was in respect of securities which were redeemable. They might, therefore, reasonably expect that the whole of the amount transferred from the valuation reserves to the investments reserve fund would ultimately be recovered as and when the securities fell due for repayment.

Abatement Rates Unchanged.

The surplus last year was, apart from depreciation, amply sufficient to have provided for further reductions of premiums, and it was extremely disappointing that the very profitable results of last year's working had been nullified by the fall in the value of the Society's securities, the need of providing for which had precluded any increase being made this year in the rates of abatement of premium. For the year ending April 4, 1922, the rates of abatement of premium would, therefore, be the same as in the previous year. Since January 1, 1914, the amount which the Society had had to provide to meet the continued fall in the value of marketable securities had been no less than £320,000. It was, he thought, conclusive evidence of the financial strength of the Society that in spite of the serious depreciation and the heavy losses incurred through War claims, the influenza epidemic, and increased taxation, they had been able to maintain pre-War rates of reduction of premiums, and had returned to policy-holders in that way during the past five years no less than £288,000. He was hopeful that when, as must eventually be the case, a return was made to more normal financial conditions, the Society would be able to give, as was the case before the War, periodical increases in the rates of abatement of premium. Personally he was not very confident of an early return to pre-War financial conditions. The demand for money was large everywhere, and whilst the present demand existed high rates of interest were paid on quite good security, and he failed to see how any appreciable rise in gilt-edged securities could be expected to be maintained for any definitely long period. Having referred to the services rendered by the staff, including Mr. Baker, Actuary and Manager, and Mr. Hanmer, the Accountant, the Chairman concluded by reminding the meeting that the future success of the Society depended very largely on the friendly and active co-operation of its policy-holders.

Mr. W. F. Counthope seconded the motion, which was carried unanimously.

The retiring directors, Sir John B. Wimble, K.B.E., and Major-General Sir Ivor Philipps, K.C.B., D.S.O., and the auditors, Messrs. Deloitte, Plender, Griffiths and Company, were re-elected.

A vote of thanks to the Chairman, directors, and staff brought the meeting to a close.

Scottish Widows' Fund Life Assurance Society.

Record New Business.

THE one hundred and seventh annual general court of the Scottish Widows' Fund Life Assurance Society was held on March 15, in the Society's office, Edinburgh, the Right Hon. Lord Kinross (Chairman of the ordinary court of directors) presiding.

In moving the adoption of the report and accounts, the Chairman said: The new business transacted in 1919 showed a great recovery as compared with the immediately preceding years, when the business was seriously affected by the War. To-day we have the gratification of telling you that last year we transacted a larger amount of new business than in any previous year in our history; 5,603 policies were issued, assuring the gross sum of £3,843,000, and, after deducting £470,000 reassured with other offices, there remained net new sums assured of £3,373,000, producing a net new annual premium revenue of £138,000. Turning to the revenue account, our premium income has increased by £88,000 as compared with 1919, which itself shows an advance of about £30,000 over the previous year. The gross interest income shows a growth of about £90,000, and the gross rate yielded on our total funds has risen from £5 0*s*. 10*d*. in 1919 to £5 5*s*. 2*d*. in 1920.

Smaller Death Claims.

Death claims show a reduction of about £180,000 as compared with the previous year, and are lighter than in any year since 1911. They represent only about two-thirds of the amount for which provision is made according to the tables on which our periodical valuations are based.

The commission and expenses of management show an increase, due partly to the additional expense which necessarily attaches to the transaction of increased new business and partly to a general increase in the cost of conducting the business. The total income of the year exceeded the outgo by over £500,000.

The close of the year was a time of pronounced financial depression, which led to a considerable fall in the values of all first-class securities. A large proportion of the funds are invested in National War Bonds and other terminable securities running for short terms, and as to these any depression in price cannot be permanent, since they are repayable at par, and in the case of National War Bonds at a premium, on their due dates. In accordance with our usual practice the securities stand in our balance sheet at or under the prices at which they were valued at the date of the last investigation, December 31, 1918 (or at cost price in the case of investments since made), less such reserves as have grown up or been released since that date. As a precautionary measure the sum of £500,000 has been passed to an investment reserve fund; this having been done, the assurance and annuity funds (exclusive of this special reserve) amounted at the end of the year to rather over £22,500,000.

Value of Life Assurance.

We have again and again pointed out that life assurance is the only means by which a capital sum, which it would take many years to accumulate by direct investment of savings, can be secured, and secured from the moment of payment of the first premium, by a relatively small saving out of income from year to year. The directors desire once more to urge on the members the importance of this question. Life assurance was never more necessary than at the present time in view of the uncertainties attaching to other forms of investment and the decreased purchasing power of money, which must in many cases have rendered inadequate the amounts of existing assurances.

The mutual principle on which the Society was founded more than 100 years ago is of great advantage to our members, and should lead them to do all that they can to assist the Society in its work. By doing this they will also be rendering an important national service, for the chief means of repairing the ravages of war must, without doubt, be the checking of extravagance and a salutary return to plainer living. The all-important thing at the present time is one which the Society's organisation and work are peculiarly fitted to promote—namely, the exercise of that simple, time-honoured and eminently Scottish virtue—thrift.

The report and accounts were unanimously adopted, the election or re-election of directors was carried, thanks were accorded to the directors and office-bearers, and the meeting terminated with a vote of thanks to the Chairman.

FRANCE, our Ally, is now offering us at a MODERATE price

GOLDEN GUINEA

THE FINEST SPARKLING MUSCATEL

Golden Guinea is superior to many of the finest Vintage Champagnes and obtainable at half the cost.
From all leading Wine Merchants.

Eastern Bank.

Effect of Abnormal Rates of Exchange.

THE eleventh annual general meeting of the Eastern Bank, Limited, was held on March 17 at the Cannon Street Hotel, E.C., Lord Balfour of Burleigh, K.T., presiding.

The Chairman, in moving the adoption of the report and accounts, said that Sir Edward Sassoon, Bart., had resigned his seat on the board owing to ill-health, and his brother, Mr. Meyer Sassoon, had been elected in his place. The board had appointed Mr. J. S. Haskell Deputy-Chairman, a compliment thoroughly well earned, having regard to the unremitting attention he gave to the affairs of the Bank and his exceptional knowledge of Eastern merchant and banking business. Since he (the Chairman) last addressed the shareholders, a branch of the Bank had been opened at Bahrein, an island in the Persian Gulf chiefly notable as the headquarters of the pearl fishery. No bank had previously been established there, and the project was somewhat of an experiment. So far the prospects appeared favourable, and, with careful nursing, the directors hoped that a profitable business might develop.

The year 1920 was remarkable for violent fluctuations in the prices of all commodities, resulting in great anxiety and necessitating most cautious working in every direction. At the beginning of the year the rupee was about 2*s*. 4*d*. In February it reached about 2*s*. 11*d*., and by the end of December it had declined to 1*s*. 5⅝*d*., the rate at present being near 1*s*. 3*d*. Silver began at 76*d*., reached 89½*d*. in February, and declined to 40⅛*d*. by the close of the year, and was to-day about 30*d*. Differences in values such as these had caused great hardships to British merchants and also to the Indian dealers in imported goods. The fall in the value of the rupee was particularly disadvantageous, as many dealers in India ordered goods at high prices in the expectation of paying on a 2*s*. 4*d*. basis, only to find when payment fell due that forty per cent. more was necessary to liquidate their liability. The fall was in favour of exporters from India, but the abnormal rates of exchange ruling in Europe made it practically impossible for these countries to buy Indian produce.

Severe Decline in Prices.

This had resulted in a severe decline in prices, and the condition of trade at present was far from satisfactory; many of the smaller firms had failed, and scarcely a firm either of exporters or importers had escaped heavy loss. The figures shown in the balance sheet were on the basis of a 1*s*. 5*d*. rupee, as compared with 2*s*. 3*d*. the previous year, and, taking this into consideration, they actually showed a large increase in the business of the Bank. The directors, in July last, decided to call up the £1 per share then callable, and when all outstandings were received the paid-up capital would amount to £1,000,000. The net profit, including the amount brought forward, and after providing for contingencies, corporation profits tax and excess profits duty, amounted to £151,313, and it was now proposed to pay a final dividend of 5*s*. per share, less income tax, as against 4*s*. paid last year. This, taking into consideration the call of £1 due July 31 last, was equal to just over nine per cent. for the whole year. It was also proposed to place £40,304 to the reserve fund, which would then stand at £266,000. Current and deposit accounts, £8,556,281, showed a decrease on last year's figures, but, converting the rupee at the rate then ruling, an increase of nearly £1,000,000 was shown. Bills payable, £1,001,715, were also somewhat lower. Acceptances on account of customers were not affected by the reduced rate of exchange, and showed a gratifying increase, last year's figures being more than doubled. Owing to the violent fluctuations in the rupee, the balance of sundry accounts, including exchange adjustments, was abnormally high at £989,775. Cash on hand and at bankers stood at £2,508,381, without including the money at call, and this was about thirty per cent. of the Bank's liabilities in current accounts.

Sir J. Leigh-Wood, K.B.E., seconded the resolution, which was carried unanimously.

Lamport and Holt, Limited.

Strong Financial Position.

THE ninth ordinary general meeting of this Company was held at 36 Lime Street, London, E.C., on March 15, Sir Owen Philipps, G.C.M.G., M.P. (the Chairman), presiding.

The Secretary (Mr. W. J. Moynihan) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—It is over three-quarters of a century since this business was established, and ten years since it was incorporated as a limited company. Since I have had the honour of being your Chairman the history of Lamport and Holt has been one of steady progress and prosperity. After providing for depreciation of our vessels and other property and building up reserve and insurance funds, the dividend paid on the Ordinary shares has averaged nine per cent. per annum, which, in these days, I may say, is considered a modest return.

The report and accounts presented to you to-day indicate a sound and strong financial position.

Our paid-up share and Debenture capital and reserves now amount to over five million pounds sterling. Of this

total the Debenture stock outstanding amounts to only £950,000.

We are able to recommend the payment of a dividend on the Ordinary shares at the rate of ten per cent. per annum, being the same rate as for the last five years, whilst £75,000 has been added to reserve account.

Our fleet now consists of forty-eight passenger and cargo vessels of a total gross register of over 290,000 tons, compared with about 210,000 tons on August 4, 1914.

Our pre-War services have now been fully resumed with regular sailings between this country and South American ports, as well as between the United States and South America, and between New York and Manchester. We were pioneers in the U.S.A. South American trade, and although, as is natural, we are experiencing competition from the increased tonnage of the American Mercantile Marine, the interchange of commodities between these two great continents of the Western Hemisphere has increased considerably. So long as we continue to render good service to our shippers I am confident we shall maintain our position in this business, which we have done so much to create and build up.

High Working Costs.

Like all shipowners, our greatest and most pressing problem at the moment is to keep our ships running profitably, now that freights are down and cargoes scarce, whilst working expenses still remain abnormally high. The most important item, viz. coal, has come down somewhat from the extremely high level it reached, but is still far too costly to allow commerce and industry to thrive. The recently published figures of the losses of many collieries indicate either that the price of coal must again go up, or that the cost of production must be reduced. Apart from the cost of coal, which must come down, as I have said, it is absolutely essential that all other working expenses must be largely reduced if more and more vessels are not to be laid up, with consequent unemployment.

I am hopeful that the present depression may not be of such long duration as some people seem to anticipate. As a great and old-established concern, with a modern fleet written down in value, we are well equipped for all eventualities, and are looking ahead so as to be ready to take full advantage of better times and of opportunities of development and expansion.

The Company and the South American Republics.

Our prosperity is, of course, largely bound up with that of the great Republics of South America, which are immensely rich in natural resources, and possess enormous possibilities for the future. We make it our business to keep in close touch with every development there and wherever our operations extend. One of our managing directors, Mr. George Melly, has lately returned from a prolonged visit to South America and the United States, whilst our other, Mr. Arthur Cook, has just left for Brazil and the Argentine. I wish to avail myself of this opportunity to thank both these gentlemen for their care and zeal for the Company's interests, and, at the same time, to express our appreciation of the loyalty and good work of our officials and staff, at home, abroad, and at sea, in promoting the welfare of the Company.

In addition to the Company's regular contributions to the superannuation fund, amounting this year to £9,000, the board have again made a special donation to the fund of £5,000. The fund is making steady progress, and will undoubtedly prove of great benefit to our sea and shore staffs who constitute its membership.

I now have great pleasure in formally moving "That the report of the board and the accounts and balance sheet submitted to this meeting be and the same are hereby received and adopted, and that a dividend of ten per cent. per annum (less income tax) for the year ended December 31, 1920, be and the same is hereby declared."

Mr. George H. Melly seconded the resolution, which was carried unanimously.

The Chairman next moved the re-election of the Right Hon. Lord Pirrie, K.P., P.C., as a director of the Company.

The Most Hon. the Marquess of Carisbrooke, G.C.V.O., seconded this, and it was unanimously agreed to.

On the proposition of Mr. D. I. Conradi, seconded by Mr. H. A. Gifford, Messrs. Price, Waterhouse and Co. were reappointed auditors of the Company for the ensuing year.

The proceedings then terminated.

City of London Electric Co., Ltd.

New Preference Issue.

THE ordinary general meeting of this Company was held on March 16 at Winchester House, E.C., Mr. J. B. Braithwaite presiding.

The Chairman, in moving the adoption of the report and accounts, said the total revenue showed an increase of £128,275, but owing to the increased cost of labour, coal, and materials and increased rates and taxes, they had only been able to retain £31,266 as net. It was proposed to raise the Ordinary dividend to twelve per cent. and to pay a bonus of two per cent., which was on account of the shortage of dividend during the War.

Proceeding to deal with the present position of electricity supply in London, he said that the companies operating within the County of London were purchaseable by the London County Council in 1931 on the terms set out in the Electric Lighting Act of 1888, but the local authorities had an unlimited tenure, and the capital for their development was raised on the security of the rates. The two classes of undertaking were, therefore, quite different, and the attempt to amalgamate them presented great difficulties. In his opinion, the simplest method of promoting the unification of the London electric supply would have been to remove the harassing restrictions at present imposed, to have given the companies a considerable extension of their tenure which would have justified them in undertaking the large capital expenditure required to correct the existing anomalies in the electricity supply of London, and then to have left them to work out the problem, which he was confident they were quite capable of doing.

A step in this direction was taken by the passing of the Electric Lighting Act of 1908, which substituted the London County Council as the sole purchasing authority. It also gave power to companies and local authorities to link up their stations.

A Retrograde Step.

The War necessarily held up further development, and following the War a serious retrograde step was taken by the passing of the Electric Lighting Act of 1919. Under it five Electricity Commissioners were to be appointed, who were given very wide powers. After their appointment no company or local authority could extend a power station, erect a new one, or lay an inter-connecting main without their consent. The result had been that all progress had been held up. Under the Act the Commissioners were to delimit the country into areas of supply and invite the submission of schemes. In the case of London they had delimited an area which travelled far outside the boundaries of the County of London and comprised about 1,700 square miles, with over eighty generating stations. The County Council, with others, had submitted a scheme for the setting up of an electricity authority for London, and this would be discussed before the Commissioners on June 7.

Under that scheme the electricity authority was to consist of twenty-eight members, of whom six would represent the companies and six the local authorities. Of the more than eighty generating stations in operation the scheme contemplated the shutting down of sixty, the construction of four new ones, and the enlargement of two of the old ones. For this purpose it was estimated that a capital of 30¾ millions would be required, in addition to the cost of acquiring existing stations or inter-connecting mains, but no power was given under the Act of 1919 to raise any capital, so that

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before this could be done further legislation would be required. The net result of all this was that the erection of the one big power house for which Parliament had granted powers had been effectually blocked, and it was not easy to see how under existing conditions the necessary increased facilities for the supply of electricity in the London area could be obtained within the time available.

Increased Plant at Bankside.

Dealing with the position of the City of London Company, he said that they were fortunate in having placed orders for additional plant and laid an inter-connecter between their station at Bankside and the County of London Electric Company's station at Wandsworth, which would enable them to give that Company 10,000 kw. in bulk. The present capacity of their plant at Bankside was 33,500 kw., and they hoped to have a further 20,000 kw. installed in the autumn, of which 10,000 would be given to the County of London Company, leaving them 10,000 to meet their own increased demand. The Bankside station must play an important part in the future electric supply of London, as it occupied a central position and had unlimited supplies of condensing water and every facility for the delivery of coal. Its ultimate capacity was about 80,000 kw., and it could supply in bulk the inner ring of the London area more economically than could be done by any station further away.

The Company had not raised any additional capital since 1900, having paid for all the new plant, extensions, and mains, &c., out of revenue, but the large additions to their generating plant which they were now making would oblige them to raise a small amount of additional capital, and they proposed to issue £300,000 of the £800,000 capital which they still had available in the form of Eight per Cent. Cumulative Second Preference shares. The issue would be made shortly after Easter, and the shareholders would have preferential consideration. Taking the figures for last year, the margin of profit would cover the interest on that issue more than ten times, so that the security would be an excellent one and should prove attractive.

The Marquis of Winchester seconded the motion and it was carried unanimously.

Wolsey, Limited.

Chairman's Review of a Successful but Anxious Year.

The first ordinary general meeting of shareholders of Wolsey, Limited, was held on March 11 at the Grand Hotel, Leicester. In the absence, through indisposition, of the Chairman of directors, Mr. Ralph Walker, the chair was occupied by Mr. Ernest Theodore Walker, the Managing Director.

The Chairman said: Twelve months ago everything was booming, every trade seemed to have more than it could do to catch up with the arrears resulting from the Great War. We ourselves were altogether behind with our spring orders. New demands seemed to spring up from countries we had not previously dealt with, and there seemed every prospect that for the whole of 1920 we should be working at high pressure. All through the War our difficulty had been to get hold of raw material and the goods that we required. Twelve months ago there did not seem to be a cloud in the sky. When every trade is busy the natural result is a boom in trade, but very rapidly the whole situation altered. The first cloud appearing on the horizon came from Japan, where over-speculation in silk caused a collapse. This was followed by trouble in America, and almost at the same time by the Budget and an increase in excess profits duty, which came as a very great shock to the business community. Stringency of money and restriction of credits also had a sobering effect, with the result that buoyancy in the business world gave place to apprehension. Wool was one of the first commodities to suffer. Australian Botany yarn that had been selling at under 10*s.* at the time of the Armistice was selling just about twelve months ago at anything from 17*s.* 6*d.* to 20*s.* a pound.

The Pity of High Prices.

It is a very great pity that prices were ever allowed to go high. Perhaps the first alarm note occurred at the end of May, when at the wool sales the better-quality wools dropped twenty per cent., and almost at once the effects began to be felt. Up till then retailers were anxious to buy and get goods in as quickly as possible, realising that prices were going higher and higher, and from a spirit of optimism pervading buyers a spirit of caution was soon observed. Retailers gave instructions to their buyers to refrain from buying, or to buy as sparingly as possible, and to keep their commitments as low as could be. The hosiery trade was one of the first industries in the country to feel this slump. Our stock at that time was very heavy. Our travellers had started early selling for winter delivery, and their orders had been so encouraging that all pressure was put upon the factories to get the utmost production, and every preparation was made for a very big demand.

With the altered conditions the directors realised that a difficult situation lay ahead during the second half of the year. Every effort was made, therefore, to reduce stocks. Factory after factory was slowed down, machines that had worked night and day for years were put on short time, and production slowed down to the lowest possible limit. Even then, however, there was one factor over which we had no control—namely, the alteration in the public demand.

Break in Prices.

When once the break came it continued steadily and ruthlessly. Prices dropped week by week, always going lower, till in a few short months prices of raw material came from the very top to the very bottom—for the price of raw material now must be very nearly bed-rock, when many grades of wool are selling in Australia cheaper than the 1914 price. After the tremendous shock the trade has received by such an appalling slump it is, of course, impossible to expect that confidence will be established at once. Confidence that has been so rudely shaken must take some little time to establish itself again, but it is a consolation to feel that the worst is over; that if we can meet the losses we have had to face, write down our stocks to market value, and yet come out on the right side, despite the heavy loss of profits that has necessarily resulted, we can look with confidence to the future when once trade becomes normal.

I have spoken of the past, and naturally you will want to know what about the future. You all know conditions prevailing to-day, and it would be foolish to look at the future through rose-coloured spectacles. We are undoubtedly going through an extremely difficult time. The whole markets of the world are disorganised. Trade is very apt to swing from one extreme to another. Twelve months ago everyone was full of confidence; to-day everyone is full of pessimism. The confidence was overdone, but it is just possible that traders have swung to the other extreme and are now too pessimistic. There is, however, one consolation, that the slump in the price of raw material must have nearly reached bed-rock when both wool and cotton are selling below cost of production. There cannot be room for much further drop, and since the New Year there has been rather more confidence in raw material. As regards Wolsey, Limited, we are really in a stronger position than twelve months ago. A great deal has been done to solidify our position—a great deal has been done to strengthen our goodwill.

The Chairman having answered one or two questions with regard to details of the balance sheet, the resolution was put and carried unanimously.

County of London Electric Supply Company, Limited.

Satisfactory Result of Year's Working.

The twenty-seventh ordinary general meeting of this Company was held on March 15 at the Institute of Chartered Accountants, Moorgate Place, E.C., Sir Harry Renwick, K.B.E. (Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said that he thought they would be regarded by the shareholders as entirely satisfactory. The receipts from sale of current and meter rentals reached the high figure of £674,105, being an increase of £130,821, or twenty-four per cent. The sum carried to net revenue showed an increase of £26,779, or over twelve per cent.

The directors were recommending a final dividend on the Ordinary share capital of the Company at the rate of eleven per cent. for the six months, making eight per cent. for the year, while the carry-forward at £18,594 was practically the same as the amount brought into the account. There was a record increase of over seven million units sold over 1919, which reached the respectable total of nearly fifty million units sold in the year, while applications for new business showed a net increase of 5,678 k.w., and they had now connected to their mains nearly 90,000 k.w., while they were supplying over 35,000 consumers. This indicated in a telling way the continued vitality of the Company's business and the potentialities and possibilities of the future, which, having regard to the Company's extensive areas, were practically unlimited. At the last shareholders' meeting they were informed that the Company proposed to proceed with the erection of a power station at Barking.

The Electricity Supply Act, 1919, rendered it necessary to obtain the consent of the Electricity Commissioners before any new generating station could be erected, and the Company accordingly applied in March last for permission to proceed. In October last a lengthy inquiry was held into the matter, when the Company was able to prove necessity up to the hilt and were prepared to accept certain conditions which had been proposed by the Commissioners. The board were at a loss to understand, having regard to the above circumstances, why the Commissioners did not grant their consent and so enable the Company to set to work and make proper provision for its future business, but the Commissioners stated they would defer their decision until after 31st of this month, by which date they expected to have before them proposals for schemes for London under the Act of 1919.

Mr. R. Percy Sellon seconded the resolution, and it was carried unanimously.

James W. Cook and Co., Limited.

Property Worth More than Book Values.

THE twenty-fourth annual general meeting of this Company was held on March 16 at the Institute of Chartered Accountants, Mr. William Clarke (Chairman and Managing Director) presiding.

The Chairman moved the adoption of the report and accounts, and in the course of his remarks said: In drawing your attention to our returns to-day I am bound to confess that in total they exceed my expectation, for as I go over the past year I recall to you that in the early part of the period under review we were threatened with an upheaval in the transport world which fortunately was avoided, but only by a concession to the men which, in addition to other disbursements, increased our expenses so tremendously that we considered it necessary to consult friends in the same line of business. We stated our case to the Board of Trade, and the Port of London Authority, as our spokesman, obtained permission to make a corresponding increase in our charges. This, fortunately, has enabled us to retain our business, and although it is not possible to forecast what is before us, we hope that the tremendous drops in values that have taken place and the forced liquidations that have followed have removed impediments from our path, so that when we have to meet you again we may have another year of satisfactory trading to report.

We have a fleet of barges of a carrying capacity of 28,000 tons; we own five tugs, have 3½ acres of freehold property covered with substantial buildings, 10 acres of leasehold property, our long leasehold property in the City, and all our warehouses fitted for work with the latest electrical appliances, plus our mechanically-driven cars which are always at work. The capital account stands at £235,000—at which figure it stood in 1898—so that the whole of the increase in value has been created without our calling upon the shareholders for any help whatever. We have charged the accounts with an amount for excess profits duty and corporation profits tax, £70,000, and have decided to transfer £27,500 to reserve for contingencies, making with previously transferred amounts £82,500. We cannot speak of the future with any certainty, because everything connected with shipping is in a most unsatisfactory state. We propose to pay a final dividend of twelve per cent. per annum, less tax, making ten per cent. for the year, and to add to this a bonus of five per cent., free of tax, carrying forward £73,014.

Mr. W. J. Clarke seconded the resolution, which was unanimously adopted.

B. Morris and Sons, Limited.

Satisfactory Result considering Slump.

THE annual general meeting of B. Morris and Sons, Limited, was held yesterday at Winchester House, Old Broad Street, E.C. Mr. W. Somers L. Schuster (the Chairman) presided.

The Chairman, in moving the adoption of the report and accounts and the payment of the dividend of fifteen per cent. as recommended, said that the profit for the year was £23,244, as against £31,977 in the previous year, and considering the slump in trade he thought it was a very satisfactory result of the year's trading. Their stock stood at the high figure of £261,000, which was a very large amount for the Company to carry. It had been well purchased, but it pressed rather hardly on the capital resources of the Company, should trade fall off to any extent, which had occurred in most businesses. Their financial position had considerably improved since the end of the year. Their loan from the bank had been reduced to £13,000, and he hoped it would disappear altogether before the end of the year. Till values in raw leaf fell considerably and the duty paid to the Government was altered, which latter seemed far from probable at the moment, the Company would have to carry less stock. Though they had practically doubled their capital in 1919, the values of raw leaf, duty and labour together had gone up some 700 per cent. as against pre-War times, so that they had to cope with a number of problems arising out of that position.

Their payments to collectors of taxes were prodigious and out of all sensible proportion, and it would really seem that the business was run primarily for the purpose of providing funds for the Government, as, during the last four years, the shareholders had only received £36,700 net, whilst the Government had received in income tax, corporation tax, and excess profits duty over £137,000. The Company's brands still continued to find favour with customers and consumers, and various new lines had been produced successfully during the past year.

In regard to duty, considerable prominence had been given lately to the returns given by the Chancellor of duties paid on Havana cigars, which showed a large falling off for the past year. The extra revenue from British-made cigars, which, by the way, were excellent, far exceeded any loss the country might have made on the former, and any alteration in the present duty on imported manufactured cigars would of necessity add to the already large number of unemployed, and it was well that the authorities should thoroughly digest these facts.

The report was adopted and the usual formal business transacted.

The National Mining Corporation, Limited.

The Depreciation of Investments.

THE first ordinary annual general meeting of the National Mining Corporation, Limited, was held on March 17 at River Plate House, E.C., Mr. Herbert Guedalla (the Chairman of the Company) presiding.

The Secretary (Mr. A. E. Ford) having read the notice convening the meeting,

The Chairman said: I presume you will permit me to take the report and accounts as read, especially as I shall have to refer in some detail to our more important interests and the causes of the present depreciation in our investments.

Now, first, with regard to the capital account, since we last met we have made a call of 5*s*. per share, making the shares 10*s*. paid in all, and of this call there was outstanding on December 31 last £41,792. Since that date we have received about £14,000 and also promises to pay £12,000, leaving a balance of £15,700 to be dealt with. It has been our policy in these difficult times to give as long as possible to shareholders to meet their obligations, but those who still have calls outstanding must appreciate that non-payment is not fair to the vast majority of shareholders, and that we may be forced to take drastic proceedings in order to regularise the position. The creditors amounted to £22,229, and for the most part consisted of stocks to be taken up.

Turning to the asset side of the balance sheet, with your permission I shall defer reference to the question of investments until later. You will observe that our loans, debtors and cash on December 31 amounted altogether to £335,000, but as against this amount I have to mention that we were obligated to subscribe to or purchase securities for an amount of about £245,000, which explains the note with regard to contingencies on the other side of the balance sheet. The item for preliminary expenses stands at £20,014, including £7,500 for stamps on capital and registration fees, and we have thought it best to reduce this figure to £10,000 by charging £10,014 against revenue for the period.

Profits Earned.

During the fourteen months under review the Company earned by way of profit £81,178, and in this connection it must be remembered that the average capital employed was roughly £740,000. To this amount is to be added £465 for transfer fees, giving a total credit of £81,644. The general expenditure for the period amounted to £20,210, and the remuneration of the directors and the Technical Committee amounted to £12,323. We have to write off all the investigation expenses on properties not taken up, amounting to £16,204, which is a necessary expense for a Company of this character, and also £10,014 on account of preliminary expenses. After deducting these amounts and a small item for depreciation of office furniture, we have a balance of profit in hand of £22,336, which is subject, as stated, to income tax and corporation tax, if any.

Properties Investigated.

In the report you will observe that we have been concerned in certain issues, but I would like to add that up to December 31 we have had under consideration about six hundred different mining propositions, of which about four hundred have been investigated by the Technical Committee, and in this connection I would like to place on record the large amount of work which has devolved on the members of our Technical Committee and the conscientious manner in which they have discharged their duties. Actually twenty-six properties have been examined and reported upon by the Company's engineers, and a complete survey has been made of several important mining districts. Development is now in progress on three properties, and many others are still under consideration. From the technical standpoint the proportion of properties offered which show promise has been above the average, and it is to be regretted that economic conditions have been so adverse. We are, however, keeping in close touch with a number of the best propositions with a view to business when conditions are more favourable.

Depreciation in Investments.

I now come to the subject of our investments in shares, properties, and syndicates, which stand in the balance sheet at cost, viz., £905,943. As stated in the report, this figure is made up of securities with market quotations costing £797,598, and other investments costing £108,344, which latter include our interests in the Persian Mining Syndicate and the British Equatorial Oil Company, and which, in our opinion, are worth the amount at which they stand in the balance sheet. The quoted securities costing £797,598 at December 31 showed a depreciation of £391,155, and since that date this depreciation has somewhat increased. Far the largest part of this depreciation has resulted from investments in four companies—viz., The Burma Corporation, Tanganyika Concessions, Anglo-American Corporation of South Africa, and Santa Gertrudis. With regard to the Burma Corporation, in September of last year we made an issue of £1,000,000 Eight per Cent. Convertible First Mort-

gage Debentures, and this issue was considerably over-subscribed. This money was for the purpose of putting the Corporation in a position to complete its programme for a much larger output capacity. In the meantime I am happy to say that for the last seven months there has been a steady increase in lead production. The results for the four months ending November 30 last showed a net profit of about £76,000 per month, but this monthly profit would have been subsequently affected by the fall in price of lead and silver, although against this the fall in working expenses, owing to the drop in the rupee, must be taken into consideration. Sir Trevredyn Wynne, the Chairman of the Corporation, is now on his way home from the mine, and I have reason to believe that within a short time a meeting of the shareholders on this side will be called together to listen to the progress of the undertaking, and to consider the results of his visit. Further, the recent successful trials of the newly erected plant for the working of the Elmore Process give the strongest possible ground to believe that the Burma earnings will be greatly increased by a high recovery of all the values of the "middling" products produced in the milling of the ores. The future of this magnificent property is assured, and it is only a question of time when the shares will reach their true value, which is a far higher figure than that at which they stand in our books.

Tanganyika and Other Holdings.

We hold a considerable block of shares in the Tanganyika Concessions, Limited, and the depreciation in the market valuation of these shares may be largely attributed to the question of exchange, the present low price of copper, and the delay in the railway construction programme necessitated by the high price of materials. A large increase in the copper output will come about as the result of the completion of the concentration plant now in course of construction. The Anglo-American Corporation of South Africa, Limited, in which we have a substantial holding, secures to us an interest in some of the best mines in the Far East Rand and a footing in the diamond field of the former German South-West Africa Protectorate. With any recovery in the position of the Diamond market the shares of this Corporation should show a substantial appreciation. We state in the report that we placed the underwriting of £300,000 Eight per Cent. Five-year Notes for the Santa Gertrudis Company, Limited, and I should add that we also possess a large holding in the shares of this Company. Mr. Rose, the Consulting Engineer of the Company, will be in this country within the next few weeks. The most recent information is to the effect that the additions to the mill, whereby the capacity is increased from 40,000 tons per month to 60,000 tons, are in course of completion, but the milling capacity is, however, temporarily limited to 33,000 tons, owing to an unprecedented drought and consequent shortage of power. Every endeavour is being made to reduce the working cost at the mine, and the silver mines of the world which can produce silver at as low a cost as Santa Gertrudis are very few. With the mill at full capacity, at the present price of silver, the El Bordo ore body can be worked at a respectable profit, and I understand every effort is now being made to concentrate on the El Bordo, but it is practically impossible at the present time to foretell the future course of the price of silver, as it is complicated by so many factors. Whilst the annual silver production of the world for the last two years has shown a large decrease, this is virtually compensated by the demonetisation of silver in Europe. I believe that this process is still going on, and until there is a revival in the trade conditions in the East must make itself felt.

Price and Output of Silver.

Even though the price of silver should fall to a price at which most of the silver mines cannot operate economically, the output of silver will continue to be large owing to its being a by-product from certain base-metal mines. Against this a substantial falling-off in output may be expected for 1921, with the result that the production of the world, leaving out that of the United States, where the Pittman Act is in force, may be hardly sufficient to supply the normal demands of India and China, excluding altogether the large amount normally consumed in commerce.

Whilst on this question of silver I may inform you that our Corporation has recently entered into an agreement to purchase an issue of £400,000 Convertible Notes in the Mexican Corporation, Limited, and that of this amount affiliated interests have already agreed to take up £200,000. The Mexican Corporation has a large interest in the Fresnillo Mine, and the construction of a mill to treat 60,000 tons of ore per month is being rapidly proceeded with. It is anticipated that by June next it will be possible to commence milling at the rate of 30,000 tons per month and that by September next the mill will be completed.

Perhaps I should not leave the subject of our investments without reference to our holding in the British Equatorial Oil Company. The experts anticipate that within a reasonable time they can develop a good and continued production. With this object in view, material for the drilling of three wells has been shipped, and part of it has already arrived at the property.

Result of Government Policy.

We meet under very different circumstances to those of our last meeting in February 1920. The price of commodities has fallen in many cases to below the cost of production, and the question arises as to whether it is possible for such a state of affairs to continue. To answer this question we must ascertain the cause, and that clearly is the deliberate policy of deflation pursued by the Government, and when history comes to deal with this particular period, I am afraid it will not be very kind to those responsible for this policy. They may claim to have got down the cost of living, or so at least it is stated, but in the process many have been left with no means to live upon. We hear a lot about foreign trade, but very little about the reduction in home trade, which, after all, is not the least part. What has been done cannot be undone, but surely now we should insist that at the ridiculous prices of the chief commodities we have a safe basis to have some inflation in moderate doses. This subject affects the pockets of all of us, and possibly is more in our minds than other questions so prominent lately in the Press. The chief obstacle between buyer and producer at present is a lack of working capital, and, personally, I advocate a steady system of inflation, because I believe that if you take care of the trade the pound will take care of itself. With trade and monetary conditions more normal, securities such as we hold in some of the most important mines in the world must approximate to their intrinsic value.

Suggested Cancellation of Further Liability.

I now come to a matter which has been referred to in several newspapers. We have received a letter signed by certain prominent firms in the Stock Exchange, asking us to consider the possibility of the cancellation of the further liability of 10*s.* per share whilst safeguarding the assets of the Company, and to formulate some scheme for this purpose. Whilst we are prepared to give sympathetic consideration to such a proposal, I might point out that there are considerable difficulties attendant in formulating such a scheme, having regard to the fact that, to some extent, we have based our policy on our ability to utilise what I may term the power of our uncalled capital, which, from a financial point of view, naturally adds considerably to the status of our concern. It is evident that any such scheme would have to safeguard the general position of our assets and the contingent obligations in various businesses which we have in view at the present time. Although hard things have been said about us by those who possibly do not know the full facts, we are a very live concern, and every day offers of business come along, many of which are deserving of consideration. I am sure it is the view of the larger shareholders that the business should be kept together, and I also can assure you that no call will be made on the shares unless the funds provided thereby would considerably improve the situation of the Company and enhance the value of the general undertaking. At the same time, as I have said above, we are willing to consider the suggestion made to us within the last few days. This may take some little time, and we shall circulate to the shareholders our conclusions after we have given the matter careful consideration, and, if necessary, an informal meeting can be called.

I feel that I should not sit down without referring to the death during the year of Mr. Henry Steel, who was one of our most esteemed colleagues and who worked very earnestly on behalf of the Company, especially in connection with ferrous interests. I have also to add that Mr. Christopherson and Mr. Govett are prevented by illness from being with us to-day, and they have asked me to apologise for their absence.

I have now to formally move :—

"That the report of the directors and the audited statement of accounts covering the period to December 31 last and the balance sheet as at that date, as presented to the shareholders, be and the same are hereby received, approved, and adopted."

I shall ask Mr. Agnew to second this resolution, and before putting it to the meeting shall be pleased to answer any questions in my power.

Mr. J. A. Agnew (Technical Committee) seconded the resolution.

After prolonged discussion the resolution before the meeting was carried unanimously.

The retiring directors having been re-elected and the auditors reappointed for the ensuing year, the proceedings terminated.

Midland Railway of W. Australia, Limited.

Better Traffics and Improved Land Sales.

THE annual general meeting of this Company was held on March 17 at Winchester House, Sir George A. Touche, Bart. (the Chairman), presiding.

The Chairman said : Both gross and net traffic receipts showed a good increase as compared with those of previous years, but there was a debit balance for the year of £10,572, as compared with £16,612 in the previous year. There was now a total debit balance of £96,221.

Proceeding, he said : The two main causes for this large accumulated debit balance have been the subject of comment at every meeting of the Company for some years past. They are the divergence of traffic from the Company's line to the competitive Government-owned Wongan Hills-Mullewa line, and a crushing land taxation. These two factors bear

very heavily on the investor, the result being that during the last five years the Company has been obliged to suspend the payment of interest in cash on its First Debenture stock. The prejudicial effect of the Wongan Hills line will be appreciated if I remind you, briefly, that after the Government line had been opened our net receipts fell in the first year by nearly sixty per cent. For the four years previous to the opening the aggregate net receipts were £234,403. For the four subsequent years they were £119,802—not much more than half. It is not necessary to argue that the competing line was responsible for the whole of this shrinkage in order to demonstrate the great injury done by it. To those who think we have no just ground of complaint I put this simple question: Would any investor have put up money to build a railway in a then undeveloped territory if it had been known that the Government intended to build a parallel and competing line? The thing is unthinkable.

Land Sales.

It is gratifying to be able to report a substantial increase in the amount of land sold during the year, the total being 128,534 acres, compared with 34,679 acres in the year before, and an average of 10,000 acres for the five preceding years, when the War made sales almost impossible.

The area sold for the current year up to the end of last month is 95,151 acres, and the total area sold by the Company to the same date is 1,352,733 acres. We have spared no effort in our wish to promote land settlement. The settlement of returned soldiers is particularly desirable, and the board are rendering every facility to the Repatriation Department of the State, by offering suitable land on specially favourable terms. Population is the great need of Western Australia at the present time. The State has amazing resources, a fine climate, and a fruitful soil, and the question of immigration in Australia cannot prudently be neglected.

The crushing burden of land taxation to which this Company is subjected has been discussed so fully at former meetings that I do not now propose to enlarge upon it to any extent. Suffice it to say that the assessments on our subsidy lands for Federal and State land taxes, since the Acts (which were not War Acts) came into force, now amount to the large sum of £119,973, while the total revenue received from lands during the same period was only £10,452, and even this income was nearly exhausted in paying local road board rates. The revenues of the railway, already reduced by Government competition, are diverted to the payment of taxes on land given as consideration for building the line, so that even the unfortunate investors who lent their money on a four per cent. First Mortgage Debenture of a railway in an Australian State have been deprived of any cash income for years. Would any investor have been induced to build by the promise of a land subsidy—in lieu of a cash subsidy—if he had any suspicion that, after the railway was completed, annual taxes would be put on the land to ten times the extent of the revenue it was producing?

The Outlook.

It is impossible in these days to say much about future prosperity. Our future is bound up with the prosperity of Australia, and particularly with the development of Western Australia. There cannot be rapid development in a territory so vast with local resources only, notwithstanding the energy and enterprise which are characteristic of the community. If business enterprises are attracted and allowed to prosper, Western Australia should have a great future. For the moment the labour situation is difficult. Its excessive demands are pressed with a persistency which is in danger of destroying the industries on which employment depends. Already they threaten to ruin the gold-mining industry in an effort to get all its profits, and to imperil others. This means an absolute waste of one of the greatest assets of the State. But there are indications that better counsels are prevailing, at the instance of the wiser elements in the Labour party itself. With population and capital to develop her industries, the expectation that Western Australia would prove a satisfactory field for railway enterprise may yet be fulfilled. The pathway to prosperity lies through co-operation between Australia and the Mother Country. It was once a favourite field for investment. Its development was aided greatly by British capital, supplied at low rates of interest, based on the confidence of home investors. I do not see why it should not be a favourite field for investment again, if the factors which have tended to create an adverse feeling are removed.

The report and accounts were unanimously adopted.

Bilbao River and Cantabrian Railway Company, Ltd.

Fatal Results of Dear Export Coal.

The fiftieth ordinary general meeting of this Company was held at 2 Broad Street Place, Finsbury Circus, E.C., on March 18, Mr. John Mews, LL.D. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said: The year 1920 will stand out in unsatisfactory relief as having opened with high hopes of trade recovery, and as having closed with deep disappointment; the prospects which looked so promising having been succeeded by a depression, which extends to all the staple industries of the country, in a degree which has never before in modern times been experienced. The root cause of such a striking reversal of all the indications which pointed to such an active world-demand for British manufactures is plainly that the cost of production has been so enormous as to stifle at its birth the development of the greatest expansion of our industries that has ever been within the reach of this country. Reduced output of coal, with restrictions upon export and enormous increase in the cost, were followed at the critical moment, when the burden had already become greater than could be borne either by our own or foreign industries, by a further grant to wages which, it is true, increased the supply of coal, but absolutely paralysed demand for export and has enabled competitors to capture the largest portion of the oversea demand.

Dear Export Coal.

The disastrous effect of such an event in relation to our industries, including the important section of iron and steel, which depends upon cheap raw materials into which the factor of freight so largely enters, cannot be ignored. Freight, in its turn, is dependent on the cost of bunker coal, and more especially on the possibility of outward cargo to reduce the cost of homeward imports. In this connection it is difficult to avoid the conclusion that the policy of grasping at an illegitimate profit to be derived from dear export coal has been one of the fatal results of the continuance of Government control after its necessity had long since been demonstrated, and points to an absence of financial co-ordination that is almost inconceivable, seeing that it is clearly recognised that exports of coal are essential, not only to the reduction of costs of imported materials, but vital also to the improvement of the world's exchanges, which directly affect the expenditure of the United Kingdom. Freights have inevitably fallen from the giddy heights to which they climbed, and the nemesis of high prices is already curtailing orders for shipbuilding, and the consequent demand for steel and for the iron ore from which it is produced. The whole course of industry during and since the war has been accompanied by increase upon increase of wages, regardless of economic consequences which we are now realising in the shape of crippled power of competitive production, demonstrating more convincingly than ever that the spirit of enterprise can only thrive under the stimulus of individual efforts, which have been the inspiring force in building up Great Britain's immeasurable commerce. This has for the time been throttled and paralysed by official encroachments and restrictions, such as we are now glad to see in the way of being once for all abandoned, with infinite advantage to the prospects of sound adjustments being realised, as these can no longer be avoided if severe competition is to be met. In view of these chaotic conditions, the result of the Company's operations is less unfavourable than might have been expected. The net profit on the railway was £4,607, to which interest on investments, £12,942, has to be added, together with £4,341 brought forward from 1919, giving an available balance of £21,890.

Allocation of Profits.

An interim dividend of five per cent., absorbing £8,201, was paid in September 1920, and it is now proposed that a further five per cent. shall be distributed, making ten per cent., less tax, for the year. It is also recommended that £2,700 be provided for the staff fund to meet a special grant made by the directors, leaving £2,788 to be carried forward into the current year's account. All Government securities showed a heavy depreciation at the end of the year, amounting in the case of this Company to £22,199. With your approval it is proposed to write this off the reserve fund, reducing same to £31,434. At the same time it is satisfactory to know that since the beginning of the year a considerable recovery in values of gilt-edged securities has taken place. Without professing to forecast what the immediate fluctuations of securities may be, it seems to be fair to assume that recovery from the effects of the fever of very reckless speculation in the first half of 1920 has set in, and we may anticipate that the increase of financial soundness which has been brought about will, if the Chancellor of the Exchequer should feel himself able to bring in a Budget such as will encourage and develop the immense latent resources of the country, and give much-needed relief to the class on whom the burden falls so heavily at present, be followed by steady appreciation of the War Loans and first-class investment stocks.

The balance sheet does not afford much opportunity for comment. The capital of £164,025 is more than covered by investments, which, after writing off the very abnormal depreciation of the year, still leave a margin of £31,434 in reserve, with a prospect of further appreciation of values beyond that which has already taken place. Provisional balances £17,212, together with staff fund investments £4,288, stores £10,525, sundry debtors £6,898, and cash balances £19,427, amount to £58,350, while the corresponding liabilities are sundry creditors £30,552, which includes £8,500 for income and corporation taxes, accident fund £607, staff fund £4,002, suspense account £9,500, and balance of net revenue £13,689, amounting in total to the assets just mentioned, £58,350.

Increased Receipts: Profits on Exchanges.

Revenue account shows that our receipts have been about £10,000 more than in 1919, while the expenditure has been about £1,438 more, so that there has been marked improvement on that score, which has, however, been partially neutralised by net revenue charges in respect of both British and Spanish taxes. The increase in the British taxes is due to some extent to the new Corporation tax, but more largely to the fact that we had the benefit in 1919 of a special abatement for the years 1916 and 1917 in respect of maintenance of value of premises, also the War abatement which permitted the actual profit of 1919 to be brought into the three-years' average, which was thereby very considerably reduced. Both these abatements have ceased to operate in our case. Spanish taxes have been increased under the State Budget from April 1, 1920. The profit on exchange was £2,417, against £1,822 in 1919. Spanish currency has since the War gradually fallen from the very abnormal appreciation derived from a large preponderance of exports and their high values. The rate has for some time been fairly steady at about Pesetas 28 to the £. This now represents a loss on remittances. One important factor in these fluctuations has been the enormous speculation in exchange which has been carried on principally in neutral countries, and has brought disaster in its train with just as much certainty and even wider consequences than uncontrolled speculation in shares or commodities. The disturbances of the world's exchanges and its restrictive effects on the interchange of commodities is the subject of much financial discussion and of many so-called remedies, designed apparently to provide temporary resources whereby the evils of an inflated currency may be tided over, and time given for the restoration of enfeebled fiscal constitutions. Whether such more or less empiric remedies will have a strengthening influence has yet to be demonstrated, but it is beyond all contention that the old-fashioned remedies of hard work and drastic economy, or even persimony, alike on the part of Governments and of individuals, will prove to be the only lasting restorative.

The working expenses of the Railway have been reduced 81.43 per cent. from 103.58 per cent. in 1919, mainly on account of the improved tonnage, aided by decreased cost of fuel, the larger traffic having cost under that head £2,955, against £3,041. We found wood very costly, but, as bearing upon my reference to coal exports and competition, I may mention that we have not exported coal since 1916, and for some time have been using briquettes made in Spain. Repairs of locomotives show a considerable reduction, as 1919 included a new boiler.

Trade Stagnation in Bilbao.

The returns show that Bilbao shipments of iron ore recovered to the extent of 600,000 tons compared with 1919, and that this Company participated in the improvement practically to the same extent as the rest of the river. For a couple of months in March and April we seemed to be getting back to about 500,000 tons a year, a rate of transport with which in the present aspect and capacity of output of the mines we should be fully satisfied, but the improvement was only temporary. The increased tonnage was fairly distributed over all the British centres of production. South Wales received a quarter of a million tons more than in 1919, East Coast 100,000 tons, and Scotland 155,000 tons. France and Belgium took quite insignificant quantities, but a start was made on shipments for Germany, and these will probably grow. At the moment there is, however, almost complete stagnation in the trade of Bilbao, and it is evident that steel manufacturers, and indeed all manufacturers, must be in a position to adjust wages and costs to present needs before production can make progress on an economic basis which will cope with competition. When the abortive result of high prices comes to be fully recognised and acted upon, we shall see a revival of industry and prosperity in which all may participate, employers and employed, both of whom, with their traditions, experience, and inherited skill, have the power and opportunity to give us a more commanding position than ever in the marts of the world.

Our Resident Manager, Mr. John Browne, has retired after forty years of valued service, and carries with him the best wishes of the board for the rest and leisure which he has so abundantly earned by his strenuous and successful work in the Company's interest. (Hear, hear.) He is succeeded by his assistant, Mr. H. E. Layton.

Mr. G. F. France seconded the motion, which was carried unanimously.

South African Gold Trust, Ltd.

Heavy Depreciation of Securities.

The ordinary general meeting of this Company was held on March 18, at the Cannon Street Hotel, London, E.C.

Lord Harris, who presided, said that on May 1 last the whole of the assets, with the exception of assets representing £90,000, were sold and transferred to the New Gold Trust, Limited. He proceeded to deal in detail with the accounts of the two companies, and stated that the directors recommended a dividend of 1*s.* 3*d.* per share, free of income tax, the profits of the two companies taken together showing a decrease, as compared with the previous year, of £50,440, due entirely to lack of favourable opportunities of selling shares. The investments in the balance sheet of the new company, £950,365, were valued at the date of the accounts at approximately £1,000,000, which, together with the Government securities held by the old company, gave a total of £1,021,569, compared with £1,436,908 last year—a decrease of £415,339, accounted for by depreciation, which had been exceedingly heavy during the past year, but which the directors hoped would prove only temporary. The cash position, taking both companies, amounted to £162,590, against £99,117. He had been asked to give the board's valuation of the Company's Ordinary shares, after deduction of the value of the Preference shares at par. On December 31, when markets were about at their lowest, the valuation came out at 27*s.*—a figure which a few days afterwards rose to 29*s.* owing to prices for South American Gold and Platinum shares having much improved. The past year had been, as regarded realisations, a very unprofitable one, and, as regarded valuation of assets, a most depressing one. It had seemed to the directors wise to cut their loss on certain assets when opportunities of realisation occurred. He feared it was indisputable that they, in following the example of Consolidated Gold Fields, were not fortunate in the date they selected for a more active exploitation of the industrial field in addition to that of gold mining. On the other hand, Gold Fields had not discovered anything valuable during the year in gold-mining. The alternative, therefore, to dealing in industrials would have been "marking time" and investment in gilt-edged securities, where again they would have suffered depreciation.

Mr. Keene's Report.

With regard to the assets they sold to the new company, he might say that Mr. Keene, one of the members of the Gold Fields American Committee in New York, had recently made a very satisfactory report to the American Trona Corporation upon the results of an inspection of the plant at Searles Lake. Mr. Keene reported that the sale of borax was proceeding satisfactorily, but that the same could not be said with regard to potash. Owing to adverse trade and agricultural conditions, the demand had practically ceased for the present, and was not likely to revive before early autumn. The big fertiliser companies were "marking time," and the potash-using industries were suffering from the general depression, which was just as marked in the United States as in the United Kingdom. Even a moderate revival of prosperity was bound to be reflected in the potash market, and when that came the American Trona Corporation should be in a better position than ever before to meet the demand for its products, which sooner or later must revive. There was a possibility of getting railway freights reduced and of the industry being to some extent protected against foreign competition, and on the whole they were far more encouraged as regarded the future of this industry now than they had been for some time. With reference to the South American Gold and Platinum Company, the second dredge was now at work and was producing platinum and gold, but it had not yet reached that part of the river where the best results were expected. The old dredge was turning out large quantities of platinum, and the return last month was a record. He also referred to the progress being made by the Mississippi River Power Company, and to the encouraging character of recent development work in the Sub Nigel Mine. With regard to the future, he was sure shareholders would see that it depended on markets whether or not the directors could assure for them profits beyond the revenue they hoped to receive from dividends. That revenue was fairly well assured, and there were indications that they might have seen the worst, and that Trust Companies such as theirs might have the opportunity of doing their ordinary business in the way of investing at bed-rock and realising at a profit.

The report was unanimously adopted.

W. T. Henley's Telegraph Works Company, Limited.

Proposed Increase in Ordinary Share Capital.

The forty-second ordinary general meeting of this Company was held at the Great Eastern Hotel, E.C., on March 18, Mr. George Sutton, M.I.E.E. (Chairman and Managing Director), presiding.

The Chairman, in moving the adoption of the report and accounts, said: Turning to the balance sheet, you will see the share capital is unchanged; the new capital having been issued in the current year does not appear. It must have been a satisfaction to you that the 250,000 shares were fully subscribed, and the Company is in possession of the needed increased working capital. Powers had been acquired for increasing the Ordinary share capital by £400,000, and it may be necessary towards the end of this year to issue the remaining 150,000. We cannot yet tell; it depends on the course of business and prices, but we shall make a new issue only if it be quite necessary. The creditors show an increase of £200,000, partly due to taxation which has to be met. The reserve we propose to bring to £170,000 by a new allocation of £20,000.

The large increase of £102,000 to buildings, machinery, and plant is due principally to the new buildings in course of erection at the Gravesend Works, commenced in 1919 and earlier. We had hoped they would have been finished long since, but have been delayed for want of material and labour, especially the latter. About £80,000 would still have to be expended by the time these new workshops are finished.

The investments show a reduction of, roundly, £250,000, gilt-edged securities having been realised at a loss of £35,680. There is a further reserve of £7,559 against securities still held.

The increase in the capital of the Henley Tyre and Rubber Company is shown as £[illegible],000 to £200,000 it has since been increased by another £50,000. The Company had a record turnover for the year to September 30, 1920. At the present time, in common with the motor industry generally, trade is slack. We have suffered by the fall in the price of cotton, because we are obliged to buy that material well ahead, and we had to write down prices in our stock books. In regard to our other stample material, rubber, we have never carried more than a few weeks' supply. We have made a great reputation for the quality of our tyres, both pneumatic and solid. Our "Zig-zag" pneumatic is one of the very best tyres on the market, and although the general slackness has necessitated our restricting the output of pneumatics, in solid tyres for commercial vehicles our business continues to expand. We have no reason to modify the great hopes we had as to the future of the Henley Tyre and Rubber Company. The sale of the "Why Not" Golf Ball last year was the best we have recorded.

Increase of Stock.

The item of stock is larger by £250,000 than the previous year's figure—this notwithstanding that the values of raw material are lower than they were in the 1919 accounts. The increase in the stock account is due to two causes—firstly, the need of increasing our stocks of wires and cables at home and abroad, which had been depleted by the War, and, secondly, and principally, the large quantity of partially manufactured stock which is sold, and the results will come into the present year. I wish to emphasise that this large stock account is all good stock, valued at lowest price, whether that be market price at December 31 or cost, and then reduced by a reserve for eventualities. For many years we have been providing that reserve for a possible fall in the value of stocks, such as has occurred in the last six months, and we have paid income tax and excess profits duty on the amount reserved. I am glad to say that we have not had to encroach upon that reserve, so you will see we are in a happy position in respect of our stock.

The debtors show an increase of £200,000, due to the larger business we are doing, and perhaps to some extent to the longer credit sometimes taken.

Coming to the profit and loss account, I have no comment to make except that a large and ample sum is charged for depreciation, and that the sum of £240,000 is the balance, against £203,000 in the previous year. The final net profit on trading is £193,000, against £168,000, and the carry-forward to the current year is increased by £42,000 to £183,000.

The amount provided for excess profits duty for 1920 is, of course, 50 per cent. more than that for 1919, *i.e.*, 60 per cent. against 40 per cent., and the three years' averaging on the income tax has a bearing on the comparison, but I am sure you will consider the result of the year's trading is eminently satisfactory. (Hear, hear.) I do not think I have ever experienced a year when trading has been conducted with so much anxiety. At times there were plenty of orders to be obtained—we could hardly keep pace with them early last year—but the course of prices of our raw materials has needed, to avoid disaster, all the skill your staff possesses.

The sale of our products, and what I may call our spheres of influence, our overseas developments, continue to expand. Our year's turnover has been a record, and the orders brought forward into the current year are also a record. The tendency of recent years to a reduced rate of profit on an increased turnover continues.

The Company's Overseas Trade.

We have done much work in telephone trunk cables at home and abroad, including a new continuously loaded cable which was shipped this month to be laid across the Straits of Georgia. We have nearly completed a contract for the city of Birmingham for the construction and laying of, I think, the largest order yet placed for super-tension cable, to work at a pressure of 33,000 volts. Our general trade has gone into countries where hitherto no cable trade was to be done. Jerusalem, for instance, has become a buyer of Henley's cables, and our products are not unknown in Baghdad and Mesopotamia. As to the current year, we have a large number of orders on our books, and have no abnormal anxiety in regard to the payment of dividends, but those who have attended these meetings in recent years are aware that this business is not only carried on for the purpose of paying dividends. Dividends are essential for its continuance, but they absorb but a comparatively small part of the profits earned. We can possibly give you a prosperous dividend-paying concern by home trading only, but our desire has been, and is, to give as much employment as we can, by the extension of our overseas trade. For many years we have set aside a large proportion of our profits for that purpose, but unhappily State necessities have in recent years taken much of those resources from us by taxation. A large export trade is, we know, essential to our nation, and we have to bear our part by extending our overseas business and keeping our factories as fully employed as we can. Before the War we British cable-makers held our own in foreign trade; our reputation for quality and reliability is unimpaired, but the red danger light is now showing very clearly. The orders from foreign countries have fallen off very seriously during the past six months. Countries which bought from us in considerable quantities have nearly ceased to buy. There are several causes for that position, but an important one is that we are unable to compete in price with foreign countries. How can we compete in price with German factories, for instance, with our rates of wages three or four times higher than those current in German cable factories? We do not like reducing wages, and no doubt we can earn you dividends without doing so; but we cannot maintain or increase the employment in our factories unless we are able in competition to secure foreign business. I firmly believe that at the present time lower rates of wages are necessary, and a good standard of living must be secured by working more hours in a week.

Mr. Martin Roberts, M.Inst.C.E., seconded the resolution, which was unanimously agreed to.

Gold Coast Pioneer, No. 1, Vol. I. Price 6*d*. Scottish Book Depôt, Accra, Gold Coast. The aims of the *Pioneer* are to reflect the life and voice the sentiments of the colony and its dependencies, and generally to advance the interests of the Gold Coast throughout the world.

The Russian Economist. No. 2, Vol. I. (London: P. S. King and Son. Price 12*s*. 6*d*. net.) The January number of this quarterly magazine, which is the journal of the Russian Economic Association, and which is printed in Russian and English, contains interesting articles on "The Production of the Coloured Metals in Russia," "The Fate of the Russian Gold Reserve," and "The Results of the Economic Policy of Communism for the first nine months of 1920."

The Bankers' Clearing House. By Philip W. Matthews, formerly Chief Inspector, London Bankers' Clearing House. A concise description of the evolution of the Town Clearing and of the subsequent institution of the Country Cheque, Metropolitan and Provincial Clearings. Statistics of the daily clearings from 1868 to 1919 and a comprehensive list of bank amalgamations are included. Published by Sir Isaac Pitman and Sons, Limited. Price 7*s*. 6*d*.

The Financial and Commercial Review, 1920. We have just received an advance copy of this interesting review of the past year, published by the Swiss Bank Corporation. The commercial section deals at length with each of the principal foodstuffs, textiles, metals, and minerals, as well as with rubber and chemical products. Of especial interest is the introductory article entitled "Economic Conditions," which points out the causes of the present trade slump, the fall in prices and its importance, and its effect upon trade and industry.

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Reserve Fund	**3,350,000**
Reserve Liability of Proprietors	**4,931,100**
	£13,212,200
Aggregate Assets, 30th Sept., 1920	**£72,467,795**

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Acting Manager.

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SUBSCRIBED CAPITAL	3,000,000
PAID-UP CAPITAL	1,000,000
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Lahore		Entebbe	Uganda
Amritsar	Colombo	Kampala	Uganda
Delhi	Kandy	Jinja	Uganda
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	Tanga	Tanganyika Territory.	

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The Statist.

LONDON, SATURDAY, MARCH 26, 1921.

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The Money Market.

Wednesday, March 23, 1921.

	CURRENT RATE %	FIXED	PREVIOUS RATE %	FIXED
Bank of England Rate...	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5¼	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates :—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Treasury Bills	—	6	—	—	6
Bank Bills ...	6½–⅝	6½	6¾	6 6⅛	
Trade Bills ...	—	7–7½	7¼–½	7½	—

THE MONEY OUTLOOK.

It forces itself on one's notice on reviewing the position of the Money market during the quarter that conditions have been much more stringent than was previously expected. At the end of December, it will be recalled, many were inclined to look for a sharp "squeeze" in the closing week of the year, but events proved such apprehensions to be groundless. Opinion then went to the opposite extreme and predicted the recurrence of easy conditions after the turn of the year; indeed, a speedy reduction in the Bank Rate was looked for, yet there have been very few periods in which conditions were so persistently stringent as they have been since January last. The primary cause of this feature is, of course, the huge volume of revenue collections; between January 1 and March 19 the total amount of revenue, excluding the proceeds from sales of Government assets, is £379,292,270. In addition to this [illegible] Ways and Means Advances by the Bank outstanding on December 31, 1920, have been altogether repaid. As the influence of the National Finances was so

predominant, it can hardly be doubted that after the end of the financial year, when, of course, this influence will diminish very much in importance, borrowers will find conditions much more comfortable than they have been hitherto since the commencement of the year. That the market looks with confidence for such a development is indicated by the present condition of the Discount market.

It would be unwise, however, to exaggerate the probability of a greater ease, as happened just before the end of December, and it would be well that opinion should be modified by consideration of some of the more fundamental factors, at present obscured by Government financing, which will become pronounced on the termination of the financial year. In the first place, it is probable, though a contrary opinion has been given in some authoritative quarters, that the influence in the direction of stringency exercised by the preparation of monthly balance sheets will be more noticeable after the end of March than at present. There can be little doubt that on various occasions, especially towards the end of each month, the clearing bankers have had to call in money for balance-sheet purposes, and though we do not wish to attach undue importance to the point, yet it must be recognised in considering the future outlook for money.

In the second place, it would be well to recognise the influences given rise to by the trade depression. At present there are probably very large "frozen" credits in various businesses all over the country which cannot be thawed out until the trade position improves, and this while, perhaps, more than counterbalancing any influence in the opposite direction involved in the trade depression, such as a diminished volume of bills coming forward for discount, is also calculated to inspire bankers with greater caution in making new commitments. Again, in estimating the probable strength of the demand, it has to be remembered that there is a very large potential demand for credit which would become effective on the first appearance of a revival in trade, even if it happens that loans for purely speculative purposes continue to be withheld. At present, on account of the extreme uncertainty of the outlook, business men are everywhere showing the greatest hesitation, and instead of increasing their commitments they are endeavouring to reduce them with as much safety as possible. The confidence lost cannot easily be restored, but if, for instance, a revival were to reappear in the United States during the coming months the wheels of industry would again begin to revolve here, in which case the demand in the Money market would undoubtedly assume much greater strength.

A more immediate factor likely to influence conditions after the turn of the quarter is the probability of the market having to support a flood of new issues at present held up on account of monetary stringency. The securities offered are most likely to be fixed-interest-bearing in nature, but, looking to the less immediate future, the revival in trade would again, apart from direct credits, probably also entail very large issues of industrial capital.

Finally, the recent reduction in the Treasury bill rate cannot be taken as an index of either present or future conditions. It was done solely in order to reduce the amount of interest to be paid on the huge volume of Treasury bills outstanding, on which item a saving of about £7 million during the year will be effected. At the same time, being at present the governing rate in the Money market, it will have the effect of lowering discount rates all round. Already, indeed, rates have been scaled down slightly, and a greater reduction may be effected later on. Whether the Bank of England will persist in maintaining a seven per cent. discount rate will depend to a large extent, as we pointed out in discussing this subject previously, on monetary developments in the United States. The Federal Reserve Board have recently declared themselves in opposition to a reduction in rediscount rates in view of the outlook. If this attitude is persisted in a reduction in the Bank rate here seems unlikely.

Regarding the prospects for 1921 generally it is probable that the level of rates will be lower than during 1920, though any pronounced ease is unlikely. Much will depend on the policy pursued by the banks, and, as previously stated, on developments in the trade situation. Besides these we cannot ignore the probability of large transactions being effective under the Ter Meulen export credits scheme. If goods and services are sent in large quantities from the United Kingdom to the impoverished countries of Europe, it will mean that the necessary credit facilities will ultimately fall upon the Money market here, and, as a long time must necessarily elapse until the goods and services are paid for in kind by the importing country, it will readily be seen that extensive exporting from the United Kingdom under the scheme would place a great strain on our credit resources.

The usual factors making for stringency at present in the Money market were rendered more intense during the current week by large applications for three months' Treasury bills. The latest income and expenditure return shows that the amount outstanding was increased last week, and it is more than probable that the same is true of the present week. Up to 6½ per cent. was freely paid for overnight accommodation, and the lowest rate was 5½ per cent. On balance the market increased its indebtedness to the Bank. The Discount market was quiet, with fewer bills offering, and little change took place in quotations. Transactions in three months' paper, however, were reported at specially low rates, this maturity being in favour just now.

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Foreign Exchanges.

Business in the Foreign Exchange market was again unusually quiet, and the movements were of little significance. The result of the Upper Silesia plebiscite had the effect of strengthening the German mark, but the improvement was not great. Curiously enough, the currencies of Poland as well as of Austria and other Central European countries showed a better tendency, but this feature was generally attributed to the prospects held out for those countries by the development of the export credits scheme. The Italian exchange suffered a notable relapse in the absence of definite news regarding the "pegging" of the Rome-New York exchange, to-day's quotations being around 100 as compared with 95⅝ on Saturday last. Francs improved slightly. The New York exchange shows a slight disimprovement at 3.91½. Among other features, the most prominent was an improvement to 3*s.* 0⅝*d.* in the Shanghai tael and to 1*s.* 3¾*d.* in the Indian rupee.

Income and Expenditure.

The latest income and expenditure return provides an interesting comment on last week's stringency in the Money market. Revenue was £41,980,000, or £3,133,000 above the amount for the previous week, and as expenditure was only £602,000 higher at £24,012,000 the surplus revenue was £17,968,000, as against £15,527,000 on the preceding week. A complete change in the position is revealed in the financing of Treasury bills. In previous weeks maturities were not met in full by sales of new bills, but the return under review shows receipts for Treasury bills at £56,347,000, against maturities amounting to only £48,288,000, thus adding £8,059,000 to the revenue surplus. Accordingly, the £2,750,000 due to the Bank in respect of Ways and Means Advances outstanding on the 12th inst. was paid in full, while, in addition, advances by Public Departments were reduced by £22,350,000 to £158,706,000. Besides these, other repayments of unfunded debt included £1,869,131 for securities surrendered as revenue and £5,739,274 for repayment of foreign debt.

Bullion.

Supplies in the Gold market were, as usually, taken by the United States. Under the influence of Indian buying on Saturday and on Monday, and of Chinese buying yesterday, the cash price for silver rose between those days by ⅝*d.*, and the forward quotation advanced ¼*d.* To-day, however, support from these quarters was withdrawn, while the market was well supplied, and the improvement was altogether lost. The changes are not very significant, as the volume of business was small. The following are the quotations for gold and silver since the 19th inst.:—

	Mar. 19	Mar. 21	Mar. 22	Mar. 23	Average
Silver (per oz. std. ·925 fine):—					
Cash ...	33¼*d.*	33⅝*d.*	34*d.*	33⅞*d.*	33·50*d.*
Forward ...	33*d.*	33*d.*	33⅝*d.*	33⅝*d.*	33·16*d*
Gold (per oz. fine)	—	104/10	105/0	105/1	104/11·3

NEW YORK.

The statement of the New York Clearing Banks, showing the average position for the week ending on the 19th inst., reveals a reversal of the leading movements of recent weeks since the commencement of the year. Previously the outstanding loans were being reduced while the reserve position was growing weaker, but in the latest return loans, discounts, and investments show an expansion, and both the aggregate reserve and the excess over legal requirements register an increase. The extent of the movements, however, is not great, the former increasing by $7,790,000 to $1,953,310,000 and the aggregate reserve showing a rise of $3,370,000 to $514,950,000, while the surplus is $4,210,000 higher at $14,930,000. The greater expansion in the latter was due to a decline of $6,480,000 in net demand deposits, which, in turn, is explained by an increase of $76,450,000 in Government deposits, following on the recent heavy tax collections.

Yet another satisfactory improvement is recorded by the twelve Federal Reserve Banks for the week ending on the 18th inst. Gold reserves are $18,130,000 higher at $2,206,040,000, and, as both deposits and the note circulation declined the reserve ratio rose again from 50.9 per cent. to 51 per cent., this comparing with 43.5 per cent. a year ago. The decline in the note circulation amounted to $42,960,000, and the latest total returned is $2,962,880,000, or $444,050,000 below the high record of December 24, 1920. A striking feature in the return is a decline of $143,530,000 to $2,224,920,000 in the holding of bills discounted for member banks.

Call money eased to 6½ per cent.; commercial paper, prime names, was quoted 7½ per cent. to 7¾ per cent.

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Stock Exchange.

Income tax exacts such a heavy toll upon dividends nowadays that the various aspects of its incidence deserve increasing attention on the part of the investor. An article in this issue, "County and Corporation Stocks as Investments," shows the importance of taking the impost into account when estimating the relative merits of redeemable stocks. There is little doubt that numerous investors lose heavily in revenue without enjoying any greater security through neglect of this consideration. Another fact not generally appreciated is that people domiciled outside the United Kingdom are not necessarily liable for income tax on their dividends, even when the latter are payable in London. According to the principle of collection at the source, companies registered in Great Britain pay the tax to the Treasury direct, and it is then irrecoverable, though the shareholder may not be liable for British income tax. Foreign and Colonial Governments and companies registered abroad generally make disbursement, however, without deduction of tax, on coupons deposited by holders resident abroad. As the recovery of tax would mean an addition of three-sevenths, or forty-three per cent., to investment earnings, the choice of such stocks is a matter of urgent importance to foreign investors in London issues. Australian and Brazilian Government emissions are outstanding examples. Colonial and foreign harbour, electrical, and mining corporations also provide a plentiful supply of suitable issues. The table overleaf shows six representative redeemable stocks which, subject to the necessary preliminary, are tax free.

The approach of the holidays [illegible] share market of activity except for Mexican Eagles, which continued the centre of interest on the recent serious reports of salt-water intrusion into the wells. On Monday the Control stock [illegible] to 5½ on [illegible] the expected [illegible]

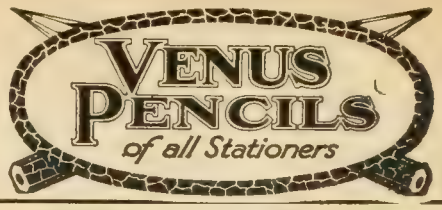
report brought about a rally in the Street. The publication of the report strengthened the tone considerably, but a reaction ensued later and the close was weak. The managers' statement admitted that certain of the wells had gone to water, but emphasised that such is in accordance with the history of the Mexican oil industry. For instance, the well known fields of Juan Casiano, Potrero del Llano, Tepetate, and Chinampa, after having produced large quantities of oil, went to water in successive periods, and it was never anticipated that the newer fields would do otherwise. Further large areas of oil-bearing territory have been located which have as yet hardly been touched and are held in reserve for such an eventuality. Of these large areas the Mexican Eagle Company hold oil rights on between 900,000 and 1,000,000 acres which have been chosen by their geologists after careful investigation.

As an illustration of the view held by the management, it may be mentioned that the factor determining the quantity of petroleum products which the Mexican Eagle Company is able to market is the capacity of their refineries. This is still to-day less than the volume of their production, and the management are at present engaged upon the expenditure of very large sums of money with a view to increasing the capacity of the pipe-line and refineries, for which they confidently expect continued supplies. From what has been said it will be clear that the presence of salt water in the Los Naranjos and Zacamixtle fields is not a matter of serious concern to the Company. With regard to the Los Naranjos field, while salt water has appeared in the northern portion of the field, the wells of the Mexican Eagle Company are largely situated in the southern portion, and are still giving very satisfactory production. The well brought in on the Zacamixtle territory by the Corona Company has proved to be wrongly located, the edge of the field being somewhat further west than was anticipated, and, therefore, the presence of salt water in that well causes no concern.

The close approach of the Easter holidays reduced the volume of business in the House during the current week to almost negligible proportions. The gilt-edge section reacted on the disappearance of prospects of an early reduction in the Bank rate, Consols being the only item on the list to close better on balance. The results of the Birmingham and Liverpool loan were disappointing, the underwriters having to take up about seventy-four and a-half per cent. of the former and seventy-three and a-half per cent. of the latter. Dealings in both stocks commenced on Monday, and were well supported at a slight discount. No definite tendency was noticeable in Home Rails at the outset, but a marked weakness set in towards the close. Among Foreign Bonds, Brazilian varieties monopolised what little business existed. Movements in Argentine Rails were mostly downward, but confined to narrow limits. Price changes in the Industrial section were unimportant, but the undertone remained firm. Iron and Steel shares exhibited an inclination to harden on the Preference dividend announcement of Vickers. Among Textiles, Courtaulds finished slightly better. Elsewhere little activity was discernible.

	Current Middle Price	Flat Yield £ s. d.	Minimum Yield with Red. % £ s. d.
Bombay Port 4% Sterling Debentures, 1939-40	62½	6 8 0	7 19 4
Johannesburg 4% Inscr. Stock, 1933-34*	72½	5 10 3	7 7 10
Napier Harbour Board 5% Loan, 1928	84½	5 18 4	7 15 6
Burma Corporation 8% Convertible First Mortgage Debenture Stock, 1925-30	97½	8 4 2	8 7 9
Brazilian Govt. (Lloyd Brasileiro) 4% Sterling Bearer Bonds, 1927-33	53	7 11 0	11 14 8
Auckland 6% Loan, 1926	97	6 7 0	7 3 9

* Free of stamp duty.



Mining Topics.

NATIONAL MINING CORPORATION.

	Sundry Revenue	Transfer Fees	Directors' Administrative Charges	Directors' and Technical Fees	Sundry Allocations	Dividend Amt.	Dividend %	Carried Forward
Oct. 25, 1919, to Dec 31, 1920	£ 81,178	£ 466	£ 20,211	£ 12,323	£ 26,774	£ —	—	£ 22,336

At the outset let it be frankly recognised that the report issued by the National Mining Corporation, Limited, for the period from the date of its incorporation, October 25, 1919, to December 31, 1920, has fallen far short of expectations. Before dealing with the accounts in detail, we have a few preliminary remarks to make as to the manner in which they are presented. Shareholders are assuredly entitled to more information concerning the sources of revenue than is derived from the terse entry in the published accounts:—"By commissions, dividends less tax, interest, and net profit on realisation of investments, *less* interest paid, £81,178." We suggest, before this bad habit has had time to degenerate into custom, that the directors would do well to give the revenue derived from each of these three sources, and to state as a separate charge the amount involved in interest payments by them. Taking the accounts, however, as they exist, the total revenue amounted to £81,644, of which the bulk was attributed to the above conglomerate. Some further light is thrown on the activities of the Corporation in the report of the directors and in the Chairman's speech at the general meeting. On the directly financial side the Company handled the £1,000,000 issue of the Eight per Cent. Convertible First Mortgage Debenture stock of the Burma Corporation, Limited, which was considerably over-subscribed. It also played a leading part in an issue of 1,000,000 shares of £1 each of Tanganyika Concessions, Limited, which were offered at a premium of £2 per share, in an issue of 200,000 Ordinary shares of £1 each of the South African Diamond Corporation at a premium of £1 per share, and in an issue of 300,000 Eight per Cent. Five-Year Notes at ninety-eight per cent. of the Santa Gertrudis Company. Its investments include holdings in the Burma Corporation, in Tanganyika Concessions, Anglo-American Corporation of South Africa, Santa Gertrudis, the Persian Mining Syndicate, and the British Equatorial Oil Company. Evidently, in so far as commissions and dividends were concerned, the revenue therefrom owed its origin to the above activities and shares. Moreover, it is stated that the main revenue of £81,178 was earned on an average capital of £740,000. The expenditure, which is given in adequate detail, amounted to some £32,535, of which £20,211 represented general administrative charges, whilst directors' and technical committee's fees absorbed £12,323. This latter sum indicated another important direction of the activities of the Corporation. Some 600 mining propositions came under the notice of the Board, and of these the technical committee investigated no less than 400. Examinations were carried out and reports furnished on twenty-six properties, and in several cases a complete survey was made. It is stated that development work is in progress on three properties, whilst others are still under consideration. Reviewing this work as a whole, it appears that more than the average number of propositions held out promise, but no action could be taken in view of the stringent financial conditions of the period. The sundry allocations of £26,774 cover three items: a sum of £555 is

written off as depreciation [illegible] preliminary expenses of [illegible] to £16,204, are also written off; whilst the preliminary expenses of the Corporation are reduced by £10,015. There is left in hand of £22,330, which is proposed to carry forward.

Criticism of the mediocre results thus disclosed and of the absence of any dividend must take into account the remarkable alteration in financial conditions generally during the last twelve months. The flotation and financing of mining and metallurgical industries is usually held to partake of a speculative character. Now during 1920 the policy of deflation introduced in America, as well as in the United Kingdom, had, and was intended to have, the effect of curtailing speculative transactions severely. Consequently businesses interested in these departments were handicapped. Similarly, the heavy fall in prices which followed this policy of deflation was further reflected in the reduced dividends, particularly of companies engaged in the production of silver and the base metals. Apart from this came the no less serious depreciation in the price of these mining securities. This explains the considerable depreciation recorded in the investments held by the National Mining Corporation. Out of a total of £905,493, representing investments at cost, shares quoted in the market account for £797,599, and at prices ruling on December 31, 1920, these showed a depreciation of no less than £391,155. At the meeting it was stated that, in the main, this fall resulted from holdings in the Burma Corporation, Tanganyika Concessions, Anglo-American Corporation of South Africa, and Santa Gertrudis. Of the financial future of the Burma Corporation there is no doubt; but the unpleasant fact remains that the heavy fall in the price of silver and the setback in the price of lead clouded the outlook for the immediate future. Inadequate transport facilities, a difficult exchange situation, and the slump in the price of copper produced the depression in Tanganyikas, whilst Santa Gertrudis was a victim of the heavy drop in silver. As regards the Anglo-American Corporation of South Africa, the primary cause of the depreciation was the stagnation in the diamond market owing to the trade depression. But in all these cases the evils are temporary and not chronic, and the cure is mainly a question of time and the restoration of more normal conditions. The unquoted securities, which are entered in the balance sheet at £108,344, include the Persian Mining Syndicate and the British Equatorial Oil, the latter Company which is expected to develop within a reasonable time a good and continuous output. Here no deduction is necessary, as the value is regarded as conservative, if anything. Financially, the position as disclosed in the balance sheet, dated December 31, 1920, shows liquid assets to a total of £335,729, against current liabilities of only £22,229; but at the general meeting it was disclosed that the contingent liability for amounts uncalled on shares and other interests would absorb £245,000. Nevertheless, even this would not impair the financial stability of the concern, though it must of necessity weaken it considerably. The existence of such a liability is one good reason for not acceding to the request to cancel the uncalled liability of 10*s.* on the shares. As a result of the allocation of £10,015 out of profits, the preliminary expenses have been reduced from £20,015 to £10,000. The issued capital consists of 2,500,000 shares of £1 each, of which 10*s.* per share has been called up. The amount paid up at the date of the balance sheet was £1,208,218, calls in arrear amounting to £41,793. In the interval, however, this latter sum has been reduced to the neighbourhood of £15,700. As regards current operations, it is announced that the Corporation has agreed to purchase £400,000 Convertible Notes in the Mexican Corporation, Limited, and that £200,000 of this amount would be taken by affiliated interests. It is difficult, in view of the present condition of the markets, to forecast the outlook. The opinion is, however, that the price of silver and the base metals cannot fall much further, and that the recovery is not far distant. Even allowing for the uncertainty of the outlook, it is evident that the quotation of 1*s.* 10½*d.* for the £1 shares, 10*s.* paid, is unduly low.

SOUTH AFRICAN DIAMOND CORPORATION, LIMITED.

Issued Capital: £300,000, in two permanent Directors' Shares of £1,000 each and 298,000 Ordinary Shares of £1 each.

Results for Years to June 30

	[illegible]	[illegible]	£	£	£	[illegible]	[illegible]
1917	[illegible]	[illegible]	[illegible]	—	[illegible]	—	[illegible]
1918	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
1919	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1920	149,371	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

The report of the South African Diamond Corporation, Limited, for the year ended June 30, 1920, shows that a remarkable degree of progress has been achieved. The revenue of the Company has expanded from £47,682 to £149,371 within a year. Before proceeding any further with our analysis we desire to criticise the manner in which the accounts are presented. A Company whose revenue has grown from £47,682 to £149,371 between 1919 and 1920, and will continue to grow, though perhaps not in the same proportion, has no reason for concealing the amounts derived from the constituent elements. It is not in keeping with a concern of the standing of the South African Diamond Corporation to return under one lump sum revenue which is described in the accounts thus:—"Dividends on investments, trading profits, profits on sales of shares, and other revenue, *less* interest." We submit that the time has come for the Company to disclose separately the gross amount received in respect of dividends, of profits on sales of investments less losses, if any, of trading profits and of sundry revenue, and to show as a distinct charge the amount disbursed in the form of interest. Judging by 1916-17, when this amount was stated to be £12,481, no inconsiderable sum is involved. Taking the accounts, however, as we find them, it will be noted that administrative expenses increased from £3,210 in the year 1918-19 to £18,064 in the year under review. This expansion, which on the surface appears to be altogether out of proportion to the increase in revenue, is due mainly to the inclusion of the expenses involved in issuing 200,000 Ordinary shares during the year. Deducting the administrative charges, the net profit has advanced from £44,472 to £131,307. The amount available for dividend was increased to £155,088 by the addition of the sum of £15,000 which had been placed to the reserve fund in the previous year, as well as of £8,782 brought forward. From this total a dividend of fifty per cent. was paid, as against twenty-five per cent. in 1918-19; but the sum required to meet the dividend has risen from £25,000 to £100,000. This is explained by the fact that the interim dividend of twenty-five per cent. was paid on the capital of £100,000; whereas the final dividend of twenty-five per cent. was paid on a capital increased to £300,000 by the successful issue of 200,000 Ordinary shares of £1 each at a price of £2 per share. The resulting premium of £200,000 was transferred to the reserve fund. The balance carried forward to the next accounts stands at £55,088, as compared with £8,782 brought forward from 1918-19, but is subject to deduction in respect of excess profits duty.

The proceeds of the issue of new shares were utilised to acquire 400,000 Ordinary shares of £1 each in the National Diamond Cutting Factories. [illegible] Brighton by the Chairman of the South African Diamond [illegible]

success, especially since February 1919. Over 500 men were employed in diamond cutting at Brighton, and arrangements were being made to increase the number to 1,500. In addition works had been opened in Wales and in Scotland. Moreover, an agreement had been reached with the Continental Union of Diamond Cutters. To cope with the demand this new concern made an issue of £1,000,000 Eight per Cent. Six-Year Convertible Notes at par recently. Over £1,000,000 worth of diamonds cut at Brighton have already been sold. So satisfactory was the progress that the South African Diamond Corporation anticipated the inclusion of dividends from this investment in the accounts of the current year. As a result of this acquisition shares held in other companies now figure in the balance sheet at £773,652, as against £257,181 in 1918-19. According to the auditors' statement the market value of the quoted shares on June 30, 1920, was only £7,940 less than the value entered in the accounts. However, share values, and diamond shares in particular, have fallen much more since then. At the same time, as the Company has purchased its shares as a permanent investment, these periodic fluctuations as a result of trade depression are not of such vital importance. Financially, the balance sheet dated June 30, 1920, reflects primarily the stringency of funds so characteristic nowadays. Liquid assets in the form of debtors and cash amounted to £96,169, against which current liabilities, including sundry creditors, loans and the final dividend, stood at £371,489. On the other hand, the stock of diamonds on hand was valued at £51,506; but as mentioned above the shares must be regarded more as a permanent than as a liquid asset. *Per contra*, however, it is no less true that the loans which are included with sundry creditors may not fall within the definition of current liabilities. We venture to suggest that so long as the present stringency lasts the amount due to trade creditors should be shown separately from these loans.

At the general meeting in December the Chairman said:—"It is with the utmost satisfaction that I am able to state we are in a position to keep up our dividends of fifty per cent. per annum, if we are not mulcted in heavy excess and other duties." Moreover, whilst trade was somewhat slack at that date, the outlook was sufficiently favourable to warrant an interim dividend of twelve and a-half per cent. for the current year. Since then, however, the situation has become steadily more acute. Leading diamond producers, such as De Beers and Premier, have been obliged to dismiss a number of their hands; whilst the Frank Smith Diamond Company has had to close down. The stagnation in this luxury trade is now so pronounced that it has been authoritatively stated that no sale of diamonds has taken place for a long time. Bearing in mind the general trade depression, it is difficult to see how any marked revival in the diamond-mining industry can take place in time to influence the results of the current year. On the whole we are inclined to believe that the directors will find it advisable to pass over the final dividend. Taking a long view, however, there is no doubt of the inherent strength of this Corporation, and the shares are by no means unattractive as a lock-up investment at the current price of 20s.

CANADA'S
Grand Trunk Railway System
in connection with the Canadian National Railways, now operates Daily Coast to Coast Service—Halifax, Quebec, Montreal, Toronto, Winnipeg, Saskatoon, Edmonton, Vancouver, Victoria, Prince Rupert.
CONSULT us re TRAVEL, EXPORTS, and EXPRESS SERVICE.
Canadian Express Co.'s Money Orders issued in Dollars and Cents.
EUROPEAN TRAFFIC OFFICES.
LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—20 Water Street.
LONDON E.C.—44-45 Leadenhall Street. GLASGOW.—75 Union Street.
H. DEER, Secretary, Dashwood House, E.C. 2.
FRED. C. SALTER, European Traffic Manager

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND—Accounts, March 16, 1921.

Issue Department.

Notes Issued	£144,963,185	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,513,185
	£144,963,185		£144,963,185

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£23,523,863
Rest	3,536,389	Other Securities	102,076,713
Public Deposits	18,910,444	Notes	16,8 7,090
Other Deposits	107,259,094	Gold and Silver Coin	1,812,314
Seven-day and other Bills	10,553		
	£144,269,980		£144,269,980

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1921.	Circulation	'Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Mar. 16	128,1	128,3	18,9	107,2	23,5	102,0	12,6	14·8	7	6⅛
Mar. 9	128,4	128,3	17,8	115,1	39,1	93,7	18,3	13·8	7	6⅛-⅛
Mar. 2	129,3	128,3	18,2	124,4	44,3	98,9	17,4	12·2	7	6⅛
Feb. 23	127,7	128,3	15,9	111,2	31,0	95,2	19,1	15·0	7	6⅛
Feb. 16	127,8	128,3	15,5	114,0	43,5	85,2	18,9	14·6	7	6⅛
July 22,'14	29,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5% July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 3 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling, 00,000's omitted):	Mar. 16 1921	Mar. 17 1920	Mar. 19 1919	Mar. 20 1918	Mar. 15 1911
Circulation	£128,1	£101,2	£72,2	£47,4	£27,1
Public Deposits	18,9	18,4	27,2	35,4	23,4
Other Deposits	107,2	133,0	121,8	134,4	40,1
Government Securities	23,5	42,1	56,6	57,0	14,6
Other Securities	102,0	91,9	80,8	99,2	35,6
Reserve	18,6	35,5	29,6	31,7	31,5
Ratio to Liabilities	14·8%	23·5%	19·89%	18·67%	48·60%
Coin and Bullion	128,3	118,2	83,4	60,6	40,2
Money:					
Bank of England Rate	7%	6%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	5⅝%	3½%	3⅝-½%	2½-⅝%
Exchanges:					
Paris Cheque	56·12	50·05	27·11½	27·10	25·28
New York 60 days	3·8⅞	3·72	4·68	4·72½	4·83·90
Bombay Telegraphic Transfers	1/3⅜	2/4½	1/5⅜	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	47⅛	47⅜	57⅜	54½	80⅛
French Rentes 3% Money	57·85	57·00	62·50	56·75	96·62
Silver, London spot os.	32⅞d.	70⅛d.	47⅞d.	45d.	24⅞d.
Wheat, *Gazette* average qr.	75/0	72/6	72/5	7../4	30/1
Cotton, Mid Upland lb.	8·71d	30 64d.	19·14d.	24·82d.	7·73d.
Iron, Scotch pig ton	156/0	206/0	101/0	101/0	54/1½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Mar. 16, '21	7,413,114	7,180,114	335,841,319	28,500,000	19,450,000	14·3
Mar. 9, '21	7,653,530	7,014,915	335,608,319	28,500,000	19,450,000	14·3
Mar. 17, '20	6,732,690	8,664,221	326,258,886	28,500,000	4,800,000	10·2
Mar. 19, '19	8,241,827	5,186,757	324,195,455	28,500,000	—	8·7
Mar. 20, '18	5,269,141	4,663,759	223,922,097	28,500,000	—	12·7
Mar. 21, '17	4,642,561	5,421,508	143,043,152	28,500,000	—	19·9

Balance Sheet, March 16, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	266,769,328	Other Bankers	—
Ten Shilling	40,971,991	Trustee Savings Banks ...	—
Certificates outstanding ...	28,100,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	335,841,319	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,244,361	Government Securities ...	305,396,755
		Balance at Bank of England	153,017
Investments Reserve A/c ...	15,414,092		
Total	353,499,772	Total	353,499,772

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Mar. 19,'21...	£41,930 *	£24,012	£17,968‡	£66,314	£ 5,352	£2,918
Mar. 12,'21...	38,847	23,320	15,527‡	68,288	84,923	3,987
Mar. 5,'21...	51,708	40,294	11,414‡	115,452	127,545	4,194
353 dys.'20-21	1,329,590	1,085,692	243,898‡	5,386,926	5,640,193	—6,451
355 dys.'19-20	1,231,397	1,498,962	267,565	5,805,421	5,537,835	—9,090
Yr. '20-21*	1,418,300	1,233,642	184,658‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,369
Yr. '18 19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499 604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
Mar. 19,'21...	£12,891	£18,259	£5,180	£5,650	£3,027	£1,249	£19,736
Mar. 12,'21...	5,627	20,667	3,393	9,160	3,058	1,956	18,308
Mar. 5,'21...	4,304	26,245	4,986	16,173	19,7 8	358	20,218
353 days'20-21	326,561	358,974	209,181	434,874	341,692	26,558	717,442
355 days'19-20	275,363	341,145	277,102	337,787	323,231	14,087	1,161,644
Yr. '20 21*	348,650	385,800	220,000	463,850	345,000	31,198	807,804
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	3,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Mar. 19, 1921 ...	1,095,356	158,706	1,254,062	22,083
Mar. 12 1921 ...	£1,087,879	£183 806	£1,2 1,685	£21,883
Ma . 5, 1921 ...	1,089,209	200,126	1,289,335	21,598
Feb. 26, 1921 ...	1,109,799	189,622	1,299,421	21,308
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates, including supplementary grants. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling.—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£8,263
Mar. 10, '21	...	10,661	1,257	11,918	29,280	242,332	49,491
Mar. 17, '21	...	10,661	1,353	12,014	28,403	241,346	49,824

		Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Feb. 23, '21	...	£396,918	£61,045	£72,553	£91,023	£442,163	£40,359
Feb. 28, '21	...	396,920	60,912	69,690	87,326	454,783	35,356
Mar. 7, '21	...	396,925	61,666	70,080	86,372	453,385	41,227

		Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Jan. 31, '21	...	12,643	141	12,784	15,928	895	29,009	3,489
Feb. 28, '21	...	12,643	148	12,791	16,721	855	28,250	3,576
Feb. 28, '20	...	12,597	186	12,783	16,948	599	26,396	3,293
Feb. 28, '19	...	10,400	136	10,536	3,953	5,342	23,402	920

		In Bank	Abroad	Total Cash incl'g Silver	Bills	Circulation	Public	Private
FRANCE.								
July 30, '14	...	£165,654		£190,667	£97,788	£267,327	£15,302	£37,903
Mar. 10, '21	...	142,207	77,934	230,791	117,100	1,534,465	1,534	133,008
Mar. 17, '21	...	142,215	77,934	230,746	114,558	1,529,816	2,571	123,504
Mar. 18, '20	...	144,193	79,131	233,275	66,817	1,526,400	4,416	135,392
Mar. 20, '19	...	142,468	79,132	234,168	41,176	1,330,431	3,401	110,674

		Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£87,843	£18,727	£84,570	£5,279	£40,055	£94,545	£47,198
Feb. 28, '21	...	54,577	402	54,979	1,099,490	2,823,143	3,371,317	867,854
Mar. 7, '21	...	54,577	445	55,002	1,136,706	2,761,618	3,395,391	793,521
Mar. 6, '20	...	54,569	1,335	55,904	651,652	2,013,553	2,082,418	667,665
Mar. 7, '19	...	112,216	1,049	113,264	300,926	1,326,346	1,212,399	544,972

		Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14		£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Mar. 7, '21	...	53,010	1,617	54,627	19,606	18,618	87,306	3,834
Mar. 14, '21	...	53,010	1,544	54,554	18,368	18,752	86,655	4,327
Mar. 13, '20	...	52,811	823	53,634	22,917	17,005	84,776	9,080
Mar. 15, '19	...	56,253	789	57,042	9,819	18,149	83,616	8,361

		Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	—£48,456—		£25,017	£69,204	£8,887
Nov. 30, '20	...	£32,768	£3,000	35,768	14,599	199,478	616,789	83,146
Dec. 10, '20	...	32,768	3,000	35,763	17,231	195,528	611,454	75,324
Dec. 10, '19	...	32,198	3,004	35,202	17,707	90,319	491,353	74,657
Dec. 10, '18	...	32,699	3,080	35,779	7,275	60,532	365,310	56,743

		Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Jan. 29, '21	...	115,120	6,866	10,191	121,667	97,359	9,731
Feb. 12, '21	...	114,921	5,414	10,420	110,806	97,809	15,247
Feb. 14, '20	...	94,129	18,814	37,899	129,495	113,670	3,768
Feb. 15, '19	...	71,235	2,160	41,443	82,767	104,347	5,093

		Cash in Vaults	Own Reserve	Aggregate Loans, Invest. &c.	Net Demand	Net Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89,888	£411,238	—	—	£887,165	£1,720
Mar. 12, '21	...	£16,378†	102,316	989,104	£756,168	£47,214	805,756	2,144
Mar. 19, '21	...	15,990†	102,990	990,662	754,872	47,346	822,892	2,836
Mar. 20, '20	...	18,914†	118,186	1,022,120	840,762	51,286	898,750	6,506
Mar. 22, '19	...	19,012†	119,914	976,400	797,936	30,022	833,424	14,226

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'ts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£6,752	£793
Mar. 7, '21	...	8,115	2,395	500	23,703	22,936	6,365
Mar. 15, '21	...	8,115	2,368	500	23,347	22,761	6,065
Mar. 15, '20	...	8,123	4,642	579	18,901	22,735	5,502

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
Oct. 6, '20	...	£1,906	£3,921	£5,827	£26,898	£119,830	£4,774
Oct. 13, '20	...	1,906	3,921	5,827	29,347	119,490	4,502
Sept. 3, '19	...	1,905	3,924	5,829	7,846	66,556	6,774
Sept. 4, '18	...	1,905	3,742	5,647	10,795	54,450	2,357

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Dec. 11, '20	...	£126,008	£30,064	£5,507	£35,571	£371,501
Dec. 18, '20	...	126,008	29,659	4,783	34,442	373,226
Jan. 8, '21	...	128,009	29,610	4,956	34,566	378,721
Jan. 10, '20	...	53,035	9,016	2,386	11,402	172,577

		In Bank	Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14	...	£160,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,911
Oct. 23, '17	...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Mar. 5, '21	...	98,924	23,272	122,196	101,215	13,779	175,593	45,819
Mar. 12, '21	...	99,037	23,293	122,330	99,155	13,779	169,988	48,531
Mar. 13, '20	...	98,123	25,249	123,372	85,981	13,779	154,742	44,681
Mar. 15, '19	...	90,250	25,739	115,989	73,742	13,778	138,976	41,486

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Mar. 5, '21	...	15,652	5,374	705	31,152	38,570	11,889
Mar. 12, '21	...	15,652	5,852	705	31,146	37,572	12,000
Mar. 13, '20	...	14,582	5,992	2,654	34,093	33,353	14,432
Mar. 15, '19	...	16,031	8,116	3,035	22,673	40,618	8,327

		Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Feb. 28, '21	...	21,726	6,700	28,426	13,218	37,776	3,436
Mar. 7, '21	...	21,727	6,984	28,711	12,931	37,376	3,417
Mar. 6, '20	...	21,151	3,410	24,561	12,953	37,133	4,329
Mar. 27, '19	...	16,377	2,571	18,948	19,304	35,418	3,937

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

		Gold Held by Banks	Gold With Agents	Total Cash	Bills Discounted	Acceptances	Deposits Govt.	Deposits Net	Circulation
U. STATES FED. RES. BANKS.									
Jan. 14, '21	...	—£437,592—		£471,936	£472,643	£19,722	£16,314	£331,078	£601,163
Mar. 21, '21	...	—413,203—		433,068	444,934	24,556	11,755	325,700	592,576
Mar. 22, '20	...	—383,016—		412,033	411,533	92,645	11,606	337,112	609,428
Mar. 24, '19	..	180,488	247,682	441,718	376,308	52,394	57,156	353,730	502,138

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	7	Sept. 3,'20
Berlin	5	Dec. 23,'14	Madrid	6	Nov. 4,'20
Berne	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay	6	Mar. 3,'21	Petrograd ...	8	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	6	Mar. 3,'21	Stockholm ...	7½	Sept. 16,'20
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Mar. 23, '21	Mar. 18, '21	Mar. 11, '21	Mar. 4, '21
Berlin	Cable		245m.	245m.	239m.
Brussels	Cheques.	54fr. 85c.	54fr. 87c.	52fr. 37c.	51fr. 82c.
Denmark	Cable	22kr. 50	22kr. 57	22kr. 62	22kr. 47
Holland	do.	11d. 38½	11d. 36c.	11d. 36c.	11d. 37½c.
Italy	do.	100c. 00	97·50c.	106c. 00	106c. 25
Lisbon and Oporto	do.	5½	5½d.	5½	5½.
New York	do.	$3 91½	$3 91½	$3 90⅜	$3 89⅜
—	Cheques	$3 92¼	$3 92¼	$3 91⅜	$3 91⅜
Norway	Cable	24kr. 35	22kr. 45	23kr. 35	23kr. 35
Paris	3 mos.	57fr. 05c.	56fr. 87c.	55fr. 52c.	54fr. 72c.
—	Cable	56fr. 30c.	56fr. 12c.	54fr. 77c.	53fr. 97c.
Spain (Bank places)	3 mos.	42d.	41d.	41d.	41d.
—	Cable	28c. 02	28c. 10	27c. 97	28c. 00
Sweden	do.	16kr. 85	17kr. 17	17kr. 37	17kr. 50
Switzerland	3 mos	23fr. 57c.	23fr. 10c.	23fr. 65c.	23fr. 85c.
—	Cable	23fr. 07c.	22fr. 58	23fr. 15c.	23fr. 35c.

ON LONDON—		Mar. 23, '21	Mar. 18, '21	Mar. 11, '21	Par.
Alexandria	Sight	97¼pl.	97¼pl.	97¼pl.	97¼pl.
Amsterdam	Cheques	11d. 36c.	11d. 33c.	11d. 36c.	12·1078.
Athens	Cable	51dr. 75	51dr. 87	51dr. 75	25dr. 22½
Bombay	Transfers	1s. 3½d.	1s. 3¾d.	1s. 3¾d.	2s.*
Brussels	Cheques	53f. 82c.	53f. 73c.	52f. 33c.	25f. 22½c.
Buenos Ayres	Transfers	47⅞d.	47⅞d.	48½d.	47·58d.
Calcutta	do.	1s. 3¼d.	1s. 3¼d.	1s. 3¾d.	2s.*
Christiania	Sight	24kr. 36	24kr. 44	23kr. 92	18·159kr.
Copenhagen	do.	22kr. 57	22kr. 67	22kr. 65	18·159kr.
Helsingfors	Cable	149½m.	153m.	144m.	25m. 22½
Hong Kong	Transfers	2s. 5½d.	2s. 4½d.	2s. 3¾d.	—
Italy	Sight	99fr. 50c.	97fr. 75c.	106fr. 00c.	25fr. 22½c.
Lisbon	do.	5¼d.	5¼d.	5¼d.	53½d.
Madras	do.	1s. 3¼d.	1s. 3¼d.	1s. 3½d.	2s.*
Madrid	do.	28p. 02	28p. 10	28p. 08	25p. 22½
Montevideo	Transfers	—	45½d.	47½d.	51d.
Montreal	Cable	$4 45	$4 47½	$4 45½	$4 86⅔
New York	Sight	-	$3 89⅞	$3 88½	—
—	60 days	—	$3 87½	$3 86⅛	—
—	Cable	$3 91⅛	$3 90¼	$3 89⅛	$4 86⅔
Paris	Cheques	56f. 25c.	56f. 12c.	54f. 75c.	25f. 22½c.
Rio de Janeiro	90 days	9⅛d.	9⅜d.	9¼d.	16d.
Shanghai	Transfers	3s. 1¼d.	3s. 0½d.	2s. 11⅝d.	—
Singapore	Sight	2s. 3¾d.	2s. 3¾d.	2s. 3⅝d.	—
Stockholm	do.	16kr. 86	17kr. 15	17kr. 35	18·159kr.
Switzerland	do.	23f. 05c.	22f. 58c.	23f. 13c.	25f. 22½c.
Valparaiso	90 days	—	9⅜d.	9¼d.	18d.
Yokohama	Sight	2s. 5⅝d.	2s. 5⅝d.	2s. 5⅝d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—	Rate Current* Mar. 16, '21	Rate Current* Mar. 9, '21	Par as is ually Quoted	Rate July 3
Amsterdam, sight ...	34·33c.	34·20c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	25·125c.	25·00c.	48·66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	132·00	127·75		
Christiania, cheques ...	15·85c.	15·85c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	17·00c.	16·75c.	26·80c. for 1 kroner	28·85c.
Greece, cheques ...	7·53c.	7·55c.	19·295c. for 1 drachma	
Hong Kong, cheques ...	46·0c.	45·00c.	74·59c. for Mex. $1	46·4c.
Italy, sight	37 25/4.	36 65/4.	5·18½ lire for $1	5·17½.
Lima, cheques ...	3·90/4.	3·90/4.	4·8665 $ for 1 libra	
Manila, cheques ...	46·00c.	46·00c.	50c. for 1 peso	49·8c.
Montreal	12·75% disc.	12·375% disc.	Premium per $100	Par
Paris, sight	14 44fr.	14 05fr.	5·18½ francs for $1	5·16fr.
Rio de Janeiro, cheques	7 15mil.	6 53mil.	3 032 milreis for $1	
Shanghai, cheques ...	62·50c.	61·00c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42·00c.	56 77c. for $1	57·12c.
Spain, cheques	13 88c.	13 87c.	19·30c. for 1 peseta	
Stockholm, cheques ...	22 65c.	22·35c.	26 80c. for 1 kroner	
Switzerland, cheques ...	5·8 3fr.	5 94fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	15 25c	15·25c.	20·61c. for 1 peso	
Yokohama, cheques ...	49·00c.	48·00c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week	Amount. [In £'s sterling, 000's omitted.]	Inc. or Dec.*	1921 Agg.	Inc. or Dec.*	%
	1921					
BIRMINGHAM ...	Mar. 19	£2,291	— £1,232	£36,079	— £11,178	— 23·6
BRISTOL ...	,, 19	1,651	— 169	13,903	— 3,492	— 15·6
DUBLIN ...	,, 19	7,506	— 457	90,095	— 17,248	— 15·9
HULL ...	,, 19	1,397	—	3,434	—	—
LEEDS ...	,, 19	1,036	— 543	14,178	— 5,234	— 26·5
LEICESTER ...	,, 19	693	— 361	9,837	— 6,235	— 38·6
LIVERPOOL ...	,, 19	9,359	— 10,952	118,533	— 71,833	— 40·1
MANCHESTER ...	,, 19	14,419	— 16,991	205,140	— 183,434	— 47·4
NEWCASTLE ...	,, 19	2,021	— 908	33,575	— 5,440	— 21·6
NOTTINGHAM ...	,, 19	797	— 565	14,705	— 4,993	— 35·0
SHEFFIELD ...	,, 19	1,384	— 115	17,103	— 1,754	— 9·4
LONDON—	1921					
TOWN ...	Mar. 16	672,332	— 63,463	6,847,863	— 450,879	— 6·1
METROPOLITAN	,, 16	32,983	— 9,643	401,9	— 74,136	— 15·5
COUNTRY ...	,, 16	65,7	— 24,017	7	— 1	— 17·2
TOTAL ...	Mar. 16	887,141	— 94,138	8,014,507	— 831,339	— 7·9

* Increase or decrease.

V.—FREIGHTS.—According to Messrs. J. C. Lyall & Co., Ltd.

HOMEWARDS.	1921 Mar. 23	1921 Mar. 18	1914 Mar. 20
Alex. to U.K. ...	14/3	14/6	6/6
Aust. to U.K. ...	9/9	9/3	3/9
Bilbao to Cardiff ..	—	20 nom.	—
Bombay to p.p. ...	22/6	Dec. 15/6	—
Burmah to U.K....	35/0 nom.	35/0	19/6
Calcutta to p.p. (rice)	—	—	—
Danube to U.K. ...	27/0	28/9	8/6
R. Plate to U.K....	36/3	32/6	11/0

Homewards	1921 Mar. 23	1921 Mar. 18	1914 Mar. 20
[illegible]	—	—	—
[illegible]	—	—	—
[illegible]	—	—	—
[illegible]	—	—	—
[illegible]	—	—	11/0*

OUTWARDS. — Coal to			
[illegible] ...	17/6	17/9	7/6
River Plate ...	17/6	21/0	15/10½
St. Vincent ...	15/0	15/0	7/3

* Forton. † For winter.

Time Charter, 6 0 nom.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAR. 23, 1921	MAR. 26, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	156 0	206 0	57 0
— Middlesbro' warrants ...ton	150 0	200 0	51 0
— Hematite warrants ...ton	180 0	260 0	61 0
— Staffordshire bars, London ton	£27 10	£27—£28	£8 10
— Common bars ...ton	£23	£24	£6 16
Steel Rails ...ton	£18	£21 5—£22 5	£6 2 6
Galvanised Sheets ...ton	£24 10—£26	£56	£16 17 1
Copper—Standard ...ton	£69	£103 10	£66
Tin—English Ingots ...ton	£156	£335	£142 15
— Straits ...ton	£163	£340	£139 10
Tinplates, I.C. Coke, S. Wales...box	28/0—29/0	77/0	11/10½—12/0
Lead—Soft Foreign ...ton	£13 7 6—£13 15	£40 5—£41 15	£19
Spelter—Ord. Foreign ...ton	£25 10—£26 10	£48 10—£51	£21 7 9
Quicksilver—(75lb.) ...bottle	£12 10	£26 10s m	£7
Aluminium ...ton	nom	£165	£82
Antimony—Regulus Foreign ...ton	£25	£65—£70	£27 10
— English ...ton	£37	£72—£7	
Coal—(best Yorkshire ...ton	37 2—38 2	23 0—24 0	17 6
— Steam, best Newcastle ...ton	50 2—55 2	46 0—51 6	14 6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	14 0	15/10½	7/4
Soda—Crystals ex wharf ...ton	140 0	185 0—190 0	42 6—45/0
Copra—Malay and States ...ton	£23 10	£63 10	£23 15 £24 7 6
Gambier—Good marks ...cwt.	30 0	52 0	16/10½
Indigo—Bengal good to fine ...lb.	11 6—14 6	13 0—16 6	3/2—3 8
Linseed Oil—Raw ...ton	£28 15	£126	£25 5
Linseed—Calcutta, spot ...ton	£18 10	£94	£13 16 9
— Cakes, U.K. made, ex mill ...ton	—	£25	£7 17/6—£8
Olive Oil—Spanish ...ton	—		£49 10
Palm Oil—Lagos ...ton	£32	£88	£31 10
Petroleum—American ...gallon	2 3½	2 1½	7½d.
Rape Oil—Refined English ...ton	£56	£135	£32
Soya Oil—Refined ...ton	nom	£100	£24 10
Tallow—Imported ...cwt.	55 6—50 0	106 0—116 0	29/3—33/3
Turpentine—American ...cwt.	50 0	225 0	33/7½
Rape Seed—Toria ...ton	£17 10	£45	£13 5
Rubber—Para, spot ...lb.	11½d.	2 4 nom.	2 9½
— Fine plantation (stn Crepe) lb.	11½d.	2 3½	2 2
— World's Production† Oct. tons	26 620	30.370	8,467
Shellac—T.N. Orange, fair ...cwt.	265/0—290/0	770/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	8 96d.	30 65d.	7 53d.
— Egyptian good fair ...lb.	12 00d.	76 50d.	8 75d.
— Pernambuco fair ...lb.	7 86d.	34 16d.	7 73d.
— Midland Upl. New York ...lb.	11 97d.	42 00d.	13 25d.
— Stock, Liverpool (Mar. 18 ...bales	1,019,550	1,037,950	934,600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£45	£65	£25 10
— Manila fair ...ton	£38	£69	£26 10
Jute—First Marks ...ton	£32	£68	£26 15
— Red SCC ...ton	£26	£54	£24 15
Silk—Common, New Style ...lb.	21 0	50/0	12 0—12 6
— No. 1-1½ Japan ...lb.	25/0	—	—
— 1st Order Italian ...lb.	25/0	—	—
Wool—Pt. Philip unwashed av. lb.	1/9	5/6	11½d.—1/0
— Lincoln Half Hogs ...lb.	11d.	2/3½	1/0½
Hides—Eng. Ox, best, 70lb. up lb.	6½—5½	18½d.—19½	7½d.
Leather—Dressing Hides ...lb.	1 9—2 6	4 0—4 6	1 4—1 8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	69,142,000	82,715,000	34,640,000
— Red, price, N.Y. 60lb....bushel	182c.	nom.	67½c.
— English Gazette, aver. 480lb. qr.	87 2	72 7	34 3
Flour—G.R. ...280lb.	63 0	63/6	28 6
Barley—Eng. Gaz., aver. 400lb. qr.	52 7	93 10	25 4
Oats—Eng. Gaz., aver. 312 lb. qr.	35/5	57/9	20/0
Maize—N.Y. (new bushel)...56lb.	85½c.	171½c.	76½c.
— Amer. mixed, Liverpool ...480lb.	47 0	nom	32 4
— La Plata ...480lb. qr.	53 0	82 6	25/9
Potatoes—Good English ...ton	135 0	295 0	70/0—75/0
Rice—Bassein ...cwt.	13 6—14/0	48/6	7/0—7/3
Tapioca—Pearl, medium ...cwt.	22 0	39/0	14/0—17/8
Hay—best ...2,018lb....load	—	—	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hindqrs...8lb.	8 0	6/8	3/8—3/10
— Scotch sides ...8lb.	11 4	10/0	4/6—5/0
— English ...8lb.	11/4	10/0	4/2—4/5
Mutton—Scotch wethers...8lb.	13/4	10/6	5/8—6/0
— English wethers ...8lb.	14 4	10 6	4 6—5/4
— New Zealand frozen ...8lb.	6 0	10/5	2/4 -3 2
Pork—English and Irish ...8lb.	12/0	11/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	‡210/0—215/0	200/6	60/0—74/0
— Danish ...cwt.	‡215 0	‡192 0	58/0—68/0
— Canadian, ex Port ...cwt.	‡170/0	‡187/0	—
— American, ex Port ...cwt.	‡130/0—136/6	‡187/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	‡180 0	‡190/0	75/0—79/0
— — short cut, ex Port ...cwt.	‡175 0	‡190 0	71/0—74 0
Lard—Amer. boxes, ex Port ...cwt.	‡94 0	‡198 6	51/9—52/9
Butter—Danish ...cwt.	‡298 8	303/4	117/0—120/0
— French ...cwt.	‡298 8	303 4	96/0—108 0
— Australian ...cwt.	‡293 8	303/4	98/0—110/0
— New Zealand ...cwt.	‡293 8	303 4	108/0—114/0
Cheese—Canadian ...cwt.	160 0—164 0	‡145/0	66 0—68/0
— United States ...cwt.	—	‡145/0	—
— Dutch ...cwt.	116.0—188 0	‡145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 28 ...cwt.	2,863,062	4,383,756	19,777,254
— Home consump'n to Feb. 28 cwt.	3,742,571	4,311,845	17,272,000
— In Bond Feb. 23 ...cwt.	7,292,000	6,162,000	6,309,000
— Price, Java, 98° Pol. ...cwt.	28 9	53 0	10/3
— — Yellow crystals ...cwt.	62 0	63 6	12/6—14 0
— — Tate's Cubes, No. 1 ...cwt.	72 0	72 0	18/0
Coffee—Imports to Feb 28 ...cwt.	130,307	122,624	720,360
— Home consumpt'n to Feb. 28 cwt.	48,293	49,644	141,410
— Exports to Feb. 28 ...cwt.	53,934	86,065	340,250
— In Bond Feb. 28 ...cwt.	637,000	700,000	484,000
— Price, Costa Rica good to fine cwt.	88 0—124 0	158 0—164 0	80/0—93 0
— — Brazil (Santos) good ...cwt.	50/0—55 0	130/0—132/0	41/6
Tea—Imports to Feb. 28 ...lb.	78,616,621	71,131,857	123,230,277
— Home consump'n to Feb. 28 lb.	64,907,236	62,515,253	155,447,972
— Exports to Feb. 28 ...lb.	3,921,644	7,083,201	26,561,765
— In Bond Feb. 23 ...lb.	223,021,000	203,061,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	8½d.	1 5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	5½d.	1/6	8½d.
— — Common Congou ...lb.	2½d. nom.	1/3	5½d.
Cocoa—In Bond Feb. 28 ...cwt.	1,113,000	745,000	309,000
— Grenada, good to fine ...cwt.	49/0—50/0	85/0	52/6—56 0

• Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS

	Period	Gross	+ or −	Net	+ or −
Canadian Pacific	Jan.	$14,465,000	+ 550,000	$641,000	+ 55,000
	1 mo. to Jan.	14,465,500	+ 550,000	641,000	+ 55,000
Grand Trunk	Jan.	£1,315,600	+ £277,100	Dr. £111,600	+ £55,500
	1 mo. to Jan.	1,315,600	+ 277,100	Dr. 111,600	+ 55,000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

**** No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or − on Year Ago	No. Wks	Aggregate Receipts.	+ or − on Year Ago
Assam Bengal	Feb. 12	1,044	R2,21,978	— 41,143	19	44 29.012	— 68 309
Barsi Light ...	Feb. 12	118	21.930	— 6 100	45	11 92.100	— 1.64 500
Bengal & N.W.	Feb. 12	2,067	5.93.760	+ 52.819	19	93.33.113	+ 1,10,090
Beng. Dooars	Feb 19	158	21.770	— 11,813	20	6 09.666	— 2 98 377
Beng. Nagpur	Feb. 19	2,695	12.74.000	— 40.000	10	5.61 70.110	— 17.45 139
Bomb. Baroda	Mar. 12	2,871	22.01.000	+ 83.000	23	4 39 76.000	— 7.32 000
Burma ...	Feb. 12	1,342	6.41.512	— 32 340	19	1.11.88.932	— 5.62.877
Del.Um. Kalk.	Mar. 12	239	96.000	— 5.546	23	23.01.705	+ 3.173
East Indian ...	Mar. 12	2,772	27.33.000	— 50.000	23	6.44.34.000	+ 25.90.000
Gt. Indian Pen	Mar. 12	3,121½	28.01.000	— 23.700	23	6.39.23.122	+ 11.81.042
Madras & S.M.	Feb. 26	3,152	12.80.000	+ 1.442	21	5.70.74.072	— 1.81 827
Nizam's Guar.	Feb. 19	900	3.38.483	+ 27.735	20	61.01.498	+ 94,831
Rob. & Komn	Feb. 12	576	124.761	+ 1 751	19	19.66.386	+ 36 051
South Indian	Feb 12	1,852½	6.98.845	— 61.867	45	3.54.82.803	+ 3.95 675
South Punjab	Nov.	716	8.18.814	+ 50.266	2m	17,19,407	+ 3,21,162
COLONIAL							
Can. Northern	Mar. 14	9,704	$1,478,400	+ 436.000	10	12,705,700	+ 2,630,206
Can. Pacific ...	Mar. 14	13,388	3,176,000	+ 46 000	10	33.290.000	— 556 000
Grand Trunk	Mar. 14	3,616	£283.483	+ 36 846	9	3,067,153	+ 569.825
Mashonaland	Dec.	810	101.461	+ 25.881	3m	283.27	+ 61,433
Mid. W. Aust.	Jan.	277	10.425	— 2.292	7m	77.166	+ 4 383
New Cape Cent.	Feb. 26	205	3.093	— 500	8	22.177	— 3.377
Rhodesia Rlys	Dec.	1,397	140.697	+ 32.15.	3m	405.324	+ 80,083
Temiscouata...	Jan.	—	$38.891	—	1m	—	—
FOREIGN.							
Argentine.							
Arg. N. East...	Mar. 12	752	£ 14.500	+ 2,600	37	431.600	+ 600
Arg. Transand	Mar. 12	111	£ 3.174	— 5.616	37	99.131	— 10.475
B.A. & Pacific	Mar. 12	3,425	£ 164.000	— 6.000	37	4 605.000	— 783 000
B.A.Gt. South	Mar. 12	3,903	£ 225.000	+ 28.000	37	5.940.000	— 641.000
Do.	Mar. 12	Net	£ 70.000	+ 5.000	37	989.000	— 1.296.000
B.A. Western	Mar. 12	1,882	£ 99.000	— 8.000	37	2.804.000	— 813.000
Do.	Mar. 12	Net	£ 26.000	— 4.000	37	304.000	— 915.000
B. A. Central	Jan.	190	£ 38 168	— 6.522	7m	337.128	+ 22.545
Cent. Argen.	Mar. 12	3,305	£ 179.000	— 10 000	37	6.997.000	+ 505.000
Cord. Central	Mar. 12	1,205	£ 46.200	— 3.900	37	1.883.800	— 300 600
Entre Rios ...	Mar. 12	811	£ 26.900	+ 1.500	37	814.200	— 47.000
Brazilian.							
Brazil Gt. South	Feb.	110	M 35.000	— 15.750	2m	75.250	— 34,250
Brazil Railway	Dec.	3,530	M4.859.000	— 141.271	12m	57.772.000	+ 7,619.243
Gt. W. Brazil	Mar. 12	1,010	£ 16.700	— 12.600	11	173.900	— 144.200
Leopoldina ...	Mar. 12	1,831	£ 33 969	— 29.931	11	340.718	— 257.712
San Paulo ...	Mar. 12	153½	£ 31.676	— 25.554	11	339.319	— 169.033
S.of Bahia S.W	Feb.	52	M 111.000	+ 34.000	2m	240.000	+ 59,000
Chilean and Peruvian.							
Antofagasta...	Mar. 13	638	£ 32.140	— 27.040	11	335.220	— 291.675
Arauco ...	June	84½	£ 12.000	+ 500	6m	76.000	+ 10.700
Nitrate (2 wks)	Mar. 15	390	£ 31.427	— 16.283	10	132.181	— 89.921
Peruvian Corp.	Feb.	1.140	S 1.035.400	— 86.610	8m	9.290.750	— 111 554
Taltal ...	Feb	180	£ 23.830	— 19,725	8m	223.337	+ 52,217
Cuban.							
Cuban Central	Jan. 29	362	£ 37.360	+ 19.872	31	707.279	+ 82.212
Cuba Railroad	Dec.	—	$ 1.373 421	+ 215.241	6m	6.89 .085	+ 568.959
Havana Cent.	Mar. 12	70	£ 16.973	+ 3.900	37	524.386	+ 122 639
C. of Havana	Mar. 12	681	£ 185.604	+ 24.903	37	4.163.480	+ 584.574
W. of Havana	Jan. 29	155	£ 14.131	+ 10,745	31	335.798	+ 66.413
Uruguayan.							
Cent. Uruguay	Mar. 12	273	£ 32.598	+ 9.303	37	847.512	+ 13.211
,, (E. Ext.	Mar. 12	311	£ 7.594	— 110	37	205.077	— 20 429
,, (N. Ext.)	Mar. 12	185	£ 3.338	— 335	37	107.906	— 29.318
,, (W. Ext.	Mar. 12	211	£ 2.252	— 670	37	95 028	— 7.414
Mid. Uruguay	Feb	319	£ 13.936	— 1.058	8m	144.612	— 16.283
N.W. Uruguay	Feb.	113	$ 5.319	— 1.496	8m	47.235	— 9.336
Uruz. Northn	Feb	73	£ 1.766	— 737	8m	16.601	— 3.357
Miscellaneous							
Alcoy & Grandia	Mar 5	33	Ps. 12.000	—	10	168.900	+ 57.000
Bilbao ...	Feb.	15	£ 1.510	— 1,321	2m	4,486	— 797
Bolivar ...	Feb.	136	£ 8.108	— 900	2m	15,206	— 3.362
Colomb. Natnl.	Jan.	86	£ 19.140	+ 1.340	1m	—	—
Costa Rica ...	Dec.	189	£ 26.028	— 1.524	6m	147.385	+ 1.714
Dorada Ext.	Feb.	70	£ 15.250	+ 3.750	2m	31.250	+ 7.750
Egyptian Delta	Feb. 28	559½	£ 8.740	— 2.137	47	436.534	+ 97.587
Gt. S. of Spain	Mar. 12	104	Ps. 31.843	— 54.723	10	766.244	+ 64.593
La Guaira & Ca.	Feb.	22½	£ 9.330	— 4.870	2m	21,210	— 8,420
Ottoman Ry.	Mar. 12	379	£ 8.498	—	—	—	—
Paraguay Cent	Mar. 12	274	£ 4.080	— 190	37	166.360	— 16.530
Puerto Cabello	Feb.	34	£ 4.500	— 750	2m	8,750	— 1.750
Salvador ...	Mar. 12	100	£ 4.667	— 1.852	37	130.941	— 20,547
Santa Fé Prov.							
French Rys.	Jan.	1,181	£ 136.048	— 18,321	1m	—	—
S'm'na & S'tig'o	Feb.	80	£ 7.936	— 4.985	2m	13.930	— 9.746
Zafra & Huelva	Jan.	112	£ 15.366	+ 1.245	1m	—	—
TRAMS.							
Anglo-Argent.	Mar. 11	400	£ 82.703	+ 6.917	10	799.173	+ 77.610
Brazilian Trac.	Jan.	378½	M12.875000	+ 3.220.000	1m	—	—
Brisbane Elec.	Feb.	40½	£ 43.205	+ 1.605	2m	89.485	+ 3.085
Brit. Columbia	Dec.	33½	$ 868.677	+ 85.355	6m	4.709.709	+ 487.793
B. A. Lacroze	Feb.	51	£ 53.952	+ 1.484	8m	451.348	+ 52 680
Calcutta ...	Mar. 12	35½	R 80.635	— 7.955	10	5,78,724	— 385.804
Carth. & Herr.	Feb.	9	£ 2.819	— 1.169	2m	6,716	— 2.040
Chatham & Dist.	Mar. 10	15	£ 1,593	+ 202	10	15,753	+ 1.345
Havana Elect.	Nov.	86	$ 1,037,352	+ 157,611	11m	10,366,708	+ 1,890,499
Isle of Thanet	Mar. 9	20½	£ 546	+ 4	23	12.839	+ 639
Kalgoorlie ...	Dec.	20½	£ 3,149	+ 580	1m	36,812	+ 3.760
Lanarkshire ...	Dec. 31	28½	£ 5.467	+ 1,927	52	221.564	+ 27.728
Lima Light ...	Dec.	85	£ 62.889	+ 5.006	12m	833.929	+ 93 605
London Cty.	Mar. 16	141½	£ 98.594	+ 21.701	48	4.512.227	+ 838.140
Montev. (2 wks)	Jan. 15	15½	R 38.198	— 10.685	2	—	—
Manila Electric	Jan.	65	$ 321,453	+ 42.939	1m	—	—
Pernambuco...	Mar. 13	59	£ 4.557	— 3.187	11	47.695	— 38.793
Provincial ...	Mar. 12	21½	£ 2.885	— 51	23	70,870	— 638
Rangoon Elec.	Jan.	25	£ 122.558	+ 10,558	1m	—	—
Shanghai Elec.	Feb	26¾	M.$151.830	+ 18.130	2m	307.585	+ 37.835
Singapore Elec.	Feb. 12	26½	$ 12.751	— 9.070	7	74.693	— 67.762
U.of Montevid.	Feb	90½	£ 43.119	+ 2.860	4m	131,763	+ 14.054

UNDERGROUND ELECTRIC RAILWAYS CO. OF LONDON, LTD.

Metropolitan District Ry., London Electric Rly., City and South London Rly., Central London Rly., London General Omnibus Co.

Week to March 19, £227,565; Aggregate, Jan. 1—Mar. 19, £2,526,618.

Metropolitan Electric Trams, London United Trams, South Metropolitan Electric Trams, Tramways (M.E.T.) Omnibus Co., Gearless Motor Omnibus.

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The Statist.

LONDON, SATURDAY, MARCH 26, 1921.

GOVERNMENT EXPENDITURE.

When the House of Commons wrung from a reluctant Chancellor of the Exchequer a concession for which they had long been striving—namely, a Committee to sit on the Estimates prior to their final presentation—a chorus of approval greeted their action, and it was considered that members had at last become really alive to the imperative necessity for economy. The reception so far accorded to the Estimates has shown, however, that where the Government leads the House is still willing to follow. The criticism levelled against the various items in the national bill for the coming year has been mostly of a superficial character. While economy in the abstract has been praised, the Coalition members have not had the courage to insist on bringing practice into line with precept. The threat of Mr. Bonar Law that the Coalition would resign if the Estimates were reduced has apparently had the desired effect. A kind of gerrymandering with the accounts has even been permitted. Thus the cost of the military occupation of Mesopotamia and Palestine is to disappear from the War Office Vote and to be tucked away somewhere in the Colonial Office figures. Yet neither of these countries possesses what can be described as a colonial status. Egypt has been a Protectorate since early in the War, but when the Sultan was deposed no formal declaration was made of Crown Colony government. Recent developments have all, indeed, been in the direction of giving the Egyptians increased control over internal affairs. Again, Mesopotamia is the subject of a mandate entrusted to us by the League of Nations, and it requires no acute logic to perceive the inconsistency of treating it as a Colony.

This is one of many points on which Government policy is marked by an evasiveness that, in the absence of other explanations, we must conclude to spring from a desire to cloak the real objects of expenditure. In the present instance we find that the Estimates for the Army, £106,315,000, for the Navy, £82,479,000, and for the Air Force, £18,411,000, make a total of £207,205,000, or more than the cost of the whole machinery of government, civil and military, before the War. This is a strange commentary on a War fought for the ostensible purpose of ending war, and can only be interpreted as evidence of a spirit of megalomania still at work among our statesmen—a *damnosa hæreditas* from the days preceding 1914. Then we were face to face with a most powerful rival on the continent of Europe—a rival whose military strength was admittedly superior to our own and whose naval strength was being rapidly improved with the confessed object of challenging our supremacy at sea. Now, however, all this is changed, though the significance of the change is apparently not realised by our elder statesmen. Not only has the sole Power on the Continent capable of standing against us been completely and, we hope, finally subdued, but we are allied with all existing first-class Powers. And the lame conclusion to this achievement, which cost us so much blood and treasure, is the presentation of a bill for the Army, Navy, and Air Force far exceeding anything known, or even imagined, in pre-War times.

There is, it is true, a diminution in the establishment of our fighting forces, but the declines have not spelt corresponding economy; in fact, the sacrifices in strength would seem, on close analysis, to be disproportionate to the saving in outlay. Thus the Navy Estimates display a slight reduction of £8,393,000—from £90,872,000 to £82,479,000 (net figure)—but a sweeping reduction is made in both craft and *personnel*. The South American Squadron is completely withdrawn; six cruisers are retired from foreign stations; one of the four destroyer flotillas of the Atlantic Fleet is put in reserve; capital ships in commission are cut down from twenty to sixteen (as compared with thirty-eight in 1914), eight 12-in.-gun Dreadnoughts being withdrawn and placed on the disposal list; while *personnel* is brought down from 127,500 to 121,700, as against 151,000 in 1914. The diminution in naval strength seems altogether out of proportion to the trifling economy effected in outlay, and a similar criticism can be advanced as regards quite a number of branches in the public service.

Writing a fortnight ago, before the publication of the complete Estimates, we placed the cost of the Civil Services and the various other Services, exclusive of debt reduction and interest on debt, at £670,348,000. The estimates under these heads actually come to £668,105,585. The various charges in respect of the National Debt will be in the neighbourhood of £325 million, making a total Government outlay in 1921-22 of £993,105,585. Some of the figures presented, however, are in the nature of token votes, and, in the absence of a binding promise not to present Supplementaries, it is practically certain that State expenditure in the coming financial year will not be less than £1,000 million. Where the money is to come from is best known to the Chancellor. Though excess profits duty has been abandoned, the arrears that remain to be collected will undoubtedly not fall to a negligible sum in the coming year, despite the fact that repayments of large amounts to businesses whose profits have fallen below the standard cannot be avoided. Mr. Chamberlain has promised to refrain from imposing new taxation, and apparently he hopes to derive considerable help from the realisation of our remaining war assets. For the current year Supplementaries were estimated, at the time when the Budget was presented, at £302 million, and up to the 19th instant the

COUNTY AND CORPORATION STOCKS AS INVESTMENTS.

THE gradual transference of funds from speculative to investment securities, owing to the industrial depression, and encouraged by the cheaper money prospects held forth in recent weeks, has caused increasing attention to be paid to the stocks, redeemable or irredeemable, issued by the county and municipal authorities of the United Kingdom. The emissions of these bodies approximate somewhat to those of a purely gilt-edge character, though generally yielding a higher return. They enjoy a broad market, in which the demand, though quiet, is steady. For reasons already given, coupled with the fact that competitive debentures and guaranteed issues of home railways have waned in popularity, a gradual appreciation in values has been recorded during the last few months. The advance would probably have been greater but for the heavy public applications, amounting to £14,250,000 during the past three months alone, made by municipalities for housing and other schemes. Though offering attractive rates of interest such large blocks were not easily absorbed by a stringent market. Underwriters had to take up high proportions of their commitments, the unloading of which acted as an effective check on the upward trend of values.

The more recent flotations bear interest at about six per cent. per annum, and will be redeemed at par within thirty years. Quoted in the neighbourhood of parity, their yield on redemption does not differ very much from the flat yield. The pre-War issues are, however, quoted at very much lower than their nominal values, and, at the purchase price, are therefore entitled to a substantial premium on redemption. A consideration not always appreciated by investors is that such a premium is free of income tax, which, in the case of interest and dividends, amounts to thirty per cent. of the whole. The actual flat yield obtainable on a low interest-bearing bond may be less than that on one carrying a high nominal interest, but the true return on it, taking account on the premium on redemption and making adjustment for income tax, may be considerably higher. The following table illustrates the point:—

Interest	Price	Flat Yield	Yield on Red.	Flat Yield Tax Free	Yield on Red. Tax Free
%	%	£ s. d.	£ s. d.	£ s. d.	£ s. d.
3	54	5 11 1	8 0 4	3 17 9	7 7 0
6	95	6 6 3	6 8 11	4 8 4	4 11 0

A three per cent. bond at 54 gives a yield of £5 11*s.* per cent. per annum, while a six per cent. at 95 gives £6 6*s.* 3*d.* per cent. The return on the second is the greater by 15*s.* 3*d.* per cent., but its yield, including redemption at £6 8*s.* 11*d.* per cent., is less by £2 11*s.* 5*d.* These figures do not, however, indicate the correct relative values. After deducting income tax it will be found that the flat yield on the six per cent. bond, at £4 8*s.* 4*d.*, is really only 10*s.* 7*d.* in excess of the other (instead of 15*s.*), while its yield, including redemption, at £4 11*s.* per cent., falls short of that on the three per cent. issue by £2 16*s.* (instead of £2 11*s.*). In this instance, if time were not of pressing importance, the three per cent. bond would certainly be the more attractive of the two. An instance of the importance of noting the tax contents of redemption yields is provided in the tabular statement on the opposite page in the cases of South Shields Three per Cents. and Wolverhampton Three and a-Half per Cents. The following table shows the details:—

Interest	Price	Flat Yield	Yield on Red.	Flat Yield Tax Free	Yield on Red. Tax Free
%	%	£ s. d.	£ s. d.	£ s. d.	£ s. d.
3	52½	5 14 3	7 8 11	4 6 0	5 14 8
3½	72½	4 16 6	7 4 10	3 7 6	5 15 10

If account be taken of the gross returns only, it would seem that the first stock was more attractive in both flat and redemption yields, but when adjustment is made for taxation the relative positions as regards yield on redemption are reversed. This result is all the more interesting seeing that the three per cent. issue commands more than double the premium on redemption to which the other is entitled, and that its yield on redemption should be still greater on account of being calculated at the lower rate of interest. The explanation lies in the longer currency on the three per cent. bond.

The prospect of future capital appreciation involves a further important consideration. An irredeemable stock will vary in price directly with ruling money values. If the current rate of interest obtainable falls from six to three per cent., quotations for stocks will, *cæteris paribus*, be doubled. The case for redeemable stocks is, however, more complicated. Appreciation in such entails the sacrifice (by purchasers) of part of the premium on redemption, and it is only reasonable to expect that tax-free revenue will not be sacrificed as readily as revenue which is subject to tax. Redeemable holdings will, therefore, tend to improve in price more slowly than irredeemable investments; but it must be borne in mind that the approach of the redemption date will in itself lever quotations to higher levels. Closer comparison can be made only on the individual emissions.

On the opposite page will be found an exhaustive list of stocks issued by British county and municipal authorities. The amount outstanding serves as an index of the market activity of the various emissions—the smaller the amount, the greater the liability to fluctuation, other things being equal. Those marked irredeemable cannot be cancelled except by special arrangement with the corporation. Where the date is marked with an asterisk the corporation has the option to effect redemption in that year or any year afterwards. Considering the low rate of interest borne by these stocks the prospects of their being called in may be considered remote. Where two years are given, *e.g.*, 1941-61, redemption must be carried out on the latter date at the latest, but the borrowers are entitled to call in the bonds at any time between the dates given. The yields are calculated on the basis of current middle prices, and as such are closely approximate to those actually obtainable. In the last two columns income tax is deducted, and thus gives a correct measure of the relative merits in regard both to the flat yields and the yields including redemption. It will be noted that interest payments are made half-yearly, except in the cases of London County and Metropolitan issues and Liverpool Irredeemable Three and a-Half per Cents., where they are made quarterly. A close examination of the list will reveal many curious anomalies, due largely to present market conditions. Intending investors will find several instances of attractive yields, and those already holding stocks may find the possibilities of profitable "straddles."

Among the irredeemable stocks the ruling yield is about six per cent. Lincoln Three per Cents., which are to all intents irredeemable, stand highest at £6 3*s.* 8*d.* per cent. and Swansea Three and a-Half per Cents. rank next with £6 1*s.* 9*d.* per cent. The London County varieties, which are strongly held and have not been recently subject to liquidation, offer the lowest return, that on the 1929 Three and a-Half per Cents. being only £5 14*s.* 9*d.* per cent. Manchester Threes, another firmly held security, provides a not much greater yield at £5 15*s.* 4*d.* per cent. All such stocks are of pre-War creation, bear low rates of interest, and are quoted at about only half of their nominal value. They possess a substantial margin for expansion in the event of a recovery in the value of fixed interest-bearing securities.

COUNTIES.	Amount Outstanding £	Nominal Yield %	Redemption Date	Interest Dates	Current Middle Price	First Yield	Minimum Yield with Redemption %	Flat Yield Tax Free %	Redemption Yield Tax Free %
London ...	5,442,930	2½	1920*	Mar. 1, June 1 Sept. 1 Dec. 1	43	5 16 3		4 1 4	
,, ...	25,876,716	3	1920*	.. ..	52	5 15 4		4 0 9	
,, ...	10,000,000	3½	1929*	Jan. 5, Apr. 5 July 5, Oct. 5	61	5 14 9		4 0 4	
,, ...	3,310,515	5	1940-60	Apr. 30, Oct. 30	86	5 16 3	5 18 6	4 1 4	4 3 7
Metropolitan ...	14,666,678	3½	1929	Jan. 5, Apr. 5 July 5, Oct. 5	82½	4 4 10	6 4 6	2 19 2	4 18 10
.. .	9,958,671	3	1941	Feb. 1, May 1 Aug. 1, Nov. 1	63	4 15 2	6 9 0	3 6 8	5 0 4
.. .	6,027,577	2½	1919-49	Mar. 1, June 1 Sept. 1, Dec. 1	54	4 12 6	5 1 6	3 4 9	4 13 9
Essex	1,500,000	6	1940-60	June 1, Dec. 1	100	6 0 0	6 0 0	4 4 0	4 4 0
Herts.	277,109	3½	1927-47	Jan. 15, July 15	59½	5 17 8	6 19 4	4 5 5	5 7 1
.. .. .	2,000,000	6	1940-60	.. ..	100	6 0 0	6 0 0	4 4 0	4 4 0
Kent	1,500,000	6	1940-60	June 1, Dec. 1	100	6 0 0	6 0 0	4 4 0	4 4 0
Middlesex ...	2,156,713	3	1915-35	Jan. 1, July 1	66	4 10 10	7 0 0	3 3 6	5 12 8
,, ...	1,304,522	3½	1927-47	Feb. 1, Aug. 1	62½	5 11 7	6 12 0	3 18 1	4 18 6
,, ...	2,000,000	6	1940-60	June 1, Dec. 1	100	6 0 0	6 0 0	4 4 0	4 4 0
MUNICIPALITIES.									
London ...	1,642,900	2½	1927-57	Jan. 1, July 1	47½	5 5 3	6 13 1	3 13 8	5 1 9
.. ...	1,250,000	3	..	Mar. 1, Sep. 1	53½	5 12 2	7 1 0	3 18 7	5 7 5
.. .	340,000	3½	1965	.. ..	62½	5 12 0	5 18 6	3 18 7	4 5 1
.. ..	854,746	5	1945-65	.. ..	86	5 16 3	5 18 0	4 1 4	4 3 1
Belfast .	1,651,620	3½	1935	Jan. 5, July 5	65½	5 6 10	7 14 5	3 14 10	5 2 5
Birkenhead ...	1,080,000	5	1924-34	Mar. 1, Sept. 1	86½	5 15 7	6 10 7	4 0 11	4 15 11
"	1,000,000	6	1936-51	—	94½	6 6 11	6 9 6	4 8 10	4 11 5
Birmingham ...	3,650,000	3½	1946*	Jan. 1, July 1	59	5 18 8	-	4 3 2	
.. ...	2,000,000	3	1947*	.. ..	50	6 0 0		4 4 0	
.. .	1,000,000	3	1932*	.. ..	50	6 0 0		4 4 0	
.. .	1,550,600	2½	1926*	.. ..	40½	6 3 5		4 6 5	
..	3,500,000	6	1936-46	Mar. 1, Sept. 1	101	5 18 9	5 18 5	4 3 2	4 2 10
..	3,000,000	5½	1941-61	Apr. 1, Oct. 1	90	6 2 3	6 3 7	4 5 7	4 6 11
Bootle ..	500,000	6	1938-50	June 1, Dec. 1	95	6 5 8	6 6 7	4 8 0	4 8 11
Bournemouth ...	500,204	3	1913-33	Apr. 1, Oct. 1	67½	4 8 10	7 4 10	3 2 3	5 18 3
,, . .	650,000	6	1938-50	June 1, Dec. 1	100	6 0 0	6 0 0	4 4 0	4 4 0
Bradford	1,916,589	3½	1945	Apr. 1, Oct. 1	62½	5 12 0	6 14 11	3 18 5	5 1 4
,, .	490,709	3	1954	Apr. 15, Oct. 15	50	6 0 0	6 19 0	4 4 0	5 3 0
,, .	2,000,000	6	1936-46	Jan. 1, July 1	98½	6 1 11	6 2 5	4 5 4	4 5 10
Brighton	1,350,147	3½	1946	May 1, Nov. 1	61	5 14 9	6 17 2	5 0 5	6 2 10
.. .	520,502	3	1933-53	Jan. 1, July 1	54½	5 10 1	6 7 11	3 17 0	4 14 10
.. .	500,000	6	1940-50	Mar. 31, Sept. 30	99	6 1 3	6 1 6	4 5 1	4 5 4
Bristol . .	1,620,606	3	1920-60	Feb. 1, Aug. 1	51	5 17 8	6 10 9	4 2 5	4 15 6
,, ..	3,028,326	3½	1925-65	Jan. 10, July 10	58½	5 19 8	6 6 6	4 3 10	4 11 8
,, ...	753,018	6	1930-49	Apr. 1, Oct. 1	98	6 2 6	6 3 6	4 5 9	4 6 9
,, ...	1,500,000	6	1940-50	Mar. 30, Sept. 30	98	6 2 6	6 2 11	4 5 9	4 6 2
Cardiff ...	1,182,947	3½	1935	Jan. 1, July 1	69½	5 0 9	7 1 2	3 10 6	5 10 11
.. . .	1,799,569	3	1914-54		52	5 15 4	6 13 8	4 0 9	4 18 1
,, . .	606,500	3½	1925-65	Apr. 1, Oct. 1	57½	6 1 9	6 6 6	4 5 3	4 10 0
,, ..	1,500,000	6	1936-46	Jan. 1, July 1	96½	6 4 4	6 5 6	4 7 0	4 8 2
Coventry ...	276,662	3	1920-60	Apr. 15, Oct. 15	50½	5 18 10	6 12 0	4 3 2	4 16 4
	1,000,000	6	1938-48	Jan. 1, July 1	96	6 5 0	6 6 1	4 7 6	4 8 7
Croydon ...	344,406	3½	Irred.	Jan. 5, July 5	58	6 0 8	-	4 4 5	- -
,, ...	300,000	3	1940	Apr. 5, Oct. 5	58½	5 2 8	7 5 1	3 11 10	5 14 3
,, ...	1,380,000	3	1940-60	,, ,,	50	6 0 0	6 13 2	4 4 0	4 17 2
,, ...	1,000,000	6	1936-46	Jan. 1, July 1	97½	6 3 2	6 3 11	4 6 3	4 7 9
Dublin ...	1,602,934	3½	1944	.. ..	56½	5 14 11	7 10 1	4 0 5	5 15 7
Edinburgh ...	2,047,150	3	1924	May 15, Nov. 11	87	3 9 0	4 5 10	2 8 4	3 11 2
Ipswich ...	244,765	3	1952	June 23, Dec. 23	51	5 17 8	6 19 3	4 2 5	5 4 0
,, ...	300,000	6	1938-50	June 1, Dec. 1	96	6 5 0	6 5 10	4 7 6	4 8 4
Lincoln ...	560,780	3	1919*	Jan. 1, July 1	48½	6 3 8	-	4 6 7	
,, ...	750,000	6	1938-48	.. ..	97	6 3 9	6 4 7	4 6 8	4 7 6
Liverpool ...	5,373,377	3½	Irred.	Jan. 1, Apr. 1 July 1, Oct. 1	59	5 18 8		4 3 1	
,, ...	759,459	2½	1923*	Jan. 1, July 1	41½	6 0 6	—	4 4 4	
.. ...	1,542,271	3	1942*	Apr. 1, Oct. 1	50	6 0 0	-	4 4 0	
.. ...	4,000,000	6	1930-50	Apr. 16, Oct. 16	99	6 1 3	6 1 6	4 4 11	4 5 2
,, . .	3,500,000	5½	1941-61	Apr. 1, Oct. 1	90	6 2 3	6 3 7	4 5 7	4 6 11
Manchester ...	4,663,230	3	1941*	Feb. 1, Aug. 1	52	5 15 4		4 0 9	
Middlesbrough	1,250,000	6	1938-48	Jan. 1, July 1	96½	6 4 4	6 5 8	4 7 1	4 8 5
Newcastle ...	482,187	3½	1936	.. ..	70½	4 19 4	6 14 8	3 9 6	5 4 10
,, ...	150,492	3½	Irred.	.. ..	58	6 0 8		4 4 5	
,, ...	1,000,000	6	1936-51	Mar. 1, Sept. 1	96½	6 4 4	6 5 0	4 7 1	4 7 9
Nottingham ...	2,423,502	3	Irred.	May 1, Nov. 1	51	5 17 8		4 2 5	
,, .	812,546	3	1920-60	.. ..	54½	5 10 1	6 2 9	3 17 0	4 9 8
.. ...	1,000,000	6	1936-51	Mar. 1, Sept. 1	95½	6 5 8	6 6 6	4 8 1	4 8 11
Plymouth ..	981,242	3	1942	Mar. 31, Sept. 30	56½	5 6 2	7 4 11	3 14 4	5 13 1
,, ...	1,000,000	6	1940-50	.. ..	98	6 2 6	6 2 11	4 5 9	4 6 2
Portsmouth	534,645	3½	1924-27	Jan. 1, July 1	86	4 1 5	6 2 8	2 17 6	3 18 3
,,	732,198	3	1913-33	Jan. 1, July 1	67½	4 8 10	7 4 11	3 2 2	5 18 3
,,	1,000,000	6	1940-50	Mar. 31, Sept. 30	98	6 2 6	6 2 11	4 5 9	4 6 2
Rotherham ...	750,000	6	1938-50	June 1, Dec. 1	94	6 7 7	6 8 11	4 9 3	4 10 7
Salford ...	750,000	6	1936-51	Mar. 1, Sept. 1	94½	6 6 11	6 8 0	4 8 10	4 9 11
Sheffield ...	1,440,910	3½	1968	Jan. 1, July 1	59½	5 17 8	6 3 0	4 2 5	4 7 9
,, ...	2,000,000	6	1930-49	Mar. 19, Sept. 19	99	6 1 3	6 1 9	4 4 10	4 5 4
S. Shields ...	120,737	3	1915-45	May 1, Nov. 1	52½	5 14 3	7 8 11	4 0 0	5 14 8
,, ...	1,000,000	6	1938-48	Jan. 1, July 1	95	6 6 3	6 7 7	4 8 4	4 9 8
Stoke	173,379	3	1914-43	June 1, Dec. 1	58½	5 2 7	6 16 3	3 11 10	5 5 6
,, ...	900,000	6	1938-50	.. ..	94	6 7 7	6 8 11	4 9 4	4 10 8
Swansea ...	585,786	3½	Irred.	Jan. 1, July 1	57½	6 1 9		4 5 3	
,, ...	581,212	3	1955	.. ..	52	5 15 4	6 12 9	4 0 9	4 18 2
,, ...	968,399	3½	1930-70	Mar. 1, Sept. 1	57½	6 1 9	6 11 4	4 5 3	4 14 10
,, ...	1,000,000	6	1940-50	Mar. 31, Sept. 30	95	6 6 3	6 7 4	4 8 4	4 9 5
Wolverhampton	552,386	3½	1932	Mar. 1, Sept. 1	72½	4 16 6	7 4 10	3 7 6	5 15 10
,, ...	377,769	3	1924-54	.. ..	50½	5 18 10	6 17 4	4 3 3	5 1 9
,, ...	500,000	6	1938-50	June 1, Dec. 1	96½	6 4 5	6 5 1	4 7 0	4 7 8

* Or after at the option of the Corporation.

INTERNATIONAL TRADE STATISTICS.

In view of the uncertainty about the existing trade position of many countries, and of the difficulties confronting business men seeking information on the subject through the inaccessibility of data and the difficulty necessarily presented by the number of varying currencies, we deem it advisable to collect for the more important countries statistics relating to their external trade, all derived from official sources, and all converted into sterling at the par rates of exchange. The results, which are set out in the table at the foot of the page, cover the three years 1918 to 1920, and in each case the extent of the favourable or adverse balance is indicated. Uniformity has at times only been procurable slightly at the expense of accuracy, since trade accounts are in many cases made up to different dates, and the returns sometimes fail to differentiate between gross and net imports and between domestic exports and re-exports, while in regard to gold and silver coin and bullion the practice of the various accounting authorities varies considerably.

While all are familiar with the trade of the United Kingdom, it is not out of place to call attention to the remarkable decline in the adverse trade balance in 1920 as compared with 1919, a decline which has continued, despite adverse conditions, into the current year. In February last the excess of imports was valued at £20,748,000, and for the first two months of 1921 it amounted to £35,087,000, being at the rate of £210,522,000 per annum. The decrease in the adverse trade balance in January and February has been no less than £78,778,000 as compared with the corresponding period of 1920. The downward movement accounts to some extent for the falling off in the favourable trade balance of the United States, which reached its peak in 1919 with an export surplus of £801,136,000, but contracted last year to £583,629,000. The terms "favourable" and "adverse" are used in the accepted sense, which, though somewhat loose, is now sanctioned by usage.

In practically every country an increase in trade activity was manifest during 1920 as compared with the previous year, and the general tendency was that imports and exports tended to adjust themselves to one another as regards value, and that the very wide disparity shown in 1919 tended to diminish. In not a few instances countries which were credited with considerable surplus exports in 1918-19 came to possess a balance the other way during last year. The most striking example is furnished in the case of India, where an excess of exports of £53,449,000 in 1919 was converted last year into an excess of imports of £28,048,000, the change being accompanied by a marked contraction in the sterling value of the rupee. The export surplus of Canada of £61,663,000 in 1919 was changed to a deficit of £13,210,000 in 1920, and sterling likewise improved in Montreal. The figures for Canadian imports include silver bullion, and for exports include silver bullion and gold obtained directly from mining operations. Australia's experience was similar to that of the Dominion, a surplus of exports in 1919 being converted into a substantial deficit of £13,301,000 in 1920. These sweeping changes are, of course, accounted for by the less insistent demand on the part of European countries for raw materials and for primary commodities generally during 1920. In 1919 most of the belligerents were completely exhausted of stocks not only of food but of raw materials, and the necessary replenishment naturally entailed a considerable demand on the exportable surplus of new countries, where the production of food and raw materials is a matter of chief concern. The satisfaction of the more urgent needs led to a slackening in demand, which was hastened by the violent fluctuations in exchange and by the depreciation of many Continental currencies. The reaction was felt particularly in South America—in Brazil, for example, where a large excess of exports of £49,225,000 in 1919 gave way to an excess of imports of £9,691,000 in 1920.

Amongst Continental countries it is noticeable that Sweden increased its adverse balance during last year to £60,000,000, while Finland reduced the unfavourable figure against her from £64,735,000 to £28,299,000. In the case of both France and Belgium an improvement was also noticeable, but, curiously enough, the Netherlands increased its unfavourable balance from £117,869,000 to £135,889,000. The decline in exports has set in in these and many other European countries, but in not a few instances imports have also contracted, and the position as regards adverse trade balances has not grown appreciably worse. Inability or unwillingness to restore internal finances to order has, however, been responsible for further depreciation in many Continental currencies, with consequent delay in economic recovery and loss to the British export trade. Export credits may temporarily overcome the difficulties placed in the way of trade, but they can at best be merely a palliative, as they do not strike at the root of the existing depression. The falling-off in international purchasing power is responsible for the decreased movement of goods between different countries, and to revive purchasing power a sound policy of currency reform will have to be pursued and consistently followed by Continental countries.

Trade of Different Countries.

(000's omitted.)

Twelve Months ended December	Imports			Exports			Excess of Imports (−) Exports (+)		
	1918	1919	1920	1918	1919	1920	1918	1919	1920
	£	£	£	£	£	£	£	£	£
United Kingdom ...	1,285,206	1,462,407	1,714,336	501,419	788,635	1,335,569	−783,787	−673,772	−378,767
United States ...	631,503	813,409	1,099,875	1,259,974	1,614,545	1,683,504	+628,471	+801,136	+583,629
France	892,255	1,431,971	1,416,198	188,909	475,184	897,390	−703,346	−956,787	−518,808
Belgium ...		208,543	446,621	—	91,252	347,927		−117,291	— 98,694
Netherlands ...	50,696	235,478	277,677	31,678	117,609	141,788	— 19,018	−117,869	−135,889
Denmark	52,542	139,931	174,561	39,472	40,800	87,497	— 13,070	— 99,131	— 87,064
Sweden	68,517	140,800	187,400	75,024	88,288	127,400	— 6,507	— 52,512	— 60,000
Finland	20,008	99,354	143,549	8,997	34,619	115,250	— 11,011	— 64,735	— 28,299
Canada	187,086†	193,431†	274,812†	246,592*	255,094*	261,602*	+ 59,506	+ 61,663	— 13,210
Argentina	33,165	45,942	—	160,293	206,193	—	+127,128	+160,251	—
Egypt	52,474	48,636	103,753	46,492	77,804	87,657	— 5,982	+ 29,168	— 16,096

Eleven Months ended November	Imports			Exports			Excess of Imports (−) Exports (+)		
	1918	1919	1920	1918	1919	1920	1918	1919	1920
	£	£	£	£	£	£	£	£	£
Australia	57,842‡	91,960‡	131,889	75,035‡	106,795‡	118,588	+ 17,193	+ 14,835	— 13,301
British India ...	100,250	122,453	200,917	152,182	175,902	172,869	+ 42,932	+ 53,449	— 28,048
British S. Africa ...	46,637	47,022	94,265	27,377	43,495	40,232	— 19,230	— 3,527	— 54,033
Japan	152,799	197,465	226,908	176,118	182,810	186,849	+ 23,319	— 14,655	— 40,059
Brazil	48,037	70,243	112,226	53,184	119,468	102,535	+ 5,147	49,225	— 9,691

* Including silver bullion and gold bullion obtained directly from mining operations.
‡ Including silver bullion.
† Excluding gold.

AMERICAN RAILROAD EARNINGS.

JANUARY TO DECEMBER, 1920.

With the publication of the December returns the revenue and expenditure statements of the American railroads for 1920 are complete. The results shown in the last month of the twelve have fallen far below expectations. They indicate, indeed, a big increase in the gross and net earnings as compared with December 1919, but the expansion has not been commensurate with the hopes raised by the returns in previous months. The rate of increase which followed in the months after the application of the higher freight schedules has perceptibly slackened, and this is directly ascribable to a contraction in traffics, and not, as might be expected from previous experience, to an increase in expenses. The diminution in the merchandise and live-stock carried has had the effect of reducing the gross receipts, and consequently the net earnings, as compared with preceding months, though there is an increase as compared with December 1919. It would thus seem that the calculations of the Interstate Commerce Commission made at the time of sanctioning the higher schedule of railroad rates have not been borne out in practice. The working results for the twelve months are set forth in the following table for the principal lines:—

RETURNS FOR 1920 AND 1919.

Railroad	January 1 to December 31, 1920 — Revenue	Expenses	Surplus or Deficit	January 1 to December 31, 1919 — Revenue	Expenses	Surplus
	$	$	$	$	$	$
New York Central*	629,759,845	575,189,844	+48,570,001	524,074,272	419,356,554	+104,717,718
Southern Pacific*	280,736,891	240,395,116	+40,341,775	238,299,098	186,182,506	+ 52,116,592
Atchison, Topeka & Santa Fe*	252,348,377	214,899,554	+37,488,823	208,797,307	155,149,429	+ 53,647,878
Baltimore & Ohio	231,944,443	226,284,047	+ 5,660,396	182,620,016	169,869,125	+ 12,750,891
Union Pacific*	209,049,510	156,939,934	+52,109,576	177,447,698	122,682,048	+ 54,765,650
Chicago, Milwaukee & St. Paul	167,771,947	160,436,517	+ 7,335,430	150,370,394	138,561,704	+ 11,808,690
Chicago & N. Western	165,029,624	153,209,444	+11,820,180	139,589,915	119,579,386	+ 20,010,529
Illinois Central	145,154,271	133,787,560	+11,366,711	107,886,835	98,911,079	+ 8,975,756
Chicago, Rock Island & Pacific	135,258,494	125,804,797	+ 9,453,697	111,578,655	97,022,766	+ 14,555,895
Louisville & Nashville	126,371,696	121,395,811	+ 4,975,882	107,514,965	92,544,137	+ 14,970,828
New York, N.H. & Hartford	125,447,048	124,767,090	+ 679,958	106,545,119	92,473,381	+ 14,071,738
Great Northern	124,192,373	110,419,064	+13,773,309	106,533,738	86,728,017	+ 19,805,721
Missouri Pacific	118,132,429	110,687,365	+ 7,445,064	93,577,081	83,357,624	+ 10,291,457
Erie*	123,252,985	128,859,242	5,606,257	103,343,592	97,571,299	+ 5,949,635
St. Louis & San Francisco	97,578,953	86,227,419	+11,351,534	81,755,246	63,393,957	+ 18,361,289
Philadelphia & Reading	94,321,557	87,787,073	+ 6,534,484	72,871,823	64,608,174	+ 8,263,649
Chesapeake & Ohio	90,190,745	77,704,879	+12,485,866	71,475,015	60,676,473	+ 10,798,542
Boston and Maine	86,715,564	89,160,840	— 2,445,276	72,583,879	66,023,667	+ 6,560,212
Wabash	59,982,282	58,822,043	+ 1,160,239	48,847,085	44,391,737	+ 4,455,348
Minneapolis, St. Paul & S.S.M.	48,157,646	43,513,032	+ 4,644,614	42,661,595	34,406,784	+ 8,254,811
Delaware & Hudson	44,648,192	41,168,114	+ 3,480,078	34,687,023	31,579,713	+ 3,107,310
New York, Chicago & St. Louis	28,225,188	22,590,279	+ 5,634,909	23,475,552	18,317,802	+ 5,157,750
Alabama Great Southern	11,588,804	9,066,157	+ 2,522,647	10,529,739	8,463,776	+ 2,065,963
Union RR. (of Penn.)	10, 7 ,41	10,543,243	+ 433,898	7,710,275	7,749,697	— 39,422
Pennsylvania Co.†	566,860, 58	590,049,937	—23,189,179	189,270,945	455,357,461	+ 33,913,484
Chicago, Burlington & Quincy	181,610 986	163,711,352	+20,899,634	154,011,437	120,492,962	+ 33,518,475
Southern Railway‡	151,864,369	128,865,148	+ 22,998,[illegible]	129,787,811	113,744,812	+ 16,042,999
Northern Pacific System*	112,470,265	99,378,199	+13,092,066	101,813,202	77,224,452	+ 24,588,750
Pittsburg, Cincinnati, Chicago & St. Louis†	111,502,186	114,999,344	— 3,497,158	93,606,303	91,091,636	+ 2,514,667
Norfolk & Western	86,559,171	83,797,471	+ 2,761,700	76,925,599	64,021,285	+ 12,904,314
Grand Total	4,514,703,760	4,290,460,315	+ 224,243,445	3,970,191,214	3,381,533,443	+588,657,771

* Including extensions and subsidiary lines. † Part of the Pennsylvania System. ‡ Part of the Southern Railway System.

It will be remembered that the railroads were returned to private ownership on March 1 last, and that the increase in rates was decided on in July, in order to ensure that the railroads should be self-supporting after September 1, the date on which the Government rental guarantee expired. For the twelve months the revenue of thirty of the leading lines, $4,514,703,760, showed a rise of 13.7 per cent. on the $3,970,191,214 of the previous twelvemonth, while expenses rose by 26.8 per cent.—from $3,381,533,443 to $4,290,460,315. Owing to the disparity in the rate of increase the surplus revenue of the railroad companies mentioned in our table was reduced by sixty-two per cent.—from $588,657,771 in 1919 to $224,243,445 in 1920. In the case of the Erie Railroad the surplus of $5,949,635 in 1919 was converted into a deficit of $5,606,257 in 1920. Similar results are experienced on two other lines—the Boston and Maine, surplus $6,560,212 in 1919 against a deficit of $2,445,276 in 1920; and the Pittsburgh, Cincinnati, Chicago and St. Louis, surplus $2,514,667 in 1919 against a deficit of $3,497,158 in 1920. The Union Railroad of Pennsylvania converted a 1919 deficit of $39,422 into a surplus of $433,898 in 1920. The New York Central shows a surprising decline in surplus—from $104,717,718 to $48,570,001; and, generally speaking, amongst the heavy lines the decreases in surplus revenue have been very marked. To show how the figures were affected by the December returns we give in the adjoining table the revenue and expenses during that month of the lines above enumerated, comparative figures for 1919 being included:—

RETURNS FOR DECEMBER 1920 AND 1919.

Railroad	Revenue in December — 1920	1919	Expenditure in December — 1920	1919	Surplus of Revenue in December — 1920	1919
	$	$	$	$	$	$
New York Central*	52,930,374	46,295,049	48,805,976	38,903,005	+14,027,369	+ 7,392,044
Southern Pacific*	24,850,977	22,091,808	20,210,249	17,717,486	+ 4,640,728	+ 4,374,322
Atchison, Topeka & Santa Fe*	22,054,728	20,839,957	19,898,041	13,965,957	+ 1,214,771	+ 6,874,000
Baltimore & Ohio	21,071,825	15,745,813	20,362,318	14,970,139	+ 712,507	+ 775,674
Union Pacific*	16,395,401	13,931,274	14,282,474	11,549,071	+ 2,464,127	+ 2,382,203
Chicago, Milwaukee & St. Paul	13,199,828	12,586,422	11,737,706	13,044,449	+ 615,[illegible]	+ 476,027
Chicago & N. Western	13,161,607	11,094,113	12,454,611	11,541,479	+ 706,996	+ 447,366
Illinois Central	13,117,546	9,752,374	11,255,997	9,610,711	+ 1,861,548	+ 141,662
Chicago, Rock Island & Pacific	11,177,108	10 151,118	10,003,678	9,970,237	+ 1,173,430	+ 180,880
Louisville & Nashville	11,254,141	9,645,628	10,380,911	7,528,000	+ 873,[illegible]	+ 2,117,627
New York, N.H. & Hartford	10,784,088	9,942,727	10,520,572	8,702,108	+ 263,515	+ 1,240,619
Great Northern	9,827,633	8,089,469	8,547,875	7,809,287	+ 1,279,758	+ 280,181
Missouri Pacific	10,694,687	8,656,301	8,961,803	7,927 449	+ 1,732,883	+ [illegible]
Erie*	9,670,579	6,104,259	8,750,235	5,552,215	+ 920,344	+ [illegible]
St. Louis & San Francisco*	8,713,353	7,499,525	8,762,995	6,095,846	— 49,642	+ 1,403,679
Philadelphia & Reading	9,670,579	6,104,259	8,750,235	5,552,215	+ 920,344	+ [illegible]
Chesapeake & Ohio	8,645,800	5,675,676	7,175,863	4,905,711	+ 1,469,936	+ [illegible]
Boston & Maine	7,256,550	6,441,185	6,851,347	6,906,030	+ 405,202	+ 464,845
Wabash	5,705,328	4,622,171	5,004,986	4,297,480	+ 700,341	+ 324,691
Minneapolis, St. Paul & S.S.M.	3,853,422	3,651,601	3,890,695	3,114,134	[illegible]	+ [illegible]
Delaware & Hudson	4,761,774	2,876,042	3,773,419	2 700,141	+ [illegible]	+ [illegible]
New York, Chicago & St. Louis	2,530,157	2,125,633	2,575,998	1,801,108	[illegible]	+ 324,525
Alabama Great Southern	1,045,012	970,249	803,821	685,109	+ 241,191	+ 285,140
Union RR. (of Penn.)	1,049,065	593,796	1,019,692	756,149	[illegible]	[illegible]
Pennsylvania Co.†	52,596,067	41,384,946	50,325,488	43,263,576	[illegible]	1,878,629
Chicago, Burlington & Quincy	15,271,910	12,729,301	15,745,537	11,044,825	— 473,626	+ [illegible]
Southern Railway‡	12,579,430	12,858,780	11,710,920	10,532,633	[illegible]	[illegible]
Northern Pacific Rys.*	9,285,381	8,155,025	7,691,353	[illegible]	[illegible]	[illegible]
Pittsburgh, Cincinnati, Chicago & St. Louis†	13,004,584	8,505,539	[illegible]	[illegible]	[illegible]	1,465,756
Norfolk & Western	8,451,199	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Including extensions and subsidiary lines. † Part of the Pennsylvania System. ‡ Part of the Southern Railway System.

December 1919 was itself a poor month, and hence increases are generally shown for the later year under the different heads. The collective revenue of the lines in December 1920 was $404,613,133, as compared with $335,720,937 twelve months previously. Expenses rose from $304,261,803 to $368,088,213, with the result that the surplus of $31,459,134 in 1919 was increased to $36,524,920 in 1920. The percentage gain in aggregate revenue has been greater than the percentage gain in aggregate expenses, and this is a satisfactory indication of a fruitful effort to check operating expenses. The Railway Labour Board has, however, refused to allow a general curtailment in wages, though there is a consensus of opinion among railroad executives that expenses of operation must be reduced by at least $400,000,000 per annum if the return on capital of five and a-half to six per cent. permitted under the Transportation Act is to be achieved in practice. A crisis may develop if attempts at a drastic reduction of wages are made on a large scale. A favourable feature in the situation, however, as indicating the attitude of the politicians, has been the recent passing through Congress of a Bill allowing a partial payment to the companies in respect of the $600,000,000 arrears of the Government guarantee. Despite this, the contraction in trade will probably affect the lines more seriously in 1921—at any rate during the early months—than in 1920. On January 31 last it was reported by the Railway Executives Association that no less than 323,000 cars were idle on the collective lines, and trade has on the whole since remained sluggish. Imports in January were the smallest for any month since February 1918, while exports were below those of previous months, being $655,000,000, against $721,000,000 in December 1920 and $722,000,000 in January 1920. Reports as to grain, cotton, and live-stock from various centres indicate generally a smaller movement, and the adverse effect of the latter will be reflected in coming railroad returns.

BOLIVIA.

GREAT POSSIBILITIES.

As the reader will, no doubt, have observed, there have from time to time in the last few weeks been various reports regarding political unrest in Bolivia. Undue importance should not be attached to these reports. As we explained some months ago, when writing on the subject, political conditions in this land-locked Republic are to a very large extent dominated by forces outside the confines, and in no sense under the control of the citizens of Bolivia. So far as European trade is concerned, a change, even if it took place, would have hardly any influence, and in its present state of development it can hardly be said that a political change such as has occurred so often in the Republic would have any real effect upon the economic situation of Bolivia, either in South America, or upon other countries with which it trades. Practically, as the question has been very ably stated, as an economic factor Bolivia, except as a producer of raw materials, is not yet. Tin, copper, silver ores, lead, antimony, wolfram and raw rubber form more than three-quarters of the whole exports of the Republic. Of the kind of exports one would expect a country like Bolivia to supply to the rest of the world, wool and hides are the only articles sent out in important quantities. We do not refer either to bismuth or coca, as these are medicinal drugs found in large quantities in this favoured part of South America. Naturally, the production of these drugs depends upon climate, soil, environment and causes over which the native community have very little real control. So far as the great natural resources of the Republic are concerned, they have so far been very little developed, and the causes of this we shall endeavour to explain in the next paragraph, following that up by a brief review of the potentialities of the Republic, assuming that the world is gradually about to recover from the effects of the recent devastating European War, and that the economic conditions which prevailed in the early years of the present century will again reassert themselves and countries capable of being developed to render supplies of food and raw materials for the service of man will be allowed once more to resume their economic progress.

Practically, it may be said, without indulging in any measure of exaggeration, that the same causes which render political changes in Bolivia of comparatively slight importance to the outside world are those which defer from year to year, from decade to decade, and from generation to generation the economic development of the resources of the Republic. To really explain the causes fully would take us beyond our province, we were going to say, but it would be more correct to put it somewhat differently, and to say that it would take us beyond the space which it is possible to allot in a newspaper to any given subject, however important that subject may be. To really understand the causes which have brought Bolivia to her present position it would be necessary to go into the past of the North-western section of the continent of South America, to examine its history as far as we know it in the pre-Spanish period, to briefly recount the blighting influence of Spanish rule, and finally explain why the present population is in the condition which it is, and why, in fact, it is so small and so generally lacking in enterprise. It has to be remembered that what we call to-day Bolivia is an area of country named after Simon Bolivar, the celebrated patriot of the early years of last century. Before Bolivar's time, what we now call Bolivia, a country as big as France, Germany, Austria-Hungary and Italy all put together as those countries existed before the late European War, formed part of the Viceroyalty of Peru. It was, in fact, called throughout the Spanish colonial period Upper Peru, and even now is sometimes referred to as Higher Peru. When that country was discovered by Pizarro in the commencement of the second quarter of the sixteenth century, this country was, for the conditions under which its people lived, densely populated. Particularly was this true of the broad plateau, between 6,000 and 7,000 square miles in extent, upon which the principal cities then, as now, and the great bulk of the inhabitants and the principal industries were located. Apparently in those days vast herds, far more extensive than at present, of Llamas and vicunas roamed this great plateau; and it is certain that the people, stolid and indifferent to all enterprise as they appear to-day, were well acquainted with woollen, if not also with cotton, manufacturing. They were, as we have explained over and over again in writing this series of articles on South America, a highly intelligent people engaged in industrial pursuits to a far greater extent than the peoples of Europe at the time of the Spanish conquest of South America. There can be little doubt now that they were inferior to the Spaniards in nothing except organisation for war, and in what, with our experience so recently acquired, we should now call munitions, and the capacity for making them. Most great conquering peoples have amongst their qualities a capacity for realising their own limitations, and readily adopting any industries or arts in which those whom they were fortunate enough to conquer may excel. Remarkable as it may seem, the Spaniards in the whole of South America seem to have totally lacked this quality. They found in lower and upper Peru a people highly industrious, first-class agriculturalists, and market gardeners of exceptional ability, endowed also with a knowledge of manufacturing industry which at that time was totally unknown in Europe. In spite of having the advantage of conquering a people so endowed, the Spaniards appear to have been wholly unimpressed by the intelligence, the industry and the marked ability of the people whom they conquered.

They came out with the pre-conceived notion that the one thing desirable to obtain in South America was gold and silver, and gold and silver they were determined to obtain, cost what it might. The result was that they decimated the population of the various countries in Spanish America which they conquered, ruined the industries which they found in existence; and although indirectly, as we could show if space permitted, they did, in spite of their folly, their ignorance, and their failure to see what they were doing, promote the economic development first of Europe, and ultimately of the world in general for the time being, and for centuries, in fact, they destroyed the whole fabric of industry as they found it existing in the rich fertile continent of South America. In this particular area of which we are writing at present, of Upper Peru, they found a country with, as we have said, a great plateau lying between two great ranges of mountains, the Cordilleras of the Pacific and the Andes proper. In these great mountains there were then, as there are still, immense quantities of mineral deposits, including, of course, gold and silver. In order to obtain this gold and silver the Spaniards, without the slightest regard as to who was, or who was not, fit for turning into miners, drafted a population engaged in various kinds of industry into the mines at elevations of from 10,000 to 15,000 feet. The result was that the people died off as before an advancing plague, and estimates have again and again been made that the population after two centuries of Spanish occupation, was only about one-tenth what it was at the time Pizarro landed in 1532. However, that may be, the old industry of the native people was practically destroyed by the Spanish colonists, and since the Republic was established there has never been for any sufficient time a period of well-established order which would admit of the resumption of the real development of the country. Moreover, as we shall show shortly, the population of the country is out of all proportion too small for its extensive area, and it has not been in the past of the kind to exercise sufficient influence upon the Government to bring its efforts where necessary up to date. The total population is considerably under three millions, and of these more than half are composed of native Indians, who have been oppressed not with the object of developing the country or serving any good purpose of any kind, but in order to satisfy the insane desire of the Spanish conquerors for gold and silver. Between fifty and sixty per cent. of the population are these natives, descendants, it is true, of a highly intelligent people, but descendants in these later years of a people who for four centuries have been uniformly oppressed, and in whose interests nothing has been done to raise them in the scale of living. Above what we may call this peasant class—and in reality they are something between what we understand as peasants and people engaged in roaming about the country with their flocks of llamas and vicuñas—is a mixed breed, partly coloured, partly Indian, partly white. They account for very nearly thirty per cent. of the population. That is to say, in round figures, ninety per cent. of the population may be described as either Indian, or of mixed Indian, white, or coloured descent. Finally, there is what we may for convenience call the upper class composed of Spaniards. This white element forms barely ten per cent. of the whole population, and in a population so small as that we have described as occupying Upper Peru, or Bolivia, it will be seen that they are an exceedingly small oligarchy. While the population remains as small as it is, it will necessarily be exceedingly difficult to develop the resources of so extensive a territory; and, as we have said at the beginning of this article, political changes under such conditions can be little more than a shuffling of the cards amongst a very small class of people.

It may be of interest to note in passing that the original home of the Inca Dynasty, the famous Lake Titicaca, is situated in Bolivia. This lake is some 12,000 feet above the sea, is the highest lake known to exist in the world, is by far the deepest, and is in extent considerably more than half the area of the county of Yorkshire in England. It was said in ancient times that the lake had no bottom, and there seems little doubt now that a stream does run from this lake connecting it with the Caribbean Sea. If this is really the case it is one of the most remarkable pieces of water existing on the face of the globe. Although, as we have said, Bolivia at present is so little developed, and under existing conditions has so little chance of development in the immediate future, the potentialities of the country are enormous. The total estimated area, for it is not easy to say what the actual area of Bolivia is, considerably exceeds 700,000 square miles. The population, as we have said, is under three millions, and is composed as we have described it. For the most part it lives on the great central plateau we have already described; and, of course, for so small a population there is ample room. Bolivia lost its coast in the war in which it engaged with Peru and Chili, now some thirty years ago; and, consequently, there are no coast lands; but the country lies between two great ranges of mountains, and on the east slopes down to the Amazon basin. The greater part of the area is this forest-covered country, which ranges from sub-tropical to truly tropical, and in this vast area there are enormous potentialities of agricultural development in the years to come.

ITALIAN FINANCES.

The depreciation of the currency has been one of the most serious problems confronting Italian public finance, and the recent improvement in the lira, therefore, comes as a relief to the Italian Government as well as to Italian importers. Though there has in the last few days been a reaction owing to profit-taking, on balance an improvement is shown in lire as compared with earlier quotations, the better tone being largely attributable to the decline in the price of imported coal and foodstuffs. Italy is almost entirely dependent on external sources for its coal requirements, which average 10 million tons per annum; and as regards wheat, out of an estimated requirement of 66 million quintals in 1920-21, no less than 28 million quintals will have to be imported. Iron and steel in the semi-finished state and copper, tin, cotton, and wool are amongst the other chief imports. The depreciated exchange has been like a millstone round the necks of manufacturers in need of these materials, and has checked industrial development.

The firmness of lire cannot be dissociated from the rumours circulated as to the flotation of a fresh Italian loan in New York. It has further been asserted that an attempt is to be made to peg the Italian exchange; but this step, besides being undesirable, could be rendered effective only with considerable difficulty.

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It will be remembered that, subsequent to the establishment of a system of control over dealings in foreign exchange in November 1917, the Government assumed a monopoly of exchange transactions, conducting the necessary operations in foreign currencies through the newly established National Institute of Exchange. The activities of the Institute did not meet with the success anticipated, and the system of monopoly was abolished and partial decontrol substituted in May 1919, the Institute, however, retaining many of its functions. The revival of a discredited system would at the moment be in the highest degree unwise.

The raising of a considerable loan in New York might, at the interest rates there ruling, involve a serious addition to the already heavy burden on the Italian Exchequer. It is true that there has been a marked decline in the extraordinary expenditure attributable to the War. Interest on internal and external debt, pensions, civil service, public works, maritime traffic, and other items, however, call for increased outlay. The railway deficit has happily been eliminated, but the Budget estimates for 1921-22 show a revenue shortage of 10,370 million lire, or £415 million at the par of exchange, notwithstanding an increase of about 2,000 million lire, or £80 million, in receipts from taxation.

If, as seems probable, the price of grain remains at a lower level, substantial economies can, no doubt, be effected by the Government in respect of food subsidies. In the Budget for 1921-22 6,300 million lire, equivalent to £252 million, has been included for loss on grain control. Recent legislation, increasing the price of bread and also the requisition price of home-grown wheat, has provided for additional taxation to cover the difference in the cost of imported wheat. According to a statement of the Italian Minister of the Treasury, on the occasion of his recent visit to London, the provisions embodied in the new Act will result in a net benefit to the Budget of 1,000 million lire. A large amount of the outlay in 1921-22 consists of State contributions to the reconstruction of the country and of State outlay on public works, and, as such, is to some extent remunerative. It may further be contended that, if the loss on grain control of 6,300 million lire is avoided, the Budget deficit will be reduced to 4,000 million lire, or £160 million. Three years ago the deficit was as great as 14,000 million lire, and this reduction affords reason for satisfaction. At the same time it is difficult to regard the future with assured certainty, especially as the new arrangements in industry consequent on last year's extensive strikes have still to be tested.

IRISH TRADE STATISTICS.

That the system of compiling Irish trade statistics is open to very serious objection has been admitted for many years. The great bulk of Ireland's trade is carried on with Great Britain, but, except for a modification introduced in 1918, the relative returns are furnished voluntarily by importers and exporters. Of course, by virtue of legal provision the particulars relating to the direct trade between Ireland and foreign countries are supplied to the Board of Customs and Excise, but this trade is of insignificant dimensions. Irish direct imports in 1919 amounted to £26,341,725 out of a total import of £158,715,944, or 16.6 per cent., while direct exports accounted in the same year for £1,936,710 out of a total of £176,031,481, or only 1.1. per cent. In 1918 a step in the direction of regularising the returns of the trade between Great Britain and Ireland was effected by the Food Controller under the powers conferred on him by the Defence of the Realm Act. The "Irish Returns Order, 1918," which came into force on November 9, 1918, compulsorily required all owners of vessels engaged in the cross-Channel trade between Ireland and Great Britain to furnish returns of the quantities of certain specified articles shipped or unshipped at Irish ports to or from ports in Great Britain and the Isle of Man. The returns thus called into being unfortunately only applied to forty-five articles of import and to forty-three articles of export; but there is no reason why another advance should not be made with the object of putting all Irish trade records on a compulsory basis. Under the Government of Ireland Act the Parliaments of Southern and Northern Ireland are precluded from dealing with the imposition or collection of Customs duties. The apportionment of these duties, however, between Great Britain and Ireland will call for the establishment of machinery for the purpose of determining the Irish share. According to a clause of the Act in question, "any articles which are brought into Great Britain or the Isle of Man from Ireland, or into Ireland from Great Britain or the Isle of Man, shall be deemed to be articles exported or imported for the purposes of the forms to be used and the information to be furnished under the Customs Consolidation Act, 1876, or any Act amending that Act, but not for any other purpose." Apparently, we have in this passage the means for securing compulsory returns of Anglo-Irish trade.

Should a grant of fiscal autonomy—and this is reported to be the intention of the Government—accompany the measure of Irish self-government, an interesting situation would arise if it were decided to treat Great Britain and Ireland as two distinct units, so far as trade statistics are concerned. As issued at present it is scarcely necessary to say that the Monthly and Annual Statements of Trade and Navigation take no cognisance of the cross-Channel trade between the two countries. The United Kingdom is regarded as the unit, and the only section of Irish trade included in "U.K. Exports" and "U.K. Imports" is that dealing with *direct* imports and exports.

Up to 1825 Great Britain's trade with Ireland was classified as foreign. When that classification was abandoned in that year and the one now prevailing substituted the immediate consequence was that her foreign trade shrunk. It came about, therefore, that the aggregate foreign trade of the United Kingdom was less than that of Great Britain. The addition of Ireland's direct foreign trade—small in amount as already mentioned—did very little to swell the United Kingdom's total. Had a reversion to the practice obtaining in 1825 been made in 1919 the trade of Great Britain for that year would have read as to exports, £929,072,565, and as to imports, £1,609,162,462. Compare this with the actual totals registered for the United Kingdom: Net imports, £1,461,409,897, and exports (produce of the U.K.), £798,635,000.

The figures for Great Britain's trade are arrived at in the following manner:—

Imports (Year 1919)	£
Net imports into United Kingdom	1,461,409,897
Deduct direct imports into Ireland ...	26,341,725
Foreign imports into Great Britain ...	1,435,068,172
Add Irish exports to Great Britain... ...	174,094,290
Net imports into Great Britain from all sources	1,609,162,462
Exports.	£
U.K. exports (Produce of U.K.)	798,635,000
Deduct Irish direct exports	1,936,710
Foreign exports from Great Britain ...	796,698,290
Add British exports to Ireland	132,374,275
Total exports from Great Britain (produce of Great Britain)	929,072,565

The imports and exports per head of population on the above basis would then stand as follows:—

	Net* Imports per Head of Population	Exports per Head of Population
	£ s. d.	£ s. d.
United Kingdom	31 14 5	17 6 8
Great Britain	38 11 11	22 5 8
Ireland	35 4 4	39 3 5

* Excluding re-exports.

WAGES AND OUTPUT.

Productive efficiency on our part involves the ability to secure at least that control of home and foreign markets we enjoyed in pre-War days, and this objective, it is evident, can only be attained by the friendly co-operation of Capital and Labour. The advances made so far by the latter have not, however, been of a distinctly encouraging nature. But it is evident, in face of a general downward trend in the prices of commodities, that an artificial wage scale based on conditions that have passed away cannot be preserved without seriously compromising the industrial future of the United Kingdom, unless, in compensation, the output of goods is largely increased and the cost per unit thereby lowered. The obstinate attitude of Labour seems to arise from a failure to grasp the leading features of the world's economic situation. Our export coal trade has shrunk to an alarming degree during the past few months, owing mainly to a failure to effect its sale at a price which would enable it to meet competition from other quarters. Taking advantage of our failure in this respect, the Americans have been able to undermine our position in the European coal market, and unless we adopt another policy—and the negotiations between the coalminers and the coalowners give very little promise of that—it is difficult to see, even on the disappearance of the present trade depression, how we can hope to regain that market.

It is probable that in the near future our industrial supremacy will be challenged as it has never been challenged before. In order to satisfy the calls of the belligerent nations and the home market the manufacturing equipment of the United States has been largely expanded during the War, and were it not for the dollar premium the incidence of American competition would have been far heavier in outside markets during the past few years. A remedy for the difficulty of immediately disposing of exports reckoned in terms of a currency possessing a high exchange value will, it is expected, be found in the establishment of foreign trade finance corporations able to give long-term credits. In the East, Japan's export trade increased from 591,011,461 yen in 1914 to 1,928,864,000 yen in 1920. On the disappearance of German and Austrian goods from the markets of the world, and a steady decrease in the supply of British manufactures and goods from Allied and neutral countries in Europe, Japan immediately stepped into the gap. Japanese cheap cottons have ousted supplies from other sources in India, China, the Dutch East Indies, and the Philippine Islands, and Manchester goods, before they can regain their pre-War markets, will have a stiff struggle before them. Very noticeable has been the increase of the Japanese cotton hosiery export trade, and this is not without its significance for the workers of Nottingham and Leicester. The operation of competition from European countries owning depreciated currencies on our industry has already been demonstrated in some directions, notably in the iron and steel trade, as owing to the margin, particularly in Germany, between the market price and the cost of production of the goods the Continental exporter is enabled to quote a price that our manufacturers cannot approach.

In our own case the policy generally adopted by Labour of maintaining the present wage scale takes little cognisance of the actual trade situation and the fall in the prices of commodities. Neither does it appreciate the hidden bonus on wages that the latter, in effect, constitutes. It fails to realise that the Continent will not buy United Kingdom exports—and probably thirty per cent. of the total goods production of the United Kingdom is exported—until prices come down substantially. No doubt reductions in this direction will accrue from the lowering of raw material prices, but a reduction sufficient to meet the competition of other countries can scarcely be achieved until the payments made to British labour rest on a lower level. The decline in the cost of living and the depression in trade in the United States are being followed by a series of wages "cuts" in most industries; consequently the influence of the dollar premium in protecting us from American competition in European markets will, in all likelihood, have to be largely discounted unless the course of action pursued in the United States is repeated here. It would be a serious thing for us if the European importer found it just as advantageous to pay in dollars as in pounds. The comparative willingness of the assent of many sections of American workers to an altered wages scale is an index of an outlook on the relations between Labour and Capital which differs in many respects from that found here. Towards the aim on the employers' part of maximising production the readiness of all concerned to tolerate the introduction of new machinery is of the greatest advantage. This, coupled with the absence of the "ca' canny" policy, probably furnishes the explanation between the disproportionate annual value of production of British and American wage-earners. In the following table, extracted from *Eclipse and Empire*, which in turn reprinted it from the *Fortnightly Review* and the *Nineteenth Century and After*, an interesting comparison, based on the British Census of Production of 1907 and the American Census of 1909, of the state of industry in the United Kingdom and the United States is set forth. The figures of value are, it may be mentioned, based on wholesale prices:—

	Production per Year		Horse-power per 1000 Wage-earners		Value of Production per wage-earner per Year	
	U.K.	U.S.	U.K.	U.S.	U.K.	U.S.
	£	£	h.p.	h.p.	£	£
Boots and Shoes	20,095,000	102,359,000	172	486	171	346
Cardboard Boxes	2,067,000	10,970,000	114	590	106	275
Butter and Cheese	10,164,000	54,911,000	1,477	5,507	1,310	2,979
Cement	3,621,000	12,641,000	3,195	13,973	192	472
Clothing	62,169,000	190,566,000	45	165	158	484
Cocoa, Chocolate and Confectionery	16,171,000	31,437,000	346	980	296	662
Cotton Goods	132,000,000	125,678,400	2,214	3,423	236	332
Clocks and Watches	613,000	7,039,400	125	628	137	296
Cutlery and Tools	2,047,000	10,653,200	420	2,009	164	323
Dyeing and Finishing Textiles	18,000,000	16,711,200	1,949	2,449	184	379
Gasworks	20,844,000	33,362,800	687	3,469	422	897
Firearms and Ammunition	677,000	6,822,400	595	1,214	152	464
Gloves	1,056,000	4,726,200	113	256	233	416
Hats and Caps	5,256,000	16,598,000	181	588	149	414
Hosiery	8,792,000	40,028,600	163	804	184	509
Leather Tanning and Dressing	18,289,000	65,574,800	847	2,389	686	1,054
Lime	2,184,000	3,590,400	937	6,209	141	258
Brewing and Malting	67,254,000	82,616,400	937	6,209	970	1,466
Matches	862,000	2,270,600	408	1,729	293	625
Paint, Colours and Varnish	9,127,000	24,977,800	1,375	4,012	806	1,754
Paper	13,621,000	53,531,000	4,201	15,846	330	705
Pens and Pencils	791,000	2,539,000	241	710	131	449
Printing and Publishing	13,548,000	147,757,200	1,133	1,154	396	572
Railway Carriages and Wagons	9,850,000	39,382,400	1,126	2,274	364	574
Silk	5,345,000	39,382,400	608	989	142	398
Soap and Candles	12,797,000	22,897,600	1,092	2,466	821	1,691

THE DOLLAR EXCHANGE.

MANY satisfactory features will appear in a comparison of the present position of the foreign exchanges with that obtaining a year ago. On contrasting the movements since the beginning of the year with those of the first quarter of 1920, it will become clear that for most of the leading exchanges fluctuations are now much less violent than they were at the beginning of 1920, while the factors behind the movements are more capable of estimation. In general the position of sterling has shown a very rapid improvement during recent months. THE STATIST's index-numbers for the foreign exchange values of the £ sterling show that in January 1921 the collective value of our currency abroad was 22.4 per cent. above the old parity, and though it fell to an average of 20.9 per cent. for last month, yet these two figures were the highest since the Armistice, while in February 1920 the £ was at a discount of over five per cent., the lowest in any month since the Armistice. We are well aware that a high premium for the £ in the currencies of countries such as France, Belgium, Italy, and Germany is rather a disadvantage than a benefit to us, but it is satisfactory, at all events, that a large portion of the recent improvement in sterling is due to an appreciation of the £ in the United States. As our indebtedness to that country is on a very large scale, and our imports from the United States form a very large portion of our total imports, it is of the utmost importance that dollar exchange should become as cheap as possible. The improvement in the dollar exchange began about the middle of November last. The rate of improvement was most rapid during January, and, though the movement slowed down during February, the present level of quotations is not far below that ruling at the end of last June.

The general strengthening of sterling needs little further explanation beyond that afforded by the course of our foreign trade during recent months; the "visible" adverse balance has been greatly reduced, while what are known as "invisible" exports have generally grown in value to such an extent that we have been able to establish a balance in our favour. As regards the movements in the dollar exchange, many seem inclined to think that it is due altogether to the general improvement in our position, and that it is likely to continue intermittently until the rate rises to the old parity. Those acquainted with the position, however, are well aware that this view is incorrect. In the first place, while it is true that our position has improved, and that the internal value of sterling has increased during recent months, the same is true even to a greater extent of the United States, where the banking situation has been restored almost to its pre-War strength. In the second place, though the trend of movements at present—and also, perhaps, in the future—may be towards the old parity, there is no force in our present organisation tending in that direction; in other words, the level of the dollar-sterling exchange, as well as of all the other sterling exchanges, is determined without any reference to the old mint parities. When specie payments are resumed in the United Kingdom and a free gold market is restored in London—a position that seems impossible of attainment for many years to come—the limits of fluctuations in the dollar-sterling rate will again become, as in pre-War days, the import and export "gold points."

It is only by comparing the movements in the New York exchange with those in the European and extra-European exchanges in the light of concurrent developments in other directions—as, for instance, in the London and New York Money markets—that one can suggest an explanation for the movements in the dollar. The position of London as the mart of the moneys of the world produces results in sterling exchange movements not obtaining in the same degree in the foreign exchanges of any other centre in the world. Readers may remember that the position was admirably described by one of our leading bankers when the phrase "New York-Europe" exchange was suggested instead of the "New York-London" exchange. On account of the vast extent of the indebtedness of nearly all European countries to the United States in respect of Government loans, private credits, or commodities imported, there is always a greater volume of European currencies at the command of the New York Money market than of any other centre in the world. As the amount of francs, marks, lire, lei, drachmas, and other moneys is greater than can be absorbed locally, while by long tradition London has always acted as a clearing-house in international finance, these currencies are unloaded by New York on our Money market. Whenever a period of stringency occurs in the Money market here this practice of absorbing Continental currencies has to be either partially or altogether abandoned, while it sometimes becomes necessary to sell exchange elsewhere, and withdraw balances held abroad. Now the former operation tends to weaken the dollar-sterling exchange while strengthening the value of Continental currencies. This but continues our international financial policy during the War, which involved borrowing from the United States in order to lend to our Allies; it means that to a certain extent we are increasing our debt to the United States in order to give assistance to European countries.

As regards the reverse operation above mentioned, namely, the selling of Continental currencies by London, it is, of course, impossible to speak with certainty on the point, yet the probability is strong that it was some such movement that was responsible for the recent improvement in the New York exchange. During the present quarter there has been a pronounced stringency in the Money market, and all the resources at the command of Lombard Street had to be mobilised, so it is probable that the absorption of Continental exchange from New York, as well as, of course, from other extra-European centres, was stopped, or, at any rate, diminished considerably, with the result that the exchange on New York was kept steady, while Continental currencies have displayed a weaker tendency.

It follows from what has been said in the foregoing paragraphs that the future course of the dollar exchange will depend to a considerable extent on the state of the London and New York Money markets. On the whole, it is probable, as pointed out in an earlier article in the current issue, that conditions will be more comfortable after the turn of the quarter in London, while in New York the position, though it may not show much change, will at any rate allow of greater support being given to sterling and other European currencies. As, however, the supply of these in New York will continue to be superabundant, it is probable that, as soon as monetary conditions allow, London will again be called upon to relieve New York of some of the surplus Continental currencies. If this view is correct, we should be inclined to look for a slight downward turn in the New York exchange towards the end of April, as there appears to be little in the fundamental position which would warrant a continuance of the present upward movement.

But, though monetary conditions constitute a very important factor, there are two other influences which require to be considered; influences, however, whose operation cannot be foreseen with any degree of precision. The first is the amount of debt repayments to the United States Government and United States nationals to be made during the coming financial year. During last year a considerable portion of our foreign debt was repaid, but the debt to the United States remains practically unchanged, for the liabilities retired were in greater part to other countries, such as Japan, Canada, Argentina, &c. During the current year whatever reduction of foreign debt takes place will probably be made in the obligations due to the United States. The amount of such repayment is as yet wholly a matter for conjecture, depending on the arrangements come to between Lord Chalmers and the

United States Treasury. Judging by the estimates for the National Finances in 1921-22, it seems unlikely that the amount of that debt to be paid during the coming financial year will be much more than for 1920-21, and, considering that compulsory liquidation of internal debt will again be on a large scale, while the floating debt also has to be reduced as much as possible, it seems likely that the amount available for repaying foreign debt will not be very large. One cannot altogether ignore, however, the possibility of a loan being floated here for this purpose, should America insist on the repayment of a large portion of our debt, and if this were so it would naturally have an unfavourable effect on the New York exchange.

Finally, the future position of sterling, not alone in New York but in every other centre, will largely depend on the manner in which our trade and finances emerge from the present depression. If our ability to send goods and services abroad is not seriously impaired, it will, of course, help to restore the value of the British £, but changes are likely to be so great in the international trade of all countries that it is of little use to try to foresee how any particular exchange will be affected.

CURRENCY OF BRITISH WEST AFRICA.

The transactions of the Currency Board in this area during 1920 showed a return to the advance of the preceding year, and reflected the trade development of our West African Colonies. In the previous year to June 30, 1919, the amount of currency sold was £1,624,170 in silver coin and £2,340,995 in notes, making a total of £3,965,165. This, as observed in the Board's report for that year, was nearly three times the amount issued in any previous year; but it was, in turn, more than doubled in the year ended June 30, 1920, the sales being £1,623,628 in silver coin and £7,229,950 in notes, making a total of £8,853,578. Also, the abnormal amount of £244,546 of nickel-bronze susidiary coin was sold, and if this is added the total figure becomes £9,098,124. This notable increase in the currency requirements was due to the larger quantities of produce which came forward for sale and the continued heavy buying following upon the conclusion of the War, coupled with the improved shipping facilities and the very high prices ruling generally for produce in the local markets. The heaviest requirements were in the months of November, December and January, being principally in connection with the purchase of the cocoa crop in the Gold Coast, which was of exceptional dimensions, and of the ground-nut crop, palm kernels, &c., in Nigeria, though in Sierra Leone and the Gambia, particularly the latter, the demands far exceeded those of any previous year. In February, however, a reaction set in and produce buying slowed down considerably. The result was a rapid lowering of the market values of produce and a tendency to a contraction of the currency, which soon resulted in the return by the banks to the Board in West Africa of large quantities of currency notes in payment of telegraphic transfers on London. In this way the Board had paid out by June 30, 1921, the sum of £3,651,000 in London against notes deposited in West Africa. Although, therefore, the notes were still inconvertible into coin locally, the banks, and through them the public, were able freely to dispose of their surplus stocks.

It is owing to the system of immediate remittance in London on the receipt of cable advices that the West African note issue is protected from any depreciation in sterling value. The procedure was put to the test in the period referred to, and, as the process of redemption was a gradual one and the Board were able to anticipate the requirements, there were no delays in meeting the demands. It was necessary to make considerable sales of the investments made on account of the Note Guarantee Fund.

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The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa, conducts general Banking, Exchange Business, undertakes Trust Business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Stock Exchange Election.

The result of the election held on Monday last for the Stock Exchange Committee for General Purposes was made known on Tuesday. With the exception of two retiring members the whole of the outgoing Committee to the number of twenty-eight offered itself for, and secured, re-election. The remaining two seats were filled by Messrs. R. H. Hedderwick and H. F. Lown, and two candidates were unsuccessful. The House-year commenced on the 25th inst., and the Committee will serve for one year from that date. The poll was not very large, and the votes recorded were as follows:—

SUCCESSFUL CANDIDATES.

1	Cobb, H. E.	2,078
2	Scott, D. M.	2,075
3	Baker, A. E.	2,072
	Herbert, A. ...	2,072
4	Johnstone, Hon. G.	2,071
	Rowe, G. D.	2,071
5	Morris, F. R.	2,069
	Price, M. W.	2,069
6	Laurie, R. M.	2,066
7	Booth, F. H. A. ..	2,065
	Cameron, E. A.	2,063
8	Channen, H. F.	2,063
	Scrimgeour, J. A. ...	2,063
9	Horn, H. J.	2,062
10	Gledstanes, F. G. ...	2,060
11	Adams, J. S.	2,058
12	Coventry, Hon. H. T.	2,057
13	Marnham, H.	2,054
14	Anketell, A. G.	2,053
15	Campbell, A. H.	2,049
16	Hoblyn, C. D.	2,041
17	Killik, S. H. M. ...	2,038
18	Robinson, L. G.	2,036
19	Westhead, W. B. ...	2,033
20	Atlay, E. W.	2,030
21	Bevan, D. A.	1,998
22	Vowler, E. N.	1,937
23	Hedderwick, R. H.	1,768
24	Lown, H. F.	1,592
25	Wrightson, A. L. ...	1,578

Conditions in Denmark.

We have been favoured by the Department of Overseas Trade with copies of two interesting pamphlets dealing with the economic situation in Denmark and in Italy. After a survey of the general position, the natural resources, manufactures, trade and shipping are dealt with in some detail, and in a series of useful appendices figures are given relating mainly to trade and industrial production. The depreciation in the value of the Danish kroner in terms of sterling, which was the occasion of some comment in the Exchange market here last year, is, according to Danish opinion, to be attributed principally to the high price of fuel imports. In this connection it is remarked in the Report that Denmark, unlike her Scandinavian neighbours, has but little water-power, and that what she has is as yet not extensively developed. As Great Britain is the chief provider of fuel, a rise in the price of coal largely increases the amount of payments to be effected abroad, and naturally leads to a decline in the kroner. At the end of March 1920 the

pound sterling was quoted at 21.23, as compared with the par rate of 18.159, and at the end of June it had risen to 24.13, recovering on December 31 last to 23.12. It has since partially reacted to above 24. The decline has been helped by the increase in the adverse balance of trade, which rose from Kr.600 million in 1919 to about Kr.700 million in 1920. In contrast with the decline in external trade, there has been an improvement in the national finances. The Danish Budget for 1919-20 showed an expenditure of only Kr.532,600,000, as compared with a revenue of Kr.593,900,000. For the financial year 1921-22 the revenue is estimated at Kr.318,367,000, and it is probable that, in the absence of exceptional liabilities, it will more than cover outgoings. Several State undertakings have been worked at a loss during the current financial year, and steps are being taken to increase postal rates, while railway rates have already been raised so as to provide a small credit balance at the end of 1921-22. The loss on State undertakings may have been one of the reasons responsible for the floating of the $25,000,000 loan by the State of Denmark in New York last year. The proceeds of this loan were, however, applied mainly to meeting expenditure unavoidably incurred in taking over the assets and the national debt of Schleswig. Exclusive of this loan, Denmark's national debt on March 31 last exceeded Kr.926 million, of which nearly Kr.672 million represented sums due within the country. The State assets on the same date were valued at Kr.1,300 million. These figures reveal substantial increases as compared with the period prior to the War, but the expansion is to some extent due to inflation. The notes in circulation, which in 1914 amounted to Kr.150 million, had risen by February last to Kr.508,499,595, an increase of 239 per cent., while the gold reserve had risen in the same period to Kr.227,577,000 from the pre-War figure of Kr.80 million. The notes in circulation were thus covered by gold to the extent of forty-four and three-quarters per cent., a very high average, found in few other countries.

Argentine Rail Receipts.

The market in Argentine rails has been rather jumpy for some time past, chiefly because of the dismay spread by the receipt of a telegraphic message to the effect that the Minister of Public Works had ordered the suspension of the increased rates which the Companies had been permitted to enforce. The majority of the new rates, it might be pointed out, took effect from the 1st inst., and were already commencing to have a favourable influence on the figures for gross earnings of a number of the Companies. The Buenos Ayres Great Southern, for example, showed in the current month a record weekly traffic of £217,000. Trade interests throughout have been hostile to the raising of the tariffs, basing their opposition on the present widespread depression. The Companies, however, are only demanding the same privileges as those accorded elsewhere, and that the position is at the moment not altogether favourable may be gathered from the appended table, which shows the gross receipts from July 1, 1920, to March 12, 1921, inclusive, a period of thirty-seven weeks:—

Railway	Gross Receipts	Inc. or Dec. on previous Year
	£	£
Central Argentine	6,818,000	— 515,000
Buenos Ayres Gt. Southern	5,715,000	669,000
.. ..	919,000*	—1,303,000*
Buenos Ayres and Pacific ...	4,441,000	— 777,000
Buenos Ayres Western	2,705,000*	— 805,000*
.. .. ..	278,000	— 911,000*
Cordoba Central	1,837,600	— 296,700
Entre Rios	787,300	— 48,500
Argentine North Eastern	417,100	— 2,000
Buenos Ayres Central	337,128†	— 22,545†
Argentine Transandine ...	95,957	— 7,829

* Net receipts. † Seven months.

The figures given are those of gross receipts, but in the case of the Buenos Ayres Great Southern and Buenos Ayres Western the net figures are also set forth. It will be noticed that the Central Argentine is the only one of the leading lines showing an increase in gross receipts, the improvement being attributable to heavy maize movements since June last. Eight and a-half months out of the current railway year have now expired, and it will be difficult for the Companies in the period at their disposal to make up traffics to the 1919-20 level. In this connection, however, it must be remembered that the latter was an exceptionally good year, as the grain and other crops, not only of that year but to a large extent of the previous year, had to be moved. Companies' earnings were also increased by the high rates of exchange, the profits on exchange running into hundreds of thousands of pounds. This source of revenue has practically been wiped out, and at the same time the Companies have secured no relief from the heavy operating expenses that have been a feature of railways, not only in Argentina but all over the world. Though the prohibitive price of coal has in some cases led to the adoption of oil-driven engines, the market fall in the price of the solid fuel in recent months should afford much-needed relief to the majority of companies. The c.i.f. price of coal has declined by several pounds per ton, and it cannot be doubted that the reaction in price is to a large extent permanent. It is to be hoped that the chance of recovery held out to the Companies by the new tariffs sanctioned by the Argentine Government will not now be dashed by a Government revocation of its own decision. The railway interests have not been treated in an over-friendly manner by the Argentine Executive, as taxation and arbitrary embargoes have considerably interfered with the revenues of many lines.

The Upper Silesian Plebiscite.

The result of the plebiscite in Upper Silesia shows a majority in favour of union with Germany. The exact figures are not yet available, but it appears that the German vote was 716,400, as compared with the Polish vote of 471,000. The plebiscite does not finally dispose of the Upper Silesian question, as the Poles gained a large majority in the Eastern district of Tarnowitz and in the Southern area round Rybnik and Pless. In all, the Province was divided into seventeen districts for the purpose of the plebiscite. In accordance with the provisions of the Treaty of Versailles, the Inter-Allied Plebiscite Commission, in reporting the result of the voting to the Supreme Council, will submit a recommendation as to the delimitation of the German frontier in Upper Silesia. Their decision will be guided by the wishes of the inhabitants in the various voting districts, and also by economic and geographical considerations. It seems practically certain that the Poles will abandon their demands for the district west of the Oder and in the north, but will claim the south-eastern portion, including the whole industrial area, on the plea of local majorities. A division of the coalfield seems probable. The final decision on the question rests

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with Paris, and each side is already busy in placing on the polling results the interpretation most suitable to the advancement of its claims.

American Cotton Crop.

A report issued during the week by the Census Bureau of the United States shows that since the previous report, which was made up to January 16 last, 1,182,000 bales have been ginned. The total ginned up to the end of February was, therefore, 13,198,000 bales of the growth of 1920, the largest yield since that of the record year of 1914, and comparing with 11,326,000 bales last year, 11,906,000 for 1918, and 15,906,000 for 1914 growth. The total includes 207,000 round bales, against 114,000 last year, 92,000 bales American-Egyptian, against 42,000, and 2,000 bales Sea Island, the last item comparing with 7,000 bales last year, 56,000 in 1919, and 93,000 in 1918. The quantity remaining to be ginned is estimated at 212,000 bales, against 175,000 last year and 177,000 in 1919. The average gross weight per bale is returned at 506.4 lb., against 603.2 lb. last year and 505.7lb. in 1919. In all respects, therefore, the crop has proved surprisingly good, despite the pessimism of the first official forecasts made last year.

Trade of Manchuria.

Manchuria, which is one of the outer provinces of China, has an area of approximately 56,000 square miles and a population of about eighteen million. The total net value of foreign goods imported into Manchuria in recent years, largely from Japan and America, is given in the Customs Returns as follows:—

1917	1918	1919
Hk. Tls.	Hk. Tls.	Hk. Tls.
107,534,311	106,699,742	149,137,408

The amounts taken in 1919 by the three principal ports of entry were as follows:—

	Hk. Tls.
Dairen	89,430,626
Antung	31,983,240
Newchwang	11,320,358

The particular lines in which British manufacturers might be able to compete against Japanese goods are piece goods (best quality), machinery, agricultural hand machines, window glass, synthetic indigo, and wall papers. According to His Majesty's Consul at Newchwang, an indent business is practically impossible in Manchuria, as Chinese dealers will not place orders through agents for delivery from home, shipment not being guaranteed and the exchange uncertain. Nor will the Chinese order from illustrated catalogues or price lists. The demand is apparently for spot cargo.

Increase in Company Capital.

The figures of increase in nominal capital, notice of which has been filed at Somerset House, for the two months January and February 1921, are as follows, according to the Banking Section of the Department of Overseas Trade:—

1920 Month	Number of Companies	Total Increase of Capital £	Average per Company £	Average per Business Day £
January ...	198	10,790,418	54,497	415,016
February...	157	13,407,996	85,401	558,667
Two mths.	355	24,198,414	—	—

German Refusal to Pay.

Under the Treaty of Versailles Germany was required to pay £1,000,000,000 before May 1 next. According to the Reparations Commission the value of the deliveries in cash and kind already made is £400 million, leaving a balance due of £600 millions, of which £50 million was due on Wednesday last. Telegraphic advices from Paris indicate that Germany has refused to pay, relying on her own estimate of £1,000 million, or even more, as the value of the various deliveries already made to the Allies. It is further demanded that experts should be summoned to decide between the Allied and the German valuations. The Germans affirm that they are unable to pay the demands now presented. The Allies are in consultation, and possibly further and more severe penalties will be imposed if the refusal is persisted in.

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American Topics.

SITUATION OF THE RAILWAYS.

Cables which have appeared in the Press, as well as information which has been received through private sources from the United States of America, indicate that the economic, financial, and general conditions of the railways in that country are, if possible, more alarming and more unsatisfactory than is the case with ourselves. It is by no means surprising that this should be so. The United States was one of the countries that enjoyed in an extraordinary measure the illusory prosperity which fell to the lot of certain countries as a result of the great European War. During the four and a-quarter years that the War lasted, thousands of lives were sacrificed daily, millions' worth of treasure destroyed, and, although not wholly for practical purposes, industry having any real economic aim in Europe came to an end. While Europe produced nothing, her consumption was upon a scale which had never been witnessed by anybody living. The United States was one of the principal sources from which were derived supplies necessary to meet this large measure of unprecedented extravagance. America suddenly found herself called upon to supply a market which seemed insatiable; and, in addition, she had to continue to feed her own markets. To engage in such a business she was forced to use her plant and transportation facilities with a reckless disregard for their welfare. Hence, one result is that the railways of the United States, speaking generally, are in an exceptionally bad state of repair. This is, however, by no means the worst effect of the illusory prosperity which the United States so long enjoyed. As we have just said, she had to supply a foreign market which seemed insatiable and, at the same time, feed her own people. The inevitable result was that there was not enough to go round. There was no adequate plant to do the work demanded of it. There was no adequate supply, either, of raw materials or of finished products to satisfy the insistent demands upon the American markets. Hence, to use colloquial language, prices rose to lengths of extravagance [illegible] all reasonable proportion to what had been witnessed in the past history of the United States. The cost of living, as it was called, grew apace, until the dollar, although [illegible]

apparent purchasing power compared to what Americans had been accustomed to in the period that preceded the outbreak of the great European War. What did the United States get in exchange for the abnormal amount of produce of various kinds which she despatched across the Atlantic? Very little of real economic value, if we are to understand by that term receipts which would be of assistance to her in refitting her plant and developing her own natural resources!

Inasmuch as the American was receiving very little of economic value in exchange for produce sent abroad, as the reader is aware, prices steadily rose. To put it differently, there was a scramble in the United States, as there was in Europe, to get food to eat and clothes to wear. Amongst schoolboys in pursuit of brandy-balls this scramble would take the form of a scrimmage. Economically this scramble takes the form of an extravagant rise in prices. In reality, it is very much the same thing expressed differently. Grown men do not find it practicable to act like schoolboys. There is, however, in a period of scarcity what amounts to a struggle to get possession of enough to eat and sufficient clothes for purposes of propriety, even if it is not possible to obtain an adequate supply for comfort. As a natural and inevitable corollary, to again return to colloquial language, wages rose and prices of raw materials and commodities, themselves requiring labour to produce, rose likewise. Hence, we learn that the cost of operating an American railway has risen to practically ninety per cent. of the gross receipts. Bearing in mind that the plant, that is to say the permanent way, rolling-stock, depôts, and other accessories, have been overworked, and have now fallen into a state of general disrepair, and means are urgently needed whereby it should be possible in the near future to refit this plant. The reader will appreciate, however, that no business man could be expected to listen to a proposition to find the means for refitting the plant of an industry which absorbs ninety per cent. of the total it is able to earn in the carrying on of its operations. Thus the managers of the American railways, taken as a whole, have of late found themselves faced with two alternatives. One is to go on working until the plant itself drops to pieces, which would leave the whole American railroad system derelict. The other is to take drastic measures to reduce the cost of operating the various lines.

It is generally understood that the American railroad managers are taking energetic steps with a view to working the several lines in a way that will give them in the near future a reasonable prospect of obtaining the means whereby they may be enabled to refit their plant. Hundreds of thousands of wagons are, it is stated, lying perfectly idle at the various sidings, as, under existing conditions, traders do not see their way to finding a market for goods sent over the lines. We will now inquire very briefly how this very unsatisfactory state of things has come about.

In the briefest possible language we may say that the existing state of things has been brought about because the United States, taken as a whole, has received no adequate return for the immense amount of produce she has sent, and the many services she has rendered to Europe during recent years. In periods when the United States has enjoyed great prosperity Europe, as her principal customer, returned produce or rendered services whereby the United States was compensated for the produce she sent or the services she rendered to European countries. Primarily, the services Europe rendered took the form of providing means to enable the United States to refit her plant, and in many cases from time to time to increase her transportation facilities. Hence, while she despatched much, she produced more. During recent years, on the contrary, while she despatched more she produced less. Europe was not in a position to send anything to enable the people of the United States to refit plant or to add to their transportation facilities. For an abnormal amount of produce on this side Europe despatched in return promises to pay when convenient. In the last resort Europe returned securities she had formerly purchased from the United States. This would appear a real advantage. It was, in one sense; but in another sense it was not. The securities despatched represented a wasting asset. It represented the ownership of plant which was heavily depreciated, and for which it was difficult to obtain means whereby that plant could be refitted. Consequently, Europe transferred to the United States, to the extent she sold securities, the onus of refitting plant, the burden of which in former periods had been borne by Europe in exchange for the receipt of American produce. If we bear in mind the enormous extent of the United States and her relatively small population, it is at least an arguable proposition whether it is an advantage to throw upon the United States the whole burden of refitting her plant whenever it needs to be replaced. The net result of the inadequate receipts by the United States for the various services she has rendered has been such an abnormal growth in her cost of production that she finds it increasingly difficult to obtain customers for her produce; and one of her great difficulties is the high rate of freights which her railway system has to charge for moving produce from place to place.

THE PENNSYLVANIA RAILROAD CO.

The operating results of the Pennsylvania Railroad Company for the year 1920 show a decline from the 1919 level, mainly due to the large operating deficit of the first eight months, embracing two months of Federal control and six months constituting the guaranty period, which deficit was by law chargeable to the Government. The general experience of all American railroads was the same because rates for transportation service were for the greater part of the year materially below the basis of existing wages, materials, and other railroad operating costs. Despite increased rates from September onwards when the Company was independent of Government guarantee, the total compensation and net railway income at $63,103,867, was $4,022,000 less than in 1919, and $2,889,600 below the figure for 1918. The following table shows the receipts and allocations for the past three years:—

	Income from Investments						Common Stock Dividends		
	Commutation & Operating	Misc.	Total	Charges and Sinking Funds	Net Profit	Earned	Paid	Balance
	$	$	$	$	$	%	%	$
1920	7,425	65,104	24,563	87,667	57,105	30,562	6 11	6	29,950	612
1919	7,527	67,126	25,234	92,360	51,909	40,451	8 09	6	29,950	10,501
1918	7,182	65,995	22,902	88,595	46,837	41,758	8 35	6	29,950	11,807

The income from dividends and funded securities was increased by larger holdings of securities of affiliated companies received in settlement of amounts advanced to them for construction expenditures and by dividends paid by some of these companies in excess of their disbursements for 1919. The remainder of the miscellaneous income suffered a decrease, that from unfunded securities and accounts being due chiefly to a reduction in the amount of unpaid open accounts, and compensation due from the United States Government. The total miscellaneous revenue of $24,562,854 is only slightly less than the previous figure, and exceeds the 1918 receipts by nearly $2,000,000. Though the mileage of railroads held under lease remained unchanged the rents payable in respect of them was greater on account of additional capital expenditures, chiefly on the Philadelpia, Baltimore and Washington Railroad, the Pittsburgh, Fort Wayne and Chicago Railway, the Cleveland and Pittsburgh Railroad, and the Pittsburgh, Youngstown and Ashtabula Railway. Increase on funded debt showed higher as a result of the issue of $50,000,000 Ten Year Seven per Cent. Secured Gold Bonds, and interest on Equipment Trust Six per Cent. Certificates covering equipment allocated by the Government during Federal control. Interest on unfunded debt was also heavier, by amounts due to the United States Government for

expenditure made for additions and betterments to the property and subsidiary lines during Federal control and still unfunded.

With lower revenue and increased charges the net profit was substantially lower at $30,562,000, against $40,451,900 and $41,758,000 for 1919 and 1918 respectively. The amount earned was, however, sufficient to pay the usual six per cent. dividend on the Common stock, which had been decreased by $5,000 to $499,173,400. An amount of $611,479 was added to the balance of the profit and loss account, which has now to its credit $48,905,393.

The existing trade depression renders it difficult to appraise the prospects for the current year. In January 1921 there was on the railways in the United States a surplus of 300,000 cars, compared with a noticeable shortage of cars in the corresponding month of the previous year, and the number of idle cars increased still further in February. The Pennsylvania Railroad Company has met the position by retrenchment in capital outlays and in the number of its employees and their working hours, and has presented before the National Railroad Labour Board a request for the prompt abolition of National Agreements and other working conditions of the War period. It is doubtful, however, if wage and other reductions will compensate for the recession of traffic unless the period of readjustment is shorter than is generally anticipated.

SOUTH AND CENTRAL AMERICA.

THE VAST NORTH.

WALLACE, the naturalist, in a well-known passage in one of his books dealing with the north-west of the continent of South America, says: "In this region a man with six hours of labour obtains more of the necessities and comforts of life than by twelve hours' work in Europe." In Wallace's day what we have called at the head of this article "The Vast North" was only in a sense accessible, and was wholly unsuitable for settlement by white men, and only to a very moderate extent by natives. The conditions under which life was carried on in the immense area watered by the Amazon will be familiar to many readers, who have no doubt read, and re-read with pleasure and increased profit each time they have turned over its pages, the well-known work of Bates. Bates wrote more than half a century ago, and in those days engineering science, and still less medical science, had not advanced to such a degree as would make the settlement of those countries really practicable from the point of view of obtaining immense supplies of food and raw materials from them. To-day there is, perhaps, no region of the earth capable of yielding in such immense quantities supplies of food and raw materials which are so urgently needed by a world recently devastated by war. Two things are, of course, necessary to make it possible to open up the northern districts of the continent of South America to settlement. These two are, primarily, transportation facilities; and secondly, and which would follow as a natural result, increased population. Owing to the discoveries of medical science it is now practicable to make this vast region healthy for the settlement either of white men or of coloured labourers. Reasonable precautions in the matter of health, assisted by drainage, would gradually make the whole of this area healthy, and engineering science is in these days capable of dealing with the question of transportation, which will undoubtedly be an exceedingly expensive process. On the other hand, the rewards obtainable are at least commensurate to the expense which would be incurred. Something like seventy-five per cent. of the whole area of the continent of South America is situated either directly in the Tropics or within the sub-tropical area. The really formidable proposition is the question of drainage. Until this is undertaken upon a really great scale this extraordinarily fertile region of South America, which is [illegible] actually the very richest one of the richest countries of the world, will not really be available for settlement. The Amazon River and its great tributaries dominate the whole region. The Amazon itself, at certain seasons of the year, rises as much as sixty feet. As a result, in its course towards the sea it covers an area of land exceeding in extent the whole of France and Germany as those two countries existed at the outbreak of the recent European War. Stated as we have just given the facts, it would appear a hopeless proposition for anyone to deal with. In reality, financiers and those capable of dealing with great schemes for opening up a vast country will find, if they consult competent engineers, that it is simply a question of drainage. The temperature of the whole is not high if we bear in mind the latitude in which it is situated. The Amazon River itself runs, almost throughout its course, on what for convenience we may call the line of the Equator. The temperature varies between 75 and 90 degrees Fahrenheit. There are practically in this region four seasons—two wet and two dry. Consequently, it is practicable to raise two crops every year. Inasmuch as there is nothing like what we understand in these northern latitudes as a winter, there is no period when agricultural pursuits are perforce completely brought to an end. During the rainy season the cattle have to be moved from low-lying wet lands to higher elevations. But these in nearly every area are accessible. Exactly what the river system in this vast region is like will be appreciated by the reader when we say that the Amazon at Para, which is some seventy miles up the river, is as broad as the English Channel is at any given point between Folkestone and Dover and the French coast. As a result we have in nearly every locality an abundance of water which is found nowhere else in a tropical country. If we include the Guianas, the eastern sub-tropical lands of the north-west Republics, and the tropical area of Brazil, we

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have a total area very nearly twice the size of the United States. This area is wholly tropical or sub-tropical. But it varies in elevation to a very great extent. The bulk of it, of course, is comparatively low-lying, is absolutely free from frost, and is consequently suitable for, and would no doubt be most profitably employed in, the growth of tropical products which alone can be cultivated in hot countries. In the elevated districts of the Guianas and, of course, in those of the north-western Republics it is practicable, in spite of the latitude, to grow wheat, maize, and other cereals which we are accustomed to associate with the temperate zone. Consequently the vast north of South America can grow in abundance all the foods which we associate with the Tropics, the sub-Tropics, and the temperate areas of the earth which are useful to man. In addition, of course, these countries can produce the fibrous plants, of which cotton is, perhaps, generally the best known. In the elevated districts sheep thrive, and have thriven ever since they were introduced by the early conquerors in the first half of the sixteenth century. The north-western Republics, like Peru, for example, have long before the conquest bred a peculiar kind of sheep which produces an exceedingly fine, silky-textured wool, which is known in the international markets as llama wool and vicuna. We have said enough to show the extraordinary potentialities of these fertile areas. Now arises the practical question. Is it possible at the present time to develop these regions, even to a small extent, with a view to increasing appreciably our supplies of food and raw materials, which it is admitted on all hands is so urgently needed, in the hope of assisting a devastated world to recover the prosperity which it enjoyed in the pre-War period?

To this argument it will be replied that the devastated world is drowned in debt; that we have, in fact, no money for employment in the opening up even of the richest and most promising areas of the world. Is this, however, a sound argument? How long will it take us, if we seek no new sources of supply for the primary needs both of ourselves and of our manufactures, to pay off the debts incurred during the War? If we decide to pursue that plan it seems inevitable that no appreciable progress will be made in liquidating our debts during a period in which any man now living is likely to be interested. If, on the other hand, we can considerably increase—at, of course, a relatively low economic level of values—our supplies of primary necessities, does it not follow that we shall be able to save at a far more rapid rate than will be possible if we continue to adopt a policy of earning what we are able and saving what we can? This is, of course, a question for consideration. But we would urge that it is well worthy of being considered.

Serb-Croat-Slovene State. — His Majesty's Minister at Belgrade reports that, according to an order published in the official Gazette by the Minister of Finance, the replacement of 1- and 2-kronen notes will begin as soon as possible, in order to withdraw them completely from circulation. Until this is done no Government pay office shall receive from one person at one time more than 50 kronen in 1- and 2-kronen notes, which will only be accepted if stamped by Government authorities authorised to do so.

Mellon National Bank, Pittsburgh. — The resignation of Mr. A. W. Mellon as President of Mellon National Bank, Pittsburgh, Pa., U.S.A., in consequence of his acceptance of the portfolio of Secretary of the Treasury in President Harding's Cabinet, was formally accepted at a meeting of the Bank's Board of Directors. Mr. R. B. Mellon, heretofore vice-president of the Bank, was elected to succeed him as president. Mr. W. L. Mellon was named to take the place of Mr. A. W. Mellon on the Board of Directors.

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Rubber Topics.

The approach of the Easter recess is not usually conducive to activity in the Stock markets, and the Rubber market was no exception to this rule. Moreover, movements in the Commodity market were by no means calculated to afford any stimulation. Imports during the previous week reached 1,969 tons, whilst deliveries to the trade amounted to 918 tons. The net result is therefore to add 1,051 tons to a stock already cumbersome. London stocks now exceed 63,000 tons, or three times as much as was recorded for the corresponding period of last year. Some encouragement may be derived from the increase of over 300 tons in trade deliveries, and the price has responded accordingly, crêpe being quoted on Tuesday at 1*s.* 0½*d.*

A few week-end inquiries in the Share market centred on some of the leading issues. Anglo-Dutch were in good demand at 29*s.* 1½*d.*, and Linggis improved to 32*s.* On Tuesday, however, Anglo-Dutch had reached to 28*s.*, whilst Linggis remained firm. Bukit Rajah were a good feature around par. On the whole, however, the market was inert.

KLABANG RUBBER.

Issued Capital: £100,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre Bearing lb.	Aver. Price Realised per lb.	"All-in" Cost. per lb.	Net Profit £	Dividend Amt. £	Dividend %
1917...	1,269	1,001	502,347	502	2 0·9	1 2·4	13,620	2,000	4
1918...	1,269	609	194,865	320	1 8·4	1 8·44	324*	3,750	7½
1919 .	1,269	- -	357,116	—	2 0·6	1/2 0	17,516	12,500	25
1920†	1,264	-	204,490	—	-/9·75	1/11·67	9,572‡	—	—

* Loss of £44 on crop. Profit due to interest and dividends on investments.
† Period from May 5 to Dec. 31, 1920. ‡ Loss.

Price of Shares, 27/0. Market Capitalisation per planted acre, £107.

The way in which the severe depression now dominating the Rubber market can revolutionise the situation of producers is illustrated in a distinctly forcible manner in the accounts presented by Klabang Rubber Company for the period May 5 to December 31, 1920. Having gone into liquidation for purposes of reconstruction on the large capital basis of £100,000 instead of £50,000, it was decided that the balance of £12,931 brought forward from 1919, after deduction of excess profits duty estimated at £5,300, should be taken over by the new Company as an asset under the head of cost of property, and that the profit accruing on operations between January 1 and May 4, 1921, should be treated in a similar manner. This decision removed the results of operations over this period outside the direct purview of the accounts, and the only information furnished in connection therewith is that the profit for this period of a little over four months thus incorporated in the capital value of the property amounted to £2,647. However regrettable it may be that comparison is thus restricted to a period of eight months, there remains the advantage at least that this period covers the beginning of that severe depression through which the market is still passing, and that it becomes thus possible to measure the unadulterated effects. Proportionately the crop of 204,490 lb. is

below that of the corresponding period of 1919, doubtless owing to the restrictions adopted during the last two months of 1920. During 1919 the crop was harvested at an "all-in" cost of 1*s*. 3*d*. per lb. For the eight months under review it achieved the unenviable record of 1*s*. 11.67*d*. per lb. This marked increase was almost entirely due to actual estate expenditure, the f.o.b. cost amounting to 1*s*. 8.35*d*., as against 1*s*. 0.35*d*. per lb. for 1919. Allowing for the reduction in the crop and the loss of $21,000 on rice, equivalent to about 2.88*d*. per lb., there yet remains a balance to be accounted for. On the surface it would appear that there was laxity in some direction or the other. More astounding yet is the revelation that the average price realised by the sale of this crop, including the unsold portion, fell to the low level of 9.75*d*. per lb., as compared with 2*s*. 0.6*d*. per lb. for 1919. It will come as a surprise to many to learn that so low an average could be reached when they recollect that rubber did not fall below 10*d*. per lb. The only conclusion one can draw is that the quality of the rubber was not as high as could be desired. The return of a net loss of £9,572 is but the logical sequence of these facts.

The outlook for the current year is at best rather uncertain. The provisional estimate anticipates a crop of 275,000 lb., but any more drastic restriction may reduce this to 220,000 lb., or even lower still. More careful supervision should, however, prevent the recurrence of an "all-in" cost of 1*s*. 11.67*d*. The loss on rice, it is stated, will be by no means serious; in fact, a saving of 1¾*d*. per lb. on the f.o.b. cost is expected. As regards the economies to be effected by reducing the estate staff, we venture to suggest that great care is necessary in this respect. Trained European employees familiar with the peculiarities of the estate should not be lightly sacrificed. Economy in this direction may recoil in a boomerang fashion. The fact that the estate is in good working order should facilitate economies in this way. It is yet too early to decide whether any substantial improvement in the sale price of rubber can be confidently predicted. At the same time we do not anticipate a repetition of the low average of the year under review. But as the balance sheet contains a debit balance of £11,392 in respect of loss for the period, plus a liability of £1,820 for income tax, and also a debit balance of £1,259 in respect of the preliminary expenses of reconstruction, the dividend outlook is very remote, despite any refund of excess profits duty. No transaction has been recorded in the shares since September 1920, when they changed hands at 27*s*. Obviously this price, equivalent to a market capitalisation of £107 per acre, is too high in the light of the present position.

SEMENYIH RUBBER.

Issued Capital: £22.507 in Shares of 2s. each.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
	Results for Years to April 30								
1918	458	458	177,487	364	2/4·69	1/8·12	3,733	3,402	15
1919	637	458	186,459	404	1/6·89	-/11·81	2,972	5,002	25
1920	653	473	200,870	423	2/1·70	-/11·97	11,595	9,003	40

Price of Shares, 3/6. Market Capitalisation per planted acre, £61.

For Semenyih Rubber Estate the year ended April 30, 1920, has been a period of marked prosperity. Whilst the crop harvested fell a little short of the estimate of 210,000 lb., it exceeded that of the previous year by over 14,000 lb. This return of 200,870 lb. corresponded to the high yield of 423 lb. per bearing acre. From the point of view of costs, however, the year was not so favourable. Not only had higher wages to be paid, but the outlay on stores and materials was heavier owing to higher price levels. Consequently, despite the growth in the quantity of rubber harvested, there was an increase in the cost of production. The f.o.b. cost reached 10.8*d*. per lb., as against 10.18*d*. per lb. in 1918-19, whilst the "all-in" cost worked out at 11.97*d*. per lb., as compared with 11.81*d*. per lb. in the previous year. However, this comparatively small increase in working cost was more than offset by the better price realised by the sale of the crop, which worked out, on an average, at 2*s*. 1.7*d*. per lb., as against 1*s*. 6.8*d*. per lb. in the previous year. After setting aside £400 to meet directors' additional remuneration there was left the satisfactory net profit of £11,595. Shareholders participated to the full in the prosperity of the year, receiving the record dividend of forty per cent., as compared with twenty-five per cent. in 1918-19. At the same time, there is carried forward to the next accounts a balance of £4,769, as against £2,177 brought forward from the previous year, and this amount is not liable to a greater deduction than £500 in respect of excess profits duty and corporation profits tax for the year under review.

The outlook for the current year is of necessity disheartening. The estimate does not provide for a greater crop than 186,000 lb. Returns for the first nine months show a total yield of 137,850 lb., indicating that the final crop is not likely to exceed 172,000 lb. Apart from this decline in the size of the crop, the tendency is towards an increased cost of production. The Chairman did well to emphasise at the general meeting the important fact that in the future "the cost of opening and bringing into bearing rubber estates would be infinitely higher in the future than it had been in the past," and that as regards general operations an increase in the "all-in" cost was inevitable. This fact alone shows how difficult it is for rubber companies to produce at a profit so long as the best plantation crêpe will not command a better price than 1*s*. 2*d*. per lb. Incidentally, it was also stated that a forward contract for a fair proportion of the crop had been entered into at a good price. This will undoubtedly help to reduce the loss incurred on the remainder. Financially the Company is in a very strong position. The balance sheet dated April 30, 1920, shows that current liabilities, including the final dividend of £6,752, did not exceed £11,135, whereas liquid assets were available to a total of £22,872. Cash, Treasury bills, and National War Bonds alone amounted to £14,302. Thus the Company possessed ample funds to finance current production without sacrificing its stock at the present unremunerative levels. It is proposed to continue the development of the 180 planted acres on the Sungei Lallang estate, which held out much promise. However, whilst the present depression lasts the directors will be wise to curtail such expenditure as far as possible. The share capital has been increased to £22,507 during the year by the issue of 25,000 shares of 2*s*. at a premium of 2*s*., the share premium account standing at £2,500. At the present price of 3*s*. 6*d*. for the 2*s*. shares the estate has the low market capitalisation of £61 per acre.

VICTORIA (MALAYA) RUBBER.

Issued Capital: £50,095 in Shares of 6d. each.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Yield per Bearing Acre lb.	Av. Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
	Results for Years to June 30								
1917	1,582	—	182,000	—	2 5·9	1 1[illegible]	8,251	[illegible]	[illegible]
1918	1,582	—	267,800	—	1 10·6	1 5·[illegible]	8,181	[illegible]	[illegible]
1919	1,582	—	321,150	—	1 2·8	1 3·6	9,787	[illegible]	[illegible]
1920	1,382	—	472,600	—	1 10·14	1 1·10	21,388	[illegible]	[illegible]

Price of Shares, 10½d. Market Capitalisation per planted acre, £64.

Shareholders in this rubber Company have good reason for being satisfied with the excellent report presented for the year ended June 30, 1920. There has been an increase of nearly fifty per cent. in the crop harvested, as compared with the previous year, the total of 472,600 lb. being also 59,600 lb. in excess of the estimate. This satisfactory advance was the cumulative result of four factors: an adequate and efficient supply of labour, increased European supervision, the payment of tappers by results, and the absence of any restrictions on output. The application of the piecework system to the rubber industry has undoubtedly proved successful in this case. With this [illegible] handled [illegible] cost [illegible]

11.81*d.* per lb. to 10.85*d.* per lb., whilst the "all-in" cost worked out at 1*s.* 1.4*d.*, as against 1*s.* 3.03*d.* per lb. in the previous year. Furthermore this decline in operating expenses coincided with an improvement in the average net price realised by the sale of the crop, which rose from 1*s.* 7.28*d.* to 1*s.* 10.14*d.* Thus the profit per lb., which was only 4¼*d.* in 1918-19, reached almost 8¾*d.* in the year under review. Again, the net receipts of the coconut crop after deducting estate expenditure amounted to £83, as against £53. The final result is reflected in a net profit of £22,388, as compared with £9,787 in 1918-19. Shareholders received a dividend of twenty-five per cent., absorbing £12,436, in contrast with a dividend of fifteen per cent. in the previous year, absorbing £7,462. At the same time the balance carried forward to the next accounts is increased substantially from £4,841 to £14,293.

In view of the depression which swept down on the rubber industry in the autumn of 1920, the outlook for the current year cannot be regarded as promising. The original estimate anticipated a crop of 530,000 lb., of which there had been secured during the first six months as much as 265,249 lb. However, as the Company is joining in the twenty-five per cent. restriction now in force, the final crop is not likely to be greater than that of the year under review. Increases in wages and other concessions as to remissions at a more favourable rate of exchange have been granted to the coolies upon the advice of the local Labour Committee. These will involve an increase in the "all-in" cost which will be accentuated by any decline in the quantity of rubber harvested. At the same time as the estates are now fully staffed, the efficient administration should be able to keep costs down to the lowest level. Moreover, as the condition of the estates is reported to be very good and as very little disease is present, no great outlay in this direction should be needed. Similarly, as long as the present depression prevails the plans for planting an additional 200 acres will probably be suspended. No information is forthcoming on the question of forward contracts. However, in the absence of such contracts, it is evident that no profit can be secured as long as crêpe continues to command as low a price as 1*s.* 2*d.* per lb. Consequently, unless there is a marked recovery in the commodity market in the next six months, dividend prospects for the current year are very remote. Financially, however, as the balance sheet dated June 30, 1920, shows, the Company is in a good position to weather the storms. Current liabilities did not exceed £10,608; whereas liquid assets were available to a total of £32,261. The conservative policy of the directors is reflected in the wise decision to carry forward so substantial a sum as £14,293. Undoubtedly, under more normal conditions, shareholders would have received a larger portion of this in the form of an increased dividend. The uncertainty of the outlook at the moment finds expression in the quotation of 10½*d.* for the sixpenny shares of this Company corresponding to the low market capitalisation of £64 per planted acre.

BANDAR SUMATRA.

Issued Capital: £99,847 in £1 Shares.

	Results for Years to July 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916-17	2,438	1,219	396,400	325	2.69†	1 5 1†	23,267	9,985	10
1917-18	2,438	—	446,573	—	1/7‡	1/4‡	6,743	5,991	6
1918-19	2,438	1,419	474,118	334	1/7.6‡	1/4⅜	10,526	12,481	12
1919-20	2,438	2,108	614,867	291	1 8.7‡	1 5.8	8,230	—	—

* In 1st year 330 acres of rubber in revenue.
† Including selling, freight, and insurance charges. ‡ No figures.

Price of Shares, 28/1½. Market Capitalisation per planted acre £58.

An interesting report is furnished by the Bandar Sumatra Rubber Company for the year ended July 31, 1920. With an increase in the mature area to 2,108 acres the crop harvested was not only considerably in excess of that of the previous year, but was also 14,867 lb. above the estimate of 600,000 lb. The reduction in the yield to 291 lb. per bearing acre reflects mainly the increase in the quantity of young rubber tapped. Moreover, owing to the comparative immaturity of much of the area, a considerable outlay has been involved, and this has again been charged to revenue. At the same time there were other and more serious factors operating to enhance the cost of production. In Sumatra, as well as in other rubber-growing areas, it has been found necessary to increase the coolies' wages; whilst the supplying of rice below cost has involved a loss of no less than £9,572 during the year under review. Finally, owing to a more unfavourable exchange, there has been incurred a loss of £5,410, as compared with £1,222 in the previous year. The joint result of all these factors is that, notwithstanding the marked growth in the crop harvested, there has been a rise in the "all-in" cost from 1*s.* 2¾*d.* per lb. to 1*s.* 5.8*d.* per lb. Whilst the improvement in the Rubber market in the first quarter of 1920 enabled a better average price to be secured for the crop, the increase from 1*s.* 7.6*d.* to 1*s.* 8.7*d.* per lb. did not counterbalance the expansion in the cost of production. Consequently, the profit per lb. worked out at 2.9*d.*, as against 4.85*d.* in the previous year. Hence the net profit fell from £10,526 to £8,230. From this £1,000 was added to the reserve for taxes, raising the total to £4,767, which was, in the opinion of the Chairman, sufficient to meet all claims in respect of excess profits duty and corporation profits tax. In view of the depressed condition of the rubber industry it was decided to declare no dividend for the year under review, and to carry forward to the next accounts the balance of £9,050, as against £1,820 brought forward from the previous year.

The wisdom of the directors in thus conserving the resources of the Company cannot be questioned. Considering the rather high "all-in" cost, it is evident that under present conditions no profit could be earned on the rubber produced. However, a relief was expected in the current year by a reduction in the loss incurred on rice. At the meeting it was stated that the cost of this item would possibly be reduced by half. Originally, a crop of 660,000 lb. was estimated for 1920-21, of which 253,497 lb. had been gathered up to December 31, 1920. However, as the Company is participating in the restriction scheme of the Rubber Growers' Association, it seems unlikely that the crop will exceed 540,000 lb.; whilst any more drastic curtailment will reduce this total still further. With rubber fluctuating around 1*s.* 2*d.* per lb. it is satisfactory to learn that forward contracts cover the sale of 147,840 lb. at the good average price of 2*s.* 5.3*d.* per lb. London equivalent. This will help to provide part of the funds required for the cultivation of the crop. The balance sheet dated July 31, 1920, shows that, including the taxation reserve of £4,767, current liabilities did not exceed £11,850; whereas cash, sundry debtors, and War Loan amounted to £13,529. Furthermore, stock, including what has been sold since the date of the accounts, figured at £11,154 and investments at £20,286. As regards this latter item, it had been reduced by £2,080, representing profits on rubber shares realised during the year. It consisted mainly of £16,000 in shares of the Boekit Boendar Rubber Company, the amalgamation of which with Tamiang has been recently announced. As soon as this transaction is completed the interest held by Bandar Sumatra will become more liquid, thus facilitating the acquisition of further funds, should the situation demand them. Thus, in the absence of unforeseen circumstances, the Company should be able to weather the present depression. The outlook at the moment does not justify any expectation of dividends for the current year. Accordingly, in the market the £1 shares have fallen to 28*s.* 1½*d.*, corresponding to the low market capitalisation of £58 per acre.

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REFUGE ASSURANCE COMPANY, LIMITED.

No company engaged in life assurance business has made greater proportionate progress during the last few years, alike in its industrial and ordinary departments, than the Refuge. The Company was established fifty-seven years ago, but the ordinary section of its transactions is practically a growth of the last thirty years. Under these circumstances the extraordinary development of that department is truly remarkable.

In 1919 the Company's ordinary new business, amounting to £7,216,889 in new sums assured, was about double that transacted in the preceding year, and was far and away in excess of any figure that had been up to that time reported by it. This was contemporaneous with a great general revival of life business, following the conclusion of the War and the renewed eligibility for assurance of masses of the population. But the 1919 amount was exceeded in 1920, as new ordinary life policies (66,311 in number) were then issued by the Company for £7,817,702. The annual report for last year shows an actual increase of £411,889 in the total net ordinary life premium income, which was thereby raised to £2,359,292, an amount now exceeded by only one purely British company. The expense ratio in this section was moderate, being about 13.7 per cent. of the premium income. Claims by death amounted to £457,383, and matured endowments to £473,335. The sum of £121,028 was paid in surrender values. After transfer of £100,000 to the investment reserve fund, and the application of £50,000 to writing down securities, the year's operations show an increase of £1,302,112 in the ordinary life assurance fund, which on December 31 last amounted to £13,568,723. The interest earnings on that fund produced the sum of £501,392, after deduction of income tax, showing a net yield of about four per cent., as compared with the rate of three per cent. assumed for valuation purposes. The annual valuation of the ordinary branch as at the close of last year shows a surplus of £583,814. Of this amount, £225,684 had been brought forward from 1919. A sum of £381,680 is allotted out of the 1920 surplus for allocation between the shareholders and the participating policyholders, the balance of £202,134 being carried forward to 1921 as unappropriated. A reversionary bonus of £1 6s. per cent. is declared on sums assured by all participating policies (as compared with £1 4s. per cent. for the previous year), and this must be considered under existing circumstances to be a satisfactory pronouncement. The total of [illegible] existing policies now stands at £46,[illegible] the sum of £40,074,727, inclusive of reversionary bonus additions.

Though the increase in the Company's industrial premium income is not proportionately as great as in the ordinary section, it is still sufficiently notable. That income amounted in 1920 to £3,259,980, as compared with £2,912,383 in 1919. Unfortunately, this is accompanied with a somewhat heavy rise in the expense ratio, which [illegible] to nearly 14½ per cent. of the premiums. In this connection the directors report that this result is "the unavoidable outcome of the increase of the charges for services, rentals, and supplies of all descriptions, rendered inevitable by the continued increase of the general cost of living during the period covered by the account, all of which increased expenses have had to be met out of premiums which are paid by the public on a pre-War basis." They seem quite alive, however, to the fact that the situation in this respect cannot be considered satisfactory, and they state that energetic measures have been and continue to be taken to reduce expense by reorganising and consolidating the administration of the business. The total claims by death and survivance in the industrial section amounted to £1,209,629. Through the year's operations the industrial life funds were increased by £490,730 to £4,572,994, and the average net interest yield therein during 1920 seems to have been about four and a quarter per cent., after deduction of income tax.

The total assets of the Company on December 31 last amounted to £19,361,052, showing an increase during the year of £1,976,432.

MARINE AND GENERAL MUTUAL LIFE ASSURANCE SOCIETY.

This mutual life office was established nearly seventy years ago, and on the whole has yielded very satisfactory results to its policyholders. For many years its bonuses were at the exceptionally high rate of fifty shillings per cent. on the original sum assured per annum, excepting as regards the first year of assurance. For the three quinquenniums which ended respectively on December 31, 1904, 1909, and 1914 they were at the lower scale (still an excellent one) of forty shillings per cent. per annum, and owing to War causes, depreciation in securities, etc., the quinquennial bonus was passed as the result of the investigation as at December 31, 1919. But the Society remained thereafter in a thoroughly sound position, and it has as good prospects of making profits under the better conditions which it is hoped will follow the War aftermath as the great majority of its competitors. This institution relied for the bulk of its business for many years on the influence of several of our large steamship companies, who inculcated the practice of their officers insuring their lives with the Society. But for a long time it has made a wider appeal to the general public. The only kind of marine insurance which the Society undertakes is the issue of policies providing against loss [illegible] and passengers' effects. This section, although not bringing in very much in the way of premiums, has proved a valuable adjunct to the life business, and has usually given a fair ratio of profit.

Last year opened [illegible] in the Society's history. The annual report shows that the net new sums assured (after deduction of reassurances) amounted to £492,673. This was less by £15,899 than the corresponding figure for 1919, which was, however, exceptionally high, and the amount is well in excess of the records of previous years. The total premium income, amounting to £207,638, shows an increase of £11,005 [illegible] This is distributed as follows:

	£
Premiums on [illegible]	[illegible]
[illegible]	[illegible]
[illegible]	13,661
	[illegible]

Of this income expenses and commission absorbed £38,247, or about 18.4 per cent. This compares with an average expense ratio of sixteen per cent. over the quinquennium ended in 1919, but some addition in this respect was inevitable owing to the necessary enhancement of salaries and the unavoidable increase in working costs of all kinds, and this is a feature in all life assurance accounts. The ratio is still well within that reserved at the last valuation as a provision for costs and contingencies. The claims by death in 1920 amounted to £53,690, as compared with £83,265 in 1919, and the amount is reported to be much less than the "expectation" under the tables of mortality employed by the Society. Policies for endowment assurances matured by survivance to the extent of £56,615, in all these cases the persons assured having attained the limit of age contemplated in their contracts. The claims in the transit department amounted to £4,570, which indicates a probable profit from the working of this section when compared with the relative premiums.

Through the year's operations the assurance fund was increased by £110,594. At the close of 1920 it amounted to £2,263,987. The net interest yield during the year, after deduction of income tax, seems to have been about £4 4s. 9*d*. per cent. This is a satisfactory showing, for the rate assumed in the Society's last quinquennial valuation for the accumulation of the fund was three per cent., and the net rate earned during the last quinquennium was £3 16*s*. 10*d*. per cent. The improved result arises, to some extent, from the heavy writing down of securities on account of depreciation at the last valuation, but it is none the less welcome.

At the annual meeting of the Society the Chairman referred to the continued depreciation in the values of securities, which was one of the most adverse financial features of 1920. Fortunately for this Society, the next quinquennial valuation is a long way off, and market prices may alter considerably in the meantime. It may be noted that it is not the practice in life companies generally to adjust securities to these values except on such occasions.

The "Stock Exchange Official Intelligence" for 1921, which was published on Tuesday, the 22nd instant, includes, *inter alia*, the complete figures for 1920 relating to British Railways.

Punjab National Bank, Limited.—Amongst the larger Indian joint-stock banks figures the Punjab National Bank, Limited, of Lahore—an institution which has been established for over a quarter of a century and possesses thirty branches. During the half-year to December 31, 1920, accounts in respect of which have recently come to hand, it offered for subscription the remaining Rs.19 lacs of the authorised capital of Rs.50 lacs, the greater part of which balance has been taken up. Including money received in advance, the paid-up capital has risen in the six months from Rs.16,65,017 to Rs.18,33,254. Simultaneously the reserve and contingency funds have increased from Rs.13,83,203 to Rs.15,70,284. Growth of business is indicated by total deposits of Rs.309 lacs in succession to Rs. 275 lacs, and its remunerative character is disclosed in the net profits of Rs.4,51,019, against Rs. 3,63,839 in the earlier half of the year. Heavier writings-off, however, principally for depreciation of Government securities, have reduced the balance available for distribution, which, nevertheless, allows of a final dividend at the rate of fourteen per cent. per annum, free of income tax, following twelve per cent. per annum declared in August and eleven per cent. per annum a year ago. The proportion of total assets represented by cash and bank balances has appreciably increased.

Annual Report on the Government Railways of Japan for the Year ended March 31, 1918. English Edition. Department of Railways, Tokyo.

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Commercial.

EMPIRE COAL.—III.

In a recent issue we promised that, if space would permit, we would consider the extent of the British coal measures as they exist in various parts of the Empire outside this island. We hoped, further, to consider the world's total coal resources so far as they are known. We propose to consider both these subjects to-day.

We would premise our remarks, both with regard to the total coal resources so far as they are known of the British Empire as well as of the whole world, by saying that they must be regarded as merely approximate estimates. The figures of actual output, whether those of countries within the British Empire or of those outside, may be regarded as accurate. They are, for the most part, derived from official sources. When, however, we come to estimate the probable coal resources of the different countries of the world, whether within the Empire or outside, the position is wholly different. In some cases serious attempts have been made on the part of the various Governments concerned to secure a geological survey of the actual coal contents of various known or alleged coal-bearing strata. These surveys, it will be understood, have necessarily been confined to areas where it was either known or reasonably suspected that coal-bearing strata existed. The different Governments, even the wealthiest, are dealing with public money. They cannot, in the nature of the case, send out a geologist with his staff and equipment on a roving commission to explore wild and often wholly uninhabited country. Consequently, there is reason to believe that coal measures actually exist in various parts of the Empire, as well as elsewhere, which are not included in the commonly accepted estimate. In many cases it has not been practicable to appoint under the authority of some Government a geologist for the purpose of specifically making an estimate of the existence, or otherwise, of coal deposits. In such cases the information we possess is derived wholly from engineers making railway surveys or engaged in some kind of work otherwise than in surveying the

existence of coal. In other words, such figures as we possess may be discounted as entirely misleading due to reports which are received from [illegible] some acquaintance with the indications of the existence of coal measures when the subject comes under his notice in connection with coal surveying.

The total coal output of the British Empire in the period that preceded the outbreak of the recent European War varied between 300,000,000 and 350,000,000 tons. Of this amount Great Britain's output alone accounted for between 250,000,000 and 290,000,000 tons. Consequently, so far as actual output was concerned, the production of coal from places in the British Empire other than the island of Great Britain itself was quite small. The total world's output has varied in recent years between 1,000,000,000 and 1,300,000,000 tons. Of this amount the output of the United States collieries has varied between 500,000,000 and 600,000,000 tons. Consequently, with the exception of Germany, where the coal output before the War was as high in some years as 250,000,000 tons, the world's total production of coal, so far as actual output was concerned, was relatively small, with the exception of that produced by the United States and by Great Britain. If we bear in mind the question of coal exports, with which, however, we have not space to deal to-day, the only important source of supply known to the international markets is that of Great Britain itself.

If we consider, however, the estimated coal resources of the British Empire, as well as those of the outside world, the figures disclosed show a totally different position from that we have witnessed when considering the actual output of coal, either for home consumption or for export, during recent years. It is estimated that there are in the world at present coal deposits yet to be raised amounting in the aggregate to some 7,400,000,000,000 tons, of which the largest source of supply is by far the United States, which amounts to very nearly half of the total estimated world's coal deposits. The estimated coal deposits of China amount to some 1,000,000,000,000 tons. It has to be borne in mind when we consider the estimated coal deposits of the United States that, although the population is small for the extensive area of the various States of the Union, the mineral resources of the United States have probably been, with the possible exception of our own, more carefully surveyed than is the case with any other country in the world. It is of importance to bear this fact in mind when considering the probable coal deposits of the British Empire. In countries outside the British Empire, other than the United States, relatively little reliance should be placed on the accuracy of the estimates. We do not mean to imply that they are overstated in any particular instance. On the contrary, there are reasons to believe that in China, for example, as well as in many other countries, the very big figures which we have quoted regarding the actual coal deposits existing are really below rather than above the coal deposits which actually exist. Indications seem to show that the coal resources of the British Empire have likewise been underestimated to a very material extent.

We come now to the consideration of the estimated coal deposits contained within the British Empire. As we have said, these total some 1,729,000,000,000 tons, of which some 1,200,000,000,000 are in Canada, 170,000,000,000 in Australasia, 80,000,000,000 in India, and nearly 60,000,000,000 in Africa. Now these figures, it must clearly be understood, are merely estimates in the widest acceptance of that term. In the case of many of the figures given it would be hazardous in the last degree to say whether the coal deposits are an under- or an over-estimate. When we bear in mind the comparatively small proportion of the productive or the actually working mines to these estimates it needs no evidence that [illegible] of which only actual working could determine. On the other hand, when we are dealing with a country of the extent of Canada it will be equally evident that no really careful survey has, so far, been possible. Practically, the total area of the Dominion of Canada is about equal in size to the whole of Europe. The total population of Canada at the last Census was only a little over 7,000,000 of people. The Department of Vital Statistics at Ottawa estimates the population at the present time at something over 8,000,000. Even so, a population which does not much exceed that of Greater London can hardly possess such a number of trained competent surveyors that it can send them out to explore for coal deposits over the greater part of so extensive an area as that we have described. We think we have said enough to show that, so far as the world's coal deposits are concerned, there is no reason to fear a potential coal shortage, either in the British Empire or the world taken as a whole.

Industrial Companies.

R. E. JONES, LIMITED.

Issued Share Capital: £647,346, in 500,000 7½% Cum. Pref. Shares of £1 each, and 761,728 Ordinary Shares of 5s. each.

Year	Profits	Preference Dividends	Ordinary Dividends	Rate %	Reserve	Carried Forward
	£	£	£		£	£
1917	[illegible]	2,811	[illegible]	[illegible]	1,727	[illegible]
1918	17,850	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919	42,797	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1920	84,742	27,318	[illegible]	[illegible]	[illegible]	[illegible]

* After providing £[illegible] for Depreciation.
† After allowing £[illegible] for Income Tax, Excess Profits Duty, &c.

SHAREHOLDERS of this Company have reason to congratulate themselves on the satisfactory report presented for the twelve months ended October 31 last. As shown in the above table the profit, after providing for taxation and other prior charges, amounted to £84,742, representing an increase of almost £42,000 as compared with the previous year. The accounts are presented, as usual, in a very condensed form, which precludes any detailed analysis. The manner in which it is proposed to distribute the profit is not stated in the accounts, but from particulars now available the distribution apparently proceeds on the basis indicated above. The sundry allocations for the year under review are entirely represented by directors' remuneration. A sum of £[illegible] is transferred to a special reserve, and although the general reserve receives no allocation from the trading profit, an addition of £4,016 is made to that account from profits realised on sale of properties. The distribution to the Preference shareholders, who receive a fixed dividend of seven and a-half per cent., together with a non-cumulative participating dividend of two and a-half per cent., amounts to approximately £27,318, as compared with £7,225 for 1918-19, the increase being due to the issue of £339,082 Preference shares during the year. The Ordinary dividend is maintained at forty-five per cent., but as the new shares issued in 1919 rank fully for dividend the amount distributed is correspondingly increased. It will be noted that the Company follows the rather unusual practice of stating the amount of the Preference and Ordinary dividends after deduction of income tax.

The remarkable changes which have taken place in the balance sheet during recent years may be seen from the following tabular statement:—

	LIABILITIES					ASSETS				
			Reserves							
Oct. 31	Preference Capital	Ordinary Capital	Fixed	Carried Forward	Total	Assets				
	£	£	£	£	£	£				
1918	99,585	138,612	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Besides the Preference share issue to which reference has been made above, the Company issued 150,504 Ordinary shares of 5*s.* each at a premium of 7*s.* 6*d.* per share, ranking only for dividend as from November 1, 1920. At the date of the balance sheet, the calls in arrear in respect of capital amounted to £14,203, and in respect of premiums to £21,301. The premiums actually received amounted to £76,336, making with the existing balance a total of £98,504. From this sum have been deducted such miscellaneous items as additions to properties, capital issue expenses, interest and sundry expenses in respect of properties written off amounting in all to £49,897, leaving a balance of £48,607. The general reserve now amounts to £18,204 and the special reserve to £20,000. The sundry liabilities include mortgages, which have been increased from £31,300 to £76,300, and bank overdrafts, which have been reduced from £49,486, to £34,709. The expenditure on leasehold and freehold properties during the year amounted to £283,702, and on other fixed assets to £42,797, while the sums written off amounted to £22,823 and £12,922 respectively. In this connection attention may be called to the auditors' report that no reserve for depreciation of fixed assets other than leaseholds has been provided during the year under review. The expansion in stock, of which the basis of valuation is not disclosed, does not appear to be out of proportion to the general expansion of the Company's business. Investments, which have also been considerably increased, are entirely represented by shares in subsidiary companies. Issue expenses of £16,059 incurred during the year have been written off, together with the previous balance of £2,424. It may be remarked that no valuation is now attached to goodwill. The financial position, as the above can be judged from the balance sheet, is satisfactory. The liquid assets, excluding stocks and trading investments, do not compare very favourably, however, with current liabilities.

To provide additional working capital, and to complete the purchase of the shares of the Piccadilly Hotel, at a cost of £296,900 the Company now invites subscriptions for 700,000 £1 Ten per Cent. Cumulative Preference shares (with participating rights) at par. The terms of the emission are analysed in detail under the heading of New Issues.

Having regard to the nature of its trading activities the Company's prospects for the current financial year are not likely to be very severely affected by the recent depression. The removal of the excess profits duty should accordingly prove advantageous. The Preference dividends, however, will represent a very heavy charge henceforward, and it does not seem likely that the ratio between profits and capital will continue to be so favourable as in recent years. The Ordinary shares are now quoted at 10*s.* 3*d.* ex. div., at which price a yield of 9.8 per cent. is afforded on the basis of a dividend of 20 per cent. The Participating Preference shares quoted at 19*s.* 3*d.* yield a return of 10.4 per cent.

BORAX CONSOLIDATED, LIMITED.

Issued Share Capital: £2,550,000, in 80,000 5½ Cum. Pref Shares of £10 each, 120,000 6% Preferred Ordinary Shares of £5 each, and 1,500,000 Deferred Ordinary Shares of £1 each. 4½ First Mort. Deb. Stock, £1,000,000, and 4½ Second Deb Stock, £944,978.

Year to	Profit	Interest, &c.	Balance	Dividends	Reserves	Carried forward
	£	£	£	£	£	£
1913	1,000,000	100,000	900,000	800,000	100,000	100,000
1914	1,000,000	100,000	900,000	800,000	100,000	100,000
1915	1,000,000	100,000	900,000	800,000	100,000	100,000
1916	1,000,000	100,000	900,000	800,000	100,000	100,000
1917	1,000,000	100,000	900,000	800,000	100,000	100,000
1918	1,000,000	100,000	900,000	800,000	100,000	100,000
1919	1,000,000	100,000	900,000	800,000	100,000	100,000
1920	1,000,000	100,000	900,000	800,000	100,000	100,000

The directors of this Company in their report for the twelve months to September 30, 1920, are again able to show very satisfactory results. As in the previous year trade was poor during the first months, but during the second half of the period it is stated that business [illegible]. The profit, after deducting excess profits duty and corporation tax, but before allowing for income tax and depreciation, works out at £476,581, representing an increase of £34,458 as compared with the previous year. This result is all the more satisfactory when account is taken of the heavy increase in taxation. The manner in which the profit has been distributed is indicated in the above table. The sum transferred to depreciation reserves is increased from £42,872 to £54,237, of which £4,237, as against £2,872, represents provision for fall in the value of investments. The allowance for income tax is also increased from £25,000 to £30,000, while the transfers to the general reserve and the pensions fund remain unaltered at £25,000 to £30,000, respectively. Debenture interest absorbs £87,728 and the annual redemption premium £5,825, while the Preference and Preferred dividends call for £44,000 and £36,000 respectively. The Ordinary dividend, which is maintained at fifteen per cent., amounts to £172,500, leaving a balance of £119,639 to be carried forward, which compares with £103,348 brought in from the previous year.

Few changes of outstanding importance occur in the balance sheet, details of which are embodied in the following table:—

Balance-sheet Analysis, September 30.

LIABILITIES.	1919	1920	ASSETS.	1919	1920
	£	£		£	£
Share capital ...	2,548,908	[illegible]	Mines & goodwill ...	2,767,798	2,767,798
Debentures ...	1,952,216	1,944,978	Sundry fixed assets ..	480,956	506,718
[illegible]	[illegible]	[illegible]	Stocks	518,542	506,618
[illegible] reserves ...	102,791	[illegible]	Debtors and [illegible] ...	145,655	159,392
[illegible]	[illegible]	188,626	Investments	866,850	1,214,334
[illegible]	[illegible]	119,639	Advances & sundry investments	504,476	581,260
			Cash	727,053	664,415
	[illegible]	[illegible]		[illegible]	[illegible]

The reduction shown in the Debenture stocks is due to the redemption of £7,238 of the Second Mortgage Debentures. It should be noted that the sundry liabilities include credit balances, of which part are represented by reserves for taxation. While £50,000 has been transferred to the reserve for depreciation of properties, the actual amount written off does not exceed £47,184, leaving a slightly larger balance of £105,607 to the credit of that reserve. The most prominent position among the assets is occupied by mines and goodwill, but the valuation attached to the latter is not disclosed. The expenditure (less sales) during the year on the sundry fixed assets amounted to £73,647, as against £28,803 for 1918-19, but, allowing for depreciation, the net increase does not exceed £26,463. It is satisfactory to note that stocks, valued at cost or under, are kept within very reasonable proportions and show a reduction for the year of £11,924. Advances and sundry investments (less reserves) have been increased by £341,089 to the large total of £1,113,292, and War Loan investments (valued at cost) in respect of the pensions scheme from £15,245 to £20,797, while railway investments remain practically unaltered at £80,335. Owing to the lack of detail it is not possible to form any exact estimate of the liquidity of the Company's position, but it will be seen that sundry debtors and cash alone exceed current liabilities (including final dividends payable and estimated liability for taxation) by £286,517, as compared with £602,814 in the previous balance sheet. It may be pointed out that no reservation regarding the valuation of certain assets is made by the auditors in their present report, whereas in connection with the 1918-19 accounts they stated that there were certain assets in the nature of properties, investments, debtors, stock and cash in enemy countries in respect of which no special provision had been made in the balance sheet for possible loss.

The prospects for the current financial year can scarcely be regarded as promising. Since the close of the period under review the Company has shared in the universal industrial depression. The directors state, however, that there are indications that "the

worst has passed," and that orders are coming in somewhat more freely. It is reasonable, therefore, to expect a material improvement in trade during the second half of the current financial year, but the recovery must necessarily be gradual. It is stated that the Company has recently purchased a Continental works, and has other developments in view, which will not place any undue strain, however, on the liquid resources of the undertaking.

The prices and yields of the different shares are set out below, the yield on the Deferred Ordinary being calculated on the basis of a dividend of 15 per cent.

	Price	Yield
	s. d.	£
5½% Cum Pref shares	7 15 0	7 1
6% Preferred Ordinary shares	3 17 6	7 7
Deferred Ordinary shares	1 12 6	9 2

CHARLES BAKER AND COMPANY, LIMITED.

Issued Share Capital: £215,500, in 14,000 8% Preference Shares of £5 each, 15,000 8% "B" Preference Shares of £5 each, and 75,000 Ordinary Shares of £1 each (13,500 being only 18s. 4d. paid up).

Year to Jan. 31	Net Profits*	To Reserve for E.P.D.	Preference Dividend	Ordinary Dividend	To General Reserve	Carried Forward
	£	£	£	%	£	£
1916	13,337	—	10,028	4,494 7½	1,000	2,965
1917	19,131	5,885	8,964	4,250 8	1,000	2,017
1918	18,362	5,000	8,700	4,229 8	1,000	1,419
1919	46,814	28,000	8,217	6,241 10½	1,000	4,774
1920	91,740	30,271	8,120	12,537 25	34,906†	10,880
1921	16,454	4,000	8,120	4,934 10	-	10,279

* After providing for depreciation, debenture service and income tax.
† Including £17,406 written off goodwill.

Striking evidence of the difficulties arising from the recent slump in values is furnished by the report of this Company for the twelve months to January 31. The profit on trading, including miscellaneous income, amounted to £45,009, representing a decline of over £66,600 as compared with the previous year, and after allowing for income tax, debenture charges, depreciation, and administrative expenses the balance profit works out at £16,454, as compared with £91,740. Shareholders, however, can draw some comfort from the fact that the excess profits duty calls only for a sum of £4,000, as against £30,271 for 1919-20. The dividend on the Preference shares absorbs £8,120, the same as in the previous years. The distribution on the Ordinary shares, however, is reduced from twenty-five per cent. to ten per cent. the amount involved showing a corresponding reduction from £12,337 to £4,934. It should be clearly understood that the Company shows the amount of its dividends net, that is, after deducting income tax. No transfer is made to the reserve, to which £17,500 was allocated last year, and the goodwill account, from which £17,406 was then written off, is not reduced on the present occasion. The balance of £10,279 which is carried forward compares with £10,880 brought in.

A summary of the principal balance sheet items is embodied in the following table:—

Balance Sheet Analysis.

	LIABILITIES.			ASSETS				
Jan. 31	Issued Capital	Sundry Liabilities	Reserves and Carry Forward	Fixed Assets	Good-will	Stock	Investments	Debtors and Cash
1920...	304,360	132,521	85,960	164,113	40,000	286,156	10,725	19,759
1921...	304,210	202,914	85,089	162,678	39,600	345,878	10,225	33,132

In addition debentures.

The sundry liabilities in the present balance sheet include a bank loan of £80,000, and estimated liability for corporation profits tax and excess profits duty amounting to £4,000. The reserve remains unaltered at £25,000, but the leasehold redemption fund and premium on redemption of debentures fund have been slightly increased to £41,554 and £8,257 respectively. The only change of importance shown in the assets is the growth in stock from £286,156 to £345,878, but the actual basis of valuation is not disclosed. The investments (less depreciation) are entirely represented by Government securities. A summary of the position reveals a considerable stringency of liquid capital, which, excluding stocks, does not exceed £43,657, whereas the current liabilities, including final dividends payable and estimated liability for taxation, amount to £202,914. Having regard to present conditions the adoption of a conservative policy is essential, and a more systematic effort should be made to reduce the item of goodwill, which at present stands at £40,000. It is extremely difficult to estimate the prospects for the current financial year, but provided that adequate allowance has been made for the depreciation of stocks, the trading results of the Company should show a material improvement on the poor figures of the past year. The Ordinary shares have not been quoted since August last, when they stood at 24*s.* 9*d.*, but this price is of little practical value at present in view of the recent depression. The eight per cent. Cumulative Preference shares at a price of 81*s.*, ex dividend, afford a yield of nearly 9.9 per cent., while the eight per cent. "B" Cumulative Preference shares at 78*s.* 6*d.*, ex dividend, yield 10 per cent.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

R. E. JONES, LIMITED.

Offer at par of 700,000 £1 Ten per Cent. Participating Preference shares.

The Company, formed in 1895, has carried on a profitable hotel and catering business in Wales, where it possesses ten establishments. Last year operations were extended to London, the Bedford Head and Manchester Hotels, the Leicester Corner restaurant, and a factory and bakery being taken over. The undertaking also includes a firm of motor-body builders and general engineers. The capital at present stands at:—

	Authorised	Issued
1,500,000 10% Cumulative Preference Shares of £1 each	£1,500,000	£780,172
800,000 Ordinary Shares of 5*s.* each	200,000	190,432
	£1,700,000	£970,604

Profits, if earned, will in future be applied in the payment of a ten per cent. Cumulative Preference and a twenty-five per cent. Non-Cumulative Ordinary dividend, and the balance will be divided evenly between each class of shareholders.

The continuous and successful expansion of the Company's activities has lately embraced the acquisition of the Piccadilly Hotel, to finance which the present emission is being floated. The net assets to be acquired stand in the books of the vendor company at £533,262, the certified valuation of the hotel property being £910,680. If the certified replacement value of the buildings be taken into account, the surplus assets would be increased to £1,938,586. Control will be acquired by the purchase of 296,900 shares of the Piccadilly Hotel, Limited, out of a total existing share capital of 300,000 1*s.* shares, at the price of £296,000. The Company seems to have made a remarkably good bargain in securing assets valued, on an income-earning basis, at over £500,000 for less than £300,000. This purchase is, however, only a minor influence on the amount of the new capital required. In all £700,000 is required, leaving £400,000 for purposes other than the acquisition of the Piccadilly Hotel. No information is vouchsafed in this respect except that "The Company has various contracts for delivery of material, &c., . . . some or all of which may be paid for out of the proceeds of the present issue." Current market conditions call for more specific details—whether such forward contracts are for food or motor supplies, and how long ago and on what terms they were made. The Company has pursued an extremely prudent course in the past. The Ordinary dividend, which was twelve per cent. in 1913, was steadily reduced to nine, seven and forty-five per cent. was paid in 1919. The equity has, however, been substantially increased since. Profit ranking for dividend in 1920 was £500,000 in Seven and a Half per Cent. Preference and £50,000 Ordinary shares. In the present case Preference capital has been raised to £1,480,172, and the Ordinary capital is more than doubled at £190,432. This increase is mainly due to the Company's policy of acquiring its hotels by issuing forward contracts. The original and progressive policy of the directorate may meet with even greater success in

the future than it has in the past, but the high return promised on the shares now offered is a measure of the risks involved. The lists will close on Thursday, March 31.

SOUTH KENT WATER.

In order to repay Debentures maturing during the current half-year and to provide for the extension of mains, shareholders have sanctioned the creation of a further 300 Seven per Cent. Preference shares. Particulars of the issue will be sent with the dividend warrants on March 31.

ISSUES TO SHAREHOLDERS.

MENDALIS (SUMATRA) RUBBER AND PRODUCE ESTATES.

PENDING ISSUES.

MOND NICKEL.—Underwriting arrangements were completed yesterday for the sale by the B.S.T., Limited, of £1,300,000 Eight per Cent. Mortgage Debenture stock of the Mond Nickel Company. The lists will be opened to the public after the Easter holidays, the issue price being ninety-eight per cent. The stock will be redeemable at 104 on November 1, 1941, the Company reserving the right to redeem at any time after January 1, 1926. Existing Debenture stock amounting to £500,000 will be redeemed out of the proceeds, the remainder of which will be applied to the discharge of bankers' loans and other liabilities and to provide further working capital. Holders of the £500,000 Six per Cent., which is redeemable at 101 on December 31, 1924, will be invited to exchange each £100 of their stock for £100 of the new issue *plus* £3 in cash. The Mond Nickel Company has a fully-subscribed share capital of £3,400,000, and has outstanding £375,000 Five per Cent. First Mortgage Debenture stock in addition to that already mentioned. The average net profits for the past ten years were £326,233.

BOVRIL.—Separate meetings of each class of shareholder in Bovril, Limited, are called for April 7 to consider a new capital scheme. It is suggested that if the Preference capital were increased by £250,000 and the Ordinary capital by a similar amount it would be possible to meet the larger working capital requirements incident to the expansion of business and thus leave a larger proportion of the surplus annual profits for dividend on the Deferred shares. In order to induce the existing Preferred and Ordinary Bovril shareholders to consent to the new capital ranking with the existing shares, it is proposed that the dividend rates on the Preferred and Ordinary shares should be increased by half per cent. after £50,000 of each class of the new shares have been issued, making the dividend on the Preferred six per cent., and that on the Ordinary seven and a-half per cent. The directors think that many of the Estates Control shareholders will be willing to exchange their Five-and-a-Half per Cent. Preference for the new Bovril Preference shares, and, in such cases, the Company would not be required to implement their guarantee to purchase during the next eight years the whole of these Estates Control shares at £10 5*s.* per £10 share.

LIPTON'S.—It is understood that arrangements are being made for an issue by Liptons, Limited, of £600,000 Ten per Cent. Preference shares at 22*s.* each.

NESTLE'S.—Provisional arrangements have been made on this side for an issue of £2,000,000 in Eight per Cent. Cumulative Preference shares by the Nestlé and Anglo-Swiss Condensed Milk Company.

ALLIANCE TRUST.—The directors of the Alliance Trust Company have resolved to make a further issue of 100,000 shares of £2 each to existing holders of Ordinary stock, in the ratio of two shares for each £8 of stock held, at the price of £3 7*s.* 6*d.* per share. The offer of the shares will be made along with the issue of the annual report, when full particulars as to payment will be given, and as soon as convenient after payment in full it is proposed to convert the shares into stock—of which one-half will be Four per Cent. Preference and one-half Ordinary stock.

AUSTIN MOTORS.—At a meeting held on Friday, March 4, the following resolution was passed:—"That this meeting of the holders of the Seven per Cent. Cumulative Preference shares of the Company hereby sanctions the issue by the Company of Debentures and/or Debenture stock to such amount as the directors may consider necessary, provided that the total amount of Debentures or Debenture stock at any one time outstanding shall not, without such sanction as is required, exceed £1,500,000."

The Stock Exchange Year-Book, 1921, has been published this week by Messrs. Thomas Skinner and Company, Gresham House, E.C. 2, at the price of 50*s.* net. Sir Thomas, in his Preface, points out that after the eighteen months' orgy of reckless extravagance—Governmental, municipal, and industrial—which succeeded the Armistice it was suddenly realised that the extravagance could not be kept up, and it was resolved to suspend all but the most necessary expenditures. As a result he sees signs of a turn of trade in the right direction, and hopes that the restraining forces will be kept in the utmost vigour.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Railways—Home:											
Alnwath & Forfar	7/12/21	9,381	—	5½	9,900	—	—	22	— 9		—
Commercial and Industrial:											
Achille Serre	31/12/20	26,154	7,000	15	7,500	3,530	5,000	8,791	+3,124	—	—
Alhambra Co.	31/12/20	1,804		5	2,975			1,928	—2,171	—	—
Baker (Charles)	31/1/21	12,454	8,120	10	4,935	—	—	10,279	— 601	27,834	25
Briton Ferry Chemical & Manure	31/12/20	13,235	4,356	7½ fully-paid, 5½d. paid 1d.	7,944	—	—	2,687	+ 955	—	—
Evans (Ben.)	14/2/21	12,576	1,200	7 Ord. 150 Founders	15,602	27	—	2,611	—4,254	14,687	7 Ord. 50 Fndrs.
Gandy Belt Manufacturing	31/12/20	36,523	4,500	21¼	26,562	4,500	—	11,179	+ 960	51,501	30
Hill (R. Wylie)	31/1/21	9,907	—	8	8,400	2,000	—	2,205	— 493	—	—
Howard & Wyndham	28/2/21	7,819	1,050	10	7,350	—	—	1,095	+ 581	10,762	12½
Lincoln Wagon & Engine	1/2/21	24,269	—	10½	13,250	10,000	—	14,503	+ 19	—	—
Manchester Bonding Warehousing	31/12/20	8,606	—	6	2,188	4,000	—	5,650	+2,418	11,055	6
Moir (John)	31/12/20	Dr. 7,419	-	2½	1,158	—	—	20,277	—8,907	20,047	15
Parker, Winder & Achurch	31/12/20	10,299	924	10	2,520	6,000	—	4,208	+ 855	8,859	10
Walker (C. & W.)	31/1/21	12,153	2,600	154	12,495	5,000	—	15,163	—7,942	—	—
Electric Lighting and Power:											
Salisbury E. Light & Supply	31/12/20	6,539	—	7	1,450	3,000	—	4,181	+1,089	—	—
Financial Land and Investment:											
Law Reversionary Interest Society	31/12/20	Dr. 1,639	—	—	—	—	—	30,798	—1,639	Dr. 25,905	5
Gas:											
Cromer G.	31/12/20	858	—	—	888	—	—	154	— 30	1,103	2½
Rhymney & Aber Valleys G. & Water	31/12/20	13,445	1,914	7½	9,800	—	—	4,524	+1,729	—	—
Insurance:											
British & Foreign Marine	31/12/20	Dr. 47,768	—	20·8	117,250	—	—	239,880	—164,618	95,502	20·8
Iron, Coal and Steel:											
Arrol (Sir William)	31/12/20	50,113	16,435	10†	29,278	10,000	—	10,623	—5,570	49,695	10†
Robey & Co.	31/12/20	9,591	1,787	2½	5,665	—	1,000	27,995	+1,138	36,598	7½
Tea, Coffee and Rubber:											
Battalgalia Estate	31/12/20	Dr. 1,334	—	—	—	—	—	2,410	—1,334	2,375	20†
Edinburgh Rubber	(First Year) 30/11/20	12,023	—	5	7,012	—	2,104	2,607	—	—	—
Waterworks:											
Gosport Waterworks	31/12/20‡	2,329	1,306	3½ 10% 2½ 7%	2,485	—	—	297	— 862	2,285‡	3½ 10% 2½ 7%
Mining:											
National Mining Corpn.	(First Year) 31/12/20	22,336	—	—	—	—	—	22,336	—	—	—

* After providing for all Government taxation, prior charges, &c. † Tax free. ‡ Half-year.

NOTE.—Public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

MEETINGS
OF PUBLIC COMPANIES.

Legal and General Assurance Society, Limited.

Record Year's Business.

THE annual general meeting of the Legal and General Assurance Society, Limited, was held on Tuesday at 10 Fleet Street, E.C.

Mr. Romer Williams, D.L., J.P., presided, and, in the course of his speech, said: I have now the pleasure to submit the report and accounts for the year 1920, the eighty-fourth since the establishment of the Society. The number of policies issued in the past year was 5,334, against 5,417 issued in 1919; but, while this shows a slight reduction, the sums assured were £3,655,826, as against £3,538,445, and the new premiums £183,727, as against £168,741. Deferred annuities were granted for £63,984 per annum, as against £18,809 in the previous year. After deducting reassurances, the net figures for last year are: Sums assured £3,347,401, and new premiums £172,259, as against £3,335,105 and £160,678 in 1919.

Satisfactory Figures.

These figures, as you see, show a substantial increase over those of the previous year under every heading, and the amount of net new sums assured for the past year is the largest in the history of the Society. This is, I think, extremely satisfactory, especially having regard to the facts that it is the first complete year during which the Society has discontinued the issue of with-profit contracts, and that it has been a year during which a great deal has had to be done in connection with the organisation and development of the Society's new fire and accident departments. The total net premium income in the life and general funds increased by £83,068 to £1,249,881. The total net premium income in the fire and accident funds amounted to £112,491, so that the total net premium income of the Society for 1920 was £1,362,372. The total annual revenue for 1920 amounted to £1,759,554. The consideration received for immediate annuities was £29,281, a considerably smaller amount than in 1919, but, having regard to the high rate of interest ruling in 1920, this falling-off will occasion no great surprise. The total expenses and commission were 14.88 per cent. of the premium income, as against 13.26 in 1919, representing an increase of 1.62 per cent. This increase is to a large extent due to the larger new business, and I referred last year to the other causes which directly contributed to the higher expense ratio. These causes have, unfortunately, been in evidence to an even greater extent during the whole of the year 1920. While economy in administration is practised in every direction possible consistent with efficiency, you will, I know, appreciate that a return to anything like the low expense ratio experienced before the War will be impossible while present conditions prevail. We suffer in this respect in common with others, but our expense ratio compares favourably with the average of other insurance companies.

Total Claims.

The total claims on the life assurance fund amounted to £550,158, of which £130,578 represent claims under 361 endowment assurances matured during the year. The balance of claims, amounting to £419,580, is due to the deaths of 271 lives assured, as compared with £475,437 due to 306 deaths in 1919. The Society's mortality experience in 1920 was very favourable, the claims being only sixty-seven per cent. of the expectation. The total funds of the Society have increased during the year by the sum of £746,483, and now amount to £13,635,415. The directors have, as usual, examined the various securities comprised in the Society's assets, and the result of such investigation is satisfactory. The Stock Exchange securities have been valued by the Society's brokers as at December 31 last, and to meet the deficiency shown a sum of £350,000 has been transferred to the investment reserve fund. This amount, added to the existing reserve fund and profits realised on investments sold, gives a total investment reserve fund of £487,830, a sum ample to meet all depreciation at the end of the year, excluding the depreciation on Government securities held by the Society on behalf of policies issued in connection with the various War Loan and Victory Loan schemes. I may say that the improvement in prices since the end of last year shows a considerable reduction in the total depreciation existing on December 31 last. Also that of such total depreciation a sum amounting to about £250,000 is in respect of redeemable stocks and bonds, and we may reasonably anticipate that this should ultimately be recovered. The average rate of interest has increased from £4 18*s.* 5*d.* to £5 2*s.* 6*d.* per cent. I referred last year to the fire and accident accounts, appearing then for the first time, and I hope you will consider that the figures now shown exhibit satisfactory progress and successful results in these new departments. A sound and profitable business cannot be built up rapidly, but I can only repeat that I have every confidence that in the course of time the shareholders will have reason to be gratified at this development of the Society's operations. I would particularly request all our shareholders to give their practical assistance in every direction possible towards promoting the Society's business.

The report and accounts were unanimously adopted.

Britannic Assurance Company, Limited.

Record Year of Progress.

THE fifty-fifth ordinary general meeting of the Britannic Assurance Company, Limited, was held at the chief offices, Broad Street Corner, Birmingham, on March 11, Mr. Joseph A. Patrick, J.P. (Chairman of the Company), presiding.

Mr. Patrick, in moving the adoption of the report and accounts for the twelve months ended December 31, 1920, said that judged by the progress made by the Company it constituted a record year. The increase in the premium income over 1919 was no less than £322,000, as compared with an increase in the previous year of £230,000. And what is even more satisfactory is that the death claims were not only relatively lighter than in 1919, but were actually less in amount to the extent of some £50,000, despite the considerably greater volume of business in force.

Large Addition to Funds.

The addition to the funds is the largest in the Company's history—namely, £600,000 in round figures, and that is after writing off £100,000 on account of depreciation. The bulk of our investments are redeemable at stated dates, and as we are not likely to be forced to realise so long as we continue to expand our business we are hopeful that we shall avoid actual loss, but the directors have felt it necessary to maintain the stability of the Company by writing off £100,000, so as to make the book values of our investments more nearly approach their present market values—a course which I am sure will be endorsed by all who appreciate the primary importance of financial strength in a business such as ours.

Mr. John A. Jefferson (Vice-Chairman and General Manager): Our esteemed Chairman, Mr. Patrick, has dealt broadly with some of the features of our accounts for 1920, and with your permission I would like to go into one or two points in more detail. I find, on making a comparison with our figures of ten years ago, we obtain the following interesting results:—Our premium income has practically doubled. Our income from interest, &c., has increased two and three-quarter times, whilst, unfortunately, our payment under the heading of income tax has increased no less than eight times. In 1920 our gross yield was £5 2*s.* 7¾*d.*, giving us a net yield of £4 5*s.* 1*d.*, and I think you will agree that this is a very satisfactory rate of interest to obtain.

The only other items which, I think, call for any reference are the increases in loan, on parochial and other rates, and municipal and county securities United Kingdom, and in both cases the explanation will, no doubt, occur to you that we have been largely supporting the new issues which have been lately put on the market by the different corporations throughout the United Kingdom, and in this way we have been rendering further support to the efforts being made to provide houses for the workers. (Hear, hear.)

I should like to take this opportunity of thanking our esteemed actuary, Mr. J. Murray Laing, on having completed his valuation and report with the usual promptness associated with his work.

You will see that Mr. Laing is able to report a surplus of £150,854, after valuing on the same bases of mortality and interest as those adopted in the previous year and certain necessary strengthening of margins for future expenses. The amount of £79,692 declared divisible amongst the participating policyholders in the ordinary branch and the shareholders will provide a reversionary bonus at the rate of 24*s.* per £100 sum assured to all policyholders in the immediate participating classes, and at the same time make suitable provision for policies in the accumulated classes.

Forthcoming Legislation.

There is one matter of vital importance to all companies engaged in the transaction of industrial assurance business that I have not referred to, and that is the matter of the forthcoming legislation arising out of the recommendations of the Departmental Committee presided over by Lord Parmoor. Up to now the full publicity quite voluntarily given by the companies each year to their annual report and balance sheet, together with the returns in statutory form

made to the Board of Trade, has been deemed sufficient to protect and safeguard the interests of our many clients, and there is not the slightest doubt that this system has been highly successful, and has resulted in companies such as ours endeavouring year by year to attain to a higher standard of financial stability, and to maintain our reputation for just and generous treatment to our policyholders. (Hear, hear.) It is now suggested that we should have some form of Government control, but I cannot help thinking that we shall have travelled a long way before the British public are convinced that it is necessary or desirable.

In conclusion, I should like to reiterate the final paragraph of the directors' report, and to assure the inside and outside staffs that our appreciation of their services is not mere idle words. The past year has been a very strenuous one indeed, and I can see no signs of any alleviation in our tasks in the future, but I do believe that by loyal co-operation of the whole of the staff the "Britannic" can face with equanimity anything that the future may hold for us.

The report and accounts were unanimously adopted.

The Employers' Liability Assurance Corporation, Limited.

Large Increase in Accident Business.

THE fortieth ordinary general meeting of this Corporation was held at Hamilton House, Victoria Embankment, on March 23, Lord Claud Hamilton presiding.

The Chairman said the directors considered the report and accounts for the year 1920 very satisfactory, though they were not quite so good as those of the previous year. The premiums were £6,799,865, showing an increase of £1,144,104 as compared with 1919. The gross fire premium income, before re-insurance, was just under £1,000,000. With regard to marine, the figures in the account were only in respect of the marine business written for their own account, and did not include any of the business of the Merchants' Marine Company. Payments under policies in 1920 amounted to £3,616,708, being an increase of £945,113. The insurance fund at the end of the year was £4,891,060, being an increase of £677,814. Of this increase £218,569 had been added to the reserve for outstanding losses and the remainder to the reserve for unexpired risks, making that fund £2,783,199, equal to 40.9 per cent. of the premium income. The balance of the revenue account was £632,475, showing a reduction of £113,471, which was accounted for partly by the increased provision for unexpired risks in connection with the large growth in the premium income, and also by the loss experience not being quite so favourable as in 1919. The investments and cash at December 31 last amounted to £7,146,741, showing an increase of £743,442. It would be observed that again the Corporation had a great increase of premium income, derived from all classes of business and from every country where they operated. The largest increase was in the United States of America. In Canada, notwithstanding that several of the provinces had adopted State insurance for workmen, and a large premium had consequently been lost to the Corporation, a very substantial increase was shown, the lost premium having been more than made good by other and new business. Another gratifying feature was that the accident business in the United Kingdom showed the largest increase the Corporation had ever attained. Taxes amounted to £448,492, equal to 6.6 per cent. of the premium income. He thought the limit of taxation had been reached, but if that was not so it would be a matter for serious consideration whether the time had not come when some of this should be passed on to the policyholders. The total reserves showed an increase of £969,234. The investment reserve of £593,443 was the total amount by which their investments had depreciated. Out of a total of £6,926,997, £5,502,411 was in bonds or debentures redeemable at fixed dates at par or over, and they stood in the balance sheet either at par or under. The financial position generally had been such that the directors did not deem it wise to attempt any issue of the £1,000,000 increased capital authorised a year ago, and as a consequence they had had to finance the year without this assistance, and that accounted for the loan of £525,000 appearing in the balance sheet.

The report and accounts were unanimously adopted.

Excess Insurance Company, Ltd.

Satisfactory Underwriting Account.

THE twenty-eighth ordinary general meeting of the Excess Insurance Company, Limited was held at 3 and 4 Royal Exchange Buildings, London, E.C., on March 23, Mr. Arthur Burns presiding.

The Secretary (Mr. F. E. Johnson) read the notice convening the meeting and the auditors' report.

The Chairman: Gentlemen,—In presenting the directors' report I must say, first of all, how much we all regret the absence of our highly esteemed Chairman, Mr. Cuthbert Heath, who is confined to his house through indisposition, which we trust may be only of a temporary nature.

You will see from the report that the result of the 1918 underwriting account has been very satisfactory. Since the Armistice the premium income has naturally fallen off, but an increase is noticeable in the premiums for the year 1920 as compared with the year 1919. This increase has been attained notwithstanding the fact that we have very materially reduced our commitments in respect of marine insurance business. We are now working under what may be fairly described as normal conditions, and this being so it is gratifying to be able to record that the results for the 1919 underwriting bid fair to be highly satisfactory.

I am also pleased to be able to inform the shareholders that the year 1920 has started quite well. I must take this opportunity of saying how much these results are due to the underwriting ability of Mr. E. M. Tylor, and I am sure that in doing so I am voicing the feelings of the shareholders generally. (Hear, hear.)

The directors have strengthened the position of the Company very materially during the year by transferring £450,000 from the reserve to capital, making our paid-up capital the very substantial sum of £500,000. Investments have been written down to their actual market value as at December 31, 1920, and it is worthy of comment that since that date there has been a substantial rise in the market value of Government securities, in which this Company has invested over £1,000,000. I have much pleasure in moving the adoption of the report and balance sheet, and I will ask Mr. Evans to second it.

Mr. Montague Evans: I have very much pleasure in seconding the motion.

The Chairman: All in favour of that motion please signify. To the contrary. That is carried unanimously.

I have now to propose that a final dividend of five per cent. per annum on the new capital, making a total of seven and a-half per cent. for the year, be declared.

Mr. T. K. C. Monk seconded the resolution, which was carried unanimously.

Will some one now move the re-election of the auditors.

Mr. T. K. C. Monk: I will do so with pleasure. I move that the retiring auditors (Messrs. Turquand, Youngs and Co.) be reappointed auditors of the Company for the ensuing year.

Mr. George Heath seconded the motion, which was carried unanimously.

The Chairman: That, I think, concludes the business of this meeting, unless any shareholder has any inquiries or remarks to make.

Mr. T. K. C. Monk: Before we separate I should like to propose a vote of thanks to Mr. Arthur Burns for presiding.

The motion was seconded by Mr. Montague Evans and carried unanimously.

The proceedings then terminated.

R. E. Jones, Limited.

Profits Estimate Exceeded.

The "Piccadilly."

AT the twenty-seventh ordinary general meeting of R. E. Jones, Limited, held on March 21 at the Mackworth Hotel, Swansea, Mr. Stanley B. Jones, the Chairman, said:—

At this our twenty-seventh annual general meeting—a number which tells you our age, the age of our Company, but not our real age, for you must remember that the business was first established in 1879—we can again show you a year of record prosperity, record profits, and record assets.

There have been difficulties in the past year. We have had, amongst many other things, the increase in the excess profits duty from forty to sixty per cent., the increase in the Bank rate, the imposition of the corporation tax, the moulders' strike, the collapse of the boom, which have affected us like other companies; but in spite of all these difficulties our net profit is the record one of £84,741, after providing for taxation and all other charges, excluding only directors' fees and salaries.

With pride we can now point to our estimate before any of these difficulties were foreseen by anyone, and say that we have very comfortably exceeded the profits which we held out to you as being probable for 1920.

This has been achieved practically without the assistance of the capital invested in our London properties, and here, of course, we have an enormous reserve of earning power, which is being more and more developed day by day.

A Board of Workers.

London is, we believe, the Mecca for catering companies. Its teeming millions must be catered for, and those who know how to do it properly cannot fail to be successful. We are to-day one of the half dozen great catering companies in the United Kingdom.

We are not new in the catering business in London, and the proposed acquisition of the Piccadilly Hotel will crown our scheme of development.

The interests represented by R. E. Jones, Limited, to-day, without, of course, taking into account the Piccadilly property, represent, roughly, an excess of assets over liabilities of over £1,300,000, and that means in such a business as ours certain facilities for the handling of the management of a concern so closely akin in many ways to our own activities as can hardly be possessed by the Company itself.

We have been into the whole position of the Piccadilly Hotel and its position year by year for the last eight years, and we are well satisfied. We have never felt more confident over any acquisition than we do over this, and we have not yet, so far as I know, made a single mistake in any of our purchases.

There is in the Piccadilly Hotel a most interesting financial position. There are certain Debentures outstanding, and after the participation of these the whole of the profits come to the Ordinary shares which we propose to acquire. Exactly how we will treat these Debentures we have not yet decided. Among the factors coming into the question not least is the general trend of the Money market. Money has been very tight, as you know, but conditions seem to be becoming much easier, and your board's general point of view is, at any rate for the moment, to make no commitment. The position cannot alter against us, so far as I can see, and in the near future it may alter in our favour to a very considerable extent. I am sure you will understand my reticence in making a public pronouncement on so delicate a situation.

How and When to Buy.

We are satisfied that in the Piccadilly Hotel, after deducting all charges of whatever kind and taking the hotel, the actual building, at a price of far less than half of what it would cost to erect, there is a net excess of assets over liabilities of £533,173, for which we have to pay, roughly, £300,000 in cash, and I do not see how we can lose money there. We are not paying for goodwill and reputation; we are merely paying for what one might call the actual break-up value and about two-thirds of what we believe that to be worth. Moreover, we are buying when the wise man buys—not at the height of the boom at the corresponding price, but when things are low and we believe values must begin to improve.

As regards the terms of the issue, which, by the way, is not being underwritten, you will see these in the prospectus; but there is one point I would like to touch on here, and that is our belief that the participation over and above ten per cent. will materialise.

"Investment v. Speculation."

Even in these days ten per cent. investments as opposed to ten per cent. speculations are not growing on every bush. The basis of our capital is bricks and mortar and freehold properties, all situated in the finest positions in the cities in which established. The basis of its earning power is goodwill. The basis of our profits is catering—that is, supplying food and drink; the first bare necessity of life which is independent of fashion and almost of good and bad trade. Moreover, our eggs are in a great many baskets.

The formal business of the meeting having been transacted, the meeting closed with a vote of thanks to the Chairman.

At the confirmatory meeting of the Company, held after the annual general meeting, the resolutions dealing with the increase of capital were adopted unanimously.

Limmer and Trinidad Lake Asphalt Company, Limited.

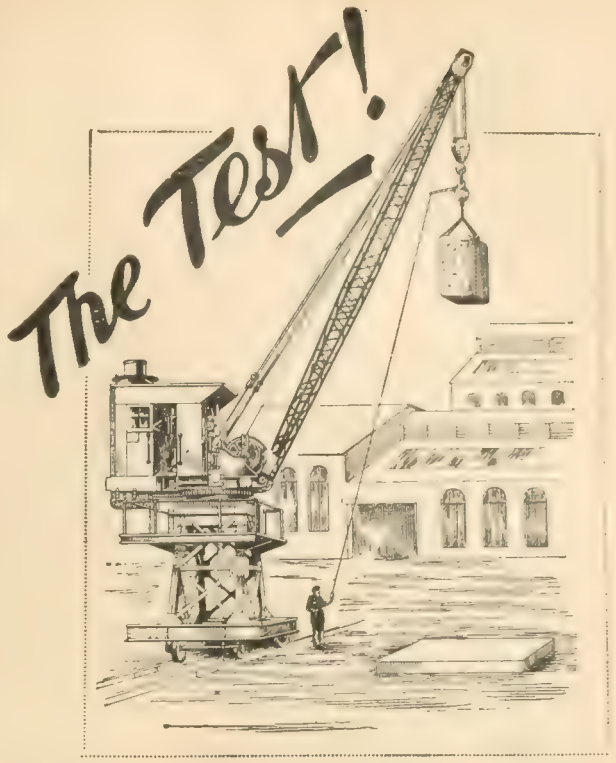
"A Very Strong Position."

THE forty-ninth annual general meeting of this Company was held on Friday, March 18, at Caxton Hall, Westminster, Sir Henry Holloway (Chairman of the Company) presiding.

The Chairman said: In regard to the report and accounts I have not much to say. The accounts presented last year showed a considerable increase, and this year the directors present figures which are far in advance of anything the Company had previously attained. (Hear, hear.) May I remind you that the gross trading profit for 1918 was £44,000, in 1919 it was £78,000, nearly double, and now, for 1920, it is £141,000, practically double that of 1919? (Cheers.) It should be added that the percentage of profit on the business done is not excessive, and this will be apparent if I add that the turnover for 1919 was nearly double that of 1918, and last year's was nearly double that of 1919. Therefore we are not making large profits on a small turnover, but we are doing a very large business and making only a fair percentage of profit. I have recently visited our works at Blackwall, Hull, and Glasgow, and have taken the opportunity of comparing the value of our plant and stock with the amount in the balance sheet, and can assure you that the figures in respect to these items are on a very conservative basis. In referring to the figures in the balance sheet, I think you will agree that the same represent a very strong position. I wish to remind you that the issued capital for 1920 was £70,000 more than in 1919. We issued 20,000 Preference shares in January 1920, and 50,000 Ordinary shares in May 1920.

Large Increase in Profits.

If you look at the profit and loss account you will see that the gross trading profit shows an increase of £63,000 and the net profit an increase of £45,000 for the year. As to the management expenses, that is an item which some of you may have compared with the like item for the previous year. It shows an increase of nearly £8,000, but I would remind you that the sum includes the bonuses paid



THE test of the Safe is when the blazing floors and walls collapse during a big fire, carrying the Safe with them into the burning debris, where it may remain days, and heavy girders may fall upon it in its heated condition.

One of the tests to which THE CHATWOOD SAFE was submitted when the design was established was as follows:—

1. The Safe was placed upon a specially constructed coal fire for a period of four hours.
2. The Safe was removed direct from the fire and immediately raised to a height of 30 feet and dropped on to a solid concrete bed.
3. It was returned at once to the fire for a further period of four hours.

During one of the fires in Ireland a CHATWOOD SAFE containing jewellery remained four days in the burning debris, and on recovery was opened with its own key, and the wax in which diamonds had been mounted was not even melted.

SINCE **THE CHATWOOD SAFE** 1858

THE CHATWOOD SAFE BOOK

Full particulars concerning The Chatwood Safe and Strong Room are contained in the above, a copy of which will be sent gratis and post free upon request.

THE CHATWOOD SAFE Co LIMITED
BANKERS ENGINEERS
Head Offices and Works: BOLTON.
Branches: ENGLAND
LONDON MANCHESTER GLASGOW
56 Gracechurch St Royal Exchange 12 Greenlodge Ter Greenhead

to the staff under the bonus scheme adopted by the board. The adoption of this bonus scheme has been of very great benefit to the Company. (Cheers.) With regard to our property in France, you will have noticed that there has been a considerable writing down of the capital involved in the Company's interest in that country. This course has been adopted in view of the difficulties in carrying on business in France at the present time. The special reserve for road maintenance has been increased by £16,000, and there is also a sum of £26,000 set aside to meet special taxation—that is to say, excess profits duty and corporation profits tax. We also recommend placing £4,000 to the general reserve. As to the dividend, after making these ample provisions for reserve we are able to recommend a dividend at the rate of fifteen per cent. per annum, *plus* a bonus of 6*d*. per share on all shares ranking for the full year's dividend, which, as you know, is an advance of two and a-half per cent. on the previous year, and to carry forward £3,124 more than last year. (Hear, hear.)

The Outlook.

With regard to the future, there is one important factor which should stimulate us all with renewed energy to enlarge the business—namely, that the excess profits duty has come to an end. (Hear, hear.) In Mr. Bond, Mr. Mitchell, and Mr. Marriott we have a team second to none in any large industrial business in the country—(hear, hear)—and we do owe a great debt of gratitude to them and to those who serve under them for the magnificent work they are doing on behalf of the Company. Gentlemen, I have much pleasure in moving "That the directors' report and statement of accounts for the year 1920 be received and adopted, and that a second and final dividend of seven and a-half per cent., less income tax, and a bonus of 6*d*. per share, less income tax, on both the Preference and Ordinary shares ranking for dividend from January 1, 1920, and a dividend at the same rate, less income tax, and a bonus of 2½*d*. per share, less income tax, for five months as from August 1, 1920, on 50,000 Ordinary shares issued in May 1920, be declared." (Cheers.)

Colonel Sir Courtauld Thomson, K.B.E., C.B.: Gentlemen, it has been my privilege for some years past to second this resolution. In one sense it is generally a very easy task, because the Chairman always deals with the report and balance sheet in such a very clear and comprehensive manner. I should like to emphasise a point referred to by the Chairman. During the past two years—sometimes called "boom years"—I think it might have been possible to charge higher prices on our contracts; but, gentlemen, we have not aimed at snatching transient and exaggerated profits, but our policy has been to gain the confidence of the corporations and other bodies with whom we do business, by charging fair prices for the best workmanship and material—(hear, hear)—and I venture to think that that policy will be endorsed by all the shareholders. I should like to take this opportunity—and I now speak on behalf of my colleagues—to say how much we appreciate the encouragement and support we have always received from the shareholders. (Cheers.)

The resolution for the adoption of the report and accounts was unanimously carried.

Tribute to the Chairman.

Colonel Sir Courtauld Thomson then moved the re-election of Sir Henry Holloway as a director of the Company. He observed that he had been closely associated with Sir Henry both in and out of business for close on thirty years, and his devotion to him as a friend was only equalled by his admiration for his capacity, he would say, his genius in business. (Hear, hear.) The shareholders all owed a deep debt of gratitude to their managing directors—(hear, hear)—but he (Sir Courtauld) well knew that the managing directors would be the very first to admit, and would wish him to emphasise, that the success of the business was very largely due to the Chairman. Sir Henry Holloway had all the qualifications for an ideal Chairman. He was an optimist—very important in these days—but an optimist with a good deal of ballast, with a proper degree of conservatism, but at the same time ever ready to receive new ideas and new suggestions. (Cheers.)

Mr. T. G. Marriott, in seconding the resolution, said he was glad of the opportunity to endorse the tribute which Sir Courtauld Thomson had paid to their Chairman.

The resolution was carried with acclamation.

A resolution was then passed increasing the fees of the directors other than those of a managing director.

The Chairman, in acknowledging the compliment, said that the proposal was solely the initiative of the shareholders, and he and Sir Courtauld Thomson could only accept the vote on the condition that the shareholders, if they so desired, could revise their decision a year hence.

The Auditors (Messrs. Cash, Stone and Company) were unanimously reappointed, and a vote of thanks to the staff, proposed by Mr. W. Clarkson, and seconded by Mr. G. W. Mitchell, was unanimously agreed to.

Mr. W. H. Delano proposed, and Mr. Roff seconded, a cordial vote of thanks to the Chairman for presiding, and the meeting terminated.

Newcastle-upon-Tyne Electric Supply Company, Ltd.

Considerable Progress during past Year.

The thirty-third ordinary general meeting of the Newcastle-upon-Tyne Electric Supply Company, Limited, was held in Newcastle on Tuesday, March 22, Mr. J. H. Armstrong, the Chairman of the Company, presiding.

The Chairman moved the adoption of the annual report.

Mr. Sloan: Gentlemen,—You will have observed by perusing the report and accounts that the year under review has been one of considerable progress; it has, nevertheless, also been one of anxiety and difficulty for those intimately connected with the affairs of the Company. In the early part of the year, the trade of the district was much affected by the moulders' strike, which—although it terminated at the end of January—continued for some time thereafter to have an adverse effect upon many industries in our district. Again, in October, our business was seriously handicapped as a result of the miners' strike, which caused considerable disorganisation to trade generally throughout the country. At the time of our last annual meeting, it was anticipated that during the latter part of the year 1920 we would get some revenue benefits from the new generating plant, which for a considerable period had been in process of installation both at the new station on the River Tees and also at Dunston power station. In this hope we were disappointed. Further sections of plant at both these stations will, however, be brought into operation shortly, so that before long the cause of anxiety should be removed and we should reap some of the benefits which have been so long denied us.

During the year the connections made to our system amounted to 25,203 horse-power (h.p.). These, along with the connections made in the Cleveland area—which represented an additional 16,846 h.p.—make a grand total of 42,049 h.p., and thus establish a record—the previous maximum being in the year 1913, when the total was 39,920 h.p. The profit for the year amounted to £392,643, or £144,449 in excess of that for the year 1919—which, of course, was a very disappointing year—and an excess of £50,249 over the year 1918.

Additional capital expenditure, which amounted to £475,459, has been incurred largely on account of power-station buildings, machinery, and electrical instruments, &c., under which latter head switchgear is included. In this connection I am pleased to say that our programme of extensions at Carville power station, which has been in hand for many years, has now been completed, and the whole plant put into commercial operation on the system. This power station, which has a capacity of over 130,000 h.p., is the largest electrical generating station in operation in the United Kingdom.

Future Prospects.

With regard to the prospects of the Company during the current year, it is, as you will readily understand, extremely difficult, under existing circumstances, to make any forecast. Opinions differ widely as to the probable duration of the slump in trade and as to how long costs will remain at their present high level, and I therefore feel it right to confine my remarks to what has actually taken place since the commencement of the current year, and to indicate one or two directions in which we may expect to receive some benefits.

Since the commencement of the year we, along with others, have felt the effect of the great trade depression which has resulted in so much unemployment through lack of orders and the cancellation of orders already placed. Our output of electrical energy has, however, during the first eleven weeks, increased by five per cent. as compared with the output for the corresponding period of 1920. This, although not a large percentage, is encouraging in view of the depression in trade and the restricted working hours of many of our consumers, and indicates that we are benefiting to some extent as a result of the increased business obtained during the course of last year, though to a very much smaller extent than would have been the case had conditions been at all normal.

We shall, during the current year, reap some considerable revenue benefits from the operation of the new generating plant in the Tees and Dunston power stations, part of which plant has, as I have already stated, been put into commercial operation since the commencement of the current year. Further, we have on hand at the present time additional applications for connection to our system, representing over 70,000 h.p., and although, nowadays, there is a considerable lapse of time between what we term an "Application," or request for supply, becoming a "Connection," and thus revenue bearing, we hope to get some benefit during the current year as a result of our large order-book.

The Chairman alluded to his retirement, and to the fact that Mr. Sloan had agreed to act as his successor under the title of Chairman and Managing Director.

Mr. J. T. Merz seconded the adoption of the report, which was agreed to.

Mr. H. W. F. Bolckow, the Hon. R. H. Brand, and Sir G. B. Hunter, the retiring directors, were re-elected.

Mr. J. H. Armstrong retired from the position of Chairman, and Mr. R. P. Sloan was elected to the office

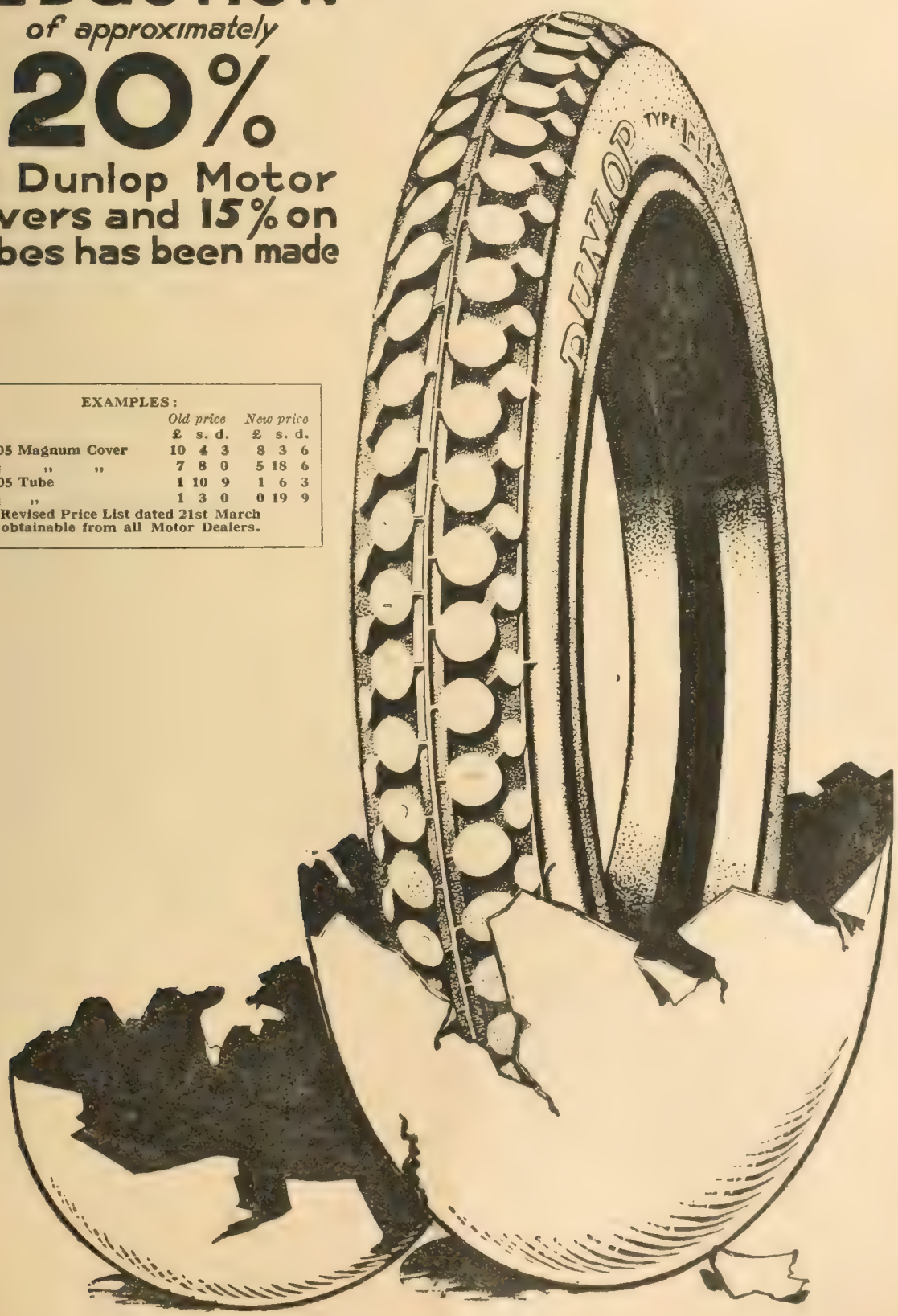
The DUNLOP *Easter Egg for Motorists*

A REDUCTION

of approximately

20%

on Dunlop Motor Covers and 15% on Tubes has been made



EXAMPLES:

	Old price £ s. d.	*New price* £ s. d.
815×105 Magnum Cover	10 4 3	8 3 6
30×3½ „ „	7 8 0	5 18 6
815×105 Tube	1 10 9	1 6 3
30×3½ „	1 3 0	0 19 9

Revised Price List dated 21st March obtainable from all Motor Dealers.

Mappin and Webb, Limited.

(Goldsmiths, Silversmiths, Jewellers and Cutlers.)

RECORD TURNOVER AND PROFITS—REDUCTIONS IN SILVER PRICES.

THE twelfth annual general meeting of this Company was held on March 23 at the Hotel Victoria, London.

Mr. William Harris, who presided, said that a year ago he told the shareholders that the balance sheet then presented was the finest ever issued by the Company. That now submitted was even better. The directors proposed to pay a dividend of fifteen per cent. on the Ordinary shares, to write off the balance of the expenses of the new issue of shares, amounting to £20,803, to transfer £20,000 to the general reserve (raising that fund to £50,000), to reduce the goodwill account by £10,000, and to carry forward £38,490. All the establishments of the Company—the London houses, Sheffield, Paris, Nice, Monte Carlo, Biarritz, Rome, Lausanne, Buenos Ayres, Rio de Janeiro, Sao Paulo, Johannesburg, and Montreal—had helped to this splendid result. The sales and profits for the year 1920 were the highest ever recorded in the history of the Company, the profits being nearly double what they were in 1913. Good progress was being made with the erection of the Company's new works at Sheffield, and he hoped that by the end of the summer the building would be completed and the internal equipment of the works undertaken. This factory would give them an output double that of the existing Royal Works. In the balance sheet the item "Investments in Subsidiary Companies" had risen from £223,239 in 1919 to £725,438 in December 1920. The stock-in-trade now amounted to £714,548, against £632,467 a year ago. All the stocks had been most carefully taken and conservatively valued. Sterling silver, which was a most important commodity in their business, had been subject to a violent fluctuation throughout the year, at one time standing as high as 89*d.* per oz., and finally dropping as low as 38⅞*d.* per oz. Any idea the public might have had that the price of silver goods was being maintained at the higher level was erroneous. The Company's silver goods could be bought to-day at prices based on the current price of silver. In his opinion the present price of the metal was below what it cost to produce at the mines, and he would not be at all surprised if, in the near future, there was a rise in the price of the metal. The present was undoubtedly an advantageous time to buy. There was a balance to the credit of profit and loss account of £114,960, compared with £90,407 a year ago, an increase of £24,553, and the profit for the year was actually £18,788 higher than in 1919. The Company's antique-silver department had proved a great success. They had as buyers for this department the most skilled experts in London, and they had accumulated a large collection of some of the finest models of the silversmiths' craft of the seventeenth and eighteenth centuries.

The report was unanimously adopted.

William Whiteley, Limited.

Record Profit Shown.

THE annual general meeting of this Company was held at the Company's premises, Queen's Road, W., on March 22, Mr. William Whiteley, the Chairman, presiding.

The Secretary (Mr. F. G. Dann) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—It is with much pleasure that I am able to present the accounts to you this year showing such encouraging results. The trade done for the past year again shows a large increase over that of the preceding year, and, although working expenses have been exceptionally heavy, especially wages, the net result is most satisfactory.

During the year there have been several factors operating against a large business of this description, and it has been very necessary to keep all the stocks well under control and to watch the markets very keenly and buy very discriminately.

It was obvious to the management that the extraordinarily high prices of nearly all commodities at the beginning of last year could not be long maintained, and, when the reaction in price set in during the later months of the year, our strong cash position afforded facilities for taking every advantage of the markets, and the result of this is shown in the excellent value of our stocks. This enabled us to give our customers some really exceptional bargains and maintain such good results.

The Profit

The net profit this year, after providing for depreciation, income tax, &c., amounts to £305,988, an increase of £6,000 over last year, and the largest profit ever shown by the Company. (Hear, hear.) This is not the result of increased gross profit, as the rate of gross profit is less than last year. It is brought about entirely by extra business done during the year. The amount brought in from last year, £210,016, which was subject to excess profits duty, makes the total balance of profit to deal with £516,005.

The directors could, of course, have declared a larger dividend than fourteen per cent. for the year, but conditions are rather in an unsettled state at the present time, and we thought that the more prudent course would be to conserve our resources for the future development of the business.

The freeholds and other assets on the balance sheet are all sound value and well below present actual market values.

Plant, machinery, and fixtures stand at a somewhat higher figure than last year, the additions being chiefly some new fixtures for some of the provision departments.

The item for horses, motors, &c., shows a considerable increase, as since last year we have reorganised our despatch department by dispensing with horse vehicles, and have purchased a new fleet of electric motor vehicles, which has already resulted in a saving of expense in the delivery of goods.

The stocks are about £9,000 less than last year, and at their present values represent a good asset; this is one of the best features of our balance sheet, especially in view of the large extra trade that has been done.

Sound and Strong Position.

As you know, it is a time-honoured boast that we give the public the best possible value for money, and it is not practicable to do this unless the stocks are well bought, and kept clean and up-to-date by being turned over many times. I can assure you that this is our invariable practice, and the consequence is that we start a new year well equipped with a moderate stock of good market values.

The book debts are again higher, but the large trade done by deferred payments in the furnishing sections more than accounts for the increase. The debts are all sound, the bulk of the amount being actually secured.

The investments are slightly less than last year, a few securities having been realised during the year, but the cash at bankers and in hand is about £20,000 more. The amount owing to trade creditors is rather more, and the deposits and current accounts about the same as last year. The liquid assets in the balance sheet exceed the current liabilities for trade creditors, bank deposits, and reserve for excess profits duty, &c., by about £500,000.

I think you will agree that the balance sheet as a whole shows a sound and strong position and fortifies us for any unforeseen contingencies. (Hear, hear.)

The removal of the excess profits duty will be a distinct benefit to the cash resources of our business and leave us more freedom for future enterprise.

The report and accounts were unanimously adopted, and the retiring directors and auditors were reappointed.

Mr. John Lawrie (Managing Director), in the course of a short address, said that since the last meeting they had passed through quite a crisis. For the first six months of

KING'S HEAD
Tobacco



You'll know it by the artful curl of its cut — and by the incomparable richness of its full flavour. The cut is one of the good points in King's Head. It burns to a nicety and doesn't choke the stem of the pipe. You can smoke it comfortably in a strong wind too.

THREE NUNS
is a similar but milder blend
Both are sold everywhere in the following packings only
Packets: 1-oz. 1/2, 2-oz. 2/4—Tins: 2-oz. 2/5, 4-oz. 4/8

"THREE NUNS" CIGARETTES

	10's	20's	50's	100's
MEDIUM	6d	1/-	2/5	4/8
HAND MADE	8d	1/4	3/4	6/8

Stephen Mitchell & Son, Branch of the Imperial Tobacco Company (of Great Britain and Ireland), Limited, 36 St. Andrew Square, Glasgow
689

the year they had thought that they would have glorious things to tell the shareholders, but after October there had been a slump. However, they had seen it coming, and were prepared for it, having reduced their stock as low as possible. The Company had never been in a stronger position than it was at the moment, and its prestige had never stood higher. They thought they had now passed through the worst, as there were signs of an improvement.

The proceedings terminated with a vote of thanks to the Chairman, directors, and staff.

Rembia Rubber Estates, Limited.

The Effect of Present Market Conditions.

THE twelfth ordinary general meeting of the Rembia Rubber Estates, Limited, was held on March 22 at 4 Lloyd's Avenue, E.C., Mr. T. C. Owen (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the increased cost of production was due to various causes, in which loss on rice amounted to over 1*d.* per lb. The average yield per acre was 316 lb. During the year the capital had been increased by the creation of 70,000 Preference shares, but those had not been issued. It had been the intention of the Company to extend their operations on some new land which he had inspected when in the East. There had been some delay on the part of the Government in offering that land for sale, and then had come the change in the rubber position, so that they had decided to postpone the matter for the present. The result of the year was a balance of a little over £13,000, which was to be carried forward, as they did not think it advisable to distribute a dividend. However, up to date they had distributed by way of dividends more than the paid-up capital, having paid 115½ per cent. on the Preference shares and 91½ per cent. on the Ordinary shares.

At the beginning of last year the rubber prospects were satisfactory, but in the autumn it had become evident that there was going to be a large surplus of rubber, and prices fell until they were far below the cost of production. It was difficult to obtain figures in connection with that surplus. One authority gave the stock as 207,000 tons, the normal stock at 135,000 tons, giving a surplus of 72,000 tons. Then he had calculated the consumption for 1921 as 303,000 tons, the production at 245,000 tons; so that the surplus at the end of the year should be 14,000 tons. He (the Chairman) considered that forecast as too sanguine, and he thought the surplus stock would be larger. Until those stocks were worked off there was no possibility of an improvement.

With that end in view the Rubber Growers' Association introduced the scheme for restriction of output to the extent of twenty-five per cent., which scheme had been very largely supported. It was, however, insufficient, and, in consequence, in Malaya the Government had been approached with a view to Government control, in which restriction should be increased to fifty per cent. That scheme was now being considered by the Colonial Office. The restricted crop for the current year was estimated at 343,000 lb., which they considered would be produced for a little over 1*s.* per lb. They had a forward contract for 30 tons at 2*s.* 2*d.* per lb., ex warehouse Singapore; so that, taking the balance of the crop at a little over to-day's prices, they should just be able to pay their way.

The report was adopted and the usual formal business transacted.

Dickins and Jones, Limited.

Successful Year's Trading.

THE twenty-first ordinary general meeting of Dickins and Jones, Limited, was held on March 22 at 29 Argyll Street, W.

Sir Woodman Burbidge, Bart., C.B.E., who presided, said that the Company had experienced a most successful year's trading. The turnover had eclipsed previous records, notwithstanding the unusual conditions which had obtained in the commercial world and the fact that that portion of the new building which they now occupied was in the hands of the contractors until October last. The trading profit stood at £123,635, which was distinctly gratifying, considering the altered conditions, although showing a decrease of £6,555 on the previous year's total before charging income tax and corporation profits tax. One of the factors in this decrease was that the stocks had been written down to market value—a necessary procedure owing to the fall in prices generally. Further, the working expenses had risen considerably, the largest increase being the amount paid for salaries and wages. The directors now proposed to pay a final dividend of ten per cent., making seven per cent. for the year; and, in continuance of the sound policy to conserve the resources of the Company, they again recommended placing substantial amounts to reserves in preference to paying a larger dividend. It was proposed to carry £35,696 to general reserve and for equalisation of dividends, bringing this fund to £80,000.

With the commencement of rebuilding a sinking fund was created for extinguishing the expenditure incurred on the acquisition of new leases and buildings. It was proposed to add £15,000 to this fund (which would be invested, as in the case of previous allocations, in War Loan at four per cent.), making altogether £45,606. It was also proposed to add £5,000 to the reserve for depreciation on investments, bringing that fund to £20,000, and to allocate £10,000 to the special reserve for future development of the business, bringing that fund to £65,000. Work in connection with the second block of the new building had already been started, and it was hoped that a part of this would be ready for occupation by the end of the year. Although the buildings were altered, the policy of the business would remain unchanged, and the reputation the name of Dickins and Jones had attained during the last century for high-class merchandise would be upheld. A visit to that block of the new building already open was convincing that they would have one of the finest establishments in London, and he felt sure they would have the support and patronage, not only of their existing customers, but of the general public.

The report and accounts were unanimously adopted.

Bon Marche, Limited.

Previous Year's Record Surpassed.

THE thirtieth annual ordinary general meeting of Bon Marché, Limited, was held on March 22 at 442 and 444 Brixton Road, S.W., Mr. H. T. Holdron in the Chair, presiding.

The Chairman, in moving the adoption of the report and accounts, referred to the loss they had sustained through the death of Mr. G. Randell Higgins. Continuing, he said that they had again experienced a very successful year's trade, and had gained considerably on the figures of the last year, which was a record one. Towards the end of the year there had undoubtedly been a great slump in trade all over the country, but their returns had not been affected, as, owing to their strong financial position and the fact that they had their stocks well in hand, they had been able to take advantage of the slump in prices and to purchase large parcels of goods which were being offered to them. As an illustration, they bought a stock of furs amounting to £27,000 at a discount of eighty per cent., and practically cleared them in two days. In certain sections of their own stocks, which they had thought too heavy, they had cut their losses and made a clearance. The result was that they were able to show one of the most healthy stocks to be found anywhere. It stood at £135,000 for the two concerns, Bon Marché and Pratt's. A business which could earn a net profit of £86,000 and finish up with a stock of that amount on a declining market had not done badly.

They were suggesting a slightly less dividend, but they were paying upon a much larger capital, and on shares that had been issued at a very moderate price, constituting really a handsome bonus to shareholders. The Preference issue had been considerably over-subscribed for in less than two days. The flotation expenses, amounting to £8,661, had been entirely written off. It might be asked why it was that, with a largely increased turnover, they did not show a larger net profit. The answer was that expenses had gone up all round. Salaries and wages had greatly advanced, electric lighting was more costly, and rates were much higher. There was also that bugbear, the excess profits duty, which was responsible for a large amount.

From the balance sheet it would be seen that their freehold property now stood at £210,490, against £189,425 last year, the increase being accounted for by the purchase of the freehold of their stables, and a portion of the freehold of Pratt's, and by expenditure on Bon Marché improvements in the shape of the new front. Pratt's was doing well, and he was convinced had a future before it.

The report was adopted.

London and Thames Haven Oil Wharves, Limited.

The Company's Steady Prosperity.

THE ordinary general meeting of the London and Thames Haven Oil Wharves, Limited, was held on March 22 at Winchester House, Old Broad Street, Sir Owen Philipps, G.C.M.G., M.P., the Chairman of the Company, presiding.

The Chairman said that the Company, as public wharfingers, was in very much the same position in respect to [illegible] as bankers were in respect to [illegible]. When he told them that the property placed in the Company's keeping had a market value amounting sometimes to over £20,000,000, they would readily appreciate that financial strength and stability were essential in order to retain the confidence of the clients whose goods were handled by the Company. [illegible] review was £102,278, as compared with £89,430 at the close of the previous [illegible] adding £25,000 to the reserve, there remained £55,000 to be carried forward, as against £51,000 last year. It was gratifying [illegible] rendered, to the financial stability of the Company, and to

the soundness of the principles on which its business was carried on.

Their position had not been attained by any chance wave of prosperity; the development of the Company had been steady and progressive. For the first completed period of its existence—namely, the seven months to December 31, 1898, the total bulk of products landed was about 2,000 tons; in 1904 the total was 83,000 tons, in 1910 it had increased to 158,000 tons, in 1916 to 479,000 tons, and in 1920 the total was 881,000 tons. On that total of 881,000 tons the charges at Thames Haven on account of landing, handling, rental, and delivery of the goods amounted to considerably less than one farthing per gallon. As compared with a tankage accommodating less than 2,000,000 gallons in 1898, the tankage controlled to-day, including a certain amount now under construction, was 118,000,000 gallons, whilst further developments in that direction were in hand. The land owned had increased in the same period from 11 acres to 1,100 acres, with deep-water frontage to the Thames.

As to the future, he looked forward to the Company's continuing to prosper, and he could assure the shareholders that, as in the past, the business would be conducted on sound, broad, and progressive principles.

Mr. Alfred C. Adams seconded the motion, which was carried unanimously.

British Insulated and Helsby Cables, Limited.

£12,000 Increase in Profits.

THE twenty-fifth annual meeting of shareholders of the British Insulated and Helsby Cables, Limited, was held on Monday, March 21, at the Exchange Station Hotel, Liverpool. Mr. James Taylor (Chairman of the Company) presided over a good attendance of shareholders.

The Chairman, moving the adoption of the report and balance sheet, after a sincere tribute to the long services as Chairman and director of Dr. E. K. Muspratt, who had tendered his resignation during the year, said the profit for the year amounted to £340,713, an increase of £12,024 over the previous year. Such a result was very satisfactory—(Hear, hear)—especially when taken in conjunction with the many and unusual difficulties that had to be contended with. Two stoppages occurred at the principal works at Prescot, one due to the coal strike and the other to certain unreasonable demands by workmen which resulted in three weeks' work being lost. The workmen suffered a heavy loss in wages and the Company in profits, in addition to which there were disorganising effects and an accumulation of costly raw materials. In addition, men in the wire-drawing department adopted the "ca' canny" policy in an effort to defeat the bonus system which had been in operation for many years, and to bring about the substitution of a flat-rate wage as high as the bonus system ensured. The Company refused the demand, with the result that about seventy expert wire-drawers who declined to continue on the old system had to leave the service. Some time was required to train fresh hands, but by persistent effort the difficulty was overcome, and now the new men were doing as much per week as the old and more experienced men were doing. (Hear, hear.) It would be understood that when these wire-workers adopted "ca' canny" methods it injuriously affected the workers in other departments, and resulted eventually in the Company being unable to turn out the usual and proper quantity of cable per week.

Increased Works Efficiency.

Apart from these stoppages, the works both at Prescot and Helsby had been busy throughout the year, and the present state of the order-book was quite satisfactory. Present high costs of manufacture and inability to give certain delivery, owing to labour unrest, were preventing the Company from taking orders which were now being placed abroad. Foreign trade could only be retained by a reduction in the cost of production, and although a decrease in the present high rate of wages would have a most beneficial effect, another and very important element had to be considered—viz., increased efficiency in the mechanical means of production. The Company, therefore, had carried out a reorganisation of the works. They had built what were practically three new factories, fitted with all the latest and most improved appliances, and had enlarged the power plant. They had also greatly improved and increased the facilities for handling raw material and finished products, besides making improvements in other departments which should largely tend to cheapen production. The Company had now been working under the improved conditions and additional facilities for the past two or three months, and while they were feeling the beneficial results of the changes generally, it was noteworthy that they could now turn out all the latest types of special high-tension cables of very long lengths. He was correct in stating that, taken altogether, the factory could be considered as second to none in the country. (Applause.)

It was believed that capital expenditure for some time would be relatively small, and, the prices of raw material having fallen and the peak of the Company's financial requirements passed, it would not be necessary to issue any of the new capital already authorised.

Sir Harmood Banner having seconded, the motion was carried. A resolution sanctioning the payment of six and a-quarter per cent. dividend at once and five per cent. bonus on June 30, making a total distribution for the year of fifteen per cent., was also adopted.

Sir Arthur Stanley and Mr. J. Carlton Stitt were re-elected directors, and the appointment of Mr. J. Arthur Smith as a director in place of Dr. E. K. Muspratt was confirmed.

A cordial vote of thanks, moved by Mr. C. M. Crichton, and seconded by Mr. John Gordon, was passed to the Chairman at the conclusion of the meeting.

Borax Consolidated.

Signs of Recovery in Business.

THE twenty-third ordinary general meeting of this Company was held on March 21 at the Cannon Street Hotel, E.C., the Right Hon. the Earl of Chichester presiding.

The Chairman, in moving the adoption of the report and accounts, said: The net profits, after providing for excess profits duty and corporation tax, amount to £476,581, compared with £442,023 in the previous year, an increase of £34,558. We have placed the sum of £50,000 to buildings and plant depreciation account, and have transferred from that reserve £47,184 to the buildings and plant account, which now totals £506,717. The buildings and plant account reserve, after providing for the sum mentioned, now amounts to £105,607. The total of the various reserve funds, if you approve of the £25,000 proposed to be written to general reserve, will amount to £827,179. We have to provide £30,000 for income-tax reserve for taxes accrued to September 30 last, being the income tax payable on undivided profits. We propose that £5,000 be added to the pensions and grants fund, which will make this fund, with the interest accrued, nearly £26,000.

The mines account stands at the same amount as in the previous year. We have continued to develop ore during the year's operations, and have a very large amount in sight. The stocks at mines, factories, &c., stood at £506,617 on September 30, which showed a reduction of about £12,000 on the last year's figure. This stock, which is a minimum

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P. 845

figure at which we can operate at present costs, is all good, and, in fact, since the date of the balance sheet has mostly been sold and replaced. The advances, investments, &c., show an increase of about £341,000, but this increase is entirely due to our holdings of National War Bonds and Treasury bills. We have the very satisfactory amount of £664,415 at our bankers' in various countries on deposit and current account, and I think we may congratulate ourselves that we occupy this strong financial position. We have recently purchased a Continental works on advantageous terms, and we have other developments in view which will need some of this money.

More Business Offering.

The second half of our past financial year was a very busy time, and up to the end of September we were pressed to fill our orders; after that the slump in business came suddenly, and it was universal, applying to all the countries in which we trade, and we have suffered with the rest of the business community. There are signs of some recovery, and we have at the present time a little more business offering to us, but the recovery of trade generally will in all probability be a gradual one, and I do not think we can reasonably anticipate a quick reaction from the unprecedented collapse of all business which has taken place. We hope, however, that the next six months will show improvement upon the period since September. It will be our object to lower our prices to as near pre-War prices as the conditions will permit. This we regard as essential to a healthy condition, and we are convinced that it is to our advantage in the long run to sell at the lowest figure that costs will allow. The industrial users of our manufactures are thus able to lower their own cost of production and are encouraged to employ our products in large quantities.

We have been unfortunate in respect of the incidence of excess profits tax, which is now to be taken off. We have paid, or have to pay, for the seven years from 1914 to our last financial year in 1920, and we are hit at the close of the seven years by having to pay for a prosperous year, and cannot recover anything should we have a lean year during the current period, as our seventh year of payment finished on September 30 last year. We shall have paid altogether nearly £400,000. However, the duty is now finished, and we shall be free from that burden. We have still the corporation tax, which it is to be hoped may soon follow the excess profits duty into oblivion. These handicaps upon industry, while they may have been necessary for finding money for the country in time of emergency, will have lasting effects in the restriction they have imposed upon the expansion of business.

The Chairman stated, in reply to a question, that all the properties in enemy countries were now safely in the hands of the Company.

The report and accounts were unanimously adopted, and the payment of a final dividend of 2*s.* per share, less income tax, on the Deferred Ordinary shares, making fifteen per cent. for the year, was approved.

Achille Serre, Ltd.

Record Turnover.

The fifteenth annual general meeting of this Company was held on March 23 at the Great Eastern Hotel, Liverpool Street, London, E.C., Mr. Eugene A. Serre (the Chairman) presiding.

The Chairman said that, satisfactory as it was, the result of the year's trading did not quite come up to what he had hoped at the meeting a year ago. In spite of the trade depression which was prevalent during the latter months of last year, the Company's turnover established a new record in the Firm's history; but, on account of the heavy increase in necessary expenditure, the profits did not keep pace with the improved figures. Wages had to be adjusted to the abnormal cost of living, and prices of the chief materials used in the Company's industry were abnormally high. There was a limit beyond which prices charged to the customers could not be raised, so that the increased expenditure had to be met out of the net profits, and, although these were not as high as the directors had reason to hope in the early months of last year, he thought they might congratulate themselves on being in a position to recommend the same dividend and bonus to the shareholders and to their employés. A sum of £5,530 had been placed to reserve, raising it to £25,000, which was one-fifth of the issued capital. They also placed £2,500 to the reserve fund for realisation of securities, increasing this item to £6,500, an amount sufficient to write down their holding of Government stocks to market value on December 31 last. One of the chief difficulties now to be faced was the question of the renewal of leases as they expired in respect of the Company's branches. When leases were renewed, or new premises taken, they were called upon to pay either increased rents or substantial premiums. This made the question of financing the business rather a difficult one, but the board felt they were fully justified in meeting these additional expenses, as it was then now to go ahead in developing the business, and to build up a connection in the dyeing and cleaning industry second to none. Within the next few weeks several new branches would be opened. It was difficult to speak with any certainty as to the immediate future. The Company's private trade was not only well maintained, but actually showed an increase on last year's figures. Although some materials were cheaper, they had to face the increasing rent, rates, gas, telephones, and transport, and most probably water, nor could they rely upon the continuance of the Government contracts which they had received during the last two years. Although the combination of these circumstances might affect their profits during the current year, he felt confident that the board's forward policy, the splendid works organisation, and the quality of the service given to the customers could not fail to lead to success, and enable the Company to pay satisfactory dividends in years to come. He moved "That the dividends and bonus recommended in the report be paid (making in all fifteen per cent. for the year on the Ordinary shares and nine and one-third per cent. on the Preference shares), that £2,500 be distributed among the employés, and that the report and accounts be received and adopted."

Mr. William S. Argent seconded the resolution, which was unanimously adopted, and a bonus of 500 guineas was voted to the directors in recognition of the very satisfactory work they had accomplished.

GERMAN BONDS AND THE INDEMNITY.

In a letter sent by M. Clemenceau, ex-President Wilson, and the Prime Minister to the Belgian Minister of Foreign Affairs on June 16, 1919, each of the signatories promised to recommend to his Government that bonds to be delivered by Germany to the Reparation Commission should be accepted in satisfaction of sums borrowed by Belgium since the War and up to November 11, 1918, together with interest at five per cent. Under Article 232 of the Treaty of Versailles, Germany undertakes to make a special issue of bearer bonds payable not later than May 1, 1926, to an amount equivalent to the sums which Belgium has borrowed from the Allied and Associated Governments up to November 11, 1918, together with interest at the rate of five per cent. on such sums. The amount is to be determined by the Reparation Commission. Mr. Chamberlain stated during the week in the House of Commons that, according to reports that have appeared in the Press, on the 22nd ult., ex-President Wilson called the attention of the United States Senate and House of Representatives to this agreement. No information has been received in this country as to what further action the United States Government have taken, or intend to take, in the matter. The amount borrowed by Belgium from the United Kingdom during the War was approximately £77,000,000. So soon as the Reparation Commission have determined the exact amount and have obtained bonds from the German Goverment, these bonds will be accepted by our Government in satisfaction of Belgium's obligations under the powers conferred upon them by the Treaty of Peace Act, 1919.

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Every description of Banking business transacted.

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Established in 1817.
Paid-up Capital, $22,000,000.
Rest, $22,000,000.
Undivided Profits, $1,251,850.
Total Assets (30th Oct., 1920), $560,150,812.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, C.M.G., M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq., K.C., General Sir Arthur Currie, G.C.M.G., K.C.B., Hon. Sir Lomer Gouin, K.C.M.G.

Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.

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Manager: George Cyril Cassels.

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Head Office:
4 CROSBY SQUARE, LONDON, E.C.3

Authorised Capital	**£2,000,000**
Called-up Capital	**£1,000,000**
Reserve Fund	**£266,000**
Reserved Liability of Shareholders ..	**£1,000,000**

BRANCHES:
AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, HILLAH, MOSUL, BOMBAY, CALCUTTA, COLOMBO.

BOARD OF DIRECTORS.
Chairman.
The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T.
Deputy-Chairman.
J. S. HASKELL, Esq.
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F. H. SUTTON, *Manager.*

BANQUE NATIONALE DE CREDIT.

CAPITAL	**Frs. 500,000,000**
RESERVE FUND	**„ 90,000,000**
DEPOSITS	**„ 2,200,000,000**

Head Office:
— PARIS. —

330 Branches in France.

4 Branches in the Rhenish Provinces.

GENERAL BANKING BUSINESS.

THE
Merchants Bank of Canada

Total Deposits (30th Oct., 1920) $170,000,000
Total Assets (30th Oct., 1920) $209,000,000

399 BRANCHES IN CANADA

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COMPLETE BANKING SERVICE

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Paid-up Capital	**£4,931,100**
Reserve Fund	**3,350,000**
Reserve Liability of Proprietors	**4,931,100**
	£13,212,200
Aggregate Assets, 30th Sept., 1920	**£72,467,795**

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H. MELDRUM,
Acting Manager.

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HEAD OFFICE ... ... TORONTO.

Paid-up Capital ...	$15,000,000 (£3,082,192)
Reserve Fund ...	$15,000,000 (£3,082,192)

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A. R. PHIPPS, Asst. Manager.

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Reserved Fund	**£725,000 0 0**
Reserve Profits	**£20,562 0 0**

Reserve Liability of Shareholders, £250,000.

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Bombay	Chittagong	Mombasa, Nairobi, Nakuru, Kisumu	Kenya Colony British E A
Madras	Rangoon		
Karachi	Mandalay		
Cawnpore	Aden and Aden Point		
Lahore	Colombo	Entebbe, Kampala, Jinja	Uganda
Amritsar	Kandy		
Delhi	Newera Eliya		
Tuticorin		Dar-es-Salaam, Tanga	Tanganyika Territory.

SUBSCRIBED CAPITAL	£4,000,000
PAID-UP CAPITAL	£2,000,000
RESERVE FUNDS	£2,300,000

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The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

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ESTABLISHED 1869.

Capital Paid up	**$19,000,000**
Reserve Funds	**$19,000,000**
Total Assets	**$584,000,000**

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Established 1889.

Head Office:
HELSINKI (Helsingfors), FINLAND.

Capital & Reserves	**Fmk. 240,000,000.00**
Deposits (Dec. 31, 1920)	**„ 703,066,949.89**
Cheque Accounts (Dec. 31, 1920) ..	**„ 377,292,490.13**

Total turnover in 1920 over 72 milliards.

123 BRANCHES
at all important business centres in Finland.

Telegrams: "Kansallispankki."

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Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C. 3.

REFUGE
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Chief Office: OXFORD STREET, MANCHESTER.
For the year ending December 31st, 1920,
Annual Income Exceeds - - £6,300,000
Assets Exceed - - - - £19,000,000
Claims Paid Exceed - - - £32,000,000

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The Statist.

LONDON, SATURDAY, APRIL 2, 1921.

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The Money Market.

Friday, April 1, 1921.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed to [illegible] has been abolished.
† Foreign and Colonial Banks give Special Rates [illegible] for a year.

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Treasury Bills	—	6	—	—	6
Bank Bills ...	5¾	6¼–	6¼	6	
Trade Bills ...	—	7–7¼	7¼–½	7½	—

THE NATIONAL ACCOUNTS, 1920-21.

THE final figures of public income and expenditure for the financial year just ended show a total revenue exceeding the Chancellor's original estimate by more than £7½ million, exceeding last year's revenue by £86,413,000, and providing for a surplus of £230,557,000 after meeting ordinary expenditure. The very severe reaction in trade through which we are passing seems to have affected revenue very little if at all. The most likely period in which to look for a reflection of the depression would be the last quarter of the year, but on comparing the results since January 1 in detail with the results for the corresponding period of last year little ground for dissatisfaction will be discovered. It is true that the total revenue for the quarter ending March 31, 1921, at £537,180,938, shows a decline of £106,138,739 as compared with the quarter ending March 31, 1920, but a comparison of these figures alone is not justifiable. In the first place, it is necessary to take into consideration the fact that revenue for the first three quarters of the year just ended exceeded revenue for the corresponding period of the previous year by £192,552,021. In the second place, sales of surplus Government stocks, which form a purely extraordinary form of revenue, amount to only £88,032,022 for the last quarter of 1920-21, as against £205,600,457 for the last quarter of 1919-20. Deducting in each case the sum received from sales of assets, the actual revenue of a recurring nature during the quarter just ended shows not a decrease but actually an increase of £11,429,696 over the last quarter of 1919-20. Excepting receipts from sales of assets, the chief items of revenue during the quarter just ended to show a decline as compared with the corresponding quarter of last year are customs, estate duties, stamps, excess profits duties, and the telephone service, but receipts for excise, motor-vehicle duties, and income tax record substantial gains. As regards customs, the decline did not occur alone in the current quarter, for the figures for the whole year show a decline of £15,357,000 as compared with the previous year, whereas the decline on comparing the final quarters was only £5,213,000. It would seem, indeed, as regards this item, that the extra duties imposed in the last Budget were greater than the trades affected could bear. The decline for the whole year in excess profits duty receipts was £70,864,000, the decrease on comparing the last quarters of each year being £24,392,000. The following table affords a comparison of revenue and expenditure for the whole year 1920-21, as compared with 1919-20 and with the original Budget estimates, including Supplementary Grants. It will be seen that the surplus revenue, £230,557,000, is £45,899,000 greater than the estimated surplus on taking into account the Supplementary Grants.

Revenue and Expenditure.
(In thousands of £'s)

	1920-21	1919-20	Inc. (+) or Dec. (—)	Budget Estimates* 1920-21
Revenue ...	1,425,985	1,339,571	+ 86,413	1,418,300
Expenditure ...	1,195,428	1,665,773	- 470,345	1,233,642
Excess Revenue	230,557			184,658
Excess Expenditure		326,202		

* Including Supplementary Grants.

The original estimated Budget surplus is only £3½ million above the actual excess of revenue. Adopting the same procedure as before with regard to sales of assets, the actual revenue of a recurring nature for the whole year 1920-21 is £1,138,044,871, as against £1,074,792,349 for the preceding year, an increase of £63,252,522.

How the surplus revenue was applied in Debt redemption may be seen from the subjoined table: –

Exchequer Issues.

	£
War Loan, Exchequer Bonds, &c., surrendered as revenue	76,291,637
American Loan	59,229,221
Ways and Means Advances (net)	50,398,000
Foreign Debt (net)	46,808,930
Depreciation Fund	31,920,268
Exchequer Bonds	28,212,643
	292,860,699
Add Savings Certificates invested in local loans (net)	3,307,875
Total	296,168,574

The chief items shown in the table—securities tendered as revenue, repayment of Exchequer bonds, retirement of the American Loan, and the Depreciation Fund—amount to £195,653,769, these repayments being of compulsory nature. As regards foreign debt, the policy of the Treasury throughout the year was to repay the amounts outstanding to countries such as Japan and Argentina as far as possible, leaving the bulk of our foreign debt, which is owed to the United States, practically unchanged. Most of the obligations to other countries have now been repaid, so that in the coming financial year it is probable that whatever reduction of our foreign indebtedness is in contemplation will be effected in the liability to the United States. Our total debt to the United States Government amounted to $4,196,818,358 on December 31, 1920, and the bulk of this is payable on demand. How much will be liquidated in the coming year it is at present impossible to say, as the amount will depend almost entirely on the arrangements to be made at the forthcoming conference between the British and United States Treasuries, but, judging from the general prospects for the National Finances for the year 1921-22, it seems improbable that the amount will be very large.

It is satisfactory to note that one of the most dangerous forms of our debt, namely, the outstanding Advances on the credit of Ways and Means, was reduced during the year by £50,398,000. The total redemption of unfunded debt shown in the table was greater than the surplus revenue, and which had, accordingly, to be supplemented by sundry borrowings. These are shown below, together with the surplus revenue, the amount given being in each case the net receipts after deducting repayments.

Exchequer Receipts.

	£
Surplus Revenue	230,556,789
Treasury Bonds	22,584,233
Treasury Bills (net)	20,025,000
National Savings Certificates (net)	10,730,794
Repayment of issues under Civil Contingencies Fund Act	5,000,000
	288,896,816
Add reduction in Exchequer balances	6,294,591
Total	295,191,407

Treasury Bonds, which, under the terms of their issue, are hypothecated to redemption of early maturing debt, amount to £22,584,233. This figure compares with a reduction in the Floating Debt during the year of £36,875,000. The originally estimated reduction in the Floating Debt was £70 million, but it should be remarked that the very heavy subscriptions to Treasury Bills during the past few weeks are in great measure responsible for the smallness of the redemption; as late as March 19, for instance, the total Floating Debt showed a reduction since the commencement of the year of £58,113,000. However, on examining the changes in the Floating Debt shown below, it should be kept in mind that compulsory repayments of other Unfunded Debt proved to be much heavier than was originally anticipated.

The Floating Debt.
(000's omitted)

	Mar. 31 1921 £	Mar. 31 1920 £	Inc. (+) or Dec. (—) £
Ways and Means Advances :—			
By Bank of England	Nil.	Nil.	
By Public Departments	154,489	204,887	— 50,398
Treasury Bills	1,120,841*	1,107,318	+ 13,523
Total Floating Debt	1,275,330	1,312,205	— 36,875

*** Allowing for £7,340,000 paid off by the National Debt Commissioners in 1920-21, and including £1,329,000 the proceeds of which were not carried to the Exchequer within the period of the accounts.**

It is only on examining results such as those outlined above that one can appreciate the rapidity of the recovery which we have made from the effects of the War. The revenue for the year just gone constitutes a high record, and the year is also remarkable as being the first since the commencement of the War in which revenue was made to balance expenditure; indeed, as may be seen from the tables, after meeting the expenditure chargeable against revenue there was a very large amount available for debt redemption. These results must appear all the more satisfactory in consideration of the unfavourable position of trade during a large portion of the year. There are some who would maintain that the collapse of the post-Armistice trade boom is to be attributed in greater part to the increased burden of taxation imposed on industry during the past year, but without discussing the merits of this question it can be said, at any rate, that the depression itself seems to have affected very little the amount of revenue received. It cannot be forgotten, however, that any effects which the position of trade may have in the direction of smaller tax revenue will not be felt in their full force until the coming year, and a forecast of the Budget prospects for the year 1921-22 cannot be made with any degree of precision in view of this aspect of the situation. All that can be said at present is that while no increase in taxation is likely to be imposed, at the same time any important remission of existing taxation is highly improbable. The dropping of the excess profits duty has already been announced, but doubtless the arrears to be paid into the Exchequer in respect of previous years are still very large, though, on the other hand, it is probable that these will be offset to a large extent by claims for repayments in respect of trading losses incurred during the depression.

The week was one of acute stringency in the Money market, and a very large amount was borrowed from the Bank of England, especially on Saturday last and again on Tuesday of this week. The position was accentuated by very large subscriptions to new Treasury Bills on the part of the banks with a view to providing end-of-June maturities. From five and

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a-half up to seven per cent. was freely paid for day-to-day money all during the week. Towards the end the pressure eased off somewhat, but comfortable conditions have not yet been restored. As regards the outlook for next week, the market will have to make very heavy repayments to the Bank, but this influence will be offset to some extent by to-day's Government interest disbursements amounting to £27 million, while it is also probable that some Treasury bills will be allowed to run off.

Foreign Exchanges.

The foreign exchange market displayed little activity during the week, and there are very few important movements to be noted. The New York exchange continued its improvement, but relapsed a little towards the close. Both Belgian and French francs improved, but the Italian lira, after advancing shortly at first, gave way subsequently. Among "neutral" exchanges the movements were mostly of a favourable nature, with the exception of Stockholm and Berne, which went further against this country. The value of the German mark showed a moderate improvement, and the Austrian crown was also strong in consequence of the measures proposed for aiding the recovery of that country. At the end of the week the value of sterling showed a hesitating tendency in many centres as a result of the news of the coal strike here, but as yet the effcts of this factor are not very noticeable.

Income and Expenditure.

The chief feature of the statements of income and expenditure for the past two weeks has been the very large amount of expenditure, which exceeded revenue for the fortnight by £13,341,582. For the week ending on the 26th ultimo the excess was £11,416,840. Revenue showed a good increase for both weeks as compared with previous weeks, the total amount received during the fortnight being £96,394,603. During the week ending March 26, despite an excess in sales of Treasury bills over maturities amounting to £13,353,000, £3,708,000 had to be borrowed on Ways and Means Advances, but of this, however, none was advanced by the Bank. In the following week Advances amounting to £4,217,000 net were repaid; on this week also Treasury bill sales exceeded maturities by £12,132,000, making a total increase in the Treasury bills outstanding of £25,485,000 between March 19 and March 31.

Currency Notes.

The total outstanding of currency notes and certificates is returned as £341,610,726 on March 30, as against £340,081,434 a week previously, an increase of £1,529,292. As compared with March 16 it shows an expansion of £5,769,407. The latest total is £6,238,384 above that recorded on March 31, 1920, but £23,894,521 below the high record of December 22 last.

Bank of England.

As with the currency notes, the circulation of Bank of England notes also shows an expansion during the fortnight ending on Wednesday last amounting to £1,798,000. In the later week the movement was less marked, the increase being only £369,000. The latest total recorded is £129,904,000, as compared with £105,271,000 a year previously. The movement in the note issue was offset by only a very slight gain in the gold holdings, so that the reserve fell during the fortnight by £1,776,000 to £16,893,000—the lowest since January 5 last—and the reserve ratio declined from 14.8 per cent. to 12.3 per cent. The movement in the latter was accentuated by an increase in other deposits; for the week ending on the 23rd inst. there was a decline in this item of £6,090,000, but during the week to Wednesday last, as usually occurs at the end of a month, there was an increase of £13,465,000. The extent of the market's borrowings at the Bank during the week ending March 30 may be gauged by a net increase of £11,887,000 in "other" securities.

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Bullion.

The United States again took the moderate arrivals in the Gold market. Owing to the holidays business was unusually quiet in the Silver market, and price movements were not very significant. As usual, the Indian bazaars formed the chief support to the market. Their influence was offset by fresh arrivals from the Continent, and China was also reported a seller, so that the price was kept fairly steady. The following are the quotations for gold and silver since Monday:—

	Mar. 29	Mar 30	Mar. 31	April. 1	Average
Silver (per oz. std. ·925 fine):—					
Cash ...	31½*d.*	33⅛*d.*	33⅛*d.*	32½*d.*	32·56*d.*
Forward ...	33*d.*	33*d.*	32⅞*d.*	32¾*d.*	32·69*d.*
Gold (per oz. fine)	104/11	104 6	104 9	104/10	104/9

NEW YORK.

Another disimprovement is shown in the statement of the New York Clearing Banks for the week ending on Saturday last, and, contrary to the experience of previous weeks, the Federal Reserve Banks also make an unfavourable report. The New York Reserve Bank, exceptionally, records an improvement in its reserve position. The Clearing Bank's average statement shows a fall of $13,900,000 to $501,050,000 in the aggregate reserve, the excess reserve declining by $4,810,000 to $10,120,000, despite a decrease of $69,790,000 in net demand deposits. Other features of interest in the statement are an expansion of $54,230,000 in U.S. Government deposits and a decline of $50,850,000 to $4,902,480,000 in loans, discounts and investments.

The reserve ratio of the twelve Federal Reserve Banks declined from 51 per cent. to 50.8 per cent. during the week to March 25, the cause of the movement being an increase in deposit liabilities. In other directions the movements were of a more favourable nature, but the credit position of the banks was extended by an advance of $61,730,000 in the holding of bills discounted for member banks. The gold reserves were again increased by $4,730,000 to $2,210,770,000, the total reserves being returned at $2,421,980,000. The Federal Reserve note circulation suffered a further contraction of $32,150,000 to $2,930,730,000.

Call money ruled at 6-6½ per cent.; prime commercial paper was quoted at 7½-7¾ per cent.

Stock Exchange.

Business on the Stock Exchange has been even more restricted than usual during the past week. The coal crisis did not in itself prove a strong influence, hopes being maintained to the end that a crash would be avoided. The [illegible]

pits was followed by a further shrinkage in the volume of business, but no evidence of panic liquidation was discernible, and the general tone was, consequently, no lower. The public attitude towards the strike seems to be that some solution will quickly be discovered. The most serious phase of the calamity is the flooding of the mines, but the latest news to hand indicates that volunteers have come forward in many districts to man the pumps. The future is beyond conjecture, but it is certain that the continuance of the struggle for even a short period must result in irrevocable harm to our already enfeebled trade.

Gilt-edge securities did not develop much activity. Early movements favoured holders, but an easy tendency came in evidence towards the close. Consols again closed higher on the week, and some of the War Fives and Irish Land stock were also better. Victory Bonds, Funding Loan, and the various War Loans all closed at lower levels. Local Loan stock registered no alteration.

In the Home Rail section the projected fusion of the London and North Western and Lancashire and Yorkshire Companies attracted much attention and lent a speculative interest to other shares. Numerous amalgamation rumours were circulated, but in at least one case proved completely unfounded. The whole subject is dealt with at length elsewhere in our columns. That there is room for an expansion in share values will be evident from the following table:—

	Issued	Market Capitalisation— July 14,'14	Jan. 4,'21	Mar. 4,'21
	£	£	£	£
	(000's omitted.)			
Debentures ...	334,983	277,573	177,846	173,523
	(100)	(82·86)	(53·09)	(51·80)
Guaranteed ...	108,815	101,134	63,013	59,049
	(100)	(93·31)	(57·91)	(54·27)
Preference ...	317,380	275,459	164,239	147,094
	(100)	(86·79)	(51·75)	(46·35)
Ordinary ...	431,182	310,671	190,623	159,558
	(100)	(72·22)	(44·21)	(37·01)

The statement shows the nominal and actual values of Debenture, Guaranteed, Preference, and Ordinary stocks on July 14, 1914, and before and after the publication of the Colwyn Report.

The Industrial market developed little activity during the week, the coal crux being a discouraging factor. A comparatively strong undertone was, however, maintained throughout. Iron and Steel shares, though quiet, continued firm until near the close, when some realisations forced down quotations. Shipping securities were quiet, prices as a whole being maintained. Textiles were steady, with a tendency towards heaviness. Elsewhere no movements of note occurred.

The tone of the Oil share market was cheerful on opening after the holidays, but transactions were not numerous. Mexican Eagles recovered further only to react later, and Shells pursued a similar movement. Royal Dutch remained fairly steady, but finished lower on balance. Dealings in Anglo-Persian Second Preference started on Tuesday, and a brisk business was done, at a premium which was maintained to the close. The news of the coal strike instead of proving a "bull" point caused prices to ease all round. Russians were marked up towards the close on inside buying. In this connection it is of interest to note that Sir Robert Horne, in a letter to the managing director of the Baku Consolidated Oilfields, states that "you may take it that the Declaration appended to the Russian Trading Agreement is intended to cover all claims of any description whatever that British nationals may have against the Government in respect of their property or rights. As regards the claims you mention in respect of goods commandeered by the Bolshevik Government without payment, it is considered that cases of this kind are undoubtedly covered by the formula 'goods or services supplied by private persons to Russia for which they have not been paid.'"

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Mining Topics.

SOUTH AFRICAN GOLD TRUST.

From the date—April 28, 1920—on which the New Gold Trust started operations, the parent concern, the South African Gold Trust, became, to all intents and purposes, a holding Company merely. This fact renders an effective comparison of the results for the year ended December 31, 1920, with those of previous periods somewhat difficult. Moreover, the position is further complicated by the fact that between January 1 and April 28, 1920, the original Company continued to transact its usual business, and the accounts include not only the results of this period, but the dividends received from the New Gold Trust for the remainder of the year. Thus it is necessary to review two series of operations. At the outset we would remark that this analysis is not rendered any the easier by the somewhat cryptic manner in which both concerns present their accounts. In future, of course, the revenue obtained by the South African Gold Trust will consist almost entirely of dividends on the shares held in the New Gold Trust, and, consequently, no more complete analysis will be needed. However, as regards the accounts of the operating concern, the New Gold Trust, we are far from being convinced that shareholders are receiving all the information to which they are entitled. A figure of £68,308, which is described as representing "Profits realised by sales of investments, dividends, interest on loans, &c., *less* Commission, &c.," far from conveying any useful information may be regarded to some extent as actually misleading. It is bad enough to lump receipts from such varied sources together, but we can conceive no justification for the deduction of an undisclosed amount in respect of that mystical sub-head, "Commission, &c." We maintain that shareholders are entitled to know what proportion of the revenue comes from each of the leading sources of income, and that all deductions should be shown distinctly.

The accounts of the New Gold Trust show that a net revenue, after the deduction of "Commission, &c.," of £68,308 was earned in the period April 28 to December 31, 1920. Admittedly, the period was a critical one not only from the point of view of dividends, but also from the point of view of realisation

of securities, the policy of deflation entered on by the Government resulting in a sharp depreciation, especially of the more speculative classes. Whilst no information is disclosed as to the amounts received in respect of each of the main sources of revenue, it was stated at the general meeting that, whilst dividends had increased by £24,000 during the year, the sale of investments resulted in a net loss. From this net revenue there was deducted a sum of £8,067 for general expenses, of £3,306 for the preliminary expense of formation [illegible] and £822 to cover French Government duty and stamps. Of the available balance of £56,113 a sum of £50,000 was transferred as dividends to the South African Gold Trust, leaving a balance of £6,113 to be carried forward to the next accounts.

The results from the point of view of the parent concern have been embodied in the following table:—

	Years to December 31—			
	1920	1919	1918	1917
	£	£	£	£
Profits realised*	49,635	118,382	106,325	86,302
Transfer fees	57	136	140	128
	49,692	118,518	106,465	86,430
Office, &c., expenses	3,472	10,979	10,725	9,988
Net profit	46,220	107,539	95,740	76,442
Balance brought forward ...	116,796‡	62,727	68,012	72,222
	163,016	170,266	163,752	148,664
Appropriations—				
Preference dividend	22,363	30,000	30,000	30,000
Transfer investments depreciation	101,357	—	—	—
Free of duty and donations	11,182	970	1,025	652
Dividend on Ordinary† ...	31,250 (6¼%)	62,500 (12½%)	50,000 (10%)	50,000 10%)
Carried forward	6,864	76,796	62,727	68,012

* Profits realised by sales of investments, dividends, interest on loans, &c., less commission and amounts "written off."
† Dividend free of tax. ‡ Including £40,000 transferred from reserve.

Even with the inclusion of £50,000 in dividends from the operating concern the net revenue does not exceed £49,692. Moreover, this includes certain dividends and interest received during the period January 1 to April 28. The discrepancy is accounted for by the loss on sale of investments. To compare this total with the £118,518 for the previous year is misleading; comparison should really be effected between the latter figure and £49,692 + £18,308 of the operating concern (*i.e.*, the £68,308 less the £50,000 dividend already included in the £49,692). Thus the total net revenue would be £68,000, as against £118,518, the difference providing a measure of the loss on sales of investments mainly. Similarly, £3,472 only represents part of the actual expenses of earning this revenue, the balance being incurred by the New Gold Trust. It will be noted that the balance brought forward from the last accounts has been increased to £116,796 by the transfer of £40,000 from the reserve fund. The total available for dividend amounts to £163,016. On this occasion the amount of the Preference dividend is stated less the tax, and, consequently, absorbs £22,363 only, as compared with £30,000. The large allocation of £101,357 represents the amount by which the investments were depreciated prior to the transfer to the New Gold Trust. In view of the mediocre results of the year, the Ordinary shareholders had to content themselves with a dividend of six and a-quarter per cent., free of tax, or half the rate declared in the previous year.

Financially the position of both concerns as seen in the balance sheets dated December 31, 1920, is sound. Current liabilities, in the case of the New Gold Trust, did not exceed £123,055, even including the dividend of £50,000, whereas liquid assets in the form of cash, sundry debtors, and loan at short call, amounted to £150,220, whilst other advances and loans were available to a total of £28,631. Investments at cost or under figure at £950,366, as compared with a total of £1,035,179 held by the South African Gold Trust at the corresponding date of 1919. Contingent liabilities estimated at £152,214. The balance sheet of the South African Gold Trust reveals the charges necessitated by the transformation. Investments are represented by the 1,000,000 £1 shares of the New Gold Trust, whilst Government securities have dropped [illegible], including the dividend. Current liabilities, however, do not reach £44,653, and [illegible] amount to £70,247. Moreover, the total liquid assets exceed £141,516. The transference of £40,000 of the reserve to the profit and loss account has reduced the reserve to £90,000.

The outlook for the current year is at best uncertain. Base-metal propositions are overshadowed by the slump in prices; but in certain cases, notably that of the Burma Corporation, the improvement in the exchange situation helps to neutralise this. Diamond shares are suffering from the trade depression, which is invariably reflected in a decline in the demand for such luxuries. As regards gold-mining, it is yet too early to decide the trend of these dividends. At present, however, the outlook is not as favourable as that for 1920 owing to the great improvement in the New York exchange. It is not surprising, therefore, to find that in the market the £1 shares of the South African Gold Trust have dropped to 14*s*. Quoted at 13*s*., the Six per Cent. Cumulative Preference shares of £1 each afford a return of nearly nine per cent.

GOLD FIELDS RHODESIAN DEVELOPMENT.

ALTHOUGH the dividend paid by the Gold Fields Rhodesian Development Company for the year ended May 31, 1920, was maintained at ten per cent., the results were, on the whole, less satisfactory than those of the previous year, as can be seen by studying the following table:—

	May 31, 1920	[illegible] 1919	[illegible] 1918	[illegible] 1917
	£	£	£	£
Antelope Gold Mine Co. shares	—	—	—	1,[illegible]057
Asp Gold Mining Co.	75,214	[illegible]214		
British South Africa Co.	45,[illegible]	—	—	45,[illegible]0
Consolidated Gold Fields of South Africa (incl. Pref. 6%)	8,950	11,950	—	3,000
Eldorado Banket Gold Mining Co. ...	—	[illegible],[illegible]54	—	81,354
Falcon Mines (consolidated)	[illegible],[illegible]95	89,198	—	37,000
[illegible] (Participating)	[illegible],[illegible]92	£103,341	—	£25,249
Planet-Arcturus Gold Mines	274,755	305,845	—	[illegible],[illegible]90
Rhodesia Consolidated (Def. shares)	—	289,952	—	289,452
Rhodesia Gold Mining and Investment Co....	15,044	[illegible],779	—	6,755
Rhodesian and General Asbestos	81,000	81,000	—	—
Sebakwe Gold Mining Gold Mining Co. shares)...	—	342,789	—	342,789
Tanganyika Mines	279,121	303,065	—	24,44[illegible]
Standard Amalgam (South Africa), Ltd. ...	6,250	—	—	6,250

Except where otherwise stated the above shares are £1 each, fully paid.
‡ Dividend-paying companies.

	Year to May 31, 1920	Year to May 31, 1919	[illegible] May 31, 1918	14 Mo[illegible] to May [illegible] 1917
	£	£	£	£
Dividends and sundry receipts ...	14,205	155,355	1[illegible],037	120,[illegible]1[illegible]
Less—Management fees, office expenses and sundry, &c., items	16,664	8,[illegible]18	[illegible],[illegible]10	1[illegible]
Profit	126,541	147,24[illegible]	181,537	101,057
Dividend paid	125,711. (10%)	125,711 (10%)	[illegible],[illegible]11 (10%)	[illegible]
Balance	830	21,536	[illegible],[illegible]26	[illegible],[illegible]57
[illegible] forward	111,136	89,600	[illegible],[illegible]74	[illegible],[illegible]17
[illegible]	—	—	—	[illegible],[illegible]11
Share premium account	—	—	—	465,716
[illegible]	111,966	111,136	89,600	2,106,[illegible]10
Amount written off ...	—	—	—	—
[illegible]	111,966	111,136	[illegible],[illegible]74	[illegible],[illegible]17
Issued capital	1,257,110	1,257,110	1,257,110	1,257,110

According to the accounts, dividends, interest on loans, net profit realised by sales of investments, and sundry receipts dropped from £155,355 to £143,205. At the general meeting it was stated that the sum received in dividends actually increased from £68,000 to £77,000 during the [illegible]

Shamva and Rhodesian Asbestos, despite the decline in the Eldorado dividend due to the liquidation. Similarly, interest on loans expanded from £11,000 to £20,000, mainly owing to the larger amount in cash arising from sales as well as the higher rate which money commanded. Sundry receipts remained almost unchanged. The decline in the total, then, from £155,355 to £143,205 must be ascribed to the reduction in the amount received in respect of net profit on realisation of investments, which is stated to reach £7,168. In this connection let us add that if the directors wisely decided to impart this information at the general meeting, we can see no reason why in future receipts from these several sources should not be stated separately in the accounts. Side by side with this decline in income came an increase in the net expenditure from £8,108 to £16,664. In so far as direct administrative charges are concerned, the increase occurred mainly in South Africa; but in view of the higher cost of living and the higher level of prices an increase from £35,843 to £37,293 is not disproportionate. The increase, however, was accentuated by a falling off in the subsidiary sources of revenue, the total amounting only to £28,144, as against £34,394. Transfer fees, buying commission, and engineering fees, all showed declines; whilst receipts from agencies and sub-companies were returned at £14,025, as compared with £16,268. Two minor factors contributing to the increase in expenditure were the rise in Rhodesian income tax from £283 to £844 and the corporation profits tax, which involved a charge of £500. Thus, with a lower net revenue and an increased expenditure, the balance available for dividends fell from £147,247 to £126,541. Consequently the dividend of ten per cent. almost absorbed this, the balance carried forward to the next accounts being only increased by £830 to £111,966.

Some considerable changes have again taken place in the shares held by the Company, as the above table indicates. Two of the mines closed down, the Eldorado through exhaustion and the Antelope largely as the result of the unfavourable working conditions brought about by labour disputes. Accordingly both these companies disappear from the list. In every other case sales have taken place, reducing the holdings correspondingly. The whole holding of 289,952 shares in Rhodesia Consolidated has been disposed of; whilst 37,000 Falcons and 31,090 Planet Arcturus shares have also been sold. Purchases, however, have been made of 45,000 shares in the British South Africa Company and of 6,250 shares in the Standard Arsenic Company of South Africa.

The outlook for the current year is at present somewhat uncertain, especially in view of the recent labour dispute, which has resulted in the closing down of the main producers in this group other than the Falcon. On the other hand, seeing that the accounts only dealt with the period prior to May 31, 1920, it must be admitted that, particularly as regards the gold mines, the results have been much better in the latter half of 1920 owing to the higher gold premium. To what extent this improvement will offset the disadvantages of the present deadlock is somewhat difficult to decide. It is of interest to note, however, that the Slate-Arcturus Mines are expected to be producing shortly, and this would undoubtedly tend to counterbalance the effect of the liquidation of Eldorado and Antelope. Financially, the position of the Company as shown in the balance sheet dated May 31, 1920, is very strong. To meet current liabilities which, with the final dividend, absorbing £62,856, did not exceed £95,925, liquid assets in the form of cash, Treasury bills, and sundry debtors were available to a total of £432,269. The Company possesses plenty of liquid capital, and is thus in a favourable position to avail itself of any remunerative prospect that may turn up. The present deadlock is reflected in the low price of 5*s.* 10½*d.* for the 10*s.* shares, at which price a dividend of ten per cent. would afford a return of over eighteen per cent.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, March 30, 1921.

Issue Department.

Notes Issued	£144,977,480	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,527,480
	£144,977,480		£144,977,480

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£28,004,162
Rest	3,561,336	Other Securities	112,909,287
Public Deposits	23,046,991	Notes	15,072,735
Other Deposits	114,633,954	Gold and Silver Coin	1,820,894
Seven-day and other Bills	11,797		
	£155,807,078		£155,807,078

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1921.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate •	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Mar. 30	129,9	128,3	23,0	114,6	26,0	112,9	16,9	12·0	7	6⅝
Mar. 23	129,5	128,3	22,9	101,1	24,0	101,0	17,2	13·9	7	6¼
Mar. 16	128,1	128,3	18,9	107,2	23,5	102,0	12,6	14·8	7	6¼
Mar. 9	128,4	128,3	17,8	115,1	39,1	93,7	18,3	13·8	7	6⅛-¼
Mar. 2	129,3	128,3	18,2	124,4	44,3	98,9	17,4	12·2	7	6⅛
Jly.22,'14	29,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	2⅝

• July 30, 1914 + to 4%; July 31, 6%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5% July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Mar. 30	Mar. 31	Mar. 26	Mar. 27	Mar 24
Bank of England (in £'sterling, 00,000's omitted):	1921	1920	1919	1918	1911
Circulation	£129,9	£101,1	£73,6	£47,8	£27,4
Public Deposits	23,0	19,7	25,8	43,8	25,8
Other Deposits	114,6	131,7	121,7	137,5	41,5
Government Securities	26,0	45,4	57,0	55,9	15 1
Other Securities	112,9	91,1	79,4	112,3	39,0
Reserve	16,8	33,1	29,0	31,2	31,4
Ratio to Liabilities	12·3%	21·8%	19·71%	17·22%	46·69%
Coin and Bullion	128,3	115,8	84,2	60,6	40,3
Money:					
Bank of England Rate	7%	6%	5%	5%	3%
Bank of France Rate	6%	5%	5%	6%	3%
Rate 3 months' Bills London	6⅝%	5⅛%	3⅛%	3⅛-⅜%	2½-⅝%
Exchanges:					
Paris Cheque	56·12	58·02	27·60	27·24⅜	25·28½
New York 60 days	3·91⅛	3·84	4·62	4·72⅛	4·84·15
Bombay Telegraphic Transfers	1/3⅞	2/4½	1/5⅝₃₂	1/4⅜₂	1/4⅛
Prices:					
Consols 2½% Cash	49	46⅜	56	54	81⅛
French Rentes 3% Money	58·20	59·10	63·00	57·25	96 60
Silver, London spot oz.	3 ⅛d.	72⅛d.	50d.	45⅝d.	24⅛d.
Wheat, *Gazette* average qr.	88/7	72/8	72/7	72/3	30/1
Cotton, Mid Upland lb.	8·72d.	30·01d.	19·45d.	24·23d.	7·70d.
Iron, Scotch pig ton	156/0	206/0	101/0	101/0	54/0

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Mar. 30, '21	5,684,858	4,155,568	341,610,726	28,500,000	19,450,000	14·0
Mar. 23, '21	11,628,122	7,388,007	340,081,434	28,500,000	19,450,000	14·2
Mar. 31, '20	13,500,034	4,919,902	335,372,342	28,500,000	5,900,000	10·2
Apr. 2, '19	8,644,620	4,785,978	332,122,712	28,500,000	—	8·6
Apr. 3, '18	4,634,252	1,942,349	230,851,192	28,500,000	—	12·3
Apr. 4, '17	8,792,956	3,430,676	150,049,351	28,500,000	—	19·0

Balance Sheet, March 30, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	271,066,199	Other Bankers	—
Ten Shilling	41,814,527	Trustee Savings Banks ...	—
Certificates outstanding ...	28,730,000	Currency Note Redemption A/c—	
Total	341,610,726	Gold Coin and Bullion ...	28,500,000
		Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,215,585	Government Securities ...	311,334,595
Investments Reserve A/c ...	15,599,076	Balance at Bank of England	140,792
Total	359,425,387	Total	359,425,387

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Mar. 31,'21...	£228,929	£197,361	*£31,568*‡	£563,902	£597,268	£3,075
Mar. 26,'21...	40,001	51,418	11,417	195,944	183,034	4,311
Mar. 19,'21...	41,940	24,012	*17,968*‡	66,314	65,352	2,918
365 dys.'20-21	1,425,985	1,195,428	*230,557*‡	5,719,142	5,920,699	—6,294
365 dys.'19-20	1,339,571	1,665,773	326,202	6,092,709	5,766 507	—3,430
Yr. '20-21*	1,418,300	1,233,642	*184,658*‡	—	—	—
Yr. '19-20	1,339,571	1,665.773	326,202	6,092,709	5,766,507	9,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,698,221	1,988,987	7,499,604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
Mar. 31,'21...	£30,046	£100,343	£23,559	£74,982	£33,708	£5,452	£158,201
Mar. 26,'21...	5,189	18,244	5,230	11,338	3,949	1,783	45,686
Mar. 19,'21...	12,891	18,259	5,180	5,650	3,027	1,249	19,736
365 days'20-21	333,785	394,146	219,181	478,873	349,599	28,488	817,381
365 days'19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '20 21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Mar. 31, 1921 ...	£1,120,841	£154,489	£1,275,330	£22,384
Mar. 26, 1921 ...	1,108,709	162,414	1,271,123	22,424
Mar. 19, 1921 ...	1,095,356	158,706	1,254,062	22,063
Mar. 12 1921 ...	1,087,879	183,806	1,271,685	21,883
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates, including supplementary grants. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

BELGIUM.	Gold	Silver	Total	Discounts	Circulation	Deposits
Aug. 8, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Mar. 17, '21 ...	10,681	1,353	12,014	29,403	241,346	49,824
Mar. 23, '21 ...	10,681	1,337	11,998	29,654	240,883	51,135

CZECHO-SLOVAKIA.*	Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
Feb. 28, '21 ...	£396,920	£60,912	£69,690	£87,326	£454,783	£35,356
Mar. 7, '21 ...	396,925	60,836	73,080	86,372	453,385	41,227
Mar. 15, '21 ...	398,934	60,487	68,220	87,204	448,196	35,014

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£9,693	£47
Jan. 31, '21 ...	12,643	141	12,784	15,928	895	29,009	3,489
Feb. 28, '21 ...	12,643	148	12,791	16,721	855	28,250	3,576
Feb. 28, '20 ...	12,597	186	12,783	16,918	599	26,396	3,293
Feb. 28, '19 ...	10,400	136	10,536	3,953	5,342	23,402	920

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165,654		£190,867	£97,768	£267,327	£15,302	£37,903
Mar. 31, '21 ...	142,234	77,934	230,361	122,076	1,537,403	1,483	122,845
Mar. 24, '21 ...	142,222	77,934	230,772	114,385	1,525,313	1,597	124,158
Apr. 1, '20 ...	144,264	79,131	233,211	91,331	1,493,374	21,200	133,466
Apr. 3, '19 ...	142,642	79,132	231,264	40,278	1,349,439	3,796	115,043

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14 ...	£87,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Mar. 7, '21 ...	54,577	445	55,002	1,136,706	2,761,613	3,395,391	793,521
Mar. 15, '21 ...	54,577	447	55,024	1,147,450	2,970,443	3,374,237	1,048,795
Mar 15, '20 ...	54,563	1,595	56,163	666,761	2,017,340	2,125,232	721,637
Mar. 15, '19 ...	111,991	1,037	113,028	296,379	1,428,930	1,217,560	653,075

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Mar. 14 '21 ...	53,010	1,544	54,554	18,358	18,752	88,855	4,327
Mar. 21, '21 ...	53,010	1,486	54,496	17,617	18,220	85,605	3,823
Mar. 20, '20 ...	52,816	818	53,634	21,848	16,831	84,153	8,718
Mar. 22, '19 ...	55,854	800	56,654	10,219	15,878	82,926	6,731

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	—£43,456—		£25,017	£69,204	£8,887
Nov. 30, '20 ...	£32,768	£3,000	35,768	14,599	193,178	616,789	83,146
Dec. 10, '20 ...	32,768	3,000	35,768	17,231	195,528	611,454	75,324
Dec. 10, '19 ...	32,198	3,004	35,202	17,707	90,319	410,333	74,057
Dec. 10, '18 ...	32,699	3,080	35,779	7,275	60,532	385,510	56,743

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,349	£7,863	£32,722	£13,818	£1,521
Feb. 12, '21 ...	114,931	5,414	10,420	110,836	97,319	15,247
Feb. 19, '21 ...	106,637	5,189	9,879	104,251	97,114	23,504
Feb. 21, '20 ...	93,977	23,220	36,998	132,714	106,637	5,076
Feb. 22, '19 ...	71,139	1,306	39,831	78,231	112,220	3,375

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest. &c.	Net Deposits — Demand	Net Deposits — Time	Net Deposits — Total	Excess Reserve
Aug. 1, '14...	—	£89,883	£411,238	—	—	£887,165	£1,720
Mar. 19, '21...	£15,930†	102,490	990,562	£754,872	£47,346	822,392	2,896
Mar. 26, '21...	16,093†	102,210	980,496	740,914	31,520	819,308	2, 24
Mar. 27, '20...	19,142†	113,240	1,020,160	824,922	51,540	882,104	3,626
Mar. 29, '19...	19,234†	108,098	987,434	781,158	30,332	862,456	4,578

NORWAY.	Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Mar. 15, '21 ...	8,115	2,368	500	23,347	22,761	6,065
Mar. 22, '21 ...	8,115	2,376	500	23,795	23,512	5,032
Mar. 22, '20 ...	8,122	4,501	579	18,617	22,820	5,009

PORTUGAL.	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
Oct. 6, '20 ...	£1,906	£3,921	£5,827	£26,933	£119,830	£4,774
Oct. 13, '20 ...	1,906	3,921	5,827	29,347	119,190	4,502
Sept. 3, '19 ...	1,905	3,924	5,829	7,846	66,556	6,774
Sept. 4, '18 ...	1,905	3,742	5,647	10,795	54,450	2,357

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Dec. 18, '20 ...	£126,003	£29,359	£1,733	£34,442	£373,226
Jan. 8, '21 ...	128,009	29,610	4,906	34,536	378,721
Jan. 15, '21 ..	134,009	31,816	4,910	36,726	380,690
Jan. 17, '20 ...	53,049	9,178	2,299	11,477	172,157

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...	129,523	230,885	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Mar. 18, '21 ...	99,098	23,415	122,513	95,206	13,779	160,119	48,163
Mar. 28, '21 ...	99,132	23,514	122,646	91,750	13,779	163,933	48,135
Mar. 27, '20 ...	93,412	25,303	123,315	86,181	13,779	153,703	44,604
Mar 29, '19 ...	90,372	25,905	116,277	74,572	13,778	138,852	43,033

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,405	£13,432	£3,903
Mar. 13, '21 ...	15,612	5,852	705	31,443	32,672	12,000
Mar. 18, '21 ...	15,630	6,096	705	30,702	37,450	12,441
Mar. 20, '20 ...	14,004	6,280	2,543	31,162	37,737	17,579
Mar. 22, '19 ...	16,002	7,823	3,003	21,132	27,883	8,113

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,036
Mar. 15, '21 ...	21,732	7,524	29,256	12,769	36,814	3,759
Mar. 22, '21 ...	21,736	7,847	29,583	12,042	36,997	4,177
Mar 23, '20 ...	21,119	3,457	24,606	12,553	36,131	4,791
Mar. 22, '19 ...	16,022	2,600	19,130	20,180	34,178	4,382

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Accept ances	Deposits Govt.	Deposits Total Net	Circulation
Mar. 21, '21 ...	—£441,208—		£493,058	£444,984	£24,556	£11,758	£395,720	£590,576
Mar 28, '21 ...	—442,154—		494,396	457,330	24,612	22,933	349,206	596,116
Mar 29, '20 ...	—386,952—		411,432	469,816	90,376	5,542	354,530	609,603
Mar. 31, '19 ..	179,240	249,222	442,106	363,248	49,622	33,633	348,286	504,356

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	7	Sept. 3,'20
Berlin	5	Dec. 23,'14	Madrid	6	Nov. 4,'20
Berne	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay ...	6	Mar. 3,'21	Petrograd ...	8	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	6	Mar. 3,'21	Stockholm ...	7½	Sept. 16,'20
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Apr. 1, '21	Mar. 23, '21	Mar. 18, '21	Mar. 11, '21
Berlin	Cable	245m.	244m.	245m.	245m.
Brussels	Cheques	53fr. 70c	53fr. 85c.	53fr. 87½	52fr. 37c.
Denmark	Cable	21kr. 50	22kr. 50	22kr. 57	22kr. 62
Holland	do.	11fl. 36½	11fl. 36¾c	11fl. 36c.	11fl. 36c.
Italy	do.	96lr. 00	100lr. 00	97·56lr	106lr. 00
Lisbon and Oporto	do.	5½d.	5½d.	5½d.	5½d
New York	do.	$3 93⅛	$3 91½	$3 91½	$3 90¾
—	Cheques	$3 93⅜	$3 92⅛	$3 92⅛	$3 91⅞
Norway	Cable	24kr. 45	24kr. 35	22kr. 45	23kr. 85
Paris	3 mos.	56fr. 07c	57fr. 05c.	56fr. 87c	55fr. 52c.
—	Cable	55fr. 32c	56fr. 30c.	56fr. 12c	54fr. 77c.
Spain (Bank places)	3 mos.	41¼.	42d.	41¼d.	41¼.
—	Cable	28p. 10	28p. 02	28p. 10	27p. 07
Sweden	do.	16kr. 80	16kr. 85	17kr. 17	17kr 37
Switzerland	3 mos	23fr. 10c	23fr. 57c.	23fr. 10c.	23fr. 65c.
—	Cable	22fr. 60c	23fr. 07c.	22fr. 58c.	23fr. 15c.

ON LONDON—		Apr. 1, '21	Mar. 23, '21	Mar. 18, '21	Par.
Alexandria	Sight	97⅛pl.	97⅛pl.	97⅛pl.	97⅛pl.
Amsterdam	Cheque	11fl. 36½c.	11fl. 36c.	11fl. 36c.	12·107fl.
Athens	Cable	51dr. 40	51dr. 75	51dr. 87	25dr. 22½
Bombay	Transfers	1s. 3⅞d.	1s. 3¾d.	1s. 3¾d.	2s.*
Brussels	Cheques	53f. 70c.	53f. 82c.	53f. 78c.	25f. 22½c.
Buenos Ayres	Transfers	46¾d.	47¼d.	47⅜d.	47·58d.
Calcutta	do.	1s. 3⅛d.	1s. 3⅛d.	1s. 3¼d.	2s.*
Christiania	Sight	24kr. 45	24kr. 36	24kr. 44	18·159kr.
Copenhagen	do.	21kr. 49	22kr. 50	22kr. 67	18·159kr.
Helsingfors	Cable	157m.	149½m.	153m.	25m. 22½
Hong Kong	Transfer	2s. 4⅛d.	2s. 5⅛d.	2s. 4⅛d.	
Italy	Sight	96lr. 00c	99lr. 50c.	97lr. 75c.	25lr. 22½c.
Lisbon	do.	5⅛d.	5⅛d.	5⅛d.	53½d.
Madras	do.	1s. 3⅛d.	1s. 3⅛d.	1s. 3⅛d.	2s.*
Madrid	do.	28p. 05	28p. 02	28p. 10	25p. 22½
Montevideo	Transfers	44⅛d.	—	45⅛d.	51d.
Montreal	Cable	$4 42	$4 45	$4 47½	$4 86⅔
New York	Sight	$3 9 ⅛	—	$3 89⅛	—
—	60 days	$3 91⅝	—	$3 87½	—
—	Cable	$3 94	$3 91⅛	$3 90⅛	$4 86⅔
Paris	Cheques	56f. 10c.	56f. 25c.	56f. 12c.	25f. 22½c.
Rio de Janeiro	90 days	9⅝d.	9⅛d.	9⅜d.	16d.
Shanghai	Transfers	3s. 1¾d.	3s. 1⅞d.	3s. 0⅞d.	—
Singapore	Sight	2s. 3⅝d.	2s. 3⅝d.	2s. 3⅝d.	—
Stockholm	do.	16kr. 81	16kr. 86	17kr. 15	18·159kr.
Switzerland	do.	22f. 60c.	23f. 05c.	22f. 58c.	25f. 22½c.
Valparaiso	90 days	85d.	—	9⅜d.	18d.
Yokohama	Sight	2s. 5⅝d.	2s. 5⅝d.	2s. 5⅝d.	24·66d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—	Rate Current Mar. 30, '21	Rate Current Mar. 16, '21	Par of Exchange	Rate July 3
Amsterdam, sight ...	39 53c.	39 53c.	40·20c. for 1 guilder	40·20c.
Bombay, cheques ...	25·875c.	25·125c.	48·66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	131·00	132·00		
Christiania, cheques ...	16·20c.	15·85c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	17·95c.	17·00c.	26·80c. for 1 kroner	26·35c.
Greece, cheques ...	7·75c.	7·53c.	19·295c. for 1 drachma	
Hong Kong, cheques ...	48·0c.	46·0c.	74·59 . for Mex. $1	46·4c.
Italy, sight	4·15c.	3·75c.	5·18⅓ lire for $1	5·17l.
Lima, cheques ...	3 90c.	3 90c.	4·8665 $ for 1 libra	
Manila, cheques ...	46·00c.	46·00c.	50c. for 1 peso	49·3c.
Montreal	11 25% disc.	12·75% disc.	Premium per $100	Par
Paris, sight	14 19c.	14 41c.	5·18⅓ francs for $1	5·16fr.
Rio de Janeiro, cheques	7 05mil.	7 1·mil.	3 042 milreis for $1	
Shanghai, cheques ...	85·00c.	62·00c.	52·65 . for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42·00c.	56·77c. for $1	57·12c.
Spain, cheques	14·00c.	13·83c.	19·30c. for 1 pesetta	
Stockholm, cheques ...	23·00c.	22·60c.	26·80c. for 1 kroner	
Sw tzerland, cheques ...	5·75c.	5·8 1c.	5·18⅓ francs for $1	5·18⅓fr.
Valparaiso, cheques ...	15·00c	15·25c.	20·61c. for 1 peso	
Yokohama, cheques ...	43·25c.	43·00c.	49·83c. for 1 yen	49·90c.

* Advices by Panama Canal Company's New York.

IV.—BANKERS CLEARING-HOUSE RETURNS.

Name.	Week.	Amount. [In £'s ster. m,ddd's omitted.]	Inc. or Dec.*	Amount. [In £'s ster. m,ddd's omitted.]	Inc. or Dec.*
	1921				%
BIRMINGHAM ...	Mar 26	£1,99[illegible]	— [illegible]	[illegible]	— 24·8
BRISTOL ...	,, 26	1,420	— 4·6	[illegible]	— 16·1
DUBLIN ...	,, 26	6,394	— 3·45	97,293	— 17·2
HULL ...	,, 26	1,[illegible]	—	9,434	— —
LEEDS ...	,, 26	911	— 1,186	15,389	— 6·[illegible] — 20·1
LEICESTER ...	,, 26	639	— [illegible]	[illegible]	— 39·3
LIVERPOOL ...	,, 26	7,239	— [illegible]	[illegible]	— [illegible] — 10·1
MANCHESTER ...	,, 26	13,163	— 20,714	[illegible]	— 204,148 — 43·5
NEWCASTLE ...	,, 26	[illegible]	— 1,338	33,163	— [illegible] — 2·7
NOTTINGHAM ...	,, 26	683	— 334	9,947	— 5,[illegible] — 34·9
SHEFFIELD	,, 26	1,036	— 400	13,139	— [illegible] — 10·1
LONDON—	1921				
TOWN	Mar. 30	385,151	— 363,353	[illegible]	— [illegible] — 10·2
METROPOLITAN	,, 30	24,164	— 18,771	462,781	— [illegible] — 3·1
COUNTRY	,, 30	4[illegible]	— 32,835	883,516	— [illegible] — 20·3
TOTAL	Mar. 30	[illegible]	— [illegible]	[illegible]	— [illegible] — 11·7

* [illegible]

V.—FREIGHTS.—According to Messrs. [illegible] & Co., Ltd.

HOMEWARDS.	1921 Apr. 1	Mar. [illegible]	1914 [illegible]	Homewards	[illegible]	[illegible]
Aver. to U.K. ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aust. to U.K. ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] to Cardiff ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bombay to p.p. ...	—	[illegible]	[illegible]	[illegible]	—	—
[illegible] to U.K. ...	[illegible]	[illegible]	[illegible]	OUTWARDS.—Cardiff to		
Calcutta to U.K. ...	[illegible]	—	[illegible]	[illegible]	17/3	7/0
Danube to U.K. ...	2/6	2/0	3/6	[illegible]	15/3	13/3
R. Plate to U.K. ...	[illegible]	26/3	25/3	St. Vincent ...	12/3	13/0

* Per ton. † Per quarter, Time Charter, 6/0.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	APR. 1, 1921	MAR. 31, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	156 0	206 0	57 0
— Middlesbro' warrants ...ton	150 0	200 0	51 0
— Hematite warrants ...ton	180 0	260 0	61/0
— Staffordshire bars, London ton	£27 10	£27—£28	£8 10
— Common bars ...ton	£23	£26	£6 16
Steel Rails ...ton	£18	£21 5—£22 5	£6 2 6
Galvanised Sheets ...ton	£24 10—£26	£56	£16 17 1
Copper—Standard ...ton	£69 5	£107 10	£66
Tin—English Ingots ...ton	£153	£345	£142 15
— Straits ...ton	£165	£348	£139 10
Tinplates, I.C. Coke, S. Wales ..box	28 0—29/	77 0 ... 11/10½	12 0
Lead—Soft Foreign ...ton	£19 15—£20 / 6	£43—£45	£19
Spelter—Ord. Foreign ...ton	£24 5—£25 15	£50—£55	£21 7 9
Quicksilver—(75lb.) ...bottle	£12 10	£26 10n m	£7
Aluminium ...ton	nom	£165	£82
Antimony—Regulus Foreign ...ton	£25	£66—£72	£27 10
— English ...ton	£37 —£42	£72—£77	—
Coal—(best) Yorkshire ...ton	37 2—38 2	23 0 —24 0	17/6
— Steam (best) Newcastle ...ton	50 2 —55 2	46 0 —51 0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	14/0	15/10½	7/4
Soda—Crystals ex wharf ...ton	140 0	185 0 —190 0	42 6—45/0
Copra—Malay and States ...ton	£26 10	£61 10	£23 15 £24 7 6
Gambier—Good marks ...cwt	30/0	51/6	16/10½
Indigo—Bengal good to fine ...lb	11 6 14 6	13 0—16 6	3 2—3 8
Linseed Oil—Raw ...ton	£28 15	£112	£25 5
Linseed—Calcutta, spot ...ton	£16 10	£	£13 16 9
— Cakes, U.K. made, ex mill ...ton	—	£25	... £7 17/6 £8
Olive Oil—Spanish ...ton	—	—	£49 10
Palm Oil—Lagos ...ton	£35 10	£87 10	£31 10
Petroleum—American ...gallon	2 3½	2 1½	7½d.
Rape Oil—Refined English ...ton	£56	£132	£32
Soya Oil—Refined ...ton	nom.	£125	£24 10
Tallow—Imported ...cwt	35/6—50/0	106/0—112/0	29/3—33/3
Turpentine—American ...cwt	43/0	218 6	33/7½
Rape Seed—Toria ...ton	£17 10	£44	£13 5
Rubber—Para, spot ...lb	11¾d.	2 3 nom.	2 9½
— Fine plantation (Std. crepe) lb	11½d.	2 2½	2 2
— World's Production† Oct. tons	26 620	30 370	8,467
Shellac—T.N. Orange, fair ...cwt	265/0—290/0	760/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	8 72d	30 01d	7 53d.
— Egyptian good fair ...lb	12 70d	74 50d	8 75d.
— Pernambuco fair ...lb	7 62d	34 01d	7 73d.
— Midland Upl. New York ...lb	12 25c	41 50c	13 25c
— Stock, Liverpool (Mar 18) bales	1,019,550	1,081,750	934,600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£44	£64	£25 10
— Manilla fair ...ton	£40	£87 10	£26 10
Jute—First Marks ...ton	£32 10—£33	nom	£26 15
— Red SCO ...ton	£26 10	£54	£24 15
Silk—Common, New style ...lb	21 0	50/0	12 0—12/6
— No. 1-1½ Japan ...lb	25/6	—	—
— 1st Order Italian ...lb	25 0	—	—
Wool—Pt. Philip unwashed av. lb	1/9	5 0 .. 11½d.	1/0
— Lincoln Half Hogs ...lb	11d.	2 3½	1/0½
Hides—Eng. Ox, best, 70lb. up lb	6½d.	18½d. 19½	7½d.
Leather—Dressing Hides ...lb	1 9 2 6	4 0 -4 6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	60,353,000	81,181,000	34,640,000
— Red, price, N.Y. 60lb....bushel	173½c	nom.	67½c.
— English Gazette, aver. 480lb. qr.	88 7	72/8	34/3
Flour—G.R. ...280lb.	63 0	63/6	28/6
Barley—Eng Gaz., aver. 400lb. qr.	51/2	91/8	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	35 11	56/5	20/0
Maize—N.Y. (new bushel)...56lb.	76	181½	76½c.
— Amer. mixed, Liverpool...480lb.	42 0	nom.	32/4
— La Plata ...480lb. qr.	52/0	82/0	25/9
Potatoes—Good English ...ton	185/0	†295/0	70/0—75/0
Rice—Bassein ...cwt	13/6—14/0	48/6	7/0—7/3
Tapioca—Pearl, medium ...cwt	22 0	39 0	14/0—17 8
Hay—best ...2,018lb....load	—	—	82 6
Hops—English ...cwt	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	8/8	6/8	3/8—3/10
— Scotch sides ...8lb.	12 2	10 0	4 6 -5/0
— English ...8lb.	11/4	10 0	4 2 —4/5
Mutton—Scotch wethers...8lb.	13/4	10 6	5 8 -6 0
— English wethers ...8lb.	13 0	10/6	4 6—5/4
— New Zealand frozen ...8lb.	5 6	10/6	2/4—3 2
Pork—English and Irish ...8lb.	11/6	11 8	3 6—4 0
Bacon—Irish, delivered ...cwt	†210/0—215/0	200/6	60/0—74 0
— Danish ...cwt	†213 0	†192 0	58 0 —68 0
— Canadian, ex Port ...cwt	†170 0	†187 0	—
— American, ex Port ...cwt	†130/0—136/6	†187/0 ... 72/0—74/0	
Hams—Amer. long cut, ex Port cwt	†180 0	†190 0	75/0 -79/0
— — short cut, ex Port ...cwt	†175/0	†190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt	†94/0	†198/6	51/9—52/9
Butter—Danish ...cwt	†298/8	303/4	117/0—120/0
— French ...cwt	†298/8	303 4	96/0—108/0
— Australian ...cwt	†298 8	303 4	93/0—110/0
— New Zealand ...cwt	†298 8	303 4	108/0—114/0
Cheese—Canadian ...cwt	160 0 —164 0	†145/0	66.0—68/0
— United States ...cwt	—	†145/0	—
— Dutch ...cwt	116/0—188/0	†145/0	53/0—64 0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 28... cwt	2,863,062	4,383,756	19,777,254
— Home consump'n. to Feb. 28 cwt	3,742,571	4,311,845	17,272,000
— In Bond Feb. 28 ...cwt	7,292,000	6,162,000	6,308,000
— Price, Java, 96° Pol. ...cwt	28 9	53 0	10/3
— — Yellow crystals ...cwt	62 0	63 6	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt	72/0	72/0	18/0
Coffee—Imports to Feb. 28 ...cwt	136,307	122,624	720,360
— Home consumpt'n to Feb. 28 cwt	48,293	49,644	141,410
— Exports to Feb. 28 ...cwt	53,864	86,065	340,250
— In Bond Feb. 28 ...cwt	687,000	700,000	484,000
— Price, Costa Rica gd. to fine cwt	90/0—120,0	158/0—164/0	80/0—93/0
— — Brazil (Santos) good ...cwt	56/0—55/0	130/0—132/0	41/6
Tea—Imports to Feb. 28 ...lb	78,616,624	74,131,857	123,230,277
— Home consump'n. to Feb. 28 lb	64,907 286	62,515,253	155,447,972
— Exports to Feb. 28 ...lb	3,921,694	7,085,201	26,561,765
— In Bond Feb. 28 ...lb	228,021,000	203,061,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb	—	1/5½	8½d.
— — Ceylon, Pek. Soug. ord. lb	—	1/6	8½d.
— — Common Congou ...lb	—	1/3	5½d.
Cocoa—In Bond Feb. 28 ...cwt	1,113,000	745,000	309,000
— Grenada, good to fine ...cwt	48/0—50/0	85/0	52/6—56/0

• Estimated. † Nominal. ‡ Decontrolled. Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Feb.	$12,769,000	— 788,000	$713,000	+ $100,000
	2 mos to Feb.	27,234,000	— 238,000	1,454,000	+ 154,000
Grand Trunk	Feb.	£1,177 900	+ £220,200	£80,100	+ £182,600
	2 mos to Feb.	2,493,500	+ 497,300	Dr. 31,500	+ 236,10.

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Feb. 19	1,044	R2,24,916	— 59,215	20	46,53,928	— 1,27,524
Barsi Light ...	Feb. 26	118	31,900	+ 3,700	47	12,73,700	— 1,41,800
Bengal & N.W.	Feb. 19	2,067	5,93,760	+ 52,819	19	93,33,113	+ 1,10,090
Beng. Dooars	Feb. 19	158	21,7.0	— 11,813	20	6 09,668	— 2,98,377
Beng. Nagpur	Feb. 19	2,695	12,74,000	— 40,000	10	5,61,70,110	— 17,45,139
Bomb. Baroda	Mar. 19	2,871	22,87,000	+ 1,69,000	24	4 61,73,000	— 6 53,000
Burma	Feb. 19	1,342	6,95,659	+ 59,359	20	1,19,08,365	— 4,78,801
Del.Um. Kalk	Mar. 19	239	1,00,000	— 31,279	24	24 56 181	+ 25,370
East Indian	Mar. 26	2,772	23,4 4,000	+ 55,000	25	7,01 07,000	+ 26,67,000
Gt. Indian Pen.	Mar. 19	3,1214	28 36,800	— 38,800	24	6,67,64,922	+ 11,49,514
Madras & S.M.	Feb. 26	3,152	12,80,000	+ 1,442	21	5,70,74,072	— 1,81,827
Nizam's Guar	Feb. 19	900	3,38,483	+ 27,735	20	61,01,498	+ 94,831
Rohi. & Kumn.	Feb. 19	576	1,15,046	— 9 007	20	20,83,432	+ 27,044
South Indian	Feb. 26	1,852½	8,50,028	+ 1,58,105	47	3,67,82,276	+ 5,48 623
South Punjab	Nov.	716	8,18,814	+ 50,266	2m	17,18,407	+ 3,21,162
COLONIAL							
Can. Northern	Mar. 21	9,704	$1,377,500	+ 492,500	11	14,083,200	+ 3,122,700
Can. Pacific ...	Mar. 21	13,388	3,211,000	— 72,000	11	36,501,000	— 628,000
Grand Trunk	Mar. 21	3,616	£282,175	+ 10,586	11	3,349,326	+ 580,681
Mashonaland	Dec.	810	101,461	+ 25,881	3m	283,271	+ 61,433
Mid. W. Aust.	Jan.	277	10,425	— 2,292	7m	77,166	+ 4,363
New Cape Cent.	Mar. 5	205	2,884	— 197	9	25,061	— 3,574
Rhodesia Rlys	Dec.	1,397	140,697	+ 32,157	3m	405,324	+ 80,082
Temisco lata...	Jan.	—	$38,891	—	1m	—	—
FOREIGN.							
Argentine.							
Arg. N. East...	Mar. 26	752	£ 12,200	+ 600	39	458,600	+ 5,300
Arg. Transand	Mar. 26	111	£ 4,197	— 658	39	106,869	— 11,842
B.A. & Pacific	Mar. 26	3,425	£ 152,000	— 15,000	38	4,916,000	— 809 000
B.A.Gt. South	Mar. 26	3,903	£ 196,000	+ 1,000	39	6,361,000	— 592,000
Do.	Mar. 26	Net	£ 41,000	— 30,000	39	1,00,000	— 1,311,000
B.A. Western	Mar. 26	1,882	£ 85,000	— 17,000	39	2,981,000	— 854,000
Do.	Mar. 26	Net	£ 12,000	— 20,000	39	336,000	— 952,000
B. A. Central	Jan.	190	£ 39 163	— 6,522	7m	337,128	+ 22,545
Cent. Argent.	Mar. 26	3,305	£ 182,000	— 34,000	39	7,331,000	+ 463,000
Cord. Central	Mar. 26	1,205	£ 42,300	— 13,800	39	1,978,100	— 315,600
Entre Rios ...	Mar. 26	811	£ 25,700	— 2,100	39	868,100	— 46 300
Brazilian.							
Brazil Gt. South	Feb.	110	M 35,000	— 15,750	2m	75,250	— 34,250
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	Mar. 26	1,010	£ 14,300	+ 12,200	13	205,000	— 137,600
Leopoldina ...	Mar. 26	1,831	£ 28,047	— 12,383	13	400,044	— 264,337
San Paulo ...	Mar. 27	153¼	£ 20,841	— 21,760	13	388,435	— 209,424
S. of Bahia S.W	Feb.	52	M 111,000	+ 34,000	2m	240,000	+ 59,000
Chilean and Peruvian.							
Antofagasta...	Mar. 27	838	£ 22,380	— 26,620	13	390,165	— 342,495
Arauco	June	84¾	£ 12,000	+ 500	8m	76,000	+ 10,700
Nitrate (2wks)	Mar. 15	390	£ 31,427	— 16,283	10	132,181	— 89,921
Peruvian Corp.	Feb.	1,140	$ 1,035,400	— 86,610	8m	9,290,750	— 111,554
Taltal	Feb.	180	£ 23,880	— 19,725	8m	223,337	+ 52,217
Cuban.							
Cuban Central	Jan. 29	362	£ 37,360	+ 19,872	31	707,279	+ 82,212
Cuba Railroad	Dec.	—	$ 1,373,421	+ 215,241	6m	6,89 .095	+ 568,959
Havana Cent.	Mar. 26	70	£ 16,878	+ 3,228	39	558,738	+ 129,394
U. of Havana	Mar. 26	681	£ 183,523	+ 23,026	39	4,519,862	+ 614,946
W. of Havana	Jan. 29	155	£ 14,131	+ 10,745	31	335,798	+ 66,413
Uruguayan.							
Cent. Uruguay	Mar. 26	273	£ 27,791	+ 1,881	38	910,237	+ 27,465
,, (E. Ext.)	Mar. 26	311	£ 6,516	— 761	39	219,670	— 19 793
,, (N. Ext.)	Mar. 26	185	£ 3,138	— 1,436	39	114,806	— 30 961
,, (W.Ext.)	Mar. 26	211	£ 2,789	— 351	39	106,523	— 8,131
Mid. Uruguay	Feb.	319	£ 18,936	— 1,058	8m	144,642	— 16,283
N.W. Uruguay	Feb.	113	$ 5,319	— 1,436	8m	47,235	— 9,336
Urug. Northn.	Feb.	73	£ 1,766	— 737	8m	16,601	— 3,357
Miscellaneous							
Alcoy & Gandia	Mar. 5	33	Ps. 12,000	—	10	168,900	+ 57,000
Bilbao	Feb.	15	£ 1,510	— 1,321	2m	4,486	— 797
Bolivar	Feb.	136	£ 8,108	— 900	2m	15,206	— 3,362
Colomb. Natn.	Jan.	86	£ 19,140	+ 1,340	1m	—	—
Costa Rica ...	Jan.	190	£ 22,2.8	— 5,557	7m	169,593	— 3,843
Dorada Ext.	Feb.	70	£ 15,250	+ 3,750	2m	31,250	+ 7,750
Egyptian Delta	Feb. 28	559¼	£ 8,740	— 2,137	47	436,534	+ 97,587
Gt. S. of Spain	Mar. 19	104	Ps. 57,795	— 37,426	11	824,039	+ 17,167
La Guaira & Ca.	Feb.	22¾	£ 9,330	— 4,870	2m	21,210	— 8,420
Ottoman Ry..	Mar. 19	379	£ 8,177	—	—	—	—
Paraguay Cent	Mar. 19	274	£ 4,090	+ 90	38	170,450	— 15,440
Puerto Cabello	Feb.	34	£ 4,500	— 750	2m	8,750	— 1,750
Salvador ...	Mar. 26	100	£ 4,611	— 1,931	39	140,223	— 27,140
Santa Fé Prov. French Rys.	Feb.	1,181	£ 116,089	— 33,575	2m	252,137	— 51,896
S'm'na & S'ti'go	Feb.	80	£ 7,430	— 4,585	2m	13,930	— 9,748
Zafra & Huelva	Jan.	112	£ 15,366	+ 1,245	1m	—	—
TRAMS.							
Anglo-Argent.	Mar. 25	400	£ 72,461	+ 3,324	12	955,652	+ 85,531
Brazilian Trac.	Jan.	378¼	M 12,875000	+ 3,220,000	1m	—	—
Brisbane Elec.	Feb.	40¼	£ 43,205	+ 1,605	2m	89,485	+ 3,085
Brit. Columbia	Dec.	334	$ 868,677	+ 85,353	6m	4,709,708	+ 487,783
B. A. Lacroze	Feb.	51	£ 53,552	+ 1,484	8m	451,345	+ 52,660
Calcutta ...	Mar. 26	35¼	R 76,072	— 13,155	12	7,38,381	— 3,33,972
Carth. & Herr	Feb.	9	£ 2,839	— 1,169	2m	6,716	— 2,040
Chatham & Dist	Mar. 17	15	£ 1,618	+ 228	11	17,371	+ 1,574
Havana Elect.	Nov.	86	$ 1,037,352	+ 157,611	11m	10,366,708	+ 1,880,498
Isle of Thanet	Mar. 23	20¼	£ 579	— 74	26	15,990	+ 600
Kalgoorlie ...	Dec.	20¼	£ 3,140	+ 580	12m	36,812	+ 3,780
Lanarkshire...	Dec. 31	28½	£ 5,467	+ 1,927	52	221,564	+ 27,720
Lima Light ...	Dec.	85	£ 62,899	+ 5,006	12m	683,929	+ 93,609
London O.C....	Mar. 30	141¾	£ 99,166	+ 18,166	60	4,780,657	+ 643,725
Madras (2wks.)	Mar. 15	15¼	R 41,016	— 8,933	10	38,725	— 138,071
Manila Electric	Feb.	55	$ 306,389	+ 27,952	2m	627,839	+ 71,651
Pernambuco...	Mar. 27	59	£ 3,806	— 3,303	13	55,364	— 46,115
Provincial ...	Mar. 12	21¾	£ 2,889	— 51	23	70,670	— 688
Rangoon Elec.	Jan.	25	£ 122,558	+ 10,558	1m	—	—
Shanghai Elec.	Feb.	26¾	M X.$151,880	+ 18,130	2m	307,583	+ 37,83.
Singapore Elec.	Feb. 19	26¼	$ 12,797	— 11,559	8	87,490	— 79,32.
U. of Montevid.	Feb	90¼	£ 43,119	+ 2,860	4m	131,763	+ 14,05.

UNDERGROUND ELECTRIC RAILWAYS CO. OF LONDON, LTD.

Metropolitan District Rly., London Electric Rly., City and South London Rly. Central London Rly., London General Omnibus Co.
Week to March 26, £22?,563; Aggregate, Jan 1—Mar. 26, £2,754,181.
Metropolitan Electric Trams, London United Trams, South Metropolitan Electri Trams, Tramways (M.E.T.) Omnibus Co., Gearless Motor Omnibus.
Week to Mar. 26, £53,685; Aggregate, Jan. 1—Mar. 26, £606,527.

Banking Accounts in Foreign Currencies

BY reason of its extensive foreign organization the Guaranty Trust Company of New York is equipped to open on its books, in London or in Liverpool, deposit or current accounts in all of the principal currencies of the world for firms and individuals. Arrangements may be made for accounts in the moneys of Continental Europe, North and South America, India and the Far East. In most cases interest can be allowed.

Such funds may be used to meet obligations for commercial transactions in these countries or for any purpose for which bank balances are ordinarily employed.

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NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid-up Capital, Surplus and Undivided Profits (Dec. 31, 1920) - - - - $62,075,072.37
Total Assets (Dec. 31, 1920) - - $923,663,338.12

The Statist.

LONDON, SATURDAY, APRIL 2, 1921.

COAL MINE FINANCES.

OWING to the shortage of output and the necessity of ensuring an adequate supply of coal to home consumers, it was deemed imperative during and after the War to restrict the amount of coal exports. The regulation of prices was also considered essential because of the disparity between the figure which foreign consumers were willing to pay and that which home consumers could afford without placing an undue burden on British industry. Lately the approximation in the price of coal for consumption either in the United Kingdom or abroad, combined with the decreased demand from industrial consumers, both here and on the Continent, rendered possible the decontrol of both the distribution and the price of coal, and accordingly made it incumbent on the Government to withdraw from the financial responsibility which it had undertaken in connection with the mines. Decontrol was originally to take place on August 31 next, but the Coal Mines (Decontrol) Act passed before Easter provided for the cessation of financial control as from the 1st instant. The absence of a Government guarantee of profits throws the industry back solely on its own resources in regard to meeting current liabilities, such as wages and other items in the cost of production. The termination of the profits pool left mine owners no other alternative but to adjust production costs so as to avoid losses on working, and thus it came about that notices of the withdrawal of the existing rates of wages were posted on the pits in the course of last month. A reduction in wages had already indeed been made on February 27. An [illegible] per shift per results was secured [illegible], and [illegible] increased to 3*s.* 6*d.* during January. Owing to the cumulative effects of the trade depression, output fell [illegible], and the [illegible] was reduced to 1*s.* 6*d.* Output for the later test period ended [illegible] July [illegible] 17,651,000 tons, compared with 19,040,000 tons in the September quarter. In consequence, all the additional remuneration obtained as a result of the strike settlement disappeared.

The further reductions, which under the owners' new proposals it is intended to make, vary according to different districts, reversion being made to the old principle of district instead of national wage settlements. The offers made by the mine-owners entail the following approximate reductions per shift in certain districts:—Scotland, 4*s.*; Northumberland and Durham, from 5*s.* 6*d.* to 5*s.* 9*d.*; South Wales, 7*s.*; Midland Counties, 2*s.* 9*d.*; Yorkshire (other than South Yorkshire) from 1*s.* 9*d.* to 4*s.*; Lancashire and Cheshire, 4*s.*; South Staffordshire, from 4*s.* to 7*s.*; North Staffordshire, 4*s.* 6*d.*; Cannock Chase, 1*s.*; Shropshire, 5*s.*; and Bristol and Somerset, from 5*s.* to 6*s.* The "cuts" here mentioned are certainly drastic; but the position of the industry has changed rapidly for the worse in recent quarters, the large deliveries of indemnity coal from Germany to France having interfered with our best foreign market, while heavy American shipments to Europe have caused a glut in supplies in Italy and Scandinavia. The glut is no doubt temporary, but its effects are none the less disastrous from the British point of view. While the industry as a whole cannot maintain the wage rates paid during the boom period, the poorer coal-producing areas—that is, those without ready access to the ordinarily profitable markets abroad, or possessing coal of inferior quality—will obviously find it an economic impossibility to maintain the same rates as the more favoured districts. This anomaly, which is characteristic of the system of uniform wages on a national basis introduced during the War, must be removed if the industry is to regain its lost economic vitality. The financial position of British mines in each quarter since the commencement of 1920 is analysed in the following table:—

	Quarter ended 1920.— March 31 — £	Per ton	June 30 — £	Per ton	September 30 — £	Per ton
Wages	63,220,756	22 8.50	66,370,190	25 5.72	69,908,316	26 3.06
Stores & timber	12,758,171	4 6.99	13,688,005	5 2.68	14,566,512	5 5.84
Salaries, management and general expenses	4,569,566	1 7.70	6,250,094	2 4.70	6,689,001	2 6.15
Royalties	1,747,053	0 7.53	1,662,763	0 7.64	1,690,754	0 7.62
Less Miners' coal	413,307	0/1.78	371,957	0/1.71	381,274	0/1.72
Net costs	81,882,239	29 1.91	87,749,095	33 6.08	92,473,289	34 5.75
Proceeds of sales	96,260,541	34/6.91	95,658,036	36/7.30	105,413,807	39/7.08
Debits	—	—	—	—	—	—
Credits	14,377,702	5 1.97	7,908,941	3 0.52	12,942,518	4 10.53

	Quarter ended December 31, 1920 — £	Per ton	Two months ended February 28, 1921 — £	Per ton
Wages	65,022,070	29 6.06	49,270,069	30 5.2
Stores and timber	14,202,320	6 5.33	9,350,049	5 9.08
Salaries, management and general expenses	7,397,367	3 4.28	4,501,433	2 8.50
Royalties	1,503,933	0/8.19	1,060,518	0/7.89
Less miners' coal	374,239	0/2.04	314,142	0/2.33
Net costs	87,751,451	39/9.82	63,867,897	39 7.09
Proceeds of sales	86,615,127	39/3.63	54,442,170	33 7.95
Debits	1,136,324	0/6.19	9,425,727	5/10.14
Credits	—	—	—	—

It will be observed that during 1920 wages rose steadily in the first three quarters, reaching £69,908,316 in the third quarter, as compared with £63,220,756 in the first. The wages cost per ton of output rose from 22*s.* 8.50*d.* to 26*s.* 3.06*d.* Aggregate output at the same time dropped from 62,103,000 tons to 59,251,000 tons. This decline, combined with the advance in wages, was responsible for the increased wages cost per ton above mentioned. The fall in output took place, not only in [illegible] to work in the shape of [illegible] actual increase in the number of persons employed. According to official returns, the [illegible] persons working at the mines in the first three quarters was 1,188,500, 1,200,300, and 1,207,800

respectively. How this increase was distributed between surface and underground workers is not, however, clear. In the fourth quarter the number of employees rose to a maximum of 1,220,700, while output declined to a minimum—49,775,000 tons. It would be easy, by the injudicious use of these figures, to do an injustice to the miners, as the closing part of the year was characterised by the shutting down of a number of mines and by the working of short time in others; but, even when these factors have been taken into account, partial responsibility for the fall in production must be attributed to the men. The difficulty of moving the coal owing to the shortage of railway waggons has not been a factor of importance in most districts, though latterly at the export centres, owing to the decline in cargo shipments and in bunkers, coal cars awaiting unloading have tended to multiply.

The data published by the Mines Department of the Board of Trade for January and February reveal a further increase in the wages cost per ton of coal—to 30*s.* 5.32*d.*, the largest figure so far attained. The loss in working in 1921 up to March 1 was £9,425,727, as compared with £1,136,324 in the last quarter of 1920. This rapid adverse change has spelt a loss of 5*s.* 10.14*d.* on every ton of coal disposed of commercially during the two months, as compared with a loss of slightly over 6*d.* per ton in the December quarter. In face of these figures the persistence of the miners in their present demands seems futile. The taxpayer cannot reimburse the financial losses of the industry in order to ensure to the miners a continuance of artificially inflated wages, especially as each rise in the rate of remuneration has brought about a decline in the amount of coal raised.

KEY INDUSTRIES AND ANTI-DUMPING.

The proposed Ways and Means Resolutions issued as a White Paper on Wednesday under the heading "Safeguarding of Industries" are designed as a solution to two distinct problems confronting trade at the moment, and have, at the same time, a twofold object in view. The first object is to afford protection to certain industries, regarded as "key" industries, which were started here during the War owing to the shutting off of foreign sources of supply, these industries not having yet reached a position of sufficient strength to compete successfully with the foreign products. The second object is to protect various home industries from the underselling of foreign manufacturers arising out of what the Government has deigned to consider as dumping or of the false position of certain of the Continental exchanges. By this means it is hoped that a step forward will be made towards the solution of the unemployment problem.

The resolution dealing with the first point provides for the levying of a Customs duty of an amount equal to thirty-three and one-third per cent. of the value of the article on certain commodities imported into the United Kingdom, chiefly dyestuffs, optical and chemical glassware, scientific instruments and magnetos. Criticism of this measure raises a very broad issue which space forbids us to discuss fully. It is a form of protection pure and simple, the justification advanced being that the industries affected are nascent industries, which it is important for the security of the nation in times of war to acclimatise in this country. In effect, it provides legislative aid to allow a portion of our productive resources to be utilised in the manufacture of commodities which it would be more economical for us to buy from abroad. It will hardly be necessary to point out that such a procedure is calculated to react unfavourably on the consumer here. As, however, the commodities concerned are comparatively unimportant regarded from the point of view of consumption, the consumer is not likely to be affected appreciably. At the same time, before such a violation of the principle of comparative costs is permissible, it must first be established that the home production of the commodities is sufficient for home needs, that the industries affected are really "key" industries, that there is a reasonable prospect of their being produced eventually at a cost which compares favourably with the cost of the foreign products, and, above all, that the quality should at least be as good as that of the imported article. It is to be hoped that when the resolutions come before Parliament these points will receive due consideration. In the meantime, it may be pointed out that a saving clause is provided in that it is not proposed to impose the duty for a longer period than five years, thus ensuring that the home manufacturers will put forth every effort to make the industries concerned independent of such legislation by the time the protection is removed. Finally, the point should not be missed that any tariff on the import of the specified articles may have serious effects on other industries to which these articles are necessary. The price and quality of our dyestuffs, for instance, is a vital consideration in the cotton, woollen and linen industries, and any unsound step taken in regard to this pivotal commodity may have seriously detrimental effects on our textile trade.

The second resolution is more open to criticism than the foregoing. It provides for an *ad valorem* import duty of 33⅓ per cent. on certain articles which are offered for sale in the United Kingdom, to quote from the White Paper above mentioned—

> (*a*) At prices below the cost of production thereof; or
> (*b*) At prices which, by reason of depreciation in the value in relation to sterling of the currency of the country in which the goods are manufactured, are below the prices at which similar goods can be profitably manufactured in the United Kingdom;

and that by reason thereof employment in any industry in the United Kingdom is being, or is likely to be, seriously affected.

For the purposes of this Resolution, "cost of production" in relation to goods of any class or description means the current sterling equivalent of—

> (*a*) The wholesale price at the works charged for goods of the class or description for consumption in the country of manufacture; or
> (*b*) If no such goods are sold for consumption in that country, the price which, having regard to the prices charged for goods as near as may be similar when so sold or when sold for exportation to other countries, would be so charged if the goods were sold in that country.

There is a grave doubt whether this measure will really secure the objects aimed at, or whether the ends could not be achieved in a way less perilous to our foreign trade, for its disadvantages are unfortunately too obvious. In the first place the tariff is designed chiefly to relieve unemployment here by shutting off from certain of our industries a competition against which they are unable to contend, protection against such competition being obtained by the superficial method of a tariff on imports. Now, such a tariff is a blow at the export trade of those belligerents whose economic organisation has been most deranged by the War; countries where Government expenditure exceeds tax revenue, where imports far surpass exports, and where production is insufficient to meet current consumption. Again, from one of the most important of these countries, namely Germany, we are expecting a very large indemnity, yet this 33⅓ per cent. Customs duty, in addition to the existing fifty per cent. duty on the export of commodities from Germany, will handicap that country seriously in its efforts at recovery. It is inconsistent for us to speak about the necessity for such countries to pay their way while placing such a serious obstacle in the only path through which this end may be achieved.

In the second place, if the object sought after is to set our industries going again and so relieve unemploy-

ment, much more can be done in this direction if attention is concentrated on our overseas trade rather than on our home trade; but, apparently, this point has not been considered by the framers of the resolution under discussion. Though a tariff may secure the home markets for home-manufactured products it provides no assurance that we can compete successfully for foreign markets, and unless some other more permanent remedy is provided there is little guarantee that we will not continue in our inability to secure foreign orders against competition from the Continent. Besides, a policy such as that contained in the resolution may easily provoke retaliation on the part of other countries, in which case instead of stimulating our industries and providing for greater employment at home a severe blow is likely to be dealt to their future development through the restriction of our foreign trade.

Finally, the measures proposed, though designed to provide relief from a situation which is perhaps of a temporary nature, are not based on a true appreciation of the problem. Our inability to sell certain commodities as cheaply as Continental manufacturers arises in the first place from higher real costs of production at home, and in the second place from the false position of certain of the Continental exchanges. As regards the first point it seems clear, for instance, that the standard of living among wage-earners is higher here than in most of the Central European countries, and, consequently, the proportion of wages to total production costs is greater here than in those countries. As it is perhaps too much to hope that the interests concerned, employers and employed, will combine in order to scale down costs of production here in accordance with the conditions of production abroad, time alone holds the solution to this difficulty. The extensive fall that has taken place in the wholesale prices of commodities has not yet resulted in a corresponding lowering of the costs to the consumer or a decline in nominal as distinct from real wages. Until this is done the lower price-level brought about by the fall in wholesale prices cannot be made effective, and production, meanwhile, is labouring under a serious disadvantage.

The exchange position is the most important problem to be considered. There seems little doubt that the actual foreign exchange value of the German mark and certain other of the currencies of Central Europe is much below its theoretic value as determined by a comparison of the level of prices in those countries with the price-level abroad. This anomalous position is partly due to the instability of political and financial conditions in the countries concerned, and it is also possible, as has been suggested in some quarters, that it is partly the result of a concerted policy on the part of German banks and business men. At any rate, it provides in effect a bounty on export for the manufacturer in the Central European countries, and allows him a very large margin in which to undersell the foreign producer without having to sell at a loss. It is probable, indeed, that dumping, in the sense of selling abroad below costs of production, does not really take place at all. To remedy the state of affairs arising out of the exchange position it is necessary that the internal financial and banking organisation of the countries concerned should be brought under outside control so as to make the quoted foreign exchange value of their currencies reflect more truly their real value abroad as indicated by their internal commodity values. This would provide a much more effective, and at the same time a more permanent, solution to the problem than surrounding those countries with a tariff barrier or levying an import duty on their products when offered for sale in other countries. We do not mean that external control should be forcibly imposed, but a measure of general freedom and openness in regard to exchange and other financial transactions incidental to international trade should be assured, so that these secret and artificial incentives to export would be removed.

THE CHINESE CONSORTIUM.

The reasons that brought about the formation of the recent Chinese Consortium have been not a little misunderstood. In the past four groups of interests, which were broadly identified with Great Britain, France, the United States and Japan, acted more or less separately and in competition for the purpose of negotiating and carrying out Chinese loan business. The various national groups, so far as they could be called national, received the tacit, and occasionally the very open support of their Governments, and the struggle to obtain specific loan contracts was sometimes exceedingly animated and even bitter. It has now come to be their common belief that the interests of China can in existing circumstances be best served by co-operative action on the part of foreign financiers. Moreover, the needs of China are so great that the task of meeting them adequately would be impossible for a single nation. To procure, therefore, the capital necessary for a programme of economic reconstruction and improved communications, an International Consortium Agreement was signed on October 15, 1920, by the Hongkong and Shanghai Banking Corporation, the Banque de l'Indo-Chine, and the Yokohama Specie Bank, representing their respective interests, and also by the National City Bank of New York, the Guaranty Trust Company of New York, the Chase National Bank, New York, and other houses well known in American financial circles. This agreement has received the approval of all the Governments concerned, which have promised to give complete support to their respective national groups, and have further undertaken that, in the event of competition for loan contracts, the collective support of the diplomatic representatives in Pekin of all four groups will be assured to the parties for the purpose of obtaining such contracts.

The agreement, it may be observed, relates to existing and future loans involving public subscriptions and made by the Chinese Government or any of its departments, or by any of the Provinces, or by companies and corporations identified with the Central or any of the Provincial Governments, or by individuals where a Government guarantee is received in respect of the transaction in question. It is provided that "existing agreements relating to industrial undertakings upon which it can be shown that substantial progress has been made may be omitted from the scope of this agreement." This proviso discloses one of the difficult points raised in the course of the discussions preliminary to the agreement. Japanese nationals possess vested interests to a large extent in Manchuria and Mongolia, and the Japanese Government is desirous of building certain railway lines, such as that projected from Taonan-fu to Jehol, and thence to the sea-coast, for the purpose of consolidating their position. Apropos of this point, a highly interesting diplomatic document has been published during the week, giving the correspondence that preceded the formation of the Consortium. From a perusal of the letters it emerges that the interests of the American and Japanese Governments were most frequently in conflict, especially in regard to what were construed as claims by Japan to exclusive economic and political rights with respect to South Manchuria and Eastern Inner Mongolia. The Japanese Government disavowed any such exclusive claims, which, indeed, would be inconsistent with the principle of the independence and territorial integrity of China, which the Powers have so often professed to maintain. The difficulty was overcome by concessions on the part of [illegible] America thus came to be identified with the International Consortium. The activities of the contracting parties have yet [illegible] and it is interesting that the financing of the erection of the proposed new [illegible] undertaken [illegible] interests, which are [illegible] consolidate their strength.

BRITISH SHIPBUILDING OUTLOOK.—I.

REORGANISING FOR A FRESH START.

[By a Shipbuilding Correspondent.]

A CRITICAL stage in the British shipbuilding industry [illegible] and the representatives of the various trades unions of the shipyard workers. If the efforts which are being put forth on both sides to cheapen the cost of [illegible] But should those efforts come to a deadlock a much more serious depression than at present exists will follow, attended in all probability with the closing down of many yards in England and Scotland.

Inquiries made on the Tyneside, the Clydeside, and other centres promote, however, an optimistic expectancy that the April conferences between the Shipbuilding Employers' Federation and the leaders of the allied trades unions will at length result in the settlement of outstanding troubles, and the establishment of new agreements, which will enable shipbuilders to tender for new work at revised and reduced prices and to stipulate for time delivery with reasonable safety and certainty. Sir Douglas Brownrigge, one of the directors of the Fairfield Shipbuilding Company, has reflected the feelings of all those responsibly associated with the industry in stating that the wave of [illegible] has swept the shipbuilding [illegible] in this country the need for dropping the destructive policies of some of their leaders and shop stewards, for applying themselves to saner methods, reconciling themselves to a reduction in certain rates of pay, and most assuredly for increasing their output of work. Already there are favourable returns available bearing on the last item, and many firms are so sanguine of the satisfactory results expected from the forthcoming Conferences that they have got well in hand preparations for reorganising their staffs at home and [illegible] in the nature of an immediate "boom" can of course take place. What is expected, and hoped for, is that prices may be reasonably stabilised and guarantees for time delivery justified. In that case they will be in a position to regain many of the contracts cancelled during recent months by shipowners, and to meet requirements for the future in respect of special types of passenger and cargo liners which the present glut of general tonnage cannot satisfy.

At the close of the War shipbuilding prospects [illegible] unprecedented in the world's shipping history. From the outlook then it seemed that the most serious of all matters before the United Kingdom was the condition into which the mercantile marine had fallen as a result of the German submarine attacks. The Prime Minister and other statesmen joined with shipowners in referring in the gravest terms to the necessity for rebuilding British shipping and making it once more capable of taking a predominant place in all the trade routes of the world, and particularly on those routes into which inroads had been made by American, Japanese, and Scandinavian shipping. The fear was openly expressed that the enormous output from the new American shipyards would enable that country to take the place formerly occupied by the United Kingdom. It was, therefore, urged that the need existed for a high rate of production in our shipyards, as great as it did during the worst periods of the War.

Statistics which caused this apprehension showed that in 1919 American-built tonnage was more than double that of the United Kingdom. They were officially recorded as follows:—

	Vessels	Tons	I.H.P.
U.S.A. ...	1,337	4,736,103	4,550,300
U.K. ...	1,268	1,931,769	3,209,040

The speeding up which during 1920 took place in the United Kingdom, running parallel with a general falling off in America, vitally altered the relations of the two countries industrially, as well as the international situation, so far as tonnage was concerned, despite the fact that Japan had made very remarkable progress. The statistics for 1920 show a change that [illegible] dramatic:—

	Vessels	Tons	I.H.P.
U.S.A. .	685	2,692,615	2,766,825
U.K. ...	1,169	2,140,928	1,700,096

Since those returns were issued, indicating that American production had fallen off by considerably over two million tons in 1920, as compared with the previous year, and that British output had increased by 210,000 tons, there has been a further marked drop in American output, and fairly strong evidence is available that, so far as American State Departments are concerned, they are no longer in a position to subsidise the attempt to give American shipbuilding and shipping a supremacy over ours. Recent disclosures point to the assumption that the cross-Atlantic competition, while it will remain more vigorous than it was before the War, cannot attain the formidable proportions that had been apprehended.

A comparison of the quality of the work coming from the yards of the two countries has emphasised the suggestion that, so far as owners and underwriters are concerned, the best "goods" are turned out by British yards. That is of great importance, as affording further encouragement to this country in its hope to regain a paramount position as "shipbuilders to the world."

At the end of 1920 the position of other leading shipbuilding countries was as follows:—

	Vessels	Tons	I.H.P.
Japan .	242	597,048	730,475
Holland . .	239	259,270	148,599
Germany	76	204,041	132,545
France ...	171	161,845	123,470

Japan, in common with America, is rapidly falling off in output, and some of her principal yards are closing down. Germany and Holland, on the other hand, are likely to show very marked developments during the present year; and France is engaged in the construction of large types of passenger liners, with which her yards had not previously been familiar.

Those well capable of estimating the international outlook affirm that when the present problem is solved, of bringing together vessels and the enormous carrying work that requires to be done for the world, the United Kingdom will be excellently placed to secure a satisfactory share in the construction of new tonnage.

Meantime, the first fundamental step is being taken to reduce the costs of labour and material. It is hoped that in the near future, by an extension of the system of piece-work in some of the best of its many forms, and the reduction of certain rates of pay, and by obtaining better value for the money paid out in wages, production will be cheapened to a point that will justify British shipbuilders in putting forth the unequalled wealth of plant and resources which we possess in a new bid for future world supremacy.

Thanks to the painstaking efforts of such men as Mr. Lionel Hichens (Chairman of Messrs. Cammell Laird and Company, Limited), Sir Herbert B. Rowell, (Chairman of Messrs. R. and W. Hawthorn, Leslie and Company, Limited), the vast body of the shipyard and engine-shop workers have come to appreciate the effect of foreign competition, and even the handicap of the rate of exchange, and to realise that the volume of production must increase and its cost must fall. This feeling will conduce largely to an amicable conclusion to the discussions now pending for the fixing of fresh terms and the drawing up of new agreements.

INDEX-NUMBERS OF THE FOREIGN EXCHANGE VALUES OF THE £ STERLING.

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After the slight recession of February the value of the £ sterling abroad continued to advance during March, our index-number for last month being 123, as compared with 120.9 for February, 122.4 for January, and 102.9 for March 1920. The latest index-number is the highest for any month since the Armistice and represents an appreciation amounting to twenty-three per cent. of the £ sterling in terms of the currencies of twenty-eight selected foreign countries, over its value at the pre-War parities of exchange. The following table affords a comparison of the latest index-number with previous figures since the Armistice:—

Index-numbers of Foreign Exchange.
Value of the £ sterling.

	1918	1919	1920	1921
Jan.	—	98·9	98·5	122·4
Feb.	—	99·1	94·9	120·9
Mar.		99·2	102·9	123·0
April	—	100·3	109·7	—
May	—	101·2	107·5	—
June	—	100·4	106·3	—
July	—	101·7	100·2	—
Aug.	—	101·6	100·1	—
Sept.	—	100·7	100·2	—
Oct.	—	100·3	108·7	—
Nov.	98·7	100·2	111·2	—
Dec.	98·7	98·3	114·5	—

Constructional details of the index-numbers for the past two months as well as for March of last year are set out in the subjoined table. The rates given are the average of the daily cable quotations on each of the twenty-eight countries given, and the percentages represent in each case the value of the £ in terms of the foreign currency, taking the old parity of exchange as equal to 100. In arriving at the index-number for each month the percentages are "weighted" according to the value of our total trade with each country, including imports, exports, and re-exports of merchandise, gold and silver, and the estimated value of "invisible" exports. The geometric mean is used in preference to the simple arithmetic mean in order to prevent the exchanges on such countries as Germany and Portugal, where the £ is at a very high premium, from affecting the final result unduly. A more complete account of the method of construction of the index-numbers, as well as details for previous months since the Armistice, was contained in The Statist of February 19 and March 5 last.

On studying the movements during the past month it will be found that the appreciation of the £ occurred in all the leading exchanges. The New York rate advanced from an average of $3.87¼ for February to $3.90⅞ for March, lessening the discount of the £ in terms of the dollar from 20.4 per cent. to 19.7 per cent. This continues a favourable movement in the dollar exchange which began during last November, and the average level for March is only slightly under that for last June. The improvement in the New York rate is accompanied by a sympathetic movement in the exchanges on Montreal and Yokohama; while in the South American group the exchanges on two of the three countries represented in our table display a similar favourable tendency, the Buenos Ayres rate, in particular, improving from 49 7/16d. to 47 13/16d., or within a fraction of the parity. Among Continental exchanges a divergence is to be noted between the movements in francs and lire. In former months changes that occurred in the rates on Paris, Brussels, and Italy were almost invariably in the same direction, but last month, exceptionally, as may be seen from the table, the value of the French and Belgium franc suffered a further decline, while that of the lire shows a slight improvement. The divergent movement in the latter began about the middle of the month and was probably connected with rumours of a scheme being put into operation for "pegging" the exchange between Rome and New York. The value of the mark was adversely affected by the progress of the Reparations Conferences, the rate rising from 236½ to 244. Among adverse movements the most prominent were the exchanges on Stockholm, Berne, and Valparaiso. With the exception of these, indeed, there are no important changes to be noted in the direction of a lower value for our currency.

Foreign Exchange Values of the £ Sterling.

Country.	Method of Quoting.	Par.	Exchange Rates Mar. 1921 Average Rate.	Mar. 1921 % of Par.	Feb. 1921 Average Rate.	Feb. 1921 % of Par.	Mar. 1920 Average Rate.	Mar. 1920 % of Par.	Total Trade Sep.-Dec. 1920 in Millions of £'s	Weighting used for Index-Numbers Jan.-Mar., 1921
United States ...	Dollars to £	4·867	3·90	80.3	3·87¼	79.6	3·77¼	77.5	212·64	226
France	Francs to £	25·225	55·38	219.6	54·11	214.5	52·89	209.7	88·40	95
India	Pence to Rupee	16†	15½	103.2	16	98.1	29¼	54.7	80·78	85
Africa	—	—	—	101.2	—	101.2	—	96.0	53·74	57
Netherlands ...	Florins to £	12·107	11·36	93.8	11·33	93.6	10·21	84.3	52·32	55
Australia ...	—	—	—	101.5	—	101.5	—	100.2	48·09	51
Argentina ...	Pence to Peso	47·58	47	99.4	49	96.2	62	75.9	46·98	50
Canada	Dollars to £	4·867	4·45	91.5	4·39¼	90.4	4·28½	86.1	45·15	48
Germany ...	Marks to £	20·43	244	1,195.0	236½	1,158.0	295	1,444.0	30·69	32
Belgium ...	Francs to £	25·225	52·92	209.9	51·70	204.9	50·61	200.6	28·41	30
Sweden	Kronen to £	18·159	17·21	94.7	17·42	95.9	18·28	100.7	23·75	25
Egypt	Piastres to £	97½	97½	100.0	97	99.9	97½	100.0	22 47	24
China	Pence to Tael	32½*	36 3/16	88.3	40¼	80.8	93¼	34.8	20·81	22
Spain	Pesetas to £	25·225	28·04	111.2	27·69	109.7	21·38	84.8	20·63	22
New Zealand ...	—	—	—	101.3	—	101.3	—	100.4	20·22	21
Japan	Pence to Yen	24·58	29	83.0	29	82.1	30¼	80.9	19·37	21
Italy	Lire to £	25·225	103·44	410.1	105·61	418.7	72·32	286.7	18·91	20
Denmark ...	Kronen to £	18·159	22·65	124.7	20·93	115.3	21·63	119.1	17·04	18
Norway	Kronen to £	18·159	24·14	132.9	21·77	119.9	20.61	113.5	14·11	15
Turkey	Piastres to £	111	580·3	522.8	583¾	526.0	417·8	376.3	13·29	14
Brazil	Pence to Milreis	16	9⅝	166.3	9⅝	162.0	17	90.8	13·25	14
Switzerland ...	Francs to £	25·225	22·99	91.2	23·64	93 7	22·17	87.9	11.30	12
Strts.Settlements	Pence to Dollar	28	27	100.8	27	100.7	27	100.4	10·36	11
Chile	Pence to Peso	18	9	198.6	8	205.0	13	137.8	8·46	9
Greece	Drachmas to £	25·225	51·65	204.7	52·60	208.5	37·05	146.9	6·90	7
Portugal ...	Pence to Escudo	53¼	5	1,002.0	6	869.2	15	335.3	5·32	6
Hong-Kong ...	Pence to Dol.	23·81*	28⅛	84.6	29	81.3	63	37.6	5·23	6
Uruguay ...	Pence to Peso	51	46	109.2	48	105.4	60	75·3	3·45	4
Index-numbers (Weighted Geometric Average)				123.0		120.9		102.9		1,000

* For Shanghai and Hong-Kong the parity has been taken as the average T.T. rates for the year 1913.
† The old fixed parity rate of Rs. 15 to £1 has been taken for India in preference to the new rate of Rs. 10 to the sovereign.

CAPITAL ISSUES FOR THE QUARTER.

THE attitude of investors towards applications for new money, whether on Government or private account, is sometimes a source of perplexity to underwriters. Issues possessing no special outstanding merits are eagerly taken up, while emissions of undoubted soundness fail. Extraneous considerations, such as advertising, have frequently an unduly strong influence, and the success of underwriters in privately placing large blocks is also an important consideration. The recognised methods of issuing houses cannot, however, at times take full account of all the important factors. Of the recent Dunlop issue of £3,000,000 Eight per Cent. First Mortgage Debentures, the public accepted only 26½ per cent. while the lists were open. Shareholders might have been expected to lend the necessary assistance, but their finances were already strained by the call on the new shares and the outside public was deterred by the previous rumours, often grossly exaggerated, which had become associated with the name Dunlop. Sentiment has become a strong factor in the capital market as elsewhere, and its treatment involves subtle problems in psychology. The only real solution lies in the removal of that undertone of nervousness which characterises the commercial and industrial outlook, and here large political considerations, such as the German indemnity question, the financial reorganisation of the Continent, and the removal of tariff barriers arise.

The month of March recorded a strong recovery, as compared with February, in the applications for fresh capital by private enterprises. The total under such head was 15½ millions, to which must be added a further 15 millions taken on Government and municipal account, making in all 30 millions. The corresponding month of 1920, which marked the peak of the boom as far as the capital market was concerned, showed a total of 65 millions, of which 56 millions was for private enterprises. The heaviest item during the month just ended was that of nearly 10 millions in the Industrial and Commercial section. The number of issues under this head was, however, no greater than in February, the increase being largely due to three heavy emissions. The largest of these was £4,000,000 Seven and a-Half per Cent. First Mortgage stock at 92½ by Lever Brothers, calling for a net cash subscription of £3,700,000. Underwriters found themselves liable for 55 per cent. of their commitments, but experienced little difficulty in effecting sales at a profit on the Stock Exchange. The Dunlop Debenture stock, calling for £2,940,000 net cash, ranks next in importance. As already stated the public applied for only 26½ per cent. before the close. Harrods made an issue of £1,000,000 Seven and a-Half per Cent. Cumulative Preference shares of £1 each at par which were oversubscribed. The only other emission of importance was 700,000 £1 Ten per Cent. Cumulative Participating Preference shares at par by R. E. Jones, to which a favourable reception was accorded. Prospectuses of steel and coal, banking, insurance, mining, motor, and shipping companies were notably absent. Gas and water issues at £411,127 showed a marked growth. The usual measure of success enjoyed by these emissions is in itself an index of the dwindling popularity of speculative flotations. The Oil section showed a fairly heavy total at over 3½ millions, but this was almost wholly due to the Anglo-Persian issue of 3,500,000 Nine per Cent. Cumulative Second Preference shares of £1 each at par. The security behind the shares was of the highest and their early over-subscription did not come as a surprise to the market. Of the grand total of 31 millions, 3 millions was taken for the Colonies and nearly 6 millions for foreign countries, leaving 22 millions for domestic purposes.

The capital subscriptions for the first quarter of 1921 make poor comparison with those of corresponding periods of previous years. The amount required on private account was 28 millions, against 134 millions for the initial three months of 1920, 27 millions in 1919, when heavy restrictions existed, and 51 millions in the first quarter of 1914. Adding the amounts taken for Government and municipal requirements the grand total becomes 66 millions for the quarter just ended. The corresponding figure in 1920 was more than double at 157 millions, while that for 1919 was still greater at 308 millions, and even in 1914, when the pound sterling had much greater weight than at present, an amount of 109 millions was subscribed. Most of the important issues since the New Year were made in March, and have already been enumerated. In January the Cunard Steamship Company offered £4,000,000 Seven per Cent. Mortgage Debenture stock, 1926-41, at 90, nearly half of which was required for conversion purposes. At the

CAPITAL ISSUES OF THE UNITED KINGDOM.

Calculated at Price of Issue and Exclusive of Conversion Loans, Bonus Shares and Shares Issued to Vendors.

	March				First Three Months			
	1921	1920	1919	1914	1921	1920	1919	1914
	£	£	£	£	£	£	£	£
Bank	—	360,442	1,200,000	950,000	4,000	9,614,268	8,014,273	1,150,000
Breweries	400,000	375,799	100,000	—	400,000	598,270	100,000	911,500
Coal, Iron and Steel	—	5,665,000	556,000	306,544	412,822	15,327,672	7,424,500	789,044
Commercial & Ind.	9,686,360	35,392,457	5,565,250	4,798,104	12,145,498	69,518,881	6,875,409	7,495,969
Electric Light	377,500	802,400	214,302	732,459	720,000	970,107	938,433	3,412,709
Fin. Land & Trust	720,000	1,002,500	—	2,172,600	720,000	4,648,363	150,000	5,588,513
Gas & Water	411,127	28,000	-	64,096	800,186	410,500	26,500	479,096
Insurance	—	1,072,396	—	—	—	2,042,341	—	220,911
Mines	—	314,719	286,850	150,000	70,200	2,107,903	814,533	943,500
Motors	41,905	1,350,000	830,000	120,000	56,695	4,966,762	2,006,786	580,000
Nitrate	—	100,000	—	—	—	100,000	149,250	—
Oil	3,650,000	1,180,000	—	157,500	9,724,411	4,330,901	59,346	618,709
Rubber	265,545	1,550,249	49,410	30,199	407,166	3,290,884	59,410	301,895
Railways	—	—	—	2,707,500	50,000	1,116,000	--	22,468,524
Shipping	-	3,730,500	260,000	—	2,183,260	12,013,264	260,000	3,893,500
Tea and Coffee	-	—	-	-	57,790	126,720	-	-
Telegraph & Teleg.		3,039,650	—		—	3,039,650	—	194,000
Tramways			—	322,000	—	—	—	2,207,000
Total	15,552,437	55,964,112	9,061,812	12,511,002	27,752,028	134,222,486	26,878,440	51,254,870
Municipal	5,890,000	8,984,157	—	2,435,235	10,010,786	10,976,167	—	10,934,722
Government	9,221,766	—	21,579,000	13,576,488	28,469,992	11,470,000	282,014,038	46,415,082
Grand Total	30,664,103	64,948,269	30,640,812	28,522,725	66,227,806	156,668,653	308,892,478	108,604,674
Home	21,769,058	60,500,801	29,064,552	6,691,300	45,749,849	137,311,664	299,891,345	17,877,671
Colonial	3,315,145	3,038,749	428,910	10,289,937	8,738,546	14,679,755	7,405,402	47,168,676
Foreign	5,580,000	1,408,719	1,147,350	11,541,488	11,744,411	4,677,234	1,595,931	43,558,327
Total	30,664,103	64,948,269	30,640,812	28,522,725	66,227,806	156,668,653	308,892,478	108,604,674

same time, Mexican Eagle Oil shareholders subscribed at par for new shares to an amount equal to half their previous holdings. This involved over £6,000,000 in cash, which was, however, covered by dividend payments. The principal Corporation loans were £6,500,000 by Birmingham and Liverpool, and £3,750,000 by Birkenhead, Newcastle, Nottingham and Salford. The British Government was responsible for £15,000,000 Local Loan stock at 50 in January, the Commonwealth Government of Australia for a £5,000,000 Six per Cent. Loan at 95 in February, and the San Paulo and Sudan Governments for £2,000,000 Eight per Cent. Sterling Bonds at 96½ and £2,880,000 Five and a-Half per Cent. Guaranteed Bonds at 92 respectively in March.

BRAZIL.

AN EXCELLENT MOVE.

According to an *Agencia Americana* cable from Rio de Janeiro, the Lloyd Brasiliero has entered into an agreement with the State of Sao Paulo for the transportation of immigrants. This is quite good, and is clearly in the right direction. Brazil, like the rest of the world, is suffering from the inevitable reaction that followed the trade boom which those countries not actually within the war zone enjoyed during the War, and continued to enjoy for a considerable period after the War was over. The reaction, however, has now set in. According to figures furnished by Mr. E. Hambloch, Commercial Secretary to H.M. Embassy in Rio de Janeiro, the imports into Brazil during the first eleven months of last year amounted to 112¼ millions sterling, while the exports only amounted to 102½ millions. It will be remembered that in the preceding year Brazil had a trade balance amounting in value to 50 millions sterling on the then basis of prices. Now a country in the economic position in which Brazil is at the present time should not have what is technically called an adverse trade balance. There is, of course, in reality, as readers of The Statist will readily appreciate, nothing like an adverse trade balance, or at any rate an adverse trade balance continued for any considerable time. It is evident that nothing of the kind could exist. No country could consistently for any considerable time continue to import immense quantities of goods unless it was in a position to export a corresponding amount or render services to an equivalent value. Brazil at present has not attained to an economic position which would make it desirable for her to have an adverse trade balance such as we have, for instance, not merely at the present time, but for more than a century now. Just at present, it may be said, and with truth, that we have come out of the Great War only just recently; that we are not in a satisfactory economic position; that we are heavily loaded with debt; and that our trade and industry is not yet re-established upon a sound economic basis. All this, no doubt, is true to a certain extent. But we will pass over for the moment the existing conditions in England. Suffice it to say that for considerably more than a century we have had what is commonly called an adverse trade balance; but we have had that because we not merely exported goods and rendered services to an equivalent value for the goods we received, but, in addition, we were able to invest immense sums in various parts of the world as the indebtedness of various countries to us at the outbreak of the recent War amply demonstrated. It was estimated that at the outbreak of the War we were entitled in this country to import goods to the value of about 300 millions sterling, for which in that particular year we were not required to render any equivalent value at all, because, in fact, we had already done so by providing the means whereby this interest was earned. It is highly advantageous for a country situated as England is to have an adverse trade balance. The island of Great Britain is only 88,000 square miles, and if we include the whole United Kingdom it is only a little over 121,000 square miles. Consequently, on such a restricted area, with a population of between 45 and 46 millions of people, it is evident that we must be in a position to do something beyond merely exporting coal and cotton goods. As a matter of fact, we have not, even under favourable conditions, a sufficient amount of coal; nor is it probable that we could export cotton goods to a value which would enable us really to buy immense quantities of food, not to speak of raw materials, which we require for the maintenance of such an enormous population. Consequently, we make up the balance by various exports, and mainly by rendering services in various ways. This country was the pioneer in the industrial boom in the early part of the eighteenth century. As a consequence, we have trade relations with nearly every country in the world. We have made a practice, moreover, of investing a certain proportion of our surplus profits for a period extending now over nearly two centuries, as various forms of information would satisfy the reader had we time and space to go into the subject with sufficient detail. One illustration we would give would be the records which exist in the City of London of various London merchants who were engaged in the plantations in Virginia as early as the time of James the First. We have said enough, however, to show that an adverse trade balance is quite consistent with, and may be of great advantage to, a country in the economic position which we are in at the present time, with various industries relatively highly developed, with an enormous population on an exceedingly restricted area, and compelled as we are to obtain from overseas some seventy-five to eighty per cent. of the raw materials needed for our manufactures, and roughly about two-thirds of the food we consume. The position of a country like Brazil, however, is in as great contrast in its economic conditions as it is in regard to its physical appearance to that which obtains amongst ourselves. The Amazon Valley hardly differs more from the landscape of East Anglia than the economic conditions of the Pool of London differ from those of the country whose gate is the beautiful bay of Rio de Janeiro.

Now what is the position of Brazil which should justify us in making an assertion that it is almost as unlike as it reasonably can be that of a highly developed country, in a commercial sense, like England? The reader who will take up a map of South America will see a huge expanse of country covering between a third and a half of the whole continent marked Brazil. The area of this great

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expanse is considerably larger than what we call the continental portion of the United States of America. It has, all told, a population estimated at about 25 millions; that is to say, a quarter of the total population of the United States. It has a total railway mileage of less than 20,000 miles—that is to say, considerably less than one-twelfth of the railway mileage of the great Northern Republic. If we bear in mind that it is now practicable, by means of medical science, to make the whole of that great area thoroughly healthy and habitable by man, it is not too much to say that Brazil is far more fertile than continental United States taken as a whole. There is no area in Brazil comparable in extent to the arid areas of various parts of the northern continent. This is true of South America taken as a whole, which appears to be by far the most fertile continent on the planet. Consequently the two great needs of Brazil are increased transportation facilities and increased immigration. It is perfectly evident that an extent of country of more than 3¼ million square miles, inhabited by only about 25 millions of people, cannot be adequately developed in any sense. There are not enough people to do the ordinary work urgently needed to be done in various parts of the Republic, and there is really no surplus population, such as we possess in the congested areas of Europe, which is available to devote itself to the arts and sciences and what for convenience we may call the elegances of life. Practically, it may be said that the most urgent need of Brazil is that a large proportion of the population should devote itself to the development of the great natural resources of the country. In order to do that, Brazilian trade should consist to the utmost extent possible in the export of food and raw materials needed by countries like our own, which are, or ought to be, in a position to import immense quantities of raw produce upon which the basis of all industry rests. This will be true to a greater or less extent until such time as the whole area of the Republic is more or less occupied and is yielding a reasonable proportion of what one might expect from so fertile a country. At the present time immense areas of Brazil are practically uninhabited, and are yielding little or nothing to add to the resources of the Republic and to serve the needs of a world just recovering from one of the most terrible wars of modern times.

It might conceivably be justifiable in an economic sense for Brazil to import considerably more than she exported in any given season, or for that matter series of seasons. What we mean to say by this is that, assuming that the country was exporting large quantities of coffee, rice, meat, manganese ore, cereals (which she ought to be able to do, but as yet has not been able to do), cotton (which she is developing to a very satisfactory extent), cocoa, and various other products which Brazil is eminently able to export in large quantities, but was raising a loan either in the United States or here in Europe with the object of developing the transportation facilities of the vast interior, or still better, if she was engaged in some great drainage scheme which would make "the vast north," as we described a large part of Brazil in a recent article, available for settlement by engaging in a great drainage scheme, imports of engineering material, railway material, including rolling-stock, material for bridge-building, and so on, might be an eminently satisfactory form of development for Brazilian trade to take. This would be so because it would indicate to anyone competent to examine the figures that within a comparatively short space of time Brazil would again be able to export vast quantities of food and raw materials to those countries so urgently in need of those commodities which, in turn, would again furnish Brazil with the means of opening up her territory until it became settled from the Atlantic to the Andean chain of mountains, and from the Guianas to the Uruguayan border.

TRADE OF CZECHOSLOVAKIA.

THE negotiations which recently took place at Rome for the purpose of bringing about a stable commercial treaty between Czechoslovakia and Italy have now been concluded. All outstanding questions relating to foreign trade, finance, desequestration of Czechoslovak property in Italy, graduating of tariffs, maritime transport and harbour facilities in the port of Trieste, were settled. According to Italian statistics now published the foreign trade during the first seven months of 1920 between the two countries was as follows:—

	Imports to Italy from Czechoslovakia	Exports from Italy to Czechoslovakia
	(in Thousands of Lire)	
Jan.	5,540	4,986
Feb.	9,307	4,781
Mar.	24,419	8,286
April	24,789	2,908
May	15,746	15,405
June	16,479	6,720
July	21,520	4,203
	117,800	47,289

In the course of the first half of the year the value of goods exported from Czechoslovakia to the United States was 3,369,815 dollars, while the value of the imports from the United States to Czechoslovakia was 6,016,234 dollars. During the months of July, August and September exports from Czechoslovakia to the United States were 4,176,117 dollars, the value of the imports into Czechoslovakia being 466,947 dollars. *Narodni Listy* publishes some statistics concerning the import and export of textile products. Up to the end of October last Czechoslovakia imported 1,458,188,377 kilogrammes of wool, 2,598,424,519 kilogrammes of cotton, and 142,319,960 kilogrammes of jute. The exports were 837,007,619 kilogrammes of wool, 1,651,335,484 kilogrammes of cotton, and 69,532,352 kilogrammes of jute. At the beginning of 1920 the concerns engaged upon the manufacture of those products were working at twenty to thirty per cent. of their output capacity. In the course of the year this was gradually increased to an average of fifty per cent. Several establishments are now working at their full capacity.

According to official statistics from Prague, the amounts derived from the property tax and the tax on the increase of property during the last five months of 1920 were 111,432,180 crowns in Bohemia (the richest province of what is now the Czechoslovak State), 15,275,862 crowns in Moravia and 1,322,679 crowns in Silesia, making 128,030,721 crowns in all.

BANCA COMMERCIALE ITALIANA.—The general meeting of shareholders was held in Milan on the 25th ult., when the following proposals of the board of directors were sanctioned:—Dividend for 1920, fourteen per cent., after placing Lire 20 million to the reserve and Lire 6 million to the staff provident fund. Messrs. Edgardo Morpurgo and Giovanni Silvestri were elected on the board of the Bank. Arrangements were also sanctioned for calling up the balance of the authorised capital of Lire 400,000,000.

ANDREW KNOWLES AND SONS, LIMITED. Government control of mines having ceased on March 31, instructions have been received from the Mines Department to make up the accounts of this Company to that date. The directors have therefore decided that the accounts to be submitted to the proprietors shall also be made up to the end of the control period. Accounts since January 1, 1917, have been submitted to February 28 in each year, to meet the Government requirements during control, but this date is an inconvenient one, and the directors are of opinion that March 31 will be more acceptable to the proprietors. The balance sheet made up to March 31, 1921, will therefore be issued early in May, and the annual general meeting will be held at the end of that month.

GOVERNMENT VERSUS PRIVATE RAILWAYS IN JAPAN.

At a time when the question of railway [illegible] is uppermost in the public mind in connection with [illegible] railways but with coal mines in the United Kingdom; it is not amiss to examine the results that have attended the State working of a large portion of the railway system of Japan. We have been favoured by the Japanese Government with a copy of the Annual Report on Government Railways for the year ended March 31, 1918, and an abstract of statistics relating to the following year. The Report is divided into two sections, the first dealing with Government railways and the second with privately owned railways and tramways in Japan, exclusive of Saghalien and of Chosen and Formosa. Before examining the Report in detail it might be well to recall some of the outstanding events in recent railway history in Japan. A move of the most serious import was decided on in 1906-07, when the State took over the lines of the chief railway companies, leaving the less important systems in private hands. In 1910, however, in order to encourage private enterprise to help in the provision of the light railways that are essential in all countries, and that act as feeders to the main arteries of traffic, the Light Railway Law was passed. The lines that remained privately owned subsequent to the policy of acquisition adopted by the Government in 1906 were permitted to re-charter under this new Act. Most of them availed of the privilege, and in March 1917 there were only seven lines, aggregating 200 miles, operating under prior legislation. In the following twelve months five out of the seven were converted into light railways, and, in addition, the Yokohama Railway was purchased by the Government, with the result that on March 31, 1918, there was only one private railway, the Ashio Railway. This line has, however, been under the Government lease since 1913, and an early affiliation with the State lines was expected subsequent to the issue of the Report.

On account of their growing importance the railways of the Imperial Government were entrusted in May 1920 to the control of a [illegible] Department of State, though the organisation and working of the lines remained practically unchanged. On March 31, 1918, the latest date for which complete figures are available in respect of Japan proper, the length of railway line open to traffic was 7,810 miles, of which 6,002 were owned by the Government and 1,808 by private concerns. Comparisons between the operating results of the two groups is rendered difficult not only by the different character of the lines which are controlled, but by differences in the form of presenting accounts. In the case of privately worked railways it has been necessary to treat them all as one system. The private lines being smaller suffer from a natural handicap, and do not *a priori* admit of economies in operation similar to those open to the larger. With these reservations in mind the following tables may be taken to represent the comparative results for recent years:—

It will be noticed that the returns for State lines are one year ahead of those given for other railways. The most vital figure in the comparison is that showing the ratio of expenses to revenue. For the years in which results of both groups are shown the percentages of expenditure for State and for private railways respectively [illegible] 54.7; 1916-17, 43.0, 52.1; 1915-16, 46.0, 55.0; 1914-15, 51.0, 55.7. The private lines, as will be seen from their aggregate receipts, are of minor importance. Being controlled by a number of different managements they are naturally much less economical to work. They correspond roughly to the light railways in this country, and as for the most part they tap out-of-the-way districts, both goods and passenger traffic is light. The volume of revenue is in the circumstances small and the ratio of operating expenses is necessarily high. Considering these drawbacks the private lines emerge creditably from the comparison made in the above tables. It will be observed that, while the percentage of expenses to revenue in the case of Government railways rose from fifty-one in 1914-15 to fifty-nine in 1918-19, the increase for privately owned lines was only from 53.4 per cent. in 1913-14 to 54.7 per cent. in 1917-18.

Taking the two groups together the train mileage totalled 80,130,787 miles for the year to March 31, 1918, and the vehicular mileage 1,502,041,946 miles. The number of passengers carried was 319,490,676, and the weight of goods hauled 57,984,881 tons.

The revenue account for the State lines in 1917-18 shows receipts from operation, £21,321,924; a balance for light railway subsidies of £264,275; and £309,931 transferred to reserve account, making in all £21,896,130. The expenditure stands at £16,886,460, of which £16,813,343 is for expenses of operation and £73,117 for subsidies to light railways. The surplus therefore amounts to £4,668,513, after deduction of a sum for light railway subsidies of £341,157, which is transferable to the account for the following year. After further deduction of rebates and advances, track supervision and surveying expenses, and miscellaneous charges, including interest, operating revenue proper amounts, as shown in our table, to £18,352,514 and expenses to £8,437,002, leaving a profit of £9,915,512. The profit in the following year, 1918-19, was practically unchanged, but, as compared with 1916-17, receipts increased by £4,227,000, expenses by £2,321,000, and profits by £1,900,000. The percentage of working expenses to revenue increased by three per cent. in 1917-18, as compared with the previous year, and showed a further big rise of thirteen per cent. in 1918-19. The ratio of expenses to revenue on the privately owned railways on the date of the last report was 54.7 per cent., as compared with 59.0 per cent on the State lines. Though the comparison is in favour of the private lines, it must be pointed out that the Government figure refers to a period twelve months later, during which certain increases of wages and other concessions to railway workers become operative. The result of these concessions will, no doubt, be reflected in a higher ratio.

Revenue and Expenditure Account.

Government Railways.

	1918-19	1917-18	1916-17	1915-16	1914-15
	£	£	£	£	£
Operating Revenue ...	24,354,729	18,352,514	14,125,533	12,021,235	11,216,961
Operating Expenses ...	14,410,168	8,437,002	6,116,354	5,560,168	5,717,828
Profit ...	9,944,561	9,915,512	8,009,179	6,461,067	5,499,133
Per cent. of Expenses to Revenue	59·0	46·0	43·0	46·0	51·0
Per cent. of Profit on Capital	7·8	8·3	7·2	6·2	[illegible]

Privately Owned Railways.

	1917-18	1916-17	1915-16	1914-15	1913-14
	£	£	£	£	£
Operating Revenue ...	1,552,426	1,191,504	983,609	858,231	713,551
Operating Expenses ...	848,408	620,365	540,835	477,730	380,843
Profit ...	704,018	571,139	442,774	380,501	332,708
Per cent. of Expenses to Revenue	54·7	52·1	55·0	55·7	53·4
Per cent. of Profit on Cost of Construction ...	6·3	5·5	4·2	[illegible]	6·0

SPANISH INDUSTRY AND TRADE.

With capital resources not only unimpaired, but, on the whole, augmented by the War, it might have been expected that there was little danger of a severe setback to the trade of Spain during the two years following the Armistice. Such, however, does not prove to have been the case. The spell of prosperity commencing in 1915 did indeed continue until 1919, but, judging by the figures given below, Spanish trade seems to have received a definite check in 1920. The returns, it might be observed, are based on a valuation fixed in 1912, and their main value is, therefore, for comparative purposes. In the table the minus sign denotes an excess of imports and the plus sign an excess of exports.

Spain.

Imports and Exports of Merchandise, 1913-20.

(In thousands of Pesetas.)

	Imports	Exports	Balance of Trade
1913	1,306,200	1,057,500	— 248,700
1914	1,022,400	867,900	— 154,500
1915	968,100	1,242,300	+ 274,200
1916	913,200	1,361,400	+ 448,200
1917	733,800	1,308,400	+ 574,600
1918	589,700	999,600	+ 409,900
1919	898,600	1,316,000	+ 417,700
1920 (Jan.-Aug.) ...	944,847	691,842	— 253,005

The figures given for the various years, which are all taken from official sources, relate to special trade, that is imports retained for home consumption, and exports of domestic produce. In respect of 1920 returns for eight months only are available, and the figures comprise both general and special imports. The favourable trade balance experienced during 1915-1919, more or less an innovation by the way in Spanish commercial history, seems to have been due largely to the forcible contraction in imports. In addition, the demand of the belligerents for foodstuffs and other commodities, especially in evidence during certain years of the War, exercised an important effect. The cumulative result of the cessation of these influences was reserved for 1920. The return towards a pre-war consumption of imports was aided by the increased wealth of the community and the re-establishment of more normal shipping conditions. And in regard to exports, the progress of reconstruction in other countries—particularly in the United Kingdom, Germany and France—brought Spanish industries face to face with a competition from which, for some time, they had been comparatively free. Furthermore, export trade could not fail to have been depressed by the fall in prices. Frequent labour troubles springing from the rapid growth of Syndicalism too often disrupted the organisation of industry and accounted for a serious diminution of output.

Our trade connection with Spain is measured by a United Kingdom export thereto of £7,852,000 in 1913 and £19,324,000 in the complete year of 1920, and an import therefrom of £14,394,000 and £37,495,000 respectively. According to a report recently issued by the Department of Overseas Trade, the market for British goods is easily capable of extension, but to secure such extension it is essential that stocks should be held in Spain. The steps taken by United States merchants to consolidate the lead they gained during the war are worthy of attention. Their programme includes the establishment of direct freight connection, the distribution of catalogues, the free use of the Press, the offer of "cut" prices, and the grant of credit facilities. Favoured by the low value of the mark, the Germans are also able to exert considerable competitive pressure. Hamburg steamers are plying to Barcelona, and at last year's Barcelona Fair the showing of the Germans exceeded that of all the other foreign nations put together. Spanish industry, favoured by the curtailment of competitive imports during hostilities, has made marked progress in several directions. This is particularly the case in the cotton textile industry, which is in a position to export to South America and to compete with Manchester products. In the agricultural and mining and metallurgical industries, of which a comparative view is presented below, however, lie Spain's chief sources of wealth.

	Production		Value	
	1913 Metric Quintals	1920 Metric Quintals	1913 (in thousands of Pesetas)	1920
Agriculture: (*a*)				
Wheat	30,590,794	37,722,376	849,200	2,451,930
Barley	14,973,409	19,696,025	336,903	896,320
Rye	7,091,114	7,069,126	140,049	365,450
Oats	3,677,145	5,482,640	80,897	213,834
Maize	6,385,806	7,034,216	118,584	382,700
Rice	2,228,803	2,893,395	94,456	276,570
Grapes	29,522,579	42,752,361	—	
Wine (production in hectolitres)...	17,105,203	26,771,065	—	—
Olives	14,868,745	13,500,603	—	
Olive oil ...	2,654,225	2,632,591	318,719	—
	1913 Tons	1919 Tons		
Coal and Ores:				
Coal (including lignite) ...	4,292,522	6,243,509	—	—
Lead (including argentiferous)...	302,678	178,055	—	—
Iron	10,788,581	5,071,249	—	—
Copper	2,268,691	1,470,090	—	—
Total of all Ores	61,703,089	44,690,436	269,744(*b*)	499,662(*b*)
Mineral and Metal:				
Iron and steel ...	666,769	835,356	—	—
Coke, &c. ...	1,081,905	1,027,936	—	—
Lead	198,829	178,055	—	—
Copper	31,248	34,369	—	—
Superphosphates	185,860(*c*)	135,526	—	—
Total, all metals and minerals ...	3,389,267	2,718,020	302,654	566,428

(*a*) Values are only approximate.
(*b*) Total value at mouth of pit.
(*c*) 1914.

Upwards of 5,000,000 Spaniards, or nearly a quarter of the population, are engaged in agriculture, and, according to a pre-War estimate, 13,200,000, or twenty-six per cent., of the total area of 50,500,000 hectares were under cultivation. The outlet for wine, immemorially identified with Spain, has been narrowed down recently by the imposition of increased French import duties, but hopes are entertained that the South American market will come to the rescue. According to expert reports the country is extremely rich in minerals of all kinds, and the extension of surveying will doubtless reveal many profitable stretches of ground. From a calculation made in 1918 we gather that the capital employed in mines was 984,821,000 pesetas, of which no less than 569,630,000 pesetas were entirely in foreign hands; and even in the balance foreigners were also said to be heavily interested. Considering the part outside capital has thus played in the economic development of the country, the tendency of latter-day Spanish legislation to penalise foreign concerns by differentiating against them in the matter of taxation is to be regretted. Already the 1920 trade returns have indicated that the continuance of the prosperity experienced during the War cannot be legitimately hoped for. They help to drive home the lesson that Spain, no more than any other nation, can afford to tamper with her credit, and a wise provision for the future would counsel the abandonment of measures which might conceivably deter foreign capital from assisting in the task of developing the country's great resources, a task that Spanish capital alone can scarcely hope to compass. Contemporaneously with the decline in trade, the value of the peseta has fallen. Reckoned in terms of pesetas the £ sterling stood at only 77.4 per cent. of its par value in February 1920, but by February 1921 it had jumped to 109.7 per cent. Of course, another very important factor helping to bring down the value of the peseta was the investment of huge sums abroad—the low Spanish Bank Rate facilitating the borrowing of money which, placed elsewhere, was expected to show a substantial margin of profit.

TRANSIT AND COMMUNICATIONS CONFERENCE.

THE Conference at Barcelona has been considering the point of view of various Governments concerning the setting up of an international *régime* for navigable waterways. The necessity of finding solutions which would conciliate the interests of all contracting parties was primarily insisted on by the Polish and Chilian delegations. A member of the French delegation drew attention to the fact that the first principle relating to the limit of river navigation had been proclaimed by the French Revolution. He considered that a special category was necessary for all international rivers that could be considered to be of general interest. The decisions already adopted by the Conference on the subject of the settlement of differences which might arise between different States constitute an entirely new departure, and mark considerable progress compared with the principles established by the old Vienna Congress. It was recalled on behalf of Germany that the Government of that country had endeavoured during the last fifty years to harness the navigable waterways in the interior by building canals and completing the network of river communications.

The internationalisation of certain great rivers has been established by the Peace Treaties, but the Treaty of Versailles lays down that if the general conventions on navigable waterways intervene the principles established by these conventions should be observed in the special agreements relative to rivers which the Conference is called upon to draw up. The results of the Conference will, therefore, be exceedingly important. The extreme difficulty of the problems to be solved, above all those connected with certain technical points, such as the taxes that are to be levied and the works to be carried out, is obvious. The Conference heard a very complete *exposé* from M. Montarroyes (Brazil), who spoke of the extremely liberal legislation instituted in that country concerning its interior rivers, where full liberty of navigation is assured. The final outcome of these informative deliberations will be awaited with interest.

CREDITO ITALIANO.—Considerable expansion is evident in the balance-sheet figures of this leading Italian Bank on December 31 last, as compared with those a year earlier, a total of 5,049,430,667 lire following one of 3,971,942,576, the increase being, however, to some extent a result of the currency inflation that still proceeds unchecked in Italy. A fifty per cent. increase in paid-up capital has raised that important line of defence to 300 million lire, while the reserve fund has been more than doubled, moving from 32 million to 65 million lire. Liability on current accounts, 2,585 million lire, and that on deposit and savings accounts, 681 million lire, have increased to 3,240 million and 877 million respectively; and although acceptances on account of customers, at 21 million lire, are less by nearly 33 million lire, guarantees, at 95 millions, are higher by 13 millions. Heading the list of assets, cash and balances at call with banks, £420,817,360 lire, bears the proportion of over 8.3 per cent. of the total, as against nearly 7.3 per cent. at the end of 1919. Bills receivable have risen from 2,098 million lire to 2,549 million, and balances owing to the Bank on current accounts from 1,202 million to nearly 1,440 million lire. A profit of 40,171,004 lire was realised during the twelve months, which compares with 31,630,992 lire in the year immediately preceding. A nine per cent. dividend on the old shares (succeeding one of eight per cent.), with four and a-half per cent. on the new capital introduced, absorbs 22½ million lire, and after the transfer of 15 million (following 13 million) to reserve, the reduced quota of 1,606,840 lire due to the board leaves a balance of 2,443,780 lire in hand, as against 1,379,616 lire brought in.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business, undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Commodity Prices in Shanghai.

We have been favoured by the *North China Daily News* with the Index-Numbers for Wholesale Prices of Commodities in Shanghai as compiled by the Treasury Department's Bureau of Markets. The calculations are based on the wholesale prices of 147 commodities—chiefly manufactured articles—on the last Wednesday of each month, the average prices during September 1919 being taken as the basis for comparison and made equal to 100. A review of the movements since the commencement of 1920 shows that the average of all the commodities rose by 11.3 per cent. between January and June; thereafter, excepting a very slight increase during November and December, there was a steady decline, the latest figure, for January 1921, being 5.5 per cent. below that for June. The following are the group and general index-numbers for the period:—

Index-numbers for Wholesale Prices of Commodities in Shanghai.

(*Average for September* 1919 = 100.)

1920	Cereals	Other Foods	Textiles	Metals	Fuels	Misc. Materials	General Average
Jan.	108·5	102·2	95·9	92·8	100·2	94·5	98 8
Feb.	109·8	106·2	98·5	100·2	99·0	95·7	102·1
Mar.	111·0	105·8	105·5	110·6	97·0	99·8	106·5
April	107·2	117·0	103·5	105·7	99·5	101·2	106·9
May	105·0	119·0	102·3	108·9	99·4	104·5	107·9
June	115·4	106·4	100·8	118·1	98·9	109·0	109·9
July	114·7	105·2	100·2	115·7	97·1	105·9	108·3
Aug.	108·6	102·4	98·4	117·0	96·4	104·7	106 2
Sept	109·9	107·7	94·7	111·8	97·2	103·7	105·5
Oct.	103·2	107·6	94·9	110·2	99·2	105·2	104·2
Nov.	98·6	112·5	93·2	109·9	102·4	108·7	104·6
Dec.	103·1	108·9	91·8	109·4	102·0	111·0	104·8
1921							
Jan.	96·9	107·0	93·1	109·6	103·1	113·1	103·9

Inter-Empire Exchanges.

The announcement of the nomination of Mr. E. R. Peacock, a prominent Canadian business man, as a Director of the Bank of England in place of Lord Hollenden, who has retired, is of special interest in view of the many suggestions recently made to promote closer banking co-operation among the different units of the Empire. It is certainly surprising that while many schemes, such as the Imperial Preference Scheme, have been proposed with the object of developing inter-Empire trade, comparatively little progress has been made towards linking up banking interests in the Dominions and India with those in the Mother Country. Formerly, when foreign exchange fluctuations were [illegible] not keenly felt, but [illegible] exchange markets are extremely violent, such fluctuations, forming a powerful influence in shaping the course of [illegible] importance, considering that our trade with India and the Dominions [illegible] our total overseas trade, that the inter-Empire exchanges should be made as stable as possible. Between London and the following centres, South [illegible]

of exchanges is generally determined by agreement among the banks operating in those regions; but the exchange between London and Montreal, for instance, is allowed to fluctuate in the same manner as the rate between London and any foreign centre. The rate on India was in pre-War days allowed to vary only very slightly from a fixed parity, as is the case with the rate on Singapore at present; but the war-time increase in the price of silver rendered such a position untenable, with the result that the rate, now left to the unfettered influences of supply and demand, has undergone such severe fluctuations as to cause stagnation in the very large trade between the United Kingdom and India. It is to be hoped that the nomination of a man of Mr. Peacock's experience and influence to such an important position in the City may result in the concerting of measures to bring about a closer communion of interests among the banking institutions in different parts of the Empire.

Government Shipping.

A number of Governments, including those of the United States, Canada, Australia, South Africa, and France, now control merchant fleets of varying size. Unlike the private owner, they do not labour under the necessity of making ends meet, as losses can in many cases be reimbursed from public funds, though, of course, such a process cannot be continued indefinitely. The running of vessels at uneconomic rates even for a short period adds, however, to the embarrassment of private shipowners, which is already sufficiently serious. Numerous services have been inaugurated by these Government merchant fleets. Thus the American Shipping Board has started to ply not only between centres in North and South America and foreign ports, but also between terminals, neither of which is situated in American territory. The Canadian Government has enlisted the aid of several important shipping lines in inaugurating services from its own ports. The total number of vessels on the Canadian register at the end of 1920 was 7,904, and their gross tonnage was 1,610,000. Vessels built and registered in Canada last year numbered 320, having a gross tonnage of 160,000. Vessels built in the Dominion and exported without being registered in Canada numbered twenty-two, with a gross tonnage of 45,300. The Canadian mercantile marine altogether is not very large, but as regards that portion of it which is Government-owned it may be stated that unofficial information has reached this side that last year's operations will show a profit. A profit of $25,000,000 was also realised by the American Shipping Board in the last six months of 1920, but a loss of about $38,000,000 is expected before the end of June next. This anticipated loss will be largely caused by the laying-up of vessels owing to lack of cargoes, consequent on the decline in the import and export trade. Over 450 steel steamers, or practically one-third of the American Government fleet, are now laid up, in addition to a large number of wooden vessels. The monthly loss through depreciation, especially of wooden-built ships, runs to an enormous figure. In practically every country in the world vessels are now tied up, and shipowners are faced with disagreeable and increasing burdens. From our own point of view the situation has not been improved by the heavy cancellation of shipbuilding orders previously booked by our yards from foreign buyers, and the loss in wages alone to shipyard workers has been very extensive. Unless shipbuilding costs are drastically reduced the depression in the shipyards will reach even greater dimensions, with corresponding loss to all classes of workers.

The Railway Fusion.

The amalgamation of the Lancashire and Yorkshire Railway with the London and North-Western has started a crop of rumours regarding similar fusions amongst other interests, but the rumours have scanty foundation, except possibly as regards the Hull and Barnsley and the North-Eastern. The importance of the Lancashire and Yorkshire, despite its comparatively short length of 533 miles, is due to the highly industrialised area which it serves and to the value which it accordingly has as a feeder line. Its main line stretches right across the north of England from Liverpool to Goole on the Humber. The Company also owns the Wyre Docks at Fleetwood and the Manchester, Bolton and Bury Canal, and has besides an interest in the following, amongst other lines—Dearne Valley Railway, Halifax and Ovenden, Halifax High Level (jointly with the Great Northern), Preston and Wyre, Preston and Longridge and North Union. The authorised share capital is £54,572,282, of which £52,020,282 has been created and £51,478,943, inclusive of £7,340,624 nominal additions, has been issued. On the Consolidated Ordinary stock totalling nearly nineteen millions, 4½ per cent. was paid during the years 1913 to 1920 inclusive. The highest price reached last year was 73½ and the lowest 65. On the Consolidated stock of the London and North-Western Railway, amounting to nearly forty-three millions, 7 per cent. was paid in 1913, 6 per cent. from 1914 to 1917, 7 per cent. in 1918, and 7½ per cent. in 1919 and 1920. The highest and lowest touched during last year were 97¾ and 73½ respectively. The guaranteed and prior charge stocks of the Lancashire and Yorkshire, together with the amounts issued, may be set forth as follows: Minimum 6 per cent. Consolidated stock, £288,375; Minimum 4½ per cent. Preference stock, £100,000; Consolidated Guaranteed 4 per cent. stock, £2,596,012; 3 per cent. Consolidated Preference stock, £25,400,900; 4 per cent. Preference stock, 1903, £1,848,000; 4 per cent. Preference stock, 1908, £1,704,661; 5 per cent. Redeemable Preference stock, 1916, £700,000. The authorised share capital of the London and North-Western is £92,883,233, of which £90,263,233 has been created and £88,862,857 issued. Its Ordinary stock stands at a relatively lower figure in the market than that of the Lancashire and Yorkshire.

Upper Silesia.

The Polish Chargé d'Affaires has been kind enough to supply us with a copy of an ably-written pamphlet by Antoni Olszewski, former Minister of Industry and Commerce, on "Silesia and the economic life of Germany." The writer puts two questions: (1) Will the Germans be able to fulfil their engagements towards the Allies if they lose Upper Silesia? and (2) Will the separation of Upper Silesia from Germany react unfavourably on the economic life of Europe? The statistics contained in chapter ii. demonstrate in the event of losing Upper Silesia as follows: Germany's diminution of wealth 1.23 per cent. and reduction of contributive capacity 1.42 per cent. to 1.46 per cent. These figures are said to establish a precise relation between the evaluation of Upper Silesian and German wealth. The analysis of the eventual German losses in the domain of foreign trade, and also the possibility of the depreciation of her currency, have given on the contrary less conclusive results, but the maximum of those eventual losses is estimated at two per cent. of Germany's total foreign trade. This two per cent. decrease concerns imports as well as exports, and the stability of Germany's trade balance can not be affected. According to Dr. Helfferich, whose expert opinion cannot be questioned, the annual increase of Germany's wealth before the War amounted to ten billion marks yearly. Taking into due consideration the incontestable diminution of Germany's economic power after the war, it is assumed that Germany will in the course of one year increase her natural wealth by 3.7 billion marks, thereby recuperating the loss of Upper Silesia. This conclusion is justified as prudent, even should the present German production and her ever-increasing exports be regarded "a morbid prosperity," as labelled by the Germans.

American Topics.

WAGES ON THE RAILROADS.

We wrote last week on cabled reports, supplemented by private information obtained here in London, on the economic situation of the American railroads. This information is now augmented by long printed reports in the leading American journals received this week regarding the gravity of the situation. The various journals naturally study the subject from different aspects. All are agreed, however, that if the American railroads are to continue to be run upon an economic basis, that is to say, if they are to continue in a position to appeal to the investing public from time to time for support offering a remunerative return upon invested capital, wages will require to be reduced upon a very great scale. On the whole, according to the various reports before us, the operatives are meeting the proposals brought before them in an exceeding fair-minded spirit. They realise that the present condition of railroad finance in the United States has resulted through no fault of those responsible for the management of the several lines. It is due to causes over which the American railroad industry, as an industry, had no control whatever. A somewhat rough-and-ready convention has grown up for the working of a railroad system wherever it may be situated in various parts of the world. The cost of working a railway, the convention would argue—and experience seems to support the argument—should not exceed two-thirds of the gross earnings. These two-thirds, again, should be divided into operating expenses, cost of material and wages. Now, of course, it is evident that wages enter into all costs. The railroads of the United States are the greatest consumers of the products of the steel trade. Steel is only iron ore treated with various other products. Iron ore in the mines has very little value. It is when it has been dug up from the mines and made, first into iron, and then into steel, that it becomes so expensive a product in the laying of the permanent way for any of the main lines of railway. As things are, as we explained last week, the cost of operating the American railways has risen on the various systems to between 80 and 90 per cent. So extravagant are the charges that a large proportion of the rolling-stock is, or was when the cable was received last week, lying idle. It is manifest that if such a state of things were allowed to continue indefinitely it would become increasingly difficult, and ultimately impossible, to work the American railways at all. In the nature of the case a railroad requires from time to time that its plant should be renewed. The business of the line is either growing or declining. Assuming, of course, that it is declining, a time will presumably be reached when the line itself will cease to be required. Assuming, on the other hand, as every railroad manager desires, that the business of his system is expanding, it will be necessary to take steps, not merely for the renewal of existing plant, but for extensions in various directions. This is merely another way of saying that every growing business requires to appeal to the investing public for fresh capital. In the nature of the case a railroad, like any other business, can only hope to make a successful appeal for capital provided it is in a position to show that the new capital required has a reasonable prospect of earning a dividend. If it has not why should anyone invest his money in a railroad undertaking? Manifestly a railroad which absorbs 90 dollars in earning 100 dollars has no case with which to go to the public in the hope of inducing that public to lend it part of its savings. As we have said above, judging from the reports of the leading American newspapers before us, the operatives appear to be showing a highly reasonable and praiseworthy attitude when the case is frankly placed before them. In other words, they are realising that the present cost of operating the railroads is so excessive as to threaten the existence of the industry in its present form. An agreement, however, between the operatives and the managers to accept a lower rate of remuneration would not necessarily be sufficient to enable lines to reduce freights to a level which would make it profitable for [illegible] the metals to fully employ the existing rolling stock. [illegible] the line should be reduced if the result is to be effective, and not merely that there should be a reduction in the remuneration of railway servants. This can only be obtained provided there is a corresponding reduction in the cost of railroad materials. However reasonable the railway employee, as an employee, may be, the object aimed at will not be attained if the price of steel rails, rolling-stock and materials generally needed for the successful operation of the railway remain at their present or recent extravagant levels. This means that wages in all branches of industry in the United States must be reduced, as a reduction affecting one particular class of operatives alone would merely inflict hardship on that class without attaining the object aimed at, which is the reduction of the aggregate cost of operating the various systems taken as a whole. In the past it has generally been estimated that wages should represent about one-half of the cost of production in the various branches of industry.

In the United States, as in other countries, they have advanced by a further fifty per cent., making a total of something over seventy-five per cent. of the aggregate cost. This, although not the only, is the principal reason of the increased cost of production of nearly everything we consume. It came about, of course, quite naturally. During the War an enormous proportion of the potentially productive part of the population were withdrawn from production. Even worse, they were turned into destroying agents, as distinct from producers of commodities. Only comparative ineffectives were left, and these had to be employed in relatively increased numbers and at enhanced rates of remuneration. The result was an abnormal growth in the cost of living. Now we come to the question, Will the present cost of living admit of a general reduction of wages? What has happened so far is that the reduction of wages, speaking generally, has been very small. On the other hand, with the absence of Government buying on borrowed money there has been a great reduction in consumption. The net result has been a closing down of works, laying up of ships, accumulation of freight cars at various sidings, accompanied by an accumulation of stocks in warehouses, places of cold storage, and other receptacles throughout the world, and, naturally, also accompanied by an immense growth of unemployment, not merely in the United States, but in various countries of all the continents.

We said above, Is it possible, bearing in mind the present cost of living, for operatives in the various branches of industry throughout the United States to accept a lower rate of remuneration? No one desires to receive less than he has become accustomed to. The question arises, Can the world in its existing economic condition bear the heavy cost of production as industry is carried on at present? The accumulation of stock, the holding up of shipping and freight cars, and the growth of unemployment [illegible] in all the principal industrial countries appears to indicate that the world is not able to bear such a charge. Now, there are two ways of meeting the difficulty. One is to maintain [illegible] paper basis. The other is to reduce them to their real equivalents in commodity values. The advantage of the first method is that it appears to get over a difficulty by taking the path of least resistance. The advantage of the second plan is that it reduces cost of production to the real equivalents of their value. The objection to the first measure is that it means the

maintenance of a depreciated or wholly inconvertible currency, and if persisted in would retard indefinitely the stabilisation of the exchanges. The objection to the second method is that it is exceedingly difficult of attainment without a measure of friction. On the other hand, it is sound, while the former is unsound, assuming, as we must assume, that as a result of the enormous loss of life, the great destruction of commodities, and the accumulation of debts occasioned by the War the world is really poorer than it was before the outbreak of the recent European War. If we admit this contention it follows that wages and all forms of remuneration for services rendered must necessarily be lower than before the War in real purchasing power, although they may appear to be on a higher basis when expressed in an inconvertible paper currency.

CANADIAN PACIFIC RAILWAY.

The year 1920 must have been an anxious one for the management of the Canadian Pacific. During the previous year the ever-increasing labour costs had left very little margin, and with the Chicago Wage Award becoming effective the only hope of tiding over the difficulties of the period lay in increased rates. An addition of $12 million to the pay-rolls—for such was the effect of the Award—would, with other outgoings unaltered, have left but $29 million to meet fixed charges inclusive of the Four per Cent. Preference dividend, amounting in all to $13.5 million, thus leaving $15.5 million to meet the usual distribution of ten per cent. on the Ordinary, a deficit of $10.5 million. The increased tariffs prescribed by the Railway Commission became effective, however, on September 13, 1920, and their effect was enhanced by the heavy and long-distance freight movements during October, November, and the first half of December, resulting in an increase, compared with the previous year, of approximately $40 million in gross receipts at $216,641,349. This increase, however, was more than offset by the higher cost of rolling-stock and general stores. The operating expenses, inclusive of taxes, aggregate $183,488,305, being equivalent to 84.70 per cent. of the gross receipts. This ratio, which in railroad finance is an unfailing index of financial standing, has risen consistently from 60.2 per cent. in 1915, and if the capitalisation of the C.P.R. had been at all comparable with that of American railroads in general its financial position would have been very precarious. As it is, after allowing ten per cent. on the Ordinary stock there is left a surplus of $4,117,000, which is slightly in excess of the corresponding figure for 1918, but very much below that for 1917.

Results of Canadian Pacific Proper (000's omitted).

Year to Dec. 31	1920 $	1919 $	1918 $	1917 $	1916 $
Gross receipts	216,641	176,929	157,538	152,389	139,730
Oper. expenses and taxes	183,488	143,996	123,035	105,843	89,256
Ratio	(84·7)	(81·39)	(78·1)	(69·5)	(63·9)
Net earnings	33,153	32,933	34,503	46,546	50,476
Miscellaneous income	10,966	9,049	8,935	*a*8,744	*a*°11,386
Net income	44,119	41,982	43,438	55,290	°61,862
Int. and other charges	10,775	10,162	10,177	10,229	°10,286
Net profit	33,344	31,820	33,261	45,061	°51,576
Div. on 4% Pref.	3,227	3,227	3,227	3,228	3,228
Profit for Ord.	30,117	28,593	30,034	41,833	°48,348
—% on Ord.	(11·6%)	(10·9%)	(11·5%)	(16·1%)	°(18·6%
10% div. on Ord.	26,000	26,000	26,000	26,000	26,000
Surplus	4,117	2,593	4,034	15,833	°22,348

° Approximate. Figures adjusted to coincide with calendar year.
(*a*) After making allowances to contingent reserves.

Railroads in general have been very much handicapped by the increased cost of materials and services. In the present instance, maintenance of way and equipment at $78.8 million is $16 million higher than for the year 1919. In fact every item included under operating expenses shows an increase for 1920 over 1919, but none so much as that of "Conducting Transportation," which at $91 million is approximately $20 million in excess of 1919.

Operating Expenses of the Canadian Pacific Railway.

Yr, to Dec. 31	Railway Earnings	Maintenance of—Way	Maintenance of—Equipment	Cond. Transportation	General Expenses	Oper. Exp. & Taxes
1920	216,641,000	32,574,000	46,351,000	91,608,000	8,970,000	183,488,000
1919	176,929,000	28,912,000	33,898,000	71,884,000	6,106,000	143,996,000
1918	157,538,000	22,646,000	28,227,000	64,059,000	5,422,000	123,035,000
1917	152,389,000	17,470,000	23,404,000	56,114,000	5,024,000	105,843,000
1916	139,730,000	17,249,000	18,908,000	45,326,000	4,346,000	89,256,000
1915	109,397,000	10,007,000	12,821,000	35,957,000	3,949,000	65,873,000

Ratio of Operating Expenses to Gross Receipts of the Canadian Pacific Railway.

	%	%	%	%	%
1920	15·04	21·40	42·29	4·14	84·70
1919	16·28	19·15	40·60	3·45	81·39
1918	14·37	17·91	40·66	3·44	78·10
1917	12·91	17·30	41·47	3·71	69··6
1916	13·83	15·15	36·34	3·48	63·90
1915	10·30	13·20	37·01	4·07	60·20

The increase of five million tons of freight carried in the 1919 figure is very gratifying, and the traffic is but slightly inferior to the 31,199,000 tons carried in 1917. The lumber traffic of 1920 shows a decided expansion, and when the extension of seventy-six miles from Kipawa to Des Quinze Rivers in the Province of Quebec is completed the valuable timber lands served will add a considerable quota to this traffic. This extension will also tap a rich agricultural area and should prove a valuable source of revenue. The grain traffic of 1920 also shows an expansion over that of 1919, but is yet some way off that of 1916, when the 256 million bushels moved constituted a record. At the request of the Government of Alberta, the C.P.R. has entered into a working agreement for five years with the Edmonton, Dunvegan and British Columbia and Central Canada Railway Companies, and is to receive fifteen per cent. of the revenue in excess of the working expenses, payable out of profits after payment of fixed charges. It has also the option to purchase the capital stock, which is held by the Union Bank of Canada and by the Province of Alberta, at any time during the period of five years from July 1, 1920, at a price as set out in the agreement. Within this period a just appreciation of the possible development of the country served by these railways will be possible, as well as their prospective value as traffic contributors; and in view of the possible new export channel for grain from the Pacific Coast *via* the Panama Canal for Europe, it is more than probable that the West of Canada will be more highly developed than hitherto, and the option to purchase these properties is likely to be a valuable one.

Principal Commodities Conveyed by the Canadian Pacific Railway.

Year to Dec.31	Grain Thous. Bushels	Flour Thous. Tons	Live Stock Thous. Head	Products of Forest—Lumber Thous. Feet	Products of Forest—Other Thous. Cords	Manuf. Articles Thous. Tons	Misc. Articles Thous. Tons	Total Freight Tons
1920	172,536	964	1,948	3,565,176	273	9,330	9,625	30,160,000
1919	121,060	1,278	2,603	3,143,431	280	7,854	7,589	25,103,000
1918	137,070	1,330	2,365	3,241,313	340	9,718	9,798	29,857,000
1917	213,341	1,373	2,191	3,178,555	295	10,149	8,788	31,199,000
1916	256,107	1,112	2,172	3,017,964	289	8,872	8,488	30,189,000
1915	219,388	894	2,525	2,376,175	263	6,571	7,368	24,895 000

° Year to June 30.

In addition to the increase in the freight handled, analysis shows an increased average haul of 24.1 miles at 459.4 miles. Average freight rate per ton mile for 1920 is 1.038 cent, and for 1919 1.003 cent. Freight-train service was increased and greater attention has been paid to truck loading, the average train load of revenue freight being 529.3 tons for 1920, as compared with 489.1 tons for 1919. These figures are certainly lower than the corresponding figures for 1917, except in the case of freight rate; but by putting down rails of a heavier variety and by the issue of $12 million of Equipment Trust Notes rolling-stock replacements will likely be on a fair scale and will naturally be reflected in increased traffic returns.

SOUTH AND CENTRAL AMERICA.

We regret that owing to pressure upon our space we have been compelled to hold over till next week our usual article under the above heading.—Ed. Statist.

To the Editor of THE STATIST.

SIR,—Somehow I missed your splendid article on "What the West Indies Need," but it was copied *verbatim* in the *Demerara Argosy*, January 29, which a kind friend here sent on to me to-day.

May I add that the investor follows the line of permanent security and safety for development, and that when our Empire Government gives this, in the shape of British markets for all their productions, by a solid, sensible British Empire Commonwealth economic policy, capital and labour will be forthcoming, as in Porto Rico, Cuba, &c.? Compared with such places you have, perhaps, made a little too much of British Guiana's paltry 100,000-ton sugar crop.

For a British sugar industry to be thoroughly successful and to compete against the places named—Java, &c.—we must face the fact that we need to erect 100,000-ton factories, as in Cuba. The cost of these is very great, and sugar-cane requires immense and careful cultivation, and takes some twelve to eighteen months to grow before revenue from it is forthcoming. Few will touch such an expensive industry with any possibility of dumping into British markets of bounty- and cartel-fed beet-sugar from the Continent, &c., as hitherto.

I agree with your hint; there is no doubt that the world will eventually judge us over the correct spreading of our 450 million British subjects for their full and satisfactory employment, and the way we develop our possessions, held practically in trust for mankind.

In *Tropical Life* for March a writer speaks of a future increase of the world's consumption of sugar from 20,000,000 to 35,000,000 tons per annum.

In the meantime, the U.S.A. really controls, directly and indirectly, the present world's crop of sugar.—Yours, &c., GUY WYATT.

Cheltenham: March 22, 1921.

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA.—New share issues in successive years, at premiums of 100 and 50 per cent. respectively, have raised the paid-up capital of this leading British Exchange Bank, operating in the great Dependency and elsewhere, from the £1,200,000 at which it stood on December 31, 1918, to £3,000,000 at the end of last year, an accompanying growth in the reserve fund from £2,000,000 to £3,500,000 being accounted for in the main by the same operations. Simultaneously with the second increase a subdivision of each of the £20 shares (fully paid) into four of £5 was effected, thus rendering the security the more readily marketable. The growth of the demands for accommodation in one form or another which prompted the expansion in the Bank's resources is reflected in the following items in the last three balance sheets:—Acceptances (1918) £893,412, (1919) £1,679,929, (1920) £3,720,598; bills discounted and loans (1918) £12,634,655, (1919) £17,561,394, (1920) £28,585,931. With these and other ready outlets for the employment of available funds the proportion of the total assets represented by cash in hand and at bankers, together with bullion, has declined from the 21.2 per cent. of 1919 to nearly 15.7 per cent., which is still, however, above the 14.2 per cent. of 1918. For 1920 the gross profits worked out at £1,609,801, against £1,258,819 in 1919, the corresponding net figures being £676,771 and £447,348. This gratifying result allows without strain of the maintenance on the materially enlarged share capital of the previous rates of dividend and bonus, which together equal a return for the whole year of 20¼ per cent., free of income tax. The amount thus absorbed—£105,000, following £243,000 in the previous year—with the proposed allocations of £100,000 to reserve, £35,000 to officers' superannuation fund, and £100,000 to bank premises, as against £100,000, £25,000, and £75,000 respectively on the last occasion, will leave an undivided profit balance of £209,601, as against £172,830 brought forward.

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Insurance Notes.

SCOTTISH LIFE ASSURANCE COMPANY, LTD.

ANNUAL REPORT AND QUINQUENNIAL VALUATION.

THE Scottish Life is one of the youngest of that select group of life assurance institutions whose operations are directed from Edinburgh. Yet it can now point to a history of forty years, and with funds exceeding three millions sterling, and an annual premium income of well over one-tenth of that amount, it has attained a position of first-rate importance. It has been admirably managed throughout, and has an exceptionally fine bonus record. During the first thirty years of its existence its bonus distributions, as declared on six successive quinquennial occasions, were at the high uniform rate of 40s. per cent. per annum in reversionary form, after exclusion of the first year of assurance. There can be no doubt that this rate would have been maintained up to the present time had it not been for the War. But at the valuation of December 31, 1915, owing to heavy depreciation in securities, the declared bonuses were cut down by half for the quinquennium then ended. Another valuation fell to be made at the close of last year, and a similar result has followed. Yet the directors feel justified in looking upon this reduction from the old standard of bonus as a temporary condition. They state their

opinion as the annual report for 1920 that, had it not been for the [illegible] during the last three years of the last quinquennium and the depreciation in investments, the profits would have been amply sufficient to provide the old rate of bonus, and to have left a substantial sum to be carried forward. Furthermore, they express their confident hope that, failing further depreciation or other unexpected events, there will be a return at the 1925 valuation to the £2 per cent. bonus, the record of which had been unbroken in the Company's history up to the outbreak of the War.

The Company's new life business in 1920 was, as in 1919, the largest in its history. It amounted to £1,201,134 in sums assured, of which £115,500 was reassured, the net retention thus being £1,085,634. This is larger by £61,364 than the amount reported for 1919, which was in itself greater by more than £400,000 than the next highest previous annual record. The net life premium income was increased during 1920 by £42,315 to £337,700. Great progress has been made in this respect during the past quinquennium, for on December 31, 1915, the net life premium income only amounted to £213,513. In the last ten years that income has been more than doubled, which is a fine record seeing that the period included four years of war time. The expense ratio in 1920 was about 16.7 per cent. of the premiums, which must be esteemed a moderate proportion under existing circumstances, especially looking to the large amount of the new business. It compares with a margin of premiums amounting to 22.5 per cent. which was reserved at the valuation of 1915 for costs and contingencies. The sum of £6,544 was received in 1920 as consideration for new annuities granted. Claims by death amounted to £82,709, as compared with £103,024 in 1919, and the mortality experience is reported as having been very low. At the annual meeting the Chairman stated that the ratio of actual to "expected" claims was only sixty per cent. Through the year's operations, after writing off £101,147 to cover depreciation in investments, the life assurance fund was increased by £142,634 to £3,009,940, which is higher by £829,275 than was the case at the close of the preceding quinquennium. The net interest yield in 1919 was £4 9*s*. 2*d*. per cent., after deduction of income tax, as compared with the rate of three per cent. assumed for valuation purposes. The Company transacts a small personal accident business. In this section the premiums amounted to £5,278 in 1920, the relative fund at the close of that year being £5,002.

The quinquennial investigation was made on the basis of the O^{M} Table, in combination with the assumption of three per cent. interest as above stated. During the period under observation war claims for £93,036 were paid, in addition to some heavy losses arising from the influenza epidemic. The surplus disclosed amounted to £273,646, but from this has to be deducted the amount of £101,147 provided for depreciation, leaving a balance of profits available for distribution of £172,499. As £12,063 had been paid as intermediate bonuses to policyholders during the quinquennium, the total net surplus may be regarded as £184,562. In terms of the articles of association, the proportions of profits allocated are five per cent. to shareholders and ninety-five per cent. to policyholders. After allocation of these profits a balance of £11,550 is carried forward as unappropriated to the now current quinquennium. On December 31, 1920, the shareholders' paid-up capital amounted to £50,000, and the balance of profit and loss account to £13,782. The dividend declared to shareholders is at the rate of fifteen per cent., less tax, as compared with ten per cent., free of tax, for the previous year. The result is a net increase in dividend of about one-half per cent.

METROPOLITAN LIFE ASSURANCE SOCIETY.

A mutual life office which pays no commission occupies a privileged position as a producer of profits. There would be more of such institutions if it were possible under present-day conditions to establish them, but unfortunately that does not seem to be practicable. There are only three such institutions in existence in this country, and the youngest one is the above Society, which was established as long ago as 1835. Despite the competition of many powerful companies having the benefit of agency organisations, the Metropolitan has managed not only to hold its own during these strenuous times, but over a prolonged series of years to increase its business. So long as it can do so the interests of its members are well served, for the business is large enough to give free play to the laws of average, and it is really doubtful whether a great accession of policyholders would be of any pecuniary advantage to the general body. But the Society has done so well in the way of bonuses, which it applies in abatements of large amounts from very moderate premiums, that it is rather strange that there is not a greater demand for its policies, for the volume of its new transactions is certainly less than its intrinsic merits appear to deserve.

The new business effected with the Society in 1920 amounted to £437,011 in sums assured; but some specially large policies must have been included, for reassurances were effected for £167,800, reducing the net amount run at the Society's own risk to £269,211. This is less by £24,429 than the corresponding figure for 1919, but is considerably above the Society's average in this respect. The total net premium income, amounting to £174,756, also shows a slight reduction, but it is still higher than it was before the War. The expense ratio, amounting to 7.8 per cent. of the 1920 premiums, is extraordinarily low, looking to present conditions. The sum of £4,915 was received as consideration for new annuities granted.

One very favourable feature of last year's report is the mortality experience. The claims by death amounted to £97,731, whereas the amount "expected" according to the O^{M} Mortality Table used in the valuations was £183,525. Endowment assurances for £5,643 matured by survivance.

Much less satisfactory is the investment experience of the year, for on revaluation of the securities on the basis of Stock Exchange prices at the close of 1920 it [illegible] depreciation of £116,231. This was done by writing down securities by £46,231, and by adding £70,000 to the investment reserve, which was increased to £170,000.

Notwithstanding this, the directors are enabled, as the result of the annual valuation, to maintain the previous abatements of premiums to policyholders. Policies become entitled to share in such abatements after payment of five years' premiums, and these reductions now range from thirty-four to seventy-nine per cent., according to duration and series of policy. The abatements granted in 1920 amounted to £55,020, and during the Society's existence the total amount returned to policyholders up to the close of last year was £4,215,361.

The total assets of the Society amounted on December 31, 1920, to £2,336,876. The net interest yield realised on the life fund in 1920, after deduction of income tax, was about £3 18*s*. 6*d*. per cent., as compared with the rate of three per cent. assumed in the valuation.

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Rubber Topics.

THOUGH business was contracted in volume, the tone of the Rubber market after the holidays was, on the whole, firm. Activity was confined mainly to a few leading counters, such as United Serdang, which were marked down owing to realisation, presumably on the part of shareholders wishing to take up some of the new issue of 1,000,000 shares of 2*s.* each at par, the old shares being quoted down to 3*s.* 3*d.* ex rights, as compared with 3*s.* 9*d.* early in the week. Anglo-Dutch were a trifle easier at the outset, the announcement of the interim dividend of five per cent. not coming until after business hours on Thursday. Serdang Central, Anglo-Java, and Lumut suffered declines, but Tandjongs, after a heavy initial fall, received some attention in the Sumatra list, while Java descriptions were as a rule steady. The Gula Kalumpong dividend of seven and a-half per cent. for 1920 compares with twenty-two and a-half per cent. for the previous year, and in the circumstances the result must be regarded as favourable.

Weakness was induced in the Commodity market, despite somewhat better news from the United States, by the miners' strike and the possibility of its involving the whole industry of the country. First crêpe went slightly under the shilling mark, plantation crêpe spot selling yesterday at 11½*d.* and smoked ribbed sheet spot at 10*d.* to 10½*d.*, the market being dull at these levels.

ANNUAL REPORTS ANALYSED.

BATU RATA (SUMATRA).

Issued Capital: £119,617 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916-17	1,602	1,112	496,917	446	2/10	1/0·6	46,189	26,914	22½
1917-18	1,862	—	466,000	—	2/2·4	1/4	21,874	14,951	12½
1918-19	2,148	1,470	471,108	321	4/8·92	1/4	9,852	11,962	10
1919-20	2,200	1,470	556,645	379	2/0·81	1/4·14	20,715	8,971	7½

Price of Shares, 20/-. Market Capitalisation per planted acre, £42.

GENERALLY speaking the report issued by the Batu Rata (Sumatra) Rubber Plantations for the year ended June 30, 1920, reveals a genuine improvement on the results of the previous year. The crop harvested amounted to 556,645 lb., as compared with 471,108 lb. in 1918-19, or a yield of nearly 379 lb. per bearing acre instead of 321 lb. However, this increase in the quantity of rubber handled did not bring about the usual decline in the cost of production per lb. On the contrary, the "all-in" cost showed a slight increase at 1*s.* 4.14*d.* per lb. Two factors account for this. In the first case, a loss of £5,000 was incurred through supplying rice to the coolies below cost price. Secondly, the unfavourable nature of the Dutch exchange, which dropped to 10 guilders to the £, as compared with the par of 12·107 guilders, involved a loss on remittances to Sumatra. At the same time, this small increase in the "all-in" cost was more than counterbalanced by the advance in the average price realised by the sale of the crop, which worked out at 2*s.* 0.84*d.* per lb., as against 1*s.* 8.92*d.* per lb. in 1918-19. [illegible] profit per lb. of 8.7*d.* instead of 4.92*d.*, and being earned on a much larger crop it produced an aggregate of £20,715 [illegible] year. Nevertheless the dividend for the year was confined to the interim distribution of seven and a-half per cent., as compared with ten per cent. for 1918-19. The directors stated that in view of the difficult position of the Rubber market they were unable to recommend the payment of a final dividend. Accordingly the balance carried forward to the next accounts is increased from £2,208 to £13,981.

The Company [illegible] which 730 acres, or nearly one-third, are still immature. The upkeep of this immature area has hitherto been largely financed out of revenue. The result is that the balance sheet dated June 30, 1920, shows a property account of £139,444, as against a total of £130,909 for the issued capital plus the reserve. In view of the difficulty of realising consignments of rubber during the present depression, as well as the urgent need for liquid capital in the present crisis, it has been agreed to increase the authorised capital from £120,000 to £150,000, and to offer 20,000 shares of £1 each to existing shareholders *pro rata* at par. We understand on inquiry that the list has not yet been closed, awaiting applications from the East, but that, so far, applications have come in satisfactorily.

The outlook for the current year is rather discouraging. Owing to the restrictions now in force the original estimate of 704,000 lb. will have to be revised. The crop harvested for the seven months ended January 31, 1921, amounts to 346,840 lb., and it is certain that the final crop cannot exceed that secured during the year under review. No light is thrown on the existence of forward contracts, without which the average price realised by the sale of the crop must be unfavourable. As far as cost of production is concerned relief is expected in two directions. A saving in the outlay on rice will result from the planting of this crop on the estate; while the appreciation in the Dutch exchange, which averaged 11 guilders to the £ for the last half of 1920 and 11.30 guilders since the opening of 1921, will reduce the loss on remittances. Nevertheless, the dividend outlook is very uncertain. Financially the position of the Company as shown in the balance sheet dated June 30, 1920, is sound. Including the large provision of £17,990 for income tax and excess profits duty, current liabilities did not exceed £24,206, whereas liquid assets were available to a total of £26,678. Furthermore, the receipts of the new issue will improve the position materially. In view of the depression the price of the £1 shares has fallen to par, which is equivalent to the low market capitalisation of £42 per acre.

BROOME (SELANGOR).

Issued Capital: £128,600 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916-17	1,637	1,100	383,579	348	2/8·6	1/5[illegible]	24,827	19,290	15
1917-18	1,637	1,350	417,544	310*	2/5	1/8·88	14,949	—	Nil
1918-19	1,637	1,398	499,806	357*	1/11	1/2[illegible]	39,151	16,075	12½
1919-20	1,637	1,398	553,198	381*	1/9½	1/3[illegible]	13,[illegible]0	9,645	7½

* Estimated.

Price of Shares, 17/6. Market Capitalisation per planted acre, £62.

On the above [illegible] presented by Broome (Selangor) Rubber Plantations for the year ended June 30, 1920, is satisfactory as that of the previous year. It is true that the total crop harvested [illegible] lb., as compared with [illegible] lb. in 1918-19, but the yield per bearing acre, as against 357 lb. [illegible] standing the increase in the total crop, the cost of production per lb. continued to rise. An f.o.b. cost

of 11.28*d.* per lb. in 1918-19 is replaced by 1*s.* 0.13*d.* per lb. in the year under review, whilst the "all-in" cost worked out at 1*s.* 3¾*d.* as against 1*s.* 2½*d.* per lb. In the main this increase in cost was the result of factors outside the control of the administration, notably the loss on the rice supplied to the coolies, which amounted to over £1,500. However, it is none the less unfortunate that this growth in the "all-in" cost should coincide with a decline in the average price realised by the sale of the crop, which dropped from 1*s.* 11*d.* per lb. in 1918-19 to 1*s.* 9½*d.* per lb. in the year under review. Consequently, though the crop increased by nearly 34,000 lb., the profit per lb. was only 5¾*d.* as compared with 8½*d.* Hence the net profit fell from £19,154 to £13,500. From this the directors transferred a sum of £5,000 to the reserve, thereby raising the total to the satisfactory amount of £30,000. The dividend paid to shareholders was confined, however, to the interim distribution of seven and a-half per cent., which compares with a total of twelve and a-half per cent. for the previous year. In view of the allocation to the reserve the balance carried forward to the next accounts is reduced from £7,764 to £6,619. It is subject, moreover, to a slight charge in respect of the corporation profits tax; but it was stated that no liability is anticipated in respect of excess profits duty.

The assigned reason for the refusal to declare any final dividend was the depressed condition of the Rubber market. The directors are to be congratulated on their decision to husband their liquid resources, on which a severe call will be made during the present trying period. Originally the estimate for the current year foreshadowed a crop of 567,000 lb., but as the Company are participating in the restrictions now in operation a revision is necessary. The crop actually harvested for the first seven months amounts to 293,658 lb., and it is not now likely that the final crop will exceed 470,000 lb. Thus some further increase in the "all-in" cost is inevitable, although some relief may be afforded by the recent fall in the price of rice. No information is forthcoming as to the existence of forward contracts. Apart from its rubber estates, the Company has joined with others in promoting a syndicate to undertake the planting of produce, other than rubber or tea, in East Africa. The amount already invested by the Company is stated in the balance sheet at £1,000, and there is a contingent liability in respect of calls to the total of £4,000. The directors, however, are confident that the venture will be justified by the results. Financially the Company itself is in a sound position. The balance sheet dated June 30, 1920, shows that current liabilities, including the taxation reserve of £7,112, did not exceed £17,405, whereas liquid assets in the form of cash, sundry debtors and rubber were available to a total of £21,816. Again, in order to conserve their liquid resources, the directors have wisely decided to postpone contemplated capital expenditure on buildings and machinery. The rather gloomy outlook of the moment is reflected in the quotation of 16*s.* for the £1 shares, which corresponds to a market capitalisation of £62 per acre.

BATAK RABIT (PERAK).

Issued Capital: £75,000 in £1 Shares.

	Area			Results for Years to June 30—					
	Total Planted Acres	Tapping Acres	Rubber Exported lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All in" Cost per lb.	Net Profit £	Dividends— Amount £	%
1916-17	1,255	1,050	[illegible]	[illegible]	[illegible]	1/1·6	28,[illegible]53	11,250	15
1917-18	1,[illegible]	—	[illegible]	—	[illegible]9	1·6	12,231	5,[illegible]25	7½
1918-19	1,389	—	[illegible]	—	1/[illegible]	1/0¼	13,2[illegible]	7,500	10
1919-20	1,389	1,247	4[illegible],775	347	1/[illegible]1	1/1·4	15,547	7,500	10

* Estimated.

Price of Shares, 42 6. Market Capitalisation per planted acre, £115.

A very satisfactory report is presented by the Batak Rabit Rubber Estate for the year ended June 30, 1920. The crop harvested amounted to 442,775 lb., not only exceeding the crop of the previous year by over 65,000 lb., but also the original estimate of 424,000 lb. With 1,247 acres mature this is equivalent to an average return of almost 347 lb. per acre. During the year, however, heavier outlays were necessary on stores and materials as a result of the high prices ruling, and higher wages had also to be paid to labour. Consequently, notwithstanding the increased crop, the cost of production per lb. advanced. The f.o.b. cost reached 10.58*d.* per lb., as against 10.16*d.* per lb. on the smaller output of the previous year; whilst the "all-in" cost worked out at 1*s.* 1.4*d.* per lb., as compared with 1*s.* 0½*d.* per lb. However, this rise in the "all-in" cost was partially counterbalanced by an improvement in the average price realised by the sale of the crop, which increased from 1*s.* 8½*d.* per lb. in 1918-19 to 1*s.* 9.1*d.* per lb. in the year under review. At the same time the profit per lb. dropped from 8*d.* in 1918-19 to 7.7*d.* in 1919-20. Earned, however, on a substantially larger crop, this profit amounted in the aggregate to £15,547, as compared with £13,245 in the previous year. Out of this profit shareholders received, as in 1918-19, a dividend of ten per cent., absorbing £7,500; whilst the balance carried forward to the next accounts was increased from £3,995 to £8,043. This balance is subject, however, to deduction in respect of the corporation profits tax and the excess profits duty.

"The outlook for the current year is none too bright." Such was the candid admission of the Chairman at the general meeting. As such, it was only a frank recognition of the severe depression which since that date has prevailed in the Rubber market. Realising the necessity of reducing the surplus of rubber, the Company are participating in the scheme of restriction now in force under the auspices of the Rubber Growers' Association. Accordingly, they do not anticipate a larger crop for the current year than 402,000 lb. Returns for the seven months ended January 31, 1921, give a total of 258,872 lb., and, unless the average return for the remainder of the period falls below the 31,000 lb. obtained in January, the final crop should easily come up to expectations. The reduction, however, as compared with the year under review will necessitate an increase in the cost of production per unit. Although a considerable portion of the crop has been sold forward at remunerative prices, the Chairman asserted that, in the absence of a good recovery in the price of rubber, they could not hope to dispose of the remainder at such prices as to permit of a dividend. However, in an estate which is reported to be in excellent condition, thoroughly drained, and clean weeded, it may be that certain economies will yet be effected to keep the increase in working expenditure within limits. Financially the Company is in a favourable position for weathering the depression. The balance sheet dated June 30, 1920, shows that current liabilities did not exceed £14,446, whereas liquid assets were available to a total of £36,968. These included an investment of £15,000 in three months' Treasury bills, thereby indicating that the Company had ample liquid capital, especially bearing in mind its forward contracts, to meet the necessary working expenditure, without being forced to realise the balance of its crop at existing knock-out prices. No transaction is recorded in the shares since November 23, 1920, when they changed hands at 42*s.* 6*d.* This price for the £1 share corresponds to a market capitalisation of £115 per acre, and is certainly high enough in view of the present depression.

The Indian Exchange Problem. By F. V. Rushworth. Price 2*s.* 6*d.* (London: Humphrey Milford.) A short statement of the theory and practice of rupee-sterling exchange, with special reference to the events which have followed the introduction of the policy recommended by the Babington Smith Currency Committee.

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Commercial.

THE MEAT TRADE.—I.

INFLUENCES OF DECONTROL.

Readers, no doubt, will have noticed two important statements which appeared this week in the columns of our daily contemporaries. One was the announcement that the meat control came to an end as from Thursday last. The other was a communication, telegraphed from Wellington in New Zealand, with reference to the high rate of freights charged for New Zealand meat shipped to London. Mr. Massey, the Prime Minister of New Zealand, is stated in the telegram referred to to have declared that, in his opinion, the present position is very serious, and the charges on produce between the freezing factory and the London stores are more than the industry can bear. To deal fully with both aspects of this question would occupy a far greater space than we are in a position to devote to the subject in to-day's issue. We propose, therefore, to deal with the subject in two articles. To-day we will consider the baneful influence exercised by control of the meat industry from the point of view of the consumer. He is the real sufferer, because ultimately he pays the whole cost incidental to the industry, and, in addition, the whole cost of everybody's mistakes, whether those of the trader here or overseas or of the officials at Palace Chambers. Messrs. Weddel, in their exceedingly interesting review of the frozen meat trade of 1920, said that that year had been one of great uncertainty and exceptional difficulty in all branches of the trade. The transition from "control" to freedom has raised many unlooked-for problems; and it is understating the case to say that much disappointment has been felt over the piecemeal nature of the process. Contrary to anticipations held a year ago, prices have not dropped to any material extent during 1920; and this result cannot be dissociated from the direct and indirect consequences of control being maintained for so long after the need for it had passed.

During the first six months of the year the cold stores in this country, and the works in Australia and New Zealand, were glutted with meat; but the Government, having complete control of these stocks, refused to reduce the general level of prices to any appreciable extent. They merely adjusted mutton and lamb quotations. In April, May and June they relieved the immediate pressure of supplies in sight by selling large quantities of New Zealand lambs to the United States—to the ultimate disadvantage of the consumer at home. Later in the year, considerable lines of beef were re-exported to the Continent, and in that way the market was again relieved, and a substantial drop in prices averted in this country. When British meat was released from control on July 4, farmers were placed in the satisfactory position of being able to resume trading on a market in which the values of imported meat were being firmly held up by the Government. This accentuated the price-raising effects of the reduced marketing of home-grown meat during the remainder of the year. The holding policy pursued from time to time by the Government was just what would have been expected from any financially strong speculator owning large stocks, and has certainly worked out successfully so far as profit-earning, or avoidance of loss, is concerned. The taxpayer has gained by the consumer being compelled to pay inflated prices for his meat. Food control has become a synonym for increased cost of living. Messrs. W. Weddel and Co. add that the number of cattle in the country has been reduced by 721,000 head, or 5.8 per cent., and the number of sheep by 1,700,000, or 6.8 per cent.

If the Food Control, as an individual department, is not to be blamed for this, the Government taken as a whole must undoubtedly bear the responsibility. It never succeeded throughout the whole period during which the control existed in making up its mind what policy it would decide to adopt and to maintain. The one policy in which it was consistent, like the celebrated Vicar of Bray, was, having established control, to maintain it as long as possible.

Now, we have in this Journal from the very outset condemned the policy of establishing the various Control Boards. We never believed they were necessary. We felt, and we think experience has justified the feeling, that effective control of the food supply of more than forty millions of people was absolutely impossible. The end of control has, fortunately, come at last, but its effects will be felt for a long period of time, even if none of the powers so long exercised by the authorities in Palace Chambers are transferred to other Departments. At the head of this article we have mentioned the question of freights. The extravagant level to which freights have risen has been directly due to the policy pursued by the Government—not merely by the Shipping Control, but by the whole policy of restricting trade according to the ideas prevailing at any given moment in the official mind in Whitehall. Experience so far has shown that the lifting of control from any particular industry has never been really effective. Certain restrictions have in most instances been retained by some other Department as soon as the particular Control Board which had become specially unpopular was dissolved. Even if, in this instance, if we may be allowed to repeat ourselves, the meat control is abolished once and for all, the effect of its existence cannot disappear for some considerable time. It was because we foresaw when the Control Boards were established that it would be one of the most difficult things to disband them we opposed them from the very outset. Nothing, in our opinion, would really have justified their establishment but [illegible] experience has shown, had the [illegible] their own natural avocations, with the experience which

those engaged in their conduct have acquired, we might reasonably have expected to have had a far better supply, and upon a more reasonable basis of economic values, than was actually the case. It was argued during the War that if the trader was left to himself prices would rise extravagantly. As a matter of fact, this was not avoided; and, as we pointed out at the time, could not be avoided by the establishment of any control. The Government took what it thought proper of any commodity in the market, and, moreover, controlled the whole means of transportation, internal and external, with any given point in this island.

The meat trade in this country is supplied from two sources, and has been so supplied throughout the lifetime of the past two generations. Roughly, before the War we raised within the confines of the United Kingdom between one-third and one-half of the meat we consumed. The balance was formerly imported on the hoof as it was called, but during the past thirty years it has been in the form of chilled and frozen meat. An exceedingly interesting piece of information, with which the reader may not be acquainted, is afforded in Messrs. Weddel's circular to which we have referred above. "'Chilled beef,'" say Messrs. Weddel, "is a term applied to beef carried at a temperature of 29° F. to 30° F., and arriving here in a soft condition, ready for immediate consumption; while the term 'frozen beef' is applied to beef carried at a much lower temperature, say 10° F. to 15° F., arriving here perfectly hard, and requiring to be thawed out before it can be used." The balance, as we have said, came to us in the form of imported meat either on the hoof or in the more satisfactory method, in later years, in the form of chilled and frozen meat.

We again take our figures from Messrs. Weddel's interesting circular. Imports totalled 810,415 tons in 1920, as compared with 528,354 tons in 1919, 489,366 tons in 1918, and 720,257 tons in 1913. That is to say, last year the imports of chilled and frozen meat exceeded those of the pre-War period by twelve and a-half per cent. How little influence control has had upon the course of prices will also be evident from figures likewise furnished by Messrs. Weddel. Taking 100 as the index-figure of imported meat values in 1913, the corresponding figure for 1920 was 240, and compares with 272 in 1919 and 295 in 1918.

Industrial Companies.

CAMMELL LAIRD AND CO., LIMITED.

Issued Capital: £4,018,416, in 1,225,225 5% Cumulative Preference Shares and 2,793,191 Ordinary Shares of £1 each.
Debenture Stocks: £1,700,500, in £500,000 5% First Mortgage Debenture Stock, £400,000 4½% and £800,500 5% Debenture Stocks.
7½% Five-Year Notes: £600,000.

Year	Net Profit*	Deb. Int.	Preference Dividend	Ordinary Dividend—		To General Reserve	To Sundry Reserves	Carried Forward
	£	£	£	£	%	£	£	£
1914...	318,626	83,025	61,261	86,076	7½	100,000	—	23,637
1915...	384,566	83,025	61,261	114,766	10	100,000	—	49,150
1916...	402,197	83,025	61,261	114,766	10	100,000	—	92,594
1917...	389,248	83,025	61,261	114,766	10	150,000	—	72, 89
1918...	363,189	83,025	61,261	114,766	10	50,000	50,000	76,925
1919...	384,031	83,025	61,261	175,033	10†	—	50,000	21,637
1920...	343,657§	83,025	61,261	188,037	7½	—	31,500‡	71,471

* After providing for depreciation and taxation.
† But only 5 per cent. on new Ordinary shares.
‡ Issue expenses written off.
§ After providing also for interest on short-term notes.

Further evidence of the effects of the recent industrial depression is afforded by the 1920 report of this firm of iron and steel manufacturers. The accounts, presented, as usual, in a very condensed form, disclose a net profit of £343,657, which, allowing for directors' fees, represents a decline of £42,374 as compared with the previous year. Comparisons, however, must necessarily be rather superficial in the absence of any information as to the actual deductions which have been made for depreciation and taxation before arriving at the profit. It may be pointed out that the interest on the £600,000 short-term notes which were privately issued in June last has represented a new charge against the earnings of the past year. The appropriations for Debenture interest and Preference dividends remain unaltered at £83,025 and £61,261 respectively. The Ordinary dividend is reduced from ten per cent. to seven and a-half per cent. The amount distributed, however, is increased from £175,033 to £188,037, as the shares issued in 1919 now rank fully for dividend, and, besides, the dividend calculated from the instalment dates is payable upon 669,736 new Ordinary shares issued early in 1920. As in the previous year, no allocation is made to the general reserve, and, instead of the usual transfer to the development fund, it is proposed to write off the discount and expenses of the five-year note issue, amounting to £31,500, leaving an undivided balance of £71,471 to be carried forward, subject to directors' fees, as compared with £91,637 brought in from 1919.

A summary of the principal items of recent balance sheets is embodied in the following table, allowance being made for the proposed allocations from revenue:

Balance-sheet Analysis.

	LIABILITIES.			ASSETS.			
Dec. 31	Issued Capital*	Sundry Liabilities†	Reserves and Carry-forward	Fixed Assets	Stock, &c.	Investments	Debtors and Cash
	£	£	£	£	£	£	£
1918	4,073,395	1,989,704	678,825	1,327,832	2,023,824	1,848,148	1,542,120
1919	5,049 180	1,708,927	893,637	1 639,187	2,200,369	2,557,413	1 254,775
1920	6,319,916	2,572,171	821,471	2,763,190	2,872,678	2,242,942	1,833,768

* Including Debentures.
† Including provision for taxation and final dividends.

It will be seen that the issue during 1920 of £669,736 Ordinary shares and £600,000 Seven and a-Half per Cent. Five-year Notes has increased the total share and loan capital from £5,049,180 to £6,318,916. The general reserve remains unaltered at £750,000, but the special development fund, to which an allocation of £50,000 was made in each of the past two years, has presumably been entirely devoted to the purposes for which it was created. The fixed assets show an increase of over £1,124,000, representing extensions at the Company's Penistone works and the acquisition of a new factory at Nottingham. Stocks, in connection with which no reference is made as to the basis of valuation, have also been increased by £672,309, while investments (including interests in subsidiary companies), taken at book values, have been reduced by £314,471. Regarding the valuation of certain assets, the auditors state that provision has been made for extra depreciation due to conditions arising out of the War. Debts due to the Company have been increased from £1,240,386 to £1,824,294, an expansion which has been attended by a still greater increase in sundry liabilities, while the cash balance has been reduced to the small sum of £9,474. As already stated, the transfer from revenue eliminates the expenses, amounting to £31,500, incurred during the past year in connection with the issue of short-term notes. Any exact estimate of the liquidity of the Company's position is precluded by the manner in which the investments are stated. It is clear, however, that the additional capital raised during the year has not been sufficient to finance the heavy outlay on the fixed assets and stocks, and consequently it has been necessary to dispose of some of the most readily realisable investments.

The directors state that the Penistone extensions, which include a new steelworks, are now complete and in use with the exception of the tyre plant, which it is anticipated will be finished shortly. The ordnance factory at Nottingham has been acquired for the purpose of manufacturing steel railway carriages and wagons, and is stated to be well supplied with orders. Much of the recent capital expenditure should accordingly prove to be productive during the current year. The outlook, however, is rendered very uncertain by the present industrial crisis and the danger of strong foreign competition. Having regard also to the much larger capital which will rank fully for dividend, it does

not seem reasonable to anticipate a higher dividend than 7½ per cent. On this basis the Ordinary shares, now quoted at 13*s.* ex dividend, yield a return of over 11.5 per cent., while the Preference shares, quoted at 12*s.* ex-dividend, afford a yield of 8.3 per cent.

THE BRITISH ALUMINIUM COMPANY, LTD.

Issued Capital: £1,300,604, in 299,570 6% Preference £1 Shares and £1,001,034 Ordinary £1 Shares.
Debentures: £714,530 5% Prior Lien and £622,085 5½% Debenture Stock.

Year	Profit*	To Depreen. Reserve	To Reserve	Deb. & Pref. Interest	Ord. Div. £	Ord. Div. %	Carry-Forward
	£	£	£	£	£	%	£
1914 ...	247,290	50,000	50,000	109,198	30,031	3	24,751
1915 ...	271,282	50,000	70,000	109,198	42,043	7	24,791
1916 ...	306,396	60,000	75,000	109,198	60,062	10	26,926
1917 ...	320,548	70,000	75,000	109,198	60,062	10	33,214
1918 ...	307,426	70,000	70,000	109,198	60,062	10	31,380
1919 ...	253,608	50,000	50,114	109,198	60,062	10	15,314
1920 ...	313,521	50,000	50,000	109,198	100,103	10	19,534

* After providing for taxation, investment depreciation and directors' remuneration.

THE report of this Company for the year 1920 affords little evidence of the effects of the recent industrial depression. The trading profit, including miscellaneous income, after deducting excess profits duty and corporation tax, amounted to £428,157, representing an expansion of £80,049 as compared with the previous year. The amount set aside, however, for income tax, depreciation of investments and directors' remuneration is increased by £20,135 to £114,636, leaving a balance profit of £313,521, the distribution of which proceeds on the basis indicated in the above table. It will be noted that the reserve allocations and the charge for Debenture service and Preference dividends remain practically unaltered. The Ordinary dividend is maintained at ten per cent., but owing to the larger capital ranking for dividend the distribution is increased from £60,062 to £100,103. As the new capital was created during the year by the issue of 400,414 bonus shares to shareholders, the dividend now declared is actually equivalent to 16⅔ per cent. on the previous capital basis.

The following table shows the balance sheet position at the end of the past two years:—

Balance-sheet Analysis (December 31).

LIABILITIES.	1919	1920	ASSETS.	1919	1920
	£	£		£	£
Capital* ...	2,259,069	2,637,189	Fixed assets ...	2,130,587	2,219,319
Sundry liabilities	712,546	561,954	Stocks ...	285,664	447,925
Depreciation reserve ...	500,000	550,000	Investments†	1,212,952	985,337
Deb. red. funds	170,013	192,823	Debtors ...	345,578	348,089
Reserve and carry forward	535,728	189,534	Cash	202,575	130,830
	4,177,356	4,131,500		4,177,356	4,131,500

* Including Debentures.
† Including loans and advances to subsidiaries.

During the past year the Company redeemed £12,900 of the Prior Lien Debentures and £9,394 of the Debenture stock. With the allocations now made the redemption funds amount to £192,823, and the depreciation reserve to £550,000. The general reserve, which was reduced to £120,000 under the bonus capitalisation scheme, is also increased to £170,000. The fixed assets show additions amounting to £88,732, presumably representing outlay on the Company's works in Scotland and at Warrington. Stocks of metal, raw materials, and stores, valued at or under cost, have been increased by almost £162,300. Reserve fund investments, in respect of which provision has presumably been made for depreciation, figure at £170,625, as compared with £520,295, the reduction being due to the alterations made in the reserve. Other investments (including shares in and loans and advances to subsidiary companies), "at or under cost, less provision for excess profits taxation," have been increased from £692,657 to £814,712, while the cash balance has fallen from £202,575 to £130,830. Owing to the manner in which the investments are shown it is difficult to estimate the liquidity of the Company's position. It is evident, however, that the liquid assets represented by cash, ordinary debtors, and reserve fund investments alone exceed current liabilities, including final dividends payable, by £87,591, as compared with £355,902 at the date of the previous balance sheet.

Regarding the outlook at present, the directors state that in consequence of the trade depression it has been necessary since the close of the year to "curtail seriously" the output of the various factories. No material improvement in industrial conditions can be expected for some time, and it is accordingly very unlikely that earnings will be maintained at the level reached in 1920. The removal of the excess profits duty, however, should prove advantageous. On the assumption of a dividend of seven per cent. the Ordinary shares now quoted at 16*s.* 4*d.* (ex dividend) afford a return of 8.6 per cent. The Six per Cent. Preference shares, which, it should be noted, are non-cumulative are quoted at 14*s.* 5*d.* (ex dividend), at which price a yield of nearly 8.3 per cent. is obtained.

BRITISH DYESTUFFS CORPORATION, LIMITED.

Issued Capital: £9,202,093, in 4,119,003 7% Preference Shares, 4,089,811 Preferred Ordinary Shares, and 993,279 Deferred Ordinary Shares, all of £1 each.

Year to Oct. 31	Net Profit	Preference Dividend	Preference Dividend %	Preferred Ordinary Dividend	Preferred Ordinary Dividend %	Deferred Ordinary Dividend	Carried Forward
	£	£	%	£	%	£	£
1919 ...	172,505	53,701	7	59,977	8	Nil	58,827
1920 ...	552,101	191,006	7	216,616	8	Nil	203,305

THE second annual report of this Corporation, covering the twelve months to October 31, 1920, contains several features of general interest. At the outset it may be recalled that the Company, with the active support of the Government, was formed in 1919 by the amalgamation of British Dyes and Levinstein, Limited. The trading results for the first year were adversely affected by the transition from war to peace conditions, and therefore afforded no genuine test of the earning capacity of the associated Companies. An issue of £5,000,000 Preference and Preferred capital was made in July 1919, but did not become productive until the period covered by the present report. As shown in the above table, the net revenue for the year to October 31 last amounted to £552,101, a result which, on the whole, may be considered satisfactory. As the amount paid up on the new shares has been considerably increased, the Preference dividend absorbs £191,006, against £53,701, and the Preferred Ordinary dividend £216,616, as compared with £59,977. It has not been deemed advisable to make any distribution on the Deferred Ordinary shares, although a liberal dividend could be provided out of the large balance of £203,305 which is carried forward.

Several important changes are to be noted in the principal items of the balance sheet, a summary of which is embodied in the following table:—

LIABILITIES	1919	1920	ASSETS	1919	1920
	£	£		£	£
Paid-up capital	7,923,960	9,195,145	Trade investments ...	2,480,486	[illegible]
Sundry liabilities	136,835	1,221,152	Advances ...	3,705,336	[illegible]
Reserve ...	...	100,000	Premises, &c. ...	[illegible]	61,533
Carried forward	58,827	203,305	Debtors & bills	173,463	1,111,955
	[illegible]	[illegible]	Cash ...	[illegible]	[illegible]
			Preliminary expenses ...	251,552	251,552
	8,119,622	[illegible]		8,119,622	[illegible]

[illegible] pref. div. [illegible]

With the exception of sundry calls in arrear, amounting to £6,948, the issued capital is now fully paid up. A reserve of £100,000 has been created during the year for the purposes of research. Sundry liabilities (including dividends payable) show an expansion of nearly £1,100,000, which is entirely explained by the alterations among the assets. Thus advances to associated companies have been increased from £3,705,336 to the huge total of £6,233,300, and sundry debtors (including bills receivable and dividends of associated companies) from £173,463 to £1,111,955. [illegible] shares in associated companies, have also been increased from £2,480,486 to £2,504,608; while the cash balance has been reduced from £1,458,235 to £556,654. No attempt has been made to write down the preliminary expenses, which figure among the

assets at £251,552. It will be seen that at October 31 last the liquid assets bore a more reasonable proportion to current liabilities than at the date of the previous balance sheet.

A summary of the combined assets and liabilities of associated companies which is inserted in the report shows an increase in fixed assets from £2,012,210 to £4,912,189 during the two years to October 31, 1920. During this period the provision for depreciation amounted to £593,487. The combined stocks at October 31 (taken at cost or market price) amounted to £3,988,544. Sundry debtors and investments amounted to £271,949, while the total cash resources did not exceed £9,757. The liabilities are represented by sundry creditors, amounting to £834,280, leaving net assets of £7,754,672, to which is added the value of goodwill, patents and other rights (satisfied by the issue of Deferred shares), amounting to £1,000,000.

The directors in their report state that the Company's interests were "seriously prejudiced" by the unrestricted importation of foreign dyes during 1920. The profits for the past year, however, were not largely affected by the competition of imported dyes or the falling off in trade, as these factors only began to be felt towards the end of the period. It is pointed out that these adverse conditions will fall with full force during the current year, and that the decreased demand for dyestuffs during the past few months has been very marked, necessitating a considerable curtailment in production. The Dyestuffs Act, which became operative on January 15, 1921, prohibits for ten years the importation of foreign dyes, except under licence, but it is stated that at the present time there is a very large stock of imported dyes awaiting consumption. Having regard to the candid statements of the directorate with reference to the outlook for the current financial year, it is clear that the dividend prospects are distinctly uncertain. The seven per cent. Preference shares, which, it should be noted, are non-cumulative, will involve a charge of approximately £290,000 during the current period, and that the available profits may not be sufficient to justify such a distribution is evidenced by the fact that the shares are now quoted as low as 9*s.* 4*d.* The 8 per cent. non-Cumulative Preferred Ordinary shares are quoted at 8*s.* 9*d.*, and the Deferred Ordinary at 2*s.* 6*d.*

LIABILITIES	1919	1920	ASSETS	1919	1920
	£	£		£	£
Paid-up capital	1,000,000	2,425,772	Fixed assets ...	1,061,027	2,256,120
Sundry liabilities	625,772*	764,596	Stocks ...	134,953	566,365
Depreciation fund	15,396	15,396	Investments ...	53,196	87,669
Capital reserve	—	414,579	Debtors and cash ...	127,227	423,39
Reserve and carry forward	8,582	199 459	Goodwill, etc	209,187	276, 34
			Prelim. expenses	64,160	207,055
	1,649,750	3,817,782		1,649,750	3,817,,82

* Including taxation for taxation.

During the past year 730,700 Ordinary shares of £1 were issued to existing shareholders, a premium of 1*s.* each being payable upon 500,000 shares. In November last £722,001 Preference shares were also issued, ranking for dividend as from December 1. At the date of the balance sheet the calls in arrear in respect of the Preference and Ordinary capital amounted to £24,385 and £4,544 respectively. It will be noted that although the depreciation fund remains unaltered at £15,396, a capital reserve fund has been created amounting to £414,579. This represents the surplus disclosed on the occasion of the valuation of the fixed assets in November last, and it is proposed to apply this sum in writing down the fixed assets by £43,000, trade-marks and patents by £90,704, goodwill by £89,216, and preliminary expenses by £207,055. As shown on the assets side of the balance sheet, trade-marks, patents, and goodwill were increased during the year from £209,187 to £276,734, but under the proposed scheme the item of goodwill is eliminated, and patents and trade-marks will be reduced to £96.814. Preliminary expenses, which were also increased during the year from £64,160 to £207.055, will be similarly eliminated from the assets in the balance sheet. The fixed assets were written up by the amount of the surplus disclosed, and it should be clearly understood that the present adjustments do not change in any way the financial position of the Company, as the alterations are purely of a bookkeeping nature. The actual outlay on the fixed assets during the year amounted to £780,514, presumably representing in large part the acquisition of new undertakings. Stocks have expanded rapidly from £134,953 to £566.365, while investments (valued at cost) have also been increased from £53.196 to £87,669. Although the cash balance has grown from £356 to £51,858, there is, at the date of the balance sheet, a bank loan of £371,219. A summary of the position reveals a considerable stringency of liquid capital. Thus the sundry liabilities, excluding any sums which may be payable in respect of taxation, amount to £764.597, against which there are liquid assets, represented by investments, debtors, and cash, not exceeding £511,508.

Prevailing industrial conditions render very uncertain the prospects for the current year. It is reassuring, however, to learn from the report that "firm" orders are in hand which, it is expected, will keep the Company's works profitably employed for several months. Regarding the dividend prospects, it should be noted that the ten per cent. Preference shares created in November last will involve a charge of approximately £72,000 against the current year's profit. The Ordinary shares now quoted at 10*s.* (ex-dividend), afford a return of 12 per cent. on the basis of a dividend of 6 per cent.

SHEFFIELD STEEL PRODUCTS, LIMITED.

Issued Capital: £2,452,701 in 722,001 10% Cumulative Preference Shares and 1,730,700 Ordinary Shares of £1 each.

Year	Net Profit	Tax Provision	Ordinary Dividends		Carried Forward.
	£	£	£	%	£
1919	145,879	51,119	88,062	10	6,997
1920	264,332	[illegible]	98,475	10	171,954*

* Subject to taxation.

Having regard to the recent depression in the iron and steel trades, the report of this Company for the past year may be considered very satisfactory. The accounts show a profit of £264,332, but it should be noted that no provision has been made for depreciation or taxation before arriving at this result. For the previous year the net profit, subject to taxation, amounted to £145,879, but as the capital has since been increased from £1,000,000 to £2,452,701, no detailed comparisons can be drawn between the two periods. It is pointed out, however, that approximately only half of the present capital has been effectively employed during the past year, and that only part of the profits of several new businesses recently acquired are included in the year's earnings. The present report shows that the liability for taxation in respect of 1919 amounted to £51,119, but no indication is furnished as to the liability in respect of the past year. The payment of the Ordinary dividend, which is maintained at ten per cent., involves a distribution of £98,475, leaving a balance of £171,954 to be carried forward, subject to taxation.

A summary of the principal items of the balance sheet at the end of the past year is set out below:—

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920

CITY OF AUCKLAND.

Offer at par of £500.000 Six and a-Half per Cent. Twenty-one-Year Bearer Debentures.

Though Australia has found it necessary to make numerous applications to the London Money market

during recent years, the neighbour colony of New Zealand has been able to dispense with such assistance for over half a decade. The city of Auckland now reappears among the list of borrowers from the Mother Country with an application for £500,000. The loan is required to provide funds for the extension of the municipal electrical undertakings. In 1901 Auckland had a rateable value of £349,765. Its progress may be judged from the fact that rates are now assessed on a valuation of £1,497,120, and that the population has grown in the interval from about 82,657 to about 1,000,000. In addition to its revenues the city has assets consisting of lands, waterworks, electrical undertakings, tramways, and public buildings, valued in the corporation balance sheet at £4,516,506. The total debt outstanding is at present £3,910,885, against which there is an accumulated sinking fund of £500,000. The present issue constitutes a direct obligation of the municipality, but, in addition, is unconditionally guaranteed as to both capital and interest by the Government of New Zealand. The sinking fund will amount to two and a-half per cent. per annum, to be provided by an annual rate charge of 6*d.* in the £. The principal will be repayable at par on March 16, 1942, at the London office of the Bank of New Zealand, where also the interest will be payable on March 16 and September 16 in each year. As subscriptions will be spread over three months, the first interest payment on September 16 next includes a substantial "turn." Though not a trustee security, the loan offers an attractive rate of interest considering the status of the borrowers. The lists close on April 6, 1921.

JOHN MACKINTOSH AND SONS, LIMITED.

Offer at par of 300,000 £1 Ten per Cent. Cumulative Preference shares.

The Company has been formed to take over the undertaking of John Mackintosh, Limited, manufacturers of "Mackintosh's Toffee de Luxe" and other articles of confectionery. The authorised capital is £750,000, divided into £300,000 in Preference shares, now on offer, and £450,000 in £1 Ordinary shares, of which 300,000 have been issued. The fixed assets to be acquired are valued at £143,056, and the net liquid assets stood in the books on September 30, 1920, at £182,456, making a total of £325,512, to which must be added net earnings for the last quarter of 1920, guaranteed to exceed £25,000. The purchase consideration is £588,962 (payable £289,746 in cash and £299,216 in Ordinary shares), leaving a balance over asset values acquired of £238,450, presumably for trade marks, processes and goodwill. Profits for the past four years show an annual average of £220,000, or £114,000 after deducting excess profits duty. On such a basis the £30,000 required yearly as Preference interest appears secure. There are no Debenture or other prior charges outstanding, and none such can be created without the sanction of the Preference shareholders. The business is soundly established; and the fact that the services of the old directorate are being retained, and that the vendor holds the bulk of the Ordinary shares, augurs well for its success in the future. A more explicit statement as to the capital backing behind the present issue and details of profits for years prior to the boom period would, however, have been desirable. The lists close on Tuesday, April 12.

MOND NICKEL COMPANY, LIMITED.

Offer for sale of £1,300,000 Eight per Cent. Mortgage Debenture stock at ninety-eight per cent., to be redeemed at 104 per cent. on November 1, 1941. Flat yield, £8 3*s.* 4*d.* per cent. per annum; minimum yield, with redemption, £8 5*s.* 11*d.* per cent. per annum.

The Mond Nickel Company was formed in 1900, and since incorporation has been a regular dividend payer. In pre-War years the activities of the Company were confined to the production of metallic nickel, copper sulphate, nickel salts, and precious metals, mainly platinum and palladium. These products are derived from ore obtained from the Company's mines in Ontario. The ore is smelted in the neighbourhood of the mines and shipped in the form of matte to Swansea, where it is refined. Since the Armistice the scope of operations has been considerably widened. A nickel rolling-mill was acquired in Birmingham; an old-established business, manufacturing nickel and nickel-silver goods, cobalt, electrical resistance wire, red lead, and tin oxide, was also taken over; and since 1919 the Company has refined all its precious metal concentrates. The authorised capital is at present £3,400,000, of which £2,500,000 is in Seven per Cent. Preference, and £900,000 in Ordinary, shares, all of which have been issued. In addition there is £375,000 in Five per Cent. and £500,000 in Six per Cent. Debenture stock. The present issue is required to redeem the last-mentioned, to complete the purchase of subsidiary concerns, and to provide further working capital. The authorised amount will be limited to £1,300,000, and it will be secured by trust deed as a specific charge, subject to £375,000 existing Debenture stock, on the freehold properties in the United Kingdom and as a floating charge on the whole undertaking. The issue will be redeemed on November 1, 1941, at 104 per cent., the right being reserved to redeem at any time by purchase in the market at or below 104 or by drawings subject to three months' notice. Holders of the Six per Cent. Debenture stock will be entitled to exchange their holdings at par, receiving in addition a cash bonus of three per cent., and will doubtless not be slow to take advantage of the offer. Applications for £250,000 of the stock have already been received from underwriters, and the total amount available to the public is thus only £550,000. The assets specifically charged to the stock now on offer appear in the books at £1,040,817, less the £375,000 prior charge. Though the directors are satisfied that the real value is much greater, the margin for capital security is not apparent in the absence of an independent valuation. The total net assets, at £4,839,795 would seem to provide ample security, but it should be noted that this figure includes over £2,000,000 for stock, of which the basis of valuation is not given. The Ordinary dividend in 1911 was sixteen and a-quarter per cent.; in 1914 it had risen to thirty-five per cent.; twenty per cent. was paid during the war years, and seventeen and a-half per cent. for the past two years, the profits for 1920 being £327,986. The established earning capacity of the business provides ample cover for the £104,000 required as annual interest on the present issue. Except for the fact that security as to capital is not satisfactorily demonstrated, the emission constitutes an attractive offer of its class. The lists close on Monday, April 11.

THE DANUBE NAVIGATION COMPANY, LIMITED.

Prior to obtaining a Stock Exchange quotation, the Danube Navigation Company has issued the necessary public statement as to its organisation.

The Company was formed in July 1920 to undertake inland water transport business on the Danube. The authorised capital is £1,200,000, divided into 1,000,000 Preferred Ordinary shares of £1 each and 200,000 Deferred Ordinary shares of £1 each, of which 673,000 Preferred Ordinary shares and 149,800 Deferred Ordinary shares have been issued at par for cash, with the exception of 50,000 Deferred Ordinary shares issued credited as fully paid. The Preferred Ordinary shares are entitled to a cumulative preferential dividend of eight per cent. per annum. The balance of profits available for distribution are divisible equally amongst the holders of the Preferred Ordinary shares and the holders of the Deferred Ordinary shares. On a return of assets the Preferred Ordinary shares rank for capital and accrued cumulative preferential dividend in priority to the Deferred Ordinary shares, and after both classes have been repaid any surplus is to be divided equally as in the case of dividends. The 50,000 Deferred shares were allotted, in addition to £3,174 in cash, in payment for the acquisition of options on shares and Debentures in three leading shipping companies operating on the Danube. The Company now owns the whole of the share capital of the South German Danube Steamship Company, 30,000 shares of 1,050 Austrian kronen each out of a total capital of 101,850,000 kronen in the First Danube Steamship Company, 144,000 shares of 200 Hungarian crowns each out of a total capital of 58,800,000 crowns in the Hungarian Royal Danube Steam Navigation Company, Limited, and Kr.13,523,400 Debentures out of an outstanding issue of 19,100,000 kronen. These three companies [illegible] eight tug-boats, nineteen ferry steamers, and 626 barges. [illegible]

TUNBRIDGE WELLS GAS COMPANY.

Offer at ninety-five per cent. of £20,000 Seven per Cent. Ten-Year Redeemable Debenture stock, to be redeemed on July 1, 1931, at par. Flat yield, £7 7*s.* 4*d.* per cent. per annum; yield on redemption, £7 15*s.* 6*d.* per cent. per annum.

The Company, incorporated in 1864, supplies gas in the town of Tunbridge Wells and adjoining parishes. The authorised loan capital is £85,000, of which there has been raised £33,250. The present issue is being made to provide funds for the purchase of the gas undertaking of the Southborough Urban District Council and for the extension of existing works and mains rendered necessary by the growth in the demand for gas. The net revenue for the year ended December 31, 1920, was £13,466, which provides adequate assurance for the £3,296 required annually as interest on the loan capital already, or now being, issued. The security will be further strengthened by the increased charging powers granted under the Gas Regulation Act, which came into operation on January 1, 1921. The stock is transferable by deed in the usual way, but investors will note the absence of a Stock Exchange quotation. The lists close on Monday, April 11.

PENDING ISSUES.

Liptons.—On Wednesday next will appear the prospectus of Liptons, Limited, offering for subscription 600,000 Nine per Cent. Cumulative Preference shares of £1 each at par. The Company's trading results for the past year have been eminently satisfactory, profits for 1919-20 amounting to £411,192. The final dividend on the Ordinary shares will probably be nine per cent.—making twelve and a-half per cent. for the year—as in the three previous years. The nine per cent. dividend on the present issue is covered by the average annual profits for the past four years, after providing for prior charges, more than four times over.

United Glass Bottle Manufacturers.—The United Glass Bottle Manufacturers will offer next week at par an issue of £600,000 in Seven per Cent. First Mortgage Debentures, interest on which will be paid tax free up to 6*s.* in the £. The Debentures will be redeemable at £103 in fifteen years by means of a cumulative sinking fund sufficient to return them in the course of twelve equal annual drawings beginning in 1925. The dividend on the Preference shares is to be increased and that on the Ordinary shares limited in order to get the consent of Preference shareholders to the issue.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Railway—Indian and Colonial:											
Bengal Doors	30/9/20‡	23,740	7,200	1	12,000	—	—	46,015	− 4,540	—	—
Breweries and Distilleries:											
Cannon Brewery	31/12/20	98,989	50,250	20†	35,000	10,000	—	60,958	− 5,689	125,931	56†
Groves (John)	31/12/20	12,116	3,500	10	9,010	1,000		3,573	− 1,394	20,328	15
Lion Brewery	31/12/20	85,048	15,000	(5 Pf.Ord. 14 Ord.	50,337	17,347	2,000	3,108	+ 334	98,495	(5 Pf.Ord 15 Ord.
New London Brewery	31/12/20	25,432	20,000	—	—	—	—	12,514	+ 5,432	26,800	—
Workington Brewery	28/2/21	9,650	3,660	16†	5,280	1,078	—	4,001	− 368	—	—
Commercial and Industrial:											
Automatic Telephone Manufacturing ...	31/12/20	9,520	12,000		—	—		6,861	— 2,480	10,060	—
Barry, Ostlere & Shepherd	31/1/21	60,375	21,000	7½	34,125		10,000	87,143	− 4,750	220,068	12½
British Aluminium	31/12/20	172,297	17,974	10	100,103	50,000	—	19,534	+ 4,220	112,384	10
Dwyer & Co.	31/1/21	7,418	1,155	11¼	6,188	—	—	21,865	+ 75	14,846	10
Evans & Owen	13/2/21	10,054	2,000	10	4,800	3,254	—		—	11,063	10
Evans (D. H.)	19/2/21	52,820	12,000	20	60,039	11,184	—	31,237	— 30,403	158,398	25
Gorringe (Frederick)	20/2/21	48,507	14,000	15	30,000	—	—	15,820	+ 4,707	61,322	15
Jones & Higgins	20/2/21	28,042	2,750	11½	22,425	2,000	—	27,039	+ 867	45,000	17
Owen Owen	20/2/21	30,932	13,000	11	13,222	6,865	—	2,840	— 2,155	55,397	21
Pettigrew & Stephens	19/2/21	24,219	3,745	12½†	14,750	—	—	10,532	+ 2,725	35,005	12½†
Roberts (J. R.) Stores	14/2/21	25,918	1,000	15	11,625	—	500	5,660	+ 12,793	—	—
Robinson (E.)	11/3/21	1,741	1,000	10	4,500	—	—	3,911	— 3,759	12,548	10
Shanks & Co.	31/12/20	58,338	4,664	12½	36,250	10,000	—	29,308	+ 7,424	37,053	15
Shields (John)	31/12/20	8,792	5,000	5	5,000	—	—	4,946	— 1,208	15,863	(5 A 12½ B
Slazengers	31/12/20	31,592	6,000	12½	19,172	4,839	500	17,422	+ 1,081	—	—
Thomson (M. C.)	31/1/21	24,129	3,000	12½†	9,375	10,000	—	9,018	+ 1,754	25,133	12½
Waste Heat & Gas Elect. Generating	31/1/21	34,439	—	8	25,600	14,000	—	12,603	— 5,160	39,626	8
Whitechurch (George)	31/12/20	Dr.165,986	1,500	—	—	Dr.31,254	—	[Df.76,404	—137,732	—	—
Electric Lighting and Power:											
Tyneside Electrical Development ...	31/1/21	3,534	-	6	3,000	—	—	1,383	+ 534	4,534	6
Financial Land and Investment:											
Canada Co.	31/12/20	7,254		12½	7,487	—	—	2,460	— 233	7,515	10
Canada Permanent Mortgage Corporation	31/12/20	175,536	—	10	123,287	51,370	—	31,802	+ 879	165,597	10
Colonial Property & Rubber ...	31/12/20	Dr. 994	—	6	3,000	Dr.2,500	—	—	—	5,960	6
Swan Land & Cattle	31/12/20	Dr. 17,169	—	—	—	—	—	Dr 10,222	— 17,169	2,193	—
United States Investment Corporation	31/12/20	12,915	5,250	11	7,700	-		3,692	- 35	12,166	9
Financial Trusts:											
Amer. Invest. & Gen. Trust ...	15/3/21	71,545	17,500	9	31,500		—	58,636	— 22,545	56,965	9
American Trust Co.	31/1/21	10,276	5,150	6	4,200	-	2,409	7,714	+ 517	—	—
For. Amer. & Gen. Investments ...	15/3/21	76,879	26,250	6½	34,125	5,000	-	34,950	+ 11,504	62,402	6
Municipal Trust	28/2/21	23,830	12,659	7	9,384	—		10,276	+ 1,787	22,004	6
Gas:											
Alliance & Dublin Consumers G.	31/12/20‡	12,251	-	14½	25,763	-	—	4,317	— 13,452	—	—
Australian Gas Light	31/12/20‡	103,487	—	4	85,200	—	-	33,473	+ 18,287	74,093	4
Ilford Gas	31/12/20	Dr. 2,299	—	{3½ A & C 2½ B}	7,500	—	—	2,872	— 9,799	3,666‡	{2½ A & C 2½ B
Insurance:											
Argonaut Marine Insur. (18 mos.) ...	31/12/20	14,914	-	15†	21,737	2,000	—	—		14,432	(10 (12 mos.)
Provincial Insurance	31/12/20	6,745	967	10	5,692	—	—	4,228	+ 86	6,064	10
Iron, Coal and Steel:											
Barrow Hematite Steel	31/12/20	233,630	22,887	5	33,750	150,000	10,000	182,089	+ 16,993	57,946	5
Cammell Laird	31/12/20	260,632	61,261	7½	188,037	—	31,500	71,471	— 20,166	303,006	8½
Edinburgh Collieries ...	31/1/21	28,801	3,578	7½†	26,164	—	—	23,058	— 941	25,179	7½†
Hadfields	31/12/20	107,856	13,500	5†	92,238	—	—	135,728	+ 2,118	—	—
Ransomes & Rapier	31/12/20	12,163	630	8†	9,185	5,000	—	17,991	— 2,652	14,933	7†
Scottish Iron & Steel ...	31/12/20	76,456	22,200	10	39,600	11,000	—	[54,525	+ 3,656	60,204	7
Stewarts & Lloyds	31/12/20	530,003	33,000	(10 Pf.Od. 12½† Df. Od.	320,307	100,000	60,000	114,357	+ 16,697	332,924	(10 Pf.Od. 12½† Def. Ord.
Summerson (Thomas)	30/9/20	9,221	1,450	6†	1,650	4,907	—	6,872	+ 1,214	7,791	6†
Tea, Coffee and Rubber:											
Poontmul Tea & Rubber	31/12/20	Dr. 10,271	—	—	—	Dr.10,000	—	Dr. 271	— 4,767	—	—
Ratanmi Rubber	30/9/20	4,108	—	—	—	—	—	8,557	+ 4,108	10,928	
Seychelles Rubber & Cocoanut	30/6/20	Dr. 162	—	—	—	—	—	2,591	— 162	—	
Tebrau Rubber	30/6/20	19,760	—	—	—	—	—	20,344	+ 19,760	28,295	
Tramways and Omnibus:											
Llanelly & District Electric Lighting & Traction	31/12/20	8,743	4,839	7	3,079	2,500	—	1,341	— 1,675	12,285	
Waterworks:											
Monte Video Water Works ...	31/12/20	112,995	—	8	76,500	30,000	—	74,081	- 6,495	—	—
Mining:											
National Mining Corporation	31/12/20	22,336	—	—	—	—	—	22,336	—	—	—
Premier (Transvaal) Diamond ...	31/10/20	507,509	92,500	1,100	440,000	—	—	40,964	— 24,991	-	—

* After providing for all Government taxation, prior charges, &c. † Tax free. ‡ Half-year.

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

CANADIAN PACIFIC RAILWAY COMPANY

FORTIETH ANNUAL REPORT—FOR THE YEAR ENDED DECEMBER 31, 1920

To the Shareholders:

The accounts of the Company for the year ended December 31, 1920, show the following results :—

Gross earnings		$216,641,349 30
Working expenses (including all taxes)		183,488,301 70
Net earnings		$33,153,044 60
Deduct fixed charges		10,775,408 99
Surplus		$22,377,635 61
Contribution to Pension Fund		500,000 00
From this there has been charged a half-yearly dividend on Preference Stock of 2%, paid October 1, 1920	$1,613,655 42	$21,877,635 61
And three quarterly dividends on Ordinary Stock of 1¼% each, paid June 30, 1920, October 1, 1920, and December 31, 1920...	13,650,000 00	
		15,263,638 42
		$6,613,997 19
From this there has been declared a second half-yearly dividend on Preference Stock of 2%, payable April 1, 1921	$1,613,638 42	
And a fourth quarterly dividend on Ordinary Stock of 1¼%, payable April 1, 1921 ...	4,550,000 00	
		6,163,638 42
Leaving net surplus for the year		$450,358 77

In addition to the above dividends on Ordinary Stock 3% was paid from Special Income.

SPECIAL INCOME FOR YEAR ENDED DECEMBER 31, 1920.

Balance at December 31, 1919	$17,363,844 27	
Less Dividend paid April 1, 1920 ...	1,950,000 00	
		$15,413,844 27
Net Revenue from Investments and available resources, Exhibit "C"		2,436,717 25
Interest on Deposits, and Interest and Dividends on Other Securities, less Expenses		2,057,327 23
Net Earnings Ocean and Coastal Steamship Lines		2,711,149 12
Net Earnings Commercial Telegraph and News Department, Rentals and Miscellaneous		3,731,256 51
		$26,380,292 08
Less Payments to Shareholders in Dividends: June 30, 1920, October 1, 1920, and December 31, 1920		5,850,000 00
		$20,530,292 08
From this a dividend has been declared, payable April 1, 1921		$1,950,000 00

The working expenses for the year, including all taxes, amounted to 84.70 per cent of the gross earnings, and the net earnings to 15.30 per cent., as compared with 81.39 per cent. and 18.61 per cent. respectively in 1919.

The gross earnings of your transportation system during the fiscal year under review exceeded those of 1919 by $9,712,289, and the net earnings by $220,008. This large addition of $39,492,281 in working expenses is due to the enforced application in Canada of what is known as "The Chicago Wage Award," which added approximately $12,000,000 to the pay rolls for the year, the increase in the cost of fuel and materials and the charging of the year's Federal taxes into operating expenses, where they properly belong. The heavy and rapid movement of freight during October and November and the first half of December under the tariffs prescribed by the Railway Commission and effective on September 13 enabled your Company to absorb these expenses and earn its usual charges, dividends, and a modest surplus. While, for the reasons mentioned, the net earnings are not commensurate with the volume of business transacted, still, in the opinion of your Directors, the year's operations must be regarded as satisfactory and compare most favourably with those of any other system on the American continent.

The sales of agricultural land in the year were 468,390 acres for $9,592,706.95, being an average of $20.48 per acre. Included in this area were 47,848 acres of irrigated land which brought $50.43 per acre, so that the average price of the balance was $17.07 per acre.

During the year your Directors disposed of $8,000,000 of Four per Cent. Consolidated Debenture Stock to the British Government pursuant to arrangements previously made at the time of the deposit of $40,000,000 of the Stock with the British Treasury in 1917. The balance of the Stock deposited—namely, $32,000,000—has been returned to the Company and is available for sale or other disposition as circumstances warrant.

As indicated in the last annual report, and with your approval, your Directors during the year issued $12,000,000 of Equipment Trust Notes for the purpose of acquiring necessary additions to your Company's rolling stock.

Your approval was obtained in 1919 and 1920 to the construction, as conditions warranted, of branch-line mileage in Western Canada amounting in the aggregate to 822 miles, and during the year under review 100 miles of track of this authorised mileage have been laid.

While extensive new construction is not under the present conditions advisable, your Directors are of the opinion that a moderate amount of construction should be proceeded with during the coming year in order that the full value of the lines already under construction should be realised and that the settlers in the districts to be served should obtain the railway facilities so necessary to their prosperity. The Branch Lines heretofore approved are in good territory and well located to become revenue producing.

Your approval will be asked to the construction of an extension of the Suffield South-westerly Branch from Lomond, a distance not exceeding thirty miles, and for the issuance and sale of a sufficient amount of Four per Cent. Consolidated Debenture Stock to meet the expenditure.

Four steamers for Atlantic and Pacific Service previously contracted for are now being built for the Company, namely: [illegible]

An additional ship for British Columbia Coast Service, required because of the loss of the *Princess Sophia* and *Princess* [illegible] the sale of the *Princess Margaret*, is also under construction.

The estimated cost of these six ships is $31,175,000, of which $18,733,138 was paid up to 31st December, 1920. The estimated capital requirements on this account for the year and including the amount required for the completion of the payments on the [illegible] amount to approximately $12,200,000. Your approval will be asked to the issuance and sale of a sufficient amount of Consolidated Debenture Stock to meet the expenditure for these vessels. During the year the s.s. *Sardinian*, built in 1875, was sold.

In anticipation of your confirmation your Directors authorised capital appropriations, in addition to those approved at the last annual meeting, aggregating, for the year 1920, $3,246,318, and, subject to your approval, have authorised expenditures on capital account during the present year of $4,316,236. Of this amount the principal items are :—

Replacement and enlargement of structures in permanent form	$509,624
Additional stations, roundhouses, freight sheds and shops, and extensions to existing—buildings	398,158
Tie plates, rail anchors, ballasting, ditching, and miscellaneous betterments	35,700
Replacement of rail in main and branch line tracks with heavier section	1,000,000
Additional terminal and side-track accommodation	377,292
Extension work on Chateau Frontenac Hotel	853,000
Lining of Connaught Tunnel	400,000
Improvements in connection with Telegraph Service	55,033
Mechanical Department, machinery at various shops	30,950

The balance of the amount is required for miscellaneous works to improve facilities over the whole system and effect proper economies.

In view of the importance to the Company in its *personnel* and the value to Canada in the development of its resources and industry through the increase in the number of trained technical men, your Directors authorised a subscription to McGill University Endowment of $250,000, and to the University of Montreal of $50,000, payable in annual instalments. Contributions of $10,000 to the Salvation Army and $5,000 to the work of the Y.M.C.A. were also authorised. The value of the work of the Salvation Army and the Young Men's Christian Association to the Company and its employees is of direct and indirect importance.

At the request of the Government of Alberta, and in order to ensure proper railway service in the districts served by the Edmonton, Dunvegan and British Columbia and Central Canada Railway Companies, your Directors have entered into an agreement with these companies, their stockholders, the Union Bank of Canada, and the Province of Alberta, for the operation, for a period of five years from the Twenty-first day of July 1920, of the properties of the Edmonton, Dunvegan and British Columbia and Central Canada Railway Companies. The remuneration is the payment to your Company of fifteen per cent. of the revenues in excess of working expenses, payable out of profits after payment of fixed charges, and an agreement giving your Company an option to purchase the capital stock on the terms set out in the agreement at any time during the period of five years. The agreement provides that the necessary capital for improvements and betterments to the lines shall be loaned by the Government to the Companies to be operated, and it is estimated that an amount of $2,500,000 will be required for this purpose, of which $1,000,000 has already been provided. The value of the arrangement to your Company is that it enables an accurate appreciation to be obtained of the probable development of the country, and the present and prospective value of the properties as traffic contributors to your Company's system. The arrangement is likewise equally desirable from the stand [illegible]

GENERAL BALANCE SHEET, DECEMBER 31, 1920.

ASSETS.

	$	$
Property Investment:		
Railway, Rolling Stock Equipment and Lake and River Steamers		567,283,037 04
Ocean and Coastal Steamships, Exhibit "A"		43,695,645 26
Acquired Securities (Cost):		
Exhibit "B"		124,469,836 18
Advances to Controlled Properties and Insurance Premiums		10,154,550 14
Investments and Available Resources:		
(Including amount held in trust for 6% Note Certificates, $60,197,030.76)		
Deferred Payments on Lands and Townsites	70,968,761 54	
Imperial and Dominion Government Securities	33,916,466 81	
Provincial and Municipal Securities	2,016,721 29	
Debenture Stock in Treasury	32,000,000 00	
Miscellaneous Investments, Exhibit "C," Cost	35,056,459 66	
Assets in Lands and Properties, Exhibit "D"	91,977,833 03	
Cash	6,871,549 71	
		272,807,797 04
Working Assets:		
Material and Supplies on Hand	33,734,639 66	
Agents' and Conductors' balances	4,298,448 79	
Net traffic balances	6,011,475 62	
Imperial, Dominion and United States Governments, Accounts due for Transportation, &c.	1,110,084 55	
Miscellaneous accounts receivable	11,751,730 11	
Cash in hand	30,090,941 24	
		86,997,319 97
		$1,105,388,185 63

LIABILITIES.

	$	$
Capital Stock:		
Ordinary Stock	260,000,000 00	
Four per Cent. Preference Stock	80,681,921 12	
		340,681,921 12
Four per Cent. Consolidated Debenture Stock		216,284,882 10
Mortgage Bonds:		
Algoma Branch 1st Mortgage 5 per cent.		3,650,000 00
Note Certificates, 6 per cent.		52,000,000 00
Current:		
Audited Vouchers	19,429,625 95	
Pay-rolls	4,886,048 37	
Miscellaneous accounts payable	13,376,745 54	
		37,692,419 86
Accrued:		
Rentals of leased lines and coupons on Mortgage Bonds		648,855 71
Equipment Obligations	18,550,000 00	
Less balance on hand with trustees	10,979,600 0	
		7,570,400 00
Reserves and Appropriations:		
Equipment replacement	4,230,786 45	
Steamship replacement	22,922,912 60	
Reserve Fund for Contingencies and for Contingent War Taxes	49,160,236 19	
		76,313,935 24
Premium on Ordinary Capital Stock sold		45,000,000 00
Net proceeds lands and townsites		96,610,805 14
Surplus revenue from operation		127,725,728 35
Special reserve to meet Taxes imposed by Dominion Government		3,144,249 81
Surplus in other assets		98,061,988 30
		$1,105,388,185 63

J. LESLIE, *Comptroller.*

AUDITORS' CERTIFICATE.

We have examined the Books and Records of the Canadian Pacific Railway Co. for the year ending December 31, 1920, and having compared the annexed Balance Sheet and Income Account therewith, we certify that, in our opinion, the Balance Sheet is properly drawn up so as to show the true financial position of the Company at that date, and that the relative Income Account for the year is correct.

Montreal, March 14, 1921.

PRICE, WATERHOUSE & CO.,
Chartered Accountants (England).

railway economies to be effected under the direction of your Company's officers, and at the same time permits the development of the North Country to be aided to the fullest possible extent and gives to present and incoming settlers the railway facilities so essential to their success.

In order to ensure the development of that portion of the Province of Quebec situated South and East of Lake Temiskaming your Directors have entered into an agreement with the Province for the construction by your subsidiary, the Interprovincial and James Bay Railway Company, of a railway extending from Kipawa to Des Quinze River, with a branch to Ville Marie, having a total mileage of seventy-six miles. Subsidies of $8,000 a mile in cash for sixty-six miles and 4,000 acres of land per mile of the entire railway have been voted, which will, of course, substantially reduce the cost of construction to the Company. A productive agricultural area of large extent and valuable timber lands will be opened and served through the construction of this railway.

The Preference Stock of the Company deposited with the British Treasury was returned to the owners on the First of October 1920, and the Common Stock on the Thirty-first of December.

The position of the holdings of Common Stock as of March First of this year was as follows:

	Shares.	Percentages.
United Kingdom	1,242,837	47.80
Canada	460,838	17.73
United States	626,510	24.10
France	79,123	3.04
Other holdings	190,692	7.33
	2,600,000	

During the last six and a-half years the Company has expended on Capital Account $88,000,000; and during the same period the proceeds of the sale of capital issues amounted to $26,282,000, exclusive of the recent Equipment Issue of $12,000,000, the proceeds of which have not as yet been received in full because of the non-completion of the rolling stock under contract for construction. In consequence of these large expenditures, the demands upon the Company's cash reserves have been extensive, while the surpluses from railway operations during the past thre years, for reasons with which the Shareholders are entirely familiar, have been merely nominal.

As indicated in this report, the capital requirements for 1921, exclusive of payments on steamships and the continuance of branch line construction, will be very moderate. No extensive works are contemplated in the East, save the commencement of the Interprovincial and James Bay Railway, previously referred to, and the continuance of the work on the extensions to the Chateau Frontenac, which it is expected will involve the expenditure of $853,000 during the present year.

The amount of unissued Consolidated Debenture Stock for the issuance of which your authority has already been given is $36,000,000, and the amount issued and undisposed of is $32,000,000, a total of $68,000,000. The capitalisation of the Company is conservative and even low, and this has been accomplished largely through the utilisation of surpluses in betterments and improvements which would normally have been paid for out of the proceeds of capital issues. While capital expenditures for the immediate future will be curtailed and the resumption of works requiring large amounts of money will be deferred until a decided improvement in business conditions furnishes warrant for incurring them, your Directors consider that it will be desirable that a portion of the cash reserves expended on Capital Account should be restored within a short time, and to this end, in order to implement and extend the powers of the Company to issue forms of securities other than those it is already empowered to issue and which are more appropriate to present market conditions, have made application for an amendment to the Company's charter permitting the issuance of bonds, Debentures, or other securities, collateral to or in lieu of any Consolidated Debenture Stock which the Company is or may hereafter be empowered to issue, and for the same amount, such securities to be payable in such currency, at such times and places, and bearing such interest as your Directors may think proper. As mentioned in the notice to Shareholders, the annual general meeting will be made special for the purpose of authorising, if approved, the issuance of such securities.

The Note Certificates of the Company issued in 1914 for $52,000,000 will fall due on March 2nd, 1924. Your Directors are glad to be able to advise the Shareholders that ample provision has been made for the retirement of these Notes at maturity.

Your Directors desire to express their appreciation of the loyal and efficient services of the officers and men of the Company, which have permitted it to perform its functions as a common carrier with credit to itself and satisfaction to the public, and have resulted in returns from the year's operations which, under the difficult conditions existing, cannot but be regarded as highly gratifying to the Shareholders.

The undermentioned Directors will retire from office at the approaching annual meeting They are eligible for re-election :—

Mr. EDWARD W BEATTY.
Hon. FREDERICK L. BÉIQUE, K.C.,
Mr. CHARLES R. HOSMER,
Hon. WM. J. SHAUGHNESSY, K.C.

For the Directors,
E. W. BEATTY, *President.*

Montreal, March 14, 1921.

FIXED CHARGES FOR YEAR ENDED DECEMBER 31, 1920.

		$
£200,000	St. Lawrence and Ottawa Railway First Mortgage Bonds, 4%	38,933 34
$2,544,000	Man. S. West. Colzn. Ry. 1st Mortgage Bonds due June 1, 1934, 5%	127,200 00
£4,007,381 15 5	Ontario & Quebec Ry. Debenture Stock, 5%	975,129 56
$3,000,000	Ontario & Quebec Ry. Ordinary Stock, 6%	120,000 00
£1,330,000	Atlantic & North West. Ry. 1st Mortgage Bonds, due January 1, 1937, 5%	323,633 34
£750,000	Algoma Branch 1st Mortgage Bonds due July 1, 1937, 5%	182,500 00
$500,000	New Brunswick Southern Ry. 1st Mortgage Bonds, 3%	15,000 00
$500,000	Lindsay, Bobcaygeon & Pontypool Ry. 1st Mortgage Bonds, 4%	20,000 00
	Rentals	901,518 94
	Interest on Montreal and Western Railway	8,431 51
	Interest on Equipment Obligations	881,475 00
		3,593,821 69

4% CONSOLIDATED DEBENTURE STOCK.

£36,222,921	Interest from Jan. 1, 1920	$7,051,395 30	
$8,000,000	Interest from Aug. 4, 1921	130,192 00	
			7,181,587 30
			$10,775,408 99

EXHIBIT "C."—MISCELLANEOUS INVESTMENTS.

	Par Value
Coeur d'Alene and Pend d'Oreille Ry. 1st Mortgage Bonds ...	$47,000 00
Consolidated Mining and Smelting Co. Stock, 177,625 shares ...	4,425,625 00
" " Convertible Bonds ...	2,648,400 00
Cambridge Collieries Company, 1st Mortgage Refunding Bonds	250,000 00
Dominion Express Company Stock	2,000,000 00
Duluth, South Shore & Atlantic Ry. Ordinary Stock	6,100,000 00
" " Preferred Stock	5,100,000 00
Hull Electric Company	1,067,600 00
Minneapolis, St. Paul & Sault Ste. Marie Ry. Ordinary Stock	12,523,500 00
" " Preferred Stock	6,361,800 00
Pennsylvania-Ontario Transportation Co. Stock...	187,500 00
Quebec Salvage and Wrecking Company Stock	150,000 00
Spokane International Railway Company Stock	3,911,800 00
Trustee Securities	14,558,500 00
Toronto, Hamilton & Buffalo Ry. Co. Consolidated Mortgage Bonds	1,000,000 00
West Kootenay Power & Light Company Preferred Stock ...	55,000 00
	$64,666,725 00

Cost, $35,056,459.66.

We have examined all the securities, including those listed above, held for account of the Canadian Pacific Railway Company by the Treasurer, and have received certificates from the Custodians for those deposited with the Banks and Trust Companies for safe custody, and having compared them with the records of the Company, find them correct and in order.

PRICE, WATERHOUSE & CO.
Chartered Accountants (Eng.)

Montreal, March 14, 1921.

EXHIBIT "D."—ASSETS IN LANDS AND PROPERTIES.

Company's collieries in Alberta and British Columbia, and Company's interest in other producing coal mines	$2,112,276 78
Surplus lands and buildings available for sale in the Provinces of New Brunswick, Quebec, Ontario, Manitoba, and British Columbia, representing mainly those purchased in excess of the requirements when securing right of way, station grounds, and shop sites, as being more economical than a resort to condemnation proceedings	2,827,430 14
Manitoba: Agricultural lands, 145,080 acres at $10	1,450,800 00
Saskatchewan: Agricultural lands, 1,228,724 acres at $13 ...	15,968,212 00
Alberta: Agricultural lands, 2,075, 53 acres at $13	26,954,889 00
A. R. & I. 6,500,000 acre tract, under agreement with Government), 17,2 6 acres at $5	86,280 00
Alberta—Irrigated lands:	
Western Section, 49,7 0 acres at $30	1,492,500 00
Eastern Section, 296,295 acres at $40	11,851,720 00
A. R. & I. Section, 2, 0 acres at $40	93,800 00
Land reserved in Irrigation Block for right of way and operating purposes, 57,358 acres at $13	745,654 00
Demonstration Farms:	
Strathmore	100,000 00
Brooks	25,000 00
Mixed Farm	8,000 00
Farms at Veterans' Colonies	90,000 00
Timber Lands and Mills: Timber and Tie reserve in British Columbia, 557,711 acres at $3	1,661,142 00
A. R. & I. Timber limit in Alberta, 17,632 acres at $1.50 ...	26,448 00
Bull River Mill and improvements	150,000 00
British Columbia: Columbia & Kootenay Lands, 31,156 acres at $2	62,312 00
Unsold portion of Esquimalt & Nanaimo Land Grant, 1,042,248 acres at $5	5,211,240 00
Unsold Lands in Townsites:	
Subdivided sites in Manitoba, Saskatchewan and Alberta ...	6,500,000 00
Unsubdivided land adjoining Town Plots in Manitoba, Saskatchewan and Alberta, 96,954 acres	4,276,400 00
Unsold lots in British Columbia, including Vancouver ...	4,500,000 00
Unsubdivided land adjoining Townsites in British Columbia, including Vancouver	5,000,000 00
Coal Lands:	
3,000,000 acres of coal right reserved under land sold and unsold in Alberta, to be developed on a royalty basis ...	1 00
46,933 acres of coal land in British Columbia, Saskatchewan and Alberta at $10	469,330 00
Iron property in British Columbia	25,000 00
Natural Gas: Rights reserved in 100,000 acres of land sold and unsold in Alberta. (Revenue from area under lease to Dec. 31, 1920, $2,1,064.50	1 00
Petroleum Rights: Rights reserved in 50,000 acres of land sold and unsold in Alberta, to be developed on a royalty basis ...	1 00
Improved Farms: Buildings and improvements on improved (ready-made) farms, Saskatchewan, Alberta, Manitoba and British Columbia; investment being repaid with land instalments with interest at 6%	256,838 32
Live Stock: Live Stock (horses, cattle, sheep and swine) advanced to farmers having land contracts with Company, on security lien notes	32,562 49
Total (5,611,563 acres)	$91,977,838 00

RECEIPTS AND EXPENDITURES. Year ended Dec. 31, 1920.

RECEIPTS.

	$	$
Cash in hand, December 31, 1919		53,519,420 78
Surplus revenue as per statement	21,877,635 61	
Special income as per statement	10,966,447 81	
		32,844,083 42
LAND DEPARTMENT:		
Lands and Townsites:		
Proceeds of sales and interest, less cancellations	12,867,526 96	
Less sales expenses and irrigation	4,706,321 08	
	8,161,205 88	
Deferred payments on previous year's sales...	3,383,543 88	
	11,541,749 76	
Amount remaining in Deferred Payments on the sales of the year...	7,689,372 99	
		3,852,376 77
Amount received from Sale of Government and other securities		3,801,113 75
Amount on account of Consolidated Debenture Stock, sold to the Imperial Government		7,658,578 51
Amount applied in reduction of cost of mining and other properties, Exhibit "D" ...		38,682 69
Increase in Current Liabilities, Rentals of Leased Lines and Coupons on Mortgage Bonds, Equipment Obligations and Reserves and Appropriations		22,929,153 78
		$124,643,409 73

EXPENDITURES.

	$	$
Dividends on Preference Stock:		
2 per cent. paid April 1, 1920	1,613,638 42	
2 per cent. paid October 1, 1920	1,613,638 42	
		3,227,276 84
Dividends on Ordinary Stock:		
2½ per cent. paid April 1, 1920	6,500,000 00	
2½ per cent. paid June 30, 1920	6,500,000 00	
2½ per cent. paid October 1, 1920	6,500,000 00	
2½ per cent. paid December 31, 1920	6,500,000 00	
		26,000,000 00
Construction of new lines, [illegible]		4,248,213 28
Additions and improvements, main line and branches, Exhibit "1"		1,501,262 08
Expenditure on leased and acquired lines, Exhibit "5"		1,872,094 60
Rolling Stock Equipment		4,161,152 38
Shops and Machinery		1,485,737 30
Lake and River Steamers		74,459 00
Ocean and Coastal Steamships:		
Payments on Steamships acquired and under construction	14,255,914 25	
Less amount paid from Steamship replacement Fund	454,441 42	
		13,801,472 83
Deposited with Trustee, Special Investment Fund		7,021,866 59
Securities Acquired:		
Lake Erie & Northern Ry. 1st Mortgage Bonds	11,060 00	
Alberta Stock Yards Co., Ltd., Preferred Stk.	129,000 00	
Trustee Securities	3,294,244 81	
		3,434,244 81
Payment of Equipment Obligations		1,440,000 00
Increase in Working Assets and Advances to Controlled Properties and Insurance Premiums		20,863,326 78
		94,552,468 49
Cash in hand, December 31, 1920		30,090,941 24
		$124,643,409 73

TRAIN TRAFFIC STATISTICS FOR TWELVE MONTHS ENDED DECEMBER 31, 1920, AND 1919.

(EARNINGS OF LAKE AND RIVER STEAMERS AND OF KETTLE VALLEY RAILWAY NOT INCLUDED IN THIS STATEMENT.)

	Year ended Dec. 31, 1920	Year ended Dec. 31, 1919	—Inc. or Dec.— Amt. or No.	%
Train Mileage—Pass. trains	20,538,038	20,411,110	126,928	·62
Freight trains	24,335,581	19,991,867	4,340,714	21·71
Mixed trains	1,846,046	1,943,410	97,364	5·01
Total trains	46,719,665	42,349,387	4,370,278	10·32
Car Mileage—Passenger:				
Coaches & P. D. & S. cars	105,591,004	110,759,727	5,168,723	4·67
Combination cars ...	2,416,844	2,400,909	15,935	·66
Baggage, mail & express cars	48,243,553	46,196,600	2,046,953	4·43
Total passenger cars	156,251,401	159,357,236	3,105,835	1·95
Freight: Loaded ...	591,151,172	494,862,109	96,289,063	19·46
Empty	209,037,450	170,620,412	38,417,038	22·52
Caboose	27,945,171	23,988,547	3,956,624	16·49
Total freight cars ...	828,133,793	689,471,128	138,662,665	20·11
Pass. cars per traffic train mile	6·98	7·13	·15	2·10
Freight cars per traffic train mile	31·63	31·43	·20	·64
Passenger Traffic—				
Pass. carried (earning rev.)	16,769,555	15,671,752	1,097,803	7·01
Do. do. 1 mile ...	1,718,084,609	1,763,004,596	45,519,987	2·58
Do. 1 mile per mile of road	132,223	135,727	3,504	2·58
Av. journey per pass (miles)	102·45	112·53	10·08	8·96
Av. amt. received per pass....	$2·89	2·91	·02	·69
Av. amount received per pass. mile ... ... Cts.	2·82	2·59	·23	8·88
Av. No. of pass. per train mile	70·75	78·89	2·14	2·71
Do. do. per car mile	15·91	15·58	·33	2·12
Rev. from pass. per pass. car mile ... ... Cts.	44·88	40·32	4·56	11·31
Total pass. train earnings per train mile	$2·81	2·59	·22	8·49
Total pass. train earnings per mile of road ...	$1,844·78	1,463·87	380·91	8·5
Freight Traffic—				
Tons of rev. freight carried one mile	13,856,607,551	10,926,848,494	2,929,759,057	26·81
Tons non-rev. freight carried one mile	1,830,407,240	1,378,437,805	451,969,435	32·79
Total tons (all classes) fr't carried one mile	15,687,014,791	12,305,286,299	3,381,728,492	27·48
Tons of rev. fr't carried one mile per mile of road ...	1,066,401	840,928	225,473	26·81
Tons of non-rev. fr't carried one mile per mile of road	140,868	106,084	34,784	32·79
Total tons (all classes) fr't carried one mile per mile of road	1,207,269	947,012	260,257	27·48
Av. amt. received per ton per mile of rev. freight... Cts.	1·038	1·003	·035	3·49
Av. No. of tons of rev. fr't per train mile	529·25	438·7	90·55	20·64
Av. No. of tons of non-rev. fr't per train mile ...	69·91	62·83	7·08	11·27
Av. No. of tons (all classes) fr't per train mile ...	599·16	560·90	38·26	6·82
Av. No. of tons of rev. fr't per loaded car mile ...	23·44	22·08	1·36	6·16
Av. No. of tons of non-rev. fr't per loaded car mile ...	3·10	2·79	·31	11·11
Av. No. of tons (all classes) fr't per loaded car mile...	26·54	24·87	1·67	6·71
Fr't train earnings per loaded car mile ... ... Cts.	2·14	2·19	·05	2·28
Fr't train earnings per train mile	$1·51	1·40	·11	7·85
Fr't train earn. per mile of road	$11,072·83	8,434·11	2,638·72	31·29

MEETINGS
OF PUBLIC COMPANIES.

The Scottish Provident Institution.

MUTUAL LIFE ASSURANCE—A RECORD OF UNINTERRUPTED PROSPERITY.

THE eighty third annual general meeting was held in Edinburgh on Wednesday, the 30th ultimo, Sir George M. Paul, LL.D., D.K.S., in the chair.

The report for the year 1920 states that the new proposals received were 4,450 for £3,788,595, and of these 3,983 were completed, assuring capital sums amounting to £3,108,330. The amount reassured with other offices was £177,650. The premiums of all kinds, including the price of annuities, but after deducting sums paid for reassurances, were £955,137. The total receipts, including net interest, amounted to £1,613,141. The accumulated funds amounted at December 31, 1920, to the sum of £16,681,113. The claims arising under 1,191 policies, by the deaths of 650 members, were £736,430, inclusive of bonus additions, and the claims by survivance under endowment policies £113,260, making the total claims for the year £849,690.

The Chairman, in moving the adoption of the report, said: I have now the honour to submit formally for your approval the directors' report for the year 1920, which you have been good enough to hold as read. Let me assure you that it is very gratifying to them to find themselves in the position of being able to lay such a report before you on the present occasion. It shows a record of uninterrupted prosperity. It must be as pleasant for you to find as it is for us to report that the net new business placed on the Institution books last year (£2,930,680) is larger than that of any year since the Institution was founded.

The new premiums have also increased, while the total receipts, including net interest, exceed £1,600,000, as against £1,470,000 in the previous year.

A decrease in the cost of conducting the business could scarcely be looked for under existing conditions; but even so I cannot think the ratio of 15.82 per cent. which the expenses (including commission on the record new business) bear to the premium income can in the circumstances of the times be considered as anything but moderate. That ratio test may not be altogether a scientific one, although in the general case—that is, where the premiums in any one office are approximately the same as in any other—it may be suitable for comparison. In the case of this Office, however, it may appear misleading and as placing the Office at a disadvantage when one has in mind that the premiums charged by the Office under its distinctive system are below the average premiums of other offices, and, moreover, that owing to the popularity of our limited-payments scale for whole-life assurance a large number of existing policies become each year free from premiums. This disadvantage you no doubt have fully in mind, as it has often been adverted to at these meetings in the Chairman's explanatory statement. In respect of these limited-payment policies an appropriate provision for expenses is made at investigation periods.

Low Mortality Experience.

The rate of mortality throughout the British Isles has, I believe, established a low record, and the effect of this is shown in the ratio of the actual to the expected claims being under sixty-six per cent. Even during the War years we were able to report a favourable mortality experience, and it is a satisfactory feature of the past year that the claims by death should have been well below the rate of mortality provided for in our calculations.

Endowment assurances for over £113,000 were paid at maturity, as compared with £85,000 paid in a similar manner last year. The increase under this head indicates the growing popularity of this form of provision; but it is satisfactory to find that, although the membership under our special endowment assurance fund (which was opened in 1903) becomes annually greater, it does not detract from the membership under the common fund for whole-life assurance.

Investments in British Government Securities.

The accumulated funds show a gratifying improvement, having increased during the year by £398,000—the total funds, as shown in the balance sheet, standing at £16,681,000. During the year the directors realised a large number of American securities and reinvested the proceeds in this country. You will observe that the sum now standing in the balance sheet under the head of British Government securities is £6,292,000—the corresponding item in last year's balance sheet having been £5,022,000. The directors have mainly made their investments during the past year in British Government securities—and a large proportion of the increase in 1920 of over one million pounds in these securities is due to the reinvestment of the proceeds of American bonds.

The effect of the higher yield which capital now commands is shown in the rate of interest realised on the funds, being £5 3*s*. 4*d*. per cent., subject to deduction of income tax, an increase of over one-quarter per cent. on the yield reported a year ago.

It is not customary during a quinquennial period for the directors to deal in detail with marketable securities; but we all know that there has been a very considerable depreciation in the value of investments. The directors, therefore, have deemed it prudent at the present time to make some further provision against depreciation by adding £200,000 to the investment reserve fund, which, as you will see, now stands in the balance sheet at £600,000.

It is to be hoped that in the course of time the economic troubles created by the War may subside. But when nations have been diverted from the path of peace they have to travel on rough roads. I trust that the lowering in the price of commodities, which appears to be in progress, is the beginning of an improvement in other directions tending towards the expansion of trade, with the consequent creation of a demand for employment, and that, with an increasing interchange of goods and services, exchanges may become more stable. The process of recovery must be a tedious one, but undoubtedly it can be accelerated by a general and increasing practice of the virtues of economy and thrift.

Popularity of Life Assurance Policies.

In this connection I see no more encouraging feature than the magnitude of the business reported by life assurance offices throughout this country. More policies have, I feel assured, been issued during the past two years than have ever been issued before in the same period. This indicates in the strongest possible manner that the public are realising that there is no form of provision which can be relied upon with such absolute confidence as that of a life-assurance policy. Unwise or unfortunate investments may be covered, and the lost capital may be restored to a man's dependants by payment of a relatively small percentage thereon in the form of an annual premium. As a mode of saving, life assurance is becoming more and more appreciated by both rich and poor; and the abatement of income tax, which is so wisely allowed by the State in respect of premiums on life-assurance policies, acts in no small degree as an incentive to this form of thrift.

Had the founders of the Scottish Provident Institution been gifted with the power of foreseeing the conditions which exist to-day, they could not have devised a system of assurance more peculiarly adapted to present requirements. A low premium is always alluring; but, when a low premium involves the sacrifice of any right to share in surplus, it loses much of its attraction.

Advantageous Policy System.

In the Scottish Provident a policyholder obtains the advantage of a low premium and retains the right to participate in the surplus. Indeed, our system of low premiums enables a man to pay a rate which in many offices would be required during the whole of his life, but which in this Office secures a limited-payments policy—that is to say, a policy automatically paid up after a certain number of years. This is an ideal form of policy for a business man, giving him just what he wants—provision for his dependants at a moderate rate of premium, cessation of the premiums at an age when he may expect to retire from active work—with the prospect of the sum assured being increased by bonus additions when the necessary accumulation period is completed.

I must not forget to mention that the directors have recently issued revised tables of annuity rates giving terms somewhat more favourable to purchasers than were provided under the tables previously published.

It is with sincere regret that the directors have accepted the resignation, on account of ill-health, of Mr. Alexander Leitch from the post of Joint Secretary at London branch, to which he was appointed in 1919. Mr. Leitch has served the Institution with devotion and loyalty for over forty-three years, and the directors, with his many other friends in the Institution's service, sincerely trust that the future may bring him a return of health to enjoy the leisure which he so well deserves.

Mr. George A. Nairn will continue the secretaryship in London, with Mr. H. G. Veysey as his assistant.

One word more, gentlemen, before I conclude. This is the first general meeting which Mr. Boothby has attended as Manager, and I feel assured that it will give you pleasure

to join with the directors in offering him our warm congratulations on the great success which has attended the working of the past year, and in expressing the confident expectation that the future will see still further increases in the prosperity of the Office. The two previous Managers were men of much distinction, who, by their ability and foresight, carried the Office from very small beginnings to the high position which it had attained when, a year ago, it was passed on by Mr. Graham Watson to Mr. Boothby.

The motion for the adoption of the report was seconded by Mr. Alexander Maitland, Advocate, and carried, and votes of thanks to the directors, head-office officials, branch secretaries, and the staff at head office and branches, and to the Chairman having been passed the meeting terminated.

Grainger and Smith, Limited.

Favourable Balance Sheet.

THE annual meeting of the directors and shareholders of Grainger and Smith, Limited, Dudley, was held on March 25 at the Grand Hotel, Birmingham.

The Chairman (Mr. T. S. Stewart Smith) presided. In moving the adoption of the annual report he said: I have pleasure in again meeting the shareholders of our Company and submitting the report and balance sheet for the year ended December 31, 1920. Our year's total trade, both home and export, has exceeded all previous records; but, as everyone knows, the great trade boom came to an end about the middle of last year, and since then there has been world-wide depression. Sundry creditors are £164,677 less than last year, after making provision for all liabilities. Amount due to bankers, £92,992, is in marked contrast to the £208,965 owing at the end of 1919. The reserves on buildings we leave at the figure we wrote them up to last year—namely, £40,000—plus a small percentage increase. On the other side the sundry debtors stand at £290,620, a decrease of seventy odd thousand pounds, reserves having been made on a very sound basis.

Stock.

The figure of £802,585 for trade stock on hand shows an increase of £122,275. This increase is entirely due to the fact that in order to cope with the unprecedented situation resulting from the decline in prices we took to account last year every possible piece against our spring contracts instead of having them delivered this year. This course, while it has considerably augmented our stock, has enabled us to allow for the depreciation of these spring goods in our 1920 stocktaking, and it will interest you to know that while at this time last year our commitments were over £1,250,000, they now stand at less than £100,000, and in a few weeks' time we shall be entirely clear of all contracts. The question of the value of the stock is naturally the crux of the whole situation. One might wonder from the size of the stock where is the sound policy to which I referred last year, but it must be remembered that up to the last few months we were forced to place our contracts nine to twelve months before delivery. The other alternative would have been to decline business. We took, like everyone else with a progressive business, the line that we must satisfy the demands of both our home and our world-wide trade, and with such a splendid organisation and connection built up I venture to think we have little ground to be other than satisfied with the results, and also (when the great trade depression has moved) with the ultimate prospects of the Company.

Stocktaking.

The total stock is shown after being written down to market values. In taking stock we felt that the right policy was to get on the safe side of the hedge at once, and ensure that everything we sold in 1921 would be on an economic basis. It has cost an immense sum of money, but now we have thrown the burden overboard we are more likely to get the ship on an even keel. The conservative policy of your board during the period of inflated prices has enabled this to be done without severely crippling our resources. I think we can congratulate ourselves that we did not follow the market last spring to the top of the ladder, and consequently that our commitments have now nearly reached vanishing-point.

Freehold land and buildings stand in our books at £96,637, an increase of £4,900. The price we obtained for the Belfast premises has been deducted, and the cost of the valuable freehold which we have bought adjoining our warehouse at Hanley has been added. I may mention in reference to the figures that the whole of our freehold premises have been re-valued by a very eminent firm of valuers, and the assets under this heading are worth an increase of over 100 per cent. We do not intend in any way to take credit for this nor write them up; they stand as a decided internal reserve for the shareholders. Fixtures, fittings, and machinery show an increase of £7,000. This is mainly for re-furnishing with up-to-date machines a small additional factory at Dudley and the new factory at Birmingham.

Last spring the directors came to the conclusion that the burden of the responsibility of the Irish business could not rest longer on the Company, domiciled as it was in England, and I think that the wisdom of that step is now patent to everybody. The sale was effected to your late manager in Belfast, Mr. A. Clifton, backed up by business friends. In consequence of this sale we are able to reduce "goodwill" by £10,000, leaving the amount standing under that heading £60,000. It was £141,000 six years ago.

The profit of the year, after charging all working expenses, salaries and commissions, and directors' fees, and providing reserves for Imperial taxes, is £67,126 16*s.* 10*d.*, which, together with the sum of £9,212 1*s.* 6*d.* brought forward, amounts to £76,338 18*s.* 4*d.* From this is deducted the five per cent. dividend already paid on the Preference shares, £8,250, and the interim dividend on the Ordinary shares, free of tax, paid October last, £23,014. The balance available is £45,074 18*s.* 4*d.*, which we propose to appropriate as follows: An additional one per cent. on the Preference shares (subject to income tax), £1,650; by payment on April 1 of a final dividend of 1*s.* per share, free of income tax, on Ordinary shares, £23,014, making ten per cent. free of tax for the year, the gross yield being over fourteen per cent. for the year; to carry forward the sum of £20,410.

The report was adopted.

Schill Bros., Limited.

Strong Financial Position.

MEETING of the shareholders of Schill Brothers, Limited, held at the Chartered Accountants' Hall, 60 Spring Gardens, Manchester, on Wednesday, March 23, 1921, at 11 A.M.

Mr. C. H. Schill, the Chairman, said: You will remember that I told you—when we met last year—that we started 1920 with a very full order-book, and that orders were still coming in freely, so that a good turnover seemed assured. And so it turned out to be. Our turnover has been a very large one indeed, and consequently the total gross profit was very large. It is well that it was so, because when the reaction set in in August-September it found us in a strong position. We had a good reserve of profit to meet the falling prices, and, since we had more business offered than we could possibly undertake, we had naturally only accepted business from the very best customers, and had little to fear on that score.

We were also prepared in another direction. Together with most business men, we felt very sure that the high level of prices existing during the first part of 1920 could not be permanently maintained. A fall must come sooner or later, and we were very careful in not buying ahead any more than was absolutely necessary and on very conservative lines, so that our actual stock was very small in proportion to the turnover.

Shipments Suspended.

But we did not foresee—and I fancy very few people indeed did so—that the collapse in trade would be so absolute and would affect practically the whole world simultaneously. In the course of a very few weeks all trade seemed to come to a standstill in every country, and the drop in prices was very rapid indeed, and very heavy, as you all know. At the same time the foreign exchanges also dropped very considerably, so that our customers had to face not only a loss on the prices of their stocks, but had also to give more currency for the £ sterling with which to pay our invoices or drafts. Very naturally they at once asked us to suspend all shipments, and in some cases to cancel orders. We have dealt with all these cases on their own individual merits, but the result, broadly speaking, is that we have taken these cancelled orders into our stock and written them down accordingly, because it is quite evident that when our markets are again in a position to consume these goods we shall have to sell them more or less at the market prices then ruling. You will agree that such goods cannot be looked upon as good assets at full prices. In the meantime, however, they had to be paid for without the immediate possibility of invoicing them out and gradually getting our money back again.

Trade Depression and Adverse Exchanges.

At the same time, the stagnation of trade also prevented our customers from collecting moneys due to them and meeting their existing engagements with us promptly, and this was aggravated by the increased cost of sterling bills due to the fall of exchanges, so that we have had to assist them by allowing them time to pay, prolonging drafts, etc. It is the same story that we have all been hearing from all sides for the last few months applied to our case, and, as the report says, "it reflects itself in our balance sheet." You will find the items on both sides of the latter abnormally high. They would have been high in any case, due to the increased turnover and the high prices, but they are swelled additionally for the time being owing to the circumstances [illegible]. The large item of £786,169—on the liability side—arises mostly from the necessity of having to use our financial facilities to the utmost to meet the needs of our customers [illegible] includes a substantial amount due to the Government for income tax and excess profits duty, which will have to be met as soon as ever possible. I explained our position with regard to the excess profits duty [illegible] you how unfairly it bears. The same remarks apply again this year, of course, but we now have the knowledge by

comfort us that we shall have no more of that tax to pay after we have paid what we now owe.

Against this heavy item on the liability side we have the large item of £1,159,218—on the assets side—composed chiefly of accounts due to us from abroad. We have gone through these most carefully and made due provision for any doubtful ones. But, as I have already stated, our accounts, generally speaking, are all with the very best houses of our markets, so that the amount written off as bad debts is comparatively very small.

The Company's Stocks.

The other portion is composed of our stocks, both here and abroad. These have all been brought down to the new level of values. Abroad our stocks are naturally heavier than usual, owing to the complete stagnation of trade since the goods were despatched, but there is no reason for anxiety as to their ready sale when the demand revives, and meanwhile they have also been treated in the usual way.

This writing down of heavy stocks at a time when the differences in values were so great is naturally a very serious matter, and we think it is a matter for congratulation that, in spite of it, there remains a profit of £26,407 8*s.* 4*d.* to be added to the carry-forward from last year, £28,872 5*s.* 8*d.* Total, £55,279 14*s.* The payment of the Preference and interim dividend absorbed £12,641 18*s.* 7*d.*, leaving available £42,637 15*s.* 5*d.* In ordinary times this would justify the payment of a satisfactory final dividend and an addition to our reserves. But in the present times it is neither possible nor politic to do so. There are slight signs here and there of an improvement, but they are only signs so far, and we shall have to wait until they materialise; and even when the retarded funds do begin to return they must be used first of all to ease the existing strain on our resources. No sound business man will dispute that policy, and you may rest assured that as soon as we have got into that position your directors will not fail to consider the payment of such a dividend as the return of the funds will justify. In the nature of the present circumstances it is quite impossible to forecast how soon that point is likely to be reached. It depends entirely on the higher politics and upon international settlements being arrived at which will restore commercial confidence and credit and set the wheels of commerce going again. We have one great point in our favour, and that is that the markets with which we deal have been more or less neutral countries, and have been able to make a good deal of money during the War, so that even if they lose a certain amount now through depreciation of prices and exchanges they have a good margin behind them to enable them to stand it.

The Chairman then moved the adoption of the report, which was seconded and passed unanimously.

The following resolutions were also passed :

"That the balance of £42.637 15*s.* 5*d.* available be carried forward, and as soon as the directors think that it would be in the best interests of the Company so to do they will declare an interim dividend on the Ordinary shares."

"That the Company do abstain from exercising its right under Section 49 (2) of the Finance Act, 1916, of recovering from any of the directors any excess profits duty which the Company may be required to pay in respect of remuneration paid to the directors and disallowed for the purpose of excess profits duty for the year ending December 31, 1920."

Mr. S. R. Armitage, the retiring director, was re-elected a director of the Company.

Messrs. David Smith, Garnett and Co., chartered accountants, were re-elected auditors of the Company for the ensuing year.

Westbourne Park Permanent Building Society.

Five per Cent. Interest Free of Income Tax Deduction.

THE thirty-fifth annual meeting of the above Society, whose offices are at 136 Westbourne Terrace, Paddington, London, was presided over by the Rev. S. W. Hughes, Pastor of Westbourne Park Church, Paddington, and the annual report and balance sheet for the year ending December 31, 1920, again showed the strong financial position of this London Society. The Chairman of the board of directors, Mr. Ernest W. Beard, in his speech, drew attention to the large increase of business in all departments, the net assets of the Society now amounting to over £1,000,000. The increased interest promised for 1920 had been paid, and at least five per cent. will be paid to all shareholders in 1921. Being free from income-tax deduction, this gives a better return than many Government and company investments where the tax is payable. Seeing that the Society's assets give a security of over £6 10*s.* for every £1 on deposit, he commended the Society's investment as one of the soundest it was possible to select. Not a penny of capital had been lost by any investor, and all withdrawals had been paid as required, without any trouble or expense to the holders. The assets of the Society comprised first-charge mortgages on freehold and leasehold property subjected to careful survey, the average on 4,159 properties being under £235 each. Out of the surplus profits of 1920 £4,500 had been added to the reserve fund; £2,000 to the dividend and bonus fund; increasing the undivided profits by a sum of £8,183 to a total of £41,242.

The Manager, Mr. C. Johnston Burt, emphasised the remarkable freedom of investments in building societies from depreciation or fluctuation in value, and mentioned instances of recent withdrawal of share money which had been in the Society's hands for over twenty years for property-purchase purposes. These amounts had been paid out in full, whereas if the money had been placed in Consols less than half the capital would have been realised, or if in ordinary railway stock over one-third of the capital would have been lost. He stated that small as well as large amounts are received, and the Society, having funds in hand, is able to give favourable consideration to all those desiring mortgages to assist them to acquire their shops or dwelling-house property.

Edinburgh Rubber Estates, Ltd.

Sound Financial Position.

THE first annual general meeting of shareholders was held in the registered office of the Company, 102 Hope Street, Glasgow, on Wednesday, March 30, 1921, at 12 o'clock noon, Mr. John Wishart, the Chairman, presiding.

Mr. Macdonald, for the Secretaries, read the notice calling the meeting and the auditors' docquet.

The Chairman, in moving the adoption of the directors' report and accounts, said :—

Gentlemen,—You have had before you for more than a week now the report and statement of accounts for the year ended November 30 last, and, with your permission, these will be held as read.

The condition of the estate remains satisfactory, and as the yield of rubber was almost 500 lb. per acre it has again proved a heavy producer. The restriction of output, however, means a considerable diminution of crop for the current year, but advantage will be taken of the restriction to put all works on the estate on the best possible basis.

The price received for our crop is satisfactory, and the "all-in" cost of 10.35*d.* per lb. must be regarded as low in view of the increased cost of labour and material and the loss on the supply of rice to coolies.

One effect of the great fall in the price of rubber has been that coolies' wages are being brought down and other economies are being effected. So long as the restriction remains in force, however, it will not be easy to bring down the cost per lb. of rubber.

From the balance sheet submitted it will be apparent to you that our financial position is sound, but so long as the present depression continues it is impossible to make profits, and it is therefore necessary that the finances of the Company should be conserved. Your directors recommend, therefore, that out of the balance of profits remaining the whole of the preliminary expenses—£2,404 1*s.* 7*d.*—be written off, but at the same time they cannot recommend the declaration of any further dividend.

Surplus Rubber Stocks.

As to the present position of the industry, we are suffering from the direct effects of the artificial boom in trade which took place immediately after the War. In every industry production increased enormously, and nowhere more than in the industry with which rubber companies are closely connected—namely, the motor industry. When it became apparent that owing to the demands of excess profits duty and the high cost of living the supply in that industry, as in others, had at the moment exceeded the demand, America—which consumes about two-thirds of the world's supply of rubber—began to resell her surplus raw material on the London market. The result is that there is now in London a stock of about 63,000 tons of raw rubber,

BARCLAYS BANK LIMITED

Head Office:

54 LOMBARD STREET, LONDON, E.C. 3.

And over 1,500 Branches in England and Wales.

AUTHORISED CAPITAL	£20,000,000
ISSUED AND PAID-UP CAPITAL	£15,592,372
RESERVE FUND	£8,250 000
DEPOSITS (31st December, 1920)	£327,788,370

Every Description of British and Foreign Banking Business Transacted.

Executorships and Trusteeships Undertaken.

AFFILIATED BANKS:

THE BRITISH LINEN BANK . *Head Office:* . Edinburgh
THE UNION BANK OF MANCHESTER LIMITED . *Head Office:* . Manchester
THE ANGLO-EGYPTIAN BANK, LIMITED *Head Office:* 27 Clements Lane, London, E.C.4.

or more than sufficient to meet two years' requirements of this country. It is therefore apparent that as far as the rubber industry is concerned we cannot expect to see any great improvement until the revival of trade in America brings her back to the London market as an active buyer, when no doubt the surplus London stocks will be consumed quickly enough. The fact that a number of estates have had to close down, and that the great majority of the others have agreed to a twenty-five per cent. restriction, has not yet had any effect on the market, but I do not think that these curtailments are likely to have quite the beneficial effects which have been claimed for them. I would rather depend on the low price of rubber promoting the more extended use of the best qualities and a decrease in the use of reclaimed rubber.

The rubber industry is passing through a phase which unfortunately is common to very many industries in this country and elsewhere at the moment, and this period of depression can only come to an end with the revival of business in general.

I hope that when we meet next year conditions generally may have shown a marked improvement.

I now beg to move that the report and accounts be adopted.

I shall ask Mr. Dougal to second the motion, but before putting it to the meeting I shall be glad to answer any question any shareholder may care to ask.

The adoption of the report and accounts was formally seconded by Mr. Dougal and unanimously agreed to.

Messrs. Wishart and Dougal were unanimously re-elected directors.

The auditors, Messrs. Gibson and Anderson, C.A., were also unanimously re-elected.

United Serdang (Sumatra) Rubber Plantations, Limited.

Difficulty of Forecasting the Future.

THE thirteenth annual ordinary general meeting of the United Serdang (Sumatra) Rubber Plantations, Limited, was held on Thursday, March 24, in the Council Room of the Rubber Growers' Association, 38 Eastcheap, E.C., Mr. C. Heath Clark presiding.

The Chairman said : During the financial year the nominal capital of the Company was increased from £250,000 to £750,000 by the creation of 5,000,000 shares of 2*s.* each. £250,000 of the amount standing in the last year's accounts at the credit of premiums on issue of shares and reserve accounts was capitalised and 2,500,000 shares of 2*s.* credited as fully paid were distributed as bonus shares. The issued and paid-up capital of the Company, therefore, now stands at £500 000. The amount standing at the credit of reserve account totals £25,141 7*s.* 5*d.* After allowing for this amount the net book cost of the 11,191 acres planted at the end of the last financial year was £47 per acre, no value being taken for the area of good plantable reserve land estimated at 2,949 acres.

At the end of the financial year we had a deficit on capital account of £26,000, and we have to meet during the current financial year an estimated capital expenditure of £29,000, so that, subject to any curtailment or postponement of capital expenditure, we should finish the year with a deficit of £55,468. In addition, the Company has also £16,000 invested in the Deli Engineering and General Union, Limited.

Crop and Cost.

The crop of rubber harvested during the year amounted to 3,789,951 lb., against an estimate of 3,366,000 lb., and a total for the previous year of 3,084,945 lb. The crop was harvested from an average bearing area of 9,640 acres, or about eighty-six per cent. of the total planted area. The yield per acre was at the rate of 393 lb., and that per tree 4.82 lb. At the commencement of the year 789,372 trees were being tapped, and this number was decreased to 771,791 by the end of August last owing to resting and thinning out.

The cost of production f.o.b. at port of shipment, including provision for commissions to staff, depreciation, &c., but excluding loss on exchange, was 1*s.* 2.22*d.* per lb., as against 1*s.* 0.86*d.* per lb. in the previous year. On the other hand, the crop actually harvested was well in excess of the estimate, as a result of which the actual net increase in cost per lb. f.o.b., excluding loss in exchange, as compared with the previous year, was 1.36*d.* The crop realised a net average price of 1*s.* 10.93*d.* per lb., as against 1*s.* 9.35*d.* in the previous year.

No additions were made during the year to the area planted with Hevea rubber, which remained at 11,191 acres, and a detailed statement of the plantings is given in the directors' report.

The thinning out of the older areas was proceeded with slowly during the year, and the work taken in hand was carried out in a careful and systematic manner. The visiting agent states that there is no doubt that the thinning-out operations have a most beneficial effect, and the trees in the areas where this work has been done continue to show improved growth and healthy bark renewal. For the current financial year our managers estimated for a total rubber crop of 3,750,000 lb. Following the output restriction scheme of the Rubber Growers' Association, to which the directors have agreed, the revised estimate of crop is now 3,067,500 lb. For the six months of the financial year to the end of February 1,685,433 lb. had been harvested. Out of the current year's crop we have sold to date 568,264 lb. at an estimated average net price of 1*s.* 9½*d.* per lb. Taking into consideration the heavy loss on rice, which will be continued during the major portion of the current financial year, and the further increase in coolie wages which took place in November last, together with the restriction in output by twenty-five per cent., we shall have to face during the current year a higher cost than that for the year under review.

A Grave Hardship.

The repeal of the excess profits duty foreshadowed by the Chancellor of the Exchequer is by no means the relief to our Company that might have been expected. I wish to draw attention to the fact that, because our working year happens to end at August 31, we are subjected, as things have turned out, to what I consider to be an exceedingly grave hardship. We had to pay excess profits duty on our profits during nearly eleven months prior to the outbreak of war, and, the current year being a year of depression in our industry, as in most others, we might rightfully have expected to recover a portion, at any rate, of the vast sums of money we have had to pay in excess profits duty, which arose, not out of war profits, but from the maturing of the large area of rubber which we had planted during a series of years prior to the War. Had our working year ended at June 30 we should have only been liable for excess profits duty for about one month prior to the outbreak of war, and would have been entitled to claim a refund in the seventh accounting period, which would end on June 30 next. In view of the low price for rubber which has ruled for some months past, you will appreciate what a difference the date of closing our working year has meant to this Company.

We do not yet know the terms of the Act of Parliament which will give effect to the pronouncement of the Chancellor to terminate the excess profits duty, but, in view of the general slump which commenced last year, there must be businesses of all classes which have been very unfairly treated through the manner of applying this tax, and it is to be hoped that the Chancellor will recognise the injustice and make some provision for remedying it in the next Finance Act. For the year 1913-14 we had to pay £9,172, and for the years 1915, 1916, and 1917 we paid sums of £44,057, £78,461, and £92,659 respectively. In 1918 we recovered from the Revenue £20.393, but in 1919 we were again assessed in the sum of £12,302, and in 1920 we shall be liable for an estimated amount of £5,166, giving a total net liability to excess profits duty over all accounting periods, as computed by the Inland Revenue, of £221,424.

The Net Profit.

The net profit for the year amounted to £98,225 6*s.* 11*d.*, to which falls to be added the sum of £43.961 11*s.* 3*d.* brought forward from the previous year. From the resulting total we have to deduct excess profits duty for the year to August 31, 1919, and an interim dividend of five per cent., paid in July last year. These total together £37,302. The remaining available amount is £104,884 18*s.* 2*d.*, which the directors recommend should be dealt with by transferring to income-tax reserve £20.000 and by writing off the expenses on increase of capital and new issue, amounting to £1,531 16*s.*, leaving to carry forward to the current year, subject to excess profits duty and Netherlands Indies war profits tax, if any, a sum of £83,353 2*s.* 2*d.* The directors regret that they cannot, in view of the present crisis in the industry, recommend the payment of a final dividend.

Perhaps there has never been a time when it was more difficult to forecast future prospects. The position in America, which country takes over two-thirds of the rubber produced, is gradually improving, and perhaps it is a point in favour of the outlook that our greatest market is in the country which the War has left in the strongest position. The invisible stocks of both raw rubber and manufactured articles have, under the influence of the slump in prices and excessive financial stringency, been steadily reduced during the past few months, and very probably may be at present lower in proportion to output than ever before.

I have much pleasure in moving : "That the directors' report and statement of accounts in respect of the financial year ended August 31, 1920, be and the same are hereby adopted." I shall ask Mr. Miller to be good enough to second that, and then if there are any questions which I can answer I shall be pleased to do so before putting it to the meeting.

The resolution was carried unanimously.

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Stewarts and Lloyds.

The Advantage of a Good Reserve.

THE thirty-first ordinary general meeting of Stewarts and Lloyds was held on March 31, in the Accountants' Hall, 218 St. Vincent Street, Glasgow, Mr. John Graham Stewart, Chairman of the board of directors, presiding.

The Chairman said: Following the practice at previous meetings, I shall ask you to take the notice calling the meeting as read. Are you agreeable to that course?

There were no indications of dissent.

The Secretary having read the auditors' report,

The Chairman said: I would ask you to take the directors' report as read. Is this agreed? (Applause.) The statement of accounts submitted is, I venture to consider, satisfactory. They were drawn up after making liberal provision for every contingency which might occur, but the exact extent of which it is not possible at present to estimate accurately.

Bad Weather Expected.

The general opinion is that we are faced by a more or less prolonged period of depression, and the board have kept this contingency well before them. We may say that we have prepared the ship in every way known to face bad weather. We, of course, hope that the storm condition will not be unduly prolonged, but we can assure you that we have taken into careful consideration the conditions which we may have to face.

I should like to remind you that the exceedingly strong position in which we find ourselves is largely due to the policy which we have for years persistently maintained—the policy of conserving a liberal proportion of each year's earnings for development purposes and reserve. That this procedure did not recommend itself to all our shareholders or find universal approval led me to think it desirable to defend it to you at our meeting when reviewing the accounts for the year 1916 in the following words:

"I should like to remark that the policy of the board is to deal in a conservative spirit in the matter of the appropriation of the profits. We are satisfied that the manner in which profits have been dealt with in the past from year to year, and the manner in which we propose to deal with them this year, both as regards the amounts put to depreciation and reserve funds and the amounts distributed by way of dividends, is in the best interests of the shareholders." Some shareholders may hold the view that they should obtain in each year their share of the whole profits. That is a policy which has been followed by many companies with ruinous results, and I think it cannot be doubted that the present sound position of Stewarts and Lloyds is to a not inconsiderable extent due to the careful conservation of profits in the past, which has enabled the Company to carry on through bad times without reducing dividends and to meet and finance new demands involving large expenditure.

The prevailing feeling of uncertainty as to how things will shape themselves after the War renders it all the more necessary to maintain that policy at the present moment in the interests of the business and the shareholders. We deprecate rapid fluctuations of dividends.

A Sound Policy.

I claim that the policy then advocated has borne good fruit, and the fact that, in spite of a much larger share capital, we are able to-day to recommend the distribution of an increased dividend, has justified the views then expressed.

Of course, it must not be assumed from this that this dividend can be maintained for subsequent years. That must obviously depend on the profits earned.

The absorption of Alfred Hickmans business has proceeded successfully. All the shares have been acquired, with the exception of 745 £1 Ordinary shares. It is needless to refer further to this matter, as it was fully dealt with and all explanations given at the special meeting. As will be seen from the report, the vacancy on the board has been filled by the appointment of Mr. Atha, who has had large experience in the conduct of iron and steel making, both in England and America.

I move that the report and accounts of the year 1920, as submitted to this meeting, be hereby received and adopted.

Mr. John Henry Howard (Deputy-Chairman): I beg to second the resolution. (Applause.)

The Chairman: That is agreed. Then I move that the dividends and bonuses as detailed in the directors' report to the shareholders, dated March 23, 1921, be paid on and after April 1 to the shareholders whose names are on the register at this date, that £100,000 be placed to reserve, £50,000 to income tax equalisation reserve, and £10,000 to the employees' benefit reserve, and that £114,356 10*s.* 4*d.* be carried over to the year 1921.

Mr. Henry Howard: I beg to second. (Applause.)

The motion was carried unanimously.

The Chairman: The next business is the election of directors in the place of those retiring, who are Mr. John Henry Lloyd, myself, Mr. Henry Howard, and Mr. Albert William Lloyd, and I would ask the meeting if they would allow us to take these *en bloc* instead of moving every individual director separately. (Applause.)

Brigadier-General T. E. Hickman, C.B., D.S.O., M.P.: I move that Mr. John Henry Lloyd, Mr. John Graham Stewart, Mr. Henry Howard, and Mr. Albert William Lloyd, the directors who retire at this time, be re-elected directors of the Company. (Applause.)

Mr. R. M. Watson: I have much pleasure in seconding the motion.

The motion was adopted unanimously.

The Chairman: The next business is the election of auditors. Some shareholder will perhaps move.

Mr. John Sandilands: I move "That Messrs. Cooper Brothers and Company, chartered accountants, London, be re-elected auditors of the Company for the current year, and that their remuneration be 750 guineas."

Mr. Robert Watson: I beg to second that.

Agreed.

The Articles of Association Revision Agreed to.

The Chairman: We have timed our meeting very well to-day, and it is just time for our extra-ordinary general meeting. I should like to ask you to hold the notice calling the meeting as read. (Applause.)

The terms of the circular which has been issued to the shareholders explain fully the purpose of holding this extra-ordinary general meeting. Our solicitors advised us that it was desirable to have the articles of association revised and brought up to date, and to give effect to the alterations made since the inception of the Company. Accordingly we have had new articles drafted, of which it is the object of this meeting to approve. The principal changes are detailed in the notice calling the meeting. I beg to move the resolution approving of the new articles as follows:

Resolved that the present articles of association of the Company be rescinded as from the date when this special resolution becomes effective without prejudice to all actings under them to said date, and except so far as any of said articles of association are expressly repeated and the Company adopts and makes the articles of association of the Company articles of association contained in the print submitted to this meeting and for the purpose of identification subscribed by the Chairman thereof as relative hereto.

Mr. Henry Howard: I beg to second the resolution.

The Chairman: Is that agreed, gentlemen? (Applause.) Then that is all the business.

On the motion of a shareholder, the Chairman was awarded a vote of thanks, and the meeting terminated.

British Aluminium Company, Ltd.

Year of Record Sales.

MR. A. W. TAIT, C.B.E., presiding at the meeting of this Company on March 31, said that the profit for the year amounted to £428,157, as compared with £348,108, and the trading profit was £373,779, as against £292,327. The substantial increase in the trading profit was satisfactory, but the year 1920 had been exceptional, particularly in the motor trade, not only in this country, but throughout the world. The year had started with a very strong demand, which in the first half of the year could not be met, but in consequence of financial stringency, caused largely by over-speculation in all commodities, there was a sudden falling off in business in August and September, and the motor trade was placed in a very serious position, owing to the large stocks which they were carrying and had on order, and the almost wholesale cancellation of contracts for the delivery of cars. That serious condition had created considerable financial embarrassment in the motor industry, which still existed, although there were a few signs pointing to gradual improvement.

The Eastern trade had also fallen off in a striking manner towards the end of the year. Consequently, although all the works had been operated to their full capacity during the whole of the year and a record output obtained, and the sales effected were the largest in the history of the Company, it had been necessary to make radical alterations to meet the changed conditions and to prevent accumulation of stocks. Reductions had been made in the price of ingot and manufactured metal since the beginning of the year in order to encourage demand. The immediate future was, however, somewhat uncertain, and the industry would necessarily take time to get back to normal. There were signs that the worst period of depression might shortly be over, but it was essential to be in a position to meet foreign competition, particularly from Germany.

The Accounts.

With regard to the accounts, the depreciation reserve account stood at the figure of £550,000, having been increased by the sum of £50,000 out of the profits of the year. It was satisfactory to note that that reserve now amounted to twenty-five per cent. of the total book value of the property, buildings, engineering works, plant and machinery, and the greater portion of that expenditure had been incurred in pre-War days, when the costs of construction and equipment were very substantially lower than those ruling to-day. The reserve account had been increased by £50,000 out of the profits of the year, and the amount now standing to the credit of the account was £170,000, after deducting the sum of £400,414, which had been applied in paying up an equivalent amount of Ordinary share capital issued as a bonus to the Ordinary shareholders of the Company last year.

The Debenture redemption accounts and the reserve

account together amounted to £362,000, which was a satisfactory reserve against the Ordinary share capital of approximately £1,000,000.

The accounts submitted and the profits earned for the year 1920 justified the recommendation of the dividend upon the Ordinary shares of the Company, and it was satisfactory that they had been able to pay a dividend of ten per cent upon the increased amount of capital while maintaining the appropriations to depreciation and reserve accounts at practically the same figure.

Lt.-Col. Stephen H. Pollen, C.M.G. (Vice-Chairman), seconded the motion, which was carried unanimously.

Jones and Higgins, Ltd.

An Anxious Year.

THE twenty-fifth annual general meeting of this Company was held on March 31 at 19 Rye Lane, Peckham, S.E., Mr. Charles H. Higgins presiding.

The Chairman referred to the great loss the Company had sustained by the death of their late Chairman, Mr. G. Randell Higgins. Proceeding, he said that the year just completed had been a trying and anxious one for the directors and all concerned in the management of the business, as, with all the foresight in the world, one could not anticipate the exceptionally sudden fall in the markets of the world. Their returns were very large and had been practically maintained, this necessitating the carrying of very heavy stocks at certain seasons of the year. On account of that they had been forced to purchase very heavily for future deliveries, otherwise they would have run the risk of not being able to meet the requirements of their customers when the seasons came on. The Government policy was largely responsible for the sudden break in prices owing to their holding stocks, the immensity of which was a carefully guarded secret, and then, when traders had bought ahead, those stocks were suddenly thrown on the market regardless of the effect it would have upon the trading community, who all the time were being remorselessly bled in the shape of income tax, excess profits duty, and corporation profits tax. Fortunately, as had always been the case, the last year's accounts were drawn upon conservative lines, so that, although there was a large falling off in the gross profits, the final result was under all circumstances satisfactory. The considerable drop in the net profits was largely accounted for by the depreciation in the stock and automatic increases in the working expenses, many of which were not under the control of the management. In the balance-sheet no difference was shown in the value of the freeholds, but the leases of the six shops at present occupied by Messrs. Thomas Ely, Limited, would fall in at the end of the year, when the premises would be retained for the Company, giving much-needed and increased window display of some 70-feet run and floor space for the development of several sections of the business, and there was every reason to believe that that extension would be greatly beneficial to the working of the business. The stock was £28,000 in excess of last year's figure, but he could assure the shareholders that it was a satisfactory item, as it had been taken at cost or value, and all future positive commitments had been included. Fortunately, their commitments for the spring season were very light, and the stock stood in the books to-day at £36,000 lower than the corresponding figure last year. The dividend recommended was, allowing for the issue of the new shares, slightly in excess of last year's, being equivalent on the old capital to a rate of 17½ per cent. as against 17 per cent.

The report and accounts were unanimously adopted.

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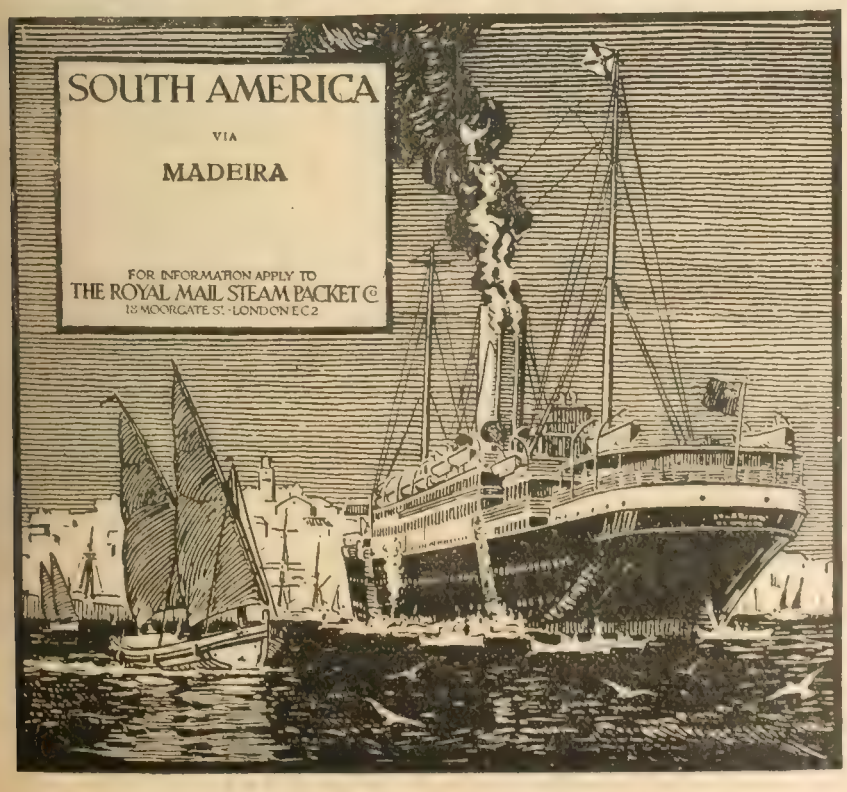
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Paid-up Capital, $22,000,000.
Rest, $22,000,000.
Undivided Profits, $1,251,850.
Total Assets (30th Oct., 1920), $560,150,812.

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Reserved Liability of Shareholders ..	£1,000,000

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RESERVE FUND	1,020,000
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Claims Paid Exceed - - - £32,000,000

IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

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The Statist.

LONDON, SATURDAY, APRIL 9, 1921.

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The Money Market.

Friday, April 8, 1921.

	Current Rate % Fixed		Previous Rate % Fixed	
Bank of England Rate..	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5¼	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates :—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Treasury Bills	—	6	—	—	6
Bank Bills ...	5½	6⅛–⅜/16	6⅛	6	—
Trade Bills ...	—	7–7¼	7¼–⅓	7⅓	—

THE COAL STRIKE AND THE MONEY MARKET.

Up to the present the City has not bestirred itself to make an attempt to estimate the probable effects of the coal strike on Money-market conditions, and there is everywhere a disposition to watch developments calmly. This attitude is probably inspired by recollection of the last coal strike, which chiefly, of course, on account of its brief duration, affected the market only very slightly. The fact is not ignored, however, that the present strike differs essentially from the last and that conditions have fundamentally changed since then. The change is indicated by the fact that at present the miners are ready to resist an attempt at reducing their wages, whereas the issue last November was a demand for increased wages. It is being recognised that the course of events will be determined by the pressure of general economic conditions at the moment rather than by reference to the narrower issue between the miners and the owners. In other words, during the present period of readjustment, wages in any industry will be determined not alone by the profits in that industry, but ultimately by the movement in the general level of prices, and the present

contest between the miners and the mine-owners is essentially a struggle between the workers in the coal industry and the general body of the consumers, the influence of the latter being exerted through the medium of the mine-owners. To look at the question from another view-point, the selling price of coal cannot be kept up while the general level of prices is falling, and a reduction in the price of coal lessens profits in the industry unless cost of production, of which wages form the greater portion, is proportionately reduced. It is only natural, however, that a strongly organised body such as the Miners' Federation should resist a reduction in wages, especially as the cost of living as determined by retail prices has not fallen sufficiently to allow of a substantial reduction in money wages while keeping real wages unchanged. During the period antecedent to the present trade depression demands for increased wages were granted with comparative ease, as employers found little difficulty in recouping themselves by a corresponding increase in their selling prices. At the present time the reverse process is taking place—namely, wholesale prices are being reduced, and this movement in turn exerts a strong pressure towards lower wages. In many industries at present the selling price of the product is below cost of production, and the inevitable result is seen in the closing down of many factories and the spread of unemployment. The process of scaling down costs of production is, by its nature, a very difficult one at any time, and is bound to cause much disturbance at the present time, especially when workers in all industries are better organised than they were ever before. Thus the present crisis in the coal industry is but a foretaste of the industrial troubles which we may expect during the present period of readjustment, and the situation will not be rendered easier unless the cost of living has fallen in accordance with the decline in wholesale prices of commodities.

A consideration of these broad aspects of the question is calculated to inspire the banking community with greater caution in granting credit facilities, and, in general, lenders will look for security rather than for a high rate of interest. Any more tangible effects on monetary conditions will, of course, depend on the duration of the strike, but assuming that a settlement is not arrivied at in the near future, there are a few probabilities which might usefully be considered. In the first place, if the strike shows no promise of an immediate termination, the Money market will probably have to withstand an increased demand for loans at first, for, while the outlook is so obscure, buying will be further restricted, and many traders will require to provide themselves with increased banking accommodation for carrying stocks of commodities. Thus the "frozen" credit situation, already pronounced, will be still further accentuated.

The most prominent effect of the strike will probably be felt by the National Finances, for there is little doubt that a prolonged cessation of coal production will tend to reduce seriously the volume of revenue. This would force the Government to borrow heavily on Ways and Means Advances, but any effect which this operation might have on the Money market will probably be offset to a large extent by increased purchases of Treasury bills, these being generally taken in preference to trade paper during a crisis such as the present.

Finally, a serious effect of the coal strike will be to reduce the foreign exchange value of our currency, and especially the New York exchange should move against this country. Our exports of coal still form a substantial proportion of our total exports, though the proportion has been reduced in recent months, and their cessation, due to the strike, will accordingly diminish considerably our claims on foreign countries. Besides this, the coal strike, if prolonged, will also tend to reduce the exports of other commodities, while it is probable that the falling-off in the amount of commodities we send abroad will be made up by the United States. The result of such a position will be to reduce the value of sterling in the currencies of the world and enhance that of the dollar.

The repayment of the market's indebtedness to the Bank during the week tended to absorb quickly any surplus funds that were available, but supplies of floating credits were increased by Government interest disbursements, while it is also probable that Treasury bills were being allowed to run off to a considerable extent. Conditions, on the whole, were comfortable to borrowers; more than 5½ per cent. was rarely paid for day-to-day money, and on Tuesday as low as 4 per cent. was accepted for closing balances. Weekly fixtures continued at 5½ per cent. In the Discount market there was a fair supply of bills coming forward, but there was a marked tendency to avoid the longer-dated maturities on account of the uncertainties of the industrial outlook. After the turn of the month attention was diverted from Treasury bills to end-of-June trade paper, this favoured maturity being bought at specially reduced rates.

Foreign Exchanges.

In the Foreign Exchange market the New York exchange showed a sharp depreciation between Saturday and Tuesday, the middle quotation on the latter day being 3.91⅞. Since then, however, there has been a recovery, and to-day's quotation of 3.91¾ is slightly above that of a week ago. A striking feature was provided by an improvement in the South American group, the Buenos Ayres rate falling yesterday from 46*d.* to 44¾*d.*, and the Rio 90-day quotation from 8 13/16*d.* to 8½*d.* Among Continental currencies the lira showed a remarkable improvement on yesterday, the quotation being 89 as against 92¼ on the previous day. To-day there was a minor reaction. Similar but less pronounced movements are shown by the Paris and Brussels rates, but the set-back in these to-day was greater than in the case of the lira, though on balance francs showed an improvement on the week. The German mark improved sharply up to Wednesday last, when the quotation was 240½. Yesterday it fell back to 242½, but recovered to 241¾ to-day, at which quotation it shows a higher value as compared with a week ago.

Currency Notes.

Currency notes seem to have been coming in rapidly from circulation since the turn of the quarter, the total cancellations during the week ending on the 6th inst. being £8,586,408, an increase of £4,480,832 as compared with the previous week. Fresh issues were less than this figure, though they also show an increase on the week, and the total outstanding of currency notes and certificates fell by £1,253,279 to £340,357,447. As compared with a year ago this total shows a decline of £342,392, and as compared with the highest level reached on December 22, 1920, there is a fall of £25,147,800.

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Bank of England.

A contraction in the note circulation is also shown in the Bank's statement issued on the 6th inst.; the movement, however, was much smaller than that shown in the currency note issue, the decline for the week being only £689,000. The latest total returned of notes in circulation is £129,215,000, as compared with £106,811,000 on April 7, 1920, and with £134,582,000 on December 22 last, the latter being the highest ever recorded. As the coin and bullion holdings remained unchanged, the reserve rose from £16,893,000 to £17,582,000.; but, on account of an increase in liabilities, the reserve ratio declined from 12.3 per cent. to 12.1 per cent. The movement in the "other" deposit liabilities is an increase of £9,578,000. Government securities show an advance of £5,694,000, so it is probable that the Bank had to be called upon again for Advances under Ways and Means after the end of March. The market's securities against loans show on balance an increase of £1,239,000.

Bullion.

In the absence of other buyers the United States took all arrivals in the Gold market. The Silver market has been quiet during the week, and quotations have remained steady. There was again some buying by the Indian bazaars, but orders from this quarter seemed to be on a reduced scale. The stocks in China continue to mount up, and during the current week there was some forward selling on Chinese account. This is taken to indicate that the influence of this country in the near future will be in the direction of weakening the market. Quotations for silver and gold since a week ago are as follows:—

	Apr. 2	Apr. 4	Apr. 5	Apr. 6	Apr. 7	Apr. 8	Average
Silver (per oz. std. .925 fine):—							
Cash ...	32½d.	33⅛d.	33d.	33½d.	33½d.	33⅜d.	32.6d.
Forward ...	32d.	32½d.	32½d.	32⅝d.	32⅝d.	33d.	32.52d.
Gold (per oz. fine)	—	105 -	105 5	104,11	104,7	104,11	104 11.8d.

NEW YORK.

RECENT statements of the U.S. Banks go to show that slackness of trade in the United States attendant on the depression is at last beginning to produce marked effects upon the banking situation. The reports of the Federal Reserve System have shown a gradual improvement since the commencement of the year, and the position is now so strong, especially in consideration of the fact that the level of prices in the United States has fallen to within thirty per cent. of the pre-War level, that increased credit can be extended to trade. As yet the readjustment is by no means complete, but the time is at hand when the financial authorities can relax the policy of restriction which has been in force since the end of 1919 and afford relief to production by greater credit facilities and lower rates for advances. This is of great interest to the money market here, for it is more than probable that a reduction in the Federal Reserve Board's rediscount rates would be promptly followed by a similar movement in the Bank of England's rate. The rates ruling at present in the United States are as follows: Six per cent. for advances on commercial paper not exceeding fifteen days (except bankers' acceptances); 5½ per cent. for loans (not exceeding fifteen days) secured by Liberty Bonds and Victory Notes and for rediscounts (not exceeding ninety days); 5 per cent. for loans (not exceeding fifteen days) and rediscounts (not exceeding ninety days) secured by bankers' acceptances. How the banking position has changed is shown in the appended table.

U.S. Federal Reserve Banks.

(000's omitted.)

	April 1, 1921	Dec. 30, 1920	April 2, 1920	+ or — Apr. 1, 1921 on Dec. 30, 1920	+ or — Apr. 1, 1921 on April 2, 1920
	$	$	$	$	$
Total gold reserves ...	2,246,140	2,059,333	1,950,259	+187,107	+296,181
Total reserves ...	2,461,190	2,249,163	2,080,128	+212,027	+380,762
Bills discounted ...	2,211,600	2,719,134	2,000,513	—504,734	—185,913
Total bill holdings ...	2,337,090	2,974,836	2,824,554	—637,746	—487,464
Net deposits*	1,603,400	1,586,551	1,763,953	+ 16,849	—160,553
F.R. note circulation	2,908,150	3,344,686	3,077,323	—436,536	—169,173
Reserve ratio† ...	52.4%	45.4%	42.9%	+ 7.0	+ 9.5

* Excluding Government deposits

† Ratio of total reserves to F.R. note and net deposit liabilities combined.

Gold reserves have been persistently increased by purchases of the metal in the London market. Besides this, gold held abroad has also been withdrawn as much as possible, though this movement does not figure in the table. The figure shown for total reserves on April 1 is a high record. Perhaps the most remarkable feature in the table is the large decline in the note circulation since December 30 last. As compared with a year ago, also, it will be noticed that there is a substantial reduction. This is of special interest to us and should be noted in a comparison of the financial situation in the United Kingdom and the United States; for the combined circulation of currency notes and banknotes with us at present is substantially above that of a year ago. The ratio of reserves to liabilities given above for April 1 is the highest since June 20, 1919. Of the twelve Federal Reserve Banks the one to show the most remarkable improvement in the reserve position is the New York Reserve Bank, whose reserve ratio has improved from forty per cent. on December 30 last to 57.8 per cent. on April 1, as may be seen in the following table:—

New York Federal Reserve Bank.

(000's omitted.)

	April 1 1921	Dec. 31, 1920	April 2, 1920	+ or — Apr. 1, 1921 on Dec. 30, 1920	+ or — Apr. 1, 1921 on April 2, 1920
	$	$	$	$	$
Total gold reserves ...	346,120	466,267	559,269	—120,147	—213,149
Total reserves ...	833,140	610,212	661,929	+223,198	+171,211
Net deposits	657,650	662,271	726,955	— 1,621	— 69,305
F.R. note circulation	785,160	871,516	847,782	— 81,356	— 62,622
Reserve ratio ...	57.8	40.0	42.2	+ 17.8	+ 15.6

This Bank, however, has lost a considerable amount of gold since the end of 1920 to interior centres; but it has more than compensated for the movement by increasing its holdings of legal tender notes, silver, &c., with the result that the total reserves show an increase since December 30 of over $223 million. The deposits of the Bank, it may be noted, show a slight contraction since December 30, although net deposits for the whole system show a moderate expansion. Part of the improvement in the New York Reserve Bank was probably effected at the expense of the New York Associated Banks, whose position has disimproved consistently since the commencement of the year, as may be seen in the following table:—

New York City Banks and Trust Companies Associated with the New York Clearing House.

(000's omitted.)

	April 2, 1921	Dec. 31, 1920	April 3, 1920	+ or — Apr. 2 1920 on Dec. 31, 1920	+ or — Apr. 2 1920 on April 3, 1920
	$	$	$	$	$
Loans, discounts, investments, &c ...	4,871,590	5,261,970	5,150,780	—390,380	—279,190
Aggregate reserve ...	507,270	545,890	585,890	— 38,620	— 78,620
Surplus reserve ...	11,130	19,090	30,910	— 7,960	— 19,680
Net demand deposits...	3,745,400	3,974,390	4,177,740	—228,990	—432,340

It is remarkable that for these Banks, while the reserve position has disimproved, both deposit liabilities and outstanding loans show a very large contraction. The average of the loans, discounts, investments, &c., for the week ending on the 2nd inst., is more than $390 million below the average for the last week of 1920, and more than $279 million below the average for the week to April 3, while net demand deposits show the remarkable reduction of $432 million as compared with a year ago, and $229 million as compared with the end of December last. The simultaneous increase in both the aggregate and the excess reserves has been due partly to the fact that the New York Reserve Bank has been strengthening its position at the expense of the member banks, as already indicated, and partly as the result of the movement of funds to interior centres since the commencement of the year. It must be remembered that at this season of the year there is generally a tendency for funds to accumulate in the gold reserve centres to be drawn upon gradually as the autumn approaches. Accordingly, the disimprovement in the strength of the New York Clearing Banks is not an abnormal one, and when the drain upon their reserves has slackened the reduction in liabilities will ultimately tend to increase the lending-power position of these banks.

B

Stock Exchange.

THE dominant influence in the House during the past week has, of course, been the coal strike. The immediate effect was a precautionary marking-down of prices by the dealers, but in relation to the immensity of the crisis through which the nation is passing the stability of quotations was remarkable. Holders displayed no anxiety to sell, and the net result amounted to a further shrinkage in the volume of business. The progress of events was watched with anxious care, and optimism asserted itself with every rumour of good import. The apparent certainty of the strike spreading to other sections of labour during the coming week will intensify the depression already reigning in the Share markets, but it is equally certain that investors will not be stampeded into panic action.

The Gilt-edge section pursued a mixed tendency throughout the week, but on the whole maintained comparative firmness. Monday witnessed an all-round fractional decline, part of which was recovered on Tuesday, with the more optimistic rumours prevailing. Prices eased away further on the following day, but rallied again on Thursday with the Premier's offer of the Government's services as mediator. The eventual breakdown of pourparlers completely chilled sentiment, and the close was marked by renewed weakness. Consols, War Loans and Bonds, Victory Bonds, and Funding Loan all finished lower on balance. County and Corporation stocks and Colonial securities failed to attract attention.

The Foreign Bonds market suffered least from the coal strike. Brazilian and Chinese issues were outstanding features of strength, a large measure of support coming from American interest. Business became more restricted towards the close, and Chinese descriptions reacted temporarily on increased offerings. Brazilian and other South American varieties, however, maintained their popularity to the end.

The fear that the strike would involve the National Union of Railwaymen caused an immediate depression among Home Rails, but a shortage of stock and a more optimistic outlook rendered prices again buoyant. Final quotations showed, as a whole, no alteration on balance.

The volume of business in Foreign Rails was limited. The various Grand Trunk securities continued to shrink in value on the absence of a satisfactory explanation of the official attitude towards the arbitration proceedings and the delay in meeting the April interest payments. The position is reviewed in detail elsewhere in our columns. Lack of buying support imparted weakness to Argentine descriptions, but the downward trend was arrested later by the arrival of a moderate amount of buying inquiry.

In view of the seriousness of the situation, the Industrial market maintained a remarkably firm tone. Iron and steel shares, after a preliminary weakness, did not alter very much, and, improved, if anything, at the end. Shipping securities were not largely dealt in. Court Lines proved an active market on the report and increase in dividend from 15 to 20 per cent. Textiles opened with a weak undertone, but strengthened later, and movements, though few, favoured holders. Bank shares were idle and featureless from the start, and finished with an irregular trend.

Oil shares responded in sympathy with the uncertainty prevailing elsewhere. The leaders sagged considerably, but no pressure to sell came in evidence Mexican Eagles were taken for the Continent on the news that the February shipments were 2,339,922 barrels, an increase of 96,519 barrels over the January. Anglo-Ecuadorians were also in favour on the cable that the company had struck oil in its first test well. Shells, Royal Dutch, Burmah, and Phœnix closed weak.

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Mining Topics.

PREMIER (TRANSVAAL) DIAMOND MINING COMPANY.

OF the pronounced prosperity of the diamond-mining industry up to the latter half of 1920 ample evidence has been furnished in the accounts of the leading diamond producers that have been analysed from time to time in these columns. That celebrated producer, the Premier (Transvaal) Diamond Mining Company, constitutes no exception to the rule, as can be seen from the following table, in which are embodied the results for the year ended October 31, 1920, in contrast with those of previous periods:—

Year to Oct. 31	Loads Washed	Carats Found	Value of Diamonds	Value per Carat	Cost of Production per Load	Working Profit.
			£	s. d.	s. d.	£
1914 ...	7,683,943	1,417,755	1,259,643	0 17 9¼	2 5·9	121,261
1915 ...	—	(operations suspended)		—	—	335,633
1916 ...	1,572,521	419,947	475,856	1 2 8	2 7·6	337,311
1917 ...	4,928,629	906,341	1,198,922	1 6 5½	2 2·7	757,045
1918 ...	4,805,851	851,573	1,303,904	1 8 3½	2 2·9	667,075
1919 ...	4,529,241	814,577	1,961,259	2 8 2	2 10·7	1,306,710
1920 ...	4,660,498	820,504	2,088,483	2 11 2	3 2·6	1,349,073

	Years ended Oct. 31					
	1920	1919	1918	1917	1916	1915
	£	£	£	£	£	£
Working profit ...	1,349,073	1,306,710	667,075	757,045	337,311	335,633
Sundry revenue ...	30,042	50,949	39,994	35,078	—	11,454
Total	1,379,115	1,357,659	707,069	792,123	337,311	347,086
Transferred to trading fund ...	—	100,000	—	—	—	—
Balance	1,379,115	1,257,659	707,060	792,123	337,311	347,086
Government's share	799,400	726,588	400,245	454,227	202,387	201,379
Company's share ...	579,715	531,071	306,824	337,896	134,924	145,707
Brought forward ...	65,955	27,066	6,310	77,440	54,626	Dr. *13,245*
Total available...	645,670	558,137	313,134	415,336	189,550	132,462
Allocations:						
Taxes	72,205	59,682	33,568	44,776	12,110	30,740
Transferred to balance sheet	—	—	—	20,000*	—	47,096
Dividends, Pref.	[92,500 (250%)	92,500 (250%)	92,500 (250%)	246,250 (625%)	100,000 (250%)	— —
,, Def.	440,000 (1,100%)	340,000 (850%)	160,000 (400%)	100,000 (250%)	—	—
Total	604,705	492,182	286,068	409,026	112,110	77,836
Balance carried forwd.	[40,965	65,955	27,066	6,310	77,440	54,626
	645,670	558,137	313,134	415,336	189,550	132,462
Issued Capital { Pref. (5/-)	40,000	40,000	40,000	40,000	40,000	40,000
Issued Capital { Defd. (5/6)	40,000	40,000	40,000	40,000	40,000	40,000

* To meet first call of 25% on £80,000 subscribed to capital of the S.A. Marine Fire and General Insurance Company.

Despite the fact that the complement of native labour was not always adequate throughout the year, the number of loads washed increased by 131,237 to 4,660,498. During the early part of the year the average yield per load began to fall off; but there was a gratifying recovery in the second half, the return of 0.182 carat per load washed exceeding the average for the previous year. The recovery was not, how-

ever, sufficient to compensate for the reduction during the first six months, with the result that the average for the year fell to 0.176 carat. Owing to the increased tonnage, the production of diamonds reached 820,564 carats, as compared with 814,577 carats in 1918-19. The arrangements for the disposal of the output through the medium of the London Diamond Syndicate continues to yield eminently satisfactory results. The average price per carat worked out at 51*s.* 2*d.*, as against 48*s.* 2*d.* in 1918-19. The increase in working costs from 2*s.* 10.7*d.* per load to 3*s.* 2.6*d.* per load was largely due to forces outside the direct control of the Company. An increase in European wages of twenty per cent. after February 1, 1920; a rise in native wages from 3*s.* 1.2*d.* per day to 3*s.* 3.2*d.* per day, the average number of natives employed daily being 4,794; and the general advance in the prices of stores and materials, accounted for an addition of over 3*d.* per load washed. Moreover, the inclusion of expenditure amounting to £46,826 which had no direct connection with current operations involved an increase of nearly 2½*d.* per load washed. Furthermore, there was incurred during the year under review a loss of £42,487 on remittances from London, owing to the adverse exchange rates that were in operation until July 1920. Again, the very heavy fall in the value of securities necessitated an allocation of £24,270 in respect of depreciation of investments, as against £3,453 in the previous year. Yet, after allowing for these extra deductions, there remained the record working profit of £1,349,073, as compared with £1,306,710 for 1918-19. The Government's share of the profits works out at £799,400, leaving the Company, after including sundry net revenue and the balance of £65,955 brought forward, a balance of £645,670 available for dividends. Claims in respect of taxation absorbed £72,203, whilst the usual dividend of 250 per cent. on the Preference shares called for £92,500. The dividend to Deferred shareholders is increased, however, to the record level of 1,100 per cent., as against 850 per cent. in 1918-19.

It is now widely recognised that the outlook of the diamond-mining industry for the current year is distinctly gloomy. The pronounced decline in the demand for precious stones has necessitated the closing down of mines such as Frank Smith and New Eland and a drastic curtailment of operations on the part of the leading producers, De Beers and the Premier. In view of the heavy trade depression that has swept down on the United States, as well as the United Kingdom, it is difficult at the moment to foresee any great revival of this luxury trade in the immediate future. As regards the Premier Diamond Mining Company, operations were confined to two shifts instead of three after November 1920, and since March 1, 1921, only one shift has been working. This decline in the quantity of ground treated involves of necessity an increase in the working costs per load. Financially, the position of the Company as disclosed in the latest balance sheet is remarkably strong. Current liabilities did not exceed £959,628, whilst liquid assets in the form of cash, investments and sundry debtors stood at £1,600,592. Stores on hand appear at the nominal figure of 2*s.*, and diamonds on hand at the nominal figure of 1*s.* A Company which can lay claim to a balance of £40,965 carried forward, and to forty per cent. of the £500,000 in the trading and emergency funds, as well as forty per cent. of the expenditure on equipment and stores, which is returned at £1,940,637, can face the existing depression with equanimity. It was estimated that on October 31, 1920, the Company still held 27,000,000 loads of blue ground above the 410-foot level, and an addition of 14,000,000 loads between the 410- and 460-foot levels. The current depression is reflected in the low quotation of 91*s.* 3*d.* for the Deferred shares of 2*s.* 6*d.* each, whilst the Preference shares of 5*s.*, which have a prior claim to a cumulative dividend of 250 per cent., stand at 107*s.* 6*d.*, at which price a return of nearly twelve per cent. is obtained. The quotation for the Deferred shares is now very near the lowest price of £4 1*s.* 8*d.*, which was reached in 1908, whilst in 1906 the maximum price of £20 was recorded. During 1920 the fluctuations were between £12 7*s.* 6*d.* and £5 15*s.*

PAHANG CONSOLIDATED.

For this celebrated tin-producing Company the year ended July 31, 1920, has been a period of genuine progress. The full measure of success as compared with previous years can best be seen by studying the following table:

Year to July 31	Ore Crushed Tons (2,240 lb.)	Output of Tin Oxide Tons (2,240 lb.)	Yield %	Value £	Working Costs Per Ton Crush. £	Per Ton Tin. £	Profit* £	Aver. Price Metals. Tin £
1913...	127,543	1,366	1·07	197,481*a*	147	21 11	101½	225
1914...	137,055	2,015	1 47	216,102*a*	106½	25 7	84½	170½
1915...	160,000†	2,538 §	1 58	260,312*a*	103½	29 1	62½	—
1916...	162,200	2,535½	1 56	282,786*a*	115	29 1	75½	175½
1917...	156,700†	2,656½	1 69	327,428*a*	124	24 9	72½	205½
1918...	187,500†	1,993	1·06	266,544*a*	185	26 10	105½	301½
1919...	236,100‡	1,815	0·77	298,130	158	20 0	126	267½
1920...	178,200	2,199	1·23	459,554	203	35 5	143½	144 1·4	297½

* Profit includes sundry receipts and revenues from all sources not by tributers. Costs include transport and sale charges, royalties, share of [illegible] and [illegible] development redemption, [illegible] etc.

(2) Value of output after deduction of tribute and other charges.

Year to July 31	Rubber Results Output Lb.	Rubber Results Profit £	Total Profit £	Depreciation Written Off £	Allocated to Reserve £	Dividends £	Dividends Pref. %	Dividends Ord. %	Carried Forward £
1913...	—	—	58,731	10,000	10,000	52,453	9½	12½	6,122
1914...	—	—	40,624	12,000	20,000	6,356	7	—	7,387
1915...	75,419	—	99,222	15,403	15,000	68,156	12	15	[illegible]
1916...	207,244	—	95,187	15,247	10,000	68,255	12	15	[illegible]
1917...	389,101	24,857	158,677	18,890	[illegible]	[illegible]	15	[illegible]	[illegible]
1918...	412,251†	4,437	161,167	12,000	10,000	[illegible]	15	[illegible]	[illegible]
1919...	324,352†	3,115*a*	61,086	16,000	—	68,500	12	15	11,172
1920...	—	6,195	15,602	26,000	50,000	[illegible]	15	[illegible]	12,127

* Subject to excess profits duty (£74,641). *a* Tapping receipts.
† Subject to excess profits duty (£20,000). (*a*) Loss.

The decline in the quantity of ore crushed from 236,100 to 178,200 tons was primarily due to the greater hardness of the ore; but was also partly the result of the shortage of labour. The latter factor was more in evidence, however, in the output of alluvial and river tin, which fell from 215 to 160½ tons. In so far as the major operations were concerned, the decline in the quantity of the ore treated was more than counterbalanced by the improvement in the grade, with the result that 2,199 tons of black tin were obtained, as against 1,815 tons in the previous year. Moreover, as during the year the average price ruling for metallic tin amounted to £207½ per ton instead of £257½ in 1919, the average price realised by the sale of the ore advanced from £158 to £203 per ton. Accordingly the value of the output reached £459,554, as compared with £298,130. Working costs expanded also, the decline in tonnage being reflected in a cost of 35*s.* 5*d.* per ton, as against 20*s.* per ton crushed. The increase in the yield of tin ore, however, reduced this rise in cost somewhat, the cost per ton of black tin being £143½ as compared with £133. Consequently, the mine profit increased from £53,735 to £144,104. Owing to the transference of the rubber estates to a separate Company in April, no figures relative to output are furnished, the only information supplied being that a profit of £6,195 accrued prior to the transfer. Including sundry revenue, the total profit for the year was [illegible] as compared [illegible] a figure which compares very favourably with the records of 1917 and 1918. Moreover, this total is increased to £177,280 as a result of a refund of £34,890 of excess profits duty owing to the decrease in profit of the previous year, less a balance of £13,630 payable in respect of the year 1917-18. Availing themselves of this larger profit the directors increased the allowance for depreciation [illegible] No allocation is made to the general reserve, but a sum of £20,000 is set aside as a reserve to meet the greater

part of the cost of the new pumping plant, which will be payable in the current year. Similarly, provision is made for excess profits duty and corporation profits tax by reserving £30,000. Then, in virtue of the prosperity of the year the dividend paid to the Ordinary shareholders was increased from fifteen per cent. to twenty per cent.; whilst Preference shareholders received the maximum dividend of fifteen per cent., as against twelve per cent. Nevertheless, the balance carried forward to the next accounts is raised from £11,156 to £22,437.

On the whole, the development work for the year answered expectations. In Willink's mine the ore chute on Willink's main lode at the 900-foot level has been proved payable for a length of 124 feet over a width of eight feet. At the 800-foot level on Nicholson's lode the ore averaged 3.4 per cent. for 461 feet, and the length of the ore and tin contents are considerably greater than they were at the 700-foot level. At the 900-foot level ore assaying four per cent. has been exposed for a length of 100 feet. In Myah mine, which had been abandoned as worthless, ore was discovered at the eight levels over a total length of 1,807 feet during the year. Nearly 35,000 tons of "possible ore" are now exposed in this mine, and there is no reason for believing that better-grade ore does not exist at greater depths. In consequence of these discoveries the total ore reserves are now estimated at 700,000 tons of "possible ore."

The outlook for the current year is somewhat disheartening. The heavy fall in the price of tin to less than £160 a ton does not augur well for the producers of this metal. Moreover, as regards Pahang, it is stated that there was no reason for believing that the rise in working costs had yet reached its maximum. It is somewhat unfortunate that this depression in tin should coincide with a more severe depression in rubber. It is true that by the transference of the rubber estates to the Kuala Reman Rubber Estates, Limited, the Company escapes any loss incurred in cultivation, but, *per contra*, no source of revenue can be expected from the investment. The purchase price paid to Pahang Consolidated consisted of 1,400,000 fully-paid shares of 5*s.* each out of a total issue of 1,600,000 shares. Thus Pahang holds at present seven-eighths of the issued capital, and it is of interest to note that these shares, nominally worth £350,000, figure in the balance sheet at £140,167 only, a value which is admittedly conservative, even in the face of the present depression. Financially the position of Pahang Consolidated, as seen in the balance sheet dated July 31, 1920, is very sound. Current liabilities, including the final dividend of £67,750, did not exceed £123,306, whereas liquid assets, excluding the shares in Kuala Reman Rubber, were available to a total of £216,201, cash and Treasury bills alone accounting for £135,197. The depressed condition of the market explains the low quotation of 6*s.* 1½*d.* for the Ordinary shares of 5*s.*, whereas the Preference shares of £1 each, having a prior claim to a cumulative dividend of seven per cent., stand at 17*s.* 6*d.*, at which price they afford, on the basis of a dividend of seven per cent. only, a return of eight per cent. The interim dividend of three and a-half per cent. in respect of the current year has just been declared on these shares.

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H. DEER, Secretary, Dashwood House, E.C. 2.
FRED. C. SALTER, European Traffic Manager

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 6, 1921.

Issue Department.

Notes Issued	£144,978,985	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,528,985
	£144,978,985		£144,978,985

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£31,698,221
Rest	3,154,366	Other Securities	114,146,652
Public Deposits	21,497,402	Notes	15,763,570
Other Deposits	124,211,608	Gold and Silver Coin	1,819,363
Seven-day and other Bills	13,610		
	£163,427,906		£163,427,806

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1921.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Apr. 6	129.2	128.3	21.4	124.2	31.6	114.1	17.5	12·1	7	6⅛
Mar. 30	129.9	128.3	23.0	114.6	26.0	112.9	16.9	12·3	7	6⅛
Mar. 23	129.5	128.3	22.9	101.1	24.0	101.0	17.2	13·9	7	6⅛
Mar. 16	128.1	128.3	18.9	107.2	23.5	102.0	18.6	14·8	7	6⅛
Mar. 9	128.4	128.3	17.8	115.1	39.1	93.7	18.3	13·8	7	6⅛-½
July 22, '14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 6%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 5, 1919 6%. Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Apr. 6	Apr. 7	Apr. 9	Apr. 10	Apr. 5
Bank of England (in £'sterling, 00,000's omitted):	1921	1920	1919	1918	1911
Circulation	£129.2	£108.8	£74.9	£47.3	£28 4
Public Deposits	21.4	24.9	30.3	40.1	19.8
Other Deposits	124.2	133.7	116.3	132.2	42.1
Government Securities	31.6	59.0	58.0	56.9	15.1
Other Securities	114.1	93.5	77.3	102.1	36.5
Reserve	17.5	23.8	28.6	31.0	28.0
Ratio to Liabilities	12·1%	15·0%	19·49%	16·00%	45·22%
Coin and Bullion	128.3	112.1	89.1	60.4	37.9
Money:					
Bank of England Rate	7%	6%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	5⅛%	3⅛%	3⅛%	2⅝%
Exchanges:					
Paris Cheque	55·30	62·25	27·88	27·16½	25·30
New York 60 days	3·90½	3·56	4·61	4·72½	4·84½
Bombay Telegraphic Transfers	1/3⅛	2/5⅛	1/5⅝	1/4⅝	1/4·½
Prices:					
Consols 2½% Cash	48¼	46⅞	56	54½	81¼
French Rentes 3% Money	57·05	56·40	62	59·35	96·05
Silver, London spot ..... oz.	33⅜d.	69⅝d.	48⅛d.	46½d.	24⅝d.
Wheat, *Gazette* average ..... qr.	89/1	72/7	72/6	72/11	30/3
Cotton, Mid Upland ..... lb.	8·48d.	30·24d.	18·75d.	24·17d.	7·79d.
Iron, Scotch pig ..... ton	126/0	206/0	101/0	101/0	52/7½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Apr. 6, '21	7,423,129	8,676,408	340,357,447	28,500,000	19,450,000	14·1
Mar. 30, '21	5,684,858	4,165,563	341,610,726	28,500,000	19,450,000	14·0
Apr. 7, '20	8,381,118	3,053,621	340,699,939	28,500,000	6,500,000	10·3
Apr. 9, '19	8,077,577	4,875,675	335,324,873	28,500,000	—	8·5
Apr. 10, '18	6,065, 91	4,54 ,743	232,372,640	28,500,000	—	12·3
Apr. 11, '17	4,108,004	2,444,841	151,717,514	28,500,000	—	18 8

Balance Shee , April 6, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	270,025,983	Other Bankers	—
Ten Shilling	41,641,564	Trustee Savings Banks ...	—
Certificates outstanding ...	28,690,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	340,357,447	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,202,163	Government Securities ...	310,943,498
Investments Reserve A/c ...	16,485,011	Balance at Bank of England	151,123
Total	359,044,621	Total	359,044,621

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Mar. 31, '21...	£228.929	£197,361	£31,568‡	£563.902	£597,268	£3,075
Mar. 26, '21...	40,001	51,418	11,417	195,444	183,034	4,311
Mar. 19, '21...	41,9 0	24,712	17,968‡	66,314	5,352	2,918
365 dys. '20-21	1,425,985	1,195,428	230,556‡	5,710,142	5,940,699	—6,294
365 dys. '19-20	1,339,571	1,665,773	326 202	6,0 2,709	5,766 507	—3,430
Yr. '20-21*	1,418,300	1,233,642	184,658‡	—	—	—
Yr. '19 20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,389
Yr. '18 19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profit Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services
Week to							
Mar. 31, '21...	£30,046	£100,313	£23,559	£74,982	£33,708	£5,452	£158,201
Mar. 26, '21...	5,.69	18,244	2,230	1,.38	3,949	1,783	45,686
Mar. 19, '21...	12,891	18,259	5,180	5,650	3,.67	1,249	19,736
365 days '20-21	333,785	394,146	219,181	478,873	349,.99	28,488	817,381
365 days '19-20	283,923	359,099	290,045	407,404	332,.34	16,171	1,317,568
Yr. '20 21*	348.650	385,800	220.000	463,850	345,000	31,198	807,904
Yr. '19 20	283,023	359,099	290.045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Exchequer
Mar. 31, 1921 ...	£1,120,841	£154,489	£1,275,330	£22,384
Mar. 26, 1921 ...	1,108,709	162,414	1,271,123	22,424
Mar. 19, 1921 ...	1,0 0,356	158, 06	1,2 4,062	22,0 3
Mar. 12 1921 ...	1,087,.79	183 806	1,2 1.645	21,883
June 30, 1919 ...	736,150	774,237	1,570,387†	—

* Budget est mates, including supplementary grants. † Highest. ‡ Excess of revenue

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

BELGIUM.	Gold	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Mar. 23, '21 ...	10,661	1,337	11,998	29,654	249,333	51,145
Mar. 31, '21 ...	10,662	1,413	12,075	29,416	244,193	47,490

CZECHO-SLOVAKIA.*	Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
Mar. 7, '21 ...	£398,925	£81,836	£70,089	£86,372	£453,385	£41,227
Mar. 15, '21 ...	398,934	80,487	66,220	87,004	449,196	35,014
Mar. 23, '21 ...	398,941	80,401	66,573	82,693	443,239	33,870

DENMARK.	Cash: Gold	Cash: Silver	Cash: Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,110	£341	£4,441	£8,197	£786	£8,893	£47
Jan. 31, '21 ...	12,643	141	12,784	15,928	895	29,109	3,484
Feb. 28, '21 ...	12,643	143	12,791	16,721	855	29,251	3,576
Feb. 28, '20 ...	12,597	136	12,733	16,913	599	26,393	3,293
Feb. 28, '19 ...	10,100	136	10,536	3,953	5,342	23,402	920

FRANCE.	Gold: In Bank	Gold: Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits: Public	Deposits: Private
July 30, '14 ...	£185,854		£190,867	£97,788	£267,327	£15,302	£37,903
Mar. 31, '21 ...	142,234	77,934	230,191	122,076	1,537,403	1,483	122,615
Mar. 24, '21 ...	142,222	77,934	230,773	114,365	1,525,313	1,597	124,158
Apr. 1, '20 ...	144,264	78,131	233,211	90,331	1,493,374	21,200	133,466
Apr. 3, '19 ...	142,642	79,132	231,234	40,278	1,349,439	3,796	115,043

GERMANY.	Cash: Gold	Cash: Silver	Cash: Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14 ...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Mar. 15, '21 ...	54,577	447	55,024	1,147,450	2,970,443	3,374,237	1,048,795
Mar. 23, '21 ...	54,577	454	55,031	1,163,402	2,602,760	3,130,462	1,056,553
Mar. 23, '20 ...	54,584	161	54,745	727,253	1,883,532	2,311,405	653,627
Mar. 23, '19 ...	95,592	1,055	96,647	313,106	1,437,918	1,233,740	575,278

HOLLAND.	Cash: Gold	Cash: Silver	Cash: Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Mar. 21, '21 ...	53,010	1,486	54,496	17,617	18,220	85,605	3,623
Mar. 29 '21 ...	51,753	1,391	53,144	17,617	19,165	86,610	3,461
Mar. 27, '20 ...	52,847	869	53,716	21,003	17,875	84,541	8,772
Mar. 29, '19 ...	55,778	812	56,590	10,704	16,312	84,421	6,697

ITALY.	Cash: Gold	Cash: Silver	Cash: Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48,456		£25,017	£69,204	£8,837
Jan. 20, '21 ...	£32,777	£3,000	35,777	16,733	213,518	597,139	79,009
Jan. 30, '21 ...	32,772	2,991	35,763	13,402	213,518	596,781	85,012
Jan. 10, '20 ...	32,194	3,004	35,198	20,430	112,505	445,477	78,863
Jan. 31, '19 ...	—	—	40,335	—	74,503	361,882	61,759

JAPAN.	Gold	Discounts	Advances	Notes	Deposits: Public	Deposits: Private
Aug. 1, '14 ...	£21,867	£1,029	£7,863	£32,732	£13,818	£1,521
Feb. 19, '21 ...	106,637	5,189	9,879	104,251	87,114	23,504
Feb. 26, '21 ...	105,842	5,740	9,126	111,837	95,161	17,468
Feb. 28, '20 ...	93,811	27,685	39,945	136,046	119,964	2,600
Mar. 1, '19 ...	71,214	3,414	37,754	85,617	101,879	3,244

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits: Demand	Net Deposits: Time	Net Deposits: Total	Excess Reserve
Aug. 1, '14...	—	£89,838	£411,238	—	—	£887,165	£1,720
Mar. 26, '21...	£16,093†	102,210	98,496	£740,914	£31,520	819,306	2,24
Apr. 2, '21...	15,896†	101,454	974,318	749,080	46,478	820,474	2,226
Apr. 3, '20...	18,824†	117,178	1,030,196	835,548	91,928	833,676	6,162
Apr. 5, '19...	18,846†	116,832	931,730	802,003	30,663	872,638	10,626

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,878	£493	£4,863	£6,752	£793
Mar. 15, '21 ...	8,115	2,368	500	23,347	22,761	6,065
Mar. 22, '21 ...	8,115	2,376	500	23,395	23,512	5,032
Mar. 22, '20 ...	8,142	4,501	579	18,697	22,820	5,059

PORTUGAL.	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
Feb. 9, '21 ...	£1,906	£3,921	£5,827	£30,737	£137,516	£8,156
Feb. 16, '21 ...	1,906	3,923	5,829	30,278	136,747	7,073
Feb. 18, '20 ...	1,906	3,921	5,827	8,804	86,504	5,651
Feb. 19, '19 ...	1,905	3,764	5,669	10,392	62,535	3,545

RUMANIA.	Cash	Discounts	Advances	Total	Circulation
Jan. 15, '21 ...	£134,009	£31,518	£1,910	£36,726	£330,690
Jan. 22, '21 ...	134,009	23,151	5,438	33,513	331,353
Jan. 23, '21 ...	134,009	29,136	4,372	34,133	333,146
Jan. 31, '20 ...	59,249	9,177	2,343	11,520	177,109

RUSSIA.	Gold: In Bank	Gold: Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,911
Oct. 29, '17...	129,523	230,365	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash: Gold	Cash: Silver	Cash: Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Mar. 28, '21 ...	99,132	23,514	122,646	97,705	13,779	183,933	48,135
Apr. 2, '21 ...	99,175	23,653	122,828	97,650	13,779	170,197	47,603
Apr. 3, '20 ...	98,109	25,157	123,266	86,271	13,779	154,882	44,573
Apr. 5, '19 ...	90,448	25,731	116,179	75,698	13,778	140,457	43,064

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Mar. 18, '21 ...	15,650	6,098	705	30,702	37,435	12,431
Mar. 26, '21 ...	15,649	5,800	705	29,470	36,342	12,023
Mar. 27, '20 ...	14,003	3,634	2,548	33,769	37,112	15,213
Mar. 29, '19 ...	16,004	7,371	3,003	20,579	39,960	6,496

SWITZERLAND.	Cash: Gold	Cash: Silver	Cash: Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Mar. 22, '21 ...	21,736	7,817	29,553	13,042	36,897	4,177
Mar. 31, '21 ...	21,736	8,317	30,053	13,384	39,420	3,445
Mar. 31, '20 ...	22,149	3,475	24,624	14,353	38,945	4,114
Mar. 31, '19 ...	16,751	2,814	19,565	20,864	37,603	3,146

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Bills Held by Banks	Bills With Agents	Total Cash	Bills Discounted	Bills Accept ances	Deposits Govt.	Deposits Total. Net	Circulation
Mar 23 '21 ...	—£442,154—		£461,393	£457,330	£24,612	£22,933	£240,506	£538,148
Apr 4, '21 ...	—449,283—		492,246	442,930	24,493	15,190	337,190	531,630
Apr 5, '20 ...	—330,052—		416,093	450,102	84,838	2,084	354,854	615,444
Apr. 5, '19 ...	189,220	240,037	443,726	373,593	43,153	17,002	340,674	509,713

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	June 1,'15	Lisbon	7	Sept. 3,'20
Berlin	5	Dec. 23,'14	Madrid	6	Nov. 4,'20
Berne	5	Aug. 21,'19	Paris	8	Apr. 8,'20
Bombay	6	Mar. 3,'21	Petrograd ...	8	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	8	May 12,'20
Calcutta	6	Mar. 3,'21	Stockholm ...	7½	Sept. 16,'20
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Apr. 8, '21	Apr. 1, '21	Mar. 23, '21	Mar. 18, '21
Berlin	Cable	243m.	243m.	244m.	245m.
Brussels	Cheques	53fr. 15c.	53fr. 70c.	53fr. 85c.	53fr. 87c.
Denmark	Cable	21kr. 60	21kr. 50	22kr. 50	22kr. 57
Holland	do.	11d. 31c.	11d. 26⅛	11d. 38c.	11d. 36c.
Italy	do.	89fr. 75	96 r. 00	99fr. 00	97·50fr.
Lisbon and Oporto	do.	5¼	5¼	5¼	5¼d.
New York	do.	$3 91½	$3 93½	$3 94⅛	$3 91½
—	Cheques	$3 92½	$3 93½	$3 92½	$3 93c.
Norway	Cable	24kr. 25	24kr. 45	24kr. 35	22kr. 45
Paris	3 mos.	56fr. 05c.	56fr. 07c.	57fr. 05c.	56fr. 87c.
—	Cable	55fr. 30c.	55fr. 32c.	56fr. 30c.	56fr. 12c.
Spain (Bank places)	3 mos.	41¼.	41¼.	42¼.	41¼.
—	Cable	28p. 06	28p. 10	28p. 02	28p. 10
Sweden	do.	16kr. 80	16kr. 80	16kr. 85	17kr. 17
Switzerland	3 mos.	23fr. 10c.	23fr. 10c.	23fr. 57c.	23fr. 10c.
—	Cable	22fr. 63c.	22fr. 67c.	23fr. 07c.	22fr. 58c.

ON LONDON—		Apr. 8, '21	Apr. 1, '21	Mar. 23, '21	Par.
Alexandria	Sight	97¼pl.	97⅛pl.	97⅛pl.	97¼pl.
Amsterdam	Cheques	11d. 30⅛c.	11d. 36⅛c.	11d. 36⅛c.	12·107d.
Athens	Cable	53 r. 90	51dr. 40	51dr. 75	25dr. 22½
Bombay	Transfers	1s. 3 11-16d.	1s. 3⅛d.	1s. 2⅛d.	2s.*
Brussels	Cheques	53f. 17c.	53f. 70c.	53f. 82c.	25f. 22½c.
Buenos Ayres	Transfers	44¼d.	46⅛d.	47d.	47·58d.
Calcutta	do.	1s. 3 11-16d.	1s. 3⅛d.	1s. 3⅛d.	2s.*
Christiania	Sight	24kr. 21	24kr. 45	24kr. 36	18·159kr.
Copenhagen	do.	21kr. 61	21kr. 49	22kr. 50	18·159kr.
Helsingfors	Cable	162m.	157m.	149½m.	25m. 22½
Hong Kong	Transfers	2s. 5d.	2s. 4⅛d.	2s. 5⅛d.	—
Italy	Sight	90r. 00c.	96 r. 00c	99fr. 50c.	25fr. 22½c.
Lisbon	do.	5¼	5¼	5¼	5¼d.
Madras	do.	1s. 3 11-16d.	1s. 3⅛d.	1s. 3⅛d.	2s.*
Madrid	do.	28p. 07	28p. 05	28p. 02	25p. 22½
Montevideo	Transfers	42⅛d.	44⅛d.	—	51d.
Montreal	Cable	$4 43	$4 42	$4 45	$4 86⅝
New York	Sight	$3 93½	$3 94	—	—
—	60 days	$3 90⅞	$3 91⅛	—	—
—	Cable	$3 93	$3 94	$3 91⅛	$4 86⅝
Paris	Cheques	55f. 30c.	56f. 10c.	56f. 25c.	25f. 22½c.
Rio de Janeiro	90 days	8½d.	9⅛d.	9⅛d.	16d.
Shanghai	Transfers	3s. 1½d.	3s. 1⅛d.	3s. 1⅛d.	—
Singapore	Sight	2s. 3 3-16d.	2s. 3⅛d.	2s. 3⅛d.	—
Stockholm	do.	16kr. 61	16kr. 81	16kr. 86	18·159kr.
Switzerland	do.	22f. 60c.	22f. 80c.	23f. 05c.	25f. 22½c.
Valparaiso	90 days	7⅛d.	8¼d.	—	18d.
Yokohama	Sight	2s. 5⅛d.	2s. 5⅛d.	2s. 5⅛d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—	Rate Current Apr. 6, '21	Rate Current Mar. 30, '21	Par or Value Quoted	Rate July 3
Amsterdam, sight ...	34 60c.	34 50c.	40·20c. for 1 guilder	40 25c.
Bombay, cheques ...	25 75c.	25 875c.	48 66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	133 25	131·00		
Christiania, cheques ...	16·07c.	16·20c.	26 80c. for 1 kroner	
Copenhagen, cheques ...	18·00c.	17 95c.	26·80c. for 1 kroner	26·85c.
Greece, cheques ...	7 35c.	7 75c.	19·295c. for 1 drachma	
Hong Kong, cheques ...	48·00c.	48·0c.	74 59c. for Mex. $1	46·4c.
Italy, sight	23·12½.	24·30f.	5·18½ lire for $1	5·17f.
Lima, cheques ...	3·90f.	3·90f.	4·8665 $ for 1 libra	
Manila, cheques ...	46·00c.	48·00c.	50c. for 1 peso	49·8c.
Montreal	10 375% disc.	11·25% disc.	Premium per $100	par
Paris, sight	14 35fr.	14·19fr.	5·18½ francs for $1	5·16fr.
Rio de Janeiro, cheques	7·45mil.	7·05 mil.	3 032 milreis for $1	
Shanghai, cheques ...	64·00c.	65 00c	52·86c. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42 00c.	58·77c. for $1	57·12c.
Spain, cheques	13 97c.	14 00c.	19·3 c. for 1 peseta	
Stockholm, cheques ...	25 55c.	23·00c.	26 80c. for 1 krones	
Switzerland, cheques ...	5·77fr.	5 75fr.	5 18½ francs for $1	5 16fr.
Valparaiso, cheques ...	14 50c	15·00c.	20·0c. for 1 peso	
Yokohama, cheques ...	48 50c.	48 00c.	49 83c. for 1 yen	49·00c.

* According to Price, Waterhouse & Co.'s Gazette of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week	Amount.	Inc. or Dec.*	[In £'s sterling, 000's omitted.] Aggregate.	Inc. or Dec.*	%
	1921					
BIRMINGHAM ...	Apr. 2	£2,959	— £1,835	£41,021	— £14,217	— 25·7
BRISTOL ...	,, 2	1,333	— 525	21,783	— 4,433	— 16·9
DUBLIN ...	,, 2	6,730	— 1,110	104,040	— 21,404	— 17·0
HULL ...	,, 2	1,982	—	14,486	—	—
LEEDS ...	,, 2	1,459	— 822	16,843	— 7,242	— 30·0
LEICESTER ...	,, 2	681	— 739	11,301	— 7,513	— 40·3
LIVERPOOL ...	,, 2	8,404	— 6,821	143,673	— 105,167	— 42·2
MANCHESTER ...	,, 2	14,646	— 17,217	241,041	— 321,455	— 48·9
NEWCASTLE ...	,, 2	2,331	— 1,204	35,964	— 10,833	— 23·6
NOTTINGHAM ...	,, 2	732	— 514	10,730	— 5,917	— 35·4
SHEFFIELD ...	,, 2	1,812	— 833	19,951	— 2,537	— 11·9
LONDON—	1921					
TOWN ...	Apr. 6	704,856	+ 151,317	8,517,672	— 708,881	— 8·1
METROPOLITAN	,, 6	39,245	+ 3,633	472,514	— 27,514	— 5·5
COUNTRY ...	,, 6	77,487	+ 9,841	915,973	— 110,257	— 10·8
TOTAL ...	Apr. 6	821,588	+ 134,143	9,935,871	— 1,046,652	— 9·5

* Increase | Decrease.

V.—FREIGHTS.—According to Messrs. J. Gardner & Co.

HOMEWARDS.	1921 Apr. 8	1921 Apr. 1	1914 Apr. 3
Alex. to U.K. ...	1/0	1/0	0/3
Aust. to U.K. ...	58/9	60/0	21/3
Bilbao to Cardiff...	—	—	—
Bombay to p.p. ...	—	— d.w.	13/0
Burmah to U.K. ...	3[illegible] m.	3/0	1/0
Calcutta to p.p. nuts	2/0	2/0	—
Canada to U.K. ...	4/0	3/6	3/3
R. Plate to U.K....	4/0	3/0	15/0

Homewards.	1921 Apr. 8	1921 Apr. 1	1914 Apr. 3
[illegible]	—	—	—
[illegible]	[illegible]	[illegible]	—
U.S. [illegible]	6/3	5/3	1/3†
[illegible] U.K. Dues			
[illegible]	6/3	5/3	1/3
OUTWARDS. — Apply to			
[illegible]	17/3	7/0	
River Plate	5/0	12/6	
St. Vincent	12/6	7/3	

* Per ton.
† Per [illegible].
Time Charter [illegible].

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	APR. 8, 1921	APR. 9, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	126/0	206/0	57/0
— Middlesbro' warrants ...ton	120/0	200/0	51/0
— Hematite warrants ...ton	180/0	260/0	61/0
— Staffordshire bars, London ton	£27 10	£27—£28	£8 10
— Common bars ...ton	£23	£26	£6 16
Steel Rails ...ton	£18	...£21 5—£22 5	£6 2/6
Galvanised Sheets ...ton	£24—£26	£56	£16 17/1
Copper—Standard ...ton	£83	£100 15	£66
Tin—English Ingots ...ton	£154—£155	£328 10	£142-15
— Straits ...ton	£168	£333	£139 10
Tinplates, I.C. Coke, S. Wales...box	28/0—29/0	77/0	11/10½—12/0
Lead—Soft Foreign ...ton	£20 10-£20 17/6	£36 10—£38 15	£19
Spelter—Ord. Foreign ...ton	£25 7/6-£26 7/6	£46—£48 15	£21 7/9
Quicksilver—(75lb.) ...bottle	£12 10	£25 10—£26	£7
Aluminium ...ton	nom.	£165	£82
Antimony—Regulus Foreign ...ton	£25	£66—£72	£27 10
English ...ton	£37—£42	£72—£75	—
Coal—(best) Yorkshire ...ton	37/2—38/2	23/0—24/0	17/6
— Steam (best) Newcastle...ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	14/0	15/10½	7/4
Soda—Crystals ex wharf ...ton	140/0	210/0—220/0	42/6—45/0
Copra—Malay and States ...ton	£25 15—£26	£58	£23 15-£24 7/6
Gambier—Good marks ...cwt.	30/0	51/6	16/10½
Indigo—Bengal good to fine ...lb.	11/6—14/6	13/0—16/6	3/2—3/8
Linseed Oil—Raw ...ton	£24	£105	£25 5
Linseed—Calcutta, spot ...ton	£15 15	£43 10	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£18 10	£24 10	... £7 17/6—£8
Olive Oil—Spanish ...ton	—	—	£49 10
Palm Oil—Lagos ...ton	£29 10	£86	£31 10
Petroleum—American ...gallon	2/3½	2/1½	7½d.
Rape Oil—Refined English ...ton	£54	£132	£32
Soya Oil—Refined ...ton	nom.	£125	£24 10
Tallow—Imported ...cwt.	nom.	106/0—112/0	29/3—33/3
Turpentine—American ...cwt.	44/6	220/0	33/7½
Rape Seed—Toria ...ton	£17	£44	£13 5
Rubber—Para, spot ...lb.	11½d.	2/3½	2/9½
— Fine plantation (stnd.crepe) lb.	11½d.	2/3	2/2
— World's Production* Oct. tons	26,620	30,370	8,467
Shellac—T.N. Orange, fair ...cwt.	260/0—290/0	740/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	8·48d.	30·24d.	7·53d.
— Egyptian good fair ...lb.	12·00d.	76·50d.	8·75d.
— Pernambuco fair ...lb.	7·58d.	33·74d.	7·73d.
— Midland Upl. New York...lb.	12·00c.	42·50c.	13·25c.
— Stock, Liverpool (Mar 18) bales	1,019,550	1,081,750	934,600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£44	£64	£25 10
— Manilla fair ...ton	£41	£87	£26 10
Jute—First Marks ...ton	£33	£61 nom.	£26 15
— Red SOO ...ton	£26 10	£48	£24 15
Silk—Common, New Style ...lb.	21/0	50/0	12/0—12/6
— No. 1-1½ Japan ...lb.	25/0	—	—
— 1st Order Italian...lb.	25/0	—	—
Wool—Pt. Philip unwashed av. lb.	1/4	5/0	11½d.—1/0
— Lincoln Half Hogs ...lb.	9½d.	2/3½	1/0½
Hides—Eng. Ox. best, 70lb. up lb.	6¾d.	18½d.—19d.	7½d.
Leather—Dressing Hides ...lb.	1/9 - 2/5	4/0—4/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	60,353,000	78 435,000	34,640,000
— Red, price, N.Y. 60lb....bushel	173½c.	nom.	67½c.
— English Gazette, aver. 480lb. qr.	69 1	72/7	34/3
Flour—G.R. ...280lb.	63/0	63/8	28/6
Barley—Eng Gaz., aver. 400lb. qr.	48/11	90/4	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	35/4	55/7	20/0
Maize—N.Y. (new bushel)....56lb.	76c.	181½c.	76½c.
— Amer. mixed, Liverpool...480lb.	40/0	nom.	32/4
— La Plata ...480lb. qr.	52/0	75/0	25/9
Potatoes—Good English ...ton	185/0	†295/0	70/0—75/0
Rice—Bassein ...cwt.	18/6	48/6	7/0—7/3
Tapioca—Pearl, medium ...cwt.	22/0	38/0	14/0—17/8
Hay—best ...2,018lb....load	—	—	82/6
Hops—English...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	8/0	6/8	3/8—3/10
— Scotch sides ...8lb.	11/4	10/0	4/6—5/0
— English ...8lb.	11/4	10/0	4/2—4/5
Mutton—Scotch wethers...8lb.	13/4	10/6	5/8—6/0
— English wethers ...8lb.	13/4	10/6	4/6—5/4
— New Zealand frozen ...8lb.	4/4	10/6	2/4—3/2
Pork—English and Irish ...8lb.	9/10	16/0—20/0	3/6—4/0
Bacon—Irish, delivered ...cwt.	‡210/0—215/0	‡270/0	60/0—74/0
— Danish ...cwt.	‡213/0	†192/0	58/0—68/0
— Canadian, ex Port ...cwt.	†170/0	†187/0	—
— American, ex Port ...cwt.	†130/0—136/6	†187/0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	†180/0	†190/0	75/0—79/0
— — short cut, ex Port ...cwt.	†175/0	†190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†94/0	†198/6	51/9—52/9
Butter—Danish ...cwt.	†298/8	303/4	117/0—120/0
— French ...cwt.	†298/8	303/4	96/0—108/0
— Australian ...cwt.	†298/8	303/4	98/0—110/0
— New Zealand ...cwt.	†298/8	303/4	108/0—114/0
Cheese—Canadian ...cwt.	160/0—164/0	†145/0	66/0—68/0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt.	116/0—188/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 31... cwt.	5,019,563	6,426,493	19,777,254
— Home consump'n.to Mar.31 cwt.	6,687 225	6,841,880	17,272,000
— In Bond Mar. 31 ...cwt.	6,685,000	5,657,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	28/9	53/0	10/3
— — Yellow crystals ...cwt.	62/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1...cwt.	72/0	72/0	18/0
Coffee—Imports to Mar 31 ...cwt.	262,519	174,190	720,360
— Home consumpt'n to Mar.31 cwt.	72,740	76,521	141,410
— Exports to Mar. 31 ...cwt.	91,854	141,103	340,250
— In Bond Mar. 31 ...cwt.	749,000	673,000	484,000
— Price, Costa Rica gd. to fine cwt.	90/0—120/0	158/0—164/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	50/0—55/0	130/0—132/0	41/6
Tea—Imports to Mar. 31 ...lb.	119,241,684	121,260,481	123,230,277
— Home consump'n.to Mar.31 lb.	95,604 816	94,378,017	155,447,972
— Exports to Mar. 31...lb.	6,242,305	11,783,351	26,561,765
— In Bond Mar. 31 ...lb.	236,300,000	212,645,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	6¼d	1/5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	6d	1/6	8½d.
— — Common Congou ...lb.	3d. nom.	1/3	5½d.
Cocoa—In Bond Mar. 31 ...cwt.	1,211.000	896,000	309,000
— Grenada, good to fine ...cwt.	46/0—49/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Feb.	$12,769,000	— 788,000	$713,000	+ $100,000
	2 *mos.* to Feb.	27,234,000	— 238,000	1,454,000	+ 154,000
Grand Trunk ...	Feb.	£1,177,900	+ £220,200	£80,100	+ £182,600
	2 *mos.* to Feb.	2,493,500	+ 497,300	Dr. 31,500	+ 238,100

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or—on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Mar. 5	1,044	R2,23,901	— 52,087	22	50,95,719	— 2,57,096
Barsi Light ...	Mar. 12	118	19,800	— 5,000	49	13,16,800	— 1,55,400
Bengal & N.W.	Feb. 26	2,067	5,16,570	— 55,164	21	1,04,83,804	+ 1,49,935
Beng. Dooars	Feb. 26	158	22,866	— 9,513	21	6,38,715	— 3,01,707
Beng. Nagpur	Mar. 5	2,695	13,50,000	— 1,62,000	12	5,92,28,385	— 15,84,068
Bomb. Baroda	Mar. 26	2,871	20,92,000	— 28,000	25	4,82,85,000	— 6,79 000
Burma ...	Feb. 26	1,342	6,42,070	— 91,117	21	1,25,55,503	— 5,64 850
Del.Um. Kalk.	Mar. 19	239	1,00,000	— 31,279	24	24,56 181	+ 25,370
East Indian ...	Mar. 26	2,772	28,24,000	+ 65,000	25	7,01,07,000	+ 26,67,000
Gt. Indian Pen	Mar. 31	3,121¼	38,09,400	— 11,81,600	26	7,06,92,707	— 5,50,435
Madras & S.M.	Mar. 12	3,152	12,75,000	+ 72,487	23	5,95,59,072	— 2,63,364
Nizam's Guar.	Mar. 5	900	3,22,704	— 56,062	22	67,24,090	— 1,83,428
Rob. & Kumn	Mar. 5	576	1,33,244	+ 824	22	23,42,168	+ 26,817
South Indian	Mar. 5	1,852½	7,12,688	— 1,83,377	48	3,76,04,811	+ 4,74,899
South Punjab	Nov.	716	8,18,814	+ 50,268	2*m*	17,18,407	+ 3,21,162
COLONIAL							
Can. Northern	Mar. 31	9,704	$1,971,100	+ 280,900	13	16,054,300	+ 3,403,600
Can. Pacific ...	Mar. 31	13,388	4,824,000	— 1,008,000	13	41,700,000	— 1,488,000
Grand Trunk	Mar. 31	3,616	£422,798	+ 11,610	13	3,772,124	+ 592,291
Mashonaland	Dec.	810	101,461	+ 25,881	3*m*	283,274	+ 61,433
Mid. W. Aust.	Jan.	277	10,425	— 2,292	7*m*	77,166	+ 4,363
New Cape Cent.	Mar. 12	205	2,814	— 808	10	27,876	— 4,381
Rhodesia Rlys	Dec.	1,397	140,697	+ 32,151	3*m*	405,324	+ 80,082
Temiscouata...	Jan.	—	$38,891	—	1*m*	—	—
FOREIGN.							
Argentine.							
Arg. N. East...	Mar. 26	752	£ 12,200	+ 600	39	458,600	+ 5,300
Arg. Transand	Apr. 2	111	£ 4,385	— 175	40	111,234	— 12,017
B.A. & Pacific	Apr 2	3,425	£ 148,000	— 12,000	40	5,064,000	— 821,000
B.A.Gt. South	Apr. 2	3,903	£ 201,000	+ 26,000	40	6,562,000	— 566,000
Do.	Apr. 2	Net	£ 46,000	— 9,000	40	1,146,000	— 1,320,000
B.A. Western	Apr. 2	1,882	£ 91,000	— 2,000	40	3,072,000	— 856,000
Do.	Apr. 2	Net	£ 18,000	— 14,000	40	353,000	— 866,000
B. A. Central	Jan.	190	£ 38,168	— 6,522	7*m*	337,128	+ 22,545
Cent. Argent.	Apr. 2,	3,305	£ 189,000	— 15,000	40	7,500,000	+ 448,000
Cord. Central	Apr. 2	1,205	£ 50,000	+ 3,200	40	2,028,100	— 312 400
Entre Rios ...	Mar. 26	811	£ 25,700	— 2,100	39	868,100	— 46,300
Brazilian.							
Brazil Gt. South	Feb.	110	M 35.000	— 15,750	2*m*	75,250	— 34,250
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12*m*	57,772,000	+ 7,619,243
Gt. W. Brazil	Apr. 2,	1,010	£ 12,200	— 8,000	14	217,200	— 145,800
Leopoldina ...	Apr. 2	1,831	£ 34,125	— 22,791	14	434,169	— 287,128
San Paulo ...	Apr. 3	153¾	£ 26,583	+ 7,076	14	415,018	— 216,500
S.of Bahia S.W	Feb.	52	M 111.000	+ 34,000	2*m*	240.000	+ 59,000
Chilean and Peruvian.							
Antofagasta...	Mar. 27	838	£ 22,380	— 26,620	13	390,165	— 342,495
Arauco ...	June	84½	£ 12,000	+ 500	6*m*	76,000	+ 10,700
Nitrate (2wks)	Mar. 31	390	£ 35,181	— 26,017	12	167,962	— 115,938
Peruvian Corp.	Mar.	1,140	S 1,134,550	— 148,140	9*m*	10,425,300	— 259,694
Taltal ...	Feb.	180	£ 23,880	— 19,725	8*m*	223,337	+ 52,217
Cuban.							
Cuban Central	Jan. 29	362	£ 37,360	+ 19,872	31	707,279	+ 82,212
Cuba Railroad	Dec.	—	$ 1,373,421	+ 216,241	6*m*	6,891,055	+ 568,958
Havana Cent.	Mar. 26	70	£ 15,878	+ 3,228	39	558,738	+ 129,384
U. of Havana	Apr. 2	681	£ 179,267	— 13,583	40	4,699,129	+ 628 529
W. of Havana	Jan. 29	155	£ 14,131	+ 10,745	31	335,798	+ 66,413
Uruguayan.							
Cent. Uruguay	Apr. 2	273	£ 32,796	+ 11,392	40	943,033	+ 38,857
" (E. Ext.)	Apr. 2	311	£ 8,593	+ 142	40	226,263	— 19 651
" (N. Ext.)	Apr. 2	185	£ 2,255	— 200	40	117,061	— 31,161
" (W.Ext.)	Apr. 2	211	£ 2,824	— 358	40	103,347	— 8,189
Mid. Uruguay	Feb.	319	£ 18,936	— 1,058	8*m*	144,642	— 16,283
N.W. Uruguay	Feb.	113	$ 5,319	— 1,436	8*m*	47,235	— 9,336
Urug. Northn.	Feb.	73	£ 1,766	— 737	8*m*	16,601	— 3,357
Miscellaneous							
Alcoy & Gandia	Mar. 5	33	Ps. 12.000	—	10	168.900	+ 57,000
Bilbao ...	Mar.	15	£ 2,390	— 3,344	3*m*	6,877	— 4,140
Bolivar ...	Mar.	136	£ 10.028	— 6,18	3*m*	25,234	— 9,541
Colomb. Natal.	Feb.	86	£ 18.050	+ 4,120	2*m*	37,100	+ 5,440
Costa Rica ...	Feb.	190	£ 25.992	— 4,443	8*m*	195,585	— 8,291
Dorada Extn	Feb.	70	£ 15.250	+ 3,750	2*m*	31,250	+ 7,750
Egyptian Delta	Mar. 20	559¼	£ 8.949	— 2,618	50	484,738	+ 91,384
Gt. S. of Spain	Mar. 26	104	Ps. 40.203	— 23,414	12	864,242	— 8,247
La Guaira & Ca.	Mar.	223	£ 10.300	— 4,330	3*m*	31,510	— 12,750
Ottoman Ry..	Mar. 26	379	£ 7.910	—	—	—	—
Paraguay Cent	Mar. 26	274	£ 4.090	— 430	39	174.540	— 15,870
Puerto Cabello	Feb.	34	£ 4.500	— 750	2*m*	8,750	— 1,750
Salvador ...	Apr. 2	100	£ 4.659	+ 303	40	114,864	— 26,837
Santa Fé Prov.							
French Rys.	Feb.	1,181	£ 116,089	— 33,576	2*m*	252,137	— 51,898
S'm'na & S'ti'go	Feb.	80	£ 7,436	— 4,983	2*m*	13,930	— 9,748
Zafra & Huelva	Feb.	112	£ 12,727	— 236	2*m*	28,093	+ 1,009
TRAMS.							
Anglo-Argent.	Apr. 1	400	£ 79,540	+ 6,308	13	1,035,192	+ 91,839
Brazilian Trac.	Feb.	378¼	M11,941000	+ 2,560.000	2*m*	24,816,000	+ 5,780,000
Brisbane Elec.	Feb.	40½	£ 43.205	+ 1,605	2*m*	89,485	+ 3,085
Brit. Columbia	Dec.	334	$ 868,677	+ 85,353	6*m*	4,709,709	+ 487,783
B. A. Lacroze	Feb.	51	£ 53,552	+ 1,484	8*m*	451,345	+ 52,630
Calcutta ...	Apr. 2	35½	R 82,294	— 4,758	13	8,20,675	— 3,36,731
Carth. & Herr.	Mar.	9	£ 2,226	— 1,267	3*m*	8,942	— 3,307
Chatham & Dist	Mar. 31	15	£ 1,994	+ 448	13	21,081	+ 2,213
Havana Elect.	Nov.	86	$ 1,037,352	+ 157,611	11*m*	10,366,708	+ 1,890,499
Isle of Thanet	Mar. 30	20½	£ 1,367	+ 681	27	15,357	+ 1,281
Kalgoorlie ...	Dec.	20½	£ 3,140	+ 580	1*m*	36,812	+ 3,780
Lanarkshire ...	Dec. 31	28½	£ 5,467	+ 1,927	52	221,564	+ 27,729
Lima Light ...	Dec.	85	£ 62,899	+ 5,006	12*m*	683,929	+ 93,605
London O.C....	Mar. 30	141¾	£ 99,166	+ 18,160	50	4,780,657	+ 643,721
Madras (2wks.)	Mar. 31	15½	R 56,919	+ 1,934	12	145,644	— 126,144
Manila Electric	Feb.	55	$ 306,389	+ 27,952	2*m*	627,839	+ 71,651
Pernambuco...	Apr. 3	59	£ 3.7d2	— 3,656	14	59,146	— 49,767
Provincial ...	Mar. 26	21½	£ 3,493	+ 310	25	77,043	— 557
Rangoon Elec.	Jan.	25	£ 122,558	+ 10,558	1*m*	—	—
Shanghai Elec.	Feb.	26¾	M.$151,880	+ 18.130	2*m*	307,585	+ 37,835
Singapore Elec.	Feb. 26	26½	$ 13,364	— 8,958	9	100,854	— 88 278
U. of Montevid.	Feb.	90	£ 43,119	+ 2,860	4*m*	131,763	+ 14,054

UNDERGROUND ELECTRIC RAILWAYS CO. OF LONDON, LTD.

Metropolitan District Ry., London Electric Rly., City and South London Rly., Central London Rly., London General Omnibus Co.

Week to April 2, £211,579; Aggregate, Jan. 1—April 2, £2,985,760.

Metropolitan Electric Trams, London United Trams, South Metropolitan Electric Trams, Tramways (M.E.T.) Omnibus Co., Gearless Motor Omnibus.

Week to April 2, £57,439; Aggregate, Jan. 1—April 2, £863,966.

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The Statist.

LONDON, SATURDAY, APRIL 9, 1921.

COAL WAGES AND PROFITS.

The blame for the present unfortunate situation in the coal industry does not rest altogether on the shoulders of Labour, as the drastic reductions in wages which the miners were invited to accept at a few days' notice were such as could not be tolerated by any organised body of workers without some show of opposition. For the different districts the old weekly wages, the proposed new rates, and the extent of the reduction entailed may be set out as follows, the figures representing the average earnings of all grades and classes employed on colliery work, inclusive of women, boys, and youths:—Scotland: Present wage, £5 1*s.*; proposed wage, £3 18*s.*; reduction, £1 3*s.*, or twenty-three per cent. South Wales: Present wage, £4 17*s.*; proposed wage, £2 18*s.*; reduction, £1 19*s.*, or forty per cent. West Yorkshire: Present wage, £4 13*s.*; proposed wage, £3 16*s.*; reduction, 17*s.*, or eighteen per cent. Durham: Present wage, £4 13*s.*; proposed wage, £3 5*s.*; reduction, £1 8*s.*, or thirty per cent. Northumberland: Present wage, £4 15*s.*; proposed wage, £3 7*s.*; reduction, £1 8*s.*, or thirty-one per cent. Lancashire and Cheshire: Present wage, £4 11*s.*; proposed wage, £3 10*s.*; reduction, £1 1*s.*, or twenty-three per cent. North Staffordshire: Present wage, £3 19*s.*; proposed wage, £2 14*s.* 6*d.*; reduction, £1 4*s.* 6*d.*, or thirty-one per cent. Forest of Dean: Present wage, £4; proposed wage, £2 5*s.*; reduction, £1 15*s.*, or forty-four per cent. Salop: Present wage, £4 8*s.*; proposed wage, £3; reduction, £1 8*s.*, or thirty-two per cent. Cumberland: Present wage, £4 5*s.*; proposed wage, £3 19*s.*; reduction, 6*s.*, or seven per cent.; Midland Counties, Nottinghamshire, and Erewash Valley: Present wage, £4 18*s.*; proposed wage, £4 5*s.*; reduction, 13*s.*, or thirteen per cent. South Derby: Present wage, £4 10*s.*; proposed wage, £4 3*s.*; reduction, 7*s.*, or eight per cent. Somerset: Present wage, £4; proposed wage, £2 6*s.*; reduction, £1 14*s.*, or forty-two per cent. If we take the figures for particular grades in particular districts, we find that in Somerset, for example, hewers, whose weekly wage to March 31, 1921, was £4 10*s.*, are now offered £3. Their weekly wage in July 1914 was £1 11*s.* 3*d.*, and the increase offered on the pre-War level is eighty-nine per cent.; breakers, instead of the March wage of £4 7*s.* 9*d.*, are offered £2 17*s.*, representing an increase of £1 7*s.* 3*d.*, or ninety-one per cent., on July 1914; while day labourers, instead of a weekly wage in March of £4 1*s.* 6*d.*, are offered £2 9*s.* 3*d.*, an increase of £1 3*s.* 5*d.*, or ninety per cent., over July 1914.

According to The Statist's index-number for March the general average of the wholesale prices of forty-five commodities was 108.5 per cent. above the average for 1913. Viewed in the light of the increase in wholesale price levels, the proposed wages do not seem altogether unfavourable; but as regards the articles which make up the dietary of miners existing quotations represent a much greater increase over the pre-War level. Animal food, for example, was in February last 171.5 per cent. above 1913, and vegetable food 107.2 per cent., the general level of foodstuffs being 134.2 per cent. in excess of the pre-War average. These figures, as indicated, refer to wholesale prices, and the decline which they represent has not yet fully manifested itself in the retail trades. If we take into account, not only animal and vegetable food, including tea, coffee, and sugar, but also rent, clothing, fuel and light, as well as articles in domestic use, such as soap, soda, ironmongery, brushware, pottery, tobacco, fares, and newspapers, as is done in the *Labour Gazette*, the resultant figure for March 1, 1921, is about 141 per cent. above the July 1914 level. The *Labour Gazette* calculation shows the increase in the cost of maintaining unchanged the average pre-War standard of living of the working classes, and takes no account of the economies and readjustments in expenditure that have been effected in many families through the varying amounts of increase in the prices of different commodities.

If we take the data available at the commencement of the year we find that the wages cost of producing a ton of coal was in the first quarter of 1920 22*s.* 8.50*d.*; in the second quarter, 25*s.* 5.72*d.*; in the third, 26*s.* 3.06*d.*; and in the fourth, 29*s.* 6.06*d.* Returns for the first quarter of the current year are not yet available, but in respect of the two months ended February the wages cost works out at 30*s.* 5.32*d.* The increase in cost, while caused to some extent by a rise in wages, was also due to a decline in output, despite the increased number of workers in the mines. The average number employed in the four quarters of last year were 1,188,500, 1,200,300, 1,207,800, and 1,220,700 respectively, the last quarter representing a maximum as regards number employed, but a minimum as regards output of coal. As a result of these factors, combined with a decrease in the selling price of coal, the profits of the industry underwent serious diminution and finally disappeared. A surplus of £14,377,702 in the quarter ended March 31, 1920, was converted into a deficit of £1,136,324 in the quarter ended December 31 last. For a period of only two months, ended February 28 last, the deficit had risen to £9,425,727, or about £1,178,216 per week. While no particulars are available for March, the position of the industry became appreciably worse. In the table at the top of the next page we present the results of twelve important colliery companies in 1920, as compared with 1919. It will be seen that the returns in the later year [illegible]

Company	Year Ended	Net Profit 1920	Net Profit 1919	Ord. Dividend 1920 £	Ord. Dividend 1920 %	Ord. Dividend 1919 £	Ord. Dividend 1919 %	Capital Ordinary £	Capital Preference £	Capital Debentures £
Albion Steam Coal	Dec. 31	62,666	79,658	22,000	10	22,000	10	220,000	220,000	30,000
Bearpark Coal & Coke Co.	Dec. 31	105,083	68,109	85,050	30	63,788	22½	283,050	—	—
Cory & Sons, W.	March 31	718,522	431,616	570,020	*20	318,000	*20	2,850,094	850,000	900,000
Edinburgh Collieries	Jan. 31*	28,801	25,197	26,164	†7½	26,164	†7½	348,860	102,225	13,600
Fife Coal Co.	Dec. 31	220,158	213,511	214,269	†17½	204,066	†25	1,224,393	417,813	—
Gt. Western Colliery	Dec. 31	150,150	144,555	127,500	‡15	155,825	‡25	1,009,813	50,000	—
Horden Collieries	Sept. 30	311,519	214,400	140,000	†14	137,855	†14	1,000,000	—	300,000
Pearson & Knowles	June 30	228,318	248,141	132,507	†10	146,979	†15	1,108,500	500,000	—
Pease & Partners	April 30	443,633	348,747	275,400	†18	191,250	†12½	1,682,083	—	575,000
Powell Duffryn	Dec. 31	625,008	544,992	588,891	†20	454,118	†20	3,083,926	260,936	—
United National Colliery	Dec. 31	237,703	234,326	169,016	†12½	169,016	†12½	1,352,130	225,890	-
Weardale Steel, Coal and Coke Co.	Sept. 30	262,182	228,703	43,500	19½	43,500	19½	225,000	500,000	292,090
Total	...	**3,394,743**	**2,781,855**	**2,394,317**	—	**1,932,561**	—	**14,384,849**	**3,126,864**	**2,110,690**

* Inclusive of 10 per cent. tax-free bonus. † Tax-free. ‡ On "B" Shares

i.e., those of the preceding year. The date of making up the balance sheets does not, however, in many cases coincide with the end of the calendar year, and because of this the accounts make a much more favourable showing, as the period of maximum depression is altogether avoided. Considering the capital employed (particulars of which are also given), the net profits are not excessive. In our table they are shown, after deduction of fixed charges, &c., and, if we take only the Ordinary capital, the net profit earned in 1920 actually showed a decline, as compared with 1919, the figures for the two years being 23·6 and 24·7 per cent. respectively.

WHEAT CROPS OF THE WORLD.

During February cash sales for grain, with the exception of those from Argentina, continued the declining tendency shown in previous months. This decline contributed to the weakness which has recently been such a pronounced feature in the Wheat market. This weakness had its effect on the retail price of bread, and though some elements contributing to it are temporary in character there is little doubt but that a fall in the price of flour, and with it in that of bread, is inevitable, a result that will benefit the consumer as tending to affect a much needed reduction in the cost of living. Cabled reports from Chicago, Winnipeg, and New York indicate that the sentiment in the Wheat market is predominantly bearish, and though rallies occur on advices as to bad weather in the growing centres, or on reported large purchases on European account, the recovery is usually short-lived. The British coal strike has also been an adverse factor as regards prices, but fundamentally the position has so changed from a year ago that a big drop in wheat quotations could not have been avoided, despite the belief of a large number of American and Canadian farmers to the contrary. In the first place, the continued depreciation of most European currencies has led to a contraction in purchasing power on the part of the countries whose exchanges have been affected. The high level which the American and Canadian dollar has reached has been instrumental in forcing down consumption in countries which are largely dependent on imports to meet their cereal requirements. Secondly, the crop yield in 1920 was superior to that in 1919, and the surplus rendered a continuation of the old scarcity values impossible. In the table on the following page we analyse the wheat position for various countries, giving the yield in the last two years.

We treat first the principal exporting countries, including, amongst others, the United States, British India, Canada, and Argentina, and then the various other States in Europe, Asia, and Africa for which data are available. The calculations are based partly on the publications of the International Institute of Agriculture and partly on the returns issued by individual Governments. One important wheat-producing area, namely Russia, has had to be excluded owing to lack of information, and Austria, Hungary, Chile, and Morocco have had for the same reason to be similarly treated. Owing to territorial modifications it is difficult in not a few cases to procure comparative statistics over different years. Amongst exporting countries it will be noticed that while a decline in yield in 1920 took place in the United States to 21,083,000 tons, as compared with 25,024,000 tons in 1919, in Argentina to 4,935,000 tons, compared with 5,735,000 tons, and in Roumania, including Bessarabia, from 1,753,000 tons to 1,120,000 tons, an increase has taken place in British India from 7,508,000 tons to 10,092,000 tons, in Canada from 5,176,000 tons to 7,049,000 tons, in Australia from 1,253,000 tons to 3,910,000 tons, and in Bulgaria from 911,000 tons to 1,103,000 tons. The total crop yield of the chief exporting countries amounted to 49,295,000 tons last year, as against 47,364,000 tons in 1919. It has been impossible to arrive at definite figures for requirements in quite a number of instances, as the surplus left over from last year's crops is difficult to ascertain. Amongst European countries generally the surplus in hand at the commencement of the 1920 season was small, but the yield of the last harvest showed, generally speaking, an improvement, especially in the following instances: France 1920, 6,171,000 tons, 1919, 4,887,000 tons; Spain 1920, 3,712,000 tons, 1919, 3,462,000 tons; Germany 1920, 2,219,000 tons, 1919, 2,134,000 tons; Jugo-Slavia 1920, 1,733,000 tons, 1919, 1,364,000 tons; and Czecho-Slovakia 1920, 654,000 tons, 1919 411,000 tons. A decline was noticeable in not a few of the returns; for example, United Kingdom 1920, 1,524,000 tons, 1919, 1,856,000 tons; Italy 1920, 3,785,000 tons, 1919, 4,547,000 tons; and Belgium 1920, 212,000 tons, 1919, 265,000 tons. For the Continent, exclusive of Bulgaria, Roumania, and Russia, the crop yield in 1920 amounted to 21,119,000 tons, as compared with 19,879,000 tons in 1919. Outside Europe, while a decline has been recorded in the Japanese crop from 821,000 tons to 789,000 tons, there has been an increase in the yield in Egypt. The grand total for all the countries included in our table, 73,212,000 tons, shows an increase of 2,818,000 tons on the previous year, and this increase represents a substantial easing of the situation obtaining twelve months ago. It must be remembered, however, that transport facilities are not always available to move the crop to the districts where it is most needed. As regards current crops, according to the latest publication of the Statistical Bureau of the International Institute, the conditions of the cereal crops in the current year are fairly favourable in Western Europe, United States, Japan, and in North Africa. The aggregate winter sowings are said to cover a fully average area in Belgium, Bulgaria, France, Spain, Finland, Great Britain, and Norway. Prospects of the wheat crop in British India have slightly improved, but the area is only seventy-five per cent. of the average. As regards the United States, a statement just issued by the Bureau of Crop Estimates of the Department of Agriculture, from the reports of its correspondents and agents, estimates that the average condition of winter wheat on April 1 was 91.0, against 75.6 on April 1 last year, 99.8 on April 1, 1919, and 83.6, the average condition of the past ten years on April 1. This shows an

advance in condition of 3.1 between December 1 and April 1, as compared with a decline of 9.6 during the corresponding period in the previous season. The total crop is estimated at 621,000,000 bushels, which compares with the final estimate for last season of 577,763,000 bushels.

The average condition of rye on April 1 was 90.3, against 86.8 on April 1, 1920, 90.6 on April 1, 1919, and a ten-year average of 88.4. The total crop is estimated at about 66,386,000 bushels, as compared with 69,318,000 bushels as finally estimated for the last crop.

WHEAT.

(000's omitted.)

	Crop Yield		1920 Requirements including
	1920 Tons	1919 Tons	Seed Tons
Principal Exporting Countries—			
Argentina	4,935	5,735	401
Australia	3,910	1,253	214
British India	10,092	7,508	—
Bulgaria	1,103	911	—
Canada	7,049	5,176	554
Roumania†	1,120	1,753	—
Russia	—	—	—
United States	21,083	25,024	3,983
Total	49,295	47,364	5,154
Other Countries: Europe—			
Belgium	212	265	—
Czecho-Slovakia	654	411‡	—
Denmark	186	157	44
France	6,171	4,887	183
Germany	2,219	2,134	—
Great Britain and Ireland...	1,524	1,856	1,750
Greece	326	259	134
Italy	3,785	4,547	1,638
Netherlands . ..	187	154	140
Norway	27	28	48
Yugo-Slavia . ..	1,733	1,364	309
Spain	3,712	3,462	823
Sweden	282	254	—
Switzerland	96	94	86
Total	21,119	19,879	5,160
Asia:			
Japan	789	821	204
Africa:			
Algeria	229	513	145
Egypt	849	807	185
Tunis	139	187	—
Total	1,218	1,507	330
Grand Total	**73,212**	**70,394**	**11,053**

† Including Bessarabia. ‡ Bohemia, Moravia and Silesia.

BRITISH SHIPBUILDING OUTLOOK.—II.

THE SCOTTISH YARDS.

(By a Shipbuilding Correspondent.)

In the article published last week reference was made to the vital bearing upon the whole shipbuilding industry of Great Britain of the conferences arranged between the Shipbuilding Employers' Federation and the representatives of the different trade unions. Unhappily, a hitch has occurred on the proposal of the employers to reduce time rates by 6s. per week and piece-work rates by fifteen per cent. The employers have pointed out that advances which were given during the speeding-up period were exceptional, and not intended to apply during a period of depression. The trade union leaders have taken the view that present conditions of trade should not justify a "cut" to the extent mentioned, and accordingly the matter has been referred to Dr. Macnamara, Minister of Labour. Despite this temporary breakdown, it is felt that all the circumstances in respect to various other points justify the anticipation that an amicable basis for new agreements will be reached.

Sir Alexander Kennedy, who presided at the conferences, was in a unique position to direct discussion on the view-points of the different areas of the industry. Formerly managing director of one of the Clydeside firms, and now prominently associated with groups of English shipyards, he was instrumental in giving to the trade union leaders the frankest possible data and working information to enable the men to fully realise the whole situation as it concerns the reduction of initial cost, to be secured by the withdrawal of certain enhanced rates of pay, and the increase of output. However, beyond expressing the pious belief that the foundations have been laid for a settlement that will stimulate the whole industry it is not advisable to go into details until the inevitable interchange of alternative proposals between both sides now being submitted to the Minister of Labour have been translated into actual compacts, and before this stage can be reached certain points have now to be submitted to the Minister of Labour.

Meantime there is a general policy of marking time in all the areas engaged in the industry—the Clyde, the Tyneside, Sunderland, the Hartlepools, the English Channel, the Mersey, the Bristol Channel, and at Belfast.

Viewing the prevailing conditions at the Scottish shipyards, there is a complex accumulation of issues which render the whole position extremely tender and goes to emphasise the fact that the results of the conferences to which we have referred will establish a very memorable chapter in the history of shipbuilding by this nation. The high financial and credit problems between the shipowners, the builders, and engineering firms can only be readjusted when the essentials have been attained for going forward with reliability on the output of cheaper tonnage. In certain departments of the shipyards the output of the men has been most satisfactorily increased. But against this is the amazing obduracy of the joiners' strike, which is causing ships to be laid up at their final stages, and others, more urgently needed for passenger trade, being transferred for completion to Belgium and France. This applies in a marked degree to ship repairing and reconditioning, and in passing it may be said that certain ship-repairing firms have found it desirable to acquire dry-docking and engine-shop concessions at different ports on the Continent.

Returns for the quarter just ended can afford no satisfactory evidence of what the year may bring forth, as any failure to reach that satisfactory settlement referred to would mean a slump of an unprecedented nature.

The Scottish position in the industry was at an exceptionally promising point before the present troubles became so acute at the beginning of the year. The Clyde, in comparison with any of the other British "rivers," came out especially strong, as may be gathered from the following returns given for 1920:—

	Vessels	Tons	I.H.P.
The Clyde ...	330	672,438	620,615
The Tyne ...	86	371,512	352,623
The Wear ...	67	318,805	126,885
The Tees ...	60	272,635	202,480
The Lagan ...	21	116,543	69,250
The Mersey ...	9	41,521	115,900
The Thames ...	121	16,529	119,329

In regard to the whole of Scottish shipbuilding areas, the subjoined is a comparison of the output between 1919, when America was threatening our supremacy of output, and 1920, when a boom in output took place in other parts of this country:—

		Vessels	Tons	I.H.P.
The Clyde	1919 ..	422	646,957	1,508,771
	1920 ...	330	672,438	620,615
The Forth	1919 ...	42	51,280	33,963
	1920 ..	66	61,098	18,050
The Tay	1919 ...	13	17,765	27,520
	1920 ...	11	31,180	23,085
The Dee	1919 .	68	13,486	20,040
	1920 ...	39	14,198	10,600

Accordingly, the output of all the Scottish shipyards showed a decrease in number of vessels of ninety-nine, but with a tonnage advance of nearly 50,000 tons, and a decrease of nearly 918,000 i.h.p. The increase in tonnage is explained by the building of a number of cargo steamers of large dimensions, pre-War size, and the falling off in the h.p. was due

to the almost complete cessation of naval work, and the conversion of yards from high-power war-vessel building to commercial ships of comparatively low power. While, therefore, the big reduction in engineering figures is not taken as of particular significance in relation to trade, the output of new tonnage is, and the increase, slight though it was, afforded a favourable standard on which to anticipate a further advance, assuming that labour and material costs can be brought into line with the point at which shipowners may feel justified in utilising their resources and reserves in placing orders to anticipate a freight- and passenger-carrying boom which is expected for 1922.

As some indication of the fact that even in 1919 the Clyde had not receded in ratio with other areas from the standard of pre-War output, the table of tonnage output is of interest.

Year	Tons	Year	Tons
1919	646,154	1914	543,332
1918 ...	532,094	1913	756,976
1917	459,959	1912	640,529
1916 ...	506,382	1911	630,583
1915	306,415	1910	392,392

It will be observed that the 1913 figures were the highest attained on the Clyde, and, big as the present output is, it should be taken into account that the exigencies of the War and the efforts of private enterprise (especially the advent of Messrs. Harland and Wolff into the area) has very considerably enlarged the capacity of the river yards for the construction of practically every type of ship, and for a vastly enhanced output of engine and boiler work. These resources, therefore, if put into anything like full operation, and with normal output from the men, are capable of unprecedented results, and if a real settling down to work follows the conferences it is highly probable that the 1913 record will be exceeded. What is of special interest in the post-War policy of the leading firms of the district is their preparedness to loom more largely than ever in the building of first-class passenger liners, and besides those launched this year, out of six of the largest vessels constructed in 1920, three came from Clydeside yards, viz: *The Empress of Canada*, 22,000 tons, Fairfield Company; *Pittsburg*, 16,600 tons, Messrs. Harland and Wolff; and the *Tyrrhenia*, 16,500 tons, Messrs. Wm. Beardmore and Company.

With regard to special types of ships a large percentage of those on order, or those awaiting revised tenders, have provision for oil fuel systems to be installed, to take the place when necessary of coal fuel. Although only seven motor ships were turned out in 1920 a considerably larger number is at present on the books, and another point of interest is that, while thirty vessels had geared turbines installed last year, a considerable impetus to this class of engineering work is shown on present contracts.

COAL COSTS IN RELATION TO THE SHIPPING INDUSTRY

Whatever agreements may be arrived at between the shipbuilding employers and the shipyard workers in regard to their own industry, it is obvious that the future of coal prices impinges alike on the costs of producing tonnage and of working it. There are embraced in this respect the price of coal fuel used in the iron and steel trades, which will harden or relax the basis of initial cost of material; the ability of coal exporters to send out British coal in British bottoms to those foreign markets which America has already seriously cut into; and the price of bunker coal as it will affect freight rates.

Therefore all sections of shipbuilding and shipowning are awaiting with anxiety the outcome of the present trouble with the colliers. Bearing upon this aspect of the question we append a comparison of the estimated earnings per person per week in April 1921 under coalowners' proposals in various districts with earnings in June 1914 and March 1921, when the Government control of coal automatically ceased. The figures represent the average earnings of all classes of persons employed, including boys, youths, and women:

In June 1914 (*under Pre-War Conditions*).

	£ s. d.		£ s. d.
Scotland ...	1 17 1½	South Derby ...	1 14 1¼
Durham ...	1 14 1⅝	Leicester ...	1 12 6½
Northumberland	1 13 11	North Staffs. ...	1 12 3¾
South Wales	1 17 1½	Cannock	1 13 11
South Yorks	1 18 11½	Salop	1 5 10¾
West Yorks	1 15 6½	Warwick	1 14 1⅝
Lancs. & Cheshire	1 13 5½	Cumberland ...	1 13 11
Midland Counties	1 15 11¾	Forest of Dean ...	1 9 4

In March 1921 (*embracing Advances given by Coal Controller and War Bonuses*).

	£ s. d.		£ s. d.
Scotland	5 0 0	South Derby	4 10 3½
Durham	4 17 7	Leicester	4 3 5
Northumberland	4 15 4	North Staffs ...	3 18 10
South Wales	4 17 2	Cannock ...	4 4 9½
South Yorks	5 0 10	Salop	4 8 0⅝
West Yorks ...	4 17 7	Warwick	4 9 11
Lancs. & Cheshire	4 10 9	Cumberland ...	4 15 4
Midland Counties	4 17 7½	Forest of Dean ...	4 0 2

In April 1921 (*the New Rates which the Coalowners consent to, with the Closing Down of Control*).

	£ s. d.		£ s. d.
Scotland ...	3 17 11	South Derby	4 2 11½
Durham ...	3 5 1	Leicester ...	4 9 10
Northumberland	3 7 4½	North Staffs.	2 14 6½
South Wales	2 7 9	Cannock	3 18 10
South Yorks	5 1 9	Salop ...	3 0 6
West Yorks ...	3 16 1	Warwick ...	3 17 0
Lancs. & Cheshire	3 9 8	Cumberland	2 11 9½
Midland Counties	4 4 9½	Forest of Dean	2 4 11

The Rate of Increases Proposed by Coalowners from April 1921, *after the Control, over Rates of Earnings in* 1914

	£ s. d.		£ s. d.
Scotland ...	2 0 9½	South Derby	2 8 9⅜
Durham ...	1 10 11½	Leicester ...	2 17 3½
Northumberland	1 13 5½	North Staffs.	1 2 2⅝
South Wales	1 0 7½	Cannock	2 4 11
South Yorks	3 2 9½	Salop	1 14 7¼
West Yorks	2 0 6⅜	Warwick ...	2 2 10½
Lancs. & Cheshire	1 16 2½	Cumberland	0 17 10½
Midland Counties	2 8 9¼	Forest of Dean	0 15 7

Both in shipbuilding and shipping circles the opinion appears to be that the increases proposed by the coalowners, as indicated in the above rates prepared by the Coalowners' Association, will bear less grievously on their industries, and that a reversion to the Control standards will be ruinous to their enterprises in world competition.

MEXICO.

A PERIOD OF RECONSTRUCTION.

PRESIDENT OBREGON has called a special session of Congress. We are indebted to the *Mexican Review* for a very full report of the President's Message. "In pursuance," said the President, "of a constitutional mandate, I have the honour of addressing the honourable members of the Congress of the Union with the object of informing them of the causes that prompted the President to call a special session of the nation's representatives. . . . Having in mind that the regular session of the Congress is scarcely long enough for it to deal with all of the matters left in its care by special mandate of the Constitution, I have deemed it necessary to call the two Houses of Congress to an extraordinary session, in which they may take up for consideration and action the reforms of great moment and importance to which the call refers."

Three special subjects the President recommended Congress to consider. They are: reform of the banking laws, with a view to establishing greater banking facilities than now exist in the Republic; reform of the land laws; and special legislation dealing with education. Subsidiary to these, but of great importance in view of the present economic condition of the

Republic, the President called the particular attention of Congress to the condition of the laws regulating the exploitation of the vast petroleum deposits on both the east and west coasts of Mexico.

Ten years of revolution have left Mexico in a partial, although only relative, state of chaos. It has to be remembered that Mexico is, in an economic sense, as we know her at present, an exceedingly new country. That is to say, she lives entirely by the exploitation of articles of prime necessity. Her principal foreign trade consists in the development of her mineral resources. Her home trade, moreover, exists primarily to the extent it is able to raise the food and the raw materials necessary for the feeding and clothing of her people. As a result, when we say that Mexico has emerged from the revolution in a partial state of chaos, it should be borne in mind that that state of chaos is not comparable to what would be the case in a country highly developed in an economic sense—a country, for example, having a large population, extensive transportation facilities, and great manufacturing industries. Such a country, were it subjected to a period of revolution, might expect to take many generations for its reconstruction.

A country in the economic position of Mexico, on the other hand, producing as it does merely the primary necessities required by man, provided order is maintained, can be restored to comparative prosperity in a relatively short period of time. Mexico has a population about twice that of what we call Greater London, and it has an area considerably exceeding that of France, Germany, and Austria-Hungary, as those countries existed previous to the outbreak of the recent War. Consequently, it will be seen that the primary needs of the country are immigration, improved means of communication, and adequate capital which would enable the country to develop its enormous natural resources. We have from time to time spoken of the wealth which has s far been extracted, and the still greater wealth which remains in the rich oilfields of the east coast, or Tampico district We have also dealt with the enormous petroleum deposits which are generally believed to be merely awaiting exploitation on the west coast of Mexico. Mexico before the War was the second largest producer of silver in the world. It is confidently asserted by those who ought to be competent to judge that the Republic is capable of taking the first place as a producer both of petroleum and of silver. Mexico, in addition, has remarkable agricultural potentialities. She possesses three zones. In the torrid or sub-tropical zone it is possible to grow sugar and cocoa, and those commodities which we associate with the tropical and sub-tropical regions of the earth. In the temperate zone she is capable of producing the cereals and fruits which we associate with the temperate regions of the earth. And in the mountainous districts, which are the cold regions, she is capable of producing those fruits and hardier cereals which we are accustomed to associate with the northern regions of the earth. We have not space to-day to go into the commercial potentialities of the Republic, in the sense of its power of producing various foods and fibres which constitute the raw material of production. Neither do we propose to consider her mineral potentialities, great as those undoubtedly are. We will confine ourselves for the moment to the three great subjects, and, if space admits, to a brief reference to the fourth, with which President Obregon dealt so fully in his Message.

The population of Mexico, as we have already said, is estimated at about sixteen million inhabitants, the greater proportion of whom are descended from the ancient Mexican people found in the country when Cortes landed in 1530. At that time, it may be contended, and, of course, is true, the Mexican people were in a relatively high stage of civilisation. They had developed important industries, and had for their own purposes, apparently, quite adequate means of communication. Both the industries and the means of communication were virtually destroyed by their conquerors. The object of the conquerors was to obtain gold and silver, and particularly silver, by compelling the natives to work the mines for their benefit. Centuries of oppression have left these people in a far more unsatisfactory state, whether we consider the question from the political or from the economic standpoint, than that in which Cortes found them. The result is that more than ninety per cent. of the population are wholly illiterate, and have really no conception of the meaning of their own Constitution, as it has been drawn up by the various Governments to which from time to time they have had to submit. Still less have they any real conception of their relative position to the rest of the world. Many of them have, of course, some knowledge that other countries besides Mexico exist in different parts of the world; and most of them are aware that there is a great country called the United States of America immediately to the north of Mexico. What conception, if any, they have of the countries of Europe and of the East must be vague in the extreme. Bearing in mind, therefore, the interest which all the progressive countries of the world are taking in the question of education, it is not surprising that President Obregon, upon taking office as Chief Magistrate of the Republic, should direct the attention of Congress to the grave state of illiteracy which exists throughout practically the whole area of the Republic. The President realises that in various aspects, and particularly in the matter of education, the people he has just been called upon to rule are not in a position in their present state of ignorance to hold their own, in either the economic or the political sphere, with the great nations of the earth, and to compete with them if she is to take the position to which her great natural wealth would seem to entitle her.

Bad as is the condition of the ordinary Mexican peon in the scale of acquired information, his economic position is at least as unsatisfactory as his state of culture. One of the results of the Spanish conquest, which the Republic so far has been quite unable to redress, was not merely to divide the country into vast estates, which might, or might not, have made for the development of the agricultural resources of the country, but to hand those estates over to people who had no resources for their development, and whose only conception of working the estates was to reduce the peon to a state which has practically amounted to slavery. The President of a great State holds a highly responsible position. He cannot, of course, advocate schemes which may, or may not, be practicable for the country over which he is called upon to preside. President Obregon has taken care, therefore, to leave to the deliberation of Congress the actual procedure which reform should take. All he has ventured to suggest—and most reasonable people who are in any way acquainted with the subject will agree with his view—is that where estates are in the hands of people who have no means for their adequate development assistance

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should be afforded, as far as possible, to enable them to dispose of such portions of those estates as will enable the peons to earn a living under more favourable conditions than exist at present, or have existed for a very long time past. Mexico at present has not mobilisable resources which would enable her to enter upon an extensive scheme of land reform, even if the intelligence of her people and the general condition of the country would admit of such a course. All the President recommends is that reasonable facilities should be given for enabling those estates which at present lie more or less derelict to be brought under cultivation and render at least something to the general welfare of the Commonwealth.

Finally, the President in his Message suggests remedial legislation dealing with the oil question. Now no one is more aware than President Obregon and his Government that it is undesirable to do anything to drive the foreign capitalist out of Mexico, or even to frighten him regarding the safety of the interests he already possesses in that country. On the other hand, there is a suspicion, whether well- or ill-grounded, in Mexico itself that certain oil interests have enjoyed an influence in the councils of the Republic which is not altogether desirable in the interests of the Union taken as a whole. All that the President suggests is that while no legislation should be attempted likely to check the inflow of foreign capital into the country, the national interests in the vast deposits of petroleum which Mexico enjoys should be, as far as may be done by legislation, safeguarded.

TRADE OF THE UNITED KINGDOM IN MARCH.

THERE was no appreciable improvement in the condition of trade and industry during March. On all sides the complaint was heard that orders were few and far between and in more than one instance reference was made to the further cancellation of orders from abroad. In another direction the signs were no less disheartening: unemployment continued undiminished in the leading centres of industry and commerce. Consequently, the further decline in the foreign trade of the United Kingdom during March, as embodied in the returns just issued by the Board of Trade, came as no surprise:—

Course of Foreign Trade.
(000's omitted.)

	March 1921.	Inc. or Dec on—		3 Mos. to March 1921.	Inc. or Dec.on—	
	Amount	1920	1913	Amount	1920	1913
	£	£	£	£	£	£
Imports ...	93,742	—82,825	+ 32,399	307,652	—224,625	+111,355
Re-exports ...	8,888	—18,143	— 745	26,847	— 48,252	4,236
Net imports	84,854	—64,682	+ 33,144	280,785	—174,373	+115,589
Exports ...	66,809	—36,890	+ 25,119	227,787	— 67,757	+100,477
Exc. of imports	18,045	—27,792	+ 8,025	52,998	—106,616	+ 15,112

Imports for the month have dropped by over £3,000,000, as compared with February, to £93,742,000. The decline is not common to all three classes. On the contrary, the imports of food, drink, and tobacco have risen in value from £47,750,000 to £50,888,000. Within this class the value of grain and flour imported has increased by over £2,300,000 to £10,503,000, and that of dutiable food and drink from £6,389,000 to £9,258,000; whilst tobacco accounts for £3,228,000, as against £1,597,000. However, these increases are partially offset by the drop in the import of non-dutiable food and drink from £18,193,000 to £14,883,000. Imports of manufactured goods show a slight increase, the total of £24,930,000 comparing with £23,395,000 for February. With the exception of chemicals and iron and steel products generally, the different groups in this class exhibited increases in value during March. The manufactures from oils, fats, and resins stood out with a rise from £4,625,000 to £5,578,000. Textiles were represented by silk with an increase from £1,851,000 to £2,133,000, and by woollens with an advance from £743,000 to £1,019,000.

The characteristic feature of the imports was, however, the further sharp drop in the import of raw materials from £25,504,000 in February to £17,739,000 in March. The almost universal reduction in the imports of every group in this class bear powerful testimony to the stagnation of our leading industries. Lancashire's import of raw cotton stands at £3,409,000, as compared with £6,565,000 in February. Yorkshire takes only £3,562,000 worth of wool, as against £6,019,000. The idle workshops of the engineering and iron and steel trades are reflected in the import of £727,000 of iron ore and £647,000 of non-ferrous ores, instead of £828,000 and £1,169,000 respectively. Declines scarcely less significant characterise the imports of timber, oil, seeds, fats and resins, hides and skins, and paper-making materials.

The export trade records no recovery from the low levels reached in February. Indeed, the total of £75,697,000 for March is below the £76,226,000 returned in the previous month. Were it not for an increase in re-exports from £8,004,000 to £8,888,000, the situation would have been worse still; for the trade in local exports dropped from £68,222,000 to £66,809,000. Here the decline was common to all three classes. The total for Class I. fell from £3,075,000 to £2,897,000. Exports of raw materials amounted to £5,832,000, as against £5,881,000, notwithstanding a slight increase in our coal export from £4,241,000 to £4,282,000. In Class III., however, which embraces the products of our leading manufactures and trades, there has been a further fall from the low total of £58,177,000 in February to £56,969,000 in March. Within the class itself movements have been rather irregular. The depression in the textile industries is reflected in the decline in export of cotton goods from £20,137,000 to £17,449,000, in the export of woollens from £5,854,000 to £5,707,000, and in the export of apparel from £2,107,000 to £1,694,000. Similarly the export of iron and steel manufactures is valued at £6,492,000, as compared with £7,223,000; whilst lower figures are also recorded in the cases of chemicals, leather, paper, and oils, fats, and resins. On the other hand, slight increases characterise the export of non-ferrous manufactures, cutlery, and electrical goods. In two cases the increases are rather pronounced. The value of machinery exported stands at £7,300,000, an increase of nearly £1,000,000. As a result of the expansion in the export of ships not registered as British, from £5,457,000 to £8,585,000, exports under the category of "vehicles" increased from £3,409,000 to £5,788,000.

Excess of Imports into United Kingdom.

Month	1921	1920	1919	1918	1917
	£	£	£	£	£
Jan. ...	14,740,000	52,154,000	82,615,000	54,202,000	35,301,000
Feb. ...	20,748,000	61,946,000	55,039,000	57,214,000	24,668,000
Mar. ...	18,045,000	45,918,000	43,715,000	68,042,000	29,465,000
April ...	—	40,495,000	40,382,000	77,621,000	40,244,000
May ...	—	26,755,000	59,318,000	77,516,000	37,852,000
June ...	—	34,015,000	46,420,000	64,176,000	35,999,000
July ...	—	8,042,000	76,068,000	63,525,000	35,703,000
Aug. ...	—	24,984,000	58,743,000	64,435,000	46,220,000
Sept. ...	—	21,886,000	66,376,000	56,094,000	39,870,000
Oct. ...	—	21,460,000	54,783,000	72,768,000	39,405,000
Nov. ...	—	11,780,000	36,188,000	70,732,000	62,621,000
Dec. ...	—	33,455,000	52,717,000	74,797,000	44,450,000

In the light of the above analysis it is evident that little consolation can be derived from the fact that the adverse trade balance for March is actually lower than that of February. The material fact remains that the total of £18,045,000, as against £20,748,000 in February, has been achieved again by the curtailment of our imports of raw materials. Even at the risk of being tedious, we repeat that an improvement which depends on the reduction of the purchases of essential raw materials is more imaginary than real. Unfortunately, the present coal crisis, and more especially the impending disaster of a sympathetic strike by the

railwaymen and transport workers, destroys any chance of a recovery during April. This is not the place to discuss the ethics of the strike, but it must be confessed that, in so far as the foreign trade of the United Kingdom is concerned, the result of a prolonged struggle cannot well be over-estimated. It is not too late yet to appeal to reason; and the country as a whole should insist that no false pride, no matter on what side displayed, should be allowed to retard a settlement which is so vitally necessary to the well-being of the United Kingdom.

External Trade of the U.K. since 1914.

(000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1921	£	£	£	£	£
Mar. ...	93,743	8,888	84,854	66,809	18,045
Feb. ...	96,974	8,004	88,970	68,223	20,748
Jan. ...	117,051	9,555	107,496	92,756	14,740
1920					
Dec. ...	142,785	12,699	130,086	96,631	33,455
Nov. ...	144,260	13,115	131,145	119,365	11,780
Oct. ...	149,889	16,134	133,755	112,295	21,460
Sept. ...	152,692	13,350	139,342	117,456	21,886
Aug. ...	153,255	13,368	139,887	114,903	24,984
July ...	163,342	17,848	145,494	137,452	8,042
June ...	170,491	20,124	150,367	116,352	34,015
May ...	166,334	20,260	146,074	119,319	26,755
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	85,964	61,946
Year					
1920 ...	1,936,742	222,406	1,714,336	1,335,569	378,767
1919 ...	1,631,902	164,322	1,467,580	798,373	669,207
1918 ...	1,316,150	30,945	1,285,205	501,419	783,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,636	95,474	601,161	430,721	170,440

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

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OUR index-number for wholesale prices of commodities shows another decline during the month of March, but the movement was much less marked than during the preceding month. The final figure for March 31 is 177.2, as against 183.0 for February 28—a decline of 3.2 per cent. This compares with a fall of 7.2 per cent. during February and 4.9 per cent. during January, and is the smallest movement in any month since October last. The final index-number for last month is 32.3 per cent. below the figure for March 31, 1920, 33.4 per cent. below the high record of April last, and 108.5 per cent. above the average for 1913. In all the groups comprising the index-numbers the rate of movement showed a falling-off last month with the exception of Sugar, Coffee, and Tea, in which the percentage change was the same as in February. The most pronounced slackening occurred in the Foodstuffs category, where vegetable food showed not a decline, but an increase of 4.2 per cent. An analysis of the movements during the month is presented in the following table:—

	Mar. 31, 1921	Feb. 28, 1921	Mar. 31, 1920	June 30, 1914	+ or − Feb. 1921	% Mar. 1921 on − Mar. 1920	% Mar. 1921 on − June 1914
Veg. food ...	148·8	142·9	237·6	66·5	+ 4·2	−37·4	+123·7
Animal food ...	260·8	268·8	236·4	97·5	− 3·0	+10·4	+167·5
Sugar, coffee and tea	97·4	101·1	210·7	51·8	− 2·7	−53·8	+ 88·0
Foodstuffs ...	**179·2**	**180·3**	**231·5**	**74·8**	**− ·6**	**−22·6**	**+139·6**
Minerals	198·0	221·2	291·1	96·7	−10·5	−32·0	+104·7
Textiles	143·9	150·5	302·5	80·6	− 4·4	−52·4	+ 78·5
Sundries	184·5	187·0	266·9	82·5	− 1·3	−30·6	+123·7
Materials ...	**175·7**	**185·0**	**283·9**	**85·7**	**− 5·1**	**−38·1**	**+105·0**
Totals	**177·2**	**183·9**	**261·8**	**81·2**	**−3·2**	**−32·3**	**+118·2**

The cause of the rise in the vegetable-food group was an increase in the price of rice, English wheat, and oats. English barley and American maize show a moderate decline. The most notable recession took place again in the Minerals group, tin and the export price of coal being the chief commodities to show a decline. The downward movement in textiles was only 4.4 per cent., as compared with 9.4 per cent. during February. In this group middling American cotton showed an increase. Among sundry materials the movements were not very pronounced, but leather showed a substantial increase, while quotations for hides, tallow, and linseed, to mention the more important, were reduced.

A comparison of the latest index-number with previous monthly and annual figures is afforded by the following table:—

—*Annual Numbers*—		—*End-of Month Numbers*—			
Year					
1809 (Jevons'...	189	Dec. '14 ...	118·4	July '18 ...	192·9
1810 adjusted...	171	Jan. '16 ...	123·6	Aug. „ ...	195·6
1818 Figures]	159	Mar. „ ...	130·4	Nov. „ ...	195·3
1873	111	Oct. „ ...	141·5	Dec. „ ...	196·0
1880	88	Dec. „ ...	154·3	Jan. '19 ...	192·1
1896	61	Jan. '17 ...	159·3	Feb. „ ...	187·5
1911	80	Feb. „ ...	164·0	Mar. „ ...	184·7
1912-13-14 ...	85	April „ ...	173·0	May „ ...	194·6
1915	168	June „ ...	180·4	June „ ...	199·4
1916	136	Aug. „ ...	175·7	July „ ...	206·4
1917	175	Oct. „ ...	180·6	Aug. „ ...	212·7
1918	192	Dec. „ ...	185·1	Sept. „ ...	214·8
1919	206	Jan. '18 ...	186·2	Oct. „ ...	221·3
1920	251	Apr. „ ...	189·8	Nov. „ ...	231·0
June '14 ...	81·2	May „ ...	191·1	Dec. „ ...	235·2
				Jan. '20 ...	245·3
				Feb. „ ...	260·4
				Mar. „ ...	261·8
				April „ ...	266·1
				May „ ...	260·0
				June „ ...	255·7
				July „ ...	254·6
				Aug. „ ...	253·5
				Sept. „ ...	248·7
				Oct. „ ...	239·9
				Nov. „ ...	223·8
				Dec. „ ...	207·2
				Jan. '21 ...	197·2
				Feb. „ ...	1[illegible]
				Mar. „ ...	177·2

The usual table showing the course of prices in foreign countries is appended:—

INTERNATIONAL WHOLESALE PRICES

Published Index Numbers.

	U.K. (" Statist ")	America (Brad-street's)	Canada (Dept. of Labour)	Japan (Bank of Japan)	France (Stat. Gen.)	Italy (Prof. Bachi)	Sweden (Svensk Handels-tidning)
1913 ...	85·0	19·2115	135·5	132·2	116·6	126·0	—
1914 ...	83·0	8·9034	136·1	1[illegible]	117·9	119·[illegible]	116
1915 ...	108·0	9·8530	148·0	127·8	161·6	167·2	145
1916 ...	136·0	11·8237	182·0	154·9	217·6	253·5	187
1917 ...	175·0	15·6385	237·0	196·4	302·4	376·8	244
1918 ...	192·0	18·7117	278·3	259·0	392·1	515·5	339
1919 ...	206·0	18·6683	293·2	316·6	411·8	460·9	331
1920 ...	251·0	18·1679	333·7	341·2	588·8	786·7	347
1919							
June ...	199·4	18·8964	284·1	295·0	380·0	451·0	324
July ...	206·4	20·0017	294·0	319·0	403·0	456·6	320
Aug. ...	212·7	19·4720	301·1	324·0	401·7	465·5	321
Sept. ...	214·8	19·5215	301·5	332·0	415·9	468·3	319
Oct. ...	224·3	19·9026	299·6	352·1	441·1	492·0	307
Nov. ...	231·0	20·1756	307·7	370·2	428·5	552·9	308
Dec. ...	235·2	20·3638	322·7	381·5	488·6	576·2	317
1920							
Jan. ...	245·3	20·8690	336·4	397·9	562·7	639·[illegible]	319
Feb. ...	260·4	20·7950	343·5	413·8	603·3	701·2	34[illegible]
Mar. ...	261·8	20·7124	349·0	425·0	641·0	758·[illegible]	354
April ...	266·1	20·7341	353·1	396·6	679·2	830·[illegible]	354
May ...	260·0	19·8752	356·6	328·0	635·9	831·8	36[illegible]
June ...	255·7	19·3528	349·3	337·0	569·6	796·0	366
July ...	254·6	18·8273	346·8	317·0	572·9	761·3	36[illegible]
Aug. ...	253·5	17·9746	330·2	211·0	579·5	7[illegible]7·8	[illegible]65
Sept. ...	248·7	16·90 4	326·6	305·0	607·7	82[illegible]·9	362
Oct. ...	239·9	15·6750	317·6	298·5	680·0	8[illegible]·8	346
Nov. ...	223·8	13·6263	304·2	292·7	532·6	844·4	331
Dec. ...	207·2	12·6631	2[illegible]·5	272·0	502·6	825·8	289
1921							
Jan. ...	197·2	12·36[illegible]·9	281·3	26[illegible]·8	470·[illegible]	[illegible]69·5	[illegible]
Feb. ...	1[illegible]·0	11·8[illegible]·0	—	257·9	434·6	770·4	—
Mar. ...	177·2	—	—	—	—	—	—

Expressed as a Percentage of 1913

	United Kingdom	United States	Canada	Japan	France	Italy	Sweden*
1913 ...	100·0	100·0	100·0	100·0	100·0	100·0	—
1914 ...	100·0	96·7	100·4	95·5	102·0	95·1	116
1915 ...	127·1	107·0	109·2	96·7	139·8	132·6	145
1916 ...	160·0	128·4	134·4	117·2	187·0	201·2	185
1917 ...	205·9	170·0	174·9	148·5	261·6	299·0	244
1918 ...	225·9	203·2	205·4	195·9	339·2	409·1	339
1919 ...	242·4	202·7	216·4	239·5	355·6	365·8	331
1920 ...	295·3	197·2	246·2	257·9	509·3	624·3	347
1919							
June ...	235·0	205·2	209·7	223·1	329·0	358·0	324
July ...	242·8	217·2	217·0	241·3	349·0	362·4	320
Aug. ...	250·2	211·5	222·2	245·1	347·0	369·7	321
Sept. ...	252·7	211·9	222·5	251·1	359·8	371·6	319
Oct. ...	264·0	216·1	221·2	266·3	382·0	390·4	307
Nov. ...	272·0	219·0	227·1	280·0	405·0	438·7	308
Dec. ...	276·0	221·1	238·2	288·6	422·[illegible]	457·3	317
1920							
Jan. ...	288·0	226·6	248·2	301·1	486·9	507·[illegible]	319
Feb. ...	306·3	225·7	253·5	313·6	521·9	556·3	342
Mar. ...	308·0	224·9	257·5	321·5	554·5	60·0	354
April ...	313·1	225·1	260·6	300·0	587·5	66[illegible]·7	354
May ...	305·9	215·8	263·1	248·1	553·0	[illegible]·1	361
June ...	300·8	210·1	257·8	254·9	492·7	631·7	366
July ...	299·5	204·4	256·0	239·8	495·6	604·2	367
Aug. ...	298·2	195·1	243·7	235·3	501·3	625·2	365
Sept. ...	292·6	183·6	241·0	230·7	525·7	655·5	36[illegible]
Oct. ...	282·2	170·2	234·4	225·8	501·7	658·6	346
Nov. ...	263·3	147·9	224·6	221·4	460·7	670·1	33[illegible]
Dec. ...	243·5	137·5	214·4	205·7	434·[illegible]	685·4	299
1921							
Jan. ...	232·0	134·3	207·6	201·1	406·5	642·4	[illegible]
Feb. ...	215·8	128·8	—	195·1	375·9	631·4	—
Mar. ...	208·5	—	—	—	—	—	—

*Average for twelve months to June 1914 = 100.

SOUTH AND CENTRAL AMERICA.

WE regret that [illegible] to press [illegible] are compelled to hold over [illegible] above heading.—ED.

THE CONDITION OF THE IRISH EXPORT TRADE.

BANKERS' clearings for Dublin for the week ended March 12 totalled £7,880,000, a decrease of £2,366,000, or 16.6 per cent., compared with the corresponding week of last year. This illustrates the restricted volume of business passing in Ireland. In Great Britain the prevailing trade depression is mainly accountable for the reduction in the clearing returns from various centres, but, in addition to this factor, the explanation of the Irish position must also, unhappily, take cognisance of the political crisis. The latter, it will be remembered, did not develop in its most acute form until the middle of 1920. Its economic effect is somewhat difficult to assess, but, so far as the change in the Irish trade situation during a period of twelve months can be interpreted by a comparison of the export figures for the January of 1920 and 1921, the following table may be of some interest:—

Exports from Ireland.

(In tons, unless otherwise stated.)

	Jan. 1920	Jan. 1921	% Inc.(+) or Dec.(—) 1921 on 1920
Crop and Crop Products:			
Oats	14,335	3,082	— 78
Home-made spirits	3,658	3,998	+ 9
Stout, beer and porter	26,259	29,660	+ 11
Potatoes	34,646	12,912	— 62
Fruit	211	5	— 97
Hay	5,576	678	— 87
Grass seeds	3,585	2,598	— 27
Biscuits	1,368	813	— 40
Live-Stock and Live-Stock Products:			
Cattle (No.)	74,461	58,027	— 22
Milch cows (No.)	2,695	2,276	— 15
Butter	55	238	+332
Cheese	1,653	235	— 85
Margarine	685	188	— 72
Condensed milk	651	561	— 13
Sheep and Sheep Products:			
Sheep (No.)	29,639	13,643	— 46
Wool	309	92	— 70
Pigs and Pig Products:			
Fat pigs (No.)	19,884	15,713	— 20
Bacon and hams	4,874	5,363	+ 10
Lard	263	257	— 2
Poultry and Eggs:			
Poultry	1,138	1,060	— 6
Eggs (gt. hundreds)	394,534	396,873	+ 6

Attention will at once fasten on the nearly universal decline in exports that has taken place in most categories. Increases are only revealed by spirits; stout, beer, and porter; butter; bacon and hams and eggs. Of the twenty-one commodities tabled no less than fourteen bear the minus sign. Three very important items of the crop and crop products group—oats, potatoes, and hay—are down by seventy-eight, sixty-two, and eighty-seven per cent. respectively. Cattle, the leading Irish export, has fallen by twenty-two per cent., and sheep, wool, and fat pigs have declined by forty-six per cent., seventy per cent., and twenty per cent. respectively. Taking the comparison as it stands, the figures certainly do not convey a very cheerful impression. To explain them away by affirming that the home demand is absorbing more than heretofore would be inadmissible. One more or less general cause influencing the export of most of the commodities is the bad harvest of 1920. To this factor the decline in the quantity of oats and potatoes exported would be more or less directly assignable. Also, the lower stocks of feeding-stuffs in the hands of farmers would lead to reduction in the number of flocks and herds. Of very obvious bearing, however, on the curtailment of cattle, sheep and pig exports were the restrictions imposed last January as a result of the outbreak of foot-and-mouth disease. Such articles as biscuits, condensed milk, and margarine do not sell so readily in outside markets now as they did a year ago, when competition was not nearly so severe. By these means plausible reasons may be advanced for a decline in the Irish agricultural export trade, which, at first sight, must excite some feeling of dismay. The general insecurity, however, proceeding from the unsettled political situation cannot but act prejudicially on all classes of business, both rural and urban. Punitive measures, embracing the imposition of curfew restrictions, the closing down of markets and sections of railway lines, must have a disturbing effect on ordered lines of production, and, judging by the events of the past two months, there is, unfortunately, no reason to anticipate a change for the better in the near future. Presuming the failure of any attempt to negotiate a settlement between the Government and Sinn Fein, the outlook for the South of Ireland in particular is a deplorable one, and the state of trade, bad as it is at present, will be infinitely worse by Midsummer.

As a complement to the preceding table, showing the large reduction in exports between January 1920 and January 1921, it will be necessary to present a statement detailing the movement of prices in the principal items between the same periods. The particulars are taken from a return issued by the Department of Agriculture.

Average Prices of Agricultural Produce sold at Fairs and Markets in Ireland.

	Jan. 1920	Jan. 1921	% Inc.(+) or Dec. (—) 1921 on 1920
	s. d.	*s. d.*	
Oats, black, per cwt.	15 11	12 11	— 18
Oats, white ,,	17 2	14 1	— 17
Potatoes	8 7	7 11	— 7
Grass seed (perennial) per cwt.	23 4	13 0	— 44
Hay—first and second year's (per ton)	205 0	132 0	— 35
Meadow (per ton)	153 0	96 6	— 36
Cattle, store (per cwt.), live weight—one to two years—1st class	69 6	80 0	+ 15
Two to three years (per cwt.)—1st class	71 0	82 6	+ 16
Cattle, fat (per cwt.), live weight—heifers and bullocks—1st class	80 0	90 0	+ 12
Heifers and bullocks, 2nd class	78 0	86 0	+ 10
Cows and bulls	72 6	75 0	+ 3
Milch cows (down calved), 1st class, per head	850 9	980 4	+ 15
Farmers' butter, per cwt	310 0	319 6	+ 3
Fat sheep at Dublin Market, per cwt., live weight	91 6	106 3	+ 16
Wool, per lb.	2 3⅝	0 11⅝	— 59
Pork, per cwt.	163 9	(a)142 0	— 13
Eggs, per 120	48 2	34 10	— 27

(a) Control price.

Crop prices, it will be observed, have been in general marked down to a lower level. Oats have fallen by eighteen per cent., hay by thirty-five and thirty-six per cent., and grass seeds by forty-four per cent. The increased supplies of these commodities offering in the British market sensibly affected Irish market prices. Huge stocks of wool have accumulated in Great Britain and Australia during the past few years, and their disposal seems to depend on the economic reconstruction of Europe; the fall of fifty-nine per cent. in Irish market prices is not, therefore, a matter of wonderment. Pork and eggs have also moved downward, but, in compensation, advances are generally recorded through the "stock" group. Store cattle have increased by fifteen to sixteen per cent., fat cattle by ten to twelve per cent., and sheep by sixteen per cent. The upward trend in the prices of the latter items is, of course, a source of satisfaction to some Irish producers, but from the point of view of the country as a whole they afford little solace for the nearly all-round reduced volume of exports in January 1921.

Quin's Metal Handbook and Statistics, 1921. Price 5*s.* net. Compiled by L. H. Quin. (London: The Metal Information Bureau, Limited, 7 East India Avenue.)

THE GRAND TRUNK POSITION.

The affairs of the Grand Trunk Railway have recently been a source of extreme uneasiness in the Stock markets of the United Kingdom, and a statement of the position, as far as can be ascertained under the circumstances, will be of general interest. The Company and its subsidiaries are to be acquired by the Dominion Government, under agreement dated March 8, 1920, and ratified by the stockholders on February 19, 1920. The Bill confirming the ratification was signed by the Governor-General of Canada on May 11, 1920. The agreement guarantees in perpetuity the interest on the existing Debenture and Guaranteed stocks. A board of three arbitrators was formed, one member appointed by the Government, one by the railway, and the Chairman was, by mutual agreement, Sir Walter Cassels, Chief Justice of the Exchequer Court of Canada. The board of arbitrators is to determine what amount shall be awarded to the First, Second, and Third Preference and Consolidated stocks, such amount to be paid by exchanging for these stocks a non-voting Four per Cent. stock, guaranteed by the Dominion of Canada. The old and new Guaranteed stocks will be redeemable at par by the Government, in whole or in part, at any time after five years from the appointment of the Committee of Management, on six months' notice being given to the holders. The board and officers of the Company are to remain in possession and carry on the business of the Company until the award is given, but in order to ensure the operation of the system in harmony with the Canadian National Railways a Committee of Management was formed, consisting of two members appointed by the Canadian National Railways, two by the Grand Trunk Railway, and a fifth by the four already elected.

The award of the arbitrators is to be given within nine months from the date of their appointment, that is, during the current month, unless the time is extended by Order of the Governor in Council. The arbitration proceedings have, however, proceeded very slowly, the blame for which is not easily apportioned. The Grank Trunk, an essentially English Company, with a London Board, has at all times encountered a certain measure of hostility from various sections of the Canadian Government. In the whole sixty-eight years of its existence it has received only £3,000,000 (advanced over fifty years ago) from the Government, while the Canadian Pacific, in a period of about thirty years, obtained £70,000,000, in addition to £60,000,000 for the Canadian Northern, making about £130,000,000 in all. During the present arbitration proceedings the Government has been accused of being intent on driving a hard bargain with the Grand Trunk interests, in order to reduce the heavy deficit of the national lines. This view would seem to be borne out by the refusal of the Chairman of the Arbitration Board to accept expert evidence regarding the actual physical and reproductive value of the property, on the plea that the earning capacity and value of the line as a going concern is a complete measure of the necessary award. To base the value of a railway on its earning capacity, which is limited by statute, seems hardly defensible, but final criticism of the dictum must, of course, be postponed till complete details come to hand. It does not seem possible for the Company to complete its case during the current month, but Mr. Meighan, the Prime Minister, speaking in the Dominion House of Commons on April 5, stated that the Government had declined to extend the time for the conclusion of arbitration unless the transfer of the road to the Government were made within the period specified in the original agreement. This course was taken, he said, in view of the dilatoriness of the Company in preparing and presenting its case, and of the probability of further heavy demands on the Government for financing the railroad after it takes possession. The speaker also made it clear that no more financial assistance would be given to the railway while the Grand Trunk board of directors remain in possession. The suggestion that the Grand Trunk will require heavy capital expenditure this year has created a mass of Canadian opinion in favour of complete abandonment of the purchase scheme, despite the embodiment of the latter in an Act of Parliament. The uncertain outlook, accompanied by the inevitable rumours of the last few months, has reacted strongly on the values of the Company's stocks, and the position is such at present as to render imperative an immediate and complete official statement.

The latest development is the non-payment of interest due on April 1 on the Grand Trunk Six per Cent. Secured Notes and the Four per Cent. Grand Trunk Pacific Lake Superior Bonds, Mountain Bonds, and Prairie Bonds. The Grand Trunk Pacific securities are conditionally guaranteed by the parent Company, and as the Government has hitherto met the interest on the direct Grand Trunk liabilities other than the Debenture and Guaranteed stocks specified in the agreement, its failure to meet the Company's indirect liabilities has come as a surprise to London financial circles. It is difficult to believe that the Canadian Government would allow the cross-currents of domestic politics to interfere with its financial credit abroad, especially as it is likely to remain for many years a borrower from this country. The present policy, if rightly understood here, is grossly unfair to investors, and must in the long run react prejudicially to its initiators.

NEW ZEALAND BANKING.

The increased demand for money which became apparent during the third quarter of 1920 continued to an even greater extent during the last quarter of the year, and the excess of deposits over advances was reduced from over fourteen to less than two million pounds. This is a remarkable change from the position during the early part of 1920, when the restriction of importation in the past and the high prices obtained for produce had resulted in an excess of deposits over advances of more than nineteen millions. His Majesty's Trade Commissioner for New Zealand draws attention to the fact that prior to the War it sometimes happened at this time of the year that deposits were actually less than advances, as was the case in 1914, and it will be seen, therefore, that the present position is approaching more to normal and is not so disquieting as would at first appear. The following table shows the amounts of deposits and advances for the various quarters of 1920, together with comparative data for 1914, 1918, and 1919:—

	Deposits £	Advances £	Excess of Deposits £
1914 ...	24,403,109	24,932,869	529,709*
1918 ..	35,003,845	33,073,061	1,930,784
1919 .	45,569,976	32,106,755	13,463,221
1920—March	50,665,091	32,042,043	18,623,048
.. June	54,598,092	34,789,581	19,808,511
.. September	53,131,692	39,017,808	14,113,884
.. December	48,956,888	47,088,292	1,868,596

* Excess of advances.

After pointing out the more normal relationship of deposits to advances, as compared with the heavy surplus of funds of a year ago, the *New Zealand Times* comments on the present position as follows:—"A lot depends on imports in the near future not being so heavy as recently and on our exports realising good prices. . . . Importation during the past year has been excessive, while, so far, there has not been very much of the new season's produce shipped to create the funds in London to meet payments for these imports. Dairy produce is in an excellent position and the prospect for meat is looking a little brighter, but the Wool market is not favourable at present, and much depends on an early improvement in this. A decided reduction in importation is greatly needed also to improve monetary conditions. Money con-

ditions are not of the best at present, but we see no cause for apprehension and are confident that matters will right themselves before very long. In the meantime a measure of caution must be exercised and increased production aimed at."

The banking returns for the past quarter show the following figures, to which have been added the corresponding figures for the September quarter for purposes of comparison:—

	Sept. 1920	Dec. 1920
	£	£
Government Securities ...	6,208,623	6,422,574
Note Circulation	7,617,298	8,252,339
Coin and Bullion	7,710,616	7,657,091

With regard to the increase of £635,041 in the note circulation, it is stated that £178,000 of this is in the amount held by the banks themselves.

MONTHLY BANK STATEMENTS.

THE ten London clearing banks whose weekly average liabilities and assets for the month of March we publish below present collectively and individually the feature of a continued shrinkage in balance-sheet totals, which at £1,948,339,000 compare with £1,995,879,000 for February. Without exception, each institution reports a downward movement in the aggregate of its current, deposit, and other accounts, while generally reduced liabilities on acceptances and endorsements on the one hand, and materially smaller holdings of bills on the other, point, as do the clearing-house returns, coupled with the extending area of unemployment, to a slowing down of the wheels of industry and commerce. The significance of the reductions in banking figures to which we have referred is in no way lessened by the upward movement in advances to customers and other accounts. In relation to the deposits, the cash holdings and Bank of England balances of £195,486,000, or 11.1 per cent., fully maintain their former measure of strength.

March Averages.
(000's omitted)

	Current, Deposit & other Accts.	Cash in Hand & with Bank of Eng.*	Bills Discounted*	Advances*
	£	£	£	£
Bank of Liverpool & Martins	78,835	8,550	7,958	43,156
		(10·8)	(10·1)	(54·6)
Barclays Bank	319,699	31,619	58,274	158,436
		(9·9)	(18·2)	(49·5)
Coutts and Co.	19,414	1,492	4,449	7,096
		(7·7)	(22·9)	(36·5)
Glyn, Mills, Currie and Co....	21,489	2,431	1,012	8,611
		(11·3)	(4·7)	(40·1)
Lloyds Bank	322,180	33,861	65,685	144,527
		(10·5)	(20·4)	(44·8)
London County Westminster and Parr's...	304,172	30,455	63,645	139,937
		(10·0)	(20·9)	(46·0)
London Joint City and Midland	351,920	52,358	43,625	193,023
		(14·9)	(12.4)	(54·9)
National Bank†	41,539	5,081	3,731	17,600
		(12·3)	(8·0)	(42·4)
National Provincial and Union	264,606	26,099	35,023	145,927
		(9·9)	(13·3)	(55·3)
Williams Deacon's	33,241	3,729	2,417	21,943
		(11·2)	(7·3)	(66·0)
Total, 10 Banks... ...	1,756,495	195,486	285,419	880,159
		(11·1)	(16·2)	(50·1)

* The figures given below the tabulated assets represent percentages of the current, deposit and other accounts. † Period: 4 weeks to March 19.

Commencing with the figures in respect of the current month, the customary particulars will in future be circulated through the medium of the London Clearing House. A curious feature of the balance sheets as hitherto supplied is the varied wording applied to statements resulting from what are presumably identical processes.

Statistics and their Application to Commerce. By A. Lester Boddington. Price 12*s.* 6*d.* (London: H. Foulks, Lynch and Company, 17 Ironmonger Lane, E.C. 2.) Prepared to meet the requirements of business men and to promote interest in the maintenance and use of statistical records in commercial undertakings so that they may form part of the machinery of scientific management.

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Reserve Fund, Y. 9,680,000.

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London Office .. 58 OLD BROAD ST., E.C. 2.

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The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Railway Fusion Terms.

FOR many years past the interests of the London and North Western and the Lancashire and Yorkshire Railway Companies have been very closely allied. As far back as 1873 proposals were made for a formal amalgamation, but Parliament refused its sanction. Closer working was, however, to some extent obtained by means of various arrangements for pooling competitive traffic, the last agreement having been entered into by the two companies in 1909 for a period of not less than 100 years. The financial details of the recently announced fusion are now to hand. The terms of the agreement, which will be subject to the approval of the shareholders and to obtaining from Parliament the necessary sanction, are that the stockholders of the Lancashire and Yorkshire Railway shall receive in exchange for their holdings London and North Western stock as follows:—

L. and Y. Stock	£	*L. and N.-W. Stock* issued in exchange.	£	*s*
3% Debenture... ...	100	3% Debenture ...	100	0
6% Minimum Pref. ...	100	4% Guar., £150, plus £6 5*s.* for surrender of contingent rights	156	5
4½% Minimum Pref. ..	100	4% Guar. £112 10*s.*, plus £12 10*s.* for surrender of contingent rights ...	125	0
4% Guar.	100	4% Guar.	100	0
3% Pref.	100	4% Pref.	75	0
4% Pref. (1903) ...	100	4% Pref. (1902) ...	100	0
4% Pref. (1908) ...	100	4% Pref. (1902) ...	100	0
5% Red. Pref. ...	100	5% Red. Pref. ...	100	0
Ordinary	100	Ordinary	73	0

The yields in interest and dividend on the prior charges will be the same as before, except that the Minimum Preference holders obtain in each case a slight increase for the surrender of their contingent rights. The Lancashire and Yorkshire Six per Cent. Minimum stock is entitled to rank with the Ordinary in any dividend exceeding six per cent., and the Four and a-Half per Cent. has a similar right, when the Ordinary dividend exceeds four and a-half per cent. Such rights have not materialised in increased dividends for over twenty years, and the present exchange is, therefore, all the more welcome to holders. An income of £180 per annum from the Minimum Six per Cents. will be increased to £187 10*s.* and from the Four and a-Half per Cents. to £200. For each £100 of Lancashire and Yorkshire Ordinary stock surrendered £73 of London and North Western Ordinary stock will be issued. On the basis of the current dividend of the latter this would be equivalent to five and a-half per cent., or one per cent. more than the Lancashire and Yorkshire dividend.

Financial Conditions in Japan.

Although the payment of instalments on the newly issued Government bonds did not seriously affect the Money market, the demand for money for the settlement of monthly deliveries at the Stock Exchange, together with the ingathering of revenue and window-dressing operations on the part of financial institutions, made the short-loan market very active

during the second half of March. This activity led to the withdrawal on a large scale of deposits from the Bank of Japan. On the Stock Exchange lower prices encouraged a number of purchases, and it is thought that there will be no more liquidations on a large scale. The fluctuations in price have become less violent, and the market is more stabilised. The prices of raw cotton and silver are now firmer, and this factor, combined with the gradual decrease in stocks, has brought about a slight recovery in the Cotton-yarn market. As regards coal, colliery owners have decided to decrease the output of coal by seventeen per cent. for one year, commencing May 1. The Silk market showed a state of confidence on account of the Teiko ku Sanshi Kaisha Compensation Bill being passed by the National Diet. The buying orders from American quarters were well maintained, and the restriction on the consignment of silk was repealed from April 1, owing to the stocks being somewhat decreased.

Mexican Eagle Oil Output.

A month ago the rumour spread broadcast that salt water was appearing in large quantities in the Mexican oilfields, and by force of repetition the idea began to gain ground that producers operating in this region would find themselves severely handicapped in future. The scare caught hold to such an extent that prices in the Share market began to react rather wildly. Mexican Eagle shares bore the brunt of the attack; but the Company, confident of its position, paid no heed to the rumour until circularised by a representative group of stockbrokers. Departing then from their recognised practice of ignoring all rumours of this description, the Company stated that no ground existed for the relapse in prices; that what was causing them anxiety was not the appearance of salt water, which after all was the inevitable experience of all oilfields in this area, but the problem of providing sufficient pipe lines to deal with the available production of oil. Confirmation of this statement is now to hand in the return of the shipments of oil for February, which amounted to the record total of 2,339,922 barrels, or an increase of nearly 100,000 barrels over the figure of 2,243,403 barrels for the longer month of January. This return of a larger and not a smaller output should serve to reassure such as are still influenced by this rumour. For the eight months ended February 28, 1921, the shipments of oil by this famous producer have exceeded 16,500,000 barrels, as compared with 9,150,000 barrels for the corresponding period of 1919-20. Thus the outlook for the current year is very promising. So far only an interim dividend of five per cent. has been declared; whereas in 1919-20 a total of sixty per cent. was paid. Allowing for the fact that the capital was increased by one-half during the year as a result of the issue of one share at par for every two held, a dividend of forty per cent. for the year would absorb the same amount as in 1919-20. At the existing low price of 5$\frac{13}{32}$ a final dividend of thirty-five per cent., on this assumption, would afford a yield of nearly six and a-half per cent. But this makes no allowance for the increased shipments recorded above; whilst the future prospects of this producer leave ample room for capital appreciation.

Commisssion on Waterways

The Commission on Navigable Waterways, sitting in Barcelona, in connection with the Communications Conference, has adopted a certain number of stipulations regarding the liberty of navigation on waterways of international interest. It will finally decide whether it is suitable, and to what extent, to apply these stipulations to waterways of national interest. The contracting parties will allow free navigation to ships bearing flags of any of the other contracting parties. The subjects, goods, and flags of States adhering to the Convention will in every respect be treated upon an equal footing. No exclusive privilege of navigation will be granted to societies or private individuals. Under certain guarantees the sea flags of ships and vessels of all the States which adhere to the Convention, even if they possess no sea coast, will be recognised by the parties to the agreement. It is understood that the rights possessed at present by contracting States in respect of measures necessary for the general policing of territory, of the application of laws and rules concerning Customs, health, emigration, immigration, and imports or exports of forbidden merchandise, will be reserved. The said measures will be applied on a footing of complete equality among the different contracting parties, including the country which adopts them, and, without due cause, they should not hamper the freedom of navigation.

—and Railways.

A Special Commission of the Conference of Communications and Transit is drawing up a Convention on the international *régime* of railways. The Convention on the liberty of transit, which has been adopted by the Conference, already deals with a certain number of questions regarding the method of utilising and working railways, but the principle of the liberty of communication, such as is laid down in Article 23 of the Covenant, demands that the stipulations shall be completed in such a way that each State shall be able to find all necessary facilities on the railways of other States. The delegates to the Commission have already come to an agreement on several important points. They have decided that the contracting parties shall agree to recognise as highly desirable the adoption of any suitable measure to facilitate the international transport of goods, notably direct transport on the basis of a uniform bill of lading, the treatment of goods in transit, the method of establishing international tariffs, and the conditions of their application. The same applies to the adoption of measures designed to facilitate the international transport of travellers and of their luggage.

Cotton Stocks and Supplies.

The decline in cotton values, which has been proceeding steadily since the early part of last year, has not been checked, and the large yield of the last crop in the United States has favoured lower price levels. Stocks (in bales) in the United Kingdom and the Continent have fallen off, as is shown by the following table relating to the 1st inst., compiled from data supplied by the Liverpool Cotton Owners' Association:

Stocks of Cotton.

	Great Britain		Continent	
	1921	1920	1921	1920
American	702,050	1,066,530	489,920	494,660
Brazilian	38,040	46,570	—	
Egyptian	0, 20	47,320	7,190	25,050
Peruvian	164,170	78,510	26,720	45,980
West Indian, &c.	10,560	5,720		
African	54,320	23,280	31,550	19,490
East Indian, &c.	81,580	56,150		
	1,111,140	1,304,080	555,080	605,180

Coincident with this decline there has been a rise in the world's visible supplies, the totals for the various classes of cotton on the 1st inst. being—American 4,382,970 bales, Egyptian 300,910 bales, East Indian 160,130 bales, other descriptions 352,810 bales; grand total 5,196,820 bales. On April 2, 1920, the figures were—American 4,527,160 bales, Egyptian 237,900 bales, East Indian 169,640 bales, other descriptions 220,040 bales; grand total 5,154,230 bales. The increase is not large, and the present distribution of the visible supply, taking into account the amount afloat, is set forth in the annexed table:—

Visible Supply, April 1, 1921.

	American				
Stock—Liverpool ...	613,10				
Stock—Manchester ...	8,870				
Stock—London					
Afloat—Great Britain ...					
Total Great Britain					
Stock—Continent ...					
Afloat—Continent ...			38,000		
Total Continent ...					
Stock—Egypt, Bombay, Havre, Alexandria					
Grand Total ...					

South African Budget.

According to an interesting cable received from the Head Office of the National Bank of South Africa, at the opening of Parliament His Royal Highness the Governor-General in his Speech from the Throne stated that the financial position in the Union, despite general soundness, was becoming difficult, ordinary sources of public revenues being materially affected. Under these circumstances Ministers propose to concentrate attention on measures necessary to cope with the financial and economic situation and unemployment. Care is to be given to safeguarding some of the local industries against unfair competition from overseas. Ministers will submit proposals with reference to continuance or otherwise, and necessary modifications concerning, emergency measures passed last session dealing with rents, profiteering, speculation in foodstuffs, and other matters bearing on the cost of living. In presenting supplementary estimates for the current financial year the Minister of Finance required an additional vote of £1,500,000, the deficit being £700,000. Customs revenue showed an increase of £2,000,000, Excise a decrease of £298,000, Posts and Telegraphs a decrease of £174,000. Last week interest was centred on railway finances, the total accumulated deficit since 1917-18 at March 31 being £2,140,000, which the Minister of Railways admitted was profoundly unsatisfactory, and added it was now impossible for the Government to contemplate the introduction of large railway extension schemes involving heavy additions to capital expenditure, seeing that the railways to-day were not paying interest on that already incurred. The Unemployment Commission now sitting in Cape Town has placed an interim report in the hands of the Government. The contents have not yet been published. Indications are that unemployment is steadily increasing.

For the twelve months ended last December imports reached £107,502,039, compared with £54,790,390 in 1919. Principal items are:—

	£		£
Apparel and slops ...	7,896,000	compared with	3,132,000
Cotton manufactures ...	10,695,000	,, ,,	6,220,000
Food and drink ...	13,332,000	,, ,,	4,920,000
Haberdashery and millinery	2,098,000	,, ,,	1 214,000
Hardware and cutlery	4,560,000	,, ,,	2,270,000
Iron and steel manufactures	4,338,000	,, ,,	2,174,000
Boots and shoes ...	3.300,000	,, ,,	1,471,000
Motor-cars	2,941,000	,, ,,	1,107,000
Woollen manufactures	2,856,000	,, ,,	979,000

Proportion of British Imports, £51,374,443, or 54·2%, compared with 45·3% last year.

Other British Possessions, £10,654,334, or 11·2% compared with 15%.

Foreign Countries, £32,834,753, or 34·6% compared with 39·7%

Grand Total of Exports, including Gold and Specie, £86,058,997, compared with £103,390,573 in 1919.

Overseas cargoes landed show an increase of 879,413 tons over 1919, and cargoes shipped an increase of 110,740 tons. Total imports from the United States were valued at £17,311,535.

Finnish Budget.

The Budget for 1921 reaches Fmk. 2,239,104,405. There is a deficit of Fmk. 7,957,755, which will be covered from the surplus of last year, which is estimated by the Treasury at 120 millions. The matter will receive the consideration of the Diet, which opens its ordinary session for the current year on March 30. Discussions regarding the conclusion of a Commercial Treaty between Finland and Esthonia are proceeding at Helsingfors. Esthonia is represented by the former Esthonian Foreign Minister, M. A. Birk, who is assisted by MM. Mickwits and Holst as experts. Finland is represented by M. L. Astrüm, the chief of the Commercial Branch of the Ministry of Foreign Affairs, and by the Finnish Consul in Esthonia.

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American Topics.

TARIFF POLICY AND AMERICA'S FOREIGN TRADE.

THERE appeared in the March issue of the *Bankers' Magazine* published in New York, two separate articles which, in a sense, deal with the same subject. One is on the tariff policy likely to be adopted by President Harding's Administration, and the other on the financing of America's foreign trade with those countries of Europe whose credit has fallen so low that they are no longer in a position to finance their own trade. Both articles constitute a well-thought-out contribution on the American economic position as it exists at the present time. On the tariff question the writer takes the reasonable view which we have expressed from time to time in these columns when writing on the trade of the United States, that the effect of the War has been, not merely to alter, but to completely change the relative position of the United States to other countries with regard to imports and exports. The question of financing America's share in the foreign trade of those countries which are unable to finance themselves should be dealt with primarily by the traders and financiers interested. The great defect of nearly all proposals put before the public with a view to assisting the devastated countries of Europe in reconstituting their trade is that the burden, in the last resort, shall always be borne by the taxpayer of the financing country. The taxpayer, as a taxpayer, is neither a trader nor a financier; and, consequently, if any profit results from the resumption of trade between any country capable of financing the trade of a particular country not so capable, the taxpayer has no reasonable chance of any direct benefit. Nearly all the proposals made in the United States, as well as in this country, have the glaring defect that they say, in effect, to the taxpayer, "Heads I win, tails you lose." It may be argued, and in fact is argued, that the countries most in need of assistance are those which, assuming that their trade can be reconstructed, are producers of food and raw materials. Consequently, although the taxpayer may have no real chance of benefiting directly in the sense of obtaining profit, if there is any from a particular transaction, the country in which he lives benefits as a whole because it receives increased supplies of food and raw materials at present

so urgently needed, and naturally upon a lower economic basis of values than it is receiving them at the present time. In other words, the proposers of most of the schemes now before the public answer our criticism by saying that, even if we admit that the taxpayer has no reasonable chance of obtaining direct benefit for his outlay, indirectly he receives an enormous benefit in the form of a steadily decreasing cost of living, which is brought about for him by the traders and financiers at the cost of increasing his burdens as a taxpayer. Now, it has to be borne in mind that taxation in most countries, and particularly in England, is extravagantly high, and no increased burdens can be regarded as merely nominal. The real answer, however, to the contention underlying most of these proposals is that a trade involving such tremendous risks that neither traders nor financiers who really understand what they are doing can be found to undertake such risks unless they are guaranteed against loss by the taxpayer, is a trade the prospects of success in which are highly problematical. The taxpayer's burden is certain; but that a trade requiring such support will reduce his cost of living within any reasonable time is extremely doubtful. A system by which the taxpayer is to bear the burdens which the boldest and most expert traders are unwilling to face has all the disadvantages of protection without any of its advantages. Protection spends public money for the purpose of bolstering up a trade which could be more economically carried on by foreigners. But at least that public money is spent in the Protectionist country. A system whereby the taxpayer is asked to find large sums of money to reconstruct an industry in a foreign country incapable of assisting itself demands the spending of that money outside the country financing the trade in the hope that at some problematical date in the future the cost of living in the financing country may ultimately be reduced.

We return now to the question of the tariff policy about to be adopted by the United States Government. It will be remembered that until about a generation ago the United States, like South America at present, lived almost wholly on the production of food and raw materials. Unfortunately, this country primarily assisted the development of too many new countries at the same time, with the result that neither food nor raw materials could be produced for the consuming markets of the world at a profit. Fearing that the United States was in danger of industrial collapse, her Government decided to adopt a policy which would give her two strings to her bow. She produced, and still continues to produce, food and raw materials upon a great scale. In addition, she decided to build up, and has maintained, a great manufacturing industry besides a world-wide foreign trade. It is now estimated that two-thirds of her production is consumed within her own borders, and the remaining third, if the present basis of production is to be maintained, must find markets overseas. Now, up to the outbreak of the recent War the United States owed very large sums to Europe, and particularly to this country. No way was more convenient to pay the interest on her debts than by sending the bulk of that surplus produce to Europe. The result, however, of the War has been that instead of the United States being each year under the necessity of sending large quantities of produce abroad to meet her obligations in foreign countries, she is herself now entitled to receive immense sums each year in payment of debts which foreign countries have incurred to the United States during the progress of the recent War. The interest upon the British debt alone in the United States—which, by the way, does not begin to be paid until next year—amounts to £50,000,000 sterling. Altogether, as we have often repeated, other countries at the present time owe the United States, in round figures, some £2,000,000,000. Now a system devised to meet the exigencies of a case when the United States was a debtor can hardly be expected to work smoothly when that debtor has become a creditor. Instead of the United States owing money abroad, foreign countries owe money to the United States. The United States may, if she likes, cancel those debts; but she is hardly likely to play the philanthropist to that extent, nor would it be sound policy for her to do so. The money was raised in the United States as a loan, and never was intended as a subscription by the United States to the cost of the War. Now it is perfectly evident that, even if we assume that Europe will gradually recover from the effects of the late War, it will not be possible in any time that we can contemplate for the various countries of Europe which owe money to the United States to charter a ship loaded with £2,000,000,000 in gold to pay off the debt. England alone, which has come out of the War in a sounder economic position than probably any other country in Europe, could not contemplate in the life of many generations the payment even of her share of the debt by means of gold shipments. How can the various countries of Europe pay those debts? When the United States owed money to us in the period that preceded the outbreak of the recent War, how did she pay, first, the interest and, then, a large part of the capital? By sending produce. She sent us wheat, meat, cotton, tobacco and certain manufactured goods. It is equally certain that neither we ourselves, nor any other of the countries of Europe can hope to repay the money due to the United States except by sending such produce as we have, and by rendering such services as we are able. If the United States Government were to contemplate the erection of such a tariff wall as would permanently cut out European goods, and the passing of such legislation as would prevent us from rendering services she might, indeed, contemplate cancellation of the debts for, as far as we can see, no other means exist whereby we could hope to pay them, or even begin to pay them, within the lifetime even of the youngest amongst us.

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Rubber Topics.

UNITED SERDANG.

THE report presented by the United Serdang (Sumatra) Rubber Plantations for the year ended August 31, 1920, possesses more than one feature of exceptional interest. The pertinent figures as regards production and the financial results have been embodied in the following table in conjunction with those of previous years:

	Years ended August 31—				
	1920	1919	1918	1917	1916
	Acres	Acres	Acres	Acres	Acres
Area suitable for rubber ...	14,140	14,140	14,140¼	14,140½	14,140½
Planted area	11,191	11,191	10,691½	9,750½	9,640½
Average acreage tapped ...	9,640	9,547	8,294½	8,887½	8,106
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output ...	3,789,951	3,084,945	2,678,564	3,269,210	3,028,524
Yield per acre tapped ...	393	321	323	368	373
Gross price realised per lb.	2 0½	1,10½	2.1	2 7 32	2,5 33
"All-in" cost per lb. ...	1/6½	1/3	1/7·16	1 3 96	1 0·6
Profit per lb...	-/6½	-/7½	-/6·84	1/3·36	1/4·73
	£	£	£	£	£
Value of rubber†	386,649	297,099	285,172	402,032	356,488
Total revenue expenditure...	287,514	192,272	214,050	192,636	147,001
Net profit	99,135	104,827	71,122	209,396	209,477
Sundry receipts	2,390b	23,292a	5,756	6,950	3,989
Brought forward	31,660	25,843	34,040	20,353	51,077
Total available	133,185	153,962	110,919	236,699	264,543
Allocations—					
Transferred to reserve ...	21,532	10,000	10,000	10,000	—
Dividends paid	25,000 (5%)	100,000 (40%)	50,000 (20%)	100,000 (40%)	112,500 (45%)
Excess profits tax ...	3,300c	12,302	Nil	92,659	131,690
Carry-forward	83,353	31,660	25,918	34,040	20,353
Net capital expenditure ...	15,322	11,835	18,172	28,402	3,285
Issued capital (2s. shares)...	500,000	250,000	250,000	250,000	250,000
Surplus liquid assets ...	37,798	1,162	2,871*	4,763‡	12,071‡

* Excess of current liabilities after allowing for final dividend payment.
† Including gains on revaluation for previous year's stock in excess of valuation.
‡ After allowing for final dividend and excess profits duty.
(*a*) Including £20,393 of excess profits duty refunded.
(*b*) After deducting £2,455 loss on realisation of War loan.
(*c*) Corporation profits tax only.

Price of Shares, 2/10. Market capitalisation, £63 per planted acre.

The output of 3,789,951 lb. was not only considerably larger than the crop of 1918-19, but exceeded the original estimate by nearly 424,000 lb. Garnered from a mature area of 9,640 acres, this substantial crop was equivalent to the satisfactory yield of 393 lb. per acre in bearing, as against 321 lb. in the previous year and 373 lb. in 1915-16. The usual sequence of this growth in the crop harvested—a reduction in the cost of production per lb.—is not, however, recorded. On the contrary, the f.o.b. cost, excluding loss on exchange, has risen from 1*s.* 0.86*d.* per lb. to 1*s.* 2.22*d.* per lb.; whilst the "all-in" cost works out at 1*s.* 6¼*d.*, as compared with 1*s.* 3*d.* in 1918-19. This unsatisfactory feature is mainly the outcome of forces outside the direct control of the Company. An adverse exchange rate imposed a burden equivalent to an additional charge of 2.24*d.* per lb. An abnormally high price for rice was responsible for an increase of 3.29*d.* per lb.; whilst a further addition was rendered inevitable owing to the higher wages paid to the native labour force, especially during the latter half of the year. As a result largely of this latter factor the cost of weeding the estate rose from 7.30*d.* per acre to 9.17*d.* per acre. However, this advance in the "all-in" cost was in part counterbalanced by the better price secured by the sale of the crop, the average gross price reaching 2*s.* 0½*d.* per lb., as against 1*s.* 10½*d.* per lb. in 1918-19. Accordingly the profit per lb. only dropped from 7½*d.* to 6½*d.*, and being earned on a larger crop resulted in a total of £99,135, which compares favourably with the return of £104,827 for the previous year. A loss of £2,455 on the realisation of War Loan stock reduced the sundry receipts to £2,390, whilst the charge of £12,302 for excess profits duty in respect of 1918-19 reduced the amount finally brought forward from the previous accounts to £31,660. The transfer of £21,532 covers two allocations: an addition of £20,000 to the income-tax reserve and the writing off the expenses of £1,532 on the issue of bonus shares. Corporation profits tax claims £3,300, and although the liability in respect of excess profits duty has not yet been determined, it is understood that the liability will not exceed £5,200. Dividends paid to shareholders absorbed £25,000, and being paid on the increased capital of £500,000 were equivalent to a rate of five per cent. Allowing, however, for the bonus issue of share for share made during the year, the rate is ten per cent., as against forty per cent. in 1918-19. Owing to the heavy depression in the rubber industry, the directors wisely decided to refrain from declaring any final dividend, the substantial balance of £83,353 being carried forward to the next accounts, subject to the above liability for excess profits duty and to any charge that may be incurred under the West-Indies War profits tax.

The serious slump in the price of rubber since the close of the period under review renders the outlook for the current year distinctly gloomy. With rubber falling as low as 10*d.* per lb., and not rising above 1*s.* 2*d.* per lb., companies producing at an "all-in" cost as high as 1*s.* 6*d.* per lb. are face to face with a heavy loss. In this case it is frankly admitted that a further increase in this rather high figure must be anticipated in view of the rise in native wages since last November and the continuance of the loss on rice, which is expected to last for the greater part of the current year, as well as the natural increase which follows the reduction in output by twenty-five per cent. since November. It is believed, however, that the loss on rice, which averages 3*d.* per lb., will cease after June, and this will afford a much-needed relief. The loss on exchange will not be so heavy a burden, as the pound sterling has appreciated considerably in terms of the Dutch florin during the year. In view of the twenty-five per cent. restriction the estimate of the crop for the current year has been reduced from 3,750,000 lb. to 3,067,500 lb., of which 1,685,433 lb. have been harvested during the first six months. It is satisfactory to note that 308,264 lb. have been sold forward at the profitable net price of 1*s.* 9½*d.* per lb. In the absence, however, of other similar contracts, it looks as if a loss on the current crop can scarcely be avoided. Financially the Company is in a sound position, its surplus of liquid assets on August 31, 1920, amounting to £37,798. In common with other producers, it is in urgent need of liquid capital to meet the necessary capital expenditure, which is estimated at £29,000 for the current year. Moreover, the estate account at the end of the year exceeded even the increased capital by £26,000. Accordingly, an issue of 100,000 shares of 2*s.* each at par is being offered to existing shareholders in the ratio of one share for every five shares held. At the existing market price of 2*s.* 10*d.* this offer contains a bonus, and shareholders would be well advised to take up their proportion of shares. The progress of the Company as a dividend-payer in the past has been undoubtedly satisfactory, and there is every reason for believing that the return to the shareholders in the future, once the existing depression is overcome, will be no less remunerative. Moreover, in the past, especially since 1914, the Company has been heavily handicapped by the now defunct excess profits duty. By an unfortunate coincidence, the last year for which the Company was liable under this impost was the year under review. Consequently,

no redress can be expected in the current year against the anticipated loss. Yet once conditions have become more normal, the absence of this burden will enable the Company to be more generous in its distributions to shareholders. The funds from this issue will enable the Company to retain its stock of rubber instead of sacrificing it at the present knock-out prices. Moreover, as the Chairman pointed out at the general meeting, if visible stocks of the commodity are accumulating in London as a result of the depression, it is no less certain that invisible stocks, both of raw rubber and of manufactured articles in the possession of retailers, are being steadily reduced. Consequently, once a revival of trade sets in, the replenishing of stocks will become a matter of vital necessity. Thus, taking the long view, there is no reason for being unduly pessimistic as regards the future of the rubber industry in general, and of United Serdang in particular. It may be noted in passing that, at the existing quotation of 2*s.* 10*d.* for the 2*s.* shares, the market capitalisation per acre is as low as £63, thus leaving ample room for capital appreciation.

TAMIANG ESTATES (SUMATRA).

Issued Capital: £200,000, in Shares of £1 each.

Results for Years to September 30									
				Av. Yield per				Dividend	
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Amt. £	%
1916–17	2,675	2,500	782,063	328	2 6·1	1/2¼‡	44,154	24,970	17½†
1917–18	3,981	2,500	758,6 5	302	1 6½‡	—	8,618	—	Nil
1918–19	3,9?2	2,612	867,?89	332	1/9·30*	1/0·85	31,5?9	23,001	15†
1919–20	4,926	2,601	1,027,245	395	1/5·47*	1/6·10	695	—	—

* Net price. † Free of tax. ‡ Exclusive of selling charges.

Price of Shares, 20/. Market Capitalisation per planted acre, £50.

The report of Tamiang Rubber Estates for the year ended September 30, 1920, reflects many of the difficulties which rubber producers in general had to experience in the critical period through which the rubber industry is now passing. There was a considerable expansion in the crop harvested, the total reaching 1,027,245 lb., as compared with 867,889 lb. in the previous year. With 2,601 acres in bearing this corresponded to the satisfactory average return of 395 lb. per bearing acre. So far, so good. But now the difficulties of the year begin to appear. Notwithstanding the fact that over 650,000 lb. of the crop were disposed of at an average price of nearly 1*s.* 10½*d.*, the average price realised by the whole crop works out only at 1*s.* 5.47*d.* per lb., as against 1*s.* 9.30*d.* per lb. in 1918-19. The explanation resides in the fact that owing to the serious depression in the commodity market since the autumn of 1920 it was considered advisable to include the balance of the crop in the accounts at the remarkably low price of 8.67*d.* per lb.; whereas in the previous year rubber in stock had been valued at 2*s.* 2*d.* This drop in the average net sale price was regrettable; but unfortunately it coincided with a more pronounced expansion in the "all-in" cost, which works out at 1*s.* 6.10*d.* per lb., as against 1*s.* 0.85*d.* per lb. in the previous year. Hence, depite the marked growth in the quantity of rubber secured, the unpleasant fact emerges that the "all-in" cost exceeds the average net sale price by over a halfpenny per lb. Let it be clear at the outset that this condition of affairs can in no way be attributed to the management and casts no reflection on the efficiency of the administration. It is largely the outcome of two factors outside their power of control. There has been a general complaint on all sides of the loss which rubber companies have had to sustain by supplying rice to the native force at less than cost price. With Tamiang this concession involved a loss of £15,406 in the year under review, as compared with a loss of £3,258 only in the previous year. The other factor resulting in this high cost of production was the more adverse exchange rate, the loss in this direction amounting to £10,702, as against £1,939 in 1918-19. Thus the loss from both sources averaged 6.10*d.* per lb., as compared with 1.43*d.* per lb. in 1918-19. Deducting this increase, the "all-in" cost would have been only 1*s.* 1.43*d.* per lb., the slight increase as against 1918-19 being more than accounted for by the rise in wages. However, taking the situation as it is, the net profit of £695 is due entirely to the expansion of sundry revenue, mainly in the form of interest, which amounted to £1,981, as compared with £964. This marked decline in the net profit from the total of £31,599 in the previous year, apart from any consideration of the depression in the Rubber market, explains the absence of any dividend for the year under review. There is carried forward to the new account a balance of £9,186, as against £8,597 brought forward, and it is likely to be increased by a refund of excess profits duty owing to the poor results of the year.

The prospects for the current year cannot be described as promising. Originally the estimated crop was returned at 1,100,000 lb., of which 320,895 lb. had been harvested up to January 31, 1921. As the Company is participating in the restriction now in force it seems unlikely that the final crop will exceed 900,000 lb. Whilst wages, which are still rising, are operating in favour of an increase in the "all-in" cost, this influence ought to be more than counteracted by the relief expected from a fall in the price of rice and from the material improvement in the exchange. In view of the poor prices now ruling for best plantation rubber it is satisfactory to learn that forward contracts have been entered into for the disposal of 356,160 lb. at the good average of 2*s.* 4¾*d.* per lb.; whilst further contracts covering an undisclosed amount at a like price are also in existence. These will help to provide the funds necessary to cover the outlay on cultivation. Financially the position of the Company as shown in the balance sheet dated September 30, 1920, is very strong. Current liabilities did not exceed £18,201, whereas liquid assets amounted to £64,950, excluding the stock of rubber, which stands at £21,530. Moreover, by transferring £9,191 from the share premium account, buildings and machinery have now been reduced to the nominal amount of £1 in the balance sheet. The excellent condition of the estates was commented on at the general meeting by the Chairman, who had just returned from visiting them. "I am convinced," he stated, "that we are proprietors of one of the finest rubber estates in the East. I know of no district in Ceylon, Malaya, Java, or Sumatra, where there is finer soil than in the Tamiang district, or where you can find a more even growth of rubber or less disease."

With a view to extending the operations of the Company it was agreed to purchase the Boekit Boendar estate, consisting of 1,959 planted acres. This Company has a capital of £120,600 in shares of £1 each, with an authorised Debenture stock of £75,000, of which £50,000 had been issued and £37,250 had been called up. The purchase price consisted of one Tamiang share for every two Boekit Boendar shares, the Debenture issue to be taken over by Tamiang with the right of conversion into Tamiang shares at the price of 30*s.* per £1 share. Offers were also made to the shareholders, Debenture stockholders and directors and secretaries of Boekit Boendar to subscribe for a certain number of extra shares in Tamiang at 30*s.* per share. Moreover, all expenses connected with the amalgamation were to be discharged by Tamiang. The scheme has been agreed to by both companies. To give effect to it the authorised capital of Tamiang has been increased from £200,000 to £400,000 by the creation of 200,000 Ordinary shares. Tamiang is issuing only the exchange shares, and from these the other will be to increase the issued capital of Tamiang to £260,300. As a result of the transaction Tamiang

now possesses over 6,000 acres of rubber. However, owing to the uncertain outlook for the current year the shares have dropped to 20*s.*, equivalent to the low capitalisation of £50

MALAYAN RUBBER LOAN AND AGENCY.

Issued Capital: £84,863 in Shares of 2s. each.
6% Convertible First Mortgage Debenture Stock, £72,347.

Results for Years to June 30

	Reserve	General Expenses	Deb. Interest	Reserve Allocations	Ordinary Dividend Amount		Carried Forward
	£	£	£	£	£	%	£
1918 ...	9,143	1,695	4,297	—	3,739	6	5,243
1919 ...	6,388	1,695	3,904	—	3,249	5	2,783
1920 ...	14,670	1,621	3,580	2,500	7,040	10	2,747

[1] Free of income tax.

THE report of the Malayan Rubber Loan and Agency Corporation, Limited, for the year ended June 30, 1920, chronicles a considerable improvement as compared with the previous year. Interested mainly in rubber companies, this finance association was bound to profit from the prosperity which the producers experienced up to the middle of 1920. It is not surprising, therefore, to find that its revenue, chiefly in the form of interest and dividends, was more than doubled, rising from £6,388 to £14,670. Meanwhile, general administrative charges not only showed no tendency to advance, but actually fell a little from £1,695 to £1,621. The decline in the Debenture interest from £3,904 to £3,580 was the outcome of the conversion of £19,892 of the Debenture stock into Ordinary shares during the year. Thus the net profit available for dividend reached £9,469, as against £785 only in 1918-19. The directors took advantage of this record profit to create a reserve fund, to which the generous allocation of £2,500 was made. At the same time the shareholders participated fully in the satisfactory results of the year, receiving a dividend of ten per cent. free of tax, equivalent to 14⅔ per cent. subject to tax, or double the dividend declared in the previous year.

An analysis of the balance sheet shows that the total credited to investments has declined slightly from £149,222 to £145,971. At the date of the accounts —June 30, 1920—the market value of these investments was largely in excess of this figure. No less than 88.58 per cent. represented interests in rubber companies, whilst Five per Cent. War Loan and sundry investments accounted for 11.42 per cent. Furthermore, it was the intention of the Corporation to transfer the money invested in the War Loan to rubber shares, but the subsequent trend of the Rubber market may have modified this programme. Turning to the rubber investments, it appears that over forty-one per cent. are distributed amongst companies operating in the Straits Settlements, and over thirty-eight per cent. in companies producing in Sumatra. Java is represented by nearly five and a-half per cent., and Ceylon by a little over four per cent. It is evident, however, that a concern whose funds are mainly locked up in rubber companies cannot anticipate a fruitful year for 1920-21. The heavy slump in the Rubber market, which keeps the commodity oscillating between 11*d.* and 1*s.* 2*d.* per lb., and which has given rise to the restriction now in force renders it very unlikely that dividends will be declared by rubber companies during the current year. Consequently, the dividend outlook for this finance Corporation is none too cheerful. Moreover, there has been a very severe pruning down of prices in shares since June 1920, but as the shares are held as a permanent investment this depreciation will not have such serious results. Financially, the concern was in a very sound position on June 30, 1920. Current liabilities, including the dividend of ten per cent. did not exceed £7,313, whereas the cash balance alone amounted to £19,169. The unlikelihood of a dividend in the current year is reflected in the market quotation of 1*s.* 5½*d.* for the 2*s.* shares. On the other hand, the Six per Cent. Convertible Debentures stand at 82½, at which price they return a yield of nearly seven and a-half per cent.

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Insurance Notes.

SCOTTISH WIDOWS' FUND LIFE ASSURANCE SOCIETY.

AMONGST the institutions of the country which confine their operations to ordinary life assurance the Scottish Widows', for as many years as anyone living can remember, has held first place as regards the magnitude of its funds. It has had a long and honourable existence, dating back to the year of Waterloo. Founded on the mutual principle, it has always been excellently managed so as to best serve the interests of the general body of its members. Its bonus record is one of the finest and most consistent in the history of the business, and, though no general distribution was made on the last quinquennial occasion, following the close of 1918, the decision to that effect, in the face of the terrific War strain during the quinquennium, needed no justification and provoked no adverse criticism. It has evidently in no degree impaired its attractions to new entrants, for the amount of new business written by the Society in the first two years of the current quinquennium has been far in excess of any of its previous achievements. In supplement to a few figures given in THE STATIST of the 19th ult. we append an analysis of the annual report for 1920. It tells us that new policies were issued in that year for £3,843,939, of which £470,150 was reassured, the net retention at the Society's sole risk thus having been £3,373,789, as compared with £2,974,793 in 1919 and £1,729,349 in 1918. The directors point out that the greatly increased volume of new business gives clear evidence that many members of the Society and of the general public have appreciated the importance of securing more adequate provision, both for themselves in their later years of life and for their families in the case of their death, in view of the decreased purchasing power of money and the uncertainty attaching to other forms of investment. The total net life premium income was increased by £86,416—from £1,496,243 in 1919 to £1,582,659. The expense ratio was about 13.5 per cent. of that income, as compared with about 12.5 per cent. in 1919 and 10.3 per cent. in 1918. Some increase might have been expected, looking alone to the ascending proportions of new business, apart from that arising from the enhancement of working costs, which, under the new conditions now prevailing, is inevitable. As the margin of premiums reserved at the last valuation as a provision for costs and contingencies amounted to 22.5 per cent., it may be assumed that there is still a profit of ten per cent. of the premiums in 1920, due to economy in administration. In addition to the premium income referred to, a sum of £73,197 was received in 1920 as consideration for new annuities.

In all other respects bearing upon profitable development the information given in the report and accompanying statements is highly satisfactory. The amount of the claims by death (£1,078,535) is reported to have been only about two-thirds of that provided for in the valuation. Particulars given in regard to the claims of this kind under participating policies show that the total bonus additions amounted to £56 for

every £100 assured, and it is explained that this does not show the full effect of the bonus additions, seeing that in many cases bonuses had been commuted during the policyholders' lifetime. In cases of over one-fifth of the total number of death claims the sums payable, including bonus additions, were more than double the original amount of the policies. This is a splendid testimony to the Society's consistent and prolonged profit-earning capacity. In addition to the death claims referred to, the Society paid in 1920 £410,191 in respect of matured endowment assurances £197,237 in surrender values, and £133,198 in annuities. Notwithstanding all this heavy outgo, and the transfer of £500,000 to investment reserve fund, the life assurance fund was increased through the year's operations by £29,867 to £22,520,643. The net interest yield during the year, after deduction of income tax, as deduced by the application of the usual formula to the revenue account, seems to have been about £4 2*s*. 5*d*. per cent., which shows an increase of about 3*s*. 6*d*. per cent. as compared with the experience of 1919, and exceeds the rate assumed for valuation purposes by £1 2*s*. 5*d*. per cent.

The small capital redemption assurance account for 1920, relating to the only other kind of insurance business undertaken by the Society, shows a premium income of £1,639 and a fund (at the close of the year) of £11,801.

The total assets disclosed by the balance sheet on December 31, 1920, amounted to £23,546,409. Of this amount the sum of £10,693,085, or about forty-six per cent. of the whole, takes the form of British Government securities.

BRITANNIC ASSURANCE COMPANY, LIMITED.

Both ordinary and industrial life assurance business is transacted by this old-established Birmingham institution, which was originally known as the British Workman's and General Assurance Company. The subscribed capital amounts to £179,992, of which £82,497 was paid up on December 31, 1919. From the accounts appended to the annual report for 1920 it appears that a further sum of £22,499 was paid up on capital account during the year, making the total amount so paid up on December 31, 1920, £104,996. The amount distributed as dividends and bonuses to shareholders in 1920 was £32,998 (as compared with £24,749 in 1919), whereof £3,925 is debited to the ordinary life account, £27,011 to the industrial life account, and £2,062 to the sinking-fund and capital redemption account.

Considerable development took place in both of the leading sections of the Company's business in the course of last year. The new policies issued in the ordinary department covered assurances of £1,943,222, as compared with £1,638,000 in 1919 and £798,903 in 1918. It is clear that the Company has largely participated in the general revival of the demand for ordinary life assurance following the removal of the impediments imposed during the War. The Company's ordinary life premium income was increased by £76,867 to £459,397, of which expenses of management of all kinds, inclusive of commission, absorbed about 16.4 per cent., as compared with an expense ratio of 14.8 per cent. in 1919. The death claims in the ordinary section, amounting to £75,618, show a reduction of £16,574 from the corresponding figure of the previous year. Matured ordinary endowment assurances amounted to £134,850. Through the operations of 1920, after writing investments down by £39,000, the ordinary life assurance fund was increased by £228,584 to £2,438,909. The net interest yield in this section during the year, as in 1919, seems to have been about four and three-quarters per cent.

In the industrial branch the premium income amounted to £1,721,050, showing an increase in 1920 of £245,065. The expense ratio rose from 44.7 per cent. (in 1919) to 47.4. This is higher than desirable, but some advance in this respect could hardly have been avoided under existing circumstances, and it can only be hoped that steps will be taken to counteract it successfully by a gradual process. The industrial revenue account shows that the sum of £61,678 was written off therefrom for depreciation in securities. £30,000 was transferred to staff pension fund. The industrial assurance fund, increased during the year by £321,525, amounted on December 31, 1920, to £3,126,602. The capital redemption insurance account for 1920 shows a premium income of £4,754 and a fund of £56,385 at the close of the year.

The annual valuation on December 31, 1920, of the whole business shows a surplus of £150,854, of which the directors recommend that a further sum of £15,000 be added to the staff pension fund, which thereafter will amount to £65,000, and that £79,692 be divided between participating policyholders in the ordinary branch and the shareholders. This leaves a balance of £56,162 to be carried forward as unappropriated.

The total assets, as shown by the balance sheet on December 31, 1920, amounted to £6,058,608. Nearly forty per cent. of this amount appears to be invested in British Government securities. The directors certify that a careful investigation of the actual saleable value at the close of last year of the permanent securities, compared with the book values, showed that the amount of the investment reserve fund (£200,000) was more than sufficient to meet any then existing depreciation, that adequate provision by means of sinking funds had been made for the equalisation of the book values and redeemable values at date of redemption of such terminable securities as had been purchased at a premium, and that in their belief the assets as set forth in the balance sheet (having regard to the standards indicated) were in the aggregate fully of the value stated therein, less the investment reserve fund taken into account, and that they make ample provision for all the liabilities of the Company.

MERCANTILE MARINE FINANCE CORPORATION, LIMITED.

The directors' report and statement of accounts for the first financial period from March 2, 1920, to February 28, 1921, show a net profit of £51,611, after providing for all expenses, including directors' fees, but exclusive of corporation tax and income tax. After ascertaining the liability on these accounts it is proposed to carry forward the balance. The report states that the directors pursued a very conservative policy, and, notwithstanding the severe depreciation in shipping, in their opinion the advances are fully protected. According to the balance sheet, the liability on bills receivable discounted amounts to £465,000, whilst bills receivable against security amount to £767,080. Investments at cost show Treasury bills and National War Bonds, 1922, £141,887; Colonial Government Bonds, £22,407; and other securities, £14,225, the market value of which on the date of the issue of the report amounted to £176,298. Other assets include advances against security, £26,186; interest accrued and prepaid on investments and advances and income-tax suspense account, £26,912, together with cash at bank, £6,905. It will thus be seen that, despite the depression in the shipping industry and the difficulties which beset the financial world during the past year, the activities of the Corporation have been very successful, while at the same time, as a consequence of the conservative policy of the board, the finances of the Corporation have been maintained in a liquid state.

Atlas Assurance Company.—The directors of the Atlas Assurance Company, Limited, have declared a dividend for the year 1920 of 12*s*. per share, free of income tax, being the same as for 1919. Five shillings per share on account was paid in October last, and the balance of 7*s*. per share will be paid on April 27.

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Commercial.

WOOL TRADE COSTS.

The stagnation, which has now existed for some months, in all branches of the wool textile trade does not yet show any tangible signs of abatement. The problem facing the industry is really of a threefold nature, including (1) the finding of a sound basis of raw material values; (2) the disposal of large accumulations of both new wool and finished goods; and (3) the reduction of the expenses of production.

Dealing with the second of these aspects of the position, the circumstances attending the enormous accumulation of Australasian and other wools have already been examined at some length in these columns, and it is not proposed to refer to the matter further on this occasion. The existence of large stocks of finished goods is attributable to two distinct factors. In the first place, during the boom period, which ended some nine or ten months ago, merchants were unable to secure sufficient supplies from the manufacturers to satisfy their needs, and in a very large number of cases the practice was adopted of ordering two or three times the quantity of material really necessary to fulfil current and prospective orders. When the slump in raw material prices began in May last business in finished goods suddenly ceased, but all manufacturers' order books were full to overflowing with firm contracts booked at the highest prices. Such contracts were naturally "covered" by orders for yarn or tops or wool, also placed at boom prices, and the fulfilment of this succession of orders was absolutely essential to the financial stability of the industry. The further factor was the cancellation of shipping orders held by merchants or manufacturers, owing partly to the slump in prices and partly to the movements of the foreign exchanges and financial difficulties abroad. All of these circumstances had the effect of piling up large stocks of finished goods in the warehouses of this country, and these materials were purchased at such high rates that realisation at prices out of all relation to current values was of the utmost importance to the solvency of the majority of the firms involved. This situation affected practically every firm in the country, and was so severe that many of even the finest houses have been forced to resort to financial arrangements of a kind quite unprecedented in their histories. The clearance of these stocks is a very slow process because of their size, and because the purchasing public are to some extent aware of the change which has taken place in the wool textile markets. The present situation is very exasperating to the manufacturer, knowing, as he does, that in most cases materials can now be replaced at prices far below the levels corresponding with retail values of to-day, and, in fact, at prices which would almost certainly restore the demand so far as the home trade is concerned.

Returning to the first of the factors in the present problem—viz. the absence of any sound basis of raw material values—it will perhaps surprise many people not connected with the wool trade to be told that a very large number of wools can actually be purchased to-day at less than their pre-War prices. The market prices of low, medium, and fine crossbreds are now definitely down to, and sometimes below, the pre-War levels, and the same remark applies to some classes of British wools. The fall in the fine, soft-handling merino wools has not been quite so drastic, but even in this case purchases have been made at 1914 prices, and the general level of values has recently been falling at every successive sale.

The following table shows the pre-War prices of certain qualities of tops (combed, clean wool), the corresponding prices at the height of the boom period in April 1920, and the quotations of to-day. In reading this table it must be remembered that the cost of combing is higher to-day than in 1914, owing to the usual reasons of increased cost of labour and materials, shorter working hours, &c. The pre-War cost of combing a certain type of merino wool was 2½*d.* per lb., as compared with 8*d.* per lb. last month and 7¼*d.* per lb. at the present time, and somewhat corresponding advances have occurred in the case of other qualities. The table is published with the reservations that business at present is far too small in volume to test the market satisfactorily, and that the financial position of particular sellers influences very considerably the prices which are accepted for materials in stock:—

Quality	Per Lb. July 1914	Per Lb. April 1920	Per Lb. Current
(i) *Merino*—	*d.*	*d.*	*d.*
70's	32½	174	42
64's	32	165	34
60's	30	144	32
(ii) *Crossbreds*—			
56's	24	108	24
50's	20	80	22
46's	17	46	15½
44's	16½	43	14½
36's	15¾	34	14
32's	15½	32½	14

The disturbing factor in the present low prices for wools is the fact that the returns obtained by the farmers will not pay the cost of production and leave a reasonable margin of profit, whilst in some cases the prices obtainable will not cover the cost of storage, freight, insurance, &c.

Whilst dealing with the question of wool prices it may be of interest, in view of the approach of the British wool fairs in June and July, to note the position of a few types in the domestic clip. A number of farmers declined to accept the prices offered last season, although to a careful observer the market

level was unduly high in view of the enormous stocks in all other markets of the world and the decline which had already begun in foreign wools:—

	Pre-war Per Lb.	1919 Per Lb.	1920 Fairs Per Lb.	Approx. Current Prices Per Lb.
	d.	*d.*	*d.*	*d.*
Shropshires, South Downs, &c.	14-15	46-48	48-58	21-24
Eastern Counties (Norfolks, Suffolks, &c.	13	13¼	40-41½	40-46	12-19
Long Wools (Lincolns, &c.)	11	12	23	24½	17-20	8-11

The 1919 British clip was the first to be sold free from Government control. The maintenance of comparatively high prices for some classes of home-grown wools is due to the peculiar properties of these materials, which are of great value in the making of some classes of goods. It is the practice of a large number of manufacturers to purchase at the country fairs their year's requirements in British wools, but the present financial position of the industry and the blackness of the trade outlook will not conduce to extensive purchases being made this year. There is little doubt that the world's surplus wool stocks are increasing instead of decreasing, and the apparently never-ending fall in prices must have a very drastic effect on the home markets in June and July. It is clear, therefore, that the British farmers must be prepared to accept probably less than half of last year's prices if their new clips are to find purchasers.

The remaining matter mentioned above as confronting the industry is the problem now before all trades—viz. the reduction of productive costs. This subject is too big to be dealt with adequately in the remaining space available, but, generally speaking, the reduction in prices has been due to the fall in raw material and to the sacrifice of the big profits which have been easily obtained in late years. Some minor economies in production have been made, but the effect of these is comparatively slight.

Industrial Companies.

THE BRITISH PORTLAND CEMENT MANUFACTURERS, LIMITED.

Issued Share Capital: £2,562,622, in 1,180,000 6% Cumulative Pref. Shares and 1,382,622 Ordinary Shares of £1 each. 5% First Mortgage Debenture Stock: £1,135,464.

Year to Apr. 30.	Profit*	Deb. Int. and Red. Fund	To Depreen. Reserves	Preference Dividend	Ordinary Dividend		Carried Forward
	£	£	£	£	£	%	£
1914 ...	316,000	60,145	57,130	70,324	96,666	7	32,768
1915 ...	264,864	76,147	42,342	70,809	69,131	5	70,767
1916 ...	244,038	76,228	42,318	70,800	55,305	4	73,154
1917 ...	244,567	76,228	42,396	70,800	55,305	4	72,991
1918 ...	307,764	76,228	63,050	70,800	82,957	6	87,723
1919 ...	339,424	76,228	78,000	70,800	110,610	8	91,509
1919† ...	356,921	50,819	103,537	47,200	110,610	8	§136,265
1920‡ ...	554,635	76,228	155,000	70,800	207,393	15	181,478

* After providing for taxation and directors' and trustee's fees. † Period of eight months to December 31. ‡ Year to December 31. § Subject to excess profits duty.

The report presented by this Company covering the twelve months to December 31 last is of a highly satisfactory nature. The directors state that the production of cement steadily improved during the period under review, and towards the end of the year, owing to the fact that the arrears of repairs had been overtaken to a considerable extent, closely approximated to the pre-War output. There was no difficulty in disposing of the full production at profitable prices, particularly in the export market. Ample testimony of the improvement in conditions is afforded by the accounts, which show a profit of £554,635 after providing for all charges other than depreciation and Debenture interest. The previous report, covering a period of only eight months, during which distribution was considerably hampered by transport difficulties, showed a profit of £356,921; but no provision was made for excess profits duty and corporation tax before arriving at that result, whereas reserves to cover such liability have been made in the present accounts. The annual charges for Debenture interest and sinking fund figure at £57,941 and £18,287 respectively, while the provision for depreciation amounts to £155,000, as compared with £103,537 for the previous period. The Preference dividend requires the usual sum of £70,800, but the dividend on the Ordinary shares, which is raised from eight per cent. (actual) to fifteen per cent., involves a distribution of £207,393, as compared with £110,610. The balance carried forward is also increased from £136,265 to £181,478.

The principal items of recent balance sheets are summarised in the following table:—

	LIABILITIES.			ASSETS.				
Dec. 31	Issued Capital	Sundry Liabilities	Reserves and Carry-forward	Fixed Assets	Stocks	Investments and Loans	Debtors and Cash	Reserves
	£	£	£	£	£	£	£	£
1919	3,721,436	590,418	675,614	2,429,062	435,093	1,548,752	574,591	539,350
1920	3,698,056	1,062,312	910,707	2,886,868	652,168	1,405,027	720,949	728,828

* Including Debenture stock.
† Including credit balance brought forward from previous year.

During the past year Debenture stock amounting to £23,350 was redeemed and cancelled. The reserves, which have been increased from £539,350 to £728,828, are represented by a Debenture redemption account of £76,642, sundry depreciation reserves of £632,186, and a provision of £20,000 against debts. The fixed assets (at cost) have been increased by £457,806 to £2,886,868, while investments (at cost) and loans, less reserves, have been reduced by £143,695 to £1,405,027. In this connection it is important to note that three subsidiary concerns in which the Company held the whole of the share capital were completely taken over during the year, and that this absorption has necessitated a corresponding transfer from the investments account. The transfer of the assets may also explain in large part the growth of stocks (at cost or under) from £435,093 to £652,168, debtors and debit balances from £480,828 to £617,749, and cash from £93,762 to £108,891. Sundry liabilities (including final dividends payable) and credit balances, which presumably cover liability for taxation, have likewise been increased from £590,418 to £1,062,312, so that the surplus of liquid assets (including investments and loans) over sundry liabilities has actually been reduced from £1,532,895 to £1,069,355. In this estimate allowance has to be made for the fact that the investments are largely represented by shares in other companies, which may not be available as liquid capital. Judging by the results of the past year, the difficulties connected with transport facilities and supplies of fuel have apparently been overcome. The internal reorganisation, involving the establishment of a joint selling and distributing agency for the different associated undertakings, also seems to have resulted in considerable economies. The outlook for the current year, however, is rendered uncertain by the prevailing depression, but the Company being well placed as regards its markets is not likely to be severely affected. On the assumption of a dividend of twelve per cent. the Ordinary shares, now quoted at 23*s.* 9*d.* (ex dividend) afford a return of 10.1 per cent; while the Six per Cent. Cumulative Preference shares, quoted at 15*s.* ex dividend, give a yield of 8 per cent.

BIRMINGHAM SMALL ARMS COMPANY, LTD.

Issued Capital: £3,368,752 in 40,630 5% "A" Pref. £5 Shares, 350,430 6% "B" Preference £1 Shares and 2,815,172 Ord. £1 Shares.

6½% 12-Year Notes: £2,500,000.

Year to July 31	Net Profit.	Dividends	Income Tax on Ord. Dividends	Profit subject to Excess Profits Duty	Excess Profits Duty	Income Tax	Sundry Reserves	Carried Forward
	£	£	£	£	£	£	£	£
1913 ...	195,646	[illegible]	[illegible]	122,171	15	[illegible]	[illegible]	62,586
1914 ...	198,790	[illegible]	[illegible]	126,144	15	[illegible]	[illegible]	65,284
1915 ...	499,225	[illegible]	[illegible]	141,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1916 ...	341,715	[illegible]	[illegible]	284,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1917 ...	511,[illegible]	[illegible]	[illegible]	290,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918 ...	526,587	[illegible]	[illegible]	311,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919† ...	480,[illegible]	[illegible]	[illegible]	301,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1921‡ ...	684,[illegible]	[illegible]	[illegible]	291,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* After [illegible]
† Ord. capital [illegible] 1919
‡ Period of 18 [illegible]

Several features of interest are contained in the report of this Company [illegible]

to January 31 last. The accounts, which are presented in a very condensed form, show that, after providing for depreciation and taxation, a net profit has been obtained of £566,881, as compared with £373,091 for the preceding period of twelve months. As usual, the income tax on dividends is included in the provision for taxation, the distributions being accordingly shown net. To provide a more suitable basis for comparison, however, it is necessary to add back such deductions for income tax in each year; and the adjusted figures given in the above table consequently show that the balance profit before deduction of income tax on dividends amounted to £684,408 (or at the rate of £456,272 per annum), as compared with £480,614 for the previous period. Having regard to the increase in the excess profits duty and the industrial depression which developed in the autumn, this result may be considered satisfactory. Owing to the longer period covered by the accounts and the issue of new shares, the Preference dividends (including tax) absorb £46,775, as against £28,157, while the short-term notes issued during the period call for £143,898. An interim dividend of five per cent., free of tax (equivalent to seven and one-seventh per cent., subject to tax), was paid on an increased Ordinary capital during the period; but, in view of the stringency of liquid resources, it has been deemed advisable to pass over the final dividend and carry forward the large balance of £510,818.

The remarkable changes which have taken place in the position of the Company may be seen from the following summary of recent balance sheets:—

	LIABILITIES.			ASSETS.			
	Issued Capital	Sundry Liabilities*	Reserves & Carry fwd.	Fixed Assets	Stocks &c.	Debtors	Investments and cash
	£	£	£	£	£	£	£
1917	1,653,623	1,411,660	570,306	891,436	1,064,901	361,519	1,317,773
1918	1,653,623	3,165,394	1,719,770	1,148,245	1,347,627	1,635,206	2,437,709
1919	2,879,796	2,204,269	718,167	1,353,232	841,165	1,084,949	2,522,886
1921	5,868,752†	1,135,871	2,438,898	3,100,096	1,434,994	725,079	4,183,352

* Including sundry provisions and final dividends payable.
† Including short term Notes £2,500,000.

Since July 31, 1919, the "B" Preference capital has been increased from £300,000 to £350,430, and the Ordinary capital from £2,376,646 to £2,815,172. In January 1920 £2,500,000 Six and a-Half per Cent. Twelve-year Notes were also issued, the expenses involved being written off out of reserves. The sundry liabilities of the Company, which have been reduced from £2,204,269 to £1,135,871, include a provision for taxation and a loan of £580,000 from two of its subsidiaries. The general reserve, to which £100,000 was allocated in 1919, stands at £500,000, and in addition there is now an "assets reserve," the origin of which is not specifically mentioned, amounting to £1,428,080. It seems clear, however, that this reserve represents a surplus disclosed on the occasion of the revaluation of the Company's property, to which the directors make a rather vague reference. This item may partly explain the increase of £1,746,864 in the fixed assets which now figure at the large total of £3,100,096. Sundry stocks and shares, of which the basis of valuation is not stated, have been increased from £841,165 to £1,434,994, while debtors have been further reduced from £1,084,949 to £725,079. Cash and bills now figure at £293,954, as compared with the previous total of £638,495, which, however, included Government securities. The increase in investments, which are valued at cost or under, is entirely due to shares in and loans to subsidiary Companies, now exceeding £3,758,900. In this connection it may be pointed out that during the period under review the Company acquired the whole of the Ordinary capital of the Aircraft Manufacturing Company, Limited, and an interest in Peter Hooker, Limited, but no amount is included in the assets in respect of those investments, which, with the heavy expenses of the Debenture issue, have been entirely written off out of "reserves." It seems likely that the reserves referred to were previously included among "other accounts" in sundry liabilities, although possibly the investments and issue expenses may have been written off from the assets reserve, which appears in the present balance sheet. It is difficult to understand the reticence of the directors regarding this matter, but presumably the necessary explanations will be furnished at the general meeting. The accounts reveal an acute stringency of liquid capital which fully justifies the directors' decision to conserve cash resources as far as possible. Assuming that stocks have been valued on a safe basis, the financial position is otherwise quite satisfactory.

The report mentions ten important companies in which a complete or controlling interest is now held, and the accounts of these subsidiaries made up to October 31 last are embodied in those of the parent Company. No reference is made to the existing conditions of trade, but it is clear that the prospects for the current year are by no means promising. The inability to pay any final dividend in respect of the period just closed, despite the fact that the available balance was amply sufficient to permit of a final distribution of five per cent., free of tax, without reducing the amount brought forward, seems to indicate that no great reduction in stocks has been effected since the date of the balance sheet. Dividend prospects depending upon a revival of trade, and increased liquidity, it is not difficult to understand the present quotation of 11*s.* 3*d.* for the Company's Ordinary shares, which, however, seems to unduly discount the future. The five per cent. "A" Preference shares, which are quoted at 3⅞ ex dividend, afford a yield of 7.8 per cent., and the six per cent. "B" Preference shares at 13*s.* 10*d.* ex dividend, yield a return of 8.7 per cent.

HADFIELDS LIMITED.

Issued Capital: £2,144,784 in 30,000 4½% Pref. of £10 each and 1,844,784 Ordinary Shares of £1 each.
£1,000,000 7½% 10-Year First Mortgage Debenture Stock (£744,962 paid up).

Year	Net Profit*	Pref. Div.	Ord. Div.†		To Reserve	Carry-Forward
	£	£	£	%	£	£
1914 ...	134,301	13,500	90,000	22½	26,000	60,270
1915 ...	265,403	13,500	100,000	25	60,000	152,173
1916 ...	252,127	13,500	120,000	30	85,000	185,693
1917 ...	257,510	13,500	120,000	30	100,000	209,705
1918 ...	202,896	13,500	120,000	30	70,000	209,101
1919 ...	203,154	13,500	160,000	10	--	133,755
1920 ...	107,857	13,500	92,238	5		135,728

* After providing for depreciation and taxation.
† Free of income tax.

The report of this Company for the year 1920 shows that the net profit, after providing for depreciation and taxation, amounted to £107,857, representing a decline of almost £95,300 as compared with the previous year. This set-back, it is stated, has been primarily due to the moulders' strike and other stoppages, which seriously affected the Company's operations. The manner in which the profit has been distributed is indicated in the above table. The Preference dividend remains unaltered at £13,500, but the Ordinary dividend, free of tax, is reduced from ten per cent. to five per cent. The amount involved, however, is £92,238, as compared with £160,000, owing to the larger capital ranking for dividend. In connection with the reduction of the dividend since 1918 it should be remembered that a reserve capitalisation of £800,000 was effected in 1919 by the distribution of two fully paid Ordinary shares for every share held. The changes which have occurred in the capital of the Company may be seen from the following summary of recent balance sheets:—

	LIABILITIES			ASSETS.			
	Issued Capital	Sundry Liabilities*	Reserve and Carry-Forward	Fixed Assets	Stocks, etc.	Debtors, Investments and Cash	Issue Expenses
Dec. 31	£	£	£	£	£	£	£
1918	700,000	2,586,227	904,100	864,685	2,021,168	1,304,474	--
1919	1,900,000	1,497,721	333,755	964,740	1,367,372	1,399,364	--
1920	2,889,746†	1,559,199	465,621	1,462,025	1,377,694	2,017,711	57,136

* Including sundry provisions and final dividends payable.
† Including instalments of £744,962 paid up on Debenture stock.

During the past year the Company issued £166,666 Ordinary shares to Harper Bean, Limited, in exchange for £166,666 Eight per Cent. Cumulative Participating Preference shares and £83,334 Ordinary shares of that undertaking. The Company also acquired £15,000 Preference shares and £15,000

Ordinary shares of John Baker and Co. (Rotherham), 1920, Ltd., by the issue of £15,000 Ordinary shares in exchange. A subsequent issue was made of 63,118 Ordinary shares at a premium of 10s. per share, the total increase in the Ordinary capital during the year being, therefore, £214,780. In November last the Company issued £1,000,000 Seven and a-Half per Cent. Ten-Year First Mortgage Debenture stock at 98, the instalments received up to the date of the present accounts being £744,962. The reserve account, which is entirely represented by premium on shares, now amounts to £329,893, as compared with £200,000 a year ago, but it is important to note that this increase is mainly the result of the terms upon which shares were acquired in the two Companies mentioned above. It may be pointed out that the sundry liabilities include certain provisions presumably for taxation and contingencies. The increase of £497,285 in the fixed assets mainly represents the reconstruction of the Company's war extensions and the installation and equipment of a new steel foundry and rolling mills. The change in stocks and work in progress has been comparatively small, but sundry debtors, investments, and cash, which are shown in one total, have been increased from £1,399,364 to £2,017,711. The Government securities have been taken at the market price at the date of the balance sheet, but the other investments have been taken at the book value, which, it is stated, in only one case materially exceeds the market price at that date. It will be noted that these investments include the shares acquired in associated companies. Including these holdings the liquid assets show a surplus of £458,512 over current liabilities, including sundry provisions and final dividends payable, as compared with a deficiency of £93,357 at the date of the previous balance sheet. It may be stated that the issue expenses of £57,136, which figure among the assets, were incurred in connection with the issue of the Debenture stock.

With the object of furthering its interests in the United States the Company has joined with the American Clay Machinery Company in forming the Hadfield-Penfield Steel Company, in which it now holds a substantial interest. Under the arrangements made no immediate cash contribution is required, and it is not expected that the ultimate requirements in this direction will necessitate any issue of further capital by the Company. The agreement by which Harper Bean, Limited, arranged to take its supplies of steel from the Hadfield works has so far proved to be very unfortunate, but it is stated that everything possible is being done to safeguard shareholders' interests. The industrial outlook at present is discouraging, but in view of the completion of recent important extensions earnings should show a substantial improvement as compared with the past year. It must be remembered, however, that Debenture interest for the current year will represent a charge of approximately £75,000. On the assumption of a dividend of 7½ per cent., free of tax, the Ordinary shares, now quoted at 21s., afford a return of 7.1 per cent., free of tax (equivalent to 10 per cent. subject to tax); while the Four and a-Half per Cent. Cumulative Preference shares, quoted at 6¾, yield a return of 6.7 per cent.

D. H. EVANS AND COMPANY, LIMITED.

Issued Capital: £500,194, in 200,000 Preference Shares and 300,194 Ordinary Shares of £1 each. 4½% Deb. Stock, £150,000.

Year to Feb. 19	Trading Profit	Expenses & Deb. service	Repairs & Deprec.	Net Profit	Reserve	Pref. Div.	Ordinary —Div.— Amt.	%	Founders' —Div.— Amt.	£
	£	£	£	£	£	£	£		£	
1917	201,608	134,673	7,951	59,005	3,439	12,000	22,521	12½	7,583	500
1918	225,133	145,241	10,571	69,318	2,857	12,000	22,521	12½	10,500	700
1919	280,187	171,547	14,171	94,465	6,460	12,000	27,029	15	18,200	1,350
1920	408,506	214,241	24,985	169,281	14,115	12,000	75,018*	25	—	—
1921	407,196	257,377	15,099	134,719	§2200	12,000	60,030	20	—	—

* Amount increased owing to substitution of 120,000 Ordinary shares of £1 for 2,000 Founders' shares of £1.

§ Including £71,016 reserved for taxation.

Having regard to the difficult trading conditions of the past year, the results disclosed in the report of this firm of general drapers for the twelve months ended February 19 last may be considered satisfactory. The gross profit at £407,196 shows only a trifling reduction as compared with the record results of the previous year, but although the allowance for depreciation and repairs is reduced from £24,985 to £15,099, the general expenses, including Debenture service, call for a sum of £257,377, against £214,241, so that the net profit works out at not more than £134,719, as compared with £169,281. Excess profits duty, for which reserves had not been made in the previous years, necessitates a provision of £63,516, representing the amount due in respect of the accounting periods to February 19, 1920, and in addition, £7,500 is set aside for the balance of income tax. As in the previous year, £10,883 is provided for Mortgage repayment, but the allocation to the reserve fund is reduced from £14,115 to £11,184. The Preference dividend absorbs the usual sum of £12,000, while the Ordinary dividend is reduced from twenty-five per cent. to twenty per cent., involving a corresponding diminution in the amount distributed. The balance of £31,237, which is carried forward subject to Corporation profits tax and excess profits duty in respect of the past year, compares with £61,640 brought in after providing for directors' remuneration.

The balance sheet shows few alterations of outstanding importance. With the allocations now made the Mortgage and Debenture redemption funds are increased to £32,650 and £12,326 respectively, and the reserve fund to £130,552; while the pensions fund remains unchanged at £21,000. On the assets side, the properties, which include goodwill, show little alteration at £586,678, but stocks, of which the basis of valuation is not disclosed, have been increased from £182,969 to £231,825. The investments, excluding those in respect of the Debenture redemption fund, are entirely represented by Government securities, the value of which, at cost, remains practically unchanged at £40,267, while cash has been reduced from £133,554 to £94,802. Due to the heavy drain of taxation and the need of financing larger stocks, the liquid assets show a deficiency of £3,435 as compared with current liabilities, including final dividends payable, whereas at the date of the previous accounts a surplus existed of over £65,700. Allowance has to be made also for the fact that the Company is liable for excess profits duty and corporation tax in respect of the past year. The conservation of cash resources is consequently essential, especially in view of the present depression and the stringency of the money market. On the whole, the prospects for the current financial year do not seem to justify the anticipation that last year's dividend of twenty per cent. will be maintained. The Ordinary shares are now quoted at 37s. 6d., at which price a yield of 8 per cent. would be obtained on the basis of a dividend of fifteen per cent. The Six per Cent. Cumulative Preference shares, at the present quotation of 15s., also afford a return of 8 per cent.

BRITISH EMPIRE STEEL CORPORATION.

Further particulars are now available regarding the basis upon which this Corporation is being formed. It will be remembered that under the new agreement, completed in February last, it was decided to effect the consolidation only of the Dominion Steel Corporation, the Nova Scotia Steel and Coal Company, and the Halifax Shipyards, under the name of the British Empire Steel Corporation. In accordance with the terms then announced, the First Preference shares of the new Company are to be issued to the Preference holders of the constituent undertakings on a share-for-share basis except in the case of the Preference holders of the Nova Scotia Steel and Coal Company, whose shares are exchangeable on the basis of $120 new First Preference for every $100 Preference held. For every $100 Ordinary, holders in the different undertakings are to receive shares in the new Company in the following proportions: Dominion

Steel Corporation, $95 Seven per Cent. Second Preference and $40 Ordinary; Nova Scotia Steel and Coal Company, $90 Seven per Cent. Second Preference and $40 Ordinary; Halifax Shipyards, $60 Seven per Cent. Second Preference and $25 Ordinary.

To give effect to these proposals would, it is stated, necessitate the issue of $19,950,000 Seven per Cent. Cumulative First Preference shares (Series "B"), $57,350,000 Seven per Cent. Cumulative Second Preference shares, and $24,450,000 Ordinary shares. Additional capital, when required, is to be raised by the issue of Eight per Cent. Cumulative Preference shares, ranking *pari passu* with the Series "B" Preference.

It may be remarked that the merger is being carried out under the ægis of some of the most important iron and steel companies of this country. The Canada Steamship Lines, although not included in the revised scheme, will, if required, co-operate with the constituent undertakings in the matter of transportation.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

THE CENTRAL ELECTRIC SUPPLY COMPANY, LTD

Offer at ninety-seven per cent. of £500,000 Eight per Cent. Secured and Guaranteed Notes, repayable at par on April 1, 1926, unless redeemed earlier at 102, six months' notice being given. Flat yield £8 5*s.* per cent. per annum; minimum yield including redemption £8 15*s.* 2*d.* per cent. per annum.

The Central Electric Supply Company was formed in 1897, with a capital of £100,000, by the St. James' and Pall Mall Electric Light Company, Limited, and the Westminster Electric Supply Corporation, Limited, for the purpose of generating and supplying in bulk electricity to the parent companies. In addition to its share capital, the Company has issued £500,000 Four per Cent. Guaranteed Debenture stock, against which a Sinking Fund of approximately £200,000 exists. The present emission is required to provide funds for the extension of the power-station. The Notes will be secured by trust deed as a specific charge on the freehold land and power-station at Grove Road, Marylebone, N.W., and by a floating charge on the other assets, subject to the prior rights of the £500,000 Debenture stock already mentioned. It will be remembered, however, that, as the Company's undertaking is statutory, the charge cannot be enforced by sale. The engineer-in-chief estimates the value of the fixed assets at a minimum of £1,585,000. While this figure indicates ample capital security, an independent valuation would have been more desirable. In the matter of revenue the practice of the Company is to charge the parent undertakings such a price as to enable it to meet all charges. It is estimated that, despite the increased interest-charges due to the note issue, greater economy with the new plant will permit of an actual reduction in price. The emission is unconditionally guaranteed as to principal and interest jointly and severally by the St. James' and the Westminster Companies. Their combined net revenue available for dividends, according to the prospectus, has varied during the past decade between £84,782 and £136,148, being £127,752 for 1920. The annual interest of £40,000 on the notes now offered is, therefore, doubly assured. The figures are quoted from the accounts, and though no comprehensive statement by a chartered accountant is included, both security and yield may be considered attractive. The lists close on Thursday, April 14.

NORTHAMPTON GASLIGHT COMPANY.

Offer at ninety per cent. of £47,000 Seven per Cent. Twenty-Year Debenture stock. Flat yield £7 15*s.* 7*d.* per cent. per annum; yield with redemption £8 0*s.* 7*d.* per cent. per annum.

The Company supplies gas for lighting and power purposes to the town of Northampton. It has power to charge at the rate of 5*s.* per 1,000 cubic feet for gas consumed within the borough, but the actual price is at present only 4*s.* 1½*d.* per 1,000 cubic feet for lighting and 2*s.* 9½*d.* per thousand cubic feet for power purposes within the borough. Revenue has been sufficient to allow of an annual dividend of five per cent. on the £351,596 Consolidated stock for the past sixteen years, in addition to interest on loan capital. The latter has an authorised maximum of £121,250, of which £51,250 has been raised in Four per Cent. Debenture stock, leaving a margin of £70,000. The proceeds of the present issue are required for the purchase of new plant necessary to the extension of the Company's business. The stock will be repayable at par on July 1, 1941, but the Company reserves the right to redeem at 102 on any interest date after July 1, 1931, subject to six months' notice being given. It will be registered and transferable by deed in the usual manner. For a high-class security the yield is attractive, but investors will note the limited marketability of the stock. The lists close on Wednesday, April 13.

THE BRITISH OXYGEN COMPANY, LIMITED.

Offer at ninety-six per cent. of £250,000 Eight per Cent. First Mortgage Debenture stock, redeemable at par by April 1, 1946. Flat yield £8 6*s.* 8*d.* per cent. per annum. Minimum yield including redemption £8 7*s.* 7*d.* per cent. per annum.

The British Oxygen Company, Limited, is the oldest and one of the most extensive oxygen producing and distributing organisations in the world, and is the largest in the United Kingdom. It was founded in 1886 for the purpose of developing processes for abstracting oxygen from the atmosphere. In addition the Company manufactures hydrogen, nitrogen, carbonic-acid gas, nitrous oxide, and argon for industrial and scientific purposes.

The authorised capital is at present £500,000 in £1 shares, of which 460,718 have been issued. There are also outstanding Debentures and mortgages for £32,900, which will be repaid at par out of the proceeds of the present issue. The latter is being made to pay off mortgages and bankers' loans and for general purposes. The Debenture stock will be secured by trust deed as a specific mortgage on the freehold and leasehold lands, buildings, fixed plant and machinery, and on the shares, stocks, and Debentures of the Company, and as a floating charge on the remainder of the assets, present and future. The Company will, however, reserve the right to charge its present holding of £111,850 nominal of British Government securities to secure overdrafts or temporary loans, and will covenant not to create any other mortgage or charge ranking *pari passu* with or in priority to the Debenture stock at present authorised. The trust deed will provide that the additional £250,000 Debenture stock shall only be issued to the extent to which the Company may have, after April 1, 1921, increased its assets by the issue of additional share capital, or by accumulation of undistributed profits, and such additional stock shall carry interest not exceeding eight per cent. per annum. A sum of £19,500 will be set aside during the year ending March 31, 1922, and a sum of £23,500 annually thereafter, for the service of this issue, and after payment of interest the balance will be applied as a sinking fund for the redemption of the Debenture stock by purchase, at or below par, *plus* accrued interest, or by drawings at par, *plus* accrued interest. The sinking fund will be sufficient to retire the whole of this issue by April 1, 1946. The Company reserves the right to redeem the Debenture stock as a whole or in part, at par, on any interest date after October 1, 1930, on two months' notice. Dividends have been paid regularly since 1899, varying from ten per cent. in 1909 to twenty-five per cent. in 1920. The certified net assets, according to the balance sheet of March 31, 1920, were £548,318. Since that date shareholders subscribed to 137,500 £1 shares at 100 per cent. premium, the proceeds being expended mainly on fixed assets. The stock now offered possesses, therefore, substantial capital security. Profits, less excess profits duty, show a gradual increase from £30,896 in 1911 to £167,253 in 1918, and amounted to £132,691 in 1920. As the annual Debenture interest will be only £20,000 it seems well assured. The lists closed, oversubscribed, within a few hours of opening.

LIPTON, LIMITED.

Offer at par of 600,000 Nine per Cent. Cumulative Preference shares of £1 each.

Lipton, Limited, which was incorporated in 1898, is at present one of the largest grocery and provision undertakings in the world. In the United Kingdom alone there are 550 branches, with numerous factories and warehouses, and throughout the world the firm is

represented in every important trading centre. It possesses its own tea gardens and rubber plantations in Ceylon. The issued share capital is £2,250,000, of which £1,000,000 is in Five per Cent. Preference shares and the remainder in Ordinary shares. Debenture stock outstanding amounts to £500,000 in Four per Cents. and £600,000 in Six per Cents. The object of the present emission is to provide further working capital, primarily for the rapidly increasing home trade and for general development of the business. The Nine per Cent. Preference shares will rank for dividend and return of capital next after the Five per Cents., in front of which stand, of course, the Debenture stocks.

The retail shops have been considerably increased in number since the Armistice, and turnover and profits have registered a corresponding increase. Net assets, according to the balance sheet of March 31, 1920, amounted to £2,743,005. As would be expected in a multiple-shop undertaking, stocks stood at a very high figure, £2,150,793. The Company claims to be at present in the fortunate position of holding only the minimum stocks on a falling market. It would, however, have been desirable to include an approximate figure. Deducting Debenture liability, net assets as on March 31, 1920, were £1,643,000, which covers the 1,000,000 existing Preference shares and the 600,000 now offered, without taking account of the assets procurable with the proceeds of the present issue. Profits are shown in the prospectus for the last four years only, showing a gradual increase from £258,530, less excess profits duty, in 1917, to £411,192 in 1920. The total Debenture interest and Preference dividend will amount to £196,000. Despite the collapse of overseas markets, results for the year just ended are anticipated as satisfactory, and the directors expect that the final Ordinary dividend will be as in the three previous periods, making twelve and a-half per cent. for the year. The present issue seems fairly well secured, but in view of the crisis through which trade has passed during the last twelve months it is unfortunate that more up-to-date figures are not available. The lists close Monday, April 11.

CORNWALL CHINA CLAYS, LIMITED.

Offer of 40,000 £1 Ordinary shares at par.

Cornwall and Devon command a virtual monopoly in the market for the high grade china clay required by pottery, textile, and paper manufacturers. The industry, to the extent of ninety-eight per cent., is controlled by Associated China Clays, Limited, which is thus in a position to fix a minimum selling price. The public does not often receive an opportunity of participating in such enterprise, and it is perhaps a reflection of general financial conditions that the latest formed Company, Cornwall China Clays, Limited, has not obtained its capital from private sources. It has been incorporated for the purpose of acquiring an option on a forty-year lease over 143 acres of kaolin deposits in Cornwall. Trial pits have been opened over twenty acres, the clay from which is stated to be of excellent quality. The property is situate on a gentle slope, which facilitates piping the clay to the dry, which itself lies adjacent to the Great Western Railway line. Production costs are expected as a consequence to be low. The purchase price of the options and licences is £5,000 in shares *plus* £2,500 in cash, refunding expenses borne by the promoters. The whole of the preliminary expenses, anticipated at £3,500, will be borne by the Company. No estimate of profits is given in the prospectus, nor is it stated what are the present or prospective relations with Associated China Clays, Limited. The issue is confined in its appeal to those with an intimate knowledge of the enterprise. Investors will note the apparent absence of intention to procure a Stock Exchange quotation. The lists close on Thursday, April 21.

ISSUES TO SHAREHOLDERS.

United Serdang (Sumatra) Rubber Plantations.—1,000,000 2*s.* shares at par in the proportion of one new share for every five held. Applications for more than *pro rata* allotment may be made. The right of renunciation is given. Closing date, Saturday, April 9.

Attock Oil.—250,000 "A" £1 shares to "A" shareholders and 250,000 "B" £1 shares to "B" shareholders, at £2 per share in each case. The right of renunciation is given, and allotment letters will be split on application. Closing date, April 28.

PENDING ISSUES.

City of London Electric Lighting.—94,050 £1 Ordinary shares at 22*s.* 6*d.* each and 300,000 £1 Second Cumulative Preference at par.

RESULTS.

City of Auckland.—The issue of £500,000 Six and a Half per Cent. Debentures of the City of Auckland (Electrical Undertaking Extensions Loan) having been over-subscribed, the list was closed on Monday at 11 A.M.

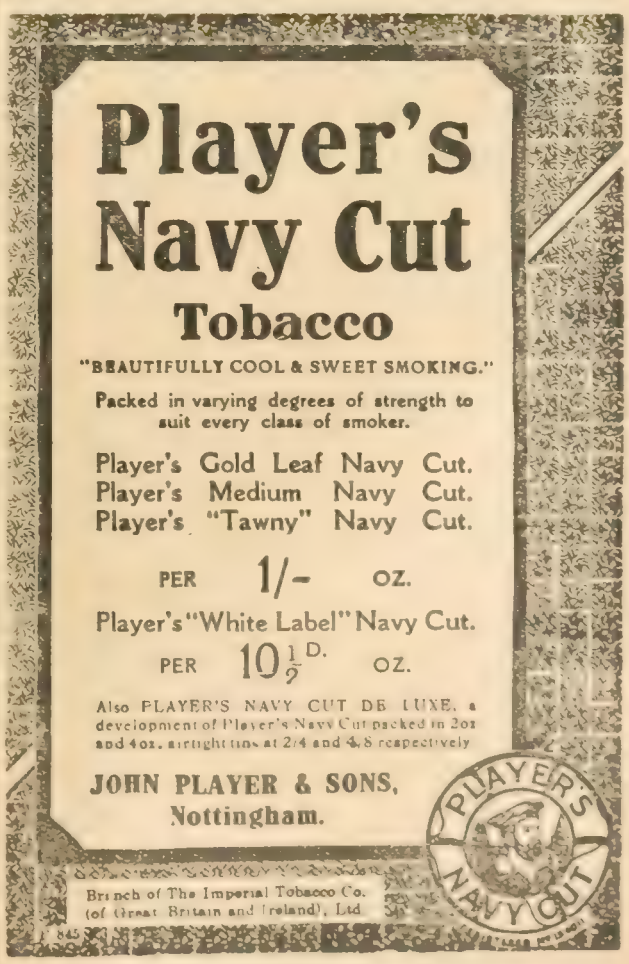
John Mackintosh and Sons.—We are officially informed that the issue of £300,000 Ten per Cent. Cumulative Preference shares was over-subscribed within forty-eight hours, and the list was closed for town and country at 3 P.M. on Wednesday.

Mond Nickel Company.—We are informed that the offer for sale made by B.S.T., Limited, of £1,300,000 Eight per Cent. Mortgage Debenture stock of the Mond Nickel Company having been largely over-subscribed, the list was closed at 3 P.M. yesterday.

British Oxygen.—Messrs. Hazleton and Company announce that the subscription lists for the issue of £250,000 Eight per Cent. First Mortgage Debenture stock of the British Oxygen Company were closed for London at noon on Monday, the issue having been over-subscribed.

R. E. Jones.—We are officially informed that the issue of 700,000 Preference shares of R. E. Jones has been over-subscribed, more than 5,700 applications being received.

Niger Notes.—We are informed by Messrs. Lazard Brothers and Company, Limited, that an agreement has been entered into between Lever Brothers, Limited, and themselves, acting on behalf of the holders of the £2,500,000 Eight per Cent. Seven-Year Notes of the Niger Company, Limited, recently issued by them, by which these notes will be guaranteed both as to principal and interest by Lever Brothers, Limited. We understand that this guarantee is given in view of the fact that the proposed arrangements providing for the acquisition by Messrs. Lever Brothers, Limited, of Ordinary shares of the African and Eastern Trade Corporation, Limited, are not being proceeded with, so that the contemplated transfer of those shares to the Niger Company will not take place, although the transfer of the Ordinary shares in Lever Brothers, Limited, own West African companies will be carried out as contemplated in the prospectus. Noteholders are invited to deposit their notes with Messrs. Lazard Brothers and Company, Limited, on or after April 11, for endorsement of the guarantee.



COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Railways—Home :											
Plymouth, Devonport & Sth. West Junctn.	31 12 20	28,664	19,110	2½	9,450	—	—	3,538	+ 104	28,786	2½
Canals and Docks :											
Penarth Pontoon, Slipway & Ship Repairing	31/12/20	7,528		10	5,090	5,000		2,452	— 2,561	—	—
Commercial and Industrial :											
Birmingham Small Arms ...	(18 mos) 31/1/21	466,152	32,742	5½	140,758	—	—	510,818	+292,651	373,091	10†
Bobby & Co.	... 10/2/21	44,000	33,004	10	9,220	5,000	4,000	14,561	— 6,824	51,136	10
British & Argentine Meat	... 31/12/20	341,507	38,207	12½	125,362	150,000	25,000	40,695	+ 2 937	389,471	12½
British Portland Cement	... 31 12 20	323,406	70,800	15	207,393	—	—	181,478	+ 45,213	202,565	8
Canning (W.)	... 31/12 20	14,397	—	7½	8,285		4,660	1,452	—	—	—
Grand Hotel (Bristol)	... 31/12 20	3,934	—	10	1,702	—	—	7,720	+ 2,232	—	—
Jays, Ltd.	... 31/1 21	21 659	9,625	10	14,000	—	—	18,996	— 1,966	94,230	17½
Macfarlane & Robinson	... 31/12 20	13,951	4,900	10	6,984	3,258	2,277	4,034	— 3,467	—	—
Mazawattee Tea	... 21/12/20	29,286	12,320	10	8,167	—	5,000	25,209	+ 3,799	43,391	15
Metropolitan Vickers Electrical ...	... 31/12/20	273,191	102,727	12½	63,029	100,000	—	58,824	+ 7,735	—	—
Smith's (Thomas) Stamping Works	... 31/7/20	57,004	—	20	35,000	22,500	—	11,671	— 496	—	—
Spencer, Turner & Boldero	... 15 1 21	58,359	8,250	14½	38,179	10,000	—	6,575	+ 1,929	59 808	14†
Swift of Coventry	(17 mos) 31,12 20	Dr.78,549	9,208	—	—	—	—	Dr. 68,249A	— 85,049	42,015	30
Vauxhall Motors	... 31 12 20	35,222	—	—	—		—	48,691	+ 35.222	25,837	10
Electric Lighting and Power :											
Bromley (Kent) Electric Light & Power	... 31/12/20	9,599		6	4,500	5,230		1.315	— 131	6,137	4
Folkestone Electricity Supply ...	... 31/12/20	4 768	2,500	1½	2,375			832	- 107	4,850	4½
Financial Land and Investment :											
Mercantile Marine Finance	... 28/2/21	51,611	—	—	—	—	—	51,611	—	—	—
Natal Land & Colonisation	... 31/12/20	28,888	5,962	7	23,823	—	—	27,732	+ 1,103	—	—
National Guarantee & Suretyship ...	... 31/12/20	3,112	—	10	3,500	—	—	5,142	— 388	2,945	10
Insurance :											
British & European Insurance ...	... 31/12/20	3,849		10	700	—	3,638	524	- 489	—	—
British Engine, Boiler & Electrical	... 31/12/20	11,856		33⅓	14,280	—	—	3,598	- 2.424	14,190	29½
British General Insurance	... 31/12/20	137,458		20‡	32,894	100,000	—	14,636	+ 4,564	112,008	25
Caxton Insurance	... 31/12/20	7,545		10	4,899	3,000		3,217	- 354	—	—
Law Union & Rock	... 31/12/20	95,368		8—	63,000	30,000	—	351,793	- 2,368	—	—
Iron, Coal and Steel :											
Albion Steam Coal	... 31 12 20	46,725	13,200	10	22,000	—		24,908	+ 11,525	64,658	6
Dunlop (James)	... 31/12/20	82,727	19,500	- -		50 000		43,469	+ 13,227	74,586	5
Sheffield Steel Products	... 31/12/20	215,212	—	10	98,474	—	—	171,954	+114,737	145,879	10
United National Collieries	... 31/12/20	237,703	13,553	12½†	169,016	38,065	—	65,103	+ 17.069	184,326	25†
Tea, Coffee and Rubber :											
Malay Rubber Planters	... 30/9/20	12,039		5	2,931	-	—	16,227	+ 9,108	9,201	35
Pantiya Tea & Rubber	... 31/12/20 Dr.	4,932	-	—	-	Dr. 3,000	—	1,776	— 1,932	11,089	35
Mining :											
Bantjes Consolidated	... 31/12/20	17,261			—	—	-	121,861	+ 17,261	—	—
Chendan Consolidated	... 30 4 20 Dr.	823			—		—	186	— 823	902	—
City Deep	... 31/12/20	472,980	- -	32½	415,250		- -	303,201	+ 57,730	—	23½
Durban Roodepoort Deep	... 31/12/20 Dr.	32,335				—	—	Dr. 13,356	— 32.335	—	—
Geldenhuis Deep	... 31 12 20	84,356		15	87,863	-	—	150,071	- 3,527	—	10
Goping Consolidated	... 30 9 20	97,100		15	59,365		7,500	45,673	+ 30,534	—	—
Kledang Tin	...29.2 20 Dr.	1,024	-	—	-	-	—	Dr. 4,139	+ 1,024	-	—
Knight Central	... 31/12/20	73,573		7½	67,500		—	142,758	—	—	—
Mason & Barry	... 31 12 20	67,685		25	46,293	—	5,000	23,719	+ 16,392	—	—
National Mining Corporation ...	... 31 12 20	22,336		—	—	—	—	22,336	—	—	—
Pengkalen	... 30,9,20	10,412	- -	15	7,088	—	4,000	8,575	— 676	—	—
Premier (Transvaal) Diamond ...	... 31,10 20	507,509	92,500	1,100	440,000	—	—	40,964	— 24,991	—	—
Rambutan	... 30,6 20	23,165		15	15,000	—	—	12,439	+ 8,163	14 253	13⅓
Robinson Gold	... 31,12 20	95,182	-	3	82,500	—	—	186,089	+ 12,682	—	—
Rose Deep	... 31,12,20	191,660		27½	192,500	—	—	134,047	- 840	—	25
Tekka-Taiping	... 31/10/20	36,082	-	5	17,434	—	—	18,649	—	—	—
Tudor Gold	... 31/12 20 Dr.	1,567	—	—	-	—	—	Dr.105,572	+ 1,367	Dr. 1,163	—
Van Dyk Proprietary...	... 31/12/20 Dr.	6,429	—	—	—	—	—	Dr. 130,875	+ 6,429	Dr. 6,221	—

A. Written off premum of £100,000 on shares issued in 1919. B. Share for share issued at par in 1920

* After providing for all Government taxation, prior charges, &c † Tax free. ‡ Half-year

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

ROTTERDAMSCHE BANKVEREENIGING.—Cabled results of last year's operations by the Rotterdamsche Bankvereeniging give as the aggregate net profits a sum of Fl.20,175,324—an increase of Fl.2,074,906 on the Fl.18,100,418 of 1919, in which year a fifty per cent. increase in capital (from 50 to 75 million florins) was accompanied by a large expansion in both deposits and advances and a rise in net profits of 100 per cent. The ordinary reserve is to be raised by Fl.5 million to Fl.35 million, Fl.4 million is to be set aside as a special reserve fund, one million florins being devoted to writing down premises account, and Fl.930,596 carried forward. The effect is to retain undivided about half of the realised profits, the strength and resources of the Bank being correspondingly enhanced.

BANK OF SCOTLAND.—A more detailed classification of certain of the assets is a noticeable feature of the balance sheet of February 28, 1921, submitted on the 5th instant to the first annual meeting of proprietors held under the Bank of Scotland Act, 1920. At £45,298,600, following £45,296,918, the balance-sheet totals have been almost stationary, and at 14.5 per cent. thereof the proportion represented by cash, bank balances, and items in transit remains unchanged, but in place of the combined asset of "Gold and silver coin, currency notes, notes of other banks, cash balances with London bankers, and cheques in course of transmission," totalling £6,565,604 in the earlier year, we now have the additional information afforded by three separate amounts for (1) cash and balance with the Bank of England, (2) balances with London correspondents and other banks, and (3) cheques and documents *in transitu*, aggregating £6,574,003. Money at call and short notice, hitherto included with British Government securities, is now disclosed separately at £2,195,705, or 4.8 per cent., the combined figures (£15,610,607) being lower than before by £2,246,029. Other investments at £1,272,227 show a reduction of £216,380, Indian and foreign Government securities, though only about one-tenth of the whole, being on this occasion distinguished from the rest. The principal increase appears in the hitherto grouped figures of bills discounted, current accounts, and other advances, now standing for £20,362,823 (in succession to £18,064,236), further light on the liquidity of the Bank's position being thrown by the fact that this large sum consists to the extent of nearly one-fourth of Treasury bills, part of £6,656,467 in all represented by bills discounted. Liabilities to the public chiefly comprise deposits and credit balances of £37,687,358, following £36,943,953, acceptances of £841,751, against a previous £673,307, and a note circulation increased by about £100,000 to £4,328,175. Returned at £309,603, the net profits are within about £10,000 of those of the preceding year, and allow, after the application of £120,000 (following £160,000) to depreciation in investments and £20,000 (as against £10,000) in reduction of bank premises account, of a repetition of the sixteen per cent. dividend (subject to tax), leaving a carry-forward of £76,137, as against £54,934 brought in.

MEETINGS
OF PUBLIC COMPANIES.

The National Bank of Egypt.

THE twenty-first annual general meeting of the shareholders in the National Bank of Egypt was held on March 29 at the head office of the Bank in Cairo, Mr. B. Hornsby, C.B.E. (the Governor), presiding.

The directors' report was as follows:

The directors present to the shareholders the balance sheet and profit and loss account for the year ended December 31, 1920.

The gross profit for the year, after providing for depreciation on the bank's buildings and furniture, for rebate of discount and for bad and doubtful debts amounts to			£1,269,211 19 9
After deducting from this sum:			
For directors' fees	£11,208	6 8	
For current expenses...	430,849	5 2	442,056 11 10
there remains			£827,154 7 11
The directors propose to allocate:			
For depreciation of Government and sundry securities	£188,476	5 0	
For depreciation of securities in guarantee for the Note Issue ...	58,246	8 0	246,722 13 0
Leaving a net profit of ...			£580,431 14 11
In conformity with Article 49 of the Bank's Statutes, a dividend of 1% is payable on the Share capital ...			120,000 0 0
After this statutory distribution there remains			£460,431 14 11
Adding to this the balance brought forward from last year			141,932 7 2
the amount available is ...			£602,364 2 1
The directors consider it prudent to allocate to Special Reserve for contingencies a sum of			100,000 0 0
which leaves			£502,364 2 1
From this amount the directors recommend the payment of an additional dividend of 11% on the share capital which will absorb			330,000 0 0
and leave a balance to be carried forward of			£172,364 2 1

Each share will thus be entitled to a dividend of 30*s.*, equivalent to fifteen per cent. on the share capital. An interim dividend of 8*s.* per share, = four per cent., having been paid on September 3, 1920, the balance remaining to be distributed is 22*s.* per share = eleven per cent.

Balance Sheet, December 31, 1920.

LIABILITIES.

	£E.	MM.	£St. s. d.
Share Capital:			
300,000 fully paid Shares of £10 each	2,925,000	-	3,000,000 0 0
Statutory Reserve Fund	1,462,500	—	1,500,000 0 0
Special Reserve...	585,000	- -	600,000 0 0
Current, Deposit and other Accounts	17,272,377	307	17,715,258 15 6
Egyptian Government	799,902	587	820,412 18 2
Mixed Tribunals	2,109,180	885	2,163,262 8 11
Bankers' Accounts	1,028,573	980	1,054,947 15 5
Cheques and Bills payable	258,000	042	264,615 8 7
Acceptances, as per contra	714,667	979	732,992 16 0
Rebate of Discount on Bills not yet due	17,895	032	18,353 17 7
Staff Provident Fund	19,024	935	19,512 15 1
Dividends Unclaimed	17,178	624	17,926 15 11
Provision for payment of final dividend at the rate of 11%, p.a. ...	321,750	-	330,000 0 0
Profit and Loss Account Balance ...	168,054	999	172,364 2 1
	27,699,106	568	28,409,647 11 3

ASSETS.

	£E.	MM.	£St. s. d.
Government Securities and Securities guaranteed by the Egyptian Government	8,951,624	858	9,181,163 14 0
Sundry Securities	271,133	639	278,085 16 9
Advances on Merchandise	1,822,144	137	1,868,865 15 8
Advances on Securities	1,896,139	569	1,944,788 10 8
Advances otherwise secured	1,054,199	686	1,081,230 8 11
Sundry other Advances	885,738	152	908,449 7 9
Egyptian Government	4,160,099	206	4,266,768 8 4
Sudan Government	245,362	265	251,653 12 1
Clients' Liability for Acceptances ...	714,667	979	732,992 16 0
Bills of Exchange	1,631,484	406	1,673,317 8 0
Local Bills Discounted	140,006	320	143,657 15 4
Cheques Receivable	4,388	810	4,501 6 10
Buildings, Furniture, &c.	308,891	524	316,811 16 5
Money at call and at short notice	1,326,000	—	1,360,000 0 0
Bankers' Accounts	792,449	187	812,768 7 11
Bank of England	107,985	735	110,754 12 0
Cash:			
Notes £E3,115,691,750			
Gold & Silver coin, &c. 241,339,031	3,387,030	784	3,473,877 14 7
	27,699,406	368	28,409,647 11 3

There is a contingent liability in respect of bills rediscounted of L.E.3,180,532.107 = £3,262,034 4*s.* 5*d.*

Under the heading "Bankers' Accounts" is included £571,187 0*s.* 8*d.* to credit with banks in Germany and Austria.

Issue Department.

	£E.	MM.
Notes issued	10,400,000	—
	10,400,000	—

	£E.	MM.	£E.	MM.
Gold	3,333,189	578		
*British Treasury Bills	16,866,810	422		
			20,200,000	—
Securities—				
Egyptian Government Securities and Securities guaranteed by the Egyptian Government	583,366	880		
British Treasury Bills and National War Bonds	19,816,633	120	20,200,000	—
			10,400,000	—

* By authority of the Egyptian Government these Treasury Bills are deposited in lieu of gold. (See *Journal Officiel* of October 30, 1916.)

Profit and Loss Account.

DR.	£E.	MM.	£St. s. d.
Directors' Remuneration	10,928	125	11,208 6 8
Current Expenses	420,078	030	430,849 5 2
Depreciation of Government and Sundry Securities	183,704	342	188,476 5 0
Depreciation of Securities deposited in guarantee for the Note Issue ...	56,790	240	58,246 8
Interim Dividend at the rate of 4% p.a.	117,000	—	120,000 0
Transferred to Special Reserve ...	97,500	—	100,000 0 0
Provision for payment of final Dividend at the rate of 11% p.a. ...	321,750	—	330,000 0 0
Balance carried forward . ..	168,054	999	172,364 2 1
	1,375,805	736	1,411,144 8 11

CR.	£E.	MM.	£St. s. d.
Gross Profit for the year ending December 31, 1920, after providing for depreciation of Buildings and Furniture, for rebate of discount, and for bad and doubtful debts	1,237,481	686	1,269,211 19 9
Balance brought forward from last year	138,384	050	141,932 7 2
	1,375,805	736	1,411,144 8 11

Directors:
V. HARARI.
M. C. SALVAGO.

Governor:
B. HORNSBY.

Report of the Auditors.

We have examined the books of the National Bank of Egypt, and in our opinion the above balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs as shown by the books. We have also verified the cash, notes, and securities at the head office and the Cairo and Alexandria branches, and have found the same correct. The London returns have been audited and certified by Messrs. Deloitte, Plender, Griffiths and Company, chartered accountants.

F. H. RUSSELL.
J. GIBSON HARRIS.

Cairo, March 10, 1921.

REVIEW OF TRADE AND FINANCE IN EGYPT AND THE SUDAN.

Governor's Speech.

The Governor said: Gentlemen, I have the honour to-day to preside for the first time at the general meeting of the Bank's shareholders, my predecessor, Sir Frederick Rowlatt, having retired from active service on February 28, at the end of his third quinquennial period as Governor.

Some little time ago Sir Frederick intimated to the board that, after thirty-three years of strenuous work in this country, he did not desire to take office for a further period. The directors received this decision with great regret, but I am happy to state that we shall not lose his services entirely, as, subject to your ratification to-day, he will remain as a member of the board, and we hope to have for many years to come the benefit of his profound knowledge of this country and of his wise counsels.

We have also to report to you that H.E. Boutros Pasha Nubar, who has been a director of the Bank since its formation, has resigned from the board, being detained in Europe on private affairs. We desire to put on record the valuable services he has rendered to the Bank and to say how sorry we are to be deprived of his presence and advice.

We have pleasure in submitting to you the balance sheet and the profit and loss account for the year 1920.

Record Profits.

Our gross profits, after making the usual provisions, have reached the large sum of £1,269,211, from which we have to deduct our expenses and the amount necessary to provide for the depreciation on our securities. The net profit is £580,431, of which we propose to place £100,000 to special reserve, to distribute £450,000 as dividend at the rate of fifteen per cent. (including the interim dividend of four per cent. paid last September), and to increase the carry-forward by about £30,000, making the latter £172,364.

Year by year, for several years past, we have hoped that the depreciation of our securities would have been arrested, but each year our hopes have been falsified, and we have had again to devote £246,000 to this purpose. Our holdings now very largely consist of short-term securities, and as they fall due for payment we shall reap the benefit of our present prudence.

Our expenses have again increased, largely owing to increased remuneration to our staff and also to the normal development of our business. We are glad to see that at last there are signs of a fall in the cost of living, which will make the situation easier all round.

Despite these two factors, our profits are higher than they have ever been before, and reflect the exceptional prosperity which Egypt enjoyed through the greater part of the year 1920. The picture is somewhat changed to-day, but I will refer to that presently.

Turning to our balance sheet, you will find that our total figures have shrunk from about 43,000,000 to 28,500,000. This shrinkage is almost entirely accounted for by the fact that at the end of 1919 we were holding a large sum for the Egyptian Government, which was paid out in the ordinary course of business during the year 1920. The deposits of the general public were reduced by about 1,500,000, which was only natural, as our customers were able to get goods from abroad which had not been obtainable during the War. The deposits still include some fairly large sums of a non-permanent nature which are destined shortly to disappear. Our advances on merchandise fell from 7,500,000 to under 2,000,000, and our foreign bills discounted from 7,500,000 to 1,500,000. Both these reductions are due to the same causes; first the fall in the price of cotton has caused our customers to require less money to carry on their business, and, secondly, the stagnation in the export trade is such that our largest customers, instead of owing us money, as they usually do during the winter months, have money to their credit and have few export bills to sell us. In so far as it shows the strength of their positions this is very satisfactory, but it will have its effect on the profits for the year in course.

Causes of Reduced Note Issue.

On December 11, 1919, the note issue reached the figure of £68,200,000, since when it has steadily declined, till at the end of 1920 it was only £40,400,000—a drop of nearly £28,000,000 in that interval. The fall began in the natural course of events in the early part of the year and continued until the end of September. The commencement of the cotton season arrested the fall for a few weeks, but by the middle of October, owing to the state of the cotton market, a further decline set in, which has continued up to the present without interruption, the figure at the end of February this year being £36,000,000.

The following table gives the details of our issue at the end of the years 1919 and 1920:

	December 31, 1919.	
P.T.	25 Notes	£E. 531,963
,,	50 ,,	,, 5,372,007
£E.	1 ,,	,, 9,503,990
,,	5 ,,	,, 12,596,640
,,	10 ,,	,, 19,202,400
,,	50 ,,	,, 8,335,600
,,	100 ,,	,, 13,786,400
		£E.67,300,000

	December 31, 1920.	
P.T.	25 Notes	£E. 402,906
,,	50 ,,	,, 2,049,369
£E.	1 ,,	,, 7,481,435
,,	5 ,,	,, 7,407,440
,,	10 ,,	,, 10,721,350
,,	50 ,,	,, 4,731,200
,,	100 ,,	,, 7,606,300
		£E.40,400,000

It is sometimes thought in this country that it is in our power to increase or contract the note issue at will, whereas, of course, the changes are automatic and depend on the state of the country's trade. So long as the value of exports largely exceeded that of imports, and high prices demanded a larger volume of currency for carrying on trade, the amount of the issue constantly increased, in response to a legitimate trade demand, each increase being guaranteed by the deposit in our Issue Department of British Treasury bills for an equivalent amount. But as soon as the balance of trade turns against Egypt, as it now has, notes have to be surrendered in payment of the excess value of imports over exports, and consequently the issue contracts. The Treasury bills previously deposited are released, and their proceeds are utilised to pay the foreign exporter.

The following figures show that during the past five years ending August 31, 1920, the value of exports has exceeded that of imports by about £48,000,000. This sum does not by any means represent the total accretion of wealth to the country, the very large sums disbursed by the British Army having also to be taken into account. In his Note to the 1920-21 Budget, the Financial Adviser estimated that Egypt's foreign investments from 1915 to 1919 had reached the large sum of £152,000,000.

	Imports	Exports
1915-16	£E.27,545,340	£E.29,882,393
1916-17	,, 30,090,371	,, 41,587,950
1917-18	,, 47,280,226	,, 48,019,952
1918-19	,, 44,334,750	,, 48,829,951
1919-20	,, 87,577,985	,, 113,461,806

The Fall in Cotton Prices.

The figures for the year in course will probably show a large balance against the country, and we are now, in common with the rest of the world, passing through a period of acute depression. Our principal product, cotton, which at one moment, in February last year, attained the price of £39 per cantar (100 lb.), is now down to about £6, and the eager demand which was such a characteristic of last season is replaced by a feeble stream of orders; in particular, during the six months ended February 1920, we had exported to Great Britain 2,207,201 cantars and to America 1,593,332 cantars, as against 936,211 cantars and 175,093 cantars during the six months ended February last.

It is needless to say that this heavy fall in price has caused keen disappointment to the growers, most of whom, misled by the high prices of a year ago, looked forward to still higher prices this season. The Government has again issued a decree restricting somewhat the area which may be planted in cotton, and doubtless many cultivators will still further reduce their area and turn their attention to other crops. But the prices of these latter have also dropped considerably, whilst on the other hand costs of production have not yet done so to the same extent; fortunately, they continue to show a downward tendency, and it is obvious that prices and cost of production must fall into such relation as will enable the grower to realise a profit. The adjustment process may be long or short, but in any case it is bound to be unpleasant. Fortunately, the years of exceptional prosperity which we have just passed through have endowed all classes with increased powers of resistance; debts of all kinds have been paid off, bank deposits have largely increased, a large quantity of Government stock and other Egyptian securities have been purchased from abroad, and the people of the country still hold some £30,000,000 of bank notes, to say nothing of over £6,000,000 of silver currency, both issued since the commencement of the War.

That there has been a serious set-back cannot be denied, but the general financial situation of the country is fundamentally sound, as that of a fertile country with an industrious population should naturally be.

We must hope that the revival of trade and commerce throughout the world will not be long delayed, and in particular that spinners of Egyptian cotton will begin to buy more freely than they now seem able to do.

Conditions in the Sudan.

The economic and financial conditions of the Sudan continue to be very satisfactory, and the following table illustrates the remarkable growth of external trade during the past five years:

	Imports £E.	Exports (including Re-Exports £E.	Total £E.
1916	2,661,468	2,515,515	5,177,983
1917	3,102,117	3,729,181	6,831,924
1918	4,0-4,582	4,210,,84	8,234,,66
1919	4,800,,45	3,,29,,69	7,83,,314
1920	7,001,,65	5,075,971	12,082,,36

The increase in the value of imports in 1920 over 1919 is chiefly due to the growth of the purchasing power of the population, the enhanced prices which ruled during the year, and also to the considerable capital expended in the country by the Government, principally on irrigation works at Makwar, on the Blue Nile, where a dam is being constructed.

The growth of the export trade is chiefly due to enhanced prices, the good cotton crop of 1920, and the demand for Sudan cattle in Egypt; 88,000 cantars of ginned cotton, valued at £1,605,742, were exported during the year, as against 49,742 cantars, valued at £360,295, during 1919, and the value of live-stock exported was £963,749, as compared with £710,639 in 1919.

The Government finances, consequent upon the development of trade, have greatly benefited, and the revenue is anticipated to attain the figure of £4,390,000, against an estimate of £3,500,000.

Reference was made by us last year to the Sudan Government Loan of £6,000,000 for the purpose of irrigation works, including the construction of a dam at Makwar on the Blue Nile, and also for the extension of the railway system in the Sudan. The first instalment of £3,500,000 was raised in 1919 and the balance has recently been issued. The irrigation works are being pushed forward with great activity, and it is anticipated that on the completion of the scheme both the Government resources and the external trade of the country will considerably develop.

Our own business in the Sudan continues to progress satisfactorily. We now have, in addition to offices at Khartoum, Suakim, and Port Sudan, sub-agencies at Omdurman, Wad Medani, El Obeid, and Tokar. The establishment of these offices enables us to play our proper part in the development of the trade of the country.

The directors who retire this year by rotation are Mr E. W. P. Foster, H. E. V. Harari Pasha, and Colonel the Hon. Sidney Peel, and we submit their names to you for the honour of re-election. We also ask you to confirm the nomination of Sir Frederick Rowlatt as a director.

In conclusion, we desire to render our thanks to our staff for their services; we have endeavoured, by liberal increases of salary and by temporary allowances, not only to put them in a position to meet the increased cost of living, but also to improve their general position. Our efforts have been appreciated, and your affairs are cared for by a loyal body of servants.

Monte Video Waterworks Co., Ltd.

THE forty-second ordinary general meeting of this Company was held on April 5 at the offices of the Company, 52 Moorgate Street, E.C., Mr. James Anderson (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the results of the past year's working would, he hoped, be regarded as satisfactory. After providing for the usual dividend on the Ordinary stock, there remained £36,492, of which they recommended that £30,000 should be placed to reserve. The gross receipts had increased by £22,970. That was a gratifying testimony to the activity and progress of the business, but was accompanied by an increase of £26,389 in the working expenses. With regard to the cost of coal, the prospects were brighter, the present cost being £3 per ton less than the average price for the past year.

With regard to capital expenditure, the progress of the business had, during the last seven years, been phenomenal, their services having increased from 30,000 at the close of 1913 to 39,500 at the close of 1920. The capital outlay during that period had amounted to £246,000. By the end of the current year the reserve fund would all be invested in the business, and if they contemplated the extension of their works to meet the probable requirements of the city in years to come they were faced with a difficult and serious situation.

The capacity of the Company to supply water was determined by the capacity of their two conduits, and to add a third with the other necessary additions would probably require an increase of the capital by something like £1,000,000.

The report and accounts were unanimously adopted, and the formal business was duly transacted.

Globe and Phœnix Gold Mining Company, Limited.

Ore Reserves.

THE twenty-fifth annual general meeting of this Company was held on April 4 at Cannon Street Hotel, E.C., Mr. F. A. Macquisten, K.C., M.P. (the Chairman), presiding.

The Chairman said: Ladies and Gentlemen,—In moving the adoption of the report and accounts I have not a very great deal to say to you, because I think you will agree that they form a pretty satisfactory statement.

With regard to the mine, you will no doubt remember the meeting which was held towards the close of the year 1919—October, I think—when the shareholders were asked, in view of the continued failure to expose payable ore, to approve a comprehensive scheme of development laid out by Mr. D. P. McDonald. At this meeting I was so confident of the future of the mine that I expressed the opinion that the mine would justify its name and again reach the position of being a satisfactory dividend-payer. This prophecy was not altogether made on my own opinion, but it was due to a long consultation I had had with one of the most eminent witnesses in the course of the litigation—a man who was at the very inception of the mine. He told me that all along we had not cross-cut or prospected sufficiently, and that if we were to cross-cut enough we were bound to come upon ore. That was the foundation of my expression of opinion, and I am glad to say that the last six months have fully justified it, and that we have been coming on very good stuff indeed. One must always recall this—and I recall it vividly—that when Mr. Hope joined the board, and when I joined it afterwards, we had only two years' payable ore in sight, and we have always kept that practically ahead of us.

Recent Developments.

Now, for the first few months of the year under review there was not any very material improvement shown in development, but about the end of July there was a marked turn for the better, and a rich branch of the reef was struck on the fourteenth level. Driving upon this, we exposed values for a considerable distance. This branch was again picked up on the fifteenth level about 100 feet lower down the mine, and when we received this information we thought it so important that it was our duty at once to advise the shareholders of the striking of this ore, and we told them that we attached considerable importance to this discovery. As you will have seen from the monthly developments published, and from Mr. McDonald's report, further driving on the fourteenth and fifteenth levels has given very satisfactory values up to the present date. I am not going at any great length into further details of the workings of the mine, but when I read you the usual monthly development cable for February, sent by Mr. Haddon, you will see that the outlook all over the mine is very different from what it was some nine months ago, and, as we say in the report, we as a board all look forward with great confidece to the coming year.

Ore Reserves.

There is another point with which I want to deal, and that is the position of the ore reserves. During last year, roughly, about 70,000 tons of ore were extracted, but, owing to the methods adopted at the suggestion and laid out by Mr. McDonald, this only affected the ore reserves to the extent of 15,500 tons; in other words, some 55,000 tons of new ore must have been discovered and extracted during the year. Given that the same conditions prevail, even though we were not to discover more ore, we should have a considerable number of years of prosperity before us.

I should also like to state that before any ore discovered can be taken into the ore reserve it has to be exposed on at least three sides, and proper assays have to be taken all along, so that you can see how much there is. Driving on one level and on the next level—such as the fifteenth and fourteenth—only gives the exposure on two sides, and, until you have winzed and raised, no account can be taken of the ore. This being so, the reef exposed on the fourteenth and fifteenth levels has not been exposed sufficiently to allow any tonnage to be calculated, but, having regard to the good values exposed, Mr. McDonald says there is no doubt that eventually these developments will contribute materially to the reserves. At other places in the mine I am glad to say that somewhat similar conditions have prevailed, and I therefore think that, even if the reserves are not increased in the coming year—and I for one expect that they will be—we shall not draw upon them in the coming year even to the small extent that we have done in the past year.

You will observe that we have placed £100,000 to special development reserve, which Mr. McDonald will expend, I hope, with great profit to us all. Over and above that we are in the fortunate position of being able to pay you this year a dividend of 6s., free of tax, which is about equal to 9s. with tax, and we still have plenty of funds in hand. At a directors' meeting this morning we decided to pay you a small interim dividend of 1s. per share on account of the current year.

The Chairman concluded by moving the adoption of the report and accounts, which was seconded by Mr. John D. Hope, M.P., and carried unanimously.



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British Dyestuffs Corporation.

A YEAR OF SUCCESSFUL RESULTS.
THE NEW ORGANISATION.

THE second ordinary general meeting of the Corporation was held in Manchester on April 1, Sir Henry Birchenough, Bart., K.C.M.G., presiding.

In moving the adoption of the report and accounts the Chairman referred to the services rendered to the dyemaking industry by the late Lord Moulton, and to the regret felt by the board on the retirement of Sir Harry McGowan owing to pressure of other duties.

Sir Henry proceeded :

I pass now to the history and results of our financial year. I think you will agree that the results of the year's workings are satisfactory, especially when you take into account that the whole of our capital has not been remuneratively employed, owing to the fact that important sections of our plant were still under construction and were not completed during the period of general trade activity which marked the first half of the year under review.

As you will see from the report, the revenue available for distribution amounts to £610,927 5*s.* 8*d.* This amount is arrived at after making a very careful review of the values of our stocks of materials and finished dyes, after appropriating a large sum for depreciation of plant and machinery, after making the necessary reserves for taxation (and you all know what that implies in these days), and after bringing in the sum of £58,826 12*s.* 4*d.*, which was our carry-forward from the previous year. Out of this sum of £610,927 we have already paid dividends on the Preference shares for the two half-years ending respectively on April 30 and October 31, 1920, which absorbed £191,006 8*s.* 1*d.* We now recommend the payment of a dividend for the year upon the Preferred Ordinary shares at the rate of eight per cent., which will absorb £216,616 0*s.* 5*d.*, and will leave us an amount of £203,304 12*s.* 7*d.* to carry forward to next year's accounts, as compared with a previous carry-forward of £58,826 12*s.* 4*d.*

In view of the present trade conditions, your directors have thought it prudent for the time being to suspend, where possible, all further expenditure upon construction. You will notice that the provision for depreciation for the two years to October 31, 1920, amounts to £593,486. In fixing the basis for arriving at this sum we have borne in mind the heavy depreciation to which plant used for dyemaking is subject and the necessity for making early provision for replacement. It is only by following a liberal policy in this respect that the permanent interests of the Corporation can be preserved. The only other item which calls for notice is the value of the stocks on hand, which amounts to £3,988,543. In arriving at this figure we have followed the sound commercial practice of basing our values either on cost or market price, whichever is lower. We have called attention in the report to these stocks and to the causes which have given rise to their accumulation.

Progress.

Since we last met you we have continued to carry out the objects we then told you we were keeping strictly before us—namely, the establishment and development of a dyestuff industry which would gradually supply the needs of British consumers, both in quantity and variety, and would protect them from the menace which would arise from a return to dependence upon foreign sources of supply. That we have made progress in this direction is clearly indicated by the fact that our output of finished dyestuffs during the year under review showed an increase of fifty-four per cent. as compared with the output of the previous year, and the total weight of dyestuffs which our present equipment is capable of producing places the Corporation among the principal dye-producers of the world.

During the early part of the year under review trade was, as you know, exceedingly active, and the demands made upon us by colour-users were more than we could meet. The textile trades in particular were enjoying a period of unexampled prosperity. I think we may claim that we were able to meet their requirements to an extent which enabled them to take advantage of that period of prosperity, and that we have not only justified our existence, but have rendered a great service to the colour-using industries of this country.

As the year 1920 advanced a change came over the scene to our very great disadvantage—due to two circumstances which are referred to in the report.

Foreign Imports.

In the first place, the safeguards promised by His Majesty's Government and set out on the forefront of our prospectus proved to be short-lived. The Royal Proclamation issued in February 1919 prohibiting the importation of dyestuffs except under licence, after being effective for about ten months, was rendered invalid by a decision given in the Law Courts by Mr. Justice Sankey in December 1919. From that date the importation of foreign dyestuffs into the United Kingdom was unrestricted, and in effect remained unrestricted for twelve months—that is, from December 1919 to January 1921. The very threat of German importations—even before they arrived—had an injurious effect upon our trade, because it checked the placing of forward contracts, and to that extent diminished demand for our products. At first German dyes came in slowly, but as the German power of production increased they came in more rapidly and in ever-increasing quantities. During the second half of the twelve months period there occurred a rapid decline in practically all branches of trade. There was, consequently, on the one hand an increase of imports, and on the other a decrease in demand, with the result that there has been created in this country a formidable accumulation of stocks of foreign dyestuffs awaiting consumption.

The Dyestuffs Act.

It was only in December last—just a year after the Sankey judgment—that a special measure entitled the Dyestuffs (Import Regulation) Bill was introduced into the House of Commons and passed into law. I must at this point acknowledge the unfailing sympathy and assistance we have received from Sir Robert Horne, Sir Philip Lloyd-Graeme, and from the permanent officials of the Board of Trade. From the day he became President of the Board of Trade Sir Robert Horne, I am satisfied, did everything in his power to promote the necessary legislation, and when once he was authorised by the Cabinet to introduce his Bill he piloted it through the House of Commons with a combination of firmness and tact which ensured its passage into law.

Research Organisation.

During the debates on the Dyestuffs Bill some of our critics in both Houses of Parliament and in the Press suggested that the importance of research was being, or would be, overlooked by our Corporation. Need I say that this is quite untrue? I wish to assure the shareholders and the public that the board is very much alive to the vital necessity for continuous research in our industry. We realise that we must ensure that all the processes we use are operated with the maximum efficiency, and for this purpose they require almost continuous examination in order that every possible improvement may be discovered and be made use of. We realise that so far as we have not done so already (and we have in fact made great progress in this direction) we must discover and perfect the processes which are necessary to enable us to manufacture those foreign dyes which are needed by dye users but which at present are not made here. Finally, we realise that we must not be content to copy. We must allow free play to the inventive genius and initiative of British chemists—so that we may ultimately lead and not follow.

All this is the work of the research department, and it is upon these lines that our research department is working. You will see from the report that we have spent upon research during the first two years of the Corporation's existence £289,366. This sum includes the large capital expenditure which is necessary to lay the foundations of a permanent research organisation. You will observe that in the balance sheet we have a reserve fund of £100,000 for research. As I told you last year, we are fortunate enough to have at the head of this branch of our activities two eminent chemists—both of them Fellows of the Royal Society—Dr. Green and Dr. Robinson. Working under them are many zealous and promising chemists, and the results we have already achieved from their combined labours justify us in entertaining the highest hopes for the future.

Internal Reorganisation.

I mentioned when I addressed you last year that in the amalgamation of the two great establishments which are included in our Corporation there were questions of organisation which could only be solved slowly, and which were receiving our closest attention. We have found that the system of dual control by two Managing Directors contained within itself elements of weakness which were detrimental to the interests both of the industry and of the shareholders. We have therefore, after very careful thought and deliberation, brought it to an end, and the two gentlemen who occupied those positions are now ordinary members of the Board.

You will naturally expect to know what we are putting in the place of the system we have brought to an end. In the first place, we have strengthened the Board by the addition of three new members. In December of last year we invited Sir William Alexander to join the Board. Sir William, after service in the field, had a most distinguished career as an administrator of great producing departments during the War, but, what is perhaps more to our purpose, he has had a life-long experience in the chemical industry, both as manufacturer and distributor, as a member of the well-known firm of Charles Tennant and Company. Then we have recently elected Mr. Vernon Clay a member of the Board. He is Chairman of the Colour Users' Association,

so that he brings us full knowledge of the needs and point of view of the general body of consumers.

Our third appointment is that of Field Marshal Sir William Robertson. Sir William Robertson is not only, as we all know, a distinguished soldier, who has fill'ed the highest posts in the Army, he is also an administrator of immense experience and a man of affairs of very wide range. His Majesty's Government have always attached great importance to the dye-making industry in relation to national defence, and the presence upon our Board of a former Chief of the Imperial General Staff may be considered an outward and visible sign of that relationship. So much for the Board.

In the next place, for the present the executive powers of the Board are vested in myself, and I am assisted by two members of the Board, Sir William Alexander and Mr. Vernon Clay, who are prepared to devote a great deal of time to the business of the Company. The three of us form what may be called an Executive Committee, and for the time being will control the operations of the Company. But we do not intend to stop there. Experience has taught us that, so far as our large and varied staffs are concerned, there must be unity of direction and control. It is, therefore, our intention to appoint a single individual to take charge of the Corporation's operations and staff. I am not in a position to announce such an appointment to you to-day, but I hope to be able to do so at an early date. In addition to this appointment, we are satisfied that in an undertaking of the magnitude and complexity of your Corporation there should always be a small committee of directors—willing, as I have said, to devote the necessary time—to give decisions upon questions of principle and policy which will necessarily arise from day to day. Meanwhile the present Executive Committee will proceed actively with the general work of reorganisation.

Our immediate duty is the proper organisation of the Company's staff. I wish to impress upon shareholders that we are fortunate in possessing among our technical staff a considerable number of men of knowledge and experience and others of great promise for the future. The Corporation could not have accomplished what it has so far accomplished unless it had possessed such men. We have satisfied ourselves that all the members of our staff are filled with a spirit of loyalty to the Board and to the objects which it is pursuing.

As and when we find weak places (and in an industry so new as dye-making is in this country we are sure to find them) we shall strengthen those weak places. I have no doubt we can find all the administrative skill and commercial experience we need in our own country. No country in the world can supply so much. When it is a question of technical knowledge and experience in connection with the production of dyes we shall seek it wherever it can be found and welcome it from whatever source it may come, be it from this country or elsewhere.

The Duty to the Nation.

I pointed out to you last year that our industry is not an ordinary industry, and that the shareholders who invest in it are not investing in an ordinary commercial venture, nor are the people employed in it devoting their time and energy to an ordinary business undertaking. They are contributing their share to a great national effort. When I say this I fully recognise, and the Board fully recognises, the obligation we are under to secure as far as we can a return to shareholders upon the capital they have invested, and so far we have succeeded. But, in addition to that obligation, we have a duty to perform to the nation. It is the declared policy and intention of His Majesty's Government to foster a dye-making industry in the country. They wish to see our undertaking succeed and prosper, and, although the last thing they desire is to interfere in its day-to-day management, they are keenly interested in its progress, and in all our efforts we are assured of their full support.

We ask you on your side to give us and our staff your confidence, so that we may carry to a successful conclusion the task we have undertaken.

The Chairman then moved the adoption of the report and accounts and the payment of a dividend at the rate of eight per cent. per annum (less tax) on the Preferred Ordinary shares.

The Chairman having invited questions,

Mr. Parker Smith urged the appointment of a committee of shareholders to investigate recent changes in management, and moved an amendment to the effect that the adoption of the report be deferred to a subsequent meeting pending a report from the committee which he proposed should be appointed.

After several shareholders had expressed their views, the Chairman intimated that the Board could not agree to this course. On being put to the meeting Mr. Parker Smith's amendment was declared lost, and the original resolution adopting the report was passed.

On the resolution reappointing the retiring directors, Mr. G. P. Norton was re-elected, Mr. A. E. Hawley then moved that the reappointment of the three directors appointed by the Board since the last annual meeting be not approved, and that in the meantime these vacancies be not filled.

On being put to the meeting the Chairman declared this amendment lost. A poll was demanded, and resulted again in the defeat of the amendment. The original resolution appointing Sir William Alexander, Mr. G. Vernon Clay, and Field-Marshal Sir William Robertson directors of the Company was then carried.

Messrs. Thomson, McLintock, and Company were reappointed auditors, and a vote of thanks to the Chairman terminated the proceedings.

THE
ANGLO-SOUTH AMERICAN BANK
LIMITED

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The Hongkong and Shanghai Banking Corporation.

Increase of Capital Proposed.

THE ordinary yearly general meeting of the shareholders of the Hongkong and Shanghai Banking Corporation was held in Hongkong on February 26 last, the Hon. E. V. D. Parr in the chair.

The chief manager read the notice convening the meeting.

The Chairman said: Gentlemen,—The report and statement of accounts having been in your hands for some time, I shall follow the usual custom and take them as read.

The statement shows a net profit for the year of $8,841,166.30, which compares with $7,386,862.09 for 1919. Last June, as the prospects seemed so favourable as to justify an increase of the dividend, we made an interim distribution of £3 per share, and on this occasion we propose to distribute a final dividend of £3 and a bonus of £2, making in all £8 for the year, the same as in 1919.

We propose also to continue the policy of strengthening our reserves, and accordingly $2,029,411.76 out of the year's profits is added to the silver reserve.

As stated in our report, the transfer of £1,000,000 to our sterling reserve was effected at a favourable rate during the year, and that fund now stands at £2,500,000. The silver reserve, with the proposed addition, will stand at $21,500,000.

With regard to bank premises, the expenditure on buildings in recent years has been heavy but entirely unavoidable. Our business has gradually outgrown our accommodation, and in addition to the new buildings referred to last year, it will soon be necessary to rebuild our Singapore office. When it and the other buildings now under construction are completed, the Bank will be housed in all its principal places of business in the East in modern and commodious premises, sufficient for our requirements for many years to come, and no further considerable expenditure should be necessary unless, of course, we decide from time to time to extend the area of our activities.

Meantime, we propose to continue writing down these properties when the profits permit, and on this occasion we propose to allot $1,000,000 for that purpose.

The great depreciation in all gilt-edged securities in the course of the year has entailed heavy writing down of our sterling and other gold investments; this, however, has been accomplished from the current profits, and all our gold securities now stand either at well under their market values, or have been adequately provided for.

The balance carried forward is $3,291,491.69, compared with $3,262,847.20 in 1919.

With regard to the other figures of the balance sheet, comparisons wth former years are difficult owing to the varying rates of exchange at which the accounts are presented; it is noticeable, however, that the depression in trade is reflected in our cash balances, which show a large increase on those of the previous year. Our silver deposits have also increased considerably, and the dollar total of our assets and liabilities is the highest recorded in the history of the Bank.

Proposed Increase of Capital.

Your directors have had under consideration the desirability of increasing the capital of the Bank, and have decided to issue the remaining 40,000 shares, say $5,000,0000, which the present ordinance authorises them to do.

The necessity for this measure has no doubt been generally apparent for some time past, as the Bank's business has kept pace with the expansion of Eastern trade, and its liabilities to the public are now $480,398,000, compared with $215,280,000 in 1907, when our capital was last increased from $10,000,000 to $15,000,000.

The enhanced value of merchandise of all kinds entails greater calls on our resources than formerly, making an addition to them urgently necessary. My predecessor in this chair in 1907 remarked on a similar occasion that whatever political changes may be in store for China, there can be little doubt but that the ultimate outcome will be a wider field for the operation of foreign capital and a considerable increase in overseas trade. I think that this is as true to-day as it was fourteen years ago.

The question of the issue price of the new shares was closely considered by your directors. In arriving at the decision to issue at £70, they were guided by a long view of the permanent interests of investors in our stock. This figure confers a substantial bonus, while the addition to our reserves of the funds to be received will considerably increase not only the earning power, but also the prestige of the Bank.

In due course a special circular will be sent to each shareholder, and an extraordinary meeting will be called, when the resolutions necessary to obtain your sanction to the scheme will be put before you.

Since we met last year the reaction that was to be expected after the great trade boom of 1919 and early 1920 has taken place.

The disorganisation of the world's exchange became more pronounced in the course of the year, and in Asia currencies normally based on gold, such as those of India, Java, the Philippines, and Japan, moved in orbits of their own, with variations not always easy to foresee and provide for. Still, notwithstanding these handicaps and the vagaries of the Silver market, to which I will refer later, the earning power of the Bank was more than maintained, and I think we should record our appreciation of the able way our managers and agents have handled what must have been at times very difficult situations. I am sure the directors anticipated the wishes of the shareholders when they decided to vote a bonus of twenty per cent. to the staff on their salaries in recognition of their efforts in maintaining the Bank's service in a high state of efficiency.

As is well known to you, Sir Newton Stabb resigned the chief management at the end of the year, after filling that position with brilliant ability and untiring energy for a period of over ten years. During his *régime* the prestige and the business of the Bank increased very greatly, and the directors wish to record their deep appreciation of the distinguished services he rendered to the Corporation. They wish also to tender him on their own behalf, and I am sure on behalf of the shareholders, their congratulations on the honour conferred on him by H.M. the King, which is a fitting crown to his career in the East.

It is fitting that I should here refer to the already valuable services to this institution in many positions of trust of Sir Newton Stabb's successor, Mr. A. G. Stephen.

Your directors, while congratulating Mr. Stephen on his well-merited preferment, are confident that the Bank's interests, and therefore yours, gentlemen, will in his hands be in the same safe keeping in the future as they have been with his predecessors in the past.

The Silver Market.

The Silver market showed very marked fluctuations during the year. From 75⅝ at the beginning of January, it rose rapidly till it attained the extraordinary price of 89½ on February 11. The keen demand then existing for China's products and the discredit into which various paper currencies had fallen among the Chinese people, produced a very strong demand for silver, which was not satisfied till the United States Government ultimately allowed the export to China of very large amounts from their stocks of silver dollars.

The cessation of the demand for exports found China moderately well supplied with silver, and during the latter half of the year she was not able to absorb what was offering. India was in the same case, and no Government in the world was making fresh issues of silver coinage. On the contrary, many Governments, including our own, were either melting their silver coinage and selling the bullion, or replacing the existing coinage by one of inferior fineness. Consequently the price rapidly fell throughout the year, and reached 40⅞ on December 31. The China exchanges reacted similarly, and from 9*s.* 3*d.* for the tael and 6*s.* 2*d.* for the dollar they declined to 4*s.* 1*d.* and 3*s.* 2*d.* respectively.

Even the high prices generated by the extraordinary demands of war led to no increase in the annual production of the metal; it remains at about 195,000,000 oz. But this amount is not all available. We must deduct from it 60,000,000 oz. of the United States production to be purchased by the American Government in accordance with their undertaking to replace the 200,000,000 oz. sold to the Government of India. On the other hand, economies in the use of silver as currency already referred to have compensated for the loss of the American production as a source of world supply. On the Continent, where paper issues have supplanted the old metallic currencies, silver has been largely demonetised and sold, as securities are sold, in order to obtain credit in other countries.

For the reason stated the ordinary Mint demands for silver coinage, both in England and the Continent, are in abeyance, and it seems unlikely that they will be revived in the near future. A considerable part of the trade demand has been met by the melting down of silver plate. In India the reserve of silver rupees, some sixty crores, is larger than it has ever been, and seems ample to meet all requirements for some time to come.

In these circumstances, on the assumption that the American purchases have been offset by the Continental sales and that India is well supplied, it is upon China that the burden will fall of absorbing an amount equal to the world production of silver. In other words, China's trade balance is at present the governing factor in the silver situation, and the prospect of her being able to increase, or even to maintain, last year's import of 98½ million ounces is, to say the least of it, doubtful.

Conditions in China and Japan.

The cumulative effects of depression in the world's markets particularly affected Japan, owing to the very exceptional expansion of her foreign trade during the four or five preceding years, and were fully felt by April, when something in the nature of a crisis might well have overtaken the country. There was indeed a stock exchange crisis, culminating in the closing of the Exchange over a lengthy period, which naturally affected all investors. Generally speaking, however, though some important and well-known names have unfortunately suffered eclipse and brought loss to others in their fall, and though 1920 has been a bad year for everyone all round, merchants, manufacturers, dealers and all concerned faced their position courageously, and prepared themselves to suffer losses and pay their debts, and such it is certain will continue to be their attitude.

There are some difficult months ahead till accumulated stocks of imports go into consumption, and till exports have revived, the last a difficult state to bring about now, owing to the existing high cost of production in Japan, but there is nothing to justify the pessimistic view of the country's condition which lately has been expressed in some quarters.

In China, with which we are, of course, more intimately concerned, the year 1920 opened with a phenomenal boom in trade generally, the export trade was brisk and prices ruled high, producers making large profits during the first four months of the year. During May the European and American markets, already overstocked, slumped heavily, owing to curtailed credit, and shipments from the East rapidly fell off, leaving the Chinese with large accumulated stocks which have greatly depreciated in value. The fall in exchange, which in normal times would have helped the producer, proved of little benefit, as the fall in prices in both the European and American markets outpaced the decline in exchange.

Imports coming on the market during the first four months of the year were laid down at relatively high sterling rates of exchange, and very large profits were being made all round. Owing to the prosperity of the import trade in 1919 many new dealers appeared, particularly in piece goods. Enormous orders were placed in England and America, where manufacturers, flooded with indents, were in a position to command their own terms as to deliveries. Consequently many orders placed in 1919 for the spring market in China were not delivered till well on in the autumn of 1920. Owing to such uncertainty as to deliveries, exchange in many instances was unsettled at time of arrival, with the result that a very large proportion of goods had to face an overstocked market, with declining prices, caused by the heavy drop in the price of raw cotton, plus a drop of fifty per cent. in the value of the tael and dollar, as compared with rates ruling at the time orders were placed. The position was further embarrassed by political disturbances in the Northern and Central Provinces, where trade during June and July was practically at a standstill owing to the presence of unpaid and uncontrolled soldiery.

The Effects of Overstocked Markets.

The fact that the products of Asia have been confronted with overstocked markets and declining prices in Europe and America, has naturally had its effect on the purchasing powers of India, China, Japan, and all other Eastern Countries. In dealing with the situation thus created, we are necessarily proceeding with caution, but we are also carrying out the traditional policy of the Bank, and liberally, if judiciously, assisting our friends whose resources are temporarily immobilised by the stagnation of the markets. This policy has always been looked for from the Bank in the past and has invariably brought its own reward.

Speaking generally, the stocks of imported goods lying in Hongkong and the China ports are not excessive, and not more than what was normal in pre-War times. It is known that the markets in the interior are bare of supplies of these goods, so it is to be hoped that this trade will soon resume its normal course, and there are already welcome indications of this.

The volume of engineering business in North China was fair, but orders placed during the War are in many cases still in progress of completion. Further cotton mill and textile machinery is required to a large extent, whilst the requirements of the Chinese railways are very considerable; new locomotives and rolling stock are badly needed in many instances.

The Shanghai cotton mills enjoyed a period of unprecedented prosperity. The demand for mill products (particularly yarn) was consistently steady, and the mills have been able to manufacture profitably owing to comparatively cheap cotton. Handsome profits were also made on locally made cloth until the summer months, when the effects of the piece goods crisis began to be felt. From recent statistics it is estimated that there are nearly 1,300,000 active spindles in operation in China, and there is little doubt that the future prospects of the cotton industry in this country are encouraging, as is evidenced by the continued expansion in the capacity of the existing mills, both as regards spindles and looms.

Maritime and Native Customs Revenue.

The Maritime and Native Customs revenue collections under the Inspector-General of Customs for 1920 amounted to H.K. taels 49,500,000 and H.K. taels 4,380,000 respectively, an increase of taels 3½ million in the case of the former over the previous record collection for 1919, and a decrease of H.K. taels 111,000 in the case of the latter since last year, the net increase expressed in gold at average exchange being £2,242,709 over the figures for 1919 collection. After meeting all obligations, including the service of the Reorganisation Loan, taels 23,150,000 surplus funds have been handed over to the free use of the Chinese Government.

While it has to be borne in mind that the increase is largely if not entirely due to the revision of the Customs tariff which began to be effective in August 1919, it is none the less a remarkable fact that in spite of the unsettled state of the country, and the political dissensions which resulted in active hostilities and considerable curtailment of trade for many weeks last summer, a record collection can still be shown, and bears striking testimony to the vitality of the country's trade and of the great possibilities of its expansion under more favourable conditions.

The Salt Revenue collection for the year has also been maintained at a high level in spite of the unfavourable conditions to which I have already referred, coupled with the fact that the Salt Revenue Administration has not found it possible to resume its functions in the important Swatow area, which were discontinued in 1919, owing to interference by the local authorities. The total revenue amounted to $79,200,000, a decrease of $1,400,000 compared to the revenue for 1919, but still $7,661,000 more than the figures for 1918. It has, however, to be noted that of the total revenue no less than $24,000,000 was retained or appropriated locally by the Provincial Authorities, or Military Commanders, to their own uses, a striking testimony to the almost entire lack of control exercised by the Central Government over certain of the provinces.

After meeting all obligations secured on the Salt Revenue, the large amount of $64,000,000 (including $6,037,000 refunded by the Maritime Customs in respect of the service of the Reorganisation Loan) was released to the free use of the Chinese Government.

Financial Situation in China.

Little, if any, improvement can be noted in the political or financial situation in China during the past year. The overthrow of the Anfu party in the Peking Government which was accomplished last summer has not so far produced the results in the way of reform so confidently expected by many, and the immediate repudiation by the Southern authorities of the Presidential Mandate announcing that the differences between North and South were practically composed, showed that there is still a wide gulf between the two parties. Meanwhile both parties are themselves in a state of dissension, and in the South new governments are formed and re-formed with bewildering rapidity. While this situation obtains, it is to be feared that the first steps towards the establishment of a really representative Government, sufficiently powerful to exercise authority over the provinces, which it becomes more and more evident is so necessary for the well-being and prosperity of the country, must inevitably be postponed.

Financially the situation is sufficiently serious. The Government, in spite of the large sums that have been released to their use by the Customs and Salt Revenue Administrations, are still in dire straits for money to meet their many obligations and administration expenses, of which the heaviest item remains the pay of an army altogether beyond the legitimate requirements of the country. The fall in exchange, by largely increasing the amount payable in the coming year in discharge of Chinese Gold obligations, adds to the difficulties of the situation, while the famine which now exists over a large area in the North, consequent upon the drought of last summer, imperatively calls for relief measures by the Government on a large scale, involving considerable extra expenditure if the lives of perhaps millions of people are not to be lost.

The foreign communities in China are giving what assistance lies in their power. This Colony and neighbouring British Colonies have contributed generously, and funds have been opened in Europe and America by means of which large sums have been raised and are being expended in relief measures. The excellent work performed in this direction by foreign missionaries is the admiration of all who have seen and had experience of it. All that has been done in this way, however, has scarcely more than touched the fringe of the needs of the famine-stricken regions, and the handling of the situation is one of the most serious problems requiring the immediate attention of the Chinese Government.

The Aims and Objects of the Consortium.

The speech of my predecessor last year contained a reference to the preliminary negotiations for the re-establishment of the Consortium on a four Power basis: that is to say, the grouping of British, French, Japanese, and American bankers for co-operative work in China. The year which has passed has brought these negotiations to a successful conclusion.

Mr. T. W. Lamont's visit to the Far East in the spring had the happiest results in removing certain preliminary difficulties, and everyone concerned is much indebted to him, and, through him, to Messrs. J. P. Morgan and Co.

A meeting of the Four Groups took place in New York in October, and the agreement which they reached was subsequently made public.

The aims and objects of the Consortium, as to which misunderstanding has sometimes arisen, should now be sufficiently clear, but I will just touch upon the salient features.

In the first place, I should like to emphasise the point that the Consortium is a partnership which contemplates transactions spread over a considerable period of time. While it provides general machinery for the future borrowings of China, it does not contemplate a large immediate loan. Indeed, so long as the hold of the Central Government on the Provinces is in its present unsatisfactory condition, and so long as the likelihood of war between the contending

factions remains: no loan can be considered. On the other hand, the Consortium is, as it were, a Notice to China of the conditions under which the Great Powers are prepared to lend the sinews of reconstruction, and it is virtually a Notice that without fulfilment of these conditions, China will not be able to borrow at all. If in the result this should lead to China borrowing at home rather than abroad, so much the better.

The second feature upon which I wish to lay emphasis is the fact that the policy of the Consortium, if steadfastly pursued, rings the death-knell of the earlier policy of spheres of influence or interest. By the pooling of all outstanding agreements and options, and by an undertaking to share equally the financial and commercial results of all future business, the Powers in effect undertake to preserve China from those encroachments upon her sovereignty which have followed in the train of concessions in the past. There will be no second "Battle of the Concessions"; there will be no more "playing off" by China of one great Power against another: she will be met with fairness and reason, we do not doubt, but above all with rigid unanimity. She will be offered for her loans the best terms that the financial world has available, and for all her requirements the most favourable prices that public tender can reach.

Unification of Railways.

In conclusion, I must mention the question of the unification of railways, a prominent, practical part of the Consortium programme. The consolidation of the railways of this country under one administration, if ever carried into effect, cannot but prove of the highest advantage. Aside from the economy of administration which will be brought about by such a step, there is the more important question of local administration which railways in partially developed districts so often involve.

Were there a Chinese railway service moulded on the same lines and characterised by the same integrity as those of the Customs service, and were the satisfactory profits which certain of the lines are able to earn, even under present conditions, devoted to improvements and extensions, the time would not be distant when the end of railway borrowing would be in sight.

China has her own particular difficulties to contend with, and these have a compelling interest for the Bank; but she is suffering also from the reactions of the War, like the rest of the world.

The outstanding cause of the world's trade troubles to-day is lack of capital, loss of purchasing power. No quack remedies, such as a new international money or unit of account, no further inflation of currency, with its attendant evil of higher prices, no extension of Government control or increase of Government restrictions will help us either to sell our exports or correct our exchanges; for, next to peace, freedom is what trade requires. Governments can do much to establish both peace and freedom, but the larger part of Government expenditure in most European countries is in the nature of war expenditure, which is crippling trade and industry by its demands on capital.

Political instability still denies a proper hearing to the crying economic needs of the situation. The fact that the urgency of these needs has so far failed to force all nations into paths leading to universal peace is only additional evidence of prodigious difficulties in the readjustment rendered necessary by the War's disturbance of the world's equilibrium. The restoration of conditions of security, without which no new period of trade expansion can be looked for, is everywhere hindered by political unrest born of aspirations economically impossible of fulfilment. Extravagant hopes, along with all other forms of extravagance, must submit to the dictates of economic law. Recognition of the futility of rebellion against it is the beginning of wisdom. Happily its early beginnings are to be descried in recent events, and signs of returning confidence appear. Awaiting their development, it is for us to face the future in a spirit of quiet determination, to make the best of whatever situation may arise, and to discharge in a manner worthy of our predecessors the great responsibilities laid upon this institution.

I beg to propose the adoption of the report and statement of accounts. After the proposal has been seconded, and before placing the motion before the meeting, I shall be pleased to answer to the best of my ability any questions which shareholders may have to ask.

Issue Price of New Shares, £70.

Mr. Humphreys said: Mr. Chairman and Gentlemen,—The seconding of the Bank report and statement of accounts is, so far as I am concerned, becoming a sort of family habit. My father did it on several occasions, and I remember Mr. Fraser Smith used to refer to him in his paper as the champion seconder of accounts. Although I can lay no claim to being anything of the kind, this will make the third occasion I have seconded the Bank report. I seconded the accounts when the capital of the Bank was increased in 1907 from $10,000,000 to $15,000,000, so now your Chief Manager considers I ought to repeat the performance on the eve of the increase from $15,000,000 to $20,000,000. I said to the Chief Manager the other day I thought that anyone who seconded the accounts more than three times should receive a bonus. He replied he had no objection, but in such an event he would see to it that no one was asked to second the accounts more than three times.

I do not profess to be able to follow the intricacies of exchange or politics in China, so shall refrain from comment on those thorny topics; but it does not require a Napoleon of finance to realise that when a pound sterling only buys about 7*s.* 6*d.* worth of goods on a pre-War basis, more capital is required to carry on a business, and the business of this Bank, gentlemen, is, as you are doubtless aware, not only stupendous, but increasing all the time. The issue price of the new shares—viz., £70—is, in the circumstances, a fair one, and will commend itself to those shareholders who look upon the increase of prestige and earning power of the Bank as the first consideration.

The proposed bonus of twenty per cent. to the staff will, I am sure, meet with your cordial approval.

Before sitting down, I would like to say a few words about our late Chief Manager and our present one. We all feel pleased and honoured that the valuable services of Mr. Stabb to this great institution have been recognised by His Majesty the King in the shape of a knighthood. As regards the present Chief Manager, I am confident he will prove a worthy successor to his illustrious predecessors. I knew him personally when we were both very young men, and for that reason have watched his advancement step by step to the highest rung in the ladder with more than passing interest. I have now much pleasure in seconding the report and statement of accounts.

The Chairman: There being no questions, as proposed by myself and seconded by Mr. H. Humphreys, the motion now before the meeting is the adoption of the report and statement of accounts as presented.

The motion was carried unanimously.

The Chairman: The business now before the meeting is the election of directors.

Mr. T. E. Pearce proposed that the appointment of Mr. G. M. Dodwell, Mr. A. S. Gubbay, Mr. G. T. M. Edkins, and Mr. A. O. Laag as directors be confirmed, and that the Hon. Mr. E. V. D. Parr, Mr. A. H. Compton, and the Hon. Mr. P. H. Holyoak be re-elected directors.

Mr. A. E. Griffin seconded, and the motion was unanimously agreed to.

On the motion of Mr. F. Smyth, seconded by Mr. L. Dunbar, Mr. F. Maitland and Mr. E. A. M. Williams were re-elected auditors for the year.

A vote of thanks to the directors and the staff concluded the proceedings.

Chartered Bank of India, Australia and China.

Effects of Adverse Indian and Chinese Exchanges.

The sixty-seventh ordinary general meeting of the shareholders of the Chartered Bank of India, Australia and China was held on the Bank's premises, 38 Bishopsgate, London, E.C., on April 8, Sir Montagu Cornish Turner (the Chairman) presiding.

The Chief Manager (Mr. W. E. Preston) having read the notice convening the meeting and the report of the Auditors—

The Chairman said: Gentlemen, before moving the adoption of the report I should like to make a few remarks with regard to the business of the past year. When we met in this room at our last annual meeting, just twelve months ago, we were in the enjoyment of a period of great commercial activity. In many cases the demand for goods exceeded the supply, with the result that prices soared to record heights; wages rose by leaps and bounds, and exceptional profits were made, only to be swallowed up by the insatiable demands of the tax-gatherer and the omnipresent rate-collector. It was very evident that, with an unsettled world and a half-developed peace, this condition of feverish activity in trade and delusive prosperity could not last. We all felt that a decline in trade was inevitable, but few of us realised that the collapse would come with such lightning rapidity, or that the effect would be so deep and so widespread. Some people are inclined to attribute the great collapse to a particular cause, such, for instance, as the imposition of the sixty per cent. excess profits tax. Others attribute it to the vagaries of exchange, or the attitude of labour in bringing about constant strikes. It is not quite fair or reasonable to attribute the disaster to any one particular cause. Several causes have come into play. The unsettled state of the world, financial disorder in Central Europe resulting in the absolute upset of foreign exchanges, lavish expenditure in arms and munitions, and various other avenues of unproductive expenditure, and in this country especially the ill-advised action of labour in limiting the output to a point which rendered it impossible to compete with other nations where each individual was allowed to work to the utmost limit of his capacity without let or hindance. Nor did we sufficiently appreciate the fact that the vast Russian Empire had temporarily disappeared from the world of civilisation; that France, Germany, and Italy could no longer participate as formerly in the trade of the world; in other words, that the purchasing power of civilised nations in Europe had dwindled to comparative insignificance. So it is that traders in this country and in America are overloaded with raw material or manufactured goods to dispose of, which will take some time, and must, I fear, entail serious losses.

Depreciation in Values.

As instances of depreciation in values I would quote the following:—

Cotton has declined from 29.90*d.* per lb. on March 1, 1920, to 6.38*d.* per lb. in March 1921, a fall of 23.52*d.*, showing a drop of seventy-eight per cent.; jute from £70 per ton to £32 per ton, a fall of £38 per ton, equal to a drop of fifty-four per cent.; hemp from £76 per ton to £40 per ton, a fall of £36, equal to forty-seven per cent.; copra from £72 per ton to £32 per ton, a fall of £40, equal to fifty-five per cent.; wool shows a fall of seventy-five per cent.; linseed from £66 10*s.* to £18 per ton, a fall of £38 10*s.*, equal to sixty-eight per cent.; rapeseed from £51 to £15 5*s.* per ton, a fall of £35 15*s.*, equal to seventy-one per cent.; rubber from 2*s.* 7*d.* per lb. to 1*s.* 1*d.* for crepe, a fall of 1*s.* 6*d.*, and from 2*s.* 7¾*d.* per lb. to 11¾*d.* for Para, a fall of 1*s.* 7¾*d.*, equal to a drop of from fifty per cent. to sixty-two per cent.; tin from £409 10*s.* to £159 10*s.* per ton, a fall of £250, equal to sixty-one per cent.; silk from 64*s.* to 20*s.* 3*d.* per lb., a fall of 43*s.* 9*d.*; shellac from 825*s.* to 300*s.* per cwt., a fall of 535*s.*, equal to sixty-three per cent.; and hides and skins show a fall of from sixty to seventy-five per cent. Silver has fallen from 84*d.* per oz. in March 1920 to 32½*d.* per oz. in March 1921, a fall of sixty-one per cent., and Eastern exchanges have dropped as the following list will show:

T.T. Selling Rate on London.

Place.	Mar. 1, 1920	Mar. 1, 1921	Diff.	
	s. d.	s. d.	s. d.	
Calcutta ...	2 7¼	1 3¾	1 3½	50
Hongkong ...	5 7	2 4½	3 2½	57
Shanghai ...	8 7	3 2	5 5	63
Saigon ...	6 4	2 3½	1 0½	63
Manila...	2 1½	2 2	7½	12

Temporary Collapse of Indian Export Market.

The serious decline in Indian and Chinese exchanges has in a measure accounted for the difficulty of the disposal of manufactured goods in the different markets, but in India the position has been aggravated by the failure of the South-West Monsoon and the winter rains in the North of India, by political troubles and the very regrettable refusal of Indian importers to recognise the validity of contracts with European shippers. At many points stocks of goods in the East are not greatly excessive, and I shall be disappointed if the surplus stocks are not worked off within a measurable distance of time; but until this is effected shipments to the East should be discouraged and limited to bare necessities of trade.

The present low level of the rupee is the inevitable result of the temporary collapse of the Indian export market. On this side there are more stocks than we can at present dispose of in the case of tea, jute, cotton, hides, rubber and hemp, and until these surplus stocks are worked off and prices in India are adjusted to prices on this side we can look for no great improvement in the export trade from India, nor in the appreciation of the rupee. This process of appreciation is likely to be slow unless some unexpected factor is introduced.

I am glad to see that the tea market has improved of late, but I can see no chance of a real and substantial improvement in this or other of our Eastern markets until the world has really settled down to a true and genuine peace basis and free and unrestricted trade prevails in and with all nations of the world. (Applause.)

The Balance Sheet.

As regards the report and balance sheet which we ask you to accept to-day, you will notice that with the increased capital sanctioned at the special meeting held on October 9 last, and confirmed at a subsequent meeting, the capital of the Bank now stands at £3,000,000, made up of 600,000 shares of £5 each, as against the old capital of £1,200,000, increased last year to £2,000,000, and the shares of a par value of £20. The increase of capital from £1,200,000 has been of invaluable assistance, enabling us to meet the requirements of trade generally, and especially of late, when the demands of our customers, many old and valued friends, have been somewhat larger than usual. In all cases we have endeavoured to meet legitimate trade demands as far as the resources of the Bank have permitted

The reserve fund now stands at £3,500,000, and it should be our object gradually to increase this figure as opportunity occurs. We have also thought it necessary to set aside £100,000 on premises account, in view of our building engagements, where it has been found necessary either to rebuild or to purchase new sites and build to meet the requirements of the business and the staff. You will notice that interest has been paid on instalments of new capital up to December 31 last, and the new shares ranked for dividend as from January 1 last.

Turning to the figures of our balance sheet, it is exceedingly satisfactory to note that, in spite of the severe drop in prices to which I have referred, and also to the equally severe fall in the Eastern exchanges, our total figures on either side of our account should amount to the satisfactory item of £70,932,744 15*s.* 10*d.*, against £68,741,695 14*s.* 8*d.* at December 31, 1919. Whilst our current accounts show a small shortage of £366,725 11*s.* 6*d.*, our fixed deposits show a very pleasing increase of £1,136,886 15*s.* 9*d.*, which would point to current-account money being transferred from a call to a fixed basis, which is very gratifying indeed at a period such as the present. Our liability on loans payable, it will be noticed, has been reduced from £2,429,028 0*s.* 4*d.* to £1,020,000. The reduction under bills payable to £4,367,612 3*s.* 3*d.* from £6,681,709 17*s.* 3*d.* is, of course, entirely due to the lower rates of exchange now ruling. Criticism has in certain quarters been made that banks generally have not played their part in financing this country's trade to the full extent of their resources. I think that in our case a comparison of our figures under the headings of "Acceptances on Account of Customers" and "Bills Discounted and Loans"—viz., £3,720,598 0*s.* 1*d.* and £28,585,930 18*s.* 10*d.* respectively, against our 1919 figures of £1,679,929 0*s.* 9*d.* and £17,561,394 2*s.* 8*d.*—will convince most that we at least have done all that could reasonably have been expected of us in this particular respect. And, whilst rendering this great assistance to the trade of our country, we have been careful to see to it that the percentage of our cash resources to current-account liabilities—over thirty per cent.—has not been allowed to be unduly entrenched upon, in addition to which our other liquid resources, in the shape of Government securities and bills of exchange, including Treasury bills, aggregated £24,212,563 18*s.*

The Outlook in the East.

As regards the future course of Eastern trade, it is dangerous even in normal times to attempt to forecast the course of events, and to essay to do so now, under present abnormal world conditions, would be more dangerous still; but it may not be imprudent to state that, judged from cables reaching us this week from our respective agencies and branches, the outlook in the East is much happier, and that indications from the several spheres point to a distinctly better undertone, which we hope will in course of time develop. (Hear, hear.)

The satisfactory results shown in the report are indeed gratifying, and we must congratulate Mr. Preston and his colleagues on the very successful result of his and their indefatigable labours. Nor do we forget to appreciate the efforts of the managers and the staff both at home and abroad.

Mr. T. H. Whitehead, who for many years filled the important position of Chief Manager in this Bank, has retired after forty-six years' arduous and successful service. He left with the good wishes of a very large circle of friends, of his late colleagues, and of the board. We hope he may enjoy many happy and restful years in the retirement he has so well earned. (Hear, hear.)

In Mr. W. E. Preston, who has succeeded Mr. Whitehead, we are fortunate in having a very able and competent chief in whom the board and all who know him have the fullest confidence. (Hear, hear.) Under his management and that of his colleagues, Mr. Bruce and Mr. Miller, we have no fear as to the future prosperity of the Bank. (Hear, hear.)

You will be asked to-day to confirm the election of Sir John Jordan, G.C.I.E., to a seat on the board. Sir John has had an extraordinary period of service in China from 1876 to 1920, and for the past fourteen years filled the position of British Envoy Extraordinary and Minister Plenipotentiary, with great honour to himself and with great advantage to the British Empire. By his tact, his diplomacy, and his genial nature, Sir John Jordan has won a name for himself amongst official and non-official Chinese which will never be forgotten. (Applause.)

With these remarks I beg to move the following resolution, namely: "That the report now presented, together with the balance sheet and profit and loss account, be approved and adopted." I will ask Sir Alfred Dent to second that resolution.

Sir Alfred Dent, K.C.M.G., seconded the motion, which was carried unanimously.

The Chairman next proposed: "That a dividend at the rate of fourteen per cent. per annum for the half-year ended 31st December last, together with a bonus of six shillings and threepence per share, free of income tax, be now declared, payable on and after the 15th inst."

The Right Hon. Lord George Hamilton, G.C.S.I., seconded the resolution, which was approved.

On the motion of the Chairman, seconded by Mr. W. Foot Mitchell, the Right Hon. Sir John Newell Jordan, G.C.I.E., K.C.B., K.C.M.G., was elected a director.

The Chairman next proposed: "That Sir Duncan Carmichael, Sir Harry Goschen, K.B.E., and the Right Hon. Lord George Hamilton, G.C.S.I., the retiring directors, be re-elected.

Mr. Thomas Cuthbertson seconded the motion, which was unanimously agreed to.

Mr. Robert Banks then moved: "That Mr. D. C. Wilson and Mr. H. C. K. Stileman be re-elected auditors for the ensuing year.

The motion was seconded by Mr. H. B. Henley and carried.

Tribute to Directors and Staff.

Mr. Frederick Lothian said he desired to propose a resolution which he was sure all the shareholders present would cordially adopt. The resolution was, "That the best thanks of the shareholders be given to the directors and the staff for their successful management of the Bank

After listening to the very clear and excellent address of the Chairman, it seemed, in view of the circumstances he had described, very remarkable that such a satisfactory report should have been submitted to the meeting. The figures quoted by the Chairman indicated the great depression in trade, especially in the East, and he thought it was really almost miraculous that the Board had been able to present such a satisfactory report and to pay such a handsome dividend, in addition to placing a considerable sum to reserve. He considered that the Board and the staff, both at home and abroad, deserved very great credit for that achievement and the very sincere thanks of the shareholders. (Applause.) He would like, however, to emphasise that the dividend had been earned not only by the capital of £3,000,000, but also by the money which the shareholders had provided for the creation of the reserve fund, which was £500,000 more than the capital. He would like particularly to emphasise that point, because in these socialistic days it was not desirable that it should go forth that they were earning twenty per cent. on their capital alone.

Mr. W. C. Green seconded the vote, which was unanimously accorded.

The Chairman, in returning thanks, said that the last twelve months had been a period of very great anxiety—(Hear, hear)—and therefore it was all the more to the credit of their managers and staff that the Company had been able to show such excellent results. He would point out, also, that the results shown were arrived at after making provision in every possible way for what might be called bad or doubtful debts, or any possible loss that they could see in the present or the near future. He was very happy, therefore, in being Chairman of that institution, and in having such a very able, efficient, and zealous staff, who so ably looked after the interests of the shareholders. (Applause.)

The proceedings then terminated.

D. H. Evans and Co., Limited.

Satisfactory Year's Results.

THE twenty-seventh annual general meeting of this Company was held on April 6 on the Company's premises, Oxford Street, W., Sir Alfred J. Newton, Bart. (the Chairman), presiding.

The Chairman said: Ladies and Gentlemen,—I think the accounts that we put before you are eminently satisfactory, and I propose very briefly to point out the salient features of the report as compared with the previous year. Taking the profit and loss account in the first instance, our gross profit on trading is less by £1,384. Our expenditure—salaries, rents, rates and taxes, housekeeping, insurances, &c.—has increased by no less than £37,438, and the item of National Health and Unemployment Insurance is higher by £1,281. Interest on Debentures, &c., is £8,776, an increase of £2,208, which is explained by our having had to borrow from our bankers during a portion of the year. The profit to balance sheet is £134,719.

Then we come to the proposed appropriation of profit. We have to deal with £134,000, the profit of the year, less provision for repayment of balance of mortgage, £10,883, and we have to add £61,639 balance from last account, less the £5,000 bonus which you voted to the directors last year. Interim dividends on the Ordinary shares and Preference shares absorbed £21,009; excess profits duty for the accounting periods to February 19, 1920, amounts to no less than £63,516. Then we have to make provision for balance of income tax, £7,500, and after paying the balance dividend on the Preference shares we recommend a further dividend on the Ordinary shares of fifteen per cent., making twenty per cent. for the year. We place to the reserve fund £11,183, and carry forward to next year, subject to corporation profits tax and excess profits duty, £31,237.

The Balance Sheet.

Turning to the balance sheet, we find on the credit side that the property, leases, and goodwill, amounting to £586,678, have been increased by £2,743, which was for acquisition of a lease we considered it desirable to purchase. Fixtures, fittings, and electric plant stand at £60,565, and our stocks, at £231,825, show an increase of £48,856. It may be regarded at first sight as unfortunate that our stocks should be heavier by £48,000, but you must remember that this Company is now doing a very largely increased business, and its requirements are necessarily greater. Sundry debtors stand at £102,338; Debenture redemption fund at £12,325; and cash in hand and at bankers at £94,801. Our Victory Bonds at cost stand at £1,000 less, a bond of £1,000 having been redeemed during the year.

Coming to the opposite side of the balance sheet, our capital appears, as last year, at £500,194, Mortgage Debenture stock at £150,000, the Debenture redemption fund at £12,325, and the reserve fund at £119,368. Then we have a mortgage redemption fund of £32,650, which means the accumulation of money provided to pay off the mortgage entered into when we acquired the 999 years' leases of our premises. There is a balance on that mortgage now of £10,000, which we have provided for and arranged to pay off, and our leases will then be the property of the Company without any charge upon them whatever. To sundry creditors we owe £189,814, which is £36,178 more than last year's figure.

The Dividend.

Referring again to the dividend, as I have already said, we are recommending a final distribution of fifteen per cent. on the Ordinary shares, making twenty per cent. for the year. You will remember that last year we were in the happy position of declaring not only a twenty per cent. dividend, but also a five per cent. bonus, but, of course, business during the period then under review had been exceptionally prosperous.

In the balance sheet now presented our liquid assets are greatly in excess of our liabilities; the property we hold is practically freehold, and a very important point in connection with our property is that we are under no onerous covenants or restrictions as to rebuilding. We can rebuild when it suits us. I now move: "That the report and balance sheet be received and adopted, and that the dividends recommended therein be paid."

Sir James Boyton seconded the motion, remarking that he considered the report an eminently favourable one.

The resolution was carried unanimously.

The Chairman said he wished to add that they were all very much indebted to the management and staff of the Company for their services during the past year. They had had difficult times to go through, but had surmounted them admirably, with the result that the accounts presented were such that they might all be very fairly proud of them. There was one old friend who had "gone West" since the previous meeting—Mr. Jupe, their old Secretary. Mr. Jupe served them well and faithfully for very many years, and they regretted extremely his death at what was comparatively an early age. He had merited from the Company the very warmest appreciation of his work.

Mr. Dingwall, in proposing a vote of thanks to the Chairman and staff, remarked that twenty per cent. was really a very good dividend in these days.

A brief acknowledgment having been made by the Chairman, the proceedings terminated.

The Burlington Hotels Co., Limited.

Sale of Buckingham Palace Hotel.

THE twenty-fourth annual general meeting of the Burlington Hotels Company, Limited, was held at the Burlington Hotel, Cork Street, W., on April 5, Mr. George Harvey (Chairman of the Company) presiding.

The Chairman said: The year under review has been in some respects peculiar. I see by my notes of the meeting about this time last year that the prospects at Boscombe were then good and in London they were indifferent, but in the result Boscombe business broke down somewhat badly towards the close of the year, the London improved considerably. If we allow for a larger sum expended on repairs at Cork Street, the result is about the same as the preceding year. These repairs consisted of reconstructing part of the roof, which had actually given way, and in carrying out necessary decorative work both inside and outside. I do not think anyone would venture to say that work of this kind—costly as it now is—should be neglected in the face of all the competition there is around us to-day.

At Boscombe we began to feel the decline about mid-year, and I believe most of the other Bournemouth hotels had a somewhat similar experience. We felt, however, that the Burlington had unique opportunities by reason of the seven acres of private grounds surrounding the hotel. Just before the War we had under consideration an improvement scheme, but difficulties of finance prevented its adoption. Our interest (which is identical with all Bournemouth interests) is to do all we can to cater for visitors and find them plenty of healthy occupation apart from promenading on the sea-front. As soon as we could obtain permission to demolish the old house in the grounds known as the "Towers" we did so, and immediately proceeded to erect the new hard tennis-courts. The two courts now in use are considered by experts to be equal to any, and we have a professional to attend to them. They are appreciated, and must help to popularise the hotel.

Business Review.

The total business done in the year under review was less than in 1919 by £3,130, and the total receipts from all sources, allowing for the increased interest on the Buckingham Palace Hotel purchase money, was less by £890. The cost of provisions reached its highest point towards the close of the year, and the controlled selling price of exciseable commodities unreasonably affected our profits in that department. If, therefore, you take the decline in gross receipts and add the increased total of repairs and renewals (£1,490) and income tax (£1,100), the total represents approximately the difference in profit compared with the preceding year. All expense items had increased. There is a disposable balance of £14,995 to be dealt with. We are sorry we cannot recommend a clearance of the three years' Preference dividend in arrear. The payment of one and a-half years' dividend involves the sum of £5,625, and we have our commitments for the tennis-courts to meet, as well as the balance for necessary additional garage accommodation recently constructed (together about £4,000). There is, too, some difficulty to face in the way of repairs to part of the roof of the hotel at Boscombe, and you see by the balance

sheet what our actual cash resources are. We have had to spend a good deal in recent years out of accumulated earnings of these hotels, because we had no capital resources available. I do not like to think what would have been the position of the Company to-day had the very fortunate sale of our Buckingham Palace Hotel not matured.

The Balance Sheet.

In the balance sheet the capital accounts are unchanged. Some of the Income bonds have been paid off out of our ordinary cash resources. Sundry creditors are £946 down; the reserve remains unchanged, and the profit and loss account statement explains itself. On the assets side the only two items which call for comment are those relating to investments in the Company's own Debentures and the trustee securities on behalf of the Debenture-holders. Our investments in our own Debentures have been taken over by the trustee and the expenditure refunded, and since the closing of the accounts the trustee has agreed several outstanding differences. I now formally move that the report and accounts as printed and circulated be and they are hereby adopted.

Mr. William H. Burgess, in seconding the resolution, said there were only two points which he would like to accentuate. The first was that they must increase the turnover of the Company. Everything has been done to make the hotels as attractive as possible, and anyone who went to Boscombe at the present time would see an enormous improvement there. There was plenty of entertainment for visitors. Since last year the expenses had increased, and there was not much chance of reducing them except to a limited extent in one or two items, so that the only thing they had to look forward to was an increase in the receipts.

In the course of some discussion the Chairman mentioned that the price obtained for the Buckingham Palace Hotel was £75,000, which was in the hands of the trustees for the Debenture-holders.

The report and accounts were unanimously adopted, and the retiring directors and auditors were re-elected.

Sheffield Steel Products, Limited.

Dividend of Ten per Cent.

Approaching Completion of the Templeborough Works.

THE second annual general meeting of Sheffield Steel Products, Limited, was held at Winchester House, London, E.C., on Monday, April 4, Mr. Alwyn H. Wild (Chairman and Managing Director) presiding.

The Chairman, in moving the adoption of the report, said: Although we are now an amalgamation of twenty-one businesses, it must not be supposed that your Company is a mere collection of detached units. The predominant partner is the Templeborough Works at Sheffield, and all the other concerns fill a well-defined place in a preconceived whole. The latest acquisitions in the Birmingham district have now become united with us quite happily, and are already proving their value in many ways.

Notwithstanding the depression in trade throughout the world for the latter half of last year, you will be pleased to hear that, as a result of the merger of the new businesses, the sales for 1920 were nearly double the corresponding sales of the previous year.

Consolidating the Position.

We continue to forge ahead and consolidate a position which will enable us to secure for this country additional trade, which has hitherto been in the hands of other nations. Mass production should bring success if you have the market for your goods. Where mass production fails is where it is practised in a trade which is unsuitable from the point of view of marketing the produce. You must have in your finished product an article which is not subject to fashion or any marked change, but which can easily be standardised. In cutlery, saws, files, &c., such as we specialise in, you have this condition, and I believe that is the chief factor which will ensure the success of our enterprise.

The Present Position of the Company.

In conclusion, let me tell you the position of your Company to-day. We have, as you know, our own colliery, which will supply all our needs in the way of fuel for an indefinite period. Our new steel plant at Templeborough is rapidly approaching completion, in which we shall manufacture those high-grade steels required for our products and for which Sheffield is deservedly famous. Our rolling and roggin mills will be running within the next few months. The large stamp shop is now finished. Meanwhile the complete equipment of our factory at Templeborough proceeds apace, and it is already giving output of our products in large quantities. All our outside factories are humming with activity, and, despite the troublous days in which we live, it is a comfort to know that our sales for 1921 so far are well in excess of those for 1920, which justifies, if anything can, the acquisition of the further businesses. Before we meet again I am confident that all our works will be giving their full output, and that we shall be producing everything we require, from the coal right down to the finished product. (Applause.)

Mr. Jarvis on Finance.

Mr. J. J. Jarvis (Deputy-Chairman), after dealing in detail with the items in the balance sheet, said:

There are just three things I want to mention.



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The first is that I claim no personal credit for the satisfactory figures now in your hands. I only joined the board in October last, and if thanks are given they should be to my colleagues here present, to whose untiring zeal and persistent effort the success of the company is so largely due.

Employees as Shareholders.

The second is that the workpeople are deserving of some measure of recognition. Practically all our employees are on piece-work—the only satisfactory wage system—and the lingering policy is unknown in our works. In all the companies with which I am associated I endeavour to interest the workers in the financial success of the undertaking by inviting them to become shareholders. A similar proposal was made to our people last November, and as the result they hold between them to-day about 15,000 shares. Before the meeting closes the Chairman will invite you to vote them a bonus, which will be the equivalent of about 1*s.* per share on their shares. This will cost you about £750, but its value to the future of your Company cannot be measured in terms of money. We try to be model employers—we believe our people are working under the most ideal conditions in Sheffield—and we spare no pains to show that we are interested in those who help to earn our dividends. If you agree with me I want you to support this proposal when it is put before you.

My third and last point is—What of the future? We hear on all hands of trade depression, lack of orders, shortage of money, export difficulties, and vagaries of foreign exchanges. To say that we are affected by none of these conditions would be untrue.

In certain sidelines, where competition has been keen, we have decided to cease or curtail, and utilise the space for more profitable production.

Possibilities of Expansion.

In the early part of the year new orders were coming in more slowly, but now they show welcome signs of increasing. We have still a well-filled order-book, which will ensure our working at full pressure for some time to come. In some countries on the Continent our goods are shut out by the abnormality of exchanges, but it is interesting to note that we are doing a satisfactory and increasing trade with America, the British Colonies, and Scandinavia.

But when the difficulties I have mentioned have been admitted, there remains the fact that this Company's principal products are necessities of everyday life never likely to be influenced by the fluctuations of fashion.

Several of our shareholders seem anxious about German competition. They need not be. Whatever trades the German can beat us in, he cannot produce our leading lines, even at to-day's favourable exchange rates, at prices likely to compete seriously with us.

After several questions had been answered, the report and the bonus to employee shareholders was carried unanimously, and a vote of thanks to the Chairman concluded the meeting.

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RESERVE FUND, £1,000,000.

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For the year ending December 31st, 1920,

Annual Income Exceeds - -	**£6,300,000**
Assets Exceed - - - -	**£19,000,000**
Claims Paid Exceed - - -	**£32,000,000**

IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

THE STATIST,
51 Cannon Street, London, E.C. 4.

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The Statist.

LONDON, SATURDAY, APRIL 16, 1921.

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The Money Market.

Thursday, April 14, 1921.

	Current Rates		Previous Rate	
	%	Fixed	%	Fixed
Bank of England Rate ..	7	(Apr 15, '20)	6	(Nov 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days	3 Mos.	4 Mos.	6 Mos.	12 Mos.
	%	%	%	%	%
Treasury Bills	—	6	—	—	6
Bank Bills ...	6	6⅛–⅛	6⅛	6	—
Trade Bills ...	—	7–7¼	7¼–½	7½	—

THE TREASURY BILL TENDER SCHEME

[illegible] details are not yet available for the important announcement made by the Chancellor of the Exchequer in the House of Commons on Monday regarding the scheme for the tendering of Treasury bills, the outline of the proposals as given in the preliminary announcement is sufficiently clear. It consists in replacing the present system of selling Treasury bills at fixed rates and in unlimited amounts by a system of sales by tender and of fixed amounts. The new scheme is to be initiated on Thursday, April 21. Tenders must be made through a bank, a discount house, or a broker, and the minimum amount that will be considered is £50,000. This stipulation practically excludes the small investor and confines the sale of bills to the Money market, but it is possible that it may be modified on further consideration. The system of sales by tender, however, is to be confined to the three months' bill, and some twelve months' bills are to be kept on offer, as at present, at fixed rates. An important provision is that the bills tendered for will be dated, at the option of the tenderer, on any business day during the week beginning on the following Monday. "Additional" Treasury bills may be applied for according to the present procedure from day to day in amounts to be fixed by the Treasury. These bills are to be offered at prices which will be fixed so as to yield rates of discount below the average rates at which bills of like tenor were sold by tender on the Thursday of the preceding week.

The new departure virtually constitutes a decontrol of the Money market by the Treasury, for, subject to the Bank rate, open market discount rates are at present controlled by the Treasury bill rate, since Treasury bills yielding six per cent. are on tap to an unlimited extent. The control is somewhat limited by the fact that there are only three months' and twelve months' Treasury bills; and bills of other tenor, such as end-of-June bills at present, are often the subject of special inquiry when they may be bought at less favourable rates than those offered by the Treasury bill. Whether the new rate for Treasury paper will be determined by the free play of supply and demand, as the Chancellor hopes, will, of course, depend upon whether the banks decide to compete for the amount offered each week or [illegible] rate fixed by common agreement.

An important effect as regards the Money market of the altered system will be to remove a factor making for greater smoothness in monetary conditions, for the system of having unlimited Treasury bills on tap provides the market with a useful safety-valve. Any surplus funds that the market may have at its disposal from time to time could be placed in Treasury bills, while as the rates of Treasury bills grow more large they could be drawn upon to relieve stringency in times of scarcity.

In regarding this scheme [illegible] of the Treasury some important questions will be raised. The new step should properly be considered in conjunction with the previous reduction of the Treasury bill rate from six and a half to six per cent. on March 10. That decision was taken in order to effect a saving in interest payments on the large volume

volume of Treasury bills outstanding. Between March 12 and April 31 sales and renewals of bills exceeded maturities by nearly £33,000,000, despite the reduction in the rate, but this was probably altogether due to the fact that the Treasury bill at that time formed a specially favoured end-of-June maturity. Between March 31 and April 9 nearly four and a-half millions have been allowed to run off, though there seems to have been no excessive demand for funds in the market during this period. A consideration of these facts suggests the probability that the Treasury has come to consider a six per cent. rate too low to attract sufficient money into Treasury bills, and the new step of establishing sales by tender may accordingly have been adopted as a precautionary measure. In this view the Treasury is probably correct, for, considering the unfavourable prospects for revenue foreshadowed by the present industrial situation, the amount of bills to be offered by tender each week can rarely be far below the maturities for that week, and will probably be very often in excess; otherwise recourse to borrowing on the credit of Ways and Means would be necessary. In view of this it is improbable that the average rate of discount on Treasury bills sold by tender will be lower than the present rate of six per cent. On the other hand, it must be considered that the amount of commercial paper coming forward for discount will be on a small scale until trade begins to revive, so that the market may have a surplus of funds to invest in Treasury bills. At the same time, however, it cannot be ignored that the potential demands for accommodation for industrial purposes are very large and would become effective if the industrial outlook became more hopeful, while demands on the resources of the market would be enormously increased in the event of a practical scheme of export credits to the impoverished countries being put into operation.

In order that the success of the new scheme shall be assured and that the Treasury shall effect a saving on its interest disbursements in respect of floating debt, it is essential that the Bank rate be reduced. It is probable that at present funds have a tendency to seek sound fixed-interest-bearing securities rather than to be employed in the production of commodities, and if the financial authorities should find this to be the case there would be no longer any reason for postponing a reduction in the Bank rate. Any decision on this point, however, has to be suspended in view of the present threat to industry, but conditions have altered so much since the beginning of the year that the desirability of a speedy reduction in the rate has at last become clear.

This question of a reduction in the Bank rate will now be brought into increased prominence as a result of the abolishment of the present Treasury-bill system, for the level of deposit rates and discount rates generally will, of course, depend ultimately on the rate at which the market can borrow from the central institution. Business interests would welcome a reduction in the official rate, which would mean lower rates for advances, and many of the banks seem to be in favour of the change. Holders of fixed-interest-bearing securities, too, are largely interested in the question, for a scaling-down of money rates would automatically raise the quotations for their stocks, and it must be admitted that the interest of investors in Government loans has in the past not been sufficiently considered when a change in the Bank rate was in contemplation. In view of these considerations the authorities have the responsibility of providing adequate reasons why the discount rate should be maintained at seven per cent. It would seem that they are prepared to reduce the rate if similar action can be taken by the Federal Reserve Board for the United States, for the monetary policy pursued during the past year, both here and in the United States, seems to have been the result of a common agreement, and we should imagine that a lower rate would speedily be established when the present industrial crisis is passed.

As regards the effect of a reduced rate on business conditions it is well to recognise that though cheaper money would afford a much-needed relief to industry, yet much more than this is required to clear the present situation. What is of greater importance than cheaper money is that credits should be granted more freely, not necessarily that there should be a period of fresh inflation, and this point ought to be considered by the financial authorities. The granting of extensive credits to Central European countries, for instance, would do much to revive our export trade and relieve unemployment.

The estimate held by the Market of the value of money after April 21, the date fixed for the first sale by tender of Treasury bills, may be judged from the extent of subscriptions to Treasury bills between Monday last and that date. As far as can be gathered sales of bills were on a large scale during the current week, for conditions became progressively stringent, with the result that to-day a small amount had to be borrowed from the central institution at seven and a-half per cent., and the rate for day-to-day money advanced from five and a-half per cent. to six per cent. In the Discount market the feature was a rise in quotations for short bills, which were consistently offered. June maturities to-day were quoted at 5¾-6 per cent.

Foreign Exchanges. The Foreign Exchange market was overshadowed by the industrial situation and the general result of movements is adverse to the position of sterling. The New York rate in particular showed a weaker tendency after its recent unusual strength, and New York cables were quoted at 3.90¾ as compared with 3.93⅛ a week ago. In the leading "neutral" exchanges, too, changes were adverse to this country, but in other directions such as in South American countries sterling appreciated. The silver group showed a sharp rise up to Tuesday last, but have since declined in accordance with the course of quotations in the Silver market. One of the most outstanding features of the week's movements is a further sharp appreciation in the value of the lira which is quoted to-day at 80¾ as compared with 89 on Thursday last. The Paris and Brussels rate showed practically no change, but the mark depreciated to 244.

Income and Expenditure. The return of public income and expenditure for the period April 1-April 9 shows an excess in expenditure amounting to £18,885,460, revenue being £30,697,834 and expenditure £49,583,294. The large amount of the expenditure was, of course, due to the disbursement of over £26,000,000 in interest on debt. The position, however, compares unfavourably with the corresponding period of last year, when revenue, at £50,454,847, exceeded expenditure by a little over £100,000. The fall in revenue as compared with a year ago is due to a decline of over £7,000,000 in income-tax receipts and a contraction of over £13,000,000 in proceeds from sales of Government stocks. Maturities of Treasury bills during the first nine days of the month were at the rather large total of £159,194,000, and exceeded sales by £4,406,000. This double deficit had to be met by borrowing £23,400,000 on Ways and Means Advances, but the whole of this amount was obtained from public departments.

Currency Notes. Returns of notes from circulation were on a slightly smaller scale during the week ending yesterday, but fresh issues were also on a lower level and the total outstanding suffered a contraction of £6,410. The latest total is £339,671,037, which is £25,834,210 below the high record of December 22 last. There is little change as compared with a year ago, when the amount outstanding was £340,028,837, but last year it is well to recall that during the first week of April the net issue expanded by nearly £5½

million, as against a contraction of nearly £1½ million during the period March 30 to April 6 of this year. During the remaining weeks of April the amount outstanding should show a further decline.

Bank of England. The Bank return for the week ending on Wednesday last records a contraction in the circulation of £678,000 to £128,537,000, and the reserve accordingly advanced from £17,582,000 to £18,261,000. As "other" deposits at the same time declined by £10,088,000, the proportion of reserves to liabilities advanced from 12.1 per cent. to 13.8 per cent. The repayment of the market's indebtedness is reflected in a contraction of £14,455,000 in other securities.

Bullion. All available supplies in the Gold market were taken for the United States. The Silver market displayed unusual activity during the week, and buying on the part of both India and China carried quotations to 36½*d.* for spot and 36*d.* for forward silver on Tuesday. The higher prices seem to have attracted supplies of the metal, and since then there has been an equally sharp reaction, the cash price declining by 2⅜*d.* and the forward quotation by 2¼*d.* Quotations were as follows:—

	Apr. 9	Apr. 11	Apr. 12	Apr. 13	Apr. 14	Average
Silver (per oz. std. ·925 fine):—						
Cash ...	33⅜*d.*	34½*d.*	36*d.*	34⅞*d.*	34½*d.*	34⅞*d.*
Forward ...	33½*d.*	34¼*d.*	36*d.*	34½*d.*	33⅜*d.*	34⅝*d.*
Gold (per oz. fine)	—	104 10	104 10	105/1	105 4	105/1 *l.*

NEW YORK.

THE latest returns of the New York Clearing Banks and the United States Federal Reserve Banks show movements of the same nature as recorded in the statements of previous weeks. For the former group of banks the average aggregate reserve for the week ending on Saturday last shows a decline of $3,790,000 to $503,480,000 as compared with the preceding week, and again the average excess reserve fell by $2,540,000 to $8,590,000, despite a reduction of $11,030,000 to $3,734,370,000 in net demand deposits. The figures here given for the average excess reserve is the lowest since that for the week ending August 14, 1920, and the actual position at the end of the week shows a deficit of $4,330,000. Loans, discounts, investments, &c., are returned as $4,844,190,000, a decline of $27,400,000 on the week and a reduction of $314,110,000 as compared with a year ago.

The Federal Reserve Banks' statement shows an advance in the ratio of total reserves to the combined net deposit and Federal Reserve note liabilities from 52.4 per cent. to 53.5 per cent., the highest recorded since June 6, 1919. The cause of the improvement was a further addition of $17,570,000 to the gold reserves, total reserves at $2,481,830,000 being the highest ever recorded. Deposits, chiefly Government deposits, show a contraction at $1,646,170,000. The Federal Reserve Note circulation again declined by $14,190,000, and the latest total recorded, $2,893,960,000, is $186,260,000 below the level of a year ago, and $510,970,000 below the high record of December 24, 1920.

The decline in call money to the abnormally low rate of five per cent. in the middle of last week was followed by a reaction to six and a-half per cent. and later to seven per cent., which was the ruling rate yesterday. The continued improvement in the position of the Federal Reserve Banks is being advocated as a reason for a reduction in rediscount rates, but the Federal Reserve Board seem disinclined to effect any change at present, in view of the fact that there is still a very large amount of what are known as "frozen" credits, and they declare that whatever change may be made in their policy no assistance to purely speculative operations will be given. The Stock market's seem to have been adversely affected by the industrial crisis here.

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Stock Exchange.

THE relatively favourable aspect of the strike negotiations over the week-end led to an optimistic attitude throughout the various sections of the House. The general atmosphere further benefited from the fact that the new arrangements by which Treasury bills will be obtainable by tender instead of at a fixed discount as heretofore led the market to anticipate lower money rates. The Gilt-edge department was consequently a centre of activity, and values rose throughout the list. The later developments in the labour crisis showed, however, that the conflicting interests were apparently irreconcilable, and the enthusiasm of operators oozed away. No desire to sell was evinced by holders, and quotations remained remarkably firm, considering the potentialities of the situation. Business in Industrial and Oil shares tailed off to inconsiderable dimensions, but prices on the whole showed no marked alteration. If the temper of the Stock Exchange is indicative of the mood in which the country will face the coming storm, the extremists have a poor prospect to face.

The Gilt-edge section opened with a show of confidence. Prices were marked up all round on Monday, and a similar movement took place on Tuesday, except for a slight reaction in Victory Bonds. Labour developments reflected themselves in a general decline on Wednesday, and Thursday witnessed a further easing. On balance quotations did not show much alteration, except for Victory Bonds and India Threes and Three and a-Halfs, which concluded at lower levels. County and Corporation stocks developed greater activity than usual, practically all movements being in favour of sellers. Middlesex Six per Cents. were marked up a whole point to 100½-101½ on Wednesday. Colonial issues did not attract any attention, excepting for some inquiry for Australian varieties. The quietness of this market bears interesting contrast with the comparatively ready appeal which each fresh Colonial Government loan makes to investors. It is understood in political and financial circles in Melbourne that Mr. McPherson, Treasurer to the State of Victoria, will endeavour to float a loan of £2,500,000 in London in the near future. The details will be awaited with interest.

Foreign Bonds did not benefit by the neglect of home securities. Argentine and Brazilian descriptions continued buoyant at the beginning of the week, with renewed buying from New York, and Chinese varieties also pursued an upward trend. Demand quickly tailed off, however, and South American values were scaled down again. Except for a slight appreciation in some Japanese securities which benefited by the fall in the

dollar rate, and in a few minor European emissions, the close was dull and easy.

Home Railways were a centre of unwonted optimism and activity on Monday, amalgamation rumours and purchase agreements being the predominant topic. Quotations were levered up all round. A mixed tendency was, however, noticeable on Tuesday, and thereafter quotations declined rapidly with the growing evidence as to the intentions of the Triple Alliance.

Business in the Foreign Railway Department was limited and price alterations infrequent. Argentine prior charges moved up as a result of some inquiry. Grand Trunks further receded on the unsatisfactory position. News has come to hand that the Canadian Government has lent, through the Bank of Montreal, the amount necessary to pay the quarterly interest on the Grand Trunk Four per Cent. Consolidated Debenture Stock, and that dividend warrants will be posted to-day (Friday). In the light of this the non-payment of the interest on the Grand Trunk Pacific, Lake Superior, Prairie, and Mountain Bonds seems all the more inconsistent, particularly as the Government has been credited with the intention of not advancing any money to the railway till complete control is handed over by the present board of directors. The managing director is at present on his way to Europe to explain the position to shareholders on this side, but his advent has not been accepted as an indication that the outlook is any the more cheerful than already estimated.

In the Industrial Section business was whittled down to minimum dimensions, but the undertone remained comparatively bright throughout. The news that the Triple Alliance had resolved to come out on strike on Friday night was received with apathetic calm, not because the market saw no reason to be perturbed, but the issues at stake were so immense that it was not easy to grasp the real meaning of the decision. Iron and steel shares showed no features of interest. Alterations were few and several minor improvements occurred. Shipping securities were supported on the news that the seamen as a whole did not favour participation in the general strike. Though no direct stoppage occurs, the general dislocation of transport, however, must necessarily react adversely on the volume of shipping business. An easier tendency developed towards the close, Cairn Lines and P. & O. Deferred in particular being on offer. The reduction of the dividend on Cunard Ordinary to seven and a-half per cent., as compared with ten per cent. for the previous year, caused these shares to react to 17*s.* 6*d.* Textiles as a whole remained firm, finishing without net alteration. Fine Spinners, Courtaulds, and Listers displayed an easy tendency, however, towards the close. Bank shares did not attract much business, but firmness was maintained. It is announced that the Commercial Bank of London intends, with the sanction of shareholders, to alter its title to the Commercial Corporation of London. The deposit banking branch will be closed as soon as outstanding deposit accounts have been dealt with, and business will be confined to the financial branch.

The Oil Share market reflected the general optimism on opening, but reacted with the unfavourable development of the labour situation. On Wednesday professional as well as public support was withdrawn, and business was not sufficient to test quotations. Royal Dutch and Shells improved on Monday, following the Wall Street appreciation on Saturday. Quotations eased later, but both concluded better on balance. Mexican Eagles, though receiving substantial support from the Continent, finished at lower levels. According to the *Moniteur du Pétrole Roumain*, the output of petroleum from the various producing districts for the month of February amounted to 82,343 tons, as against 94,931 tons for January. The decline in output is stated to be due to the serious lack of a sufficiency of electric current. The various companies are working to replace current by other means of power, but it is feared that it will be a considerable time before any benefit will be derived from these measures

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Mining Topics.

The improvement in the strike position over the week-end caused the Mining markets to open firm on Monday. In so far as gold-mining shares were concerned, this steadiness was strengthened by the satisfactory March returns, which are analysed in detail elsewhere. Buying orders from the Cape were on a considerable scale. Government Areas gained 1/8 at 3 1/8. Van Ryn Deep finished 1/8 to the good at 3 7/8, and Johnnies put on 9*d.* to 23*s.* Rand Mines were the turn better at 2 1/16, whilst Crowns improved 1/16 to 1 1/16. Village Deep were in favour at 13*s.*, and Modder Deep at 2½. Amongst Rhodesians, Shamva stood out with a rise of ⅛ to 1 7/16, Lonelys responding with an advance of 1/16 to 1 5/8. Burmas finished strong at 7*s.* 9*d.* on the very satisfactory March output of 3,020 tons refined lead and 245,962 ounces refined silver. However, the salient feature in the market that day was De Beers, which spurted to 11 on Paris buying. Tuesday witnessed a maintenance of the firm tone, though the industrial outlook was less promising. The Cape was again buying, and Johnnies were in demand at 23*s.* 3*d.*, and City Deep gained 1/16 to 2. The cessation of Paris support caused De Beers to react to 10⅞. On Wednesday the close approach of the worst industrial crisis that the nation has yet been called upon to face was not able to shake the steady tone of the market. Business was, however, reduced to a low ebb, few being willing to purchase at this critical time. However, the relapse of the New York exchange, the inevitable outcome of the strike, brought gold back to 105*s.* 1*d.*, and a continuance of the dispute will be reflected in a further rise in the price of this precious metal. Accordingly at least one section of the Stock markets will benefit from the *débacle*. At present, however, price movements are largely nominal. Exceptionally, Bantjes were in favour at 5*s.* 3*d.*, the fact that no payable ore was disclosed by the boreholes being interpreted as the near approach of liquidation, in which case the shares were decidedly attractive at this level. Globe and Phœnix, which has recently announced an interim dividend of 1*s.* per share for the current year, also reports some interesting development results for February. At No. 14 level ore averaging 57 dwt. was encountered for 17 feet, and ore averaging 53 dwt. for 32 feet. A winze from No. 21 level exposed ore averaging 43 dwt. for 12 feet.

CITY DEEP.

Year ended Dec. 31	Ore Milled	Working Gold Rev. per Ton	Working Costs per Ton	Profit Amount	Per Ton	Net Profit	Dividends Amount	
	Tons	£	£	£	£	£	£	
1917 ...	744,100	39.6	21.7	665,998	17.11	682,020	562,500	15
1918 ...	670,100	38.0	24.8	447,294	13.4	458,265	343,750	27½
1919 ...	617,800	38.3*	27.9	324,572	10.6*	462,566†	296,875	23¾
1920 ...	862,500	34.2*	30.2	191,302	4.5*	644,184†	415,250	32½

* Excluding premium on gold, amounting in 1919 to £138,115, equivalent to 4s. 4d. per ton milled, and in 1920 to £1,452,882, or 33s. 8d. per ton milled.
† Including premium on gold.

"For the first time in the history of this mine we have had sufficient labour to keep the City Deep reduction plant working at full capacity." In this sentence the Manager of this well-known South African gold producer strikes the keynote of the report for 1920. By the acquisition of the City and Suburban after May 1, 1920, City Deep secured not only a considerable tonnage of payable ore, but what was of more vital importance still—an additional labour supply of some 2,500 natives. Prior to this absorption the average labour force did not exceed 5,135 per month; subsequently it has reached 8,035. Expressed in terms of production, the change meant that instead of an average of 56,500 tons per month crushed up to the end of April, the average tonnage crushed per month for the remainder of the year exceeded 79,500 tons, and even this large figure included the transitionary return of 78,400 tons for May and the return of 58,500 tons for November, when the sudden strike interfered with operations. For the year the change found expression in the return of a total of 862,500 tons crushed, as compared with 617,800 tons only for 1919. Turning now to the financial side of the operations, and estimating the yield per ton on the basis of the par value of gold so as to maintain an effective comparison, it is evident that there has been a rather marked reduction in the grade of the ore milled, the yield per ton of 34*s.* 7*d.* comparing with 38*s.* 3*d.* in the previous year. On the other hand, notwithstanding the remarkable expansion in the quantity of ore treated, working costs have advanced from 27*s.* 9*d.* to 30*s.* 2*d.* per ton. Higher wages and increased prices for stores and materials explained this advance. White wages averaged 9*s.* 9*d.* per ton milled, as against 8*s.* 6*d.* in 1919; native wages absorbed 5*s.* per ton instead of 4*s.* 3*d.*, and the outlay on stores and materials represented a charge of 9*s.* 8*d.* per ton, or an increase of 7*d.* as compared with the previous year. Assuming that these conditions had prevailed in the absence of any premium on gold, the mine would have secured a working profit of only 4*s.* 5*d.* per ton, as against 10*s.* 6*d.*, the total falling from £324,572 to £191,302. However, the year was characterised by an abnormally high premium on gold, especially during the last six months. Consequently the gold was sold for nearly 111*s.* per ounce on an average, instead of 85*s.*, with the result that an additional profit of £458,046, equivalent to an extra yield of 10*s.* 8*d.* per ton, was secured. Taking this into account the working profit reached £649,348, or 15*s.* 1*d.* per ton, and the yield per ton worked out at 45*s.* 3*d.* Accordingly, in place of a net profit of £462,566 in 1919 there was recorded a net profit of £644,184. In the light of this fact the dividend to shareholders was increased from 23¾ per cent. to 32½ per cent., the amount absorbed rising from £296,875 to £415,250, because, whilst the interim dividend of twelve and a-half per cent. was paid on £1,250,000, the final dividend of twenty per cent. was paid on the increased capital of £1,295,000, the additional £45,000 representing the purchase price of the City and Suburban. The amount carried forward to the next accounts is increased from £245,471 to £303,201.

It is evident from the report that the satisfactory results of the working operations were achieved at the expense of development work. It is, indeed, definitely stated by the Consulting Engineer that the disorganisation caused by the absorption resulted in the neglect of development work. Consequently the amount of such work done has fallen from 17,267 to 15,651 feet. The fall in values is no less pronounced, as can be seen from the following table:—

Year ended Dec. 31	Development Work on Main Reef Leader: Payable Reef Footage	Width Inches	Value Yards	Shaft-Sinking Inches	Total Tons	Pay-Ore Reserves Value per Ton	Width Inches	Steps Inches
1917...6,935	66	24·0	167·0	2,580	5,250,000	38s. 7d.	61	1,140
1918...6,160	76	30·0	89·4	2,680	3,842,000	40s. 9d.	65	2,070
1919...5,660	75	34·6	78·5	2,707	3,418,000	39s. 11d.	65	2,595
1920...4,805	65	32·4	148·3	2,811	3,190,000	38s. 3d.	69	2,430

* Including small proportion of Main Reef ore.

At the same time the results have not been entirely devoid of good, the payable ore developed during the year amounting to 598,500 tons, averaging 8.9 dwt. Steps are being taken, however, to increase the development work during the current year in order to make up for the decline both in quantity and value in the ore reserves as disclosed in the above table.

The outlook for the current year is favourable; but how favourable it is somewhat difficult to decide in view of the conflicting forces at work. Undoubtedly the possession of an adequate labour force for a whole year instead of for a little over seven months should enable a greater tonnage to be crushed. This is borne out by the January return of 83,500 tons and the March return of 85,000 tons. But should labour disputes continue to occur spasmodically this advantage is likely to be reduced in proportion. The February strike resulted in a reduction of the tonnage crushed to 52,500 tons. No relief can be expected by any great improvement in the grade of the ore treated, for it is the expressed policy of the board to reduce the average grade from 9 to 8½ dwt. in view of the increase in tonnage treated. Whilst the existence of the gold premium at a reasonable level during the year may be postulated in advance, it is no less certain that in the absence of any radical change the average for the year will fall short of 111*s.* For the first three months the returns from this mine have not included gold above 105*s.* per ounce, and whilst the figure of 103*s.* 3*d.* for March is conservative, the actual figure is not likely to exceed 105*s.* On the other hand, the marked decline in prices should be reflected in a lower cost for stores and materials, and eventually in a reduction in wages. For the current year, however, the wiser course is to calculate on the negative fact of no further rise in wages. Financially the Company is in a very sound position. The balance sheet dated December 31, 1920, shows that current liabilities did not exceed £448,345, whereas liquid assets in the form of investments and cash were available to a total of £567,284. As a result of the absorption of City and Suburban assets to the net value of £121,500 were taken over. Since the purchase price was only £45,000, in £1 shares, the balance of £76,500 has been credited to the share premium account, thereby raising the total to £437,933. Operations for the first three months of the year disclose an estimated profit of £136,108, as compared with £117,409 for 1919, and, bearing in mind the low average at which the gold was included, the figure may be accepted as a minimum. In a depressed market the £1 shares have fallen to 39*s.* 7½*d.*, at which price a dividend of only thirty per cent. would afford a yield of over fifteen per cent., so that, allowing for the favourable outlook, the shares are an attractive investment at this price.

CRESCENS (MATABELE) MINES AND LAND COMPANY.

Issued Capital: £72 710, in 145,420 Shares of 10s. each.

	Interest on Debentures	Working Profit	Sundry Income	Revenue	Expenditure	Net Profit	
	£	£	£	£	£	£	
1917..	1,110	4,867	1,958	6,825	2,450	4,375	3,000
1918..	1,085	4,201	2,297	6,498	2,915	3,583	3,000
1919..	1,358	2,545	7,565	11,755	4,455	7,300	3,000
1920.	2,500	1,966	8,066	12,297	5,322	6,975	3,000

[illegible] increasing from the record of £7,583 in 1918-19 to the still higher total of £8,035 in the year under review. It would appear that considerably better prices [illegible]

obtained as the acreage disposed of reached only 22,568 acres, as against 45,179 acres in the previous year. Receipts from rents, royalties, and timber dropped, however, from £2,573 to £1,933. The royalties from the forty-five claims on Veracity brought in £791, as compared with £772 in 1918-19. On the other hand, the amount accruing in respect of interest and dividends increased from £1,338 to £2,307, the addition being partly accounted for by the investments in Treasury bills. With the small amounts obtained in transfer fees the total revenue for the year amounted to £12,297, or an increase of more than £500 over the satisfactory total of the previous year. It will be noted at the same time that the total expenditure expanded more rapidly, rising from £3,131 to £5,322. The increase was not in connection with the Rhodesian expenses, which only amounted to £1,553, as against £1,513; but was represented in part by a growth in the liability for income tax, which figured at £1,298, as compared with £710, and in part by London expenses, which reached £2,471, as against £908. This latter increase was made up mainly of two items. Directors' fees, which figured in the previous accounts at £500, were increased to £1,500, of which, it was stated that £500 was in respect of the year 1919. The other charge of £500 covered expenses incurred by the Chairman in connection with his visit to the properties. However, as a result of this greater increase in expenditure the net profit fell from £8,624 to £6,975. Still the dividend was maintained at ten per cent. as in 1918-19 which absorbed, on deduction of income tax, a net disbursement of £5,090, leaving to be carried forward to the next accounts a balance of £6,163, as compared with £4,278 brought forward from the previous year.

There is no reason for anticipating that the results for the current year will not be equally favourable. As regards land, the Company still held 377,651 acres on June 30, 1920, and it was stated that sales between that date and October 8, 1920, had been made of 3,350 acres, though the price or profit was not disclosed. Tributes from the forty-five Veracity claims were yet accruing, but, acting on the advice of the engineers, ten of the Mystery claims had been abandoned, whilst the remaining ten had been leased on tribute for three years, the tributer being granted an option to purchase. Revenue in the form of interest and dividends should be at least equally satisfactory, investments in the balance sheet on June 30, 1920, amounting to £23,880, as against £21,012 on June 30, 1919, as a result of the purchase of £3,000 in Treasury bills. Financially the Company is in a strong position. Including the dividend of £5,090, current liabilities on June 30, 1920, did not exceed £5,995, and were more than amply covered by liquid assets in the form of cash and sundry debtors to a total of £19,845. The excess of these liquid assets over current liabilities amounted to £13,850, as compared with £12,304 in the previous year. Moreover, the balance of £6,163 carried forward is more than sufficient to provide the net sum to meet a dividend of ten per cent. The 10*s.* shares are quoted in the market at 9*s.* 7½*d.*, at which price a dividend of ten per cent. would afford a yield of over ten and a-half per cent.

Income and Income-Tax

A PAMPHLET showing the amount of YOUR INCOME-TAX, and a method of reducing it.

FREE on application to the

LEGAL & GENERAL ASSURANCE SOCIETY Ltd.

10 FLEET STREET, LONDON, E.C. 4

ASSETS EXCEED £13,800,000.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 13, 1921.

Issue Department.

Notes Issued	£144,981,090	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,531,090
	£144,981,090		£144,981,090

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£32 209 621
Rest	3,157,703	Other Securities	99 692,635
Public Deposits	18,316,242	Notes	16 414 040
Other Deposits	114,124,395	Gold and Silver Coin	1,847,132
Seven-day and other Bills	12,138		
	£150,163,478		£150,163 478

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1921.	Circulation	"Coin" and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Apr. 13	128.5	128.3	18.3	114.1	32.2	99.6	18.2	13·8	7	6½
Apr. 6	129.2	128.3	21.4	124.2	31.6	114.1	17.5	12·1	7	6½
Mar. 30	129.9	128.3	23.0	114.6	26.0	114.9	16.9	12·3	7	6½
Mar. 23	129.5	128.3	22.9	101.1	24.0	101.0	17.2	13·9	7	6½
Mar. 16	128.1	128.3	16.9	107.2	23.5	102.0	16.6	14·8	7	6½
Jly.22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 5%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5% July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 3, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'sterling, 00,000's omitted):	Apr. 13 1921	Apr. 14 1920	Apr. 16 1919	Apr. 17 1918	Apr. 12 1911
Circulation	£128.5	£108.0	£78.2	£47.9	£28.7
Public Deposits	18.3	19.3	27.7	40.0	17.9
Other Deposits	114.1	122.8	116.5	138.2	41 5
Government Securities	32.2	55.1	56.1	58.3	15 0
Other Securities	99.6	79.8	78.3	105.9	36.1
Reserve	18.2	24.8	27.4	31.6	25 8
Ratio to Liabilities	13·8%	17·5%	19·04%	17·71%	43 55%
Coin and Bullion	128.3	112.4	85.2	61.0	36.0
Money:					
Bank of England Rate	7%	7%	5%	5%	3%
Bank of France Rate	6%	6%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	6⅝%	3½%	3⅝%	2⅝%
Exchanges:					
Paris Cheque	55·00	85·50	27·82½	27·16½	25·30½
New York 60 days	3·87⅝	3·95	4·63	4·72½	4·84·15
Bombay Telegraphic Transfers	1 3⅛	2 5⅛	1 5⅝	1 5⅝	1/4⅛
Prices:					
Consols 2½% Cash	46½	46	55½	55½	81½
French Rentes 3% Money	55·70	57·10	62·75	59·10	96·07
Silver, London spot oz.	34⅛d.	67 3/8	48⅛d.	47 3/8	24⅜d.
Wheat, *Gazette* average qr.	88 3	72/9	73/0	7../3	30/4
Cotton, Mid Upland lb.	5·73d.	29·15d.	18·69d.	23·07d.	7·95d.
Iron, Scotch pig ton	126 0	206/0	101/0	101/0	53/1½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Apr. 13, '21	7,444 741	8,131,151	339,871,637	28,500,000	19,450,000	14·1
Apr. 6, '21	7,423,129	8,676,408	340,557,447	28,500,000	19,450,000	14·1
Apr. 14, '20	7,690,535	8,361,537	340,028,837	28,500,000	6,500,000	10·3
Apr. 16, 19	15,247,989	4,534,083	346,038,519	28,500,000	—	8 2
Apr. 17, '18	5,066,542	4,559,057	233,066,095	28,500,000	—	12·2
Apr. 18, '17	5,103,323	4,786,190	182,050,647	28,500,000	—	18·7

Balance Sheet, April 13, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	268,770,414	Other Bankers	—
Ten Shilling	41,710,623	Trustee Savings Banks ...	—
Certificates outstanding ...	29,190,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	339,671,037	Bank of England Notes...	19 450,000
Notes called in but not yet cancelled	2,190,955	Government Securities ...	309,433,167
		Balance at Bank of England	167,483
Investments Reserve A/c ...	15,688,658		
Total	357,550,650	Total	357,550,650

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Apr. 9, '21...	£30,698	£49,583	£18,885	£192,290	£173,644	£2,635
Mar. 31,'21...	228,929	197,361	*31,568*‡	563,902	597,268	3,075
Mar. 26,'21...	40,001	51,418	11 417	195,544	183,034	4,311
9 dys. '21-22	30,698	49,583	18,885	192,290	173,644	—6,534
10 dys. '20-21	50,455	50,355	*100*‡	183,935	189,724	—5,638
Yr. '20-21*	1,418,300	1,233,642	*184,658*‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	8,359
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499 604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
Apr. 9, '21...	£5,110	£16,623	£3,185	£5,780	£29,457	£122	£20,024
Mar. 31,'21...	30,046	100,343	23,559	74,982	35,708	5,452	156,201
Mar. 26,'21...	5,189	18,244	6,230	11,338	3,949	1,763	45,656
9 days '21-22	5,110	16,623	3,185	5,780	29,457	122	20,024
10 days '19-20	4,498	23,765	4,585	17,596	2 ,.62	179	22,014
Yr. '20 21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	559,099	290,045	407,404	332,034	16,171	1,317,588
Yr. '18 19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,034	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Apr. 9 1921 ..	£1,115,812	£1,7.884	£1,293,701	—
Mar. 31, 1921 ...	1,1.0,841	154,489	1,275,330	£22,584
Mar. 26, 1921 ...	1,108,709	162,414	1,271,123	22,424
Mar. 19, 1921 ...	1,090,556	158,706	1,253,062	22,063
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates, including supplementary grants. † Highest. ‡ Excess of revenue

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£8,263
Mar. 31, '21	...	10,662	1,413	12,075	2,3,4 6	243,133	47,430
Apr. 7, '21	...	10,662	1,466	12,128	27,599	243,471	46,642

		Claim on Austro-Hung. Bank	Contingent Liabr. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Mar. 15, '21	...	£396,934	60,437	63,120	82,704	443,93	35,041
Mar. 23, '21	...	393,11	60,101	66,573	82,643	443,239	33,70
Mar. 31, '21	...	396,945	£59,389	£69,465	£82,773	£455,081	£31,978

		Cash						
		Gold	Silver	Total	Discounts	Balances Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4,1'0	£341	£4,441	£6,197	£786	£8,693	£47
Feb. 28, '21	...	12,643	143	12,731	16,721	855	28,251	3,576
Mar. 31, '21	...	12,643	165	12,908	15,307	1,157	29,725	3,412
Mar. 31, '20	...	12,589	172	12,781	18,955	590	29,123	2,024
Mar. 31, '19	...	10,335	137	10,542	3,611	4,203	24,137	852

		Gold—		Total Cash				Deposits—	
		In Bank	Abroad	incl'g Silver	Bills	Circulation	Public	Private
FRANCE.								
July 30, '14	...	£165,854		£190,687	£97,788	£267,327	£15,302	£37,903
Mar. 31, '21	...	142,234	77,931	230,131	122,026	1,537,403	1,483	122,615
Mar. 24, '21	...	142,222	77,931	230,772	114,365	1,525,313	1,397	124,53
Apr. 1, '20	...	144,251	78,131	233,211	90,331	1,493,374	2,2,0	133,493
Apr. 3, '19	...	142,642	79,132	231,284	40,278	1,319,4,9	3,798	115,043

		Cash			Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
		Gold	Silver	Total				
GERMANY.								
July 23, '14	...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Mar. 23, '21	...	54,577	454	55,031	1,163,402	2,632,760	3,130,462	1,6,5,3
Mar. 31, '21	...	54,577	453	55,030	1,191,8,1	3,3,0,227	3,19,,09	1,663,383
Mar. 31, '20	...	54,573	2,144	56,717	693,672	2,229,275	2,253,489	924,921
Mar. 31, '19	...	95,8 0	1,033	96,833	336,803	1,59,,659	1,274,524	725,147

		Cash			Discounts	Advances	Circulation	Deposits
		Gold	Silver	Total				
HOLLAND.								
Aug. 1, '14		£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Mar. 28, '21	...	51,753	1,391	53,144	17,617	19,165	86,610	3,461
Apr. 4, '21	...	51,7,3	1,3,4	53,037	19,531	19,319	83,043	4,951
Apr. 3, '20	...	52,368	834	53,752	22,700	18,076	88,044	7,035
Apr. 5, '19	...	55,682	728	56,390	12,138	16,227	85,109	6,613

		Cash			Other Cash	Loans & Discounts	Circulation	Deposits
		Gold	Silver	Total				
ITALY.								
July 31, '14	...	—	—	—£49,456—		£25,017	£69,204	£8,837
Jan. 20, '21	...	£32,777	£3,000	35,777	16,733	213,518	597,139	79,009
Jan. 30, '21	...	32,772	2,991	35,763	18,802	213,518	596,781	85,,12
Jan. 10, '20	...	32,134	3,004	35,138	20,430	112,515	4,,,477	78,333
Jan. 31, '19	...	—	—	4,,3,5	—	74,503	36,,,32	61,753

						Deposits—	
		Gold	Discounts	Advances	Notes	Public	Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,531
Feb. 19, '21	...	106,637	5,189	9,879	104,251	97,1,4	23, 04
Feb. 26, '21	...	105,812	5,740	9,128	111,817	95,161	17,463
Feb. 28, '20	...	93,811	27,685	39,946	136,048	119,964	2,600
Mar. 1, '19	...	71,214	3,414	37,754	85,617	101,373	3,244

				Loans,				
		Cash	Own	Aggregate	Discts,	—Net Deposits—		Excess
		Vaults		Reserve	Invest. &c.	Demand	Time	Total	Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14...		—		£89,888	£411,238	—	—	£387,165	£1,720
Apr. 2, '21...		£15,896†		101,454	974,3,8	£749,080	£46,478	826,474	2,226
Apr. 9, '21...		15,844†		100,696	963,333	746,374	47,732	824,634	1,718
Apr. 10, '20...		19,190†		116,880	1,031,681	839,410	50,336	903,071	5,390
Apr. 12, '19...		19,582†		112,180	968,330	795,936	30,318	874,178	6,594

			Balance	Norw.& For.	Disc'ts	Circula-	
		Gold	Abroad	Govt. Secs.	& Loans	tion	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£6,752	£793
Mar. 31, '21	...	8,115	2,335	500	24,811	23,404	4,780
Apr. 7, '21	...	8,115	2,278	500	22,756	23,118	4,866
Apr. 7, '20	...	8,122	4,524	579	19,257	24,430	4,129

					Discounts &	Note Circu-	
		Gold	Silver	Total	Advances	lation	Deposits
PORTUGAL.							
Feb. 23, '21	...	£1,906	£3,924	£5,830	£30,001	£136,707	£9,943
Mar. 2, '21	...	1,906	3,924	5,830	28,925	139,186	14,257
Mar. 3, '20	...	1,903	3,921	5,827	8,780	87,106	6,328
Mar. 5, '19	...	1,905	3,775	5,680	9,736	62,559	4,001

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Feb. 12, '21	...	£134,009	£29,983	£5,723	£32,374	£332,083
Feb. 19, '21	...	133,009	27,330	5,844	32,89)	40,,906
Feb 26 '21	...	142,009	27,181	5,703	32,889	408,872
Feb. 28, '20	...	60,805	7,825	2,433	10,303	130,0 3

		Gold—		Total Cash	Loans &	Circula-	Notes in	Total
		In Bank	Abroad	incl'g Silver	Discts	tion	Reserve	Deposits
RUSSIA.								
July 31, '14...		£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...		129,523	230,885	378,205	1,869,559	1,836,217	15,783	345,550

		Cash			Loans,	Spanish	Circula-	Deposits
		Gold	Silver	Total	&c.	4%	tion	&c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Apr. 2, '21	...	99,175	23,653	122,828	97,650	13,779	170,,97	47,6 3
Apr. 9, '21	...	99,215	23,706	122,924	95,876	13,779	17),,80	47,189
Apr. 10, '20	...	98,109	25,034	123,143	80,587	13,779	155,955	43,993
Apr. 12, '19	...	90,344	25,728	116,172	75,117	13,778	140,543	43,504

			Balance	Swed. & For.	Discounts	Circula-	
		Gold	Abroad	Govt. Secs.	& Loans	tion	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Mar. 26, '21	...	15,649	9,810	705	29,,,9	36,332	15,,33
Apr. 2, '21	...	15,693	6,926	705	33,263	4),293	13,863
Apr. 3, '20	...	14,,03	5,186	2,525	37,477	42,281	15,154
Apr. 5, '19	...	15,337	7,,10	3,002	21,171	41,,21	6,152

		Cash			Discounts &	Circula-	
		Gold	Silver	Total	Advances	tion	Deposits
SWITZER-LAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Mar. 31, '21	...	21,736	8,,17	30,,53	13,,84	3),,20	3,448
Apr. 7, '21	...	21,737	3,921	2,,,53	18,269	38,,53	4,744
Apr. 7, '20	...	2),,49	3,189	24,633	14,538	38,159	4,863
Apr. 7, '19	...	16,716	2,621	19,33)	21,443	36,920	3,,,0

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Held by Banks	Held by Agents	Total Cash	Bills Discounted	Bills Accept'ances	Deposits Govt.	Deposits Net	Circulation
Apr 4, '21 ...	—£448,383—		£492,218	£411,920	£24,493	£15,470	£337,100	£571,630
Apr 11 '21	—4,,,802—		445,665	430,951	23,722	9,610	3,9,,4	573,732
Apr 12, '20 ..	—391,493—		417,482	4,,,503	81,413	1,,56	343,428	616,,44
Apr. 12, '19 ..	199,,72	239,5,4	442,3,8	89,5,4	43,713	33,944	355,581	509,713

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon ...	7	Sept. 3,'20
Berlin ...	5	Dec. 23,'14	Madrid ...	6	Nov. 4,'20
Berne ...	4½	Apr 7,'21	Paris ...	6	Apr. 8,'20
Bombay ...	6	Mar 3,'21	Petrograd ...	8	July 23'14
Brussels ...	5½	Apr. 28,'20	Rome ...	6	May 12,'20
Calcutta ...	6	Mar. 3,'21	Stockholm ...	7½	Sept 16,'20
Christiania ...	7	June 25,'20	Tokio ...	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna ...	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Apr. 15, '21	Apr. 8, '21	Apr. 1, '21	Mar. 23, '21
Berlin	Cable	245 n.	243 n.	243 n.	241 n.
Brussels	One mos.	53fr. 02c.	53fr. 15c.	53fr. 20	53fr. 35c.
Denmark	Cable	21kr. 62	21kr. 60	21kr. 50	22kr.50
Holland	do.	11[illegible]	11[illegible]	11[illegible]	11[illegible]
Italy	do.	80 7[illegible]	[illegible]	[illegible]	16[illegible]
Lisbon and Oporto	do.	[illegible]	[illegible]	[illegible]	[illegible]
New York	do.	$3 90¼	$3 91¼	$3 93[illegible]	$3 [illegible]
—	Cheques	$3 91[illegible]	$3 92[illegible]	$3 91[illegible]	$3 91[illegible]
Norway	Cable	24kr. 30	24kr. 25	24kr. 45	24kr. 35
Paris	3 mos.	56fr. 05c.	56fr. 05c.	56fr. 07c.	57fr. 05c.
—	Cable	55fr. 00c.	55fr. 30c.	55 r. 32c.	56fr. 30c.
Spain (Bank places)	3 mos.	41[illegible]	41[illegible]	41[illegible]	42[illegible]
—	Cable	28p. 10	28p. 06	28p. 10	28p. 02
Sweden	do.	16kr 40	16kr. 60	16kr. 80	16kr. 85
Switzerland	3 mos	23fr. 10c.	23fr. 10c.	23fr. 10c.	23fr. 57c.
—	Cable	22fr. 80	22fr. 80	22fr. 60	23fr. 07c.

ON LONDON—		Apr. 15, '21	Apr. 8, '21	Apr. 1, '21	Par.
Alexandria	Sight	97[illegible]pl.	97[illegible]pl.	97[illegible]pl.	97[illegible]pl.
Amsterdam	Cheques	11d. 17[illegible]c.	11d. 3[illegible]c.	11d. 38[illegible]c.	12·107d.
Athens	Cable	55dr. 87	53[illegible]r. 90	51dr. 4[illegible]	25fr. 22½
Bombay	Transfers	1s. 3[illegible]d.	1s. 3[illegible]d.	1s. 3[illegible]d.	2s.*
Brussels	Cheques	53[illegible] 02c.	53[illegible] 17c.	53[illegible] 70c.	25[illegible] 22½c.
Buenos Ayres	Transfers	45[illegible]d.	44[illegible]d.	46[illegible]d.	47·58d.
Calcutta	do.	1s. 3[illegible]d.	1s. 3[illegible]d.	1s. 3[illegible]d.	2s.*
Christiania	Sight	24kr. 28	24kr. 21	24kr. 45	18·159kr.
Copenhagen	do.	21kr. 68	21kr. 61	21kr. 49	18·159kr.
Helsingfors	Cable	175 n.	162 n.	157 n.	25m. 22½
Hong Kong	Transfers	2s. 6[illegible]d.	2s. 5[illegible]d.	2s. 4[illegible]d.	—
Italy	Sight	80[illegible]r. 75c.	90[illegible]r. 00c.	96[illegible]r. 00c	25[illegible] 22½c.
Lisbon	do.	5[illegible]d.	5[illegible]d.	5[illegible]d.	53½d.
Madras	do.	1s. 3[illegible]d.	1s. 3[illegible]d.	1s. 3[illegible]d.	2s.*
Madrid	do.	28[illegible].07	28p. 07	28p. 05	25p. 22½
Montevideo	Transfers	42[illegible]d.	42[illegible]d.	41[illegible]d.	51d.
Montreal	Cable	$4 [illegible]	$4 29	$4 42	$4 86⅜
New York	Sight	$3 89[illegible]	$3 92½	$3 9[illegible]	—
—	60 days	$3 87[illegible]	$3 91[illegible]	$3 91[illegible]	—
—	Cable	$3 90[illegible]	$3 93	$3 94	$4 86⅜
Paris	Cheques	55f. 00c.	55f. 30c.	56f. 10c.	25f. 22½c.
Rio de Janeiro	90 days	8[illegible]d.	8[illegible]d.	9[illegible]d.	16d.
Shanghai	Transfers	3s. 4[illegible].nom	3s. [illegible]d.	3s. [illegible]d.	—
Singapore	Sight	2s. 3[illegible]d.	2s. 3[illegible]d.	2s. 3[illegible]d.	—
Stockholm	do.	16kr. 33	16kr. 61	16kr. 81	18·159kr.
Switzerland	do.	22f. 59c.	22f. 60c	22f. 39c.	25f. 22½c.
Valparaiso	90 days	7[illegible]d.	7[illegible]d.	8[illegible]d.	18d
Yokohama	Sight	2s. 0[illegible]d.	2s. 0[illegible]d.	2s. 0[illegible]d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—	Rate Current* Apr. 13, '21	Rate Current* Apr. 6, '21	Par as is Fixed Quoted	Rates July 3
Amsterdam, sight ...	34 55c.	34 60c.	40 20c. for 1 guilder	40·25c.
Bombay, cheques ...	25·75c.	25 75c.	48 66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	138 00	133·25		
Christiania, cheques ...	16 08c.	16 07c.	26 80c. for 1 kroner	
Copenhagen, cheques ...	18 07c.	18 00c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	7 12c.	7·35c.	19·295c. for 1 drachma	
Hong Kong, cheques ...	50·50c.	48 00c.	74·59c. for Mex. $1	46·4c.
Italy, sight ...	4 71[illegible]c.	4 32[illegible]c.	19 30 cents for 1 lire	
Lima, cheques ...	3 90c.	3 90c.	4·8665 $ for 1 libra	
Manila, cheques ...	46 00c.	46·00c.	50c. for 1 peso	49·8c.
Montreal	11·50% disc.	11·375% disc.	Premium per $100	Par
Paris, sight	14 12fr.	14 0[illegible]fr.	5·18f. francs for $1	5·16fr.
Rio de Janeiro, cheques	7·31 mil.	7·45 mil.	3 032 milreis for $1	
Shanghai, cheques ...	86·50c.	84 00c.	52·93c. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42 00c.	56·70c. for $1	57·12c.
Spain, cheques	13 91c.	13 97c.	19·30c. for 1 peseta	
Stockholm, cheques ...	23 75c.	23 55c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·78fr.	5 77fr.	5·18f. francs for $1	5·16fr.
Valparaiso, cheques ...	13·50c.	14 50 .	20·61c. for 1 peso	
Yokohama, cheques ...	48 [illegible]c.	48 [illegible]c.	49 84c. for 1 yen	49·90c.

* According to Bankers Trust Company of New York.

IV.—BANKERS CLEARING-HOUSE RETURNS.

Name.	Week	Amount.	In. or De.*	(3) Agg.	Inc. or Dec.*	
	1921	[In £'s sterling, 000's omitted.]				%
BIRMINGHAM ...	Apr. 9	£2,417	— 32)	£43,433	— £14,572	— 25·1
BRISTOL ...	,, 9	2,016	— 572	28,636	— 3,361	— 14·0
DUBLIN ...	,, 9	8,467	— 1,221	11),547	— 22,625	— 16·7
HULL ...	,, 9	1,,16	—	11,732	—	—
LEEDS ...	,, 9	943	— 191	17,795	— 7,433	— 29·5
LEICESTER ...	,, 9	783	— 3 6	15,,33	— 7,939	— 33·8
LIVERPOOL ...	,, 9	9,633	— 4,236	153,6,6	— 19,403	— 11·8
MANCHESTER ...	,, 9	14,521	— 13,,,1	345,,,0	— 234,9,6	— 48·9
NEWCASTLE ...	,, 9	2,103	— 42)	19,,,0	— 11,407	— 33·1
NOTTINGHAM ...	,, 9	738	— 593	11,533	— 6,115	— 35·8
SHEFFIELD ...	,, 9	1,,9)	— 332	21,246	— 4,979	— 23·8
LONDON—	1921					
TOWN ...	Apr. 13	564,944	— 33,,20	9,032,618	— 842,84[illegible]	— 8·4
METROPOLITAN	,, 13	33,8,8	— 9,764	4,3,,,34	— 107,338	— 16·7
COUNTRY ...	,, 13	62 8,)	— 3,,,26	1,003,623	— 220,,,6	— 17·9
TOTAL	Apr. 13	6[illegible],25[illegible]	— 134,1,0	14,3[illegible],,23	— 1,17[illegible],,83	— 8·9

* Compared with corresponding week.

V.—FREIGHTS.—According to Messrs. J. C. Todd & Co., Ltd.

HOMEWARDS.	1921 Apr. 15	1921 Apr. 8	1914 Apr. 10	Homewards—	1921 Apr. 15	1921 Apr. 8	1914 Apr. 10
Alex. to U.K. ...	140	140	6/6	[illegible]	[illegible]	[illegible]	[illegible]
Aust. to U.K. ...	68/9	68/9	21/3	U.S. to U.K. (gr.)	6/0	6/3	1/9†
Bristol to Cardiff...	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
Bombay to p.p. ...	—	—	1 w 1/6	[illegible]	7/3	7/0	11/0
Burmah to U.K. ...	35/0	35/0 n.m.	19/0	OUTWARDS.—Rates to			
Alcutta to p.p.(nute) nom.	2[illegible]/)	—	—	[illegible]	—	—	7/0
Danube to U.K.	2[illegible]/0	2[illegible]/0	7/3	River Plate ...	—	—	11/3
R. Plate to U.K....	41/3	41/0	13/3	St. Vincent ...	—	—	7/3

† Per ton. ‡ Per qr.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	APR. 15, 1921	APR. 16, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	1 6 0	205 0	57 0
— Mid'lesbro' warrants ...ton	170 0	200 0	51 0
— Hematite warrants ...ton	180 0	260 0	61 0
— Staffordshire bars, London ton	£27 10	£29—£30	£8 10
— Common bars ...ton	£23	£26	£6 16
Steel Rails ...ton	£18	£21 5—£22 5	£6 2 6
Galvanised Sheets ...ton	£24—£25	£55 £56	£16 17 1
Copper—Standard ...ton	63 15	£102 15	£66
Tin—English Ingots ...ton	£154—5	£330	£142 15
— Straits ...ton	£164	£344	£139 10
Tinplates, I.C. Coke, S. Wales...box	28 0—29 0	76 6	11 10½—12 0
Lead—Soft Foreign ...ton	£20 10-£21 2 6	£37 15—£40 5	£19
Spelter—Ord. Foreign ...ton	£25 5—£26	£47 10—£49 15	£21 7/9
Quicksilver—(75lb.) ...bottle	£12 10	£35 10—£36	£7
Aluminium ...ton	nom	£16	£8
Antimony—Regulus Foreign ...ton	£25	£66—£72	£27 10
English ...ton	£37—£42	£72—£75	—
Coal—(best) Yorkshire ...ton	—	23 0—24 0	17/6
— Steam (best) Newcastle...ton	70 0	46 0—51 0	14 6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	14/0	15/6	7 4
Soda—Crystals ex wharf ...ton	140 0	210 0—220 0	42 6—45/0
Copra—Malay and States ...ton	26/10/0	£5	£23 15 £24 7 6
Gambier—Good marks ...cwt.	29/6 30 0	51 6	16 10½
Indigo—Bengal good to fine ...lb	11 6 14 6	13/0—16 6	3/2—3/8
Linseed Oil—Raw ...ton	£26 10	£100	£25 5
Linseed—Calcutta, spot ...ton	£16	£41 15	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£18 10—£19	£24 10	£7 17/6—£8
Olive Oil—Spanish ...ton	—	—	£49 10
Palm Oil—Lagos ...ton	£32	£75	£31 10
Petroleum—American ...gallon	2 3d	2 1d	7½d
Rape Oil—Refined English ...ton	£53	£115	£32
Soya Oil—Refined ...ton	nom	£110	£24 10
Tallow—Imported ...cwt	32/0 40/0	100/0—105 0	29/3—33/3
Turpentine—American ...cwt	48 9	210 0	33 7½
Rape Seed—Toria ...ton	£17	£39 10	£13 5
Rubber—Para, spot ...lb	11½	2 3d	2 9½
— Fine plantation (std. crepe) lb	11½	2 3	2 2
— World's Production† (est. tons	266,000	312,000	8,467
Shellac—T.N. Orange, fair ...cwt.	265 0—285 0	540 0	63 0—64 0
TEXTILES.			
Cotton—Middling Upland ...lb	8 73d	29 15d	7 53d
— Egyptian good fair ...lb.	12 03d	77 50d	8 75d
— Pernambuco fair ...lb.	7 83d	32 90d	7 73d.
— Midland Upl. New York...lb.	12 30	43 60	13 25
— Stock, Liverpool (Apr 8) bales	990,700	1,114,020	934,600
Flax—Petrograd, Parapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£41	£63	£25 10
— Manilla fair ...ton	£36	£68 10	£26 10
Jute—First Marks ...ton	£32 10	£65	£26 15
— Red SCO ...ton	£27	£5	£24 15
Silk—Common, New Style ...lb.	21 0	45 0	12 0—12 6
— No. 1-1½ Japan ...lb.	29/0	—	—
— 1st Order Italian ...lb.	31 0	—	—
Wool—Ft. Philip unwashed av. lb.	1 4d	5 0	11½d.—1/0
— Lincoln Half Hogs ...lb.	9½d.	2 3d	1/0d
Hides—Eng. Ox, best, 70lb. up lb.	6¾d.	18d.—19d.	7½d.
Leather—Dressing Hides ...lb.	1 9—2/0	4 0—4 6	1/4—1 8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	60,353,000	77,054,000	34,640,000
— Red, price, N.Y. 60lb....bushel	153	312	67½c
— English Gazette, aver. 480lb. qr.	88 3	72/9	34/3
Flour—G.B. ...280lb.	62 0	63/6	28 6
Barley—Eng. Gaz., aver. 400lb. qr.	48 9	89 10	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	35 6	55/2	20/0
Maize—N.Y. (new bushel)...56lb.	70½	191c.	76½c.
— Amer. mixed, Liverpool...480lb.	39 6	nom.	32 4
— La Plata ...480lb. qr.	52 0	73/6	25 9
Potatoes—Good English ...ton	185 0	†305 0	70/0—75 0
Rice—Rassein ...cwt.	18/6	48 6	7 0—7 3
Tapioca—Pearl, medium ...cwt.	22 0	36/0—38/6	14/0—17/8
Hay—best ...2,018lb....load	—	—	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	7 10	6/8	3/8—3/10
— Scotch sides ...8lb.	11 4	10/0	4/6—5/0
— English ...8lb.	11 4	10/0	4/2—4/5
Mutton—Scotch wethers...8lb	12/4	10/6	5/8—6/0
— English wethers ...8lb	13 8	10 6	4/6—5/4
— New Zealand frozen ...8lb.	4 6	10/6	2/4—3/2
Pork—English and Irish ...8lb.	10/2	14/0—15/6	3/6—4/0
Bacon—Irish, delivered ...cwt	200 0—205 0	270 0	60 0—74 0
— Danish ...cwt.	216 0 218/0	†192/0	58/0—68 0
— Canadian, ex Port ...cwt.	140/0—170 0	†187/0	—
— American, ex Port ...cwt.	127/0—130/0	†187 0	72 0—74 0
Hams—Amer. long cut, ex Port cwt.	146 0 -157/0	†190 0	75/0—79 0
— short cut, ex Port ...cwt.	146/0 -150 0	†190 0	71/0—74 0
Lard—Amer. boxes, ex Port ...cwt.	78/0—82 0	†198/6	51/9—52/9
Butter—Danish ...cwt.	284/0—290 0	303 4	117 0—120 0
— French ...cwt.	†298 8	303 4	96 0—103 0
— Australian ...cwt.	248/0—252/0	303 4	98 0—110/0
— New Zealand ...cwt.	266/0—270/0	303/4	108/0—114.0
Cheese—Canadian ...cwt.	160 0—164 0	†145/0	66 0—68 0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt.	116/0—188/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 31...cwt	5,019,563	6,426,492	19,777,254
— Home consump'n to Mar. 31 cwt.	6,637,225	5,641,830	17,272,000
— In Bond Mar. 31 ...cwt.	6,685,000	5,657,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	28 9	53 0	10 3
— — Yellow crystals ...cwt.	62/0	63/6	12/6—14 0
— — Tate's Cubes, No. 1...cwt.	72 0	72 0	18 0
Coffee—Imports to Mar 31 ...cwt.	262,519	174,190	720,360
— Home consump'n to Mar. 31 cwt	72,740	76,580	141,410
— Exports to Mar. 31 ...cwt	91,354	141,100	340,250
— In Bond Mar. 31 ...cwt.	749,000	673,000	484,000
— Price, Costa Rica gd. to fine cwt.	95/0—130 0	158/0—164/0	80/0—93 0
— — Brazil (Santos) good ...cwt.	53/0—58 0	130/0—132/0	41 6
Tea—Imports to Mar. 31 ...lb.	119,241,684	121,260,481	123,230,277
— Home consump'n to Mar. 31 lb.	93,604,816	94,378,017	155,447,972
— Exports to Mar. 31 ...lb.	6,242,305	11,783,371	26,561,765
— In Bond Mar. 31 ...lb.	236,300,000	212,645,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	6½d	1 5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	6½d	1 6	8½d.
— — Common Congou ...lb.	30 nom.	1 3	5¾d.
Cocoa—In Bond Mar. 31 ...cwt.	1,211,000	986,000	309,000
— Grenada, good to fine ...cwt.	48 0—50 0	85 0	52 6—56 0

* Estimated. † Revised. ‡ Recommended Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Feb.	$12,789,000	— 788,000	$713,000	+ $10,000
	2 mos. to Feb	27,234,000	— 238,000	1,454,000	+ 154,000
Grand Trunk	Feb.	£1,177,900	+ £220,200	£8,100	+ £182,600
	2 mos. to Feb.	2,493,500	+ 497,300	Dr. 31,500	+ 238,100

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Royal Proclamation of the Forces Act, 1871. The Irish railways, similarly were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago	No Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Mar. 5	1,044	R2,23,911	— 52,085	22	50,95,719	— 2,57,098
Barsi Light ...	Mar. 19	118	19,800	— 13,410	50	13, 6,400	— 1,66,830
Bengal & N.W.	Mar. 12	2,067	5,18,520	— 24,394	23	1,15,07,494	+ 99,135
Beng. Dooars	Mar. 5	158	13,943	— 12,375	22	6,57,753	— 3,13,886
Beng. Nagpur	Mar. 5	2,695	13,50,000	— 1,62,000	12	5,92,28,385	— 15,84,000
Bomb. Baroda	Apr. 2	2,871	5,78,000	—	1	—	—
Burma ...	Mar. 12	1,342	6,77,587	+ 40,522	23	1,37,51,223	— 6,53,723
Del.Um. Kalk.	Mar. 31	239	1,72,185	— 13,955	36	26,28,466	+ 11,445
East Indian ...	Mar. 26	2,772	7,93,000	— 28,100	4	—	—
Gt. Indian Pen	Mar. 31	3,1211	33,04,400	— 11,81,600	26	7,06,92,707	— 5,50,435
Madras & S.M.	Mar. 19	3,152	12,50,000	+ 1,02,600	24	6,10,50,680	+ 80,293
Nizam's Guar	Mar. 5	900	3,22,704	— 53,06	22	67,24,090	— 1,83,428
Rohi. & Kurra	Mar. 5	576	1,34,344	+ 8,4	22	23,42,168	+ 26,817
South Indian	Mar. 18	1,852½	6,91,152	— 72,19	50	3,90,02,135	+ 3,65,906
South Punjab	Dec.	716	8,17,86	— 33,919	3m	25,37,268	— 13,757
COLONIAL							
Can. Northern	Mar. 3	9,704	$1,97,1,10	+ 280,80	13	16,054,300	+ 3,403,600
Can. Pacific ...	Apr. 7	13,383	3,617,00	— 433,00	4	46,835,000	— 1,926,000
Grand Trunk	Mar. 7	3,616	£270,591	— 31,327	4	4,042,715	+ 560,984
Mastonaland	Jan.	810	92,986	+ 30,339	4m	378,260	+ 91,772
Mid. W. Aust.	Feb.	277	11,245	— 1,4	8	88,411	+ 2,963
New Zealand	Mar. 19	205	2,76	— 305	11	30,639	— 4,686
Rhodesia Rys.	Jan.	1,397	138,17	+ 35,6	4	507,887	+ 115,689
Temiscouata ...	Jan.	—	$38,891	—	1m	—	—
FOREIGN.							
Argentine.							
Arg. N. East...	Apr. 2	752	£ 12,300	+ 240	40	470,900	+ 7,700
Arg. Transand	Apr. 9	111	£ 4,365	— 210	41	115,598	— 11,817
B.A. & Pacific	Apr. 9	3,495	£ 157,000	— 13,000	41	5,221,000	— 834,000
B.A.Gt. South	Apr. 2	3,903	£ 201,000	+ 26,000	40	6,562,000	— 566,000
Do.	Apr. 2	Net	£ 46,000	— 9,000	40	1,146,000	— 1,320,000
B.A. Western	Apr. 9	1,882	£ 91,000	— 13,000	41	3,163,000	— 556,000
Do.	Apr. 9	Net	£ 18,000	— 17,000	41	371,000	— 366,000
B. A. Central	Jan.	190	£ 39,163	— 6,52	2m	337,128	+ 22,545
Cent. Argent.	Apr. 9	3,305	£ 170,000	— 4,000	41	7,670,000	+ 408,000
Cord. Central	Apr. 8	1,205	£ 57,500	— 3,60	41	2,085,000	— 315,000
Entre Rios ...	Apr. 2	811	£ 26,000	— 3,200	40	894,100	— 43,100
Brazilian.							
Brazilian South	Feb.	110	M 35,000	— 15,750	2m	75,250	— 34,250
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	Apr. 9	1,010	£ 11,700	— 14,700	15	228,900	— 160,300
Leopoldina ...	Apr. 2	1,831	£ 34,125	— 22,79	14	434,169	— 287,128
San Paulo ...	Apr. 10	1534	£ 25,894	— 18,302	15	440,41	— 234,802
S.of Bahia S.W.	Feb.	52	M 111,000	+ 34,000	2m	240,000	+ 59,000
Chilean and Peruvian.							
Antofagasta...	Apr. 10	838	£ 25,050	— 19,195	15	445,340	— 372,290
Arauco ...	June	84	£ 12,000	+ 500	6m	76,000	+ 10,700
Nitrate (2 wks)	Mar. 31	390	£ 35,181	— 26,617	12	167,962	— 115,936
Peruvian Corp	Mar.	1,140	S 1,134,550	— 148,140	9m	10,425,300	— 259,600
Taltal ...	Mar.	180	£ 20,153	— 17,55	9m	243,49	+ 34,360
Cuban.							
Cuban Central	Jan. 29	362	£ 37,360	+ 19,872	31	707,279	+ 80,213
Cuba Railroad	Jan.	—	$ 1,903,385	+ 448,284	7m	8,497,481	+ 1,017,244
Havana Cent	Mar. 26	70	£ 16,878	+ 3,22	39	558,738	+ 129,384
C. of Havana	Apr. 9	681	£ 182,022	+ 31,540	41	4,851,15	+ 660,069
W. of Havana	Jan. 29	155	$ 14,131	+ 10,745	31	335,798	+ 66,413
Uruguayan.							
Cent. Uruguay	Apr. 2	273	£ 32,796	+ 11,362	40	943,03	+ 38,857
,, (E. Ext.	Apr. 2	311	£ 6,593	+ 142	40	226,263	— 19,851
,, (N. Ext.	Apr. 2	185	£ 2,25	— 20	40	117,06	— 31,161
,, (W. Ext.	Apr. 2	211	£ 2,924	— 35	40	103,347	— 8,489
Mid. Uruguay	Feb.	319	£ 18,936	— 1,09	8m	144,64	— 16,283
N.W. Uruguay	Mar.	113	$ 7,214	— 87	9m	54,932	— 7,994
Urug. Northn	Mar.	73	£ 2,128	— 24	9m	18,729	— 3,598
Miscellaneous							
Alcoy & Gan'a	Mar. 5	33	Ps. 12,000	—	10	168,900	+ 57,000
Bilbao ...	Mar.	15	£ 2,390	— 3,344	3m	6,877	— 4,148
Bolivar ...	Mar.	136	£ 10,028	— 6,18	3m	2,234	— 9,543
Colomb. Natn.	Feb.	86	£ 18,050	+ 4,12	8m	37,00	+ 5,440
Costa Rica ...	Feb.	190	£ 25,932	— 4,44	8m	195,08	— 8,291
Dorada Ext.	Feb.	70	£ 15,250	+ 3,75	2m	31,25	+ 7,750
Egyptian Delta	Mar. 20	5594	£ 8,945	— 2,61	50	484,70	+ 31,384
Gt. S. of Spain	Mar. 2	104	Pes. 36,571	— 66,02	10	900,813	— 73,267
Lourenço & Co.	Mar.	22	£ 10,300	— 4,33	3m	31,51	— 12,750
Ottoman Ry.	Apr. 2	379	£ 9,919	—	—	—	—
Paraguay Cent	Apr. 2	274	£ 4,110	— 20	40	178,650	— 15,890
Puerto Cabello	Feb.	34	£ 4,500	— 75	2m	8,750	— 1,750
Salvador ...	Apr. 9	100	£ 4,729	— 2,847	41	149,611	— 53,334
Santa Fé Prov.							
French Rys.	Feb.	1,181	£ 116,089	— 33,575	2m	252,137	— 51,334
S'm'na & S'tig'o	Feb.	80	£ 7,43	— 4,88	2m	13,80	— 3,716
Zafra & Huelva	Feb.	112	£ 12,727	— 236	2m	28,093	+ 1,008
TRAMS.							
Anglo-Argent.	Apr. 8	400	£ 80,859	+ 10,363	14	1,116,051	+ 102,202
Brazilian Trac.	Feb.	378	M11,941,000	+ 2,560,000	4m	24,810,000	+ 5,780,000
Brisbane Elec.	Mar.	404	£ 46,3,0	+ 870	3m	135,81,0	+ 3,956
Brit. Columbia	Feb.	334	$ 792,590	+ 46,56	8m	6,370,40	+ 373,848
B. A. Lacroze	Feb.	51	£ 53,50	+ 1,434	8m	451,34	+ 52,680
Calcutta ...	Apr. 9	35	R 87,647	+ 476	14	9,08,322	— 3,26,284
Carth. & Herr	Mar.	9	£ 2,246	— 1,267	3m	8,94	— 3,307
Chatham & Dist	Mar. 31	15	£ 1,994	— 44	13	21,081	+ 2,213
Havana Elect	Nov.	86	$ 1,037,302	+ 157,611	11m	10,366,708	+ 1,890,499
Isle of Thanet	Apr. 6	20	£ 806	— 779	28	16,16	+ 502
Kalgoorlie ...	Dec.	20	£ 3,14	+ 58,	1m	36,81	+ 3,783
Lanarkshire ...	Dec. 31	28	£ 5,467	+ 1,927	52	221,564	+ 27,723
Lima Light ...	Jan.	85	£ 63,61	+ 5,05	1m	—	—
London C.C. ...	Apr. 6	141	£ 100,24	+ 20,330	1	—	—
Madras, 2 wks.	Mar. 31	15	R 56,913	+ 1,935	12	145,644	— 126,144
Manila Electric	Feb.	55	$ 305,383	+ 27,95	2m	627,639	+ 71,651
Pernambuco...	Apr. 10	59	£ 3,509	— 3,420	15	52,955	— 52,997
Provincial ...	Mar. 26	21	£ 3,49	+ 310	25	77,04	— 557
Rangoon Elec.	Jan.	25	£ 122,558	+ 10,558	1m	—	—
Shanghai Elec.	Feb.	263	¤ X $151,830	+ 18,130	2m	307,58	+ 37,835
Singapore Elec.	Mar. 5	26	$ 14,27	— 9,515	10	115,12	— 37,784
U. of Montevid.	Mar.	90	£ 43,925	+ 3,910	5	240,68	+ 17,904

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Metropolitan District Ry. London Electric Rly., City and South London Rly., Central London Rly., London General Omnibus Co.

Week to April 9, £23,044; Aggregate, Jan. 1—April 9, £3,234,854.

Metropolitan Electric Trams, London United Trams, South Metropolitan Electric Trams, Tramways (M.E.T.) Omnibus Co., Tilling-Stevens Motor Omnibus.

Week to April 9, £94,055; Aggregate, Jan. 1—April 9, £718,021.

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Paid-up Capital, Surplus and Undivided Profits (Feb. 28, 1921) - - - - $62,727,273.77
Total Assets (Feb. 28, 1921) - - - - $893,680,782.11

The Statist.

LONDON, SATURDAY, APRIL 16, 1921.

THE NATIONAL CRISIS.

THE trouble in the coal industry has somewhat suddenly assumed the proportions of a national crisis, and the ultimatum of the Triple Alliance involves for the country a stoppage of its most vital services. The repeated postponement of the strike was at first evidence of the workers' desire to evolve some *modus operandi* which would form the basis of temporary agreement pending a more permanent settlement. Extremist counsels, however, prevailed at the deliberations on Wednesday last, when intimation was given of a strike on Friday; but a general stiffening was apparently noticeable on the part of all delegates. This attitude was to some extent the result of the uncompromising front presented by the coalowners. An attempt to standardise conditions in the coal industry on the basis of the financial results of one of the worst periods through which it has ever passed was bound to meet with resistance. That matters were to some extent mending may be gathered from the following table, where the amount and value of our monthly exports from January 1920 to March 1921 inclusive are given. It will be noted that values showed an appreciation in March of nearly £1 per ton, and that the quantity exported increased by 41,000 tons as compared with the previous month, and by over 2½ million tons as compared with January.

UNITED KINGDOM.

	Coal Exported		Value per Ton
1920	Tons	£	£ s.
January	1,165,579	3,358,572	2 5·8
February	2,601,946	9,666,712	3 14·5
March	2,406,151	9,250,222	3 16·8
April ...	1,996,895	7,838,082	3 19·0
May	2,139,261	8,643,499	4 0·8
June	1,930,068	7,932,817	4 2·2
July	2,096,996	8,928,455	4 5·1
August	1,847,403	8,041,037	4 7·1
September ...	1,475,623	6,422,515	4 9·7
October	1,417,498	6,108,497	4 6·2
November	1,360,724	5,081,484	4 3·5
December	2,302,076	9,344,689	4 1·2
Total for year*	24,931,853	99,627,146	3 19·9
* Revised figures.			
1921			£ s.
January	1,700,106	5,555,708	3 5·3
February	4,240,620	9,796,328	2 6·2
March	4,281,877	14,078,205	3 5·7

The chief party at fault in the present instance is the Government, which by the fierceness of its denunciation of the workers hopes apparently to cloak its own egregious folly. It may not be amiss to recount briefly the events leading up to the cessation of work at the mines. The hasty decision of the Government early in March to decontrol the industry at the end of the month, five months before the statutory period of control was to expire, involved the reorganisation of the distributive fabric of the whole of the producing end of the industry in a few weeks. The earlier date for decontrol was accepted at the behest of the Government by the owners, after prolonged negotiations which lasted through January and February. The profits pool, which had maintained the less profitable or the unprofitable mines in operation, was growing less in these two months, and the Government foresaw that after the end of March the maintenance of the pool would become exceedingly difficult and might eventually be added to their already numerous liabilities. The consent of the owners to the proposed measure was obtained only after the Government had agreed to guarantee nine-tenths of the standard profits of the March quarter. Both the Government and the Mining Association must have been aware at the time that this somewhat arbitrary shortening of the period of control would in all likelihood affect, if not upset, the negotiations which were simultaneously proceeding with the miners' representatives. This contingency was ignored. In further extenuation of the miners it must be admitted that the revised scale of wages, involving such drastic reductions, was produced in most areas by the owners only three or four days before the expiry of the old wage contracts on March 31.

Instead of confining their attention to the strong points in their case, the miners, however, precipitated matters by withdrawing their labour. It is not worth while to discuss here the technical point as to whether they really struck or were locked out. Their action was in the first place ill-timed, since, according to the latest figures from the live registers of the Unemployment Exchanges in the United Kingdom, there were on the registers on April 1, 1,505,700 persons, as compared with 1,413,751 on March 24. These figures, which are provisional, are exclusive of short-time claimants who numbered 827,000 on March 24. The preliminary figures for the London County Council area, not including short-time workers, were 181,163 as compared with 180,137. In the second place, they failed to realise the altered conditions in the coal industry. As our readers are aware, there is in the economic sphere a scale of relative values as between different commodities, and economic progress is to some extent determined by seeking a better appreciation. While there are, in fact, an almost incessant shifting of values and a striving to secure for a single commodity or group of commodities a greater power in exchange than they already possess, in normal times

the tendency is towards a more or less well-defined equilibrium. This equilibrium was violently upset by the War, which had the effect of giving, on present standards, an altogether disproportionate value to coal; and the need for maintaining the supply led to ever higher and higher prices for the product and to corresponding increases in wages—a movement which, it should be noted, outstripped the general expansion in price levels and wages consequent on the inflationary policy that marked our national finances. It was natural that coal, which had benefited most from the period of abnormality, should suffer most when the reaction came. The present disturbance is, therefore, in its broader aspect, but the result of a perfectly legitimate striving to relegate coal to its proper place in the economic scale of values, and no amount of protest by the miners can eventually prevent this. Economic law is stronger than man-made law, and with the best will in the world a community where economic development is comparatively unhampered could not arrest this tendency, even if it were in its interest to do so.

The needlessly provocative manifesto of the Triple Alliance on Tuesday antagonised public opinion, which any body of working men must have on their side if they hope to win in a dispute which is widespread in character and involves the various services essential to the well-being of society. The abandonment of the pits and the indulgence in sabotage have further alienated those who otherwise wish them well, and only a speedy ending to the dispute will prevent that reaction against Labour, the first signs of which were witnessed in the recent municipal elections. Such reaction has already taken place in several countries on the Continent, and, though it inevitably emphasises the dangerous doctrine of class war to which agitators pin their faith, our civic spirit and the desire to safeguard the common good cannot permit these to be engulfed by the present tide of irrational or mischievous aspirations.

Viewed in a still broader light our domestic troubles are the outcome of the foreign policy we have pursued since the conclusion of hostilities. The artificial prosperity of the British coal industry, to which we have above referred, was largely brought about by the insistent demand for coal on the Continent. A coal famine was precipitated in Europe, as a result of the German destruction of French pits and decreased output in France and elsewhere, and we sold our products to France, to Italy, and to Belgium at unprecedentedly high prices. At the same time, by means of a system of control, home prices were kept far below those at which export was permitted to take place. We abused our opportunities and profiteered out of the needs of others, paying our way as regards coal disposed of at uneconomic rates at home by means of the profit made from exports. The French, not unmindful of the lesson, determined to free themselves once for all from this economic tribute, and hence their persistence during the negotiations which preceded the Treaty of Versailles in securing the coalfields of the Saar district and the iron of Lorraine, and also in stipulating for large quantities of coal from Germany's current production. We acquiesced; and when Germany fell behindhand in her deliveries we bound her by the decision reached in the course of the Spa Conference to a monthly delivery of two million tons of coal. The almost certain effect of this arrangement, in practically closing to the British exporter the best foreign market which he possessed and in reducing export coal prices, was at the time pointed out in these columns, but the warning was ignored. The falling-off in demand in various markets, owing to the general depression in trade, hastened the inevitable, and the decline in the industrial consumption of coal at home for a similar reason brought about our final discomfiture. A settlement which ignores these factors will lead only to a recrudescence at a later stage of our present troubles.

LANCASHIRE AND INDIAN IMPORT DUTIES.

Overshadowed by the many momentous questions now occupying public attention the decision of the Indian Government to increase the duties on imported cotton goods has now received quite the share of notice it deserves. Yet one does not need to be influenced by the vigorous protests of the cotton trade to realise that this wholly unexpected step may entail unfortunate consequences for the exports of our leading industry. Previous to 1917 the Indian duty of three and a-half per cent. on imports of cotton manufactures was countervailed by an excise duty of like amount on cotton cloth produced in India, but a change of policy in that year raised the import duty to seven and a-half per cent. without altering the level of the internal duty. This, of course, was equivalent to a substantial protection for the Indian article, a protection which has lately been increased by the enforcement of a new import duty at the rate of eleven per cent. Defending, in his Budget Speech of March 8, the imposition of this heavily increased duty the Finance Member of the Indian Legislative Council argued that its introduction was due solely to the necessity of raising additional revenue for the purpose of meeting the Budget deficiency and had no ulterior motive of a protective or any other kind. As the cotton manufacturers, however, contend it is somewhat difficult to reconcile this asseveration with the fact that the old excise duty of three and a-half per cent. remains unaltered. One would imagine that the subjection of Indian home production and foreign imports alike to shares of the increased import duty offered a much safer guarantee for the collection of the revenue the Finance Member desires. He can scarcely anticipate that India will receive the same flood of cotton imports in 1921 as she did in 1920. The earlier half of 1920 was distinguished by a boom which is unlikely to be repeated this year. India was engaged in restocking shelves swept clean during the War years, and, under the circumstances, the increase of duty of seven and a-half per cent. was not appreciated as it would be in more normal times. In view of the present trade depression in India, complicated by the low value of the rupee, the probability is that the eleven per cent. duty will be a serious deterrent to trade with Lancashire. There is, indeed, a distinct possibility that the Finance Member will discover he is charging more than the traffic can bear. Did the rupee remain at the value it reached in March 1920 the cost of sterling goods plus eleven per cent. might not have greatly interfered with this trade, but while at that time the pound sterling was valued in rupees at only 54.7 of parity, in March 1921 it had appreciated to 103.2 per cent. of parity.

To understand the uneasiness the increased duty has excited in Lancashire it is sufficient to say that the value of the exports of piece goods to India in 1920, £69,519,241, amounted to twenty-two per cent. of the total exports of that category of cotton goods. A trade of such dimensions cannot, of course, be swept away at once by legislative edict, and even if it were seriously reduced there is some comfort in the reflection that the consequent repercussion on Indian revenues would lend great weight to an appeal for the immediate revision of the tariff schedule. At the moment the interests of the Lancashire trade will be best served by the sending of a delegation to India. It is obviously futile to expect that official pressure will be exerted from this side with the object of securing concessions from the Indian Government, even though there seems to be some justification, considering the state of home trade, for an effort on the part of the Indian Office to smooth in some degree the path of the delegation. The Secretary for India will naturally be very slow officially to interfere with any act of the Indian Legislature, notwithstanding the fact that his powers of veto have not been altered by the Government of India Act, 1919. On the other hand, the

Indian Government might be induced by representations through another channel to adopt a more accommodating attitude.

Between the manufactures of Lancashire and Indian mills there is not at present very severe competition. The former, generally speaking, specialise in the production of a finer class of goods. It is thought, however, that the imposition of the increased duty will give a marked stimulus to cloth manufacture in India. This anticipation is based on the belief that large sections of the Indian population will henceforward be prevented from buying Lancashire goods owing to their higher cost. An opportunity for extending their range of activity will in this way be presented to the Indian mills, but much time will necessarily elapse before they can turn out replicas of the superior class of goods now imported from the United Kingdom. The provision of the necessary machinery alone will take years. As illustrating the character of the Indian piece goods trade the following table may be of some interest:—

	1913-14 Million Yds.	1918-19 Million Yds.	1919-20 Million Yds.
Indian mills production ..	1,164·3	1,450·7	1,639·7
Imported goods	3,197·1	1,122·0	1,080·7
Total production and imports	4,361·4	2,572·7	2,720·4
Exported, Indian ..	89·2	149·1	196·6
„ foreign ..	62·1	114·2	88·6
Total exports ..	151·3	263·3	285·2
Balance available ..	4,210·1	2,309·4	2,435·2

Comparing 1913-14 with 1919-20, March 31 being the closing date of each year, the sharp decline of sixty-six per cent. in "imported goods" is apparent. The production of the Indian mills, on the contrary, increased by forty-one per cent. The decline in the "balance available" for Indian consumption during the years following 1913-14 is very noticeable. As regards the progress of cotton-spinning and weaving industry in India during a recent period the following particulars are instructive:—

	1913-14	1917-18	1918-19
No. of Mills	264	269	264
Authorised capital	Rs21,50,23,050	Rs23,88,55,966	Rs27,69,82,217
(as far as known)	£636,274	£518,400	£318,400
No. of persons employed	260,847	284,054	290,255
No. of looms ..	96,688	114,805	116,094
No. of spindles ..	6,620,576	6,614,269	6,590,918
Yarn produced (lbs.)	682,776,851	660,575,615	615,040,464
Woven goods produced (lbs.) ..	274,388,550	381,404,170	349,580,450

A large increase has taken place in the output of woven goods between 1913-14 and 1919-20; yarns, however, reveal a decline, as also does the number of spindles, but the number of looms has greatly expanded.

Should the Indian demand for Lancashire goods diminish in volume exporters here will be forced to look for alternative markets. In this connection they may meet strong competition from the Indian mills. In Table I. the consistent increase in Indian exports of piece goods is shown. Below are given some particulars of the direction of this trade:—

Exports of Indian Cotton Piece Goods
(000's omitted).

Countries	1913-14 Yards	1918-19 Yards	1919-20 Yards
Persia	7,609	28,4·1	34,411
Turkey, Asiatic	12,824	30,188	52,060
Straits Settlements	17,948	19,185	20,075
East African Protectorate (including Zanzibar and Pemba)	5,465	7,147	12,756
Ceylon	9,354	12,981	17,992
Other East African Ports ..	16,118	17,008	8,937
Other Countries	12,773	18,098	35,326
Total all Countries	89,234	149,088	196,555
Value in Rupees	2,13,69	6,45,26	8,73,62

THE BRITISH SHIPBUILDING OUTLOOK.—III.

THE ENGLISH SHIPYARDS.

[By a Shipbuilding Correspondent.]

Despite the general depression existing throughout the country, the various districts on the North-East coast are much more active than might have been expected. To a great extent this is due to the varied nature of the class of [illegible] built, and to the engineering services [illegible], in addition to marine engine contracts, has been undertaken. The period is proving to be one when the great advantages of what is known as the North-East Coast Specification, Standard Engines and Machinery are being realised, and are likely to place North-East coast shipbuilders and engineers in a very favourable position compared with others.

The compilation of the standard specifications was commenced by the North-East Coast Institution of Engineers and Shipbuilders during the Presidency of the late Sir Andrew Noble, then Chairman of Sir W. Armstrong, Whitworth and Company, Limited. Various research committees eventually amalgamated their efforts, and the Standard Specification came into existence during the War, but owing to the constant changes and frequent chaos which occurred under the control system it was not put into anything like extensive operation until recent months.

It should be mentioned before passing on to a review of the different areas that up to the present the Tyne yards and engineering works have not felt in any marked degree the closing of the coal mines. This is because their plant is driven by electrical power received from an electric supply company which distributes energy on a very wide scale and which has ample stocks of fuel. On the other hand, many of the blast-furnaces in the district have been damped down and large steelworks put out of operation, so that a prolongation of the strike will close many yards because of the lack of shipbuilding material.

To different shipyards there have been considerable extensions and additions recently completed on the Tyne. Sir William Armstrong, Whitworth's Walker yards are now adapted for the construction of the largest types of passenger liners and cargo carriers. Messrs. Hawthorn, Leslie have increased their scope for mercantile shipping construction. Messrs. Swan, Hunter and Company (who in 1920 ended the Tyne tonnage output with 90,079 tons), have also made important additions to their shops and plants.

On the Wear several developments have taken place, which will show themselves in a marked degree when a revival of trade sets in. The new shipyard and works for Sir Wm. Gray and Company, although they have been worked partly for some time, have now been completed, and form most extensive additions to the shipbuilding efficiency of the district. The Sunderland Shipbuilding Company has laid down new slipways for large types of cargo liners; and Messrs.

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Wm. Doxford and Sons, associated as they now are with the Northumberland Shipbuilding Company, have extended their engine and machinery shops.

Exceptional expansions have also been carried through on the Tees and at the Hartlepools, in the nature of new slipways and engineering works, by the Smith's Dock Company, Middlesbrough; the Furness Shipbuilding Company at Haverton Hill-on-Tees; and by Messrs. Blair and Company, boiler-makers, Stockton-on-Tees.

The total output of the North-East Coast for 1920 was much higher than in 1919, the comparative figures for the "three rivers" being as follows:—

	1920. Vessels	Tons	I.H.P.
The Tyne	86	371,512	352,623
The Wear	65	318,805	126,885
The Tees	60	272,635	202,480
	1919. Vessels	**Tons**	**I.H.P.**
The Tyne	88	280,789	634,900
The Wear	66	279,060	163,811
The Tees	58	204,803	174,820

While there was a reduction in the horse power of marine machinery turned out for 1920, there was a marked increase in the aggregate tonnage of the vessels launched. The Tyne advance was from 280,789 tons to 371,512 tons, an increase of nearly 91,000 tons. During last year (as at the present time) a large number of the vessels ordered were geared turbine passenger steamers. A few were oil-tankers, but the majority were cargo vessels and colliers of standard types. In each of these classes the firms concerned have repeat orders to go forward with so soon as new arrangements have been arrived at with labour.

The shipbuilders on the Wear launched 65 vessels, of 318,805 tons, as compared with 66 vessels, of 279,060 tons, last year, so that while there was an increase of nearly 40,000 tons in measurement, the total was composed of vessels of greater average size; but in this respect there was a uniformity in character. There were a number of Union-Castle liners of 7,500 tons, but the majority of the vessels constructed ranged from 4,000 to 5,000 tons, being of the "standard" type of ship. The proportion of geared turbine steamers was not so great as on the Tyne; but at one yard, Messrs. Short Brothers, all the vessels except one were geared turbines.

The increase at the Tees and Hartlepools yards was represented by nearly 68,000 tons of new work, and the first place in the list was the largely extended establishment of the Furness Shipbuilding Company at Haverton Hill-on-Tees, where 13 cargo steamers of from 4,500 to 6,500 tons were built. It is notable that practically three parts of the vessels built in this area were for foreign owners; and here again repeat orders are held pending a readjustment of matters between the Shipbuilding Employers' Federation and the Allied Shipyard Unions.

In connection with the remaining English shipbuilding areas, the following figures indicate the conditions of trade output reached by the end of 1920 as compared with 1919:—

	1920. Vessels	Tons	I.H.P.
The Mersey	84	91,498	70,535
Bristol Channel	36	55,753	3,120
The Humber	112	51,808	49,195
English Channel	123	26,029	133,649
The Thames	121	16,529	19,329
	1919. Vessels	**Tons**	**I.H.P.**
The Mersey	65	88,007	208,960
Bristol Channel	28	26,981	4,120
The Humber	134	53,239	56,235
English Channel	103	22,141	189,895
The Thames	136	19,226	27,725

So far as the Humber was concerned, most of her tonnage was of the coasting class, and she is now very active in this class of vessel. The feature of the English Channel work was the construction of cargo steamers, both at Cowes and Southampton, by firms which hitherto have been warship builders. Bristol Channel output increase is explained by the Monmouth Shipbuilding Company at what was the National Shipyard at Chepstow.

The Mersey area (which includes Barrow) launched two large Atlantic liners, a large oil-tanker, and a fair number of cargo steamers. Vickers launched one of the liners, 35,400 tons, and Cammell Lairds the other, 32,057. Both these firms have specially adapted their yards for the building of large passenger liners, such as formerly only came from the Tyne, the Clyde, or Belfast.

BRITISH AND AMERICAN COAL PRODUCTION AND EXPORTS.

While the War has given an extraordinary impetus to the coal industry in the United States, it has unfortunately set a retrograde tendency in motion in our own case. The differing curves traced by coal production in the two countries since 1913 is illustrated by the following table, which includes in the case of the United Kingdom figures for foreign bunkers, exports and home consumption:—

Coal Production Exports, &c

(In Thousands of Tons)

	United States	United Kingdom			
	Output	Output	Foreign Bunkers	Exports	Retained* for Home Consumption
1913 ...	508,800	287,400	21,032	73,400	192,998
1914 ...	458,500	265,600	18,536	59,040	188,088
1915 ...	474,600	253,200	13,631	43,535	196,040
1916 ...	526,700	256,300	12,988	38,352	205,035
1917 ...	581,600	248,400	10,228	34,996	203,275
1918 ...	605,500	227,900	8,756	31,753	187,478
1919 ...	485,900	229,700	12,021	35,400	182,322
1920 ...	576,400†	229,300	13,840	24,932	189,884

* Exclusive of coal equivalent of coke and manufactured fuel exported (in 1919, 1,508,000 tons of coke and 1,708,000 tons of manufactured fuel were shipped), but inclusive of coal used by colliery engines.

† Provisional figure.

Between 1913 and 1920 the output of coal in the United Kingdom has fallen by 58,100,000 tons, or twenty per cent.; with the single exception of 1918 the returns for 1920 are seen to be the lowest on record, a disquieting feature on the anticipation that the process of recovery from war conditions would have justified a more favourable showing than that indicated for 1919. In contrast, the coal raised in the United States has jumped from 508,800,000 tons in 1913 to 576,400,000 tons in 1920, an increase of 67,600,000 tons, or thirteen per cent. The output of the latter year is substantially in advance of that of 1919, but has not succeeded in upsetting the record set up in 1918. The principal explanation adduced for the relatively low figure of 1919 was the slump in prices following the large accumulations of the previous year and the interference with the home and export trade caused by the paucity of transportation facilities. Approximately sixteen per cent., it may be mentioned, of the coal produced in the United States is anthracite, obtained mainly from Pennsylvania, while the remainder, of the bituminous variety, is supplied as to practically seventy-five per cent by that State in concert with West Virginia, Illinois, and Ohio.

The expanded scale of coal production in the United States has made its influence widely felt in two directions. Imports have sensibly contracted and the export trade has considerably broadened. Taking the fiscal years of 1913 and 1919 imports have diminished from 1,430,000 tons to 1,008,000 tons respectively, or by twenty-nine per cent. On the export trade Mr. J. W. Alexander, Minister of Commerce, recently elaborated the policy which he desired should be followed. Coal, he observed, was a raw material and its export brings profit only to those immediately concerned in the industry. By utilising coal for power in the manufacture of finished products the labour and capital engaged in producing coal would receive the

same return as if the coal were shipped overseas. In addition, the labour and capital engaged in the manufacture of finished commodities would also share in the profits and the national gain would be so much greater. The maintenance of coal exports on a large scale could only mean the depletion of United States reserves, the progressive increase of costs of production and the bringing of a lower-grade coal into the market. Pointing out that the total exports of coal form only a small percentage of the United States production he attached significance to the fact that they came, for the greater part, from the Appalachian field which supplies the most highly developed industrial districts. Consequently, the too extensive development of the export trade from this field would probably entail in the future an increased price to domestic consumers who are manufacturing for home consumption and foreign trade. Nevertheless, Mr. Alexander admits that there are markets to which coal may be profitably exported with a view to developing foreign trade or the mercantile marine. The countries lying to the south of the United States would naturally look upon her as their chief natural source of supply. Coal may also be used to form an outward cargo for ships trading with countries to which other outward cargoes are lacking, as this method of employment tends to secure a reduction of freights. Europe, however, Mr. Alexander inclines to rule out as a permanent market for American coal. With the removal of the European coal shortage he thinks apparently that the American producer will find a difficulty in retaining his footing there. The principles laid down by the United States Minister of Commerce are scarcely likely to weigh heavily with American colliery owners as long as they can find in foreign markets a profitable outlet for their product. And, as regards Europe in particular, American coal, at the present moment, in spite of the high value of the dollar, is competing on more than level terms with the exports of Great Britain, and will probably continue to do so until the coal industry here has been re-established on such a basis as will enable the costs of production to be brought below the price the commodity fetches on the market. According to a recent statement of the National City Bank of New York, coal exports from the United States in 1920 were valued at 432,000,000 dollars, as against 169,000,000 dollars in 1919 and 92,000,000 dollars in 1913. These figures include the anthracite and bituminous coal exported to all parts of the world, plus the bunker coal supplied at United States ports to vessels engaged in the foreign trade. The big increase in quantity occurred in bituminous coal sent to foreign countries, which was in round figures 34,300,000 tons in 1920, as compared with 17,969,000 tons in 1919 and 17,986,000 tons in 1913. In the same order of years our corresponding exports (anthracite, an export of small dimensions, of course, excluded) in round figures were 23,200,000 tons, 33,600,000 tons, and 70,400,000 tons. Thus between 1913 and 1920 United States exports of this category of coal increased by ninety per cent. and ours declined by sixty-seven per cent. The increase in American coal shipments in 1920 to some South American and European countries, of which some particulars are given in the following table, was particularly noticeable.

UNITED STATES.

Exports of Coal to Europe.

(In Thousands of Tons).

	Year ended June 30						July-Nov.
	1914	1916	1917	1918	1919	1920	1920
Italy	776	2,833	1,100	201	229	2,863	740
Spain	43	161	210	44	—*	*	—*
France	47	180	121	22	—*	*	—*
Norway	—	45	68		—*	—*	*
Portugal	—	32	55	40	*	—*	2,512
Sweden	—	251	33	—	95	478	871
Other countries ...	57	136	50	52	285	2,266	1,604
Total to Europe	923	3,638	1,637	359	609	5,607	5,727

Exports of Coal to South America.

(In Thousands of Tons).

	Year to June 30						July-Nov.
	1914	1916	1917	1918	1919	1920	1920
Brazil ...	239	681	758	626	733	540	166
Chili ...	84	152	331	325	205	165	19
Argentine ...	139	783	709	255	235	934	301
Uruguay ...	62	155	102	109	282	167	75
Peru ...		21	100	25	—*	—*	—*
Other countries ...	56	58	49	36	406	263	61
Total to S. America	580	1,850	2,049	1,376	1,861	2,069	622

* Particulars not yet available.

Of great assistance to the American coal-mining industry is the high average output per worker. For 1918 this works out at 794 tons, the similar figure for the United Kingdom coming to 225 tons. No doubt the British miners must bear a certain responsibility for a deliberate restriction of output, but, in an explanation of this discrepancy it must also be borne in mind that the conditions under which mining is carried on here are largely dissimilar from those obtaining in the United States. Mining has been carried to great depths in the United Kingdom, and the easily worked surface outcrops, common enough in the United States, have practically disappeared. Moreover, in many districts our coal-mines do not permit of the introduction of machinery on anything like the American scale.

BOLIVIA.

APPEAL FOR ENTERPRISE.

THERE is growing interest in the economic world regarding the potentialities of the various Republics of South America. It is not surprising that this should be so when the present economic condition of the world is really appreciated. The War has left the world, taken as a whole, even the richest countries, in a more or less embarrassed position. There is either a lack of everything, or stocks where they have been allowed to accumulate have been produced upon so extravagant a basis that they are really not available for consumption unless and until their owners are willing to dispose of them at a heavy sacrifice. For some time it has been evident that it was not practicable to produce commodities, particularly food and the raw materials needed for the reconstruction of Europe, in particular, from the effects of the late War, upon a sound basis which we can afford to pay. During the recent War the most efficient members of the most enterprising races in the world were called up, not to produce, but to destroy; and, as a result, there is a demand for practically everything required by man. Especially is this true in the case of food and raw materials. When the War was over, and the masses of men who had gone through its privations were demobilised, manufacturers, traders and others

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anxious to do their part in re-stocking the world's depleted markets jumped too hastily to the conclusion that, provided stocks were increased, it did not matter what the cost of production might be. They attempted to reconstruct the world with a body of men tired out by long exposure on the battlefield, with money markets throughout the world exhausted of treasure, and with plant in nearly every instance in a dilapidated condition. The result was that the cost of production for making a loaf of bread, or building a steamship, became so utterly extravagant that the consumer, for whom, presumably, those commodities were produced, was totally unable to purchase them. It is urged, and rightly urged, that steps must be taken to reduce costs of production. Wages, say the economists and the practical trader, since they constitute between seventy and eighty per cent. of the cost of production, must be reduced. Materials have been brought down in price; they must go lower. This argument is sound so far as it goes. But it will be found almost impossible to reduce wages without serious friction unless the cost of living is brought down drastically. While the price of the four-pound loaf remains at, or about, the equivalent of an English shilling it is not, and never will be, practicable to reduce wages, as no doubt they require to be reduced if the cost of production of the various articles needed for consumption is to be reduced to such a level as will admit of their being consumed to anything like the extent to which we were accustomed in the period before the War. Economists and practical men, seeing the urgent necessity for increasing supplies, and, above all, of increasing supplies of articles of primary necessity, are naturally turning their attention more and more to the great continent of South America, which is, as we have explained upon various occasions, one of the most fertile continents in the world. As our knowledge of the world grows it becomes increasingly alarming to discover what a very large part of the earth's surface is either infertile or capable only of yielding its fruits of increase upon a relatively high basis of economic values. Very many deserts could be made fertile; but, unfortunately, the cost, in our present state of knowledge, is wholly prohibitive. Now in South America we have a rich continent, sparsely inhabited, and offering abundant return for the employment of capital and labour.

We wrote at the end of March last on the great possibilities of Bolivia. The Republic of Bolivia is the third largest of the South American Republics, and it typifies that characteristic of the continent to which we have just referred, being extremely extensive in area, very fertile, and having an exceedingly small population. Paul Walle wrote many years ago that Bolivia has never been subjected to a thorough scientific survey. Official documents give the area at some 600,000 square miles. More recent estimates give the total area of the country at over 700,000 square miles. As the population is well under three millions, this does not give quite four people to the square mile. Bolivia is divided into two regions: the high tableland on the western half, which is about equal in area and altitude to the plateau of Tibet, and the plains sloping to the east, covered alternately with prairie and tropical forests. The largest body of unoccupied habitable land of the globe is situated in the central portion of South America, extending east from the Andes and comprising the south-west of Brazil, part of Paraguay, Northern Argentina, and Eastern Bolivia. Bolivia is, of course, as the reader is aware, situated entirely within the tropics. It enjoys over the greater part of its area a tropical rainfall. Owing, however, to the variations in altitude, it has a mean temperature varying between 40 and 80 degrees. As a result, it is capable of producing almost every product used in the service of man. At present the industries developed are almost purely mining and rubber. But the country does produce, and is capable of producing to a much greater extent than at present, in addition to tin, silver, copper, bismuth and rubber—which are at present, as we have said, the principal articles raised in the country which it is able to export—coffee, cocoa, tobacco, sugar-cane, and most other products of the tropical zone. Bolivia is peculiar in producing an extraordinary number and variety of medicinal plants, of which perhaps the best known is the coca plant, from which cocaine is derived. Cocaine, as we know it in Europe, is a distilled alkaloid, but the coca plant, is consumed by the natives of Bolivia, after being subjected to only slight treatment, relatively in its native state. The mineral wealth of Bolivia, including nearly all known metals, is widely distributed and very rich and abundant. We hope on another occasion to deal fully, or as fully as existing knowledge will admit of, with the rich mineral deposits contained mainly in the mountainous districts of the Republic. For long it has been suspected that, amongst its other treasures, Bolivia contains valuable petroleum deposits. Capitalists representing various foreign interests are now exploring certain areas of the country with a view to ascertaining the extent of those deposits. The general opinion of geologists that certain areas of Bolivia were highly petroliferous has been justified by recent important discoveries, and there seems no reasonable doubt that in the near future still more extensive and important discoveries will be made. The fauna of Bolivia is exceedingly extensive. It includes the vicuna, the alpaca, the llama, the chinchilla, the tapir, the wild boar, and various kinds of deer. Space does not admit of our going into the question of the fauna of the Republic, but we desire to draw especial attention to the existence of the silkworm. At the present time there is a shortage of textiles of all kinds, at any rate a shortage of textiles which the consumer can hope to obtain upon any reasonable basis of values. Experiments have been made during a period extending for some fifteen years in the breeding of silkworms in Bolivia. And we are informed that no instance of disease has been recorded throughout that period. As a field for cattle production, what are called the llanos, or plains of Bolivia, contain about a quarter of a million head. Many of these, however, would require to be crossed with imported animals of approved breeds before they could be regarded as fit for the freezing-houses. At various altitudes it is possible to grow in the different areas of the Republic wheat, maize, beans, mandioca, bananas, sweet potatoes and white potatoes, barley, rice, peanuts, olives, almonds, coffee, cocoa, cotton, nutmegs, rubber, and Peruvian bark. We have already referred to the vast number of medicinal plants which exist in different parts of the Republic. Bolivian cocoa is highly esteemed in the markets of the world; and the Republic is peculiar in producing a vegetable nut known as the *tagua*, from which the buttons of our clothing, both in Europe and in the United States, are made. Many of these buttons look almost exactly like horn or bone buttons, and we think we may say with confidence that very few readers who are not expert in the business would be able to tell at once whether the buttons on their own clothing were made from this nut or from bone.

At present Bolivia's only access to the sea is over foreign territory and foreign-owned railways. She has, in fact, no real difficulty in obtaining free access to the Pacific. But it is not unnatural that she should desire to have a port of her own upon the ocean, which at one time formed the western boundary of her territory. That she will be able to obtain this in due course we entertain no reasonable doubt. It has to be remembered that between Bolivia and the Pacific are lands belonging respectively to the Republics of Peru and Chili. Bolivia claims a certain portion of land now belonging to the Republic of Chili. The difficulty is that a part of this territory is already occupied by Chilian subjects, and in any case an arrangement would require to be come to between the Republics of Chili and Peru before it would be possible to hand over on the part of Chili any part of the territory in dis-

pute between the two Republics. A further circumstance which somewhat complicates the situation is that, out of the total amount of foreign capital invested in Bolivia, Chili occupies the third place, if not the second. It is conceded that French investors are, of all foreigners, most largely interested in Bolivian finance and in the financing of Bolivian industry. Great Britain is generally estimated to come next, with Chili having practically as large an interest as we have in the country, with this difference—that a large part of British financing in Bolivia, apart from the railways, is in connection with foreign trade, whereas Chili's interests are of a permanent character. All the same, we feel that in due course a settlement satisfactory to the three high contracting parties will eventually be arrived at.

RAND GOLD OUTPUTS FOR MARCH.

The substantial improvement in the Transvaal gold output for March need create little surprise. At least three factors explain the expansion in the return from 558,137 ounces in February to 671,123 ounces in March. Three more working days in the month enabled more gold to be produced, and the operations were not handicapped as in February by a prolonged strike. Furthermore, an increase in the available supply of native labour again tended to add to the output. The further increase in the number of natives working in the gold mines by 2,846 to 174,364 augurs well for the return for the current month; whilst the coal strike and the impending intervention of the railwaymen and transport workers foreshadow a relapse in the New York exchange, and with it an improvement in the price of gold, which during March oscillated within the narrow limits of 104*s.* 6*d.* to 105*s.* 6*d.*, and is now tending to settle down at 105*s.* as a minimum. These figures also indicate that the price of 103*s.* 3*d.* to 103*s.* 9*d.* adopted as the basis of valuation for the March output err, as did the February figure, on the side of conservatism. It is of interest to note in passing that the output from the Indian mines for March reached only 32,576 ounces, or 47 ounces higher than the record low yield of 32,529 ounces for February.

Under more favourable circumstances the returns issued by the Johnnies group exhibit a satisfactory recovery. The total tonnage crushed has risen from 358,300 to 453,200, and the estimated profit, on the basis of 103*s.* 9*d.* per ounce as in February, from £187,423 to £253,627. Analysing the results in detail some interesting facts emerge. All the mines have crushed more ore than in February, as might be expected. The increase is most pronounced in the case of Consolidated Langlaagte, which had suffered most severely from the strike during the previous month. The return of 42,000 tons compares with 14,300 tons. This increase is reflected in the sharp fall in working costs from 44*s.* 7*d.* to 24*s.* per ton; but this improvement is in part counterbalanced by the decline in the grade of ore treated, the average yield per ton falling from 39*s.* 2*d.* to 29*s.* 9*d.* The financial outcome is, however, eminently better, a profit of £12,393 replacing a loss of £3,590. The increase in tonnage is next most marked in the case of the dominant member of the group, Government Areas, which crushed 136,000 tons, as against 111,500 tons. A slight increase in the yield per ton coinciding with a slight decline in the working costs leaves a profit of £136,042, or an increase of nearly £31,000 as compared with February. In the case of Van Ryn Deep, whose profit rose from £68,617 to £73,063, an improvement of 2*d.* per ton in the yield was more than offset by a rise of 10*d.* per ton in the working costs. A decline in the grade of the ore, which was more than compensated by a reduction in the working costs, characterised the returns of Randfontein Central and Witwatersrand.

For the Rand Mines coterie the gold is valued at 103*s.* 3*d.* per ounce, as compared with 103*s.* 6*d.* in February. Here, again, an increase in the tonnage crushed is common to all members, but with varying results. Generally speaking, the financial results are considerably improved, losses are reported only in two cases, whereas seven mines recorded losses in February. [illegible] instead of a loss of £2,113, now returns a loss of only £388; whilst Geldenhuis Deep reduces its loss from £6,074 to £2,760. On the other hand, Consolidated Main Reef converts a loss of £8,543 into a profit of £8,355. Robinson Gold Mining takes credit for a profit of £1,000 instead of being a loss of £2,034. Durban Roodepoort Deep replaces a loss of £1,766 with a profit of £741. Nourse Mines gains £1,255, whereas in February it lost £987; whilst Wolhuter improves its position to the extent of recording a profit of £4,750 against a loss of £808. For the other members of the group results are more varied. Exceptionally, Village Deep secures a profit of only £3,274, whereas in February it was credited with £8,994. The explanation furnished in the return is that the decreased profit is "largely due to lower value of yield." We are not satisfied that this explains the bulk of the drop. The fall of 3*d.* per ounce on 14,643 ounces secured would only involve a reduction of £183; whilst the grade of the ore has not seriously declined, since the return per 100 tons crushed reaches a little over 3 ounces, as against 3.11 ounces in February. We suggest that an examination of the working costs is desirable. The most substantial improvement is recorded by City Deep, an increase in the tonnage crushed from 52,500 to 85,000 tons coinciding with the gratifying expansion in the estimated profit from £8,088 to £63,332. On the other hand, Crown Mines treated 187,000 tons instead of 124,000 tons; but the resulting profit of £32,741 compares very unfavourably with the return of £30,154 for February. Here the explanation resides in a marked fall in the grade of the ore, only 51,218 ounces being secured from the tonnage increased by over fifty per cent., as against 42,328 ounces in February. New Modder, the mainstay of the group, has increased its profit from £100,639 to £110,475. Modder B responded with a rise from £62,347 to £75,595. In the case of Modder East the profit of £13,192 compares with £10,988 for the previous month.

The General Mining group adopt the same price for valuing their outputs as in February, 103*s.* 9*d.* With the exception of Roodepoort United the members have improved their position during the month. Although it treated 23,000 tons, or an increase of 1,000 tons as compared with February, this mine increased its loss from £2,279 to £3,170 owing to a decline in the grade of the ore, the average value per ton falling from 20*s.* 2*d.* to 19*s.* 4*d.* That staunch old producer, Meyer and Charlton, stands out with a profit of £25,473, as against £15,012. Here, although the yield per ton fell from 65*s.* to 63*s.* 5*d.*, the increase in the quantity of ore milled from 9,700 to 14,300 tons was reflected in a reduction in working costs from 34*s.* 4*d.* to 27*s.* 11*d.*, thereby more than offsetting the decline in the grade of the ore. An increase in tonnage enabled Van Ryn to return a profit of £7,612, instead of £6,098, and West Rand Consolidated a profit of £5,018, as against £4,869.

With Modder Deep a profit of £70,652 is secured from 42,700 tons, as compared with £66,508 from 39,400 tons, gold being valued on the same basis in both months. Under similar conditions Geduld Proprietary, increasing the quantity of ore milled from 40,000 to 45,000 tons, gains a profit of £24,582 instead of £21,425. Boksburg secures [illegible] tons, or 3,500 tons more than in February, and added £5,638 to its February profit with a total of £40,050. A substantial recovery both in output and profit characterised the return of Springs Mines. The ore treated

ore from 20,500 to 12,000 tons, and the profit from £14,445 to £33,184. In the case of East Rand Proprietary the gold was calculated at 103*s.* 3*d.* per ounce, as against 103*s.* 6*d.* in February. Yet an expansion in the tonnage crushed from 112,000 to 131,500 tons enabled a profit of £4,040 to be earned in March in contrast with the loss of £7,652 in the previous month. Other returns include an estimated profit of £1,071 by Transvaal Gold Mining Estates, of £1,800 by Rezende Mines, and a loss of £367 by Glynn's Lydenburg. The Ashanti Goldfields Corporation report that on the basis of the par value of gold the value of the output for March was £20,052, as against £21,494 in February. The amount receivable in respect of the premium on gold between November 25, 1920, and February 28, 1921, is returned at £18,975.

IRISH AND DANISH INDUSTRY.

In many respects a close analogy may be traced between the economic circumstances of Ireland and Denmark. In both countries the agricultural industry transcends all others in importance; agricultural co-operation has reached a very advanced stage, and dependence is almost absolute on imported supplies of fuel, particularly for power purposes. Furthermore, in the matter of the satisfaction of the demand of the British market for dairy and other produce a keen competition has always been maintained, the geographical situation of each country naturally inclining to energies in that direction. Thus, in 1919, as regards butter, the exports from Ireland were 346,710 cwt., valued at £4,901,613, and the Danish exports to the United Kingdom 290,291 cwt., valued at £3,947,835, and, similarly, under the heading of eggs, the Irish exports came to 9,150,491 cwt., valued at £15,479,581, and to Denmark 1,638,067 cwt., valued at £2,776,116.

Ranking as one of the most advanced agricultural countries in Europe, developments in Denmark have always been followed with the closest interest in Ireland, and the success achieved by the Danes in adapting dairying, enabling them to keep up a more or less uniform production of butter the whole year round, has frequently been pressed upon the attention of Irish farmers. The new orientation given to the Danish butter trade during 1920, for which some particulars are given in an official report on the economic situation in Denmark, is consequently deserving of some mention. As the butter trade in Great Britain remained under control throughout that year, and purchases for the British market were only made by the Ministry of Food, the quantity which Denmark shipped to British ports was limited by agreements negotiated from time to time, at prices which rose somewhat during the year. The Danish Butter Export Committee, in whose hands the trade in the export of Danish butter was centralised, was therefore obliged to seek other markets in which higher prices were obtainable for the quantity of butter not disposed of to the United Kingdom. Both Norway and Sweden took varying quantities of butter throughout the year, and contracts were also effected for sales to Switzerland. The most noticeable development in the Danish butter trade, however, was the shipment of considerable quantities to the United States. On the whole this venture would appear to have been crowned with success, and recently a delegation representing the Danish butter interests has visited the United States, where Danish butter of the "Larmaerk" brand obtained high distinction at a dairying exhibition. One of the results of this visit will probably be the establishment in America of an office to deal with questions connected with Danish agriculture and agricultural products. Some opposition, it is stated, was at one time offered by American interests to the introduction of Danish butter, but apparently the delegation has succeeded in allaying their fears, and hopes are now entertained that it may be possible further to develop the trade in the future. Presuming, however, that the continuance of the trade depends to a great extent upon the high rate of exchange for the dollar, it is reasonable to suppose that upon return to more normal exchange conditions the bulk of the export will again be shipped across the North Sea. In the meanwhile, it is pertinent for Irish producers to observe, especially in view of the decline since 1914 in Irish butter production, that the Danes have found a new market, to which they obviously attach great future importance. Nevertheless, out of the 53,661 metric tons of butter shipped from Denmark during January-September 1920, 31,702, or fifty-nine per cent., went to the United Kingdom. Moreover, control over butter was here removed on March 31. Cattle in Denmark have fallen from 2,463,000 head on July 15, 1914, to 2,286,000 head on the same date in 1920, but it is stated that the present output of milk is only slightly less than before the War. In regard to cheese, the manufacture of which has recently made great strides in Ireland, it is instructive to observe that Danish concerns propose to produce a standard article, for which a special brand will be established. A prominent feature, common in both countries, has been the enormous decline in bacon exports. Irish fell from 1,163,063 cwt. in 1912 to 479,192 cwt. in 1919, and Danish exports to the United Kingdom from 2,318,708 cwt. to no more than 6,644 cwt. Owing to the lack of fodder during the War and the unprofitableness of pig-raising as a result of high prices of feeding-stuffs, the Danish pig census reveals a sharp decline from 2,497,000 on July 15, 1914, to 1,008,000 on July 15, 1920. With a return to more normal market conditions it is believed that the Danish output of bacon could within a twelvemonth be restored to pre-War conditions. As with Ireland, the Danish poultry trade is a source of much profit. The total Danish exports of eggs between January-September 1920 of 3,408,250 great hundreds, valued at £7,032,599, compare with a total Irish export of 8,196,720 great hundreds during the same period. It is certain that the importance of this business has not yet been fully grasped in Ireland.

Danish industries, like Irish, are dependent on imported supplies of fuel, and when forced to import other raw materials as well experience severely the burdensome incidence of competition from more fortunately placed nations. Where these raw materials are procurable in the country the industries concerned are, however, in a flourishing condition. We may instance the sugar factories, which, dependent as they are on home-grown supplies of beet, constitute very sound industrial concerns. The extension of the condensed milk industry is under contemplation, and, in like manner with that concerned with potato flour, the industry dealing with the preservation of animal and vegetable products received a great impetus during the War. The valuable oil-crushing industry finds an outlet for its products in the manufacture of margarine. Some of these industries are non-existent or only at their initial stage in Ireland, and they have often been the subject of active discussion. Experiments seem to have demonstrated the suitability of the Irish soil and climate for sugar-beet growing, but whether the industry would pay in a commercial sense is another matter. Judging by the number of factories operated by the above-mentioned Danish industries and their output, the Danes have brought about results which might receive some attention from Irishmen.

From industry to the raw materials of the power so essential for industry is a natural transition. Irish bogs are estimated to contain 5,000 million tons of average air-dried peat and Danish 240 million tons. Large programmes, impelled principally by the high cost of British coal, for utilising the Danish peat deposits are under examination, but plants have already been installed, with a view to the generation of electricity, in which peat can be used as fuel. In some of these cases the farmers have made arrangements whereby electricity is delivered to their farms from the high-tension systems in return for peat delivered by the farmer to the power station. Electric motors are,

it may be mentioned, in common use throughout Denmark. The long-delayed report of the Peat Committee, which should certainly be of a most elaborate nature when issued, might form a basis for similar schemes in Ireland.

So far as the balance of trade in 1919 was concerned, Ireland enjoyed a distinct advantage over Denmark. The adverse visible Danish trade balance for that year amounted to nearly £86 million at par of exchange, against which, however, should be placed an invisible income estimated at over £32 million and the earnings derived from shipping. On the contrary, the Irish excess of exports over imports in the same year was put at £17,316,000.

CAPITAL ISSUES IN THE U.S.

In the United States, where the efficient compilation of statistics has reached such ambitious dimensions, the absence of reliable statements as to new capital issues has been a notable defect. Many financial daily newspapers have in recent years prepared monthly summaries of stock and bond issues; but these, being hastily thrown together have necessarily been limited to offerings conspicuously advertised in the Press, and have generally dealt with flotations in the New York market alone. *The Commercial and Financial Chronicle* has now engaged upon the task of compiling figures for the whole of the Republic, care being taken not to include unsuccessful emissions or those made for conversion purposes. Total subscriptions of new capital on corporate, foreign government, and municipal accounts for the first two months of 1919, 1920, and 1921, are shown in thousands of dollars in the following table:—

(000's omitted)

	1919 $	1920 $	1921 $
January:			
Corporate	178,675	290,833	205,206
Foreign Govt.	—	25,000	45,000
Municipal	23,779	81,110	88,802
Total	202,454	396,943	339,008
February:			
Corporate	150,143	201,975	172,957
Foreign Govt.	—	25,000	24,000
Municipal	27,593	30,032	57,973
Total	177,736	257,007	254,930
Two Months:			
Corporate	328,818	492,809	378,164
Foreign Govt.	—	50,000	69,000
Municipal	51,372	111,142	146,774
Total	380,190	653,951	593,938

Capital flotations for the two months of 1921 aggregated $594,000,000, or but 60 million dollars less than the huge offerings in the corresponding months of last year, and contrasting with $380,000,000 in the same two months of 1919, the period immediately preceding the Armistice. The new financing by municipalities (covering State and municipal emissions) has become a steadily growing item. For January and February 1919 new municipal issues amounted to only $51,000,000; in 1920 there was an increase to $111,000,000, and for 1921 a further growth to $147,000,000. Municipal obligations have been in excellent demand by reason of their tax-exemption features, while new State emissions have become prominent by reason of bonus distributions to soldiers. The placing of foreign Government obligations in the United States has also been a feature of recent financing. In the two months of 1919 the only foreign Government loan floated was the $28,179,000 twenty-year five and a-half per cent. gold bonds of the United Kingdom; in 1920 such loans amounted to $50,000,000 and in 1921 $69,000,000.

The principal reason why fresh emissions reached such high proportions in 1921 were, therefore, the increase in borrowing by States and municipalities and the placing of foreign loans. Applications on behalf of corporate undertakings were on a greatly reduced scale, aggregating only $378,000,000 in 1921, against $493,000,000 in 1920 and $532,000,000 in 1919. The character of the financing, too, has changed. Last year the new applications were largely represented by Preferred stock. In the present year, with business depressed and prices declining, Preferred stock issues no longer command favour and resort to bonds has been found necessary. In 1920, out of a total of $493,000,000, $303,000,000 were stock issues, the remainder consisting of $45,000,000 of notes and $145,000,000 of bonds. In 1921, out of a total of $378,000,000, only $70,000,000 consisted of stocks, and this mainly by oil companies, while bonds comprised $214,000,000 and notes $95,000,000. There has also been a change in the character of the undertakings making appeals to the capital and investment markets. Last year applications were mainly on behalf of general industrial and manufacturing undertakings, particularly those engaged in the motor trade. In the present year oil companies have been the most prominent. Thus, though the capital market in the United States has displayed a greater reserve of strength than that in Great Britain, general conditions ruling in the commercial and industrial section have been substantially the same in both.

EAST AFRICAN CURRENCY AND TRADE.

The present situation in British East Africa, arising out of the fluctuations in the sterling value of the rupee and the subsequent control of the exchange by the Colonial Office, is such as to cause a serious check to British enterprise in that quarter. From being practically unknown regions twelve years ago, the Colonies of Kenya and Uganda—and we might also include the Tanganyika Territory, which was formerly under German dominion—had risen to a position of importance in the trade of the Empire even before the War, and until quite recently formed one of the most promising fields for the employment of British capital. To-day further development in these countries is suspended, existing industries have been reduced to a state bordering on bankruptcy, and unless a change for the better speedily takes place one of our most valuable overseas possessions will be ruined economically. For the moment there is an overplus of East African produce abroad, and production in the country has fallen to such a low ebb that the purchasing power of the native has been greatly depleted, and supplies of imported products cannot be absorbed. The alarming nature of the situation may be judged from the fact that some of those interested in the Colonies are taking steps to withdraw their capital, being without hope for the future.

A study of the history of East Africa since the end of 1919 shows that the present misfortune is to be attributed partly to the world-wide economic *malaise*, in which it shared to a large degree, and partly to the breaking away of the rupee from its old parity with sterling of 15 rupees to the £ towards the commencement of last year East African planters themselves showed a disposition to neglect the former set of causes, concentrating on the currency question, and in this they are not far wrong, for there is little doubt that, but for the changes that have occurred in the value of the rupee, the participation of the territories concerned in the present trade depression would have been much more limited. The currency trouble may be said to date from 1917, when the price of silver began to rise, until the bullion content of the rupee became worth more than its face value, the value of the coin, 1*s.* 4*d.* When that occurred the maintenance of the pre-War ratio of 15 rupees to the £ was no longer possible, and the exchange value of the rupee rose successively until in February of last year the ratio of slightly over 7 rupees to the £. It was about this

time, on February 2, 1920, that the Secretary of State for India announced the decision to establish the Indian rupee after a transitional period at a ratio of 10 rupees to the sovereign. As is now common knowledge, the Government of India, after an expense of 35 crores of rupees in a fruitless attempt to achieve this end, were compelled to abandon their efforts, and the exchange value of the rupee, left to the free play of supply and demand, has fallen to even less than the old parity of 1*s.* 4*d.*

In British East Africa similar though not identical measures were taken by the Colonial office. In April, 1920, steps were initiated to replace the old coinage of Indian rupees by a new local currency, and to make Imperial currency notes and Bank of England notes legal tender side by side with the new currency. It was proposed to stabilise the new currency unit, which may be referred to as the florin or rupee, at a new ratio of 2*s.* to the £ sterling after a transitional period in which the ratio would be successively 2*s.* 4*d.* and 2*s.* 2*d.* In practice it was found possible to dispense with the transitional period and an East African Currency Board was formed to buy and sell rupee sterling exchange on the basis of 2*s.* sterling for the rupee. Before passing on to criticism of this measure it may be remarked, incidentally, that the effect of the alterations imposed was to place the currency of British East Africa on an altogether different basis from that of India, not a very wise step in view of the fact that the greater portion of the trade of Kenya, Uganda, and Tanganyika is with India.

Conditions existing when these new measures were introduced afforded some justification for them. The effect of the new ratio would be to reduce the sterling value of the rupee. The previous high value formed a serious obstacle to the import of capital from the United Kingdom, from which the Colonies are chiefly financed, and it was thought that if the exchange could be stabilised and at the same time the rate were reduced this barrier to the development of the countries would be removed.

Subsequent events, however, proved the action of the Colonial Office to have been exceedingly ill-timed. The establishment of 2*s.* for the rupee proved in itself a new insurmountable obstacle in the path it was intended to clear. Far from facilitating the development of British East Africa, it has been one of the chief factors in bringing about the present stagnation. It meant that though the planter had previously to contend with a high exchange rate ranging, as we have seen, up to 2*s.* 9*d.*, he was debarred by legislation from receiving the benefit of any subsequent decline in the rate below 2*s.*, and there can be no doubt that were it not for Governmental control the open market value of the rupee would have fallen to below this figure. But while the rupee was at its high value in the early part of last year the price of the chief products of the Colonies—cotton, sisal, flax, and coffee—had also risen to such an extent that the effects of the high rate of exchange were not felt, but when it is added that, after the stabilisation of the rate at 2*s.*, the selling price of the commodities which these countries had to offer slumped very heavily, the present situation becomes readily intelligible.

Before inquiring as to what remedy it is possible to adopt it is necessary to revert to our previous statement that the present situation in these countries is partly a reflection of the world-wide trade crisis. To explain this it will be sufficient to say that in British East Africa, as elsewhere, the producers during the past year have suffered through a fall in the selling prices of their products not accompanied by a corresponding decline in costs of production. The problem of reducing the latter—a formidable one in any circumstances, presents special difficulties in these territories, where the great mass of the working population is uneducated, and where consequently any attempt to reduce money wages, whatever changes may have occurred in the purchasing power of money to justify such a step, would be very strongly resented. Through sheer necessity, however, costs of production must fall in these countries as elsewhere unless selling prices are again advanced. In either case the re-establishment of the industries of the countries on a paying basis cannot be postponed indefinitely. These remedies are the more fundamental, but, depending as they do on the operation of fundamental economic laws, very little can be done to hasten them. There is one remedy, however, which it is possible to adopt without delay—namely, the decontrol of exchange. If this were done the sterling value of the East African rupee or florin would unquestionably decline, to the benefit of the producer interest.

In some quarters it has been suggested that the pre-War parity of 1*s.* 4*d.* should be re-established, but this extra step is at present unnecessary and may ultimately prove harmful. Indeed, it is difficult to see how those who condemn the present stabilising of the rupee at 2*s.* could logically advocate the refixing of the rate at 1*s.* 4*d.*, though perhaps at this level the florin may be nearer its true value. For the fallacy underlying the action of the Colonial Office in fixing the rupee last April at 2*s.* consists essentially in the idea that two currencies—namely, that of East Africa and that of the United Kingdom—which fluctuate independently of each other could be made to move in harmony by an artificial control of the exchange rate, without grave injury to some interests. In order that such a proposition should be feasible the movement of prices and wages in the two countries should correspond exactly or nearly so. It is idle to expect that this can be done under the present paper currency régime, especially when it is a question of two countries differing so widely as the United Kingdom and British East Africa. In pre-War days, when gold was used to regulate international price levels through the medium of the foreign exchanges, the pegging of an exchange would be possible between two gold standard countries, though quite unnecessary. At present, however, in the absence of any common standard, such interference is not possible without prejudicing some interests to the benefit of other opposing interests. In the case under discussion the interest adversely affected was the producer interest, or that which is most vital to protect in the case of a new country. Again the internal value of the currency of both the United Kingdom and British East Africa fluctuates at present altogether independently of its value in pre-War days—a point that does not need to be laboured. There is accordingly no logical basis for making the ratio between the two currencies the same as it was before the War.

The first essential in any scheme for the reconstruction of East Africa is to remove the peg on the exchange which in effect did nothing but prevent a fall in costs of production to compensate for the decline in selling prices. Left to the uncontrolled play of supply and demand the rate would quickly fall to a low level, for at the present fixed rate of 2*s.* 0*d.* the East African rupee or florin is unquestionably overvalued, and a fall in the exchange rate would automatically, independent of other causes, reduce costs of production. Whether stability can be attained at the lower rate must be a matter for future consideration. There is no reasonable ground for refixing the exchange at Rs. 15 to the £ if the control should be removed, and such a step may produce results similar in nature though less in degree to those wrought by the previous establishment of the rate at 2*s.* 0*d.* These results indeed would inevitably be brought about if, as is conceivable, commodity prices here should go much lower. Stability of exchange in this case is a benefit that has proved to be too dearly bought, and should the Colonial Office decide to decontrol the exchange it is to be hoped that experience will have taught the unwisdom of any further experiments in this direction until price levels themselves both here and in East Africa have become stabilised.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Another Railway Fusion.

FOLLOWING closely on the fusion of the London and North Western and the Lancashire and Yorkshire Railways comes the news of the amalgamation of the Port Talbot Railway and Dock Company with the Great Western. The two undertakings have been associated for some time. In 1907 the Great Western was granted full running powers over the Port Talbot lines in return for a minimum net sum of £37,500 for each year up to the end of 1910, of £41,250 for 1911, and of £45,000 per annum for 1912 and after, in addition to payment of interest on any additional capital expended on the railway with the assent of the joint committee established under the agreement. The latter was eventually extended in scope, and it is not surprising that, under the favourable atmosphere created by the recent grouping suggestions of the Ministry of Transport, complete absorption should now be arranged. The total issued capital of the Port Talbot undertaking was on December 31, 1920, £1,690,520, of which £600,000 was in Four per Cent. Preference shares, £630,000 in Ordinary shares, and £460,520 in Loans and Debenture stocks. The lines owned by the Company cover ninety-two miles of single track and sidings, in addition to seventeen miles leased or worked on the South Wales Mineral Railway. The annual dividend on the Ordinary shares has been nine per cent. since 1912. The total issued capital of the Great Western is £100,226,902, of which £7,610,002 is in Five per Cent. Rent Charge stock, £17,946,891 in Five per Cent. Guaranteed stock, £11,936,348 in Five per Cent. Preference stock, £37,082,220 in Consolidated Ordinary stock, and £25,651,441 in Debenture stocks. Total single track owned, including sidings, amounts to 3,860 miles, plus 2,870 miles wholly or jointly leased or worked over. The Ordinary dividend for the past three years was seven and a-quarter per cent., and for the three previous years five and three-quarters per cent. The present amalgamation arrangements are, of course, only provisional. Details of the scheme when finally drafted will be submitted to the interested parties.

Czechoslovak Trade in Coal.

The countries to which Czechoslovak coal is mainly exported are Austria, Germany and Poland. The quantity sent to Austria in 1920 amounted to 521,891 tons of coal, 142,250 tons of coke, 1,062,043 tons of lignite, and 11,864 tons of lignite briquettes. The corresponding figures to Germany were 28,563 tons of coal, 2,368,102 tons of lignite, and 43,294 tons of lignite briquettes. The amount exported to Poland, mainly from the Moravska-Ostrava coalfield, comprised 570,059 tons of coal, and 116,828 tons of coke. The following amounts were exported to other countries:—

	Coal Tons	Coke Tons
Jugoslavia	7,167	4,161
Hungary	4,612	4,619
Rumania...	802	4,205
Italy	24	1,494
Denmark	1,000	—
Bulgaria	—	82

Thus, the total amount exported in 1920 included 1,134,125 tons of coal, 273,649 tons of coke, 3,430,169 tons of lignite, and 55,158 tons of lignite briquettes. During the month of January 1921 the quantities exported were 75,452 tons of coal, 35,165 tons of coke, and 287,706 tons of lignite, distributed as follows—

	Coal Tons	Coke Tons
Austria	40,559	12,246
Germany...	2,808	—
Poland	23,221	11,974
Jugoslavia	387	—
Hungary	215	11,343
Rumania	199	

All the coal imported into Czechoslovakia during 1920 came from the Upper Silesian coalfield. It comprised 918,186 tons of coal, and 125,307 tons of coke. In addition to this, small quantities of lignite were exported from Salgo-Tarjan and Borsod in Hungary. During the month of January 1921 the imports from Upper Silesia comprised 75,947 tons of coal, and 11,491 tons of coke.

Price Decline in U.S.A.

The index-number of wholesale prices in the United States compiled by the Federal Reserve Board for the purpose of international comparisons showed a decline of prices during February of six per cent. On the basis of prices in 1913 equal to 100, commodities imported shifted from an index-number of 114 during January to 113 during February. Prices of exports declined from 142 in January to 135 in February. The all-commodities index stands at 154, as compared with 163 in January. This index-number is compiled from eighty-eight wholesale price quotations for representative commodities taken in leading United States markets. In most cases weekly quotations are averaged to obtain the monthly figure, and these in turn are weighted according to the importance of the commodity before the index-number is constructed. Part of the quotations used are furnished by the Bureau of Labour Statistics; the rest are compiled from trade journals and private firms of recognised authority.

Index-Numbers of Wholesale Prices in United States.

(Average Price for 1913=100).

1920	Goods produced	Goods Imported	Goods Exported	Goods Consumed	Raw Materials	Producers goods	Consumers goods	All
Feb. ...	244	216	252	242	242	247	240	242
Mar. ...	250	218	256	247	246	263	241	248
April ...	265	242	264	263	263	274	257	263
May ...	266	246	262	264	263	274	261	264
June ...	260	226	256	257	258	265	255	258
July ...	253	208	248	249	249	251	250	250
ug. ...	238	182	229	234	237	235	229	234
Sept. ...	231	164	211	227	233	225	218	226
Oct. ...	213	142	181	211	211	209	203	208
Nov. ...	195	127	163	193	192	190	187	190
Dec. ...	178	112	146	176	176	171	171	173
1921								
Jan. ...	166	114	142	165	164	166	159	163
Feb. ...	156	113	135	155	152	158	152	154

Iron and Steel Production.

The production of iron ore in March amounted to 385,500 tons, a figure lower than in any month since the end of the War, and just about one-half of the total reached in August last when production was at its post-War maximum. Steel ingots and castings produced in March were only 357,600 tons, or forty per cent. of the maximum post-War production which was attained in September last. Of the pig iron production 132,000 tons were hematite, 86,800 tons basic, 111,800 tons foundry, 40,500 tons forge, and 14,400 "other qualities." The following table gives the production of pig iron and steel for each month from January 1919.

	Pig Iron			Steel Ingots & Castings		
	1919	1920	1921	1919	1920	1921
Jan. ...	561,000	665,000	642,100	718,000	754,000	493,400
Feb. ...	626,000	648,000	463,600	734,000	588,000	483,500
Mar. ...	691,000	699,000	385,500	798,000	840,000	357,600
April ...	647,000	691,000	...	668,000	861,000	...
May ...	671,000	739,000	...	...	840,000	...
June ...	688,000	726,000	...	631,000	845,000	...
July ...	641,000	750,600	...	618,000	789,300	...
Aug. ...	521,000	752,400	...	474,000	880,000	...
Sept. ...	581,000	741,000	...	518,000	884,000	...
Oct. ...	445,000	650,000	...	433,000	544,300	...
Nov. ...	624,000	493,200	...	600,000	505,100	...
Dec. ...	682,000	482,000	...	740,000	740,000	...
Total ...	7,528,000	8,037,200	...	7,071,000	8,031,400	...

Cotton Index-Figure

In his Cotton Circular published this week, Mr. W. Tattersall gives the index-figure for the cotton industry as 175 against 161 a month ago, 190 in the middle of February, and 219 at the end of December. During the last month American cotton advanced from 115 to 119, American yarn from 169 to 174, Egyptian cotton from 176 to 200, and Egyptian yarn from 154 to 191, whilst there is a decline in cloth from 191 to 189. All these figures are based on 100 on July 31, 1914.

and Mill Dividend

In an analysis of the stocktaking reports of Lancashire cotton spinning companies for the three months ended March 31, particulars are given of eighty-one mills. Of these forty-two companies paid no dividend, three paid five per cent. per annum, twenty-one ten per cent., two twelve and a-half per cent., two thirteen and one-third per cent., seven twenty per cent., one twenty-four per cent., two forty per cent., and one forty-four and a-half per cent. The average dividend is seven per cent. per annum, and the total share capital of the eighty-one companies amounts to £9,008,150. For the purpose of comparison it is of interest to note that in the three months ended December 31, the same eighty-one companies paid an average dividend of over seventeen per cent. per annum.

Chinese Bankers Association.

An important development in China's future trade relations is the recent formation at Peking of a Chinese Bankers Association. Twenty-two banks signed the original agreement, as the representatives of the banking group. Other important banks, conducting business on modern lines, are contemplating joining, and the Association will become the unofficial fiduciary adviser of the Government. It has already made suggestions as to the readjustment of China's finances, including her internal loans and her monetary system. The recent Railway Car Loan of $6,000,000 for the purpose of replenishing the rolling stock of the Government railway, which was underwritten by twenty-seven banks, is stated by the Government Bureau of Economic Information to be but a forerunner of many similar constructive business transactions which the new banking group will conduct.

Census of Production.

We learn with regret of the decision of the Government that, in view of the urgent need for economy, the Census of Production, of which notice was given in the Order of the Board of Trade dated December 22, 1919, will not be proceeded with. A Census in 1923 in respect of production during the year 1922 is in contemplation, and if this is decided upon an Order under the Census of Production Acts will be laid before Parliament in the course of the current year.

Purchase of Allahabad Bank.

Official intimation has been given that the P. and O. Banking Corporation, whose offer to purchase the shares of the Allahabad Bank was recorded in our issue of December 18 last, has now acquired a controlling interest in that Bank, acceptances of the offer representing over ninety-four per cent. of the Ordinary shares having been obtained. Since the offer was made the accounts of the Allahabad Bank for 1920 have reached this country. The balance sheet shows deposits on December 31 last of nearly Rs.935 lacs, as against upwards of Rs.936 lacs twelve months before, the proportion of cash assets thereto having risen from about 23 to 25¾ per cent. The net profit for 1920 worked out at Rs.10,01,871, compared with Rs.6,11,301 for 1919; the usual eighteen per cent. tax-free distribution (in dividend and bonus) on the Ordinary shares has again been effected, and a transfer of Rs.5,51,464 to contingency fund (following Rs.1,30,000) leaves an undivided balance of Rs.2,13,746, against Rs.1,65,132 brought forward. The present intention is to continue the Bank as a separate institution with its headquarers at Allahabad.

HEAD OFFICE: 1 Dale Street, LIVERPOOL.

1836 THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY LIMITED

LONDON: Chief Office, 1 Cornhill, E.C. 3.

TOTAL ASSETS exceed - £19,000,000
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American Topics.

THE PRESIDENT'S MESSAGE.

READERS of THE STATIST will have read with interest the very ample telegraphed summary of President Harding's first Message to Congress, which appeared in the London daily Press on Wednesday morning. With the President's remarks on the foreign policy which he proposes the country should pursue we do not intend to deal, except in the very briefest manner. By the time THE STATIST is in the hands of readers they will have read comments on the subject from nearly as many aspects as it is possible to consider the question. In any case, they will have had ample time to form their own opinions. Suffice it to say that we are fully in accord with the President's decision not to enter the League of Nations, and to conclude the War with Germany by a peace resolution of Congress. We never at any time, as we have expressed again and again in these columns, believed in a League of Nations. Unfortunately, the world is neither civilised enough, nor has it attained to a sufficiently high state of economic development to justify any reasonable person in assuming that the period of wars has ended. The League of Nations, even if it is formed somewhat on the lines indicated by President Wilson during his term of office, could only make its decisions effective by the use of force. In other words, the League of Nations is practically a revival of the Concert of Europe under another name. All these devices for maintaining peace only mean that if the Great Powers are agreed the smaller Powers must submit. The real difficulty comes when the Greater Powers fall out amongst themselves.

Apart from the question of foreign policy, which, in reality, leaves matters very much as they were, the President recommends some exceedingly important measures, which can hardly fail to have a very far-reaching influence both on the economic condition of the United States and upon America's economic relations with other countries of the world. Amongst the most important measures recommended by President Harding is Tariff Legislation of an emergency character. Now we dealt very fully with this question last week, and we do not propose to reopen it. Suffice it to say that the conditions which brought about, say, the McKinley Tariff for example, have been not merely modified, but completely altered by the result of the European War and by the participation of the United States in that War. The economic America which built up the McKinley Tariff was as different from the economic America of to-day as an agricultural State differs from a State which has developed a great manufacturing and industrial system. Moreover, in the interval the America which was heavily indebted to

Europe has herself become a creditor country, entitled to receive immense sums from the rest of the world. Space is pressing, and we fear we shall have to return to this subject at an early date, because the recommendations of the President of an economic character are so numerous and so important, if they are really taken up and effectively handled by Congress, that they are bound to have, so far as human foresight can judge, an exceedingly important influence both, as we have just said, on the economic future of the United States and on America's economic relations with other countries.

The President recommends two measures of very far-reaching importance: one is that Congress should deal with the question of the efficient working of the railways at a reduced cost compared with the cost at the present time. Now it is hardly conceivable that Congress will not feel itself obliged to deal with this question. Coupled with this, the President recommends the construction of new, and the improvement of existing, roads. It is not too much to say that one result of the War, in America as in Europe, has been a complete breakdown of the transportation system. Our railways have been tried—meaning by "ours" those of the present civilisation, not merely of this country—and have been found wanting very badly. Our roads have been tried; they are totally inadequate for the traffic which they are asked to carry. The world's shipping has been tried; and it has proved wholly incapable of conveying either passengers or commodities at a reasonable rate of freight. We quoted recently a cabled message which reported that between 100,000 and 500,000 freight cars were lying idle on American railroads at a time when produce of every kind is urgently needed all over the world, but needed at a price which the earning capacity of the various peoples of the world can afford to pay. We want bread and meat and clothes; and we want them badly. But we can only pay for them such a proportion of our earnings as will leave us a margin for paying our rent, travelling expenses, and other incidentals which we must meet in order to carry on our daily avocations. One of the causes of the difficulties which the United States, in common with the rest of the world, is experiencing in its efforts at reconstruction is the extravagant cost of travelling in every form. To use a phrase which we have adopted from America, freight and passengers have come to be carried on a "straphanging" principle, and they are badly jostled and damaged in the process. That the railway system of the United States, as well as the railway systems of every other country, badly require to be reorganised every American with whom we have been privileged to come in contact frankly admits. Some have been civil enough to say that the condition of their own lines is even more unsatisfactory than ours. However that may be, it is certain that the transportation facilities both of Europe and of America require to be totally reorganised if these several countries are to render to their own nationals, and to the world in general, the economic services of which they are capable.

We said above that the President recommends the improvement of existing and the construction of new roads. It would appear that the advisers of the President have come to the conclusion, which is widely held by men dealing with the transportation services of the world, that unless it is possible to develop the railway into something quite different from the system as we know it, it has already passed its greatest period of usefulness. In other words, it will in the future, unless the internal and external trade of the several countries is to receive a severe set-back, be supplemented by other methods of transportation. We are at present to a large extent groping in the dark. We have the aeroplane; but it is not a reliable machine. America, so far, is largely a country without roads. But even in those countries where roads have been constructed they were built for conditions which have completely disappeared. The governor of a great country can, of course, only use the instruments which exist. He cannot put himself into a prophet and look into the future. Whether it is in the direction of the development of road transportation that we are to look for a solution of our present difficulties, or in the development of other means of transportation, we do not, of course, pretend to know. But it is becoming evident—and from the tenor of the President's Message we judge that his advisers are of the same opinion—that some means should be sought for assisting the world's transportation facilities other than relying upon the railways, unless, as said above, the internal and external trade, not merely of the United States, but of all countries, is to receive a very severe set-back, which, of course, if it should prove to be the case, would have as a corollary very serious political and social consequences. The railway has ceased to be the cheap and convenient method of transportation it was, say, half a century ago. Congress, one would say—if one being a foreigner could venture to say as much—can hardly go far wrong in developing on an immense scale the roads of the United States. As we have said, the whole of America, north and south, may be described without much exaggeration, as a country which has no roads. But as a solution of the question of cheap and efficient transportation, whether the building even of the most splendid roads will solve the question only experience, of course, can answer. Even assuming that there were great broad thoroughfares of enormous width and laid on the most approved principles, bearing in mind the climatic and other conditions existing in the United States, say, between New York and Chicago, Chicago and San Francisco, and, say, from Chicago to New Orleans, and from Chicago again into Canada, have we vehicles which we can work so cheaply that we could place them upon those roads, with any prospect of success in the direction of achieving the desired object of a cheap and efficient means of transportation? "The motor-car and the motor-lorry" says the reader. Yes, but as the reader is well aware the motor-car and the motor-lorry are exceedingly expensive means of locomotion to maintain. At present they are dependent upon fuel which is obtained at great expense and with much labour from the earth, and which it must be presumed, is at least to some extent limited in amount. We are very glad to see that President Harding and his advisers are alive to the important question of the inadequacy of the world's present means of transportation. We congratulate the President on courageously attacking the subject in the hope of its solution. If he is able to solve it, we say with the utmost confidence that he will not merely do well for the United States, but he will deserve the gratitude of the economic world. If the problem in our time proves insoluble, we view with a real measure of anxiety the difficulties which confront statesmen and economists in the coming years.

GENERAL ELECTRIC COMPANY (U.S.A.)

Issued Capital: $139,144,000 Capital Stock.
$34,693,400 Debenture Bonds.
$638,000 Purchase Money Mortgage.
General Reserve: $13,979,275.

Net Sales	Wages, Salaries, etc.					Total
£	£	£	£	£	£	£
1919 [illegible]	[illegible]	[illegible]	[illegible]	22,132	[illegible]	[illegible]
1919 [illegible]	[illegible]	[illegible]	[illegible]	25,078	14,318	[illegible]
1918 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13,755	53,250
1917 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1916 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Despite the heavy slump in prices during the latter half of 1920, the [illegible] General Electric Company (U.S.A.) for the year is again one of progress. The unprecedented amount of trading recorded during the first seven months, plus the heavy unfilled orders at the beginning of the year, [illegible] urgent efforts to increase manufacturing facilities. During May, 1920, $12,158,200 nominal of new capital stock was taken up by stockholders at $125 per share, and in November additional [illegible]

amount of $27,363,100 was placed at par. Early in the year the International General Electric Company, the foreign subsidiary of the American undertaking, borrowed, for the purpose of facilitating its export business, $10,796,537 from the War Finance Corporation, depositing as collateral Five-Year Seven per Cent. notes, guaranteed by the parent Company. The funds thus obtained were used for financing sales contracts with responsible corporations in Allied countries, whose obligations for corresponding amounts have been deposited with the War Finance Corporation as security for the loan. The expenditure for additional land, buildings, machinery, and other equipment aggregated $32,000,000, half of which was written off the plant account, thus making the increase in the net book value of the plant and equipment $16,000,000.

The International General Electric Company was organised in January, 1919, to take over the foreign activities of the American Company. The latter subscribed for the entire capital, consisting of $10,000,000 of seven per cent. Preferred stock at par and $10,000,000 of Common stock at 110, making $21,000,000 in all, for which securities and accounts of like value were handed over. The widespread and diversified interests involved prevented the completion of all the transfers till late in 1920, and the accounts could not, therefore, be drawn up separately. From January 1, 1921, however, it is proposed to segregate the balance sheets and financial statements of the two undertakings, and thus show in a more satisfactory manner the results of home and foreign business.

Total net sales for 1920 amounted to $276,000,000, or $35,000,000 more than in 1919, and sundry income was almost doubled at $9,000,000. Operating expenses did not show a disproportionate increase at $231,000,000, and an increase in interest outgo was offset by a reduction in taxation charges. The sharp decline in commodity values compelled the Company, however, to write down its stocks by nearly $18,000,000, and profits available for dividends fell to $22,000,000, or $3,000,000 less than in the previous year. The dividends paid were, as before, twelve per cent.—eight per cent. in cash and four per cent. in stock—and the $6,000,000 not distributed brought the surplus up to $70,000,000. The financial position may be judged from the following table:—

	Capital Expenditure for Year	Depreciation	Net Book Value of Plant, &c.	Stocks and Work in Progress	Surplus Liquid Assets
	$	$	$	$	$
1920...	31,[illegible]	[illegible]	[illegible]	123,652,797	61,768,[illegible]
1919...	14,462,286	7,688,894	50,81[illegible],546	88,952,636	88,270,768
1918...	21,593,997	16,492,253	44,040,154	94,831,984	62,636,291
1917...	22,320,895	13,287,249	38,938,410	88,096,001	70,562,371
1916...	8,828,255	8,486,822	29,904,764	124,882,424	56,856,321

Capital expenditure for 1920, at $31,000,000, though abnormally heavy, was met by the additional subscriptions of shareholders. Depreciation, at $33,000,000, including $18,000,000 for the fall in values of stocks, also mounted to an unusually high total. With $124,000,000 locked up in stocks and work in progress, a figure which, allowing for the large amount written down, exceeded all previous holdings, one would have expected a marked decline in the liquidity of the Company's position. Cash, investments, and notes and accounts receivable were, however, $62,000,000 in excess of current liabilities at the end of the year. The situation was thus stronger than in 1916, when surplus liquid assets amounted to $57,000,000, and is hardly less favourable than in 1916. The report makes no reference to the outlook for 1921. Much will depend on the measure of success met by the International General Electric Company to exploit European markets and in the facilities provided for such by its arrangements with the War Finance Corporation.

SOUTH AND CENTRAL AMERICA.

We regret that owing to pressure upon our space we are compelled to hold over our usual article under the above heading.—Ed.

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Rubber Topics.

The dominating influence of the sympathetic strike on the part of the railwaymen and the transport workers restrained any activity in the Rubber market during the week. At the opening, on Monday, the prevailing tone was firm. Transactions were, however, reduced to a minimum, and price movements were largely nominal.

In the Commodity market the price of crêpe eased off from 11¼*d.* to 11*d.* Under more normal industrial conditions the improvement in the stocks would have acted as a "bull" point in the Share market. Deliveries for the week absorbed 1,037 tons, out of a total landing of 1,465 tons, thus reducing the addition to existing stocks to 428 tons. An analysis of the March crop returns reveals a rather irregular tendency in the reductions now in operation. Drastic curtailment is reflected in the crop of 98,101 lb. secured by Grand Central, as against 241,335 lb. for the corresponding month of 1919. Proportionally greater is the falling off in the case of Sungkai-Chumor, which harvested only 24,613 lb., as against 45,651 lb. A large reduction is also recorded by United Serdang, with a return of 228,136 lb., instead of 316,381 lb. Anglo-Malay registered a total of 66,576 lb., as compared with 107,710 lb., and Sungei Kapar a crop of 64,600 lb., instead of 79,500 lb. The reduction of Khota-Tampan from 14,400 to 3,100 lb. is in a category of its own, as tapping was stopped during the month, as the trees were wintering. In some cases, however, the reduction appears small. Bajoe Kidoel registers a crop of 99,396 lb., in contrast with 106,409 lb. Lanadron reduces its crop from 113,097 lb. to 107,513 lb., and Vallambrosa from 81,744 lb. to 76,913 lb. Again Seremban harvested 84,146 lb., an increase of 15,266 lb., as compared with March 1920, whilst in the case of Changkat Salak the crop has risen from 40,000 lb. to 65,000 lb.

MALAY RUBBER PLANTERS.

Issued Capital: £58,620, in Shares of £1 each.

	Results for Years to September 30—								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend— Amt. £	Dividend— %
1917 ...	1,360	789	340,429	431	2 7½	1 4	23,491	7,765	20
1918 ...	1,360	799	340,229	393	1 6½	1 1	3,916	—	—
1919 ...	1,360	815*	322,[illegible]9	396	1 9	1/3	9,685	13,678	35
1920 ...	1,360	878*	403,000	4 9	1 8½	1 4½	9,415	2,951	5

* Estimate.

Price of Shares, 63/. Market Capitalisation per planted acre, £136.

The report presented by the Malay Rubber Planters for the year ended September 30, 1920, is a record of satisfactory achievements in the face of many difficulties. From the point of view of production results exceeded expectations. The total crop harvested attained the record figure of 403,000 lb., or 43,000 lb. more than the original estimate. On the assumption that the mature area included the total acreage planted up to the end of 1914, this record crop corresponded to the return of as much as 459 lb. per bearing acre, as compared with 396 lb. in the previous year and

431 lb. in 1916-17. It was, however, in the financial aspects of the accounts that the troubles of the period were made manifest. The pronounced increase in the quantity of rubber secured did not produce the usual reduction in the cost of production per lb. On the contrary, the "all-in" cost per lb. advanced from 1*s.* 3*d.* to 1*s.* 4½*d.* Two main factors accounted for this: an increase in native wages, and higher prices for stores and materials. A measure of the latter was provided in the statement that a loss of £2,000 had been incurred in supplying rice to the native labour force below cost price. This increase in the "all-in" cost coincided with a decline in the average price realised by the sale of the rubber, including the stocks on hand at the end of the year. It is true that, as a result particularly of sales in the early part of the year at 2*s.* 10½*d.* per lb., when rubber still commanded a good price, the average price of the rubber sold worked out at 2*s.* 2⅝*d.* per lb.; but the necessity of including the stock at the end of the period at the low levels then prevailing brought the net average down to 1*s.* 8½*d.*, as against 1*s.* 9*d.* in the previous year. However, in view of the larger crop, the net profit of £9,415—and even this was arrived at after writing off £348 for the expenses of the bonus issue—compared favourably with the return of £9,865 for 1918-19. Including the balance of £7,119 brought forward from the last accounts, and the sum of £3,124 recovered in respect of excess profits duty, the total available for distribution was £19,658. From this an interim dividend of five per cent., absorbing £2,931, and a bonus of £500 to the directors was paid. It was decided, however, to refrain from declaring any final dividend, in view of the depression in the Rubber market. Accordingly there was carried forward the substantial balance of £16,227. Bearing in mind the fact that the interim dividend of five per cent. was paid on a capital which had been increased by fifty per cent. as the result of a bonus issue, the rate is actually seven and a-half per cent., which is nevertheless very poor as against the record of thirty-five per cent. for the previous year.

At present, at any rate, the outlook for the current year is by no means encouraging. Production at an "all-in" cost of 1*s.* 4*d.* spells a loss, so long as rubber does not rise above 1*s.* 2*d.* and tends rather to oscillate around 1*s.* At the general meeting, however, the chairman drew attention to several factors which should help to alleviate the situation. In the first place, expenditure could be reduced, as "they might take it for granted that regular capital expenditure had now practically ceased." Again, prices of stores and materials were falling, so that rice, which involved a heavy loss in the year under review, was now being supplied at a trifling loss only. Furthermore, wages were also coming down: in particular, a rise of 10 cents granted in July 1920 had vanished. Moreover, economies introduced into the system of tapping foreshadowed further saving. Finally, the chairman was hoping to be able to suggest an amalgamation with adjoining estates, so as to reduce costs still lower. Thus, so far as Malay Rubber Planters are concerned, a decline in the "all-in" cost, or at least no further increase therein, was indicated. In view of the uncertainty connected with the extent and duration of the current restrictions on production, no estimate of the current crop is supplied. The return of 104,000 lb. for the first four months, two of which only came under the twenty-five per cent. restriction, would point to a total of not much over 300,000 lb. in the absence of any improvement in the situation. The Company is, however, in a very strong financial position, especially in view of its wisdom in husbanding its cash resources by carrying forward such a substantial balance as £16,227. The balance sheet, dated September 30, 1920, shows that current liabilities did not exceed £6,192 and were covered by the cash balance alone, amounting to £6,975; whilst the total of liquid assets available reached £39,705. This explains the statement of the Chairman that "they faced the future with confidence, prepared, if necessary, not to sell a pound of rubber for a year or more, and to devote their energies to seeing how far reduction in costs might be effected and an improvement made in price." We re-echo his complaint that the present unorganised system of selling rubber is unsatisfactory, and add that an efficient selling organisation would go far to remedy the present knock-out prices, as experience in the nitrate industry has revealed. We do not, however, share his belief that rubber could be produced with unrestricted tapping at a small profit at present prices, even with the economies which might be introduced as a result of current experience. No transaction has been recorded in the shares of the Company since last September, at which date the £1 shares stood at 63*s.*, equivalent to the market capitalisation of £136, which is decidedly high in the light of the existing depression.

BERNAM-PERAK.

Issued Capital: £64,500 in £1 Shares (32,250 Pref. and 32,250 Ordinary shares).

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Div. Amt. £	Div. %
1916-17	1,075	31	2[illegible],700	881	2 [illegible]	1 4[illegible]	14,826	5,[illegible]00	10[illegible]
1917-18	1,[illegible]5	9[illegible]9	26[illegible],411	26[illegible]	1 6[illegible]	1 5[illegible]	1,760	Nil	—
1918-19	1,132	9[illegible]9	32[illegible],664	328	1 4[illegible]	1 1[illegible]	5,2[illegible]6	4,9[illegible]0	6[illegible]
1919-20	1,433	1,162	3[illegible]2,115	320	1,11[illegible]	1 0[illegible]	12,124	6,450	10[illegible]

[illegible]

Price of Shares, 23/-. Market Capitalisation per planted acre, £51.

Some difficulty is experienced in analysing the report presented by the Bernam-Perak Rubber Plantations for the year ended June 30, 1920, owing to the manner in which the results derived by the purchase of the Sungei-Klei estate have been treated. In May 1920 it was agreed to purchase this adjoining estate of 308 planted acres, of which 173 acres are mature, as from July 1, 1919, for 4,750 Ordinary shares of £1 each and 1,750 Six per Cent. Cumulative Participating Preference shares of £1 each. To facilitate the transaction the authorised capital of the Company was increased from £55,000 to £110,000 by the creation of an equal number of Ordinary and Preference shares. This gave the Company 1,433 acres of planted rubber, of which 1,162 acres were mature, and the report indicates that the rubber derived from both estates reached 372,113 lb. with the inclusion of 55,943 lb. from the new acquisition. So far the figures concern the whole planted area; but when we come to deal with the financial results we learn, not from the report, as we ought to, but from the Chairman's statement at the general meeting, that the accounts do not include the profit on the new purchase. It appears that the estate was not actually transferred until after the close of the financial year, and in consequence the profit of £2,164 thereon has been capitalised and deducted from the capital value of the property. Capital expenditure on both estates during the year reached £3,966, and this with the £9,500 representing the agreed purchase price of Sungei-Klei gives a total of £13,466 to be added to the property account. But the profit of £2,164 has been deducted from this and the property

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account has only been increased by £11,301. Accordingly, the financial results of the working of the year deal only with the Bernam-Perak estate. Notwithstanding a small decline in the quantity of rubber harvested from this area from 323,664 to 316,170 lb., the "all-in" cost dropped from 1*s.* 1*d.* to 1*s.* 0.6*d.* per lb. whilst the average net selling price improved from 1*s.* 4.4*d.* to 1*s.* 11*d.* per lb. This satisfactory increase in the profit per lb. accounts for the net profit of £12,121, as against £5,266 in the previous year. A dividend of ten per cent. is declared on the Preference and Ordinary shares alike. The reserve is brought up to £7,000 by the allocation of £2,600; and there is carried forward to the next accounts a balance of £11,226, as against £7,908 brought forward from 1918-19. This balance is subject, however, to a small deduction in respect of the corporation profits tax and to an estimated liability of £1,100 for excess profits duty.

The serious slump in the Rubber market not only renders the outlook rather discouraging for the current year, but also was responsible for the decision of the directors to refrain from paying the above dividend of ten per cent. until conditions had improved. Realising how impossible it was to produce rubber at a profit so long as the price of the best plantation crêpe oscillated sluggishly between 10*d.* and 1*s.* 2*d.* per lb., the directors wisely decided to husband their cash resources in order to meet the essential expenditure in the current year. Financially the Company is in a good position to weather the crisis. Even with the inclusion of this dividend of ten per cent., current liabilities did not exceed £11,895 on June 30, 1920, whilst liquid assets were available to a total of £27,019. The postponement of the dividend left the Company with cash and investments exceeding £13,406, whilst most of the stock, valued at £10,376, had been disposed of prior to the general meeting. Liabilities in the form of bills payable and sundry creditors did not exceed £5,450. In view of the depression the Company may find it advisable to curtail the plan of planting 116 acres during the year. In view of the restriction of twenty-five per cent. since November last a revision of the original estimate of 435,000 lb. is necessary. Judging by the return of 255,556 lb. for eight months, it is evident that the total crop is not likely to reach that of the year under review. In the absence of forward contracts, concerning which no information is disclosed, or of substantial sales in the early months of the current year, a loss on the crop cannot be avoided. The market has already largely discounted this probability by marking down even the Six per Cent. Cumulative Participating shares to 23*s.*, and, assuming that the Ordinary shares do not command a lower price, the market capitalisation would be as low as £51.

TEBRAU (JOHORE).

Issued Capital: £150,000 in £1 Shares.

	Results for Years to June 30—									
	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend— Amt.		
	Acres	Acres	lb	lb.	per lb.	per lb.	£	£	%	
1916-17	3,743	3,100	885,500	260	2/9.43	1/8.68	46,063	12,500	10	
1917-18	3,728	3,728	817,049	219	2/1.	2 2.65	1,196	—	—	
1918-19	3,870	3,704	904,359	244	1/9.51	1/4.21	25,295	12,500	10	
1919-20	3,870	3,704	969,909	262	1/11.72	1/3.70	36,253	-		

Price of Shares, 27/6. Market Capitalisation per planted acre, £53.

The report issued by Tebrau Rubber Estates for the year ended June 30, 1920, shows a general improvement as compared with that of the previous year. Whilst the labour supply was somewhat deficient for most of the year owing to the stopping of recruiting in the Malabar district of India, there was such an addition over the number available in 1918-19 that the crop harvested increased from 904,359 lb. to 969,909 lb., the yield per bearing acre rising from 244 lb. to 262 lb. The prices of stores and materials continued to advance and native wages increased, with the result that, despite the greater quantity of rubber collected, the f.o.b. cost per lb. worked out at 1*s.* 1.42*d.*, as against 1*s.* 0.41*d.* But with the restoration of more normal conditions, freights, insurance, landing, warehouse, and selling charges were reduced to half the level of 1918-19. Accordingly, the "all-in" cost per lb. fell from 1*s.* 4.21*d.* to 1*s.* 3.70*d.* Meanwhile, largely due to forward sales of 150 tons at high prices in the East and in America, the average price realised by the sale of the crop increased from 1*s.* 9.51*d.* to 1*s.* 11.72*d.* per lb. Hence, against a profit of 5.3*d.* per lb., there was earned a profit of 8.02*d.*, and being secured on a large crop yielded a total of £36,253, as against £28,295 in 1918-19. From this was written off £757 involved in the bonus issued to shareholders during the year of one share for every five shares held. A sum of £15,726 was transferred to the imperial taxes reserve and the balance of £19,760 raised to £20,345 by the inclusion of £585 brought forward from the last accounts, was carried forward. Realising the vital necessity of husbanding the liquid resources of the Company during the present severe depression in the industry, the directors refrained from declaring any dividend.

The serious slump in the price of rubber, especially since the autumn of 1920, casts a gloom over the outlook for the current year. No information is forthcoming as to the anticipated crop. The Company is, however, falling into line with the restriction of twenty-five per cent. now in force, and the return of 492,154 lb. for eight months of the current year, as against 655,482 lb. for the corresponding period of 1919-20 indicates that the total crop is not likely to exceed 675,000 lb. At the date of the report (February 7) no forward contracts were in existence. Accordingly, in the absence of large sales in the first quarter of the year, the average price of the current crop is likely to be very low. The reduced crop makes undoubtedly for a larger "all-in" cost, and it remains to be seen what relief will be afforded by the drastic curtailment of the staff and labour force referred to at the general meeting and the similar cutting down of all but vital expenditure. A just source of complaint is provided by the unnecessary delay in disposing of the appeal from the Merlimau decision. The holding up of the case inflicts a great injury on the Company, forcing it to lock up much of its resources pending the decision. Including the allocation of £15,726 out of the profits of the year under review, the Company has an actual reserve of £45,000 in respect of Imperial taxes which can be increased to £53,895, with the addition of the general reserve of £8,895. The liability of the Company for excess profits duty is now in arrears since 1916-17. In that year it was assessed for £20,008, against which it appealed, and in respect of which it has paid £14,700. Its liability for subsequent years is still unknown; but it is evident, in the light of the mediocre results of 1917-18 and of the equally likely mediocre results for the current year, that even if the worst is realised, the Company has ample funds to meet the debt. On the other hand, if the decision is upheld, it will set free a large amount of accumulated profits. With the disappearance of this tax after the current year, is so far as Tebrau is concerned, it is essential that a prompt decision be reached on this matter. The financial position of the Company, as seen in the balance sheet dated June 30, 1920, is remarkably strong. The bonus issue of 25,000 shares during the year has raised the capital to £150,000, the reserve being correspondingly depleted. Sundry creditors, including unclaimed dividends, did not exceed £20,963, whilst the cash balance alone amounted to £33,299. In all the total of liquid assets available reached £127,946. The Company is thus well equipped with funds to weather the existing storm. The area of land held has been increased to 4,583 acres by the acquisition of 500 acres, from which a useful supply of firewood can be secured and which will subsequently be available for planting. The quotation of 27*s.* 6*d.* for the £1 shares, equivalent to the low market capitalisation of £53 per acre, reflects the uncertainty of the outlook for the current year.

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Insurance Notes.

EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED.

THE importance of this institution, which remains one of the largest operators both in this country and in America in the description of insurance indicated in its title, has been much increased of late years by the extension of its business to other classes and by the purchase of shares in other companies. It has built up a considerable fire insurance business on its own account, and through the acquisition of the shares of the Merchants' Marine Insurance Company in 1919 it entered into the possession of a fine marine insurance organisation. A further step in development was made in the course of last year, when steps were taken to purchase the shares of the Clerical, Medical and General Life Assurance Society, one of the most successful and attractive of British life assurance institutions. The consideration for this purchase was a payment in cash of £45,000 and the exchange of seven Employers' Liability shares for each Clerical, Medical and General share.

The Company's authorised share capital as shown in its balance sheet on December 31, 1920, amounted to £2,000,000, of which £1,000,000 was issued and £250,000 was paid up in 1,000,000 shares of £1, with 5*s.* paid on each. In order to give effect to adjustments rendered necessary by the purchase of the Clerical, Medical and General shares the capital has been increased as from January 1, 1921, by 139,000 shares of £1, with 5*s.* paid on each, and therefore apparently stood at that date at £1,139,090, in 1,139,090 shares, with £284,750 paid.

The annual report submitted for the year ended December 31, 1920, excludes the figures relating to the Clerical, Medical and General business, with which all life business controlled by the Company will be transacted. The Company's accident business shows an enormous increase during the year, and the fire business a considerable development; and, on the other hand, the marine premium income is slightly less than was the case in 1919. Comparative figures of premium income in these three sections for 1919 and 1920 are as follows:—

Department	Premium Income 1919	Premium Income 1920	Increase in 1920	Decrease in 1920
	£	£	£	£
Accident	1,886,589	5,971,181	1,084,592	—
Fire	324,869	405,577	48,513	—
Marine	444,312	424,107	—	19,205
	5,655,764	6,799,865	1,163,309	19,205

Net increase in 1920 £1,144,104

From the figures given in the revenue account and the profit and loss account, the estimated trading profit on the year's working seems to have amounted to £126,859, as appears hereunder:—

	£	£
Premiums		6,799,865
Transfer fees		141
		6,800,006
Less:		
[illegible]	1,304,902	
[illegible]	1,451,046	
[illegible]	191,236	
[illegible]	7,500	
[illegible]	7,500	
[illegible]	118,491	
[illegible]	57,124	
[illegible]	75,000	
[illegible]	459,246	
[illegible]	1,350,000	
		6,756,104
		43,902

It has to be admitted that this is a very [illegible] showing, representing as it does less than two per cent. of the premium income, although about two-thirds of the whole trading profit is derived from the somewhat [illegible] reliable source of adjustment of exchange. It may well be, however, that a considerable amount of initial expenditure was incurred in connection with the rapid development of the business which may be reproductive in future.

Fortunately the Company does not rely on trading profits for dividends to its shareholders. In the past these distributions have been more than covered by interest earnings, and this is again the case in respect of 1920. The dividend declared for the year is 4*s.* per share, free of income tax, which is the exact equivalent of what was declared a year ago, taking into account the fact that the shares were subdivided in 1920. This involves a distribution of £200,000, and as the Company's earnings in 1920 from interest and rents amounted to £230,825, this leaves a balance of £30,825 to be added to the unappropriated trading profits of £126,859, which has enabled the transfer of £157,684 to general reserve fund.

The total assets as shown in the balance sheet on December 31, 1920, amounted to £8,904,392. Apart from reserves for outstanding losses, and for taxes and excess profits duty, and from the investment reserve fund of £593,444, which is stated in the auditors' certificate to be sufficient to cover the depreciation in the value of the investments at the close of last year, the other reserves carried forward to 1921 were as follows:—

	£
Reserve for unexpired risks	2,783,200
General reserve fund	1,255,913
	4,039,113

This represents about 59.1 per cent. of the premium income in 1920.

In order to maintain the dividend next year at the present rate on the capital as increased at July 1, 1921, a distribution of £227,818, free of income tax, will be required. This, it will be seen, was less than the Company's interest earnings in 1920, and these should be increased in 1921. But in view of the desirability of building up reserves in connection with such a large business, we may anticipate that the directors will continue their policy of adding any trading profits thereto, and it would not seem prudent to expect that any increase in dividend will be made in 1922, however successful the trading operations may be.

PROFITS AND INCOME INSURANCE CO., LTD.

Another large increase is shown in the premium income of this Company for 1920. In 1919 that income, as appearing in the general revenue account, which relates to all transactions other than life business, was enlarged from £450,385 for 1918 to £691,240, and this was raised last year to £839,562. After payments of claims, expenses and other outgo, and the transfer of £25,000 to profit and loss account, the general fund was increased [illegible] the year's operations by £84,658 to £142,305.

The life revenue account relates to the participating business. The premium income in this section amounted to £30,010 in 1920, as compared with £22,691 in the preceding year. New policies were

issued in 1920 for £155,110, as compared with £148,779 in 1919. The life assurance fund was increased through the year's operations by £12,851 to £161,730. The expense ratio was restricted to the very moderate proportion of ten per cent. of the premiums, and interest was credited to the fund at the net rate of four per cent., after deduction of income tax. A quinquennial valuation in this section fell due at the close of last year. It was made on the basis of the O^M three and a-half per cent. tables of the Institute of Actuaries, in combination with net premiums according to the O^M three per cent. tables. Appropriate reserves were made for special-class policies and annuities, and the usual reserves for adjustments were provided for. The result of this valuation is not stated in the annual report, but we are officially informed that a surplus was disclosed which has been carried forward in the life fund as unappropriated.

The Company's profit and loss account shows receipts from interest and various sources during the year of £15,747, to which has to be added £25,000 transferred from the general fund as above mentioned. A balance of £9,985 was brought forward in this account for 1919, raising the available balance before distribution of dividends to £50,732.

The issued capital amounts to £120,000, in 20,000 fully-paid Five per Cent. Preference shares of £1 and 100,000 fully-paid Ordinary shares of like amount. A dividend of twenty per cent., free of income tax, on the Ordinary shares is declared for the year (as compared with ten per cent. for 1919), and the amount required for this distribution and for the dividend on the Preference shares is £21,000. This leaves a balance of £29,732 to be carried forward in profit and loss account to 1921.

The total assets, as shown by the balance sheet on December 31, 1920, amounted to £1,135,131. The Stock Exchange securities were taken at cost price, but were valued by the Company's stockbrokers, and the directors state that in their belief the assets as set forth were in the aggregate fully of the value stated.

EXCESS INSURANCE CO., LTD.

The premium income for 1920, which is slightly in excess of that for 1919, according to the twenty-eighth annual report of this Company, amounts to £1,070,895. An increased income was obtained in all branches, except the marine, where the policy of the directors was to curtail commitments. Claims settled, amounting to £361,793, are equivalent to nearly thirty-four per cent. of the premium income. This settlement, it is remarked in the directors' report, is about five per cent. larger than the first year's settlement on the 1919 account, but, in view of the nature of the account and the conditions which prevailed, it is not regarded as unsatisfactory. The underwriting account for 1918 has been closed with a balance of £621,608, which was carried to profit and loss. The 1919 underwriting account shows a balance of £370,434, this sum being carried forward to meet the various taxes and claims after the second year. The figure represents over thirty-nine per cent. of the premium income of that year.

The principal items of administrative outlay are branch offices and other expenses, £24,856, and management expenses and commission, £92,161, exclusive of ordinary taxation. After providing £235,000 for war taxes, £57,734 for income tax and meeting depreciation of investments, as above mentioned, and other expenses, the balance carried from the profit and loss account to the balance sheet is £124,242. Out of this £12,500 was distributed in June last in respect of the interim dividend and £50,000 has been added to the reserve fund, bringing it up to £400,000. From the remainder, amounting to £61,742, a final dividend of five per cent. is paid on the new capital, making a total of seven and a-half per cent. for the year, and leaving a balance of £36,742 to be carried forward, as compared with £39,134 brought into the account from the previous

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Commercial.

THE MEAT TRADE.—II.

Writing in our issue of April 2 of the unfortunate influence which the prolonged existence of the Control Board had upon the interests of the meat trade, we referred to a statement attributed to Mr. Massey on the effects of heavy freight rates upon that trade. Mr. Massey is reported to have said that the New Zealand meat trade, which, for practical purposes, means the trade in Canterbury lamb and mutton, cannot bear the extravagant freight rates now charged for the conveyance of meat between New Zealand ports and the ports of this country. New Zealand lamb and mutton have in the past represented about one-half of our total imports of lamb and mutton from all parts of the world. The importance of a reasonable rate of freight between this country and New Zealand will therefore be readily appreciated. According to a Reuter telegram, farmers in the Canterbury district view with alarm the collapse of the meat and wool markets, which to a large extent has been brought about by the control of food and produce in England. The Control Board has fortunately gone, but its baneful influences remain, and will continue to remain for some considerable time. In addition to a Food Control, it has to be remembered that until quite recently we were burdened with a Shipping Control. Now, at the very time that Mr. Massey was complaining of the effects of high freights upon the principal industry of his country and the local farmers were denouncing the Control Board just before it was brought to an end, the *Times* Melbourne correspondent telegraphed to his journal that no ship, British or foreign, will be permitted to carry passengers or freight between this country and Australia unless it be licensed under the new Navigation Act, pays the crews Australian rates of wage, and provides the prescribed accommodation. Now it goes without saying that Mr. Massey is not responsible for

the Government at Melbourne. He is responsible only for the Dominion Government of New Zealand, and can accept no responsibility for the Government of the Australian Commonwealth. Nevertheless, the desire of Mr. Massey to reduce freight rates on meat, and the determination of the Government of the Commonwealth to maintain freights in accordance with the provisions of the Navigation Act, cannot be reconciled in any practical way. Australia, like New Zealand, lives on sheep. Until the outbreak of the War and the establishment of the Wool Control, and even to some extent still, the magnitude or otherwise of the Australian wool clip determined the price of wool in the international markets of the world.

Between the Anglo-Australian Realisation Association, the Australian Navigation Act, and the still existing influences of the Shipping Control Board it may be said without exaggeration that the position which Australia, taken as a composite whole, has so long enjoyed in the sheep industry is seriously menaced. Certain elements, both here and in Australia, are under the impression that no combination of circumstances could seriously injure the Australasian wool and frozen-meat industries. They seem to be under the impression that they hold an impregnable position which no combination of circumstances could hope to storm with any reasonable prospect of success. No industry in the world enjoys such a position, and the sooner those here as well as in the Colonies who labour under this delusion get in touch with hard facts, the better for the wool and meat industries and for the Empire of which Australia forms part. Those who argue that the Australasian wool and meat industries enjoy a position which is practically unassailable ask with an air of confidence, "If not from us, where are supplies of frozen mutton and of the finest wool in the world to be obtained?" It is an exceedingly unfortunate attitude for those engaged in any industry to adopt. It has been truly said that no man is absolutely indispensable, and it is equally true that an industry which has come to regard itself as unassailable from the freaks of fortune carries within itself an alarming symptom of disease. No part of the world, except South America, has any considerable flocks of sheep available for the international markets of the world. The Australasian farmer does not regard South American wool or South American carcasses as comparable in any sense with his own produce. Up to the present, it is perfectly true Australasian wool has generally commanded a higher price in the market than that obtainable for the fleeces of South America. This has been due to a variety of causes which the Australasian farmer would be exceedingly ill-advised to regard as an unalterable law of Nature unchangeable for all time. If those interested will turn up some of the latest books of reference they will see that the number of fleeces in South America are about equal to those in Australia. This has come about in a very short time. Mere numbers, the Australasian farmer might treat with disdain; but is he sure that he has the unassailable position of superiority in the matter of quality that he once thought that he enjoyed? People in Patagonia and the Magellanese are not asleep; nor are they ignorant of what is going on in other parts of the world. Great and wealthy societies exist in the Republics of South America, the object of whose existence is to improve the breed of sheep. Their very aim is to breed a sheep with a long-stapled fleece consistent with its mutton-carrying capacity. Too many people connected with the Australian wool and frozen-meat trades hardly appreciate the existence of such industries in South America at all. They absolutely decline to regard the South American industry as a potential factor in competition in any period that it is worth their while to consider. It is, of course, true that in recent months in particular labour conditions at certain of the South American ports have been chaotic to a degree; but it is not for a great industry to underrate the potential recuperative powers of a possible rival. Those who really know what the Patagonian sheep was like a generation ago, and what it is like to-day, would be the last to treat it with contempt. Anyone acquainted with the methods by which the Argentine meat trade has been built up will realise that if the South American really sets himself to produce good frozen mutton and long-stapled wool he is not to be regarded as a negligible quantity.

Two generations ago the consumption of meat at all was a luxury to the majority of the population of Europe. Even to-day this is true of the populations of the greater number of European countries. In England, say, half a century ago, only a relatively small part of the population consumed meat except upon comparatively rare occasions. The invention of cold storage and of ships capable of carrying meat at a low temperature made it possible to import large quantities of meat from the new countries of the world for consumption in the congested areas of Europe, and particularly in this country. When the potentialities of these great discoveries came to be appreciated, those engaged in the meat industry began to realise that there was a large class of relatively highly paid workers who, if they were catered for upon a low basis of economic values, were capable of becoming regular meat consumers. The object of the trade, then, was to produce meat on the extensive areas of North and South America and in Australia; and to convey it at such a cheap rate to consuming markets that it would supply the needs of a totally new class of consumers who hitherto had only eaten meat as a luxury. The industry was built up by producing carcasses as cheaply as possible, and by securing its conveyance across the ocean at the lowest possible freights. If the conveyance of imported meat is to be restricted to vessels operating wholly under Governmental restrictions, it seems highly probable that a large proportion of the present consumers will disappear until some method is found for conveying it either from the existing or new sources of supply upon a sounder economic basis than at present.

The congested areas of Europe, and particularly of our own country, are urgently in need of increased supplies both of food and of raw materials; but if they are to find an adequate number of consumers, those supplies must be forthcoming at a very much lower price than is the case at present.

IRISH COAL RESOURCES.

The coal dispute in Great Britain has once more drawn the attention of the Irish public to the possibility of developing local fields. As is well known Ireland is almost completely dependent on imported supplies of this mineral, the proportion of her total consumption represented by the output of the Irish mines being of a comparatively insignificant nature. Coal imports in 1919 came to 4,279,961 tons at a value of £10,271,906. This works out at the rate of approximately £2.8 per ton, as compared with 12*s.* 7*d.* per ton in 1912, an advance of 281 per cent. If we take the movement of prices in Ireland's most important export—"Fat Cattle"—during the same years the export price per head advanced from £17.1 to £38.7, or only 125 per cent.

The absence of a large production of Irish coal does, no doubt, constitute a certain bar to the industrial development of the country, especially when the high freight charges rule on the imported supplies. It must be remembered, however, that as regards certain industries this drawback may be more or less negatived by the presence of other needful raw materials. A curious feature about Irish coal-mining history is [illegible] between 1854 and 1910. In the former year the exceptionally large quantity of 148,750 tons was produced, [illegible] main explanation advanced for this remarkable change was the inability of the Irish collieries to quote prices which would hold the market against British coal.

Lack of adequate means of transport from the mines, amongst others, was a disadvantage that weighed heavily. During the War, it is true, changes for the better were introduced into some districts in this respect. Distribution from the mines has been considerably facilitated by the railways built from Dunmore to the Castlecomer Collieries and from Athy to Wolfhill, but apparently the needs of the Arigna field in Connaught have not been fully satisfied by the line laid down from Arigna to the mines. From 1911 onwards the annual Irish output has never fallen below 82,000 tons; in 1917 it reached 95,646 tons, in 1918, 92,001 tons, and in 1919, 92,414 tons. The principal sources of the Irish output in 1918 are indicated in the following table:—

Name of Mine	Annual Output Tons
Arigna Mining Co. (Roscommon)	7,434
Castlecomer Collieries (Kilkenny)	63,675
Michael Laydon (Leitrim and Roscommon)	6,367
New Irish Mining Co. (Queen's Co.)	7,086
Slieve Ardagh Collieries Co. (Tipperary)	3,945
Various small mines	3,494
	92,001

So far as the 1918 output is concerned the Leinster field, including Kilkenny and Queen's Co., was, it will be observed, by far the most important. Embracing an area of ninety-four square miles its product is of the anthracite variety. The coal of the Arigna district is described as semi-bituminous. The bulk of Irish coal falls, however, under the anthracite classification, and according to the Report of the Coal Industry Committee it is equal to the best British anthracite. "Its calorific power is greater than that of bituminous coal, and there is no doubt that for domestic heating, if used in a proper stove, or in open fires with suitably designed grates, it is more economical than bituminous coal. For industrial purposes it is specially adapted for the production of suction gas, and as that method of power production for engines of 200 horse-power or less is coming into great favour, a greater demand for Irish anthracite for this purpose may be expected in the future. For the production of steam power the evidence indicates that with a forced draught anthracite coal may be availed of with advantage." Tests made by Mr. Laurance Kettle, Dublin City Electrical Engineer, indicate the suitability for steam purposes of Irish anthracite, if used in a special furnace provided with automatic stokers.

The total tonnage of Irish coal resources looks somewhat portentous, but it must be remembered that the seams, as a rule, are thin. In the Leinster area they average about twenty inches in thickness. The particulars supplied in the following table may consequently be interesting:—

Coal Resources of Ireland, including Seams of One Foot or over to a Depth of 4,000 Feet.

	Coal Seams No.	Thickness Feet	Reserves (*d*) Area Sq. Miles*	Metric Tons
Ballycastle	—	3 (*a*)	4½	13,720,000(*b*)
Tyrone—				
I. Lower Coal-measure Coals (Dungannon Coal-island)	—	4 (*a*)	¾	31,210,000(*b*)
II. Middle Coal-measure Coal (Coalisland)	-	43 (*c*)	-	—
III. Annaghone	—	—	¼	3,000,000(*b*)
Lough Allen—				
I. North & South Arigna Areas	3	1⅝	140 acres	356,000
	2	1⅝	2·9	4,780,000
II. Slieve-an-Ierin Area	2	1⅛	3·1	3,560,000
Leinster	4	—	-	3,810,000
	(Jarrow) 2	1⅝	94	152,920,000
	(Skehana) 2	1½	10·3	15,080,000
Totals	-	—	—	228,436,000

* Unless otherwise stated. (*a*) Assumed over whole area. (*b*) Probable reserves. (*c*) Assumed over whole area in about nine seams. (*d*) Actual reserves (calculations based on actual thickness and extent, unless otherwise stated).

The total coal reserves are put at 228,436,000 tons; this total is made up of 180,506,000 tons of actual reserves and 47,930,000 of possible reserves. Some work was done in the Ballycastle field during recent years but on a very limited scale. There is a strong belief that the Coalisland area will ultimately turn out to be of great value. The theory is that a vast trough extends from Fifeshire in Scotland across the Channel to Lough Neagh in Ireland, and that this trough, which contains coal measures of great value in Fifeshire, Ayrshire, Lanarkshire, and the Lothians, probably contains coal measures of value in Ireland as well. Mining has occasionally been undertaken near Coalisland. During 1918-19 boring operations were conducted by the Government at Washing Bay, on the shores of Lough Neagh, but a depth of 1,766 feet was reached without the disclosure of carboniferous strata. Since the field has passed into new ownership boring explorations in other sites have also been made.

It is significant the Coal Industry Committee agreed in prophesying only a moderate future for the Irish industry. The success of any large-scale operations is apparently conditioned by the relative costs of British and Irish coal. The price of the former in Ireland at present apparently leaves a margin in favour of the Irish product, but this may be wiped out by a fall in the wages of British miners accompanied by a reduction in coal prices. Miners' wages in Ireland do not bulk so largely in costs of production as in Great Britain. The thinness of the Irish seams does not admit of the same rates being paid, for otherwise the Irish mineral would be placed at a serious competitive disadvantage. Assuming an annual output of 294 tons per underground worker in Great Britain, the corresponding figure in Ireland is only 149 tons. The ability of the miner in both countries is of the same degree, but the Irish miner has to deal with a considerable amount of rock and other waste material.

As already stated, it may not be possible to entertain ambitious schemes of expansion for the Irish coal areas in view of the uncertainty of the future demand. Nevertheless, the Irish mines should be always assured of the absorption of a certain output by strong local markets. This demand will probably grow with the extension of industrial development schemes.

Industrial Companies.

UNITED ALKALI COMPANY, LIMITED.

—Results for Years to December 31—

	Gross Profit	Total Charges	Net Profit	Preference Dividend‡	Reserve Allocations	Ordinary Dividend Amount	Ordinary Dividend %	Carried Forward
	£	£	£	£	£	£		£
1914...	413,006	240,924	202,082	143,410	5,558	–	–	32,462
1915...	584,809	257,825	326,986	208,126*	75,000	25,943	5	50,379
1916...	805,642	609,175†	196,169	153,269		69,750	15	23,529
1917...	775,869	977,602†	735,613	148,32	250,000	67,500	5	88,283
1918...	93 ,516			140,509		64,125	15	
1919...	647,537	168,687†	178,850	138,137		63,000	15	65,696

* Including arrears of 3s. per £1 from 1914. † Including the heavy burden of war taxation. ‡ After deduction of income tax.

TECHNICALLY speaking, the works of the United Alkali Company passed out of Government control after November 5, 1919; but in practice, largely owing to the difficulty of coming to an agreement with the Inland Revenue authorities on the vexed question of war allowances and charges, and particularly as regards deferred repairs, the Company has been unable to free itself from these Government shackles. One undesirable result of this position is that the accounts for the year ended December 31, 1919, have only now appeared. Comparison of the results with those of 1918 and 1917 is rendered somewhat difficult by the joint presentation of the accounts for the latter two years. Whilst the gross profits for each year is clearly shown, it is not possible to differentiate accurately between the total charges owing to the fact that the war taxation is only stated for the whole period. Turning to the table at the head of this article, it appears that the gross profits for the year 1919

amounted only to £647,537, as compared with £939,346 for 1918, and £773,869 in 1917. It is necessary to go back to 1915 to discover a lower total. In commenting on the marked decline thus disclosed it is necessary to bear in mind two vital facts. The results for 1917 and 1918 were achieved under the impetus of the world War when there was an urgent demand for essential chemicals; whilst those of 1919 were the outcome of a trade demand on a peace basis. Moreover, as already foreshadowed at the general meeting early in 1920, the transference of operations from a war to a peace basis proved to be a task of extreme delicacy and difficulty, and the transition was far from complete even at the close of 1919. Hence with the disappearance of an abnormal demand and the dislocation involved in the transition, the return of a gross profit of £647,537 must be regarded as satisfactory. The continuance of the excess profits duty explains the large proportion which total charges at £468,687 bear to the gross profit. Taxation called for £244,452 in 1919, as against £566,423 for 1917 and 1918. In the latter sum the provision made for excess profits duty for 1918 proved inadequate and accordingly the amount of £244,452 for 1919 includes the balance due in respect of 1918. Evidently no charge is anticipated for 1919 as no provision is made for it. Working charges reflect the rising level of prices during 1919, administrative expenses involving an outlay of £94,245, as against £77,955 in 1918, and £61,601 in 1917. In both cases the total charges include Debenture interest and an annual allocation of £15,000 to the debenture redemption fund. Admittedly, the net profit of £178,850 compares unfavourably even with the average net profit for 1917 and 1918. On the other hand, contrasted with the war return of £196,169 in 1916 when two years' excess profits duty was deducted, it presents a more favourable comparison. In practice, however, a more valid comparison would be with the last pre-War year 1913 when the net profit amounted to £178,604. It is to the credit of 1919 to be able to return a net profit equal to this, in the face of the difficulties that were involved in the transformation of the industry to a peace basis. No allocation is made to reserves which, however, received the generous amount of £250,000 out of the profits of 1917 and 1918. After paying the dividend of seven per cent. on the Cumulative Preference shares, Ordinary shareholders received a dividend of fifteen per cent. as in 1918, the balance carried forward to the next accounts being reduced from £88,283 to £65,696.

The fact to which reference has already been made—viz., that the return to normal manufacturing operations was not fully effected until well into 1920—would indicate that the profits for that year would be handicapped accordingly. Moreover, whilst wages remained at a high level, prices began to fall steadily. Consequently, unless recouped by a corresponding decline in the prices of materials used, this fact would also tend to retard a recovery in the profit. A circular issued by the Company in connection with the report for 1919 states, however, that "the results of the manufacturing operations during the year 1920 have responded to their anticipations and have been highly satisfactory." In the light of this statement the 1920 report will be awaited with interest. From the point of view of the shareholders the results are, of necessity, less satisfactory. The Preference dividend of seven per cent. has been paid in full; but the Ordinary shareholders will have to be content with the interim dividend of five per cent. Wages and materials still absorb an abnormal proportion of the Company's resources, and, in addition to the claims for taxation that have yet to be met, there remains the expenditure required to keep the plant in repair and to supply up-to-date plant. These factors have induced the directors to refrain from declaring any final dividend, and their decision is all the more justified by the severe depression in trade that has set in since November last and which has resulted in a pronounced decline in the demand for the products of the Company. This, in conjunction with the impending strike of the railwaymen and transport workers, is not a good augury for 1921. Production has already been reduced. However, it is satisfactory to learn that the bulk of the deferred repairs have been completed, thereby reducing the calls on liquid resources in this critical period. The financial position as shown in the balance sheet dated December 31, 1919, reflects the stringency of liquid capital that was so characteristic of this period. Current liabilities, including final dividends absorbing £111,219, amounted to £2,404,569; whilst the total of liquid assets other than stock did not exceed £2,046,097. The stock was valued at £1,068,106, as against £1,276,356 in 1918. Of the general financial stability of the concern there can be no doubt. Quoted in the market at £6⅜, the £10 Preference shares, entitled to a Cumulative dividend of seven per cent., afford a return of over ten and a-half per cent.; whilst at 13s. the Ordinary shares of £1 each give a yield of nearly seven and three-quarters per cent. on the basis of a dividend of five per cent.

THE SALT UNION, LIMITED.

Issued Capital: £1,400,000, in 600,000 7% Preference Shares and 800,000 Ordinary Shares of £1 each.

Debenture Stocks £1,000,000 4½%, 1st Mortgage and £200,000 4½% "B" Mortgage.

Year	Net Profit	Debenture Interest	Preference Dividend	Ordinary Dividend	To Depreciation Reserve	To Debenture Redemption Reserve	Carried forward
	£	£	£ %	£ %	£	£	£
1914 ..	7,013	54,000	17,500 2½	Nil -	10,000	-	9,008
1915	150,424	54,000	52,500 8½	10,000 1½	15,000	-	8,862
1916	349,955	54,000	70,000 11	120,000 15	50,000	50,000	14,517
1917...	288,280	54,000	70,000 11	120,000 15	50,000	- -	3,547
1918..	329,728	54,000	70,000 11½	120,000 15	50,000	10,000	29,26
1919...	298,681	54,000	70,000 11½	120,000 15	50,000	10,000	14,07
1920...	313,267	54,000	70,000 11	120,000 15	-	50,000	29,274

After providing reserves, ordinary at 6% and 15% respectively.

The directors of this Company, in their report for the twelve months to December 31 last, state that during the greater part of the year business was carried on under very favourable conditions. The export trade was "exceedingly active" and improved shipping facilities rendered possible a considerably increased trade to the East at profitable rates. The working arrangement with other manufacturers being well maintained, the home trade was likewise conducted on a remunerative basis. A falling-off in demand set in towards the end of the year; but little evidence of this depression is afforded by the accounts which show a net profit of £313,267, as compared with £298,681 for the previous year. The figures are arrived at after deducting general charges, allowing for directors' additional remuneration, and making provision for taxation. It may be pointed out, however, that no reference is made in the present accounts to any provision for postponed repairs and renewals. The manner in which the profit has been allocated is shown in the above table. Debenture interest and Preference dividends amount to £54,000 and £70,000 respectively, while the Ordinary dividend is maintained at fifteen per cent., absorbing £120,000. It should be noted that the Preference shareholders receive a maximum dividend of seven per cent. per annum, *plus* £28,000 as share of surplus (equivalent to 4⅔ per cent.) under the capital reduction scheme. No allocation is made to the general reserve to which £50,000 was transferred last year, but an equal amount is now credited to contingencies account, while the allocation to the benevolent fund is increased from £10,000 to £20,000, leaving a balance of £23,271 to be carried forward, as compared with £24,007 brought in from 1919.

The principal items of recent balance sheets are summarised in the following table, allowance being made for the transfers from revenue:—

LIABILITIES.	1919	1920	ASSETS.	1919	1920
Share capital	1,400,000	1,400,000			
Debenture stocks ...	1,200,000	1,200,000	Fixed assets ...	2,293,956	[illegible]
Sundry [illegible]	[illegible]	995,345	[illegible]	[illegible]	[illegible]
Reserves and carry forward	348,947	374,877	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]		[illegible]	[illegible]

No alteration has been made in the share or loan capital, but the sundry liabilities (including credit balances, dividends payable, and the contribution to the benevolent fund) have been increased from £849,485 to £995,345. The general reserve remains unaltered at £400,000, while the contingencies account with this year's allocation is increased to £100,000. The insurance and investment reserves show small additions at £31,580 and £20,023 respectively. The fixed assets, with which is included goodwill of an undisclosed amount, have been increased by over £22,000 to £2,315,962. Stocks of fuel and material remain practically unchanged at £206,739, while stocks of salt have been increased from £119,580 to £163,324. No statement is furnished, however, as to the basis of valuation. The investments include shares and Debentures in allied undertakings which have been also increased from £253,198 to £350,198. The Company holds £206,684 of its own Debenture stocks, which, together with Government and railway securities of £161,258, are valued on the basis of cost price. As already indicated, there is a reserve of £20,023 for investment depreciation. Making a corresponding deduction from investments, the liquid assets, excluding interests in associated companies, exceed current liabilities (including dividends payable and benevolent grant) by £118,631, as compared with £231,219 at the date of the previous balance sheet.

The Union has entered into an agreement whereby it has acquired extensive brine and rock-salt rights in Worcestershire in exchange for its Droitwich properties. Salt-making will, therefore, be concentrated at the Stoke Prior Works, which, it is stated, will result in a large saving in the cost of manufacture. Regarding the general outlook, the directors state the falling-off in trade which became evident towards the close of the past year has since been much accentuated. The extensive offering of foreign supplies favoured largely by the exchange position has added materially to the depression in both the home and export trade. It seems very unlikely that German competition, which has previously played havoc with the salt industry in this country, will be eliminated by the duty to be imposed by the Allies on her exports. Having regard to the uncertainty of the future, a more conservative policy with regard to dividend payments in respect of the past year would, perhaps, have been advisable. The shares of the Company are now quoted as low as 14*s*. 6*d*., at which price a yield of ten per cent. would be obtained on the basis of a dividend of eight per cent.

D. DAVIS AND SONS, LIMITED.

Issued Capital: £887,500 in 3,150,000 Ordinary Shares of 5s. each and 100,000 6% Cum. Pref. Shares of £1 each.

Year to Dec. 31	Net Profit	Reserve	6% Preference Dividend	Ordinary Dividend		Carried forward
	£	£	£	£		£
1913 ...	160,826	40,000	6,000	107,753	17½	17,229
1914 ..	150,000	-	6,000	76,640	10†	61,588
1915 ...	130,881	50,000	6,000	78,750	10†	60,719
1916 ...	197,311	12,647	6,000	157,500	20	81,884
1917 ..	148,754		6,000	157,500	20	67,138
1918 ...	263,550	100,000	6,000	157,500	20	73,175
1919 ...	180,915	43,750	6,000	181,125	20‡	23,215
1920 ...	221,089		6,000	157,500	20‡	80,804

* After providing for debenture interest, depreciation and all taxation.
† Free of tax.
‡ Interim dividend of 10% been free of tax.

Shareholders of this Company have ample reason to congratulate themselves on the trading results of the past year. The accounts now to hand show that, after deducting Debenture interest and taxation, a net profit has been obtained of £221,089. The profit for the previous year was shown at £248,915, but additional taxation in respect of that period, resulting from the retrospective provisions of the Coal Mines Act (1920) reduces the net profit then shown to £180,915. The necessary adjustments have accordingly been made in the above table. An interim dividend of ten per cent., free of income tax, was paid during the past year, and it is now proposed to pay a final dividend of ten per cent., less income tax. The total divdend for the year is accordingly equivalent to seventeen per cent., free of tax, as compared with twenty per cent. for 1919. No allocation is made to the reserve to which £43,750 was transferred in the previous year, but the balance carried forward amounts to £80,804, as compared with £23,215 brought in after deducting £60,000 additional taxation in respect of 1919. A survey of the balance sheet shows an increase in "Sundry creditors and credit balances" from £752,273 to the large total of £1,421,716. It is important to note that under this heading are included provisons for taxation and deferred repairs. The reserve account does not exceed £100,000, but in this connection it should be noted that a reserve capitalisation of £393,750 was effected in 1919, the bonus being payable in Ordinary shares of The Welsh Steam Navigation Coal Company. The shareholding in this subsidiary, amounting to 629,800 Ordinary shares of 5*s*. each, has been written down to present values, the difference between the book figure and such values being provided not out of revenue but "by the recoupment of excessive depreciation of the Company's colliery properties previously written off." The Debentures and shareholding in this subsidiary are included among the fixed assets, which show a net increase of £18,989 at £838,149. Sundry investments have been increased from £556,881 to £858,136, and are now shown in detail. Among the investments appears the shareholding in Guest Keen and Nettlefolds, which at cost price amounts to £181,213, against a market value of £202,416. Government securities at cost remain practically unchanged at £409,176, the market value at the date of the balance sheet being, however, not more than £366,564. Stocks and stores, of which the basis of valuation is not disclosed, have been increased from £98,815 to £140,651, and cash holdings from £268,666 to £515,457. A summary of the position shows that the liquid assets, excluding stocks, exceed current liabilities, including provisions for contingencies and dividends payable by £68,094 as compared, with £239,490 at the date of the previous balance sheet. Allowance has to be made, however, for the fact that some of the investments are not of a readily realisable nature, and on the other hand that the liabilities include claims which are more or less contingent.

During the past year the Company has obtained renewals for a further sixty years of the leases of the principal mining areas, which, it is considered, materially enhances the value of the properties. To secure a ready market for the Company's output of small coal arrangements have been made to supply a portion of the total requirements of the Crown Preserved Coal Company. In accordance with the agreement Ordinary shares, amounting to £241,200, have been acquired in this concern. The directors make no reference to the trade outlook, but in view of the serious decline in the export business, and the present industrial deadlock, it is clear that the prospects could be scarcely more uncertain. The 5*s*. Ordinary shares are now quoted at the rather high price of 8*s*. 5*d*., which on the assumption of a dividend of ten per cent. (free of tax) would afford a return of 5.9 per cent., free of tax, equivalent to nearly 8.5 per cent. subject to tax.

London Guarantee and Accident Company, Limited.—The directors recommend the payment of a final dividend of 5*s*. 6*d*. (less income tax) per share on the £1 (fully paid) Ordinary shares, making, with the interim dividend of 3*s*. 6*d*. (less income tax) per share paid in September 1920, a total of 9*s*. per share for the year. The total dividend paid in respect of 1919 was 35*s*. (less income tax) per £5 (£2 paid) share, but the Ordinary shares have since been sub-divided into £1 shares and have been paid up in full by the transfer of the amount necessary, £75,000, from the reserve fund. The payment of dividends of two and a-half per cent. (less income tax) on the £5 and £1 Preference shares for the half-year to December 31, 1920, is also recommended.

SWISS EXTERNAL COMMERCE.

INCREASED TARIFFS CONSEQUENT ON ADVERSE BALANCE

For the first three-quarters of 1920 imports into Switzerland reached the record sum of three milliard francs, and this high rate was maintained during the last quarter, bringing the total of imports to over four milliard francs. In the years 1916-19 the figures amounted to 2.37, 2.40, and 3.53 milliards respectively, whilst for the two years before the War the figure was slightly under two milliards (1,979 and 1,920 million francs). According to the British Legation in Berne, the total figure for Swiss exports is Frs. 3.277 milliards, as compared with Frs. 3.298 milliards in 1919. Contrary to the steady progress shown in imports, Swiss exports attained their maximum in 1919, and have since fallen away. The enormous increase of 45.4 per cent. in exports during the first six months of 1920, as compared with the same period in 1919 (1,765 million francs, as against 1,214 million francs), was counterbalanced by a decrease of 27.5 per cent. (572 millions) during the second half of the later year. The total for 1920 shows, however, a decrease of only twenty-one million francs as compared with the preceding year.

In view of the fall in prices and general depression prevailing in most of the Swiss export markets, the opinion is officially expressed that the 1919 figures may long remain the Swiss record for its export values. It would appear improbable that the artificial boom conditions of the period 1919-20 will recur. The quantities exported and imported in 1919 and 1920 are inferior to those for 1913, but the values are about two and one-third times greater than in that year. Silk exports, for example, increased in value in 1920, as against 1919, by almost nine million francs, whereas in weight they decreased by approximately seven thousand quintals; the export of watches increased by eight million francs as compared with last year (1920—Frs. 308,232,721, 1919—Frs. 300,154,944), but the number of watches exported has diminished by over three million; straw exports show an increase of about five million francs in value and a decrease of over two thousand quintals in weight.

Increased exports are noticeable in the following categories: Cereals (1920—126,005 quintals, 1919—76,900 quintals), paper and cardboard (1920—154,960 quintals, 1919—56,395 quintals), minerals (1920—2,050,540 quintals, 1919—1,762,182 quintals), iron (1920—495,237 quintals, 1919—427,555 quintals), copper (1920—87,515 quintals, 1919—40,193 quintals), lead (1920—3,370 quintals, 1919—883 quintals), zinc (1920—22,201 quintals, 1919—8,987 quintals), tin (1920—1,147 quintals, 1919—512 quintals), nickel (1920—1,362 quintals, 1919—238 quintals), dyes (1920—115,218 quintals, 1919—91,022 quintals), and technical oils (1920—50,457 quintals, 1919—34,260 quintals). The exports of aluminium were practically identical with last year (61,214 quintals, as against 61,215 quintals).

A considerable falling off is to be noted with regard to the importation of cereals, which have diminished by some thirty per cent. as compared with 1919, and to that of raw cotton, the imports of which have sunk from 419,763 quintals to 355,917. An increase occurs in the following imports: Minerals, including coal (30.3 million quintals, as against 19.4), iron (3.8 million quintals, as against 2.3), timber (3.7 million quintals, as against 2.7), leather and hides (41,000 quintals, as against 33,000), glass (218,000 quintals, as against 142,000), chemicals (1.8 million quintals, as against 1.1), minerals (30.3 million quintals, as against 19.4). There is also a marked increase shown in the imports of the following goods, which are competitive with Swiss products: Machinery (1920—488,000 quintals, 1919—269,000 quintals); vehicles, automobiles, &c. (1920—190,000 quintals, 1919—88,000 quintals); instruments (1920—40,000 quintals, 1919—21,000); wool (1920—97,000 quintals, 1919—80,000 quintals); flax, hemp, and jute (1920—61,000 quintals, 1919—47,000 quintals); ready-made clothes (1920—29,000 quintals, 1919—11,000 quintals); straw (1920—82,000 quintals, 1919—54,000 quintals); paper (1920—269,000 quintals, 1919—149,000 quintals); printed paper (1920—22,000 quintals, 1919—11,000 quintals); pottery (1920—326,000 quintals, 1919—195,000 quintals); dyes (1920—131,000 quintals, 1919—97,073 quintals).

The adverse balance of imports over exports reached in value in 1920 the great total of 965 million francs. A part of this enormous difference is no doubt due to the large imports of coal at very high prices, the imports of minerals showing a total of 573.2 million francs, as against 307.2 million francs in the previous year; to imports of vehicles (95 million francs, as against 41 million); of machines (103 million francs, as against 62 million); of chemicals (191.8 million francs, as against 113.9 million). Great increases are also indicated in paper, leather, timber, and other products. The forward movement of imports, which was promoted by the depreciation of the exchanges with several neighbouring countries, has caused a great deal of anxiety in Switzerland, and this adverse balance of nearly one milliard Swiss francs, with their undoubted effect on several home industries, had a very powerful influence in rendering easy the passage through the Swiss Parliament of the two recent Decrees for regulating importation and raising Customs duties.

TRADE OF SWITZERLAND.

	Imports	Exports	Excess of Exports (+) Imports (—)
1920	4,242,000	3,277,000	— 965,000
1919	3,533,400	3,298,100	+ 235,300
1918	2,401,463	1,963,171	+ 438,292
1917	2,405,144	2,322,953	+ 82,191
1916	2,378,505	2,447,715	- 69,210
1915	1,680,030	1,670,058	+ 9,972
1914	1,478,408	1,186,887	+ 291,521
1913	1,919,816	1,376,399	- 543,417

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Details of these bonds were given in our issue of December 24, 1920.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

THE GAIETY CINEMA (MANCHESTER), LIMITED.

Issue of 20,900 Ordinary shares of £1 each at par.

The Company has been formed to take over the Gaiety Theatre, Manchester. It will be transformed into a picture theatre. The site, which is freehold, contains an area of approximately 1,000 square yards. The building is stated to be in sound repair and easily adaptable to the proposed conversion. The certified valuation of the land, buildings, and fittings is £57,500, which is also the purchase price, payable £55,000 in cash and £2,500 in shares. Part of the cash consideration will be provided by a seven per cent. mortgage, which has been arranged for the sum of £27,000. On a basis of 2½ full houses daily during a continuance performance of 9¾ hours the directors estimate net annual receipts at £14,733, out of which a dividend of twenty per cent. would absorb £3,500. The speculative aspect of such undertakings confines their interest to persons conversant with the details of the individual undertaking. In the present instance the market for the shares will be in Manchester only. The lists close on Saturday, April 16.

CITY OF LONDON ELECTRIC LIGHTING COMPANY, LIMITED.

Offer for sale of 300,000 Eight per Cent. Seven Cumulative Preference shares of £1 each at par, and 94,050 £1 Ordinary shares at 22s 6d per share.

Including the shares now offered, the present issued capital of the City of London Electric Lighting Company is £1,500,000, of which £400,000 is in Six per Cent. Preference shares, £500,000 in Eight per Cent. Seven Preference shares, and £800,000 in Ordinary shares, ranking for dividend in the order given. The additional capital is required to cope with the rapidly increasing demand for electricity which within the Company's

area and for bulk supplies to outside electricity undertakings. Since the last capital emission in 1900 all extensions of plant have been almost exclusively provided for out of revenue and reserves; but the heavy costs of the large generating units now required necessitate a public appeal. Profits available for dividend have been maintained at a satisfactory level during the past eight years. Despite the difficulties of the War period, Ordinary dividends never fell below eight per cent. between 1914 and 1918. In 1919 a rate of thirteen per cent. was declared, and in 1920 fourteen per cent. Total distributable profits for 1920 were £170,660. As annual Preference dividends will, in all, come to only £48,000, their payment seems amply assured. The Ordinary shares also appear a reasonable offer. On the basis of a dividend of twelve per cent., the yield at the issue price would be over ten and a-half per cent. The lists close on Monday, April 18.

EAST ANGLIAN ELECTRICITY.

Lloyds Bank Limited, Stowmarket, are authorised to receive applications for 50,000 additional Ordinary shares of £1 each, payable 5*s.* per share on application, 5*s.* on allotment, 5*s.* on July 15, and 5*s.* on October 15, 1921. The object of the issue is for the general extension of the business. The subscription list will be closed on or before April 15 The registered office is at the Electricity Works, Stowmarket, Suffolk.

ISSUES TO SHAREHOLDERS.

Northampton Electric Light and Power £38,375 Seven per Cent. Second Debenture Stock at par, redeemable at 105 on or before January 1, 1946.

Corocoro United Copper Mines.—25,000 £10 Eight per Cent. Obligations, in the proportion of one Obligation for every fifty shares held, at 500 fcs. each. Applications may be made for more than the allotted proportion. The Obligations will be payable at par not later than April 1, 1931.

RESULTS.

Central Electric Supply.—We are officially informed that the issue of £500,000 Eight per Cent. Five-year Secured and Guaranteed notes of the Central Electric Supply Company was over-subscribed.

Mond Nickel.—We are informed that letters of allotment in connection with the recent issue of Eight per Cent. Mortgage Debenture stock by the Mond Nickel Company were posted on Wednesday night. The applications were accepted on the following basis: Up to £200 in full; approximately fifty per cent. to applicants for £500 and upwards; and to applicants for amounts between £200 and £500 an intermediate allotment, with a slight advantage to the smaller applicants.

Lipton.—Out of the 600,000 Nine per Cent. Cumulative Preference shares offered the public has taken as much as three-quarters of the whole issue (seventy-four per cent.), the underwriters receiving twenty-six per cent. The letters of allotment were posted on Wednesday night.

Commercial Bank of London.—The report of this Bank for 1920 discloses a profit of £54,320, a somewhat disappointing figure, but the directors state that the prospects for a highly profitable business are excellent once conditions revert to normal. As regards the profit shown in the accounts, the auditor's remark that no provision has been made for any losses which may be incurred in respect of sums due to the Company (other than pre-War debts, against which there is a specific reserve), or in respect of the contingent liabilities that figure in the balance sheet. Further, no provision has been made for the depreciation of such securities as are quoted. In consideration of the character of the Company's business, steps have been taken to change the name to the Commercial Corporation of London. Though the banking business proper has grown, as the directors state, "deposit banking" will soon no longer be carried on. It has been completely overshadowed by the financial branch, and it is in the best interests of the Company to discontinue the attempt to develop both branches simultaneously. Almost all the liability of £385,094 on current and deposit accounts on December 31 last has since been extinguished, and the small outstanding balance is being paid off.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Breweries and Distilleries:											
Lanz Brothers	28 2 21	10,704	875	15†	6,000			7,966	+ 3,829	37,188	20†
Commercial and Industrial:											
Benson and Hedges	31 12 20	13,853	6,100	20	12,000			6,611	4,247	12,913	25
Nathan (Joseph)	30 9 20	55,850	25,832	15	16,237		—	73,516	+13,781	47,480	15
Owen (William)	19 2 21	Dr. 12,859					—	Dr. 12,951	+12,859	Dr. 92	—
People's Refreshment House	31/12/20	11,785		7½	6,390	1,150	3,500	3,777	+ 745	12,127	5
Pullman (R. and J.)	31 12 20	8,239	3,500					4,739	—	42,608	5
Salt Union	31/12/20	259,267	70,000	15	120,000		70,000	23,274	— 733	244,681	15
Steel Brothers	31/12/20	691,755	123,000	10	128,000	380,755	60,000			1,063,546	40
United Alkali	31/12/19	178,850	138,137	15	63,000			65,696	- 22,587	735,613A	30A
Electric Lighting and Power:											
Reading Elect. Supply	31/12/20	6,124		4	6,085	—		839	+ 39	—	—
Urban Elect. Supply	31 12 20	841						2,163	- 841	Dr. 2,394	—
Financial Land and Investment:											
North British Canadian Invest.	31/12/20	14,940	-	10	10,000	5,000		6,537	- 60	—	—
Scottish Ontario and Manitoba Land	31/12/20	11,705		10	7,500	2,500	-	13,595	+ 1,705		—
Financial Trusts:											
Alliance Trust	31/1.21	125,787	32,026	20	56,000	37,500		52,779	+ 261	107,080	19
Second Scottish American Trust	1 3 21	34,298	-	9½	26,600	-	10,000	21 757	— 2,302	—	-
Insurance:											
Atlas Assurance	31/12/20	246,009	-	50†	132,000		128,160B	115,634	—14,151	306,912	50†
British Oak Insurance	31/12/20	1,456	-					9,206	+ 1,456	—	—
Lancashire and Cheshire Insurance	31/12/20	Dr. 1,943	-	10†	9,800	-	—	483	—11,743	—	—
Licenses and General	3/12/20	23,670	-	10†	10,550	-	4,399	30,786	+ 8,883	12,546	10
State Assurance	31/12/20	37,567		35	21,500	-	—	26,080	+13,067	46,827	30
Iron, Coal and Steel:											
Davis (D.)	31/12/20	221,089	6,000	20	157,500			80,804	+57,589	248,915	20†
North's Navigation Collieries	1 12 20	172,962	5,000	15	133,069		—	55,140	+34,893	185,336	20
Welsh Navigation Steam Coal	31/12/20	129,535	5,625	10†	55,000			107,089	- 68,910	61,921	7†
Tea, Coffee and Rubber:											
Brasch Tin and Rubber	31 7 20	4,821	1,972	5	1,400			1,588	- 1,449	5,456	10
Gula Kalumpong Rubber	31/12/20	54,517		7½	37,500	-		13,001	+17,017	125,724	22½
Harpenden (Selangor) Rubber (1st year)	31/12/20	13,348		7½	11,250		-	2,098			—
Lagen (Java) Rubber	3/8/20	13,650		7½	9,375	5,500	-	9,051	— 1,225	27,828	15
Lavour Rubber and Tea	31/12/20	Dr. 5,680	2,100	-	-	-	-	Dr. 4,719	- 5,680	8,937	7½
Siak (Sumatra) Rubber	31/12/20	Dr. 7,022	—	-	-	-	-	Dr. 4,736	— 7,022	6,939	15
South Perak Rubber	30/11/20	1,053	-	—	—	—	-	2,765	+ 1,053	2,620	—
Star Crook Rubber and Tea	31/12/20	Dr. 6,646		—	—	-	-	8	— 6,646		-
Mining:											
Brakpan Mines	31/12/20	305,916	-	45	380,190	25,000	-	34,089	—99,274	-	-
Crown Mines	31/12/20	782,470	—	77½	728,582	—	-	457,352	+53,888	-	40
Geduld Proprietary	31/12/20	257,120		17½	205,296			55,547	+51,824		—
Modderfontein B. Gold	31/12/20	638,699	-	82½	577,500		-	294,905	+61,199		92½
Modderfontein Deep Levels	31/12/20	726,842	-	145	725,000			165,165	+ 1,844	604,522	115
Rand Selection	31/12/20	195,755	-	27½	165,000		—	52,776	+30,755	-	-
Rio Tinto Co.	31/12/20	108,169	81,250	—	-			375,590	+ 26,920	640,476	40
Springs Mines	31 12 20	262,082	—	20	251,372	-	-	59 281	+10,710	—	—
Union Corporation	31/12/20	190,074	—	16	140,000	40,000	—	68,355	- 10,074	237,917	20

A. Two years. B. To Fire Insurance Fund.

* After providing for all Government taxation, prior charges, &c † Tax free.

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

GENERAL ELECTRIC COMPANY.

TWENTY-NINTH ANNUAL REPORT—FOR THE YEAR TO DECEMBER 31, 1920.

BOARD OF DIRECTORS.

GORDON ABBOTT
OLIVER AMES
GEORGE F. BAKER, Jr.
A. W. BURCHARD
C. A. COFFIN
GEORGE P. GARDNER
FRANCIS L. HIGGINSON, Jr.
ROBERT TREAT PAINE, 2d.
MARSDEN J. PERRY
SEWARD PROSSER
E. W. RICE, Jr.
CHARLES STELLE
PHILIP STOCKTON
B. L. SUNNY

EXECUTIVE OFFICERS.

C. A. COFFIN, *Chairman of the Board.*
E. W. RICE, Jr., *President.*
A. W. BURCHARD, *Vice-President.*
ALBERT G. DAVIS, *Vice-President.*
G. E. EMMONS, *Vice-President.*
J. R. LOVEJOY *Vice-President.*
G. F. MORRISON, *Vice-President.*
C. E. PATTERSON, *Vice-President.*
FRANCIS C. PRATT, *Vice-President.*
OWEN D. YOUNG, *Vice-President.*
HENRY A. DARLING, *Treasurer.*
S. L. WHITESTONE, *Comptroller.*
M. F. WESTOVER, *Secretary.*

COUNSEL.

ALLAN H. JACKSON, Schenectady. CHARLES NEAVE, New York.

Schenectady, N.Y., March 28, 1921.

To the Stockholders of the General Electric Company.—

In the year 1920 the net value of orders received by your Company was $318,470,438, compared with $237,623,932 for the year 1919.

At the end of the year the amount of orders unfilled, after eliminating all cancellations, was $111,778,000, as against $98,880,000 at the close of 1919.

The amount of sales billed was $275,758,487.57, an increase of $45,778,504.16 over 1919.

Income from sales during 1920 after usual depreciations but before deducting interest, Federal taxes and dividends ...		$44,264,042 95
Reduction of Inventories to market values of December 31, 1920		17,803,985 38
		$26,460,057 57
Income from other sources		8,960,558 03
Total income		$35,420,615 60
Less: Interest and discount on Debentures	$1,969,111 65	
Interest on notes payable	2,319,216 08	
		4,288,327 73
Available for Federal taxes and dividends ...		$31,132,287 87
Federal income & excess profits taxes, estimated	$9,000,000 00	
Dividends paid in cash	10,656,222 43	
		19,656,222 43
Surplus for the year		$11,476,065 44

MANUFACTURING PLANTS.

The unprecedented amount of orders received by your Company during the first seven months of the year, plus the unfilled orders at the beginning of the year, resulted in most urgent efforts, in a difficult situation, to add to your manufacturing facilities.

The expenditure for additional land, buildings, machinery, and equipment during 1920 was $31,300,496.10, against which $15,577,359.92 has been written off plant account or added to general plant reserve, making the increase in the net book value of plant and equipment $15 723.136.18.

As a further addition to the manufacturing capacity of your plants, certain factories, with a floor space of 1,768,000 square feet, have been leased, as forecast on page 6 of last year's Report, with options to purchase. They are well located and of modern construction, and the total of the option prices is lower than would have been the cost of corresponding new construction and equipment.

The summary of the plant accounts at December 31, 1920, is :—

Plants Owned	Gross Book Value	General Plant Reserve	Net Book Value
	$	$	$
Real estate and buildings	56,008,327 09	17,128,427 05	38,969,900 04
Machinery	49,262,663 81	21,695,883 32	27,566,780 49
Patterns	1,899,059 46	1,899,058 46	1 00
Furniture and fixtures ...	5,361,292 50	5,361,291 50	1 00
	112,621,342 86	46,084,660 33	66,536,682 53
On January 31, 1893, the book value of the manufacturing plants was			3,958,528 21
During the twenty-seven years ended December 31, 1919, additional expenditures were made aggregating			147,012,087 28
Expended during 1920			31,300,496 10
Total			182,271,111 59
Written off or carried to "General plant reserve" during the twenty-eight years			115,734,429 06
Net book value of all plants owned at December 31, 1920 ...			66,536,682 53

The total factory floor space in recent years has been as follows :—

	Square Feet		Square Feet
1908	7,000,000	1914	14,840,000
1909	7,180,000	1915	14,830,000
1910	8,530,000	1916	15,300,000
1911	9,770,000	1917	17,573,000
1912	12,160,000	1918	19,581,000
1913	13,900,000	1919	20,681,000
1920 Owned		22,733,000	
Leased with option to purchase ...		1,768,000	
		24,501,000	

VALUATION OF CURRENT ASSETS AND SECURITIES.

Inventories in factories and warehouses and on consignment were valued with great care, and in view of the exceptionally sudden and severe decline in market prices towards the end of the year the sum of $17,803,985.38 was written off in order to conform to the long-established practice of your Company in valuing its inventories at "cost or market, whichever is lower." In addition to such depreciation, reserves have been provided against possible further shrinkage, after deducting which the inventories are carried at $118,109,173.99, as compared with $83,978,463.02 at the close of 1919.

Customers' accounts and notes receivable have been reviewed by a committee of your board, and ample reserves having been deducted, they are carried at $64,962,682.28, which is an increase of $19,077,154.36 over the balance shown at December 31, 1919.

The investment securities of your Company were not reappraised during the War period, because of many uncertainties. At the close of the year 1920 they were carefully examined and revalued by a committee of your board. During the year additional investments were made, chiefly in the securities of subsidiary and associated manufacturing companies. The total book value of the investment securities is $63,766,644.50, an increase of $12,624,334.70.

The patent account is shown, as usual, at a net value of $1.00, the difference between the actual cost and that proportion which represents the unexpired life of the patents and licenses being offset by an equivalent reserve.

CAPITAL REQUIREMENTS.

The demands for capital during the year 1920 to provide for greatly enlarged inventories, for increases in accounts and notes receivable, for additional investments, and for more than $31,000,000 expended on plants, were unprecedented in the history of the Company. To meet these demands your Company made short-term loans aggregating, as of December 31, 1920, $45,192,000. Since January 1 $41,992,000 of these loans have been prepaid, leaving but $3,200,000 unpaid at the date of this report.

Early in 1920 the International General Electric Company, for the purpose of facilitating its export business, borrowed of the War Finance Corporation the sum of $10,796,537 upon its Five-year Seven per Cent. Notes, guaranteed by the General Electric Company. The funds thus obtained were used for financing contracts for the purchase of apparatus manufactured by your Company, made with responsible foreign corporations in Allied countries, whose obligations for corresponding amounts and dates of maturity have been deposited with the War Finance Corporation as security for the loan.

In February 1920 $15,000,000 Six per Cent. Twenty-year Debenture Bonds were sold and the proceeds applied to the payment of a like amount of Two-year Six per Cent. Notes which matured July 2, 1920.

During the year Five per Cent. Debenture Bonds, due in 1952, were issued to the amount of $5 082,500 and the proceeds used in acquiring additional facilities and for the general purposes of the Company. These Debentures are part of the issue of $60,000,000 authorised in 1912. The amount thereof now outstanding is $15,082,500, as shown in the condensed balance sheet.

At a special meeting of the stockholders held on March 16, 1920, authority was given to increase the capital stock of your Company from $125,000,000 to $175,000,000.

As of May 20, 1920, new capital stock, having a par value of $12,158,200, was sold to the stockholders at the subscription price of $125 per share.

On November 26, 1920, additional capital stock to the amount of $27,363,100 was offered to shareholders at par, payable in quarterly instalments beginning January 20, 1921, with the privilege of anticipating payments. Of the amount so offered $22,233,600 was paid in full in January.

The outstanding capital stock of your Company at December 31, 1920, was as follows :—

January 1, 1920, outstanding	$1 [illegible]
Amounts of semi-annual stock dividends of January 15 and July 15, 1920	[illegible]
Additional stock sold as of May 20, 1920	[illegible]
Issued in payment for [illegible] ...	[illegible]
Outstanding, December 31, 1920 ...	$[illegible]

EMPLOYEES' SUBSCRIPTIONS TO COMPANY SECURITIES.

Subscriptions by Directors.

To meet the generally expressed desire of your employees the board of directors authorised the issue of the special series of 1919 and 1920 Debentures, known as employees' investment bonds, to be sold to employees on the instalment

plan by deductions from wages. To these two issues subscriptions have been received from about 12,000 employees, totalling $4,031,800. These Debentures bear interest at the rate of seven per cent. per annum, are sold only to employees, are registered as to both principal and interest, cannot be transferred, and are redeemable at par.

(b) Subscriptions to Capital Stock.

Pursuant to authority conferred by the stockholders at a special meeting held October 14, 1920, the board of directors offered to the employees in November 1920 the privilege of subscribing for from one to ten shares of your Company's capital stock, payments to be made on the instalment plan by deduction from wages. The subscription price was $136 per share, and. as stated in the circular offering the stock, "there will be a credit, amounting to $20 per share, against the subscription price, which will represent a net return substantially the same as that which would be enjoyed by anyone purchasing stock on an instalment plan, paying interest on deferred instalments and receiving cash and stock dividends." The circular further stated : "Should the Company offer to its stockholders rights to subscribe to new issues of its stock prior to the date when the final instalment payments as described herein become due, the Company will credit the subscriber hereunder with the average value of such 'rights.' Such credit will reduce the amount to be paid in cash by the subscriber." A subscriber may withdraw from his subscription agreement at any time prior to the date of final payment, in which case the total amount paid by him by deductions from salary or wages, *plus* interest at the rate of seven per cent. per annum, will be refunded.

The result of this offering was that 30,747, or thirty-six per cent. of all the employees on the pay-roll, subscribed for an amount considerably larger than the 50,000 shares offered. This evidence of interest and good will is very gratifying to the directors and management of your Company.

In the year 1920 dividends were declared as follows :—

Cash dividends, 8% (2% quarterly)	$10,651,306 36
Stock dividends, 4% (2% semi-annually)	5,437,700 00
Cash dividends on International Co. Preferred stock held by employees	4,916 07
Total	$16,093,922 43

The number of stockholders in your Company exceeds that of any previous period—namely, 21,461 at December 31, 1920, of whom 10,626 are women.

As the work of segregation of your foreign activities and investments, referred to on page 9 of last year's report, was completed during 1920, it is proposed, beginning January 1, 1921, to separate the balance sheets and financial statements of the General Electric Company and the International General Electric Company, in order more satisfactorily to show the assets, liabilities, and operations of each Company.

During the year Mr. Charles E. Patterson, who has rendered long and valuable service as Comptroller of the Company, was elected a Vice-President.

The customary certificate of the certified public accountants, testifying to the correctness of the published financial statements, will be found herewith.

The Board of Directors desires to express its sincere appreciation of the loyal and effective service of the employees in every department during the past year.

By order of the Board of Directors,

C. A. COFFIN,
Chairman.

CONDENSED BALANCE SHEET
(Including International General Electric Company)
December 31, 1920.

LIABILITIES AND CAPITAL.

Debenture Bonds :		
3½% due in 1942	$2,047,000 00	
5% ,, ,, ,, 1952	15,082,500 00	
6% ,, ,, 1940	15,000,000 00	
Employees' investment	2,563,900 00	$34,693,400 00
Bonds deposited under Libbey Glass Company contract (per contra)		2,265,000 00
Purchase money mortgages		658,000 00
Current liabilities :		
Notes payable	$45,979,357 41	
Accounts payable	17,026,691 96	
Accrued taxes, estimated	14,256,563 70	
Accrued interest payable	757,334 84	
Employees' subscriptions to Company securities	996 981 11	
Dividend payable January 15 1921 (cash) ...	2,736,316 00	81,753,245 02
War Finance Corporation loans due in 1925		10,796,537 00
United States Government loan due in 1928		1,500,000 00
Advance payments on contracts		17,148,641 91
Dividend payable January 15, 1921, in stock		2,736,316 00
Capital stock issued		139,020,900 00
Capital stock ; anticipated subscriptions		117,100 00
International Company's Preferred stock held by employees		134,600 00
General reserve	$10,700,000 00	
Premium on sale of capital stock	3,279,275 00	13,979,275 00
Surplus : At January 1, 1920	$64,010,245 13	
Added during year	11,476,065 44	
	$75,486,310 57	
Less : 4% dividends paid in stock ...	5,437,700 00	70,048,610 57
		$374,837,625 50

On the assets side $41,992,000 was prepaid between Jan. 1 and March 26, 1921.

ASSETS.

Fixed investments :			
Manufacturing plant, including land, buildings and machinery	$112,621,342 86		
Less : General plant reserve	46,084,660 33		
Net book value		$66,536,682 53	
Real estate, buildings, &c., other than manufacturing plants		1,407,262 63	
Furniture and appliances (other than in factories)		1 00	
Patents and franchises ...	$3,875,139 16		
Less reserve	3,875,138 16	1 00	$67,943,947 16
Investment securities :			
Stocks, bonds and other securities...			63,766,644 50
Current assets :			
Inventories at factories		$93,574,114 79	
At warehouses, in transit, on consignment, &c.		24,535,059 20	
		$118,109,173 99	
Installation work in progress		5,543,623 52	
Notes and accounts receivable		64,962,682 28	
Advances to subsidiary companies		5,097,613 86	
Cash		33,240,766 50	226,953,860 15
Deferred charges to income			3,111,636 69
Libbey Glass Company contract (per contra)			2,265,000 00
Notes receivable deposited with War Finance Corporation			10,796,537 00
			$374,837,625 50

CONDENSED PROFIT AND LOSS ACCOUNT
(Including International General Electric Company)
December 31, 1920.

Net sales billed			$275,758,487 57
Less : Cost of sales billed, including operating, maintenance and depreciation charges			231,494,444 62
			$44,264,042 95
Reduction of inventories to market values of December 31, 1920			17,803,985 38
			$26,460,057 57
Sundry income :			
Interest and discount		$2,219,415 97	
Income from securities		5,044,840 45	
Sundry revenue		1,696,301 61	8,960,558 03
Net income			$35,420,615 60
Less : Interest and discount on Debentures		$1,969,111 65	
Interest on notes payable		2,319,216 08	4,288,327 73
			$31,132,287 87
Less : Federal income and excess profits taxes (estimated)			9,000 000 00
Profit available for dividends			$22,132,287 87
Less : 8% cash dividends		$10,651,306 36	
7% cash dividends on International Company Preferred stock held by employees		4,916 07	10,656,222 43
Surplus for the year			$11,476,065 44
Surplus January 1, 1920			64,010,245 13
			$75,486,310 57
Less : 4% dividends paid in stock			5,437,700 00
Total surplus			$70,048,610 57

MARWICK, MITCHELL & CO.,
ACCOUNTANTS AND AUDITORS,
79 Wall Street, New York, March 21, 1921.

TO THE BOARD OF DIRECTORS OF THE
GENERAL ELECTRIC COMPANY,
120 Broadway, New York.

DEAR SIRS,—We have examined the books and accounts of the General Electric Company and of the International General Electric Co., Inc., for the year ended December 31, 1920, and hereby certify that the Condensed Profit and Loss Account and Balance Sheet appearing on pages 13-15 of this report are in accordance with the books and, in our opinion, correctly record the combined results of the operations of the Companies for the year and the condition of affairs as at December 31, 1920.

We have verified the cash and securities by actual count and inspection or by certificates which we have obtained from the depositaries. The valuations at which the investment securities are carried have been approved by a Committee of the Board of Directors, and, in our opinion, are conservative. Our audit has not included the examination of the accounts of companies which are controlled through stock ownership, but Balance Sheets of these companies have been submitted to us.

We have scrutinised the notes and accounts receivable, and are satisfied that full provision has been made for possible losses through bad and doubtful debts.

The merchandise, work in progress, and materials and supplies on hand are based on physical inventories taken on November 30, 1920, in the case of Apparatus factories, and on December 31, 1920 ,at the Lamp factories and District offices, certified inventories of which were submitted to us. We have satisfied ourselves that these inventories have been taken in a careful manner, that full allowance has been made for old or inactive stocks, and that they are conservatively stated, at or below cost price, after applying adjustments to reduce to approximate market prices obtaining at December 31, 1920. Provision also has been made for possible allowances or additional expenditures on recently completed contracts.

Expenditures capitalised in the Property and Plant accounts during the year were properly so chargeable as representing additions or improvements. Ample provision has been made in the operating accounts for repairs, renewals, and depreciation, as also liberal reserves for contingencies.—Yours truly, MARWICK, MITCHELL & CO.

MEETINGS
OF PUBLIC COMPANIES.

The National Bank of India, Limited.
INDIAN CURRENCY PROBLEM—CURRENT YEAR'S PROSPECTS.

THE ordinary general meeting of the shareholders of the National Bank of India, Limited, was held on April 13, at the Wesleyan Hall, Bishopsgate, London, E.C., Mr. Robert Williamson (the Deputy-Chairman) presiding.

The General Manager (Mr. H. Chalmers) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—I presume that, as usual, the report may be taken as read. (Agreed.)

I am sure the absence, owing to ill-health, of our Chairman from our meeting to-day will be as deeply and sincerely regretted, particularly by his old friends and acquaintances whom I see in the room, as it is by us. This is the second occasion on which he has been absent from our annual meetings since the year 1877, when he became associated with the management of this Bank. It strikes me that this may be unique in the history of attendances at such gatherings; but, even if it is not, to have been absent only twice in the long period of forty-four years is a wonderful record. (Hear, hear.) Those of you who know Mr. Campbell need not be told by me that he himself much regrets his absence from our midst to-day. Most gladly indeed would I, in particular, have welcomed him to preside over this meeting.

I ask you to join with me in an expression of our hope that he will soon be restored to a greater measure of health and strength. (Hear, hear.)

Before dealing with the business which has brought us together here, I must first express our great regret at the loss we have sustained since our last meeting by the death of our esteemed colleague, Mr. Alfred Simson, who had been a director since January 1901. Throughout the period of his directorate, Mr. Simson had given keen attention to the affairs of the Bank, and had always been active in furthering and promoting its interests.

Prior to Mr. Simson's death, on September 6, 1920, the directors had appointed Mr. Chalmers, the General Manager, to a seat on the board, to mark their appreciation of his valuable and unremitting services to the institution in times of much difficulty in the conduct of our business—(applause)—and later on in our proceedings I shall bring his name before you for reappointment as a director.

We have felt, however, for some time past that our best interests would be served by the appointment of a new director to fill the vacancy caused by the death of Mr. Simson, and quite recently Mr. Campbell urged us to take this step. After consultation with him, and with his approval, we decided to invite Mr. John Duncan Nimmo, the senior partner of Messrs. Walter Duncan and Company, London and Glasgow, and of their corresponding firm, Messrs. Duncan Brothers and Company, Calcutta, to join the board, and I am glad to tell you he accepted our invitation. He is here with us to-day, and I will ask you by-and-by to confirm his appointment. (Applause.)

Increase of Capital.

Towards the end of last year we found it would be advantageous to increase the capital of the Bank by making an issue of 40,000 shares, on terms and conditions in all respects the same as when, with your sanction and approval, we made a like addition in January 1919.

The reasons for this step were very much the same as those set before you by the Chairman in his address to you on the 21st of that month.

Perhaps we attached more importance than was the case then to the activity in business in exports from this side to India and East Africa last year, not so much in respect of weight or quantity, but as evidenced in value—in greatly increased sterling costs, compared with pre-War years—as the chief reason for the step we took.

I might emphasise the importance of this point by telling you that exports of the value of something like three millions sterling in 1913-14 would, on the basis roughly of last year's prices and with no increase in volume, run up to a sum close on nine to ten millions, an increase which made finance less easy than before.

The price at which the issue of capital was made offered a substantial bonus to our shareholders, and, although the condition of the money market at the time was not favourable for such business, money in fact being dear and with most people scarce as well, it was fully subscribed and paid for.

We have found this addition to our capital quite useful.

Business generally in all parts of the world is now, and for some months past, indeed, has been, exceedingly depressed. Within our own British Isles something in the nature of an industrial debacle is in full force, with unemployment very prevalent, which, I fear, can alone be met by a readjustment of industry to meet the economic changes that have taken place.

Eastern markets are overladen with supplies of goods of all kinds; there are also stocks of produce in this country, in America, and even in Germany, from that quarter, waiting to be moved into consumption, and the off-take is very slack. Consequently it is likely that the liquidation of these operations will require much time and patience before it is brought to a close.

This Bank naturally is interested, and we do not expect to escape losses from this part of our business. In that connection we have given heed to the difficulties attending trade conditions, and before closing the accounts which are now in your hands we made adequate provision for anything of this kind that may fall to our lot. (Hear, hear.)

There is now a marked falling-off in shipments to the East and also from that quarter to this side, which ought to improve the position there and here, and if this should lead to a speedier realisation of supplies, even although accompanied by curtailment in our current business, we shall rejoice and certainly need not grumble.

Reserve Increased.

I am glad, therefore, that we are able to place before you a statement of the Bank's affairs which I hope you will regard as quite satisfactory. The first points to which I should draw your attention are the increase in our paid-up capital and our reserve fund. By reason of the issue of new shares the former now stands at £2,000,000, and the latter increased to the extent of £300,000 by the premium thereon and by a further sum of £200,000 from the profits of last year, if agreed to by you to-day, will be raised to £2,500,000.

Interest at six per cent. per annum on the new capital of £500,000 and premium of £300,000 to December 31 last has been paid, and almost immediately now the new shares will be quoted on the Stock Exchange *pari passu* with the old, and will rank for dividend as from January 1 last.

Owing to our accounts for 1919 having been made up on the old parity of 1*s.* 4*d.* per rupee, and those now in your hands on the new statutory basis of 2*s.*, which was also the basis of our last half-yearly statement, it is not possible easily to compare the figures in the balance sheet under each heading in the two years. The most important change, and really the only one worth mentioning, is on the debit side of the account, where we have acceptances for customers, £3,795,673, compared with £880,052 in 1919, an increase which gives you evidence of the activity in exports to the East, on which I have already commented.

Generally speaking, from the other figures in the balance sheet it will be seen that the Bank's business has been well maintained. Our house property is an increasing element. The Chairman told you last year of our purchase of the Colombo office, which we shall have to rebuild by and by, as it is not possible suitably to reconstruct the present building, which occupies a fine position. We have also been obliged to purchase our Karachi premises.

The net profits for the year amount to £553,398, compared with £452,169 in 1919, and we propose to pay a dividend of twenty per cent. per annum, free of income tax, to place £20,000 to premises account, £20,000 to officers' pension fund, to add £200,000 to reserve fund, thereby increasing it to the handsome sum of £2,500,000, carrying forward a balance of £149,031, against £135,633 brought in.

These results will, I trust, give you satisfaction.

Fall in Value of the Rupee.

You will be pleased to hear that the Bank has been enabled to continue paying to the pensioners, also to the whole staff, who have continued to give us most admirable service in a very strenuous year's working, suitable bonuses, having regard to the continued dearness in cost of living.

Since the Chairman spoke to you a year ago of the recommendations made by the Commission on Currency to fix the price of the rupee at 2*s.*, or ten rupees to the sovereign, great changes with violent fluctuations have taken place in every quarter, and as regards India in particular we have witnessed a very heavy fall in the value of the rupee. The endeavours of the Committee [illegible] problem have been quite the reverse of the success that many people anticipated, whilst the efforts of the Government to support and make effective the new scheme by selling on the 2*s.* gold basis—and from June 1920, when the basis of the rupee was changed to 2*s.* sterling [illegible] Reverse Councils to the extent

of over fifty millions of their sterling resources have been a conspicuous failure, and were some months ago abandoned.

Perhaps a mistake was made at the outset in fixing the price in gold, which nowadays is subject to the fluctuations in value common to commodities where exchange comes into play; but even so, the important modification made in June last year has not brought us, up till now, nearer to the attainment of the object in view. The conditions of trade with India have all been adverse to the success of the scheme, and the great outflow of capital from India to this side, due to the high rate at which remittances could be made, likewise added to those adverse conditions.

The balance of trade against India—that is to say, imports in excess of exports—for the eleven months to the end of February is reported by the Government to be 45 crores 33 lacs, which compares with 93¾ crores in favour of India for the whole twelve months ending March 31, 1920. We can thus appreciate some of the obstacles, of which this is perhaps the chief one, which have militated against the attainment of the scheme of the Currency Commission.

Since February 1920 the exchange price of the rupee has dropped from 2*s.* 10¼*d.* to as low as 1*s.* 3*d.*—to-day it is 1*s.* 3⅞*d.*—whilst silver, from the highest point touched, 89½ in February 1920, was quoted at 36½ yesterday.

When the 16*d.* rupee scheme came into operation in 1893, the rate fell back gradually to 1*s.* 0½*d.* for T.T., and it took about five years to reach 1*s.* 4*d.* Having regard to the adverse trade figures which I have just mentioned, a long time must elapse before the 2*s.* rate is made effective, if it is ever reached at all, and one may well have doubts on that point.

The Government of India are now out of the business. The gold standard reserves accumulated out of profits made on the coinage of silver during a period of about fifteen years, from the published figures, seem to remain unchanged, but the sterling resources otherwise must have been largely depleted, at a heavy loss, having regard to the free use of them in the effort to support exchange, and the value of the rupee is now left to find its own level.

That level, necessarily a fluctuating one, being more or less based on the price of silver bullion, could more readily be determined if the mints in India were reopened to the coinage of silver to the public, but I sometimes wonder whether we may again return to that position.

Indian Government and the Exchange Question.

Because it is pertinent to the matter on which I am now speaking, I venture to quote to you from a financial note which I read recently in *The Times* :—

"The Indian Government has come to the same conclusion that all other Governments which have attempted artificially to regulate the exchange have reached—namely, that it is impossible except at great expense. It would, of course, have been easy for India to have maintained a 2*s.* gold rupee if she restricted her currency and had had enough gold to provide for absolute convertibility; but she had not sufficient gold for the purpose of dealing with an inflated currency position and a totally abnormal trade position.

"To maintain a stability of exchange based on gold it is necessary not only to have a balanced budget and a convertible currency, but a trade balance oscillating between two points not very widely separated. No banking and currency system has yet been devised which will maintain a stable exchange in the face of an abnormal adverse trade balance unless a country can borrow from its creditors sufficient money to offset it."

In connection with this matter, one of my colleagues on our board has drawn my attention to the last part of Paragraph 51: "Influence of high exchange on Indian trade," from the report of the Committee on Indian Exchange and Currency, which says :—

"It seems probable that prices generally will remain at a high level for a considerable time, and that any return to lower levels will be gradual; but if, contrary to this expectation, a great and rapid fall in world prices were to take place, a new element of disturbance would be introduced. The cost of production in India might fail to adjust themselves with equal rapidity to the lower level of prices, and Indian exports might suffer to an extent which would endanger the maintenance of exchange at the level which we propose. In that case it would be necessary to consider the problem afresh, and take the measures which might be required by the altered circumstances."

It may be, therefore, that this Committee may again be called together to give further consideration to the matters which have already been before them, and if the views expressed by the writer in *The Times* which I have just read to you, on the impossibility of fixing exchange "artificially," and that no banking system of exchange and currency has yet been devised which will maintain a stable exchange are correct, we will all look forward with great interest to the results of this further investigation.

With the statutory rate of exchange at 2*s.* sterling per rupee and the current market rate at about 1*s.* 3¾*d.* it is obvious that such a position is far from satisfactory. When consideration is again given to it the Committee will no doubt explore all the avenues which may seem to offer a prospect of helping to disperse the cloud of unsettlement which is unhappily so prevalent amongst the native community. My hope is that something may be found that should tend in the direction of bringing greater prosperity—which usually carries in its train contentment, so much to be desired—to the great mass of the people—those engaged in the most important industry which the country possesses—agriculture.

Position in East Africa.

Although I have not spoken specially of East Africa to you, some of the points on which I have been commenting are applicable to business in that quarter. Markets there are overloaded with supplies, and purchasing power is at a low ebb. The same may be said as to stocks of East Africa produce on this side. Particularly is it a great misfortune for Uganda, where there are good prospects of largely increasing the growth of cotton, which is entirely in the hands of natives, and might well prove to be the making of that Colony. Lancashire has frequently expressed a strong desire for the production of more of this staple within the British Empire, and yet at the present moment a very large portion of the crop grown in 1920 is stored in warehouses in Liverpool for lack of buyers, and perhaps also for want of interest in it. It has even been stated that spinners prefer the American article, to which their machinery has long been adapted, though the advantage, in length of staple, is on the side of the Uganda article. Be this as it may, storage in Liverpool is hardly the way to encourage the expansion of cultivation in relatively new territory within our Empire.

Equally also with India the matter of exchange is a burning question there at this moment. About twelve months ago "the powers that be" cut themselves adrift from India in the matter of exchange by introducing a new currency system of pounds sterling, florins and cents at a ratio of ten florins to the pound sterling, and a notification was published in the Government *Gazette* that the change would remain permanent. Just now, in spite of this, there is a strong agitation in some quarters to change the standard again in favour of a currency, I rather think, of shillings in place of florins or rupees. Frequent and light-hearted alterations in the exchange standard and currency laws of any country are detrimental to its well-being. In a young struggling and poor country like East Africa such legislation is ruinous. Surely the right policy seems rather to lie in the direction of working hand in hand with India, with which a large trade is done, and has been done for the past fifty years or more.

I noticed in Monday's *Times* that there is some talk of establishing an East African rupee based on 1*s.* 4*d.* sterling. As it seems certain that the Indian rupee must soon again come under consideration, that opportunity might well be availed of to supplement the Indian Committee by the addition of a couple of gentlemen concerned in agricultural work in East Africa, with a view to the fixing of a basis for a rupee common to both, and so avoid all possible complications which might arise by bringing into existence two separate rupees.

Current Year's Prospects.

With regard to our prospects for the current year, it is not possible for me to paint them as brilliant. The volume of our business for the time being is small. The slump that has taken place in prices, the greatly diminished export trade of the country in bulk as well as in value, and the still unsettled position in nearly all the Continental markets, which in pre-War years were good customers for Indian produce, have combined to bring about the prevailing slackness. With the exercise of some little patience these troubles will be solved.

But in respect to finding employment for our funds, we are experiencing no difficulty, and our hope is that a year hence you will have no cause to complain of the results of our work. (Applause.) In any case, I would like to assure you that we shall spare no effort to attain success.

There is one other matter which it is necessary for me to mention to you to-day. As you are aware, it has been our custom, probably running back to the day when this Bank was first established in London, to issue to the shareholders a half-yearly report.

Our Bank, indeed, may be the only one in London that does this. All the big joint stock institutions here, and, I think, also the overseas banks, confine themselves to the issue of a yearly report only, and we have decided to come into line with them in this matter.

Accordingly, for the current year our next report and accounts will be placed in your hands in March 1922, but we shall continue to pay the half-yearly dividend at about the same time as heretofore.

Our Chairman has expressed his entire approval of this departure from our past custom, which in many ways will be a convenience to the management and our staff generally.

The resolution which I move is: "That the report of the directors and statement of accounts for the year ended December 31, 1920, be received and adopted, and that a dividend for the six months to December 31, 1920, at the rate of twenty per cent. per annum, be paid on the shares of the Company registered at this date, the same to be payable free of income tax on and after April 14, 1921." (Applause.)

Mr. Robert Miller seconded the resolution, which was carried unanimously.

The appointment of Mr. Henry Chalmers and Mr. J. D. Nimmo to the board was duly confirmed, and the retiring directors, Messrs. Robert Wilhamson, J. N. Stuart, and Robert Miller were re-elected.

Messrs. Cooper Brothers and Company and Messrs. W. A. Browne and Company, the retiring auditors, were re-appointed.

Tribute to Directors and Staff.

Mr. J. Irwin-Davis proposed a vote of thanks to the Chairman and directors for the care and prudence they had exercised in conducting the affairs of the Bank during the past year. He expressed regret at the absence of the Chairman, and said they owed a very great debt of gratitude to the board for the magnificent manner in which they had conducted the affairs of the Bank during one of the most trying years in its history, and for the very high state of prosperity to which they had brought it. Not even during the worst years of the War had they to encounter so many and such divergent difficulties, and yet in spite of them all the Bank had emerged stronger and more prosperous than ever.

The resolution was seconded by Mr. J. G. P. Jepps and carried unanimously.

Mr. H. H. Nelson, in moving a vote of thanks to the General Manager and staff, said he wished first to make a few remarks with regard to the statement so ably put before the meeting by the Chairman, and which he was sure would repay a close study at some other time. Apparently it was the history of what had been brought about since they last met by what a good many of them regarded as considerable muddling both by the Government in this country and by the Government in India. He was not going into any political question or any matters on which they might have divergent views, but he wished to call the attention of the meeting to the fact that a year ago they were all filled with high hopes as to what might happen in the immediate future. Business then was brisk and excellent, manufacturers were being sought right and left, but unhappily they found that, instead of this state of things being encouraged and supported, as it should have been, it was damped down by over-taxation in this country, as a result of which an immense amount of capital was taken away from trade where it could have been much better employed not only for the benefit of individuals, but for the benefit of taxation in this country. (Hear, hear.) Unfortunately, it was one of the conditions of Coalition Government that no one took any trouble in Parliament in these days to oppose measures which they knew were intrinsically wrong. The chief object of Parliamentary people at the present time seemed to be to placate the voters, especially the proletariat voters, in order that they might remain in a position which at one time was a very dignified one, but which he ventured to say had lost a great deal of its dignity in the past few years. The result was, as the Chairman had pointed out, that the commercial position of the country was now a parlous one. Not only was that the case in this country, but in India they knew of the parlous experiments which had been tried in connection with the exchange by people who really should have mastered the subject to a certain extent before they took such steps as led to a condition of things which had been reflected all over the world to the disadvantage of this country. He pointed this out because he thought it a pity that in a meeting like this some few words should not be said to enable people who read the report of the proceedings to know that these disadvantages had not been recognised. Considering the condition of things which had prevailed, the report now presented reflected the greatest credit upon the staff. They had never had a report which was more satisfactory or a year in which the profits had been earned under more disadvantageous circumstances.

Mr. J. D. Longmire seconded the resolution, and it was carried unanimously.

Mr. Nelson said he had just been shown a telegram stating that the strike which had been held over would take place on Friday night at ten o'clock—another instance of what muddling would lead them to.

The General Manager, in expressing thanks for the vote, said that the staff had had a strenuous year and conditions were still strenuous, but they hoped to continue to merit the approval of the shareholders.

The proceedings then terminated.

The British Fire Insurance Company, Limited.

Continued Growth of the Business.

THE eleventh annual general meeting of the British Fire Insurance Company, Limited, was held on April 12 at the Cannon Street Hotel, London, E.C., the Rt. Hon. Viscountess Rhondda (the Chairman) presiding.

The Chairman said: Ladies and Gentlemen,—It is my pleasure to present the directors' report and the accounts for the year ending December 31, 1920. These accounts represent the result of the first completed year's working since the reorganisation which took place in the latter half of 1919, and I am sure you will agree that they cannot be considered other than very satisfactory.

I do not propose to deal in detail as they have been circulated and have no doubt been considered by you, but, taking them collectively, you will see that the net premium income has increased from £46,993 to £198,327, whilst the losses were £74,934, the ratio being 37.51 per cent., against 36.46 per cent. for the preceding year; the total commission and expenses were £52,609, being only 26.53 per cent. of the premium income, and justify our policy of not maintaining an expensive branch organisation, to which I referred last year.

You will have observed that the fire and general revenue accounts have carried the substantial sum of £59,194, thus maintaining a reserve of forty per cent. for unexpired risks, and that even after doing this, and only including £725, representing interest on securities deposited with the High Courts, the satisfactory sum of £11,299 has been transferred to profit and loss account.

Profit and Loss Account.

Turning to the profit and loss account, you will have noticed that the interest and dividends (excluding the £725 above referred to) amount to £7,415, which, together with the trading profit of £11,299, the balance from last account of £1,045, and transfer fees, £33, give a total of £19,793 to be dealt with.

In considering the disposal of this amount, your directors have decided that their first duty to the shareholders and policyholders is to consolidate in every way the financial resources of the Company, and, although a dividend could have been declared, we felt that this course would not be in the best interests of the Company. £6,349 is therefore being transferred to investment reserve fund, bringing that fund up to £7,000. £2,338 is being reserved for taxation, and, after allowing £784 for unallocated expenditure, there remains a balance of £10,320 to be carried forward to next year's accounts. Furthermore, I may say that in conformity with this policy the directors do not suggest that any remuneration be paid to them this year.

Reference to the balance sheet will show that the total assets are £388,339. There are no "paper" assets, and although a substantial premium income has been acquired, I should like to emphasise that it has been unnecessary to create an establishment of business account or charge any development expenses to profit and loss account, which is most satisfying.

It will further be seen that the funds of the Company have increased by £77,025 to £211,716, or, including provision for outstanding claims, to £244,498.

In regard to investments, your directors anticipated to a great extent the depression. As you will have noticed,

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Paid-up Capital - -	£1,500,000
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we held in Treasury Bills and cash no less than £118,925, which is ready for investment when favourable times arrive. The investment reserve fund of £7,000 is more than sufficient to write down all investments to below market price at December 31, with the exception of British Government Redeemable Stocks, which will show an appreciation on redemption.

These figures represent unquestionably a splendid achievement for so short a time, and reflect great credit upon each member of the board, all of whom have given close attention to your interests, and I should like especially to mention our Managing Director, Mr. Thomas Fletcher, who has so capably and energetically directed the affairs of the Company and has so largely contributed to the results reported.

Fire and Accident Departments.

Dealing with the business generally, our home fire and accident departments, under the capable management of Messrs. Hince and Jackson, have been developed upon conservative lines, but, nevertheless, show a considerably increased income, and, whilst our refusal of a large amount of business, either because it was considered undesirable or that the rates were too low, has caused temporary disappointment to some brokers and agents, we are now gaining their support because of the prudent policy adopted. A further interesting feature is the growth of our fire business in the Metropolitan area, where the gross sums we insure are now in excess of £1,500,000.

The fact that we are an independent office developing upon economical and sound principles, paying our claims promptly and liberally, offering the best cover for the minimum adequate premiums and consolidating our finances, are all factors which are enabling us to build up a substantial goodwill.

The policy of not establishing expensive branch organisation is still being adhered to, and is reflected in the favourable expense ratio previously referred to; but the appointments I indicated last year, namely, of agency officials to direct and develop our business, have been made in various important centres, as will be seen from the particulars at the back of the balance sheet. The expenses thus incurred have, however, been discharged out of revenue.

In regard to foreign fire business, the same cautious policy is being exercised under the conservative management of Mr. S. W. F. Crofts. We have no surplus treaty business, and good progress is being made, we now being represented for direct business in many important parts of the world. We are, however, avoiding those countries which are in an unsettled state, or where the conflagration hazard is known to exist.

Marine Business.

In regard to the marine account, you will doubtless have observed with satisfaction that we have written this class of business on a very restricted basis, and although, consequent upon the aftermath of the War and the creation of several new marine companies, we have been passing through difficult times during the last two years, the balance carried forward of 68.85 per cent. of premium income justifies the prudent policy which is being adopted. Our late underwriter, Mr. C. H. Thomas, whose resignation was accepted towards the close of the year, has been succeeded by our deputy underwriter, Mr. A. W. Morgan, who for many years held responsible positions with the "London and Provincial" and "Ocean" Marine Companies. Under his careful management, and when the marine market becomes more settled, we hope to take advantage of the opportunties which should then arise, but you can be assured of the determination of your directors that extreme caution will be exercised in our underwriting.

Our shareholders have been very loyal, but there are still some who could further assist, and I hope that they will use all their influence on behalf of the Company in which they are interested to our mutual advantage, such, for instance, as introducing their friends to us and placing with us the insurances they personally control.

I am pleased to say that insurance brokers and agents are now giving us substantial support, realising that the healthy competition of a company such as ours is an advantage to the insuring public generally and themselves in particular.

I feel that, before concluding, I must express the thanks of the directors to the large majority of shareholders for their material assistance; also to our agents and the insurance brokers who have so well supported us, and particularly to the officials and members of the staff, who have so wholeheartedly and energetically rendered such good service.

If any shareholder has any questions to ask, we shall be glad to answer them, after which I shall have pleasure in moving that the report and accounts as presented be approved and adopted, and shall ask Mr. Seymour Berry to second the resolution. (Applause.)

The Chairman formally moved the adoption of the report and accounts.

Mr. Seymour Berry's Statement.

Mr. H. Seymour Berry (one of the Deputy-Chairmen): Ladies and Gentlemen,—Lady Rhondda has dealt so fully with the policy and the ramifications of this Company during the past year that I do not think it is necessary for me to dwell on any particular point. At our meeting last year I did venture to prophesy that, as a result of the then current year's trading, we would at least double the figures of the preceding year. That prophecy has been more than fulfilled, but I do not think it would be wise for me to venture on a doubling prophecy again for the coming year, having regard to the extraordinary times in which we are living. I feel certain, however, that the board are watching over your interests to the best of their ability, and we are looking forward to this year also being a successful one. I have pleasure in seconding the adoption of the report and accounts. (Applause.)

The resolution was carried unanimously.

The Chairman next moved the re-election of the retiring directors, Mr. H. Seymour Berry, Mr. W. E. Clare, and Mr. A. B. Craggs, and the motion was seconded by Mr. D. R. Llewellyn and unanimously agreed to.

On the motion of Mr. H. Moxon Gibson, seconded by Mr. W. A. Laver, Messrs. Baker, Sutton and Company were reappointed auditors for the ensuing year.

An extraordinary general meeting was afterwards held, at which, on the proposition of Mr. William Carruthers, seconded by Mr. J. Gomer Berry, a resolution was passed making certain alterations in the articles of association in order to comply with the requirements of the London Stock Exchange.

A hearty vote of thanks to Lady Rhondda for presiding, proposed by Dr. T. Smyth, seconded by Mr. G. Y. Tose, concluded the proceedings.

Wesleyan and General Assurance Society.

Continued Progress.

The eightieth annual general meeting of the members of the Wesleyan and General Assurance Society was held on April 5, 1921, at the Central Hall, Corporation Street, Birmingham, Mr. B. Shirley Smith, President of the Society, in the chair.

The Chairman, in moving the adoption of the reports, said: The Society began in a very small way as a sick and dividend society, and has steadily grown in size and importance until the totals in the balance sheet run into millions of pounds. Its record is one of much good being done in a quiet and unostentatious manner, and it has attained a useful and respected place in the business and social life of its time. The year has been one of considerable anxiety. There has been a large volume of business, but the conditions under which the Society has carried on have at times been far from easy, and the directors are more than thankful at the results achieved.

Ordinary Department.

We will look first at the revenue accounts. You will notice that there were 9,390 new assurances effected during the year in the ordinary department, assuring the large sum of £936,310. This is not quite so good as last year, but is a satisfactory total of ordinary business. A succession of such years would mean the building up of a stable business of considerable dimensions. The interest, dividends and rents in the ordinary department also show an increase natural on the growth of the funds. On the other side of the account you will notice there has been a smaller amount paid as claims by death than was the case in 1919, notwithstanding the increasing volume of the Society's business. The claims by maturity are larger, as you would expect. The surrenders are slightly larger. Now I will content myself by reminding you that the total expenses of carrying on the ordinary department are still moderate in amount, and by saying that, so far as your directors can control them, they will so continue. I should like to mention that during last year we introduced a new table offering advantages of a unique kind in life assurance. Under this table the Society undertakes to pay the amount assured and also all premiums paid in respect thereof. To pay claims and also return all premiums is a propositon of startling character, and we hope that the table will become increasingly popular.

Industrial Department.

The industrial department also shows a steady progress, the number of policies issued being 234,143, assuring a capital sum of £3,612,055. A truly gratifying result, but a result that brings its own anxieties, as in face of prevalent bad trade and scarcity of employment our income from this business may be adversely affected. In this department, as in the ordinary department, the claims by death are less than last year. The claims by maturity are a little more, for reasons before explained. The items of commission, expenses of management, and new business reach the substantial total of £521,341. This is more than last year, as is to be expected in view of increased business. It is, however, just the head on which attention was fixed at the recent Government inquiry. Your directors give the matter all the attention possible, but find it difficult to curtail. Industrial assurance is retail assurance, and cannot be other than expensive. On any fair comparison it is one of the cheapest things offered to the public.

Taking both ordinary and industrial departments as a whole, you will find a satisfactory increase of business on one side of the account, and on the other an equally satisfactory decrease in claims. You will be interested to hear that there have been sixty-two War claims during the year, amounting to £1,080. That makes a grand total of 18,430 War claims paid, amounting to over £261,300.

You will notice that the total figures on the assets side of the balance sheet exceed £4,000,000.

Dealing now with the liabilities side of the account, the life assurance funds of the various departments total £3,931,075, being an increase on last year of over £437,977. Your directors regard this as very satisfactory.

The investments reserve is increased by £5,000. The general reserve has been increased from £14,000 to £25,000. I am sure you will agree with your directors that in view of the exceedingly anxious times through which we are passing it is a wise step to strengthen the Society in every manner possible.

We will now turn to the annual valuation. There are over 90,000 ordinary policies in force, and the Society has a fine ordinary business. The amount assured by such policies is over six and a-half millions sterling, which is somewhere about one-third of the indebtedness of the City of Birmingham.

It is very pleasing to find that, after ample provision is made for liabilities, there is a surplus in every department. The largest surplus is in the ordinary department, and amounts (with the carrying forward from the previous year) to over £44,752. With such a result it is possible to declare a bonus, and the Actuary recommends, and the directors confirm, a bonus of £1 per cent. This is the same amount as last year. The surplus in the industrial department is £5,601, which (after deducting the carry-forward from the previous year) is only £3,084 for the year. Bearing in mind the magnitude of the figures in the industrial department, it is evident that the business is carried on at practically cost price.

British General Insurance Co., Ltd.

THE annual general meeting of this Company was held on April 13 at Cannon Street Hotel, London, E.C., Mr. Henry C. Walker, M.I.M.E. (Chairman of the Company), presiding.

The Chairman, in moving the adoption of the report and accounts, said that the Company from its commencement in 1904 has made solid progress, and he thought he might claim by the accounts now placed before the shareholders a place for the British General among the great insurance offices of this country. In every way 1920 had been a record year. They could show increases in capital, in premiums, in interest earnings, and also in underwriting profits. The disappointing factors were depreciation of their investments and the large amount absorbed in taxation. As to depreciation, however, many of their investments were redeemable at par or at a premium at fixed dates, and much of it, for which they had already provided, must be recovered in the years to come. The subscribed capital was now £695,455, as compared with £250,000 in 1919. During the year 250,000 shares had been issued share for share at par to the shareholders, and 195,455 had been issued to the Scottish Temperance and to the shareholders of that Company. The event of the year had been the agreement made with the Scottish Temperance Life Assurance Co., Ltd., an office founded in 1883. Its record had been uniformly successful, and to-day it bore an honoured and enviable reputation no less in the south than north of the Tweed. A company nowadays could hardly hope to work with the greatest efficiency with only one class of insurance business, and the advantages of an alliance with an office such as the Scottish Temperance in the development of the life department of the British General, which was opened in 1914, were obvious. The Scottish Temperance would become the life department of the British General, while the connections of that undertaking became available to the British General for all other classes of business. Such an arrangement had already resulted in economies in the matter of joint offices; the benefits of the alliance were already being felt, and would be greatly increased as time went on. It might appear as though life policyholders had been too generously treated in the arrangement, but the directors believed that satisfied policyholders were the best asset any insurance company could possess. As to the accounts, all new life business had been passed to the Scottish Temperance as from October 1 last. The business completed by the British General for the first nine months of the year had shown a substantial increase, while the new sums assured for 1920 by the combined companies amounted to £1,717,306, or, less reinsurances, £1,569,356. For the first time their investments exceeded £1,000,000, and were worth fully the price at which they stood in the balance sheet, less the investment reserve fund of £50,000. The final dividend of 12½ per cent. which was proposed made 20 per cent. for the year, and was equivalent to 35 per cent. on the old capital.

Mr. A. K. Rodger, M.P., seconded the motion, which was carried unanimously.

Birmingham Small Arms Company, Limited.

Substantial Profits in Adverse Year.

THE general meeting of shareholders in the Birmingham Small Arms Company, Limited, was held at the Grand Hotel, Birmingham, on April 11. There was a large attendance.

The Chairman (Sir Hallewell Rogers), moving the adoption of the report and balance sheet, said the profits of £566,880 had been made in spite of adverse circumstances. Towards the end of the period with which the accounts dealt, first one branch and then another was faced by a sudden falling off in demand and the cancellation of orders. For four months in some departments, for three months in others, there was, consequently, very little remunerative business at all. The profits were made in a period when fuel and other material, freights, and wages were abnormally high. In view of these facts, and that the accounts were closed when no relief of the trade depression had taken place, the directors thought it wise to write down the stocks of all companies to the lowest possible point. With the carry-forward from the last balance sheet, the figure available for distribution amounted to £785,047, and of this £263,315 had already been distributed as interest to the holders of the Six and a-Half per Cent. notes and in dividends to Preference and Ordinary shareholders. The board recommended the usual dividends on Preference shares, but that the entire balance—namely, £510,818—should be carried forward to the next account.

Though home trade was more active than abroad, there was neither the demand nor the capacity to pay as at this time last year. The bulk of the trade consisted of sales of stock left over from last year. When to these circumstances was added the menacing fact that the miners, the railwaymen, and the transport workers were attempting to paralyse the entire commercial life of the country, they would be exposing themselves to deserved criticism had they chosen this moment to deplete their cash resources by paying a further dividend on the Ordinary shares.

The Aircraft Deal.

Continuing, the Chairman said: I want to make one observation to you about the acquisition by this Company of the Ordinary shares of the Aircraft Manufacturing Company and Peter Hooker, Limited. This transaction took place in February 1920 on investigations made by us nearly two years ago. Had we been able to acquire the control of these concerns with vacant possession, or had the contracts into which both concerns had entered, prior to our entry, been as remunerative as they were represented to us to be, then, in either event the investment would have been amply justified and most remunerative. But Peter Hooker, Limited, was, unfortunately, hopelessly involved in burdensome contracts which, moreover, could not be executed except by the investment of very large further capital. Had this money—possibly half a million—been found, the loss of at least half of it would have been inevitable. There was consequently no alternative to liquidation. In the case of the Aircraft Company the situation looked rather better. But even here, by July last, the uncertain future of the motor trade and the very heavy realised losses which the Company had made in the previous year made it obvious that the situation could not be saved except by a very greatly increased investment, and that this investment could in turn not be made except at a very great risk.

The holders of prior capital in that Company were invited to take part of this risk, but were unable or unwilling to do so. With very great reluctance, therefore, your directors were compelled to recognise that the investment in each Company was a complete disappointment. There is, accordingly, nothing on the asset side of the sheet to represent these investments, we having written off out of the capital reserves of the Company the full face value of the shares issued in respect thereof. There remains only the bank overdrafts of these concerns. While for technical reasons we are bound to note this liability on the balance sheet, we are responsibly advised and believe that it is improbable that any charge will fall upon us in this regard.

The Company's Acquisitions.

Since the War this concern has been undergoing a gradual process of reorganisation. Separate and independent companies have been formed for B.S.A. guns, tools, and cycles. The Daimler Company and Daimler Hire Company have always been separate companies. And in the last two and a-half years we have acquired the independent businesses of William Jessop and Sons, J. J. Saville and Company, and Burton Griffiths and Company. The external aspect of this reorganisation may be said to have been completed a year ago. This is the first year that we have been able to bring the internal organisation to the same point. This affects the balance sheet very considerably. The Chairman went on to say that freehold and leasehold land and buildings, plant, machinery and tools, which, with the recent additions stood at £3,100,095, the board decided to check, and called in Messrs. Fuller, Horsey, Sons and Cassell to make a survey of the works, &c. The balance sheet figure corresponded with that found by that eminent firm of valuers.

The settlement of all outstanding claims for excess profits duty and other taxation had reduced the item of creditors

very largely since the last accounts were issued. The general reserve stood at the old figure. The assets reserve, which, of course, was a capital and not a profit reserve, was what remained after the regrouping and radjustments, and after writing off the cost of the note issue and the equivalent of the Ordinary shares issued in respect of the aircraft deal.

"If you want to get at the real value of your share capital you must add to these figures whatever you consider the right figure for the goodwill of a concern that has the profit-making capacity and past record of the companies. And as to this record, I should like to give you a set of figures which are significant. Between the outbreak of war and last September the group of companies that you own had an output of approximately sixty millions sterling. They paid in taxes five and a-half millions sterling. They made a capital expenditure in the purchase of plant and in the erection and extension of their works of over three millions sterling. Finally, while they paid upwards of one and a-half million sterling as dividends to their shareholders, they paid no less than eighteeen millions sterling in wages to their employees."

Trade Prospects.

Turning to trade prospects, Sir Hallewell said the prosperity of the Company depended upon three factors. First, their ability to produce goods at a price advantageous to the buyer and profitable to themselves; secondly, on there being receptive markets; thirdly, upon their ability to make the best of the markets by good salesmanship. At home and abroad the whole of their methods of dealing with agents, with customers direct, and with publicity had been—or were being—entirely reconstituted. Representatives of exceptional training and long experience had been engaged to investigate and stimulate their trade abroad. The most hopeful element was that, in the present situation, business men in all countries appeared to be awakening their Governments to the undoubted truth that the extravagant promises and the fantastic hopes that arose out of the reaction after the war could not be realised in our time.

Mr. E. Manville, M.P., seconded the adoption of the report.

An amendment was submitted in favour of adjourning consideration and approval of the report and accounts pending an inquiry by a committee of shareholders into the action of the directors in respect of the purchase of the Aircraft Manufacturing Company, Limited, and Peter Hooker, Limited.

On a vote being taken only twelve shareholders supported the amendment, and the Chairman's resolution was agreed to.

Greater Britain Insurance Corporation, Limited.

Sound Financial Position.

The adjourned second annual general meeting of this Corporation was held at the Cannon Street Hotel on April 14, Mr. Richard Sewell, C.A., F.F.A., presiding.

The Chairman, in moving the adoption of the report and accounts covering the period of eighteen months ended December 31 last, first referred to the resignation of the late Chairman, Mr. Newton Knights, M.P., owing to the pressure of public and other duties, and to his own appointment to fill the vacant position. Turning to the accounts, he thought the shareholders would agree with him that they had cause for congratulation. Out of the net marine premiums received of £602,940 for the eighteen months, £237,803 had been paid out in claims, a ratio of 39.44 per cent. Expenses of management, £33,117, had absorbed 5.49 per cent., a ratio of expenditure which was very moderate in comparison with other companies, leaving an underwriting balance of £332,018, the whole of which had been carried forward. This fund was equal to 55.07 per cent. of the premium income for eighteen months, a result with which they must all feel pleased. He thought it would be agreed that upwards of £600,000 of net premiums received in the eighteen months was a satisfactory total for a company of only two and a-half years' standing, and they might fairly claim that it betokened a large measure of confidence in the Company. The results attained in the fire, accident, and general departments in the short period they had been at work, including the appointment of over 2,000 agents and the opening of twelve branch offices, justified, in the board's opinion, the capital expenditure of £14,505 which appeared in the balance sheet. He had personally carefully investigated the financial position of the Company before joining the board, and, in his opinion, the balance sheet was a very fine one for so young a company. The reason why the shares stood at only about half the paid-up value of 5s. was, he thought, that the market had not had the necessary information to assess the value of the shares correctly, and the shareholders would be very ill-advised to part with their shares at a loss. With regard to the security which the Company offered for the due fulfilment of any contracts into which it entered, they had a marine insurance fund amounting to over £330,000, and bearing the very satisfactory ratio to their premium income of fifty-five per cent. Adding to that the whole of the paid-up share capital they had actual funds of about £700,000, behind which there was the callable capital amounting to £1,125,000, or a total security of over £1,800,000.

As to the prospects of dividends, in the present somewhat unsettled state of the marine insurance market any definite pronouncement was impossible. The future of marine insurance and the future of this Company were bound up with the prosperity or otherwise of the trade of the country generally. The shipping industry and marine insurance would be among the first to benefit by a revival in trade, but until it arrived it would be well for the directors to proceed with caution.

The Company had ample capital for all emergencies (as a matter of fact, from the point of view of subscribed capital they were the fifteenth largest insurance company in this country), they had a marine fund equal to fifty-five per cent. of the premium income, they had already the nucleus of a fine business, they were well represented in the most important centres, they had ample and energetic experts in charge of their interests, and he was glad to think that they enjoyed the confidence of the market.

Mr. Walter Fisher (Deputy-Chairman) seconded the motion, which, after some discussion, was carried unanimously.

Barry, Ostlere and Shepherd, Ltd.

Record Output.

The Burden of Taxation.

The annual meeting of Barry, Ostlere and Shepherd, Limited, was held at Kirkcaldy on April 14, Mr. William Wright, the Chairman, presiding.

The Chairman, in moving the adoption of the report and balance sheet, said: My first duty to-day is to express the feeling of deep sorrow which I, with my colleagues on the board, and, I am sure, all our shareholders, have felt at the death of our late Chairman, Mr. John Barry. For close on fifty years Mr. Barry had been one of the best known and most influential men in the linoleum trade, and for forty years had occupied the position of Chairman of this Company and its predecessors in business. It is difficult to put in words the sense of loss we feel at being deprived of the assistance of his great driving force, his keen foresight and wonderful organising power, and I can only assure you that I and my co-directors will spare no effort in carrying on and developing the great business of which he was the founder and in furthering and safeguarding your interests.

As the report and balance sheet have been in your hands for some time, I, with your permission, will take them as read.

The Year's Operations.

The year under review has been somewhat disappointing as compared with the expectations we all entertained a year ago, but we must congratulate ourselves that, taking into account the general commercial position of the country, we have been able to make as good a showing as we have done. The year opened with unparalleled activity in the demand for our goods both in the home and export markets; our plant was taxed to its utmost capacity to cope with our orders, and so great was the demand that in several departments double shifts had to be continuously worked. This remarkable activity continued during the first nine months of our year, and although from November onwards we shared in the general slump which affected the whole trade of the country, our output for the whole of the year has surpassed, both in yardage and in value, all previous records. The slump, together with the great fall in the market values of our chief raw materials, which we have taken into stock at current market prices, affected the results of our year's trading; otherwise, our profits would have been the largest in the history of the Company, and the prediction of our late Chairman at the last annual meeting would have been more than fulfilled.

Taxation £270,000. Dividends £152,641!

In addition to the adverse influences just mentioned with which we have had to contend during the latter months of the year, there has grown up, in the shape of heavy Imperial taxation, a burden which has for some time been greater than the trading community could bear. Strong references have been made at previous meetings of ours to the crippling effects of the excess profits duty, which, contrary to all expectations, was increased by the last Budget to sixty per cent., and to which has been added the corporation profits tax. On making a comparison between the amounts that the Government have taken from us in the way of Imperial taxation during the last three years and what we have divided amongst our Ordinary shareholders in the same period, I find that we have had to provide in our accounts for over £270,000 to meet income tax, excess profits duty, and corporation profits tax, while the net dividends paid or declared to our Ordinary shareholders during the same period have amounted to £152,641. No words of mine are needed to emphasise the serious results from a capital point of view caused by these heavy Exchequer payments at a time when a progressive business like ours requires all its available capital to carry on trading at post-War prices and costs.

Installation of New Plant.

In the course of the year the directors have installed a new plant for the manufacture of parquetry inlaid linoleum,

the highest grade of linoleum made, and one that is in great and continually increasing demand. This plant is now manufacturing goods for which we have already received considerable orders. We are confident that this addition to our productive power will, when trade becomes normal, add largely to our earning capacity. We are also adding to our oil-oxidising department in order to provide the necessary material for this new machinery.

The board have adhered to their policy of keeping all the Company's buildings and plant in a high state of efficiency, and, in addition, to writing off the usual depreciations, including £9,562 10*s.* on the £150,000 War Loan which we hold, they set aside a further £10,000 to the special depreciation fund.

The trade conditions in France, as explained in our report, have been very much the same as at home.

To fill the vacancy caused by the death of Mr. Barry the directors have appointed Mr. Peter O. Byrne, the Secretary of the Company, who has for some years taken an active part in the Company's affairs, and the directors have pleasure in asking the shareholders at this meeting to confirm the appointment.

Confidence in the Future.

In spite of the difficulties of to-day's trading position, your directors are full of confidence for the future, and feel that, when the trade of the country begins to emerge from the present wave of depression, we are certain to participate fully in any improvement that takes place.

I should just like to express in a word my sense of gratitude to my colleagues on the board and our staff for the consistently loyal and energetic manner in which they have, during the year, seconded the efforts of the managing directors in the general interests.

I have now pleasure in formally moving that the report and balance sheet be adopted; that dividend at the rate of seven and a-half per cent., less income tax, be paid on the Ordinary share capital, absorbing £34,125, payable April 21, and that the balance, £87,142 17*s.* 1*d.*, be carried forward subject to directors' fees.

The report was unanimously adopted.

The retiring directors, Messrs. H. G. Finch and T. S. Swinfen, and the auditors, Messrs. Romanes and Aitchison, C.A., Edinburgh, were re-elected; Mr. P. O. Byrne's appointment as director was confirmed; and a sum of £3,500 was voted as directors' fees.

British and Argentine Meat Company, Limited.

Trading Conditions Difficult.

The annual general meeting of this Company was held on April 14 at River Plate House, E.C.

Mr. Sidney Young, O.B.E., presided, and in the course of his speech said: The report which we are submitting for your acceptance to-day is not quite as good as that of a year ago, but taking into consideration the very difficult period we went through, especially during the latter half of the year, I hope that you will have found it up to your expectations. Although the War came to an end in November 1918, it was not until last year that we experienced the transition from war to normal conditions. During the whole of the year there was a certain amount of Government control, and, as a matter of fact, it was not until the end of last month that controlled prices were abolished. We found trading conditions generally very difficult, although I do not want to suggest for a moment that we should have shown a larger profit if matters had been quite normal. I think we may take it that from now onwards we shall be working under normal conditions, and the ordinary rules of supply and demand will apply, and the trade generally be in a much healthier condition.

Quite a small proportion of the meat we exported from the River Plate last year was taken by the Government, although a few shipments went to some of the Allied Governments.

The prices realised during the year for our meat products were satisfactory, but the slump that occurred during the latter portion of the year affected hides and our other by-products to a very considerable extent, the reduction in the prices of some of the goods being quite abnormal.

No Shortage of Meat.

Conditions in the Argentine, taking the year as a whole, were good, and at no time had we any great difficulty in obtaining the cattle and sheep we required, but prices remained at a very high level. A year ago I mentioned that I did not at all agree with articles published in the papers in regard to a world shortage of meat. My opinion still remains the same, and I consider that, taking the world over, there is a sufficient supply of meat to fill the requirements of all countries. I mentioned a year ago that the shortage of refrigerated boats was hampering operations, but I am glad to say that this does not now apply, as there is ample refrigerated tonnage to cater for the requirements of this and other meat-importing countries. The very large stocks of Colonial meat that were on hand last year, both in the Colonies and this country, have to all intents and purposes now been consumed. Working expenses during the year under review were again very high, the two principal items being coal and wages. Coal, as you are quite aware, had a considerable drop in price during the early part of this year. This came too late to affect last year's figures, but I hope that during the current year we shall feel the benefit. With regard to wages, owing to the conditions ruling, our bill was again considerably higher than in the previous year; and there has been a certain amount of unrest in the labour market in the Argentine during the greater portion of the year, which culminated in a rather serious strike at our factories in February of this year. This strike, I am pleased to say, is now over, and I must compliment our people out there on the way they handled it.

Satisfactory Conditions in the Argentine.

I paid a visit to the Argentine during the year, and am particularly pleased to be able to report that I found our factories in first-rate condition and our organisation generally everything that could be desired. While in Buenos Aires I was received in audience by the President of the Republic. I extended to him an invitation to visit Campana and inspect our factory there, and he kindly promised to do so later on. He expressed himself very sympathetically towards all British commercial enterprises in his country, and I hope that this sympathy will be shown in a practical form in the future, because it is unquestionably the fact that British capital has developed the Argentine and enabled it to become one of the foremost trading countries in South America.

Our turnover during the year was over £18,000,000, so that the net profit shown is less than three per cent. on the sales.

With regard to our suggestions for dealing with the available profits, with the exception of the amount placed to reserve, the allocations are practically the same as last year. The amount we have placed to the reserve fund is £150,000, which is £25,000 less than we added a year ago, but it brings the total amount to the credit of the fund to the respectable figure of £775,000, which in a business such as this was most necessary. With regard to the current year, since January 1 we have been able to secure all the stock we required. Prospects for the coming winter in the Plate are good, and with a continuance of suitable weather there is every anticipation of being able to obtain our necessary supplies of both cattle and sheep during the winter months.

The report and accounts were unanimously adopted.

Mysore Gold Mining Company, Limited.

Satisfactory Year's Working.

The ordinary general meeting of this Company was held on April 14 at the Cannon Street Hotel, E.C., Lord Ribblesdale presiding.

The Chairman congratulated the shareholders upon the result of the year's working. He said that the Company milled 233,503 tons of quartz, recovering 9 dwt. per ton, or a total of 105,352 oz. of gold; while the tailings averaged 1.9 dwt. per ton, yielding 51,407 oz. This meant that practically all the gold recoverable was obtained. The total production of 156,759 oz. had a realised value of £804,182, against £694,300 in 1919. Including rents, interest, &c., and after deducing royalty and refining costs and £493,746 of revenue expenditure, they arrived at a profit of £283,383, exclusive of £6,590 brought forward. The interim dividend of 9*d.* per share absorbed £39,926; £15,000 was taken to reserve fund; £25,000 odd was provided for income tax; and against expenditure on capital account £79,319 was written off. These, with other items, accounted for £167,132. A final dividend of 1*s.* 3*d.* per share, with a bonus of 6*d.* per share, both less tax, would be paid on the 1st prox., leaving £18,321 to be carried forward, less corporation profits tax, &c., estimated at £11,000. With regard to the directors' action in writing off expenditure on capital account, £79,319, although a very large amount had been raised for development purposes, the Chairman pointed out that in the past year revenue account had benefited largely from the premium on gold, which could not be looked upon as a permanent source of income. Further, the new development scheme had just commenced, and it was common for estimates of cost to be exceeded. Under these circumstances, and in the light of the fact that they were paying twenty-five per cent. on

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the increased capital, the directors felt justified in conserving the cash resources and preserving the strength of the Company's position. Negotiations were now nearing completion for the sale of the gold output on the termination, on the 14th prox., of existing arrangements with the Indian Government. The terms and conditions would secure to the Company full advantage in relation to the premium on gold. This premium benefited them considerably in the past year, although the arrangement with the Indian Government was in force for only some seven and a-half months. The premium was still very high, and they had derived advantage, in regard to working costs, from the lower value of the rupee, which was now a little under 1*s.* 4*d.*, as against 2*s.* 3¾*d.* in May 1920. For the time being the mine was not revealing the bodies of rich ore to which they were formerly accustomed, but the directors were hopeful that the new development in depth would lead to further discoveries of payable quartz. He desired to allude to the strength of the cash position, which enabled them to proceed with all the energy that could be brought to bear upon the work of development and upon carrying on the mine. At December 31, 1920, they had over £567,000 in liquid cash, or only £42,864 less than the nominal capital. The stores on the mine could be valued at £144,000; and in these two items they had a total substantially exceeding the entire capital of £610,000. Moreover, the policy of writing off amounts from year to year as far as possible had brought down the book value of the property, including everything, to £185,000.

The report and accounts were unanimously adopted.

Books Received.

The British Engineers' Association Official Directory of Members for 1921. Previous issues of this Directory have been printed in French, Russian, Spanish, Portuguese and Italian. The 1921 edition is the first of a new series, and is in the English language only, being primarily intended for circulation in English-speaking countries. A feature is an exhaustive classification of engineering products into fifty-one groups and 631 sections. Another is the standardised form of members' full-page announcements, each giving a complete alphabetical list of their principal products, with brief particulars of specialities. Ten thousand copies are to be printed, which will be distributed throughout the British Empire. The Directory will be sent to British and other Government representatives and public undertakings abroad. The address of the Association is 32 Victoria Street, S.W. 1.

The Stock Exchange Official Intelligence, 1921. Price 80*s.* net. (London: Spottiswoode, Ballantyne and Company.) This huge volume, edited by the Secretary of the Share and Loan Department of the Stock Exchange, is too well known to require any lengthy introduction to the reader. The new edition contains information concerning 456 additional companies, about two-thirds being new registrations. Complete particulars are included in respect of the railway companies of the United Kingdom for the past year, while in other cases the information is brought up to the latest date practicable. A special article deals with Municipal and County Finance and sets out the sources from which local authorities derive their powers of borrowing and of issuing stock, together with the arrangements for the repayment of debt.

English Public Finance. By Harvey E. Fisk. (Sir Isaac Pitman and Sons, Limited. 7*s.* 6*d.* net.) A statement of the salient facts in regard to the finances of the United Kingdom, originally issued by the Bankers' Trust Company of New York for private circulation and now made available for the public through the courtesy of the Corporation. Early chapters deal with the financial history of the War, and, later on, the revenue, expenditure, and debt prior to 1914 are discussed, an informative summary being given of British methods of financing from the time of William the Conqueror. Several chapters are devoted to the Bank of England and its relations with the Treasury. The volume illustrates the newly awakened interest across the Atlantic in European financial methods, and is one of the best examples that have come under our notice of the sound work at present being done by American investigators in the field of national finance.

In an interesting article on "The Bank of England" in the March number of *Sperling's Journal* Mr. Alexander Wright points to the need for an increase of the capital of that institution. While almost everything in the financial universe has expanded, the capital of the Bank of England has remained stationary. Mr. Wright does not believe that a mere increase in the capital of the Bank will give us an effective Bank rate or restore our currency to a parity with gold, but, as a small step towards that goal, he thinks it might be worth considering.

Cotton and Cotton Manufacture. A brief analysis for the layman. By James Paul Warburg, of the First National Bank of Boston. In dealing with this highly important commodity Mr. Warburg sets forth the essential outlines of the story of the cotton fibre: what it is; where and how it is grown and marketed; how it is made into the various kinds of finished goods; the industrial organisation and the distribution of the goods into the channels of consumption; and, finally, the relative position of the United States and the importance of various sections of the country.

The Zealots: Over-regulation and its Bearing on National Waste. By Lieut.-Col. Sir John Keane, D.S.O. Price 1*s.* 6*d.* (London: John Murray.) Sir John Keane naturally takes as illustration of national waste the Department with which he has been intimately connected—the War Office. He deals with the extravagance, muddle, and overlapping of that Department of the Government in a soldierly fashion, and his arguments seem fairly conclusive. If his book is read and digested by those in authority he will have performed still another distinguished service.

Chromium Ore. Prepared by W. G. Rumbold for the Imperial Institute. A monograph on the character, uses, and sources of supply of chromium ore, with special reference to the supplies available within the British Empire. A world map of chromium deposits and a list of references to literature on chromium are appended. Published by John Murray, London, at 3*s.* 6*d.* net.

Guaranty Trust Company.—The Guaranty Trust Company of New York announces the opening of an additional office at 51 Castle Street, Liverpool, on Monday, April 4, 1921.

National Bank of India, Limited.—In October last the National Bank of India offered to its existing shareholders (numbering then and now upwards of 1,800) the 40,000 shares of £25 each constituting the balance of the authorised capital of £4,000,000. The balance sheet recently issued accordingly registers a capital on December 31 last of £4,000,000 subscribed, of which £2,000,000 is paid up, as against £3,000,000 and £1,500,000 respectively on June 30 last, together with a reserve fund increased by £300,000 (derived from the premium on the new issue) to £2,300,000. On the present occasion the rupee assets and liabilities are converted at the rate of 2*s.* per rupee, and comparisons with the balance sheet on December 31, 1919, are vitiated by the fact that conversion was then effected at the old par rate of 1*s.* 4*d.* The interim statement on June 30 last, published in accordance with the Bank's practice, and in which the new rate was also employed, shows, however, that on the last six months of the year there has been an increase of the aggregate assets and liabilities by £1,028,874—namely, from £54,322,636 to £55,351,510. As between the two half-years the profits realised were pretty evenly distributed, the advantage with respect to both gross and net figures being with the later. The net amount reported for the whole year, £553,398, follows £452,169 for 1919, and allows of a repetition of the total distribution to shareholders of twenty per cent., free of income tax, also an addition of £200,000 (following £150,000) to the reserve fund, minor allocations identical with last year's leaving a balance of £149,032 undivided, as against £135,634 brought into account.

On the half-year the current, fixed deposit and other accounts have dropped slightly, from £46,538,133 to £45,200,202, but acceptances for customers, at £3,795,674, are higher by £2,109,488. The cash assets have risen by over £2,000,000, and in proportion to the total assets from 15.8 to 19.2 per cent.; bills of exchange (including Treasury bills) represent £16,682,779 in succession to £18,881,747, while the item of discounts, loans receivable, and other sums due figures at £20,386,751, against the previous £20,810,400.

MERCANTILE BANK OF INDIA, LTD.—Following an increase of £187,500 in its paid-up capital, effected during 1919 by the issue of the remaining 15,000 "A" shares of £25 each, £12 10s. paid, the Mercantile Bank of India last year doubled its then authorised capital of £1,500,000 by the creation of 300,000 "C" shares of £5 each, of which 60,000 were at once offered to the "A" and "B" shareholders at a premium of 100 per cent. The balance sheet to be submitted to the annual meeting on Tuesday, the 19th instant, accordingly registers a paid-up capital of £1,050,000 on December 31 last, as against £750,000 a year earlier, and a reserve fund of £1,100,000 in succession to £750,000, the premium mentioned accounting for £300,000 of the enhanced reserve. A comparison of the balance-sheet totals shows, in spite of these additions, a reduction from £22,450,927 to £20,157,778; but to conclude from these figures that the general business of the Bank had contracted would be too hasty an inference. Current, deposit and other accounts, indeed, have grown from £15,706,000 to £15,893,000, and acceptances on account of customers from £263,000 to £819,000; and although bills payable (consisting mostly of drafts on head office and branches) declined from £1,680,000 to £925,000, the reduction on the liability side is mainly due to the disappearance of the round £3 million of loans payable against security which figured, as an item of quite unusual proportions, in the statement of December 31, 1919. Amongst the assets, bills receivable (which are distinguished from the relatively small item of bills discounted), at £4,357,000, following £7,406,000, account for the major part of the reduction in total figures, though the drop (to the normal proportions of £635,000) in the "sundry accounts, including amounts due by agents," which in the earlier year was incidentally swollen to £2,181,123 as a result of extraordinary delays in telegraphic transmission, had an effect only second in importance. Loans receivable and advances, on the other hand, amounted to £8,756,000, against £6,327,000 previously. Cash in hand and at bankers, together with bullion, showed the somewhat reduced proportion of 18.1 per cent., following 18.9 per cent., of the total assets. The rupee assets and liabilities have, as hitherto, been converted at 1*s.* 4*d.* per rupee. An increase of about £45,000 (from £215,636 to £260,208) in the net profits of the year was more than sufficient to provide the half-yearly dividend or the new capital by which, together with the premium of like amount, the Bank's resources were enhanced for the latter half of the year. The recommendation of a final dividend of eight per cent., making with the similar interim dividend a total dividend on the old shares of sixteen per cent., less income tax, is an indication of the board's opinion as to the maintenance of a rate of distribution two per cent. of which was previously declared as bonus. After special allocations identical with those of twelve months ago the carry-forward shows a rise from £163,930 to £211,638.

BANK OF BENGAL.—After January 26 last the Bank of Bengal became merged with the Bank of Bombay and the Bank of Madras in the Imperial Bank of India, but shareholders on the register of the first-named Bank at the date of the amalgamation were led to expect a substantial bonus from the surplus assets remaining after the terms of the contract for the transfer had been carried out. In a final balance sheet as at January 26 these surplus assets, which include the profits earned since December 31, figure at Rs.1,23,33,333, sufficing for a special distribution at the rate of sixty-one and two-thirds per cent. on the paid-up capital of Rs.200 lacs. This follows a dividend for the half-year ended with December at the rate of twenty-two per cent. per annum., compared with recent annual distributions of seventeen per cent. For the convenience of shareholders wishing to apply a portion of their bonus towards paying for the partly paid shares of the Imperial Bank, separate warrants for Rs.250 and Rs.58. 5a. 4p., making up the distribution of Rs.308. 5a. 4p. per share, have been issued.

"THE DOCKS GAZETTE."—Commencing with the present issue the *Docks Gazette*, a journal of harbours and shipyards, is being published monthly by a new proprietary, and will deal effectively with matters relating to dock dues, congestions and delays, shipping awaiting berthages, storage, changes in harbour and docks administration, &c., &c. Foreign news of similar import is featured, and information given as to tenders and contracts.

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Reserve Fund	**3,350,000**
Reserve Liability of Proprietors	**4,931,100**
	£13,212,200
Aggregate Assets, 30th Sept., 1920	**£72,467,795**

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SUBSCRIBED CAPITAL	3,500,000
PAID-UP CAPITAL	1,000,000
RESERVE FUND	1,750,000
UNCALLED CAPITAL	2,500,000

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Cawnpore	Aden and	Kisumu	British E.A.
Lahore	Aden Point		
Amritsar	Colombo	Entebbe	
Delhi	Kandy	Kampala	Uganda
Tuticorin	Newera Eliya	Jinja	Uganda
Dar-es-Salaam			Tanganyika Territory.
Tanga			Tanganyika Territory.

SUBSCRIBED CAPITAL	£4,000,000
PAID-UP CAPITAL	£2,000,000
RESERVE FUNDS	£2,300,000

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ESTABLISHED 1869.

Capital Paid up	$19,000,000
Reserve Funds	$19,000,000
Total Assets	$584,000,000

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Reserve Fund - - - - -	**£1,000,000**

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Assets Exceed - - - - £19,000,000
Claims Paid Exceed - - - £32,000,000

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Business communications should be addressed to the Manager,

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The Statist.

LONDON: SATURDAY, APRIL 23, 1921.

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The Money Market.

Friday, April 22, 1921.

	Current Rate — %	Fixed	Previous Rate — %	Fixed
Bank of England Rate	7	(Apr. 15, '20)	6	(Nov 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5¼	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days	3 Mos.	4 Mos.	6 Mos.	12 Mos.
	%	%	%	%	%
Bank Bills ...	5¾-⅞	6-6⅛	6⅛	5⅞-6	—
Trade Bills ...	—	7-7¼	7¼-½	7½	—

TREASURY BILL TENDERS RESULT.

THE result of the first offering of Treasury bills for sale by tender yesterday proved contrary to the bulk of opinion in the market, which was inclined to look for a slightly higher average rate than 6 per cent. The amount offered, however, namely, £50,000,000, appears to be considerably less than the maturities next week, but the total amount applied for was only £1,930,000 above the sum asked for. Tenderers at [illegible] per annum, will receive about 20 per cent. of their applications, and tenders above that sum will be allotted in full. The average rate works out at £5 19*s.* 3.95*d.* per cent., or 8*d.* per cent. below the fixed "out" [illegible].

Interest in the Money market centred chiefly in the Treasury bill tenders; in the early part of the week there was little business in the Discount market, and the tendency was very uncertain, in accordance with the varying forecasts of the rate for allotment of Treasury bills on Thursday and also on account of the uncertainties regarding a change in the official discount rate. As regards the latter, opinion was generally disinclined to look for an early reduction on account of the industrial situation, and this view, in all probability, coincides with that of the authorities. The results of the Treasury bill tenders were not known till after business hours yesterday, and to-day they

seemed to upset the market considerably. In accordance with expectations, the rate for additional bills was reduced to 5⅞ per cent.; this rate would indicate that the Treasury is satisfied that the £50,000,000 obtained for sales of bills by tender will be sufficient to meet requirements, but, of course, nothing with certainty can be said in this regard until the Revenue and Expenditure figures for next week are available. As regards actual rates in the market, day-to-day money was quoted 5-5½ per cent. on Monday, with a few transactions in the afternoon at 4½ per cent. On the following days conditions were less comfortable; there appeared to be a growing demand for funds, and by Thursday conditions became so stringent that the amount which fell due for repayment to the central institution had to be renewed, and, in addition, a small amount was borrowed at 7½ per cent. This may have been due to heavy applications for Treasury bills while they continued "on tap," in anticipation of maturities in the closing part of the week—a view that is supported by the fact that conditions in the Short-loan market became decidedly easier to-day, when day-to-day money was to be had again around five per cent. As already stated, the Discount market was exceedingly quiet. At first there was a disposition to quote lower rates, but owing to conditions in the Short-loan market a firm tone developed later. On Tuesday three months' bank bills were marked up to 6⅛ per cent., but to-day the range of rates was 6-6⅛. June paper hardened to 5¾-⅞ per cent., and six months' maturities remained at 5⅞-6 per cent.

Foreign Exchanges.

The calling-off of the general strike on last Friday evening had a very pronounced effect on foreign exchange quotations, for on Saturday the value of sterling experienced an all-round appreciation. In many important directions the gains recorded on that day have not since been fully maintained, but, taking the week's movements as a whole, it will be found that with very few exceptions changes were in the direction of a higher value for the £. Notable among the exceptions were the rates on Paris and Brussels. French francs were quoted at 53.87 to-day, as compared with 55.02½ a week ago, and the Belgian franc improved from 53.25 to 53.00. On Wednesday, however, this feature was more marked, the quotations on that day being 53.52½ and 52.70 respectively. On Tuesday the lira showed a remarkable improvement to 81¾, but to-day's quotation of 85 marks a decline in value as compared with the 15th inst. The German mark depreciated, the rate rising successively from 245½ to 268. Among the unfavourable movements was an appreciation in Eastern currencies, though in this case the term "unfavourable" is more appropriate in the technical than in the literal sense. Business in the Eastern group, however, was on a small scale, and the changes are of little significance. The New York cable rate maintained a remarkable steadiness; at the end of last week it showed a moderate rise, but declined again on Monday and Tuesday last; yesterday the middle quotation stood at 3.93, which was the highest for the week, but there was a reaction to 3.92¾ to-day, though this represents a slight improvement since a week ago. Sterling appreciated in all the European "neutral" centres and also in the South American group. Among the latter exchanges the Valparaiso Stock Exchange has altered its method of quoting exchange on London from pence in relation to pesos to pesos in relation to pounds sterling. It is understood that the alteration was made at the wish of the Chilean Government, though the commercial community is opposed to the change. The new parity is 13.33 pesos to the £, equivalent to 18*d.* per peso.

Income and Expenditure.

The main feature of the Revenue and Expenditure statement is a substantial excess in maturities of Treasury bills over sales and renewals during the week ending on the 16th inst. This necessitated fresh borrowing on Ways and Means, the greater part of which, moreover, was advanced by the Bank of England. As to details, maturities of Treasury bills were at the large figure of £122,107,000, against which only £109,449,000 was received for new bills, making a deficit of £12,658,000. In addition to this an issue of over £1.3 million had to be made against securities surrendered as tax revenue, and the Depreciation Fund absorbed £1 million. These items were offset to some extent by an excess of £8,451,699 in revenue over expenditure, the amounts for the week being £21,704,710 and £13,253,011 respectively. As previously stated, the deficit was made up by borrowing on Ways and Means; the net amount so raised was £6,950,000, the amount advanced by the Bank being £5½ million. This is the first time the Bank was called upon for such accommodation since March 12 last. The total floating debt fell by £5,532,000 to £1,288,169,000. As compared with April 17 of last year it shows a decrease of only £11,838,000.

Currency Notes.

Another contraction in the circulation of currency notes amounting to £968,800 is recorded in the statement for the week ending on the 20th inst. The movement, however, was again due rather to a decline in the demands for fresh notes than to increased returns from circulation, which were, in fact, nearly £750,000 below the cancellations for the preceding week. The latest total recorded for notes and certificates outstanding is £338,702,237, marking a decline of £26,803,010 from the high record of December 22, 1920. As compared with March 30 last it shows a fall of £2,908,489. It will be of interest to compare the movements in the note circulation since a year ago in the United Kingdom and in the United States. As

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Authorised Capital	£10,000,000		
Subscribed Capital ...	£8,916,660	Reserve Fund	£2,893,335
Paid-up Capital	£2,229,165	Uncalled Capital... ...	£6,687,495

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mentioned below in our comments on the U.S. bank returns, the combined F.R. note circulation of the Federal Reserve Banks shows a fall of $205,160,000 between April 16, 1920, and April 15, 1921—equivalent, at approximately the par rate, to £41,032,000. Now, taking the combined circulation of Bank of England notes and Currency notes and excluding, of course, the amount of the former placed in the Currency Notes Reserve since a year ago, it will be found that between April 21, 1920, and April 20, 1921, there was not a decline but an increase of £10,864,000. Both movements must be considered as small when the violent changes in the factors affecting the note circulation during the year are considered, but the difference in the movements in the two countries is sufficient to indicate how much more severe the campaign of financial restriction has been in the United States. In the balance sheet this week appears a new item of £3,000,000 in silver coin placed in the Currency Note Redemption Account.

Bank of England. A decline in the note circulation during the week to the 20th inst. is also shown in the Bank's statement, but the movement was much less pronounced than in the case of currency notes, the decline being only £261,000. The total on Wednesday last is returned at £128,256,000, or £6,326,000 below the high record of December 22 last. In consequence of the contraction in the circulation the reserve increased by £258,000 to £18,519,000, and the reserve ratio rose from 13.8 per cent. to 14.5 per cent., as compared with 17.3 per cent. on April 21, 1920. The movement was assisted by a decline of £5,685,000 in banks' and private deposits. The extent of the further repayment of the market's indebtedness is indicated by a fall of £5,607,000 in "other securities." Government securities show a minor increase.

Bullion. Quotations were nominal in the Gold market during the week, in the absence of supplies. For the moment there seems to be no real Chinese support forthcoming for the Silver market; the effect of any purchases from that quarter tends to be speedily neutralised by selling orders. Accordingly, sellers look chiefly to the Indian Bazaars at present to absorb supplies; but during the past week there was a perceptible shrinkage in Indian buying orders, and there appears to be little prospect of an immediate revival. The effects of the weakened Indian demand on prices, however, was offset to some extent during the week by a dwindling in offerings of the metal from the Continent, and so, although the average level of quotations declined, there was no marked weakness. Quotations since Thursday last were as follows:—

	Apr. 15	Apr. 16	Apr. 18	Apr. 19	Apr. 20	Apr. 21	Apr. 22	Average
Silver (per oz. std. ·925 fine):—								
Cash ...	33⅞d.	34⅛d.	35⅛d.	34⅞d.	35d.	34½d.	34⅝d.	34·52d.
Forward ...	33⅞d.	34⅛d.	34⅛d.	34⅛d.	34⅛d.	34⅜d.	34⅜d.	34·18d.
Gold (per oz. fine)	104/11	—	104/8	104/8	104/8	104/8	104/10	104/8.

Recent movements in the Indian Currency Returns are shown below:—

1921	Note Circulation Lacs	Silver In India Lacs	Gold In India Lacs	% of Metallic Res. to Notes	Government Securities—Indian Lacs	Government Securities—British Lacs
Apr. 15 ...	16,668	6,610	2,416	54·2	6,807	835
Apr. 7 ...	16,614	6,486	2,416	54·1	6,807	835
Mar. 31 ...	16,616	6,537	2,417	54·0	6,807	835
Mar. 22 ...	16,535	6,480	2,411	53·8	6,807	835
Mar. 15 ...	16,441	6,395	2,406	53·5	6,807	835
Mar. 7 ...	16,441	6,393	2,406	53·5	6,807	835
Feb. 28 ...	16,460	6,411	2,407	53·6	6,807	835
Feb. 22 ...	16,414	6,372	2,400	53·4	6,807	835
Feb. 15 ...	16,382	6,340	2,400	53·4	6,807	835
Feb. 7 ...	16,356	6,314	2,400	53·5	6,807	835
Jan. 31 ...	16,341	6,299	2,400	53·2	6,807	835
Jan. 22 ...	16,284	6,246	2,396	53·1	6,807	835
Jan. 15 ...	16,135	6,104	2,389	52·6	6,807	835
Jan. 7 ...	16,145	6,114	2,389	52·7	6,807	835

THE
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NEW YORK.

A REACTION against the tenor of previous statements as regards the reserve position is shown in the latest average weekly report of the New York City Banks and Trust Companies, for the aggregate reserve records a rise of $2.2 million to $505,680,000, the excess over legal requirements being $3,750,000 higher at $12,340,000. As a result there was an actual excess reserve of $16,440,000 at the end of the week, as against a deficit of $4.3 million a week previously. Net demand deposits again declined; the fall during the week was $11,030,000, and the latest figure, $3,734,370,000, marks a decline of $252,540,000 since the commencement of the year. Loans, discounts and investments continue to decline, and the amount is now $4,818,980,000, or $352,140,000 below the level of a year ago and fully $667,150,000 less than the high record.

The New York Federal Reserve Bank records another gain of $18,590,000 to $301,970,000 in its gold holdings for the week ending on the 15th inst., but the total reserves fell slightly to $767,480,000. Net deposits rose by $22,890,000, but the note circulation again declined by $14,620,000, and the reserve ratio fell to 54 per cent.

An addition of $22,870,000 to the gold reserves, bringing the total holdings to $2,886,880,000 and the total reserves to $2,485,080,000—each of these constituting a new high record—is shown in the combined statement of the twelve Federal Reserve Banks. As compared with a year ago the total reserves show a gain of $397,350,000. Rediscounts for member banks fell to $2,104,550,000; the Federal Reserve note circulation declined by $25,430,000 to $2,858,530,000, but net deposits rose by $15,320,000 to $1,613,440,000. The figures here given for holdings of bills rediscounted and for notes in circulation are respectively $306,640,000 and $205,160,000 below the amounts returned on April 16, 1920. The reserve ratio is recorded at 53.7 per cent., as compared with 53.5 per cent. a week previously.

The Boston Federal Reserve Bank, on account of the continued improvement in its position, was able to announce on the 15th inst. a reduction in its rediscount rate for commercial paper from seven per cent. to six per cent. Though the Federal Reserve Banks as a whole, on account of the systematic liquidation of outstanding loans, the decline in the note circulation and the large influx of gold, have now attained as strong a position as could reasonably be required, yet other centres are still apparently averse to following the example of the Boston Reserve Bank, and moreover, the policy of restriction seems likely to be persisted in for some time. Call money rates ruled throughout at seven per cent. Prime mercantile paper was quoted 7½ to 7⅞ per cent.

B

Stock Exchange.

THE outstanding event in the City during the week was the reception accorded to the Government of India loan of £7,500,000 Seven per Cent. Stock and Bonds at par. The keen competition for the underwriting of the emission presaged an eager reception by the public. Few anticipated, however, that the lists would close heavily over-subscribed within a few hours of opening. A gilt-edge yield of seven per cent. is unusual even in these days of high money rates, but the generous return was counterbalanced by short-datedness, a feature which has proved decidedly unpopular in industrial issues. Anticipation of an early reduction in the Bank rate was an influential factor in attracting subscriptions, and the extended period of payment facilitated "stag" operations. The amount payable on allotment was five per cent., and a further twenty-five per cent. was required on May 10, nearly three weeks later. "Stags" argued that the Bank rate would come down in the interval, that quotations for the loan would move up several points, and that the scrip, £5 paid, would move similarly, thus netting them a substantial profit.

The Gilt-edge market improved considerably with the optimistic views entertained as to the near approach of lower money rates. The flotation of the India loan of £7,500,000 in Seven per Cents caused a slight temporary weakness. All items showed much better on the week. The appreciation was almost wholly nominal, though a fair volume of business was reported from some quarters. County and Corporation stocks also registered numerous appreciations without much business passing. A similar tendency came in evidence among Colonial issues towards the close.

Foreign Government securities benefited from the cheerful tone ruling elsewhere. Brazilian varieties were in request on American account. Chilean and other South American loans also attracted buying inquiries. Chinese received renewed support, and prices moved accordingly. Active dealings took place early in the week in Chinese Republic Five per Cent. Lung-Tsing-U-Hai Railway Gold Loan of 1913—a Brussels issue. The amount outstanding is £4,000,000. The bonds are secured as a first charge on the railway, in addition to being guaranteed as to principal and interest by the Chinese Government. Redemption will be effected at par by thirty equal annual drawings commencing in 1923.

The railway-strike threat being disposed of, the Home Rails market exhibited renewed strength on Monday. A mixed tendency developed later, but the volume of transactions was negligible. Foreign Rails contained little of interest except for a spurt in San Paulo on the granting of powers for a ten per cent. rate increase. Grand Trunk issues continued inactive.

Though the failure of the labour extremists to engineer a general strike brought relief to the Industrial section, the coal strike prevented any real recovery. Iron and Steel, Shipping and Textile shares remained comparatively firm, but no movements of note occurred. Many Bank shares moved up fractionally on a steady though quiet demand.

The Oil-share market opened with an optimistic tone which was maintained to the close, but the continuance of the coal strike prevented business from broadening. Rumanians attracted attention at the outset on the award of £300,000 minimum in respect of the Roumanian Consolidated compensation claim. Mexican Eagles rallied from an initial decline and finished at higher levels; Shells moved fractionally higher; but Royal Dutch eased on profit-taking sales. Burmahs became a centre of interest and appreciated on the strength of various unconfirmed rumours about a distribution of the Company's holding of Anglo-Persian Ordinary shares. Trinidad varieties were also a good market towards the end of the week.

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Mining Topics.

A DEGREE of activity characterised the Mining market during the week that was as agreeable as it was surprising in view of the coal deadlock. Up to Thursday there was a general advance in prices in the Kaffir Circus. Randfonteins were in good demand, moving up steadily from 14*s.* 6*d.* to 15*s.* 3*d.*, but reacting later to 15*s.* Paris support on Tuesday and country orders on Wednesday gave an impetus to many of the leading producers and finance issues. Johnnies were the feature on Tuesday with a rise of 2*s.* to 25*s.* 3*d.*, and on Thursday they were still in demand at 24*s.* 9*d.* De Beers rose from 11 to 12, but with the absence of Paris support they sagged to 11¾ on Thursday.

According to a statement in Parliament at the Cape this week, it appears that a joint sale of ex-enemy Kaffir shares had been proposed by the Union Government to the Imperial Government, and, though this eminently wise proposal was discussed on the recent visit of the Union Custodian here, no decision has yet been reached on this vexed question. Considerable dissatisfaction has been expressed in Stock Exchange circles and elsewhere at the meeting of the Burma Corporation held in the absence of the Press last week. The official report of the meeting gives no information as to the existing authorised and issued capital of the Associated Lead Manufacturers, nor of the amount of the controlling interest to be held by the Burma Corporation. How vital the lack of such information is may be gauged from the fact that the Burma Corporation will have to guarantee the Debenture stock issued by the Associated Lead Manufacturers in exchange for the shares in the associated manufacturing companies.

MEXICO MINES OF EL ORO.

ANOTHER satisfactory report has been issued by this celebrated Mexican gold and silver mine for the year ended June 30, 1920. There was an increase of nearly 5,000 tons in the quantity of ore mined, the total reaching 136,265 tons. Largely owing to the maintenance of a high price for silver, much attention was devoted to levels that would otherwise have been left alone. Thus from the third level exploration yielded 2,455 tons of ore, with gold averaging $2 per ton and silver 8.9 ounces per ton. Similarly the contribution from the fourth level was nearly doubled, the 10,200 tons of ore assaying $9.28 gold and 10.51 ounces silver. Furthermore, whereas the reserves on this level did not exceed 3,000 tons in the previous year, they were now estimated at 11,000 tons. The ninth level, however, was the largest producer for the year, contributing 33,450 tons of ore, with an average gold value of $14.85 per ton and 9.43 ounces of silver. One consequence of this great increase is that less than 1,000 tons now remain in the East Sulphide vein.

The eighth level continued to yield large tonnages. The Nolan mine produced only 1,910 tons. From the point of view of value the ninth level stood out, the twenty tons mined therefrom assaying $33.30 gold and 15.90 ounces of silver per ton. From the tenth level came 820 tons, averaging $26.80 gold and 12.40 ounces of silver. The mill had the improved record of running for 89.5 per cent. of the time, the percentage of ore extracted rising from 86.7 per cent. in the case of gold to 92.9 per cent., and falling slightly in the case of silver from 86.29 per cent. to 85.6 per cent. The increased quantity of silver mined is reflected in the fact that nearly forty-four per cent. of the total value of the bullion recovered was due to silver, as against 40.8 per cent. in the previous year. The bullion value per ton declined slightly from 78*s.* to 76*s.* 11*d.*, the average yield of the silver dropping from $8.56 to $8.39 per ton; whilst the average yield of gold worked out only at $11.36 per ton, as against $12.76. Working costs, in common with the general tendency, advanced to 42*s.* 6*d.* per ton, thereby reducing the working profit from 36*s.* 1*d.* to 34*s.* 5*d.* per ton. The financial aspect of the accounts is embodied in the following table:—

Year to June 30.

	1920	1919	1918	1917	1916	1915
	£	£	£	£	£	£
Total revenue ...	543,632	509,501	516,748	448,130	8,502*	90,360
Total expenses ...	301,425	274,053	246,114	166,494	28,991	60,072
Profit	242,207	235,448	270,634	281,636	20,489†	30,288
Brought forward ...	186,688	179,465	214,359	59,461	91,127	75,529
	428,895	414,913	484,993	341,097	70,638	105,817
Allocations—						
Gold export tax ...	—	—	—	—	—	5,476
Depreciation ...	21,924	25,577	1,598	2,699	5,238	2,214
Income tax ...	13,603	13,648	4,429	7,763	6,527	7,000
Dividends‡ ...	189,000 (90 ,,)	189,000 (90%)	199,500 (95%)	115,500 (55%)	Nil —	Nil —
Set aside ...	—	—	100,000	—	—	—
Carried forward ...	194,268	186,688	179,466	214,359	59,073	91,127
	428,895	414,913	484,993	341,097	70,638	105,817
Tons milled ...	138,800	130,665	121,797	84,030	Nil	30,805
	Per Ton	Per Ton.	Per Ton.	Per Ton	Per Ton	Per Ton
Bullion value ...	76/11	78/-	84/9	104/11	—	54/11
Working costs ...	42/6	41/11	40/4	39/7	—	39/1
Profit	34/5	36/1	44/5	65/4	—	14/6

*All sundry revenue except £841. † Loss. ‡ Free of income tax.

Ore Reserves.

June 30, 1920		June 30, 1919		June 30, 1918		June 30, 1917	
	Gold Value		Gold Value		Gold Value		Gold Value
Tons	$	Tons	$	Tons	$	Tons	$
350,100	10.92	379,200	11.60	416,200	11.72	457,100	11.89

The greater value of the bullion recovered explains the increase in the working profit to £242,207. As in the previous year, the heavy outlay of £21,061 on permanent improvements has been written off, and also a sum of £863, representing the loss on realisation of investments. Taxation, however, absorbs £23,703, or an increase of over £10,000 as compared with 1918-19. The dividend is maintained at ninety per cent., tax free, equivalent here to over 128½ per cent., whilst the balance carried forward to the next accounts is increased to £194,268.

Development operations proved less fruitful even than in the previous year. No less than 4,228 feet out of a total of 5,942 feet proved sterile. In view of the high price which silver commanded, operations were directed largely to levels where this ore predominated, and as a result of such work on the third level of the Mexico mine some 9,000 tons of ore averaging $1 gold and 10 ounces silver were developed. At the ninth level it is stated that a stope has been opened up containing some 18,000 tons of ore averaging $6 gold and 5 ounces silver. More important, however, was the development of the new West Vein on the eleventh level of the Oro Nolan. Results so far indicate that the payable ore is confined to a length of 250 feet and a depth of 100 feet. To test any further continuation of this rich shoot, which is calculated to yield ore worth $588,000, in addition to the $90,000 already extracted, the winze, now down to 116 feet, is being extended to the sixteenth level, from which a connection will be made with the south drive on that level. Owing to the development of blocks of ore on the third, fourth, and ninth levels of the Mexico mine, the ore reserve has only declined by 29,100 tons, the gold value of $10.92 comparing with $11.60 in 1919, and the silver value of $8.82 with $8.60.

It cannot be said that the outlook for the current year is as favourable as that of the year under review. Undoubtedly the greater stability in the political condition of Mexico augurs well for the future. But the marked decline in the price of silver must affect the financial results. As a consequence of this fall the original scheme for the exchange of 29,942 shares for 93,500 shares in the Cia. Explorada de Minas de Mexico had to be postponed. This Company was interested in silver mines, and only high-grade mines could afford to produce at the present low price ruling for that metal. Accordingly all operations on these properties have practically been suspended. As regards Mexico Mines of El Oro itself, a reduction in the revenue from silver must be anticipated. Furthermore, the supply of electric power has been curtailed by twenty-five per cent. for about four months owing to the exceptionally dry season. During this period 10,000 tons constitutes the maximum monthly output. Moreover, heavy capital expenditure is again foreshadowed for the current year. To expedite development work, for example, a sum of £9,000 will be required to provide another compressor plant. On the other hand, substantial benefits are expected from the purchase of the timber property, which appears now in the accounts at £75,727. A new line is being completed at the expense of the Company to facilitate the transport of timber from this property to the mines. The Manager anticipates an annual output of 12,000,000 superficial feet of timber, from which after supplying the needs of the mines a balance of 7,000,000 feet can be sold at substantial profits in neighbouring markets. Financially the Company is in a very strong position. Current liabilities, as disclosed in the balance sheet dated June 30, 1920, did not exceed £108,192, and were covered by the cash balance alone, which amounted to £115,232. In all liquid assets were available to a total of £235,109. Already three interim dividends of twenty per cent., each free of tax, have been declared in respect of the current year. In the market the £1 shares have fallen to £5⅓, at which price the yield for the current year on the basis of a final dividend of twenty per cent., free of tax, would be over 5½ per cent., subject to tax.

RAMBUTAN.

Year ended June 30	Black Tin Output Tons	Value Realised Black Tin per Ton	Working Costs per Ton	Working Profit Amount	Working Profit Per Ton	Net Profit	Dividend Amount	Dividend %
		£	£	£	£	£	£	
1917 ...	258.93	110⅝	55½	19,545	75½	19,084	13,333	13⅓
1918 ...	242.21	157/12	41½	28,953	116¾	29,327	13,333	13⅓
1919 ...	172.27	151/10	75/10	13,773	76	16,482	13,333	13⅓
1920 ...	212.12	190/1	73/-	25,015	116¾	25,403	15,000	15

The report issued by this Malayan tin-mining Company for the year ended June 30, 1920, is a record of genuine improvement. The area of ground treated increased slightly from 502,812 cubic yards in 1918-19 to 504,752 cubic yards in the year under review. This increase coincided, however, with a much more satisfactory expansion in the output of black tin, which is returned at 212.12 tons, as compared with 172.27 tons only in the previous year. The richer nature of the ground worked may be seen from the fact that the average recovery per cubic yard was 0.95 lb. instead of 0.77 lb. The total working cost rose from £12,938 to £15,563, partly as a result of abnormal expenditure involved in the redistribution of water owing to the closing down of one of the paddocks, but also owing to the higher prices for stores and materials, for labour and for rice. Measured in terms of the area treated, the working costs reached 19.19*d.* per cubic yard, as against 12.42*d.* in the previous year. However, on account of the greater output of ore the average cost per ton actually dropped from £75/1 to £73/-. Moreover, the price of tin ruled high during the year under review. The average monthly prices for spot tin in

London did not fall below £250, and rose as high as £395; whilst in February 1920 the quotations exceeded £410. Accordingly, the average price secured by Rambutan by the sale of its ore worked out at £190¼ per ton, as against £151 1/10 in 1918-19. Thus there was secured, as in 1917-18, the substantial profit per ton of £116⅔, the total of £25,015 representing an increase of nearly £11,300 over the mediocre return for 1918-19. Similarly the net profit of £25,403 is nearly £9,000 in excess of that recorded in the previous year. From this a sum of £2,240 is set aside for the depreciation of the pipe line. The dividend paid to shareholders is increased from 13⅓ to 15 per cent., absorbing £15,000, as against £13,333 in 1918-19. A payment of £10,000 is made out of the balance of £14,276 brought forward from the previous year, and it is stated that this payment was "on account of excess profits duty to June 30, 1919." It would be well if shareholders were informed whether such large sum completes the liability for this tax to the date in question, and, if not, an estimate of the outstanding amount ought to be supplied. The balance of £12,439 carried forward to the next accounts is subject to adjustment in respect of both corporation tax and excess profits duty.

In view of the heavy slump in the price of tin since the opening of 1921, in particular, the outlook for the current year is by no means so bright. Even during the last six months of 1920 the price of tin continued to fall persistently. August showed the best monthly average with a spot price of £274¼, but by December the average was only just over £212½. Since then the fall has been so pronounced that by the end of February, when the price touched £158, the Government of the Malay States withdrew its offer to take all tin produced on its territory at a price just above £200 a ton. The cash price is now in the region of £170; but this compares very unfavourably even with the minimum price of £195 for 1920. Returns for the first four months indicate a falling off in the output, the total being only 58 tons. The average price reflects the course of the prices above mentioned. For July output an average of £161⅓ was secured, but this had fallen to £151⅔ in November, and subsequent returns are likely to be worse. Working costs ruled high in the first three months, the return of £116⅔ per ton in August being accounted for by abnormal expenditure. Yet even in September the cost exceeded £89 per ton. October, however, showed a marked decline to £62 per ton. It is to be hoped that this movement has continued, as only in this manner can relief be secured from the exceptionally low prices ruling for tin since January 1921. Financially the Company is in a very strong position and well equipped with funds to tide it over this critical period. The balance sheet dated June 30, 1920, showed that current liabilities did not exceed £7,241, whereas liquid assets were available to a total of £38,543. The property account has been increased by £1,021 to £30,736 as the result of the purchase of 347 acres of a hill area which has been worked intermittently in the past by Chinese. As the ground is hilly, it cannot be worked with advantage until the flat lands now in the possession of the Company have been exhausted. The quotation of 15*s.* 3*d.* for the £1 shares of the Company is but the logical sequence of the poor prices which tin now commands.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 20, 1921.

Issue Department.

Notes Issued	£144,981,345	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,531,345
	£144,981,345		£144,981,345

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£32,767,043
Rest	3,148,819	Other Securities	94,085,347
Public Deposits	19,218,678	Notes	16,704,895
Other Deposits	108,439,431	Gold and Silver Coin	1,814,022
Seven-day and other Bills	11,379		
	£145,371,307		£145,371,307

Comparison with Previous Four Weeks [000's omitted.]

Date 1921.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Apr. 20	128,2	128,3	19,2	108,4	32,7	94,1	18,5	14·5	7	5 5/16
Apr. 13	128,5	128,3	18,3	114,1	32,2	99,6	18,2	13·8	7	6½
Apr. 6	129,2	128,3	21,4	124,2	31,6	114,1	17,5	12·1	7	6¾
Mar. 30	129,9	128,3	23,0	114,6	26,0	112,9	16,9	12·3	7	6⅝
Mar. 23	129,5	128,3	22,9	101,1	24,0	101,0	17,2	13·9	7	6¼
July 22,'14	29.3	40.2	13,7	42,2	11.0	33.6	29.3	52·40	3	2 3/16

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%. July 13, 1916, 6%; Jan. 18, 1917, 5½%. Apr. 5, 5%. Nov. 1919, 6%. Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling, 00,000's omitted):	Apr. 20 1921	Apr. 21 1920	Apr. 23 1919	Apr. 24 1918	Apr. 19 1911
Circulation	£128.2	£105.9	£76.2	£48.4	£28.1
Public Deposits	19.2	20.0	24.6	34.8	17.6
Other Deposits	108.4	124.2	117.2	140.2	38.6
Government Securities	32.7	67.4	50.2	56.7	15.0
Other Securities	94.1	79.8	81.8	104.8	32.2
Reserve	18 5	24.9	27.4	31.0	26.8
Ratio to Liabilities	14·5%	17·3%	19·32%	17·71%	47·72%
Coin and Bullion	128.3	112.4	85.1	61.0	36.5
Money:					
Bank of England Rate	7%	7%	5%	5%	3%
Rate of France Rate	6%	8%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	6⅝%	3½%	3⅜%	2⅜%
Exchanges:					
Paris Cheque	53·87	64·85	27·30	27·16	25·30
New York 60 days	3·90⅜	3·86	4·63	4·72½	4·84½
Bombay Telegraphic Transfers	1/3½	2/0	1/5⅝	1/5⅝	1/4⅛
Prices:					
Consols 2½% Cash	49⅝	46	55¼	55½	81⅜
French Rentes 3% Money	57·50	66·52½	61·30	58·75	96·17
Silver, London spot os.	34⅜d.	69½d.	48⅜d.	49½d.	24⅜d.
Wheat, *Gazette* average qr.	82/2	72/8	73/1	73/3	30/3
Cotton, Mid Upland lb.	8·57d.	28 02d.	19·25d.	21·17d.	8·02d.
Iron, Scotch pig ton	123/0	206/0	101/0	101/0	52/4½

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Apr. 20, '21	6,143,216	7,112,016	338,702,237	28,500,000	19,450,000	14 2
Apr. 13, '21	7,444,741	2,131,151	339,671,037	28,500,000	19,450,000	14·1
Apr. 21, '20	5,860,981	8,708,241	337,181,577	28,500,000	6,500,000	10 4
Apr. 23, '19	5,764,680	2,694,901	349,108,298	28,500,000	—	8·1
Apr. 24, '18	6,078,958	3,968,446	235,190,607	28,500,000	—	12·1
Apr. 25, '17	4,578,712	4,529,474	152,079,935	28,500,000	—	18·7

Balance Sheet, April 20, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	267,612,336	Other Bankers	—
Ten Shilling	41,919,901	Currency Note Redemption A/c—	
Certificates outstanding ...	29,170,000	Gold Coin and Bullion ...	28,500,000
		Silver Coin ...	3,000,000
Total	338,702,237	Bank of England Notes ...	19,450,000
Notes called in but not yet cancelled	2,172,788	Government Securities ...	305,475,838
Investments Reserve A/c ...	15,727,624	Balance at Bank of England	176,811
Total	356,602,649	Total	356,602,649

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Apr. 16,'21...	£21,705	£13,253	£8,452‡	£178,859	£136,429	£3,517
Apr. 9, '21...	30,698	49,583	18,885	192,290	173,644	2,835
Mar. 31,'21...	228,929	197,361	*31,568*‡	563,902	597,268	3,075
16 dys. '21-22	52,402	62,836	10,434	320,989	313,590	—5,852
17 dys. '20-21	79,944	72,182	7,762‡	313,689	321,450	—5,189
Yr. '20-21*	1,418,300	1,233,642	*184,658*‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,793
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
Apr. 16,'21...	£5,428	£9,635	£1,270	£5,371	£3,513	£440	£9,300
Apr. 9, '21...	5,110	16,623	3,185	5,780	29,437	122	20,024
Mar. 31,'21...	30,046	100,343	23,559	74,982	33,708	5,452	158,201
16 days '21-22	10,538	26,253	4,455	11,151	32,949	563	29,324
17 days '19-20	11,982	29,204	9,182	29,395	30,894	374	40,814
Yr. '20 21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,537	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Apr. 16, 1921 ...	£1,103,330	£184,839	£1,288,169	—
Apr. 9, 1921 ...	1,115,812	177,889	1,293,701	—
Mar. 31, 1921 ...	1,120,841	154,489	1,275,330	£22,584
Mar. 26, 1921 ...	1,108,709	162,414	1,271,123	22,424
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates, including supplementary grants. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 14, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Apr. 7, '21	...	10,662	1,466	12,128	27,599	243,471	46,642
Apr. 14, '21	...	10,662	1,479	12,141	27,915	243,760	48,083

		Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Mar. 23, '21	...	£396,941	£60,401	£66,573	£82,693	£443,238	£33,870
Mar. 31, '21	...	396,945	59,389	69,465	82,773	455,681	31,978
Apr. 7, '21	...	396,950	59,203	69,390	80,465	450,488	32,684

		Cash			Dis-	Balance	Circula-	
DENMARK.		Gold	Silver	Total	counts	Abroad	tion	Deposits
July 31, '14	...	£4,170	£341	£4,441	£6,197	£786	£9,693	£47
Feb. 28, '21	...	12,643	148	12,791	16,721	855	29,250	3,576
Mar. 31, '21	...	12,643	165	12,808	15,807	1,157	28,725	3,412
Mar. 31, '20	...	12,589	172	12,761	18,055	390	29,123	2,024
Mar. 31, '19	...	10,385	137	10,522	3,611	4,206	24,137	332

		Gold—		Total Cash			Circula-	Deposits—	
FRANCE.		In Bank	Abroad	Incl'g Silver	Bills		tion	Public	Private
July 30, '14	...	£165,654		£190,667	£97,768		£267,327	£15,302	£37,303
Apr. 14, '21	...	142,271	77,934	231,017	112,192		1,541,156	1,544	117,621
Apr. 21, '21	...	142,407	77,934	231,192	106,223		1,531,301	1,575	114,310
Apr. 22, '20	...	144,310	78,131	233,273	85,834		1,493,069	12,113	123,535
Apr. 24, '19	...	142,721	79,132	231,280	35,887		1,359,138	1,075	123,218

		Cash			Treasury &	Loans &	Circula-	De-
GERMANY.		Gold	Silver	Total	Other Notes	Discounts	tion	posits
July 23, '14	...	£87,843	£18,727	£84,570	£5,279	£40,055	£94,545	£47,198
Mar. 31, '21	...	54,577	453	55,030	1,191,884	3,340,227	3,219,09	1,653,688
Apr. 7, '21	...	54,577	431	55,008	1,147,136	2,858,865	3,461,761	872,529
Apr. 7, '20	...	54,573	2,283	56,356	715,236	2,158,062	2,280,853	855,890
Apr. 7, '19	...	95,696	1,039	96,734	335,561	1,378,849	1,274,741	562,629

		Cash			Dis-	Ad-	Circula-	De-
HOLLAND.		Gold	Silver	Total	counts	vances	tion	posits
Aug. 1, '14	...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Apr. 21, '21	...	50,915	1,236	52,201	19,750	18,252	87,167	3,930
Apr. 18, '21	...	50,915	1,239	52,153	22,965	18,172	87,423	4,530
Apr. 17, '20	...	52,903	923	53,826	25,159	16,660	87,581	9,409
Apr. 19, '19	...	55,550	746	56,296	12,642	17,174	85,701	7,614

		Cash			Other	Loans &	Circula-	
ITALY.		Gold	Silver	Total	Cash	Discounts	tion	Deposits
July 31, '14	...	—	—	£48,456	—	£25,017	£69,204	£8,887
Jan. 20, '21	...	£32,777	£3,000	35,777	16,733	213,518	597,189	79,009
Jan. 30, '21	...	32,772	2,991	35,763	18,802	213,518	596,781	85,012
Jan. 10, '20	...	32,194	3,004	35,198	20,480	112,555	495,477	78,869
Jan. 31, '19	...	—	—	49,396	—	74,503	361,882	61,759

						Deposits—	
JAPAN.		Gold	Discounts	Advances	Notes	Public	Private
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Mar. 5, '21	...	109,883	4,980	8,477	105,645	97,076	18,835
Mar. 12, '21	...	102,303	4,699	8,561	100,840	98,859	22,233
Mar. 13, '20	...	93,513	19,776	36,403	118,734	115,873	2,557
Mar. 15, '19	...	71,155	1,277	40,949	79,055	113,461	3,349

				Loans,				
NEW YORK BANKS & TRUSTS.		Cash	Own Aggregate	Discts,	Net Deposits—			Excess
		Vaults	Reserve	Invest., &c.	Demand	Time	Total	Reserve
Aug. 1, '14...		—	£89,888	£411,238	—	—	£887,165	£1,720
Apr. 9, '21...		£15,644†	100,696	868,338	£748,874	£47,782	824,634	1,718
Apr. 16, '21...		16,588†	101,136	865,796	744,370	48,036	820,658	2,470
Apr. 17, '20...		18,996†	116,740	1,034,224	842,536	50,354	907,600	4,842
Apr. 19, '19...		19,466†	116,150	887,980	791,546	30,790	895,044	10,840

			Balauce	Norw.& For.	Disc'nts	Circula-	
NORWAY.		Gold	Abroad	Govt. Secs.	& Loans	tion	Deposits
July 31, '14	...	£2,960	£1,678	£493	£4,868	£6,752	£793
Mar. 31, '21	...	8,115	2,335	500	22,811	23,404	4,760
Apr. 7, '21	...	8,115	2,278	500	22,756	23,118	4,866
Apr. 7, '20	...	8,122	4,524	579	19,257	24,480	4,129

					Discounts &	Note Circu-	
PORTUGAL.		Gold	Silver	Total	Advances	lation	Deposits
Mar. 2, '21	...	£1,906	£3,924	£5,830	£28,925	£139,186	£14,257
Mar. 9, '21	...	1,906	3,230	5,136	27,751	140,055	13,119
Mar. 10, '20	...	1,906	3,921	5,827	8,844	83,660	4,116
Mar. 12, '19	...	1,905	3,770	5,675	9,752	64,707	3,724

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Mar. 12, '21	...	£146,489	£27,356	£5,932	£33,288	£431,259
Mar. 19, '21	...	150,469	26,866	6,199	32,861	442,131
Mar. 26, '21	...	150,469	26,015	6,066	32,081	440,203
Mar. 27, '20	...	60,809	8,425	2,598	11,023	179,640

		Gold—		Total Cash	Loans &	Circula-	Notes in	Total
RUSSIA.		In Bank	Abroad	incl'g Silver	Disc'ts	tion	Reserve	Deposits
July 21, '14...		£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...		129,523	230,885	378,205	1,869,559	1,836,217	15,783	345,550

		Cash			Loans,	Spanish	Circula-	Deposits
SPAIN.		Gold	Silver	Total	&c.	4%	tion	&c.
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Apr. 9, '21	...	99,416	23,706	122,924	96,876	13,779	170,.80	47,189
Apr. 16, '21	...	99,250	23,855	123,105	85,992	13,779	169,606	47,.63
Apr. 17, '20	...	93,109	25,023	123,132	85,688	13,779	155,467	43,866
Apr. 19, '19	...	90,444	25,736	116,180	74,686	13,778	140,712	43,416

			Balance	Swed. & For.	Discounts	Circula-	
SWEDEN.		Gold	Abroad	Govt. Secs.	& Loans	tion	Deposits
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Apr. 9, '21	...	15,836	6,589	705	31,2.3	37,339	12,879
Apr. 16, '21	...	15,608	6,383	705	29,.36	36,559	12,871
Apr. 17, '20	...	14,001	4,915	2,524	35,582	38,121	15,829
Apr. 19, '19	...	15,977	7,580	3,003	18,303	39,.64	6,516

		Cash—			Discounts &	Circula-	
SWITZER-LAND.		Gold	Silver	Total	Advances	tion	Deposits
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Apr. 7, '21	...	21,737	3,921	25,658	18,269	38,458	4,744
Apr. 15, '21	...	21,740	4, 57	25,797	17,462	3.,347	6,135
Apr. 15, '20	...	21,150	3,527	24,677	14,393	36,840	5,433
Apr. 15, '19	...	16,753	2,614	19,372	21,160	36,491	4,521

• Converted at 24 crowns to £1.
† Not reserve, ‡ Currencies converted at par rate of exchange approximately.

		Gold—			Bills		Deposits—	
U. STATES FED. RES. BANKS.		Held by Banks	With Agents	Total Cash	Dis-counted	Accept-ances	Govt.	Total Net	Circula-tion
Apr 11, '21 ...		—£453,800—		£496,366	£430 950	£20,722	£9,610	£349 234	£578,792
Apr. 18, '21 ...		—457,376—		497,918	420,910	23,916	6,224	328,912	573,706
Apr. 19, '20 ..		—391,053—		417,518	482,238	83,366	6,120	350,536	614,738
Apr. 19, '19 ..		191,702	240,730	446,172	384,454	39,378	21,312	345,014	508,740

II.—CURRENT BANK RATES OF DISCOUNT.

		%	Date Fixed			%	Date Fixed.
Amsterdam	...	4½	July 1,'15	Lisbon	...	7	Sept. 3,'20
Berlin	...	5	Dec. 23,'14	Madrid	...	6	Nov. 4,'20
Berne	...	4½	Apr 7,'21	Paris	...	5	Apr. 8,'20
Bombay	...	6	Mar. 3,'21	Petrograd	...	8	July 29,'14
Brussels	...	5½	Apr. 23,'20	Rome	...	6	May 12,'20
Calcutta	...	6	Mar. 3,'21	Stockholm	...	7½	Sept. 18,'20
Christiania	...	7	June 25,'20	Tokio	...	8·03	Nov. 13,'19
Copenhagen	...	7	Apr. 15,'21	Vienna	...	6	Apr. 14'21

III.—FOREIGN EXCHANGES.

LONDON ON—		Apr. 22, '21	Apr. 15, '21	Apr. 8, '21	Apr. 1, '21
Berlin	Cable	... 35, '21	Apr. 15, '21	Apr. 8, '21	Apr. 1, '21
Brussels	Cheques	53fr. 00c.	245m.	245m.	245m.
Denmark	Cable	21kr.75	53fr. 02c.	53fr. 15c.	53fr. 70c.
Holland	do.	11d. 00c.	21kr. 82	21kr. 80	21kr. 50
Italy	do.	80 00	11d. 08c.	11d. 31c.	11d. 36½c.
Lisbon and Oporto	do.	5½	80 75fr.	89fr. 75	90 00
New York	do.	$3 92½	5½	5½	5½
—	Cheques	$3 93½	$3 90½	$3 91½	$3 93½
Norway	Cable	24kr. 82	$3 93½	$3 93½	$3 93½
Paris	3 mos.	54fr. 62c.	24kr. 30	24kr. 25	24kr. 45
—	Cable	53fr. 87c.	55fr. 42c	56fr. 05c.	56fr. 07c.
Spain (Bank places)	3 mos.	41½	53fr. 00c.	55fr. 30c.	56fr. 32c.
—	Cable	28p. 35	41½	41½	41½
Sweden	do.	16kr. 62	28p. 10	28p. 06	28p. 10
Switzerland	3 mos.	23fr. 10c.	16kr. 40	16kr. 60	16kr. 80
—	Cable	22fr. 70c.	23fr. 10c.	23fr. 10c.	23fr. 10c.
			22fr. 60c.	22fr. 60c.	22fr. 60c.

ON LONDON—		Apr. 22, '21	Apr. 15, '21	Apr. 9, '21	Par.
Alexandria	Sight	97½pl.	97½pl.	97½pl.	97½pl.
Amsterdam	Cheque	11d. 29½c.	11d. 27½c.	11d. 30½c.	12·107fl.
Athens	Cable	60dr. 25	55dr. 87	53dr. 90	25dr. 22½
Bombay	Transfer	1s. 3¾d.	1s. 3¾d.	1s. 3¾d.	2s.*
Brussels	Cheque	53f. 01c.	53f. 02c.	53f. 17c.	25f. 22½c.
Buenos Ayres	Transfer	44½	45½	44½	47·58d.
Calcutta	do.	1s. 3¼d.	1s. 3¼d.	1s. 3⅛d.	2s.*
Christiania	Sight	24kr. 75	24kr. 28	24kr. 21	18·159kr.
Copenhagen	do.	21kr. 75	21kr. 66	21kr. 61	18·159kr.
Helsingfors	Cable	184m.	175m.	163m.	25m. 22½
Hong Kong	Transfer	2s. 6d.	2s. 6d.	2s. 5d.	—
Italy	Sight	84fr. 62c.	80fr. 75c.	90fr. 00c.	25fr. 22½c.
Lisbon	do.	5½d.	5½d.	5½d.	53½d.
Madras	do.	1s. 3¼d.	1s. 3¼d.	1s. 3¼d.	2s.*
Madrid	do.	28p. 37	28p. 07	28p. 07	25p. 22½
Montevideo	Transfer	41½	42½	42½	51d.
Montreal	Cable	$4 41½	$4 41	$4 29	$4 86⅝
New York	Sight	$3 92½	$3 88	$3 90½	—
—	60 days	$3 90⅝	$3 87⅛	$3 90⅛	—
—	Cable	$3 93⅜	$3 89⅛	$3 93	$4 86⅝
Paris	Cheque	53f. 97c.	55f. 00c.	55f. 30c.	25f. 22½c.
Rio de Janeiro	90 days	—	8 rad.	8½d.	16d.
Shanghai	Transfers	3s. 4½d.	3s. 4½ nom	3s. 4⅜d.	—
Singapore	Sight	2s. 4½d.	2s. 3¾d.	2s. 3⅝d.	—
Stockholm	do.	16kr. 63	16kr. 33	16kr. 61	18·159kr.
Switzerland	do.	22f. 67½	22f. 59c.	22f. 60c.	25f. 22½c.
Valparaiso	90 days	31.70p.	31.70p.	7 5/16d.	18 3/32d.
Yokohama	Sight	2s. 5½d.	2s. 5½d.	2s. 5⅝d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—		Rate Current* Apr. 20, '21	Apr. 13, '21	Par as to Parity Quoted	Rate July 3
Amsterdam, sight	...	34 68c.	34 95c.	40 20c. for 1 guilder	40·25c.
Bombay, cheques	...	25·875c.	25 75c.	48 66c. for 1 rupee	33·00c.
Buenos Ayres, cheques	...	138 75	136 00		
Christiania, cheques	...	15 95c.	16·08c.	26 80c. for 1 kroner	
Copenhagen, cheques	...	18·03c.	18 07c.	26 80c. for 1 kroner	26·85c.
Greece, cheques	...	6 45c.	7·12c.	19.30c. for 1 drachma	
Hong Kong, cheques	...	51·25c.	50·50c.	74 59c. for Mex. $1	48·4c.
Italy, sight	...	4 84c.	4·74c.	19.30 cents for 1 lire	
Lima, cheques	...	3·90c.	3·90c.	4 0660 $ for 1 libra	
Manila, cheques	...	48·00c.	48·00c.	50c. for 1 peso	49·8c.
Montreal	...	11·00% diso.	11·50% diso.	Premium per $100	Par
Paris, sight	...	13·61fr.	14·12fr.	5·18¼ francs for $1	5·16fr.
Rio de Janeiro, cheques	...	7·25 mil.	7 3 mil.	3 032 metres for $1	
Shanghai, cheques	...	87 00c.	66·50c.	52·93c. for 1 tael	83·00c.
Singapore, cheques	...	52 00c.	42·00c.	56 77c. for $1	57·12c.
Spain, cheques	...	13 85c.	13·91c.	19 30c. for 1 peseta	
Stockholm, cheques	...	23 76c.	23 70c.	26 80c. for 1 kroner	
Switzerland, cheques	...	5·78fr.	5 78fr.	5·18¼ francs for $1	5·18¼fr.
Valparaiso, cheques	...	13 50c.	13 50c.	20·61c. for 1 peso	
Yokohama, cheques	...	48·20c.	48 20c.	49 84c. for 1 yen	49·90c.

* According to Private Cable Advices to New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1921 Aggr.	Inc. or Dec.*
	1921	[In £'s sterling, 000's omitted.]			%
BIRMINGHAM ...	Apr. 16	£2,334	— 1,463	£45,772	— £16,032 — 25·3
BRISTOL	,, 16	1,158	— 343	25,253	— 4,201 — 14·2
DUBLIN	,, 16	6,764	— 671	119,...	— 23,296 — 16·3
HULL	,, 16	1,219	—	12,651	— — —
LEEDS	,, 16	950	— 1,212	18,791	— 8,645 — 31·5
LEICESTER	,, 16	909	— 905	12,992	— 8,891 — 40·7
LIVERPOOL ...	,, 16	9,265	— 8,290	16,...	— 117,693 — 41·3
MANCHESTER ...	,, 16	14,163	— 20,875	2...,733	— 255,180 — 49·5
NEWCASTLE	,, 16	1,493	— 1,507	30,...	— 13,014 — 44·6
NOTTINGHAM ...	,, 16	824	— 497	12,...	— 6,912 — 35·8
SHEFFIELD	,, 16	991	— 570	22,217	— 3,549 — 15·7
LONDON—	1921				
TOWN	Apr. 20	549,589	— 110,563	9,8...,395	— 953,195 — 9·1
METROPOLITAN	,, 20	33,334	— 10,451	...,...	— 117,849 — 17·2
COUNTRY	,, 20	62,369	— 35,473	1,071,497	— 245,331 — 18·6
TOTAL	Apr. 20	615,841	— 146,033	11,272,770	— 1,316,355 — 10·4

• Compared with a year ago.

V.—FREIGHTS.—According to Messrs. E.D. Gould, Aspinall & Co., Ltd.

HOMEWARDS.	1921 Apr. 22	1921 Apr. 15	1914 Apr. 17
Alex. to U.K. ...	4/0	4/0	6 6
Aust. to U.K. ...	32 6	32 6	—
Bilbao to Cardiff...	—	—	—
Bombay to p.p. ...	—	—	d.w. 12/6
Burmah to U.K ...	35/0	35 0 m.	3 6
Calcutta to p.p. (rate)	—	m.	—
Danube to U.K.	24 0	25 0	— 3
R. Plate to U.K....	40 0	41/3	13/0

• Per ton.

Homewards.	1921	1921	1914
	Apr. 22	Apr. 15	Apr. 17
	...	...	$/£
U.S. to U.K. (gr.)	6/3†	6 0	1 9†
	...	...	...
	...	...	2/0
OUTWARDS.—Grain to			
	... —	—	7/0
River Plate	... —	—	11/3
St. Vincent	... —	—	7/3

† Per quarter.

Time Charter 6/3.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	APR. 22, 1921	APR. 23, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	126'0	206'0	57'0
— Middlesbro' warrants ...ton	120'0	200 0	51/0
— Hematite warrants ...ton	180 0	260 0	61/0
— Staffordshire bars, London ton	£27 10	£30	£8 10
— Common bars ...ton	£23	£26 10	£6 16
Steel Rails ...ton	£18 ...£21 5—£22 5		£6 2/6
Galvanised Sheets ...ton	£22—£24	£58	£16 17/1
Copper—Standard ...ton	£7	£101 10	£66
Tin—English Ingots ...ton	£166	£344	£142 15
— Straits ...ton	£176—£177	£347 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	28'0—29/0	75 0 ... 11/10½—12 0	
Lead—Soft Foreign ...ton	£21 2/6-21 12/6	£40 5—£41 15	£19
Spelter—Ord. Foreign ...ton	£6 5—£7	£46 10—£48 2 6	£21 7/9
Quicksilver—(75lb.) ...bottle	£11—£11 10	£35 10-£26nom.	£7
Aluminium ...ton	nom	£165	£82
Antimony—Regulus Foreign ...ton	£25	£62	£27 10
English ...ton	£37—£42	£65	—
Coal—(best) Yorkshire ...ton	—	23/0—24'0	17/6
— Steam (best) Newcastle...ton	70/0	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	14'0	15'6	7/4
Soda—Crystals ex wharf ...ton	140 0	220'0—230 0	42 6 45'0
Copra—Malay and States ...ton	£27 15 -£28 5	£60—£61	£23 15 £24 7 6
Gambier—Good marks ...cwt.	29/6	51 0	16/10½
Indigo—Bengal good to fine ...lb.	11/6—14 6	13/0 -16'6	3/2—3/8
Linseed Oil—Raw ...ton	£24	£106	£25 5
Linseed—Calcutta, spot ...ton	£16	£44 10	£13 16 9
— Cakes, U.K. made, ex mill ...ton	£18 10—£19	£25	... £7 17/6 -8
Olive Oil—Spanish ...ton		—	£49 10
Palm Oil—Lagos ...ton	£29 10	£78	£31 10
Petroleum—American ...gallon	2/3d	2 1d	7½d
Rape Oil—Refined English ...ton	£53	£120	£32
Soya Oil—Refined ...ton	nom.	£115	£24 10
Tallow—Imported ...cwt.	32/)—40 0	96 0 102 0	29 3 -33 3
Turpentine—American ...cwt.	58/3	215 0	33 7½
Rape Seed—Toria ...ton	£17 10	£40 10	£13 5
Rubber—Para, spot ...lb.	10d. nom.	2	2/9½
Fine plantation (std.crepe) lb.	10½d	2 1½	2 2
— World's Production* Oct. tons	28,620	31,200	8,467
Shellac—T.N. Orange, fair ...cwt.	275 0—28 0	465 0	63/0—64.0
TEXTILES.			
Cotton—Middling Upland ...lb	8 57d	28·02d	7·53d.
— Egyptian good fair ...lb.	12·10d	75·50d	8·75d
— Pernambuco fair ...lb.	7 77d	31·77d	7·73d.
— Midland Upl. New York ...lb.	12 10	41 75	13·25c.
— Stock, Liverpool (Apr. 15) bales	962,760	1,134,250	934,600
Flax—Petrograd, Riga/Pol ...ton	—	—	£28
Hemp—New Zealand ...ton	£44	£62	£25 10
— Manilla fair ...ton	£40	£89 10	£26 10
Jute—First Marks ...ton	£34	£62	£26 15
— Red SCO ...ton	£27 10	£49	£24 15
Silk—Common, New Style ...lb.	21'0	—	12 0 -12 6
— No. 1-1½ Japan ...lb.	29/6	—	—
— 1st Order Italian ...lb	31 0	—	—
Wool—Pt. Philip unwashed av. lb.	1 4d	5 0 ... 11½d. 1 0	
— Lincoln Half Hogs ...lb.	9½d.	2/3½	1/0½
Hides—Eng. Ox. best, 70lb. up lb.	6½d. ... 18½d.—19d		7½d.
Leather—Dressing Hides ...lb.	1 9 -2/6	4/0—4/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	60,353,000	73,187,000	34,640,000
— Red, price, N.Y. 60lb....bushel	159c	315c	67½c.
— English Gazette, aver. 480lb. qr.	88·2	72 8	34/3
Flour—G.R. ...280lb.	62/0	63'6	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	48'3	87 3	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	35/11	55 5	20/0
Maize—N.Y. (new bushel)....56lb.	78	192	76½c.
— Amer. mixed, Liverpool...480lb.	39 6	nom	32/4
— La Plata ...480lb. qr.	35.3—36.9	72 6	25/9
Potatoes—Good English ...ton	185/0	320/0 ... 70/0—75/0	
Rice—Bassein ...cwt.	18/6	48/6	7/0—7/3
Tapioca—Pearl, medium ...cwt.	22/0	36/0—38/0	14/0—17/8
Hay—best ...2,018lb....load	—	—	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	7/0	6/8	3/8—3/10
— Scotch sides ...8lb.	11/4	10/0	4/6—5/0
— English ...8lb.	11/4	10.0	4 2—4/5
Mutton—Scotch wethers...8lb.	13/0	10/6	5/8—6/0
— English wethers ...8lb.	12 6	10/6	4/6—5/4
— New Zealand frozen ...8lb.	3 0	7/8	2/4—3/2
Pork—English and Irish ...8lb.	12/6 ... 13/4—18/0		3/6—4/0
Bacon—Irish, delivered ...cwt.	200/0—215/0	1270 0	60 0 -74 0
— Danish ...cwt.	210/0 -217/0	†192/0	58/0—68.0
— Canadian, ex Port ...cwt.	110/)—170 0	†187/0	—
— American, ex Port ...cwt.	80/0—140/0	†187/0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	146'0—154/0	†190/0	75'0—79/0
— short cut, ex Port ...cwt.	142/) -150 0	†190 0	71 0—74·0
Lard—Amer. boxes, ex Port ...cwt.	76/0—76/0	†198/6	51/9—52/9
Butter—Danish ...cwt.	276/)—282/0	303/4	117/0—120/0
— French ...cwt.		303 4 .. 96 0 -108 0	
— Australian ...cwt.	210/0—258/0	303/4	98/0—110/0
— New Zealand ...cwt.	264'0—270/0	303/4	108'0—114/0
Cheese—Canadian ...cwt.	160/0—164/0	†145/0	66'0—68/0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt.	116 0 -188 0	†145 0	53 0—64 0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 31... cwt.	5,019,563	6,426,493	19,777,254
— Home consump'n to Mar. 31 cwt.	6,687 225	6,641,880	17,272,000
— In Bond Mar. 31 ...cwt	6 685,000	5,657,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	38 9	53 0	10 3
— — Yellow crystals ...cwt.	62/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1...cwt.	72'0	72/0	18/0
Coffee—Imports to Mar 31 ...cwt.	262,519	174,190	720,360
— Home consumpt'n to Mar. 31 cwt	72,740	76,524	141,410
— Exports to Mar. 31 ...cwt.	91,854	141,103	340,250
— In Bond Mar. 31 ...cwt.	749,000	673,000	484,000
— Price, Costa Rica gd. to fine cwt.	102/0—135 0	158/0—164/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	53/0—58/0	130'0—132/0	41/6
Tea—Imports to Mar. 31 ...lb.	119,241,681	121,260,481	123,230,277
— Home consump'n to Mar. 31 lb.	96,604,816	94,378,017	155,447,972
— Exports to Mar. 31 ...lb.	6,242,305	1,783,361	26,561,765
— In Bond Mar. 31 ...lb.	236,300,000	212,645,000	78,292,000
— Price, Indian, Pek. Souc. gd. lb.	63d	1,5½	84d.
— — Ceylon, Pek. Souc. ord. lb.	63d	1 6	81d.
— — Common Congou ...lb.	3½ nom.	1 3	5½d.
Cocoa—In Bond Mar. 31 ...cwt.	1,211,000	896,000	309,000
— Grenada, good to fine ...cwt.	48'0—50/0	85/0	52/6—56'0

• Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Feb.	$12,769,000	— 788,000	$713,000	+ $100,000
	2 mos. to Feb.	27,334,000	— 238,000	1,454,000	+ 154,000
Grand Trunk	Feb.	£1,177 900	+ £220,400	£80,100	+ £182,600
	2 mos. to Feb.	2,493,500	+ 497,300	Dr. 31,500	+ 238,100

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

, *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or —on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Mar. 5	1,044	R2,23,901	— 52,085	22	50,95,719	— 2,57,096
Barsi Light ...	Mar. 19	118	19,800	— 13,400	50	13,76,400	— 1,66,800
Bengal & N.W.	Mar. 12	2,067	5,18,520	— 24,394	23	1,15,07,494	+ 99,135
Beng. Dooars	Mar. 19	158	18,377	— 8,20	24	7,00,843	— 3,23,104
Beng. Nagpur	Mar. 12	2,695	13,73,000	+ 50,000	13	6,06,01,385	— 15,34,001
Bomb. Baroda	Apr. 9	2,871	18,96,000	— 1,30,000	2	24,74,000	— 1,30,000
Burma ...	Mar. 12	1,342	6,77,685	+ 40,522	23	1,37,51,223	— 6,53,723
Del.Um. Kalk.	Apr. 9	239	1,71,715	— 3,177	1	—	—
East Indian ...	Apr 16	2,772	29,80,000	+ 1,76,000	3	67,70,000	+ 1,08,000
Gt. Indian Pen	Apr. 9	3,121½	35,79,200	— 4,27,900	2	—	—
Madras & S.M.	Mar. 19	3,152	12,50,000	+ 1,02,69	24	6,10,50,660	+ 80,293
Nizam's Guar.	Mar. 19	900	3,08,359	— 14,641	24	74,43,371	— 1,22,299
Roh. & Kumn.	Mar. 12	576	68,254	— 46,302	23	23,88,333	— 41,565
South Indian	Mar. 18	1,852½	6,90,152	— 72,190	50	3,90,02,135	+ 3,65,906
South Punjab	Dec.	716	8,17,861	— 33,919	3m	25,37,268	— 13,757
COLONIAL							
Can. Northern	Apr. 14	9,704	$1,106,100	+ 45,377	15	18,494,700	+ 3,677,277
Can. Pacific ...	Apr. 14	13,388	3,083,000	— 552,000	15	47,362,000	— 2,478,000
Grand Trunk	Apr. 14	3,616	£264,115	+ 33,815	15	4,306,833	+ 594,779
Mashonaland	Jan.	810	92,986	+ 30,339	4m	376,260	+ 91,772
Mid. W. Aust.	Feb.	277	11,245	— 1,400	8m	88,411	+ 2,963
New Cape Govt.	Mar. 26	205	3,297	— 91	12	33,936	— 4,777
Rhodesia Rlys	Jan.	1,397	138,170	+ 35,697	4m	507,887	+ 115,689
Temiscouata..	Jan.	—	$38,891	—	1m	—	—
FOREIGN.							
Argentine.							
Arg. N. East...	Apr. 16	752	£ 11,800	— 700	42	497,200	+ 6,900
Arg. Transand	Apr. 16	111	£ 3,472	— 1,093	42	119,071	— 12,910
B.A. & Pacific	Apr. 16	3,425	£ 164,000	— 16,000	42	5,385,000	— 850,000
B.A.Gt. South	Apr. 16	3,803	£ 195,000	— 23,000	42	6,949,000	— 614,000
Do.	Apr. 16	Net.	£ 40,000	— 4,000	42	1,223,000	— 1,394,000
B.A. Western	Apr. 16	1,882	£ 105,000	— 15,000	42	3,268,000	— 884,000
Do.	Apr. 16	Net	£ 32,000	— 10,000	42	403,000	— 393,000
B. A. Central	Feb.	190	£ 37,629	— 10,872	9m	378,772	+ 14,471
Cent. Argent.	Apr. 16	3,305	£ 167,000	— 55,000	42	7,837,000	+ 353,000
Cord. Central	Apr. 16	1,205	£ 60,100	— 2,900	42	2,145,700	— 318,900
Entre Rios ...	Apr. 16	811	£ 28,900	+ 600	42	949,600	— 41,200
Brazilian.							
Brazil Gt. South	Mar.	110	M 40,000	— 13,000	3m	115,250	— 47,250
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	Apr.	1,010	£ 14,100	— 11,900	16	243,000	— 172,200
Leopoldina ...	Apr.	1,831	£ 29,637	— 24,277	16	499,184	— 332,715
San Paulo ...	Apr. 17	153¾	£ 26,063	— 12,328	16	466,473	— 247,130
So. Brazil S.W.	Mar.	52	M 71,000	+ 14,000	3m	311,000	+ 73,000
Chilean and Peruvian.							
Antofagasta....	Apr. 10	838	£ 25,050	— 19,195	15	445,340	— 372,290
Arauco ...	June	84¼	£ 12,000	+ 500	6m	76,000	+ 10,700
Nitrate (2wks)	Apr. 15	390	£ 32,810	— 8,930	14	200,772	— 124,863
Peruvian Corp.	Mar.	1,140	$ 1,134,550	— 148,140	9m	10,425,300	— 259,694
Talcal ...	Mar.	180	£ 20,153	— 17,557	9m	243,490	+ 34,360
Cuban.							
Cuban Central	Jan. 29	362	£ 37,360	+ 19,872	31	707,279	+ 82,212
Cuba Railroad	Jan.	—	$ 1,606,385	+ 448,284	7m	8,497,481	+ 1,017,244
Havana Cent.	Apr. 16	70	£ 17,474	+ 3,635	42	612,308	+ 138,682
U. of Havana	Apr. 16	681	£ 175,522	+ 23,986	42	5,056,673	+ 684,055
W. of Havana	Jan. 29	155	£ 14,131	+ 10,745	31	335,798	+ 66,413
Uruguayan.							
Cent. Uruguay	Apr. 16	273	£ 31,615	+ 4,539	42	1,002,305	+ 45,194
,, (E. Ext.)	Apr. 16	311	£ 5,568	— 2,044	42	238,158	— 22,628
,, (N. Ext.)	Apr. 16	185	£ 3,833	— 1,028	42	1,3,853	— 33,510
,, (W.Ext.)	Apr. 16	211	£ 2,434	+ 191	42	107,961	— 9,282
Mid. Uruguay	Mar.	319	£ 17,872	— 4,719	9m	164,514	— 19,002
N.W. Uruguay	Mar.	113	$ 7,234	+ 879	9m	54,932	— 7,994
Urug. Northn.	Mar.	73	£ 2,128	— 241	9m	18,729	— 3,698
Miscellaneous							
Alcoy & Gandia	Mar. 5	33	Ps. 12,000	—	10	168,900	+ 57,000
Bilbao ...	Mar.	15	£ 2,390	— 3,344	3m	6,877	— 4,140
Bolivar ...	Mar.	136	£ 10,028	— 6,18	3m	25,234	— 9,542
Colomb. Natnl.	Feb.	86	£ 18,050	+ 4,120	2m	37,100	+ 5,440
Costa Rica ...	Feb.	190	£ 25,992	— 4,443	8m	195,585	— 8,291
Dorada Ext.	Mar.	70	£ 20,001	+ 8,001	3m	51,250	+ 15,750
Egyptian Delta	Mar. 31	559½	£ 11,367	+ 1,852	52	498,075	+ 89,532
Gt. S. of Spain	Apr 9	104	Ps. 44,690	— 59,665	14	945,903	— 131,932
La Guaira & Ca.	Mar.	22¼	£ 10,300	— 4,330	3m	31,510	— 12,750
Ottoman Ry...	Apr. 9	379	£ 8,431	—	—	—	—
Paraguay Cent	Apr. 16	274	£ 3,330	— 990	42	185,240	— 17,430
Puerto Cabello	Mar.	34	£ 4,500	— 2,500	3m	13,250	— 4,250
Salvador ...	Apr. 16	100	£ 3,907	— 2,020	42	153,518	— 31,704
Santa Fé Prov. French Rys.	Mar.	1,181	£ 139,744	— 26,348	3m	391,881	— 78,244
S'm'na & S'ti'go	Mar.	80	£ 9,360	— 3,850	3m	23,310	— 13,578
Zafra & Huelva	Feb.	112	£ 12,727	— 236	2m	28,093	+ 1,009
TRAMS.							
Anglo-Argent.	Apr. 15	400	£ 85,000	+ 3,700	15	1,201,055	+ 105,902
Brazilian Trac.	Feb.	378¼	M 11,941000	+ 2,560,000	2m	24,816,000	+ 5,780,000
Brisbane Elec.	Mar.	40¼	£ 46,330	+ 870	3m	135,815	+ 3,955
Brit. Columbia	Feb.	334	$ 792,590	+ 46,56	8m	6,370,401	+ 573,646
B. A. Lacroze	Mar.	51	£ 59,365	+ 4,365	9m	510,714	+ 67,037
Calcutta	Apr. 16	35¼	R 90,497	— 2,017	15	9,98,818	+ 3,90,281
Carth. & Herr.	Mar.	9	£ 2,226	— 1,267	3m	8,944	— 3,307
Chatham & Dist.	Apr. 14	15	£ 1,713	+ 88	15	24,587	+ 2,401
Havana Electric	Dec.	86	$ 1,111,219	+ 183,985	12m	11,477,337	+ 2,080,484
Isle of Thanet	Apr. 13	20½	£ 681	— 236	29	16,845	— 3,768
Kalgoorlie ...	Dec.	20½	£ 3,140	+ 580	1m	36,812	+ 3,760
Lanarkshire ...	Dec. 31	28½	£ 5,467	+ 1,927	52	221,564	+ 27,728
Lima Light ...	Jan.	85	£ 63,612	+ 5,037	1m	—	—
London O.C....	Apr. 20	141¾	£ 92,849	+ 11,401	3	278,476	+ 49,963
Madras (2wks.)	Apr. 15	15¼	R 4,568	— 5,947	14	195,212	— 132,091
Manila Electric	Feb.	55	$ 306,389	+ 27,952	2m	627,839	+ 71,651
Pernambuco...	Apr. 17	59	£ 3,845	— 3,250	16	66,800	— 56,247
Provincial ...	Apr. 9	21½	£ 3,372	— 533	27	84,277	— 515
Rangoon Elec.	Jan.	25	£ 122,558	+ 10,558	1m	—	—
Shanghai Elec.	Feb.	26¾	M. $151,880	+ 18,130	2m	307,580	+ 37,836
Singapore Elec.	Mar. 12	26¼	$ 13,969	— 9,566	11	129,097	— 103,360
U. of Montevid	Mar.	90¼	£ 43,925	+ 3,910	5m	240,688	+ 17,984

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The Statist.

LONDON, SATURDAY, APRIL 23, 1921.

COAL SETTLEMENT PROSPECTS.

The outcome of the Conference held yesterday afternoon between representatives of the Government, the mineowners and the miners, though not so hopeful as was anticipated, still leaves ground for belief that a settlement has been rendered appreciably easier. It was noticeable that at the miners' delegate meeting held earlier in the day the delegates expressed practically unanimous adherence to the original demands for a profits pool and a national wage, and the policy of Mr. Hodges was also cordially endorsed. Both these factors induced a stronger desire amongst the miners attending the Conference to persist in their original demands, but the resumption of negotiations which Mr. Lloyd George initiated will tell in favour of eventual agreement, though a direct lead from the Government has been lacking. The proposal for a wages pool only, into which earnings above a certain standard would be paid, has, of course, its commendable features.

The coal controversy has raged in the columns of the Press during the week, but, curiously enough, the protagonists showed no desire to come together. On both sides the attitude taken up has not been particularly conciliatory, but up to the present the advantage in this respect has been on the side of the owners. Their offer on Wednesday last to establish a National Wages Board to deal with principles of general application to the whole country, and to apply these national principles to the determination of wages in each district, based upon the district financial results, marks a step in advance of previous stages, especially as they declare their willingness to agree with the workers nationally on the question of future relations between wages and profits. The minimum level which on their proposals wages could touch would be determined nationally by reference to the base rates now existing at each colliery with percentages (or the equivalents in any district where there has been a subsequent merging into new standards), which were paid in July 1914, including all additions which have been made to the base rates prevailing in that month, and the percentages which have been added to piecework rates consequent upon the reduction in hours from eight to seven. These concessions were, indeed, not altogether novel in character, as they had been to a large extent already expressly mentioned or implied on behalf of the owners. A distinct advance was, however, recorded in the owners' offer conceding the whole of the surplus profits to the workers, the wording of this clause in the owners' statement being as follows: "To give as wages to the workers in addition to these rates the whole of the surplus revenue available in each district during the existing abnormal period." The value of the offer is, of course, minimised by the fact that little, if any, surplus profits are likely to be realised, at any rate until the period of abnormality has passed.

To the demand for a national pool or levy the owners are still opposed. They argue that the principle involved of supporting less efficient districts or less efficient collieries by assistance from more favoured areas is economically unsound, and to this contention, borne out as it is by mining experience during and subsequent to the War, no denial can be offered. Moreover, it would be difficult to secure general agreement amongst the coal owners to the voluntary imposition of a levy, and in the absence of such agreement legislation would be necessary, and such legislation would inevitably lead to a resumption of Government control, a course that would eventually be to the interest of neither party. Costs of production would be swollen above their present inflated level, a result that would spell disaster to our coal export trade, besides increasing the already heavy burden of our manufacturers in respect of fuel charges.

Both sides to the dispute have hitherto confined their attention to questions of principle, such as a levy, a pool, or a pool-levy, or national organisation of the industry, and similar broad questions, and the result has been a failure to grapple with the really vital factor at issue, which is the miners' wage. It seems to us that the difficulty arising out of the proposed reductions, which, as we pointed out at first, and as has since been generally acknowledged, were altogether too sweeping in character, might be solved by an extension of the present seven-hours day. The diminution in hours from eight to seven, equivalent to a reduction of 12.5 per cent., has been a most vital factor in the reduction of output. The benefits to output, which at the time the miners contended would flow from the introduction of the shorter shift, have not materialised, and we doubt whether any additional zest in life has been acquired by the underground workers owing to their extra hour on the surface. It is, of course, difficult to expect the men to forego a concession which they won at not a little cost, but the general interests of the country seem to demand some sacrifice from both parties to the present dispute. Coal-raising has now been suspended for over three weeks, industry after industry has been forced to close down, shipping is idle, railway services have been dislocated, the export trade is held up, and business everywhere suffers from creeping paralysis. The public weal has suffered, and the Government's contribution to a solution of the difficulty has been [illegible] power to cope with a fresh strike without any evidence of its desire to end an existing one.

PRESENT POSITION OF AMERICAN RAILROADS.

In reviewing the trend of railroad legislation in the United States a number of clearly different phases may be discerned. At first companies were practically free from legislative interference, beyond the general laws controlling common carriers, but for a multitude of reasons, chiefly the growing power of the larger railroad corporations, public opinion became much exercised as to the advisability of this freedom, and legislation of a somewhat drastic and repressive character was introduced. This had the effect of setting a premium on cheap service, reducing profits and discouraging expansion. With the taking over of the railroads by the United States Government during the War there came a third idea influencing American opinion—that of public service—and the railroads were considered primarily, not as commercial undertakings whose object was to earn profits for the proprietors, but as public utilities whose chief *raison d'être* was to meet the needs of the community. Inter-road rivalry and competition which did not conduce to the public benefit were to be eliminated. This change of attitude arose primarily from consideration of the fact that, as the public provided practically every dollar of railroad income, the question of the conveniences and facilities afforded them should be paramount. The failure of the Government to run the roads on anything like a profitable basis, if they were to be kept up to their pre-War standards of efficiency, served to weaken the belief, which had been growing amongst certain sections, that nationalisation would provide the best means of securing the maximum benefit to the public from railroad operation. On March 31, 1920, in response to an overwhelming demand from the business community, the lines were freed from Government control and handed back to their owners, but the Government guarantee was prolonged for the period of six months until September 30. The capacity of the transportation industry to support itself, and its power to earn a sufficient margin of net revenue to form the necessary basis of credit were, however, seriously impinged upon by various war-wage advances, and particularly by the wage concessions granted by the Railroad Labour Board in July last. Under the national agreements that had come into operation during the War the additional expense involved for all companies by the July award was estimated at a minimum of $600,000,000 per annum, or $50,000,000 a month. To provide for this additional burden increases in rates on both passenger and goods traffic were recommended by the Interstate Commerce Commission, and finally approved with some minor exceptions. The avowed object was to make the transportation industry independent of external financial assistance, and to provide such a return on capital as would give the industry that credit margin necessary to successful financing, and to induce the sinking of further capital. The calculations of the Commission, and with them those that lay behind the Esch-Cummins Transportation Act, which marked the end of the War period of control, have, however, been altogether upset by the trade depression and the consequent decline in passenger, merchandise and general goods traffic. Despite the fact that, for the latter part of 1920 the higher rate schedules were in operation, the surplus of revenue shows a serious decline as compared with previous years. In the annexed table the aggregate results for the United States railroads from 1913 onwards are summarised:—

(In Thousands of Dollars.)

	Revenue	Expenditure	Surplus	Ratio of Expenditure to Revenue
	$	$	$	%
1913...	3,180,792	2,276,344	904,448	71·5
1914...	3,013,675	2,185,025	[828,650	72·5
1915...	3,155,292	2,119,276	1,036,016	48·9
1916...	3,707,754	2,432,564	1,275,190	65·6
1917...	4,036,867	2,846,301	1,190,566	41·8
1918...	4,915,517	4,007,459	908,058	81·5
1919...	5,178,639	4,412,763	765,876	85·2
1920...	6,204,875	5,742,952	461,923	92·5

In this, as in other tables accompanying this article, revenue includes freight, passenger and other revenue, and expenditure includes maintenance of way and equipment and all traffic and transportation expenses. The difference between these two items, shown in our tables as the surplus, represents the net revenue derived from the railroads, but this is subject to deductions in respect of taxes and uncollectible revenue. Certain rents are also not taken into account. It will be seen that in 1920 gross revenue attained its maximum, but net revenue was smaller than in any of the preceding years. The situation has further disimproved since September last on account of the growing intensity of the industrial depression. Gross revenues are now contracting, but expenses are still expanding, and the latter result has taken place in spite of the large reduction in staffs effected by many companies To check this growth in expenses, which, as will be seen from the table, are swallowing up more and more of the revenue, is the great problem now confronting American railroads.

We publish below in summary form the January returns for a number of the leading lines. The decline in gross revenue as compared with January 1920, notwithstanding the increase in rates in the interval, is accounted for not only by the decrease in traffics, but by the fact that certain extraordinary income in respect

RETURNS FOR JANUARY 1921 AND 1920.

Railroad	Revenue in January		Expenditure in January		Surplus (+) or Deficit (−) in January	
	1921	1920	1921	1920	1921	1920
	$	$	$	$	$	$
New York Central*	46,190,932	50,672,827	43,238,613	39,971,522	+ 3,252,319	+10,701,305
Southern Pacific*	21,753,033	22,955,817	17,330,687	15,900,461	+ 4,422,346	+ 7,055,356
Atchison, Topeka & Santa Fe*	27,220,925	23,477,458	16,657,211	20,227,012	+10,563,712	+ 9,250,446
Baltimore & Ohio	17,856,151	17,343,667	15,948,736	15,927,651	+ 1,907,415	+ 1,416,016
Union Pacific*	15,267,375	18,794,679	12,092,000	11,448,189	+ 1,175,369	+ 2,867,028
Chicago, Milwaukee & St. Paul	11,587,656	14,533,590	11,749,406	12,492,232	— 161,750	+ 2,041,358
Chicago & N. Western	11,789,595	13,093,062	12,186,823	11,711,044	— 397,228	+ 1,382,017
Illinois Central	12,878,199	12,255,892	10,150,438	9,582,581	+ 2,727,761	+ 2,673,310
Chicago, Rock Island & Pacific	10,440,227	12,344,566	9,815,772	9,565,627	+ 624,455	+ 2,778,938
Louisville & Nashville	10,142,181	10,269,714	10,279,332	8,857,780	— 137, 51	+ 1,411,934
New York, N.H. & Hartford	8,656,046	10,313,075	9,800,990	9,075,028	— 1,144,944	+ 1,238,046
Great Northern	6,279,239	10,151,935	6,737,223	7,950,315	— 457,984	+ 2,201,620
Missouri Pacific	9,552,340	10,495,227	8,832,229	7,988,087	+ 720,110	+ 2,507,140
Erie*	9,390,062	9,301,267	10,031,754	9,454,865	- 641,692	— 153,598
St. Louis & San Francisco*	10,813,132	10,218,544	10,684,210	9,044,086	— 128,922	+ 1,174,464
Philadelphia & Reading	7,873,620	6,931,822	7,266,709	6,415,437	+ 606,911	+ 516,384
Chesapeake & Ohio	7,126,098	6,420,510	6,389,592	5,345,994	- 736,505	+ 1,074,515
Boston & Maine	6,120,263	6,830,821	7,208,312	6,427,054	- 1,088,048	+ 403,767
Wabash	4,717,017	5,113,914	4,516,146	4,392,927	+ 200,871	+ 720,987
Minneapolis, St. Paul & S.S.M.	3,212,514	3,492,201	3,735,577	3,197,374	- 523,065	+ 294,827
Delaware & Hudson	4,126,239	2,766,136	3,761,477	2,945,176	+ 364,761	- 179,039
New York, Chicago & St. Louis	2,265,037	2,193,657	1,706,692	1,786,635	+ 558,345	— 407,022
Alabama Great Southern	872,061	919,017	883,276	640,888	— 11,215	+ 278,128
Union RR. (of Penn.)	1,010,696	587,658	874,682	665,531	+ 136,013	- 77,872
Pennsylvania Co.†	44,640,209	39,975,472	45,476,566	41,454,199	- 1,165,645	— 1,478,727
Chicago, Burlington & Quincy	13,998,800	16,570,348	11,772,823	10,922,352	+ 2,226,976	+ 5,647,995
Southern Railway‡	10,692,928	14,045,676	10,670,270	10,692,246	+ 22 657	+ 3,353,429
Northern Pacific Rys.*	6,599,575	9,548,389	6,429,287	6,922,910	170,288	+ 2,625,479
Pittsburgh, Cincinnati, Chicago & St. Louis	9,782,489	10,580,512	9,299,131	8,709,888	- 483,357	+ 1,870 623
Norfolk & Western	7,436,716	6,835,195	6,131,520	6,016,855	- 1 05,295	+ 818,340
Grand Total	358,592,351	385,032,648	329,957 288	315,733,949	+28,635,063	+69,298,708

* Including extensions and subsidiary lines. † Part of the Pennsylvania System. ‡ Part of Southern Railway System.

of mail subsidies, which was brought into account in January 1920, did not recur in the present year. It will be seen from our table that, with regard to the twenty-six railroads which showed a surplus of revenue in January 1920, that surplus has declined, or has been succeeded by a deficit, in every case with the exception of the Atchison, Topeka and Santa Fe, the Baltimore and Ohio, the Illinois Central, the Philadelphia and Reading, the New York, Chicago and St. Louis, and the Norfolk and Western. Three others—the Delaware and Hudson, the Union Railroad (of Pennsylvania) and the Pennsylvania Company—show a surplus as against a former deficit; but with a number of roads the reverse is the case, and we might mention in particular the Chicago, Milwaukee and St. Paul, the Chicago and North Western, the Louisville and Nashville, the New York, New Haven and Hartford, the Great Northern, and the Boston and Maine. Amongst the most remarkable contractions in surplus are those registered by the New York Central (including extensions and subsidiary lines), from $10,701;305 to $3,252,319—a decline of seventy per cent., and by the Southern Pacific, from $7,055,356 to $4,422,346—a decline of thirty-seven per cent. If taxes were included it would be found that some of the most important roads in the country are not earning their operating expenses. The railroad managements are unanimously of opinion that the only method of relieving the situation—apart from an immediate and marked revival in trade, which is scarcely probable—is the cancellation of the national wage agreements reached during the War and the reversion to the pre-control system of bargaining by individual companies and districts. The Association of Railway Executives recently estimated that a saving of $300 million per annum would be effected if the war agreements, and the excessive separation of trades, duplication of labour, restriction of output, and undue premium on unskilled labour which they involve, were abolished. There is no doubt that efficient and economic methods, such as the piece-work system, for regulating rates of pay can no longer be put into operation and the Railroad Labour Board is energetically opposing absolutely necessary reductions. The returns for February and for March, when they appear, will probably be even worse than for January. In March, for example, exports from the United States declined by £110 million to a total of £96 million—a decrease of fifty-three per cent., while imports diminished by forty-eight per cent. The total foreign trade of the country was, according to figures issued by the Department of Commerce, £187 million less in March than during the corresponding month of 1920. The decline in the coal export trade has particularly hit companies like the Chesapeake and Ohio, whose principal tonnage is bituminous coal. Merchandise and general traffic also seriously declined. Even the movements of cotton, grain and live-stock, though showing here and there a temporary revival, are on the whole much below normal levels as regards bulk and value. The effect of these adverse movements on revenue, and especially on surplus, in view of the expanding nature of the expenses, may be more clearly judged from the aggregate results for January, which we present in summarised form:—

(In Thousands of Dollars.)

	Revenue	Working Expenses	Surplus
	$	$	$
Jan. 1920	503,011	414,208	88,803
Jan. 1921	469,785	441,333	28,452
Increase ( ) or decrease (—) in 1921	33,226	27,125	60,351

During the week the Railroad Labour Board commenced its hearings in Chicago of the application of the New York Central and a large number of other companies for permission to reduce wages, especially for unskilled labour. A favourable decision may be eventually expected, but the date and extent of the "cuts," which are matters of most interest to railway stockholders, are still quite uncertain.

SHIPBUILDING RETURNS.

At the close of the first quarter of the year 884 merchant vessels of 3,798,593 gross tons were under construction in the United Kingdom, as compared with 921 vessels of 3,708,916 gross tons in the previous quarter and 3,394,425 gross tons on March 31, 1920, according to *Lloyd's Register*. The latest return thus shows an increase of approximately 90,000 gross tons on the December figure and 404,000 gross tons on the figure for March 1920. It does not, however, represent work actually in progress, as the total includes 350,000 gross tons, the completion of which has been postponed, principally owing to the joiners' strike, and 497,000 gross tons on which work has been suspended. For the purposes of comparison with normal figures a deduction of 847,000 gross tons must thus be made from the tonnage under construction, reducing it to 2,951,593 gross tons. Attention may be drawn to the fact that though tonnage reported under construction is large, the amount completed compares very unfavourably with pre-war times. Thus the vessels launched during the last quarter comprise only 400,573 gross tons steam, 30,690 gross tons motor, and 2,344 gross tons sail. In 1913 the average tonnage completed during each quarter was twenty-three per cent. of the total work in hand at the beginning of the quarter, but in 1920 the percentage fell to below thirteen and a still further reduction to eight per cent. was experienced in the quarter just ended. Comparative figures for the vessels under construction in the United Kingdom and abroad are given in the following table:—

Merchant Vessels under Construction.

U.K.	Steam Gross Tons	Motor Gross Tons	Sail Gross Tons	Total Gross Tons
Mar. 31, 1921 ...	3,530,364	262,186	5,049	3,798,593
Dec. 31, 1920 ...	3,474,855	227,010	7,051	3,708,916
Other Countries ...	2,981,925	240,662	65,586	3,288,173

The vessels commenced in the United Kingdom in the first three months of the current year amounted to 355,933 gross tons steam, 35,460 gross tons motor, and 1,484 gross tons sail, a decline of 113,000 gross tons, and it is significant in this connection that the tonnage in preparation but not commenced shows a decline of seventy-five per cent. as compared with a year ago. The total merchant tonnage building abroad is 3,288,173 tons; and it may be noted that, unlike the returns for the United Kingdom, those for abroad are, as is stated by *Lloyd's Register*, not subject to any material reduction on account of suspended or delayed work, of which there appears to be comparatively little in other countries. Indeed, the gross figures given in the present quarterly return of tonnage building abroad can be fairly compared with those shown for recent years. The tonnage is about 183,000 tons lower than the total building at the end of December 1920, due to the continued decrease in the United States of America, in which country the tonnage now under construction is less than twenty-seven per cent. of the total building there two years ago. Apart from the United States, the leading countries abroad are: France, with 427,186 tons—an increase for the quarter of about 30,000 tons; Holland, 417,693 tons; Italy, 351,639 tons; and Japan, 294,346 tons—an increase of 46,000 tons.

Present prospects, though not good, are undoubtedly improved by the agreement reached during the week between the employers and the Federation of Engineering and Shipbuilding Trades, providing for the withdrawal of the trade advances of 6s. per week granted to time workers and fifteen per cent. to piece-workers last year. The withdrawal is to take place in two weekly instalments, the first on May 7 and the second on June 4 next. The wages bill in British shipyards should be substantially reduced if the recommendations agreed on at the Carlisle Conference are carried into effect. The approval of the workmen concerned is, of course, a condition precedent to the new rates coming into operation, but there is no reason to doubt that such approval will not be forthcoming in view of the economic position of the industry, a position that is well understood by the workers.

IRON, STEEL AND ENGINEERING COMPANIES' RESULTS.—I.

For the various branches of the iron and steel industry the past year has been one of extraordinary vicissitude. During the early months trade was abnormally active, despite labour troubles and difficulties connected with transport and the supply of raw material. Manufacturers were still largely engaged in clearing the heavy accumulation of orders held up during the War, and foreign competition, though evident, was not considered dangerous. The autumn, however, witnessed a sharp depression, which towards the close of the year was greatly accentuated by price-cutting from abroad and the unfavourable position of the exchanges. The fall in prices and the reduction in output which followed involved heavy losses in many instances, but, taken on the whole, the trading results of the year have not been unsatisfactory.

In the table at the foot of the page we analyse the latest published profit and loss accounts of sixteen of the most important iron, steel, and engineering firms. The majority of the companies do not state what provision has been made for depreciation and taxation in each year, and it has, therefore, been necessary to tabulate the profits in all cases after deducting these charges. On the other hand, many of the companies declare their dividends free of income tax, the amount of the tax being charged against profit. A similar deduction is made by some companies who follow the unusual practice of showing the rate of dividend gross and the amount net. To provide a more suitable standard for comparison, however, the figures have been adjusted in the table by adding on the amount of the income tax deducted in such cases to the profits shown in the accounts, the dividends being accordingly stated subject to tax in all cases. Among those companies whose accounts are made up to December 31 last it will be seen that increased profits have been registered by Stewarts and Lloyds, Sheffield Steel Products, and the Scottish Steel and Iron Company, the expansion being most marked in the accounts of the first-named two companies. In both instances this may be largely explained by the employment of additional capital, and it should be noted that Sheffield Steel Products have made no allowance for depreciation or taxation before arriving at the profits of the past year. Reduced profits are shown by the Birmingham Small Arms (on an average basis), Cammell Laird, Clayton and Shuttleworth, and Had-

Iron, Steel and Engineering Companies' Results.

Name of Company	Year ended	Net Profit*,	Debenture Interest	Dividends Subject to Tax — Preference	Ordinary	%	To General Reserve	Other Allocations	Carried Forward
		£	£	£	£		£	£	£
Birmingham Small Arms...	1918 July 31	526,387	—	28,157	313,766	27½	155,473	—	199,297
	1919 ,,	480,614	—	28,157	333,587	14½	100,000	—	218,167
	1921 Jan. 31 (18 months)	684,408	143,897	46,775	201,084	7½	—	—	510,818
Stewarts & Lloyds ...	1918 Dec. 31	376,175	3,295	118,000	151,786	17½	100,000	10,000	98,986
	1919 ,,	378,460	—	118,000	151,786	17½	100,000	10,000	97,660
	1920 ,,	580,849	—	118,000	336,153	21½	100,000	10,000	114,357
Cammell Laird	1918 ,,	363,189	83,025	61,261	114,766	10	50,000	50,000	76,925
	1919 ,,	384,031	83,025	61,261	175,033	10	—	50,000	91,637
	1920 ,,	343,657†	83,025	61,261	188,037	7½	—	31,500	71,471
Sheffield Steel Products ...	1919 ,,	94,760	—	—	88,662	10	—	—	6,097
	1920 ,,	264,332‡	—	—	98,475	10	—	—	171,954‡
Hadfields	1918 ,,	253,396	—	13,500	170,410	42½	175,000	—	104,101
	1919 ,,	271,725	—	13,500	228,571	14½	—	—	133,755
	1920 ,,	147,387	—	13,500	131,768	7½	—	—	135,728
Scottish Iron & Steel Co. ...	1918 ,,	84,014	9,787	18,000	27,000	6	—	16,463	52,464
	1919 ,,	93,654	8,543	24,000	45,000	10	—	17,707	50,869
	1920 ,,	109,906	8,261	24,000	45,000	10	—	28,989	54,525
Clayton & Shuttleworth ...	1918 ,,	62,944	—	17,500	33,750	7½	15,000	—	29,281
	1919 ,,	77,716	—	17,500	36,000	8	—	—	53,496
	1920 ,,	40,036	—	17,500	22,500	5	—	—	53,533
Dorman, Long	1918 Sept. 30	441,921	39,160	19,913	289,655	19½	100,000	20,960	206,469
	1919 ,,	595,290	60,641 (c)	97,500	291,429	17½	130,000	16,337	205,852
	1920 ,,	865,506	48,310 (c)	120,000	421,429	14½	200,000	33,078	248,540
Guest, Keen & Nettlefolds	1918 June 30	529,635	74,020	116,472	197,268	20½	344,271	30,000	173,316
	1919 ,,	516,044	74,020	122,867	206,786	21½	50,000	—	235,687
	1920 ,,	1,292,212	74,020	286,794	905,480	21½	—	—	261,605
United Steel Companies ...	1919 ,, (18 mos. approx.)	1,549,295	299,748	1,143,050		15§	—	41,822	64,674
	1920 June 30	1,206,634	209,791	78,956	758,320	10	—	119,369	104,873
Baldwins	1918 ,,	455,856	22,500	13,750	216,745	16⅛	75,000	11,357	255,139
	1919 ,,	655,738	22,500	13,750	502,470	17½	75,000	11,357	285,799
	1920 ,,	803,486	22,500	59,346	629,757	17½	75,000	11,357	291,324
Bolckow, Vaughan ...	1918 ,,	591,059	23,292	23,604	329,556	12	100,000	100,000	157,166
	1919 ,,	589,735	19,192	23,604	397,687	12	100,000	—	206,419
	1920 ,,	696,949	16,593	23,604	450,677	12	200,000	—	212,495
Consett Iron Co.	1918 ,,	652,201	—	40,000	545,977	54⅜	—	50,000	16,224
	1919 ,,	662,292	—	40,000	500,000	50	—	100,709	21,582
	1920 ,,	669,859	—	40,000	535,714	17½	—	53,199	40,946
Vickers	1915 Dec. 31	1,099,678	—(a)	758,803 (b)		14½	250,000	—	319,750
	1916					16	—	—	—
	1917					16⅔	—	—	—
	1918 ,,	4,493,726	—(a)	3,967,112 (b)		16⅔	—	—	—
	1919					15	—	—	846,364
Armstrong, Whitworth ...	1915 ,,	952,349	100,000	625,000 (b)		15½	100,000	—	461,387
	1916		100,000			16	—	—	—
	1917 ,,	3,453,605	100,000	2,465,093 (b)		16⅔	—	—	—
	1918		100,000			16⅔	—	—	—
	1919		100,000			16⅔	—	—	1,049,899
Babcock & Wilcox ...	1917 ,,	527,513	—	14,952	332,000	20	150,000	10,000	77,056
	1918 ,,	540,620	—	14,952	350,636	21	150,000	10,000	92,089
	1919 ,,	561,803		14,952	355,714	21½	150,000	10,000	123,225

* After providing for depreciation and taxation. † After providing also for interest on short-term notes.
‡ Subject to taxation. § Actual. (a) Charged before arriving at net profit. (b) After deducting income tax.
(c) Including interest on calls in advance.

fields, the set-back experienced by the last two companies being particularly severe, largely in consequence of the disastrous effects of the moulders' strike.

Increased profits have been registered by Dorman Long, United Steel Companies (on an average basis), Baldwins, the Consett Iron Company, and Guest, Keen and Nettlefolds, the adjusted profits of the last-named firm amounting to £1,292,212, as compared with £516,044 in 1918-19. Except in the case of the Consett Iron Company, the increased earnings have been due largely to the employment of additional capital, and the accounts being made up to June 30 last in almost every instance reflect a period of abnormal activity. The last accounts published by Vickers and Armstrong Whitworth cover the four years to December 31, 1919, and although the average profits for each year do not compare very favourably with the 1915 results, no useful deductions can be drawn owing to the extremely condensed form in which the accounts are presented. It may be stated that besides the ordinary provision for depreciation, Vickers have placed £3,200,000 to a "works reserve," and Armstrong Whitworth have provided £1,000,000 for the further writing down of capital expenditure before arriving at the profits for the four years.

On the whole, the dividends paid by those companies whose accounts are made up to the end of 1920 have been on a rather liberal scale. The rate of dividend paid by the Birmingham Small Arms and Hadfields has, however, been much smaller than in the previous year. In nearly every instance the dividends have been maintained by those companies whose accounting periods end on June 30. A bonus distribution was made in 1919 of three shares for each share held by Guest, Keen and Nettlefolds, and two shares for each one held by the Consett Iron Company. Allowing for the capitalisation involved, the dividends in respect of 1919-20 accordingly compare very favourably with those of the previous year. It may be pointed out also that shareholders of Hadfields and the Birmingham Small Arms received a capitalised bonus of 200 per cent. and 100 per cent. respectively in 1918, the rate of dividend being consequently affected in the following years. Increases in capital have been made in many instances during 1919-20, and the dividends therefore absorb much larger sums proportionately. Thus, although the dividend paid by Cammell Laird has been reduced from ten per cent. to seven and a-half per cent., the amount absorbed has been increased from £175,033 to £188,037. It will be noted that the dividends on Preference share capital have involved an additional charge against the profits of Guest, Keen and Nettlefolds, Baldwins, Dorman, Long, and the Birmingham Small Arms. Interest charges (due to the issue of short-term notes) show an increase only in the case of the last-named firm and Cammell Laird.

Few of the companies whose accounts have recently been published have deemed it necessary to make any allocations to reserve apart from the provisions for depreciation and taxation. On the other hand, many of the firms whose accounts were published at a period when the industrial outlook was much brighter have made very large transfers to reserves. The undivided profits carried forward by the Birmingham Small Arms and Sheffield Steel Products have, however, been considerably increased. In the table given on p. 682 "other allocations" are mainly represented by transfers to sundry reserves. Under this heading, however, are also included issue expenses of £31,500 and formation expenses of £91,487 written off in 1920 by Cammell Laird and the United Steel Companies respectively. The reserve allocations of Vickers and Armstrong Whitworth are almost entirely represented by provisions for depreciation and taxation, but the balance of profits carried forward to 1920 has been greatly increased in each case.

A study of the financial position of the various companies as revealed in their balance sheets is reserved for a second article.

EMPLOYMENT, WAGES, AND RETAIL PRICES.

OFFICIAL RETURNS FOR MARCH.

The expectation of an increase in unemployment and short-time working during March consequent on a further deepening of the trade depression has not been falsified. Almost all industries were affected, the few exceptions comprising building, brick-making, shale mining and, most important, agriculture, where spring work is now in full progress. The percentages unemployed amongst members of trade unions, mainly skilled, rose, according to the *Labour Gazette*, to 10.0 at the end of March, as compared with 8.5 at the end of the previous month, and the percentage unemployed of the 12,000,000 workpeople insured under the Unemployment Act rose to 11.3 from 9.5 at the end of the previous month. In addition, no less than 382,000 males and 456,000 females were working systematic short time on March 24 to such an extent as to entitle them to benefit under the Unemployment Insurance Act and Out-of-Work Donation Scheme. The total number of workpeople registered as unemployed at the various exchanges on the same date was 1,414,000, an increase of 196,000 as compared with the previous month. The following table shows the serious extent to which unemployment has grown amongst trade union members in recent months:—

Unemployment Among Trade Union Members.

End of	1919 %	1920 %	1921 %
January	2·5	2·9	6·9
February	2·8	1·6	8·5
March	2·9	1·1	10·0
April	2·8	0·9	
May	2·1	1·1	
June	1·7	1·2	
July	2·0	1·4	
August	2·2	1·6	
September	1·6	2·2	
October	2·6	5·3	
November	2·8	3·7	
December	3·2	6·1	

Despite the serious condition of affairs here outlined no less than forty-two trade disputes commenced during March, 31,000 workpeople being involved. The most important dispute in progress was that involving ship joiners, who have been on strike since December 1 last against a proposed reduction in wages. This strike has had a particularly unhappy effect on the shipbuilding industry. Not only has the completion of many cargo and passenger vessels been delayed, but a large amount of repair work and numerous contracts for the reconditioning of vessels have been lost to foreign yards. It is satisfactory to note that the number of workers involved in trade disputes during the month compares favourably with the corresponding number for March 1920, but unfortunately the dispute

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in the coal-mining industry, which commenced on April 1, will more than offset the good showing now presented.

With regard to changes in wages, 350,000 workpeople sustained decreases amounting to £60,000 per week, the textile trades being principally affected, and over 11,000 received increases amounting to nearly £2,900 per week during the month. Under the sliding-scale agreement 200,000 woollen and worsted operatives suffered declines, while the wages of workers in the hosiery, silk, carpet, and asbestos trades also moved downwards. Other bodies of workpeople whose wages were diminished include iron-ore miners in Cumberland and Furness, shale miners and steel millmen in Scotland, iron puddlers and millmen in the North of England and Scotland, and certain grades of workers in the dyeing and engineering industries.

On April 1 the average level of retail prices of all the commodities taken into account in the statistics prepared by the Ministry of Labour (including food, rent, clothing, fuel and light, and miscellaneous items) was 133 per cent. above that of July 1914, as compared with 141 per cent. at March 1. As was the case in the previous month, the decrease was due mainly to reductions in the prices of food, but clothing also continued to decline. The statistics are designed to indicate the average increase in the cost of maintaining unchanged the average pre-War standard of living of the working classes. Accordingly, in making the calculations the changes in the prices of the various items included are combined in proportions corresponding with the relative importance of those items in pre-war working-class expenditure, no allowance being made for any changes in the standard of living.

If we take food alone the percentage increase in retail prices on the 1st inst., as compared with July 1914, was, according to the *Labour Gazette*, 133 per cent. Comparative figures for the Overseas Dominions and foreign countries, taken from official sources, are given in the following table:—

Food Prices.

Percentage Increase in the Retail Prices of Food in the Various Countries at the Undermentioned Dates, as compared with July 1914.

	1916	1917	1918	1919	1920	Latest Figures Available: Rise	Latest Figures Available: Date
	%	%	%	%	%	%	
United Kingdom	61	104	110	109	158	138	April '21
Overseas Dominions—							
Australia... ...	30	26	31	47	94	84	Dec. '20
Canada ...	14	57	75	86	127	90	Feb. '21
India (Calcutta)	10	16	31‡	51‡	70	61	Nov. '20
New Zealand ...	19	27	39	44	67	69	Mar. '21
South Africa ...	16	28	34	39	97	65	Feb. '21
Foreign Countries—							
Belgium	—		-		359	382	Feb. '21
Denmark ...	46	66	87	112	153	176	Jan. '21
Finland	—		-	-	882	1,074	Jan. '21
France (Paris)† ...	32	83	106	161	273	259	Mar. '21
,, (other towns) † ...	42*	84*	144*	188*	288*	329	1st Qr. '21
Holland (Amsterdam)	—	42	76	110	117	99	Mar. '21
Italy (Rome) ...	11	37	103	106	218	286	Mar. '21
,, (Milan) ...	—	—	225	210	345	489	Mar. '21
,, (Florence)	47	84	198	178	313	382	Feb. '21
Norway	60	114‡	179	189	219	208	Feb. '21
Sweden†	42	81	168	210	197	153	Mar. '21
United States ...	9	43	64	86	115	55	Feb. '21

* Figures for third quarter.
† Fuel and lighting are also included in these figures.
‡ Figures for August.

The latest figures have been made up to a large extent on different dates, but the discrepancy is not so wide as to invalidate comparisons, especially as the calculations in each case, with the exception of the Indian figure, which is based on returns for Calcutta, fall within 1921. The greatest increase is noticeable in Finland, 1,074 per cent. above the pre-War level, which is followed at a great distance by the city of Milan, while Florence and Belgium tie for the next position. It is noticeable that food prices, inclusive of fuel and lighting, have risen to a greater extent in French provincial towns than in Paris, the figures being 329 and 259 per cent. respectively. The minimum increase, fifty-five per cent., is recorded in the United States, closely followed by Calcutta, sixty-one per cent. Canada at ninety per cent. displays a much greater increase than the United States, and the rise is also greater than that marked in other Overseas Dominions. Amongst European countries the United Kingdom is very favourably situated, the increase in food prices, 138 per cent., being less than in any other State for which the figures are given, with the exception of Holland. Sweden, 153 per cent., and Denmark, 176 per cent., are the next most favourably situated; but the level of food prices in the remaining States is still uncomfortably high, despite the fact that the prices used as the basis of the table are practically all calculated in paper, and are, therefore, but a reflex of the volume of fiduciary currency in circulation.

CRITICAL CONDITIONS OF BRITISH SHIPPING.

HIGH PRODUCTION AND WORKING COSTS AND LOWER FREIGHTS.

FROM A SHIPPING CORRESPONDENT.

In the series of articles on the British shipbuilding outlook concluded last week it was shown that, whatever the returns of output for the March quarter might be, they could afford no reliable guidance to the future. Lloyd's have just issued their report, and it indicates that the present critical conditions of British shipping, together with unsettled labour disputes, bear out the views expressed in these articles.

It is clear that, however desirable in the general interests of the nation was some reduction in the heavy rates of freight which prevailed immediately after the War, that reduction has fallen to a point which means actual loss to the shipowner in putting his ships to sea. Accordingly, throughout the ports of the country there is laid up in idleness over one half of the overseas and coastwise tonnage of the United Kingdom. The continuance of the coal strike is aggravating a situation already sufficiently alarming to those interested either as shareholders or managers in shipping.

Dramatic as was the fall in freights in the latter part of 1920, the decline has continued to an extent that even the most pessimistic had not conjectured six months ago. Time charter rates have fallen from 25*s.* (twelve months general) to 10*s.* and 6*s.* This remarkable and sudden falling off in the earning capacity of ships has been accompanied by no reduction in the cost of running charges, except to a slight extent in the price of coal. Carefully compiled statistics, which have been accepted as the authoritative basis, show that the increased running costs of ships to-day in the overseas trades amount to 280 per cent. above the cost in 1913. So far as the cost of constructing tonnage is concerned, the following figures have been accepted as representing the situation as between 1913 and 1920-21. The illustration relates to the building of a ship about 10,600 tons:—

	Labour	Material	Total
	£	£	£
1913	24,300	49,585	73,885
1920	67,866	141,318	209,184

The fluctuation in certain freight rates may be gathered from the following:—

Australia to U.K.

1920	205 shillings per ton
1913	42 ,, ,,
1921 (March)	60 ,, ,,

River Plate to U.K.

1920 (highest rate)	210 shillings per ton
1913 (highest rate)	30 ,, ,,
1921 (highest rate)	30 ,, ,,

Cardiff to St. Vincent.

1920 (highest rate)	...	...	50 shillings per ton
1921 (highest rate)	...	...	14 ,, ,,
1913 (highest rate)	...	...	12 ,, ,,

Although no reliable figures up to date are available for comparison, yet the fluctuations in the shipping of bunker coal may be realised up to the end of last year by the following:—

Bunker Coal Shipped at United Kingdom Ports for the Use of Vessels engaged in the Foreign Trade.

Year	Tons	Year	Tons
1902 ...	15,148,115	1909 ...	19,713,907
1903 ...	16,799,848	1913 ...	21,031,550
1904 ...	17,190,900	1917 ...	10,227,952
1905 ...	17,396,146	1919 ...	12,021,242
1908 ...	19,474,174	1920 ...	13,840,360

Despite the removal of control, the low figures of 1920, it may be conjectured, will show favourably against those of 1921 should the present slump go on.

The vital relationship between the export of coal and the capacity for ships to make profitable round voyages is, of course, a marked factor in the present situation, and the following figures are of interest, showing the movement in the coal exports of this country and of the United States over a representative period of years:—

—United Kingdom—		—United States—	
Year	Tons	Year	Tons
1902 ...	43,159,046	1902 ...	6,971,184
1904 ...	46,255,547	1904 ...	8,482,867
1906 ...	55,599,771	1906 ...	9,125,993
1907 ...	63,609,947	1907 ...	11,294,252
1911 ...	64,599,266	1911 ...	14,985,487
1913 ...	73,400,118	1913 ...	20,708,582
1915 ...	43,534,560	1915 ...	18,095,183
1916 ...	38,351,553	1916 ...	21,628,162
1917 ...	34,995,787	1917 ...	24,168,839
1919 ...	35,249,568	1919 ...	22,401,905
1920 ...	24,931,853	1920 ...	36,259,473

Information collected at the end of January 1921 showed that there were then laid up in the ports of the United Kingdom 600 vessels, representing 2,250,000 tons. This number has now been increased to an extent which, as already stated, is estimated to represent nearly one-half of our total tonnage.

The seagoing tonnage of the world, excluding sailing vessels, was on June 30, 1920, 51.6 million gross tons. The share of the United Kingdom was 18.1 million tons, or thirty-five per cent.; the share of the British Empire was 20 million gross tons, or 38.7 per cent. The pre-War 1914 proportion of the United Kingdom and Empire tonnage were 43.8 per cent. and 47.5 per cent. respectively, the tonnage being United Kingdom 18.9 million, British Empire 20.52 million.

Thus, while the British proportions were lower than before the War, the actual tonnage of the Empire exceeded the pre-War sum. The present decline in the volume of trade to be carried by sea has been accompanied by the rapid growth of the world's tonnage and the anomaly, which is for the time being defying solution, viz., the abnormal cost of running any part of that excess tonnage at profits which would enable the shipowner to lay aside some small reserve in which to await the hoped-for revival in trade.

CHILI.

A TRYING PERIOD.

It is a remarkable fact that all the countries which appeared to benefit in a material sense as a result of the great European struggle which came to an end in November 1918 are suffering more or less severely. They are not, of course, suffering in the same measure or enduring the like trials of countries which were active belligerents during the period of hostilities which lasted for a period of over four years. Nevertheless, no single one of them has escaped the effects of the reaction which the end of the War has brought about. It was commonly said, and by many thoughtless people doubtless believed, that the United States was obtaining all the accumulated capital of Europe, and that when the War was over she would be in a position to finance every industry she cared to engage in for the next hundred years. As a matter of fact, the United States is suffering only to a less degree than Europe itself. In reality, none of the countries which appeared to benefit so largely from the struggle in Europe did in fact receive tangible assets for the commodities they exported at such very high prices represented in purely paper values. In the case of the United States, we sent her vast quantities of securities, which in her present stage of economic development is very far from being an advantage. We supplemented these when a sufficiently large quantity was no longer forthcoming by an abundance of promises to pay, which will in due course, no doubt, be liquidated. Meanwhile, we were in no condition to send to the United States those articles of which she was really in need, and which she was not, and is not, able to provide for herself with the rapidity which would be desirable if her economic interests alone were to be considered. In former periods of trade expansion, while we bought immense quantities of raw produce and food from the United States, in exchange we gave her the means whereby she was able to augment the plant necessary for increasing her output, whether of food or of manufactured produce; and, above all, we gave her the means whereby she was enabled to improve her transportation facilities.

Turning now to South America. Amongst the countries which appeared to benefit most largely, Chili, one of the three great South American Republics, appeared to benefit to a great extent. Chili, as we shall show later, in its configuration, in its natural resources, and in the conditions precedent for its adequate economic development, is one of the most remarkable countries in the world. In a sense it may truly be said to be unique. No other country with which we are acquainted, either from personal knowledge or from study, is quite like Chili, or, indeed, resembles Chili to any marked extent. Chili has often been described as one great mine. It happens that she has in a natural form what is known as nitrate. Nitrate of soda is obtained as a by-product from various industries, and, as the Germans showed both before the War and during its progress, it can up to a point be manufactured synthetically. The synthetic product, however, has never so far really competed with the natural. Over an immense area of Chili this remarkable product is found in enormous quantities, and is practically obtainable by the process of digging it up and treating it by comparatively simple methods. The result is that the country has lived on the product of nitrate to an extent that it is certainly not desirable for any country to depend upon a single product, however valuable that product may be. Before the War nitrate of soda was in great demand in Europe, and mainly in the enemy countries, as a fertiliser in the production of beet-sugar. It was useful for agricultural purposes and practically for nothing else.

During the War, however, it was ascertained that nitrate of soda contained certain products essential for the manufacture of explosives, and, in addition, a product could be distilled from it which made the well-known medicine, iodine. As a result, the world's demands for nitrate of soda, which had been some forty million quintals before the War, rose to between sixty and seventy million quintals during its progress, so that Chili built up an enormous trade balance in her favour. When the War came to an end it was assumed that buying of Chilian nitrate would be resumed upon a great scale for the purpose of replenishing the exhausted properties of the soil in various parts of Europe. This assumption, like the assumption that there would be an extraordinary demand for every kind of product, took no account of the purchasing power of the various countries of Europe. A hungry man may want a dinner badly, but unless he is to obtain it through some charitable institution he must find

some means of paying for it. Europe needed, and still needs, as much Chilian nitrate as she can get, but, unfortunately, some of Chili's best customers at the present time are quite unable to pay for Chilian nitrate either by exports or in any other form. The result is that, whereas the exports of Chilian nitrate increased by more than fifty per cent. during the progress of the War, they have fallen now to about half what they were in the period which preceded the outbreak of the War. Consequently, during the last two years not only has Chili's favourable trade balance disappeared, but she has a heavy deficit in her revenue. Like most new countries, Chili derives the great bulk of her revenue from duties on imports and a tax on exports. As nitrate of soda in the pre-War period constituted seventy-five per cent. of Chili's exports, the Government found it exceedingly easy to derive more than half its revenue by simply imposing an export tax on nitrate. Even with the tax it was by far the cheapest fertiliser, for the value of its contents, known to the world. The imposition of a tax on a mineral export placed no burden on the Chilian people, and the result was that the Chilian Government was able readily to raise a revenue without really imposing any burden on its own nationals. With a heavy fall in the exports of nitrate the position has completely changed, and for the moment Chili finds herself with a heavy deficit in her revenue, which, of course, it is not possible to meet by a corresponding reduction in expenditure. On the contrary, in Chili, as in other countries, the cost of government has increased. It may be that since there has been a heavy deficit in revenue in the past two years, and, as far as we can see at present, is likely to be a considerable deficit again this year, Chili may require to raise a loan. If she decides to do so, there will be, of course, no difficulty in obtaining any amount she may require in order to tide her over a period of temporary embarrassment. It goes without saying that the difficulties of Chili are rather the difficulties of her customers than the difficulties of Chili itself. The nitrate is there. The world wants nitrate. The real point to be mastered is, How can Chili's customers find a means of paying for a fertiliser they are urgently in need of? Meanwhile, trade as between Chili and these customers is more or less at a standstill. It will be seen, however, that the difficulties of Chili, such as they are, are of a purely temporary character. It happens, most unfortunately, that at the moment the world's demand, that is to say the world's effective demand or purchasing power, for the three principal articles Chili has to offer has fallen off simultaneously—that is to say, for nitrate of soda, for copper, and for wool.

Chili, as we have just said, is one of the most remarkable countries in the world almost from whatever aspect one may look at the question. In configuration she is a long, narrow country, stretching from the tropics into the cold temperate zone for a distance approximately of 2,700 miles. The northern area, which contains the nitrate deposits, occupies somewhat over one-third of the whole territory. It is a waterless desert, and could only be made fertile in any agricultural sense by very heavy expenditure for the purpose of obtaining irrigation. The central zone, which is the rich agricultural area of Chili, is not quite as big as England proper in area, and even that is not fully developed. In the south there is an extensive mountainous area equal in size to any one of the other two. This area is almost wholly covered with timber, very valuable, but at present exceedingly difficult to work because there is no adequate population and no adequate means of transportation. South of that again are the plains of the Magellanese and Tierra del Fuego, the greater part of which island belongs to Chili. This is a sheep area, and altogether has probably by this time very nearly five million fleeces. Chili, all told, has an area somewhat exceeding 300,000 square miles; but her total population does not much exceed 4½ million souls. Consequently, there is no adequate population to develop the enormous resources of the country. The prosperity of Chili, as we have said, depends primarily upon the production of nitrate; secondly, upon copper; and, thirdly, upon wool. But, in addition, she has gold, silver, coal, borax, salt, sulphur, lead, aluminium, nickel, manganese, bismuth, cobalt, guano and potassic salts. Of borax Chili already supplies the world with something between one-third and one-half of the total production known to the international markets. Sulphur is very abundant; but owing to transportation difficulties the mines, so far, have not been exploited to any appreciable extent. Nevertheless, during the War some 3,000 or 4,000 tons were raised in one or two years. There are very valuable iron-ore deposits in various parts of Chili; and in the province of Coquimbo iron-mining is carried on to an appreciable extent. Chili imports live-stock, various foodstuffs, and raw products for her industries and manufactures.

In future, when the central zone is fully developed, and the southern regions exploited to a far greater extent than is the case at present, it is probable that Chili will be self-supporting in the matter of food and of some raw materials. Quite recently she has developed her wine-growing industry to such an extent that she is self-supporting in the matter of wine and vine products. It will be seen, however, that one of the most remarkable features in Chili's economic development is that, while she is a new country in an economic sense, she is not capable of supplying raw products upon a great scale in the sense that we are accustomed to look for a supply of raw products from a very new country. Speaking broadly, one expects a new country, provided it is furnished with adequate transportation facilities, to supply the products of flocks and herds and to furnish the world with large quantities of cereals. No one really acquainted with Chili would ever expect her, even when she is highly developed, to be in a position to supply vast quantities of wool, great quantities of meat, or cereals much beyond the needs of her own population. Chili is capable of supplying raw materials upon an enormous scale, but they will be mainly of minerals. Chili, as we have said, is a long, narrow country, varying in breadth from a little under 300 miles to quite a narrow strip in the extreme south of the Magellanese. The backbone of the country is the Andean chain of mountains, and these mountains are mineralised to an extraordinary extent. Nearly every mineral known to and used in the service of man is found in these great mountains. Consequently, as a producer of minerals Chili, in all human probability, is destined to take an extraordinary place as a source of supply to the world's international markets. Chili possesses to an extent quite unknown in other parts of South America coal deposits of high quality. At present the output does not much exceed one and a-quarter million tons, but the mines are capable of great development, and, no doubt, will be greatly developed in the future. The best known are those at Coronel, in Southern Chili.

BRITISH RAILWAY FINANCES.

The returns published by the Ministry of Transport on the working of British railways during the month of February make a rather poor showing. Even in normal circumstances the general railway receipts would be lower in February than in any other month of the year, as it contains several working days less, but they are abnormally depressed this year on account of the declining volume of trade. The Ministry's statement is not, of course, final, as it simply shows the claims made by the railway companies against the State under the agreements concluded in the years 1914-17 inclusive. The claims cover expenditure charged during February and also the liquidation of liabilities arising prior to that month,

but included in the current claim. The receipts are in respect of traffic carried during the month, and these amounted to £17,845,660, as against an expenditure of £20,580,955, leaving a deficit of £2,735,295. The canal, dock, steamship, hotel, and other undertakings operated by the companies returned a loss in February of £82,326. The total debit balance was therefore £2,817,621. The proportion of net receipts for the standard year covered by the Government guarantee in respect of the month was £3,097,000, and the interest on capital works brought into use was £105,000, making a total of £3,202,000. Adding this to the deficit above mentioned, the net Government liability, as claimed, reaches the large sum of £6,019,621. The details as to receipts, disbursements, and guarantees for the ten months ended January last, for February, and for the eleven months to the end of February are set out in the annexed table:—

Controlled Railways—United Kingdom.

	April '20-Jan.'21	Feb. '21	April '20-Feb.'21
	£	£	£
Receipts ...	212,125,671	17,845,660	229,971,331
Expenditure ...	205,872,624	20,580,955	226,453,579
Balance ...	+6,253,047	—2,735,295	+3,517,752
Other businesses	— 912,814	— 82,326	— 995,140
Net balance ...	+5,340,233	—2,817,621	+2,522,612
Govt. guarantee	41,664,000	3,202,000	44,866,000
Net Govt. Liability ...	36,323,767	6,019,621	42,343,388

It should be noted that in the figures here given, which are subject to audit, no sum has been allowed for any liabilities which may attach to the Government in respect of replacements of stock of stores or materials, abnormal wear and tear, and arrears of maintenance. The figures of expenditure for February include arrears of maintenance overtaken, and also claims for excess maintenance by companies already in excess, amounting in all to about £1,300,000. The arrears of hire charges for rolling-stock hired by the Government to the railway companies reach £800,000, which figure is also included in the February expenditure.

The poor returns for the month under review have been responsible for a material disimprovement in the financial position of the companies. Up to the end of January last there had been a surplus of gross receipts over working expenses of £5,340,233, but a loss during February of £2,817,621 reduced this balance to £2,522,612. The total Government guarantee for the eleven months—April 1, 1920, to February 28, 1921—amounted to £44,866,000, and, deducting the credit balance mentioned, we get a net Government liability, subject to audit, of £42,343,388, or £3,849,399 per month. The heavy increase in the Government's liability, which during the month of February alone, according to the claims made by the railway companies, exceeded £6,000,000, is particularly noticeable.

The February freight and passenger returns are not yet available, but the effects on railway traffic of the decline in trade are revealed in the freight figures for January, a summary of which we set out at foot of page.

During the month the tonnage conveyed and the ton miles worked were 15.35 per cent. and 13.92 per cent. respectively less than in the corresponding month of 1913, and the average wagon load of 5.57 tons registers an increase of .17 ton, as compared with January 1920, but a decline on the December figure. The average train load fell to 128½ tons, from 131½ tons in January 1920. The average receipts per ton mile, exclusive of cost of collection and delivery, worked out as follows: General merchandise, 3.067*d.*; coal, coke and patent fuel, 1.272*d.*; other minerals, 1.782*d.*; total freight, 1.921*d.* As regards rolling-stock, 35 locomotives, 73 carriages, and 2,695 wagons were completed during the month. No improvement was effected in the number of locomotives under and awaiting repair, which on January 31 last represented 26.6 per cent. of the total stock. The percentage of wagons under and awaiting repair was, however, reduced to 3.66 per cent. of the stock. The results of the depression are clearly reflected in the following table, which shows the chief variations in the various traffics in January 1921, as compared with January 1920:—

	Tons	Per cent.
Salt ... ... Dec. in January 1921	24,702	42·75
Alkali ... ... ,, ,, ,, ,,	38,871	39·80
Pig Iron ... ... ,, ,, ,, ,,	160,166	39·51
Hay, Clover and Straw ,, ,, ,, ,,	39,420	37·12
Timber ... ... ,, ,, ,, ,,	150,662	24·63
Iron and Steel ... ,, ,, ,, ,,	285,503	23·81
Grain and Flour ... ,, ,, ,, ,,	206,983	23·01
Roadstone, Building Stone & Stone Setts Inc. ,, ,, ,,	242,431	54·52
Cement ... ... ,, ,, ,, ,,	36,817	35·81
Sand and Gravel ... ,, ,, ,, ,,	38,728	15 61
Bricks ... ... ,, ,, ,, ,,	43,408	10·70
Ironstone ... ... ,, ,, ,, ,,	56,677	4·94

	January 1921 Tons	January 1920 Tons	Decrease %	January 1921 Ton miles	January 1920 Ton miles	Decrease %
General Merchandise	5,105,574	6,686,427	23·64	443,049,425	613,355,565	27·77
Coal, Coke and Patent Fuel	15,026,984	17,542,096	14·34	775,823,561	784,930,944	1·16
Other Minerals ...	4,948,621	5,399,387	8·35	221,430,017	275,004,562	19·48
Total	25,081,179	29,627,920	15·35	1,440,303,003	1,673,191,071	13·92

UNION BANK OF SCOTLAND, LIMITED.—The latest report and accounts of the Union Bank of Scotland, carrying as they do the record of its operations three months into the current year, would naturally be expected to reflect recent trade depression more than if the financial and calendar years coincided. We find, indeed, after an increase of nearly seven million pounds in balance-sheet totals exhibited twelve months ago, an arrest of the upward movement which had proceeded without check since 1916. As will be seen below, the decline, so far as liabilities are concerned, is fully accounted for by the drop of £510,000 in acceptances, coupled with the contraction of the note circulation by £114,000. On the other hand, while bills discounted register the substantial addition of £761,000, it does not transpire to what extent this asset is affected by the inclusion of Treasury bills. The cash assets which these Treasury bills so usefully supplement are lower by £1,107,000, and investments by £674,000; short-period loans on securities have also declined by £1,333,000; but the major increase (of £2,257,000) lies in advances on cash credits and current accounts.

(000's omitted.)	April 2, 1921	% of Total	April 1, 1920	% of Total
LIABILITIES.	£		£	
Deposits, &c.	32,911	84·6	32,906	85·3
Notes in circulation	3,366	8·7	3,480	9·0
Acceptances	398	1·0	908	2·3
ASSETS.				
Cash in hand, &c.	3,797	9·8	4,259	10·8
Money at call and notice	3,693	9·5	4,388	11·4
Investments	9,273	23·8	9,947	25·2
Bills discounted, including Treasury bills	10,633	27·3	9,872	25·0
Loans and advances	10,560	27·2	9,636	24·4
Total assets	38,896		39,500	

Increases from £657,903 to £754,661 in gross profits and from £347,129 to £442,529 in expenses have resulted in net profits of £312,132, following £310,774, and, £110,000, following £140,000, having been applied to writing down securities and investments, minor allocations of identical amount with last year leave a sum sufficient to repeat last year's increased dividend of sixteen per cent. and give a carry-forward of £47,708, against a previous £35,576. In the balance sheet issued in 1920 £4,210,881 of Five per Cent. War Loan Stock, 1929-47, was taken at cost: on the present occasion all investments are scheduled at the prices ruling at the date of the balance sheet.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

The Coming Budget.

THE introduction of the Budget on Monday next will probably afford no relief to the taxpayer, except as regards excess profits duty, the abolition of which has already been announced. The Civil Service estimates have been swollen beyond the sums originally contemplated, while the Navy, Army and Air Force, which in all claim £207,205,000, represent an expenditure several millions in excess of the total cost of the machinery of Government, both military and civil, in the year before the War. The aggregate estimates for 1921-22 may be set out as follows:—

ESTIMATES 1921-22.

Civil Services, &c.	£460,900,000
Interest on Debt, &c.	350,000,000
Army	106,315,000
Navy	82,479,000
Air Force	18,411,000
	1,018,105,000
Debt Redemption	110,000,000
	£1,218,105,000

The revenue during 1920-21 amounted to £1,425,984,000, a sum much in excess of our estimated requirements in the current year, but it included several items of a non-recurring character, particularly £287,939,000 derived from the sale of Government war stores and £219,000,000 from excess profits duty. Under these two heads there will, of course, be receipts of fairly substantial amount in the current year, but it is not likely that they will afford the Chancellor anything like the assistance given towards meeting expenditure in the year just closed. The Budget will probably be of a humdrum character, minor reductions being looked for in the duties on cigars and sparkling wines. Some assistance to those who figure on the lower grades of the income-tax scale had been anticipated, but the trade hold-up caused by the trouble in the mining industry has been bad for revenue, while it has brought about increased Government expenditure in connection with the various precautionary measures taken. In our table £110,000,000, provision for debt redemption, is included, this being the minimum already estimated by Mr. Chamberlain, who, it is announced, will introduce the Budget on Monday instead of the present Chancellor, Sir Robert Horne.

Foreign Trade of Different Countries in 1920.

A return just issued by the Board of Trade, dealing with the foreign trade and commerce of various countries during 1920, throws an interesting light on the degree of progress achieved as compared with 1919. The salient figures, which are embodied in the table below, are concerned only with the exchange of actual merchandise, statistics relative to imports and exports of bullion being excluded. The American figures reflect the resumption of imports from Europe on a larger scale than in 1919, with the result that the favourable trade balance has dropped from £813,409,000 to £583,629,000. The fact that, especially as regards 1920, all the other countries included in the list show an adverse balance is evidence of the general indebtedness to America. The United Kingdom records an improvement in its adverse balance from £662,772,000 in 1919 to £378,767,000 in 1920, the latter amount being almost entirely offset by the invisible exports for the year. When allowance is made for the great damage to the industrial regions of France in the North the recovery appears little short of phenomenal. A decline in imports whilst exports have nearly doubled results in an adverse balance of £518,808,000, as against £956,787,000 in 1919. Exports of women's ready-made clothing, other than silk, rose from 214,479,000 francs to 924,231,000 francs. Silk manufactures accounted for 1,819,494,000 francs, instead of 1,451,866,000 francs, whilst the export of wool was multiplied fourfold. In addition, welcome increases were recorded in the export of machinery, of motors, of iron, of lace, and of brandy and liqueurs. In the case of Belgium the adverse balance was reduced from £117,290,000 to £98,694,000, owing to the more rapid increase in exports. It is of interest to note that the increase in imports was most pronounced in the case of raw materials, the value in 1920 being almost three times that for 1919. Such imports being worked up in the country will furnish, if they have not already done so, more valuable exports to reduce the trade balance accordingly. Indeed, the returns indicate this, for the export of manufactures was multiplied sixfold in value during the year. The reverse experienced by Japan, whose adverse balance increased from £9,433,000 to £41,919,000, is explained largely by the depression in the silk industry, the exports of which declined by nearly fifty per cent. as compared with 1919. An almost like increase in the adverse balance in the case of Switzerland is explained by the more rapid expansion in imports, notably of coal, iron, motor-cars, and sugar. The transformation in the case of India cannot be dissociated from the very adverse movements in the rupee exchange during the year, which have put a premium on imports at the expense of exports. Thus it will be noted that the value in sterling of the exports actually dropped, whilst imports increased by more than fifty per cent., thus leaving India with an adverse trade balance of £37,248,000, whereas in 1919 she was owed on trade account no less than £57,693,000. The import of cotton manufactures was more than doubled, and the same was true of the import of railway plant and rolling-stock, of machinery and of apparel. On the other hand, an increase in the export of rice, flour, and of jute manufactures was more than offset by the decline in the export of tea, owing to the depression in this commodity, of oilseeds, and of cotton. The great vitality of the trade of Finland should not escape notice. An increase of forty-four per cent. in imports is met with a remarkable expansion in exports from £33,731,000 to £115,351,000. Sugar, iron, wheat, coal, cotton, chemicals, and machinery figure prominently in the increased imports; whilst the expansion in exports is entirely explained by the threefold increase in the trade in wood, wood pulp, and pasteboard.

Imports and Exports of Merchandise, in Thousands of £'s, for some of the Principal Countries for 1919 and 1920, showing the Excess of Imports (—) or Exports (+).

	1919			1920		
	Imports	Exports	Excess of Imports (—) or of Exports (+)	Imports	Exports	Excess of Imports (—) or of Exports (+)
	£	£	£	£	£	£
[illegible]	582,109	1,641,745	+1,059,636	1,682,734	1,582,959	— 99,775
[illegible]						
[illegible]	1,461,110	798,338	— 662,772	1,714,596	1,335,789	— 378,767
France ...	1,431,971	475,184	— 956,787	1,416,198	897,390	— 518,808
[illegible]um ..	208,442	91,152	—117,290	446,621	347,927	— 98,694
Japan	220,278	210,845	— 9,433	267,506	195,587	— 41,919
Netherlands	285,478	117,609	—117,869	277,677	141,788	— 135,889
Denmark	139,981	40,800	— 99,181	174,561	87,497	— 87,064
Sweden	146,800	88,288	— 58,512	187,490	127,410	— 60,080
Switzerland	140,351	131,916	— 8,435	168,044	130,975	— 37,069
India	155,541	106,284	— 57,696	222,606	185,358	— 37,248
Finland ...	100,397	33,751	— 66,646	144,813	115,351	— 29,462

Lithuanian Finances.

The public Budget of Lithuania for 1920 provided for an estimated expenditure of 768 million marks. The revenue was placed at 684 million marks, leaving an estimated minimum deficit of 84 million marks. The State income is derived mainly from direct taxes on landed property and buildings and from inheritance duties. The indirect taxes, which are also of considerable importance, include Excise duties on alcohol, tobacco and matches, together with Customs levies on imports and exports. The 1920 deficit is not as great as might have been expected in view of the fact that Lithuanian industry suffered very severely during the War. The task of reconstruction has made good progress, and sawmills, paper-mills, breweries, distilleries and tanneries have been rebuilt in large numbers. Flax is, of course, one of the most important products of the country, and small spinning mills, which were very numerous before the War, have been restored and have resumed operations in many districts. Lithuanian exports amounted during 1920 to 321,797,163 ostmarks, or, including flax, to 495 million marks, and imports to 428,728,541 ostmarks. The excess of exports was thus over 66,000,000 ostmarks. The *fiat* paper currency that circulates in the country is made up of German marks, usually known as "reichsmark," and Lithuanian marks, "ostmark," both of which are guaranteed by Germany and are of equal value in exchange. Despite the steady increase in trade during 1920 the transportation industry did not prove self-supporting, the expenditure reaching 65,000,000 marks, as compared with a revenue of 52,649,000 German marks, leaving a deficit of 12,351,000 marks. These figures indicate a complete reversal in the situation since 1913, when expenditure totalled only thirteen million roubles out of a total income of twenty-four million roubles, leaving a credit balance of eleven million roubles. Conditions have, however, so completely altered that the comparison cannot be pressed too far.

The International Acceptance Bank.

It will be remembered that towards the end of last year the functions of the Foreign Trade Finance Corporation were, in spite of substantial opposition from various quarters, revived, and that body, constituted under the Edge Act, was empowered to issue Debentures, in order to provide the means of granting credits for the furtherance of the export trade of the United States. Under the terms of its constitution it was precluded from doing a general business in acceptances, and this, of course, was a serious disability. It was with the intention of filling the gap so left that the International Acceptance Bank of New York, a privately financed corporation, was formed early in the current year, the subscribed Common stock being ten million dollars, the subscribed Special stock 250,000 dollars, and the subscribed surplus five million dollars, making the total subscribed resources fifteen and a-quarter million dollars. The Bank aims primarily at financing international trade by the granting of acceptance credits. It operates under the Federal Reserve Act, and is accordingly subject to the supervision and regulations of the Federal Reserve Board, as well as of the Banking Department of the State of New York. Large manufacturing and shipping corporations are represented on the board, which also includes representatives of the leading banking institutions in various parts of the country. Amongst stockholding banks and firms may be mentioned the First National Bank of Birmingham (Ala.), First National Bank of Boston, Old Colony Trust Company, First National Bank of Chicago, Cleveland Trust Company, First and Old Detroit National Bank, Fidelity National Bank and Trust Company, First National Bank of Los Angeles (Cal.), Kuhn, Loeb and Co., Huth and Co., Corn Exchange Bank, Liberty Bank of New York, Franklin National Bank, First National Bank of Portland, Rhode Island Hospital Trust Company, Wells Fargo Nevada National Bank, Seattle National Bank, and the First National Bank of St. Louis (Mo.). To avoid the duplication and delay involved in setting up foreign branches of its own, the new Bank has succeeded in obtaining the co-operation of important interests already well known in European banking circles. The following institutions on this side of the Atlantic figure amongst the stockholders: The National Provincial and Union Bank of England, Limited, N. M. Rothschild and Sons, Nederlandsche Handel Maatschappij, Hope and Co., Swiss Bank Corporation, Aktiebolaget Svenska Handelsbanken, and the Skandinaviska Kredit Aktiebolaget.

Transvaal Mineral Output.

The report issued by the Transvaal Chamber of Mines for 1920 shows that the mineral production of the Transvaal for that year was valued at £51,002,868, as compared with £44,145,892 for 1919. The bulk of this amount was contributed by the output of gold, which accounted for £44,604,855, or an increase of £5,311,655 over the value of the corresponding output for 1919. This increase was due entirely to the existence of a substantial premium on this precious metal during 1920, whereas in 1919 the premium was only in operation after July 25, and did not reach such large dimensions. The part played by this premium can readily be detected from the following table: —

Gold.

	Gold Produced Oz.	Estimated Value £	Value at 85s. per Oz. £	Estimated Premium £
1919 ...	8,330,091	39,293,200	35,402,887	3,890,313
1920 ...	8,154,172	44,604,855	34,655,231	9,949,624

Thus, owing to the decline in the quantity of gold secured, the value of the output, on the basis of the par value of gold, was actually £747,656 less than in 1919; but with gold at an average of 111*s.* per ounce, according to some of the leading producers, the gold premium brought in an additional amount of £9,949,624, or £6,059,311 more than in 1919. Next to gold in point of value come diamonds, the value of which was returned at £3,600,310, as compared with £2,668,854 in 1919, with a rise in quantity from 873,961 to 905,297 carats. The rise in the price of diamonds during the year is reflected in the average of £3.97 per carat, as against £3.04 in 1919. The production of coal showed an increase both in quantity and value. For 1920 some 7,180,124 tons were secured, in contrast with 6,622,313 tons in 1919; whilst the value reached £2,163,173, as compared with £1,694,131. The base metals were represented by tin and copper, but only in small amounts. No figures relating to quantities are supplied. In value, however, the output of tin ore increased from £272,918 in 1919 to £414,035; but that of copper ore declined from £216,789 to £190,495.

Diamonds.

Coal.

Base Metals.

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BANK OF ATHENS.

The report, just to hand, of the Bank of Athens for the year ended December 31, 1920, shows further satisfactory progress in the Bank's business. Its activities are largely of an international nature, branches being established throughout Greece, in Smyrna, Constantinople, Egypt, Cyprus, and in London and Manchester. Despite the unsatisfactory conditions of trade with the Near East during the latter half of the year, net profits at Drs. 18,144,451 were more than treble those of the previous year. A final dividend of ten per cent. (actual), plus the interim disbursement of five per cent. (actual), absorbed Drs. 9,333,334, and an allocation of Drs. 4,400,000 to reserve, with sundry other deductions, left the balance carried forward at Drs. 2,257,583, or more than four times that for December 31, 1919. The balance-sheet figures for the last four years are summarised in the following table:—

	1920		1919
LIABILITIES	Dec. 31	June 30	Dec. 31
	Drs.	Drs.	Drs.
Capital	48,000,000	48,000,000	48,000,000
Reserve	5,000,000	600,000	600,000
Deposits, &c.	561,090,149	510,229,274	437,225,180
Profit balance	2,257,583	11,405,037	534,784
	616,347,732	570,234,312	486,359,964
ASSETS			
Cash	362,664,136	238,946,029	191,952,656
Investments	15,946,913	17,762,407	20,479,334
Discounts, advances, &c.	323,718,483	298,009,791	254,882,614
Premises, &c.	14,018,163	15,516,085	19,045,360
Accounts in suspense ...	—	—	—
	616,347,732	570,234,312	486,359,964
	%	%	%
Ratio of cash to deposits	64·6	46·8	37·7
Ratio of loans to deposits	57·7	58·4	50·0

In view of the weakness which characterised international markets in the closing months of 1920 a reduction in the Bank's deposits might have been expected. In actual fact, however, they rose to Drs. 561,000,000, an increase on the year of 51 million, practically all of which belonged to the second half. Cash, at Drs. 362,664,136, is almost double the figure ruling on December 31, 1919, and consequently the ratio of cash to deposits showed an improvement of 26.9 points to 64.6 per cent. That the institution spared no effort to meet the legitimate demands of traders is evidenced by the fact that loans, at Drs. 324,000,000, represent an increase on the year which, despite the expansion of deposits, raises the ratio of loans to deposits by 7.7 points to 57.7 per cent. The liberal profits allowed the reserves to be raised from Drs. 600,000 to Drs. 5,000,000, thus substantially strengthening the position of the Bank.

CHILIAN EXCHANGE.

The Anglo-South American Bank, Limited, is advised by its Valparaiso Branch that the local Stock Exchange has altered its method of quoting exchange on London from pence in relation to pesos to pesos in relation to pounds sterling, and that the new arrangement has already been brought into operation. It is understood that this change has been effected at the wish of the Chilian Government, who desire that exchange shall be quoted on the European plan of units of local currency to the pound sterling, rather than the reverse method, which is generally followed in other South American countries. Some difficulties are naturally arising from the necessity of dealing with the new and unfamiliar method, and we understand that the commercial community is endeavouring to secure its rescission. Yesterday's quotation of Chilian exchange is cabled at 32.50 pesos to the pound sterling, which is equivalent to a little over 7¼*d.* per peso. The new parity is 13.33 pesos to the pound, *i.e.* 18*d.* per peso.

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American Topics.

UNITED STATES SHIPPING BOARD.

What the new Administration recently installed in Washington will do is of far more than local significance. It is, in reality, of world-wide significance. The United States can assist in the general recovery which the world is aiming at from the effects of the recent War. On the other hand, she can so frame her policy that, instead of assisting Europe and those parts of the world which have been adversely affected as a result of the War, she can exercise a really appreciable influence in retarding their recovery. America occupies a position analogous to that which England occupied as a result of the Napoleonic Wars, in that she has to a large extent become the world's creditor. For convenience, we may say that Europe is a debtor and America a creditor. Roughly, Europe owes the United States some £2,000,000,000, the interest upon which even the wealthiest of her debtors are not in a position to pay. None of the debtor countries have so far paid the interest upon the immense amount of loans which have been contracted upon European or extra-European account in the United States. It is a humiliating and most unsatisfactory position for Europe to find itself in. Until at least some of the European countries are able to begin to pay the interest upon these sums borrowed from America Europe will never be in a sound economic position. It goes without saying that the United States itself cannot be in a satisfactory economic position in the light of the facts we have just stated. America assisted Europe to finance a part of the recent War; but for this assistance she received hardly any equivalent economic value. In real truth, the United States enjoys the satisfaction of becoming a great creditor nation, but she has yet to reap the solid advantages which should attach to such a position. She can only hope to reap those advantages if and when her debtors recover in the future such a measure of prosperity as will enable them to repay her.

We have entered somewhat fully into the question of the present economic condition of the United States. She appears to have benefited by the recent War to a far greater extent than is really the case, because a host of impoverished countries owe her money. Inasmuch, however, as those countries are not able to

pay, the creditor's advantage is of a nature which may materialise in the future, but meanwhile is more apparent than real. In fact, the United States, like the rest of the world—although, of course, to a less extent—has been impoverished, as distinct from being enriched, by the recent European War. Consequently, instead of being in a better position to assist the world than she was in 1914, she has in reality depleted resources compared with those she enjoyed then, although, relative to certain other countries, her position has improved. This, however, is because many of those other countries have in the interval either fallen into revolution or have become completely bankrupt. An individual may be very seriously impoverished, notwithstanding the fact that, compared with his neighbour, he appears to enjoy great prosperity, for the reason that his neighbour, by the causes that impoverished him, has become completely broken in health and fortune. We wish to bring out this aspect of the position of the United States relative to many other countries of the world. She has not unlimited resources which would enable her to assist the world, notwithstanding great extravagance, precisely as though that extravagance had not occurred. Every excessive expenditure into which the United States enters lessens her power to develop her own resources and to assist the rest of the world. In other words, all unnecessary waste into which the United States is led means a lessened power in her ability to develop the home resources as a corollary to assisting in the general recovery from the effects of the War.

Is the United States Government entering upon a scheme of hopeless extravagance in the establishment of the United States Shipping Board? There seems every reason to fear that she is doing so. Does the United States require a mercantile marine? And, if so, for what purpose? Unfortunately, owing mainly to our mismanagement, there was an almost complete lack of adequate shipping facilities during the War period. When the United States in 1917 determined to enter the War she found that if she was to give effective assistance she would require, as part of the expense of the War, to provide a quota of shipping. Having done so during the War, she decided that it would be nice to possess a mercantile marine; and, accordingly, after the signing of the Armistice, started mercantile shipbuilding upon an unprecedented scale. Even under the conditions which prevailed for some months after the signing of the Armistice, American mercantile ships could only be built with the assistance of the American Government, and they could only be run with a Government subsidy. The United States at various periods in her history has had the ambition to possess a great mercantile marine. Experience has shown, and is showing once more, that the United States can only possess a mercantile marine as a luxury. Neither her economic conditions nor her economic development demand the possession of a mercantile marine. No nation in the world has ever succeeded in building up a mercantile marine as a luxury. Such a marine is very far from being one of the luxury trades. Those who have any real acquaintance with the life of those who go down to the sea in ships know that even on a great liner it is a life of hardship, and on the ordinary tramp and on the wind-jammer it is very much more hard. A country three-quarters the size of Europe in area, with a population less than a quarter of the whole of Europe, can hardly hope to build up a mercantile marine except, of course, on the same principles as a millionaire builds a yacht. Why should an American worker, however poor, seek the hardships of a seaman's life unless he is tempted by conditions that are not obtainable for the ordinary worker either upon the land or in any industry existing in a country of such great extent, immense natural resources, and relatively modest population? The few great nations which have built either in ancient or modern times a great mercantile marine which has scoured the seas has done so from grim necessity and from nothing else. Inability to produce adequate supplies of food and raw materials at home have forced a part of the population to take to the sea for a living. The seafaring nations of the world were seafaring long before they had a Government capable of affording protection to their seamen. They have, in fact, been seamen, when they have had practically no government at all. The earliest form; as far as we are able to trace it, taken by the industry of seafaring nations is that of fishing. There is not enough food to go round from the produce of the island home. The natives are, therefore, driven to seek in the sea for food to supplement the scanty supply furnished by local conditions to the domestic board. These conditions do not apply, and never have applied at any period in the history of the United States. It is not surprising, therefore, to find that the Shipping Board is embarrassed by the abnormal number of ships which it finds necesary to lay up and by the abnormal cost which the Board experiences in its endeavour to run ships able to keep the seas even at a heavy loss.

SOUTH AND CENTRAL AMERICA.

We regret that pressure upon our space compels us to hold over our usual article under the above heading.—Ed.

Problems in Foreign Exchange. By Martin J. Shugrue. Price 10*s.* 6*d.* net. (London and New York: D. Appleton and Company.) This book is issued as a companion volume to "Whitaker's Foreign Exchange." Mr. Shugrue is Assistant-Professor of Economics at the Massachusetts Institute of Technology. His book will make a useful addition to the library of the economic student. Each problem he takes from actual business practice, and the knowledge to be derived from careful study of the collection of problems is both practical and complete.

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Rubber Topics.

At best the one reported improvement in the Rubber market at the opening was a cancellation of selling orders which, however, would not have been placed without a considerable sacrifice on the part of the holders. The volume of business was negligible, yet the undertone was surprisingly firm. Rubber Trusts gained 6*d.* at 18*s.*, and Anglo-Dutch recovered to 27*s.*, whilst Linggi presented a steady front at 1⅝. United Serdang also claimed attention at 3*s.* 0½*d.* Price movements on Tuesday were rather irregular, but the leaders were strong. Rubber Trusts moved up to 18*s.* 6*d.* and Anglo-Dutch to 27*s.* 3*d.* Wednesday witnessed a pleasing recovery in Anglo-Malay, with an advance of 2*s.* to 24*s.* 4½*d.* Anglo-Dutch responded with a rise to 28*s.* 3*d.*, whilst Rubber Trusts registered 19*s.* Highlands were ⅛ to the good at 35*s.*, and Linggi gained 2*s.* at 34*s.* 4½*d.* There was moderate support for United Serdang at 3*s.*, but Gula-Kalumpong put on ⅛ to 19*s.* 4½*d.* Reactions set in on Thursday, and Anglo-Malay were marked down to 23*s.* 9*d.*, Linggi to 53*s.* 9*d.*, and Anglo-Dutch to 27*s.* 6*d.* In the case of Rubber Trusts the fall was more pronounced, the closing price of 18*s.* representing a loss of 1*s.* on the day.

The Commodity market was comparatively stagnant. The price of standard crêpe dropped from 11¼*d.* on Monday to 10¾*d.* on Thursday. The figures relative to stocks were by no means so favourable as in the previous week. With landings at 1,388 tons, whilst deliveries fell by 270 tons to 766 tons, the addition to existing stocks increased by 622 tons. Further news to hand of the proceedings of the Rubber Producers' Association of Malaya indicates that this body is on the whole antagonistic to compulsory crop restriction.

KAMPONG KUANTAN.

Issued Capital: £35,000 in Shares of 2s. each.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb	Yield per Ac. Bearing lb.	Price Realised per lb.	"All-in." Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1917 ...	1,782	990	363,000	367	1/7·06	1/0·18	10,798	9,000	30
1918 ...	1,782	990	294,000	297	1/5·54	1/0·69	9,909	9,000	30
1919 ...	1,782	990	372,509	376	1/11·10	/11·63	19,130	17,500	50
1920 ...	1,782	990	416,000	420	1/8·94	-/10·88	17,771	7,000	20

Price of Shares, 6/0. Market Capitalisation per planted acre, £59.

For Kampong Kuantan the year 1920 has been an extremely satisfactory trading period. Judging by the fact that the crop harvested reached the record figure of 416,000 lb., as against the original estimate of 395,000 lb., it would seem as if little or no reduction was effected in the output for the last two months of the year. As on previous occasions the crop was secured entirely on the Kampong Kuantan estate, the yield per bearing acre reaching the high figure of 420 lb., as against 376 lb. in 1919. This increase in the crop is reflected in a pleasing decline in the cost of production. The f.o.b. cost fell from 10.07*d.* to 7.93*d.* per lb., the latter figure including 0.7*d.* per lb. in respect of the loss on rice. Including London administrative charges, subscriptions, and depreciation, the "all-in" cost per lb. amounted only to 10.88*d.* as against 11.63*d.* The return, however, of an average net sale price of 1*s.* 8.94*d.*, as compared with 1*s.* 11.10*d.* in 1919, undoubtedly constitutes the salient and most praiseworthy feature of the report. Bearing in mind the slump in prices after August, it is obvious that such an average could only have been secured by exceptionally good forward sales. And such is the case here. No less than 203,840 lb. were sold forward in Singapore at the high average of 2*s.* 6.07*d.* per lb. On the other hand, with prices crumbling to pieces in London, the average for the 153,580 lb. sold in this market was only 1*s.* 1.77*d.* after allowing for freight, insurance and sale expenses; whilst the stock on hand has been taken into account at the knock-out price of 8*d.* per lb. We venture to assert that few companies will be able to equal this record for 1920 of so high an average sale price and so low an "all-in" cost. The result is reflected in the satisfactory profit of £17,771 for a year that has been a trying period for rubber producers. From this sum the directors have set aside £3,000 to a special reserve for the equalisation of dividends—a step which is very wise in view of the existing crisis in the industry. At the same time, shareholders received a dividend of twenty per cent. which must be regarded as a good distribution in view of the difficulties of the period. There is carried forward to the next accounts the substantial balance of £12,865, as against £5,094 brought forward; but it is subject to deduction in respect of the corporation tax and of any liability for excess profits duty.

A company with an "all-in" cost below 11*d.* per lb. for 1920 can look forward to the current year with comparative equanimity. Few competent observers believe that rubber can remain much longer below 1*s.* per lb., and even at this level Kampong Kuantan could produce at a nominal profit. Originally the estimate for the year placed the crop from Kampong Kuantan at 400,000 lb. and that from Kampong Bahru at 68,000 lb. Thus it was proposed to tap the latter estate for the first time, the 275 acres planted in 1916 having reached the age for tapping. Two factors, however, render it extremely difficult to supply any reliable estimate of the crop. In the first case, the Company has agreed to fall in with the twenty-five per cent. restriction now in force. Secondly, since February 1 the Company had taken over the Sungei Selangor estate adjoining Kampong Bahru, and this contains 316 acres in bearing, the crop from which is not estimated. One effect of the restriction, however, will be to postpone the tapping on Kampong Bahru, as it is in this way that the Company propose to give effect to the above restriction of output. It is of interest to note that, in the opinion of the Visiting Agent, the rubber on this estate should ultimately afford higher yields than have been secured on Kampong Kuantan, and at a low cost of production. The fact that the new acquisition can be administered in conjunction with this estate conduces to a further reduction in cost. No statement is made as regards any forward contracts.

Sungei Selangor estate, which has just been acquired, comprises 1,018 acres, of which 370 acres are planted with rubber, 316 acres being mature, and 106 acres are felled and drained. The property is reported to be in first-class condition and to be similar to that already in the possession of the Company. The purchase price amounts to £18,000, of which £11,000 is to be paid in cash and £7,000 by the allotment of 23,333 shares of 2*s.* each in Kampong Kuantan at 6*s.* per share. This transaction was approved at the general meeting, and to facilitate it the authorised capital was increased from £40,000 to £55,000 by the creation of 150,000 shares of 2*s.* each. Of these, 23,333 are to be allotted to the vendors of Sungei Selangor in part payment as above. To provide funds to meet the cash part of the payment an issue is being made of 67,000 shares. Shareholders will be offered 50,000 shares at 5*s.* per share in the ratio of one share

for every seven shares held. In return for guaranteeing the subscription of this issue, the remaining 17,000 shares are to be allotted at 5*s.* per share to the Equatorial Rubber Trust, Limited, to whom, however, no underwriting commission is being paid. After discharging the £11,000 due to the vendors, there will remain a working capital of £5,750 from the issue, which is more than adequate to meet the capital expenditure on Sungei Selangor for at least two years. Including these 90,333 shares, the issued capital of the Company will be increased to £44,033, and a share premium account of £14,716 will be created. Financially, the position of the Company as disclosed in the balance sheet dated December 31, 1919, is very strong. Including the final dividend of £3,500, current liabilities only amount to £10,416, whilst the total of liquid assets exceeds £27,309. That in a depressed market the 2*s.* shares of the Company have not fallen below 5*s.* 9*d.* is perhaps the best testimony of the opinion of the market as to the ability of the Company to pay generous dividends under more normal conditions. It may be noted in passing that the Company is no longer subject to the excess profits duty; but this is of importance not so much in the current year as in the more distant future.

EASTERN INTERNATIONAL RUBBER AND PRODUCE TRUST.

The report of the Eastern International Rubber and Produce Trust for the year ended June 30, 1920, may be said to reflect largely the prosperity that was experienced by rubber producers during 1919 and the early months of 1920. The financial results of the period have been embodied in the following table in conjunction with those of previous years:—

	Years ended June 30—				
	1920	1919	1918	1917	1916
	£	£	£	£	£
Profit on investments, dividends and interest ...	25,454	17,727	37,125	83,002	32,283
Sundry revenue	970	131	374	545	205
Total revenue	26,424	17,858	37,499	83,547	32,488
Allocations—					
Office, &c. expenses ...	7,734	6,278	4,132	3,196	2,759
Directors' remuneration ...	2,257	1,505	4,078	5,310	3,602
Dividends paid*	16,241 (7½%)	10,827 (5%)	21,654 (5%)	32,482 (7½%)	21,654 (5%)
Depreciation reserve ...	—	—	5,650	31,879	2,018
General reserve	-	—	446	13,000	5,000
Total allocations	26,232	18,610	35,960	85,867	35,033
Balance profit	192	752*a*	1,539	2,320*a*	2,545*a*
Brought forward	8,357	9,109	7,570	9,890	12,435
Carried forward	8,549	8,357	9,109	7,570	9,890
Issued capital	433,087	433,087	433,087	433,087	433,087
Shares and Debentures held†	541,852	438,380	411,331	428,317	390,329
Market value of same ...	709,287	599,528	480,048	586,872	497,295
Surplus cash assets(*b*) ...	8,724	86,611	98,970	74,360	69,778

* Free of income tax. † At or under cost.
‡ Written off investments, in addition, £70,799 of share premiums.
(*a*) Deficit.
(*b*) Including loans to subsidiary companies (£25,335 at June 30, 1920).

With rubber companies declaring generous, and in more than one case record, dividends, it is not surprising to find that the revenue in respect of dividends reached an aggregate of £24,295, as against £12,745 in the preceding period. A decline in the amount lent to subsidiary companies from £65,884 on June 30, 1919, to £25,335 on June 30, 1920, is accompanied with a fall in the revenue from interest, which only accounted for £1,158, as against £4,982. Sundry receipts and transfer fees brought in £970, however, instead of £131. Accordingly, the total revenue advanced from £17,858 to £26,424. Apart from the rise in prices, the bulk of the expansion in administrative charges, from £6,278 to £7,734, was due to the loss of £1,070 owing to the adverse nature of the exchanges. As a result of the better revenue of the year, shareholders received a dividend of three and three-quarters per cent., free of tax, equivalent to over five and a-quarter per cent., subject to tax, as compared with two and a-half per cent., free of tax, or three and a-half per cent., subject to tax, in 1918-19. The balance carried forward to the next accounts is increased from £8,357 to £8,549.

An analysis of the balance sheet reveals that the shareholdings of the Trust have been substantially increased during the year. The investments can be divided into three main categories, as in the following table:—

	Investments at June 30—				
	1920	1919	1918	1917	1916
	£	£	£	£	£
Railway, corporation, and Government securities ...	132,230	54,889	97,366	97,366	13,787
Debentures	57,249	49,134	41,595	59,950	90,895
Shares in rubber and other produce companies ...	352,373	343,358	276,370	275,021	279,647
Total book value*	541,852	438,380	411,331	428,317	390,329

* At cost or under.

Geographical Distribution of Plantation Interest

Malaya	Straits	Java	Indian and Ceylon	Miscellaneous
52%	4%	11%	11%	4%

Proportionately, interests in railway, corporation, and Government securities show the greatest expansion, the book value, at or under cost, standing at £132,230, as against £54,889 on June 30, 1919. This group returns an average yield of 5.23 per cent. per annum. Debentures, most of which carry conversion rights, account for £57,249, or an increase of over £17,000, and afford on an average a return of 7.61 per cent. Shares in rubber, tea, coffee, and coconut companies have risen from £343,358 to £352,373, and seventy-three per cent. of these paid dividends for the year under review, as against thirty-five per cent. only in 1918-19. With the exception of an increase of four per cent. in the holdings in Indian and Ceylon companies, which is offset by a like decline in Java companies, the geographical distribution of plantation interests remains unaltered. Taking the investments as a whole, it was found that the market value on June 30, 1920, exceeded the book value by £167,435, and even at the end of September, when the market had entered into its depressed state, they still showed an appreciation of £154,000.

In view of the acute depression in the Rubber and Tea markets, especially since the autumn of 1920, the outlook for the current year is, of necessity, discouraging. Some relief will be occasioned by the forward sales of the rubber companies in which the Trust is interested. According to the Chairman at the general meeting as much as half the 1920 crops had been disposed of, in some cases at prices exceeding 2*s.* per lb. This, in conjunction with the fall in prices of stores and materials and the improvement in the rupee exchange, should help to keep the loss of producing companies within reasonable limits. Moreover, the increase already noted in outside investments will prove of advantage from the revenue point of view. Financially the Trust is in a sound position, the decline in surplus liquid assets to £8,724 being explained by the inclusion of the loan of £32,000 from the Commerical Bank of Scotland in the liabilities; whilst the £32,500, representing the purchase and development of Bukit Tupah Estate, from which much is expected, have not been included in the liquid assets. There has been an addition of no less than £55,736 to the investments reserve account as a result of the sales of securities during the year under review, the total now standing at £139,069, or nearly one-third of the issued capital. The directors have decided—and this decision was approved at the general meeting—to depart from the original custom of transferring all receipts from the sales of investments to reserve, and in future they will duly apportion such receipts between capital and income. Such a change is not only justifiable, but highly desirable, especially in view of the strong reserve now accumulated. It was also proposed to offer to shareholders one share at par for every four shares held. The offer, however, came on the market at a rather unfortunate moment, just when the depression in the Rubber market began to be acute. No surprise need therefore be occasioned by the fact that the allotment to date does not exceed 7,666 shares, thereby increasing the issued capital to £440,753. As a result of the existing depression the £1 shares have fallen to 10*s.* 7½

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EQUITY AND LAW LIFE ASSURANCE SOCIETY.

Amongst the diminishing number of joint-stock companies which confine their operations to life assurance and sinking-fund policies, the Equity and Law Society occupies an important and favoured position. Since its establishment in 1844 it has had the advantage of a purely legal proprietary, as its shares can only be held by members of the legal profession, all of whom have been directly interested in the financial outcome of its operations. Its exceptionally large Board of Directors, moreover, has always included some of the most successful of legal practitioners. In this way a great deal of the best class of life assurance policies has come to it—those, for example, which are introduced by solicitors in connection with marriage settlements and other kinds of family dispositions. This explains to a large extent the fact that for many years the expense ratio was somewhat lower in this Society than in the majority of assurance companies which employ agents, and also that the mortality experience of the Society has always been favourable. Other aids to profitable development have not been lacking, for through its legal connections the Society has been able to place a large proportion of its investments in reversions and life interests, which are peculiarly suitable for the funds of such an institution. Under these circumstances it is not a matter for surprise that the Society has a fine bonus record. The fact that there is an influential body of shareholders has in its case been proved to be in the interests of the participating policyholders. It is true that the proprietors are entitled to one-tenth of the valuation profits, but the participating policyholders gain from the fact that they are entitled to share to the extent of the remaining nine-tenths in the profits as a whole, including those arising from non-participating business, and that the proprietors introduce a large amount of assurances of both descriptions.

The bonus record to which reference has been made, as in the case of the great majority of life offices, was adversely affected on the last quinquennial valuation occasion by the depreciation of securities and other burdens arising out of the War. Still that investigation, made as at December 31, 1919, disclosed a considerable surplus, and under the circumstances the fact that it was found possible to declare a bonus at the rate of 20s. per cent. per annum over the war quinquennium must be considered as eminently satisfactory.

The annual report of the Society for 1920 deals with the first twelve months of a new quinquennium for purposes of ascertainment of profits. The information given therein was supplemented by some interesting explanatory statements made by the Chairman at the annual meeting on the 14th inst. The amount of the Society's net new life business in 1920, although slightly less than was reported for 1919, was with that exception far and away the largest in its history. Life policies for £1,069,518 were effected, of which £86,400 was reassured, the net retention at the Society's sole risk thus being £983,118, as compared with £1,017,891 in 1919, which was generally a wonderful year for life assurance, following as it did the return of many thousands of persons, who had been debarred from its benefits during the War on account of military hazard, to their normal avocations. The average amount of each new life policy in the Society in 1920 exceeded £1,800, which is probably higher than was the case in any other life assurance office in the country. This fact sufficiently attests the character of the business. The Society's policyholders as a class are men in comfortable financial circumstances, and that is a good section of the population from an actuarial point of view.

The net life premium income was increased in 1920 by £7,751, its total amount being £377,208. The expenses of management for the year, inclusive of commission, absorbed about 16¼ per cent. of the premium income. This compares with about 13½ per cent. in 1919, while the average expense ratio over the whole of the last quinquennium was about twelve per cent. of the premiums received in that period. It was explained, however, by the Chairman at the annual meeting that the expenses in 1920 included the extra charges involved in the quinquennial investigation, and that there were some other reasons for the rise in proportionate expenditure during the last two years. The largely increased volume of new business, for example, necessarily involved a certain amount of initial outlay. But the most serious cause for the higher expense ratio, as is the case with every life office in the country, was the increase in salaries, printing, paper, postages, and in fact in all the working costs of a large business. An addition to the expenses of life offices generally must be expected, notwithstanding all efforts to counteract it in other directions, and the problem how to do so is one of the most difficult for the administrators of such institutions successfully to solve. Yet in the case of this Society there is no cause for anxiety in this respect, for the proportion of premiums expended in 1920 was considerably less than the margin which was reserved at the 1919 valuation as a provision for costs and contingencies.

The revenue account of the life fund shows that in 1920 the sum of £13,690 was received as consideration for new annuities. Comparatively small as this amount is, it is more than double the corresponding figure of 1919, and the Chairman's observations on this point are rather interesting. He stated that the Society had hitherto somewhat neglected annuity business, but that they were now "endeavouring to push" it. The Society has a powerful business elbow, which is admirably placed for action, and that its push has not been more successful is rather surprising, for the annuity rates which it has quoted during the past

few years have been amongst the lowest quoted by British offices. The public would not seem to be much in favour at present of this form of investment. As a matter of fact, annuity business has given but a very slender profit—if any at all—to life offices in the past, for the person who buys an annuity is usually one who has a well-grounded faith in his vitality, which future experience justifies, and in all tables of mortality based upon annuity results a tendency to greater longevity is shown. On the other hand, the higher interest yield which companies can secure on new investments, so far as that goes, is in favour of their cultivating new annuity business at the present moment. Probably, on the other hand, the fact that investors can obtain higher rates of interest without loss of capital tends to make the public temporarily disinclined to enter into such contracts.

During 1920 the Society paid £419,443 in claims on the life account, of which £277,982 represented death claims and £141,461 matured endowment assurances. The amount of the death claims is higher by £40,676 than was the case in 1919, but it was stated by the Chairman at the annual meeting that it was only about seventy per cent. of the sum actuarially "expected," that the incidence of the claims was also good, and that a satisfactory profit from mortality had accordingly resulted. The amount of the life assurance fund on December 31, 1920, £4,954,275, showed a slight increase over the figure brought forward from the previous year after the valuation adjustments. It is announced that, excluding reversions, capital stock of the Law Reversionary Interest Society, Limited, outstanding premiums, and interest and cash at banks, the funds were invested at the close of the year to produce interest earnings at the rate of £5 2s. 7*d.* per cent. About one-fifth of the funds take the form of reversions and the capital stock referred to, upon which interest earnings are not annually estimated, but, presuming that they are likely to realise as good a rate as is shown on the remainder of the business, the investment position may be regarded as satisfactory, for the interest yield, even after deduction of heavy income tax, should be considerably in excess of the rate of three per cent. assumed for valuation purposes.

The capital redemption and general account for 1920 shows a premium income of £12,571, and a relative fund (at the close of the year) amounting to £111,856.

The capital amounts to £1,000,000, of which £60,000 is paid up, in 10,000 shares of £100, with £6 paid on each. The dividend in 1920 was at the rate of £1 per share, and out of the £10,000 required for its distribution £3,924 was earned from interest on the proprietors' fund, which amounted at the close of the year to £87,763. The total assets, as shown by the balance sheet on December 31, 1920, amounted to £5,339,559. The gross amount of assurances in force at that date was £12,358,087, of which £10,754,565 was held at the sole risk of the Society, the net premium income on policies in force then being £364,310.

Labour Organisation. By George O'Brien. Price 6*s.* (London: Methuen.) Together with an account of the principal forms of organisation adopted by the working classes with a view to bettering their condition, the author deals with the aims and methods of trade unionism, the suggested new forms of industrial organisation which would eliminate the wage system, profit-sharing, and co-operation.

Mutualism: A Synthesis. By Arthur Travers Borgstroem. Price 4*s.* 6*d.* net. (London: Macmillan.) The author would not merely nationalise banking and money-lending, but also borrowing and lending, whether as between companies and firms or as between man and man. His scheme is, as he describes it, "An ambitious one."

The interesting article by Mr. Sydney Brooks on "The Object-Lesson of the Dyes Bill," which appeared in the January edition of *Sperling's Journal*, is now being issued in pamphlet form by the National Association of Merchants and Manufacturers, 14 Mincing Lane, E.C. 3.

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IRISH RURAL CO-OPERATIVE PROGRESS.

DESTRUCTION OF CREAMERIES.

To the Irish Agricultural Organisation Society is due a considerable share of the credit of attuning the agricultural industry in Ireland to modern conditions. Were it not for its painstaking efforts it is not too much to say that Irish farmers would be seriously handicapped in their struggle with foreign competitors. An advance copy of the annual report with which we have been favoured details the business operations of the Society for the year ended March 31, 1920, but, in view of the influence exerted recently on these operations by the political situation, it has been thought advisable to make some reference to the tragic story of destruction which reached its culminating point subsequent to the period covered by the report.

The spread of co-operation throughout Ireland has led to the formation of a large number of societies for dealing with the various activities of the agricultural industry. A comparison of 1919 and 1918 indicates that a substantial amount of progress has been achieved, the former year having been marked by increases in trade in all branches of the societies' business, in the number of societies and in the total membership. The relative figures are set out below:—

	1918-19	1919-20	Increase
Total No. of Societies	950	1,028	78
Membership	117,484	135,669	17,885
Total Turnover	£9,087,668	11,158,583	2,070,915
Average per Society ...	£9,576	10,886	1,310
,, ,, Member ...	£77	83	6

Attention is drawn to the point that while there was an expansion in the trade turnover of the societies as a whole, amounting to an addition of one-eighth to the turnover for 1918-19, the increased amount of business per head as measured by the nominal membership is very small. This is accounted for chiefly by the fact that although a large number of new members joined the societies during the year by reason of the increase in the "general purposes" societies, the purchases were made during that year on credit by these members. This

turnover per head of the members actively engaged in purchase or sale is thus larger than appears. The proportion of the total turnover contributed by the various classes of societies is shown below. The adjustment made to pre-War prices enables a comparison to be made with 1914:—

	(1) Turnover for 1919 £	(2) Same shown in Terms of 1914 Prices £	(3) Turnover for 1914 £	Inc. % Col. 2 over Col. 3
Dairy Societies ...	7,047,079	2,818,831·6	2,731,628	3·7
Agricultural Societies	1,279,471	511,788·4	197,146	159·5
Poultry ,, ...	246,599	98,639·6	65,487	50
Credit ,, ...	33,834	13,533·6	52,926	290(a)
Miscellaneous ,, ...	696,649	278,659·6	187,826	46
Flax ,, ...	47,791	19.116·4	2,328	721
Federations	1,807.160	722,864	429,383	68
Total Turnover ...	11,158,583	4,463,433·2	3,666,724	21·7

(a) Decrease.

Adopting the 1914 standard the turnover for 1919 is in excess of that of 1914 by 21.7 per cent. That of the dairy societies, by far the most important group, has increased by only 3.7 per cent. Flax and agricultural societies, however, show large percentage increases—721 and 159.5 respectively. The increase in the turnover of the miscellaneous societies is in the main due to the work performed by the Wexford and Roscrea Bacon Factories.

The small increase evidenced by the turnover of the dairy societies is largely attributable to the decline in milk supply. The total of gallons of milk received by all co-operative creameries in Ireland declined from 82,642,726 gallons in 1918 to 78,463,271 gallons in 1919. These figures are far below the 1916 record of 102,232,055 gallons. Notwithstanding the decline the dairying industry was in some degree compensated by the fact that the value of the milk supplied increased from £5,281,134 in 1918 to £6,211,382 in 1919. The continuous decrease in milk production witnessed in late years must give rise to some uneasiness if no improvement be returned for 1920. A more general adoption of dry-stock farming would scarcely be conducive to the best interests of the country.

Dairy societies are now being urged to enlarge their sphere of operations. The unwisdom of relying exclusively upon any particular branch—butter-making for example—has, it is urged, been proved conclusively by the events of the War. When cheese-making was found to be a profitable proposition many concerns experienced great difficulty in making the adjustments necessary for the new departure. The creameries need, it is stated, a business policy embracing butter and cheese, but not excluding as possibilities, which should be capable of being readily and easily taken up, the sale of eggs and other produce for members and the purchase for them of all their requirements; the butter and cheese trades have not proved to be reliable as providing a sufficiently stable foundation for the permanent development and progress of co-operative enterprise, and in this respect a "general purposes society" gives promise of greater success. On these lines, bacon-curing and flour-milling have lately come to be prominently identified with dairy societies. The more general adoption of the practice of supplying members with the greater part of their domestic and other requirements will, however, probably meet with energetic opposition from the trading classes.

During the course of last year political affairs, as is well known, have reacted somewhat disastrously on the co-operative movement. The material damage resulting from over fifty attacks on co-operative institutions cannot yet be exactly stated, but will, it is estimated, exceed £200,000. If consequential damage be taken into account, as in some cases the County Court Judges, who have tried claims, agree to be equitable, the financial loss might well run to a million sterling. A large number of awards for damages has been made under the Malicious Injuries Act, but in the words of the Irish Agricultural Organisation Society "it cannot be anticipated that payments of these awards will be made in the near future, if, indeed, at all, and the request for Crown compensation must, along with the claim for inquiry, continue to be urged." There is unhappily little reason to think that the work of destruction has been carried out by agencies other than the forces of the Crown, and the Society is, we think, fully justified in pressing its claim for inquiry and compensation. The contention that Sinn Feiners have destroyed property in which they are heavily interested, either pecuniarily or from a national standpoint, can meet with but little credence. And it would be difficult to substantiate the charge that attacks on Crown forces have frequently originated from co-operative buildings. Answering, on October 22, 1920, a deputation of British and Irish co-operators the chief Secretary promised to consider the giving of compensation by the Crown where the evidence showed that the attacks were such as could not be fairly charged upon the locality itself. This pledge was, however, rendered all but useless by the qualification that there could be no inquiry in cases where there is a conflict of testimony between representatives of the Crown forces and civilians who have put their account of the occurrences on oath.

Industrial Companies.

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Issued Capital: £46,769,079, in 23,544,888 7% Cumulative Preference £1 Shares; in 15,463,525 8% Cumulative "A" Preference £1 Shares; in 6,000,000 20% Cumulative Preferred Ordinary 5s. Shares; in 3,000,000 20% Cumulative "A" Preferred Ordinary £1 Shares; in 262,000 20% Cumulative "B" Preferred Ordinary £1 Shares; in 2,874,665 5% Cumulative Preferred Ordinary 5s. Shares, and in 228,000 Ordinary £10 Shares.

Year	Net Profit†	Co-Partnership Divs.	Pref. & Prefd. Ord. Divs.	Ord. Div.—		Balance Carried to Reserve	Stocks	Surplus Liquid Assets‡
	£	£	£	£	%	£	£	£
1915...1,105,728	42,947	858,708	200,000	10		4,073	1,696,994	814,365
1916...1,155,649	70,209	881,119	200,000	10		4,311	2,748,968	1,162,850
1917...1,342,107	130,834	905,683	300,000	15		5,580	3,189,819	1,334,122
1918...1,555,589	206,143	991,432	350,000	17½		5,973	1,038,562	1,034,410
1919...2,439,067	271,299	1,308,092	356,638	17½		4,038	6,054,004	2,147,851
1920...3,259,291	276,855	2,532,301	456,000	20		4,956	5,191,188	3,105,242;

* Including stocks, but excluding "Debentures and shares of and loans to less deposits by, associated companies, and investments" amounting to £15,249,101 at December 31, 1920.

† After provision for renewals, repreciation, and excess profits duty.

‡ Cash money.

More than ordinary interest must always be attached to the report of the largest industrial combine in Europe and, in all probability, of the second largest in the world. At the same time it must be confessed that the remarkable transformation that has taken place in the issued capital of Lever Brothers during 1920 renders it a task of extreme delicacy to constitute any valid comparison between the financial results of 1920 with those of 1919. With an issued capital expanding steadily during the year by no less than four successful issues from £25,707,312 at December 31, 1919, to £46,769,079 at December 31, 1920, and an actual reconstruction of the different categories with a view to simplification, it is not possible to arrive at the exact amount of this capital which was effective from the point of view of earning power during 1920. Before dealing with the profits themselves, it is well to bear in mind that the year just passed has been one of great difficulty in the industrial world. It is definitely stated in the report of Lever Bros. for 1920 that the net profits furnished in the accounts have been arrived at after making provision for depreciation. No information is forthcoming as to the extent of this provision, but in all probability Lord Leverhulme will deal with this matter at the general meeting which is being held this week. Meantime, in the light of his statement at the previous general meeting that the provision for repairs, renewals, advertising, and depreciation written off in

1919, before arriving at the net profits, amounted to no less than £1,750,000, and of the sound economic principles which usually characterise his administration, it may well be assumed that an adequate deduction has been made from the profits of 1920 for this purpose. The net profits as revealed in the accounts, subject to the above undisclosed deduction, reach the record total of £3,270,091, as compared with £2,439,067 in 1919. Thus the net profits have expanded by over 33½ per cent., or, if allowance is made for the different periods of the year at which the additional capital was raised, at a rate at least commensurate with the growth in capital. From this point of view therefore the accounts would disclose a normal expansion in trading activities during a rather difficult year. The fact that the Preference and Preferred Ordinary shares absorb £2,532,301 in dividends, as against £1,308,092 in 1919, is explained by two facts: the extra capital acquired under these categories and the increase in capital, and in the rate of dividend as a result of the reconstruction dealt with subsequently. The co-partnership scheme still continues to exert its attractions, dividends to employees amounting to £276,855, as compared with £271,299 in the previous year. As a result of the prosperity of the year the Ordinary shares rank for a dividend of twenty per cent., or an increase of two and a-half per cent. on the rate paid in 1918 and 1919.

Statistically, the evolution of this gigantic combine, especially since 1918, can best be seen from the following figures extracted from the balance sheets of the years concerned:—

	1920	1919	1918	1917
	£	£	£	£
Issued capital	46,769,079	25,707,312	17,065,341	15,202,799
Sundry creditors	8,291,259	5,007,282	3,039,921	1,853,822
Interests in associated companies	45,249,101	21,068,681	13,120,331	11,393,155
Fixed assets	5,990,074	4,848,394	4,296,187	3,873,341
Stocks	5,191,188	6,054,004	4,038,362	3,189,819
Sundry debtors	2,556,848	2,137,786	848,649	808,297

Side by side with the growth in the issued capital stands an expansion, if anything more marked, in the interests in associated companies. In particular it appears that whilst the issued capital advanced from £25,707,312 to £46,769,079 during the year under review, investments in associated companies plus advances in the form of loans increased by more than 100 per cent. The directors state in their report that this total of £45,249,101 has taken into account the heavy depreciation in West African and Philippine interests during the year, which has been more than counterbalanced by the appreciation of interests in other companies. Furthermore, it appears that this appreciation was also able to provide the sum of £3,930,518 capitalised on the occasion of the reconstruction in July. Capital issues made—and with unique success—during the year included 4,000,000 Seven per Cent. Cumulative "C" Preference shares of £1 each at par in March, 4,000,000 Eight per Cent. Cumulative "A" Preference shares of £1 each at par in June, and a similar issue equal in amount in October, and finally an issue of 4,500,000 Twenty per Cent. Cumulative Preferred Ordinary shares of 5*s.* each, at 10*s.* 9*d.* per share, in November. The reconstruction of capital given effect to in July involved the consolidation of the First A, B, and C Preference shares into Seven per Cent. Cumulative Preference shares of £1 each. In order to compensate the "C" Preference shareholders, who were already receiving seven per cent., for the gain in interest obtained by the other groups, they received a bonus of one fully-paid Seven per Cent. Preference share for every fifteen "C" Preference shares held. Secondly, the Fifteen per Cent. Preferred Ordinary and the Fifteen per Cent. "A" Preferred Ordinary shares were consolidated into Eight per Cent. Cumulative "A" Preference shares of £1 each. Here the Fifteen per Cent. Preferred Ordinary shareholders received two Eight per Cent. Cumulative "A" Preference shares for every Fifteen per Cent. Preferred Ordinary share held, whilst a bonus of seven Eight per Cent. "A" Preference shares was allotted in respect of every eight Fifteen per Cent. "A" Preferred Ordinary shares. As already stated, the sum of £3,930,518 required to finance these bonuses was provided out of the appreciated value of the holdings in associated companies. The expenses involved in all the above issues of capital were written off out of the special and contingency reserves, the balance of such reserves being set off against the fall in the value of stock, which only figures at £5,191,188, as against £6,054,004 in 1919.

Against this increase in issued capital stands the marked growth in investments in associated interests. The outstanding acquisition was that of the celebrated Niger Company, which called for an outlay of £8,000,000. The Ordinary shares of John Knight and of Crossfield & Gossage and Price's Patent Candle Company were secured at a cost of £4,500,000. A sum of £2,000,000 was involved in West African interests and of £7,750,000 in overseas associated companies. The balance was accounted for by shares in minor concerns or advances. Much of the outlay on overseas and West African companies was in the nature of financial assistance to time them over the depression. It is obvious that with an issued capital of £46,769,079, represented by no less than £45,249,101 in associated companies, that Lever Bros. is now more correctly described as a large holding corporation, its interests in this respect dwarfing its actual manufacturing operations at Port Sunlight. The combine now holds investments in no less than 130 concerns ranging all over the globe.

Of the ability of this great industrial organisation to earn satisfactory profits during normal years no doubt can be entertained. However, the fact remains that the times through which we are passing are abnormal, and how long they are likely to remain so is a matter on which opinion widely differs. The trade depression which had only entered on its acute stages towards the end of 1920 has become more grave since the opening of 1921. The chances of a speedy recovery are being indefinitely postponed by the continuance of the coal strike. The dislocation of trade is making a great call on the liquid resources of all companies. A month ago Lever Brothers found it necessary to resort to an issue of £4,000,000 Seven per Cent. First Mortgage Debentures at 92½ per cent., and so depressed was the market that the underwriters were left with fifty-five per cent. of the issue. The more important point, however, is that this places a prior charge of £280,000 a year on the profits. Moreover, there remains the guarantee on the Eight per Cent. Niger Notes, of which £2,500,000 are issued. Whether in view of its manifold interests Lever Brothers can hope to secure the additional profits necessary to meet this prior charge in face of the current depression is a matter on which Lord Leverhulme alone is able to speak with confidence. At the moment the market appears to take a pessimistic outlook, as may be gauged from the following table showing the prices and yields of the different shares:—

	7% Mortgage Debentures	7% Cum. Preference	8% Cum. Preference	20% Cum. Preferred Ordinary
Price	88½	15⅜	17/6	9/3
Yield	7·9%	9·1%	10%	10·8%

THE CUNARD STEAMSHIP COMPANY, LTD.

Subscribed Capital: £6,956,209, in £1,500,000 5% Cumulative Preference Stock, £1,000,000 6% Second Cumulative Preference Stock, £4,456,189 in £1 Ordinary Shares, and £20 Government Share. 2¾% Mortgage Debenture Stock: £910,000. 5½% Mortgage Debenture Stock: £100,000. Mortgage Loan £263,167.

Year	Net Revenue	Income Tax	Depre-	Deb. Int.				
	£	£	£	£	£	£	£	£
1914	1,586,941	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1915	1,579,171	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1916	2,339,752	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1917	1,108,926	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918	1,297,125	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919	1,724,962	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1920	1,481,621	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* After providing [illegible] the war

In view of the recent depression in the shipping industry special interest attaches to the report of this Company for the twelve months to December 31 last.

The directors state that the cargo traffic during the year continued to be very heavy, but during the last six months freight rates on the North Atlantic were largely reduced owing to disputes between foreign competitors and also to the general decline in trade. The passenger traffic was, however, satisfactorily maintained. The employment of additional tonnage is partly reflected in an expansion of gross revenue from £9,201,728 to £12,260,662, which, however, has been attended by a disproportionate increase in working expenses from £7,457,158 to £11,053,543. It should be noted that a "further reserve to provide for contingent liabilities arising out of the War" was made before arriving at the gross revenue in 1919, but no such provision has been made in the 1920 accounts. After deducting sundry administrative expenses, the net revenue works out at £1,181,621, as compared with £1,724,920 for the previous year. As shown in the above table, the depreciation allowance is raised from £370,429 to £394,310, while income tax in respect of the year is reduced from £288,375 to £193,775 and Debenture interest from £107,247 to £99,428, leaving a balance profit of £494,105 compared with £958,869 in 1919. The Preference distribution remains unchanged at £135,000, but the Ordinary dividend is reduced from ten per cent. to seven and a-half per cent., involving a corresponding diminution in the amount absorbed. The reserve, to which £407,299 was added in the previous year, receives no contribution, but the balance carried forward is increased from £144,186 to £169,075.

The following table shows the alterations in the balance sheet position since December 31, 1919:—

	LIABILITIES.				ASSETS.		
Dec. 31	Share Capital	Debenture Stocks	Sundry Liabilities*	Reserve Fund and Carry-forward	Fixed Assets†	Debtors	Investments and Cash
	£	£	£	£	£	£	£
1919	5,470,806	2,401,994	11,427,740	651,485	11,814,731	5,026,566	3,110,728
1920	6 956,209	1,910,000	14,178,688	1,419,075	17,210,964	4,760,668	2,492,340

* Including dividends payable and employees' savings fund.
† Including shipping investments.

In February 1920 the Ordinary capital was increased to £4,456,189 by the issue to shareholders of £1,485,403 shares of £1 at a premium of 10s. per share. The terms of issue constituted a liberal bonus, as in January 1920 the existing shares never fell below 65s., and besides, it should be remembered that the dividend for 1919 was paid upon this increased capital. The premium in respect of this issue, amounting to £742,701, has been credited to the reserve fund, which now figures at £1,250,000. The two and three-quarters per cent. Mortgage Debenture stock (held by the Government) has been reduced during the year from £1,040,000 to £910,000, while the four and a-half per cent. Mortgage Debenture stock of £361,994 has been entirely redeemed, being due for repayment on December 31, 1920. In this connection it will be remembered that £4,000,000 seven per cent. Debenture stock was offered for subscription (at 90) in January last, the issue being largely over-subscribed. The new funds are required for the general purposes of the business, including the redemption of £1,000,000 five and a-half per cent. Debenture stock falling due on December 31, 1921. The sundry liabilities shown in the balance sheet include a loan secured by mortgage amounting to £263,167 and an employees' savings fund of £113,056. The fixed assets have been increased from £11,814,731 to £17,210,964, the expansion being mainly in the item of "steamers and shipping investments," this heavy capital expenditure being reflected in the reduction of Government and other investments from £2,685,082 to £2,249,726, debtors and debit balances from £5,026,566 to £4,760,668, and cash from £425,646 to £242,614. On the other hand, the sundry liabilities (including dividends payable) have been increased from £11,427,740 to £14,178,688, so that, despite the receipt of £2,228,104 on capital and premium account during the year, the liquid assets show an apparent deficiency of £6,925,680 as compared with sundry liabilities, whereas at the date of the previous balance sheet the deficiency did not exceed £3,290,500. It is important to bear in mind, however, that at the general meeting of the Company a year ago it was stated that the sundry liabilities included internal reserves to the extent of £4,500,000, made up chiefly of the surplus over book values of moneys received for ships lost. It was stated that these reserves were being utilised to counterbalance the high cost of tonnage. In this connection it will be noted that the gross revenue in each of the five years from 1915 to 1919 was arrived at "after providing a further reserve for contingencies arising out of the War."

It is well to bear in mind that the Company's new Debenture stock will represent a charge of approximately £280,000 against the profits of the current year. The Ordinary shares are now quoted at 17*s.* 6*d.* ex dividend, at which price a yield of nearly 8.6 per cent. is afforded on the basis of a dividend of 7½ per cent. The Five per Cent. Cumulative Preference stock, quoted at 65½, yields a return of 7.6 per cent., and the Six per Cent. Second Cumulative Preference stock, at 77½, yields over 7.7 per cent.

New Issues.

GOVERNMENT OF INDIA.

Issue at par of £7.500.000 Seven per Cent. Convertible Stock or Bonds, repayable at par on October 5, 1931, or at any time after 1926 at 102, six months' notice being given.

Considering the general market opinion that a period of lower money rates is in early prospect, and that Gilt-edge yields are falling correspondingly, the flotation of a seven per cent. Government issue would appear in the nature of a windfall to the investing world. The explanation lies in the fact that the stock now offered is relatively short-dated, and will therefore have to seek purchasers outside the trustee world. The loan will take the form of bearer bonds, stock transferable in the stock-transfer books, or stock transferable by deed. Stock will be convertible in bonds without fee; and transfers and bonds to bearer will be free of stamp duty. For investors desirous of obtaining a permanent yield it has been arranged that stock and bonds of this issue will be convertible at the holder's option on October 5, 1921, April 5, 1922, and October 5, 1922, into £202 India three per cent. stock per £100 of stock or bonds converted; on April 5, 1923, and October 5, 1923, into £200 three per cent. stock; and on April 5, 1924, and October 5, 1924, into £198 three per cent. stock. There are reasonable prospects that easier money conditions will make for an early redemption of the emission, the proceeds of which are required for the purchase of railway material in the United Kingdom. The possibility of a redemption premium of two per cent. in five or six years will appeal to investors desiring a short-dated security, while the provisions for transfer into India Three per Cents caters for those requiring a more permanent holding. The lists closed, over-subscribed, within a few hours of opening.

EASTERN SUMATRA RUBBER ESTATES, LIMITED.

Offer at par of £76.550 Ten per Cent. Debenture stock, convertible at par into Ordinary shares down to June 30, 1927.

The Company, which has an issued share capital of £268.175, possesses an estate of 6,800 acres in Eastern Sumatra, of which 2,216 acres are planted in rubber and 1 584 in tea and coffee. For the provision of funds to complete the rubber factory now in course of erection and to tide the Company over the period of crop restriction, the unissued balance of £100,000 Convertible Debenture stock is now offered to the public. The stock is convertible at par into Ordinary shares down to June 30, 1927, and the amount unconverted will be redeemed at 105 in ten equal annual instalments between 1927 and 1937. It is secured as a fixed charge upon the land concessions, buildings, and fixed property of the Company, and as a floating charge on the other assets. As the prospectus does not contain a valuation of the assets specifically charged or a statement of profits, it is not possible to estimate the security as to capital or interest. With the shares quoted at present at a discount of fifty per cent., the value of the convertibility rights is highly speculative. Existing shareholders will, of course, be interested in the success of the issue. The lists close on Friday, April 29.

THE BRITISH CENTRAL AFRICA COMPANY, LTD.

Issue at 95 of £200,000 Eight per Cent. First Mortgage Debentures, redeemable at 102, by the operation of a sinking fund from 1922 to 1935. Flat yield, £8 8s. 5d. per cent.

The British Central Africa Company was constituted in August 1902 to acquire and consolidate the interests of the Shire Highlands Railway Company; the estates which that Company would receive from the British Government in return for the construction of the railway (subsequently sold for £180,800); estates of an area of about 372,500 acres, a flotilla of steamers, barges and sailing boats on the Zambesi, and the trading concern of the Kubula Stores. The Company has since sold and acquired lands, its present holding being about 355,000 acres, of which at present about 11,050 acres are cultivated. The issued capital is at present £1,468,000. The Debentures now offered will be secured by trust deed as a first mortgage on the African properties, buildings, fixed plant and machinery of the Company, and a floating charge on its other assets. The Company reserves, however, the right to sell a portion of the properties for any sales to settlers and employees." A novel feature is introduced by the handing over to the trustees of the existing stocks of tobacco and cotton, valued at £120,000 on the basis of present market prices. The proceeds of sales of such stocks will be utilised in redeeming at 102½ stock outstanding. Annual profits have varied between £41,263 and £87,120 during the last seven years, the figure for 1919 being £62,899. The 1920 accounts are not yet available, but it is to be presumed that profits will have shown a marked falling-off. The yearly Debenture interest of £16,000 seems nevertheless adequately assured. Security as to capital is not so apparent, as the specific charge is weakened by the addition of the Company's vaguely worded reservation. In addition the balance sheet is so drawn up that the book value of the specific charge cannot be abstracted. There are prospects of an early and substantial premium on redemption; but in view of the uncertainty as to capital backing and the relatively narrow market for the Debentures, the flat yield does not seem attractive. The lists close on Thursday, April 28.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Railways—Home:											
Exeter Railway	[illegible]	[illegible]	-	—	—	—		3,538	[illegible]	[illegible]	[illegible]
Breweries and Distilleries:											
McMeish & Neale	[illegible]	[illegible]	-	5†	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	
Canals and Docks:											
Oxford Canal Navigation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	— 4,591	[illegible]	
Sheffield & South Yorkshire Navigation	31/12/20	5,315		—				7,181	+ 5,315	19,276	
Commercial and Industrial:											
Albion Motor Car	31/12/20	[illegible]	[illegible]			15,000	-	[illegible]	+20,987	102,266	[illegible]
Army & Navy Cooperative	[illegible]	[illegible]	[illegible]	5†	[illegible]		-	[illegible]	—40,216	326,257	[illegible]
Associated Portland Cement	31/12/20	418,442	12,000	1	213,732			[illegible]	[illegible]	312,424	[illegible]
Babcock (John)	31/12/21	241,509	10,175	5†	[illegible]	20,000	3,000	63,691	[illegible]	[illegible]	20
Cammell (A. W.)	31/1/21	51,[illegible]	[illegible]	10	32,500	10,000	-	[illegible]	[illegible]	77,867	
Goldsmith's & Silversmith's	31/1/21	37,778	15,000	7½	22,500	-	-	45,[illegible]	[illegible]	[illegible]	[illegible]
Hove Brothers	28/2/21	[illegible]	[illegible]	15	34,156	-	3,000	28,821	+ 2,057	100,970	[illegible]
International Laundries	31/3/21	36,390		6½	36,[illegible]	-	—	1,337	[illegible]	[illegible]	[illegible]
Jones (R. E.)	31/10/20	77,059	2,[illegible]	20	4,080	-	[illegible]	[illegible]	+47,959	41,821	[illegible]
Lever Brothers	31/12/20	3,270,091	[illegible]	(20 Ord.) 5 P. Ct. (20 Ord.)	529,817	4,936	276,855 [illegible]	[illegible]	—	1,553,589	5 P. Ct. [illegible]
Planters' Stores & Agency	[illegible]	11,393	375	7½	5,[illegible]		-	[illegible]	[illegible]	-	[illegible]
Provincial Cinematograph Theatres	31/1/21	184,913	[illegible]	1 Pref. (12 Ord.)	151,[illegible]	-		[illegible]	+ 1,363		
Salmas of Mexico	31/11/20	1,458	—	—			-	[illegible]	[illegible]		-
Samuelson Jute Factory	31/12/20	280,016	[illegible]	45	202,500	[illegible]		[illegible]	+18,516		-
Savoy Hotel	31/12/20	165,100	70,000	10	55,420	20,000	[illegible]	21,591	+ 9,680	165,099	10
Schweppes	31/12/20	64,110	15,000	(7 Ord.) 4 Def.	42,000		-	20,342	+ 7,110	82,996	(7 Ord. (5 Def.
Shannon (John)	31/12/20	Dr. 6,333	5,500	—	—	Dr. [illegible]		11,568	[illegible]		
Titachur Jute Factory	31/12/20	265,027	9,000	45	202,500	50,000	86,990		+ 3,527	358,441	
Victoria Jute Factory	31/12/20	184,137	9,000	45	135,000	30,000	-	39,515	+10,137	[illegible]	
Yorkshire Indigo, Scarlet and Colour Dyers	31/12/20	23,256	11,631	15	5,839	4,395		8,149	+ 1,591	[illegible]	[illegible]
Electric Lighting and Power:											
British Electric	31/12/20	128,053	41,914	[illegible]	85,[illegible]	- -	-	46,[illegible]	[illegible]	153,848	[illegible]
Financial Land and Investment:											
Transvaal & Delagoa Bay Invest.	31/8/20	88,815	—	15	46,[illegible]	—	-	122,[illegible]	[illegible]	[illegible]	[illegible]
Financial Trusts:											
London & Sth American Invest. Trust	31/3/21	29,804		7½	20,25[illegible]	-	-	64,118	+ 3,554	[illegible]	
London Trust	31/3/21	65,525	18,375	10 Def.	26,250	10,000		46,742	+10,900	58,810	[illegible]
Second Scottish Northern Invest. Trust	1/4/21	11,973	5,355	8	6,720			[illegible]	— 102	-	—
United States & Sth. American Inv. Trust	4/4/21	50,056	17,500	7	24,500	-	—	47,130	+ 8,036	40,436	-
Insurance:											
London & Lancashire Insur.	31/12/20	671,[illegible]		6[illegible]	301,321	[illegible]	[illegible]	979,419	+152,961		
London Assurance	31/12/20	192,888	15,000	25	171,517	—	-	14,819	+ 6,371	[illegible]	[illegible]
Scottish Insurance	31/12/20	6,429		20	6,300	—		47,[illegible]	+ 129		
Vulcan Boiler & General Insur.	31/12/20	46,881	—	25	46,875		-	[illegible]	[illegible]	[illegible]	[illegible]
Iron, Coal and Steel:											
Beyer, Peacock	31/12/20	Dr. 25,[illegible]	16,500	—		[illegible]		18,257	—91,988	[illegible]	10
Clayton & Shuttleworth	31/12/20	40,036	17,500	5	[illegible]	-		53,532	+ 36	77,716	-
Shipping:											
Cunard Steamship	31/12/20	491,[illegible]	[illegible]	7½	374,[illegible]	-		[illegible]	[illegible]	958,869	
Tea, Coffee and Rubber:											
Clayton Rubber	31/12/20	15,225	[illegible]	5	[illegible]	10,000		17,281	[illegible]	32,202	21
Dayabumi Rubber	31/12/20	[illegible]	[illegible]	-				[illegible]	[illegible]	20,053	[illegible]
Dunlop (New)	30/6/20	30,036	[illegible]	25	19,735	-	[illegible]	12,159	+ 6,297	[illegible]	
Eastern International Rubber	30/6/20	[illegible]	—	-	16,241			[illegible]	[illegible]	10,075	
Eastern Investment Rubber	31/12/20	17,771		-	7,000			12,865	+ 7,771	19,150	[illegible]
Kepayan Rubber	30/6/20	10,297						13,751			
Lalu (F.M.S.) Rubber	31/12/20	22,578		-	10,000			[illegible]	[illegible]		
Nicomia (Ceylon) Coconut	31/12/20	5,612	4,215					[illegible]	[illegible]	[illegible]	[illegible]
Tegoel Rubber	30/6/20	17,790		15	11,490	1,500		[illegible]	[illegible]		
Telegraph and Telephones:											
Cuba Submarine Telegraph	31/12/20	40,196	6,000	7½	11,200	[illegible]	[illegible]	[illegible]	[illegible]	28,364	
Mining:											
Consolidated Langlaagte	31/12/20	126,415		[illegible]	[illegible]			81,718	+ 7,665		
Goldie & Hannan	31/12/20	[illegible]		120†	210,000	100,000		[illegible]	[illegible]		
Government G. M. Areas	31/12/20	[illegible]		50	700,000			[illegible]	+114,997		
Langlaagte Estate	31/12/20	[illegible]	-	10	88,650			[illegible]			
Lyttelton Rand	31/12/20	122,390		50	111,790			[illegible]			
New Gold	31/12/20	Dr. 2,650	—	—							
Ooregum Gold	31/12/20	[illegible]	39,000	2½	[illegible]	5,000		16,451			
Primrose (New)	31/12/20	[illegible]		5	16,250						
Rietfontein Estates	31/12/20	111,450		-							
Sub-Nigel	30/6/20	[illegible]		15	70,000			46,097	+36,791		
Tincroft Mines	15/1/21	Dr. 6,376	-	-			Dr.	21,919			
United (New) Main Reef	31/12/20	[illegible]		15	37,500			18,316			
Union Corporation	31/12/20	[illegible]		10	[illegible]			[illegible]			
Van Ryn Deep	31/12/20	[illegible]	-	65	[illegible]	-		[illegible]			
West Rand Consolidated	31/12/20	Dr. 322,669	—	—		-		[illegible]			
Witwatersrand Gold	31/12/20	142,602	-	20	93,925	-		[illegible]			

* After providing for all Government taxation, prior charges, &c. † Tax free

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table

MEETINGS
OF PUBLIC COMPANIES.

London and Brazilian Bank, Ltd.

Commercial and Industrial Crisis in Brazil.

THE fiftieth annual ordinary general meeting of the shareholders of this Bank was held on April 19 at the offices, No. 7 Tokenhouse Yard, E.C., Mr. John Beaton, the Chairman, presiding.

The Chairman said: We meet you to-day, ladies and gentlemen, with some satisfaction at being able to propose the same dividend and bonus which you have received for the two preceding years, for the usual course of our business was much interfered with during the second half of our financial year, which ended last January. The disturbing influences were the development of a severe commercial and financial crisis in Brazil, together with an unsatisfactory business position in the River Plate and United States—say New York—a position which is, unfortunately, common in most countries at the present time. Notwithstanding these drawbacks, however, the Bank had a large accession of business last year, as shown in the marked—I might almost say extraordinary—increase in the totals of the balance sheet.

The origin of the Brazilian trouble was mainly the combined effect of the big drop in the value of the country's exports, accompanied by a cessation of demand during the second half of last year and the additional cost imposed on the very large imports during that period by the adverse ruling of the foreign exchanges. You will understand its significance when I mention that it represented at one time seventy per cent. or more on United States shipments. The drop in prices of the country's raw materials and the absence of buyers to which I have alluded caused loss and difficulties among the exporting firms. Thus, with the foreign business at a standstill and with no produce bills offering for remittance, the exchanges continued to fall, with the result that payment for a large quantity of imported goods is held over for a recovery in exchange or remains at the shippers' disposal.

I need hardly mention, I think, that the result of this disastrous state of things was numerous suspensions, even of firms of good standing, and it was, of course, impossible for this Bank, with its large business and many branches along the coast, to come off scathless. Full and ample provision has, however, been made for the bad and doubtful debts, and I trust that you will share the gratification of your board at being able under the circumstances to show a net profit of just over £300,000.

Signs of Trade Recovery.

I am glad to tell you, however, that there are already some signs of trade recovery there. The shipment of coffee has been resumed, and its market outlook is considered decidedly good. I would fain say that, notwithstanding these mercantile and financial difficulties that crop up from time to time in Brazil, the immense natural resources of the country are always being opened up. Rice was formerly imported at an annual cost of, say, £700,000. Its home cultivation commenced, I think, in 1906; in 1913 it figured for the first time as an export valued £2,000, and last year its value was, say, £6,000,000.

The ready subscription recently of the amount of the State of Sao Paulo loan allocated to this country—namely, £2,000,000—shows the confidence reposed here in that State. The other portions of the loan—namely, $10,000,000—was issued in New York, and 18,000,000 fl. at Amsterdam. I should add that this Bank has been appointed to receive the weekly payment in Sao Paulo of the proportion of the surtax levied on the export of coffee as concerns the issues of the loans made here in London and in New York.

As regards Argentina, both that country and the United States are suffering in common with this country from the effect of post-War depreciated prices, which are unavoidably entailing losses on holdings of produce and manufactures. Labour will also have, however grudgingly, to accept the inevitable consequence.

The Balance Sheet.

I will now ask your attention to the balance sheet. Its total, £37,979,000, is an increase of no less than £11,313,000—say, forty per cent. on that of last year. This very large addition is composed on the liabilities side of £4,990,000 current accounts and deposits, nearly the whole amount being shown at the Brazilian branches, and of £4,121,000 in bills for collection on account of customers. The largest proportion of this increase was also at the Brazilian branches. I would remark that the amount under this heading contains the large number of bills out of order. Bills payable are more by £1,800,000. On the credit side, cash is £3,794,000 more, and also bills discounted and loans £5,210,000. A certain part of this increase is no doubt due to the low exchange raising the currency cost of articles and hence an increase in the currency amount of the trade bills. Bills receivable are less by £1,065,000, partly owing to remittances by cable in the absence of produce bills. I should mention that the conversion of the currency balances of the Brazilian branches is maintained at 16*d.* in order to allow of comparison of one balance sheet with another.

In the profit and loss account the gross profit is almost the same as last year £3,400 less—as would also the net profit have been but for an increase of £27,000 in charges and £30,000 in taxes, which includes the corporation tax. The available balance with which we have to deal is £811,647. We paid an interim dividend last October, as you know, of seven per cent., amounting to £105,000, and we now recommend a like payment, making the dividend for the year fourteen per cent. on the paid-up capital of the Bank. We also recommend the payment of a bonus of four per cent., thus making a total distribution of eighteen per cent., less income tax. These payments will absorb £270,000, leaving a balance of £541,647, which we recommend should be dealt with as stated in the report—namely, £20,000 for a bonus to the staff and £521,647 to profit and loss new account.

You may remember that I referred last year to the intention of the Brazilian Government to apply a system of fiscalisation to all banks, save, of course, the Government bank, in order to check speculation in exchange, of which a very important case had then recently taken place. The law came into force last month, and its text has only just arrived.

Depreciation of Capital.

The capital of the Bank employed abroad shows, as set forth in the auditors' report, a depreciation of £288,000, the current exchanges being lower in each of the countries where the Bank is established than the rates of exchange at which the capital stands in our books. Large as the present amount is, it has been larger in proportion, for in 1894 it was £222,000, the paid-up capital at that time being just one-half what it is now—say, £750,000. The largest depreciation is on the capital in Brazil, where the exchange fell from 17$\frac{3}{4}$*d.* on February 1, 1920, to 9$\frac{3}{4}$*d.* on January 31 last by reason of the causes I have explained to you. I have no doubt that it will right itself, as on previous occasions, when the exports recover their usual importance, but it will not, in my opinion, be just yet unless the Federal Government contracts a foreign loan.

I will now propose the first resolution: "That the report and accounts of the directors now read be received and adopted, and that in accordance with the recommendation of the directors a dividend of 14*s.* per share, less income tax, making with the interim dividend of 14*s.* per share paid in October last a dividend for the year at the rate of fourteen per cent. per annum, less income tax, on the paid-up capital of the Bank, be declared, and also that in accordance with such recommendation a bonus of 8*s.* per share, or four per cent., less income tax, on the paid-up capital, be declared, such dividend and bonus to be payable on and after Friday, April 22, 1921."

Mr. W. Douro Hoare, C.B.E. (Deputy-Chairman), seconded the resolution, and, no questions being asked, it was put to the meeting and carried unanimously.

Lancashire and Cheshire Insurance Corporation, Limited.

Increase of Capital.

THE fifteenth annual general meeting of this Corporation was held on April 15 at the registered office, 57 Old Broad Street, E.C., Sir A. Trevor Dawson, Bart, R.N. (the Chairman), presiding.

The Chairman said: Gentlemen,—The marine underwriting account for 1919 has not proved profitable. This, as you probably know, is the common experience in marine business, and the wisdom of the policy adopted by the underwriter in heavily reducing the marine premium income for that year has been proved. Marine business is at present in the trough of a wave of depression; while this depression continues it is our intention to maintain the cautious policy we are pursuing, and have pursued, since the Armistice. The increase in marine premium income in 1920 is not due to our having taken larger lines; it is due to the fact that for the greater part of that year there was a larger volume of cargo business available owing to the relaxation of control in several important commodities and the resumption of trade with countries inaccessible during hostilities. There are indications that rates of premium will have to be increased, and certain elements which absorbed a large volume of premium in 1919 and 1920 have already withdrawn from the market. On the other hand, we must look forward to reduced values, both of tonnage and cargoes, and only when rates have become stabilised and adequate to meet post-war

conditions can the marine business, in our opinion, be expected to become profitable.

Development of General Business.

You will no doubt appreciate the fact that while during the War we wrote practically nothing but marine business, including war risks, your directors were alive to the necessity of organising a limited number of branches and agencies in important centres in the United Kingdom and abroad, so that at the end of hostilities we should be in a position to develop our fire and general insurance business. With this view we accordingly made the necessary arrangements, and the fact that we were so prepared has enabled us to deal advantageously with the largely increased volume of risks submitted to us, and which are shown in the accounts before you. In addition to the branches which had been established prior to our last annual meeting—namely, those at Newcastle, Leeds, and Manchester—we have since opened offices at Nottingham and Birmingham. The net premiums in the general department, less re-insurances, have increased from £14,845 in 1919 to £147,341 in 1920, the loss ratio being 24.27 per cent., and the expenses and commissions together 30.28 per cent., which may be regarded as a satisfactory indication of the careful selection of risks. In regard to our motor business, we, in common with other companies, advanced our rates by approximately twenty per cent., and, notwithstanding the increased rates, we find that our motor premium account is increasing monthly with extremely satisfactory loss ratio. Our thanks are due to our capable and experienced staff for this result.

Our employers' liability section continues to expand, and the increased premium based on the higher wages paid has more than compensated the increased payment of claims. Our agencies in France, Belgium, Holland, and other countries show very considerable expansion of business, and our treaties with other companies continue to show good results.

A dividend of ten per cent., free of tax, was paid during the year, and you will be glad to hear that, in view of the satisfactory progress of the Company's business since January 1, 1921, your directors have decided to pay forthwith an interim dividend for the present year of ten per cent., free of income tax.

I now have the pleasure of moving the adoption of the report and accounts.

Mr. Charles W. Small (Deputy-Chairman) seconded the motion, which was carried unanimously.

Mr. D. Abragam proposed a vote of thanks to the Chairman and the other directors, which was seconded by Mr. W. Greene and passed unanimously.

Additional Capital Approved.

An extraordinary general meeting of the Company was afterwards held for the purpose of submitting the following resolution: "That the capital of the Company be increased from £100,000 to £200,000 by the issue of 100,000 additional shares of £1 each, ranking for dividend and in all other respects *pari passu* with the 98,000 existing Ordinary shares of £1 each in the Company."

The Chairman, in proposing the resolution, said that the directors had very carefully considered the capital position of the Company, and were unanimously of opinion that it was necessary to increase the capital to the extent mentioned. They had come to this conclusion very largely on account of the great increase of business which was taking place and was likely to take place; in fact, they anticipated that the premium income of the Company might become three or four times as great as it had been.

Mr. Small seconded the resolution, which was unanimously adopted, and the proceedings then terminated.

Automatic Telephone Manufacturing Company, Limited.

Manufacturing and Engineering Capacity Increased.

The ninth ordinary general meeting was held at Liverpool on Tuesday, Mr. James Taylor, J.P., Chairman, presiding.

In moving the adoption of the report and accounts for the year 1920 he dealt with details shown in the balance sheet. The profit for the year was £15,369, to which was added the balance brought forward from 1919 of £9,341, out of which depreciation, Preference dividend, and other outgoings had been paid, leaving a balance of £6,861 to be carried forward. It was regretted it was not possible to pay a dividend on the Ordinary shares. He referred to the agreement made in March 1920 with the International Automatic Telephone Company, Limited, for the promotion of sales of Strowger automatic telephones in Colonial and foreign territories, and said this alliance was undoubtedly proving successful, and would be justified. The directors' efforts had been chiefly concentrated on the arrangements necessary to cope with a larger volume of business, and this had involved the expenditure of a large amount of money which would not show any immediate profit-earning result. Nevertheless, first fruits were manifesting themselves in valuable orders received from Japan, India, South America, and elsewhere, and it was indicated that many large telephone administrations had finally decided that for economic reasons the advantages of automatic over manual telephones was already beyond dispute. The directors had found it necessary to increase the Company's engineering and manufacturing capacity to a very great extent. The Chairman detailed some of the additions made, and said that, as the expense involved was for development purposes which should favourably reflect in future business, they had decided to charge only two-thirds to 1920 account, the balance being charged to a development account.

The Outlook.

Summing up, he said during 1920 they had to do a considerable amount of reorganisation and construction work which had temporarily militated against their earning capacity, but such work was necessary, and the directors had every confidence in the results, provided the workpeople did not prejudice by adherence to a policy of limited output the Company's ability to meet foreign competition, and provided also general international business was of a normal character. A hopeful feature was the Company's railway signalling department, because, when released from Government control, the railways of the country would necessarily have to spend money in improvement, and from the opinions expressed by railway engineers on the different devices introduced by the Company it would appear that a fair share of the business should be secured. The Chairman in conclusion thanked the staff for their good services, and expressed the belief that the results of 1920 were better in fact than would appear from the figures in the balance sheet, and he was convinced time would prove this to be so.

Mr. D. Sinclair, managing director, seconded the motion, which, after a brief discussion, was carried unanimously.

Mr. James Taylor and Mr. Max Muspratt, the retiring directors, were re-elected, and Messrs. Chalmers, Wade and Company, chartered accountants, of Liverpool, were re-appointed auditors. A vote of thanks to the Chairman and directors concluded the meeting.

International Automatic Telephone Company, Limited.

Equipment Order from Mesopotamia.

The first ordinary general meeting of this Company was held at Liverpool on Tuesday, Mr. D. Sinclar, Vice-Chairman, presiding.

He moved the adoption of the directors' report and the accounts for 1920. He explained that this was a Company holding shares in the Automatic Telephone Manufacturing Company, and was formed as a means of strengthening the



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whole position. He assured the shareholders their interests were being looked after. A large number of questions, many of them of an international character, had to be considered, and Mr. Adams, the President of the Company, and Mr. Mellinger, a director, were now on the Continent negotiating and arranging matters in the interests of the Company, for it was necessary to be in touch with telephone interests in almost all parts of the world. The Company had secured and handed over to the Automatic Telephone Manufacturing Company orders for large exchanges in South America, Japan, India, and other countries, including an order from Mesopotamia for about £28,000 of equipment. When a country like Mesopotamia could do that it could readily be understood that when the forward countries really took up automatics the field was very large indeed. He had to express the regret of the directors that it had not been possible to pay a dividend for 1920, but it was hoped that the work done and the large amount of money put into the business would in the relatively near future earn profits which would recompense those who had done the work as well as the shareholders.

Mr. James Taylor seconded the motion.

Replying to Mr. Gerald Barker, who asked if orders could not be obtained from somewhere nearer home than the East, the Chairman said the British Post Office had not come up to the scratch to the extent that had been expected, but grumbling did not help, and things were now looking better than they did.

The report and accounts were unanimously adopted. All the directors were reappointed, and Messrs. Harwood Banner and Son were re-elected auditors.

A vote of thanks was passed to the Chairman and directors.

United Alkali Company, Limited.

ANNUAL MEETING.

General Collapse of Industry.

THE adjourned twenty-ninth ordinary general meeting and the thirtieth ordinary general meeting of shareholders in the United Alkali Company, Limited, were held at Liverpool on April 20. Mr. Max Muspratt (the Chairman) presiding over a large gathering.

The Chairman reminded the shareholders of two statements he made last year. The first was that, apart from a certain stringency in working capital, the figures then presented demonstrated that the Company was in a satisfactory financial position; and the other was that the outlook for 1920 was good, apart from the artificial basis of high prices on which it rested. He stated those two sources of anxiety became effective with dramatic suddenness in the last months of 1920 through world causes; and conditions arose, and were still maintained, from the results of which the Company could only slowly extricate itself.

It might be fairly asked why, if they foresaw the dangers of the situation, they did not guard against them.

The answer was that the War left many arrears of repairs to overtake and new plant only partly completed. To have failed to make the dilapidation good, and complete the valuable but costly plant, would have left the Company in a position of hopeless inferiority as compared to competitors at home and abroad. They were bound to complete and maintain the steady improvement of the Company's position, which was now assured, unless Great Britain as an industrial nation was doomed, which they did not believe. Difficulties had been enormously accentuated by three factors: the greatly increased cost of all construction, the slowness of delivery of necessary plant, and the high cost of production, especially as regarded fuel and labour.

The first accounted for increased capital costs, as compared with estimates, of several hundreds of thousands of pounds, with consequent depletion of cash resources; the second delayed the putting into complete operation of some of the more economical processes in time for the boom in demand for the products; the third reduced the profits to a minimum; in fact, wiped them out in the case of some products, even at the dangerously high prices ruling, and, in addition, a further strain was thrown on their resources of working capital, already seriously depleted by taxation.

The Slump in Trade.

With the grave slump in trade, precipitated by the coal strike in October last, the full brunt of these conditions was felt. It was impossible to tell when demand would recover, or to what extent. In any case, a chemical works could not be stopped or started at a moment's notice, and for a few weeks stocks accumulated rapidly, which had been produced at high costs, and for which there was little demand. This further drain upon their resources necessitated drastic action—namely, the cutting down of production to a point well below the demand for their products.

They were watching the position with the greatest care, and adjusting their policy from week to week on experience and information; at the same time they were not giving way to panic, and were in a position to support consumers in every industry to facilitate their recovery at the earliest moment of increased demand.

At the present moment they had stopped completely several of the works and partially stopped others. They had hoped that the transference from the older to the newer processes would have been more gradual, and that various developments would have absorbed most of the workmen, and all of the staffs. But this was impossible in present circumstances, and they had had, with regret, to give notice to a large number of men, and were disbanding some of their staffs. It must not be thought, however, that the outlook was all gloomy.

Epoch in the History of Chemical Industry.

The overtaking of deferred repairs and the introduction of the newest processes was practically complete, and, in particular, the electrolytic plants were all in perfect order, as was their large power-station at Widnes. These changes marked an epoch in the history of the chemical industry. For a century the Leblanc process served the world, and by the enterprise and genius of their forefathers placed Great Britain in the forefront of the nations in the heavy chemical industry; a position she had never lost, though it was challenged on many sides. Those who had been brought up in it felt a sentimental regret at the necessary changes, but looked to the future with confidence, knowing that the training the Leblanc process gave was no small asset.

They were now producing on the best and most economical lines, and a comparatively small increase in demand, which must come as accumulated stocks of general commodities pass into consumption, would put the Company on a sound basis of profitable manufacture.

The finding of brine in Widnes, by a happy chance pre-eminently suited for the process now installed, meant an important improvement in the Company's position, and since the beginning of this year they had been able to work their electrolytic plants practically entirely on their own brine. This development put them on an equal footing with competitors in any part of the world, indeed, in some ways, in a superior position, as, apart from the absence of brine, Widnes was an ideal centre for the chemical industry.

Financial Position.

The Chairman went on to refer to the belated abolition of excess profits duty and the connection between excessive taxation and the Company's present financial shortage.

Over the last six years they had been taxed to no less a sum than £1,759,253, as against a net dividend distribution of £1,847,905, or 9*s.* 2*d.* in the £ of the gross amount divided amongst the shareholders; this, of course, quite apart from any payment of supertax by individuals. In addition, on the instructions of the Ministry of Munitions, which amounted to commands, they had to spend just under £2,500,000 in new plant, and, although they were allowed liberal allowances in the way of writings-off, the proportion they had to find themselves, with the addition of the vastly inflated working capital, constituted a burden which should have rightly been met by reserves, which taxation prevented them forming.

The abolition of the excess profits duty cleared the way for re-establishment of sound finance, which should, with normal trade, put them in a position of prosperity which the exertions of their board and staff and the support of shareholders had earned.

They believed that, with certain adjustments of their Debenture capital, they could see their way through without asking the public for fresh capital at a time when it was so difficult to obtain except on onerous terms, and their Debenture-holders would be called together at an early date to consider certain proposals.

He trusted that his explanations had shown how the situation had arisen where, in spite of considerable profits for 1920, it was unwise to draw out of the business at this critical period money for an ordinary dividend.

The Question of Wages.

With falling costs of living they had made proposals to their workmen for reductions in their inflated rates of wages, and he wanted them to realise that, whereas they had had the full advantage of the fat years, the shareholders had had but a small proportion of the benefits.

In the adjustments to the new conditions Labour could scarcely expect that the whole burden of the existing position should be borne by the shareholders, especially as the total number of shareholders exceeded that of the manual workers.

In conclusion, said the Chairman, I cannot emphasise too strongly that our industry flourishes or languishes in peculiar sympathy with the trade of the country. Employment, ample food and essential raw materials to support our existing population, require a healthy export trade. This at the moment is seriously endangered, both directly and indirectly, by the high cost of fuel and the high cost of labour per unit of product or service; to which must be added the abnormal depreciation of most of the Continental exchanges. It is essential that these conditions should be remedied by the good will and co-operation of all concerned, if Great Britain is not to sink in her standard of civilisation, with a degradation of standard of life for all sections of the community. I now have pleasure in proposing that the report and statement of accounts, and the auditors' report for the year 1919, be received and adopted.

Works Starving for Coal.

Dr. G. C. Clayton seconded, and said their works were rapidly starving for coal, and in the course of a few days would be absolutely stopped at a time when there were distinct signs of improvement in trade. These successive strikes were crippling the trade of the Empire (hear, hear) —and were equally harmful to both sides in the disputes, besides to those not directly concerned. Prior to the present strike the Company's figures showed a gratifying improvement in the efficiency of the work done. This efficiency dropped to an alarmingly low level during, and immediately subsequent to, the War, but by the middle of last year they seemed to have overcome the disorganisation due to the War, and had reached their pre-War figures. As Chairman of the Company's Works Committee he was not completely satisfied with these results, as he was hopeful they would attain to something better; and to this end they had equipped their works with many improvements, which should shortly, given a stable normal demand for their products, show in their efficiency returns. (Hear, hear.) To enable them to cope with the competition of the world they must keep their processes absolutely up to date, and this required chemical and engineering staffs of the highest order. They might congratulate themselves that they had such staffs, and he must not forget the importance of works managers. The latter they might be proud of; they did excellent work, and were only asking for an opportunity of showing what they could do with their new plant now at their disposal. (Hear, hear.) From past experience they also knew that their managers could rely on the loyal support of their men, who had shown that they appreciated the critical time through which their industry, in common with all the other great industries of the country, was at present passing. He was optimistic with regard to the Company's prospects, and, notwithstanding the present terrible depression, he looked to the future with all confidence. (Applause.)

The resolution was carried unanimously, and this concluded the adjourned twenty-ninth ordinary general meeting.

At the thirtieth annual meeting, which followed, the Chairman formally proposed the receipt and adoption of the report, and that the following dividends be declared for the twelve months ended December 31 last: "On the £10 Preference shares a dividend of 7*s.* per share, less tax, making, with the interim dividend paid in September 1920, a dividend of seven per cent. for the year 1920, less tax; and on the £1 Ordinary shares a dividend of one shilling per share, less tax, already paid as an interim dividend in September 1920."

Mr. J. A. E. Rayner seconded, and the resolution was carried *nem. con.*

The re-election of the retiring directors (Messrs. R. M. Bewick, C.B.E., Max Muspratt, W. A. Short, and James Tennant) was proposed by Mr. C. Hewetson Nelson.

Mr. J. Howard Temple, O.B.E., seconding, referred to the happy relations which existed between the Company and their workpeople, not only at their works in Widnes and St. Helens, but also at Newcastle, Fleetwood, Glasgow, Bristol, London, Spain, and America, which was a fairly wide field, and he thought that if the Company could get on with their workpeople over such a wide area there was hope in British industry that other firms could do the same.

The resolution was carried, after which the meeting was adjourned to a date to be subsequently announced.

Mazawattee Tea Co., Limited.

Excellent Demand.

THE twenty-fifth ordinary general meeting of this Company was held on April 15 at the Cannon Street Hotel, Mr. Alexander Jackson (Chairman and managing director) presiding.

The Chairman, in moving the resolution for the adoption of the report and balance sheet for the year ended December 21, 1920, said:—The profit for the year amounts to £58,259, against £74,220 for 1919, £59,341 for 1918, and £50,103 for 1917. The decrease in profit compared with last year is £15,961, but, on looking back over the past few years, it will be seen that the profit for the year 1919 was quite exceptional, while the comparison of the year's profit against previous years is fully satisfactory. The reduction in profit is not due to any falling off in turnover, but to a number of causes, and among them is the great increase in general expenses, including local taxation, which in itself is a big item. All dock, railway, and transport charges are now at an unreasonable height, and we have suffered quite substantial losses through claims for damage and loss during transit.

Apart from all these factors, the most serious thing we have had to face during the year has been the unprecedented fall in the market prices of tea, cocoa, and other articles in which the Company deals. The trading conditions of the previous year were to a certain extent artificial, while during the year competition has been very keen, and it has been necessary to spend a much larger sum of money in advertising, the effect of which should be cumulative. There is an excellent demand for Mazawattee tea, and the sales generally are most encouraging. The turnover was practically the same as in the previous year, and in all these circumstances your directors are pleased to be able to say that they view the result of the past year's trading with great satisfaction.

You will see that the reserve account is now £40,000, and the directors have taken the opportunity this year of adding a further £5,000 to this figure, which means that since the accounts were published in April 1919 £25,000 has been added to the reserve account. The directors propose to pay the full year's dividend on the Preference capital and to pay ten per cent. dividend on the Ordinary shares, which will leave £25,209 3*s.* 9*d.* to be carried forward to the next account, subject to the provision for excess profits duty and corporation profits tax. I would point out that in two years the shareholders have been paid the sum of £97,037, and that when the dividends now proposed are paid it will amount to some £119,500. This is altogether apart from Debenture interest, income tax, and excess profits duty, which in themselves amount to big figures.

The report was unanimously adopted.

John Cooper and Sons (Beehive), Limited.

Second Annual Ordinary Meeting, 1921.

THE second annual ordinary meeting of John Cooper and Sons (Beehive), Limited, was held at the registered offices of the Company at Tudor Road, Leicester, on Tuesday, April 19, at 2.30 P.M.

The Chairman (Mr. A. F. Dickin), in submitting the report, reviewed the trade conditions, explaining that these, coupled with the necessity for a more than usually cautious valuation of stock, were the reasons for the lessened profits.

During the past year the directors had acquired the share capital of the old-established business of J. W. Black and Company, Limited, a business that had long been conducted to the substantial profit of its shareholders.

The profit on the trading of the Company stood at £19,246 16*s.* 3*d.*, and to this was to be added the dividend from J. W. Black and Company, Limited, £26,747, making a total profit of £45,993 16*s.* 3*d.*

The amount brought forward, after making necessary deductions, was £11,584 12*s.*, making the total standing to the credit of the profit and loss account £57,577 17*s.* 5*d.*

A dividend of 7½ per cent. was declared on the Ordinary share capital of the Company, leaving £10,617 15*s.* 4*d.* to be carried forward.

Kimberley Waterworks Co., Ltd.

Depreciation in Investments.

THE forty first annual meeting of this Company was held on April 19 at the Cannon Street Hotel, Mr. James Jackson (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said that though they carried on their business exclusively in South Africa, where the effects of the War had been less felt than in any other portion of the British Empire, still they had not escaped the reaction which had affected trade throughout the world. Many countries experienced a perfect riot of inflated prosperity and orgies of extravagant profits, followed by an abyssmal depression which had been the undoing of many and the serious crippling of others. They themselves had the malady in a modified form. In the previous year, owing to the large payments for water by mining companies, they had a record consumption of water, and were enabled at the end of the year to pay a bonus of 1*s.* 6*d.* per share. This year they only found themselves back, or nearly back, to normal conditions. Their consumption showed through the year an even demand of 20,000 to 25,000 gallons per month, with the exception of January, when the drought was still existing. It was scarcely likely that the even nature of the year's consumption would be fully maintained, since the aggregate was a good deal above the average of the three years preceding 1919.

Dealing with the accounts, the great blot upon them was the depreciation of their securities during the year, that depreciation amounting to £4,964. Fortunately, since December 31 there had been an appreciation of something like £1,500, and the directors thought in view of that they were justified in utilising the £3,000 which last year stood to the credit of investment reserve to write off the depreciation.

The cash assets this year amounted to £108,013, against £104,180 last year; so that their financial position was in that respect so much better. The other accounts were [illegible]. The expenses for the year were less by £1,000, owing to their having sold less water and done less pumping. London expenses were up by £350, owing to increase of rent. As regarded the future, he considered they could look for a good demand for water. For the moment the demand for diamonds had almost reached vanishing-point, but there was no doubt that the mines would become prosperous again. Meanwhile, if the option they were proposing to give to the Kimberley City Council should not be exercised they would

[illegible] in the even tenor of their ways for the five years intervening between now and the end of the concession.

The report was adopted, and at an extraordinary general meeting a resolution was passed authorising the directors to grant the Kimberley City Council an option, for a period of six months, to purchase the Company's undertaking for £290,000 cash, or £300,000 half in cash and half in Six and a-Half per Cent. Debentures.

Anglo-French Exploration Co., Ltd.

Depreciation of Market Values.

THE thirty-first ordinary general meeting of this Company was held on April 20 at Winchester House, Old Broad Street, E.C., Mr. F. A. Robinson (the Chairman) presiding.

The Chairman said: We directors regret very much that the accounts do not make a better showing, but, having regard to the unprecedented state of affairs in the world in general, it is not surprising that our Company should suffer with the rest. No one, I think, could have foreseen what has taken place. We have passed through the greatest war in history, and we are now passing through what is undoubtedly the greatest "slump" in history. We might possibly have endeavoured to realise the Company's holdings, or some of them, but, even assuming that we could have done so, unless we had put the money in a napkin, we should have suffered a similar depreciation, as the same thing has occurred in every class of security. Turning to the balance sheet, first, the capital of the Company remains as before—namely, £500,000 in 500,000 £1 shares, fully paid. The outstanding Debentures have been reduced to £225,000 by the fifth annual drawing of £15,000, which took place in November, in accordance with the trust deed. Turning to the other side of the account, our cash amounted to £25,000, to which must be added the next item of £6,255 then due for sales of shares, but, of course, long since received. Treasury bills and other Government securities amount to the sum of £103,500, which, if added to the cash and the £23,000 referred to under loans, but which is really money deposited at call, brings up our cash assets to over £150,000, which, after making allowance for current liabilities, enables us to say in our report that our cash resources are in a satisfactory condition, and this is perhaps saying a good deal in these times. Our holdings in South Africa show a book value of £365,000, as against £426,000 last year, while our interests in other parts of the world amount to £252,000, as compared with £164,000 last year; the considerable addition shown in the latter being principally due to an increase in our Canadian interests and our increased holding in the Apex (Trinidad) Oilfields, Limited.

Profit and Loss Account.

Turning to the profit and loss account, the dividends—£50,000 odd—are practically the same as last year, but the profits from sales of shares show a considerable reduction, being £20,990, as compared with £65,242 last year. It is, of course, this item which reflects the general state of affairs. Shareholders know as well as I do that the opportunities of making money have been conspicuous by their absence, while the opportunities for losing it have been exactly the opposite. On the debit side of the account our expenses show an increase of about £3,000 upon last year, which, however much we may regret it, we cannot help. The realised losses and sundry amounts written off amount to £15,449, which includes, among other things, various amounts spent in investigation of properties since abandoned. It is a case of "Nothing venture, nothing have." The Debenture interest amounted to £10,800, and, after providing this, the net profit shown by the account is £15,635. We carry the balance of £15,635 to the appropriation account, which, with the amount of £59,186 brought forward from last year, makes a total on the credit side of that account of £74,821, but against this we have written off on account of depreciation of certain holdings the sum of £31,122, leaving a balance of £43,699, which we propose to carry forward. This has been done as a precautionary measure.

Valuation of Securities.

I now come to the valuation which has to be made at the end of the year, and which is, as it always has been, the controlling factor so far as the payment of dividends is concerned. It has been stated many times at these meetings, and in our reports, that although a sufficient profit may be shown in the profit and loss account, a dividend cannot be paid unless the valuation shows a sufficient surplus. This year, for the first time since the very early days of the Company's existence, the valuation at the end of the year showed a small deficit. The deficit was a purely nominal one, and was [illegible] less than £6,000; a [illegible] would have wiped it out and put the balance on the other side. Since then there have been fluctuations, and a valuation taken to-day would show, so I am informed, that the position is practically unchanged.

I regard this as entirely nominal and of no importance. Our capital is, to all intents and purposes, intact, yet I see our shares quoted at $\frac{5}{8}$, which means a market depreciation of £187,000, a figure, I consider, entirely unwarranted by the facts. It seems hard that we should be at the mercy of these fluctuations—fluctuations for the most part brought about by market conditions quite irrelevant to the value of the particular investment.

There is no doubt that the depreciation in South African mines, in which so large a portion of our money is invested, has been very pronounced. I will give a few examples, taken at random, from our list at the end of the report. City Deeps at December 31, 1919, stood at $3\frac{5}{16}$; at December 31, 1920, they stood at $2\frac{5}{16}$—a clear drop of £1. Crown Mines stood at $3\frac{3}{4}$, as compared with $2\frac{5}{16}$, a drop of 28*s.* 9*d.* per share. Government Areas stood at $5\frac{1}{8}$, as against $4\frac{3}{8}$; Springs Mines at $2\frac{7}{8}$, as compared with $1\frac{7}{8}$. The annual reports of these companies, just published, certainly disclose nothing to account for such a heavy depreciation. The large number of enemy shares held by the Public Custodian, valued at about four million pounds sterling, has certainly not helped the situation, and is for the time being like a wet blanket hanging over the market. Having regard to the high yield and the possibilities of capital appreciation sooner or later, there must be a revival of interest in gold shares.

Copper and Tin Values.

As regards our holdings in the mines producing tin and copper, the unprecedented fall in the price of these metals has resulted in many of the most famous mines shutting down. One eminent authority, speaking the other night at the Institution of Mining and Metallurgy, stated that nine-tenths of the copper and tin now being produced was produced at a loss. Tin has fallen from £400 per ton to about £160, while the average cost of producing the metal throughout the world is stated by experts to be £240, or, if a few exceptionally rich mines are left out, £280 per ton. Copper has fallen from £145 to £69 per ton. This cannot go on indefinitely, and the time must assuredly come before long when the selling price will be adjusted to the cost of production, with a fair margin of profit.

During the year the mines have had their share of labour troubles with the rest of the world; strikes and threats of strikes have been the order of the day, including, for the first time, an organised strike of natives in February last year. This native strike was settled by granting the natives an increase in their wages, and no further trouble was experienced during the year. White labour in the Transvaal is highly organised under a great number of different unions, led by agitators who make incessant demands upon capital.

Consequently, working costs have again risen; but against this there has been the gold premium, which has fluctuated between twenty-one per cent. and fifty per cent.—that is to say, instead of gold realising £4 5*s.* per fine ounce, it has [illegible] from £5 2*s.* 9*d.* up to as much as £6 7*s.* 6*d.*, the average being £5 12*s.* 6*d.*, or a premium of £1 7*s.* 6*d.* per fine ounce, equal, approximately, to £11,000,000 sterling. This sum was, however, considerably eaten into by heavy realisation charges in the early part of the year. This increase has, indeed, been a blessing to the gold industry, whatever it has been to the rest of the world. As you know, the gold premium has so far been regulated by the rates ruling for American dollar exchange, although, as a matter of fact, during the year the United States took rather less than one-half of the output. Last year the entire production of the world was only seventy millions (taken at the standard value), as compared with ninety-five million only a few years ago. The premium, according to the last return I have seen, is now 23.6 per cent., equal to £5 5*s.* 1*d.* per fine ounce. Since a free market in gold was established in July, 1919, working costs have gone up roughly 5*s.* per ton, which means about £6,000,000 per annum, so that you will see a good deal of the gilt has been taken off the gingerbread.

Mines and the Gold Premium.

Should the gold premium materially decline, or disappear, and in the unlikely event of working costs remaining at or about their present level, the position as regards some of the mines will become serious; in fact, elaborate calculations have been made showing how certain mines would have to close down at each drop of 5*s.* in the price of gold. All this deeply concerns those who have got their money invested in these particular mines; but, fortunately, that is not the case with us, except to a negligible extent. No mine can last for ever, nor any group of mines; but in any case the Transvaal still produces half the total gold output of the world, and is likely to do so for some years to come; and, anyway, so far as our Company is concerned, what affects us is the particular mines in which we are interested. But if the price of gold declines, it is reasonable to expect that working costs will come down too, and we are advised that there are already indications that such will be the case.

As regards our interests in other parts of the world, although times have been so difficult, we have pursued an active policy. Our oil venture promises to be a success. The Apex (Trinidad) Company struck oil with a vengeance in the No. 3 borehole last November. It was struck in such quantities that the storage capacity was inadequate to the demand; 100,000 barrels were lost, and much damage was done by fire and otherwise. This was a very disconcerting incident, but it certainly proved the existence of an extensive oil deposit, which has been borne out later by the very satisfactory production of some 10,000 to 12,000 barrels per week. Mr. Airth, who is also one of the managing directors of the Apex (Trinidad) Company, paid a visit to the property

towards the end of last year, and was on his way home when the rush of oil occurred. Upon our informing him by cable of what had taken place, he promptly returned to Trinidad at great personal inconvenience. We have made a number of investigations on our own account and with others during the year. I now beg to move: "That the report and accounts, as submitted to this meeting, be and are hereby received and adopted."

Mr. George R. Airth seconded the motion.

Tharsis Sulphur and Copper Company, Limited.

Satisfactory Results in Adverse Year.

THE ordinary general meeting of this Company was held on April 20 in the Company's office, Glasgow. Mr. Wm. P. Rutherford (Chairman and Managing Director) presided.

The Chairman said: When our late Chairman addressed you last year he stated that the year now under review promised rather better than 1919, and I am particularly pleased that this anticipation has been realised. Last year we had again a very considerable volume of trade. As your late Chairman expected, the Pyrites markets revived, more especially on the Continent, where, notwithstanding many adverse circumstances, we have noted a marked rehabilitation of industries in which our ores are an essential raw material. The Copper market, on the other hand, has been a constantly falling one, and, notwithstanding the high cost of production, the price has dropped to the pre-War level, a result attributed to the unprecedented amount of scrap material on the market and the general lack of demand. It is interesting to note that whereas for other products, such, for example, as iron and steel, prices more than double those of 1914 are to-day considered low, the price of copper, with the cost of production at about its highest level, is hardly better than that of 1914. I think it reasonable to expect a gradual improvement from this position.

As stated in the report, the quantity of pyrites cinders treated at our works for the extraction of copper has only been twice exceeded, and we were able to sell large quantities of the residual product, our high-grade iron oxides, purple ore and purple ore briquettes, at satisfactory prices.

Operations in Spain.

Our operations in Spain were carried out throughout the year in accordance with our programme. At Tharsis, the Sierra Bullones mine is now supplying a good proportion of our total output, while the North Lode is being developed to what, in the not distant future, will be a big producing mine. The Calanas mine is already developed well in advance, and, altogether, our mining resources are ready to meet whatever demand arises for our ores when the markets return to their pre-War activity. The new iron pier which we are building out into the fairway of the river at Huelva has not made the progress we should have liked. This has been due to obstructions met with in the river-bed in driving the piles, and other difficulties, but we are expecting to make better progress now, and look forward to the completion of the work in the course of next year.

In conjunction with the food control, which, as you know, we have carried out at our mines, we are resuming possession of our agricultural and pastoral lands, which we had let out for cultivation and grazing purposes, and we are farming and raising live-stock to help to supply the food requirements of our workpeople. Although only in the initial stage, our operations last year encourage us to carry on these on a more extensive scale. When I tell you that we have about eighty square miles of freehold territory, you will understand that we have abundance of scope for development.

The Outlook.

I know that you naturally like at this meeting to hear something about the prospects for the current year. All I can say is that we are entirely at the mercy of the markets, and at present these are very bad, probably worse than they have ever been before. Not only have prices fallen, as indeed we all expected, but there is an almost complete stagnation of buying. Under these circumstances we are keeping our expenditure as low as possible and waiting for a revival. Our products are all essential raw materials, and as soon as a revival sets in we shall immediately benefit by it. In these circumstances the much-improved exchange with Spain is very welcome.

Under so many adverse circumstances, higher cost of material and higher wages throughout the year, and a poor Copper market, the result of our operations last year is, I think, highly satisfactory.

With these remarks I beg to move:—"That the statement of accounts and balance sheet, and the reports of the directors and auditors thereon, for the year ended December 31, 1920, be and the same are hereby received, approved, and adopted; that a dividend of 6*s.* per share, equal to fifteen per cent. on the capital of the Company, less income tax at 6*s.* in the £, be now sanctioned and declared, payable on and after Tuesday, May 10 next, to shareholders on the register at to-day's date; and that the balance of £27,156 7*s.* 1*d.* be carried forward to the credit of the year 1921."



THE CHATWOOD SAFE

Successfully withstands seventeen days' attack!

To The Chatwood Safe Co., Ltd.,
Bankers' Engineers,
BOLTON, England.

BUCHAREST,
March 19th, 1921.

Gentlemen,

Enclosed herewith I am forwarding you a photograph representing a band of 7 burglars and the gendarme in charge. These 7 men tried on January 2nd, 1921, to steal the contents of THE CHATWOOD SAFE (No. 32,404), belonging to the Petroleum Refinery "Helios," Societe Anonyme, in Tirgoviste, Roumania.

THEY BROKE THROUGH THE WALL OF THE HOUSE, TOOK THE SAFE OUT AND TRANSPORTED IT, PER CART, A DISTANCE OF 9 MILES, where they left it for some time buried in the sand and gravel of a river bed.

THEY AFTERWARDS WORKED 17 (SEVENTEEN) DAYS ON THE SAFE, exhausting all ordinary devices of safe opening known in this country, trying to open it, but beyond succeeding in breaking off the hinges and the handle and severely battering the outside of the safe and the lock, they FAILED UTTERLY in getting at the contents of the safe.

The safe was eventually found, and it took skilled mechanics a whole day to straighten out the key-hole, after which, by turning the bolts with the aid of a strong pair of pliers (the handle having been knocked off), the contents of the safe were found in perfect order.

Yours faithfully,

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The Salt Union, Limited.

Profitable Export Trade.

THE thirty-second ordinary general meeting of the Salt Union, Limited, was held at the Law Association Rooms, Cook Street, Liverpool, on Tuesday, April 19, there being a good attendance of shareholders. Mr. G. H. Cox, Chairman of directors, presided.

The Chairman, in moving the adoption of the report and accounts for the year ended December 31, after a brief reference to the grave labour situation with which the country had been faced, and expressing the hope that the nation would not forget the wicked and cruel attempt which had been made upon its life, said the prosperous conditions which obtained in the Salt Union's industry during 1919 were continued, and even improved, during the greater part of 1920, enabling them to recommend the same dividends as last year—viz., fifteen per cent. on the Ordinary shares and eleven and two-thirds per cent. on the Preference. The excellent result attained was mainly due to their profitable export trade. They would have been able to deal even more liberally with the shareholders—or alternatively to set aside even larger amounts in the shape of reserves—had it not been for the burdensome excess profits duty and the corporation tax. Towards the end of 1920, in common with the rest of the manufacturing world, they experienced a slackening in demand, which during the present year had developed into an almost complete cessation, particularly for export. It soon became plain that the competition of German crushed rock salt would materially affect their fishery trade during the 1921 season; consequently they made arrangements to produce less of that quality.

Company's Eastern Trade.

With regard to their Eastern trade, they succeeded in marketing a larger tonnage than they did in 1919. Their deliveries to Calcutta were just a few tons short of 100,000, and the results of their shipments were highly satisfactory. So far as the prospects of 1921 in the Indian market were concerned, a complete change had occurred. The competition of German crushed rock salt from Hamburg had been much in evidence, whilst at the same time there had been excessive shipments of solar salts from Port Said, Spain, and the Red Sea. In consequence the market had been swamped. Prices in Calcutta dropped heavily, but they had recently been steadied by a temporary arrangement for regulating imports which had been arrived at by the various interests. The immediate outlook for a remunerative Indian trade, however, was far from promising. The Salt Union were still shipping to Rangoon, in spite of German and other competition, their salt finding there a ready market, as its quality was much liked by buyers. Their exports to Japan amounted to 6,000 tons in 1920, and they had recently (this year) made shipments amounting to 18,000 tons. A favourable feature in the situation was that ballast freights had in some cases been reduced to pre-War levels. The prospects of many other export markets had been adversely affected by German competition. This was notably the case with Scandinavia, where the Salt Union formerly counted upon a large outlet for their salt. The German salt had even penetrated to the other side of the Atlantic. Fortunately, German crushed rock salt did not suit every consumer. This successful competition was due to the abnormal position of the German exchange, and they could only hope that the legislation now being promoted by the Government would be speedily passed, and that it would be effective in counteracting this unfair advantage. Some of our Dominions—*i.e.*, Canada, Australia, and New Zealand—had taken steps to check the importation of German salt. As regards home trade, this was active at remunerative prices until the autumn. The Salt Manufacturers' Association had been maintained and had prevented price-cutting, but it had never attempted to take advantage of consumers, and consequently they had been free throughout the year and since from any Government control, of which they might be justly proud. The advance in the cost of production continued, and prices were raised sufficiently to cover it. In expectation of cheaper coal and in order to encourage trade, a reduction of 5*s.* per ton was recently agreed upon by the Association. "Meanwhile we have notified our men of a reduction in wages varying from 6*s.* to 12*s.* per week.

Labour.

"During 1920 wages were advanced approximately 10*s.* per man for a full week's work. I quite sympathise with the desire of Labour to maintain a higher standard of living than it used to enjoy, but the future of our manufacture, as of so many others, is dependent upon a greatly lessened cost of production. Labour is up against the inexorable economic law which enacts that you can only give your workpeople a fair share of what the trade itself provides. The cost of a ton of salt is to a very large extent represented by the wages we pay directly to saltmakers, and indirectly to miners when settling our coal bill. About eighty-five per cent. of the cost of fuel is absorbed by labour. Consequently there is only a small percentage left out of the price we receive in exchange for our salt to cover management, interest on capital, trading risks, &c. The actual amount of wages paid in 1920 was £671,000, an increase of £165,000, equal to a dividend of over twenty per cent. on the Ordinary shares!

"Since 1914 the percentage increase to saltworks employees has ranged from 170 per cent. to 238 per cent., and up to 250 per cent. for labourers. The cost of living at the maximum was up 169 per cent., and is now 133 per cent. and is still falling.

"Our total expenditure on coal was £597,000, as against £371,000 in 1919, the extra sum paid for coal representing over twenty-eight per cent. on the Ordinary shares! You will therefore see that Labour, directly and indirectly, reaped the full benefit of the prosperous times, and it is right that this should be so." Conversely, both Labour and Capital would have to submit to lower wages and profits when trade was bad.

Subsidiary Companies.

With regard to their subsidiary companies, the Mersey Power Company had at last been able to make substantial progress with its new power station at Percival Lane, and it was hoped they would be able to turn out current there in August next. The Salt Union had invested in the Mersey Power Company the sum of £250,000, whilst the Government had agreed to lend £300,000 at six per cent. These financial arrangements would have amply sufficed but for the delay occasioned by matters beyond their control, which had considerably increased the cost of the new station, owing to the advance in wages and material. This extra expenditure and the fact that further contemplated extensions must be provided for, would necessitate the Power Company raising more capital. The Salt Union did not propose to make any issue of capital on its own behalf. When the public were invited to subscribe, the share and Debenture holders of the Salt Union should have preferential treatment in regard to allotment.

Various Acquisitions.

With regard to their properties, they had secured in Ireland for £5,550 mineral rights and property which, prior to purchase, they leased, but the transactions were not completed until this year. As to their acquisitions in Somersetshire, their total investment there was £47,700, less £1,700, which they received for the surface rights of one plot of which they retained the minerals. They had made an important deal in connection with their Worcestershire properties. In order that they might concentrate their Worcestershire production at Stoke Prior, and thereby effect economies in working, they had entered into an agreement with the Corbett Trustees whereby they take over all the Union's existing properties at Droitwich. The trustees also joined with them in the purchase of the other small saltworks which belonged to another owner, their object being to ensure the discontinuance of all saltmaking in Droitwich, as it did a good deal to spoil the amenities of the place as a Spa. The consideration the Salt Union received for their Droitwich properties was the transfer to them of all the trustees' valuable and extensive brine and rock-salt rights, covering a very large area in Worcestershire.

The Future Outlook.

As to the future, the Chairman said it would appear as if the great prosperity which their own trade enjoyed during recent years reached its climax last year. But although they might in consequence experience relatively lean years, there was no cause for despair, and he felt sure they would come safely out of their difficulties.

"The fact is that the whole world has been made infinitely poorer by the War, and we are realising that this is so because we cannot market the goods we have manufactured, and which we were in the habit of exchanging with our foreign customers for their products.

"If our overseas commerce is not to be sacrificed, Labour must be careful not to stand out for an impossible minimum wage. Its choice lies between the alternatives of a price for its services which will enable the trade to be carried on or else the total loss of the trade and wages too. Should the latter eventuate, we cannot permanently maintain a large unemployed population, which would have to be dispersed to other parts of the world—a difficult, slow, and painful process.

"Together with reduced wages, capital and management must make concessions. These have already begun, and many works and much shipping are being run to-day at a serious loss. Finally, if our industries are to be upheld and our people saved, we must insist upon our rulers rigorously cutting down expenditure both at home and abroad."

Mr. Frederick W. Clark (Deputy-Chairman) seconded the adoption of the report and accounts.

A shareholder asked why they did not cancel the Debenture stock?

The Chairman replied that their object in buying it was to cancel it, but excess profits duty came along, and it was a good job that they did not cancel it at that time. They had had it in their mind's eye, and he thought it would be a splendid thing to clear away as much of their debt as they possibly could.

The report and accounts and the dividends were approved, and an increase in the borrowing powers to £250,000 agreed to.

Rio Tinto Company, Limited.

Labour Troubles Upset Company's Affairs.

THE forty-eighth ordinary general meeting of this Company was held on April 15 at 5 Lombard Street, E.C.

Sir Charles W. Fielding, K.B.E., who presided, referred to the labour troubles which occurred in Spain during 1920, and said that the dislocation caused by the strike naturally upset the continuity of the Company's affairs to a considerable extent. As, however, the copper stocks of the world were large, the directors looked upon the Company's reduced production as a contribution towards the general reduction of output which had taken place, and was still continuing, in the big mines of America and elsewhere. The pyrites produced from their mines was a complex ore, nearly half of the contents of each ton being sulphur and over forty per cent. iron; it also contained from one and a-half per cent. to three and a-half per cent. of copper and small quantities of precious metals. Before the War they had a very large pyrites business on the continent of Europe, in the United States, and in the United Kingdom, but during the War large domestic sources of sulphur supplies were organised and developed in America. The Company, however, were now regaining part of their business there. In Northern and Central Europe consumption had as yet only been resumed on a very small scale, and he did not anticipate that during this year, or even perhaps the first part of next year, they would see their export pyrites business returned to anything like its normal condition. After the next year or two, however, he thought they might look forward to a greatly revived demand for sulphur. The quality of the cinder residues from their pyrites, when treated by methods which they had been proving in different countries during the last few years, made them one of the purest and most valuable materials available for the manufacture of steel, and they therefore looked to obtaining in the future additional profits from the iron residues of their pyrites ores. There was still a far larger stock of copper than was required, even under normal trade conditions, and, while a great deal of it was held in strong financial hands, other lots were continually being put on the market at times when consumption was the least able to absorb them. In the circumstances they could not look for high prices of copper during the next year or eighteen months. He advised shareholders, however, to exercise patience during the time of reconstruction of the world's markets. The directors hoped in due course to have perfected a great many improvements and economies in the Company's methods of working; but, apart from these, he felt sure that the future outlook from all points of view, including the returns from copper and sulphur and iron consumption, was such that the Rio Tinto Company would return, if not actually to its former dividend basis, yet to such good results as would be entirely satisfactory to those who were steady holders of its shares.

The report was unanimously adopted.

Labu (F.M.S.) Rubber Co., Ltd.

Conservative Financial Methods.

THE fourteenth annual general meeting of this Company was held at 5 Whittington Avenue, E.C., on April 22, Brigadier-General the Hon. Charles Lambton, D.S.O., presiding.

The Chairman, in moving the adoption of the report and accounts and the declaration of a dividend of five per cent., said that the profit for the past year amounted to £22,577, and with the amount brought forward there was a disposable balance of £23,391. Of this, £10,000 had been transferred to reserve, bringing it to £20,000, and after payment of the dividend, £3,391 would be carried forward, subject to corporation profits tax, bonus to staff, &c. It might be thought that, in recommending even a small dividend in the midst of the most severe slump the industry had known, the directors were departing from their usual careful policy. It was, however, their conservative financial methods in previous years which enabled them to be a little liberal to-day, when dividends were scarce and even small distributions were consequently appreciated. The balance sheet showed liquid resources in cash and securities amounting to over £75,000, and they were therefore equipped to face the future. Another factor taken into consideration was their position for the current year. It was true that if rubber did not rise above its present level they were unlikely to earn sufficient to pay a dividend for the year now in progress, but their forward sales should insure them against heavy loss. Costs for the past year showed an increase of slightly over 2*d.* per lb., which was more than accounted for by the heavy expenditure made in an effort to improve health conditions on the estate, and beyond this there was again considerable loss on rice. The health returns were now showing a distinct improvement, and the loss on rice during the current year would be much less. In the early part of the year wages rose considerably, and, whereas Chinese tappers were content in 1919 with earnings of $1 per day, their labour was almost unobtainable in 1920 at double the amount. Fortunately, the depression had eased the demand for labour, and rates to-day were considerably lower. Although these factors would assist in keeping costs down during the current year, it could not be overlooked that a return to normal conditions might result in a recurrence of competition for coolies. The problem was engaging the directors' attention, and every effort was made to [illegible] to settle.

Alternate-day Tapping.

Beyond this it was thought that the adoption of alternate-day tapping [illegible] number of estates, would materially reduce the demand for labour. Alternate-day tapping tended to reduce bark consumption, and the saving of labour was almost one-half. Yields were lower, but there was a considerable net saving, and the directors had consequently decided to make this system the permanent policy of the estate. The Visiting Agent reported that, having regard to the difficult conditions prevailing, it was creditable to the management that the standard of work and upkeep had been well maintained. The restricted output for the current year was estimated at 977,000 lb., of which 347,000 lb. had been sold forward at approximately 2*s.* 6*d.* per lb. landed London. The output to the end of March amounted to 246,900 lb. The proportion was slightly in excess of what might have been expected, but the gradual adoption of the new system of tapping would result in lower yields, which would be reflected during the coming months. With regard to the outlook generally, it was very difficult to express an opinion. If the present depression were confined to the rubber industry it might be comparatively easy to suggest causes and remedies; but the slump extended to all industries and was world-wide. The main causes were therefore beyond the control of those engaged in the rubber industry, and they could only hope and wait for general revival, when industry would once again get into a more normal state. An adverse factor was that rubber, unlike most commodities, was still being produced while it was not wanted, and the increasing accumulation of stocks might weigh down the market even after demand improved. The remedy would be further restriction, and, although efforts had been made to bring this about, the prospects of success were as yet in doubt. In so anxious a time it was of considerable advantage to the Company to be adequately and efficiently represented on the field of operations, and he could assure shareholders that their interests had been, and were being, extremely well looked after.

Sir John Anderson seconded the motion, which was carried unanimously.

Schweppes, Limited.

Further Increase in Profits.

THE twenty-fourth annual ordinary general meeting of Schweppes, Limited, was held on April 21 at the registered offices of the company, Marble Arch House, No. 1 Connaught Place, W., Sir Ivor Philipps, K.C.B., D.S.O., M.P. (the Chairman), presiding.

The Chairman said: The accounts are presented in a form similar to last year, and call for few remarks from me. Creditors have increased by £26,555, and there is a bank loan of £35,000. Stock-in-trade has increased by £46,167. I foreshadowed an increase of stock last year when I told you that I should like to see stocks larger, because at that time we were still hampered by a shortage of bottles. We are now in a position to get all the bottles we require for our business, the short supply of which has been one of our greatest difficulties during the past few years.

We have again dealt with goodwill by transferring £30,000 from reserve account, bringing our goodwill down to £850,000.

We have acquired very large and suitable premises in Leeds, which we are converting into a mineral-water factory. We believe them to be very suitable in every way, and hope to start manufacturing there before the season is much farther advanced. From this new centre we shall be able to supply a large and very densely populated area, including the North East Coast, [illegible] from Liverpool and Glasgow, and so save heavy rail charges.

The profits for the year, after paying interest on Debenture stock and [illegible] £94,110, as compared with £82,966 last year and £54,790 in 1918, a steady upward [illegible] consider satisfactory. We [illegible] full dividend of five per cent. on the Preference and seven per cent. on the Ordinary, [illegible] the Deferred shares, and to carry the balance forward.

The financial position [illegible] being as satisfactory as [illegible] be seen from the accounts, at the end of our financial year we had a loan of £35,000 from our bankers, and if we divide our profits [illegible] raising more capital and [illegible] manent charge in front of [illegible] holders. Apart from the [illegible] would be most reluctant to recommend anything of the sort.

I beg to propose: "That the report and accounts as presented be adopted and confirmed, and that the dividends as recommended [illegible] declared."

Mr. C. W. [illegible] was unanimously adopted.

Pegoh, Limited.

Importance of Low Costs.

THE ninth ordinary general meeting of Pegoh, Limited, was held on April 21 at the Rubber Growers' Association, 38 Eastcheap, E.C., Sir Ernest W. Birch, K.C.M.G. (the Chairman), presiding.

The Chairman said: Let us take the profit and loss account. The Government duty on rubber is more than it was last year by £1,244. The larger crop is responsible for £625, and that is the only real increase, because the rest is for an extra assessment in 1919 charged to these accounts, and a refund in respect of 1918, which went to the benefit of 1919 accounts. The loss on rice was £459 less, and I hope that it will disappear in time. There is a new item, £169 loss in exchange on coolie remittances, that I hope will not recur. The increase in the secretarial and general expenses of £174 is accounted for by printing and stationery and advertising charges, and by bank charges on local sales of rubber. On the other side, "Sales of rubber and rubber in stock" came to £19,265 more, but there was a corresponding increase in the cost of production of about £9,000.

The profit on the year's working was £38.040, or £9,422 better than last year. The output of rubber was 1,067,238 lb., or 42,238 lb. in excess of the estimate. The average price for which it was sold was just under 1*s*. 11*d*. Last year the crop of 789,308 lb. realised a price of just over 2*s*. 1*d*. The all-in cost was 1*s*. 2.82*d*. per pound.

Turning to the balance sheet, the property, including development and buildings and machinery, stands at under £152,000, or £42 10*s*. per acre. There are 116,334 lb. of rubber unsold in London, valued at 1*s*. per pound. No depreciation is written off because the buildings and machinery, which stand in our books at £14,077, have been valued at over £4,000 in excess of that sum. The cash position to-day is that our investments and liquid balances stand at £38,347. The tapping costs were high, but I am assured that they will be greatly reduced.

We have sold forward ten tons a month for the whole of 1921 at 2*s*. 4¾*d*., which will give the estate $23,000 monthly in Singapore, and 9 tons from April to June, which will yield £1,176 in London. This means that our estates can be carried on without further payments from London, and that we can play a waiting game, being ready to take advantage of any rise in the market price of rubber.

The Chairman moved the adoption of the report and accounts, and the payment of a dividend of ten per cent., less income tax.

The motion was seconded by Lieutenant-Colonel D. K. McDowell, C.M.G., O.B.E., and passed unanimously.

John Barker & Co., Ltd.

Increasing Progress of the Business.

THE twenty-eighth ordinary general meeting of this Company was held at the Town Hall, Kensington High Street, W., on April 22, Mr. Sydney Martyn Skinner, J.P. (the Chairman), presiding.

The Chairman, in the course of his speech, said: You will see by the balance sheet that the past year has been a remarkable period of trading. The progress of the business in the past three years has been something of a record in British retail trade. Nearly every department of our great store has put on most substantial figures, and continuously from year to year—a healthy sign, and proof of a success that is real and lasting, and not adventitious. The name of Barker (comprehending both Pontings and Derry and Toms) is now known and remembered in every town and village in the Kingdom, and customers come from practically every place on the map—and coming once, come again. (Applause.)

As you know, we have carried through tremendous deals in Government goods, which we have retailed at a small gross profit, and the public has been quick to seize the advantage of the prices we offered, and are still offering, in this respect. The purchases in this division of our businesses have amounted to a very big total; indeed, to some millions sterling, purchased from various sources—an amount in turnover which a generation ago would have been voted a miracle. To dispose of millions of yards of different fabrics in the space of a short twelvemonth would have been deemed impossible. Indeed, the trade in many of our general departments would, a very few years ago, have made up the total income of a considerable business, and been the cause of much self-congratulation. Our house sold 3,000.000 yards of linen in a period of six months; millions of yards of flannel and other Government fabrics (so well made that we cannot expect to repeat the quality under ordinary trade conditions); 1.000,000 pairs of gloves in a fortnight; nearly 100,000 women's coat-frocks in three months; 25,000 men's suits at a popular price; hundreds of thousands of yards of French silks in a week; and about 1,000.000 reels of cotton in a couple of months, or less. These are remarkable figures, and speak of a remarkable era in merchandising.

Pontings and Derry & Toms.

It has always been our ambition to make Kensington one of the most important shopping centres of London, and I think the history of the past year has gone a long way to fulfil that desire. When we took over Derry and Toms, we obtained control of a huge frontage—half a mile or more of shop windows on both sides of the High Street and in the Arcades—a shopping front probably unequalled anywhere.

Pontings, under Mr. Tilbury's guidance, with the assistance of his capable manager, Mr. Thomas, continues to show a progress quite remarkable, and expands day by day. Extensions are made, additions and alterations almost continuously, to meet the necessities of a business that grows amazingly. I think I can say that this business is unique in its class of trading. There is nothing quite like it in London to-day.

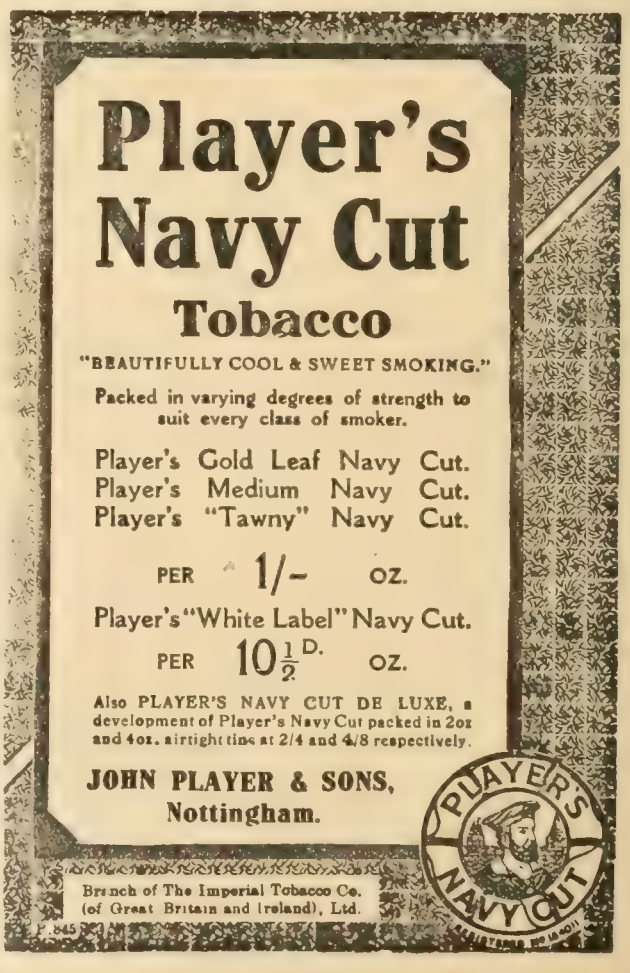
You will, no doubt, wish to hear something about Derry and Toms. Well, we are quite satisfied with the progress shown here. When we purchased this business our idea was not so much the buying of the actual business, which was not so large as many people imagined; what we had in view was its possibilities.

Under the able management of Mr. Tilbury, with the assistance of his capable lieutenant, Mr. Jennings, these possibilities are being realised. The increase in the turnover last year was something like fifty per cent., and the business is increasing every day. We hope by the end of this year to double the returns at the time we took it over. (Hear, hear.)

The Balance Sheet.

Referring to the figures in the balance sheet, you will see by the amount of the gross profit the extensive business we have done. This gross profit of £1,305.789 is a very handsome amount, but, unfortunately, for ourselves, this great total has had to suffer many encroachments, some new, and many old items which have the knack of every year becoming more. Taxation is ever increasing, both national and local exactions are always going up. Salaries and wages are higher, postage is double, and the cost of distributing our goods is an ever-increasing figure. Increase in the amount of stock is, however, mainly due to the expansion of our trade.

In the apportionment of the net profit, it is proposed to pay a balance dividend of fifteen per cent. on the Ordinary shares, making twenty per cent. for the year—the same as last year; and to set aside £50.000 to meet any further claim for excess profits duty—a tax which I am pleased to see the Government has at last seen its way to abolish. Of the balance remaining it is suggested that £3,000 be added to the employees' pension and benevolent fund (I am sure no shareholder will take exception to this), and to carry forward the amount of £63,689 to the credit of the current year's account.



The Chairman concluded by moving the adoption of the report and accounts.

Mr. Ralph Millbourn seconded the resolution, and after some congratulatory remarks from shareholders it was carried unanimously.

Ooregum Gold Mining Co. of India, Limited.

Increase in Gross Profits.

Mr. Malcolm Low presided at the meeting of shareholders in the above Company held on April 22 at the Cannon Street Hotel, E.C., and, in moving the adoption of the report, expressed the deep feelings of regret of all concerned at the loss which the Company had sustained by the deaths of their esteemed colleagues, Mr. John Taylor and Sir Robert Taylor. Proceeding, he remarked that, looking through the various facts and figures presented in the directors' report, he thought the shareholders would find little cause for dissatisfaction, and much to gratify and encourage them. There had been a substantial increase in the production of gold and in the gross profits, and, notwithstanding that they had had to set aside an exceptional amount for exceptional equipment, they still found themselves in the position of not lessening their dividend, while the financial strength of the Company never stood higher than it did to-day. The year's output of gold amounted to 96,268 ounces of fine gold, which was the best annual outturn the Company had ever achieved. The total output of 96,268 ounces realised not far short of 000 being, of course, a startling increase upon the results of the preceding year, owing, no doubt, partly to the increased production of gold, but still more to the enhanced prices the Company had obtained for its output. Their working expenses had increased by more than £17,000, but that was really owing to the local payments, which were affected, of course, by the higher average rate of exchange. Having dealt in detail with the accounts, he remarked that the final disposable balance was £70,570. Out of that sum it was proposed to appropriate £2,500 to the insurance and contingency fund and £5,000 to the reserve fund, which now amounted to the fine figure of £100,000. (Hear, hear.) They further proposed to set aside the sum of £50,000 to mine equipment account to aid the Company in the current and future expenditure on the all-important Circular shaft, and on other necessary machinery.

The Circular Shaft.

The Circular shaft, as everyone would readily understand, was a vital necessity, and their future prosperity depended upon it, and that in the not very distant future. Hitherto they had struggled, and successfully struggled, to defray its cost out of revenue, but the current year faced them with very heavy commitments for machinery and equipment, and it was also desirable to proceed with the sinking more rapidly, and in so doing they incurred greater current cost. The present year, happily, had given them unusual gross profits, which were due, of course, partly to their increased outturn, but much more to the enhanced price which they had obtained for their gold. The absolute necessity of the Circular shaft was, of course, patent to them all. Provision would have to be made for it sooner or later, and why not provide for it now, when they were in the happy position of being able to do so, and without lowering the dividend? Finally, he pointed out that the total profits remaining amounted to £70,570, and it was proposed to dispose of that by paying a final dividend for the year of 1*s.* 6*d.* per share on both classes of shares, making 32½ per cent. on both Preference and Ordinary shares, leaving to be carried forward £16,000, which would be subject to the extremely unwelcome new corporation profits tax. The amount of this tax had not yet been agreed upon, but he was sorry to say that he feared it would amount to something in the neighbourhood of £10,000.

Mr. Edgar Taylor seconded the motion, and at some length gave the shareholders an interesting description of the work carried out at the mine during the year under review.

The report was unanimously adopted and the usual formal business transacted.

Louise and Co., Ltd.

The twenty-sixth annual general meeting of this Company was held on April 22 at Winchester House, Old Broad Street, London, E.C., Mr. Edgar Caton presiding.

The Chairman, in dealing with the balance sheet, said that the contingency account had been increased by £18,150. The stock-in-trade was higher by £10,000. This was accounted for by the large increase in the Company's business, which necessarily meant that more stock was required. The debts due to the Company had been increased by £18,464, which might be set off against the increase of £20,000 in sundry creditors. Cash at bankers and in hand was larger by £24,866. Had the exchange remained normal, so that a proper comparison of the accounts might have been made with exchange at Fr.25 to the £, the past year would have been a record one, showing £9,000 more net profit than in any previous year in the existence of the Company, but in view of the exchange position the board were not able to recommend any dividend. Shareholders would see that to bring money over from France would cost 42*s.* for every sovereign so brought over. In the past two years they had had to place no less than £21,000 to a contingency account as against the difference in exchange, but even had they not done this they could still not have paid any dividend, because they were advised that the liquid assets would have to be written down to the exchange of the day before they could make a distribution. The trade done during the past year both in England and in France showed a magnificent result. This year, shareholders would not be surprised to hear, trade in London had not been as good as it was last year, but this was not the only business that was suffering, as they all knew. He was pleased to say that a telegram had been received from Paris, from Mr. Gaston Fourcade, as follows: "Mr. Lewis is very busy here. Will be unable to be in London Friday. Present his regrets to shareholders. Business here very good." He hoped that, with the aid of France, the record figures for last year might be exceeded this year. He moved the adoption of the report and accounts.

Mr. J. E. Hillbrook seconded the motion.

In the course of a lengthy discussion it was proposed that a committee of shareholders be appointed to consider the position and report to an adjourned meeting, but this was eventually withdrawn, and the motion for the adoption of the report and accounts was carried with two dissentients.

The retiring director was re-elected, and, the auditors having been reappointed, a vote of thanks to the Chairman and directors concluded the proceedings.

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ASSURANCE COMPANY, LTD.
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Annual Income ..	.. £7,180,000
Accumulated Funds	.. £19,381,400
Total Claims Paid	.. £27,362,000

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Incorporated 1865. Head Office, WINNIPEG.

Paid-up Capital ...	(30th Nov. 1920)	$8,000,000
Rest and Undivided Profits	(ditto)	$8,527,133
Total Assets	ditto	$169,205,445

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Assets under Administration £9,395,350 9 4
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Paid-up Capital, $22,000,000.
Rest, $22,000,000.
Undivided Profits, $1,251,850.
Total Assets (30th Oct., 1920), $560,150,812.

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Sir Charles Gordon, G.B.E., Vice-President.
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Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.

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PARIS AGENCY: BANK OF MONTREAL (FRANCE).
17 Place Vendome, Paris.
London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

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Authorised Capital	£2,000,000
Called-up Capital	£1,000,000
Reserve Fund	£266,000
Reserved Liability of Shareholders ..	£1,000,000

BRANCHES.

BOMBAY	CALCUTTA
COLOMBO	BAGDAD
BASRA	AMARA
BAHREIN	BASRA CITY
HILLAH	MOSUL

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The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T.
Deputy-Chairman.
J. S. HASKELL, Esq.
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F. H. SUTTON, *Manager.*

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CAPITAL	Frs. 500,000,000
RESERVE FUND	„ 92,000,000
DEPOSITS	„ 2,420,000,000

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— PARIS. —

330 Branches in France.

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THE

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Total Assets (30th Oct., 1920) $209,000,000

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Paid-up Capital	£4,931,100
Reserve Fund	3,350,000
Reserve Liability of Proprietors	4,931,100
	£13,212,200
Aggregate Assets, 30th Sept., 1920	£72,467,795

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Acting Manager.

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Reserve Fund ... $15,000,000 (£3,082,192)

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A. R. PHIPPS, Asst. Manager.

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Established 1841.

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(25,000 Shares of £10 each)	
Reserved Fund	£725,000 0 0
Reserve Profits	£20,562 0 0

Reserve Liability of Shareholders, £250,000.

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The Statist.

LONDON, SATURDAY, APRIL 30, 1921.

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The Money Market.

Friday, April 29, 1921.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate	6½ (Apr. 28, '21)	7 (Apr 15, '20)
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	4⅝ (Apr. 28, '21)	5† (Apr. 15, '20)
Discount Houses (Notice)	4⅝ (Apr. 28, '21)	5½ (Apr. 15, '20)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Bank Bills ...	5¼	5⅝–¾	5¼	5¾ 7	—
Trade Bills ...	—	6½	6¾	7	—

THE CONVERSION LOAN AND THE BANK RATE.

THOUGH it is to his credit that Sir Robert Horne has marked his advent to the Chancellorship by the initiation of a policy of cheaper money—for the reduction of the Treasury bill rate on March 10 was undoubtedly instrumental in hastening the Bank rate decision—he has also made himself responsible for two things which all who have the welfare of the country at heart must view with alarm—the Budget and the Conversion Loan. In the Budget he asks the country to shoulder a burden of taxation greater than that borne by the industry of any other nation in the world, at a time when our trade is so hard put to hold its own against foreign competition. The £1,216,650,000 budgetted for would have been considered too large even a year ago, when the post-Armistice trade boom was at its climax, and is unquestionably disproportionate to-day, when the national income has been so seriously reduced through a period of unparalleled adversity, and when, far from holding any prospect of revival, the immediate outlook threatens a still deeper sinking of trade in the slough of depression. The Government is all the more open to criticism in respect of the Budget in that, though it has itself called loudly for economy on the part of individuals, it has not set the example by a drastic reduction in State expenditure. Moreover, in order to render justifiable the policy of deflation under which trade has suffered for upwards of twelve months, a policy which the Government was largely instrumental in inaugurating, it is essential that taxation should be reduced correspondingly to the increased purchasing power of the £. Indeed, if the fall in prices since April 1920 be taken into account, the taxation proposed for 1921-22 will appear, not less, but substantially greater than that raised during the financial year just expired. In view of this consideration, it is futile to point to such reductions as have been made in the nominal amounts of taxation and expenditure. The Government must indeed be accounted barren in wisdom and statesmanship if these reductions measure the extent of its capacity for curtailing the huge mass of unproductive expenditure, or of its recognition of the necessity for lightening the burden on industry. Whether the revenue proposed can, in fact, be realised time alone can determine, but, at any rate, the outlook is not calculated to inspire the Money market with greater confidence in assisting trade.

The conversion-loan scheme, as well as the Budget, has been framed with characteristic disregard of existing conditions. Its terms have been made excessively liberal at a time when gilt-edged securities were coming into strong favour, when money was plentiful, and when a reduction in the Bank rate was imminent. Had the Government waited for even a few weeks before determining the details of the loan, they could have achieved the end in view on terms more favourable to the Exchequer. Holders of those securities subject to conversion can certainly congratulate themselves on the lavish generosity of the conversion terms, but the taxpayer will not view with indifference a scheme that adds nearly £400,000,000 to the dead-weight debt of the State and £1,000,000 to the annual interest charge. The exceptional nature of the terms

offered was probably inspired in part by the fear lest a large part of the maturing loans had come into the possession of the Money market, in which case the "turn," that will doubtless be attained on converting and selling the new stock in the markets, provides sufficient inducement against the loans being held for cash at maturity—an inducement rendered stronger by yesterday's reduction in the Bank rate. Considering, however, that the nearest date for maturity of the loans affected does not fall before October 1922, it is very improbable that the Money market has acquired them to any large extent. For practical purposes the conversion scheme may be regarded as a funding operation, as redemption of the new loan after 1961 is highly improbable. It will, at all events, remove from the Money market a disturbing factor, which the large maturities covered by the scheme would undoubtedly constitute, but it leaves untouched the problem of funding the more dangerous form of floating debt—namely, the huge amount of Treasury bills outstanding, which has repeatedly proved a factor of great disturbance in the Money market and in the national finances.

To those who regret the addition to the annual interest charge on the National Debt occasioned by the Conversion Loan the reduction in the Bank rate announced yesterday from seven per cent. to six and a-half per cent. will afford some little consolation, for the effect of this long-expected step will be to make the previous reduction in the Treasury bill rate effective, and so reduce the interest payable on this form of the floating debt. But apart from this, it will be universally welcomed by the trading community who, however easily they were able to accommodate themselves to the increase in the official discount rate in April of last year, from six per cent. to seven per cent., can no longer afford, in the altered fortunes of trade, to pay up to ten per cent for a bank overdraft. There seems to be little doubt that the market will now have to meet an increased demand for loans; in other words, that the reduction in the Bank rate will make effective a potential demand for accommodation held in check by the previous high level of seven per cent. At the moment, monetary conditions are exceptionally easy on account of the excess in maturities of Treasury bills over sales, and apart from that the restriction in trade activity has caused a surplus in funds. As these conditions are likely to hold until a trade revival is in sight the banks will be in a position to satisfy this increased demand for credits, but the smallness of the reduction in the official rate and the probability that the banks will continue to exercise greater caution in granting loans for industrial purposes, in view of the gloomy outlook for trade, should check undue optimism in the business view of the effected reduction in the scale of money rates. After all, cheaper money is but of secondary importance to the question of increased credit facilities, from the point of view of trade, and neither of these can bring about a trade revival, which cannot occur until the present economic readjustment is completed. The reduction in the Bank rate, however, will tend to check a movement that was becoming more and more apparent, towards a drifting of funds into investment securities instead of being used to assist the production of commodities.

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In some quarters yesterday dissatisfaction was expressed at the smallness of the change, but general opinion was inclined to endorse the cautious attitude of the Bank, while the possibility of a further reduction in the rate, when the industrial situation improves, was also recognised. We should be inclined to think, however, that the five per cent. rate discussed in some circles is unlikely to eventuate, or if the rate should be reduced to that level it could not be maintained there for long under present abnormal world-wide conditions. The last change in the official rate was made on April 15 of last year, when it was raised from six per cent. to seven per cent. The average Bank rate during 1920 was 6.71 per cent., the highest since 1866. Other annual average rates since the commencement of the War are as follows: 1914, 4.038 per cent.; 1915, 5 per cent.; 1916, 5.47 per cent.; 1917, 5.15 per cent.; 1918, 5 per cent., and 1919, 5.166 per cent. Following yesterday's reduction in the official rate, the bankers' deposit rate was reduced from 5 per cent. to 4½ per cent.

The results of yesterday's sale of £50,000,000 Treasury bills by tender are more favourable to the Exchequer even than that of the previous Thursday, the average rate being £5 14*s.* 5.64*d.*, as against £5 19*s.* 3.95*d.* previously. The total applications were much in excess of the amount offered, being £76,735,000, as against a little under £52 million on the 21st inst. Tenders for bills dated from Monday to Friday of next week received about sixty-four per cent., and above in full; and for bills dated from Saturday tenders at £98 10*s.* 9*d.* were allotted in full. The results of the first two sales under the tender system have thus proved more favourable to the Exchequer than the old system of sales at a fixed rate. This position, however, may be ascribed in part to the smaller supplies of commercial paper offering for discount, and partly to the fact that the amount offered by the Government on each occasion seemed to be considerably less than the volume of maturing Treasury bills. As the Treasury could not, in view of the other large demands on revenue, continue to allow a portion of the outstanding Treasury bills to mature each week without borrowing extensively on Ways and Means, it was improbable, in the absence of a change in the Bank rate, that the average rate on Treasury bills could continue for long below six per cent., especially as day-to-day money ranged practically about five and a-half per cent. Now that the Bank rate is at 6½ per cent., the average rate for Treasury bills will, of course, undergo a corresponding reduction, but it is likely to keep, on the whole, above the 5½ per cent. mark. The new rate for "additional" bills—5⅝ per cent.—will probably be found to be too low. Yesterday, of course, rates were reduced all round, and to-day day-to-day money was offering freely at 5-4½ per cent., with weekly loans at 5 per cent. June bills were bought occasionally under 5 per cent. to-day, but this maturity is in special request at present. Three months' paper was quoted 5$\frac{9}{16}$-$\frac{5}{8}$ per cent.

Foreign Exchanges.

The outstanding feature of the Foreign Exchange market during the week was the remarkable improvement in the value of French and Belgian francs, the quotation on Paris falling from 53.90 on Saturday last to 51.70 to-day, and the Brussels rate being quoted at 51.90 to-day as compared with 52.92½. The improvement in the French franc was more pronounced, and, as may be seen from to-day's quotations, the margin between the value of the two currencies has been considerably reduced. The Italian rate closed at 82¼, showing a good improvement as against a week ago, but this compares with a quotation of 81 on Tuesday. The dollar rose sharply to 3.95½ in the beginning of the week, but declined to 3.94¾ on Wednesday. Yesterday, however, it recovered again to 3.95½, which was also to-day's middle quotation. Among "neutral" rates the tendency was uncertain. In the Scandinavian group, for

instance, Swedish and Norwegian kroner appreciated in terms of sterling, but the Danish rate moved slightly in our favour after an initial rise in quotations. The Amsterdam rate is to be numbered amongst the adverse movements, but the weakness here displayed did not develop until towards the end of the week. German marks are again cheaper as a result of the week's dealings, to-day's quotation being 262. There are few other changes of importance to record. Eastern exchanges and the South American group showing remarkable steadiness.

Income and Expenditure.

Revenue for the week ending on the 23rd instant showed very little change as compared with the previous week, at £21,026,757, but expenditure increased slightly, so that the excess revenue was lower at £5,673,931. This surplus was altogether absorbed by the deficit in Treasury bills, which amounted to £11,447,000. The figures were £138,402,000 and £126,955,000 for maturities and sales respectively; the week under review, it should be noted, is the last in which Treasury bills were "on tap" at six per cent. To make up the deficit £11,455,000 had to be borrowed on Ways and Means, and it is disquieting to note that £17,500,000 had to be borrowed from the Bank, £6,045,000 being repaid on balance to Public Departments.

Currency Notes.

The movement in the circulation of currency notes is in direct contrast with that shown in the Bank's issue. Fresh issues during the week were the smallest since the week ending January 19 last, while cancellations, at the same time, showed a substantial increase, and the total of notes and certificates outstanding declined by £2,823,479 to £335,878,758. This total compares with £337,376,892 a year ago—a reduction of £1,498,134.

Bank of England.

The Bank return, presented just before the change in the discount rate was made, is of an unfavourable nature, though it is not suggested that the decision as regards the rate was made with any reference to the position of the Bank. The reserve declined by £231,000 to £18,288,000 on account of an increase of £243,000 to £128,519,000 in the note circulation, which was offset by an increase of only £13,000 in the total coin and bullion. The movement in the note circulation was probably caused by increased borrowing on Ways and Means, as indicated by a rise of £21,860,000 to £54,627,000 in Government securities. This also throws light on the ease in the Money market, as does a depletion of bankers' deposits to the extent of £3,926,000. The repayment of the market's indebtedness to the Bank at the end of last week is reflected in a fall of £8,044,000 in "other" securities. The reserve ratio is 12.9 per cent., as against 14.5 per cent. last week, and 16.4 per cent. on April 28, 1920.

Bullion.

A considerable amount of gold came on the market this week, and in the absence of other buyers it was all taken by the United States. A glance at the subjoined table of quotations, which shows the price of both spot and forward silver unchanged during Monday, Tuesday, and Wednesday, is sufficient to indicate the stagnant state of business in the silver market during the week. The demand from the Indian bazaars was almost non-existent, and China, though operating to only a slight extent either way, was on balance a seller rather than a buyer. The steadiness shown by prices was helped by a further slackening in supplies of Continental silver. While very little change is expected in market conditions in the near future, there is yet a tendency to look for lower prices.

Silver (per oz. std. ·925 fine) :—	Apr. 23	Apr. 25	Apr. 26	Apr. 27	Apr. 28	Apr. 29	Average
Cash ...	35*d.*	34⅝*d.*	34⅝*d.*	34⅝*d.*	34⅛*d.*	34⅛*d.*	34·71*d.*
Forward ...	34⅛*d.*	34⅛*d.*	34⅛*d.*	34⅛*d.*	34⅛*d.*	34⅛*d.*	34·31*d.*
Gold (per oz. fine)	—	104/-	104/-	104/-	104/-	104/-	104·00

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NEW YORK.

The improvement chronicled last week in the position of the New York City Banks and Trust Companies proved to be short-lived, for the latest statement to hand, showing the average position for the week ending on Saturday last, records a fresh downward movement in the aggregate reserve, which was accompanied by a similar change in the excess over legal requirements. The aggregate reserve is shown as $500,520,000, or $5,160,000 below the average for the previous week, and the lowest since January 1915. As net demand deposits, however, also fell by $24,290,000, the decline in the excess reserve was not sufficient to offset altogether the previous week's improvement, being only $2,140,000. The actual excess reserve on Saturday last was $9,590,000—a fall of $6,850,000 from that recorded a week previously. Loans, discounts, and investments again fell by $40,080,000 to $4,778,900,000, this figure being the lowest since the middle of February 1919, and $402,960,000 below the amount returned on April 24 of last year.

The main features of previous statements are repeated in the combined return of the twelve Federal Reserve Banks for the week ending on the 22nd inst., with the exception of an increase of over $9 million in rediscounts. As regards this, however, it is to be noted that the total bill holdings show a decline on the week of $5,820,000. The total gold reserves rose by $11,190,000 to the new high record of $2,298,070,000. Both net deposits and Federal Reserve note liabilities declined, the former falling by $28,280,000 to $1,585,160,000, and the latter by $11,830,000 to $2,856,700,000, so that the reserve ratio improved from 53.7 per cent. to 54.1 per cent. The total of Federal Reserve notes in circulation on Friday last is the lowest recorded since the beginning of February of last year; it is $211,610,000 below the total of a year ago, and $548,230,000 less than the high record of December 24 last.

It is reported that, as a result of communications between the Federal Reserve Board and the Administration, it has been decided to remove the existing restrictions on loans to essential industries, the step being taken to apply chiefly to the relief of the farming community. This is thought to herald a general relaxation of the present financial policy, and a reduction of rediscount rates by other reserve centres, as well as the Boston Reserve Bank, is confidently looked for, especially following the change made in the Bank of England's rate. Call money rose during the week in New York to 6½-7 per cent., but Prime Mercantile paper was quoted on Wednesday at 7 per cent., as against 7¼ per cent. a week previously.

Stock Exchange.

DESPITE the many events of importance to the investing world, markets did not alter very appreciably in tone during the past week. The Budget announcements, in sharp contrast with previous years, were hardly a factor in adjusting quotations. The reduction in the Bank rate, though welcomed, was already discounted—to more than its actual value in many cases. The issue of the 3½ per cent. Conversion Loan was perhaps the strongest influence of the week. Under its support War Bonds and, indirectly, other gilt-edge securities appreciated substantially. The continuance of the coal strike and the revival of trouble amongst the railwaymen effectively checked any optimism which the Bank rate decision might have encouraged in the industrial department.

The Gilt-edge section formed the centre of activity in the House during the week, continuous all-round appreciations being again recorded. Business did not, however, assume more than moderate proportions. The issue of the Three and a-Half per Cent. Conversion Loan made for an immediate improvement in the various War Bonds, and indirectly helped the longer-dated War Loans. Consols, which have appreciated so markedly of late, were the only item finishing at lower levels. The India Seven per Cent. Loan was the subject of active dealings, opening at ½ premium, and in spite of immediate stag realisations, rising gradually to a premium of 3. A slight decline marked the close, which, however, was firm. The announcement on Thursday of the decision to reduce the Bank rate from seven per cent. to six and a-half per cent. resulted in a hardening of gilt-edge prices, but the event being already fully discounted did not impart buoyancy to quotations. County and Corporation stocks again displayed a hardening tendency, but such improvements as occurred were largely nominal. Colonial issues pursued a similar trend, business being, however, restricted here also.

Transactions in Foreign Government issues were not numerous. The tendency on the whole was firm, though an irregular tendency was discernible towards the close. Chinese bonds failed to maintain their previous rise, and Japanese varieties, despite a mid-week rally, also finished lower on balance.

Though events in the railway labour world during the week were of a threatening nature, Home Rails on the whole displayed a marked firmness. Several minor falls occurred among the Ordinary stocks, but prior charge issues moved up in sympathy with gilt-edge prices.

The market in Foreign Rails opened in an unsettled condition, Argentine descriptions in particular being affected by the continuance of unfavourable traffic returns. The tone improved towards the close, and several Brazilian and Argentine issues concluded at higher levels.

The failure of the strike negotiations continued a depressing factor in the Industrial market, and the reduction in the Bank rate was consequently not an immediately favourable influence. The Budget decisions being all anticipated, produced no effect. Iron and Steel shares did not attract much attention, and no price movements of consequence were recorded. Textile and Shipping issues continued dull, but the under-tone showed firm. Bank shares opened irregularly, improving later on a steady though quiet demand.

The Oil-share market attracted a larger share of business than usual, and the tone remained comparatively cheerful throughout. Royal Dutch concluded several points better on Amsterdam support, and Shells also proved a consistently good market. Mexican Eagles fluctuated within very narrow limits and exhibited no alteration on the week.

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Mining Topics.

THE succession of quarterly reports now appearing throw an interesting light not only on the actual working operations of the first three months of 1921, but also on the no less important development prospects. It will come as a surprise to many to learn that, despite the rather low price which gold commanded as compared with 1920, the profit returned by Government Areas reaches £378,506, as against £338,459 for the corresponding period of 1920. A gratifying feature is the drop in working costs from 23*s*. 8*d*. to 22*s*. 1*d*. per ton. Development operations revealed ore of 13.9 dwts. over 60 inches for 2,070 feet out of a total sampled of 3,950 feet. In the case of New Modder, the 1920 profit of £388,715 is reduced to £336,812, working costs having risen to 24*s*. 3*d*., as against 22*s*. 3*d*. per ton. The adjustment in respect of the conservative valuation of the output will reduce the discrepancy. Good development work resulted in the disclosure of ore averaging 49 dwts. over a width of 14 inches for 2,415 feet. The profit of Modder "B" amounts to £210,127, as against £173,816 for the corresponding period of 1920. For 1,985 feet on the main reef leader ore of 34 dwts. was exposed over a width of 12 inches. The south-western shaft reached a depth of 1,571 feet, and intersected at 1,488 feet ore of 29 dwts. over a width of 14 inches. City Deep reports a profit of £133,965, despite the February strike, in contrast with £118,491 in 1920, when the labour supply was inadequate. Payable reef disclosures consisted of 930 feet of ore on the main reef leader, averaging 27.5 dwts. over 26.8 inches. The February strike, a poorer price for gold, and lower-grade ore are reflected in the profit of £109,788 by Crown Mines, as against £224,292 in 1920. Good development results, especially on the south side of the dyke, are reported. Ore of 13.3 dwts. over 31 inches was exposed for 1,720 feet on the south reef. Modder Deep earned a profit of £215,361, and out of a total of 1,140 feet sampled recorded ore of 19.6 dwts. over 43 inches for 1,035 feet. For Geduld the profit amounted to £81,800, and development work resulted in the disclosure for 990 feet of ore of 14.4 dwts. over 39 inches. Brakpan registers a profit of £119,574. Of the footage on the reef, 1,510 feet, or forty-three per cent., proved payable, the ore averaging 15.02 dwts. over 35.35 inches. Springs Mines secure an estimated profit of £77,673, to which £1,590 is to be added, representing the adjustment owing to conservative valuation for the three months ended February 28. Payable ore averaging 30.1 dwts. over 20-93 inches was exposed for 1,975 feet.

CROWN MINES.

	Ore Milled	Revenue per	Expenses per	Working Profit		Net Profit *	Dividends Amount	
	Tons	Ton	Ton	£	Per Ton	£	£	%
1915	2,497,000	25/4	16/2	1,146,552	9/2	1,099,196	611,069	65
1916	2,266,000	25/6	18/4	815,640	7/2	773,233	470,053	50
1917	2,100,000	25/9	19/4	671,004	6/5	628,898	376,042	40
918	1,861,000	27/2	22/9	410,642	4/5	384,657	188,021	20
1919	1,945,000	27/10†	23/1	464,114†	4/3†	719,870‡	347,042	40
1920	2,201,000	25/3†	23/9	162,271†	1/6†	1,067,182‡	728,582	77½

* After deduction of miners' phthisis contribution and Debenture interest, but not taxation.

† Excluding gold premium amounting in 1919 to £286,309, or 2/11 per ton and in 1920 to £926,062, or 8/5 per ton.

‡ Including gold premium.

FOR Crown Mines 1920 has been a year of undoubted prosperity. An improvement in the native-labour force is reflected in the expansion of the quantity of ore milled from 1,945,000 tons to 2,201,000 tons. Working on the basis of the par value of gold so as to

maintain an effective comparison, it will be seen that there was a decline in the grade of ore treated, the average yield per ton amounting only to 25*s.* 3*d.*, as against 27*s.* 10*d.* in 1919. On the other hand, despite the increase in the tonnage milled, working costs advanced from 23*s.* 1*d.* to 23*s.* 9*d.* per ton. The rise was due, however, to factors largely outside the direct control of the administration. An increase in the wages paid to white employees was the main cause; this item of expenditure working out at 7*s.* 6*d.* per ton crushed, as compared with 6*s.* 9*d.* in 1919. Stores and materials also involved a heavier outlay, the cost per ton being 8*s.*, as against 7*s.* 7*d.* in the previous year. Sundry charges, including the burden of the Miners' Phthisis Act, accounted for 4*s.* 5*d.* per ton, or an increase of 3*d.* per ton in contrast with 1919. A decline in the grade of the ore, in conjunction with this rise in the working costs, produced, on the basis of the par value of gold, a working profit of only 1*s.* 6*d.* per ton, or less than one-third the amount returned for 1919. But during 1920 the price of gold was maintained at a substantial premium, and the accounts of this sturdy producer reveal an addition of no less than £926,062 in respect of the premiums. Taking this into consideration, the yield per ton increases to 33*s.* 8*d.*, the working profit per ton to 9*s.* 11*d.*, and the aggregate working profit to £1,093,336. Moreover, this sum only includes adjustments up to September 30, 1920, and although there is reason for believing that the valuation attached to the output for December was framed so as to include the bulk of the adjustment anticipated in respect of the last quarter, it is nevertheless clear that this working profit of over £1,093,000 represented a minimum. The salient fact remains that nearly eighty-five per cent. of the working profit of the year came from this substantial premium on gold. It is evident that the knowledge of this fact was the primary factor in inducing the administration to reduce the grade of the ore treated; whilst the return of such a satisfactory profit bears silent testimony to the fact that no undue reduction in grade was accomplished. The net profit of £1,067,182 is the record figure for this mine since 1915, representing an increase of nearly fifty per cent. as compared with 1919. In view of the prosperity thus disclosed, the dividends declared to shareholders were increased from forty per cent. in 1919 to seventy-seven and a-half per cent., which compares very favourably with the eighty-five per cent. paid in 1914. At the same time the balance carried forward to the next accounts is increased from £403,464 to £457,352.

A good deal of attention was devoted to development work during the year with satisfactory results, as may be seen from the following table:—

	Total Footage Sampled on Reef	Payable Footage	%	M.R. Leader Dist. Exposed Feet	Width In.	Assay	Shilling In	South Reef Dist. Exposed Feet	Width In.	Assay
1917	19,270	11,270	58	8,340	32	10 0	2,560	2,930	25	83/0
1918	14,700	10,300	70	7,030	19	146 6	2,785	3,270	28	63/10
1919	18,740	16,130	86	11,820	24	85/10	2,060	4,310	28	57/9
1920	24,380	17,970	74	11,150	13	167 6	2,042	6,820	28	56/11

Ore Reserves at December 31.

1920 Tons	1920 Value per Ton	1919 Tons	1919 Value per Ton	1918 Tons	1918 Value per Ton	1917 Tons	1917 Value per Ton
8,131,700*	27/2	8,451,400	26/9	8,298,100	27/2	8,988,000	26/9

* Including 1,289,660 tons, value 31/0 per ton, in shaft and safety pillars not available for use at present.

The total development operations reached 40,242 feet, as against 35,729 feet in the previous year. In contrasting the actual reef disclosures with this it is necessary to bear in mind that "much of this footage had to be driven in country rock," and, in addition, "important and long crosscut connections to the southern deep-level shafts have been accomplished." As in 1919, good results have been achieved on the main reef leader, the richness of the ore exposed compensating for the decline in width. But in view of the future of the mine, what is of much greater moment, is the encouraging result from development on the 19th level of the South Rand Dyke. On the main reef leader ore averaging 24 dwt. over a width of 25 inches has been opened up for 2,050 feet; whilst exposures on the south reef aggregate 1,620 feet of ore, averaging 9.4 dwt. over 32 inches. It is stated that during the current year development on reef will be highly restricted "to the undeveloped area above the 19th level and the western portion in the neighbourhood of No. 12 shaft." The programme of capital expenditure, which includes the sinking and equipment of shafts No. 14 A, 15 A, and 7 A, may involve an outlay of as much as £190,000. The necessity for such work is all the more evident in the light of the statement of the general manager to the effect that "the old workings of the mine above the 13th level are rapidly approaching exhaustion, and the time is not far distant when the mine will have to depend almost entirely upon current stoping to supply the required mill tonnage. It will be necessary to push development as rapidly as possible during the current year, if the ore reserves are to be maintained." As compared with 1919 they show a decline of 319,700 tons with a slight improvement in grade.

For the current year the outlook on the whole is favourable. Returns for the first three months show that an estimated profit of £109,500 has been secured as a result of treating 506,000 tons. Financially, the results have not been so favourable as might have been anticipated; but the strike in February curtailed operations seriously, and in March there was a marked decline in the grade of the ore milled; whilst in all three months the valuation put on the output was decidedly conservative. Granted a more favourable labour atmosphere and an improvement in the grade of the ore milled, there is no reason why a satisfactory profit should not be obtained for 1920. Whilst the gold premium is certain to continue, it is not expected to reach the high levels attained in 1919. Yet the continuance of the coal strike here is bound to affect the New York rate prejudicially, and this in turn will be reflected in the maintenance of a higher price for gold than otherwise could have been anticipated. It is yet too early to decide to what extent the lower prices of stores and materials will compensate for the less favourable gold premium. Financially the Company is in a very strong position. According to the balance sheet dated December 31, 1920, current liabilities did not exceed £811,685, against which cash assets alone were available to a total of £950,433. In a depressed market the 10*s.* shares stand at 40*s.* 7½*d.*, at which price a dividend of sixty per cent. for the current year would afford the satisfactory yield of nearly fifteen per cent. Consequently the shares are decidedly attractive at this level.

MODDERFONTEIN B.

Year to Dec 31	Ore Milled Tons	Gold Revenue per Ton	Working Costs per Ton	Profit Amount £	Profit Cost Per Ton	Net Profit Amount £	Dividend Profit £	Dividend %
1915	509,700	40/6	15/10	629,916	24 8	650,173	472,500	67½
1916	543,700	43/2	17 10	687,290	25 4	711,647	542,500	77½
1917	517,500	46/2	19 5	691,087	26 9	709,691	595,000	85
1918	605,500	41/5	19 8	658,587	21 9	685,586	577,500	82½
1919	649,500	43 10½	22 5	695,648	21 51	881,0[illegible]	647,[illegible]	92½
1920	627,700	41/4½	26 1	484,119	15 51	91[illegible],915*	577,500	82½

* Including premium on gold [illegible] of treatment, amounting in 1919 to £151,093, equivalent to 4/8 per ton milled, and in 1920 to £485,604 or 14/- per ton milled.

The report to hand for 1920 shows that Modder B has yet another satisfactory year to its credit. A strike of native labour for a few days in February and an inadequate supply of compressed air during the first half of the year accounted for the decline of 21,800 tons in the quantity of ore crushed. Working on the basis of the par value of gold, so as to maintain an effective comparison, it appears that there was also a falling-off in the grade of the ore treated, the average yield per ton working out at 41*s.* 4½*d.*, as against 43*s.* 10*d.* in 1919. On the other hand, working costs expanded from 22*s.* 5*d.* to 26*s.* 1*d.* per ton. This was in part due to the lower tonnage milled, but also to the higher prices which stores and materials commanded, to the cost of utilising extra machines on stoping, to heavier charges under the Miners' Phthisis Act, and to the higher wages, especially of white employees. White wages averaged 7*s.* 9*d.* per ton, as

against 6s. 5d. in 1919; stores and materials absorbed 8s. 4d. per ton, instead of 7s. 6d.; sundry charges, including the liability under the Phthisis Act, called for 5s. 4d., as compared with 3s. 11d. per ton, whilst native wages advanced slightly from 4s. 1d. to 4s. 2d. per ton. Accordingly, on this basis of 85s. per ounce of gold, the working profit per ton fell from 21s. 5d. to 15s. 3d., and the aggregate from £695,564 to £480,119. However, with a remarkably high premium on gold throughout the whole year, in contrast with a less favourable premium for five months in 1919, the Company secured an additional revenue of £438,304, as against £151,093 in 1919. Including this substantial amount, the yield per ton jumped up to 55s. 4d., the profit per ton to 29s. 3d., and the aggregate working profit to £918,423. Similarly, the net profit expanded from £881,036 in 1919 to £917,915. The dividend paid to shareholders, however, dropped ten per cent. to eighty-two and a-half per cent., owing to the necessity not only of meeting the heavy outlay on capital expenditure, which amounted to £144,815 net, mainly on the sinking of the south-east and south-west shafts, but also of retaining funds in hand in order to provide for a further outlay of £166,351 in the current year on the completion of the south-west shaft, its equipment, and its connection by a surface haulage with the reduction plant. Accordingly the balance carried forward is increased from £233,704 to £294,903.

Development operations, on the whole, cannot be said to contrast favourably with those of the previous year, as can be seen from the following table:—

	Development Footage—Total in Reef Feet	Development Footage—Payable Width Feet Ins.	Development Footage—Value s. d.	Ore Reserves—Tons	Ore Reserves—Width Ins.	Ore Reserves—Value s. d.	Shillingage Inches
1917 ...	6,195	4,107 25	107/11	3,523,810	61	39 1	2,384
1918 ...	5,862	3,624 18	125/11	3,378,000	62	39/1	2,423
1919 ...	12,800	8,580 23	143/2	3,215,100	63	38/3	2,410
1920 ...	9,437	6,087 19	154/3	3,006,600	64	36,6	2,336

The shortage of compressed air, which was one of the factors responsible for the fall in the quantity of ore milled, also handicapped development work. Thus, as against a total of 20,004 feet for 1919, the amount returned for 1920 was 17,401 feet. Moreover, much of the work was in "the nature of secondary development in the south-western section of the mine. This, whilst confirming the good values disclosed in primary development, did not add to the ore reserves." Accordingly, the payable ore developed only reached 405,200 tons, averaging 8.5 dwt., in comparison with 575,000 tons, averaging 9.3 dwt., in the previous year, and, as in 1919, the bulk of the ore was located in the south-western section. The ore reserves at the end of the year had fallen both in value and quantity, the decline in value from 38s. 3d. to 36s. 6d. more than offsetting the increase in the stoping width from 63 to 64 inches.

The outlook for the current year is encouraging. The continuance of the gold premium for the year may be taken for granted; but it is scarcely less certain that on an average the premium will not reach the high levels attained during the latter half of 1920. The fall in price-levels should, however, afford relief in the working costs, whilst with the two new shafts in commission the development of the mine should progress more favourably, and working operations in the deeper portion should be greatly facilitated. The financial position of the Company, as disclosed in the balance sheet dated December 31, 1920, is very strong. Liquid assets exceeding £734,364 are available to meet current liabilities, which amounted only to £551,642. In accordance with expectations, the capital has been altered during the year, the £1 shares being subdivided into fully paid shares of 5s. each. Returns for the first three months show that, estimating the value of the output at conservative prices, a working profit of £204,972 has been secured from 162,000 tons of ore. Quoted in the market at 25s., the 5s. shares would afford a return of sixteen and a-half per cent. on the basis of a dividend of eighty-two and a-half per cent.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 27, 1921.

Issue Department.

Notes Issued	£144,935,315	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,535,615
	£144,935,615		£144,935,615

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£54,627,043
Rest	3,156,842	Other Securities	88,041,315
Public Deposits	15,791,933	Notes	16,465,830
Other Deposits	125,969,369	Gold and Silver Coin	1,822,550
Seven-day and other Bills	7,719		
	£159,956,793		£159,956,793

Comparison with Previous Four Weeks [000's omitted]

Date 1921	Circulation £	Coin and Bullion £	Deposits—Public £	Deposits—Other £	Securities—Govt. £	Securities—Other £	Reserve £	Ratio Reserve to Liabilities %	Bank Rate %	Three Months' Bills %
Apr. 27	128,5	128,3	15,2	125,9	54,6	86,0	18,2	12·9	6½	5⅞
Apr. 20	128,2	128,3	19,2	108,4	37,7	94,1	19,5	14·5	7	5⅞-6
Apr. 13	128,5	128,3	18,3	114,1	33,2	99,6	19,2	13·8	7	6¼
Apr. 6	129,2	128,3	21,4	124,2	31,6	114,1	17,5	12·1	7	6⅛
Mar. 30	129,9	128,3	23,0	114,6	26,0	112,9	16,9	12·3	7	6⅛
Jly.22,'14	29.3	40.2	13,7	42.2	11.0	33.6	29.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%
July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 3, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Apr. 27	Apr. 29	Apr. 30	May 1	Apr. 26
Bank of England (in £'s sterling, 00,000's omitted):	1921	1920	1919	1918	1811
Circulation	£128.5	£107.8	£77.1	£49.4	£28 0
Public Deposits	15.2	17.9	21.9	34.4	17 9
Other Deposits	125.9	122.4	124.7	137.7	40.9
Government Securities	54.6	59.8	55.1	56.5	15 0
Other Securities	86.0	75.1	82.2	102.9	34.0
Reserve	18.2	23.1	26.9	30.4	27 6
Ratio to Liabilities	12·9%	16·4%	18·38%	17 66%	46·91%
Coin and Bullion	128.3	112.5	85.6	61.4	37.2
Money:					
Bank of England Rate	6½%	7%	5%	5%	3%
Bank of France Rate	6%	8%	5%	5%	3%
Rate 3 months' Bills London	6⅞-⅞%	8⅛%	3⅛%	3⅛%	2⅛%
Exchanges:					
Paris Cheque	51·45	64·10	28·23½	27·16	25·30½
New York 60 days	3·92½	3·82½	4·64	4·72½	4·8½
Bombay Telegraphic Transfers	1 3½	2/3¾	1/5⅝	1/5⅜	1/4⅛
Prices:					
Consols 2½% Cash	47½	47	55⅛	55½	81
French Rentes 3% Money	55·75	67·15	62·40	59·50	95 75
Silver, London spot	34⅝d.	64⅛d.	48⅛d.	49⅜d.	24½d.
Wheat, *Gazette* average qr.	87/3	72/8	73/1	73/3	30/4
Cotton, Mid Upland lb.	8·57d.	28 52d.	19·86d.	21·51d.	8·30d.
Iron, Scotch pig ton	126/0	206/0	101/0	101/0	52/6

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Apr. 27, '21	5,190,801	8,014,281	335,878,758	28,500,000	19,450,000	14 3
Apr. 20, '21	6,143,216	7,112,016	338,702,237	28,500,000	19,450,000	14·2
Apr. 28, '20	7,005,683	6,810,368	337,376,892	28,500,000	6,600,000	10 4
Apr. 30, '19	6,666,768	7,435,440	348,333,628	28,500,000	—	8 2
May 1, '18	6,707,957	3,840,959	238,057,605	28,500,000	—	12 0
May 2, '17	5,873,842	3,585,729	154,367,798	28,500,000	—	18·5

Balance Sheet, April 27, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	265,369,309	Other Bankers	—
Ten Shilling	41,589,449	Currency Note Redemption A/c—	
Certificates outstanding ...	28,920,000	Gold Coin and Bullion ...	28,500,000
		Silver Coin ...	3,000,000
Total	335,878,758	Bank of England Notes...	19 450,000
Notes called in but not yet cancelled	2,154,018	Government Securities ...	302,210,123
Investments Reserve A/c ...	15,322,842	Balance at Bank of England	195,495
Total	353,355,618	Total	353,355,618

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Apr. 23,'21...	£21,027	£15,353	£5,674‡	£152,933	£158,102	£4,021
Apr. 16,'21...	21,705	13,263	8,452‡	128,459	136,429	3,517
Apr. 9, '21...	30,698	49,583	18,885	192,290	173,644	2,835
23 dys. '21-22	73,429	78,189	4,760	473,882	472,197	—5,348
24 dys. '20-21	103,901	86,520	15,381‡	417,297	442,048	—5,503
Yr. '20-21*	1,418,300	1,233,642	184,658‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,768,507	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profit Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services
Apr. 23,'21...	£10,939	£5,555	£1,320	£3,213	£3,848	£55	£11,450
Apr. 16,'21...	5,428	9,635	1,270	5,371	3,513	440	9,300
Apr. 9, '21...	5,110	16,623	3,185	5,780	29,437	122	20,024
23 days '21-22	21,477	31,813	5,775	14,364	36,797	618	40,774
24 days '19-20	20,323	32,819	13,835	31,924	34,807	599	53,114
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,304
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,588
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Apr. 23, 1921 ...	£1,091,408	£196,294	£1,287,702	—
Apr. 16, 1921 ...	1,103,330	184,839	1,288,169	—
Apr. 9, 1921 ...	1,115,812	177,889	1,293,701	—
Mar. 31, 1921 ...	1,120,841	154,489	1,275,330	£22,584
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates, including supplementary grants. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 14, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Apr. 14, '21	...	10,662	1,479	12,141	27,815	243,760	46,083
Apr. 21, '21	...	10,662	1,489	12,151	27,498	243,312	46,151

		Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Mar. 31, '21	...	£398,945	£59,389	£69,465	£92,773	£455,081	£31,978
Apr. 7, '21	...	396,950	59,203	69,390	80,465	450 498	32,684
Apr. 15, '21	...	396,995	58,979	67,729	78,913	441,428	37,943

		Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4,100	£341	£4,441	£6,197	£786	£8,893	£47
Feb. 28, '21	...	12,643	148	12,791	16,721	855	28,250	3,576
Mar. 31, '21	...	12,643	165	12,808	15,807	1,157	28,725	3,412
Mar. 31, '20	...	12,589	172	12,761	18,955	590	29,123	2,024
Mar. 31, '19	...	19,395	137	19,532	3,614	4,206	24,137	832

		In Bank	Abroad	Total incl'g Silver	Bills	Circulation	Public	Private
FRANCE.		—Gold—					—Deposits—	
July 30, '14	...	£165,854		£190,667	£97,768	£267,327	£15,302	£37,903
Apr. 21, '21	...	142,407	77,934	231,192	106,223	1,531,301	1,575	114,310
Apr. 28, '21	...	142,655	77,931	231,444	115,342	1,523,447	3,577	147,319
Apr. 29, '20	...	144,321	78,131	233,249	92,340	1,507,504	3,594	135,179
May 1, '19	...	142,758	79,132	231,318	36,618	1,364,012	1,681	135,369

		Gold	Silver	Total	Other Notes	Treasury & Discounts	Loans & Discounts	Circulation	Deposits
GERMANY.		—Cash—							
July 23, '14	...	£67,843	£16,727	£84,570		£5,279	£40,055	£94,545	£47,198
Apr. 7, '21	...	54,577	431	55,008		1,147,136	2,858,965	3,461,761	872,529
Apr. 15, '21	...	54,577	412	54,989		1,157,292	2,963,219	3,436,309	1,021,854
Apr. 15, '20	...	54,585	3,438	58,023		718,141	2,039,793	2,295,308	854,982
Apr. 15, '19	...	95,601	1,026	96,627		341,973	1,500,184	1,293,558	651,801

		Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.		—Cash—						
Aug. 1, '14		£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Apr. 18, '21	...	50,915	1,233	52,153	23,935	18,172	87,423	4,530
Apr. 25, '21	...	50,915	1,203	52,118	23,638	17,573	87,034	5,066
Apr. 24, '20	...	52,931	944	53,875	24,851	16,593	87,278	7,730
Apr. 26, '19	...	55,279	676	55,955	13,899	18,831	86,457	7,672

		Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.		—Cash—						
July 31, '14	...	—	—	£48,466		£25,017	£69,204	£8,887
Jan. 20, '21	...	£32,777	£3,000	35,777	16,733	213,518	597,139	79,009
Jan. 30, '21	...	32,772	2,991	35,763	18,902	213,518	596,781	85,012
Jan. 10, '20	...	32,194	3,004	35,198	20,480	112,555	495,477	78,869
Jan. 31, '19	...	—	—	49,396	—	74,563	361,882	61,753

		Gold	Discounts	Advances	Notes	Public	Private
JAPAN.						—Deposits—	
Aug. 1, '14	...	£21,867	£1,029	£7,863	£32,722	£13,818	£1,521
Mar. 12, '21	...	102,303	4,699	8,561	100,640	98,309	22,233
Mar. 19, '21	...	103,220	4,455	8,339	101,320	104,259	19,092
Mar. 20, '20	...	93,353	21,429	35,563	119,479	113,444	3,406
Mar. 22, '19	...	71,139	1,308	39,831	79,182	110,220	3,375

		Cash Vaults	Own Reserve	Aggregate Reserve	Loans, Discts, Invest, &c.	Net Demand	Deposits Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.									
Aug. 1, '14...		—		£89,888	£411,238	—	—	£887,165	£1,720
Apr. 16, '21...		£16,528†		101,138	963,796	£744,370	£48,038	820,658	2,470
Apr. 23, '21...		16,282†		100,104	955,780	739,512	48,848	814,490	2,042
Apr. 24, '20...		18,626†		116,762	1,036,372	837,566	60,210	910,008	5,510
Apr. 26, '19...		19,852†		116,446	981,956	802,474	31,093	842,126	10,088

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,863	£6,752	£793
Apr. 7, '21	...	8,115	2,278	500	22,756	23,118	4,866
Apr. 15, '21	...	8,115	2,246	501	22,971	23,017	5,180
Apr. 15, '20	...	8,121	4,250	579	19,794	24,011	4,782

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
Mar. 23, '21	...	£1,906	£3,924	£5,830	£28,206	£140,717	£12,567
Mar. 30, '21	...	1,906	3,924	5,830	28,702	141,080	12,491
Mar. 31, '20	...	1,906	3,921	5,827	17,689	88,886	6,722
Apr. 2, '19	...	1,905	3,856	5,761	8,859	62,871	5,486

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Mar. 26, '21	...	£150,489	£26,035	£6,946	£32,681	£440,203
Apr. 2, '21	...	150,489	24,863	6,119	30,987	438,481
Apr. 9, '21	...	150,469	24,798	5,642	30,440	440,032
Apr. 10, '20	...	60,809	8,710	2,745	11,455	181,337

		In Bank	Abroad	Total Cash incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.		—Gold—						
July 31, '14...		£180,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 28, '17...		129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.		—Cash—						
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Apr. 16, '21	...	99,250	23,855	123,105	97,992	13,779	169,606	47,063
Apr. 23, '21	...	99,270	24,056	123,326	94,699	13,779	168,971	47,182
Apr. 24, '20	...	93,108	25,137	123,245	84,416	13,779	155,144	44,793
Apr. 26, '19	...	90,445	25,010	116,455	74,672	13,778	140,115	43,948

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Apr. 16, '21	...	15,658	6,383	705	29,836	38,559	12,871
Apr. 23, '21	...	15,661	6,102	705	28,259	35,176	12,259
Apr. 24, '20	...	14,400	4,963	2,524	34,394	38,908	15,230
Apr. 26, '19	...	15,974	7,448	3,003	16,647	38,294	6,471

		Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.		—Cash—					
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Apr. 15, '21	...	21,740	4,057	25,797	17,452	37,347	8,135
Apr. 23, '21	...	21,742	4,065	25,807	17,228	36,845	6,047
Apr. 23, '20	...	21,241	3,560	24,801	12,917	38,484	4,411
Apr. 23, '19	...	16,789	2,625	19,414	21,232	38,407	4,487

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.

		Held by Banks	With Agents	Total Cash	Bills Discounted	Accept'ces	Deposits Govt.	Net	Total	Circulation
		—Gold—								
Apr. 18, '21	...	£457,376	—	£457,376	£420,910	£23,916	£6,024	£323,912	£573,736	
Apr. 25, '21	...	429,644	—	429,644	422,732	23,890	13,498	331,528	571,340	
Apr 26, '20	..	381,933	—	413,714	495,618	80,974	8,662	354,682	613,662	
Apr. 28, '19		189,168	244,876	443,032	396,032	37,164	18,346	350,418	509,910	

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	7	Sept. 3,'20
Berlin	5	Dec. 23,'14	Madrid	6	Nov. 4,'20
Berne	4½	Apr. 7,'21	Paris	6	Apr. 8,'20
Bombay ...	6	Mar. 3,'21	Petrograd ...	8	July 29,'14
Brussels ...	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta ...	6	Mar. 3,'21	Stockholm ...	7	Apr. 23,'21
Christiania ...	7	June 25,'20	Tokio	8·03	Nov 13,'19
Copenhagen ...	7	Apr. 18,'20	Vienna	6	Apr. 14,'21

III.—FOREIGN EXCHANGES.

LONDON ON—		Apr. 29, '21	Apr. 22, '21	Apr. 15, '21	Apr. 8, '21
Berlin	Cable	262m.	269m.	245m.	243m.
Brussels	Cheques	51fr. 70	53fr. 00c.	53fr. 62½	53fr. 15c.
Denmark	Cable	21kr. 93	21kr. 75	21kr. 83	21kr. 60
Holland	do.	11d. 23	11d. 30	11d. 33	11d. 31c.
Italy	do.	83fr. 25	83fr. 00	80 75	80fr. 75
Lisbon and Oporto	do.	5¼	5¼	5¼	5¼
New York	do.	$3 95½	$3 92½	$3 90½	$3 91½
—	Cheques	$3 96	$3 91½	$3 91½	$3 92½
Norway	Cable	25kr. 17	24kr. 82	24kr. 30	24kr. 25
Paris	3 mos.	51fr. 97c.	53fr. 62½	55fr. 42½	56fr. 05c.
—	Cable	51fr. 45c.	53fr. 87½	55fr. 00c.	55fr. 30c.
Spain (Bank places)	3 mos.	41¾	41¾	41¾	41¾
—	Cable	28c. 37	28c. 35	28p. 10	28p. 08
Sweden	do.	17kr. 41	16kr. 62	16kr. 40	16kr. 60
Switzerland	3 mos.	23fr. 15	23fr. 10c.	23fr. 10c.	23fr. 10c.
—	Cable	22fr. 65c.	22fr. 70c.	22fr. 60	22fr. 60c.

ON LONDON—		Apr. 29, '21	Apr. 22, '21	Apr. 15, '21	Par.
Alexandria	Sight	97⅛pl.	97⅛pl.	97⅛pl.	97⅛pl.
Amsterdam	Cheques	11d. 27½c.	11d. 29½c.	11d. 27½	12·107d.
Athens	Cable	63dr. 35	60dr. 25	55dr. 87	25dr. 22½
Bombay	Transfers	1s. 3¼d.	1s. 3¼d.	1s. 3¼d.	2s.*
Brussels	Cheques	53fr. 82c.	53fr. 01c.	53fr. 02c.	25fr. 22½c.
Buenos Ayres	Transfers	43¼d.	43¼d.	43¼d.	47·58d.
Calcutta	do.	1s. 3¼d.	1s. 3¼d.	1s. 3¼d.	2s.*
Christiania	Sight	25kr. 50	24kr. 75	24kr. 28	18·15kr.
Copenhagen	do.	21kr. 87	21kr. 75	21kr. 63	18·15kr.
Helsingfors	Cable	164 m.	134 m.	175 m.	25m. 22½
Hong Kong	Transfer	2s. 6¼d.	2s. 6¼d.	2s. 6¼d.	—
Italy	Sight	82fr. 25c.	84fr. 62c.	83fr. 75c.	25fr. 22½
Lisbon	do.	5¼d.	5¼d.	5¼d.	5¼d.
Madras	do.	1s. 3¼d.	1s. 3¼d.	1s. 3¼d.	2s.*
Madrid	do.	28p. 37	28p. 37	28p. 07	25p. 22½
Montevideo	Transfers	41¾d.	42¼d.	42¼d.	51d.
Montreal	Cable	$4 43⅛	$4 41⅝	$4 41	$4 86⅔
New York	Sight	$3 94⅛	$3 92½	$3 89⅞	—
—	60 days	$3 92⅛	$3 90⅝	$3 87½	—
—	Cable	$3 95	$3 93⅛	$3 90½	$4 86⅔
Paris	Cheques	51f. 45c.	53f. 97c.	55f. 00c.	25f. 22½c.
Rio de Janeiro	90 days	3 5/16d.	—	Brkd.	16d.
Shanghai	Transfers	3s. 3¼d.	3s. 4½d.	3s. 4 11/16nom	—
Singapore	Sight	2s. 3¼d.	2s. 4⅛d.	2s. 3¼d.	—
Stockholm	do.	17kr. 03	16kr. 83	16kr. 38	18·15kr.
Switzerland	do.	22f. 61c.	22f. 67c.	22f. 59c.	25f. 22½c.
Valparaiso	60 days	32·30p.	31·70p.	7 3/4d.	13·33p.
Yokohama	Sight	2s. 5⅛	2s. 5⅛	2s. 5¼	24·5

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—	Rate current* Apr. 27, '21	Apr. 20, '21	Par of Exchange Quoted	Rate July 1
Amsterdam, sight ...	34 35c.	34 33c.	40 21c. for 1 guilder	40·20c.
Bombay, cheques ...	25 75c.	25 375c.	48 66c. for 1 rupee	33·0
Buenos Ayres, cheques...	14 00	13 75		
Christiania, cheques ...	15 50c.	15 95c.	26 80c. for 1 kroner	
Copenhagen, cheques ...	17 90c.	13 30c.	26 80c. for 1 kroner	26 8
Greece, cheques ...	6 20c.	6 45c.	19 29c. for 1 drachma	
Hong Kong, cheques ...	50 50c.	51 25c.	74 58c. for Mex. $1	46
Italy, sight	4 85c.	4 84c.	19.30 cents for 1 lire	
Lima, cheques ...	3 90	3 90	4·8665 $ for 1 libra	
Manila, cheques ...	46 00c.	46 00c.	50c. for 1 peso	49·0
Montreal	10 75 % disc.	11 00 % disc.	Premium per $100	Par
Paris, sight	13 22fr.	13 04fr.	5·18¼ francs for $1	5·16·5
Rio de Janeiro, cheques	7 27 mil.	7 5 mil.	3 032 milreis for $1	
Shanghai, cheques ...	65 50c.	67 00c.	52 36c. for 1 tael	83·0
Singapore, cheques ...	42 00c.	42 00c.	53 47c. for $1	57·12c.
Spain, cheques	13 90c.	13 55c.	19 30c. for 1 pesets	
Stockholm, cheques ...	22 35c.	23 75c.	26 80c. for 1 kroner	
Switzerland, cheques ...	5 74fr.	5 73fr.	5 13¼ francs for $1	5·14·5
Valparaiso, cheques ...	13 00	13 50c.	20·8c. for 1 peso	
Yokohama, cheques ...	43 50c.	44 0c.	49 84c. for 1 yen	49·9

* According to Guaranty Trust Company of New York.

IV.—BANKERS CLEARING-HOUSE RETURNS.

Name.	Week	Amount.	Inc. or Dec.*	1921 Aggr.	Inc. or Dec.*
	1921	[In £'s sterling, 000's omitted.]			
BIRMINGHAM ...	Apr. 23	£2,142	— 1,224	£47,904	— £17,156 — 26·3
BRISTOL ...	,, 23	1,248	— 357	26,491	— 4,638 — 14·7
DUBLIN ...	,, 23	6,369	— 2,705	126,150	— 26,002 — 17·8
HULL ...	,, 23	1,261	—	14,243	— —
LEEDS ...	,, 23	926	— 854	15,577	— 9,499 — 38·5
LEICESTER ...	,, 23	704	— 702	1,965	— 9,595 — 41·2
LIVERPOOL ...	,, 23	6,954	— 9,149	163,873	— 126,842 — 42·4
MANCHESTER ...	,, 23	12,433	— 16,541	271,972	— 271,801 — 49·8
NEWCASTLE ...	,, 23	1,349	— 1,775	40,001	— 14,709 — 26·7
NOTTINGHAM ...	,, 23	652	— 293	13,013	— 7,210 — 31·6
SHEFFIELD ...	,, 23	831	— 233	23,063	— 3,777 — 14·0
LONDON—	1921				
TOWN ...	Apr. 27	525,4 6	— 100,099	10,157,683	— 1,053,291 — 9·5
METROPOLITAN	,, 27	29,330	— 11,349	993,313	— 129,719 — 17·8
COUNTRY ...	,, 27	53,122	— 23,578	1,231,819	— 268,007 — 19·2
TOTAL ...	Apr 27	613,403	— 134,631	11,381,178	— 1,451,020 — 19·5

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Anglier & Co., Ltd.

HOMEWARDS.	1921 Apr. 29	1921 Apr. 22	1914 Apr. 24
Alex. to U.K. ...	—	14/0	6/6
Aust. to U.K. ...	52/6	52/6	21/3
Bilbao to Cardiff...	—	—	—
Bombay to p.p. ...	20/0	— d.w. 14/0	—
Burmah to U.K. ...	35/0	35/0	18/6
Calcutta to p.p.(jute)	—	—	—
Danube to U.K.	23/6	24/0	7/0
R. Plate to U.K....	40/0	40/0	12/6

* Per ton.

Homewards.—	1921 Apr. 29	1921 Apr. 22	1914 Apr. 24
U.S.A. Ports-to-Coast	—	—	—
(coal)	—	—	—
U.S. to U.K. (grain)	6 6½	6/3	1/9
Gulf Ports to U.K. Cont.			
(grain)	7/6	7/6½	10/6
OUTWARDS.—Cardiff to			
Port Said	—	—	7/0
River Plate ...	—	—	12/3
St. Vincent ...	—	—	7/3

Per quarter.

Time Charter 6/0.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	APR. 29, 1921	APR. 30, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	146 0	206 0	57/0
— Middlesbro' warrants ...ton	120 0	200/1	51/0
— Hematite warrants ...ton	160 0	260 0	61/0
— Staffordshire bars, London ton	£27 10	£29	£8 10
— Common bars ...ton	£23	£26	£6 16
Steel Rails ...ton	£18	...£21 5—£22 5	£6 2 6
Galvanised Sheets ...ton	£22—£24	£56	£16 17 1
Copper—Standard ...ton	£70 10	£101 15	£66
Tin—English Ingots ...ton	£168	£342	£142 15
— Straits ...ton	£179	£346	£139 10
Tinplates, I.C. Coke, S. Wales...box	27 0—28/	75/0	11/10½—12/0
Lead—Soft Foreign ...ton	£21 7/6-£21 15	£40—£41 5	£19
Spelter—Ord. Foreign ...ton	£26—£27	£46 15—£48 10	£21 7/9
Quicksilver—(75lb.) ...bottle	£11—£11 10	£25 10-£26nom.	£7
Aluminium ...ton	nom	£165	£82
Antimony—Regulus Foreign ...ton	£24—£26	£6[illegible]nom.	£27 10
English ...ton	£37—£42	£72nom	—
Coal—(best) Yorkshire ...ton	-	23 0 24 0	17 6
— Steam (best) Newcastle...ton	70/0	46 0—51 0	14 6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	14 0	15/6	7 4
Soda—Crystals ex wharf ...ton	140 0	220 0—230 0	42 6 —45 0
Copra—Malay and States ...ton	£28 10	£64	£23 15-£24 7/6
Gambier—Good marks ...cwt	26/3	51 0	16/10½
Indigo—Bengal good to fine ...lb	11 6—14 6	13 0—16 6	3/2—3/8
Linseed Oil—Raw ...ton	£25 10	£103	£25 5
Linseed—Calcutta, spot ...ton	£16 10 nom	£43 15	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£18 10 £19	£25	£7 17/6 -£8
Olive Oil—Spanish ...ton	—	—	£49 10
Palm Oil—Lagos ...ton	£32	£77 10	£31 10
Petroleum—American ...gallon	2 3	2 1½	7½d.
Rape Oil—Refined English ...ton	£57	£115	£32
Soya Oil—Refined ...ton	nom	£110	£24 10
Tallow—Imported ...cwt	36/)—37 6	90 0—99 0	29/3—33/3
Turpentine—American ...cwt	66 6	210 6	33 7½
Rape Seed—Town ...ton	£17 1	£42	£13 5
Rubber—Para, spot ...lb	10½ nom	2 2½ nom	2 9½
Fine plantation (std. crepe) lb	10d	2 2½	2 2
— World's Production* Oct. tons	26,625	31,200	8,467
Shellac—T.N. Orange, fair ...cwt	305 0 3	545	63/0—64 0
TEXTILES.			
Cotton—Middling Upland ...lb	8 72	28·52d.	7·53d.
— Egyptian good fair ...lb	12·00	75·50d.	8·75d.
— Pernambuco fair ...lb	7 92	31·77d.	7·73d.
— Middling Upl. New York ...lb	14 37	41 40	13·25c.
— Stock, Liverpool (Apr. 22) bale	969,59	1,131,750	934,600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£42	£62	£25 10
— Manilla fair ...ton	£41	£71	£26 10
Jute—First Marks ...ton	£32	£62	£26 15
— Red SCO ...ton	£27	£48	£24 15
Silk—Common, New Style ...lb	21 0 nom	45/0	12/0—12/6
— No. 1-1½ Japan ...lb	29/6 nom	—	—
— 1st Order Italian ...lb	31/0 nom	—	—
Wool—Pt. Philip unwashed av. lb	1[illegible]	5 0	11½d. -10
— Lincoln Half Hogs ...lb	9½d.	2 3½	10½
Hides—Eng. Ox. best, 70lb. up lb	6½d.	18½d.—19d.	7½d.
Leather—Dressing Hides ...lb	1/9—2/6	4 0—4 6	1 4—1 8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	60,253,000	72,884,000	34,640,000
— Fed. price, N.Y. 60lb. ...bushel	153½	312	67½c.
— English Gazette, aver. 480lb. qr	87	72 8	34/3
Flour—G.R. ...280lb	62/	63 6	28 6
Barley—Eng. Gaz., aver. 400lb. qr.	46	85 0	25/4
Oats—Eng. Gaz., aver. 312 lb. qr	35 10	56 5	20 0
Maize—N.Y. (new bushel)...56lb	78½	198	76½c.
— Amer. mixed, Liverpool...480lb	39 6	nom.	32/4
— La Plata ...480lb. qr	73	73 0	25/9
Potatoes—Good English ...ton	185 0	†325/0	70/0—75/0
Rice—Bassein ...cwt	18 6	48/6	7/0—7/3
Tapioca—Pearl, medium ...cwt	22 0	36/0	14.0—17/8
Hay—best ...2,018lb...load	—	—	82 6
Hops—English ...cwt	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hudqrs...8lb	6 8	6 8	3 8 3/10
— Scotch sides ...8lb	11 0	10 0	4/6—5/0
— English ...8lb	10 1	10 0	4 2—4/5
Mutton—Scotch wethers...8lb	11/	10 6	5 8—6 0
— English wethers ...8lb	10 6	10 6	4 6—5/4
— New Zealand frozen ...8lb	—	10/5	2/4—3/2
Pork—English and Irish ...8lb	12/0	14 8—7/4	3 6—4 0
Bacon—Irish, delivered ...cwt	200/0—215/0	†270/0	60/0—74 0
— Danish ...cwt	204 0—210	†192 0	58/0—68/0
— Canadian, ex Port ...cwt	1[illegible]/) 170	†187	—
— American, ex Port ...cwt	8[illegible]/0—140	†187 0	72/0—74.0
Hams—Amer. long cut, ex Port cwt.	146 0 -154/0	†190 0	75 0 -79 0
— short cut, ex Port ...cwt.	14 /) -15[illegible]	†190 0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	74/0—76/0	†198/6	51/9—52/9
Butter—Danish ...cwt.	276/)—282	303 4	117/0—120/0
— French ...cwt	—	303/6	96/0—108/0
— Australian ...cwt.	2[illegible]/0—258	303 4	98 0—110/0
— New Zealand ...cwt	264 0—270/0	303/4	108/0—114/0
Cheese—Canadian ...cwt	160 0—164 0	†145/0	66 0—68 0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt	116 0—188 0	†145/0	53/0—64 0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 31 ...cwt	9[illegible]9,563	8,426,493	19,777,254
— Home consump'n to Mar. 31 cwt	6,697,225	6,641,836	17,272,000
— In Bond Mar. 31 ...cwt	6,685,000	5,657,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	28/5	53/0	10/3
— — Yellow crystals ...cwt.	62/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt	72 0	72 0	18 0
Coffee—Imports to Mar 31 ...cwt.	282,519	174,196	720,360
— Home consumpt'n to Mar. 31 cwt	72,740	76,[illegible]	141,410
— Exports to Mar. 31 ...cwt	91,854	141,103	340,250
— In Bond Mar. 31 ...cwt	749,000	673,000	484,000
Price, Costa Rica gd. to fine cwt.	102/0—135 0	158 0—164 0	80/0- 93 0
— — Brazil (Santos) good ...cwt	53 0—58 0	130 0—132 0	41 8
Tea—Imports to Mar. 31 ...lb	119,24[illegible],68	121,260,481	123,230,277
— Home consump'n to Mar. 31 lb.	96,604,816	94,378,017	155,447,972
— Exports to Mar. 31 ...lb.	6,242,305	11,783,3[illegible]	26,561,765
— In Bond Mar. 31 ...lb.	238,300,000	212,645,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	6½d	1 5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	6½d	1/6	8½d.
— — Common Congou ...lb.	3d. nom.	1/3	5½d.
Cocoa—In Bond Mar. 31 ...cwt.	1,211,000	£96,000	309,000
— Grenada, good to fine ...cwt.	48 0—50 0	85/0	52/6—56 0

* Estimated. † Controlled. ‡ Decontrolled. Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS

	Period	Gross	+ or −	Net	+ or —
Canadian Pacific	Feb.	$12,769,000	— 788,000	$713,000	+ $100,000
	2 mos to Feb.	27,234,000	— 238,000	1,454,000	+ 154,000
Grand Trunk	Feb.	£1,177,900	+ £290,200	£80,100	+ £182,630
	2 mos to Feb.	2,493,500	+ 497,300	Dr. 31,500	+ 238,100

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or—on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Mar. 19	1.044	R2 15.175 —	7,310	24	55.52.612	— 2,44.762
Barsi Light ...	Mar. 31	118	27.900 —	35 700	52	13 64 500	— 2.02.500
Bengal & N.W.	Mar. 19	2.067	5.14.500 +	34 923	24	1.21.64 491	+ 2,76,555
Beng. Dooars	Mar 19	158	18.377 —	8,20.	24	7.00.843	— 3.23.104
Beng. Nagpur	Mar. 31	2.695	23 85.000 +	1,30.000	26	6,42.85 937	— 14.71.035
Bomb. Baroda	Apr. 16	2.871	2[illegible].37.000 +	1,10 000	3	46,11.000	— 30,000
Burma ...	Mar. 15	1,342	6 81 378 +	79 382	24	1.44.64.535	— 5.42.407
Del.Um. Kalk.	Apr. 9	239	1.71 715 —	3,177	1	—	—
East Indian ...	Apr. 16	2.772	29 83.000 +	1,76 000	3	67.70.000	+ 1.08.000
Gt. Indian Pen	Apr. 16	3,121½	28.73.200 —	26.800	3	64.57.400	— 40,158
Madras & S.M.	Mar. 19	3.152	12.50.000 +	1,02.[illegible]69	24	6.10.50.660	+ 80.293
Nizam's Guar.	Mar. 19	900	3.08.359 —	14.641	24	74.43.371	— 1,22,249
Roh. & Kumn.	Mar. 19	576	7[illegible].531 —	51 81[illegible]	24	24.62.064	— 93.391
South Indian	Mar. 18	1,852½	6 99.152 —	72 19[illegible]	50	3.90.02.135	+ 3,65.906
South Puniab	Dec.	716	8.17.86[illegible] —	33.919	3m	25,37,268	— 13,757
COLONIAL							
Can. Northern	Apr. 2	9,750	$1.033.400 —	67.300	16	19.533.000	+ 3.869.877
Can. Pacific ...	Apr. 21	13.388	3.085.000 —	539.000	16	51.047 000	— 3,017.000
Grand Trunk	Apr 21	3.616	£257 628 +	9.89	16	4.564.458	+ 604.672
Mashonaland	Jan.	810	92.986 +	30 339	4m	378,260	+ 91,772
Mid. W. Aust.	Feb.	277	11.245 —	1,40[illegible]	8m	88.411	+ 2.983
New Zealand Govt.	Apr. 2	205	2 924 —	1,013	13	38.860	— 5.790
Rhodesia Rlys.	Jan.	1,397	138.171 +	35.60[illegible]	4m	507.887	+ 115,689
Temiscouata..	Feb.	—	$46.968 +	24.268	2m	85,860	+ 31,565
FOREIGN.							
Argentine.							
Arg. N. East...	Apr. 23	752	£ 9.700 —	2.80[illegible]	43	502.400	+ 4,100
Arg. Transand.	Apr. 23	111	£ 3.373 —	1.285	43	122.414	— 14.197
B.A. & Pacif	Apr 23	3.425	£ 159 000 —	28.000	43	5 544 000	— 878 000
B.A.Gt. South	Apr. 23	3.903	£ 177.000 —	28.000	43	7.[illegible]76.000	— 640.000
Do.	Apr. 23	Net	£ 27.000 —	53.000	43	1,245 000	— 1,447.000
B.A. Western	Apr. 23	1,882	£ 103.000 —	12.000	43	3.371.000	— 886.000
Do.	Apr. 23	Net	£ 30.000 —	10.000	43	433.000	— 1,003.000
B. A. Central	Feb.	190	£ 37 629 —	10.97[illegible]	9m	378.772	+ 14.471
Cent. Argent.	Apr. 23	3.305	£ 168 000 —	48.000	43	6.[illegible]5.000	+ 305.000
Cord. Central	Apr. 23	1.205	£ 61 000 —	9.100	43	2.209.200	— 325 500
Entre Rios ...	Apr. 23	811	£ 29 600 +	4.400	43	979.200	— 38 800
Brazilian.							
Brazil Gt. South	Mar.	110	M 40.000 —	13.000	3m	115,250	— 47,250
Brazil Railway	Dec.	3.530	M4 859 000 —	141 271	12m	57.772.000	+ 7.619.243
Gt. W. Brazil	Apr. 23	1.010	£ 14.90[illegible] —	10 900	17	257.900	— 183.100
Leopoldina ...	Apr. 16	1.831	£ 29 637 —	24.777	16	499.184	— 332.715
San Paulo ...	Apr. 24	153[illegible]	£ 25.049 —	16.[illegible]64	17	491.524	— 283.694
S. of Bahia S.W	Mar.	52	M 71.000 +	14.000	3m	311.000	+ 73,000
Chilean and Peruvian.							
Antofagasta...	Apr. 24	838	£ 20.820 —	26 635	17	490.560	— 410,915
Arauco ...	June	84[illegible]	£ 12.000 +	500	6m	76.000	+ 10,700
Nitrate (2wks)	Apr 15	390	£ 32.810 —	8.93[illegible]	14	200.772	— 124.868
Peruvian Corp.	Mar.	1,140	$S 1,134.550 —	149.140	9m	10.425.300	— 259.694
Talca ...	Mar.	180	£ 20.153 —	17.55[illegible]	9m	243.480	+ 34.360
Cuban.							
Cuban Central	Jan. 29	362	£ 37.360 +	19.872	31	707.279	+ 82.212
Cuba Railroad	Jan.	—	$ 1,696.385 +	449.284	7m	8.497.381	+ 1,017.244
Havana Cent.	Apr. 23	70	£ 18 67[illegible] +	2.265	43	6 8.980	+ 140.887
U. of Havana	Apr. 23	681	£ 174,330 +	25.307	43	5.231.003	+ 709.362
Uruguayan.							
Cent. Uruguay	Apr. 16	273	£ 31.615 +	4 539	42	1.002.305	+ 45.194
,, (E. Ext.	Apr. 16	311	£ 5.568 —	2.044	42	238.158	— 22 629
,, (N. Ext.	Apr 16	185	£ 3.633 —	1,08[illegible]	42	143.853	— 33 510
,, (W.Ext.)	Apr. 16	211	£ 2.434 +	19[illegible]	42	107.961	— 9.282
Mid. Uruguay	Jan.	319	£ 17.87[illegible] —	4.719	9m	164.514	— 19.002
N.W. Uruguay	Mar.	113	$ 7.2[illegible]4 —	8[illegible]	9m	51.932	— 7.[illegible]94
Uru. Northern	Mar.	73	£ 2.12[illegible] —	24.	9m	18.729	— 3.598
Miscellaneous							
Alcoy & Gandia	Apr. 23	33	Ps. 15.000 +	10.000	17	293.400	+ 95.500
Bilbao ...	Mar.	15	£ 2.390 —	3,34[illegible]	3m	6,877	— 4,140
Bolivar ...	Mar.	136	£ 10.028 —	6,18	9m	24.234	— 9.548
Colomb. Natul.	Feb.	86	£ 18.050 +	4.120	2m	37,.00	+ 5,440
Costa Rica ...	Feb.	190	£ 25.99[illegible] —	4.44[illegible]	8m	195.585	— 8.291
Dorada Ext.	Mar.	70	£ 20. 0 +	8.0[illegible]	3m	51.250	+ 15.750
Egyptian Delta	Mar 31	559½	£ 11.367 —	1.852	52	496.075	+ 89 532
Gt. Southern	Apr 16	104	Chs 44.48[illegible] —	69.39	15	989.992	— 201.324
Lautaro & Ca.	Mar.	22[illegible]	£ 10.30[illegible] —	4.330	3m	31,510	— 12.750
Ottoman Ry.	Apr. 16	379	£ 9.40[illegible] —	—	—	—	—
Paraguay Cent	Apr. 16	274	£ 3.3[illegible] —	990	42	185.240	— 17.430
Puerto Cabello	Mar.	34	£ 4.500 —	2,500	3m	13.250	— 4.250
Salvador ...	Apr. 23	100	£ 5.287 —	85.	43	159.805	— 32.562
Santa Fe Prov.							
French Rys.	Mar	1,181	£ 139.744 —	26.348	3m	391,881	— 78.244
S'm'na & S'ti'go	Mar.	80	£ 9 3[illegible] —	3.850	3m	23.31[illegible]	— 13.578
Zafra & Huelva	Mar.	112	£ 15.237 +	1.72[illegible]	3m	43,330	+ 2,734
TRAMS.							
Anglo-Argent	Apr	22	400 £ 85.103 +	4.532	16	1.286.158	+ 110.434
Bombay Elect	Jan.	—	Rs.3.74.727 +	94,853	1m	—	—
Brazilian tra	Feb.	378	M11.941000 +	2.560.000	2m	24.816.000	+ 5.760.000
Brisbane Elec.	Mar.	40	£ 46 3 0 +	870	3m	135.815	+ 3.955
Brit. Columbia	Feb.	334	$ 79[illegible].690 +	46.56	8m	6.370.401	+ 573 848
B. A. Lacroze	Mar.	51	£ 59.36[illegible] +	4.366	9m	510.714	+ 67 037
Calcutta ...	Apr. 23	35[illegible]	R 87 2 5 —	7.618	16	10.86.034	— 3.97.899
Carth. & Herr.	Mar.	9	£ 2.226 —	1.267	3m	8.942	— 3,37
Chatham & Dist.	Apr. 21	15	£ 1.525 —	77	16	26,112	+ 2,324
Havana Elect	Jan.	86	$ 1,089.07[illegible] +	205 858	1m	—	—
Isle of Thanet	Apr. 23	20½	£ 596 —	194	30	17.439	+ 72
Kalgoorlie ...	Jan.	20½	£ 2.448 —	155	1m	—	—
Lanarkshire ...	Dec. 31	28½	£ 5.467 +	1.927	52	221.564	+ 27.729
Lima Light ...	Feb.	85	£ 60.718 +	4.5[illegible]6	2m	124.3[illegible]	+ 9.593
London O.C....	Apr. 27	141½	£ 96.885 +	12.576	4	375.372	+ 62,552
Madrid (2wks.)	Apr. 15	15[illegible]	R 4[illegible].568 —	5.947	14	186.212	— 134,091
Manila Electric	Feb.	55	$ 306.389 +	27.952	2m	627.839	+ 71,601
Pernambuco...	Apr. 24	59	£ 3.827 —	2.995	17	70 6.8	— 59.242
Provincial ...	Apr. 16	21½	£ 3.29[illegible] +	148	28	87.5[illegible]6	— 355
Rangoon Elec.	Feb.	25	£ 120.718 +	5,7[illegible]	2m	24.[illegible]276	+ 16.276
Shanghai Elec.	Feb.	26[illegible]	M X.$151.880 +	18.130	2m	307.68[illegible]	+ 37.[illegible]6
Singapore Elec.	Mar. 12	26½	$ 13.363 —	9.566	11	129.037	— 103 360
U. of Montevid	Mar.	90½	£ 4[illegible].9[illegible] +	3.910	5m	240.688	+ 17.964

UNDERGROUND ELECTRIC RAILWAYS CO. OF LONDON, LTD.

Metropolitan District Rly., London Electric Rly., City and South London Rly., Central London Rly., London General Omnibus Co.

Week to April 23, £22[illegible] Aggregate, Jan. 1—April 23, £3,69[illegible],268.

Metropolitan Electric Trams, London United Trams, South Metropolitan Electric Trams, Tramways (M.E.T.) Omnibus Co., Cearless Motor Omnibus.

Week to April 23, £18,686: Aggregate, Jan. 1—April 23, £821,222.

International Trade Service

IN the course of its business as an international bank, having direct relations with all parts of the world, the Guaranty Trust Company of New York receives every day much information of value to merchants and manufacturers interested in foreign trade.

Information regarding the latest developments in the principal markets overseas is available through its International Trade Service and established firms are invited to avail themselves of the facilities of this department.

On request, we shall be pleased to explain in detail the nature and scope of the service we are prepared to render.

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LIVERPOOL OFFICES
27 Cotton Exchange Buildings 51 Castle Street
NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid-up Capital, Surplus and Undivided Profits (Feb. 28, 1921) - - - $62,727,273 77
Total Assets (Feb. 28, 1921) - - - $893,680,782.11

The Statist.

LONDON, SATURDAY, APRIL 30, 1921.

BUDGET ANALYSIS.

IN conformity with Continental practice, the method of presenting our national accounts has undergone a change in the current financial year, and a distinction which always existed logically, though unrecognised by generations of Chancellors, has now received recognition. On both the revenue and expenditure sides of every undertaking, and particularly in that greatest of all undertakings, the State, there are items which recur annually and items of an exceptional or temporary character. Thus the income now accruing to the British Treasury from the sale of assets acquired during the War by means of borrowed capital is obviously non-recurrent, and should be treated separately from ordinary tax or rate-tax revenue. Similarly, the discharge of agreements that form part of the legacy bequeathed to us by the War in respect of railways, shipping, munitions and other matters involves expenditure of a more or less passing nature, and the cost of such agreements is not properly chargeable against ordinary revenue. Thus differentiated the national balance sheet takes the following form:—

Estimates, 1921-22.
(000's omitted.)

	Ordinary	Extraordinary
	£	£
Expenditure	974,023	65,705
Tax revenue	964,000	158,500
Non-Tax Revenue ...	94,150	
Total Revenue	1,058,150	158,500
Revenue Surplus ...	84,127	92,795

As regards expenditure, the Consolidated Fund services claim £371,272,000, of which £345,000,000, or ninety-three per cent., is devoted to the service of the Debt. The various Supply services, the details of which are given at the head of the next page, include £106,665,000 for the Army, £82,479,000 for the Navy, and £18,411,000 for the Air Force, showing decreases of £74,835,000, £5,949,000, and £3,889,000 respectively as compared with the amounts issued to meet expenditure under these heads during 1920-21. The Civil Services, at £379,035,000, show a reduction of £81,181,000, but Customs and Excise and Inland Revenue have increased by £3,442,000 and Post Office Services by £13,487,000. The total Supply Services, at £668,456,000, compare with £817,381,000, the reduction effected being thus £148,925,000. The grand total of estimated expenditure, at £1,039,728,000, is less by £155,700,000 than the amount actually disbursed in 1920-21.

The effort at economy to which these figures bear witness, small enough in a period of booming trade, is quite insignificant compared with the needs of the country, weighed down as it is, on Mr. Chamberlain's own admission in the course of his Budget speech, by a depression never equalled in our financial history. The revenue received during 1920-21, £1,425,985,000, exceeded the estimate by £7,685,000. The total revenue for the current year is estimated at £1,216,650,000, or only £209,335,000 less than the actual receipts in 1920-21. This decline of only fifteen per cent. seems small in view, first, of the coal strike and its direct and indirect effect in reducing revenue and increasing expenditure, and, second, of the industrial depression and its effect in reducing company profits and thus helping to lessen the receipts from income tax, super tax, and profits tax, a change that will be heightened by the alterations made in respect of averaging in the current year. Moreover, excess profits duty has been abolished, and even during the last financial year, of which the earlier part was marked by flourishing trade, the corporation profits duty realised only £650,000, whereas the estimate for the year was £3,000,000, and for 1921-22 is £30,000,000. Customs and Excise were £14,865,000 below the estimate, and though in the current year they are put at £11,000,000 below last year's yield the estimate may, in the event of continued depression, prove too sanguine. The dispute in the coal mining industry has brought about a very serious increase in the Government's liability to the railways, while the precautionary measures to protect the mines and the welfare of the public in the event of an extension of the dispute have been very costly. Further, the loss on the mines during March, the last month before the expiry of the Government guarantee, amounted to the large sum of £5,259,209, equivalent to 6*s*. 10*d*. per ton.

Under present conditions, therefore, the handsome surplus realised last year cannot be expected. A comparison between the estimated and actual expenditure and revenue in 1920-21 is set out in the following table:—

1920-21.
(000's omitted.)

	Estimated	Actual	Excess (+) or Deficit (−) of Actual
	£	£	£
Expenditure	1,184,102	1,195,428	11,326
Revenue	1,418,300	1,425,985	7,685
Surplus	234,198	230,557	— 3,641

The realised surplus, £230,557,000, was less by £3,641,000 than the estimate, and it is noticeable that excess expenditure was nearly four million above excess revenue. The receipts would have been much lower had it not been for the enormous amount of £287,940,000 realised from the sales of war property and from trade undertakings. In the current year receipts from these sources are included under the heading of extraordinary revenue,

Expenditure—Consolidated Fund Services, Supply Services, etc., 1913-22

(000's omitted).

	Estimate	Amount Issued							
	1921–22	1920–21	1919–20	1918–19	1917–18	1916–17	1915–16	1914–15	1913–14
National Debt Services	£	£	£	£	£	£	£	£	£
Inside the Fixed Debt Charge	24,500	24,500	23,773	23,638	19,828	19,783	20,338	*20,497	†24,500
Outside the ,,	320,500	325,099	308,261	246,327	170,023	107,467	39,911	2,172	–
	345,000	349,599	332,034	269,965	189,851	127,250	60,249	22,669	24,500
Road Improvement Fund ...	8,400	8,937		—		–	694	1,528	1,395
Payments to Local Taxation Accounts, &c.	11,115	10,785	10,746	9,681	9,731	9,896	9,757	9,529	9,734
Land Settlement	5,000	6,930	3,477	—		—	—	—	—
Other Consolidated Fund Services	1,757	1,796	1,948	1,699	1,670	1,974	2,788	1,694	1,694
Total Consolidated Fund Services ...	371,272	378,047	348,205	281,345	201,252	139,120	73,488	35,420	37,323
Army ...	106,665	181,500	395,000	15	15	15	15	28,886	28,346
Navy ...	82,479	88,428	156,528	17	17	17	7	51,550	48,833
Air Force	18,411	22,300	52,500	7		—	—	—	—
Civil Services	379,035	460,216	569,054	67,988	61,242	54,113	54,718	56,956	55,901
Customs, Excise and Inland Revenue	14,701	11,259	9,422	5,532	5,156	4,728	4,603	4,602	4,483
Post Office Services ...	67,165	53,678	48,064	26,396	25,738	26,454	26,673	26,060	24,607
Total Supply Services	668,456	817,381	1,230,568	99,955	92,168	85,327	86,016	168,054	160,170
Ministry of Munitions		–	—	1	1	1	2	—	–
Votes of Credit			87,000	2,198,000	2,402,800	1,973,665	1,399,652	357,000	–
Grand Total	1,039,728	1,195,428	1,665,773	2,579,301	2,696,221	2,198,113	1,559,158	560,474	197,493

* Including £3,156,000 for Repayment of Capital.

† Including £7,606,000 for Repayment of Capital.

and the amount derived from war assets, chiefly from sales by the Disposals Board, is estimated at £158,500,000. The special expenditure of £65,705,000 is made up as follows: Liquidation of war commitments by the Service Departments and of the Shipping and Munitions Departments, £27,300,000; payments under railway agreements, £30,200,000; re-vote of relief loans and minor miscellaneous charges, £8,205,000. The ordinary non-tax revenue amounts to £94,150,000, of which the Post Office contributes £60,000,000 and Crown lands, sundry loans, and other miscellaneous revenue £34,150,000. Of the tax revenue of £964,000,000, Inland Revenue contributes £632,000,000, Customs and Excise £323,000,000, and motor vehicle duties £9,000,000. Details of the various sources of State income are set out in the following table, together with the anticipated increases or decreases, as compared with 1920-21:

Revenue Statement.

(000's omitted.)

	1921–22	1920–21	Increase or Dec. (—)
	£	£	£
Customs	126,800	134,003	— 7,203
Excise ...	196,200	199,782	— 3,582
Motor Vehicle Duties	9,000	7,073	+ 1,927
Estate, &c., Duties	48,000	47,729	+ 271
Stamps ...	21,000	26,591	— 5,591
Land Tax and House Duty	2,500	2,550	— 50
Income Tax, including Super-Tax and Mineral Rights ...	410,500	394,166	+ 16,334
Excess Profits Duty, &c ...	120,000	219,181	—99,181
Corporation Profits Tax	29,000	650	+29,350
Total from Taxes	**964,000**	**1,031,725**	**—67,725**
Postal Service ...	43,000	36,100	+ 6,900
Telegraph Service	5,000	5,200	— 200
Telephone Service	12,000	8,200	+ 3,800
Crown Lands ...	650	660	— 10
Receipts from Sundry Loans			
Ordinary	12,000	991	—18,771
Special	12,000	29,780	—18,771
Miscellaneous:—			
Ordinary	21,500	25,389	— 3,889
Special	158,500	287,940	—129,440
Total Non-Tax Revenue	**252,650**	**394,260**	**141,610**
Total Revenue	**1,216,650**	**1,425,985**	**—209,335**

It will be noted that though the excess profits duty has been abolished, large sums, estimated at £120,000,000, remain to be collected in respect of past periods. The surplus of ordinary revenue over ordinary expenditure is estimated at £84,127,000, and of extraordinary revenue over extraordinary expenditure at £92,795,000, making a total of £176,922,000. Against these estimated surpluses, however, there are bound to materialise large claims which it is not possible to estimate at present. A considerable sum will, for example, be required to cover outstanding liabilities to the railway companies under war agreements, in addition to the £30,673,000 already included in the Civil Service estimates for the current year. The various items comprising the Civil Services vote, which is the most important feature in the estimates, are set out in the following table:—

(000's omitted)	1920–21 Budget Estimate	1921–22
Civil Services:	£	£
Public Education	56,081	63,518
Old Age Pensions	25,969	26,150
Ministry of Pensions	123,235	111,557
Ministry of Health, &c., Insurance, &c.	34,265	31,220
Ministry of Labour, Civil Demobilisation and Resettlement, &c.	25,369	18,325
Loans to Dominions and Allies ...	36,000	5,000
Railway Agreements, Transport, &c. ...	26,932	30,673
Bread Subsidy	45,000	
Ministry of Munitions	27,323	
Ministry of Shipping	16,279	*13,046
Coal Mines Deficiency	15,000	3,000
Other Civil Services	65,865	76,546
	497,318	379,035

* Liquidation Votes.

The total for the current year shows a decrease of £118,283,000, the principal saving being effected in the bread subsidy, which is reduced to *nil* from £45,000,000 in 1920-21. The Coal Mines Deficiency figures at £3,000,000, as compared with £15,000,000 in 1920-21, and the Ministries of Munitions and Shipping at £13,046,000 as compared with £43,602,000. It is, of course, worthy of note that, as in previous years, credit is nowhere taken in the Budget for any sums that may be received on Reparations account. It is to be hoped that such receipts, if they come in on a large scale, will be devoted to securing that amelioration of the taxpayers' burden which is so conspicuously lacking in our financial estimates for the current year. The lessons of thrift which many commercial concerns have been forced to learn, at the cost of much suffering to themselves and to their proprietors, shareholders and employees in the last six months, appear to have been wholly lost on the Government. The hands that made the Budget may, as Mr. Chamberlain stated, be those of Esau, though the voice that uttered it was that of Jacob, but, this difference has, we fear, not brought the anticipated benefits to the patrimony.

OUR NATIONAL DEBT.

The total British deadweight Debt on March 31 last was £7,573,000,000, as compared with £7,829,000,000 on March 31, 1920, a decrease of £256,000,000. During the year the sum of £259,500,000 was in all applied to the reduction of Debt, and the discrepancy between this figure and the amount of the reduction shown is due to the depreciation of sterling in terms of a number of foreign currencies, particularly the dollar, which affected the repayment of our portion of the Anglo-French Loan in the United States last October. Our Internal Debt has been reduced in the twelve months by £138,846,000 to £6,411,440,000 and our External Debt by £117,154,000 to £1,161,560,000 at the par of exchange. Comparative figures are set forth in the following table:—

National Debt.

(000's omitted.)

	Mar. 31 1921	Mar. 31 1920	Reduction
	£	£	£
Internal Debt	6,411,440	6,550,286	138,846
External Debt... ...	1,161,560	1,278,714	117,154
Total Dead-weight Debt	7,573,000	7,829,000	256,000

The figures shown, considerable as they are, exclude certain very important items: (1) the interest on our debt to the United States, payment of which, with a few minor exceptions, is temporarily suspended, the amount unpaid on March 31 last being approximately £65,000,000 at the par of exchange, and the accruing sum being £40,000,000 per annum; (2) additional premiums due on the maturity of National War Bonds, which would amount to £44,000,000 if all the Bonds were held to the date of maturity; (3) interest accrued but not yet payable on Savings Certificates, amounting to £11,000,000.

Of our Internal Debt on March 31 last of £6,411,440,000 Treasury bills and Ways and Means Advances accounted for £1,275,000,000, or approximately twenty per cent. When the 1920-21 Budget was introduced Mr. Chamberlain forecasted a possible reduction in the Floating Debt during the year of £70,000,000, but the actual reduction has been only £37,000,000, the total reduction in all debt effected being, as above stated, £256,000,000. In respect of 1921-22 the anticipated surplus of revenue both ordinary and extraordinary is £176,922,000 and of this sum the Chancellor considered that the ultimate surplus available for Debt redemption will be about £80,000,000, or thirty-one per cent. of the figure in the preceding year. This estimate is, however, exclusive of the sum of £23,500,000 included in Ordinary expenditure for statutory sinking funds, consisting of £2,000,000 for terminable annuities, £7,500,000 for the New Sinking Fund, and £14,000,000 for the Victory and Funding Loan Sinking Funds and Victory and Funding Loans stock and bonds surrendered for death duties. On this basis the total sum devoted to Debt reduction would be £103,500,000, as compared with £259,500,000 in 1920-21. To repay obligations maturing in the present year some £80,000,000 will be required. These obligations are mostly due to the United States, some comparatively small sums being payable to Sweden and Canada. The accommodation given us in Canada is being repaid in monthly instalments ending on April 1 next, and the sum now due is 125,000,000 dollars. The obligations of the Dominions and of the Allies are £786,040,000 in excess of our own obligations abroad, but it is difficult to estimate the value that should be placed on some of these debts, particularly that of Russia, which forms the largest single item, £561,400,000. Details as to the various debtor countries are set out herewith:

Loans to Allies and Dominions.

	£
Obligations of Dominions—	
Australia	90,000,000
New Zealand ...	29,600,000
Canada	13,800,000
South Africa ...	7,500,000
Other Dominions and Colonies	3,100,000
Total ...	**144,000,000**
Obligations of Allies—	
Russia	561,400,000
France	557,000,000
Italy ...	476,800,000
Belgium (*a*) War	94,400,000
,, (*b*) Reconstruction	9,000,000
Serbia	22,100,000
Portugal, Roumania, Greece and other Allies	66,200,000
Relief loans	16,700,000
Total	**1,803,600,000**
Grand Total	**1,947,600,000**

THE REVENUE BILL.

Much of the destructive criticism that is at present being lavished in the Press and elsewhere upon the Revenue Bill, the second reading of which should take place within the next week, is based upon a misinterpretation of its provisions and upon lack of knowledge as regards the existing procedure in general. The truth is that those who are engaged in this campaign are seeking to make a mountain out of a molehill. The portion of the Bill around which this controversy wages is concerned with certain reforms of the income tax which were unanimously recommended by the late Royal Commission on the Income Tax. No complaint has been voiced upon the proposal to substitute as basis of assessment the profits, gain, or income of the preceding year for the existing three years' average under Schedule D. In view of the trade depression, the effects of which have been accentuated by the coal strike, the actual returns for 1921 are likely to give a lower figure than the average which would have included the excellent profits of 1919. Moreover, adequate allowance is made for exceptional cases in which an injustice might be done by this transition. Neither has there been any general outcry against the proposal to assess the income of employees of individual and private firms upon the same basis as those of joint-stock companies, namely the income of the year of assessment, instead of upon the three years' average as heretofore. Yet in this instance a good case might be made out, especially from the point of view of simplification, for the adoption, as proposed under Schedule D, of the basis of the income of the preceding year.

The attack on the Bill is entirely focussed on the administrative changes it embodies. The proposal to abolish the office of local assessor and transfer his duties to the surveyor of taxes, to give the Commissioner of Inland Revenue the power to appoint the collectors of taxes and to restrict the activities of the local Commissioners of Taxes to the hearing of appeals is widely denounced as "a bureaucratic conspiracy." It is argued with much heat that the abolition of the assessors, who are said to number some 4,500, means the disappearance of a body of men who protected the pockets of the public from the voracity of Somerset House and its officials. Were this true, then the attack needed no further justification. But the fact remains that at present much of the work for which, in the eyes of the public, the local assessors get credit, is performed by the Inspector of Taxes. Before the Royal Commission it was stated that, with exceptions, the actual assessment was done by the Inspector. In many cases, except in so far as the issue and collection of the forms of return are concerned, the general public never come in contact with the local assessor; and in most cases, where he is interviewed, the assessor more often than not refers the inquirer to the Inspector. As to himself, each assessor [illegible]

knowledge necessary to handle the complicated problem of income tax. Thus what the Bill proposes to do is merely to legalise what is largely the actual practice of to-day. We fail to see what great grievance exists in allowing the Surveyor or Inspector, as he is now called, to make the assessments, seeing that the individual, firm or company taxed has still the right of appeal to the general or special commissioners. Neither are we terrified by the picture of the surveyor authorising a collector to levy the amount of the tax in arrear; for we realise that no surveyor is likely to take this extreme step in cases where the assessment is still in dispute. As regards the proposal that the Commissioners of Inland Revenue should appoint the collectors of taxes, it is well to bear in mind that at present some of the collectors are appointed by the Board of Inland Revenue, and it is not asserted that they perform their duties any differently from those appointed by the local Commissioners. Moreover, the changes have been welcomed by the general Commissioners of Income Tax for the Division of Liverpool, who assert that "the proposed changes may reasonably be expected to lead to greater expedition, efficiency and economy in the administration of the tax, and to less inconvenience to the taxpayer, without any sacrifice of the safeguards now enjoyed." Furthermore, Sir James Martin, the retiring chairman of the London Chamber of Commerce, who is himself one of the General Commissioners, stated that he was by no means in full agreement with the opposition now being waged in the Press. We feel confident that the Financial Secretary to the Treasury, on the second reading, will quickly dispose of the general belief fostered by this campaign that the intention of the Bill is to place the taxpayer more completely at the mercy of the permanent official. The Income-tax Payers' Society, which has recently been formed, is to hold a meeting in the City next week to denounce the above proposals.

IRON, STEEL AND ENGINEERING COMPANIES' RESULTS.—II.

In the table at the foot of the next page we analyse the balance sheets of the sixteen companies whose profit and loss accounts were dealt with in last week's issue. It will be seen that the majority of the firms have increased their Ordinary capital during the financial year covered by their last report, but only in a few instances have there been new issues of Preference shares. The share capital of Guest, Keen and Nettlefolds has been increased during the past financial year by £7,551,091, but this expansion has been due in part to the bonus distribution of £1,930,000 Ordinary shares, and £965,000 Preference shares. Similarly, the increase of £2,000,000 in the Ordinary capital of the Consett Iron Company has been entirely due to the distribution of bonus shares. During the past year the Birmingham Small Arms Company and Cammell Laird issued short term notes to the extent of £2,500,000 and £600,000 respectively, while Hadfields created £1,000,000 Debenture stock in November last, the instalments received up to December 31, 1920, amounting to £744,962. Despite the issue of additional capital, the balance sheets in many instances reveal a remarkable expansion in sundry liabilities. It should be noted, however, that the provisions which have been made for taxation by the various companies are included under this heading, reserves for other contingencies being also included in some instances. Thus, besides the provision for taxation, Armstrong, Whitworth include allowances for depreciation and the writing down of capital expenditure among "sundry creditors and credit balances." Under this heading Babcock and Wilcox also include "provision for estimated further expenditure on orders invoiced and fall in the value of investments." Remarkably strong reserves have been accumulated in many instances. It should be borne in mind, however, that some of the companies follow the practice of building up a separate reserve for depreciation instead of writing down the assets by the amount annually allocated from revenue. Accordingly, allowance has to be made for the fact that the reserves of Stewarts and Lloyds and the Scottish Iron and Steel Company include provision for depreciation amounting to £1,530,000 and £178,500 respectively. A depreciation reserve of £15,396 has similarly been created by Sheffield Steel Products, while the reserves of the Consett Iron Company include provision of an undisclosed amount for this purpose. It should also be noted that a "works reserve" of £3,200,000 has been built up by Vickers during the period of four years covered by the last report. On the other hand, the latest balance sheet of the Birmingham Small Arms contains an "assets reserve" of £1,428,080, and that of the Sheffield Steel Products a "capital reserve" of £414,579, representing the surplus disclosed on the occasion of the revaluation of the assets of these companies. In this connection it may be pointed out that the bonus distribution of £2,000,000 Ordinary shares by the Consett Iron Company was effected not by the capitalisation of disclosed reserves but by taking credit to a corresponding extent for the appreciated value of the fixed assets. The disclosed reserves of that Company have actually been increased during the year from £309,451 to £1,187,680, but apart from the addition of £50,000 from revenue to repairs and renewals reserve, no explanation of this remarkable expansion is furnished in the accounts. It is possible, however, that reserves previously included under the heading of sundry creditors have been transferred. The reserve fund of Guest, Keen and Nettlefolds was reduced to £300,000 by the bonus capitalisation of £2,895,000 in 1919, but has since been increased to £2,628,503 by the addition of the premium on shares allotted to the Ordinary shareholders of an associated company. During the period covered by their last report Vickers also received £1,401,882 in respect of share premiums; Armstrong, Whitworth, £516,000; Babcock and Wilcox, £190,219 and Hadfields, £129,893. On the other hand, issue expenses incurred in 1920 have reduced the share premium account of Baldwins by £57,500; while the repairs and renewals reserve of Bolckow, Vaughan has fallen from £196,506 to £100,946. The increase in the reserves of Clayton and Shuttleworth is entirely due to the transfer of the balance of profit on sales of properties after providing for contingent losses on realisation of assets. With this exception all the other companies show an increase in fixed assets, the actual additions made during the past year by Stewarts and Lloyds, Cammell Laird, and Sheffield Steel Products being particularly large.

It should be clearly understood that the fixed assets of the last-named firm and of the Consett Iron Company have been written up by £414,579 and £2,000,000 respectively, while those of the Birmingham Small Arms have been written up by at least £1,428,080. In connection with the valuation attached to the properties of Stewarts and Lloyds, the Scottish Iron and Steel Company, the Consett Iron Company, and Armstrong, Whitworth allowance has to be made for the practice adopted by those companies with regard to depreciation. The fixed assets of Vickers are shown after allowance for depreciation, but, as already stated, a "works reserve" of £3,200,000 appears on the liabilities side of the last balance sheet of that Company. It should be remembered that Sheffield Steel Products have made no provision out of profits for depreciation in 1920, and that no depreciation has been written off by Dorman, Long in respect of the capital expenditure of the past two financial years. In many instances stocks have been very largely increased, but allowance has to be made for the greater productive capacity of the undertakings and the abnormal conditions prevailing during 1919-20. The stocks held by Vickers and Clayton and Shuttleworth are valued "at cost or under," but no

indication is furnished as to the basis of valuation by the other companies. It is difficult to understand why this information should be withheld, especially in view of the large stocks which have been accumulated and the serious fall in values. A remarkable increase in sundry debtors is shown by Armstrong, Whitworth, Guest, Keen and Nettlefolds, Dorman, Long, Stewarts and Lloyds, and the United Steel Companies. The last-named concern was formed early in 1918 for the purpose of amalgamating several iron and steel undertakings on the basis of an exchange of shares. The concern being still a "holding Company," its fixed assets are almost entirely represented by shares in the associated companies, while its debtors and creditors are represented respectively by advances to and loans from those undertakings.

The expansion in the investments of many of the companies has exceeded that of the fixed assets, and in some instances has been due almost entirely to the acquisition of shares in associated undertakings. Thus the interests of Vickers in other companies have been increased from £5,448,734 at the end of 1915 to £17,236,517 at December 31, 1919. Similarly, the trade investments of Dorman, Long have been increased during 1919-20 from £2,633,318 to £3,670,482, and those of the Birmingham Small Arms Company from approximately £1,880,000 to £3,758,900 (including loans), while the expansion in the investments of Guest, Keen and Nettlefolds, from £4,171,564 to £11,688,948, has also been due in large part to the acquisition of shares in other companies. In the majority of instances, investments of this nature are valued at cost, while Government and other securities are usually valued at market prices. As compared with current liabilities, the liquid assets, excluding stocks and trade investments, in several instances reveal a deficiency, which is particularly marked among some of those companies whose accounts have recently been published.

The only balance sheets in which a valuation is attached to goodwill are those of the Scottish Iron and Steel Company and Sheffield Steel Products. It may be pointed out, however, that the depreciation fund and "capital reserve" of the last-named Company, amounting together to £429,975, have been applied since the date of the last balance sheet in writing off the item of goodwill, together with preliminary expenses of £207,055, trade marks £90,704, and depreciation £43,000. This adjustment correspondingly reduces the reserves shown below to £27,485. It should be noted that issue expenses of £57,136, which appear among the assets in the last balance sheet of Hadfields, are not included in the subjoined table.

Important alterations have been made in the capitals of some companies since the date of their last accounts. In July 1920 Armstrong, Whitworth issued £2,000,000 Six-and-a-Half per Cent. Second Mortgage Debenture stock (at 95); Vickers £1,500,000 Seven per Cent. Seven-Year notes (at 95); and Bolckow, Vaughan, £1,000,000 Eight per Cent. Debentures (in November). The issued and paid-up Ordinary capital of certain of the companies is now as follows:—Vickers, £12,500,000; United Steel, £8,006,549; Guest, Keen and Nettlefolds, £5,166,860 (Preference £5,621,231); Babcock and Wilcox £2,148,828; Dorman, Long, (paid up), £4,800,000. Baldwins have recently completed arrangements for the acquisition of a controlling interest in the British Mannesmann Tube Company, and on the assumption that the whole of the Ordinary capital of the latter (amounting to £1,360,000) is acquired, this will involve the issue by Baldwins of £680,000 Ordinary shares and £374,000 "B" Preference shares in exchange. The balance sheets of many iron and steel companies furnish striking illustrations of this tendency towards the amalgamation of interests. Considerable progress has been made in recent years both in effecting the fusion of rival undertakings and

Analysis of Latest Published Balance Sheets.

Name of Company		LIABILITIES. Paid-up Share Capital Preference £	Ordinary £	Debenture Capital £	Sundry Liabilities* £	Reserves and Carry-forward £	ASSETS. Fixed Assets £	Stocks £	Debtors £	Investments and Cash £
Birmingham Small Arms	1919	503,150	2,376,646		2,204,269	718,167	1,353,232	841,165	1,084,949	2,522,886
	1921	553,580	2,815,172	2,500,000	1,135,871	2,438,898	3,100,096	1,434,994	725,079	4,183,352
Stewarts & Lloyds	1919	1,400,000	850,000		1,437,264	2,437,660	2,329,409†	949,403	1,760,641	1,085,471
	1920	1,400,000	2,204,869		2,421,856	2,634,356	3,729,991†	969,128	2,978,762	983,200
Vammell Laird	1919	1,225,225	2,123,455	1,700,500	1,708,927	893,637	1,639,187	2,200,369	1,240,386	2,571,802
	1920	1,225,225	2,793,191	2,300,500	2,572,171	821,471	2,763,190	2,872,678	1,824,294	2,252,416
Sheffield Steel	1919		1,000,000		625,772	23,978	1,270,214‡	134,953	126,870	53,553
	1920	697,616	1,726,156		764,596	629,414	2,532,854‡	566,365	371,980	139,528
Hadfields	1919	300,000	1,600,000		1,497,721	333,755	964,740	1,367,372	1,399,364	
	1920	300,000	1,844,784	744,962	1,559,199	465,621	1,462,025	1,377,694	2,017,711	
Scottish Iron & Steel Co.	1919	300,000	450,000	165,220	640,786	243,756	914,384§	360,856	410,011	114,511
	1920	300,000	450,000	149,787	776,576	306,401	968,289§	261,477	666,509	86,489
Clayton & Shuttleworth	1919	350,000	450,000		547,464	203,496	728,217	601,834	219,918	991
	1920	350,000	450,000		499,579	284,201	448,373	453,697	130,823	550,888
Dorman, Long	1919	1,500,000	2,459,639	841,200	2,363,932	730,240	2,534,344	1,315,852	783,649	3,261,166
	1920	1,500,000	4,199,070	825,900	3,471,957	993,882	3,127,021	2,113,616	1,699,895	1,050,277
Guest, Keen & Nettlefolds	1919	1,720,000	965,000	1,850,500	1,373 724	3,430,687	2,821,200	705,722	969,609	4,843,380
	1920	5,345,231	4,890,860	1,850,500	3,263,872	2,890,108	2,898,492	704,585	2,043,561	12,593,933
United Steel Companies	1919	1,317,072	7,592,462	3,501,968	316,965	306,976	717		2,393,539	10,547,119
	1920	1,317,516	7,592,684	3,489,348	2,417,879	377,339	7,766		4,794,451	10,392,549
Baldwins	1919	250,000	3,526,644	500,000	1,425,121	1,327,277	2,232,915	983,944	1,124,451	2,687,732
	1920	1,250,000	3,526,644	500,000	2,283,039	1,361,659	2,914,002	1,481,120	1,695,731	2,830,490
Bolckow, Vaughan	1919	472,080	3,753,839	472,000	1,363,681	1,370,238	4,470,805	1,435,057	691,039	834,937
	1920	472,080	3,755,640	404,900	2,386,798	1,478,159	4,779,256	2,026,262	1,105,457	586,602
Consett Iron Co.	1919	500,000	1,000,000		1,415,016	560,987	1,133,279	184,561	533,915	1,024,248
	1920	500,000	3,000,000		1,743,428	1,480,161	3,443,987	685,498	849,370	1,744,734
Vickers	1915	1,500,000	5,549,784	2,308,200	12,221,444	2,384,011	5,724,487	785,003	10,213,629	7,240,321
	1919	8,351,640	12,311,548	1,250,000	13,087,835	7,515,523	7,314,094	3,911,685	9,959,544	21,331,223
Armstrong, Whitworth	1915	2,000,000	4,012,500	2,500,000	5,384,769	1,861,387	7,536,553	2,778,851	2,615,888	2,827,414
	1919	4,500,000	5,512,500	2,500,000	12,583,806	2,965,899	9,880,759	4,094,543	8,613,952	5,472,951
Babcock & Wilcox	1918	279,056	1,660,000		1,462,811	1,387,089	503,494†	1,229,502	842,848	2 213,112
	1919	279,056	1,850,219		1,921,238	1,758,445	764,465†	2,120,672	963,261	1,900,566

* Including dividends payable. † Including shares in other companies. ‡ Including goodwill, trade marks, &c.
§ Including goodwill.

in establishing control over the various stages of production from the extraction of the raw materials to the sale of the finished products. Firms like Vickers and Armstrong Whitworth in particular have felt the urgent necessity to widen the scope of their activities consequent upon the almost complete cessation of armament work. The reorganisation, however, has been exceptionally difficult and expensive; and considerably reduced profits will doubtless characterise their 1920 accounts. With the exception of certain branches of the engineering trade, the position of the iron and steel industry has seldom been more uncertain than at present. Producers for the home and export trade are faced with the continuance of strong foreign competition, favoured by the position of the exchanges and the existing industrial conditions in this country.

WHOLESALE AND RETAIL PRICES.

The earlier portion of 1920 witnessed a boom in trade which many thought would last a considerable time, but the latter half of the year administered a decisive check to such optimistic anticipations. Wholesale prices in the United Kingdom reached their maximum in April, since when every month has seen successive declines. The experience of the United Kingdom is, of course, paralleled in the case of practically all countries. With very few exceptions the months of May and June marked the beginning of the downward trend. As might be expected the movement in the prices of different categories of commodities has been uneven. On the basis of The Statist Index-Number the percentage variation in the United Kingdom between April 1920 and January 1921 is as shown below :—

	April 1920 Index No.	Jan. 1921 Index No.	Per cent. Decrease
Vegetable Food ...	240·6	162·5	32·4
Animal ,, ...	264·1	282·1	6·8(*a*)
Sugar, Coffee and Tea	209·9	102·9	50·9
Total Foodstuffs	**242.8**	**194.0**	**20.0**
Minerals ...	290·6	248·7	14·4
Textiles ...	297·7	166·1	44·2
Sundries ...	267·7	192·3	28·1
Total Materials ...	**283.1**	**199.4**	**29.5**
Total Index No. ...	**266.1**	**197.2**	**25.8**

(*a*) Increase.

In only one instance—animal food—has there been an increase. The total index-number of foodstuffs is, however, down by twenty per cent. and that of materials by 29.5 per cent. Particularly heavy declines are noticeable in textiles and in the groups embracing sugar, coffee, and tea. In both groups there have been heavy accumulations of stocks, the surpluses carried forward from previous years adding substantially to the total. This result cannot be attributed to overproduction; it is largely due to the curtailment of consumption, following a decline in purchasing power in the countries to which those supplies are generally sent. Obviously the partial elimination of Russia as a buying factor has exercised an important influence on the general situation, and what is true of Russia is also substantially true of that large group of nations whose economic stability has been seriously impaired by the War.

The nearly all-round fall in wholesale prices in the United Kingdom and elsewhere can scarcely admit of any other conclusion than that it is largely artificial. As the world's currency has been greatly amplified since 1914 the approach of some commodities, cotton, for instance, to pre-War prices is, if the suggestion of overproduction be ignored, a strange phenomenon. In regard to rubber the evidence does, no doubt, point to overproduction, but even so this is scarcely sufficient warrant for the low price level to which it has fallen. Production, particularly in Europe, of foodstuffs and other commodities has certainly not yet been resumed on anything like the old scale; reductions have lately been made in the price of flour, yet black bread is still eaten in Germany. Probably the lack of demand from Europe contributed powerfully to the precipitate descent in wholesale prices since last April. During the short term that elapsed since the Armistice the Continent, impoverished by war and with no insignificant proportion of her capital plant destroyed, could not possibly have satisfied her legitimate demands. Further, it was not till towards the end of 1919 that great producing and manufacturing countries such as the United States and the United Kingdom were in a position to fill large orders.

Demoralised exchanges, involving a severe restriction of purchasing power, are only symptoms of the economic disorder of Europe. Normal trading channels and agencies of production have been seriously disrupted, and the taxation, direct and indirect, necessary for the liquidation of war expenditure constitutes an onerous burden. Years, in all likelihood, will elapse before Europe can resume import trade on its former magnitude.

A further factor bearing on the fall in wholesale prices has been the deflationary policy pursued in the United Kingdom and the United States, leading to the dumping of large stocks on a market unable to receive them. This is another element in the artificiality of the decline. But it has probably outworn itself in great measure and speculation in future will probably be on a more restricted scale. As is well known, retail prices are sluggishly following the downward movement in wholesale prices. The extent of the general fall in retail prices since September 1920, as shown by the index-numbers compiled in some of the principal countries, is indicated below :—

Percentage Increase (+) or Decrease (—) in the General Level of Prices.

	—Wholesale—		—— Retail——,	
	Between Sept. and Dec. 1920	Between Dec. 1920 and Jan. 1921	Between Sept. & Dec. 1920	Between Dec. 1920 and Jan. 1921
	%	%	%	%
United Kingdom	—16·7	— 4·8	+ 3·0	— 5·4
France... ...	—17·3	— 6·6	+ 4·2	— 3·3
Sweden ...	—17·4	—10·7	— 4·2	— 3·7
Norway ...	—11·7	— 8·8	+ 1·8	— 2·3
Denmark ...	—14·3	—15·0	(*a*)	(*a*)
Italy	— 3·8	— 1·9	+15·7	— 2·1
Germany ...	+ 1·4	— 9·3	(*a*)	(*a*)
United States :—				
Bureau of Labour	—21·9	— 6·3	—12·1	— 3·4
Bradstreet ...	—25·1	—2·3	—	—
Japan	—10·9	— 2·2	(*a*)	(*a*)

(*a*) Cannot be stated.

A general decline in retail prices came into evidence only in December 1920—January 1921. In the period immediately preceding their trend was irregular —increasing in some countries and decreasing in others—although wholesale prices in most countries had begun their downward march in April or May. It was of course to be expected that some time would elapse before the sympathetic reaction in the former became manifest. Retailers would naturally be anxious to make their usual margin of profit on stocks laid in when wholesale prices were at their highest, though it is to be feared that they did not always attempt to share with the public the benefits accruing from purchases at lower levels. It is probable, in the United Kingdom, at any rate, that the prevailing congestion of stocks in retailers' hands would not have been quite so severe if inducements to purchase had been more freely offered to the public. As matters now stand many retailers may eventually be forced to sacrifice their holdings at a loss. A more concerted attempt on their part to remove the block would undoubtedly have a most invigorating effect on trade. With a quickening of consumption production would once more be stimulated into activity, and the wheels of commerce would run in their accustomed grooves. The principle of cutting their losses is, however, obnoxious to large bodies of retailers, yet they cannot contemplate other than ruefully the huge amount of money tied up in immovable stocks and the continual payment of fixed overhead charges.

BELGIAN AND GERMAN PUBLIC FINANCE.

The desire for economy, as to which repeated assurances have emanated from practically all the Governments of Europe, has not to any appreciable extent been translated into action, judging by the estimates available for the year 1921-22. The public finances of countries that suffered directly from the War have become complicated by the large extraordinary budgets necessary for the repair of war damages. As such expenditure is of a capital nature and is, in the case of Allied countries, nominally recoverable from Germany, the course of defraying it by means of loans is quite defensible, but the effect of such loans in spreading inflation further, and in aggravating the already chaotic condition of Continental currencies and, therefore, of Continental exchanges cannot be ignored. Signs are not wanting in the case of Germany that the serious deficits revealed by the national accounts are to some extent avoidable. Under the Federal Constitution the Central Government may take on certain liabilities of the several States which they are unable themselves to discharge, but in its own interests the Reich itself should impose a severe limitation on such demands. The exhortations to economy addressed by Berlin to the State Governments cannot have the desired effect if the demands of these Governments are met practically on presentation. The desire to belittle Germany's apparent capacity to pay by pointing to a condition of national insolvency as revealed by deficits is, of course, understandable, though not commendable. To defray Government expenditure, largely unproductive in character, by means of the printing-press will inevitably lower the commodity value of the mark. It is incorrect, however, to deduce a state of prosperity from the large capitals, the large increases in capital and the big dividends of many German industrial combinations and individual companies. While many concerns have been recapitalised on the basis of present inflated values, it must be remembered that a return of fifty per cent. in paper marks to a firm whose assets were purchased on the basis of gold marks represents a real return of less than ten per cent.

In the adjoining tables we give the figures of the Belgian and German budgets in 1920 and 1921:—

(000's omitted.)

	Belgium 1920 Francs	Germany 1920 Marks
Ordinary expenditure	2,156,273	44,500,000
Ordinary receipts	1,850,011*	39,900,000
Deficit	306,262	4,600,000
Extraordinary expenditure	395,147	89,600,000
,, receipts	1,550	7,400,000
Deficit	393,597	82,200,000
Extraordinary war expenditure	6,014,989	
,, ,, receipts	1,480,000	
Deficit	4,534,989	
Total deficit	5,234,848	86,800,000
	1921 Francs	1921 Marks
Ordinary expenditure	3,802,480	46,945,000
Ordinary receipts	3,119,227	46,945,000
Deficit	683,253	
Extraordinary expenditure	3,127,695	43,667,000
,, receipts	1,692,174	10,556,000
Deficit	1,435,521	33,111,000
Extraordinary war expenditure	2,759,565	
Reparations paid	296,752	
Deficit	2,462,813	
Total deficit	4,581,587	33,111,000

* Inclusive of 345,230,000 frs. exceptional receipts.

The accounts are characterised throughout by debit balances. To meet ordinary expenditure in Belgium the ordinary revenue, which was over 306¼ million francs short in 1920, is estimated to be over 683¼ million francs short in 1921. The deficit in the extraordinary budget at 1,436 million francs approximately is nearly four times as great as in 1920, when it totalled 393,597,540 francs. Apart altogether from the foregoing items, which might be classed extraordinary war expenditure, which is recoverable under the various treaties of peace. The provision under this head naturally shows a substantial decline in the current year, but the reparations to be paid figure at only one-tenth of the outlay, and the deficit amounts to the large sum of nearly 2,463 million francs, a decline of over 2 million francs, as compared with 1920. The total deficit in respect of the current year is thus practically 4,582 million francs, as compared with 5,235 million francs in 1920. The reduction is not material, and the anticipated deficit works out at £86 million at present rates of exchange.

According to the original estimates the ordinary German budget for 1920 balanced at 39,900 million marks. Supplementary estimates raised expenditure to 44,500 million marks and increased the extraordinary budget from 69,600 million to 89,600 million marks. The excess expenditure of 82,200 million marks under the extraordinary budget is to be defrayed by means of a loan, and this brings the total deficit for 1920 to 86,800 million marks. Preliminary estimates of Federal expenditure for 1921-22 have been prepared, and these show an ordinary budget balancing at 46,945 million marks, and extraordinary expenditure of 43,667 million marks, against which the estimated receipts are 10,556 million marks, leaving a deficit of 33,111 million marks, or £127 million at the current rate of exchange.

A country which has suffered no less severely than the two mentioned in the War—namely, Finland—displays a great improvement in its national estimates for 1921. The ordinary expenditure, at 1,822 million Finnish marks, shows a rise of thirty-five per cent. as compared with 1920. The increase is, however, accounted for by differences in the method of accounting, and, moreover, extraordinary expenditure is much less at 510 million Finnish marks. The total expenditure, 2,332 million Finnish marks, is less by twenty-one per cent. than in the previous year. The Government do not, apparently, consider it feasible to raise a loan, but authorisation for creating short-term credits to a maximum of 400 million marks is being sought, and revenue is to be increased by the imposition of further taxation.

In Sweden an increase in inflation is evidenced by the resolution of the Riksdag authorising the Riksbank to make a further issue of notes to the value of 125 million kroner, or £7½ million. This policy

ESTABLISHED 1810

THE
MECHANICS & METALS
NATIONAL BANK
OF THE CITY OF NEW YORK

Capital (fully paid), Surplus and undivided Profits
$25,000,000

This Bank finances exports and imports, buys and sells Foreign Exchange, Cable Transfers, etc., and makes Collections on all parts of the world.

LONDON CORRESPONDENTS:
London Joint City and Midland Bank, Ltd.
London County Westminster and Parr's Bank, Ltd.
Barclays Bank Ltd.

of adding to the note issue is also evidenced in Germany, as can be deduced from the suspension until September 31, 1923, of the statutory provision requiring one-third at least of the note circulation of the Reichsbank to be covered by gold bullion or coins, Federal Treasury notes or legal tender. The remaining two-thirds of the circulation was up to the present covered by approved three months' bills, but apparently the amount covered by bills can now be indefinitely expanded. The change in the law was necessitated by the restricted operations of the Darlehnskassen, which were established after the outbreak of war to finance the large creations of credit which hostilities involved. The Darlehnskassenscheine which they issued were placed on the same footing as the Reichskassenscheine, equivalent to our Treasury notes, and were held by the Reichsbank as portion of the one-third legal tender security required by the law as cover for its notes. The Reichsbank's holding of this war issue of notes has latterly much increased, but, with the repayment of loans to the Darlehnskassen a large issue of further notes by these institutions, which were, moreover, created for purely war purposes, is unlikely. A further increase in the note circulation of the Reichsbank was, therefore, rendered difficult, and the State authorities considered such increase necessary in view of the large creations of Treasury bills necessary to meet State deficits. Hence, the action of the Government in suspending one of the provisions of the Reichsbank law will, in the absence of ameliorating circumstances, cause a further decline in the value of the paper mark, and the handing over of the gold reserve of the Reichsbank to the Allies will in the event of its partition between them destroy the last slender connection with gold of the inflated superstructure of German credit.

CAPITAL ISSUES IN APRIL.

Though the banking community has spared no effort during the past twelve months to meet legitimate demands for accommodation, restoration of financial liquidity still constitutes one of the most pressing problems of industry. Public applications for funds remain, however, comparatively small in number and weight. During April the appeals of joint-stock companies amounted to only £9,700,000, as compared with nearly twice that amount in the corresponding month of 1920. Applications under this head since January 1 total £37,400,000, against £152,000,000 for the first four months of the preceding year and £66,000,000 during the same period in 1913, when the purchasing power of the pound sterling was double its present value. Including Government and municipal emissions, the grand total for April 1921 stands at £19,000,000, as compared with £31,000,000 for April 1920, and for the first four months at £83,000,000, or less than one-third of the corresponding amount in 1920.

The apathy of the investing public towards industrial flotations acted as a deterrent on would-be applicants to the capital market, but it was not the only important influence. Anticipations of a reduction in the Bank rate caused many houses to defer their emissions. Their expectations in this direction would probably have been realised earlier than they were but for the occurrence of the coal strike and the threat of combined action by the Triple Alliance. The failure of negotiations with the miners' delegates up to the close of the month caused the publication of many prospectuses to be still further postponed. Given a satisfactory strike settlement, the reduction of the Bank rate from seven to six and a-half per cent. will doubtless remove much of the depression from the capital market. Whether the relief will be sufficient, however, to justify a marked recovery in capital issues is a moot point. Loans from the banks will be obtainable on easier terms, and renewed confidence will probably make the outside investor more ready to embark his funds in enterprise proper; but the amount of new money so obtained from the public cannot be expected to be very great, for the simple fact that it does not exist. The month of May will very probably witness the appearance of an increased number of prospectuses as compared with preceding months, but only to a limited extent.

Emissions on Government and municipal account were remarkably few in April, the Government of India loan of £7,500,000 in Seven per Cent. Inscribed Stock or Bonds, 1926-31, at par, being the outstanding item. The latter was heavily over-subscribed within a few hours of being issued, one financial group alone offering to take £7,000,000 of the stock. The remarkable success of the issue, though largely the result of "stag" operations, will no doubt attract forth several important municipal emissions which have been pigeon-holed for some time pending more favourable circumstances. National Savings Certificate (net) and Treasury bond subscriptions came to only £1,315,000, an item which will show smaller

CAPITAL ISSUES OF THE UNITED KINGDOM.

Calculated at Price of Issue and Exclusive of Conversion Loans, Bonus Shares and Shares Issued to Vendors.

	April				First Four Months			
	1921	1920	1919	1913	1921	1920	1919	1913
	£	£	£	£	£	£	£	£
Banks	750,000	600,000		229,986	754,000	10,214,268	8,014,273	2,292,000
Breweries	—	—	—	—	400,000	598,270	100,000	40,000
Coal, iron, steel and engineering	712,500	5,582,829	2,073,285	1,110,000	1,125,322	20,910,501	9,497,785	1,493,230
Commercial and industrials	2,598,895	8,071,544	2,208,770	1,321,700	14,744,393	77,590,425	9,084,179	8,184,405
Electric light and power	969,206	750,000	410,000	108,600	1,689,206	1,720,107	1,348,433	2,099,295
Fin. land and trust	527,500	1,293,794	250,000	1,505,635	1,247,500	5,942,157	400,000	6,081,156
Gas and water	61,300	65,000	5,000		861,486	475,500	31,500	597,000
Harbour and docks	441,000	137,500	—		441,000	—	—	—
Insurance	—	—	—	—	—	2,179,841	—	105,000
Mines	250,000	155,000	50,000	725,054	320,200	2,262,903	864,533	5,987,893
Motors	570,000	200,000	2,581,000	56,250	626,695	5,166,762	4,587,786	94,736
Nitrate	—	—	—	—	—	100,000	149,250	—
Oil	1,712,500	205,000	—	407,500	11,436,911	4,535,901	59,346	1,222,500
Rubber	191,550	50,899	65,464	189,050	598,716	3,341,778	124,874	2,101,282
Railways	—	—	—	4,835,000	50,000	1,116,000	—	32,808,514
Shipping	899,000	666,121	—	325,000	3,082,260	12,679,385	260,000	500,000
Tea and coffee	—	70,000		6,250	57,790	196,720	—	433,000
Telegraph and telephone	—	—	—	—	—	3,039,650	—	531,919
Tramways	—	34,300		—	—	34,300	—	1,666,663
Total	9,683,451	17,881,987	7,643,519	10,820,025	37,425,479	152,104,468	32,522,259	66,238,593
Municipal	500,000	12,197,932	—	2,721,055	10,510,796	23,174,099	—	4,031,327
Government	8,815,000	1,000,000	27,477,000	15,188,000	35,219,064	94,031,208	309,409,748	15,028,252
Grand Total	18,998,451	31,079,919	35,120,519	28,729,080	83,155,339	269,309,775	343,932,007	85,298,172
Home	6,690,401	28,323,496	35,006,055	5,602,371	50,374,332	247,196,368	334,815,410	11,263,848
Colonial	9,572,550	2,504,736	21,150	15,497,980	18,301,096	17,184,491	7,426,552	26,215,740
Foreign	2,735,500	251,687	95,314	7,628,729	14,479,911	4,928,916	1,690,045	47,818,584
	18,998,451	31,079,919	35,120,519	28,729,080	83,155,339	269,309,775	343,932,007	85,298,172

still in the future on account of the withdrawal this week of Treasury bonds. The only corporation to approach the market during the month was that of Auckland, N.Z., which placed a £500,000 Electrical Undertakings Extensions Loan in Six and a-Half per Cent. Debentures at par.

Appeals on commercial and industrial behalf amounted to only £2,600,000, the most important issue being £1,300,000 Eight per Cent. Mortgage Debenture stock at 98 by the Mond Nickel Company. Lipton's were responsible for £600,000 in Nine per Cent. Preference shares, and Mackintosh's for £300,000 in Ten per Cent. Preference shares, both at par. Sheffield Steel Products, Limited, was the only iron and steel undertaking to make a public appeal. This firm succeeded in obtaining subscriptions for 722,000 £1 Preference shares out of 1,000,000 offered last November, and in the last week of April made a further issue of £750,000 Eight per Cent. First Mortgage Debenture stock at 95. A feature of the month was the revival in applications by electrical undertakings, the total under this head coming to approximately £1,000,000.

Though new capital investments have exhibited a marked decline in recent months, it will be noted that the decrease has applied to home enterprise only. Takings on Colonial account amounted to nearly £10,000,000 in April, or four times the figure for the previous April, and subscriptions to foreign undertakings at £2,700,000 show an even greater increase proportionately. For the first four months of 1921 the Colonies have taken £18,300,000, against £17,000,000 in the corresponding period of the previous year, while £14,500,000 on foreign account compares with £5,000,000 in 1920, and with £48,000,000 in 1913.

The subscriptions in the United Kingdom for each month since January, 1919 are shown in the following table. The total for each month is subdivided on one side under the heads of Government and municipal, and private enterprise, and on the other side, according to the amounts taken by home, colonial, and foreign applicants.

Capital Issues of the United Kingdom

(000's omitted.)

	Government and Municipal	Private Enterprise	Total	Home	Colonial	Foreign
1919	£	£	£	£	£	£
Ja. ...	222,616	7,494	230,110	227,025	3,085	—
Fb. ...	37,816	10,323	43,139	43,799	3,891	449
Mr. ...	21,501	9,062	30,563	28,987	429	1,147
3 mths. ...	281,933	26,879	308,812	299,811	7,405	1,596
Ap. ...	27,477	7,644	35,121	35,005	21	95
My. ...	23,794	12,663	36,457	34,111	1,149	1,197
Je. ...	14,506	15,170	29,676	26,537	2,016	1,123
6 mts. ...	347,710	62,356	410,056	395,464	10,591	4,011
Jy. ...	394,636	10,149	404,785	402,526	1,458	801
Ag. ...	20,311	14,046	34,357	33,988	85	284
Sp. ...	26,875	6,643	33,518	31,616	652	1,250
9 mts. ...	789,532	93,194	882,726	863,594	12,786	6,346
Oc. ...	21,158	18,818	39,976	26,818	7,423	5,735
Nv. ...	15,075	35,745	50,820	45,439	2,347	3,034
Dc. ...	22,570	36,041	58,611	41,400	6,229	10,982
12 mts.	848,335	183,798	1,032,133	977,251	28,785	26,097
1920						
Ja. ...	23,309	39,651	62,960	52,674	9,187	1,099
Fb. ...	56,834	38,606	95,440	90,817	2,454	2,169
Mr. ...	23,864	55,964	79,828	75,380	3,039	1,409
3 mts. ...	104,007	134,221	238,228	218,871	14,680	4,677
Ap. ...	13,198	17,882	31,080	28,323	2,505	252
My. ...	11,951	28,057	40,008	37,370	2,188	450
Je. ...	9,818	29,804	39,622	21,521	5,896	12,205
6 mts. ...	138,974	209,964	348,938	306,085	25,269	17,584
Jy. ...	5,127	18,266	23,393	22,975	293	125
Ag. ...	2,743	4,461	7,204	5,536	993	675
Sp. ...	6,596	14,286	20,882	15,755	4,434	693
9 mts. ...	153,440	246,977	400,417	350,351	30,989	19,077
Oc. ...	10,176	17,746	27,922	24,520	1,306	2,096
Nv. ...	11,317	27,472	38,789	28,698	8,641	1,450
Dc. ...	6,193	7,877	14,070	9,993	2,607	1,470
12 mts. ...	181,126	300,072	481,198	413,562	43,543	24,093
1921						
Ja. ...	11,755	9,620	21,375	14,897	363	6,115
Fb. ...	11,614	2,566	14,180	9,080	5,050	50
Mr. ...	13,046	15,556	28,602	19,707	3,315	5,580
3 mts. ...	36,415	27,742	64,157	43,684	8,728	11,745
Apr. ...	9,315	9,683	18,998	6,690	9,573	2,735

COLOMBIA.

A NEW START.

According to a cable from Washington, published by our daily contemporaries, the United States Government has entered into an agreement with the Government at Bogota whereby the United States will pay Colombia 25 million dollars in five equal instalments, while Colombia secures liberty at all times to transport through the Inter-oceanic Canal its troops, materials of war, and ships of war without paying any charges to the United States; exemption for the products of its soil and industry and for mails passing through the Canal from any charge or duty other than those to which products and mails of the United States are subject; and an undertaking that, when Canal traffic is interrupted, Colombian products and mails shall be transported by railway under the same conditions as those of the United States. Colombia is to recognise the Republic of Panama as an independent State, in consideration whereof the United States agrees to take steps to obtain from Panama the despatch to Colombia of an accredited agent for the conclusion of a treaty of peace and friendship, the establishment of regular diplomatic relations, and the adjustment of all questions of pecuniary liability.

Writing at any given time it is never possible to say what will be the ultimate effects of any given action. Acts so amazingly foolish are committed, and speeches so completely lacking in discretion are made, that one anticipates the gravest and most unfavourable consequences. Yet, in reality, the incidents pass with little or no apparent effect. On the other hand, some great pact of friendship is made between two powerful sovereign States, and one looks with confidence to a period of peace and prosperity and of great economic development, only to be disappointed by the outbreak of a great international war. With this premise we may say that the pact of peace made between Colombia and the United States should have far-reaching results. It should be a factor for the well-being of North and South America to a far greater extent than would readily be appreciated by the ordinary uninstructed public, who casually read the announcement in the columns of a European newspaper. Whether it will have the favourable influences that we not merely hope, but might reasonably expect, of course, remains to be seen.

Those who are either familiar with the region, or who will look at a map, will see that the new Republic of Panama is a long narrow neck of land jutting out to the north-west of the Republic of Colombia, which, of course, itself forms part of the great South American continent. Ever since 1903 there has been a rankling feeling of gross injustice on the side of public opinion such as it is in Colombia, against the United States. There was never a question of actual trouble in a political sense between a country hardly developed at all in an economic sense, and a great powerful State like the United States of America. Nevertheless, it is never satisfactory on any continent to have even a small country labouring under a sense of real, or imagined, injustice. And it is a most fortunate circumstance and one which should have far-reaching results that Colombia has come to an arrangement with the United States, whereby it has accepted reasonable compensation for its losses, at the same time recognising accomplished facts and the force of economic laws. For some four centuries now the various States bordering upon the Isthmus of Panama have each been desirous of taking part in the construction of the international waterway which even from the time of the Emperor Charles the Fifth it was foreseen would eventually be made whenever engineering skill and adequate resources were forthcoming. It happened that when that time came the Republic of Colombia, on the north-west of South America, owned the particular strip of land which was most favourable to, and was ultimately selected for, the construction of

the Inter-oceanic Canal. The loss of the Republic of Panama, which is about the size of Ireland, was at that time a great disappointment to Colombia. But under the terms of the agreement above quoted, it will be seen that Colombia obtains all the real advantages incidental to the use of the Panama Canal. It had long been evident that if ever, and whenever, the Canal was constructed the United States, whether the actual constructor of the Canal, as has proved to be the case, or otherwise, would be the dominant Power in those regions and would necessarily insist upon occupying that position. The State through whose territory the Canal is cut naturally claimed that it should enjoy with the United States the right of the free use of the Canal without any discrimination as to duties and as to whether its ships were merchantmen or vessels of war. This, from the terms of the treaty above quoted, it will be seen Colombia has obtained; and, in addition, she has received large compensation for a territory which in its actual state of development at present consists very largely of swamp and forest, although potentially it is one of the richest areas of the world.

An American writer who visited the regions some forty years ago describes the coast as alternating between a dense steamy atmosphere in which visibility became obscured, and intense glaring sunlight. The writer visited the regions in the rainy season, and before sanitary measures had been taken in the construction of the Panama Canal. Owing to the European War and the prolonged state of unrest which has followed the Armistice of November, 1918, the real value, economic and political, of the influences following the construction of the Panama Canal have so far been obscured. Assuming that the world is not about to be plunged into another world-wide war, we shall see during the course of the next few years remarkable developments taking place in different parts of the world as a result of the construction of this great water-way. The Canal was opened for traffic in the early days of the great European War; and, as we have just said, its real usefulness and its real influence, political and economic, upon the world has hardly begun to be felt as yet. Readers are, no doubt, aware that the influence of the events of 1903 were not confined to its effect on Washington and Bogota. It extended to a far wider region. Now that a satisfactory arrangement has been come to between the United States and Colombia, it may be not merely hoped, but assumed with a reasonable degree of probability, that serious attempts will be made to develop the enormous resources which the Republic of Colombia contains.

Primarily, Colombia is a great agricultural country. At present she lives mainly upon the export of coffee and hides. So inadequate are her transportation facilities, and so small is her population relative to her extensive area, and also so difficult is the country itself, that at present it produces, apart from coffee and hides, very little indeed beyond the actual requirements of the people. Indeed, those who know Colombia well are aware that the produce does not afford a very affluent means of subsistence for a large part of the population. The total area of Colombia is between 480,000 and 490,000 square miles. The population at the last Census was declared to be something under 5½ millions. It is now estimated to be very nearly 6½ millions. It will be seen that for such an enormous area the population is totally inadequate to develop the resources of the country.

As in all South American countries, the two primary needs are transportation facilities and population. It must be admitted that Colombia is not an easy country to develop. Approached by way of the Magdelena—which, of course, is the natural way to approach it—it is a question of engineering and a question of expense. At present there are under 800 miles of railway in the whole country. Approached from the Pacific Ocean it is as difficult a country as one could imagine to deal with from the engineering point of view. Immediately the coast lands are passed one is faced by the stupendous range of the Andes, which in this part of the world attain some of their highest peaks. Moreover, it is the west or Pacific Andes which are the highest, most inaccessible and most difficult to negotiate, while the Eastern, or Amazonian, Cordilleras contain the great plains and valleys on which the ancient—and, indeed, modern—population of Colombia mostly lives. This is the temperate zone. From this plateau more or less gently slopes the great bulk of the area of the Republic, down towards the Magdelena. This is at present heavily wooded, more or less malarial, and will require very considerable expense before it is made really healthy and developed up to a point at which it would be able to sustain a population adequate to its extensive area and great natural resources. It may be added that very nearly thirty per cent. of the whole area of the Republic is mountainous in the sense that one talks of mountains in the Andes—not merely hilly.

The existence of these great mountains, however, must not be assumed to be all loss, for in them are contained some of the richest minerals existing in the world. Colombia was one of the most important sources of gold supply for the Viceroyalty at Lima in colonial times. We will not enumerate the vast supply of minerals which is contained in that part of the Cordilleras which pass through the Republic of Colombia. In two respects, however, or rather in three, they are peculiar, because Colombia has an enormous, and as yet imperfectly surveyed, area of oil-bearing strata. The two, however, are platinum and emeralds. Although the former is found in various countries, it is rarely found in workable quantities, with the exception of the deposits of Russia. Since Russia virtually disappeared frou the ken of nations the world has been exceedingly short of platinum, as the mines in Colombia have never yet been properly developed. Colombia, as, of course, is well known, is the principal source of the world's supply of emeralds.

AERIAL COMMERCIAL TRANSPORT.

When the remarkable development in aircraft during the War is considered little wonder need be expressed at the rather over-optimistic anticipations of the future of aerial transport freely indulged in after the conclusion of the Armistice. Such anticipations have not been justified by events; but it must be remembered that the problems attendant on the successful utilisation of the aeroplane and the airship for commercial purposes could not be possibly solved within so short a space of time. The education of the public to the potentialities of this new method of locomotion can only be completed after unimpeachable demonstration of its safety. There is the further question of cost, and unless this can be lowered it will be difficult to attract passengers other than those who regard speed as of vital moment. For the moment, however, the high-speed carriage of mails and small valuable goods constitutes the basis upon which commercial aviation is expected to develop. On these points the following comparative statement, taken from the Report of the Air Conference issued at the conclusion of last year, may be of some interest:—

Charges on Lond n-Paris Route for Passengers and Goods.

	By Air Line	By Rail and Steamer (Dover-Calais Route)
Passengers (single) ...	£10	1st class £3 15*s.* 8*d.*
,, (return) ...	£18 18*s.*[a]	,, £7 11*s.* 4*d.*
Parcels	1*s.* 3*d.* per lb.[a]	From 4*d.* to 1¼*d.* per lb.
Goods	1*s.* 3*d.* per lb.[a]	1¼*d.* per lb. (Grande Vitesse)

(*a*) Receipts from these charges are subject to a deduction of from 5 per cent. to 10 per cent. by booking agents.

The disparity between the charges is evident. How far it has interfered with the aerial carriage of passengers, mails and goods may be judged from the following particulars. The returns relating to British civil aviation, including Continental traffic, indicate that the average monthly number of passengers carried during the period May-September 1919 was 11,626, and similarly for the period April-July, 1920, 3,656, a decrease of sixty-eight per cent. The number of letters transmitted by air mail to Paris, Brussels and Amsterdam in March 1920 was 1,607, and in August 12,863, and the number received from these places was 1,225 and 10,554 (partly estimated) respectively. According to the Air Ministry, the value of imports and exports by air during 1920 reached £1,016,155, the respective amounts being £677,047 and £339,108. The imports are given at £224,164 in October-December 1920, compared with £55,338 for the similar period of 1919, an increase of 305 per cent., and on the same basis the exports amounted to £141,320, as against £28,095, an increase of 403 per cent. An analysis of the goods may be of some interest. Amongst the imports, the largest items were one of about £307,500 for women's outer clothing and another of £78,000 representing furs, both brought from France. In the export trade the different classes of goods dealt with were more evenly represented. One of the chief items was of £27,700 for woollen clothing, and other goods included watches, electric lamp parts, wireless apparatus, human hair, paintings and cinematograph films.

Conditions in the British Isles are none too favourable for air services. Distances to be covered are comparatively short, meteorological conditions are uncertain, and existing communications have reached a high stage of excellence. These factors, however, do not possess the same weight when the question of air communication with the Continent is considered. It is obvious that here there are great opportunities for effecting a saving of time so far as the delivery of mails and valuable goods is concerned. Aircraft have revolutionised the speed of intercommunication by letter; and banks and financial houses already recognise the facilities thus afforded for the transaction of business. American experience in this direction lends some support to the plea that as soon as feasible all letter mails between the United Kingdom and Paris, Brussels and Amsterdam, should be carried by air and without additional postage fee. According to the American Post Office authorities, a distinct economy in ultimate outlay has been effected by the carriage of mails by aircraft in certain routes notwithstanding the charge of only the normal postage fee. Between May 15, 1918, and January 1920 these services operated over 473,210 miles and carried 22,254,490 letters. Delivery was advanced by an average of sixteen hours and an efficiency of 91.49 per cent. was maintained.

So far the air services of the world have been almost entirely conducted by aeroplanes. As between the two types—aeroplane and airship—each possesses advantages of its own. In favour of the airship is its ability to carry a greater weight over a longer distance. Using the words of Major-General Sir F. H. Sykes, "it is within the power of the modern airship to fly to Egypt and back without landing with a load of twenty tons; it can fly day and night, and is not so handicapped by fog and bad visibility; it possesses six engines, on which running repairs can be made in the air. The aeroplane, on the other hand, has a much greater speed, and even if the mooring of airships to a mast proves effective, will probably always be much more easily landed, housed and overhauled. The problem, however, is not one of rivalry, but of co-operation. The heavier than air craft is undoubtedly the best type for journeys which can be undertaken within the hours of daylight, the airship for journeys of such length as to involve day and night flying. It is probable that in the establishment of closer intercommunication between the various parts of the Empire the airship will play a very prominent part.

On the Continent and in the United States the problem of utilising aerial transport for commercial purposes is receiving great attention, and many elaborate schemes have recently been suggested and, in some cases, put into execution. Topography and a comparative paucity of other means of communication lend these schemes a stimulus which is, to some extent, lacking in the United Kingdom. On this acccount there is a lack of energy in our policy which may prove detrimental to our best interests. True, flying is still in its infancy and air machines are still imperfect, but a short term of years may witness a remarkable transformation. Numberless instances of late should have combined to impress upon us the singularly limited powers of the human imagination. In itself the attainment of a foremost position in commercial flying is a sound ideal for the nation, but in addition there must be remembered its close connection with military defence. Experience gained from the employment of aircraft either for civil or military purposes can be utilised for the mutual advantage of both. Unfortunately, the present parlous condition of British commercial flying does not hold out the hope that its experience will yield many valuable lessons. For its encouragement the sum of approximately one million pounds has been provided in the Air Estimates of 1921-22, but it is to be feared that in arriving at this comparatively modest figure Mr. Winston Churchill was not influenced so much by considerations of economy as by the belief that commercial transport by air was an unnecessary luxury.

Bank of Adelaide.—The London Manager has received a cablegram from the head office in Adelaide stating that the profit for the year is £88,107 7*s*. 5*d*. The annual meeting will be held on May 4, and the directors recommend the transfer of £20,000 to reserve fund (making it £620,000), payment of a dividend at the rate of ten per cent. per annum, and carrying forward £22,178 12*s*. 10*d*.

South African Trade in 1920.—The outstanding feature of South African trade in 1920, as evidenced in the latest official returns, is the phenomenal influx of imports in the latter half of the year. The value of imports for the quarter ended September 30, 1920, was almost equal to the highest value for any twelve months prior to 1918; whilst the total value of imports for the last six months of 1920 exceeded the value for the whole of 1919 by £6,000,000. From the point of view of quantity and value alike the trade in soft goods outrivalled all previous records. Boots and shoes poured in to such an extent that the local industry, which had been flourishing since the War, received a serious blow. A special Committee, appointed by the Government, advocated an import duty of 40 per cent. on boots and shoes, and of 25 per cent. on leather, to enable the local industry to recuperate; but the Minister of Finance, in his Budget speech, announced that the Government were not prepared to increase the duty.

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Financial Notes.

Value of the German Mark.

On Tuesday members of the National Union of Manufacturers made representations with regard to the promised legislation to safeguard key industries and to prevent what has been termed dumping, to Mr. Stanley Baldwin, the new President of the Board of Trade, and in the discussion a point arose which deserves much more attention than has hitherto been given to it. This is in connection with the exchanges on Germany and certain other of the countries of Central Europe. It was suggested by the deputation concerned that in any measures that may be taken to deal with the exchanges problem the Government should recognise the differences which exist between the internal and the external value of the currencies concerned. As an illustration the position of the German mark was instanced, and it was suggested that in Germany 240 marks should be considered as equivalent to 80 marks approximately for the purposes of the resolutions. It has been pointed out more than once in THE STATIST that the false position of certain of the Continental exchanges constitutes one of the chief difficulties against which British trade has to contend at present. To take the example of the German mark: partly on account of the chaotic condition of German finances, rendering the real value of the mark peculiarly unstable, and partly, perhaps, as a result of a deliberate policy on the part of German financial and business interests, the purchasing power of the mark in the Foreign Exchange market is considerably less than is warranted by its commodity value in Germany itself. To estimate how far the pre-War level of prices has been departed from in any two selected countries, for the purpose of determining the true parity of exchange between them is obviously a very difficult proposition. It is especially so in the case of Germany, reliable data for which are of the most scanty description. The following estimate, however, while not pretending to exactness, is yet sufficiently accurate for our purposes. If we compare the average prices in 1913 of twenty-three commodities of common consumption with the prices ruling in October last—the latest date for which the complete data are available—we find that the average increase during the period for Germany is 1,540 per cent. On making the comparison for the same commodities in the United Kingdom the increase appears as 150 per cent. The commodities selected are wheat, rye, maize, barley, hay, hops, wheat flour, potatoes, beef, butter, sugar, coal, iron, copper, lead, tin, zinc, petroleum, cotton, jute, hides, and rubber. The above calculations indicate that 100 pre-war gold marks would be equivalent to 1,640 of the present paper marks, while 100 British sovereigns in 1913 would purchase—as far, of course, as the price movements of these twenty-three commodities may be taken as a guide—as much as 250 of the present paper pounds. Calculating then from the pre-War parity of Mks.20.43 = £1, the true exchange ratio last October should be in the neighbourhood of 130 marks to the £. If we take the calculations up to January last by comparing the movement of wholesale prices in Germany and in the United Kingdom between the end of October and the end of January, as measured by the index-numbers of the *Frankfurter Zeitung* and THE STATIST respectively, the parity on January last would appear as approximately 155 marks to the £. Now, the average exchange rate on Berlin last October was 238 marks to the £ and in January 242 marks to the £; in each case the difference between the actual rate and the true parity, according to the foregoing calculations, is sufficiently wide to indicate the anomalous position of the German mark. What is true of the mark is also true in a greater or less degree of the currencies of the other Continental countries devastated by the War, and it is not surprising, therefore, that German and other Central European manufacturers should be in a position to undersell British products not only abroad, but in our own markets.

Import and Export Duties.

The foregoing explanation of the exchange position appears to us necessary in view of the many erroneous statements that have been made with regard to this question, such as, for instance, the charge of dumping levelled against certain Continental countries—errors that seem to form the basis of the forthcoming key industries and anti-dumping legislation. If the proposed 33⅓ per cent. *ad valorem* import duty comes into operation it will tend to minimise to some extent the effect of the exchange anomaly. But, for Germany in particular, taken in conjunction with the 50 per cent. export tax imposed by the German Reparation Act on goods leaving that country, it will act as a very serious check to the export trade. From the point of view of the foreign exchange value of the mark, it will have the same result as if the level of commodity prices in Germany were raised so as to approximate more closely to the purchasing-power of the mark abroad as determined by its value in the foreign exchange markets, and this will either remove altogether or lessen considerably the premium on export of goods from Germany arising out of the false exchange value of the mark. On consideration of these points, the many perils with which the imposition of the duties under discussion is beset will naturally suggest themselves. In the first place, though they will undoubtedly afford some measure of protection to the home manufacturer, they may be insufficient to prevent altogether German underselling or, on the other hand, the 50 per cent. export tax on goods leaving Germany, though perhaps not designed as a protection to the home manufacturer, may, in addition to the 33⅓ per cent. import duty, prove so large as to make it profitless to export from Germany; in either case the duties are unjustifiable. But, in fact, the duties cannot be equitable, *a priori*, except perhaps for very brief periods, and even then in the case of only a small number of commodities, for they are fixed arbitrarily in amount, whereas the ratio betwen the prices of the same commodities in Germany and in Great Britain is constantly changing, and the ratio between the values of different commodities in each country is also, of course, subject to constant fluctuation. A tariff, in order to be equitable, would have to vary not only from time to time, but in the case of each commodity; this may not be feasible, but in view of the constant fluctuations in prices and values under present conditions the alternative of a fixed tariff must appear futile in the extreme. In the second place, even assuming that the import duty can protect adequately the home manufacturer in the home markets, it still leaves him open to attack in the markets abroad; while, in general, it will inevitably tend to restrict our export trade by handicapping other countries in their attempts to pay for our products. This position is unfortunately accentuated by the fact that the rapid appreciation of the £ sterling abroad during the past few months has, in general, lessened the ability of other countries to purchase from us. The United States to-day is in

much the same position: the U.S. dollar has risen in value during recent months, and the buying power of foreign customers of the United States has become restricted, with the result that a remarkable shrinkage has taken place in the export trade of the country. The problem is of more vital concern to us, however, as we are much more dependent on overseas trade than is the United States. Finally, the proposed duties will have the effect of continuing the anomaly they are designed to remove. For if the external purchasing-power of the mark could hitherto be maintained at a level lower than its internal purchasing-power, it is extremely unlikely that it will rise to its internal value against an obstacle such as these duties constitute. As already explained, the effect of the duties will be to raise nominally the level of prices in Germany for the purpose of determining the foreign exchange value of the mark, and, accordingly, when the duties are imposed, if the external commodity value of the mark were to rise to its internal value, it would mean that no exports could be made from Germany, except at a loss, either to the German exporter or to the importer on this side. To take an example, suppose that the price of steel rails is £18 per ton in the United Kingdom and 3,500 marks per ton in Germany, and that the rate of exchange is 250 marks to £. Accordingly, a German who sends steel rails for sale in England can make a profit of 1,000 marks per ton, less cost of transportation, on the exchange. If an export tax of 50 per cent. is now put on the export of steel rails from Germany the same operation would involve a loss of 1,250 marks per ton, plus charges. It is obvious, then, that the tariff closes the way to the return of the exchange to its true level (in the instance given) of 195. It is, indeed, conceivable that the duties may cause the external value of the mark to fall still further below its internal value, and this would but add to the obvious difficulties attendant on the eventual abolition of the tariffs.

Exports Credits Scheme.

At the beginning of March some amendments to the existing Export Credits Scheme were announced by Sir Robert Horne, but these amendments, which have been modified to suit the opinion of various interests concerned in the working of the scheme still remain ineffective, as they require to receive Parliamentary sanction. We trust that the Board of Trade will make every effort to see that the advantages accruing from the suggested improvements will be made immediately available to traders. Since the initiation of the present scheme the applications sanctioned under the Overseas Trade (Credits and Insurance) Act, 1920, are remarkably small. The total advances made up to March 31 last were £779,901, in respect of the following countries: Finland, Baltic Provinces, Poland, Czecho-Slovakia, Yugo-Slavia, Roumania, Bulgaria, and Austria. Of this sum, £321,058 was advanced in the first quarter of the current year, the applications sanctioned during that period being £686,712, and during the period September 1919 to March 31 last, £2,086,746. Within these latter dates the advances repaid amounted to £16,173. This limited scope is obviously capable of manifold expansion.

The Coal Deadlock.

Acute disappointment has been caused by the breakdown of the coal negotiations on a question of principle, the organisation of the industry on a national basis. The miners refused a guarantee that no greater reduction during May than 3*s.* per shift, or in June of 3*s.* 6*d.*, per shift would be made. A Government grant was offered of £10,000,000, which was to be applied *inter alia* to improving the wage conditions in the districts most requiring up to July and August. Facilities were to be given, if required, to ensure that the wage reduction in all districts would [illegible] that a settlement which would last one year from the end of the temporary settlement, and would be terminable subsequently on three months' notice on either side, should be arrived at. Rejection of these liberal terms is justified by the Miners' Federation on the ground that they do not concede the fundamental principle of a national wages board and a national pool. This merely brings the dispute back to the point from which it started, and, moreover, is an endeavour to force the acceptance of a political issue by means of industrial action, a policy which, we are sure, would not be endorsed by large numbers of the miners themselves, and which certainly receives the emphatic disapproval of the nation. A ballot of the miners should certainly be taken on the terms offered, which represent substantial concessions on the part both of the Government and the owners. In a matter involving financial loss to the country to the extent of £40,000,000 [illegible] should be sufficient basis for the resumption of work, pending a final settlement.

Financial Situation in Italy.

At a meeting of the British Italian Corporation held on Wednesday, the chairman, Mr. J. W. Beaumont Pease, had some very illuminating remarks to make as to the financial position of Italy. He quoted figures relating to the national finances and the foreign trade of the country to show the great strides in recovery from the effects of the War it has made, thanks to the energy and thrift of its people. In the following statistics the figures in brackets represent the value in sterling converted at 75 lire to the £, which was the average exchange rate during 1920. The revenue for the financial year 1918-19 was 5,365 million lire (£71½ million); the final figure for 1919-20 is 7,217 million lire (£96.2 million), an increase of 1,852 million lire (£24.7 million). The sixth loan issued by the Italian Government since the War produced 18,400 million lire, of which cash subscriptions amounted to about 7,000 million lire. While the amount of Treasury bills in circulation on December 31, 1919, was 14,877,788,744 lire, and was reduced on June 30, 1920, to 8,524,456,607 lire through the funding of nearly six milliards into the loan issued in the spring, the amount had grown again by December 31, 1920, to 13,173,836,000 lire, and by February 28, 1921, to about 16,000,000,000 lire. This increase—namely, at the rate of over 1,000 million lire per month, means the investment of savings and profits by the Italian public of a like amount. The State, thanks to this favourable absorption of its securities, has been able practically to balance its deficit for the calendar year 1920, avoiding at the same time any increase of its own currency circulation, as well as of the circulation of the bank-notes issued for its account by the three issuing banks.

Mr. Pease said he had good authority for stating that the deficit on the State Budget, which is now 13 million lire, will be reduced in the fiscal year 1920-21 to 4 million lire. These figures indicate a remarkable effort on the part of the Italian nation to balance revenue with expenditure. The figures for the foreign trade of the country are as striking. Imports in 1920 amounted to 15,862 million lire (£211½ million), a decrease of 761 million lire (£10.1 million) as compared with 1919. Exports rose during the same period by 1,738 million lire (£23.2 million) to 7,804 million lire (£104.1 million). Accordingly, the adverse trade balance was reduced by about 2,500 million lire (£33.3 million) to 8,058 million lire (£107.4 million). Against this excess of imports must be set the large Italian "invisible exports" in the shape of tourist traffic and remittances from emigrants in the Americas. As regards the former, it is estimated there are 250,000 travellers [illegible] present, while remittances from Italian emigrants are now increasing.

American Topics.

MR. LANSING'S BOOK.*

Readers will doubtless recollect that Mr. Robert Lansing, the author of this remarkable book, which throws an illuminating light upon how not to conduct diplomacy, was President Wilson's Secretary of State, and accompanied his chief when he decided to act as his own Ambassador at the Paris Peace Conference on the conclusion of the Great European War.

Whether Mr. Lansing, who came in daily contact with President Wilson, clearly foresaw that all was not well with the physical or mental condition of the President, he does not, of course, state in the book. He states, however, most emphatically that he disapproved *in toto* of President Wilson's attitude towards the Conference which resulted in the Treaty of Versailles. Naturally Mr. Lansing objected very strongly to the President of the United States crossing the Atlantic like an ordinary Ambassador to attend a Peace Conference. Mr. Lansing says he regarded the project as unseemly. Whether he was influenced by his knowledge of the condition of the President's health or whether he regarded the proposal as an inherently unseemly project, is not stated. Mr. Lansing, perhaps not unnaturally, leaves the reader to draw his own conclusion. Clearly Mr. Lansing throws a large measure of blame upon President Wilson for the prolonged delay which occurred in drawing up the Treaty of Versailles, and for the deplorable failure which that instrument has already proved. As a contribution to contemporary history, the book is naturally extraordinarily interesting and, to those sufficiently cynical to thoroughly enjoy it, entertaining to a degree. It is seldom that the world has an opportunity of reading an account, almost immediately after its occurrence, of a great diplomatic event like the signing of the Treaty of Versailles, written by the Foreign Minister of a great State, and of a State which at the moment took a predominant part in the drawing up of such a Treaty. Usually one has to wait until everybody at all concerned in the affair has been long since dead; no one reading the account remembers any of the occurrences; and the whole affair has long since past into history. In reading the accounts of past events the reader comforts himself with the thought that "they made a shocking muddle of things in those days, but, of course, we don't do things like that now." In Mr. Lansing's book we have an account written by one of the chief actors himself, and published to the whole world within two and a-half years of the making of the Treaty, which, while the ink is still damp on its pages, shows that it will not work.

Two features of the Treaty struck Mr. Lansing as absurdities. Unfortunately, they were two features upon which his chief insisted. Mr. Lansing accuses President Wilson of deliberately holding up the Treaty with the fixed determination of imposing his will upon the Conference with regard to these matters. These two items upon which the ex-President is stated to have insisted was the Self-determination of Nationalities and the League of Nations. Mr. Lansing characterises both of them as inherent absurdities. He shows that, carried to its logical conclusion, no State could survive the doctrine of the self-determination of nationalities. While, says Mr. Lansing, it is equally evident that a League of Nations must prove an absurdity unless it is in a position to use such force as to over-awe all opposition. In the latter event it would presumably be a form of Knights Templars brought up to date. Mr. Lansing shows that the United States itself could not exist if its Government accepted and adopted the principle of the self-determination of nationalities. The author does not, of course, make as much of his case as he might, and his reasons for omitting to do so are evident. He contents himself with referring to the incident of the great American Civil War. Then the North went to war with the seceding Southern States and compelled them to come back into the Union, whether they desired "to determine themselves" or whether they did not. Mr. Lansing naturally does not attempt to strengthen his argument by showing how the United States has been built up by a series of wars which gave it New Mexico and California. Still less does he refer to the disintegrating forces in the divisions of the United States itself. No single country, and certainly no extensive group of States, is, so far as we are aware, homogeneous. Even France, which is, perhaps, the most homogeneous State, apart from its colonies, still existing, had in its day a bitter struggle between the North and the South. During the monarchical period the North imposed its language, institutions, and laws with more or less effect upon the whole country. With the outbreak of the Revolution, however, the fierce Albigeois revived the passions that had slumbered for more than a millennium, marched on the capital, and endeavoured, with a large measure of success, to impose their wild concepts of what society should be like upon the leaders of the Revolution in Paris.

Mr. Lansing foresaw from its inception that nothing but disaster was to be expected from the establishment of a League of Nations. The United States, like most of the rest of the world, was engaged in a great war at the time the League of Nations was first proposed. The War itself originated from folly on one side and greed on the other. France, instead of preparing for the War, had occupied herself in a grand fight with the Roman Catholic Church over the education question. In this country, although we professed to be very determined to maintain the inviolability of Belgium, we took no steps whatever which would have enabled us to translate that determination into fact. On the contrary, Parliament was occupied with the puerilities which engaged the attention of the Government of 1906. When Germany saw how her two principal opponents were occupying themselves she not unnaturally felt that a favourable opportunity had occurred for endeavouring to obtain a colonial empire. She failed; but not until, after four long years of warfare, she had compelled more than seventy per cent. of the estimated population of the world to enter into a defensive war of blockade against her by land and sea.

* *The Peace Negotiations. A Personal Narrative.* By obert Lansing. With illustrations. Price $3. (Boston and ew York: Houghton Mifflin Co. 1921.)

SOUTH AND CENTRAL AMERICA.

VENEZUELA.

Mr. T. I. Rees, British Vice-Consul at Caracas, has forwarded to the Department of Overseas Trade a copy of a Presidential Decree creating a Commercial Museum in connection with the Department of Commerce in the Ministry for Foreign Affairs of Venezuela. The Museum is intended to be a permanent exhibition of samples of both home and foreign products, of catalogues of foreign firms, commercial reviews, &c., and a free information service in regard to these matters will be maintained. The Director of the Department of Commerce has informed the Vice-Consul that United Kingdom samples, catalogues, in fact, anything that will help to promote trade between the two countries, will be gladly received by the Ministry of Foreign Relations, Caracas.

We desire to give what assistance we can by publishing the above information, in the hope that it will, as the Director of the Department of Overseas Trade suggests, encourage trade between the Republic of Venezuela and this country. Like nearly every important State of South America, Venezuela is in a position in which she is capable of developing a very important trade with this country. More-

over, she is in the stage in which traders in Venezuela as well as traders in this country should be of mutual advantage to each other. To take even a wider view, Venezuela is capable of producing, if her economic resources were properly developed, immense quantities of produce of various kinds, which will be of great advantage to the people of this country to receive taken as a whole, while we could very materially assist in the development of Venezuela. Practically, it may be said without fear of contradiction that what Venezuela is capable of sending to us we cannot produce at home, and what we are able to offer Venezuela she is equally as yet, and will for a long time continue to be, in a position which will not enable her to produce within the confines of the Republic. Consequently, increased trade between the Republic and Great Britain should be of mutual advantage. All foreign trade tends more or less to benefit the traders of the various countries concerned, for it goes without saying that nationals will not purchase from foreigners what they are able to produce upon a more satisfactory economic basis within their own borders. While this is true as a general proposition, it is still more true in the case of countries whose products do not in any sense compete. We buy in this country enormous quantities of materials of various kinds, already manufactured, which we are quite capable of producing here, but cannot produce upon such a relatively low economic basis of values as those particular articles can be produced abroad; and, consequently, it is an advantage to our poorer fellow-subjects to obtain supplies which they could only obtain, to use colloquial language, at comparatively high prices if they were wholly dependent upon home manufactures. In the case of a country in the situation of Venezuela, and a country in the situation of our own, even such a qualification as we have given does not arise. For purposes of export Venezuela has no manufactured goods to send, while we, with the possible exception of coal, have, of course, as the reader is well aware, neither food nor raw materials which we are in a position to export. Coffee is the great product of Venezuela, and a highly prized coffee it is in the markets of the United States as well as in those of Europe. Then comes cocoa, and then sugar. Tobacco is grown and exported, and some of the tobacco of Venezuela makes an exceedingly fine brand of cigars. But we do not in this country obtain a large quantity of Venezuelan tobacco. Venezuela produces maize and cotton, but hardly in sufficient quantity for export to any material extent. She does, on the other hand, export very large quantities of raw rubber. But a great deal of the rubber which comes from Venezuela comes through Brazil, and is invoiced to agents in Para. Consequently, it very often appears in our returns as Brazilian rubber although, in fact, it has been gathered in the forests of Venezuela. Another product which is obtained in important quantities only from the Guianas and from Venezuela is balata. This is a rubber-like substance which, no doubt the reader is aware, is used principally for making belting, and also to a large extent for making soles for boots. Balata has so far never been cultivated, and attempts to cultivate it outside the somewhat difficult country of Venezuela, and still more difficult country of the Guianas, have not proved a commercial success. Consequently, we are almost wholly dependent upon the Guianas, and particularly upon Venezuela, for our supplies of balata.

We had almost forgotten to mention a very important industry which has been developed in quite recent years in Venezuela, that is the cattle trade. Ever since the early part of the sixteenth century, when cattle were first introduced to Venezuela by the Spanish colonists, hides have been exported in considerable quantities, and formed until, first coffee, and then cocoa, began to be exported, the principal article of foreign trade which Venezuela was able to supply. Quite recently the cattle trade has been developed, and means have been found whereby it is possible to export frozen meat. This trade should be encouraged, as it is exceedingly interesting and of great importance to our own consuming markets now that it has been found possible to develop the meat trade in the tropical regions of South America. For a long time it was not believed that this would be possible. But success in Venezuela, as well as in other neighbouring countries, has proved that the fears entertained with regard to the prospects of the trade were wholly groundless.

As we shall explain in a concluding paragraph, Venezuela is a country of great mountains, and in these mountains are found rich deposits of nearly all the minerals useful to man. At present the only important exports are gold and mineral oil, or petroleum. Some copper is exported and some silver, but not to a very great extent. The reason why the trade of Venezuela is so far of such modest dimensions we will endeavour now to explain.

Venezuela, as we have already indicated, is a country of great mountains, great elevated plains, vast comparatively low-lying plains called llanos, and a tropical and sub-tropical area. Venezuela is approached from the Caribbean Sea by the beautiful Bay of Maracaibo, and she has, like so many South American countries, an unrivalled river system, which assists communication in the low-lying or hot areas of the country. Unfortunately, these areas have never been so far properly drained, for reasons which we will explain immediately. As a result, they are subject from time to time to various tropical diseases, and particularly to malaria. The population, in consequence, is located for the most part on the higher plains of the country, and, as a result, means of communication are one of the great difficulties which Venezuela experiences in her efforts to develop trade with places overseas. Indeed, within the country itself, one of the greatest difficulties is the extreme lack of suitable transportation facilities. There are primarily two great chains of mountains—the Andes proper, which divide the Republic from Colombia, and the Maritime or coast range. The greatest extent of the country is the Guiana area; but this is comparatively little developed. The great river system is dominated by the Orinoco, which has some 500 tributaries serving various regions of the country. The torrid zone begins at the coast and extends to an altitude of about 1,600 feet. The temperate zone is the great plains above this area, reaching some 6,000 feet; and the plains above that are what are called the cold area. The whole of Venezuela is situated within the tropics. It will be seen, however, from the varied elevation that, as said so often, altitude in South America counts for a great deal more than latitude. The high plains at an elevation exceeding 6,000 feet have a mean temperature considerably lower than anything we are accustomed to here in England. Venezuela is an enormous country; but it has never been accurately surveyed. The area is variously estimated at between 450,000 and 600,000 square miles. The total population is believed to be about three millions, excluding Indians in the forest area. The pure white, or Spanish, population, although this was one of the earliest countries settled, is very small, the great bulk of the inhabitants being mixtures of Spanish and Indian, Spanish and negro or negro and Indian. Consequently, it will be seen that this is an exceedingly mixed population. With such an enormous area it is perfectly evident that three millions of people, even if they were living in an advanced state of civilisation, that is the case, would be quite inadequate to develop such a country even for pastoral purposes. As we have already said, the basis of the country's prosperity [illegible] seasons she exports [illegible] of coffee; and although we have not the figures before us, her recent exports of cocoa cannot have been much less than 20,000 tons. The progress of the country, therefore, is increased [illegible] transportation facilities.

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Rubber Topics.

NOT even the reduction in the Bank rate to six and a-half per cent. could stimulate the Rubber market during the week. Business was reduced to a very low ebb, but price movements, especially on the part of the leaders, were on the whole favourable. In the Commodity market the price of crêpe weakened to 10½*d.* on Thursday. A proposal is now being put forward to establish a Rubber Valorisation Corporation, whose object would be to acquire first-grade plantation rubber at a price not exceeding 2*s.* 2¾*d.*, and to sell at a minimum of 2*s.* 6*d.* The Corporation is to be financed by the producing companies in proportion to their bearing area.

LANGEN (JAVA) RUBBER.

FOR Langen (Java) Rubber Estates the results for the year ended August 31, 1920, do not compare so favourably with those of the previous year, as can be seen from the following table:—

	Years ended Aug. 31				
	1920	1919	1918	1917	1916
	Acres	Acres	Acres	Acres	Acres
Planted area	2,410	2,377	2,276	2,188	1,979
Average acreage tapped	* 1,979	1,979	1,979	1,979	1,897
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output	812,728	700,222	698,281	774,375	773,187
Yield per acre tapped	411	353	—	394	407
Gross price realised per lb.	1/10·8	1/10·6	1/9[illegible]	2/0·77	2·8·3
"All-in" cost per lb.	1/6·1	1/1·8	1/3¼	1/3·96	1/2·93
Profit per lb.	·4·7	·8·8	·6¼	1·581	1·537
	£	£	£	£	£
Value of produce	77,096	66,044	63,352	101,254	101,568
Total expenditure	64,589	40,769	44,426	43,773	46,357
Net rubber profit	12,507	25,275	18,906	57,181	55,211
Sundry receipts	1,378	3,022	2,699	2,599	1,698
Brought forward	10,276	9,398	6,520†	3,939	5,264
Total available	24,161	37,695	28,125	64,019	62,173
Allocations—					
Excess profits tax	—	8,200	2,000	30,729	34,250
Directors' commission	235	469	321	128	777
Placed to reserve	5,500	—	5,568	10,771	34,350
Dividend paid	9,375 (7½%)	18,750 (15%)	12,838 (12½%)	15,405 (15%)	23,107 (22½%)
Carry forward	9,051	10,276	9,398	6,986	3,939
	24,161	37,695	28,125	64,019	62,173
Net capital expenditure	1,763	1,648	Nil	3,526	2,264
Issued capital (£1 shares)	125,000	125,000	102,700	102,700	102,700
Debentures in issue	—	—	—	—	—
Surplus liquid assets	14,904	9,174	9,496*	4,768*	645*

* After deducting excess profits tax. † After making donations.

Present Prices of Shares, 20/0. Market Capitalisation per planted acre, £51.

The crop of 812,728 lb. constitutes, it is true, an agreeable improvement on the yield of 700,222 lb. for 1918-19, but nevertheless it fell short of the original estimate of 850,000 lb. At the same time it must be admitted that a return of 411 lb. per bearing acre is genuinely satisfactory. Yet, despite this marked growth in the quantity of rubber secured, the cost of production per lb. has actually gone up, and the increase is by no means trifling. The f.o.b. cost works out at 1*s.* 1.92*d.* per lb., as against 11.43*d.* per lb., whilst the "all-in" cost per lb. has risen from 1*s.* 1.8*d.* to 1*s.* 6.1*d.* The primary factor in this increase was the additional burden imposed by the Java income tax, which was responsible for a charge of 3.40*d.* per lb., as compared with 1.03*d.* per lb. in 1918-19. A more adverse exchange inflicted a burden of 1.98*d.* per lb., as against 0.63*d.* per lb.; whilst the cost of upkeep of the immature area and of new clearings accounted for 1.19*d.*, as against 1.03*d.* per lb. Little or no relief was experienced by the price secured on the sale of the crop, the average gross price only advancing from 1*s.* 10.6*d.* to 1*s.* 10.8*d.* per lb. Consequently the profit per lb. dropped from 8.8*d.* to 4.7*d.* The decline in the total profit on rubber from £25,275 to £12,507 is the outcome of these facts. Expenditure was, however, accentuated by the loss of £2,467 on the realisation of Five per Cent. War Loan, by a charge of £333 in respect of the increase in the authorised capital from £125,000 to £250,000, and by £600 under the corporation profits tax. The drop in sundry receipts is due in part to a loss on the small coconut crop, which only brought in £722, as against an outlay of £1,135. Such loss was, however, inevitable, owing to the conversion of these coconut gardens into rubber plantations. Allocations include the transfer of £5,500 to the income-tax reserve. In view of the rather mediocre results, shareholders had to content themselves with the interim dividend of seven and a-half per cent., as compared with fifteen per cent. in 1918-19; whilst the balance carried forward to the next accounts is reduced to £9,051.

The prospects for the current year are less promising still. No reliance can be placed on the original estimate of 900,000 lb., for whilst the Company is participating in the twenty-five per cent. restriction now in force, it has also gone in for a more drastic curtailment since January 10 by putting the whole estate on alternate daily tapping without increasing the length or number of the cuts. Returns for the first seven months show only a total of 317,275 lb., thereby indicating that the final crop is not likely to exceed 500,000 lb. It is stated that as a result of this departure it has been possible to reduce the tapping force by nearly fifty per cent. This economy will help to counterbalance the increase in the "all-in" cost as a result of the smaller output. The general condition of the estate is reported to be excellent. Financially, too, the Company is in a strong position. The balance sheet, dated August 31, 1920, shows that current liabilities, largely made up of claims for Government taxation here and in Java, did not exceed £33,016; whilst the total of liquid assets amounted to £47,920. In a depressed market the £1 shares have dropped to par, which is equivalent to the low market capitalisation of £51 per acre.

MAMBAU (F.M.S.) RUBBER.

Issued Capital: £75,000 in 55,000 Ordinary Shares of £1 each and 20,000 8% Cumulative Participating Preference Shares of £1 each.

	Results for Years to June 30								
	Total Planted	Area in Bearing	Rubber Output	Yield per Aver. Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1917...	1,237	889	175,368	197	2/7·79	1/5·68	10,393	4,020	8
1918...	1,237	1,032	282,760	274	1/8·1	1/1·44	3,979	—	—
1919	1,237	1,032	345,608	335	1/9·18*	1/2·28	9,954	8,800†	12
1920...	1,502	1,387	404,818	292	2/0·91*	1/5·55	12,751	6,000	8

* Gross average.

† Including £1,600 for arrears of Preference dividend in 1917-18.

Price of Shares, 25/0. Market Capitalisation per planted acre, £82.

THE report for the year ended June 30, 1920, shows another satisfactory year to the credit of Mambau (F.M.S.) Rubber Company. Whilst the total crop of 404,818 lb. exceeded that of the previous year, it did not, on the whole, come up to expectations. On the St. Leger estate an estimate of 47,500 lb. was met with a return of 47,975 lb.; but, as a result of labour difficulties, there was a marked deficiency in the case of Mambau, where the total crop harvested only reached 326,321 lb., as against an estimate of 405,000 lb. But for the acquisition of the Alda estate as from January 1, 1920, the total crop would not have compared so favourably with that of 1918-19; for from this new purchase came 30,522 lb. of rubber as against the estimate of 30,000 lb. This decline in the yield from the Mambau area, as well as the high prices of stores and materials, is further reflected in the expansion in the f.o.b. cost from 1*s.* 0.52*d.* to 1*s.* 4.04*d.* per lb.,

and in the growth in the "all-in" cost to 1*s.* 5.55*d.* per lb., as contrasted with 1*s.* 2.28*d.* in the previous year. On the other hand, the average gross price secured by the sale of the crop rose from 1*s.* 9.18*d.* to 2*s.* 0.91*d.* per lb., thereby more than compensating for the increase in the cost of production. Accordingly, there was recorded the satisfactory net profit of £12,751, as compared with £9,954 in 1918-19. The dividend paid to shareholders amounted only to eight per cent., as against twelve per cent. in the previous year. This represented the interim dividend, the directors deciding to pass over the final dividend owing to the acute depression prevailing in the rubber industry since the autumn of 1920. Consequently there is carried forward to the next accounts the substantial balance of £8,858, as compared with £2,107 brought forward from the previous year.

With the best plantation crêpe commanding a price in the neighbourhood only of 11*d.* per lb., the outlook for the current year is of necessity gloomy. The original estimate provided for a crop of 556,000 lb. from the three estates; but as the Company is participating in the restriction of twenty-five per cent. in force since last November, a revision is necessary. The crop harvested for the first eight months is returned at 359,178 lb., and assuming no more drastic curtailment it looks as if the final crop will fall short of 500,000 lb. In the absence of forward contracts or of good sales in the early months of the current year, it is difficult to see how a loss on the crop can be avoided. Relief should be experienced to some extent by a fall in the cost of production. Financially, however, the Company is in a good position to face the depression. According to the balance sheet dated June 30, 1920, current liabilities did not exceed £1,303; whereas liquid assets were available to a total of £22,439. With cash and Treasury bills amounting to £12,168, the Company is able to meet a reasonable proportion of its necessary expenditure without unduly sacrificing its stock. The purchase of the Alda estate has increased the issued capital to £75,000 by the addition of 15,000 Ordinary shares of £1 each. At a price of 25*s.* for the £1 shares, both the Ordinary and Preference shares being quoted at this price, the market capitalisation per acre has been reduced to £62.

DJASINGA (JAVA) RUBBER AND PRODUCE.

Issued Capital: £436,126 in £1 Shares.

		Planted Acres	Output lb.	Results for Year to June 30 — Prices Realised	Cost per lb.	Profit £	Net Profit £	Div. Amt. £	Div. %
1917	Rubber	1,827*b*	439,834	2 9½	1 6½°	28,050	22,690	—	—
	Tea	1,679	360,939	– 7½*d*	–.9.1‡	5,798‡			
1918	Rubber	1,935	645,977	1 8·37*d*	1 0·1‡	19,253	3,880	—	—
	Tea	1,676	399,199	– 4·7*d*	1 0·2‡	*14,284†*			
1919	Rubber	5,072	796,334	1 8·47*d*	– 10 ‡	30,308	18,764	20,000	5
	Tea ...	1,630	475,632	– 8·93*d*	1 0½‡	*9,44 †*			
1920	Rubber	5,216	1,037,559	1 10·07*d*	1 0·4	36,755	22,144	—	—
	Tea ...	1,630	509,850	– 8·11*d*	1 0·43	*12,184†*			

° All-in cost. ‡ Loss. † F.o.b. cost. (c) Net price.
(*b*) 690 acres interplanted with tea.

Price of Shares, 11 9. Market Valuation, £49 per planted acre of rubber only.

An increased profit on the production of rubber and an increased loss on the output of tea—these are the two salient features of the report presented by the Djasinga Rubber and Produce Company for the year ended June 30, 1920. The rubber crop of 1,037,559 lb. was slightly in excess of the estimate. Owing, however, to the inclusion of a large area of young rubber, the yield per bearing acre dropped from 260 lb. to 240 lb.; whilst the same fact tended to make for an increased cost of production per lb. It will be noted that, notwithstanding the satisfactory expansion in the quantity of rubber harvested, the f.o.b. cost rose from 10.23*d.* per lb. to 1*s.* 0.40*d.* per lb. The increase was due mainly to heavier local taxation, this burden being equivalent to an extra charge of 1.74*d.* per lb., as against 0.57*d.* per lb. in the previous year. Again the exchange proved less favourable, a loss of 1.16*d.* per lb. being incurred, as compared with 1.10*d.* in 1918-19. On the other hand, with 2,720 acres under rice, the Company was saved the heavy loss on rice which the majority of other producers had to meet. There was a slight compensation by an improvement in the average net price realised by the sale of the crop, which increased from 1*s.* 8.47*d.* per lb. to 1*s.* 10.07*d.* per lb. Thus the profit on the rubber crop, owing to the increase from 796,334 lb. to 1,037,559 lb., reached an aggregate of £36,755, as against £30,308 in the previous year. On the other hand, the loss incurred on the tea crop amounted to £12,184, as compared with £9,444 in 1918-19. Although the crop was returned at 509,850 lb., or an increase of over 34,000 lb. on the crop of 1918-19, it was still far short of the available harvest owing to an insufficiency of pluckers. However, the increase resulted in a small decline in the f.o.b. cost from 1*s.* 0½*d.* per lb. to 1*s.* 0.43*d.* per lb. But this was more than offset by a relapse in the net sale price from 8.93*d.* to 8.11*d.* per lb. Accordingly, the loss on the crop was increased by more than £3,700. Taking into account the greater increase in the profit on rubber, the final result was a net profit of £22,144, as against £18,764 in the previous year. From this, a sum of £2,000 was allocated to the taxation reserve account; but in view of the depressed condition both of the tea and rubber markets, the directors decided to declare no dividend. The balance carried forward to the next accounts stands thus at £46,397, as compared with £26,253 brought forward from 1918-19.

The prospect of a loss on both crops in the current year is almost inevitable. The depression in the tea market has resulted in such unremunerative prices for this commodity that all tea manufacture on the estate will be suspended for five or six months. Plucking has recently ceased, so that the tea crop for the year is not likely to be much in excess of the 178,696 lb. harvested up to January 31, 1921. On the Gede division, where the rubber is coming along favourably, all tea bushes are to be cut out. For the more distant future arrangements are being made to secure an adequate supply of labour to carry out not only the necessary manuring, which has now been stopped, but also the plucking of the full harvest. As regards rubber, originally a crop of 1,186,000 lb. was anticipated; but in view of the restrictions now in force a revision of this estimate is necessary. The return for the first eight months does not exceed 555,947 lb. This spells a further increase in the cost of production, and this, in conjunction with the abnormally low prices now ruling for rubber, forecasts a loss on this crop in the absence of forward contracts. Financially, however, the Company is in a good position to weather the storm. As a result of the issue of shares made during the year under review, it is in possession of a reasonable supply of liquid capital to meet the current expenditure. Of the 40,000 shares of £1 each offered at par, 36,126 shares were taken up, thus increasing the issued capital to £436,126. According to the balance sheet dated June 30, 1920, current liabilities did not exceed £23,308; whereas liquid assets were available to a total of £84,321. In a stagnant market the £1 shares have fallen to 11*s.* 9*d.*, which is equivalent to the low market capitalisation of £49 per planted acre of rubber only, no allowance being made for the 1,690 acres under tea, the 2,720 acres under rice, or the large area of reserve land.

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Insurance Notes.

PROVIDENT ASSOCIATION OF LONDON, LTD.

During the last ten years this Company, which was formerly best known in connection with its endowment certificate and house-purchase schemes, has made great progress in its ordinary life assurance department. The increase in its new life business is very marked, as is shown in the following table, showing amounts of policies issued in the last five years preceding 1920:—

Year	Number New Policies Issued	Amount of New Policies
		£
1915	.	215,455	6,384
1916	. . .	266,925	7,600
1917	. . .	433,675	12,186
1918	. . .	654,475	18,290
1919	. . .	1,527,897	42,249

Another large increase in this respect is shown in the annual report for 1920, in which year the Company's issues associated amounted to £2,225,450 of the new premiums to £61,067. These figures are about ten times those of 1915, five years previously, while the new life premium income in 1920 was greater than the total life premium income of the Company in 1917. The total life premium income in 1920 amounted to £162,572, as compared with £111,288 in 1919, showing an increase in the year of £50,284, or about forty-five per cent. With such a large proportion of new business a considerably higher expense ratio than the average is to be anticipated. Expenses and commission absorbed £46,164, or [illegible] per cent. of the premiums. Taking the circumstances into account, there is nothing to cause any anxiety in such a ratio, for if the expenses of the old business were estimated at the moderate proportion of ten per cent. of the premiums thereon, then the balance of expenses would represent less than sixty per cent. of the new premiums, which would not be considered excessive if judged by ordinary standards. But the directors are evidently impressed with the desirability of assisting the development of the ordinary life business by contributions from other sources. This is the reason, it may be presumed, for the transfer of £63,596 from profit and loss to the ordinary life fund, which is shown in the accounts for 1920. This transfer in itself more than neutralises the whole burden of expenses of management. Through the year's operations and after this transfer the ordinary life assurance fund was increased by £173,833 to £725,430. Under the conditions referred to the Association is in a happy position as regards the earning of profits for its ordinary life policyholders. For a long series of years annual bonuses to participating policies have been declared at the handsome rate of 32*s*. per cent. per annum in reversionary form, which few British life offices have approached under the distressing war conditions unfortunately so long prevailing. A bonus of similar amount was declared as the result of the last annual valuation (as at the close of 1920), made on the assumption that only two and a-half per cent. would be earned on the life funds. This gives ample scope for profits from interest, as the life fund earned more than four per cent. last year. In all respects the ordinary life section of the Company seems very attractive to new entrants, and the confidence shown by the public in the attractions offered by the Company, as shown by the increase in new business, appears to be well justified.

As regards the other spheres of the Company's activities, the directors are able to report favourably. They state that the reserves held in respect of liability to policyholders and certificate-holders, as ascertained by actuarial investigation, are ample. The question of depreciation has been firmly faced and appropriately dealt with. The actual loss and depreciation was greater in 1920 than in any year during the war period, and the directors considered it prudent to write down the securities in hand by £62,000, in addition to writing off the loss incurred on realised securities, making the total diminution of funds from this cause during 1920 no less than £105,000. Nevertheless, it is stated that the investments reserve funds shown in the balance sheet as at December 31, 1920 (and which amounted to £400,000, inclusive of £250,000 in war contingencies fund), were more than twice as large as the sum which would suffice to cover all outstanding depreciation at that date.

The balance sheet shows total assets of £7,171,235. Out of the Stock Exchange securities owned by the Company at the close of the year and appearing therein more than sixty per cent. are stated to consist of British Government securities.

WEST OF SCOTLAND INSURANCE OFFICE, LTD.

Directed from headquarters in Glasgow, this Company has had a consistently successful career ever since its establishment about forty years ago. It operates in fire and employers' liability insurance, and during the War it entered the marine sphere. For a long time the premium income was of modest dimensions, but it showed a high proportionate rate of profit, and, as the dividend distributions have always been made on conservative lines, the Company has been able to accumulate strong reserves. During the last few years, and particularly in 1920, the business has shown marked expansion. The subscribed share capital amounts to £250,000, of which £50,000 is paid up, in 50,000 shares of £5, with £1 paid on each. Fifteen thousand of these shares were issued in December 1919, at a premium of £1 per share, and the sum of £15,000 received as premium was added to the general reserve fund. On the original paid-up capital of £35,000 the dividends declared in respect of the years 1916 and 1917 were at the rate of seventeen and a-half per cent. These were increased to twenty-five per cent. in respect of 1918 and to thirty per cent. in respect of 1919. All these dividends were subject to deduction of tax. The new shares participated for the first time for dividends in respect of the year 1920.

On the increased capital the rate of thirty per cent., less tax, is maintained in respect of 1920. Its amount is more than covered by interest earnings, but an examination of the accounts for last year indicates that the trading as a whole was not profitable, while the Company has had to face during the year a considerable depreciation in its securities. The reserves carried forward are, therefore, not proportionately so strong as they were at the close of 1919 in comparison with premium income, though still at a fair standard. Insurance, however, is a business of average over a series of years, and after an occasional year of loss, provided that the reserves are strong, the maintenance of a dividend need not be severely criticised if the directors are persuaded, as they appear to be in this case, that the adverse trading result was a temporary incident, and if the balance of reserves carried forward is still more than sufficient for the purposes to which they are assigned, which an analysis of the relative figures seems to indicate.

The fire account for 1920 shows an increase of £67,057 in the premium income, which rose from £111,012 to £178,067. After payment of losses and

expenses the fire fund was increased through the year's operations by £6,891, from £64,405 to £71,296. The fire fund at the close of 1919 represented nearly sixty per cent. of that year's premiums. The corresponding proportion at the close of 1920 is reduced to about forty per cent.

The smaller employers' liability insurance account shows a much better proportionate result. The premiums in this section (increased by £5,410) amounted in 1920 to £11,881, and after payment of losses and provision for those outstanding and the adjustment of the reserves for unexpired risks on a forty per cent. basis there was a trading profit of £3,905, apart from departmental interest earnings of £163, the combined total of £4,068 being transferred at the close of the year to profit and loss account. The employers' liability funds at the close of 1920, excluding £1,100 reserved for outstanding claims, amounted to £9,752 Similarly treated, the general insurance account, with a premium income in 1920 of £6,009, shows a trading profit, also transferred to profit and loss, of £593; the general fund amounting thereafter to £2,403.

In the marine section the premium income (which seems in 1919 to have been included in the general account) is reported to have been greatly reduced in 1920. It amounted to £10,008 in the latter year, at the close of which there was a marine insurance fund of £21,567, after transfer of £893 to profit and loss.

Profit and loss account shows interest earnings of £11,076, and a balance at the close of 1920 amounting to £25,783. The dividend declared in respect of 1920 absorbs £10,500, leaving £25,783 to be carried forward to 1921.

The total assets of the Company, as shown by the balance sheet on December 31, 1920, amounted to £355,863. There is an investment reserve fund of £35,320, but the depreciation in Stock Exchange securities amounted to £42,252, comparing book prices with market values at the close of the year.

Excluding the marine section from this analysis, on the presumption that the funds assigned to it are sufficient for its commitments, the other reserves, apart from capital and excluding provision for outstanding debts and liabilities carried forward to 1921, appear to be as follows:—

	£
General reserve	50,000
Fire funds	71,296
Employers' liability funds	9,752
General fund	2,403
Profit and loss balance, after provision for dividend ...	15,283
Investment reserve fund	35,320
	184,054
Less depreciation	42,252
	141,802

This represents about 72.3 per cent. of the total premium income in the fire, employers' liability, and general sections in 1920, as compared with the ordinary assumption that forty per cent. is an adequate provision for unexpired risks.

THE LONDON ASSURANCE.

The report of the London Assurance for 1920 shows that in the life department new assurances were granted under 1,643 policies for £1,496,497. The net premium income for the year amounted to £308,698, an increase of £15,751, and the total income from all sources was £526,830, an increase of £93,302. Interest was at the rate of £5 4*s*. 6*d*. per cent., compared with £4 18*s*. 11*d*. in 1919. The percentage of actual to expected claims was sixty-six per cent., and the percentage of actual to expected deaths was sixty four per cent. After writing down all securities to market prices the life funds amounted to £2,917,729. The quinquennial valuation took place on December 31 last on the same basis as that of five years ago. The investment depreciation, however, during the intervening period was no less than £274,285, and the result of debiting the revenue account for the five years with this sum has been to absorb the profit which would otherwise have been available for distribution. As a result of writing off this large sum the investment life funds show a decrease of £51,000. The non-payment of a bonus in respect of the past five years will be disappointing to policyholders, but on the other hand future accounts will be largely strengthened by the material reserve created by this provision for depreciation. Of this depreciation £120,000, or 43½ per cent., arose from Government securities, and as these securities are redeemable the recovery of the depreciation will follow as a matter of course. In the fire department net fire premiums were £1,6[illegible], an increase of £238,560. Claims were 46.1 per cent. and expenses 41.3 per cent. Out of the year's surplus the fire fund was increased by £100,000 to £1,300,000, and £155,383 was carried to profit and loss. Marine premiums were £1,219,825, and after transferring £47,838 to profit and loss the marine fund amounted to £1,000,000. The accident premiums were £152,696, an increase of £72,347, and after transferring £3,358 to profit and loss the fund was increased from £60,000 to £85,000. £92,827 was received for net interest not carried to other accounts. £100,000 is provided for 1921 income tax and for excess profits and corporation taxes, and the balance at the credit of profit and loss was £201,335, out of which the directors recommend a dividend on the Ordinary shares of twenty-eight per cent. free of tax, being equivalent to forty per cent. less tax, and comparing with twenty-four per cent. free of tax and a bicentenary bonus of five per cent. last year.

PHŒNIX ASSURANCE COMPANY, LIMITED.

The report of the Phœnix Assurance Company, Limited, for 1920, the 139th year of the Company's existence, includes for the first time the figures of the Norwich Union Fire Insurance Society, Limited, and shows that in the fire department the net premiums amounted to £5,171,578. Claims amounted to 44.6 per cent. and expenses to 41.4 per cent. of the premiums, together absorbing £4,448,738. A sum of £328,321 has been transferred to profit and loss, leaving the fire funds at a total of £4,069,000. In the marine department the net premiums amounted to £1,825,425 and the net losses were £1,344,856. A sum of £67,000 has been transferred to profit and loss. The marine funds at the close of the year stood at £1,784,000. In the accident department (including employers' liability and miscellaneous insurances) the net premiums amounted to £1,565,909 and the claims and expenses to £1,201,313. A sum of £61,162 has been transferred to profit and loss. In the sinking-fund and capital redemption department policies for £28,197 were granted. The fund at the end of the year was £438,284. In the life department the new business amounted to £2,739,361, of which £225,983 was reassured with other companies. The life assurance funds at the close of the year stood at £11,128,284, and the total assets of the Company exceed £25,000,000.

The quinquennial valuation of the Phœnix life funds was made as at December 31 last on the same strict basis as on the last occasion. Assets were written down to market values. Liabilities were valued by the net premium method, using the O^M Table for assurances and the O^A Table for annuities, with interest at three per cent. Owing to the heavy depreciation in securities, amounting to £330,625, and to the payment of war claims of £171,761 in the past five years, no bonuses can be declared under ordinary participating policies. Interim bonuses will, however, unless otherwise determined, be allotted under such policies becoming claims by death or maturity before December 31, 1925, at the rate of £1 per £100 assured for each year's premium paid in respect of the current quinquennium.

The profit and loss account shows a gross profit of £487,350. Interest amounted to £357,247. The total taxation for the year is £582,765, of which £281,276 is charged in the profit and loss account.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

FOR REINSURANCE BUSINESS.

FIRE. ACCIDENT. MARINE.

Fire & General Dept. & Marine Department.
St. Swithin's House, St. Swithin's Lane, London, E.C.4.
General Manager: J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Windett.

A POLICY IN THE
SCOTTISH PROVIDENT INSTITUTION,
owing to the very MODERATE RATE OF PREMIUM, is the ideal method of providing for
DEATH DUTIES
OR
DEPRECIATION ON INVESTMENTS,
particularly in view of the **Abatement of Income Tax** allowed in respect of PREMIUMS PAID.

Example: Age 40 next Birthday.

The Annual Premium, limited to 25 payments, to assure £2,500, payable at death, to provide Estate Duty of that amount would be	£ s. d. 82 7 11
Less rebate of Income Tax (at 3s. per £)	12 7 2
Making Net Annual Outlay	£70 0 9

Maximum Amount of Premiums Payable, £1,751.
Minimum Sum Assured Payable, £2,500.

Head Office: 6 St. Andrew Square, Edinburgh.
London: 3 Lombard Street, E.C. 3.
West End: 17 Pall Mall, S.W. 1
Accumulated Funds ... ... £16 500,000.

Commercial.

ASBESTOS.

AN EMPIRE PRODUCT.

We have called attention on various occasions to the services British, Anglo-foreign, and foreign banks are rendering in affording information regarding trade and industry in the various districts in which they are working. We ventured upon one or two occasions to suggest that the bankers, in these reports, might add to the value of the services they are already rendering to economic science and to general information by giving an account from time to time as occasion might occur of existing openings for various industries either wholly undeveloped or only partially worked. We are indebted at the moment to the Standard Bank of South Africa, Limited. The Bank, in its Monthly Review for February, published at Cape Town, says: "It is reported that in the Barberton district some eight miles of asbestos-bearing reefs have been located, the working face of which in some parts shows veins of over ten feet. The variety is stated to be chrysotile, the fibre being over an inch long and of excellent quality." This, by the way, is what is known as long-stapled asbestos, as we shall show shortly. "We learn," adds the Bank circular, "that one of the leading asbestos companies is interested in the proposition." Chrysotile asbestos, or asbestoform chrysotile as it is sometimes called, is the best known of the various forms in which asbestos is found. Something between eighty and ninety per cent. of the asbestos known to the international markets at the present time is of this variety. In his well-known essay on asbestos, Dr. Percy A. Wagner, whose work is constantly quoted in various publications, both at home and abroad, says that the term asbestos, which is derived from the Greek, is applied rather loosely to a number of distinct minerals having in common a peculiar fibrous structure which admits of their being shredded, and other special qualities by virtue of which they have found extensive application in the industrial arts. The sources of supply known to the great markets are Canada, primarily, Russia in the period that preceded the outbreak of the recent War, the United States, and Cyprus. More recently South Africa has become an exceedingly important source of supply; and while Canada still holds, as we shall show shortly, the predominant place as a source of production, there seems no reasonable doubt, so enormous are the deposits in various parts of South Africa, that ere long that part of the Empire may be able to challenge Canada for an equal, and perhaps a predominant, position. The chrysotile asbestos, which, as we have already said, is that most commonly used and most generally found, occurs in large deposits over extensive areas in Southern Rhodesia, in the Carolina district of the Transvaal, and also in the Krugersdorp district, as well as in Zululand, and in South-West Africa. Various other forms of asbestos are found in more or less extensive deposits in Zululand, in Griqualand, and in the Lydenburg district of the Transvaal. Dr. Wagner in the work we have already referred to says that there are six distinct minerals which, under certain conditions, have crystallised in the form of asbestos. It should be prefaced for those who are not acquainted with the derivation of asbestos that in every instance it is a form of silica. There is, primarily, the chemically hydrous manganesium silicate, known as serpentine. This forms the chrysotile, to which we have already referred more than once. Then there is the chemically magnesium-iron silicate, known as anthophyllite. Then there is the chemically calcium-magnesium silicate, known as tremolite. This is found in Zululand. Fourthly, there is the chemically calcium-magnesium-iron silicate, known as actinolite. Then there is a sodium-iron silicate, known as crocidolite. Finally, there is an iron-amphibole, which is found in the Lydenburg district of the Transvaal. Iron amphibole and crocidolite-asbestos, of the production of which South Africa has a virtual monopoly, rank respectively second and third in importance, and, in view of the great extent of the South African deposits of these minerals, they are in all reasonable probability destined to play an important part in the asbestos manufacturing industry. There is little probability, however, that either of them will rival chrysotile asbestos, for, apart from the fact that the available supplies of that mineral are practically unlimited, there are a number of uses to which it is suited, and for which the other varieties do not form satisfactory substitutes. Dr. Wagner says: "The industrial importance of the different varieties of asbestos is dependent on the fact that they are capable of being split up into thin flexible fibres, which, in addition to being more or less fire and acid proof, can be spun into yarn and woven into cloth, and, when worked up and carded, rank among the best non-conductors of heat."

Readers who are not, either financially or otherwise, interested in asbestos probably think of this mineral solely in connection with the gas-stove. This, however, is merely one, and by no means the most important, use to which this valuable mineral is, and has been, put at various periods. Asbestos deposits occur over an enormous extent of the earth's surface. It has been known in Europe at any rate since Roman times. It was so well known at the time of Charlemagne that there is a story that, in order to impress some barbarous chiefs of one of the Germanic tribes, the celebrated Emperor ordered a table-covering made of this material to be thrown into the fire and then withdrawn. Whether this story be founded on fact or otherwise, it affords evidence of the long time asbestos has been known. Asbestos, as those who have seen it in the crude state know, and as Dr. Wagner says in the passage above quoted, is a fibre, but it is a remarkable fact that so far it has never been found practicable to use it as clothing in the common accep-

tation of the term. We believe that clothes made of asbestos are used in connection with the cinematograph industry, but in the sense which we usually use the term this fibre has apparently never been successfully used to any appreciable extent. It may be at once said, however, that until within recent years asbestos was only used to a very modest extent. At the present time, according to information furnished to us, the principal uses are in connection with the building and engineering trades. Some authorities maintain that the principal use of the fibre is in connection with building, while equally competent authorities assure us that the engineering trades absorb by far the major portion of the total production known to the international markets. As far as we have been able to ascertain the facts, the total production amounts to something like a million tons, and the price seems to vary between £50 and £75 a ton. Canada up to the present has been responsible for about seventy-five per cent. of the world's total production. But, as we have said above, the deposits in South Africa are so enormous, and fresh deposits are being so rapidly opened up, that it seems not improbable that in the near future, as we have already said, South Africa will be at least as important a source of supply as is the case at present with Canada. Various interests we have consulted inform us that those interested in the development of the asbestos industry attach very great importance to recently discovered deposits in Rhodesia. In view of these developments, the reader who is sufficiently interested will be well advised to consult competent authorities as to the most promising field for further development of the industry.

Industrial Companies.

ASSOCIATED PORTLAND CEMENT MANUFACTURERS, LIMITED.

Issued Share Capital: £4,422,040, in 2,284,720 5½% Cum. Pref. Shares and 2,137,320 Ordinary Shares of £1 each. Debentures and Mortgages: £4,256,189.

Yr. to June 30	Net Trading Profit	Interest	Deprec. and Sinking Funds	Div. on 5½ Cum Pref.		Ordinary Div.		General Reserve, &c.	Carried Forward
	£	£	£	%	£	£	%	£	£
1913	620,759	235,116	43,792	5½	124,220	90,166	5	107,814	51,534
1914	557,250	229,653	49,018	5½	125,153	nil	—	53,409	151,571
1915	460,711	222,335	51,262	5½	125,660	nil	—	50,000	153,025
1916	341,174	226,382	53,710	nil	—	nil	—	50,000	164,107
1917	347,613	221,381	56,641	nil	—	nil	—	50,000	183,698
1918	526,660	215,519	58,951	5½	125,660	nil	—	120,000	190,228
1919	683,761	209,859	161,478	16½	376,979	nil	—	—	125,673
1919†	398,123	101,562	135,000	2¾	62,830	80,893	4		143,511
1920‡	947,306*	200,016	328,849	5½	125,660	213,732	10	—	222,561

* After providing for excess profits duty and corporation tax. ‡ Year to December 31. † Six months to December 31.

As generally anticipated, the trading results of this Company for the past year have been very satisfactory. The report states that there was a good demand for cement both at home and abroad, satisfactory prices being secured, particularly for export shipments. Consequently, with increased production and sales a substantial relative improvement in earnings has been registered as compared with the previous period of six months from June 30 to December 31, 1919. The trading profit after providing for sundry reserves, including excess profits duty and corporation tax, and repairs and renewals, amounted to £673,342, to which have to be added interest and other receipts of £270,964, making a total profit of £947,306, as against £398,123 for the six months covered by the previous accounts. The annual charge for interest remains practically unchanged, but the appropriations for depreciation and sinking funds are comparatively much greater, amounting to £265,000 and £63,849 respectively. The full year's Preference dividend absorbs £125,660, and from the available surplus the Ordinary shareholders receive a dividend of ten per cent., amounting to £213,732, leaving a balance of £222,561 to be carried forward as compared with £143,511 brought in.

The balance sheet shows an increase of £215,000 in the Ordinary capital, representing the amount subscribed for at par to the "authorised capital group" in consideration for the purchase of the Company's holding of £350,000 Preference shares in an associated undertaking. The first mortgage Debenture stock has been further reduced by £27,477, the redemption during the year of the second Debenture stock amounting to £41,670. Sundry creditors and credit balances, which presumably include provision for taxation, have been increased by £262,234 to £864,129, while mortgages have been reduced by £16,015 to £149,403. The general depreciation account now amounts to £1,050,000, the stocks reserve to £75,000, and the barge depreciation and insurance fund to £71,654. The reserve for bad debts and discounts amounts to £40,000, and the Debenture redemption reserves to £388,871. On the assets side, the properties have been increased by £258,824 to £7,567,550, stocks (valued at cost or under) by £225,969 to £855,281, and debtors and debit balances by £311,480 to £905,300. Investments (at cost or under) and loans have also been increased by £16,271 to £1,913,698, and cash and bills by £143,175 to £460,653. A summary of the position shows that the liquid assets, excluding stocks and investments and loans exceed current liabilities (including final dividends payable and taxation) by £225,262, as compared with £165,681 at the date of the previous balance sheet. The development programme of the Company will, however, involve a considerable drain upon liquid resources during the current year. The general position as shown in the accounts is satisfactory, and full advantage has been taken of the improvement in trade to build up strong reserves against depreciation.

The outlook for the current year is rather uncertain. Speaking at the general meeting of the Company on April 26, the Chairman stated that the principal effect of the recent industrial depression has been a substantial reduction in the export trade, both in volume and profit. The home trade continues on the whole to be satisfactory, but at present production is considerably reduced owing to the coal strike. The continuance of the present crisis will especially affect a business of this nature. The Ordinary shares of the Company are now quoted at 21*s.* (ex dividend), at which price a yield of 9.5 per cent. is obtained on the basis of a dividend of 10 per cent., while the Five and a-half per Cent. Cumulative Preference shares at a quotation of 14*s.* 9*d.* (ex dividend) yield a return of 7.5 per cent.

JOHN BARKER AND CO., LIMITED.

Issued Capital: £1,230,000, in 37,000 5½% Cum. Pref. Shares of £5 and 1,045,000 Ordinary £1 Shares. Debenture Stocks: £550,000.

Year to Feb. 10	Gross Profit	Net Profit	To Reserves	Deb. Int. and Pref. Div.	Ordinary Dividend		Manage ment Dividend	Carried Forward
	£	£	£	£	£	%	£	£
1915	336,210	99,556	17,000	33,675	36,000	10	14,869	50,212
1916	335,951	86,611	11,000	33,675	32,400	9	7,200	29,079
1917	358,245	88,501	11,000	33,675	32,400	9	7,200	24,305
1918	419,151	105,782	17,000	33,675	36,000	10	10,800	32,045
1919	501,857	116,720	17,000	33,675	39,600	11	14,400	44,684
1920	873,553	287,367	115,000	33,675	89,000	20	—	64,356
1921*	1,323,121	315,009	75,000	33,675	202,000	50	—	65,690

* Year to January 31.

Despite the difficult trading conditions of the year the directors of this Company in their report for the twelve months to January 31 last are again able to show satisfactory progress. The gross profit, including miscellaneous income, amounted to £1,323,121, which is a record in the history of the Company, and compares with £873,553 in 1919-1920. A more than proportionate increase, however, is shown in expenses and general charges, which amounted to £1,008,112, as against £587,186 in the previous year, leaving a net profit of £315,009, as compared with £287,367. A

sum of £20,000 is again placed to general reserve, but the provision for contingencies and excess profits duty is reduced from £100,000 to £50,000, while no allocation is made to the special reserve, which received £20,000 in the previous year. Debenture interest and Preference dividends absorb £23,500 and £10,175 respectively. The Ordinary dividend is maintained at twenty per cent., but, owing to the increased capital which ranks for dividend, the amount absorbed is £209,000, as compared with £89,000. The balance carried forward is, however, only reduced from £64,356 to £63,690.

The following table shows the balance-sheet position at the end of each of the past three financial years.

	LIABILITIES				ASSETS				
	Issued Capital	Sundry Liabilities*	Reserves (a) Contgs. for- ward	Fixed Assets	Goodwill, &c.	Stocks	Sundry Debtors	Investments and Cash†	
'19	1,150,000	497,718	188,455	1,004,575	127,985	491,000	74,000	225,614	
'20	1,150,000	800,810	416,081	1,011,468	127,985	573,074	587,592	305,741	
'21	1,750,000	1,184,305	548,260	1,528,568	252,420	1,037,550	630,818	305,165	

* Including Debenture stocks.
† Including War Loan held by
‡ Including War Bonds.

In February 1920 the Company issued 600,000 Ordinary shares of £1 each at a premium of 13*s.* per share. The balance of the share premiums received on the issue after deducting expenses of £52,780 has been credited to the general reserve fund, which, with the addition of £20,000 from profit, is thereby increased from £116,478 to £473,698. The special reserve (for extension purposes) and the dividend equalisation fund remain unchanged at £40,000 and £20,000 respectively, while the reserve for contingencies and excess profits duty and the benevolent fund are increased on this year's allocations to £150,000 and £20,000 respectively. The funds for leasehold redemption are likewise increased from £36,953 to £39,452, and the sinking fund to redeem value of fixtures from £38,294 to £42,429. The increase in sundry liabilities (including dividends payable) from £800,810 to £1,184,305 is mainly due to the creation of a loan on mortgage of £225,000. The fixed assets show an expansion of £517,100, due chiefly to additions of £413,658 to freehold and leasehold properties, which now amount to £1,207,662. It may be pointed out that the reserve of £91,639 against these properties which appeared in the previous balance sheet is not shown in the present accounts, but presumably this sum has been deducted before stating the value of the assets. It will be seen that the valuation attached to goodwill has been increased from £127,985 to £252,420. The outstanding alteration, however, is the increase from £573,074 to £1,037,550 in stocks, and, as these are valued at market prices, the actual quantitative increase has presumably been much greater. The investments mainly represent the Debenture stocks redemption funds, and are valued at cost. Cash holdings (including War Bonds) have been increased from £143,756 to £305,720. It will be seen that the expenditure on stocks and properties has entirely absorbed the net amount received in respect of the shares issued during the year. Consequently, against liquid assets of £895,168 (excluding investments and stocks), there are sundry liabilities (including loan on mortgage and dividends payable) of £1,184,305, showing a stringency of liquid capital which is even more acute than at the date of the previous balance sheet. In addition, allowance has to be made for the liability for taxation. The outlook for the current year is rather uncertain, but it is reassuring to learn that stocks have been valued on a conservative basis. Granted that the earnings of the Company and its associated businesses—Pontings and Derry and Toms—do not show any undue reduction during the current year, the removal of the excess profits duty should prove to be of material advantage. The Ordinary shares are now quoted at 31*s.* 6*d.*, at which price a yield of 9.5 per cent. is afforded on the basis of a dividend of 15 per cent. The 5½ per cent. Cumulative Preference shares quoted at 76*s.* 3*d.* yield a return of 7.2 per cent.

New Issues.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

WAR BONDS CONVERSION LOAN.

The Bank of England is authorised to receive from holders of National War Bonds due on or before September 1, 1925, applications for the conversion of their holdings into £3 10*s.* per Cent. Conversion Loan at the following rates: £163, £3 10*s.* per cent. Conversion Loan in exchange for each £160 nominal of £5 per cent. National War Bonds due October 1, 1922; £162 for each £100 due April 1, 1923, and September 1, 1923; £161 for each £100 due February 1, 1924, and October 1, 1924; and £160 for each £100 due April 1, 1925, and September 1, 1925. Interest to April 1, 1921, from the date of the last preceding dividend will be paid on completion of conversion in respect of Converted Bonds, the half-yearly interest on which was payable on dates other than April 1 and October 1. Registered holdings will be convertible into Stock, which will in each case be transferable in the same manner as the converted holding. Bearer bonds will be convertible into stock "transferable in the books" or "transferable by deed," at the option of the holder. Bearer bonds surrendered for conversion must be accompanied by all coupons due subsequent to April 1, 1921. Stock will be exchangeable, without payment of any fee, for bond certificates to bearer in denominations of £50, £100, £200, £500, £1,000, and £5,000, and such certificates will be exchangeable in due course for bonds to bearer of like denominations with coupons attached, or may be re-exchanged for stock. The principal and interest of the loan will be a charge on the Consolidated Fund of the United Kingdom. The loan will not be redeemable before April 1, 1961, but on and after that date may be redeemed at par on any half-yearly interest date at the option of the Government on three months' notice being given in *The London Gazette*. Commencing with the half-year ending April 1, 1922, a sum equal to not less than one per cent. of the amount of the loan outstanding at the close of any half-year during which the average daily price of the loan, as certified by the Bank of England, has been below 90 will be set aside as a sinking fund to be employed during the succeeding half-year in the purchase of the loan in the market for cancellation. Holdings may be in the form of (1) Inscribed Stock "transferable in the books," (2) Registered Stock "transferable by deed," or (3) Bonds to bearer in denominations of £50, £100, £200, £500, £1,000, and £5,000, and the several forms of holding will be interchangeable without payment of any fee. Stock will be transferable in sums which are even multiples of one penny. The issue is commented upon in the Money Market article of this issue.

SHEFFIELD STEEL PRODUCTS, LIMITED.

Offer of £750,000 Eight per Cent. First Mortgage Debenture Stock at 95, repayable at 105 on December 31, 1940.

Sheffield Steel Products is a combine of light steel undertakings, being incidentally the largest manufacturer of cutlery in the United Kingdom. The issued capital is at present £2,452,701, divided into £722,001 in Preference, and £1,730,700 in Ordinary, shares. The Preference capital was obtained during last November, when a total of £1,000,000 was offered. The present issue is for the purpose of completing contemplated extensions and for repaying bankers' loans. The stock will be secured by trust deed as a first mortgage on the freehold and leasehold land and buildings, a first specific charge on the fixed plant and machinery, and a floating charge on the general undertaking. The assets specifically charged stand in the books at £2,213,120, thus giving ample capital security to the stock now offered. Profits, available for the past five years only, rose from £126,243 in 1916 to £310,610 in 1920. As the annual Debenture interest will not exceed £60,000, it seems adequately covered. The lists close on May 9.

MELBOURNE HARBOUR TRUST COMMISSIONERS.

Offer of £450,000 Six and a-Half per Cent. Ten-Year Bearer Debentures at 98.

To meet Debentures of £500,000 maturing on July 1 next, the Melbourne Harbour Trust Commissioners have found it necessary to issue a further £450,000 in

Six and a-Half per Cent. Ten-Year Debentures, the balance being provided out of the sinking fund held by the Commissioners. The emission is, of course, intended mainly as a conversion loan. Holders of the maturing four per cent. Debentures will, on converting, receive a cash payment of two per cent., and any Debentures not so converted will be paid off in due course. Surplus revenue is shown in the prospectus for the past six years, during which period it fluctuated between £53,620 and £102,036, being £93,950 (estimated) for 1921. The present issue will be redeemed at par on July 1, 1931, against which a sinking fund of one per cent. per annum will be provided. For investors not requiring an active market the Debentures form an attractive offer of their class. The lists close for cash applications on Saturday, April 30, and for conversion applications on Wednesday, May 4.

The Fundamental Principles of Taxation in the Light of Modern Developments. By Sir Josiah Stamp, K.B.E., D.Sc. Price 10*s.* 6*d.* net. (London: Macmillan.) This book consists of a series of lectures delivered to public audiences at the end of 1919 under the Newmarch Foundation of University College, London. They are left practically in the form in which they were delivered.

National Bank of South Africa.—A copy of the Directors' Report for the year ended March 31, 1920, after making full provision for bad and doubtful debts and applying £50,000 in reduction of bank premises account, the net profits for the year are £538,683 12*s.* 9*d.*, exclusive of the balance of £23,206 9*s.* 11*d.* brought forward from March 31, 1919. The Bank's investments stand at or under the present market prices. The following apportionment of profits is recommended: To dividend of seven per cent. (of which the interim dividend paid for the six months ended September 30, 1919, absorbed £102,058 11*s.* 1*d.*), plus a bonus of one per cent., £235,483 11*s.* 1*d.*; to reserve fund (raising it to £1,250,000), £200,000; to pension fund, £60,000; to balance to be carried forward, £43,206 [illegible] 8*d.* New branches opened during the year number 103—namely, one in Basutoland, one in Belgium, one in India, one in Mauritius, one in Portuguese East Africa, two in Rhodesia, one in St. Helena, three in South-West Protectorate, one in Swaziland, and ninety-one in the Union of South Africa.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Railways—Home:											
Lauder Light Railway ...	... 31/12/20‡	169	--	-	177	--		230	-	350	
Railways—Foreign:											
La Guaira & Caracas ...	... 31/12/20	41,966	-	8	28,000	12,500		1,676	- 1,466	-	-
San Paulo (Brazilian) Railway ...	... 31/12/20	305,170	50,000	10	300,000	Dr. 200,000	—	8,630	- 41,850	416,370	10‡
Breweries and Distilleries:											
Taylor's Eagle Brewery	... 28/2/21	4,975	2,695	5	2,100	180	–			15,678	2½
Commercial and Industrial:											
Brazilian Warrant	... 31/12/20	34,048	34,990					74,980	— 941	148,992	7½
Burton, Son & Sanders (1st year) ...	.. 24/12/20	55,737	5,632		32,967			17,138	-		--
Cartland (James)	... 31/12/20	9,862	3,750	7½	1,515			11,816	+ 4,597	1,797	5
Cuthbert (W. M.)	... 31/1/21	28,078	22,500	7½	33,750		—	27,929	+21,828		--
Estates Control	... 30/11/20	45,634	13,722	25	5,250	20,000	-	71,910	+ 6,732		-
Foster (M. P.)	... 31/12/20	82,692		12½	25,000			57,692			
Frankau (Adolph)	... 31/12/20	24,304	6,455	10	4,200	15,000		2,488	- 1,241	43,929	10
Herrmann (H.)	... 31/12/20	7,336		5	3,478			1,485	- 3,858		-
Lamson Paragon Supply	... 31/1/21	75,840	10,396	12½	50,000	10,000		19,784	+ 3,444	-	-
Lancashire Waggon	... 31/3/21‡	2,537		5‡	1,679	1,000		1,113	-- 142		
Lance & Lance	... 10/1/21	2,377	2,397				–	578	— 20	10,637	12½
Louse & Co.	... 14/12/20	9,604					—	Dr. 1,411	- 9,964	-	-
Mandleberg (L.)	... 19/12/20	72,706	1,900	(8 Pf.Ord.) (20 Ord.)	58,029			109,553	+ 9,778	99,858	22½
Rio de Janeiro City Improvements.	... 31/12/20	98,347		6	71,566	25,000	–	8,971	- 1,781	96,661	6
Travers (Joseph)	... 28/1/21	15,476	6,250	10	20,000	Dr. 150,000	-	24,569	-109,774	279,817	25
Electric Light and Power:											
Indian Elect. Supply & Traction ...	... 31/12/20	25,101	7,562	10	9,767	6,500		5,075	- 1,272	13,232	9
North Metropolitan Elect. Power Supply	... 31/12/20	80,653	35,999	7½	26,251	16,611		4,433	+ 2,392		
Financial Land and Investment:											
Melbourne Trust	... 31/12/20	26,106		8	20,000	4,125	1,538	5,806	- 445	--	--
Financial Trusts:											
African City Properties Trust ...	... 31/12/20	23,524	7,500	7	15,425	-		11,299	- 601	19,916	6
Alliance Investment	... 15/4/21	39,661	18,000	8	11,200	5,000		18,716	+ 4,561	35,595	7
Anglo-American Debenture	... 31/3/21	44,392	14,111	8	19,600	9,730		10,343	- 900	44,739	8
Iron, Coal and Steel:											
Dundee Coal	... 31/12/20	33,836	--	11	33,578		—	3,429	+ 258		
Fairbairn, Lawson, Combe Barbour	... 31/12/20	206,413	15,000	15	75,000	50,000	-	99,396	+66,413	80,983	7½
Glencoe (Natal) Collieries	... 31/12/20	11,154		5½	9,375	-	-	29,913	-- 1,775		
Maclellan (P. & W.)	... 31/12/20	61,706	18,000	12	25,197	15,000		29,578	+ 3,509	-	—
Shipping:											
City of Dublin Steam Packet ...	... 28/2/21‡	21,189	14,649	2½	6,497		—	6,561	- 45	20,813	5
Tea, Coffee and Rubber:											
Batu Caves Rubber ... ... (1st year)	31/12/20	12,072		5	10,800		-	1,272			
Brookfields (Selangor) Rubber ...	... 30/6/20	25,176					-	27,888	- 25,170	100,000	10
Damansara (Selangor) Rubber (1st 9 mos.)	31/12/20	10,241		--	--		-	10,241	—	-	
Eastern Produce & Estates	... 31/12/20	Dr. 34,839	3,000	-	Dr. 30,000		-	3,629	- 8,410	65,000	15
Golden Hope Rubber	... 31/12/20	3,372		-				8,811	- 3,575	12,386	--
Hanipha (Ceylon) Tea & Rubber ...	... 31/12/20	Dr. 14,786						Dr. 6,921	14,786		
Haputale Co.	... 31/12/20	6,113	4,617	18	1,590			85	10		
Highlands Tea Co. of Ceylon ...	... 31/12/20	Dr. 4,196		-				Dr. 2,429	4,129		
Jasin (Malacca) Rubber	... 31/12/20	6,774		-				13,168	- 6,774	17,417	20
Madulseema Coffee & Cinchona ...	... 31/12/20	Dr. 6,902		-				6,902	—		—
Malaysia Rubber	... 31/12/20	Dr. 1,076	-	10	1,500			16,688	- 8,576	21,820	25
Merton Rubber	... 31/12/20	1,668		-				3,203	+ 1,668	5,151	10
New Crocodile River (Selangor) Rubber	... 31/12/20	3,823		-		10,000		1,565	- 6,177		
Panawattee Tea & Rubber	... 31/12/20	Dr. 19,009		-	-	-		Dr. 14,110	14,110		
Pegoh	... 30/9/20	39,314		10	15,000	10,000		39,487	- 16,511	17,649	
Tenom (Borneo) Rubber	... 31/12/20	5,936		-	-			5,936	-		
Wallasine Tea	... 30/9/20	Dr. 37,889	—	-	-	-	—	Cr. 36,344	-- 37,889		
Tramways and Omnibus:											
Madras Electric Tramways (1904) ...	... 31/12/20	15,695	6,000	8‡	4,581	[illegible]	[illegible]	5,556	61		
Waterworks:											
Consolidated W. W. of Rosario ...	.. 31/12/20	45,506	8,400	8	24,000	--	-	14,000	3,106	-	-
Great Berkhamstead W. Works ...	... 31/12/20	1,432	200	2½	987	200	-	245	1,000	-	—
Kimberley W. Works	... 31/12/20	15,750	—	5‡	10,000	-	-	-	-	—	—
Mines:											
Anglo-American Corpn. of S. Africa	... 31/12/20	338,729	—	10	318,000	—	-	[illegible]	[illegible]	-	-
Falcon Mines	... 30/6/20	36,759						100,000	[illegible]	-	-
Mount (Nigeria) Tin	.. 31/12/20	9,930		12½	11,607		—	10,770	1,647	-	-
Rand Mines	. 31/12/20	863,664		145	725,000	[illegible]	-	[illegible]	288,000	-	-

* After providing for all Government taxation, prior charges, &c. † Tax free. ‡ Half-year.

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

MEETINGS
OF PUBLIC COMPANIES.

The British Italian Corporation, Limited.

The Financial Situation of Italy.—Italy's Progress and Prospects.

The fifth ordinary general meeting of the members of the British Italian Corporation, Limited, was held on April 27 at the offices of the Company, 12 Nicholas Lane, London, E.C., Mr. J. W. Beaumont Pease (the Chairman) presiding.

The Secretary (Mr. A. R. Wheeler) having read the notice convening the meeting,

The Chairman said: Gentlemen, I presume you will agree to take the report and balance sheet as read, these documents having been distributed in advance. You have certainly noticed the considerable expansion in all figures as compared with those of last year.

Guarantees.

As last year, the most important figure is the one represented by the item "Guarantees." I remember having explained to you the nature of the transactions which chiefly constitute this item—viz., guarantees given by us for the payment of instalments due by Italian shipowners for tonnage purchased from this country.

By far the greatest portion relates to ships sold by His Majesty's Ministry of Shipping under an agreement between the two Governments, which has now been completed. We hold in respect of such guarantee the joint and several indemnity of the four big Italian banks. In a few other cases we gave our guarantee on behalf of one or the other of the said banks individually or on behalf of other customers, and in such cases we hold also a collateral security.

The instalments guaranteed by us are spread over three and five years.

The total outstanding on December 31, 1919, was £2,783,094; the fresh guarantees given during 1920 amounted to £2,594,641, making a total of £5,377,735. The instalments paid off in 1920 amounted to £876,541, leaving as at December 31, 1920, a balance of £4,501,394.

The next important items are acceptances for £999,412 and endorsements for £829,520—a total of £1,828,932.

I am mentioning these two items together because in many instances the two services they represent arise out of one and the same transaction, of which a portion was financed by way of our own acceptance, and another portion by way of negotiation of bills drawn, under arrangement, on other acceptors.

A portion of the total refers to another form of financing purchases of tonnage by Italy, but the greater part represents credits which we have arranged for the supply of raw materials to Italy, foremost among which is Australian wool.

Discharge of Liabilities.

I am glad to say that in all the cases where Italian banks or kindred institutions are our responsible principals, the discharge of liabilities has proceeded with perfect regularity and not seldom in advance of due dates.

Some delay in the fulfilment of undertakings has only occurred in the case of a few other customers, owing to the prevailing unsettled general conditions, and owing especially to the difficulties of the exchange position; ample provision has been made for any shortcomings which we could foresee.

You may, therefore, take the valuation of our assets as established on a very conservative basis.

I think that the liquidity of the resources of your Company, as evidenced by the first two items on the assets side of the balance sheet, is worth mentioning, namely—£1,022,757 by cash at call and balances with bankers, and £396,423 by bills receivable, making a total of £1,419,180 of readily realisable funds, which you will agree is a very satisfactory proportion.

Review of General Situation.

I wish to take this opportunity of reviewing at some length the general situation and the impressions I have gained during a recent visit to Italy with our managing director and speak to you of the view which your board takes of the prospects of the Company.

Unfortunately, it cannot be said that the year 1920 has marked any real progress towards the re-establishment of more normal conditions throughout the world.

A great deal of more or less theoretical discussions have again taken place, but such action as has been taken here and there can hardly be described as the result of mutual good will and co-operation towards the solution of problems which should no more be considered as individual to the one or the other nation, but common to all, though apparently reacting in opposite directions in respect of each nation. The dislocation of exchanges, the inter-State indebtedness, the unequal endowment in respect of natural resources; nay, even the disparity of internal conditions of currency and economic features, are a handicap to everyone alike, a millstone on the neck of every nation, whether called rich or poor. Such is nowadays the interdependence of all, that there should be no inequitable prosperity in one part of the world, and misery elsewhere, where the standard of civilisation is approximately equal.

Proclamation for Promoting Economic Restoration of Europe.

This theory has been admirably expressed by Comm. Stringher, the eminent Governor of the Banca d'Italia, in the introductory sentence of his remarkable report to the shareholders of his bank at their recent general meeting. I think it is worth while giving you a translation of this passage:—

"In March 1920 I called your attention to the proclamation which the Allied Supreme Council had just issued to the world for the purpose of promoting the economic restoration of Europe. According to this, Governments and peoples should have attended without delay to the enactment and to the execution of measures necessary for the return to peaceful production, for the encouragement of the workers of all categories to greater efforts, and for the amelioration of all means directed towards the elimination of speculation, and of the factors of disorder.

"During the past year many efforts of good will were made, and some positive action was taken to alleviate the international situation, especially with regard to a strong fiscal policy concerning floating debts and paper currency; but all considered it would hardly be the truth to say that great headway was made towards a relatively normal condition, the contributory causes being the political events and the slowness attending the resolution of some international questions of great importance. We are just witnessing, not without bitterness, the unsatisfactory development of the problem of war reparations due by our enemies, a problem which necessarily involves a not indifferent part of the financial restoration of the victors, and more especially with regard to the settlement of interstate war debts, which represent conspicuous figures. Our opinion has always been that the two problems cannot be considered separately, but only in association.

The Brussels Conference.

"The conference of Brussels, from which certain quarters expected efficacious results, especially with regard to international trade and exchanges, proved very fruitful as to information and theoretical discussions, and even more fruitful in memoranda and scientific speeches, but sterile in practical results. Certain proposals, intended to create and stimulate large commercial credits between nations, met with sympathy and favourable comments at the beginning, but were received with scepticism by the business world, just as those ingenious schemes, which had preceded them, for the establishment of universal clearing-houses.

"This attitude does not mean that all these ideas should be discarded, and no action taken for the solution of the very grave difficulties caused by the present conditions of production and international trade, and more especially by the abnormal conditions of the means of payment. But it is likely that these very conditions may suggest perhaps in the near future, if the political horizon really becomes clearer—simpler and more natural solutions for the gradual re-establishment of the equilibrium. In the present state of civilisation, it is impossible to conceive economically self-contained or autonomous entities. The barriers which the long and terrible War, and its consequences, have built between nations, cannot resist the formidable shock of human necessities. The sufferings of the one react strongly on the condition of the more fortunate others, and from the mutual evil must gradually spring the remedy.

"The high exchanges and their instability, the diminished purchasing power of the nations which suffer to a greater extent from the bitter fruits of the War in the shape of loss of life and destruction of wealth, of multiplication of indebtedness in every form, and inflation of paper money, handicapping the export trade of the richer nations well provided with foodstuffs, raw materials, and manufactures, are the cause of the crisis of production and transport.

"It is no new theory that the neutral countries are now suffering the same troubles as the nations which conducted the War, and certainly they find no alleviation to their troubles in the plethora of gold which they enjoy. One cannot but remember the shrewd and profound affirmation of which Norman Angell's work "The Great Illusion" is full. Many

of his conclusive assertions, which before the War appeared excessive or even paradoxical, prove to be little far from the truth to-day."

I would recommend to anybody wishing to acquaint himself with the present conditions of Italy to read Comm. Stringher's report *in extenso*. It will be published, translated into English in the *Anglo Italian Review*. It is a powerful document containing most interesting information.

The favourable previsions which I ventured to make last year have not entirely been realised. Although a great deal of progress has been achieved in the financial situation of Italy, thanks to the success of the various loans issued by the Government and its remarkably severe fiscal policy, the effect has been counteracted by the social disturbances which culminated during the autumn in the occupation of factories by the workers. However much such excesses must be deprecated, there is no doubt in my mind that their ultimate effect has been a favourable one, because it amounts to a practical demonstration of the fallacy of the theories preached by the leaders of the extreme wings of social reform. I do think that the acute phase which Italy has gone through has prepared for her a real and lasting regeneration. The impending general elections will probably supply the confirmation of this view.

I gave you last year some figures concerning the revenue. The revenue for the financial year 1918-19 was 5,365 million lire; the final figure for 1919-20 is 7,217 million lire, an increase, therefore, of 1,852 million lire.

Finance.

As to the financial year 1920-21 the following are figures extracted from a recent speech delivered by the Under-Secretary for Finance :—

	million.
Ricchezza Mobile (income tax, estimated for 1920-21 to yield	L.402
Produced in the first eight months	435
As against	313
for the corresponding period of the previous year.	
Super tax produced for the first eight months ...	63
As against	36
for the corresponding period of the previous year.	
War excess profits duty estimated for 1920-21 to yield	600
Produced in the first eight months	914
As against	634
for the corresponding period of the previous year.	
Tax on increase of wealth due to the War estimated for 1920-21 to yield	125
Produced in the first eight months	342
Tax on business shows an increase of	100
on the corresponding eight months of the previous year.	
Stamp duties estimated to yield for 1920-21 ...	300
Produced in eight months nearly	500
Being an increase of	220
on the corresponding period of the previous year.	
The tax on cinemas and theatres, jewellery, hotel bills, liquors, &c., yielded for eight months ...	431
in excess of the corresponding period of the previous year.	
The direct taxation on articles of consumption yielded in the first eight months of 1920-21 ...	1,250
As against	907
for the corresponding period of 1919-20.	
Excise on wines	285
Finally the State monopolies (tobacco, matches, &c.) estimated for the full year to yield ...	1,800
Yielded in the first eight months over	2,000
As against	738
in the corresponding period of 1919-20.	

Imports and Exports.

The figures referring to imports and exports are equally favourable. They show for 1920 a total of L.15,862,000,000 for imports which means a contraction, as compared with 1919, of L.761,000,000; the exports, on the other hand, show an increase of L.1,758,000,000, being L.7,304,000,000 against L.6,066,000,000 for 1919, consequently an amelioration of Italy's balance of trade of 2,500 million lire.

I am inclined to think that if the substantial improvement of the position has not been reflected in the rate of exchange up to a very recent date this is due to psychological factors, namely, the exaggerated impression created abroad by the disturbances which have occurred in Italy. But the effect of the better state of things, and the resumption on a large scale of the so-called invisible exports (travellers' expenditure in Italy and remittances of emigrants) is making itself felt now, and I would say in a rather too violent way. In less than one month the Italian exchange has appreciated by about twenty per cent. It would be desirable that the recuperation should proceed by degrees, as otherwise the repercussion on existing stocks of merchandise may become a troublesome factor. The adaptability of life and business to altered conditions is such that while a year ago, when Italy was short of supplies, everybody's greatest concern was the depreciation of the exchange, now it is the fear of a too quick recovery.

There is no doubt that a visit to Italy produces in one's mind an astonishing contrast with any opinion formed on the basis of very scarce and extraordinarily one-sided information which is served to us by our Press, which I feel has certainly very much contributed to prevent British trade from taking a greater interest in the Italian market. The time has come when not only our trade, but also our capital, should be encouraged to look upon Italy as a fruitful field for British initiative.

Noteworthy Figures.

The sixth loan issued by the Government since the War produced L.18,400,000,000, of which about L.7,000,000,000 was in cash, while the balance was represented by Treasury bills cancelled, and to the extent of L.13,500,000 by foreign securities accepted by the Government in payment of subscriptions. Since then the absorption of Treasury bills by the public for investment has continued on an increased scale, and has taken the place of any issue of currency for account of the State. The following figures are interesting :—

Whilst the amount of Treasury bills in circulation on December 31, 1919, was L.14,877,788,744, and was reduced on June 30, 1920, to L.8,524,456,607, through the funding of nearly six milliards into the loan issued in spring the amount has grown again by December 31, 1920, to L.13,173,836,000, and by February 28, 1921, to about L.16,000,000,000.

This increase, namely, at the rate of over 1,000 million lire per month, means the investment of savings (risparmi) and profits by the Italian public of a like amount.

Deficit for 1920 Practically Balanced.

The State, thanks to this favourable absorption of its securities, has been able to practically balance its deficit for the calendar year 1920, avoiding at the same time any increase of its own currency circulation as well as of the circulation of the banknotes issued for its account by the three issuing banks.

In fact, the circulation of Treasury currency notes was on December 31, 1919, L.2,271,300,000, and on December 31, 1920, L.2,268,500,000.

The banknotes circulation for account of the State was on December 31, 1919, L.10,629,700,000, and on December 31, 1920, L.10,742,800,000. On the other hand, the circulation of the notes issued by the three banks against commercial assets has increased during 1920 by L.3,337,000,000, the figures being on December 31, 1919, L.5,561,600,000, and on December 31, 1920, L.8,988,900,000.

During the first month of 1921 an important contraction has taken place, the following being the provisional figures of the date of March 20 :—

Banknotes circulation for account of the State, L.7,685,200,000; against commercial assets, L.6,626,400,000.

There are no figures available since December 31, 1920, as to the circulation of Treasury currency notes, but I hear from a reliable source that if there is any change it can only be a contraction.

All the figures which I have given you point to efforts in the right direction, and it is anticipated by competent persons with whom I had the advantage of speaking that the deficit of the Budget of the State, which is now L.13,000,000,000, will be reduced in the fiscal year 1920-21 to 4 milliards. Your Board is more than ever convinced that the prospects for this Company and its Italian auxiliary are very encouraging.

The energies of the Italian people and their remarkable thrift and common sense cannot but prepare for that nation a bright future, especially now that the external and internal political difficulties are practically disposed of. Italy is busy at work from North to South, and the business opportunity for British trade is considerable.

Intermediary between British and Italian Traders.

Of course, the temperament and the mentality of our Italian friends differ from ours, and certain peculiarities of the Italian mind, which sometimes are reflected in existing customs or laws, are apt to be misinterpreted on this side. This leads sometimes to estrangements and discouragement, unless our traders are assisted by competent advice. The Press can do [illegible] understand each other and cementing the political alliance with trading profits. For this reason we have come to the conclusion that [illegible] be placed in the position of acting as actual intermediary between British and Italian traders. In future there will be published [illegible] and what they [illegible] traders here, who, however, must remember that unless they reach out for Italian business it will not come to them of itself. When once they have made acquaintance in Italy it is our function and that of our auxiliary in Genoa and Milan to assist them to make a little money. I should like finally to report that at the last [illegible] nomination by the Compagnia Italo Britannica of Comm. Giuseppe [illegible] director of the Company in

succession to Comm. F. Bussetti in accordance with Article 82, as representing the Bank of Rome.

Sir Gilbert Garnsey having read the report of the auditors, Messrs. Price, Waterhouse and Company, the Chairman moved the following resolution :—

"That the report and balance sheet be received and adopted, and that in accordance with the recommendations of the directors the sum of £25.000 be placed to a reserve account for contingencies and a dividend of four per cent. per annum, free of income tax, viz., 16*s.* per share of £20 be declared, such dividend to be payable from May 1, 1921, and that the balance of £24,327 13*s.* 2*d.* be carried forward to new account."

Mr. E. Cornwall seconded the resolution, which was carried unanimously.

Italy's Prospects.

Mr Robert Benson next proposed the re-election of Mr. J. W. Beaumont Pease, Sir Joseph Burn, and Sir Guy Granet as directors. He said that, having arrived only the day before from Italy, perhaps the meeting would like to hear shortly his impressions of a visit of six weeks. Much was to be learned there. Italy had been dealing since the fifteenth century with problems that were now acute in London, and it made one feel just a little insular to make the acquaintance of a man like Comm. Stringher, the Governor of the Bank of Italy, and an economist besides of European reputation. He (the speaker) thought the City of London would do well to obtain copies of the documents of which translations were promised by the Chairman to appear in the *Anglo-Italian Review*, fortified as they were by charts which showed at a glance correlations and tendencies in the sphere of currency, banking and exchange, and the value of the mathematical method and how far it could be trusted to guide us in our own problems. For instance, there was the problem of exchange, and our fond illusion that capital was mobile.

Perhaps the next most conspicuous feature as one went through Italy to-day was the number of babies. Italians were fond of their *bambini* and had the bump of philoprogenitiveness. He spoke in all seriousness, and would draw the attention of the shareholders to Italy as a great Mediterranean Power already, whose co-operation we should need henceforward as we needed it in the War, destined as she was by merely growth of population to be a still greater Power. For though she was not a Power with the natural resources of coal and iron, on which national wealth and leadership were supposed to depend, she had electrical power greater than ours ever could be. Therefore, we should cultivate Italian friendship. He had been glad to meet in Rome a deputation of Scottish Lord Provosts or Mayors, who, like canny Scots, were reaching out for Italian business, and did not expect it to drop into their mouths by sitting still. It was not enough to be versed merely in economics now; one must be acquainted also with political science. The spontaneous movement of "il Fascismo" and the Fascisti (derived from the Fasces that the Lictors carried as symbols of law and order) was a national protest against extreme Socialism. We must not be disquieted at force meeting force. Though it was no permanent remedy, it was a temporary one. It had been successful already, and its progress could be measured in the elections next month and thenceforward.

Italy's Solvency.

But speaking to bankers in the City, what we were immediately interested in was Italy's solvency. Let them remember how young Italy was. Her political independence began only when in 1870 Rome became the capital, and her financial and commercial freedom only began about 1890. From that date up to the War one could trace her progress in solvency depending on three things—(1) national thrift (which to-day was measurable by Italian investments in yearling Treasury bills as we invested in War Savings certificates) of one milliard per month, without counting private investments of savings in other directions. (2) Foreign travel—Italy was never fuller; one could hardly find room in hotels. There were estimated to be 250,000 foreigners spending money there, from the lavish American to the thrifty Scot, and if one put their spending at only £1 per day it came to a tidy sum of "invisible exports." (3) The remittances from Italians in the Americas, which never stopped during the War, and which were now increasing. These up to 1914 had made Italy a creditor nation like ourselves—a nation who could afford to have her imports continually exceeding her exports. True, exports, especially industrial exports, had not yet got under weigh as before the War; but Rome was not built in a day. Before 1914 Italy had bought back the whole of her public debt previously held by foreigners, as well as industrial securities temporarily placed in Switzerland, France, and Germany. Lastly, she had easy money. Speaking to bankers in London, he thought they would agree that these four conditions were making Italy a safe country to do business with. (Applause.)

Brig.-Gen. H. Drummond, C.M.G., seconded the resolution, which was unanimously agreed to.

Messrs. Price, Waterhouse and Company were reappointed auditors, on the motion of Mr. C. W. Dyer, seconded by Mr. C. Cambie, and the proceedings terminated.

Phœnix Assurance Co., Limited.

Strong Financial Position.

The annual general meeting of the Phœnix Assurance Company, Limited, was held on April 27 at Phœnix House, King William Street, E.C., Sir Gerald H. Ryan, Bart. (Chairman of the Company), presiding.

The Secretary (Mr. R. A. C. Thomas, F.I.A.) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report, said that the accounts for 1920 marked a great epoch in the history of the Company. For many years previously the Company had made steady and satisfactory progress, without check or reverse, but the figures for 1920 were on a much larger scale than ever before, owing to the alliance formed twelve months ago with the Norwich Union Fire Insurance Society. The income from all departments was about twice as much as that recorded by the Phœnix in 1919—namely, £10,300,000, as against £4,800,000; and not only was that the case, but there had been brought about by the fusion of the two companies a better balance and wider foundation in the various sections of their business. He could well understand the surprise and, might he add, the great satisfaction with which shareholders who might not have followed the recent doings of the Company very closely would look upon the greatly increased scope of their operations.

Powerful Combination now Formed.

What they could all agree was that a very powerful combination had now been formed, with greater opportunities than they had before for further extension in future, and, what was equally important, the directors were as pleased with the quality of their business as with its size. The fire premiums ran into the very large total of £5,171,578, and the departmental funds at the end of the year reached the ample sum of £4,069,000. The losses absorbed £2 309,092, and, notwithstanding a considerable amount paid in respect of fires ascribable to political disturbance, represented only 44.6 per cent. of the premium revenue. That result was a source of much gratification to the board, as testifying alike to the high character of their business and the skill with which it was administered. A profit of £328,321 had been earned in that department. The marine premiums amounted to £1,825,425 and yielded a profit of £67,000. That branch of business was undergoing a reaction after the abnormal experience of the War years, and the outlook was not free from anxiety. In the accident department the assistance of the figures of the Norwich Union Fire Office enabled them to show the greatly increased premium income of £1,565,909, and a very fair profit of £61,162, had been transferred to profit and loss. Steps had been taken to establish that class of business in America, and the directors confidently looked forward to good returns from that departure in two or three years. The accident branch was in a very sound position. Exceptional interest attached this year to the life department, as the quinquennial valuation of the assets and liabilities of the Phœnix Fund fell due on December 31 last. Leaving that aside, the business had been well maintained and highly successful, a larger volume of new assurances having been placed on the books than in any previous year, while the claims were much below the normal expectation. Owing to the effects of the Great War, however, the directors had decided, with extreme regret, to refrain from any declaration of bonus to policies in the participating fund, nor were they in a position to carry any sum to profit and loss for the benefit of the shareholders from that part of their business.

Profit and Loss Account.

Referring to the profit and loss account, the Chairman directed attention to the interest receipts—namely, £357,246—and the amount paid away in dividends and debenture interest—namely, £388,525. What might be called "free" interest provided rather more than ninety per cent. of the dividends and debenture interest, leaving only £31,289 to be provided out of the trading profits of the year. Those profits were in the aggregate no less than £487,349, or, after making full provision for all taxes, £352,187. Not quite ten per cent. of the net profits had been used in payment of dividends. He ought to point out that the charge for dividend would be somewhat higher in 1921, although the rate of dividend remained the same, inasmuch as the Norwich Union shares did not receive a full year's dividend in 1920. Against that they were looking for an increase in the interest receipts owing to the growth of their funds. That indicated, undeniably, a very strong financial position, and would be regarded as most satisfactory. But, unfortunately, the other side of the account showed that they required £223,644 in order to reduce the book-values of their securities to their market price on December 31 last. The total assets appearing in the balance sheet were of the aggregate value of £25,259,242. A few months ago efforts were made in high quarters to induce the insurance companies to take part in a scheme to enable trade to be re-opened between this country and some of the impoverished European States. Full consideration was naturally given by the directors to such an important proposal, but they were disposed to think that transactions of that kind were too speculative and scarcely fell within the legitimate sphere of the Company.

The report was unanimously adopted.

A. W. Gamage, Limited.

The Trade Slump.—Foresight Rewarded.

The twenty fourth annual general meeting of A. W. Gamage, Limited, was held on April 25 at the Holbern Restaurant, W.C., Mr. A. W. Gamage (the Chairman and Governor of the Company) presiding.

The Secretary (Mr. E. W. Malvern) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said: With your permission, we will take the report and balance sheet as read. Last year, as you know, was an exceedingly difficult one, and, in view of the unprecedented conditions that prevailed, the directors regard the showing that has been made by your Company as most satisfactory. When we last had the pleasure of meeting you, in March of last year, the first signs of the trade slump had not appeared. On the contrary, there were many indications that the trade boom which had continued throughout 1919 and the opening months of 1920 would last for some time longer. In the middle of April, however, your directors perceived unmistakable signs of the coming change, and at once took steps to deal with it. I believe that we were nearly two months earlier in tackling the problem than were the majority of our competitors, and the foresight of your directors has been well rewarded.

We had, of course, to meet certain heavy losses arising out of the sharp and sudden depreciation in values, but not only were we successful in clearing all outstanding liabilities in the way of buying contracts, but we have also written down every article in our stock to present-day prices. The Company, therefore, started this year under very favourable circumstances, and, although we shall undoubtedly still have many difficulties to contend with, there should not be any necessity for any further depreciation of a similar nature, and the directors are very optimistic as to the future of the Company.

Extensive Additions to Premises.

You will have gathered from the report that we have not got quite so far forward with the building of the extensive additions to our premises as we had hoped, the delay being due to circumstances over which your directors have had no control. The work is, however, now proceeding rapidly, and we hope to open several of the new departments, including the new restaurant, before the close of the present year. During the year we have purchased the freehold of No. 104 Hatton Garden. Your directors regard this as a most important acquisition, as we are now able to link up two large blocks of our premises. For last year we had to depend entirely for our profits on our old departments, and it is a remarkable tribute to the vitality of these that, in spite of the depreciations to which I have already referred, they have been able to earn sufficient to enable us to recommend the same rate of dividend on the increased capital, and, at the same time, to make substantial appropriations to the reserve accounts and to carry forward approximately the same amount as last year.

Progress of the Business.

I will now deal with the figures in more detail. The turnover, as you have been told, has again exceeded all previous records, and you will be glad to hear that, in spite of the undoubtedly bad state of trade in this country at the present moment, our figures for 1921 are, up to the present, in excess of those for last year. This is a very striking tribute to the popularity of the business and to the soundness of the policy which we have followed from the commencement. It shows that when times are bad the public turn more than ever to us, as they know from the experience of years that we give them vastly better value for their money than does any other store. During the War and the boom years which followed it we steadfastly refused, in spite of unlimited opportunities, to indulge in profiteering in any shape or form. We worked on our customary percentage of profit and gave our customers the full benefit of the saving whenever—as was frequently the case—we were successful in buying below the prevailing market. The public appreciate and remember a firm that treats them well, and our greatest cause for confidence in the future is the knowledge of the immense goodwill that the Company enjoys among all sections of the community, not in London only, but in all parts of the country. Our post-order trade is by far the largest of its kind in the kingdom, and this section of our business increases more and more with every year that passes.

Profit and Loss Account.

Turning next to the profit and loss account, you will note that the gross profit is roughly £27,000 less than the figure for last year, this being due, as I have already explained, to the great depreciation in values. On the debit side the total of working expenses is very slightly in excess of last year. This we can regard as very satisfactory when we consider that the extra turnover, done naturally, called for a corresponding increase in working expenses. Wages, of course, form a very considerable proportion of our expenses account. Our people are paid on the highest schedule prevailing in any retail store, and the result is that we have a contented and highly efficient staff. There are many items in the expenses account which we can only partly control, and which unfortunately have not been affected by the slump in values. I refer, for example, to railway freight charges, petrol, of which we use a large quantity in our delivery vans, and also to electric lighting and gas. We have also had to pay a substantial amount in respect to the new unemployment insurance.

General expenses are higher by £2,500, but, on the other hand, repairs and renewals are down by £2,600. Bad debts are slightly higher at £783, but the figure is a very small one in relation to the size of our turnover. Stocks on hand amount to £289,000, which is £51,000 below last year. These figures speak for themselves. Cash in hand was £8,922, as against £804 last year.

Allocation of Profits.

You will see from the figures before you that the net profit for the year amounts to £63,728, and to this we have to add the amount brought forward from last year and the amount over-reserved for excess profits duty. This gives us a total of £87,513, from which have to be deducted interest on Debentures, dividend on Preference shares, and income tax balance, leaving a net balance of £70,460. This sum your directors recommend should be dealt with as follows: In payment of a dividend of ten per cent. per annum for the year ended January 31, 1921, on 325,000 Ordinary shares, £32,500; to special reserve for depreciation of fixtures and fittings, (making same £45,000), £5,000; to general reserve (making same £70,000), £10,000; to provision for corporation profits tax, £2,300; to balance to be carried forward to next account, £20,660 10*s.* 6*d.*

Before concluding my remarks I would like to tell you that our Cheapside business—Benetfinks—is in an extremely flourishing condition, and we have every reason to be satisfied with the investment which we made some years ago. For the first three months of this year Benetfinks' trade shows a substantial increase over the corresponding period for 1920, and in respect to last year we are receiving from them the same dividend as in previous years.

A Striking Testimony.

Mr. E. M. Gamage, in seconding the resolution, said he would like to draw attention to the comparison of profits after taking into consideration the corporation profits tax and excess profits duty. In 1917 the figures were approximately £25,000, in 1918 £31,000, in 1919 £33,000, in 1920 £57,000, and in 1921 £91,500, so that the actual difference between their record year—1920—and the year under review was a matter of only £6,600. That was a striking testimony as to the strength of the Company. The directors all felt that they were only at the beginning of a great development of the business. They were making extensive additions to the buildings, and were opening many new departments, which they anticipated would bring in a large annual revenue. (Applause.)

The resolution was carried unanimously.

On the motion of the Chairman, seconded by Mr. J. S. Parker, the dividends paid and recommended to be paid were confirmed and approved.

The auditors, Messrs. Sydney Jeffreys and Company having been reappointed, the proceedings terminated with a vote of thanks to the Chairman, directors, and staff.

Lever Brothers, Limited.

Effects of Deflation Policy.—Niger Company's Losses.—Prosperous Future Predicted.

The twenty-seventh annual general meeting of the shareholders of Lever Brothers, Limited, was held at the Lyceum, Port Sunlight, Cheshire, on Friday, April 22, 1921. The Right Hon. Lord Leverhulme (Chairman of the directors) presided, supported by the Hon. W. Hulme Lever (Acting Chairman), Mr. Greenhalgh (Vice-Chairman), Mr. J. L. Ferguson, Mr. E. V. Salaman, Mr. C. C. Knowles, Mr. J. McDowell, Mr. W. K. Finday, Mr. C. E. Tatlow, Major-General S. S. Long, C.B., Mr. John Inglis, Mr J. L. Simpson, Mr. H. G. Hart, Mr. E. L. Cook, Mr. C. R. Baker, Mr. L. H. Moseley (directors), and the following deputy directors :—Dr. E. L. Peck, Mr. W. Easterbrook, Mr. H. G. Rushton, Mr. C. W. Barnish, Mr. J. Cheshire, Mr. C. F. R. Knowles, Mr. J. R. Tyrell, Mr. A. P. Miller; also Mr. L. V. Fildes (Secretary), Mr. J. M. B. Stubbs (Secretary Foreign Associated Companies), Mr. R. N. Barber (Chief Accountant), Mr. R. McLean (Joint Assistant Secretary), Mr. F. D'Arcy Cooper and Mr. J. W. Milne (Messrs. Cooper Bros., auditors), and Mr. W. Glasgow (Messrs. Simpson, North, Harley, and Company, solicitors).

The Secretary (Mr. L. V. Fildes) read the notice convening the meeting, and the auditors' report to the shareholders.

Lord Leverhulme said :—Ladies and Gentlemen,—Before proceeding to move the adoption of the directors' report and statement of accounts for the past year, I wish to refer to the loss we have suffered during the last year by the death of Mr. J. E. M. Brown, Managing Director of Messrs. Hudsons, of Liverpool and West Bromwich. Mr. Brown's services have been invaluable to Messrs. Hudsons, and his position is one that it will be very difficult to fill. In the past year we have lost the services of Mr. Fox by retirement. His letter of resignation intimated that the calls upon his time in his own business prevented his continuing as a director of Lever Brothers, and was received with great regret.

You will note that Mr. Gray has been succeeded by Mr. Greenhalgh as Vice-Chairman. Mr. Gray became the Chairman of Messrs. Gossage, of Widnes, and Messrs. John Knight, of London, positions which he fills with the greatest advantage to the companies, and which I hope he will long continue to fill. Mr. Greenhalgh, who succeeded Mr. Gray as Vice-Chairman, has been with the Company all his life, he understands the business in all departments, and we are extremely fortunate in being able to overcome the disadvantages we were under in losing the services of Mr. Gray as Vice-Chairman by the acceptance of Mr. Greenhalgh of this position. We have received intimation from Mr. Findlay and Mr. Knowles, who are directly concerned with the management of the Niger Company, and which Company will require their whole and undivided attention, that they propose to retire from the board of Lever Brothers in order to do so. Mr. Findlay becomes Chairman of the Niger Company, and Mr. Knowles becomes Vice-Chairman. Mr. Findlay's great experience with West African affairs qualifies him for the position, and Mr. Knowles's great experience in Liverpool, London, and other markets eminently qualifies him for the position he is now taking. Nothing could more clearly show the determination of Mr. Findlay and Mr. Knowles to overcome the present difficulties that the Company is experiencing. I take this opportunity to express our grateful thanks to Mr. Giles Hunt, Chairman of Messrs. Joseph Crosfield and Sons, who has had considerable experience in West Africa, for temporarily accepting the onerous and difficult position of Chairman of the Niger Company, pending more permanent arrangements. The Niger Company has greatly benefited by Mr. Hunt's skill, ability, and experience during the last three months.

We have one new director to welcome to-day, Mr. Moseley, who has a most intimate knowledge not only of the Belgian Congo, but of Nigeria and West African affairs, and whose addition to the board at the present moment will greatly increase our strength. Mr. Moseley has been a director of our Belgian Congo Company for over ten years, and a deputy director of Lever Brothers for several years, so that he has a full knowledge of our business. Our Acting Chairman, Mr. Lever, and Mr. Moseley, accompanied by General M'Nalty and others, leave Liverpool for Nigeria about June 1, so you will see from these arrangements that no time is now being lost in getting a grip on the business of the Niger Company.

Deflation and Prices.

I now beg to move that the directors' report and statement of accounts for the year ending December 31, 1920, be received and adopted. You have every reason to be proud of the business in which you are shareholders in being able to produce the balance sheet which you have received under the most trying and difficult circumstances of the year 1920. Owing to our enormous turnover and business transactions all over the world we naturally have to keep heavy stocks. Although the aggregate value of the stocks of parent and associated companies we had on hand at December 31, 1920, did not exceed four months' turnover, which, as an average, we find to be a good working level for stocks, still they amounted to a very considerable value.

A policy designed to bring about "deflation," as it is styled, of prices was commenced in high places about twelve months ago. In a Treasury minute it has been recorded that deflation of prices should proceed gradually, otherwise great injury would be brought upon British trade and commerce. Unfortunately, when a policy of deflation of prices is commenced, it is very similar to rolling a heavy stone down a hill—there is no possibility of stoppage until the stone comes to rest at the foot of the hill. The advocates of the policy of deflation of prices seemed to business men to be very similar to Nero fiddling while Rome was burning. Nero might fiddle, but the fire once started he could not stop it. No blame can be attached to individuals for this policy of deflation; in fact, one is rather reminded of the story of the two Lancashire workmen who had been reading up history, and one said to the other, "What a coldblooded wretch that Nero was." The other said, "Neow, neow, neow, Tom, it was not Nero that was coldblooded, it was zero!" Well, I believe prices have about got down to zero in most articles of commerce.

Since we last met our share capital has been increased until it now stands at 130 millions, of which slightly under 47 millions has been issued and fully paid. On February 28 last an extraordinary general meeting of shareholders was held, at which the creation of £15,000,000 of Debenture stock was approved practically unanimously. The number of shareholders present was between 600 and 700, and only six or seven voted against, but as we have a total number of over 127,000 shareholders I propose to repeat this morning the statement I made at that meeting which sanctioned the creation of the Debenture stock. This statement was as follows: "We are met here this morning to consider and, if thought fit, to adopt certain resolutions relating to the creation of Debenture stock and the issue of some portion of the same forthwith. The position of the Money market to-day is such that no issue of shares of Lever Brothers, nor, indeed—as far as I am informed—of any other industrial company, is possible at present on any reasonable terms, and, under these circumstances, your directors have considered that the wisest course to take, in the interest of all classes of shareholders, is to make an issue of Debenture stock. The purchase of certain businesses last year absorbed over 11½ million pounds, namely, 8½ million for the Niger Company, 1½ million for Price's Candle Company, 1 million for Gossages and Crosfields, and approximately ½ million for John Knight, Limited. Total 11½ million pounds. In addition to that, many of our associated companies have had to be assisted financially very materially by Lever Brothers, which has further made heavy calls on our resources; especially has this been the case with West Africa. This does not include the Niger Company, which has been able to arrange its finances otherwise. You will see all these calls upon us reflected in the increase of the item "Debenture Shares and Loans to less Deposits of Associated Companies and Investments." Following upon the creation of the Debenture stock an issue of £4,000,000 was made in March at the issue price of 92½ per cent.

Increased Share Capital.

We will now turn to the figures in the balance sheet you have received. The issued share capital, you will note, has increased by £21,061,767. This increase is accounted for as follows :—Capitalisation of reserves on consolidation of capital, £3,927,595; in acquiring further Preference and Ordinary shares in existing associated companies, £4,827,884; co-partnership shares and sundries, £306,288; new issues, £12,000,000.

The increase in Debentures, shares, loans to less deposits of associated companies and investments, amounting to £24,180,419, is accounted for as follows :—As to approximately ten millions by the purchase of Niger shares and advances to and shares taken in our previous West African interests, as to four and a-half millions by shares in British companies previously referred to; as to seven and three-quarter millions by shares in overseas associated companies; and the balance is represented by advances to and shares acquired in other companies.

Our stock, you will note, is lower, but this apparent reduction is merely due to writing down stock values.

The increase in freehold and leasehold works, premises, and plant has been very heavy last year, but we have now closed down on all development, and can well afford to do so, as our works, premises, and plant are in excellent condition and ample for all present requirements.

Of course we are not making any considerable extensions or expansions in 1921. All new development work at Brom-

borough Port and elsewhere has been stopped. We take the view that not until there is some revival of trade would it be wise to press forward with developments, apart from which it is obvious that the capital raised by means of Debentures is not truly capital, as we have previously been able to view it, but is merely a funded debt. Until our Debentures are greatly reduced your directors will not feel justified in entering upon any new undertakings requiring cash capital. We have ample scope for our activities for many years to come in consolidating our various existing interests.

Trade, as you are all aware, not only in the United Kingdom but throughout the world, is suffering from the after-effects of the War, and is in a most unsatisfactory condition. We have suffered less possibly in the soap business than in most other industries so far as the home trade is concerned, but the export trade in soap is extremely quiet. We are in constant touch with overseas markets through our agents and representatives, and this quietness is entirely and solely due to merchants and others reducing their stocks in their general reluctance to purchase in a falling market. No other soaps in any other part of the world are replacing the well-known and recognised brands of parent and associated companies—manufactured at Port Sunlight or by associated companies—in fact the soap trade of other manufacturers overseas is suffering even more than that of ourselves and associated companies during the present general slump.

Niger Company's Mistaken Policy.

You will note from my previous remarks that the new companies acquired last year, or end of 1919, were Messrs. Crosfields of Warrington, Messrs. Gossage of Widnes, Messrs. Price of Battersea, Messrs. John Knight of London, and the Niger Company. All these associated companies are doing most excellently with the exception of the Niger Company. The Niger Company is suffering from the general slump in West African produce and the impossibility of disposing of the same on falling markets. The position of the Niger Company has been made more difficult owing to a mistaken policy of the directors and management of the Niger Company during the first six months of last year prior to our taking control; the date when our purchase was completed, by the payment of the purchase money to the Niger shareholders, was July 1. During this period the view appears to have been held by the Niger Company's directors and management that a policy of strengthening the market for West African produce by purchase of West African produce through brokers would be advantageous to the company. There can be no defence for this mistaken policy of such purchases through brokers. West African merchants are dealers in West African produce purchased from the natives and not purchased through brokers.

As soon as the Niger Company operate upon the open market it becomes a speculation, and all Niger Company factories, stations, and steamships on the Niger River and scattered throughout Nigeria become a hindrance rather than a help. All that a speculator in West African produce requires is a broker in Liverpool or London. This mistaken policy has proved most disastrous to the balance sheet of the Niger Company for the year 1920 by greatly increasing the losses that in any case would be entailed by falling markets. It was claimed for this policy to be merely an error of judgment in which all other leading firms had been equally mistaken, but the fact is that much of the produce purchased through brokers had been purchased from McIvers and others of Lever Brothers' associated companies, who, at the very time that the Niger Company's policy was buying, had adopted the policy of selling. You will see, therefore, that the sales we effected at that time in West Africa of stocks held by our associated companies being purchased by the Niger Company did not relieve us in the slightest.

Prosperous Future.

I feel it necessary to make this statement relating to the present position of the Niger Company because there are some who hold the opinion that the Niger Company shares was a purchase of very doubtful value to Lever Brothers. I do not take this view. The Niger Company is one of the oldest British companies in West Africa. It commenced under a Royal Charter, and has mining rights over immense areas—some 164,000,000 of acres. It has a fleet of steamers navigating the Niger and other rivers; it has an organisation of buying stations scattered throughout Nigeria; it has associated companies on the Continent and in England for producing from Nigerian oilseeds edible and technical oils and fats of great value. It is absurd to think that because palm oil has fallen from £94 per ton to £27 10*s*. that the Niger Company is shipwrecked. These stocks are being gradually cleared, and, although their clearance entails heavy loss, the Niger Company will rapidly recover, and myself and colleagues are confident that in a few years the Niger Company will be more prosperous than ever before in its history. But supposing it were wise to assume that the purchase of the Niger Company shares was a source of weakness to Lever Brothers, then I would say with all seriousness that the shares in that company can be sold—possibly not to any British firm but to foreign firms, who would be only too eager to secure the entry the holding of those shares would give, into an important British colony. If we were contemplating the sale, we have a precedent in the sale of the White Star Line, the Leyland Line, and other steamship lines to the late Mr. Pierpoint Morgan on account of United States capitalists. We are not contemplating a sale, but I want our shareholders to feel assured that if it were imperative that a sale should be made, there are capitalists in foreign countries—and I prefer not to name which foreign countries—who would be eager buyers of the Niger shares at a price which would leave no loss to Lever Brothers over their purchase. (Hear, hear.) But in making this statement it is necessary to make it quite clear that if a sale of these shares to foreigners were advocated by the shareholders, myself and colleagues would be no parties to it.

Believe me, it is not necessary to sell these shares. In a very few years the Niger Company will be more prosperous than ever before, and our shareholders will be more than happy in the advantages they will be deriving from having held on to them.

Following upon the purchase of the Niger shares, we entered into conversations with the Chairman and directors of the African and Eastern Corporation, with the result that an arrangement was entered into with the Chairman and directors of that company which later received the approval of the African and Eastern shareholders. In view of the entirely changed conditions in West Africa we are now experiencing, it was mutually agreed and decided that the present was not an opportune moment to proceed further with the scheme, and it has been abandoned by mutual consent, and this abandonment has been approved by the shareholders of the African and Eastern Corporation. We wish to take this opportunity of expressing the great pleasure it has been to myself and colleagues throughout these negotiations with Mr. Batty, the Chairman of the African and Eastern, and his colleagues, that from first to last our mutual and friendly relations have been maintained and strengthened. Our great regret is that the change in circumstances of West African markets has prevented our proceeding, but we shall always have the most happy recollections of the mutually friendly relationship which existed between Mr. Batty and his colleagues of the African and Eastern Corporation and ourselves during these negotiations.

Belgian Congo Interests.

In addition to our interests in the Niger Company, which are very great, we have had for the last ten years, as you know, by concessions granted by the Belgian Parliament, great interests in the Belgian Congo. On the great Congo river we have a fleet of seventy-four vessels, aggregating 2,871 tons, exclusive of small craft, canoes, etc. We have other vessels building. You might like to hear as to the progress we are making in the Belgian Congo. I might say that the balance sheet of our Belgian Company, the Huileries du Congo Belge, for the year ending June 30, 1920 (the latest accounts we have), showed a most excellent and satisfactory profit, both from our oil mills and from our general trade in the Congo. Last week Mr. Moseley, my son, and myself had the honour to be received at the Palace, Brussels, by His Majesty the King of the Belgians, who takes the keenest interest in our work in the Belgian Congo, and who was graciously pleased during a conversation on the subject lasting over forty minutes to speak in the highest praise of the progress we have accomplished in our development work there. I would like to refer you to an article in *The Times* of February 10 last, written by an American who had visited the Congo. I have extracted the following from the article in *The Times* :—

"I was ascending the Kassi, largest of the southern tributaries of the Congo, on one of the boats of the Huileries du Congo Belge, the huge corporation organised by Lord Leverhulme to develop the Congo palm-fruit industry. . . . On the Congo river I had my first contact with the immense British palm-fruit enterprise, which is conducted by the Huileries du Congo Belge. I stopped at two of their posts, Elizabetha and Alberta, where scientific methods were applied to the cultivation of the palm tree—many plantations of young trees have been set out—and the conversion of the fruit into oil. The oil palm is the staff of life in the Congo, and for that matter practically of all West Africa. . . . The 'H.C.B.,' as the Huileries du Congo Belge is more commonly known in the Congo, has done much more than stabilise the palm-fruit industry. The company's flag flies on a dozen steamers that ply on all the navigable rivers of the Colony. They are the pioneers in modern Congo transport. I travelled in one of them, the *Comte de Flandre*, from Stanley Ville to Kinshasa. She displaces 500 tons, and is the *Mauretania* of those inland waters. The usual Congo river boat is a combination of barracks, hotel, and menagerie."

I may further point out the Belgian Colonial Minister, M. Franck, visited the Congo last summer, and, whilst there inspected our station at Alberta. We received from our M. Braham the following report of this visit:—"On Sunday, June 20, the Minister arrived suddenly without warning and at least two days before the expected date. I was on the beach to meet him. Some of our Belgian agents and their wives were on the station, and by the time he arrived there was quite a little gathering to receive him. The station looked remarkably clean, businesslike, and up to date in all with its long avenues of young palm trees just coming into bearing, all neatly trimmed and kept. . . . On leaving, M. Franck stated that he would say more to the Colony [illegible]

prise in the Congo, and said, "Your work has been really remarkable." The report goes on to say that after leaving the oil factories "M. Franck moved gradually in the direction of our schools for native boys and girls. I did not tell him where we were going. On the way Pere Dereume, accompanied by a host of Péres, met us, and the school was most thoroughly examined."

Again there was unstinted praise and more photos taken, and Major Paulis, the *chef de cabinet*, who was always with us, was instructed to write a full description of our school to the Vice-Governor General at Stanley Ville, who was advised to take a lesson from Dereume's establishment in regard to the school about to be established there. The building, the grounds, the cultivations, the church with its altar of native wood, were all examined in turn, and characterised finally as being the most practical things of their kind seen in the Congo up to that time.

Colonial Minister's Report.

The following is an extract from the report of a speech by the Colonial Minister, M. Franck, on his return from the Congo, to the Press in October 1920 :—

"On returning to Bumba, point of departure of the future railway of the Haut-Congo, M. Franck embarked for Alberta and Elizabetha, two centres of the Huileries du Congo Belge, the gigantic enterprise of Messrs. Lever Brothers, which opened our eyes to the wealth which we can draw from the innumerable palm trees of our African forests. M. Franck visited in every detail the palmeries and quite up-to-date mills established by means of millions by the large firm of Port Sunlight. The industry of palm tree produce, M. Franck tells us, is a splendid industry, and it possesses a great future. Messrs. Lever Brothers had made a considerable effort, doing at the same time the work of pioneering. If, in fact, the Huileries du Congo Belge are an English enterprise, they employ, notwithstanding, many Belgians, and if one of the managers of the two centres is English, his colleague of the neighbouring centre is Belgian."

With reference to our schools for native children in the Congo, the following is a translation of a letter received by us from the Very Rev. Father H. der Vos, Prefe Apostolique des Missions in the Congo, relating to Leverville, another of our areas :—

"I cannot leave Leverville without expressing my admiration of the work accomplished and the progress made in the district placed under your management. I have particularly admired the philanthropic side of your work, and the great expenditure made by your Company for the material welfare of the natives. I should like to say, Monsieur le Directeur-General, that we are quite in agreement with you as regards the line of conduct to be adopted, both from the point of view of material as well as moral welfare, to be realised with the natives."

The following is an extract from a letter received from Father Dereume, director of our school at Alberta, dated June 30, 1920, and addressed to myself :—"After having raised all these material questions I am pleased to report the good impression made on the visitors to the school, amongst others on the Very Rev. Father Brandon, Provincial Superior of the Congo Fathers, of Mill Hill (London), Civil Engineer Bessel, of the Culture Company, an American journalist who is making an exploring trip in the Congo, and, lastly, the Minister of the Colonies of Belgium. They have all of them expressed their lively satisfaction and pointed out the preponderance taken in their opinion by the H. C. B. schools over other similar schools in the Congo. I think that the echo of their appreciation will reach you. In any case I am very pleased to notify this to you as it celebrates the result of your initiative."

I am sure these extracts relating to our operation in the Belgium Congo will be of interest to you, but I would add that myself and colleagues do not look upon this work as "philanthropic," but as intensely practical and essential to our success. Our Congo mills and plantations depend on native labour, and to educate the young rising generation is the surest way to efficiency and success.

Revaluation of Shares in Associated Companies.

In view of the present position with regard to the Niger Company, your directors decided that it was advisable that the value of the whole of the shares held in Associated Companies should be carefully scrutinised and a revaluation be made. We merely dealt with the value of shares: we have not considered any appreciation in land, buildings, plant, machinery, or properties of any of our companies, nor of the parent company at Port Sunlight or elsewhere; we merely took the value of the shares, including the Niger shares. Our land, buildings, plant, machinery, and equipment for manufacture of soap by the parent company at Port Sunlight, and by Associated Companies at home and overseas, stand in the books of the parent company and Associated Companies at one-third of their replacement value, apart altogether from our depreciation funds, which depreciation funds average approximately over thirty per cent. deduction from original cost. I mention this to show what a strong position we are placed in to meet any competition that we might at any time be called upon to face.

I would like at this point to explain what is perhaps more or less a special feature of most of the shares we hold in associated companies. As you know, most of these companies have been built up by ourselves or our predecessors by a large expenditure on advertising. This expenditure on advertising it has always been our practice to write out from profits; we have never capitalised any expenditure on advertising. We have also always depreciated fully and amply all the properties, not only of the parent company at Port Sunlight and elsewhere, but of all associated companies, as also have our predecessors in those associated companies founded prior to the time of their purchase by ourselves. This depreciation has in many cases been excessive. For instance, in one associated company I have visited during the last twelve months, when I looked into the depreciation account in the books of the company I found that the whole of the plant, machinery, buildings, &c., had been steadily depreciated at a fixed rate year after year, and the depreciation fund stood in 1920 at £20,000 more than the amount appearing on the books as the value of the properties as depreciated; therefore the whole of the plant, machinery, and buildings of that company stood at £20,000 less than nothing.

In addition to this depreciation, the plant has always been fully maintained out of revenue. The amount spent since 1894, the date of the incorporation of the company, by the parent company and its associated companies on advertising, depreciation, repairs, and renewals, and written out of revenue, is more than double the amount of the appreciation in value of the shares taken into account. For instance, in the year 1920—and this will interest you—the amount written out of revenue for advertising, repairs and renewals, and depreciation by the parent and associated companies, was £2,934,966—that is, for that one year alone, approximately equal to the amount paid in dividends. If we had attempted to deal with the present-day values of buildings, plant, machinery, steamers on the river Congo and elsewhere, we should only have handicapped ourselves for the future years in the production of soap on the cheapest possible basis, therefore it will be obvious to you that that would have been an unwise course to take. The expenditure on advertising either establishes a brand or fails to do so, and, whilst it is a wise policy to write off such advertising expenditure at the time it is made, it is equally wise, in the opinion of my colleagues and myself, that if it has produced lucrative and profitable business, that the shares of that business can be valued at a price not exceeding that at which they could be sold in the open market. This is the course we have adopted in our estimate of appreciated values, and as a result we have been able to take into this valuation account our shares in the Niger Company and certain other shares in other companies as of no value at the present moment. But, just as we have built up the businesses that have appreciated in value by sound development, so we shall restore the full value to the Niger shares, and we hope in a very few years' time.

Last week I visited our associated works on the Continent, and was informed that in a recent enemy country, in which we spent prior to the War large sums of money in advertising, Sunlight soap was to-day in enormous demand at a price higher than can be commanded by any other soap in that country. This is the result of over thirty years of our work in that country—we opened business there in 1889. It is the result of the uniform good quality that we always gave the consumer, and the excellent value, and of skilful expenditure on advertising.

Issue of Ordinary Shares Considered.

I have gone fully into this matter, so as to reassure you that appreciation of values has been done on a sound basis; but I may go further and say that in the autumn of 1919 and the spring of 1920 we had been advised by our financiers to consider the advisability of an issue of Ordinary shares. This proposal at that moment was not welcome, as it was quite obvious to the holders of the Ordinary shares—myself and my son—that certain reserves in the business, such as above and others, should be distributed amongst the Ordinary shareholders before any issue of Ordinary shares was made. The matter was gone into very closely, and it was proposed to increase the issued Ordinary capital to £10,000,000 out of these reserves, and to allot bonus shares to the Ordinary shareholders sufficient to accomplish this. Last year, in the consolidation of capital, you will remember about £4,000,000 of these reserves were used for consolidation of Preference capital, which was greatly to the advantage of the Preference shareholders. Our lucky Preference shareholders have consequently received their bonus shares, but the Ordinary shareholders have not been so fortunate. The Ordinary shareholders' proposed bonus from reserves has been used to provide for the writing down of the Niger shares to nil. That is what has taken place. The issue of Ordinary capital had been tentatively arranged assuming the above allotment of reserves as Ordinary shares to have been accomplished, so as to show a return on the Ordinary shares at the intended price of issue of eight per cent. to the investor. Therefore, the dividends that would have been paid on these bonus shares to be allotted to the existing holders of Ordinary shares and the dividends required to pay dividends on the purchase of the Niger Company shares exactly balance each other. The loss, if any, falls entirely upon the Ordinary shareholders. The Ordinary shareholders are quite happy and have no regrets, although perhaps some future Chancellor of the Exchequer may have regrets that possible claims for death duties have suffered, and that income-tax

receipts have also suffered, but as far as my knowledge goes these can be the only regrets.

Excess Profits Duty.

With reference to stock depreciations, the stock written down has been done entirely out of reserves representing undivided profits and claims for the return of E.P.D. As a matter of fact, Lever Brothers and Associated Companies ought never to have been considered within the scope of the E.P.D. Act. We never made during the War any excess profits. Whatever excess profits our books showed were merely the result of rises in the price of raw materials. Similarly, on the fall of the prices of raw materials these payments on account of E.P.D. ought to be recovered. (Hear, hear.)

I would now like to refer to the service rendered to the Government by Lever Brothers and associated companies in the production of glycerine during the War. We hear a great deal to-day of key industries, but it is perhaps not generally known that amongst these key industries is undoubtedly the manufacture of soap, without which the production of glycerine used in high explosives would be impossible. But because of this fact we are not seeking for any protective tariffs to keep out overseas competition. On the contrary, we prefer to be working in the future as in the past under absolutely Free Trade conditions. If any foreign or home competitor can produce soap better in quality or lower in price than we can produce soap such competitor is entitled to the trade and the consumer is entitled to the better service offered.

Lever Brothers and Associated Companies supplied the Government during the War with over 60,000 tons of glycerine calculated on the basis of crude. This we supplied at the controlled price of £59 10*s.* Crude glycerine overseas at the same time commanded anything from £200 to £500 per ton, and was imported into the United Kingdom as refined glycerine at anything from £260 to £500 per ton by permits from the Government for retail sale, the whole of the production of ourselves and Associated Companies being taken by the Government at the controlled price of £59 10*s.* for crude. The total advantage to the British Government of having this huge supply of glycerine in the United Kingdom from Lever Brothers and Associated Companies alone, without reckoning other manufacturers, represented a money gain of over £10,000,000 sterling; thus £10,000,000 sterling less has been received for glycerine by Lever Brothers and Associated Companies than could have been obtained in an open market. After the Armistice the Government asked Lever Brothers and Associated Companies to dispose of the balance of stock held by the Government. This we have done at prices exceeding the price the Government paid us for our stock, so that whatever stock was left on hand purchased from Lever Brothers or Associated Companies the Government made a profit thereon on realisation, and we are rather proud of this fact.

Labour Unrest.

The position during the past year with regard to the works at Port Sunlight has been a difficult one, and for the first time in our history we have experienced a strike. Lever Brothers were no exception to this. There is a general—what is called—unrest in the ranks of the workers. I believe myself this is entirely the result of lack of knowledge of economic laws and not of bad intent. There never was a time when we could feel more confidence, pride, and pleasure in the practical commonsense, loyalty, and devotion of the majority of the workers throughout the United Kingdom, and we feel specially so of our own staff, both of the parent and associated companies; but the workers are badly led by leaders of immature judgment and colossal ignorance. These leaders have the power to call a strike and the members of a union are forced to "down tools." In a report in the *Daily Telegraph* of last week of a meeting in London at which Mr. G. H. Roberts, M.P., presided, Mr. Roberts stated that he had received several letters to the following effect: "If I am to strike by order of a few people am I not more or less a slave of a caucus?" This is exactly the position. Lever Brothers were invited to join the Joint Industrial Council of Employers and Employees following on the Whitley Report. In joining Lever Brothers and Associated Companies agreed to accept awards for rises in the rate of wages and were informed that those firms not joining would be forced by the Government equally to raise wages on awards being given. Notwithstanding this, the award of last January increasing the wages in the soap industry was never forced against those soapmakers who were not members of the Joint Industrial Council. I cannot think that members of trades unions employed at Port Sunlight were aware of this, but their leaders certainly were and took no strong drastic measures to enforce the award. I am pleased to be able to say that by a mutual consent between employer and employees a reduction of wages has been agreed upon which came into operation last week.

Wages and Dividends.

I would like, if not wearying you, to give some figures relating to wages paid at Port Sunlight in the twelve months ending June 30, 1914, and the twelve months ending December 31, 1920. For the twelve months ending June 30, 1914, the weekly wage bill averaged £6,167. For the twelve months ending December 31, 1920, the weekly wage bill averaged £26,914. From this you will see that in 1920 the workers received over £1,000,000 sterling more than the year ending June 30, 1914. In addition, they received £276,854 in co-partnership dividends as compared with £39,418 in the year ending December 1913. The wages averaged over 250 per cent. increase to the workers at the weekly wage rate, but owing to the large amount of overtime worked and special circumstances relating to 1920, the amount actually received by the workers was much greater than this. Now let us see what the ordinary shareholders received. The dividends in 1913—being the last normal year before the War—were fifteen per cent. In 1920 they were twenty per cent. No comment from me is needed on these figures. I have had a diagram prepared showing the proportion of profits on turnover that go to the Ordinary shareholders and the co-partners out of the total cost of production and selling soap. This diagram is absolutely correct—in fact rather over than under in illustration relating to division of dividends to Ordinary shareholders and co-partners, but owing to rapid variations in values may not be absolutely correct on materials and cost.

A block from this diagram has been made, and I will have it printed in the report of this speech, which you will receive as early as the same can be despatched after this meeting, and I am sure you will find it most interesting. Before leaving the question of profits, the workers' wages, and dividends to shareholders, I would like to inform you that the total wages paid during 1920 by the parent and associated companies was £7,707,031, overseas payments being converted into the equivalent of English money, whereas the dividends to the Ordinary shareholders, as you will see from the balance sheet, was £456,000. Since the commencement of the War in 1914 to the end of 1920 the parent and associated companies at home and overseas have contributed to the British Government £3,760,814 in income tax, without calculating super-tax, in addition to contributions to governments in their own countries.

A "Square Deal."

You would see from a report in the paper that the courts have given a decision with regard to co-partnership, that a trades union can prohibit its members from being co-partners in any industrial undertaking. I take this to be rather a compliment to co-partnership. There is nothing in Lever Brothers' co-partnership scheme that any trades union could possibly take exception to or that is contrary to the truest principles of trades unionism, but the Bolshevik element in trades unionism apparently sees much to object to. I cannot think it is other than the Bolshevik element that does object, and co-partnership has a tendency to reconcile what is called capital and labour by encouraging equality by what I may call a "square deal," in addition to either bare interest on capital on the one hand, or bare wages for the workers on the other, by joining both together in a final distribution of surplus profits, if any. The greatest pleasure I have always had in business is to give what I call a "square deal" to everyone associated with me. If trade unions say that their members shall not have a "square deal," that is no concern of mine, but it does not weaken my desire to give a "square deal" to those who recognise the justice and wisdom of it. At the present moment the total number of co-partners in the parent and associated companies at home and overseas is 8,306; they hold co-partnership certificates to the amount of £1,399,438. The dividends paid on this script for the year 1920, as I have already stated, were £276,854, and since the commencement of the co-partnership scheme of Lever Bros. and Associated Companies in 1909 the sum of £1,118,678 has been distributed amongst co-partners. I noted that, in the hearing of the case in court referred to above, it was stated that co-partnership interfered with the solidarity of labour. Well, I think that Lever Brothers' shareholders would be agreed unanimously that if, instead of dividing this £1,118,678 of profits amongst the co-partners, it had been added to the reserve fund of the business, that would undoubtedly have made for the solidarity of capital, and that to part with this money was against the solidarity of capital from the financial point of view. But if it has made for the solidarity of interests and mutual respect and goodwill, a spirit of working together as partners, then I do not think that it can ever be to the disadvantage of the workers or that the distribution of this large sum amongst the co-partners can ultimately be to the disadvantage of capital.

158 Associated Companies.

The total number of our associated companies is 158. The number of houses completed in the village is 1,127, and houses now in process of building 122. A Bill was passed last year by both Houses of Parliament empowering the Company to build a wharf on our Bromborough Port estate on the River Mersey for the berthing, loading, and discharging of ocean going steamers. We are not proceeding with this development at the moment. We have five years under the Bill in which to complete, and as already mentioned no development work will be undertaken at the present time until the Debenture issue can be greatly reduced.

I am pleased to be able to tell you—and we are all very proud of [illegible] that the hospital collection in the

works at Port Sunlight for 1920 reached a record, and the most gratifying sum of £1,170 19s., as compared with £770 15s. in the previous year.

As mentioned twelve months ago, we have commenced a system of payment of wages by a credit to the employees' banking account. This has proved a great success, and an increasing number of workmen are availing themselves of it. The Staff Training College, under the direction of Mr. Knox, continues to make progress, and is a most valued addition to the business. The recreations provided for employees at Bebington show ground and elsewhere, under the direction of Colonel Wright, are adding greatly to the health and the pleasure of life for the staff, and are receiving increasing support, and are supplying a long-felt want.

During the last year the following visits have been paid by myself and colleagues to associated companies overseas: The Chairman has visited South Africa, France, Belgium, United States, Canada; the Acting-Chairman, South Africa and Belgium; Vice-Chairman, Belgium, America; Mr. Buchanan, South Africa, France, Belgium, Switzerland, Norway; Mr. Tatlow, Japan, China, Federated Malay States, India, France, Belgium, Germany, America; Mr. Simpson, France, Belgium, Norway, Sweden; Mr. Hart, Holland, Denmark, Sweden, Norway, America, Canada, Germany; Mr. Moseley, Belgium, France; Mr. Barnish, South Africa, Italy, Belgium, Switzerland.

Our prospects for 1921 are bright. We are experiencing a great revival in the home trade and the commencement of a revival in the overseas trade. The withdrawal or cessation of hampering Government restrictions and interference and the withdrawal of the excess profits duty all will help trade recovery, and the long-delayed reduction in the Bank rate is looked for at an early date, which will still further improve trade conditions.

Increased Sums to Reserve.

With reference to the position created by the Debenture issue, the holders of the Ordinary shares recognise that in addition to providing the large sums for advertising, repairs and renewals, and depreciation, which for 1920 amounted to close upon £3,000,000, and almost equalled the total amount paid in dividends, it will be necessary to provide increased sums for the general reserve account. Therefore, it is not proposed to pay until the Debentures are greatly reduced any larger dividends on the Ordinary shares than the amount carried in the same year to general reserve. I am confident this will be a policy welcomed by the Preference shareholders.

We hear a great deal said nowadays about the high cost of living. The Ordinary shareholders are experiencing some of the effects of the high cost of wealth.

Before I move the adoption of the report, I would like, on behalf of myself, the Acting-Chairman, and Vice-Chairman of the parent Company and associated companies at home and overseas, to thank our colleagues, our managers, assistant managers, foremen, and staff for their loyal and devoted support of us during the past year. We are proud to be associated together in this great industry, and we look forward together with confidence to the future.

I now beg to move the adoption of the report and balance sheet, and will ask Mr. Greenhalgh to second it.

Mr. Greenhalgh: My Lord, Ladies, and Gentlemen,—After the very complete statement which our Chairman has made regarding the balance sheet and position of the Company, it only remains for me to second formally the resolution. I would like, however, to take the opportunity of saying how proud I am, after my long service with the Company, to occupy the very responsible position of Vice-Chairman, and also to tell you that the more I see of this Company the more I am confident of its success on the solid foundation upon which it has been built up by our Chairman. (Applause.) I have very great pleasure in formally seconding the resolution moved by our Chairman.

Lord Leverhulme (replying to questions asked by shareholders) said that the eight millions odd of liabilities stated in the balance sheet were not, of course, entirely advances by bankers, but was the total amount of the liabilities. The issue of Debentures recently made was with the view of reducing this amount. The position with regard to the dispute over co-partnership and membership of the Trade Union of Carpenters and Joiners—as far as he knew—was that the decision of the Court stood until an appeal (if any) was made and heard. Lever Brothers were not parties to the action, which was brought by some of their employees against the Union. With reference to future issues of capital, when the board considered it the shareholders would get due intimation. Regarding the E.P.D. claim, the figures were not yet adjusted. It would be a matter of very careful examination of the books, and the claim would be properly made out, and would undoubtedly be a very heavy one, and justly so.

The resolution was then put to the meeting and carried unanimously. The retiring director (the Hon. W. Hulme Lever) was unanimously re-elected, and Messrs. Cooper Brothers and Company were reappointed auditors for the year 1921.

Votes of thanks were passed to the Chairman and directors of the respective associated companies and their staffs, the agencies abroad, and the management, office staff, and employees of Lever Brothers, Limited, generally for their zealous and efficient services during the year.

The meeting then concluded.

Ionian Bank, Limited.

Commercial Difficulties in Greece—Expansion of Business.

The annual general meeting of the Ionian Bank, Limited, was held on April 26, at the offices, Basildon House, Moorgate Street, E.C., Sir John Stavridi, the Chairman, presiding.

The Chairman said that there had been steady advance and expansion in the business of the Bank during the past year, in spite of political and commercial difficulties and adverse circumstances in Greece and Egypt. Banking competition in Greece was now very keen, and the Ionian Bank was to some extent handicapped by its conservatism and by the facts that all speculative handling of exchange was forbidden by the directors, and that the profits were made only from sound, genuine banking business. Nevertheless, the business and the profits had increased, and the dividend was maintained, and they looked forward with assurance to the future. Last year he referred to the double liability attaching to the shares in case of winding-up. A Bill dealing with this matter had passed the House of Lords, and, after two readings in the Commons, had been referred to the Committee on Unopposed Bills.

The Situation in Greece.

In the first half of the year there was an unprecedented rush of imports into Greece, and the exchanges gave way, and in the second half of the year prices in England and the United States fell as a result of the determined official attempt to produce deflation. Greek commerce was most seriously affected thereby, and the Greek trader, with a glut of goods, was faced with heavy loss, and could not take delivery on contract terms. The result was congestion at Piræus, where the warehouses and docks were full to overflowing, with no market for the goods. Exporters of currants and tobacco obstinately held to their stocks, and as a result had been badly hit, while the remaining staple export, olive oil, had been put under a virtual moratorium, the Greek Government having prohibited the export of the new crop. Last November, owing to the change of Government, the Powers refused to allow Greece to draw unused credits in England and France granted to the previous Government. This financial boycott placed Greece in a most difficult position. Should the campaign in Asia Minor be prolonged, as seemed more than probable, and should the Great Powers maintain the financial boycott, the country would soon be in such straits as might lead to disaster, notwithstanding the recent loan of 500,000,000 drachmas by the National Bank of Greece.

There was one other matter which, although it in no way affected the Bank, had a very serious influence on the finances and good repute of Greece. The mercantile marine of Greece had been one of the main sources of its power and of its financial expansion. It was in a large result due to the freights earned by the mercantile marine and to the enormous wealth accumulated during the War by the shipowners that economic stability was maintained and the value of the drachma remained unimpaired during all the troubled years of the War. Freights had now crumbled away, and the earnings of tramp steamers were no longer sufficient to cover the expenses. Since August 1920 the losses of Greek steamers of that class had simply been appalling. No less than fifty-two vessels of a total gross tonnage of 58,178 had been lost without any visible cause, and in all cases they were insured under old policies for far more than their market value.

The Accounts.

The balance sheet was, as usual, drawn up at approximate par rates namely, drachmas 25 and piastres tariff 97.50 per £. There was an apparent falling off in the gross figures, which were now £11,554,590, against £11,977,230. This falling off was entirely in the "other liabilities" and "other assets" accounts, and they welcomed this reduction as it meant a return to a more normal state of affairs. The reserve fund, if the report and accounts were adopted, would be increased to £130,000. Deposits and current accounts showed a healthy increase of over £500,000, and the fluctuation in "bills payable" and "contingent liability" (the latter this year nil) were accounted for by market conditions. Shareholders would notice the strong showing which the Bank again made in available cash on hand and at call. In investments there was a falling off of £189,713, due to customers' requirements, which, however, in no way affected the general position of the Bank. "Bills receivable" showed an increase, due to larger holdings in British Government Treasury bills. The increase in "bills discounted" followed an increase last year, so that the amount of commercial bills held by the branches of the Bank, which two years ago amounted to only £285,859, now showed the satisfactory figure of £1,564,962, all good-class banking and commercial trade paper. They had written down all the investments of the Bank to market value or under, which naturally had materially reduced the profits. Since December 31, when the books were closed, there had been a steady and material appreciation in the value of securities, and if the accounts had closed now instead of on December 31 there would have been a very different showing in the profits. The Chairman concluded by moving the adoption of the report and accounts.

Mr. Warrington Laing seconded the motion, which was unanimously adopted, and a final dividend was declared of 3s. per share, with a bonus of 1s. per share, both free of income tax.

Royal Exchange Assurance.

The Bicentenary Year.—A New Record.

The Annual General Court of the Royal Exchange Assurance was held on April 27 at the head office of the corporation in the Royal Exchange, London.

The Governor (Mr. Vivian Hugh Smith) presided.

The Assistant Secretary (Mr. E. de M. Rudolf) read the notice convening the court, and the auditors' report.

The Governor said:—Gentlemen, I have much pleasure in informing you that during the past year Colonel Frank D. Watney has been appointed a member of the court of directors, thus consolidating our long and friendly connection with the Mercers' Company. This has existed since our earliest day, as the subscription list for our first capital was issued in the hall of that Company in 1717.

You have before you, Gentlemen, the accounts for the bicentenary year of this Corporation, and I think you will agree that they may be considered as generally satisfactory.

The premium income of all departments is the largest in the history of the Corporation, amounting to over £4,300,000. This figure shows the premiums on amounts retained by the office at its own risk. The actual gross premiums are of course very much greater.

As you will know, the present trade outlook is not very hopeful and it seems not unlikely that this and the general fall in values that is taking place will attract the figures of insurance companies during the present year. In this connection the marine department is likely to be specially affected and a reduction in the premium income is to be anticipated.

The Life Department.

Taking the accounts in the order in which they stand in the balance sheet one comes first to the life department. You will see that during the year 3,721 proposals were completed, assuring £2,211,000, while the total premium income after deducting re-assurance premiums was £527,000, being an increase of £50.000 over 1919, which in turn showed an increase of £50.000 in 1918. The interest earned amounted to £217.000, which gives a satisfactory return of £5 5*s*. 3*d*. per cent. on the life fund, the figure last year being £4 18*s*. 9*d*. per cent. Claims paid and outstanding amounted to £180,000, which was considerably below the amount expected on the basis of the Mortality Tables used in the valuation. The sum disbursed for surrenders, including bonus, was £35,664. The expenses of management and commission amounted to £111,330, a liberal allowance having been made as usual for all items outstanding and accrued. The life funds amounts to £4,286,000.

The usual quinquennial investigation in the life department was made as at December 31 last, and it has been found necessary to write off a further sum of £116,000 for depreciation of investments, making with the amounts previously carried a total depreciation of £281,000 within the last five years. During these years this Department has suffered severely from the devastating effects of the War. These can be roughly divided into three classes:—

(*a*) Heavy losses due to War claims, amounting to £159,000.

(*b*) Extensive depreciation of investments (referred to above).

(*c*) Reduction of profit from excess interest, due to the great increase in income tax.

But for these exceptional causes the total valuation profit available for division would have been exceedingly good, and more than enough to have maintained a bonus at the rate declared on the last occasion. Having in mind the unsettled financial conditions now prevailing, the directors, after consultation with the actuary, have decided that the true interests, both of the Corporation and the policyholders, are best served by carrying forward the surplus to the end of the next quinquennium, when it is hoped that the bonus declared will compare favourably with those of previous quinquenniums.

The annuity fund now amounts to £765.000, and you will notice that the directors have considered it advisable to strengthen this fund by transferring from profit and loss the sum of £114,000. This was mainly owing to the heavy fall in the values of Stock Exchange investments during the past five years.

The trustee and executor department again shows a small profit.

The Fire, Marine, and Accident Business.

Passing to our fire department, the premium income in this department shows a further expansion to £1,792.000. The losses, after providing for all claims reported to have occurred on or before December 31, amounted to £827,370. The commission was £352.000 and the expenses of management £385.000. You will notice that this sum includes an amount of £44.000 for Colonial and foreign taxes. After transferring to profit and loss the profit for the year of £120.000, which was a little in excess of that for 1919, the fire fund amounts to £916.000.

The Marine Department shows an extraordinarily good account. Once again the premium income exceeds one million at £1.070,000. Losses paid in respect of 1920 and previous years amounted to £740,000, while the expenses of management were £127,000. The marine fund has risen to £1,438,000 after transferring the sum of £200,000 to profit and loss account.

In the General Accident Department the net premiums for the year amounted to £893.000, against £610,000 in the previous year. The losses paid were £381,000; commission, and expenses of management, £343.000. The sum of £33,000 has been transferred to profit and loss, leaving the general accident fund at £579.000, against £432.000 in the previous year. The profit shown would have been considerably better but for the losses in motor-car business. The rates for this class of business have now been most carefully revised, and it is hoped that they have been put on a more equitable basis.

Perhaps it is only right to add that the figures before you do not include those of our associated companies.

Before passing to the profit and loss account, I should like to tell you that the directors are satisfied that the Corporation's business, both at home and abroad, is progressing in an entirely satisfactory manner. During the last year our foreign managers from all parts of the world, and our home branch managers, were in London, and the opportunity was taken of discussing fully with them matters of general interest and of hearing their views as to the standing and prospects of the Corporation in the countries or districts which they represented. I am happy to be able to tell you that the impression left on my mind was that the name and reputation of the Royal Exchange have never stood higher than they do to-day.

Profit and Loss Account.

Turning now to the profit and loss account, interest less income tax, amounted to £80.000, while from the Fire Department we have brought in £120.000, from the Marine £200.000, from the Accident £33.000, from the Trustee and Executor £247, and from the Capital Redemption £464. In addition, we have transferred from the special fund provided for taxation, formed in 1918 and 1919, the sum of £360.000.

In addition to the dividend you will notice that the bicentenary bonuses to the proprietors accounted for £24,000, and that the expenses, including bicentenary expenses not charged to other accounts, amounted to £113.000. I think, Gentlemen, you will be interested to hear that a sum of £49,000 was distributed amongst the staff throughout the world on that occasion, and it is believed that not a single individual who was in the service of the Corporation in any capacity at the time was overlooked.

Excess profits duty and income tax paid during the year amounted to the very large figure of £353.000. Of course, so far as excess profits duty is concerned, it does not mean that this amount was incurred wholly in 1920. It refers to back years as well, and is a substantial payment on account of our full liability. A further sum of £160.000 was written off for depreciation of investments, and the amount of £114.000 (already referred to) was transferred to the annuity account. After carrying these figures, the balance of the account stands at £829.000.

Total Funds Exceed £11,000,000.

Gentlemen, there is little else left for me to tell you except to point out that our total funds now for the first time exceed £11.000.000, the actual amount being £11,344,903 14*s*. 1*d*. The year has been successful, as apart from depreciation of investments and strengthening of the annuity fund, our accounts have been debited with a considerable expense on account of our bicentenary. Apart from these items, our trading account has been an extremely satisfactory one. Our fire, accident, and life premium incomes were the biggest we have ever had. I mention these facts as I want to make clear the rapid growth of our business. It is owing to the zeal and energy of the managers of our various departments and the branch managers and the staff at home and abroad that we have been able to show such good results, and therefore I am confident that I may, on your behalf, thank them most sincerely for their good work.

Resolutions will be submitted to the meeting for the triennial election of directors, and also for the re-election of Sir Nicholas E. Waterhouse as Auditor at a fee of 600 guineas per annum, being an increase of 100 guineas over the amount paid during the last four years, during which time he received 500 guineas per annum. You all know the great increase that has taken place in the Corporation's business during the period, and it follows that the work of the Auditor has increased in like manner.

Gentlemen, I feel that you will agree that the statement placed before you to-day is an excellent one, and I believe

that at the present time the Royal Exchange Assurance is in a stronger position than it has ever previously occupied. Before putting the resolutions to meeting, I would ask any shareholder who wishes to do so to put any question or make any comments.

No shareholder rising to speak, the Governor moved the adoption of the printed report and accounts for the year 1920.

The Sub-Governor (Mr. Seymour Grenfell) seconded the motion, which was unanimously carried.

It was also resolved—"That this annual general court do agree with the court of directors in their recommendation, and that a further dividend of nine per cent., less income tax, making sixteen per cent., less income tax, be paid on the capital stock for the year 1920."

The triennial election of the court of directors was approved, and the election of Sir Nicholas E. Waterhouse for the year 1921 was also agreed to.

The Governor expressed regret at the absence of Mr Percy F. H. Hodge, the secretary, owing to illness, and, on behalf of the shareholders, said he would ask the assistant secretary to forward to Mr. Hodge a message conveying to him the sympathy of the meeting. (Hear, hear.)

The proceedings then terminated.

The London Trust Company, Ltd.

Increase in Total Receipts.

THE thirty-second annual general meeting of the London Trust Company, Limited, was held at Winchester House, E.C., on April 28, Mr. W. Douro Hoare (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the dividends and interest at £97,276 were £6,500 more than in the previous year. They had not made quite so much on commission account, but the total receipts showed an increase of £5,063. The balance carried to the appropriation account was, however, £6,715 greater than in the previous year owing to the fact that the charge for interest on the temporary loan was considerably less, namely, £1,754. The balance available for distribution, including the amount brought forward, was £101,366. The interim dividends on the Preferred stock at the rate of five per cent. and on the Deferred stock at the rate of four per cent. were paid in October last, and the directors now recommended that the balance of dividend on the Preferred stock for the half-year to date should be paid, and a final dividend at the rate of six per cent. per annum on the Deferred stock, making ten per cent. for the year. The sum of £10,000 had been transferred to reserve account, bringing that fund up to £210,000, and there remained to carry forward (subject to corporation profits tax, if any) a balance of £46,741, which was £10,900 larger than the amount carried forward last year. The revenue of the Trust had shown progressive increase for several years past, but it was hardly possible to hope that the same ratio of increase would be maintained. A valuation of securities had been made, and the result showed that the reserve account did not meet the depreciation, which amounted to under six per cent. The Company had over 550 holdings, and no exceptionally large interest in any one concern or group, so that in a general improvement they would be pretty certain to participate. With regard to labour generally, it was a certainty that wages, which were so greatly advanced during the War period, would have to be revised, as otherwise the cost of the articles produced, when put into competition with the products of other countries, would be so much enhanced that our manufacturers would be unable to obtain orders.

The Hon. Evelyn Hubbard seconded the motion, which was carried unanimously.

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London Life Association, Limited.

A Very Satisfactory Year.

THE ordinary general meetings of the London Life Association, Limited, and of the Clergy Mutual Assurance Society, and the ordinary joint general meeting of the Association and the Society, were held at 81 King William Street, E.C., on April 27, Mr. Reginald Benson Jacomb, the President, in the chair.

The Chairman : The total net life business completed during the year was £1,926,323, of which £472,119 has been reassured with the Clergy Mutual and £1,454,204 retained by the London Life. I have so often had the pleasure of announcing a record amount of new business, that I am a little anxious lest a fresh instance, such as this is, may lose something of its interest owing to a lack of novelty. In these days of fierce competition, of course, no life office can afford to drift.

We believe that the principle of paying no commission for the introduction of new assurances is absolutely sound, and we welcome the large amount of new business for two reasons—first, that it is evidence that the absence of commission is appreciated by a gradually widening circle of thoughtful people; and, secondly, it means that our members have confidence in the management and are satisfied with the result of their policies, for otherwise so many of them would not have recommended the London Life to their friends.

On the last point I should like to lay a special emphasis, for we do owe a debt of gratitude to our members for their hearty co-operation, and the occasion of a general meeting gives me the pleasant opportunity of conveying the thanks of the directors to those members for their co-operation. We have endeavoured in the report of the London Life to set out quite clearly how we have met the further heavy depreciation which has occurred during 1920 in the value of securities.

Policy of the Directors.

Briefly, the policy of the directors since the outbreak of the late Great War has been to avoid any abrupt changes and to endeavour to maintain a gradual increase in the rates of reduction and the declaration of reversionary bonus for the two classes of policies concerned. We could, of course, have adopted the more heroic measure of keeping unaltered the rates of reduction current at the outbreak of war; this would have provided some additional £200,000, in round figures, towards depreciation; or we could have gone so far as to decrease these rates of reduction by, say, ten per cent. each year, and thus have provided for the whole of the depreciation without touching any of the reserves we held. The effect of that would have been to leave the London Life, it is true, in a superlatively strong position, but would it have been fair to existing members? It would have meant that existing members were asked to bear the whole cost of the depreciation for the benefit largely of future members.

I have every confidence that the policy we have adopted will be approved by the members, always subject to the condition that we should not increase rates of reduction without having earned more in the year (apart from depreciation) than the cost of the increase, and, of course, subject to the basis of valuation being in our opinion strong enough to give reasonable prospects of the continued gradual increase in rates of reduction.

The Year's Surplus.

On this occasion the surplus of the year in the reduction of premium and general funds is £66,327, and the cost of the increase in rates of reduction is £35,654, showing what I think you will regard as a very satisfactory margin. I am glad to be able to inform you, as you all probably know, that there has been a substantial appreciation in values of securities since December 31, 1920.

While discussing the question of the surplus of the year I feel bound to allude once more to our old enemy, the income tax. We do not, of course, object to the income tax so far as it is necessary for the needs of the country; it is the method on which we are assessed to which we object, for the income tax of £71,000 for the year 1920 represents approximately between 10s. and 11s. in the £ on the profit of the year. The Royal Commission on Income Tax reported that, in their opinion, the present system of levying income tax in the case of a life office, which is on the whole of its interest income, less an allowance for expenses and for annuities, was, on the average, not inappropriate, but it is hardly necessary for me to point out that in taking an average some offices will come off very lightly and some are very hard hit. Unfortunately, because of our economical management, we are included in the latter category.

Dealing with the Clergy Mutual Assurance Society, the Chairman said it was a great satisfaction to the directors that, notwithstanding the further heavy fall during 1920 in the value of securities, they had been able to declare a bonus to participating policyholders on the scale mentioned in last year's report. The year 1920 had not been a normal year, and, taking all the circumstances into account, he thought the members should be well satisfied with the bonus declared.

The reports were adopted.

The London and Lancashire Insurance Co., Limited.

Depreciation of Investments.

THE fifty-ninth annual meeting of shareholders was held at Liverpool on Wednesday, Mr. John H. Clayton, Chairman of the Company, presiding over a large attendance.

The Chairman said: Gentlemen,—I have pleasure in submitting for your approval the usual resolution that the report and accounts be confirmed. Last year I uttered a word of warning as to the future, feeling, as I did, that the world's troubles and the commercial depression which was looming ahead must necessarily affect the business of insurance companies such as ours. This forecast has been borne out by the actual result of our operations in various directions, but not, I am glad to say, to the extent which we had been prepared for.

Fire and Marine Business.

Taking our various departments in a general way, and dealing with the fire business first, you are well aware of the axiom that bad trade involves more fires. The actual incidence of loss is also heavier than it used to be in many cases, particularly on private property, which is not subject to average. Beyond this, the disturbances in Ireland have caused the insurance companies much trouble and possible litigation. And what has been happening in Ireland, and even in England and Scotland, is only symptomatic of the wave of crime and the indifference to consequences which the War undoubtedly engendered. This has had a marked effect on the general fire and accident experience, not only in this country, but abroad. Our marine business has followed very closely the course which we had expected. Not, it is true, producing anything like the quite exceptional surplus which we showed for 1919, but still a handsome profit. For, as you will gather from the published reports of other annual meetings, the conditions of marine business are at present very difficult, the inevitable sequence to the competition which was created and developed during the War. Taking the results in detail, our fire premiums were £3,668,249, being an increase of £397,950 over 1919, and, before deducting British taxation, we transfer to profit and loss account £513,570. Our marine premiums were £2,669,515, showing an increase of £467,622, and, in a similar way, we transfer to profit and loss account £503,936. Our accident premiums were £1,746,672, an increase of £459,805 over 1919, and we transfer to profit and loss account £37,562. These underwriting figures, therefore, aggregate a total of no less than £1,036,362, representing a profit which, ten or even five years ago, would have exceeded our fondest dreams.

Drains upon the Profit.

But now I come to the drawbacks over which we have no control, and which whittle down in one way or another most of this large profit. Firstly, there is the burden of the onerous taxation, to which we are now "per force" subject. You will see our taxes in this country alone are no less than £331,100.

I may explain that £262,800 of this is income tax, that £45,000 is for the newly-instituted corporation tax, and £23,300 for excess profits duty. This small provision, therefore, may surprise you, but, after more experience of the many difficult factors surrounding this excess profits duty calculation, we are finding that the provisions we made in previous years were nearly sufficient, not only for the past, but also for 1920.

Looked at strictly, our profit of £1,036,362, arrived at after deducting £252,703 for foreign and colonial taxes, is then chargeable with no less than £440,990 for taxation in this country. Thus our total taxation in 1920 amounted to the colossal sum of £693,693, or substantially more than the net underwriting surplus left for ourselves.

But now I come to the second serious feature, that of depreciation of investments. In 1920 this depreciation actually amounted to the large sum of £516,000, or just twice as much as we have ever had in any previous year. But in 1919 and 1920 the depreciation was no less than £739,119, or 9.5 per cent., being an average of over four and a-half per cent. We have almost given up hope that this fall in values has come to an end, but the tide must turn some time, and the improvement which has taken place since December 31 already means to us an appreciation of over £100,000.

Financial Policy Rewarded.

Taking the year on its merits—the deduction of taxation strictly applicable thereto, coupled with the £500,000 for depreciation, would have left less than £100,000 for the benefit of our surplus reserves. But, *because* of our liberal provisions for excess profits duty in previous years, our accounts are thus improved to the extent of £109,890, and we add to our net reserves, after providing for every liability, the sum of £216,747.

You will doubtless have noticed the advance in our interest from investments, which now actually exceeds the dividend, notwithstanding that that dividend was so very substantially increased in the years 1919 and 1920. Our position in this respect, therefore, is a strong one, but I think it well to remark that, whilst we may reasonably expect to maintain that dividend, it would be quite inexpedient to anticipate any further increase in the early future. It will be gratifying to you to know that the staffs everywhere have been working loyally and earnestly, and, indeed, the character of the accounts which I have enlarged upon to-day is the best testimony to their efficiency.

The transfer of our chief administration to London has been an important matter, and with the very large number of employees which we now have in London, especially at our headquarters in Chancery Lane, the directors decided last year to purchase some ten acres of land at Wembley to establish a sports ground for the staffs of "The London and Lancashire" and its allied companies. A large pavilion is being erected; and we have already had sufficient evidence of the keen desire of the staffs to take full advantage of the concession.

Mr. Rutter's World Tour.

Before I resume my seat you may expect me to say a word regarding the tour of the world which our director and General Manager, Mr. Rutter, has just completed. That tour had been planned for the autumn of 1914, but the tragic events of that year caused it to be abandoned until 1920. Therefore, in August last, after a long spell of very hard work, consequent upon the removal of our chief administration to London and the absorptions which had been taking place, Mr. Rutter set off for America. From the Company's point of view it is very satisfactory that he was able to complete his entire programme, and to find that our interests throughout the world, in the charge of our many branch managers and agents East and West, are considered and watched with the same care and thoroughness as we are accustomed to at home.

I am afraid that we do not always remember sufficiently the enormous ramifications of such a Company as this, and the men who are responsible for it, for it is only by this combination of effort at home and abroad that "The London and Lancashire" has become so significant in the insurance world, and has, I venture to suggest, proved such a lucrative investment for its shareholders.

I therefore now beg to move: "That the report, accounts, and balance sheet be received, adopted, and entered on the minutes."

Vote of Thanks to Staff.

Mr. A. Percy Eccles seconded the motion, which was carried unanimously.

On the motion of Mr. John Barber, seconded by Mr. R. J. Hose, the retiring directors were re-elected, and on the motion of Mr. E. C. Thin, seconded by Mr. C. H. Keet, Messrs. Harmood, Banner and Sons were re-appointed auditors.

Mr. J. Arthur Smith proposed a vote of thanks to the general manager and the officers and staff of the Company. He said that the Company's annual budget of expenditure and receipts compared very favourably with the National Budget introduced elsewhere. (Hear, hear.) He spoke of the necessity of organisation to secure smooth running, and if asked what the machinery was on which their Company depended he would say it was their personnel. Referring to Mr. F. W. P. Rutter, the general manager, he described his outstanding qualities as being electrical energy and magnetism. He was ably supported by his lieutenants, and as for the rank and file of the staff, it might be said in words often heard in connection with some military enterprise, "The men were splendid."

Lord Midleton seconded the notion, and said not only had Mr. Rutter unbounded energy, but he possessed an imagination which enabled him to foresee many operations which occurred to others later, and this was very much to the advantage of the Company.

The resolution having been carried with great cordiality, Mr. Rutter responded. He stated his own indebtedness to his henchmen, the principal officers of the Company, as well as to the members of the staff, and referring to the world tour he had just completed, he said that tour had its difficulties and sometimes its trials, but it had also its compensations, and on the whole proved a liberal and in some respects an illuminating education. All the countries were in a state of depression. It was the same story, undue optimism succeeded by the inevitable pessimism, and insurance companies could not expect to be exempt from the adverse causes which were trying the world at the present time, yet they were not affected to the same extent as most other commercial communities, for they had a dual strength given to very few industries. They had always been well financed and had not assumed that good years were going to continue indefinitely, but had taken advantage of them to buttress up their position. Secondly, their business was so widespread that trouble in one direction might generally be expected to be off-set by something more satisfactory in another.

On the motion of Sir W. P. Rylands, seconded by Mr. J. R. Collie, a vote of thanks was passed to the Boards of Directors and representatives and agents of the Company throughout the world.

A vote of thanks to the Chairman concluded the proceedings.

The London Assurance.

Total Assets Amount to £9,286,000.

THE annual general court of the London Assurance was held on April 27 at the offices in the Royal Exchange, Mr. Colin F. Campbell (the Governor) presiding.

The Governor said: The accounts laid before you to-day differ materially from those submitted to you during the past few years, inasmuch as the 1920 account is not a War account, and therefore the figures are no longer swollen by War profits. Considered from this point of view, I think the profit and loss account is quite satisfactory, as the figures on the credit side of that account are very considerably in excess of those during any of the years preceding 1914.

In one respect, however, the War has left a very serious mark not only on this Corporation, but on every trading concern in the country. I refer to the increase in expenses, and more especially to the increase in taxation. The increase in expenses is counterbalanced to some extent by the large increase in business compared with pre-War years, and it is to be hoped that as the cost of living and of the other necessities of life is reduced the expenses may be to some extent also reduced; but to-day, I regret to say, there is no compensating advantage to be put against the present huge burden of taxation. As an instance of what this implies to the shareholders, you will notice from the profit and loss account that the dividends paid to the Ordinary and Preference shareholders amounted last year to £195,749, whereas the amount paid for income tax and excess profits duty during last year came to no less a sum than £318,000. It is difficult to see how any undertaking is to develop and extend its operations when such huge sums of money, which in the ordinary course would largely go to swell the reserves, are annually taken from it.

The Associated Companies.

The year 1920 was not remarkable, from out point of view, for any particular expansion. We were more especially engaged in consolidating and developing the companies which have in recent years become associated with us. We find the organisation of the British Law Insurance Company throughout this country of great assistance to us, as, in addition to the direct business of their own, they are able to secure for the Corporation business for each of our various departments.

The Vulcan Boiler Company has had an exceedingly good year, with increased premiums, and has similarly been able to bring other business to the Corporation. Then the London Associated Reinsurance Corporation, in which we hold all the fully-paid Ordinary shares, has made a satisfactory commencement, and we look forward with every confidence to this Company's doing exceedingly well in the future, when its reserves have been strengthened, and when it has increased and secured its connections generally.

In my speech a year ago, I mentioned to you the building which we were about to erect at Nos. 1 and 2 King William Street, and I am glad to say that satisfactory progress has been made during the past few months, so that our architect tells us we may hope to see it completed towards the end of the present year. We look forward to this completion with much eagerness, as we are so overcrowded in these premises that we have had to take two other small offices—a state of things very detrimental to efficient and satisfactory working.

Before turning to the accounts, I think there is one other matter to which you will, perhaps, wish me to allude, and that is the question of credit insurance, which was freely spoken about at the beginning of this year. As you are aware, the idea was that the insurance companies might join with the Government and bankers in some form of credit insurance which would enable traders in this country to deal with the distressed countries of Europe. Our view was that the insurance companies had neither the experience, the organisation, nor the funds to justify their entering into such a combination; but had a scheme matured in which both the Government and bankers participated, and had we been asked from the national point of view to co-operate to a small extent, we should undoubtedly have viewed the matter sympathetically, and I should probably have discussed it with you at to-day's meeting. As you all know, however, a scheme on those lines did not mature, and, therefore, for the time being the project is at an end, as far as we are concerned.

The Life Account.

Turning now to the accounts, the first one to be considered is the life assurance account. The year has been a satisfactory one, premiums showing an increase of £16,000 on the top of an increase of £45,000 a year ago, and the claims by death were considerably below the amount expected. The life fund shows a decrease of £51,000, but this is due to the very large amount written off investments—no less than £274,285—to which I will refer in a moment. The quinquennial period having ended at December 31, 1920, the usual quinquennial valuation has been made by the actuary, and the valuation was made on the same basis as that of five years ago. The result of this valuation, from the essentially life insurance point of view, was in every way satisfactory, and had it not been for the depreciation in the investments, we should have been able to declare a larger bonus than we did in 1915. It is a matter of very great regret to the directors that it has not been found possible to pay any bonus in respect of the past five years to the policyholders, but it is some consolation to think that, by making full provision for the depreciation that existed on December 31 last, a material reserve has been created, which will strengthen the account in years to come. I may add, however, that on all policies which may become claims during the next five years an intermediate bonus will be paid as usual. The actuary has given me some interesting details connected with the life department. During the quinquennium there has been considerable progress, in spite of the War.

Total Assurances in Force.

The total assurances in force, after deducting reassurances, amount now to £8,562,080, as compared with £6,464,377 five years ago, and there are annuity contracts on the books now for £43,591 per annum, as compared with £6,812 in 1915.

Turning next to the fire account, the year has again been a very good one, the premium income showing an increase of £240,000 and the fund an increase of £100,000, bringing the latter up to £1,300,000, after carrying £155,383 to profit and loss account.

The marine account also shows a substantial increase in premium of £359,238, and the fund, after transferring £47,838 to profit and loss account, remains at one million.

The accident account continues to progress very rapidly, the premium being £152,696, against £80,000 odd in 1919, and £56,000 odd in 1918. This department is doing very well, and the fund now amounts to £85,000, after transferring to profit and loss account the sum of £3,357.

If you will now turn to the profit and loss account you will find on the credit side the various transfers to which I have just alluded, together with interest and dividends amounting to £92,827, making a total, including the carry forward, of £519,022. This has been absorbed as to £100,000 for income tax, &c., £9,698 for foreign taxes, £12,238 for sundry expenses, and £195,749 for dividends to Ordinary and Preference shareholders, leaving a carry forward of £201,335.

In the balance sheet the total assets amount to £9,286,000, against £8,499,000 a year ago. The depreciation and contingency account, amounting to £380,000, is much more than sufficient to meet the depreciation on the securities on December 31 last.

I will now ask you to adopt the accounts and to approve a dividend of twenty-eight per cent., or 7*s.* per share, free of income tax.

The report and accounts were unanimously adopted.

English Electric Company, Limited.

Works Fully Occupied during the Year.

THE annual meeting of the Company was held at the Connaught Rooms, London, on Wednesday, April 27, Sir Charles Ellis, G.B.E., K.C.B. (Chairman of the Company), presiding.

In moving the adoption of the report and accounts, the Chairman said that although the total of the credit side of last year's profit and loss account amounted to £410,835, that figure included a special item of £230,000 representing undivided profits brought in by certain subsidiary companies which could not be taken into account when comparing the results of the two years. The recent issue of eight per cent. six-year notes for raising additional working capital affected the accounts of this year to the extent of £150,000, the balance being received early in January. The whole expense of the issue had been written off and provision made for the whole of the premium payable on redemption. During the year satisfactory progress had been made in adapting the Coventry works and restoring the other factories to their normal activities in pursuit of the fixed policy of the Company of devoting each works to that class of machinery for which it was best suited. At Coventry they manufactured large turbine-electric units, rolling-mill equipments, and the larger classes of engineering products. Preston, which had long been well known for traction work, now specialised even more completely in that branch, and electric locomotives were being made there in addition to all forms of electric traction equipment. At Rugby and Stafford there had been further development of the medium sizes of steam turbines and electrical machinery. Bradford, which was specially laid out for smaller industrial motors, had now its own machine moulding plant. Railway electrification in the United Kingdom was delayed by difficulties of finance, but the technical advantages were not in dispute. The Company's contract with the New Zealand Government for the electrification of the Arthur's Pass section of the Midland Railway was proceeding satisfactorily. In pursuance of the policy of economy in selling expenses the working agreement with Siemens Bros. and Co., Ltd., had been followed by the formation of the English Electric and Siemens Supplies, Ltd., which would deal exclusively with the marketing of the minor products of the two concerns and electrical supplies generally. In regard to the labour question, if they were to extend or fully

regain pre-War business considerable reductions would be necessary in the price of those materials, and therefore in the cost of the whole range of processes through which they were built up from the basic materials of coal and iron. He had no doubt they would be able to meet the crisis if both employers and workers could be assured that the necessary sacrifices were distributed as fairly and equitably as was humanly possible.

Beyer, Peacock and Co., Limited.

The Industrial Set-back.

THE annual general meeting of this Company was held on April 27 at the Grosvenor Hotel, Buckingham Palace Road, S.W., Sir Vincent Caillard (the Chairman) presiding.

The Chairman, in the course of moving the adoption of the report and accounts, said: At our last general meeting I had to refer to certain unavoidable adverse factors. Some of them have extended their influence into the period at present under review. You will have noticed that although our profit for the year, after providing for depreciation and Debenture interest, but before charging income tax, is only £8,229 16*s.* 1*d.*, we have had to include in our accounts an amount of £25,500 for income tax. The results of last year may appear somewhat disappointing to you, but they are due to causes that could neither be controlled nor anticipated. The foundry strike which took place in the autumn of 1919 was not finally settled until early in February, and the effects of the dislocation caused thereby in our workshops lasted for several months. The shortage of materials in the locomotive industry produced by the evanescent trade boom which followed the War, especially in respect of steel plates, pursued us throughout the year, while to add to our troubles we were also affected by the unfavourable conditions of the coal trade. Furthermore, the fall in the prices of materials brought about by the industrial depression has compelled us to write down largely our own stocks to market value, and we have also suffered very heavy losses on two important locomotive contracts placed during the War. The unfavourable industrial conditions were responsible for the poor output during the year. This was particularly the case during the first six months. Some amelioration of the conditions as a whole set in during the second half of the year, thus enabling production to be increased.

The Financial Position.

You will observe from the balance sheet that we have expended this year nearly £100,000 on new buildings and plant and machinery. The part cost of our new boiler-shop buildings is included in this item and is now nearly completed.

Our work in progress stands at £494,463. In my review last year I commented on the large expenditure under this head, but during the year we have increased it even further, and it amounted at December 1920 to about five times that in any pre-War period. This is due to the great amount of work passing through the shops in a partly-finished condition, and the high costs of material and wages as compared with pre-War rates. The stock of stores on hand shows an increase of about £50,000 compared with 1914. The investment of £29,940 includes purchase of our Debentures together with interest to date. We now hold £41,915 of the Company's Debenture stock. At an extraordinary general meeting of the Company on May 28 last, a resolution was passed authorising an increase of our working capital by £800,000. Of that amount £100,000 was represented by capitalised reserve and was divided among the Ordinary shareholders by way of bonus. Of the balance it was intended to issue only so much as was necessary to pay for certain extensions to the works, of which a new boiler shop was the most important feature. At that time the industrial outlook was promising, and hopes were being entertained of a period of flourishing trade. Unfortunately, before the issue of any part of the balance over the capitalised reserve of £100,000 could take place, there was brought about a sudden and unexpected change in the aspect of affairs. There is no doubt that the primary cause of this was the realisation that the general economic situation throughout the world could only very slowly alter for the better. The immense financial burdens of the Government, the effect of the increased excess profits duty, the heavy income tax, the imposition of a corporation profits tax, the demoralisation of the foreign exchanges and destruction of the old international currency values, and the raising of the Bank rate to seven per cent., which was gradually followed by restrictions of loans and credit, all contributed to bring about a passing of the trade boom owing to the impossibility of financing both trade and the requirements of the Government.

The Outlook.

After referring to the question of German competition in the locomotive trade, the effects of which they were feeling, particularly in foreign markets, and the necessity for reduction of taxation, the Chairman dealt with the future, saying: I have already indicated my belief that the future prospects of the industry are of a hopeful character. The policy we have pursued is the best evidence of our faith in that. At the present time the locomotive trade, despite the general depression elsewhere, is promising, as a great deal of leeway has to be made up in restoring and improving transport facilities. Signs are also not wanting to justify us in the belief that a gradual improvement in the economic position will set in, and that the present demand will extend into the period which will bring again a revival of trade, which, once started, ought to bring about that new era of prosperity for which we are all anxiously waiting. Our own business is likely to be affected yet awhile by the adverse factors to which I have freely alluded, particularly in view of the further serious set back to a revival of industry brought about by the present lamentable coal strike. We are doing everything possible in our own power to overcome or mitigate the evils that hard circumstances have thrust upon us.

Mr. T. Craven seconded the motion, which was carried unanimously.

Indo-European Telegraph Co., Ltd.

The Financial Position.

THE fifty-fourth ordinary general meeting of this Company was held on April 27, at 18 Old Broad Street, E.C., Mr. J. Herbert Tritton presiding.

The Chairman said: Whilst the directors' report is for 1920, the accounts presented were those for 1918, though we hope before the end of the summer to present those for 1919. I think it will be convenient that I should begin by reviewing the accounts for 1918. The main position with regard to the Russian assets remains as outlined at the last meeting, except that normal accretions of interest, etc., have slightly increased the item of Russian Government debts to £97,223. The directors, however, regard it as an imperative duty to deal with the question of these doubtful assets in the accounts, and they hope at the next general meeting to inform the shareholders of the method they propose to adopt. The directors have satisfied themselves that, apart from the Russian items, the entry under sundry debtors contains nothing that is not worth its face value. With regard to the market value of the investments, omitting the Russian assets, these, at the date of the balance sheet, showed an appreciation over 1917. I am pleased to be able to inform you that we have, under the Peace Treaty, recently been paid by the German Government the full value, together with dividends and accrued interest, of the marks 200,000 Prussian four per cent. Treasury Bonds (matured in 1917) standing under unappropriated investments. With regard to the financial position at this moment, the equalisation of dividends fund is now exhausted, with the exception of about £3,000, and therefore a larger dividend than seven per cent. for 1921 cannot reasonably be expected.

THE STANDARD LIFE ASSURANCE COMPANY.

Established 1825. **Incorporated 1910.**

The following are extracts from the Annual Report for the year ending 15th November, 1920, with results of the 18th Quinquennial Investigation.

Declaration of Bonus.—The Directors have declared a Reversionary Bonus for the Quinquennium 1915-1920 in respect of all Ordinary Participating Policies existing on the 15th November, 1920, on which all premiums to date have been paid at the rates shown in the following Table:—

QUINQUENNIUM 1915 to 20						
Full Years in Force	One to Five	Six	Seven	Eight	Nine	Ten or more
Rate of Bonus per cent. per annum for the Quinquennium	20/-	24/-	28/-	32/-	36/-	40/-

The rate of Bonus is a varying one on this occasion in order to give effect to the regulation made by the Directors in 1916, that all Policies on the Ordinary Participating scale existing on 15th November, 1920, should share in any Divisible Surplus which may then be distributed in respect of each year's premium due and paid after 15th November, 1910.

For all Ordinary Participating Endowment Assurances which become claims by maturity on or before 15th November, 1923, the Directors have fixed the rate of Intermediate Bonus at 30/- per cent. per annum for each full year's premium due and paid after 15th November, 1920.

Triennial Investigations.—In the past Investigations have been held at intervals of five years. The large amount of labour attendant on an Actuarial Valuation has been the chief reason against adopting a shorter term than five years for the Investigation period. Modern methods, however, have largely overcome the difficulties, and the Directors have the pleasure to announce that in future Investigations will be held Triennially, the next Investigation taking place as at the 15th November, 1923.

The Standard Life Assurance Company,

EDINBURGH 3 George St. (Head Office). LONDON 83 King William St., E.C. 4
WEST END OFFICE 15a Pall Mall, S.W. 1. DUBLIN 59 Dawson Street.

Troubles in Eastern Europe and the Near East.

Turning to the report, the year 1920 has been a year of disappointment for directors and shareholders alike. Since our last meeting trouble after trouble has supervened in Eastern Europe and in the Near East, and we have found it impossible to maintain our existing position in many sections of the line, our officials and staff having, in many instances, to be withdrawn. Complications in the Near East also extended to Persia, culminating in the threatened withdrawal of the British troops from that country and the enforced evacuation of the families of all telegraph and other officials resident in Persia. Our representative in Teheran remains at his post and is doing all in his power in the interests of the Company. The Persian Government, having surmounted their difficulties, will be in a position doubtless to further the re-establishment of this Company's telegraph system transiting their country, which, meanwhile, is in a state of suspended animation, though the international importance of the route seems greater than ever.

Now we come to an important section of the route, namely, that controlled by the Soviet Government. We have learned from the Moscow Government that, in principle, there is no objection whatever to the conclusion of an arrangement by which our line will transit that territory on its old ground. The directors have also reason to hope that where the influence of the Soviet Government may be needed in territory which may be described as more or less debateable ground, it will be exercised in favour of the Company. We are once more encouraged to hope that all may, within a measurable space of time, be again well with us, and that reconstruction and consolidation may everywhere be begun along our route.

Development of Radio-Telegraphy.

During the enforced inactivity of the Company the directors have in your interests devoted a certain amount of time to the development of radio-telegraphy. Experiments on the Galletti system had perforce to be abandoned owing to the intervention of the War, and it has not been found possible to resume them. Whilst this Company has, therefore, ceased to interest itself in any one system, certain radio patents and assets held by us have, together with the experience of the directors, been placed at the disposal of a new company, the Radio Communication Company, Limited, against a substantial holding of shares. That Company, having standardised various sets of apparatus, is doing very considerable business, particularly in the supply and working of sets on ships belonging to some of the foremost shipping companies in this country, and the directors consider that the investment should prove to be in every way a profitable one. They are of opinion that the advances made to the Galletti Company are fully secured by the fact that this Company has a controlling interest in assets of that Company, which include not only an important number of shares also held by that Company in the Radio Communication Company, but a good claim against the French Government for requisition and appropriation during the War of the plant of the Galletti station in France. The directors, in your interests, closed with an advantageous offer to sell No. 3 Crosby Square.

The Chairman concluded by moving the adoption of the accounts, the payment of a final dividend for the year 1920 of £1 2*s*. 6*d*. per share (making seven per cent.), and the distribution out of the equalisation of dividends fund of 15*s*. per share, both free of income tax, and payable on May 2.

Mr. Charles Holland seconded the motion, which was carried unanimously.

Goldsmiths' and Silversmiths' Company, Limited.

Fall in Price of Silver.

The twenty-second ordinary general meeting of this Company was held on April 26 at the Company's premises, 112 Regent Street, W., Mr. A. T. Isaac (the Chairman) presiding.

The Chairman said: The directors, in addition to the payment of five per cent. on the Cumulative Preference shares and the interim dividend on the Ordinary shares for the six months ended July 31, 1920, recommend a final dividend on the Ordinary shares for the six months ended January 31 at the rate of seven and a-half per cent. per annum, making seven and a-half per cent. for the year, and to carry forward, including the amount brought in, £45,182 6*s*. 7*d*. to the new profit and loss account, subject to excess profits duty.

The public will be well advised to take the present opportunity to purchase from us such articles as household requisites—for example, electro-plated goods, cutlery, spoons and forks, &c. My reason for saying this is that we are selling such goods at a low price, which may not be touched again, having regard to the level of any possible cost of production which is likely to be established in the future. I should like specially to mention here our military department. We make an exhibit in our showroom of work which has been carried out by us, such as the silver models of H.M. ships *Renown* and *Iron Duke* and the famous aeroplane which made the great African journey under the auspices of *The Times*. This department will well repay a visit at any time. Turning to another department, we have secured several important orders for hotel plate in open competition: we have done well in the same class of goods abroad, and we are looking for a further increase in this direction. Touching upon our overseas trade, I may mention, without specifying more closely, that we have succeeded in pushing our jewellery trade with very satisfactory results in the East. We have had representatives in that part of the world during the year, and we are not neglecting this development.

Of course, pearls and diamonds will always form much the greatest item in our turnover, and in these heavier priced articles we are, and shall be, greatly affected by the greatest trend of business affairs in the widest sense. It may be we have not even yet reached the lowest point of world depression, but it is not unreasonable to hope that a recovery may not be very remote.

After receiving the balance sheet and profit and loss account, the Chairman moved the adoption of the report, which was carried unanimously.

Army and Navy Co-operative Society, Limited.

Bonus Maintained.

The annual meeting of this Society was held on April 26 at Caxton Hall, Westminster, Rear-Admiral J. de Courcy Hamilton, M.V.O. (the Chairman), presiding.

The Chairman said: In the past year we have not had the advantage of the special contracts, as was the case during the previous year; wages have been at a higher level, and it is common knowledge that the trading conditions that prevailed, particularly in the later months, when a slump in trade generally took place, were very unfavourable to retail establishments. It is, therefore, gratifying to the directors to be able to submit the past year's accounts to you with a recommendation to pay the same bonus as for 1919-20 in addition to the usual dividend. While the directors feel that in prevailing circumstances they would have been quite justified in maintaining the amount carried forward from 1920 and not paying the bonus, they decided, as the Society's resources would admit of the distribution, for which purpose the large amount carried forward last year is available, to continue the payment of the bonus this year.

You will be glad to hear that our annual price list—the well-known large red book—is in the Press, and will be issued shortly, and we are confident that it will prove a great convenience to members and have a very stimulating effect upon our business. It will, I am sure, be agreed that in these difficult times it is more important than ever to keep down prices, thereby relieving the expenditure of the shareholders and members and attracting additional trade, than to endeavour to enhance dividends at the expense of their pockets as consumers.

It will be seen that for the past year the gross profits and miscellaneous revenue amounted to £814,315, which, owing to the fact that the profits from special contracts did not recur and to the fact that our rate of gross profit was lower, shows a decrease of £57,007. Our working expenses in total show an increase of £32,468. The share capital shows an increase of £748,000, consequent upon the capitalisation of reserves amounting to £648,000 and the additional capital issued amounting to £100,000.

The balance of net profit, after payment of our interim dividend of £72,000, is £236,806, and after payment of a final dividend of 2*s*. per share and a bonus of 6*d*. per share, together with the usual allocation of £9,264 for the Mortgage Debenture redemption fund, the amount to carry forward will be £22,542 3*s*. 6*d*. After commenting on items on the assets side of the balance sheet he concluded by moving the adoption of the report and accounts.

Col. W. D. Richardson, K.C.B., seconded the motion, which, after some discussion, was unanimously carried.

Hope Brothers, Limited.

Trade More than Maintained.

The twenty-first annual general meeting of Hope Brothers, Limited, was held on April 27 at Cannon Street Hotel, E.C., Mr. T. E. Goodyear (the Chairman) presiding.

The Chairman said: Our trade has not only been maintained, but I am able to report a further increase over last year. Our rate of gross profit has been less, as was inevitable, under the influence of falling markets, and our expenses have increased. I will only say that, as regards the volume of trade, we did not begin to feel the effects of the slump until the last few weeks of our financial year; and our trade in December and January was considerably in advance of any previous year in the history of the Company; but naturally, our gross profit was reduced, and, indeed, was the lowest in our history. With our extensive trade, and especially on our manufacturing side, we are compelled to place our orders some months in advance of our requirements, and when the goods are delivered we must offer them for sale at the current market price.

During the year we have opened our Bournemouth branch, to which I referred at our last meeting. The first year's working there has exceeded our expectations, and our only regret in connection with the branch is that the premises are not more extensive. We have also equipped our factory at East Dulwich, and it is now in full working order. The opinion has been expressed, and I believe correctly, that of its class this factory is one of the best in the neighbourhood of London.

An incident of the year which I regard with great satisfaction has been the inauguration of the provident fund for the benefit of our employees, to which you last year authorised an allocation from profits as the nucleus of an endowment fund. I am asking you to-day to strengthen the fund by the allocation of a sum of £3,000 from the profits of the past year. Then we propose to write off the whole cost of the increase of capital and of the issue of the new Ordinary shares, and to continue the policy we initiated last year of writing down the value of goodwill in our balance sheet.

With regard to the future I can only give you my personal views. The prosperity of our Company is closely bound up with the general prosperity of the country, and if the spending power of the community is reduced our trade must suffer. At the present time, I believe, two conditions are of paramount importance—less extravagance in public and private expenditure, and industrial peace, with a removal of the restrictions on production which have prevailed for a long time throughout the whole industry of the country. I have much pleasure in moving that the report and accounts be adopted and that dividends be paid and allocations made as recommended in the report.

Roumanian Consolidated Oilfields, Limited.

Assets Valued at over £2,000,000.

An extraordinary general meeting of the shareholders was held on April 25, 1921, at the Company's offices, 48 Cannon Street, E.C., to authorise an increase of the nominal share capital necessitated by the issue of Ten per Cent. Convertible Debentures now on offer to the shareholders at the price of £95 per £100 Debenture. There was a large attendance.

The Chairman (Sir W. Watson Rutherford, M.P.) in moving the resolution explained that, as each of these Debentures was exchangeable at any time during its currency for 100 shares, it was necessary that the Company should be in a position to issue such shares if and when the exchange was called for. There was, however at present no intention to issue them; they were simply being authorised to provide for conversion rights. With regard to the Debenture issue itself, no money was being thrown away in underwriting, and the net proceeds would be applied primarily in meeting the current liabilities, while the residue would be represented by cash and by valuable additional assets. As the issue was being made by way of rights to all shareholders in proportion to their holdings, no shareholder could reasonably object to generous terms in which all had *pro rata* rights to participate. Every shareholder, however small, was entitled to his proportion on paying £15 per Debenture, the further instalments being only due in six and twelve months. Those who paid the £95 in full would receive forthwith interest at the rate of ten per cent. on the whole amount of the Debenture—viz. £100. These advantages, however, were unimportant as compared with the conversion rights. The Company's extensive territories in the richest oil country in Europe, and the experience gained prior to the destruction, coupled with the successful and rapid development now taking place, justified the directors in agreeing with their Manager in Roumania in his optimistic forecast as regards future production, and that the pre-War record output of 100,000 tons in one year would be again attained and in all probability exceeded.

Company's Progress despite adverse Conditions.

Notwithstanding the destruction at the instance of the Allies in 1916, and in spite of all the adverse conditions, no less than 40,000 tons of oil had already been produced since the Armistice down to the end of February this year. Other good work that had been accomplished was that the leases of the more valuable lands had been renewed and important territories added—the Company had already seventeen producing wells and twelve drilling wells, of which three were close to oil—the destroyed buildings were almost all rebuilt—20,000 tons of tankage had been newly constructed—130 kilometres (80 miles) of pipe lines relaid and joined up—machine shop rebuilt, refitted and in full working order—new refinery in course of erection with double the former refining capacity—and, in short, a valuation recently completed of the assets in Roumania (taking the lands only at the figures in the books) came out at over £2,000,000 sterling, even calculated at the excessively low rate of exchange of 285 lei to the £1 sterling (against 25¼ normal).

After the destruction to which the Company had so patriotically submitted in November 1916 these results constituted a record of which he as Chairman was justly proud, and one upon which he was entitled to congratulate the shareholders and also the board of directors, the management, and the engineering staff in Roumania. An item not taken into account in estimating the value of the assets at over £2,000,000 sterling was the claim. If and when the Company received the anticipated compensation of £300,000 or upwards in respect of the 1916 destruction, as explained in the Company's circular of the 14th inst., the value of the undertaking and, therefore, the intrinsic value of the shares and the security for the Debentures now offered would be enhanced in proportion. The right of converting the Debentures into shares would enable the holders at any time during the currency of the Debentures to participate in these enhanced values and in the realisable profits. Pending conversion, the Debentures were an excellent investment, yielding £10 10*s.* 6*d.* per cent., less income tax, on the amount the holders had actually paid. Further, the shareholders would not forget that, apart from the 1916 destruction, there were other items under the head of "reparations" which went to make up the £1,040,000 recently fixed by the Roumanian Judicial Tribunal as the amount for complete reinstatement of the Company.

The Question of Reparation.

Roumania was occupied by the enemy for over two years, and for the purpose of reparations should be treated on the same footing as Belgium and the occupied parts of France, Italy, and Serbia. Opinions might differ as to whether the Allies would ever recover from the enemy any part of the cost of the War, but it was understood reparation would come before the cost of the War, and the directors had every reason to expect that sooner or later the Company would receive something substantial under this heading. Given the success of the present issue, of which he felt assured, the future of the Company in no way depended upon anything whatever being recovered under the claim for destruction, and still less upon receiving any contribution in respect of reparations. The receipts from these sources when they materialised might almost be regarded as windfalls, simply adding to the resources of the Company and correspondingly increasing the value of its undertaking. Their Company was purely British, and its industry was petroleum, which was the principal fuel alternative to coal. Fuel was the first essential for manufacture, and thousands of inhabitants of these islands would starve if our manufactures ceased to provide the means enabling the necessary food to be purchased abroad. The importance, therefore, of a successful petroleum undertaking owned by a purely British Company could scarcely be exaggerated. He desired to make no reference to the present calamitous coal strike, except to say that it could not fail to call the earnest attention of the public to the paramount urgency of supporting and developing all possible sources of fuel supply.

Major R. W. Barnett, M.P., Deputy Chairman, seconded the resolution, which was carried unanimously.

The World Auxiliary Insurance Corporation, Limited.

Deplorable Shipping Position.

The second ordinary general meeting of the World Auxiliary Insurance Corporation, Limited, was held at Winchester House, Old Broad Street, E.C., on April 29. Sir John B. Wimble, K.B.E. (Chairman of the Company), presided.

The Chairman said: Ladies and Gentlemen,—The report and accounts for the period from the commencement of the Company's business to December 31 last have been circulated; may I accept them as having been read? (Agreed.)

In moving the adoption of the report and accounts under review, I will first refer to the revenue accounts, and in dealing with the fire account you will see that the net premiums written amount to £142,786. The claims paid and outstanding amount to £38,204. Commissions and expenses amount to £38,534, leaving our fire fund in credit £66,047, which we have reserved for unexpired risks. This figure represents 46.25 per cent. of our premium income, and the directors consider this a very satisfactory percentage.

The Marine Account.

The marine account shows that premium income, less reinsurances, amounted to £175,803. Claims paid and outstanding, less recoveries and salvages, amount to £33,836, expenses to £12,015, leaving our marine fund £129,950 in credit, which represents 73.9 per cent. of premiums written.

FRANCE, our Ally, is now offering us at a MODERATE price

GOLDEN GUINEA

THE FINEST SPARKLING MUSCATEL

Golden Guinea is superior to many of the finest Vintage Champagnes and obtainable at half the cost.
From all leading Wine Merchants.

and this sum we carry forward to meet further claims. This percentage is also quite satisfactory. You will, therefore, see that our total premium income amounted to £328,500, a sum which I have no hesitation in saying we could have considerably increased but for the fact that we deemed it advisable to exercise careful consideration and selection of the risks offered us.

The profit and loss account, after writing off one-third of our preliminary expenses, which I am glad to say did not amount to as much as we originally anticipated, charging expenses not allocated to the fire or marine accounts, directors' fees, and a small loss on the sale of investments, shows a balance of £3,326, which we propose to carry forward. The Company's funds, stated in the balance sheet at cost price, are invested in first-class securities, the great proportion being invested in short-dated British Government bonds redeemable at or above par, which accounts for your directors not considering it necessary to write off the small depreciation which existed at December 31 last.

At the meeting we held in December last I stated that the directors were satisfied that substantial progress was being made on sound lines, and I think the accounts now before you fully justify the statement I then made. We have been successful in making excellent agency arrangements in such parts of the world where we consider it advisable to do business.

The Future of Insurance Business.

In dealing with the question of the future of insurance business, many important considerations arise. The trade of the world has received, as all know, a great setback—a natural aftermath of the effects of the War. Deflation has proceeded at a rapid rate all over the world, and frozen credits, which mean curtailment in business generally, exist in enormous amounts in all the exporting countries. The ship-owning position, which concerns our marine business, is in a deplorable condition, and at the present time I estimate that probably 12,000,000 tons of shipping are laid up for want of remunerative freights in various parts of the world. These facts are not encouraging for the immediate future, but I am hopeful that even in these depressed times this Company, with its strong connections, will get a fair share of what good business is offering, and I look forward to the future with considerable confidence.

I should like to refer to one further matter, and that is the question of a dividend. Our first duty to our policyholders and shareholders is to consolidate our position, and we consider that in doing what we are on the present occasion we are doing what is best for all concerned; and I am sure all of you who know anything about insurance business realise how inadvisable it would have been for us to consider the question of a dividend at the present time. (Hear, hear.)

In the absence of questions, the Chairman formally moved: "That the report of the directors and statement of accounts for the period ended December 31, 1920, as circulated, be and are hereby received, approved, and adopted," and I will ask Sir Arthur Lawley to second that.

The Hon. Sir Arthur Lawley, G.C.S.I., K.C.M.G., seconded the resolution, which was carried unanimously.

On the motion of Mr. W. T. Harrison, seconded by Mr. C. Rainbow, Messrs. Baker, Sutton and Company were reappointed auditors for the ensuing year.

Mr. Bruce Thompson proposed a vote of thanks to the Chairman and the rest of the board, and congratulated the shareholders on the very efficient and conservative manner in which the directors had dealt with the business of the Company.

Mr. Daniels seconded the motion, which was passed unanimously; and the Chairman having acknowledged the compliment, the proceedings terminated.

British Electric Transformer Company, Limited.

Continued Progress.

THE eighteenth ordinary general meeting of this Company was held on April 29 at Winchester House, E.C., Mr. A. F. Berry (the Chairman) presiding.

The Chairman said that the profit for the past year had been increased from £48,038 to £70,266, and the distribution on the Ordinary shares was at the same rate as for 1919. With regard to the current year, they started with fifty per cent. more work in hand (money value), or thirty per cent. more in horse-power than at the beginning of 1920. Dealing with the general position, the Chairman said that in the last ten years the Company had made far more rapid progress than in the first fifteen years of its life. In the last three years operations had been greatly extended, and, but for strike and lock-out troubles, still greater progress would have been shown. The future was always difficult to foretell, but, given support, they could look forward to full-time employment and a continued improvement in trading results. It was only by strong and united action that they were able to keep the works so fully employed, and he had confidence that, as they were having to reduce prices to secure work, they might rely on the necessary increased effort from their shops, even though they had to pay wages more in accord with the reduced cost of living. The next few years would test the capacity of even the best captains of industry, and their business was, by reducing costs of production, to see their order sheet kept well filled well ahead. He was disinclined to support any attack either upon the Government or the trade unions, but there were matters which those responsible for the creation and development of an industry would be glad to see handled differently, or not handled at all, by Governments and trade unions, who were not in any way naturally fitted to control industry. The men who invented, designed, financed, and organised the manufacture and sale of those British goods which the world wanted were the natural leaders of industry, and backed by investors, merchants, and exporters had until recently made British trade predominant throughout the world. Governmental or trade union interference with industry had produced most grievous results. The men at the head of trade unions did not themselves even pretend that they were naturally fitted to create or direct industry. Their useful work lay in quite other directions, and should be done without encouraging strife and class hatred.

The report was unanimously adopted.

Joseph Travers and Sons, Ltd.

Strong Financial Position.

THE thirty-second annual general meeting of this Company was held on April 29 at the Cannon Street Hotel, London, E.C.

Sir Edward Bowron, who presided, said: *The Times*, in commenting on our report, said, "In how violent a manner the fortunes of some enterprises have been affected by last year's break in prices is shown by the result announced by J. Travers and Sons, Limited." A statement of so serious a nature might create anxiety in the minds of some shareholders, which I think will be entirely removed by the explanation of the position as it stands to-day. The accounts before us present a striking contract to those we have been accustomed to in former years, more particularly those of last year. I am sure it was generally recognised that sooner or later a big fall in prices was bound to come, with its inevitable effect on businesses which must carry considerable stocks for the service of the distributive trades. The fall came unexpectedly, suddenly, and heavily in a large proportion of the articles in which we deal, and for the remainder it became a headlong scuttle to get out at any price, and the panic was only reduced to a state of comparative calmness by its own exhaustion. The extent of the falls may be gathered from the following examples:—

Common tea fell as much as 8*d*. or 10*d*. per lb.
Sugar fell as much at 56 per cent.
Pepper fell as much as 65 per cent.
Beans fell as much as 84 per cent.

The stocks on the balance sheet of 1920 stood at £1,332,515, and to-day they stand at £586,541.

The Export Department.

Even in these circumstances the home trade would not have shown a loss had not the misfortunes of our export trade intervened. The export branch, which was a useful adjunct before, developed during the War, and contributed considerably to the profits. During the War the export of foodstuffs from the United Kingdom was difficult, and at certain times dwindled to vanishing point. We then endeavoured to obtain transport from the producing country direct to the consuming country, and our efforts were attended with good and profitable results. This encouragement led to requirements being overestimated, and the goods came to disastrous markets with the resultant loss. Fixing of blame cannot in fairness be done without a full knowledge of all the circumstances, and, although I would not for one moment attempt to excuse careless inefficiency, I do say that there are extenuating circumstances which reduce the sting of criticism. I refer to goods which were sold, but unfortunately the stringency of banks and disastrous exchanges made the completion of these sales impossible, leaving the goods on our hands. We have taken steps to restrict our responsibilities and narrow our field of operations as far as we can safely do so without prejudice to future business. Before passing from the export department, I should mention that we have deemed it advisable to form a small subsidiary Corporation—of which this Company becomes practically the sole shareholder—in the United States of America. This step does not involve anything more than to obtain the best legal status in that country.

Summary of the Year's Trading.

In summing up the result of the year's training, I would ask you to take a broad view of the general position. After a period of prosperity, culminating in an all-round unprecedented inflation of prices, the aftermath must be considered and accepted as necessary and inevitable, the one being a part and parcel of the other. You will ask, Is this the end of it? That we cannot tell; but the Company's total stocks, both at home and abroad, are included in the figure of £586,541, and the requirements for the Company's trade cannot be less without risking loss of business.

If your general reserve is regarded in the light of an insurance fund to protect the responsibilities attaching to the carrying of stock, it will be observed that at January 31, 1920, the fund was equivalent to 27.7 per cent. of the stock, while in the balance sheet now before you the corresponding percentage is forty-six, showing that from this point of view you are now protected to a greater extent than you were last year.

As you are aware, we adopted a conservative policy in the past years. I would remind you that, from under £47,000 in January 1914, our general reserve will stand at £270,000 after charging the amounts on the accounts now under review, and the Ordinary shares, on the basis of our conservative balance sheet, are represented by net assets to the amount of, approximately, 52*s.* 7*d.* per £1 share. In this connection our valuations of properties, which left a very large margin mentioned last year, must not be forgotten. In fact, we have sufficient margin in our book values of these properties to more than meet the loss, and to have left your balance sheet, from the point of view of reserves, practically unaltered.

In these circumstances we have no hesitation in recommending the payment of a 10 per cent. dividend.

We made proposals last year relative to increasing the ordinary capital of the Company, a course which at the time we felt necessary to pursue in view of the high values of commodities then ruling and the consequently heavy demands upon our financial resources. The issue was postponed in view of the monetary conditions which arose about this time last year, and ,with the subsequent fall in prices setting in, we decided to abandon the project.

The report was unanimously adopted.

Royal London Mutual Insurance Society, Limited.

THE ordinary general meeting of the Royal London Mutual Insurance Society, Limited, was held at Kingsway Hall, Kingsway, W.C., on Tuesday, Mr. Alfred Skeggs, the Managing Director, presiding.

The Chairman said: Ladies and gentleman, in moving the adoption of the directors' report and statement of accounts for the year 1920, I desire to call attention to the fact that on the 10th of this month the Society attained its Diamond Jubilee, having been founded sixty years ago by two or three men who were possessed of boundless energy and faith in the mission they had undertaken. The early years of the Society's existence were years of struggle, demanding strenuous work, abundant faith, and great fortitude on the part of its founders.

Turning to the report and statement of accounts for the past year, it will be observed that the total income reached the substantial figure of £2,412,187, an increase of £247,096 over the year 1919. The premium income in the industrial branch amounted to £2,119,287, being £213,509 in excess of the previous year, or an increase at the rate of 11.2 per cent. The premium income in the ordinary branch was £35,108, an increase of £2,286 over the year 1919.

During the year under review 781,796 policies assuring the sum of £10,241,560 were issued in the industrial branch, an advance of 61,381 policies and £1,746,424 in the sums assured over the business written in 1919.

The total claims and surrenders paid in the industrial branch amounted to £694,905, or £38,133 less than in the previous year. The claims paid in the ordinary life branch amounted to £13,082, which is quite satisfactory, and shows that the risks were selected with great care.

The total life funds of the Society as at December 31 amounted to £6,230,448, an increase of £680,067 over 1919.

The invested funds at the end of the year totalled £6,347,984, an increase of £706,280 over the previous year. During 1920 £865,239 was invested in gilt-edged securities at a gross average yield by way of interest of £6 7*s.* per cent.

The total interest for the year amounted to the substantial figure of £283,614, and, after deducing income tax, showed a net yield of £4 7*s.* 6*d.* per cent. in the industrial department, and £4 10*s.* per cent. in the Ordinary department. Our holding of British Government securities on December 31 amounted to £2,265,498, or 35.69 per cent. of our total investments.

The report was adopted.

Books Received.

The Bulletin of the Federation of British Industries. April 26, 1921. Price 1*s.* Free to members.

The Principles of Costing. By A. Cathles, O.B.E., C.A. Price 5*s.* (London: Gee and Company.)

The Official Year-Book of New South Wales. 1919. H. A. Smith, F.S.S., Government Statistician. Price 2*s.* 6*d.*

Danger Ahead! A statement of the railway stockholders' case. Compiled by the Central Council of English, Scottish, and Irish Railway Stockholders' Protections Associations. Price 6*d.* (London: St. Catherine Press, Stamford Street, S.E. 1.)

Voluntary Liquidation and Reconstruction. By J. P Earnshaw. Price 7*s.* 6*d.* net. (London: Jordan and Sons, Limited.) This valuable work has now been revised and enlarged. Since the publication of the second edition succeeding Finance Acts have imposed and regulated the collection of excess profits duty. Though somewhat beyond the scope of this book, the author has felt it necessary to refer to the provisions of those Acts.

The Pageant of Parliament. Two volumes. By Michael MacDonagh. Price 36*s.* net. (London: T. Fisher Unwin.) Mr. MacDonagh presents a comprehensive picture of the life of a Parliament in its manifold duties and in all its moods, from the General Election until it comes to an end, at the Dissolution. The author has acquired his experience during thirty-five years' work as a reporter and descriptive writer in "the House," and the present work cannot fail to prove of interest.

Journal of the Royal Statistical Society. March 1921. Price 7*s.* 6*d.* net. Contains, amongst much matter of current interest, "The Measurement of Price Changes," by A. W. Flux, C.B., M.A., "The Mint and the Precious Metals in Canada," by J. Bonar, LL.D., and "Wholesale Prices of Commodities in 1920," by the Editor of THE STATIST.

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Aggregate Assets, 30th Sept., 1920	**£72,467,795**

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Acting Manager.

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(Incorporated by Act of Parliament, 1865.)
Authorised Capital, £2 000,000
Subscribed Capital, £625,000

Paid-up Capital.....	**£625,000**
Reserve Fund	**600,000**
	£1,225,000
Reserve Liability of Shareholders	**625,000**
	£1,850,000

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Lahore	Aden Point		
Amritsar	Colombo	Entebbe	Uganda
Delhi	Kandy	Kampala	
Tuticorin	Newera Eliya	Jinja	
	Dar-es-Salaam, Tanga		Tanganyika Territory.

SUBSCRIBED CAPITAL	£4,000,000
PAID-UP CAPITAL	£2,000,000
RESERVE FUNDS	£2,500,000

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Reserve Fund - - - - -	**£1,000,000**

Notice is hereby given that the Rates of Interest allowed for Money on Deposit are this day **Reduced** as follows:—

At Call - - - from 5 % to 4½%
At 7 and 14 days' notice from 5¼% to 4¾%

Terms for longer periods can be ascertained on application to the Company.

28th April, 1921.

Printed by SPOTTISWOODE, BALLANTYNE & CO. LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C. 4, in the City of London, England.—*April* 30, 1921.

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Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1920,

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Assets Exceed - - - - £19,000,000

Claims Paid Exceed - - - £32,000,000

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IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

THE STATIST,
51 Cannon Street, London, E.C. 4.

Telegrams: "Statist Cent. London." *Telephone: City 5258-5259.*

IMPORTANT NOTICE.

WHITSUN HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Friday next, May 13, instead of Saturday.

The Statist.

LONDON, SATURDAY, MAY 7, 1921.

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The Money Market.

Friday, May 6, 1921.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate	6½ (Apr. 28, '21)	7 (Apr. 15, '20)
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	4½ (Apr. 28, '21)	5† (Apr. 15, '20)
Discount Houses (Notice)	4¾ (Apr. 28, '21)	5½ (Apr. 15, '20)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Bank Bills ...	5½-⅝	5⅝-¾	5¾	5⅞	—
Trade Bills ...	—	6¼	6¼	7	—

INTERNATIONAL MONETARY CONDITIONS.

A feature of the [illegible] the collapse in prices that is becoming increasingly manifest is a growing ease in the international Money markets, contrasting strongly with the position twelve months ago, when the stringency that characterised most centres during the greater part of 1920 was just beginning to develop. Already the reduction in the Bank of England's discount rate has been followed by a similar movement in Copenhagen and Stockholm. The National Bank of Denmark reduced its discount

rate on May 5 to six and a-half per cent. from seven per cent., to which it was raised on April 16 of last year. The Swedish State Bank announced a reduction of its official rate on May 4 from seven per cent. to six and a-half per cent.; this constitutes the second reduction within a fortnight for the Swedish Bank, for the rate was lowered from seven and a-half per cent. to seven per cent. on April 26. The official rate in the Christiania Money market still remains at seven per cent. Prior to the movement in the Bank of England's rate it may be remembered that the Berne rate was reduced to four and a-half per cent.—on April 7 last. This, with the exception of Amsterdam, in which the ruling rate is also four and a-half per cent., is the lowest official discount rate in any European Money market. It is to be expected that other Continental centres will promptly follow the example of those enumerated above, while a further reduction in the Bank of England's rate, when a settlement of the coal strike is in view, is also a probable event. What we are more concerned with, however, is the governing rate for money in the United States. A reduction in the Federal Reserve rediscount rates in other centres as well as in Boston, where a reduction was made a few weeks ago, seems now to be overdue as monetary conditions have become increasingly easy, while, as a result of the huge importations of gold, the reserve position of the Federal Reserve Banks has now become as strong as could reasonably be desired. Recently the Board made investigations in the various Reserve centres into the effect of its financial policy, and, presumably as a result of the findings, it was decided to alter the policy by substituting a system of liberal credit facilities for one of restriction. It is now generally felt that the additional step of lowering money rates cannot long be postponed. Yesterday came the announcement that the New York Federal Reserve Bank reduced its rediscount rates to six and a-half per cent., the previous rate being seven per cent., and the date of fixing June 1, 1920.

As to the more remote outlook, it is evident that the present easing of international money conditions, being due primarily to a reduction of international price-levels and to a world-wide restriction of the production and movement of commodities, will become less pronounced when conditions have adjusted themselves to the decline in wholesale prices, and are likely to disappear altogether when demand revives and the reaction from the present depression in trade commences. This view receives greater weight from consideration of the fact that a strain on the Money markets of the world that has yet to be felt, but which must come sooner or later, is the financing of exports of pivotal commodities to the necessitous countries of the Continent. Again, it must not be forgotten that, while the almost complete absence of speculation is one of the main factors which permit the present ease in monetary conditions, the financing of speculative activities constitutes a large potential demand on credit resources which is likely to become effective as soon as the revival in trade is assured. But over and above these generalisations there remains the fact that under the present paper currency régime the lending power of the banks is abnormally elastic, and it is now a matter of much less difficulty to cope with a sudden or continuous demand for financial accommodation than it was in pre-war days.

The official announcement of yesterday's sale of Treasury bills by tender states that bills dated from Monday to Friday inclusive at £93 11*s.* 3*d.* receive about 68 per cent., and above in full. Bills dated from Saturday tendered for at £98 11*s.* 7*d.* and above are allotted in full. The average rate per cent. was again above 5½ per cent.—£5 12*s.* 11.18*d.*, as compared with £5 14*s.* 6.54*d.* a week previously. A feature of the tendering was the large amount subscribed for, being 44,620,000 in excess of the £50,000,000 offered, at £94,620,000, as against £76,735,000 applied for last week. The rate for additional bills remains at 5⅜ per cent., and the rate for twelve months' bills was kept at 5¾ per cent.

The large applications for Treasury bills yesterday provide an indication of the surplus of resources at the disposal of the market during the week, for the week was certainly characterised by an abundance of loanable funds. This feature was most pronounced in the early part of the week following the release of about £14,000,000 in Government disbursements. Day-to-day money was dealt in throughout at 4½ per cent. to 3½ per cent., with weekly loans at 5 per cent. to 4¾ per cent. The Discount market maintained its wonted inactivity, but there was again a brisk inquiry for June paper at rates as low as 4¾ per cent. Quotations for other dates were generally marked up.

Foreign Exchanges.

As yesterday, being Ascension Day, was a holiday on the Continent very little business was passing in the Foreign Exchange market, and accordingly it was not until to-day that the effect of the outcome of the Ruhr crisis could be tested. As far as changes in quotations go to show, however, the effect of yesterday's decision at Downing Street seems to have been very small, but this is no doubt to be attributed to the uncertainty that still characterises the outlook. As far as the German mark is concerned the effect seems to have been in the direction of an improved value; the middle quotation for the Berlin rate dropped from 262 yesterday to 258 to-day, this comparing with 263 a week ago. The outstanding feature of the week's movements, however, was another remarkable improvement in the value of francs and lire, especially the latter. The Rome rate is quoted at 78⅞ to-day, as against 81½ yesterday and 82⅞ a week ago. It is interesting to note that in the early part of the week Belgian francs at one time became cheaper than the French currency as the outcome of the movement, on which we commented last week, towards a lessening of the margin between the quotations for the two currencies. To-day, however, the Belgian franc maintained its superiority at a quotation of 48.80, as compared with 49.77 for the French franc, the latter comparing with 51.40 on the last day of April. To-day's movements amongst "neutral" exchanges were irregular, but taking the week's movements as a whole sterling appreciated in most of those centres, particularly in Madrid and in the Scandinavian group. Dutch florins, exceptionally, became dearer at 21.90. The New York rate still maintains its remarkable strength of recent weeks, and the many favourable developments in the situation here during the week conspired to raise the quotation for cables from 3.96 to 3.97⅞. The strength of sterling in New York, however, is probably a result chiefly of speculative support on the other side of the Atlantic, and, though it may be expected to

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be maintained for some time to come, it cannot be long until quotations for the dollar again begin to seek a lower level. The same holds true for the franc, the improvement in which seems to have been overdone. In other directions sterling also showed an improvement, particularly in Buenos Ayres. The Argentine peso declined from 43⅜*d.* to 41¾*d.*, and the Rio rate fell ⅛ to 8⅞*d.* In the Eastern group Japanese yen became cheaper at 2*s.* 3½*d.*, and the rupee fell to 1*s.* 3⅝*d.* Shanghai taels also weakened to 3*s.* 3*d.*

Income and Expenditure.

The return of Public Income and Expenditure for the period ending on April 30 is of special interest, as it is the first return which covers a full week during which the Treasury Bill tender scheme was in operation. Against maturities of Treasury bills during the last week of April amounting to £68,051,000 sales of new bills amounted to £76,502,000, making an excess in receipts amounting to £8,451,000. As the amount offered for sale by tender on April 21 was only £50,000,000, it is apparent that there was a satisfactory inquiry during the succeeding week for twelve-months' bills, as well as for the "additional" bills. The surplus receipts for Treasury bills went to supplement a surplus in revenue over expenditure amounting to £3,647,391, though revenue itself was only £17,222,528, as compared with £21,026,757 during the preceding week. Among Exchequer issues it is interesting to note that of debt owed abroad, which, as Mr. Chamberlain stated in his Budget speech, is now owing mainly to the United States, £2,600,901 was repaid during the week under review. The satisfactory receipts for Treasury bills enabled a substantial reduction to be made in the outstanding Ways and Means advances; advances by the Bank were reduced by £3,750,000 to £19¼ million, and advances by Public Departments were reduced by £2,225,000 to £173,294,000, making a total reduction of £5,975,000. The total floating debt shows an increase of £2,299,000 on the week, at £1,290,031,000. As compared with May 1, 1920, this total shows a decline of £6,824,000. Since March 31 last there is an expansion of £14,701,000.

Currency Notes.

Fresh issues of currency notes during the week to Wednesday last, at £7,412,576, were the largest since the week ending March 23 last, and, in contrast to the movements during the previous four weeks, were in excess of cancellations. Accordingly, the total outstanding of currency notes and certificates increased by £419,847 to £336,298,605. This total is £6,755,923 below the total of a year ago and £29,206,642 below the high record of December 22, 1920. The fiduciary issue stands at £288,348,605, or more than £29,000,000 below the legal maximum. The cause of last week's expansion in the circulation is not far to seek, in view of the recent Government borrowing from the Bank on Ways and Means, as in the past there has always been a close sympathy between the movements in the circulation and in this form of the floating debt.

Bank of England.

The latest Bank of England statement shows a repetition of the movements recorded in the previous return, with the important exception of a slight fall in bankers' deposits contrasting with an increase of £17,529,000 during the previous week. This feature is in harmony with previous experience, for, as we have pointed out on a previous occasion, ever since the reintroduction of the system of issuing monthly balance sheets there has been observable a tendency towards a strengthening of private balances at the Bank on the approach of the end of each month. This movement is naturally followed, as evidenced in the return under discussion, by a withdrawal of funds after the turn of the month. Despite the reduction in deposit liabilities, the reserve ratio declined again from 12.9 per cent. to 12.3 per cent., on account of a further fall of £1,009,000 to £17,279,000 in the amount of the Reserve. This latter movement was altogether due to an expansion of over £1,000,000 in the note circulation. The latest total recorded of notes outstanding is £129,528,000, as against £111,116,000 on May 5, 1920, making an increase of £18,412,000 during the twelve months. If, however, we exclude the amount of Bank notes placed in the currency notes reserve during the period the increase appears more correctly as £6,162,000. Further borrowing on Ways and Means advances is indicated by an expansion of £7,040,000 in Government securities; "other" securities again declined by £6,483,000.

Bullion.

The price of gold fell nominally in accordance with the strengthening of the New York exchange. The moderate amount on offer was bought by the United States. The Silver market during the week again displayed a remarkable steadiness. The causes were the same as those operating during the previous week, but the inquiry from the Indian Bazaars was rather better. There was, if anything, a further dwindling of business on Chinese account, and, judging by the situation in that country, there is little immediate prospect of a revival in the Chinese demand. In view of this fact the prospect of a recovery in quotations appears remote, especially as the slackening in supplies of Continental siver seems to be of a temporary nature. Quotations in the Gold and Silver markets since a week ago were as follows:—

Silver (per oz. std. .925 fine):—	Apr. 30	May 2	May 3	May 4	May 5	May 6	Average
Cash ...	34⅜*d.*	34⅞*d.*	34⅝*d.*	35*d.*	34⅛*d.*	34⅛*d.*	34·62*d.*
Forward ...	34⅛*d.*	34⅛*d.*	34⅛*d.*	34⅜*d.*	34⅛*d.*	34⅛*d.*	34·52*d.*
Gold (per oz. fine)	—	103/8	103/8	103/3	103/4	103/4	103·54

NEW YORK.

Yet another serious weakening of the reserve position is shown in the statement of the New York City Banks and Trust Companies for the week ending on Saturday last. In fact, the actual position on April 30 shows a deficit in the aggregate reserve below legal requirements amounting to $13,460,000. Though the amount is substantial, this feature is of little significance; such a position has not been uncommon during the trying period of last year, and experience has shown that the banks can quickly bring about a remedy—frequently, perhaps, at the expense of the New York Reserve Bank. It is disquieting to note, however, that the average excess reserve for the week was only $6,360,000, or, with one exception, the lowest since the early weeks of the War. The fall during the week was $3,850,000; it was due to a decline of $4,300,000 in the aggregate reserve, this movement being partly offset by a decline in deposit liabilities. The aggregate reserve is returned at $496,220,000, the lowest for more than six years. Loans, discounts, and investments again fell by $42,460,000, and the average for last week, $4,736,440,000, is $404,800,000 below the level of a year ago. Net demand deposits, at $3,693,020,000, are $456,450,000 below the amount recorded for the corresponding week of 1920.

Owing to a change in the date for compiling the statement of position of the combined Federal Reserve Banks, we are unable to present the details this week. In the New York Money market the rate for call loans was maintained at six and a-half per cent. Following the reduction in the New York Reserve Bank's rediscount rate to six and a-half per cent., as mentioned in a previous column, the rate for prime commercial paper was cabled over at seven to seven and a-quarter per cent. yesterday, as compared with seven to seven and a-half per cent. a week previously. Regarding the financial situation, Governor Harding, of the Federal Reserve Board, stated before the annual gathering of the National Foreign Trade Council that there is now no danger of any general financial trouble in the country, and that no advantage was to be gained by forcing liquidation further. This evidence of a change in the financial policy of the board was unreservedly welcomed in Wall Street, and it imparted a "bullish" tone to the Stock markets generally.

Stock Exchange.

The check to activity against a revival of public interest in the Stock markets during the past week. The Gilt-edge section opened with a fair accumulation of orders, but business dwindled towards the end of the week and price movements pursued an uncertain trend. Selling pressure forced down the value of Consols, which though recovering later closed at lower levels. Victory Bonds were an active and buoyant market, but the Five per Cent. War Loan showed substantially easier. War Bonds showed no alteration on further discussion of conversion values. The Committee of the Stock Exchange has given notice that it is not yet able to give permission to deal in the Three and a-Half per Cent. Conversion Loan, and the general opinion is that dealings will not commence for another month, when the price should be about 62. India Threes appreciated fractionally and the Seven per Cents moved up to 3½ premium.

The outstanding feature of the Foreign Bonds department was the strength of French Four and Five per Cents, resulting on the steady improvement in the sterling value of the franc. South American varieties displayed a sagging tendency, Brazilian descriptions being particularly weak. Chinese issues also receded, a partial recovery eventually coming in evidence. German Threes showed lower on balance.

The extensive train cuts consequent on the coal stoppage reacted adversely on Home Rails quotations on Tuesday. The statement by Sir Eric Geddes in the House of Commons that the Railway Companies Association had agreed to accept £60,000,000 as a settlement of their claims constituted a piece of unexpected good news, to which the market immediately responded. An all-round upward move took place during the concluding days, the movement remaining unchecked up to the close. An important disclosure in the speech of the Minister of Transport was the fact that the railway companies have made satisfactory arrangements with the Labour leaders as to future policy. The return of stability will mean much for railway finances, but it must not be forgotten that this alone will not manufacture the traffic receipts which are the real source of income. As the Government guarantee extends to next August, the coal strike will not reduce earnings, but the continuance of the trade depression after that period would entail serious consequences for the various companies.

Among Foreign Rails, Argentine descriptions opened with a further improvement, but a slight reaction developed on Thursday. The Chairman of the Canadian Pacific announced at the meeting in Montreal on Wednesday that the directors had agreed to the acquisition by a London group of a substantial amount of Four per Cent. Debenture stock at a favourable price. This announcement coincided with an authorisation by the Stock Exchange to deal in £800,000 of the stock. The incident is significant, as pointing to the ability of London to recover her pre-eminent position in the international capital markets.

With the continuance of the coal strike the Industrial share market showed little promise of recovery, but in the absence of liquidation prices on the whole remained steady. Iron and steel shares showed a number of minor declines; Textiles attracted little attention; but Shipping securities, though comparatively quiet, displayed a hardening tendency. Bank shares continued firm. Brewery issues were subject to inquiry, and benefited accordingly.

With Monday a holiday on the London Stock Exchange and Thursday (Ascension Day) a *dies non* for the Paris and Amsterdam Bourses, the Oil Share market had a short week. Business was mainly on professional account, and prices exhibited an easier tendency. The leaders hardened to higher levels on Thursday, and did not show much alteration on balance.



Mining Topics.

Although the week-end recess extended until Tuesday, there was no marked accumulation of orders awaiting execution at the opening. Nor was there any great improvement during the rest of the week. It is not necessary to go far afield to discover the multiplicity of factors tending to restrict operations in the Mining market. The continuance of the coal strike and the ultimatum to Germany cannot be regarded as "bull" points either here or in Paris. Moreover, the Kaffir Circus in particular owes its lethargic condition in part to the reaction in the price of gold, which fell to 103*s.* 3*d.* on Wednesday. Reactions in the finance shares were, however, confined to the turn, whilst the producers, notably Crown Mines and Geduld, showed a tendency to harden towards the close. The diamond group were also weak, De Beers leading with a relapse from 11⅝ to 11⅜. There was again a modest display of activity in Russian shares, based upon the hypothesis of negotiations with the Soviet Government which would permit the reopening of the mines. On Tuesday Russo-Asiatics were particularly in demand, changing hands up to 8*s.* 9*d.* Support was forthcoming for Russian Mining at 8*s.*, and for Lenas at 11*s.* 3*d.* On Thursday there was a demand for Spassky at ⅝ and Sissets at ⅝. It is unnecessary to point out that no confirmation of the rumoured negotiations has yet come to hand.

MASON AND BARRY.

In discussing the report of this Portuguese copper mine for 1919, attention was directed to a favourable forward contract which had been arranged for the disposal of pyrites for some years to come. The results of this contract are reflected in no unmistakable manner in the report to hand for the year ended December 31, 1920, as may be seen from the following table:—

Year to December 31—	1920	1919	1918	1917	1916
Ore shipped (tons)	226,739	41,827	35,490	43,529	202,176
Average price copper ...	£97 12 4	£90 19 4	£115 11 6	£125 2 5	£116 1 3
	£	£	£	£	£
Net profit	67,685	6,017*	772	29,984	110,486
Brought forward	7,327	34,891	35,120	36,138	21,298
Total available	75,012	28,844	35,892	66,122	131,784
Allocations:					
Dividend	43,293	18,517	Nil	18,517	83,327
	(25%)	(10%)		(10%)	(45%)
Staff pension fund ...	5,000	3,000	1,000	1,000	1,000
Writings off	—	—	—	1,485	11,319
Carry-forward	23,719	7,327	34,892	35,120	36,138
	75,012	28,844	35,892	66,122	131,784

* Loss.

Having secured a favourable market for its important product, copper pyrites, the Company was able to devote greater attention to the work of extraction. Accordingly, the quantity of ore broken and raised at the mine increased from 60,522 to 93,812 tons. But the fundamental and salient feature is the remarkable expansion in the quantity of ore shipped which at 226,739 tons was more than five times the total transported in the previous year. Not since 1916 has anything like this quantity of ore been handled, operations in the interval being primarily curtailed by the lack of adequate shipping facilities. No difficulty was experienced in this respect during 1920. Financially, some trouble had been caused by the unreliable nature of the Portuguese exchange which, on the whole, however, continued to prove favourable to the Company, and by the prices of raw materials and the wages of labour. As regards copper itself price movements were in favour of the Company, the average

price of standard copper working out at £97 12*s.* 4*d.*, as against £90 19*s.* 4*d.* in 1919. The ultimate result is embodied in the satisfactory net profit of £67,685, whereas in 1919 there had been registered a loss of £6,017. The bulk of this accrued in respect of actual working operations, the total of £76,488 replacing the mediocre figure of £11,434 for 1919. Interest and dividends, including those on La Sabina shares, brought in £7,732, as against £6,601. Administration expenses grew from £7,669 to £10,318; but whilst in 1919 income tax involved a charge of £14,307 it was credited with £2,478 as a profit in the year under review. *Per contra* the greater depreciation in investments calls for an allocation of £8,697, as against £2,110 in 1919. Including the balance of £7,327 brought forward from 1919, there was available a total of £75,012. From this a sum of £5,000 was transferred to the staff pension fund. Shareholders received the generous dividend of twenty-five per cent., as compared with ten per cent. in 1919, leaving to be carried forward to the next accounts the substantial balance of £23,719.

The outlook for the current year is again promising, in view of the continuance of the forward contract which has produced such satisfactory results in 1920. It is anticipated that the quantity of ore raised during the year will be twice that secured in 1920. Moreover, the rate of exchange has been so far much more favourable to the Company, with the results that wages which were at fabulous levels in Portuguese currency appeared very reasonable when expressed in terms of the pound sterling. Financially the Company is in a very strong position. Including the dividend of twenty-five per cent., calling for £46,293, current liabilities did not exceed £122,356, and were amply covered by liquid assets, other than stock, which were available to a total of £224,900. And this figure included investments at £101,713, representing the actual value at prices in force on December 31, 1920. Moreover, the liabilities included a sum of £52,642 in respect of cash paid for ore sold but not delivered up to the date of the accounts. Stocks of ore and copper precipitate are returned at £60,754, as compared with £93,942 in 1919. Of this the ore ready for shipment accounts for £39,148, or less than the cash received for ore to be delivered. Fixed assets in Portugal, consisting of works, buildings, land, railways, lighters, &c., are included, by virtue of substantial allowances for depreciation, in conjunction with the marked depreciation in the Portuguese currency at the nominal figure of £1,336. In the market the £1 shares of this promising concern are quoted at 32*s.* 6*d.*, at which price they afford, on the basis of a dividend of twenty-five per cent. for the current year, a yield of over fifteen and one-third per cent.

GLOBE AND PHOENIX.

More than usual interest attaches to the report of this well-known Rhodesian gold-mine for the year ended December 31, 1920. Whilst difficulties were experienced with the white employees, the position as regards native labour gave no cause for anxiety. Accordingly, there was a slight increase in the quantity of ore treated to 67,861 tons. Following our usual custom of valuing the output on the basis of the par value of gold, it appears that there was an improvement in the grade of the ore treated, the average yield per ton working out at 111*s.* 11*d.*, as against 110*s.* 7*d.* in 1919. Wages, as well as stores and materials, involved a heavier outlay, with the result that the cost of mining per ton rose from 47*s.* 9*d.* to 51*s.* 5*d.* Owing to a decline in the development allowance per ton from 4*s.* 11*d.* to 3*s.* 10*d.* the total increase in the cost of working was only from 52*s.* 8*d.* to 55*s.* 3*d.* per ton. Nevertheless, the profit per ton, with gold at 84*s.* per ounce, fell from 57*s.* 11*d.* to 56*s.* 8*d.*, and in amount from £195,033 to £191,734. Thanks, however, to the substantial premium on gold throughout the whole of 1920, the Company reaped an additional revenue of £153,458, equivalent to an additional yield and profit per ton of no less than 45*s.* 3*d.* How this transformed the financial results of the operation can best be gauged from the following table:—

Years	Ore Milled Tons	Gold Obtained £	Gold Obtained Per Ton	Working Costs—Mining, &c. Per Ton	Working Costs—Development Allowance Per Ton	Working Costs—Total Per Ton	Working Profit £	Working Profit Per Ton
1915 ...	74,251	405,725*a*	109/4	40/9	5/6	46/3	234,230	63/1
1916 ...	77,464	432,601*b*	111/8	41/2	5/6	46/8	251,724	65/0
1917 ...	75,465	407,292*c*	107/11	38/4	6/6	44/10	237,916	63/1
1918 ...	66,383	348,250*d*	104/11	42/5	6/6	48/11	185,827	56/0
1919 ...	67,308	372,277*	110/7	47/9	4/11	52/8	195,033†	57/11*
1920 ...	67,861	379,881‡	111/11*	51/5	3/10	55/3	191,734*	56/8

* Excluding gold premium amounting in 1919 to £1,891, equivalent to 18*s.* 1*d.* per ton milled, and in 1920 to £153,458 or 45*s.* 3*d.* per ton milled.
(*a*) Exclusive of gold placed to reserve.
(*b*) Including £17,175 taken from gold reserve, reducing same to £9,000.
(*c*) Including £3,921 taken from gold reserve, reducing same to £5,079.
(*d*) Including £5,079 taken from gold reserve.

	Years ended Dec. 31 — 1920	1919	1918	1917	1916
	£	£	£	£	£
Gold output	533,339§	376,719‡	343,171	403,371	415,425
Gold reserve... ...	—	—	+5,079	+3,921	+17,175
	533,339	376,719	348,250	407,292	432,600
Sundry revenue	12,879	7,856	8,117	80,076(*c*)	9,042
Total revenue	546,218	384,575	356,367	487,368	441,642
Total working costs* ...	194,818	180,162	164,296	182,628	193,167
Profit	351,400	204,413	192,071	304,740	248,475
Taken from reserve ...	—	—	—	54,500	—
Total	351,400	204,413	192,071	359,240	248,475
Deduct:					
Income tax	78,945	59,813	52,437	20,424	21,697
Gold realisation and Bank charges	7,357	4,426	6,422	7,944	5,000
Amounts written off ...	110,723	7,522	13,697	16,179	9,602
Litigation costs	—	—	5,499	8,783	53,471
	197,025	71,761	78,005	53,330	89,770
Balance available	154,375	132,652	114,066	305,910	158,705
Dividends paid	240,000 (120%)	40,000 (20%)	120,000 (60%)	300,000 (150%)	160,000 (80%)
Surplus profit or deficit ...	85,625†	92,652	5,934†	5,910†	1,295†
Brought forward	97,394	4,742	10,676	4,767	6,062
Carried forward	11,769	97,394	4,742	10,677	4,767
Surplus liquid assets (*b*) ...	15,891	98,135	23,815*a*	28,633*a*	32,641
Capital issued	200,000	200,000	200,000	200,000	200,000

* Including London office and sundry charges. † *Deficit.*
‡ Including £4,412 of gold premium only.
§ Including £153,458 in respect of gold premium.
(*a*) Excess of current liabilities over liquid assets.
(*b*) Excluding stores. (*c*) Includes £79,159 litigation costs recovered.

The gold output, including the premium, accounted for the record sum of £533,339. An expansion in the receipts from interest and dividend to £6,335, as against £1,920 in 1919, largely explains the growth in sundry revenue from £7,856 to £12,879. Working costs, as mentioned above, absorbed £194,818, as against £180,162, leaving available a net profit of £351,400, instead of £204,413. The increase in gold realisation and bank charges from £4,426 to £7,357 reflects the adverse exchange during the early half of the year. Of the total of £110,723, £10,723 represents the allowance for depreciation, whilst the £100,000 was set aside as a special development reserve to provide funds to carry out the extensive development programme which had been initiated with the approval of the shareholders. In view of the marked prosperity of the year the dividend paid reached the generous rate of 120 per cent., as compared with twenty per cent. in 1919 and sixty per cent. in 1918. To pay this substantial dividend, which, being free of tax, is equivalent to nearly 171½ per cent. subject to tax, it was necessary to draw largely on the balance brought forward from 1919, with the result that the amount carried forward to the next accounts has been reduced to £11,769.

In accordance with the plan adopted towards the close of 1919, considerable attention was paid to development work during the year under review. For months, however, results proved disappointing. Work on the surface failed to disclose any payable values. Underground some extremely high assays were secured in the west portion of No. 1 winze from the twentieth to twenty-first levels, but after a short distance unpayable ground was reached. Similarly a cross-cut on the fourth level failed to maintain values originally

disclosed. Not until August was the work justified by the opening up of a rich branch of the reef on the fourteenth level, the branch being found again on the fifteenth level. At the former level the ore averaged 38.7 dwt. over the stoping widths for 260 feet, and in the latter level ore of 29.7 dwt. was exposed for 140 feet. Promising results were also reported from the twenty-third and twenty-fourth levels. Ore of 8.6 dwt. over a width of 33.9 inches has been secured by a drive for seventy feet on the twenty-fourth level. Owing to poor results the south drive on the twenty-third level was discontinued, but the north drive entered payable ground after ninety-five feet, ore of 15.5 dwt. over 35.2 inches being exposed for the next sixty feet. However, the necessary connections by winzing and raising had not been completed in time to allow the ore reserves to reflect the improvement, especially in the fourteenth and fifteenth levels, with the result that they show a decline in value and quantity as in the following table:—

Ore Reserves at December 31.

	1920	1919	1918	1917	1916	1915
Tons ...	93,557	108,182	159,913	184,053	175,981	189,200
Value per ton	130*s.* 1*d.*	135*s.* 5*d.*	123*s.* 8*d.*	121*s.* 7*d.*	124*s.* 1*d.*	123*s.* 6*d.*

It is well to bear in mind that the value is calculated on the basis of 84*s.* per ounce only.

The outlook for the current year is again promising. Recently the position with regard to white labour in Rhodesia reached a climax, culminating in the closing down of most of the mines by the Mine Owners' Association. This step brought the labour associations to its senses and the dispute has now terminated. Moreover, it is unlikely that any serious disturbance of this character will occur for the remainder of the year. The fall in prices should afford relief as regards stores and materials. Per contra, however, the premium on gold will not bring in as large a sum as in the year under review. The most satisfactory feature, however, is the good development results that have been reported to date. During January a drive on the 14th level opened up ore as rich as 121 dwt. for six feet. At the 15th level ore of 25 dwt. was exposed by a drive for thirty-eight feet, whilst for eleven feet a winze revealed ore averaging 46 dwt. Similarly, a winze at the 18th level exposed ore of 25 dwt. for 26 feet, and a rise at the 23rd level opened up rich ore averaging 95 dwt for 7 feet. February results were equally good. At the 14th level the drive opened up ore of 57 dwt. for 17 feet and of 53 dwt. for 32 feet. Ore averaging 32 dwt. for 24 feet was obtained by a winze at the 15th level. For 12 feet at the 21st level a winze opened up ore averaging 43 dwt., whilst at the 24th level for a rise of 9 feet the ore averaged 16 dwt. Such results constitute the best justification for the reserve of £100,000 for this work and should be reflected in an improvement in the ore reserves at the end of the year. Financially the Company is in a strong position. According to the balance sheet dated December 31, 1920, current liabilities did not exceed £179,635; whereas liquid assets were available to a total of £195,526. Confident of the outlook for the current years, the directors have already declared an interim dividend of twenty per cent., free of tax. Quoted in the market at 17*s.* 4*d.*, the 5*s.* shares afford a return of nearly twenty-five per cent. subject to tax on the basis of subsequent dividends to a total of sixty per cent., free of tax.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, May 4, 1921.

Issue Department.

Notes Issued	£144,990,160	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,540,160
	£144,990,160		£144,990,160

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£61,667,043
Rest	3,133,819	Other Securities	79,558,234
Public Deposits	15,437,573	Notes	15,461,925
Other Deposits	125,369,985	Gold and Silver Coin	1,817,474
Seven-day and other Bills	10,299		
	£158,504,676		£158,504,676

Comparison with Previous Four Weeks [000's omitted.]

Date 1921.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months Bills
	£	£	£	£	£	£	£	%	%	%
May 4	129,5	128.3	15.4	125.3	61.6	79.5	17.2	12·3	6½	5½-⅝
Apr. 27	128,5	128.3	15.2	125.9	54.8	86.0	18.2	12·9	6½	5⅝
Apr. 20	128,2	128.3	19.2	108.4	32.7	94.1	18.5	14·5	7	5⅝-6
Apr. 13	128.5	128.3	18.3	114.1	32.2	99.6	18.2	13·8	7	6¼
Apr. 6	129.2	128.3	21.4	124.2	31.6	114.1	17.5	12·1	7	6¾
Jly.22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2½

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%
July 13,1916,6%; Jan. 18, 1917, 5½%; Apr. 5, 5% Nov 3, 1919, 6% Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	May 4	May 5	May 7	May 8	May 3
Bank of England (in £'sterling, 00,000's omitted):	1921	1920	1919	1918	1911
Circulation	£129,5	£111,1	£76.8	£49,7	£28,3
Public Deposits	15,4	20,6	23,7	37.6	14,1
Other Deposits	125,3	116,5	115,2	128.1	42,1
Government Securities	61,6	55,3	49.4	55.9	15.0
Other Securities	79,5	79.6	79.5	97.4	32.1
Reserve	17.2	19,8	27,6	30.1	26.9
Ratio to Liabilities	12·3%	14·5%	9·87%	19·18%	47·68%
Coin and Bullion	128.3	112,5	85,9	61.4	36.8
Money:					
Bank of England Rate	6½%	7%	5%	5%	3%
Bank of France Rate	6%	8%	5%	5%	3%
Rate 3 months' Bills London	6⅜%	6⅞%	3½%	3½%	2½%
Exchanges:					
Paris Cheque	48·55	62·00	28·86	27·15	25·30
New York 60 days	3·95½	3·83	4·66	4·72½	4·84¼
Bombay Telegraphic Transfers	1.3⅛	2/1½	1/5⅝	1/5⅝	1/4⅝
Prices:					
Consols 2½% Cash	47⅝	47⅞	55	56	81½
French Rentes 3% Money	55·75	57	82·75	68·75	95·62
Silver, London spot oz.	34½d.	60d.	53⅝d.	49⅛d.	24⅞d
Wheat, *Gazette* average qr.	88/1	72/9	73/2	73/5	30/11
Cotton, Mid Upland lb.	8·62d.	28 59d.	18·96d.	21·36d.	8·28d.
Iron, Scotch pig ton	126/0	206/0	101/0	101/0	52/1½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
May 4, '21	7,462,576	7,042,729	336,298,605	28,500,000	19,450,000	14·2
Apr. 27, '21	5,190 801	8,014,281	337,878,758	28,500,000	19,450,000	14·3
May 5, '20	10,711,497	5,033,861	343,054,528	28,500,000	7,200,000	10·4
May 7, '19	5,80.,685	7,002,036	347,140,275	28,500,000	—	8·2
May 8, '18	6,679,750	3,732,870	241,004,485	28,500,000	—	11·8
May 9, '17	5,054,139	4,725,528	154,896,409	28,500,000	—	18·4

Balance Sheet, May 4, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	265,897,714	One Bankers	—
Ten Shilling	41,630,891	Currency Note Redemption A/c—	
Certificates outstanding ...	28,770,000	Gold Coin and Bullion ...	28,500,000
		Silver Coin ...	3,000,000
Total	336,298,605	Bank of England Notes...	19 450,000
Notes called in but not yet cancelled	2,143,270	Government Securities ...	302,734,722
		Balance at Bank of England	132,548
Investments Reserve A/c ...	15,375,395		
Total	353,817,270	Total	353,817,270

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Apr. 30,'21...	£17,223	£13,575	£3,648‡	£84,650	£88,553	£3,785
Apr. 23,'21...	21,027	15,353	5,674‡	152,933	158,102	4,021
Apr. 16,'21...	21,705	13,253	8,452‡	128,659	136,429	3,617
30 dys. '21-22	80,652	91,764	1,112	558,532	560,494	—2,529
31 dys. '20-21	128,326	110,422	17,904‡	503,189	530,463	—5,222
Yr. '21-22*	1,216,650	1,039,728	176,922‡	—	—	—
Yr. '20-21	1,425,985	1,195,428	230,557‡	5,710,142	5,920,699	6,294
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
Apr. 30,'21...	£2,754	£5,119	£3,430	£5,920	£3,594	£87	£9,914
Apr. 23,'21...	10,939	5,555	1,520	3,213	3,848	55	11,450
Apr. 16,'21...	5,428	9,635	1,270	5,371	3,513	440	9,300
30 days '21-22	24,231	36,932	9,205	20,285	40,391	685	50,688
31 days '20-21	23,958	35,776	10,416	49,176	40,404	567	69,351
Yr. '21-22*	323,000	410,500	120,000	111,000	345,000	26,272	668,456
Yr. '20-21	333,785	39..146	219,161	478,673	349,599	28,488	817,381
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,958

FLOATING DEBT. [000's omitted]		Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Apr. 30, 1921	...	£1,099,712	£190,319	£1,290,031	—
Apr. 23, 1921	...	1,091,408	196,294	1,287,702	—
Apr. 16, 1921	...	1,103,330	184,839	1,288,169	—
Apr. 9 1921	...	1,116,812	177,889	1,293,701	—
June 30, 1919	...	796,150	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 14, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Apr. 21, '21	...	10,662	1,489	12,151	27,496	243,312	46,151
Apr. 28, '21	...	10,662	1,487	12,149	27,783	244,234	45,433

		Claim on Austro-Hung. Bank	Contingent Liabty. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Apr. 7, '21	...	£396,950	£59,203	£89,390	£80,465 †	£450,498	£32,684
Apr. 15, '21	...	396,995	59,979	87,729	78,913	441,428	37,945
Apr. 23, '21	...	396,998	58,891	53,864	78,236	435,925	39,159

		Cash			Discounts	Balance Abroad	Circulation	Deposits
DENMARK.		Gold	Silver	Total				
July 31, '14	...	£4,170	£341	£4,441	£6,197	£786	£3,693	£47
Mar. 31, '21	...	12,843	165	12,908	15,307	1,157	28,725	3,412
Apr. 30, '21	...	12,643	177	12,820	14,982	429	29,581	3,213
Apr. 30, '20	...	12,588	164	12,752	17,531	981	23,982	1,542
Apr. 30, '19	...	10,374	136	10,510	3,425	3,977	24,115	1,026

		Gold— In Bank	Abroad	Total Cash Incl'g Silver	Bills	Circulation	Deposits— Public	Private
FRANCE.								
July 30, '14	...	£165,654		£190,667	£97,768	£287,327	£15,302	£37,903
Apr. 21, '21	...	142,407	77,934	231,192	106,223	1,531,301	1,575	114,310
Apr. 28, '21	...	142,655	77,934	231,444	115,342	1,528,447	3,577	147,319
Apr. 29, '20	...	144,321	78,131	233,205	92,340	1,507,504	3,594	135,179
May 1, '19	...	142,758	79,132	234,318	36,648	1,364,012	1,684	135,369

		Cash— Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£87,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Apr. 15, '21	...	64,577	412	54,999	1,157,292	3,963,219	3,436,309	1,021,854
Apr. 23, '21	...	64,577	446	65,023	1,181,655	2,702,587	3,418,959	737,273
Apr. 23, '20	...	54,584	161	54,745	727,253	1,869,532	2,311,405	853,827
Apr. 23, '19	...	95,582	1,055	96,647	343,106	1,437,918	1,293,710	579,278

		Cash— Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14		£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Apr. 25, '21	...	50,915	1,203	52,118	23,638	17,579	87,034	5,066
May 2, '21	...	50,495	1,181	51,676	26,366	20,541	93,401	4,218
May 1, '20	...	52,854	889	53,923	26,044	23,900	86,907	7,931
May 3, '19	...	55,236	605	55,841	14,351	12,331	90,648	3,690

		Cash— Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	£48,456		£25,017	£69,204	£8,887
Mar. 20, '21	...	£32,892	£3,000	35,892	15,647	214,005	574,100	72,809
Mar. 31, '21	...	32,892	2,999	35,891	17,816	220,268	579,338	82,811
Mar. 31, '20	...	32,190	3,006	35,196	24,686	161,864	481,801	74,222
Mar. 31, '19	...	32,716	2,940	35,656	16,192	59,315	366,482	59,921

		Gold	Discounts	Advances	Notes	Deposits— Public	Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
May 19, '21	...	103,220	4,455	8,339	103,320	104,259	19,092
May 28, '21	...	102,317	4,559	8,404	105,768	104,831	14,125
Mar. 27, '20	...	93,065	29,046	35,483	124,822	114,322	3,761
Mar. 29, '19	...	75,797	4,983	35,393	86,573	106,433	4,161

		Cash	Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest. &c.	Net Deposits— Demand	Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.									
Aug. 1, '14	...		—	£89,888	£411,238	—	—	£887,165	£1,720
Apr. 23, '21	...	£16,222†	100, 04	955,780	5739,512	£48,848	814,490	2,042	
Apr. 30, '21	...	16,560†	99,244	947,788	738,604	49,244	809,816	1,272	
May 1, '20	...	18,120†	115,476	1,036,372	829,962	50,404	898,104	5,260	
May 3, '19	...	19,492†	113,824	888,468	805,656	30,314	892,312	6,244	

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,878	£493	£4,868	£6,752	£793
Apr. 22, '21	...	8,115	2,205	501	23,019	22,882	5,341
Apr. 30, '21	...	8,115	2,078	501	24,076	23,230	5,163
Apr. 30, '20	...	8,122	3,786	579	21,843	24,509	5,730

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
Mar. 30, '21	...	£1,906	£3,924	£5,830	£28,702	£141,090	£12,401
Apr. 6, '21	...	1,906	3,924	5,830	27,996	143,214	8,974
Apr. 7, '20	...	1,905	3,921	5,827	17,496	91,129	5,864
Apr. 9, '19	...	1,905	3,883	5,788	8,826	64,505	3,487

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Mar. 26, '21	...	£150,489	£26,035	£6,046	£32,681	£440,203
Apr. 2, '21	...	150,489	24,868	6,119	30,987	438,481
Apr. 9, '21	...	150,469	24,798	5,642	30,440	440,032
Apr. 10, '20	...	60,809	8,710	2,745	11,455	184,337

		Gold— In Bank	Abroad	Total Cash Incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14	...	£180,114	£14,395	£181,892	£76,081	£183,411	£8,589	£109,911
Oct. 29, '17	...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Cash— Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Apr. 23, '21	...	99,270	24,056	123,326	94,699	13,779	168,971	47,182
Apr. 30, '21	...	99,316	24,245	123,561	94,693	13,779	163,598	47,752
May 1, '20	...	93,109	25,156	123,264	85,463	13,779	154,328	43,878
May 3, '19	...	90,444	25,984	116,428	74,892	13,778	140,846	42,681

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Apr. 23, '21	...	15,881	6,102	705	28,259	39,176	12,759
Apr. 30, '21	...	15,858	6,746	705	27,980	37,908	10,644
May 1, '20	...	14,300	4,892	2,524	37,195	40,489	14,298
May 3, '18	...	15,967	7,227	2,880	20,276	40,319	6,039

		Cash— Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Apr. 23, '21	...	21,742	4,065	25,807	17,228	36,845	6,947
Apr. 30, '21	...	21,744	4,446	26,190	17,646	38,859	5,073
Apr. 30, '20	...	21,234	3,578	24,810	14,393	38,643	3,702
Apr. 30, '19	...	16,801	2,632	19,433	23,012	34,509	4,216

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.

		Gold— Held by Banks	With Agents	Total Cash	Bills Discounted	Accept-ances	Deposits— Govt.	Net	Circulation
Apr. 18, '21	...	£457,376		£457,916	£479,910	£23,916	£6,324	£323,912	£573,706
Apr. 25, '21	...	459,814		493,687	442,232	20,890	13,138	330,528	571,340
Apr. 26, '20	...	384,933		416,761	195,696	81,914	8,582	354,682	613,662
Apr. 26, '19	...	189,188	244,976	448,032	396,032	37,164	18,316	350,318	509,910

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	7	Sept. 3,'20
Berlin	5	Dec. 23,'14	Madrid	6	Nov 4,'20
Berne	4½	Apr. 7,'21	Paris	6	Apr. 9,'20
Bombay ...	6	Mar. 3,'21	Petrograd ...	6	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	6	Mar. 3,'21	Stockholm ...	8½	May 4,'21
Christiania ...	7	June 25,'20	Tokio	8·03	Nov 18,'19
Copenhagen ...	6½	May 5,'21	Vienna	6	Apr. 14'21

III.—FOREIGN EXCHANGES.

LONDON ON—		May 6, '21	Apr. 29, '21	Apr. 22, '21	Apr. 15, '21
Berlin	Cable	259m.	263m.	263m.	245m.
Brussels	Cheques	43fr. 80c.	51fr. 70c.	55fr. 00c.	53fr. 62c.
Denmark	Cable	21kr. 90	21kr. 90	21kr. 75	21kr. 62
Holland	do.	11d. 25/16	11d. 28c.	11d. 30	11d. 28c.
Italy	do.	73lr. 87	82lr. 25	85lr. 00	80 75lr.
Lisbon and Oporto	do.	5d.	5½d.	5½d.	6½d.
New York	do.	$3 98/16	$3 95/16	$3 92/16	$3 80/16
—	Cheques	$3 97/16	$3 96/16	$3 93/16	$3 91/16
Norway	Cable	25kr. 85	25kr. 47	24kr. 82	24kr. 30
Paris	3 mos.	49fr. 52c.	51fr. 97c.	54fr. 62c.	55fr. 42c.
—	Cable	48fr. 77c.	51fr. 45c.	53fr. 87c.	55fr. 00c.
Spain (Bank places)	3 mos.	41¼d.	41¼d.	41¼d.	41¼d.
—	Cable	28p. 49	28p. 37	28p. 35	28p. 10
Sweden	do.	17kr. 00	17kr. 11	16kr. 82	18kr. 40
Switzerland	3 mos.	22fr. 77c.	23fr. 15c.	23fr. 10c.	23fr. 10c.
—	Cable	22fr. 37c.	22fr. 65c.	22fr. 70	22fr. 60c.

ON LONDON—		May 6, '21	Apr. 29, '21	Apr. 22, '21	Par
Alexandria	Sight	97⅛pl.	97⅛pl.	97⅛pl.	97⅛pl.
Amsterdam	Cheques	11d. 44⅛o.	11d. 27½o.	11d. 29½o.	12·107d.
Athens	Cable	68 1r. 50	63dr. 25	60dr. 25	25dr. 22½
Bombay	Transfers	1s. 3 11/16d.	1s. 3 11/16d.	1s. 3 11/16d.	2s.*
Brussels	Cheques	48fr. 50c.	51fr. 82c.	53fr. 01c.	25f. 22½c.
Buenos Ayres	Transfers	41⅞d.	43⅜d.	44⅛d.	47·58d.
Calcutta	do.	1s. 3 13/16d.	1s. 3 11/16d.	1s. 3 11/16d.	2s.*
Christiania	Sight	25kr. 86	25kr. 50	24kr. 75	18·159kr.
Copenhagen	do.	21kr. 86	21kr. 87	21kr. 75	18·159kr.
Helsingfors	Cable	134m.	134m.	134m.	25m. 24½
Hong Kong	Transfers	2s. 6 3/16d.	2s. 3 11/16d.	2s. 6 2/16d.	—
Italy	Sight	78lr. 87	82lr. 25c.	84lr. 62c.	25lr. 22½c.
Lisbon	do.	5¼d.	5¼d.	5¼d.	53½d.
Madras	do.	1s. 3 13/16d.	1s. 3 11/16d.	1s. 3 11/16d.	2s.*
Madrid	do.	28p. 46	28p. 37	28p. 37	25p. 22½
Montevideo	Transfers	39¼d.	41¼d.	41¼d.	51d.
Montreal	Cable	$4 41/16	$4 43/16	$4 41/16	$4 86⅝
New York	Sight	$3 97/16	$3 94/16	$3 92/16	—
—	60 days	$3 93/16	$3 92/16	$3 91/16	—
—	Cable	$3 93	$3 95	$3 93/16	$4 86⅝
Paris	Cheques	48f. 55c.	51f. 45c.	53f. 97c.	25f. 22½c.
Rio de Janeiro	90 days	—	3/16d.		18d.
Shanghai	Transfers	3s. 3 13/16d.	3s. 3 11/16d.	3s. 4 1/16d.	—
Singapore	Sight	2s. 3 13/16d.	2s. 3 11/16d.	2s. 4 1/16d.	—
Stockholm	do.	17kr. 03	17kr. 08	16kr. 83	18·159kr.
Switzerland	do.	22f. 37c.	22f. 61c.	22f. 67c.	25f. 22½c.
Valparaiso	90 days	34 40/16p.	32 31/16p.	31 30p.	13·35p.
Yokohama	Sight	2s. 4 1/16d.	2s. 5d.	2s. 5 1/16d.	24·5 d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—		Date Current* May 4, '21	Apr. 27, '21	Par as to Duty Quoted	Rate July 5
Amsterdam, sight	...	35 28c.	34·95c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	...	28·00c.	25 75c.	48 66c. for 1 rupee	33·00c.
Buenos Ayres, cheques	...	144 75	140·00		
Christiania, cheques	...	15 35c.	15·50c.	26 80c. for 1 kroner	
Copenhagen, cheques	...	18·10c.	17·90c.	26 80c. for 1 kroner	26·85c.
Greece, cheques	...	6 36c.	6·20c.	19·295c. for 1 drachma	
Hong Kong, cheques	...	51·50c.	50·50c.	74 59c. for Mex. $1	48·4c.
Italy, sight	...	4 885c.	4·865c.	19·30 cents for 1 lire	
Lima, cheques	...	3 30l.	3 90l.	4·8665 $ for 1 libra	
Manila, cheques	...	46·00c.	46·00c.	50c. for 1 peso	49·8c.
Montreal	...	10·25% disc.	10 75% disc.	Premium per $100	Par
Paris, sight	...	12 53fr.	13·22fr.	5·18⅛ francs for $1	5·16fr.
Rio de Janeiro, cheques		7·69 mil.	7·27 mil.	3 032 reis for $1	
Shanghai, cheques	...	67 75c.	63·50c.	52·96c. for 1 tael	83·00c.
Singapore, cheques	...	42·00c.	42 00c.	55 77c. for $1	57·12c.
Spain, cheques	...	13 9 0c.	13 9 0c.	19 30c. for 1 peseta	
Stockholm, cheques	...	23 43c.	22 85c.	26 80c. for 1 kroner	
Switzerland, cheques	...	5·64fr.	5 74fr.	5 13½ francs for $1	5·18½fr.
Valparaiso, cheques	...	13 0 0.	13·00c.	20·61c. for 1 peso	
Yokohama, cheques	...	48·20c.	48 55c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1921 Aggr.	Inc. or Dec.*
	1921	[In £'s sterling, 000's omitted.]			%
BIRMINGHAM ...	Apr. 30	£1,826	— 1,158	£49,740	— £18,314 — 26·9
BRISTOL	,, 30	1,030	— 1,058	27,086	— 5,646 — 16·9
DUBLIN	,, 30	6,345	— 3,003	132,525	— 29,005 — 17·9
HULL	,, 30	1,032	— —	15,281	— —
LEEDS	,, 30	1,271	— 1,108	20,948	— 10,607 — 33·6
LEICESTER	,, 30	679	— 454	14,345	— 10,050 — 41·2
LIVERPOOL ...	,, 30	7,543	— 10,092	177,421	— 138,894 — 43·5
MANCHESTER ...	,, 30	12,409	— 19,427	281,381	— 291,228 — 50·6
NEWCASTLE	,, 30	1,827	— 1,538	42,327	— 16,177 — 24·3
NOTTINGHAM ...	,, 30	697	— 457	13,710	— 7,697 — 35·9
SHEFFIELD	,, 30	857	— 1,144	23,925	— 4,921 — 17·0
LONDON—	1921				
TOWN	May 4	681,744	—101,275	10,819,405	—1,154,569 — 9·7
METROPOLITAN	,, 4	34,141	— 15,376	631,033	— 145,985 — 18·7
COUNTRY	,, 4	53,105	— 34,753	1,079,724	— 302,740 — 20·1
TOTAL	May 4	749,990	—151,394	12,610,163	—1,602,404 — 11·3

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1921 May 6	1921 Apr. 29	1914 May 1
Alex. to U.K. ...	14/3	—	6/6
Aust. to U.K. ...	52/6	52/6	21/3
Bilbao to Cardiff...	—	—	—
Bombay to p.p. ...	—	200 d.w.	11/0
Burmah to U.K....	35/0	35/0	28/6
Calcutta to p.p.(jute)	—	—	—
Danube to U.K. ...	24/0	23/6	7/9
Riv. Plate to U.K....	52/6	45/0	12/6

* Per ton.

Homewards.—Cont.	1921 May 6	1921 Apr. 29	1914 May 1
U.S.Atl.ports to U.K. (coal)	14/3	13/9	5/9
U.S. to U.K. (gr.) ...	—	—	6/6†
Gulf Ports to U.K. Cont. (grain)	—	—	7/3†
OUTWARDS.—Cardiff to Port Said	—	—	7/0
River Plate	—	—	12/3
St. Vincent	—	—	7/3

† Per quarter.

Time Charter 6/0.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAY 6, 1921	MAY 7, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	126/0	206/0	57/0
— Middlesbro' warrants .....ton	120/0	200/0	51/0
— Hematite warrants .....ton	160.0	260/0	61/0
— Staffordshire bars, London ton	£27 10	£28	£8 10
— Common bars .....ton	£23	£28	£6 16
Steel Rails .....ton	£15	£21	£6 2/6
Galvanised Sheets .....ton	£22—£24	£36	£16 17/1
Copper—Standard .....ton	£72 10	£101	£66
Tin—English Ingots .....ton	£174—£175	£311—£312	£142 15
— Straits .....ton	£185	£320	£139 10
Tinplates, I.C. Coke, S. Wales...box	27/0—28/0	75/0	11/10½—12/0
Lead—Soft Foreign .....ton	£22 15-£22 12/6	£36—£37 5	£19
Spelter—Ord. Foreign .....ton	£26—£27 5	£46 5—£48	£21 7/9
Quicksilver—(75lb.) .....bottle	£11—£11 10	£24 10-£25	nom. £7
Aluminium .....ton	nom	£165	£82
Antimony—Regulus Foreign ...ton	£24—£26	£80—£85	nom. £27 10
English .....ton	£37—£42	£72	—
Coal—(best) Yorkshire .....ton	—	23/0—24 0	17/6
— Steam (best) Newcastle.....ton	70/0	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	12/0	15/1½	7/4
Soda—Crystals ex wharf .....ton	140/0	220 0—230 0	42 6—45/0
Copra—Malay and States .....ton	£28 10	£59	£23 15-£24 7/6
Gambier—Good marks.....cwt	29/6	51/0	16/10½
Indigo—Bengal good to fine ....lb.	10 0 -11 6	13'0—16 6	3.2—3 8
Linseed Oil—Raw .....ton	£27 10	£97	£25 5
Linseed—Calcutta, spot .....qr	£17	£42 5	£13 16 9
— Cakes, U.K. made, ex mill ...ton	£18 10—£19	£25	£7 17/6—£8
Olive Oil—Spanish .....ton	—	—	£49 10
Palm Oil—Lagos .....ton	£34 10	£70	£31 10
Petroleum—American .....gallon	2 3¼	2 1½	7½d.
Rape Oil—Refined English .....ton	£54	£110	£32
Soya Oil—Refined .....ton	nom.	£110	£24 10
Tallow—Imported .....cwt.	28/0—37/0	85/0—95/0	29/3—33/3
Turpentine—American .....cwt.	110 0	205 0	33 7½
Rape Seed—Toria .....ton	£17 10	£41 10	£13 5
Rubber—Para, spot .....lb.	10d.	2 2⅜	2 9½
Fine plantation (stnd.crepe) lb.	9¾d.	2 1½	2/2
— World's Production* Oct. tons	26.620	27.685	8,467
Shellac—T.N. Orange, fair ...cwt.	390/0—400/0	560/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland .....lb.	9 62d	28·59d.	7 53d.
— Egyptian good fair .....lb	15·50d	75·50d	8 75d.
— Pernambuco fair .....lb.	7 92d	32·09d.	7 73d.
— Middling Upl. New York ..lb.	12 39c.	41 50c.	13 25c.
— Stock, Liverpool (Apr. 29) bales	957,530	1,212,100	934,600
Flax—Petrograd, Yarapol .....ton	—	—	£28
Hemp—New Zealand .....ton	£43	£60	£25 10
— Manila fair .....ton	£42	£68 10	£28 10
Jute—First Marks .....ton	£33	£62	£26 15
— Red SCO .....ton	£27	£47	£24 15
Silk—Common, New Style .....lb.	20 6 nom.	40/0	12/0—12/6
— No. 1-1½ Japan .....lb.	27/6 nom.	—	—
— 1st Order Italian.....lb.	26/0 nom	—	—
Wool—Pt. Philip unwashed av. lb.	1/6	5'9	11½d.—1 0
— Lincoln Half Hogs .....lb.	8½d.	2 3½	10½
Hides—Eng. Ox. best .....lb.	7d.—	18½d.—19d.	7½d.
Leather—Dressing Hides .....lb.	1/9—2/6	4/0—4/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	—	67 654.000	34.640.000
— Red, price, N.Y. 60lb....bushel	177c.	324c.	67½c.
— English Gazette, aver. 480lb. qr.	88 1	72/9	34/3
Flour—G.R. .....280lb.	68 0	63/6	28/6
Barley—Eng Gaz., aver. 400lb. qr.	47/7	84 2	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	37 5	56 6	20/0
Maize—N.Y. (new bushel)....56lb.	77c.	212½c.	76½c.
— Amer. mixed, Liverpool...480lb.	39/6	nom.	32/4
— La Plata .....480lb. qr.	42/0	78/0	25/9
Potatoes—Good English .....ton	185/0	†305/0	70/0—75/0
Rice—Bassein .....cwt.	18/6—17/0	48/6	7/0—7/3
Tapioca—Pearl, medium .....cwt.	22 0	36/0	14 0—17/8
Hay—Clover, London .....ton	167/6	—	84/0
Hops—English.....cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	7/4	6/8	3/8—3/10
— Scotch sides .....8lb.	11 10	10/0	4/6—5/0
— English .....8lb.	11/6	10 0	4/2—4/5
Mutton—Scotch wethers.....8lb.	14/4	10/6	5/8—6/0
— English wethers .....8lb.	13 0	10/6	4/6—5/4
— New Zealand frozen .....8lb.	5/8	5/8	2/4—3/2
Pork—English and Irish .....8lb.	11/10	12/8—12/4	3/6—4/0
Bacon—Irish, delivered .....cwt	200/0—215/0	‡270/0	60/0—74/0
— Danish .....cwt.	204/0—210/0	†192/0	58/0—68/0
— Canadian, ex Port .....cwt.	110/0—170/0	†187/0	—
— American, ex Port .....cwt.	80/0—140/0	†187/0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	146/0—154/0	†190 0	75/0—79/0
— short cut, ex Port .....cwt.	144/0—150/0	†190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	75/0—76/0	†198/6	51/9—52/9
Butter—Danish .....cwt.	278/0—282/0	303/4	117/0—120/0
— French .....cwt.	—	303/4	96 0—108/0
— Australian .....cwt.	210/0—258/0	303/4	98/0—110/0
— New Zealand .....cwt.	264/0—270/0	303/4	108/0—114/0
Cheese—Canadian .....cwt.	160.0—164/0	†145/0	66/0—68/0
— United States .....cwt.	—	†145/0	—
— Dutch .....cwt.	116/0—188/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 3,... cwt.	5.049.563	6.426.493	19.777.254
— Home consump'n.to Mar.31 cwt.	6.687 225	6.641.880	17.272.000
— In Bond Mar. 31 .....cwt.	6.685.000	5.657.000	6.308.000
— Price, Java, 96° Pol. .....cwt	28/9	53/0	10/3
— — Yellow crystals .....cwt.	62/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1.....cwt.	72/0	72/0	18/0
Coffee—Imports to Mar 31 ...cwt.	262.519	174,190	720.360
— Home consumpt'n to Mar 31 cwt.	72.740	76,521	141.410
— Exports to Mar. 31 .....cwt.	91.854	141.103	340.250
— In Bond Mar. 31 .....cwt.	749.000	673.000	484.000
Price, Costa Rica gd. to fine cwt.	102/0—135/0	158/0—164/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	53 0—58 0	130.0—132.0	41/6
Tea—Imports to Mar. 31 .....lb.	119.241.684	121.260.481	123.230.277
— Home consump'n.to Mar.31 lb.	96.604.816	94.378.017	155.447.972
— Exports to Mar. 31.....lb.	6.242.305	11.783.351	26.561.765
— In Bond Mar. 31 .....lb.	236.300.000	212.645.000	78.292.000
— Price, Indian, Pek. Soug. gd. lb.	5½d.	1/5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	6½d.—6¾d.	1/6	8½d.
— — Common Congou .....lb.	3d. nom.	1/3	5½d.
Cocoa—In Bond Mar. 31 .....cwt.	1.211.000	996.000	309.000
— Grenada, good to fine .....cwt.	50'0—52/0	85'0	52/6—56'0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Mar.	$14,706,000	—1,010,000	$2,461,000	+ $493,000
	3 *mos.* to Mar.	41,940,000	—1,248,000	3,906,000	+ 648,000
Grand Trunk ‖	Mar.	£1,278 700	+ £95,900	£122,900	+ £68,400
	3 *mos.* to Mar.	3,772,200	+ 593.200	Dr. 91,400	+ 306.500

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or—on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Mar. 31	1,044	B3,83,638	— 14,537	26	69.16.248	— 2,59.299
Barsi Light ...	Apr. 9	118	28.400	— 35.600	1	—	—
Bengal & N.W.	Mar. 31	2,087	7.50.000	— 1,13,768	26	1,29.14.491	+ 1,62,787
Beng. Dooars	Mar. 31	158	42 269	— 10,342	26	7.50.518	— 3.26.045
Beng. Nagpur	Mar. 31	2.695	23.85.000	+ 1,30.000	26	6,42.85 937	— 14.71.035
Bomb. Baroda	Mar. 23	2,871	21.81.000	+ 1,55.000	4	67,92.000	+ 135,000
Burma	Mar. 31	1,342	12.80.195	+ 1.85.645	26	1.57.58.885	— 3,42.607
Del.Um. Kalk.	Apr 23	239	85 000	— 11,022	3	3.56.715	— 18.926
East Indian ...	Apr. 30	2,772	30.10.000	+ 1,98.000	5	1,26.50.000	+ 3,64.000
Gt. Indian Pen	Apr. 23	3,121½	29.64.200	+ 36 800	4	94,16,600	+ 600
Madras & S.M.	Apr. 9	3,152	15.75.000	+ 23.927	1	—	—
Nizam's Guar.	Apr. 9	800	3.60.459	— 86.977	1	—	—
Roh. & Kumn.	Mar. 31	576	1.89 967	— 27 481	26	26.52.031	— 120.872
South Indian	Mar. 31	1,852½	14.77 457	— 35.829	52	4.04.14.010	+ 2.64.195
South Punjab	Dec.	716	8.17.861	— 33.919	3*m*	25,37,268	— 13,757
COLONIAL							
Can. Northern	Apr. 30	9.750	$1,498.700	+ 39.500	17	21,032,000	+ 3.849.477
Can. Pacific ...	Apr. 30	13.388	4.064.000	— 646.000	17	55.351.000	— 3,766.000
Grand Trunk	Apr. 30	3.616	£348.607	+ 2.925	17	4.913.065	+ 607.597
Mashonaland	Jan.	810	92.986	— 30.339	4*m*	378.280	+ 91,772
Mid. W. Aust.	Feb.	277	11.245	— 1 400	8*m*	88.411	+ 2.963
New Cape Cent.	Apr. 9	205	2.858	+ 30	14	39.718	— 5.760
Rhodesia Rlys	Jan.	1,397	138.170	+ 35.607	4*m*	507,887	+ 115,689
Temiscouata...	Feb.	—	$46.968	+ 24.268	2*m*	85,860	+ 31.565
FOREIGN.							
Argentine.							
Arg. N. East...	Apr. 30	752	£ 11.600	— 3.500	44	514.000	+ 600
Arg. Transand	Apr. 30	111	£ 3.571	— 959	44	126.015	— 15,158
B.A. & Pacific	Apr. 30	3.425	£ 160.000	— 30.000	44	5 704.000	— 908.000
B.A.Gt. South	Apr. 30	3,903	£ 189.000	— 1.000	44	7.315.000	— 639.000
Do.	Apr. 30	Net	£ 42.000	— 20.000	44	1.287.000	— 1,467.000
B.A. Western	Apr. 30	1,882	£ 98.000	— 18.000	44	3.469.000	— 914.000
Do.	Apr. 30	Net	£ 25.000	— 16.000	44	458.000	— 1,019.000
B. A. Central	Mar.	190	£ 39 347	— 15.084	10*m*	418.405	— 306
Cent. Argent.	Apr. 30	3.305	£ 175.000	— 39.000	44	8.180.000	+ 266.000
Cord. Central	Apr. 30	1.205	£ 65 000	+ 4.700	44	2.274.200	— 320.000
Entre Rios ...	Apr. 30	811	£ 25.800	+ 3.500	44	1.005.000	— 33.000
Brazilian.							
Brazil Gt. South	Mar.	110	M 40.000	— 13.000	3*m*	115,250	— 47,256
Brazil Railway	Dec.	3.530	M 4.859.000	— 141.271	12*m*	57.772.000	+ 7,619.243
Gt. W. Brazil	Apr. 30	1.010	£ 12.900	— 8.900	12	270.800	— 182.000
Leopoldina ...	Apr. 30	1,831	£ 34.142	— 16.529	18	563.404	— 372,197
San Paulo ...	May 1	153¼	£ 25,722	— 16.934	18	517.246	— 280.528
S. of Bahia S.W	Mar.	52	M 71.000	+ 14.000	3*m*	311.000	+ 73,000
Chilean and Peruvian.							
Antofagasta...	May 1	838	£ 20.440	— 25.156	18	811.000	— 436,070
Arauco	June	84½	£ 12.000	+ 500	6*m*	76.000	+ 10.700
Nitrate (2wks)	Apr. 30	390	£ 31.150	— 10.559	16	231.922	— 135,427
Peruvian Corp.	Apr.	1.140	S 1.071.060	— 231,760	10*m*	11.496.360	— 491.454
Taltal	Mar.	180	£ 20.153	— 17,557	9*m*	243,490	+ 34.360
Cuban.							
Cuba Railroad	Jan.	—	$ 1,606.385	+ 448.284	7*m*	8.497.481	+ 1,017.244
Havana Cent.	Apr. 23	70	£ 18.872	+ 2.205	43	628.980	+ 140.887
U. of Havana	Apr. 30	681	£ 173.057	— 551	44	5,404.060	+ 708,811
Uruguayan.							
Cent. Uruguay	Apr. 30	273	£ 30.170	+ 5.156	44	1.061.537	+ 53.366
,, (E. Ext.)	Apr. 30	311	£ 6.636	— 1.141	44	250.053	— 26.486
,, (N. Ext.)	Apr. 30	185	£ 3.777	— 550	44	131.307	— 35.170
,, (W.Ext.)	Apr. 30	211	£ 2.327	— 827	44	112.460	— 12.052
Mid. Uruguay	Mar.	319	£ 17.872	— 4.719	9*m*	164.514	— 19.002
N.W. Uruguay	Mar.	113	$ 7.234	+ 879	9*m*	54.932	— 7.994
Urug. Northn.	Mar.	73	£ 2.128	— 241	9*m*	18.729	— 3.698
Miscellaneous							
Alcoy & Gandia	Apr. 23	33	Ps. 15.000	+ 10,000	17	293.400	+ 95.500
Bilbao	Apr.	15	£ 2.221	— 2,481	4*m*	9,098	— 6,632
Bolivar	Mar.	136	£ 10.028	— 6.18	3*m*	26.234	— 9.542
Colomb. Natnl.	Mar.	86	£ 20.260	+ 4.624	3*m*	57,450	+ 10,054
Costa Rica ...	Feb.	190	£ 25.992	— 4.448	8*m*	195.585	— 8,291
Dorada Ext.	Mar.	70	£ 20.000	+ 8.000	3*m*	51,250	+ 15,750
Egyptian Delta	Apr. 10	559¼	£ 9.033	— 3.151	2	—	—
Gt. S. of Spain	Apr. 23	104	Ps. 48.481	— 74.358	16	1.038.473	— 275,682
La Guaira & Ca.	Mar.	22¾	£ 10.300	— 4.330	3*m*	31,510	— 12,750
Ottoman Ry..	Apr. 23	379	£ 10.091	— —	—	—	—
Paraguay Cent	Apr. 23	274	£ 3.360	— 1,270	43	188.600	— 18,700
Puerto Cabello	Mar.	34	£ 4.500	— 2,500	3*m*	13,250	— 4,250
Salvador	Apr. 30	100	£ 4.070	— 2,630	44	162,875	— 35,242
Santa Fé Prov.							
French Rys.	Mar.	1,181	£ 139.744	— 26.348	3*m*	391,881	— 78,244
S'm'na & S'th'go	Mar.	80	£ 9.380	— 3.850	3*m*	23,310	— 13,578
Zafra & Huelva	Mar.	112	£ 15.237	+ 1.725	3*m*	43,330	+ 2,734
TRAMS.							
Anglo-Argent.	Apr. 29	400	£ 81.423	+ 3,436	17	1,367,581	+ 113,670
Bombay Elect.	Feb.	—	Rs. 8.23.939	+ 84,081	2*m*	16.98.666	+ 1.78.934
Brazilian Trac.	Mar.	378½	M 13.102000	+ 3.202,000	3*m*	37,918.000	+ 8,982,000
Brisbane Elec.	Mar.	40½	£ 46.330	+ 870	3*m*	130,815	+ 3.958
Brit. Columbia	Feb.	334	$ 792.590	+ 46.561	8*m*	6.370.401	+ 573.846
B. A. Lacroze	Apr.	51	£ 60.238	+ 6.809	10*m*	570.952	+ 63.836
Calcutta	Apr. 30	35½	R 86.210	— 6.451	17	11,68,244	— 4,04.350
Carth. & Herr.	Apr.	9	£ 2.329	— 3,153	4*m*	11.271	— 6,460
Chatham & Dist	Apr. 28	15	£ 1.642	— 28	17	27,754	+ 2,296
Havana Elect.	Jan.	86	$ 1,089.076	+ 205.858	1*m*	—	—
Isle of Thanet	Apr. 27	20½	£ 695	— 155	31	18.134	— 83
Kalgoorlie ...	Jan.	20½	£ 2.418	— 155	1*m*	—	—
Lanarkshire ...	Dec. 31	28½	£ 5.467	+ 1,927	52	221.564	+ 27.728
Lima Light ...	Feb.	85	£ 60.718	+ 4.556	2*m*	124.329	+ 9.593
London O.C....	May 4	141½	£ 102.624	+ 18.589	5	478.055	+ 81,180
Madras (2wks.)	Apr. 30	16½	R 49.668	— 4.582	16	244.880	— 136,683
Manila Electric	Feb.	55	$ 306.389	+ 27.952	2*m*	627,839	+ 71,651
Pernambuco...	May 1	59	£ 3.4.4	— 3.421	18	74.083	— 62.663
Provincial ...	Apr. 23	21½	£ 3.111	+ 4	29	90.677	— 326
Rangoon Elec.	Feb.	25	£ 120.718	+ 5,718	2*m*	243,276	+ 16.276
Shanghai Elec.	Mar.	26½ M	X. $160.654	+ 15.010	3*m*	468.238	+ 52,845
Singapore Elec.	Mar. 19	26½	$ 13.885	— 8.489	12	142.982	— 115,849
U. of Montevid.	Mar.	90½	£ 48.925	+ 3.910	5*m*	240,688	+ 17.964

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WHITSUN HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Friday next, May 13, instead of Saturday.

The Statist.

LONDON, SATURDAY, MAY 7, 1921.

THE REPARATIONS CRISIS.

THE ultimatum presented to Germany as a result of deliberations of the Supreme Economic Council in London arraigns her conduct under three heads: (1) disarmament; (2) the trial of war criminals; and (3) reparation payments. As regards the first point, it was wisely stated by Lord Robert Cecil, in the course of the debate that followed Mr. Lloyd George's statement in the House on Thursday, that German disarmament is the key to world disarmament. After the Conference at Spa the handing over of warlike material was indeed accelerated, but the rifles, machine-guns and artillery still held are in excess of the proper maxima, while irregular military organisations such as *Einwohnerwehr* and *Sicherheitswehr* exist in formidable numbers, ostensibly for public security, but capable of offensive action if so directed. The revolutions of the Communists in Munich and Berlin and counter-revolutionary disturbances both in the capital and elsewhere rendered the maintenance of a strong police force necessary; but if the Government were in earnest the disarmament of the turbulent element in the population would long ago have been completed, thereby permitting a reduction in the armed forces at the disposal of the Federal and State Governments.

On the subject of war criminals Germany's action has been even more lax. In response to urgent representations the Allies consented to the trial of war offenders before the High Court of Leipzig, but three of the seven persons whom they demanded should be brought to justice have been allowed to leave the country, while the other four have not yet been tried. The greatest default has occurred, however, in regard to reparations. The various efforts made at Boulogne, Spa, Brussels, Paris and London to induce Germany to put forward an acceptable basis for negotiations on this point have failed. According to the Treaty of Versailles Germany was to have paid 20 milliards of gold marks, or approximately £1,000 million, in cash and kind by the 1st inst. At the outside she has paid only £400 million. In addition to this default of £600 million, the Reparations Commission decided last week that, after deducting the amount already received and after adding the Belgian debt, which is to be supplementary to the reparations, there was due from Germany £6,000 million, making a total of £6,600 million gold, of which France claims fifty-two per cent. and the British Empire twenty-two per cent. Our share of this total amounts, therefore, to £1,452 million. Now, according to the Paris scheme, forty-two annuities, commencing at £100 million per annum and increasing at intervals of from two to three years until at the end of eleven years the maximum of £300 million per annum would be reached, were to be paid. In addition to these fixed annuities it was proposed that there should be a variable sum, equal to twelve per cent. of the German exports, paid each year. The London Conference just concluded substitutes for the figure agreed to by the Allies at Paris the payment of a fixed sum of £100 million and, in addition, of a variable sum equivalent to twenty-six per cent. of the German exports. Obviously this is an improvement, as the sum payable annually will increase only in the event of an increase in German prosperity, but how it fits in with our own Reparations Act is not clear. Further, means of evasion are plentiful, and our encouragement of German exports has so far been confined to paper. Allied policy towards their German debtors resembles that of the United States towards its European debtors. In the former case it is true that, apart from payments in gold, silver and securities, the indemnity must, in the long run, be provided by an excess of exports over imports, and to this end German iron and steel goods, sugar, coal, and other articles, should be admitted to our markets. All the Allies, however, are busy in devising various means of stifling the German export trade in order to protect their own industries. Similarly, the United States desires an attempt to be made by debtor nations of Europe to meet the obligations contracted by them during and since the War, while at the same time proposing to raise its already high tariff on imports. The two policies are at variance, but a judicious reconciliation is possible without injuring the internal condition of the recipient countries or permanently crippling the productive capacity of the paying countries.

To enable the Allies to raise money for reparations pending the recovery which they profess to hope for in German exports, three series of bonds are to be issued, the first for £600 million gold, to be delivered by July 1, and bearing interest of five per cent., with a one-per-cent. cumulative sinking fund; the second for thirty-eight milliards of gold marks, or £1,900 million, to be delivered by November 1; and the third for eighty-two milliards of gold marks, or £4,100 million, to be delivered by the same date. It is proposed to issue the first two series this year, and the remaining bonds will be issued as the Reparations Commission is satisfied of Germany's capacity to meet the interest and the sinking fund. As regards the immediate service of these bonds, a sum of £50 million is demanded by the ultimatum within twenty-five days, to be paid either in gold or in foreign bills or three-months Treasury [illegible] endorsed by German banks, payable in London, Paris, and New York.

THE NATIONAL REVENUE.

In the course of our Budget analysis last week we pointed out that the total ordinary expenditure for 1921-22 was estimated at £974,023,000, of which consolidated fund services accounted for £371,272,000, including £345,000,000 in respect of interest, &c., on the National Debt and ordinary supply services for £602,751,000. The figure last mentioned is exclusive of £65,705,000 in respect of transitory war services which appeared in the new extraordinary Budget. To meet this expenditure there will be available the tax and the non-tax revenue, the various items of which are set forth in the table at the foot of the page. The tax revenue, which is estimated at £964,000,000, constitutes seventy-nine per cent. of the total revenue of £1,216,650,000, and is made up as to £323,000,000, or thirty-three per cent. of our two chief indirect taxes, Customs and Excise. The estimate under the latter heads falls short by £11,785,000 of last year's yield, which was itself £15,000,000 below the estimate, but it is doubtful whether even this lower figure will be realised. The loss to Customs and Excise directly attributable to last autumn's coal strike, which continued from October 16 to November 3, was £2½ million, and the present strike has already lasted more than twice as long, and is all the more fatal since trade and industry are now in a relatively more debilitated condition. The following table shows the varying proportion of tax and non-tax income.

	Percentage to Total Revenue								
	1921-22	'20-21	'19-20	'18-19	'17-18	'16-17	'15-16	'14-15	'13-14
Taxes—									
Indirect...	26	23	21	18	16	22	36	36	38
Direct ,,	53	49	54	70	71	68	50	48	44
Total ...	79	72	75	88	87	90	86	84	82
Non-Tax									
Receipts ..	21	28	25	12	13	10	14	16	18
Total revenue	100	100	100	100	100	100	100	100	100

* Estimated.

The results arrived at are interesting, especially as showing the great increase that has taken place in direct taxation since 1913-14 and the corresponding falling-off in indirect. Amongst the direct taxes the chief place in this as in former years may be assigned to income tax and super-tax, from which an additional yield of £16,354,000, as compared with 1920-21, is estimated. When it is remembered that the receipts in 1920-21 exceeded those of the preceding year by £35,047,000 the 1921-22 estimate appears unreasonably high in view of the inevitable shrinkage in many directions. A revenue of no less than £30,000,000 is expected in respect of the corporation profits tax, though it realised the sum of only £650,000 in the year ended March 31 last. The arrears of excess profits duty, now abolished, are expected to yield £120,000,000, and this more than balances the decline of £5½ million anticipated in stamps and of £50,000 anticipated in land tax and house duty. It is interesting to note that land value duties, about which Mr. Lloyd George was once so optimistic, now disappear as an item of revenue. With regard to revenue from sources other than taxation, the postal, telegraph, and telephone services are expected to yield £60 million, as compared with £49½ million last year, the increase in telephone revenue being put at £3,800,000. Crown lands will bring in £650,000 and receipts from Suez Canal shares and from other investments, including payments in respects of interest and principal on loans to the Dominions and Allies, will aggregate £12,000,000, as compared with £30,771,000 in the previous year. Mint receipts, fee and patent stamps, currency notes excess interest, &c., are down from £25,389,000 to £21,500,000, while receipts from the sale of war assets and from trading undertakings are less by nearly £130,000,000. This latter item, reduced though it is, helps to account for the very considerable increase in non-tax revenue since pre-war days, an increase that is brought out in our first table, particularly in regard to the period immediately following the Armistice.

Revenue Statement, 1913-22, including Revenue Estimate, 1921-22.

(000's omitted.)

	Estimate	Receipts in—							
	1921-22	1920-21	1919-20	1918-19	1917-18	1916-17	1915-16	1914-15	1913-1
	£	£	£	£	£	£	£	£	£
Customs	126,800	134,003	149,360	102,780	71,261	70,561	59,606	38,662	35,450
Excise	196,200	199,782	133,663	59,440	38,772	56,380	61,210	42,313	39,590
	323,000	333,785	283,023	162,220	110,033	126,941	120,816	80,975	75,040
Motor vehicle duties ...	9,000	7,073	-	-	-	-	-	-	-
Estate, &c., duties ...	48,000	47,729	40,904	30,262	31,674	31,232	31,035	28,382	27,359
Stamps	21,000	26,591	22,586	12,438	8,300	7,878	6,764	7,577	9,966
Land tax and House duty	2,500	2,550	2,640	2,480	2,625	2,580	2,650	2,560	2,700
Income tax (including super-tax)	410,500	394,146	359,099	291,186	239,509	205,033	128,320	69,399	47,249
Excess profits duty, &c. ...	120,000	219,181	290,045	285,028	220,214	139,920	140		—
Corporation profits tax ...	30,000	650							
Land value duties ...	—	20	663	664	685	521	363	412	715
	641,000	697,940	715,937	622,058	503,007	387,164	169,272	108,330	87,989
Total receipts from taxes	964,000	1,031,725	998,960	784,278	613,040	514,105	290,088	189,305	163,029
Postal service	43,000	36,100	31,000	29,400	25,200	24,350	24,100	20,400	21,190
Telegraph service	5,000	5,200	4,850	3,800	3,500	3,350	3,350	3,000	3,080
Telephone service	12,000	8,200	8,300	6,800	6,600	6,400	6,450	6,250	6,530
	60,000	49,500	44,150	40,000	35,300	34,100	33,900	29,650	30,800
Crown lands	650	660	680	760	690	650	550	545	530
Receipts from sundry loans, &c. :—									
Ordinary receipts (*a*) ...	12,000	991	1,004	11,680	6,056	8,056	2,432	1,277	1,580
Special receipts (*b*) ...	-	29,780	13,948						
Miscellaneous :—									
Ordinary receipts (*c*) ...	21,500	25,389	16,050	52,303	52,149	16,517	9,797	5,917	2,304
Special receipts (*d*) ...	158,500	287,940	264,779						
Total non-tax revenue	252,650	394,260	340,611	104,743	94,195	59,323	46,679	37,389	35,214
Total revenue	1,216,650	1,425,985	1,339,571	889,021	707,235	573,428	336,767	226,694	198,243

(*a*) Includes receipts from Suez Canal Shares and from other investments.
(*b*) Includes interests and repayments of War Loans to Dominions, Allies, &c.
(*c*) Includes Mint receipts, Fee and Patent Stamps, &c., and Currency Notes Account Excess Interest.
(*d*) Includes War contributions and receipts from sales of War property and from trading undertakings.

THE WORLD'S CEREAL CROPS.

The marine strike in the United States, though it has had a temporarily depressing effect on the spot grain markets, has encouraged speculative dealing in futures. Speculation has been further promoted by reports of light frosts in scattered sections of the winter wheat belt. In some quarters, however, farmers are said to be holding up stocks, and receipts at ports have certainly been on the light side, though the decline in movements from inland centres is largely attributable to the reduced demand for export. May positions for wheat have been ruling higher on account of the tightness of deliveries, and a further bullish influence has been the possibility of Government interference with the trading practices of the grain exchanges. Private estimates of the winter wheat crop and the spring wheat acreage emanating from Chicago point to reduced returns, and though the reliability of such estimates has more than once been called in question, their accuracy in the present case seems undoubted. At any rate, the position need give no cause for uneasiness; and that this is the opinion of the British Government is evidenced by the reduction of our own official price for flour by 3s. per sack on Monday last.

In the table accompanying this article we set forth for the principal countries the yield of the 1919 and 1920 crops of wheat, rye, barley and oats, following the data prepared by the International Institute of Agriculture. For the countries enumerated the total wheat crop in 1920 was 1,660,471,000 centals, as against 1,547,274,000 centals in the previous year, but the rye crop showed a decline from 296,210,000 centals to 265,870,000 centals. Oats, however, rose from 914,865,000 to 1,092,925,000 centals and barley from 355,616,000 to 402,022,000 centals. These figures, though comprising the principal cereal producing countries, are not exhaustive. As far as statistics are available, the total wheat production of the world in 1920 worked out at 1,617,313,200 centals, being slightly in excess of the 1919 figure of 1,549,519,700 centals, but the rye crop declined from 292,426,900 to 260,408,600 centals. There was a marked increase in the world's barley production from 371,618,300 to 422,430,200 centals, and in the world's oats production from 902,510,300 to 1,083,595,900 centals, while maize also rose from 1,910,800,400 to 2,091,000,000 centals. In arriving at these totals Russia and China, for which no recent statistics are available, have been excluded, as have also several newly-organised States, amongst them Poland and Yugo-Slavia. Estimates of yields such as we give have not in most cases been made by individual Governments, and in arriving at the published figures account has been taken principally of the yield during the years 1914 to 1918.

Winter cereal sowings in the Northern Hemisphere for the agricultural year 1920-21 have, of course, been completed, and spring sowing has started under favourable conditions except at a few places where excess of rain has interfered with germination. The mild weather has in some areas favoured the laying down of larger crops than usual since the cultivation of the ground proved easier. It is estimated that winter wheat in France covers an area of 12,137,800 acres, as compared with 11,369,500 acres last year, and in Alsace and Lorraine 307,400 acres, as against 284,100 acres. The chief grower of winter wheat is, of course, the United States, and the area shown there is reported as 40,605,000 acres, a decline of over one million acres on 1920. A special forecast for British India places the winter wheat area at 24,502,000 acres, as compared with 28,921,000 acres in the preceding year. The condition of the crop in most of the countries mentioned is satisfactory, and, while some districts have complained of a somewhat too copious rainfall there have been reports of drought in others, particularly in Northern Africa.

The issue of a favourable statement by Mr. Harding, of the Federal Reserve Board, on the question of agricultural credits has not been without influence in the Chicago wheat pit, and the reduction in rediscount rates is looked upon with favour as helping to finance wheat movements at less expense. It was feared earlier in the season that a shortage of labour would be manifest in some of the rural districts, but unemployment in urban areas has brought the unskilled labour force to more than normal strength. As regards Russia, if there is any exportable surplus of wheat it will be very small, since, according to articles published in Petrograd, the wheat crop in 1920 was below the average in twenty-two provinces and bad in fourteen.

Cereal Yields. (In Thousands of Centals.)

	Wheat		Rye		Oats		Barley	
	1920	1919	1920	1919	1920	1919	1920	1919
Algeria	51,399	11,500	2	3	1,587	3,403	4,524	12,258
Alsace-Lorraine ..	3,544	2,788	1,264	1,031	2,789	2,570	1,584	1,594
Argentina ..	110,959	128,486	-	- -	15,234	18,276	5,357	4,934
Australia	88,678	27,530	—	—	-	4,897	—	-
Belgium	6,165	6,339	10,174	8,123	10,837	8,755	2,088	1,655
Bulgaria	24,714	20,417	5,002	3,635	3,114	2,364	6,005	4,978
Canada	157,914	115,956	6,332	5,716	180,441	134,092	30,389	27,067
Chili	16,294	12,954	31	108	690	1,040	1,896	1,909
Czecho-Slovakia ..	15,700	9,221*	18,366	18,331*	18,877	14,752*	17,964	10,353*
Denmark	4,169	3,554	7,048	8,349	15,082	15,227	11,303	11,771
Egypt	19,026	18,082	—	-	—	-	5,015	4,842
France	138,244	109,468	18,577	16,092	93,097	54,974	16,992	11,023
Germany	49,715	47,821	109,610	134,670	107,368	99,069	39,677	36,814
India	226,061	168,179	-	-	-	—	-	-
Italy	84,803	101,862	2,542	2,560	7,751	11,102	2,817	3,997
Japan	17,686	18,406	—	—	3,572	2,963	46,004	45,763
Luxemburg ..	269	274	190	206	592	544	50	49
Netherlands ..	4,006	3,417	7,965	8,002	7,771	6,525	1,366	1,174
New Zealand ..	3,585	2,736	—		2,152	2,717		408
Norway	621	643	554	550	4,849	4,834	2,605	2,532
Portugal	4,284	2,889	1,657	1,013	1,649	1,015	700	494
Roumania	14,400	29,095	1,104	1,921	9,674	4,567	10,416	5,663
Bessarabia	10,689	10,193	2,116	3,298	2,232	2,356	12,712	9,060
Finland	163	183	5,137	5,883	7,859	7,723	2,392	2,542
Spain	83,164	77,551	15,585	13,046	12,087	10,533	43,422	39,269
Sweden	6,317	5,705	12,910	12,921	22,592	24,509	5,286	6,188
Switzerland ..	2,158	2,114	908	882	996	886	298	300
Tunis	3,135	4,189	—	—	474	992	1,259	2,646
United Kingdom ..	34,139	41,594	76	80	70,585	79,546	32,849	28,852
United States ..	472,277	560,559	38,818	49,789	488,338	394,161	96,971	77,446
Uruguay	6,193	3,569	2	1	636	473	81	35
Total	1,660,471	1,547,274	265,870	296,210	1,092,925	914,865	402,022	355,616

* Bohemia, Moravia and Silesia.

ECONOMIC POSITION OF RUSSIA.

To form anything like a concrete picture of the state of affairs in Russia is no easy task. Reports received here cover only fragmentary portions of that vast territory, and much of their contents must be labelled as "second-hand information." They agree, however, in one essential—that the present economic position of Russia is a deplorable one, and that, even if the communistic régime were ended in the morning, a long term would elapse before she could play such a part in the reconstruction of Europe as would be expected from a nation with her economic resources. The resumption of trade with the rest of the world, coupled with the concessions of free trade recently granted by the Bolshevist Government, may slightly assist her on the path of recovery, but these palliative measures do not seem to be of very great significance. The illness from which Russia is suffering depends for its cure on the destruction of the economic and political edifice which has been reared on the ruins of Tsarism.

Communistic principles have before this been operated with indifferent success by small groups of persons, but it remained for Russia to attempt their application on a gigantic scale. Through the medium of the State a "community of goods" was to be established, and their interchange was to be effected by State officials. The inception of this programme originally evoked but little protest from the vast majority of the Russian people. Ignorance prevented many from visualising its consequences, and cupidity was, in many cases, an even more powerful excuse for blindness. The peasants saw in the formation of the Bolshevist Government an excellent opportunity for appropriating additional land, while the workmen in the factories imagined that, relieved, so they thought, from an irksome discipline, hard work would be a thing of the past. The anticipations of the peasant were, it is true, fulfilled to the extent that they got their land; as, however, they are deprived of the produce beyond that necessary for their own immediate needs they derived no benefit from the transaction. Similarly, the output of the factories was required to be handed over to the Soviet Government; in exchange for their labour the workmen receive a so-called subsistence allowance, which is far below their pre-War standard of living. A sharp distinction is drawn between "brain workers" and "manual workers," the former, it is stated, receiving only half the allowance of the latter. Granted the presence in Russia of an ideal race of human beings the entire system might be workable. As it is, the industrious individual workman or peasant, knowing that practically all the proceeds of his labour will be taken away from him without the offer of any *quid pro quo*, does the same amount of work as the most incompetent of his fellows. To correct the growing demoralisation and to increase national production the Government has had recourse to "forced labour" and to the formation of "shock" [illegible] groups, special privileges being accorded, in some instances, to workers in the latter. Quite recently the blacksmiths were compelled to do their part in satisfying the demand for the agricultural implements requisite for the sowing season. The Government's difficulties are, however, growing in this direction. Some workmen have refused to surrender the output of their factories, and, in contravention of Government regulations, do a barter business directly with the peasants.

In view of prevailing conditions in Russia, Lenin has seen plainly the impossibility of executing the original communistic programme in its entirety. The concessions which he announced in a recent speech were wrung from him by the stubborn attitude of the peasants, who, constituting, as they do, about eighty-five per cent. of the population, wield enormous power even though they possess practically no organisation. By refusing to produce more than sufficed for their own needs they threatened the workers of the towns, where many factories have ceased to operate from lack of fuel, with starvation and imperilled the interests of the entire nation. These concessions involve the substitution of a produce tax for forcible requisitioning and permission to carry on a free trade of a limited degree. The former will be less exacting than the requisitions, and the responsibility is to be personal instead of collective, as heretofore; it will be so graduated that the larger the area under seed the less oppressive will be the tax. That part of the harvest remaining after payment of the tax will be at the peasant's disposal for personal consumption or for trade. Trading is restricted to the exchange of agricultural produce for manufactured articles, and according to decree must, in order to prevent profiteering by private capitalists, be carried on through commissioners in open markets or through co-operative societies in town or country. This privilege of trading is also granted to the town workers of Moscow and other districts. The effort to prevent speculation has not proved successful and, as a matter of fact, speculation in food is rampant.

Coupled though they are with a suspension of forced labour in the forests or elsewhere it is doubtful whether the new proposals will achieve the object aimed at—the stimulation of the peasant's activity during the sowing season so that a good harvest may be produced this year. In the first place, the supply of grain seed and agricultural implements is not nearly adequate, and, secondly, the peasant will remain doubtful as to what he will be tendered in exchange for his surplus produce. Further, the possibility of a return to forcible requisitioning during the harvest season is by no means an unlikely contingency, though such a procedure would entail the most disastrous consequences for Russia. In the long run, it is most likely the peasants' antipathy to communistic principles that will bring about the downfall of the existing régime. Were he enabled to obtain a fair exchange for his surplus produce this sentiment might undergo a change, but taking into consideration the turpitude of large numbers of the State officials, this possibility is remote. Disaffection amongst the town workers may represent a more immediate source of danger to the Government, but as long as food can be procured from the peasantry the turbulence of this section can be allayed.

The labour group in many countries looks to the revival of trade with Russia to provide, in part, the solution for the prevailing depression in trade. Not much reliance can be placed on this hope when that country is on the verge of starvation—the July corn is already largely consumed—when the peasantry are in many places in active revolution, means of transport utterly inadequate, and factories closing down owing to absence of fuel, raw material and workers. Lenin's speech frankly recognises the existence of these conditions and seeks in them the justification for that partial return to the capitalistic system evidenced by the concessions already mentioned and, a further one, namely, the invitation to foreign capital to co-operate in the re-establishment of the country. In view of the gloomy spectacle presented by the Russia of the moment, it must be admitted that the particulars of her trade in 1920, as compiled by the National City Bank of New York, present some features of surprise even when pre-War and post-War values are taken into account. The trade of the United States with Russia in that year, according to American official figures, aggregated approximately $40,000,000, against $50,000,000 in 1913; that of Great Britain with Russia, $247,000,000 in 1920, as compared with $330,000,000 in 1913; Japan nearly $10,000,000 in 1920, and $3,000,000 in 1913; Switzerland, $24,000,000 in 1919, as against $25,000,000 in 1913. The aggregate of these four countries would show for the latest year available $320,000,000 of trade with Russia, as compared with $410,000,000 in 1913. These figures help to show the great trading potentialities of the country under a normal régime, and the possibilities that exist even under the present form of government.

BRAZIL.

MARKING TIME.

Brazil is suffering severely from the general depression which is affecting the world's trade at the present time. The difficulty, in reality, is far less with Brazil than with her customers. Brazil, as one of the results of the War, has to a very large extent improved her position as distinct from remaining still. When we say she has improved her position, what we mean is that she has a greater number of commodities to offer than she had, say, in 1914. But whereas in 1914 the whole of Europe and a great many other countries besides were her actual or potential customers, the purchasing power of those customers had been so restricted by recent events that it is as difficult for Brazil to sell her products as it is for any other country. Of course, it is true of Brazil, as it is of every other country at the present time, that the cost of living and the cost of producing anything has increased. As we have said, however, the real difficulty is far more with Brazil's customers than with the United States of Brazil itself. As things are, Brazil will have to export as much as she can in the near future, and to import as little as possible, for her difficulties at the present time have been accentuated by an excess of imports over exports.

One of the reasons why we say that Brazil has very materially improved her position is that whereas in the pre-War period she had practically only two exports—if Brazil owed money anywhere her only means of paying was to export coffee or to export raw rubber from the highlands to the south of the Amazon—since the War, and largely as a result of the War, she has developed at least three important staples and a variety of smaller contributory sources of revenue. The three great staples that Brazil has developed are the frozen meat trade, and the production of both cotton and sugar. As we have said, Brazil is developing, in addition to the three great staples to which we are about to refer, various subsidiary industries, which are all contributing to augment her potential exports. At the moment, however, we do not propose to discuss these subsidiary sources of revenue, although the reader interested in Brazil will be well advised to keep them in mind because, sooner or later, many of them can hardly fail to become great sources of revenue. Brazil is so enormous, and its resources so great, that sooner or later it is bound to be one of the world's great sources of supply for a vast variety of foods and raw materials. The difficulties through which Brazil is passing at the present time are trifling, bearing in mind the vast resources possessed by that country. Meanwhile, as we have said, during the past six years she has, in fact, developed three great sources of industry that hardly existed to any appreciable extent in the pre-War period. Brazil in the first decade of the present century exported meat to some extent, particularly to Argentina and other adjacent South American countries; but she exported meat only in the form of *zarque* or dried beef, and she did not export it in considerable quantities. During the War she realised the potentialities of her vast plains in the south to supply chilled and frozen meat in large quantities for the needs of Europe. At the very beginning of the War she made a trial shipment of a thousand tons, and since then she has greatly increased her production until she now exports between 60,000 and 70,000 tons of meat each year. Very little of it, in reality, comes to these shores, the great bulk being exported to the European continent. Brazil at present is only on the threshold of the meat-packing business. But she has an unrivalled opportunity of building up a great position for herself—a position which none of her rivals can dispute with her if she is careful to study the real determining factors governing success in the trade. They are, in fact, very much what they are in all trades: to ascertain the requirements of her customers, and to endeavour to supply them to the best of her ability. It is no harm, therefore, that Brazil, like so many other countries at the present time, is perforce compelled to keep quiet because it gives her producers and traders an opportunity of re-casting their methods in the light of the experience they have gained during the past seven years. The Brazilian Government and the Brazilian estate owners are to be congratulated for the public spirit they are showing in importing improved strains of cattle with a view to transforming the criollo beast into an animal suitable for the freezing-house. As was natural in a new industry, a great deal of the meat which reached Europe during the early period of the experiment left a great deal to be desired and, in fact, was by no means up to the condition of similar consignments sent from neighbouring countries. This, however, will, of course, right itself in time. We say this with such great confidence because Brazil has such extraordinary advantages in the raising of livestock. Comparatively few countries in the world offer the facilities which Brazil does for the raising of livestock upon a great scale and upon a low economic basis of values. During the next twenty or thirty years Brazil will offer facilities for raising livestock upon a scale which will exist nowhere else. Every other country of great expanse either requires irrigation or presents some formidable difficulty in the raising of livestock. Brazil occupies the unique position that it has the most extensive system of plains existing; well-watered, and suitable for the healthy and economic raising of cattle. The great natural feature of Brazil is the vast system of plains which extends between the eastern and western ranges of mountains from the Amazon Basin to its frontiers with Uruguay and Argentina. The Amazon Basin is, of course, low-lying and liable to floods. This, however, is merely a question of drainage, and as one goes south this vast plateau tends to rise in altitude and to become increasingly healthy and suitable for pastoral purposes. Endowed with such extraordinary advantages, the Brazilian pastoralist of the next generation will be singularly unfortunate if he does not supply the means for the building up of, perhaps, the most colossal packing business the world has yet witnessed. We have said that, while Brazil has been singularly unfortunate in the falling prices of her two main products—coffee and rubber—she has built up three prime sources of new revenue which merely await development. We have already shown what has actually been done in the direction of increasing the meat supply, and we have already explained that this is a mere trifle to what Brazil is capable of doing. There remains cotton and sugar.

One of the great needs of the congested areas of the world during the prolonged period of reconstruction through which we are painfully passing is increased supplies of food and raw materials. Now it is perfectly evident that there is no available source of

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supply of cotton which at the moment is capable of furnishing the world with large supplies of cotton upon the economic basis which its present restricted purchasing power requires. It is notorious that everybody wants a supply of clothing. But the prices asked for clothes at the present time are so utterly extravagant and so completely beyond the purchasing power of the vast majority of people in Europe that every manufacturer and every warehouseman will tell you that he is loaded with stocks purchased at such an extravagant rate of values that he cannot sell them without ruinous loss. Newspapers of various countries, and particularly of the United States and of our own, print the most piteous appeals every day of the vast numbers of starving and helpless people in different parts of Europe. Consequently, there can be no doubt of the need for increased supplies of food. But the need, while it exists, for increased supplies of food is only an effective need if that food can be produced upon a reasonable basis of economic values. It is not sufficient to increase supplies without any regard whatsoever to the cost of production. We are no longer in a position either to consume food or to use raw material if it is produced utterly without regard to the cost of producing it. In the period that preceded the War Brazil and other tropical countries had very little inducement to produce cotton upon any extensive scale, because it was produced in such large quantities and on such a reasonable basis of economic values by the United States of America. It is now evident that neither the United States nor any other country is capable at the moment of producing cotton upon a reasonable basis of economic values and in adequate supplies. In a different form, practically, the same argument applies to sugar. Before the War, Germany, Austria, Belgium, France and Russia produced such large quantities of sugar upon such a low economic basis of values that it was not practicable for the tropical countries of the world to produce cane-sugar upon an extensive scale. It is now evident that none of those countries will be in a position to produce beet-sugar upon anything like an adequate scale in any considerable length of time. For reasons into which we have not space to enter, the opportunities of the tropics have been enormously increased by the improved methods of sanitary science, and particularly by the improved methods of dealing with yellow fever and malaria. Consequently, there is a possibility of raising sugar in Brazil upon a scale never hitherto realised, and which, while benefiting Brazil, would confer an equally great benefit upon the poor and devastated areas of Europe urgently in need of increased supplies of sugar.

We have not space to-day to enter more fully into the causes which have brought about Brazil's present difficulties, and to those other causes which are making for Brazil's economic expansion in the future. Her area is so extensive that she occupies between one-third and one-half of the whole of the South American continent, and she is naturally one of the richest countries in the world. As a result of her trading during the recent War she built up what is called a balance of trade in her favour of over 52 millions sterling. She imported, however, in the second year after the Armistice, enormous quantities of manufactured goods. But, unfortunately, like almost all other countries which did a large trade in 1919, she imported them upon such a high basis of economic values that she can neither dispose of them in Brazil nor elsewhere. The result has been that, whereas she had a large trade balance in her favour, she has now a trade balance against her of some 17 millions sterling. These are, however, transitory factors. The great strength of Brazil's position rests in the fact that the whole world is in need of supplies of food and raw materials, and no country in the world is so favourably situated for supplying vast quantities of food and raw materials upon a reasonable basis of economic values.

THE PEAT COMMITTEE'S REPORT.

No startling discovery in regard to the treatment of peat finds a place in the Report of the Irish Peat Committee which has recently been issued. A proposal is, however, made, which, if adopted by the Government, may go an appreciable distance towards the solution of the problem of the better utilisation of Irish peat deposits. These bogs, it may be recalled, are estimated to cover in all 3,000,000 acres, or fifteen per cent. of the total area of the country, and it is considered that they contain between 3,000 and 3,500 million tons of anhydrous peat. At the present rate of Irish peat consumption, say 6 million tons per annum, and allowing that all the imported coal—4,650,000 tons—were replaced by peat fuel on the basis of two tons of air-dried peat to one ton of coal, that is, about 9 million tons of peat, the peat deposits would satisfy the fuel and power requirements of the country for more than 250 years.

The Committee have come to the conclusion that peat fuel may be won in Ireland on a scale which would warrant the establishment of electric power-stations at one or more of the most favourably situated bogs. But such a scheme should be associated with the reclamation of the bog for agricultural purposes. The economic winning of peat on the desired scale is, however, dependent on the use of machinery; this machinery should be electrically driven, and electricity should also be available for agricultural purposes. By the application of the best labour-aiding appliances the difficulty due to shortage of labour would be greatly reduced. And the necessity of employing casual labour, which, owing to the seasonal character of the peat-winning industry, is an expensive proceeding, would be obviated by the establishment of an agricultural colony.

Coming to details, the Committee were of opinion that sufficient peat to provide a steady output of 100,000 tons of air-dried peat fuel per annum could be won mechanically on a selected bog area, and could be air-dried to twenty-five per cent. or thirty per cent. moisture content in an ordinary season, taking into account the climatic conditions of Ireland and the length of the working season. They believed that air-dried peat (twenty-five per cent. moisture) could be delivered at a cost of between 5*s*. and 6*s*. per ton at a factory not more than three miles from the bog site. Nevertheless, the enterprise should be initiated by the State, as it alone is in a position to exercise the wide powers required. Moreover, private enterprise, as a result of past failures in the utilisation of the bogs, would be loth to take any part in any new scheme or to supply the necessary capital. The winning of the peat, the erection and working of the electric stations, the utilisation of the electric energy developed for peat winning, chemical industries, distribution for power and lighting purposes, and the experimental investigations should be in charge of a special committee, as this side of the undertaking would need vigilant attention in every detail.

With these original recommendations the Fuel Research Board disagreed on some important points. In particular they objected that the conclusions were such as to convey the idea that the Government was urged to finance an extensive electric-power scheme on untried lines. Falling in with the views of the Board, the Peat Committee submitted a supplemental report, whereby they jettisoned the larger scheme and put forward proposals for the establishment of a peat experimental station on a moderate but practical scale. In deciding on this change of front they were, they state, influenced by the fact that after all the principal aim was the investigation on a commercial scale of outstanding problems connected with the mechanical winning of peat; and that this investigation would naturally precede the inauguration of any large scheme of peat utilisation. The new scheme, which has the approval of the Fuel Research Board, involves the pur-

chase and preparation by drainage of a bog of at least 10,000 acres, and the erection of an electric power-station, peat fuel being used to supply the power required for operating the peat machines. The winning of the peat, it is suggested, should be carried out on commercial lines, and deliveries could be made to Dublin by canal in order to ascertain the costs of marketing and the demand for the commodity. An estimate puts the cost of the entire scheme at approximately £100,000. That part of the proposal which contemplates the drainage and preparation of 500 acres of bog for agricultural purposes does not, unfortunately, meet with the approval of the Department of Agriculture. Their conclusion is that an agricultural colony is not, and cannot be, complementary to a scheme for the mechanical winning of peat fuel. In spite of the most favourable local conditions, the reclamation of virgin bog would not be remunerative, but in the case of cutaway bog it might be so under certain circumstances.

We are inclined to think that the Peat Committee displayed wisdom in agreeing to put forward the amended proposal. Government sanction would be difficult to obtain for the more ambitious scheme, bearing in mind the heavy expenditure that would be incurred. Moreover, in the event of the breakdown of the larger scheme a serious check would be administered to peat exploitation generally, and private capital would be very shy of embarking on future enterprises connected therewith. It is to be hoped that the Government will now grant without demur the modest subsidy asked for. It is a matter of especial importance to a country like Ireland, but ill-provided with native coal and almost completely dependent on Great Britain for her fuel supplies, that the utmost use should be made of her vast peat deposits. Not only Ireland, but Great Britain, would be the gainer, as there is an interconnection between the prosperity of one unit and the other. There is certainly great room for encouragement in the considered opinion of the Committee, "that, with a suitably situated bog, well drained, and with the aid of modern excavating, macerating, sod forming, and spreading machinery, air-dried peat can be won and delivered in certain districts at a cost which will compare favourably with coal, due allowance being made for the difference in calorific value."

WOOL TRADE COSTS.

A FURTHER ANALYSIS.

In our last article on this subject, published on April 9, we stated that the reduction in the wholesale prices of wool goods has been due to the fall in raw materials and to the sacrifice of the big profits made in the industry in recent years, whilst only minor economies have yet been made in production costs. In regard to wool prices we showed that many types of material can actually be purchased to-day at less than their pre-War values, and no changes have taken place during the last month beyond a slight hardening of prices for fine wools and a further decline in British wools. The values of home-grown wools may now be said to be generally on a level with corresponding types of foreign and colonial material, and in a few cases British wools can even be bought at less than similar imported wools. Very strenuous efforts are being made by the Australian Government and the British-Australian Wool Realisation Association to raise the prices of Colonial wools, and several artificial expedients are under discussion with this end in view. The ever-growing stocks of wool are, however, so large and the present demand is so small that it is very doubtful whether anything will be achieved beyond, perhaps, arresting the continued fall until our trade revives and the Continental demand is once more active. There are now some slight signs of relief from the extreme trade depression in this country, though whether these are permanent or only temporary [illegible] European trade in full operation, we should not expect more than a slight advance on the present level of prices, having regard to the enormous quantities available.

The largest item in production costs is, of course, wages, and, although the economies made in this direction are yet only small, the West Riding trade is in a more fortunate position in this respect than many other industries, because it has been working for some three or four years on a system of wages based upon the cost of living. During the present calendar year four successive reductions of ten per cent. each in the "cost of living" portion of the operatives' wages have been made with no more trouble than is involved in holding formal meetings of the Industrial Council to sanction the details. These reductions were clearly due under the existing wages agreements, and they have been honourably accepted by the workpeople without the least disturbance. The current wages agreement expires at the end of this month, and the unions are now formulating their proposals for the coming year. It may here be mentioned that past agreements have provided that the automatic wages reductions shall cease at a point thirty per cent. above the pre-War wages in each section, and there is no reason to suppose that any alteration in this respect will be made in the new agreement. It is impossible in a small space to give any definite statements of the reductions made in the last four months because of the numerous scales and the complications existing in the form of percentage additions to basic wages. As some indication of the economies made, it may be stated that the wages of time workers in the wool sorting, combing, spinning, and manufacturing sections have declined by about 13*s*. 10*d*. per week since the beginning of the year.

The decline in wages has been reflected in small reductions in the charges for commission, combing, spinning, weaving, and dyeing. In a highly specialised industry, such as that of the West Riding, these market rates for commission work are very important, and there is a strong feeling that some of the charges have not yet been reduced to the full extent possible. When the new wages agreements have been made it will be possible for employers to review their positions much more accurately, and it is confidently expected that further reductions in commission rates will then be made.

In regard to employers' profits, it is not practicable to give conversion costs, which will apply generally in the wool trade in the same manner as in some other industries, because the processes are not so completely standardised, and because the ranges of materials and blends used and the types of finished products are so extensive. To give any definite figures on this matter might merely revive the controversy of last year, and we do not wish to provoke a discussion of this nature, if only for the reason that it would do nothing to assist the industry to resume active trading. During the War it was possible for the War Office to fix conversion costs, allowing on the whole very small profits, because the number of types of Government cloths was comparatively small, but even then the scales contained many anomalies. In the manufacturing section any comparison of present margins with those allowed by the Government would be futile because ordinary civilian trade hardly corresponds in any respect with the cloths made for the War Office. In qualities of material, weaves, weight of cloth, dyeing, and finishing there are such big alterations as to make any comparison useless. The same remarks apply, but to a much less extent, to the spinning section, and in this case it can be said without fear of contradiction that, generally speaking, the margins on yarns to-day—using the term "margin" as meaning the difference between the top and yarn prices—are no more, and often less than they were under rigid Government control during the War. In making this statement we are giving due

allowance for the lower prices of tops and the consequent reduction in the loss due to wastage in the various processes. The exceptions to this statement are, on the one hand, fancy yarns of various types, and, on the other hand, many yarns are being sold at less than the bare cost of production with a view to providing employment and keeping mill organisations in being. This latter phase cannot be maintained indefinitely, and it will probably disappear entirely when the E.P.D. periods have expired. Present-day costs are higher than during Government control and it follows that profits are smaller.

We might, therefore, sum up the position of wool trade costs in a general way by stating that raw material prices and makers' profits have been reduced to the lowest possible level; that there is a possibility of wool prices hardening somewhat in the near future; and that the only item in which further reductions can be made is that of labour costs, which can be reduced by a fall in wages or, in some cases, by an increase in efficiency. In writing on this subject we have not dealt with the numerous factors in costs which affect more or less all industries in common, but it must not be overlooked that the cost of coal, carriage, telephones, oil, paper, leather, machinery, &c., together with the automatic increase in overhead costs by the reduction of working hours, all enter into the working costs of a woollen mill in much the same way as they apply in other factories. We should also give a warning to readers not connected with the wool trade against assuming that our remarks mean that no substantial reductions are possible in many of the retail prices of woollen goods because, for the reasons explained in our last article, the majority of the current retail prices bear little relation to the present costs of replacement.

THE GOVERNMENT AND THE RAILWAYS.

The railway debate on Tuesday went far to dispel the cloud of misapprehension and anxiety created by the publication of the Colwyn report. That document, placing what general opinion considered to be an unfair interpretation on the attitude of the railway directorates towards the State during the War, and basing its findings on the assumption that the railway owners intended obtaining a further £156,000,000 from the taxpayer, put forward conclusions which seemed to point to lengthy and costly litigation between the interested parties. The community will greet with considerable relief the news that Sir Eric Geddes and the Railway Companies' Association have come to a definite agreement that a payment of £60,000,000 will meet the claims for deferred maintenance and stores. Payment will not be made till after August, when the period of Government control terminates, and will probably take the shape of two equal instalments—one at the end of the present year and the second twelve months later. There are reservations concerning income-tax which, for want of clear expression, have been misunderstood in many quarters. The tax will be recovered, of course, on that portion of the allowance which the companies may disburse in dividends. The State naturally has no power to dictate as to how the money shall be treated after it is handed over. If the whole £60,000,000 is distributed among shareholders and the tax remains at 6*s.* in the £, £18,000,000 will return to the Treasury. It is unlikely, however, that the railways will pay out even half of such receipts as dividends, and for this reason the Minister of Transport inserted the proviso that the minimum on which income tax will be payable is £30,000,000, the liability to be met within three years. Presuming the maintenance of the present rate of tax, repayments will amount to £9,000,000, making the net cost to the State £51,000,000. A conflict of opinion arose between Sir Eric Geddes and Sir Frederick Banbury as to the existence of any minimum line in the agreement, the latter asserting that Lord Churchill, the Chairman of the Railway Companies' Association, had assured him as to the non-existence of the clause. This divergence of views will no doubt be quickly and amicably settled.

The figure given does not, however, represent a final settlement. There are in the main three reservations. A sum of £20,000,000 has been challenged in the ordinary scrutiny and check of the accounts. Maintenance expenditure in excess of the 1913 quota, amounting to £8,000,000, forms the second item. The third reservation refers to the railway material sent overseas to the British Expeditionary Forces. The maintenance of the rolling stock, locomotives, and permanent way transferred to the fighting forces became a charge on the Government, though the plant was in actual fact maintained by the Army. The adjustment of that item involves upwards of £2,000,000. Though Sir Eric affirmed his determination to contest these claims in the law courts, if necessary, it is to be hoped that the spirit of intelligent compromise already shown will assist towards a speedy agreement between the parties concerned. It is a matter of prime national importance that railway finances should be stabilised without undue delay, and such is not possible while heavy sums are held up pending the results of lengthy litigious proceedings. The terms of the settlement will be embodied in a Bill to be introduced next week. Though the details have not yet secured the sanction of Parliament, their publication has had a very favourable effect on the Stock Exchange quotations for Home Railway securities. Ireland, which is not included in the arrangement, will be dealt with subsequently in a short Bill.

An important item of news conveyed by the Minister of Transport was that a very considerable measure of agreement had been reached between the railway companies and the leaders of the railwaymen regarding their future relations. If this means that wage readjustments will be peaceably made, both the railwaymen and their employers are to be congratulated on their statesmanlike attitude. The present coal crisis affords ample illustration of the disastrous results to the community accruing on determined irreconcilability between masters and men.

The present is not the time to indulge in provocative comment, but the statement by Sir Eric Geddes that "during the seven years about £2,400,000,000 of State money had gone into the coffers of their temporary agents, the railway companies," cannot be allowed to pass unchallenged. The innuendo that the railway proprietor has been a profiteer is ludicrous. The Treasury disbursements on railway account, however large, have not gone to the investor, nor have they gone to the companies' customers, who had to pay higher charges for services which became daily more unsatisfactory during the War. If these heavy payments were necessitated by inflated wage bills, that was a grievance for which the Government itself was directly responsible. The real truth of the matter is, however, that the State obtained in return the transport of enormous numbers of men and quantities of war material, and the splendid zeal and efficiency with which these services were rendered has never been questioned. The fact that the Government exceeded its powers under the Act of 1871 and interfered in every branch of railway administration, even to the fixing of rates and conditions of labour, invalidates the original compensation agreement. The present poverty of the railways is proof that they have not taken undue advantage of their position, and that they are entitled to generous treatment. Efforts to protect the taxpayer may easily be overdone. The restoration of the railways to their pre-War stability is itself in the direct interest of every citizen.

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Financial Notes.

Revenue Bill.

The lavish campaign of destructive criticism which has been conducted through the medium of the Press against the Revenue Bill has accomplished its end, though perhaps more thoroughly than was desired by the promoters. On Wednesday the Financial Secretary to the Treasury announced in the House that the Government did not intend to carry the Revenue Bill further this Session. The demise of the measure will doubtless be loudly acclaimed in those circles which had been loudest in their condemnation of its iniquities. Yet the disappearance of the administrative clauses apparently involves also the disappearance of the sections which would have afforded some much-needed relief to the heavily burdened taxpayer. For it is understood that whilst the Government will include some of the non-contentious sections in the Finance Bill, the valuable proposal to substitute as basis of assessment under Schedule D of the income profits gain of the preceding year for the former three years' average will also be dropped. We do not see how this clause can be regarded as contentious, and can only conclude that the Government have adopted the childish attitude of penalising the taxpayer in one direction for his refusal to allow himself to be penalised—as he thought—in another. We hope that on consideration the Government will display a more statesmanlike policy by including this clause in the Finance Bill. At the same time we would draw attention to the fact that the administrative clauses of the Revenue Bill did meet with support in some influential quarters. The taxation committee of the Federation of British Industries reported in favour of the measure, their resolution to that effect concluding as follows:—"They are of opinion that the criticism which has been publicly expressed against the administrative clauses may to some extent be attributed to a misunderstanding of the actual position."

Nigerian Tin Concessions.

In view of the heavy depression in the Tin market that has followed the severe slump in the price of the metal, the concessions which have recently been granted to producers of this metal by the Nigerian Government will be of material advantage. In the first instance, many of the burdensome conditions attached to mining leases are to be temporarily waived. Lessees are to be released from the labour obligations, which will not be enforced again until three months' notice has been given by the Government. Moreover, until further notice mining rentals on land not worked are to be reduced to two and a-half per cent. of the existing rentals; whilst such rents on the area actually worked are reduced by half. Finally, a new scale of royalties has been drawn up, under which a royalty of two per cent. only will be charged when the London price of tin is below £180, the rate rising by one per cent. for each additional £10 per ton up to £200. From £200 to £300 there is a further increase of one per cent. for each rise of £20 per ton in the price of tin, the maximum rate of ten per cent. ruling when the price of tin is £300 or over. This scale replaces one under which a royalty of two and a-half per cent. was levied when tin stood below £135, rising by a-half per cent. for each £5 extra up to £150, and thence by a-half per cent. for each £10 up to £170 per ton. Between £170 and £180 there was a rise of one per cent. to six and a-half per cent. At and above £180 per ton the maximum rate of seven and a-half per cent. was in force. What this concession is worth may be seen by assuming that tin has risen to £180 a ton. Under the old scale the royalty on the tin concentrate producing one ton of tin would have been £13½; under the new scale it is less than £5½. It is of interest to note that during the week standard tin reached the highest price quoted this year, at £176¼ per ton, but it has been quoted below £160. How severe the slump has been may be gauged from the fact that during 1920 tin was quoted as high as £420, and did not fall below £195. There is, therefore, much scope for improvement yet, as it is necessary to go back to 1916 to find a lower price than that constituting the high-water mark for the current year.

The Rubber Position.

Two important facts, both destined to influence adversely the present unsatisfactory position of rubber, came to light during the week. On Tuesday the commodity, which had been in a state of chronic weakness especially since the opening of the year, had a further relapse, and standard crêpe dropped to the new record low level of 9*d*. per lb. No report of any forced liquidation of stocks was at hand to account for this reaction, which was generally attributed to the decline in the rather small demand that had hitherto helped to sustain the market. The continuance of the coal strike, with its paralysing effect on manufacturing operations, was in the main responsible. Thus, whilst imports amounted to 2,099 tons, deliveries did not exceed 597 tons, with the result that the total stock was increased by 1,502 tons to 68,724 tons. Hitherto it had been hoped that this accumulation of stocks would cease as soon as a more drastic curtailment than the reduction of twenty-five per cent. monthly now in force would have been sanctioned by legislative enactment. For some time proposals in favour of as much as fifty per cent. restriction had been in the hands of the Secretary of State for the Colonies, having been formulated by the local planting interests On Wednesday it was announced in the House of Commons that the Government would not introduce any legislation for compulsory restriction of output, "as the policy would involve considerable financial liabilities which the Federated Malay States cannot afford, and would necessitate undue Government interference in economic conditions." It remains, therefore, for the rubber industry to work out its own economic salvation. Already more than one rubber company has reduced its production by more than the twenty-five per cent.; whilst in the case of Pegoh, as we mentioned elsewhere, tapping is reduced to the extent required to supply forward contracts only. Personally, we are glad that the Government has reached this decision. We feel confident that, thrown on their own resources, the producing companies can solve the problem by a more cordial co-operation, not only from the point of view of production, but, what is of more importance, from the point of view of distribution. We believe that an association such as exists in the nitrate industry to regulate selling prices will provide the best remedy, recognising that it involves, for successful operation, a limitation of production. With crêpe falling to 9*d*. per lb. and the Government refusing to introduce compulsory restriction of output, recalcitrant producers will soon find that their interests lie in joining an organisation which should be able to finance its weaker members during the period of stress on condition that they complied with its rules as regards output and sale price.

A circular just received from the Rubber Growers Association refutes clearly the suggestion put forward

in some quarters that raw plantation rubber deteriorates rapidly when stored. Obviously, were this true, the piling up of stocks would not be so serious, as much of them would have to be sold at a reduced rate to find any market after a time. The consulting chemist to the Rubber Growers' Association states, however, that "plantation rubber does not deteriorate rapidly; in fact, it is remarkably stable, and little altered after long storage, provided certain elementary precautions be taken." Of these, protection from direct sunlight is most important. The "freezing" of rubber at low temperatures, which may have given rise to these views, is only a temporary phenomenon, as on warming at temperatures under 100° C. the rubber becomes flexible, elastic, and translucent again. Vulcanised rubber, it is admitted, does, however, deteriorate. With grades of rubber other than crêpe and smoked sheet, whilst less data is available, it is believed that they will keep satisfactorily if properly cleaned and dried.

Chromium Ore.

Considering the importance of chromium in the steel, dye, tanning, pigment, and bleaching industries, the absence of statistics as to production and available supplies is remarkable. The metal occurs as a constituent of certain minerals, of which only chromite (or chrome iron ore) is of any importance for commercial purposes. Supplies of the latter are widely distributed, but exist in irregular, pockety masses, generally of low-grade character. Mining is, therefore, of an expensive and uncertain nature, and most attempts at recovering the mineral have shown disappointing results. The chromite deposits of Southern Rhodesia, New Caledonia, India, and Asia Minor yield comparatively rich ores, but those of the United States, Canada, and elsewhere require costly treatment before providing a satisfactory product. The following table, taken from the monograph on "Chromium Ore" by the Imperial Institute, shows the world production in long tons (2,240 lb.) for recent years:—

	1913 Tons	1917 Tons	1918 Tons	1919 Tons
United Kingdom	—	—	—	—
India	5,676	27,061	57,773	31,504
New Caledonia	62,351	41,218	26,000	—
Southern Rhodesia	56,593	65,146	27,936	31,501
Canada		32,790	19,637	7,443
Australia	677	1,343	718	—
Bosnia	300	—		—
Greece	6,240	6,642	10,715	—
Russia	—	—	—	—
Japan	1,289	8,800	7,128	—
United States	255	43,725	82,355	3,900
Total	133,381	226,725	232,262	

The figures are compiled from official sources, except those for New Caledonia, which are from the statistics of the Iron, Steel and Allied Trades Federation. The largest supplies come from Selukwe, in Southern Rhodesia, where the chromite occurs in the talc schist and serpentine formations, an association not found elsewhere. The high-grade nature of the deposits and the large dimensions of many of the orebodies allow the product to be shipped without previous concentration. New Caledonia contains deposits of almost equal importance. The ore occurs chiefly in serpentine belts or bands, but exists also in large quantities alluvially. The production of chromite in the island for the ten years up to 1916, according to the monograph of the Imperial Institute, averaged up to 50,000 tons per annum, and shows no sign of exhaustion. The ore freightage to England, prior to the War, was 30*s.* per ton. Previous to 1917 the United States did not figure as an important producer, but the breakdown of competition under the stress of war conditions caused a marked increase in supplies from that quarter. The largest quantity of American chrome ore came from California, but Oregon, Maryland, North Carolina, Washington, and Alaska were not unimportant sources of supply. Canadian production also increased in a marked fashion during the period of hostilities; though the province of Quebec was the only area containing commercial quantities of ore. India, Greece, Japan, and Australia are the only remaining producers of importance. Russian output (from the Ural Mountains) in pre-War years reached considerable dimensions, but political disorganisation in recent years killed the industry. Chromite has been located in Scotland, British North Borneo, Togoland, Newfoundland, New Zealand, Austria, Germany, Hungary, Norway, Portugal, Russia, Serbia, Japan, Central America, Brazil, and Colombia, but production has not been established on a paying basis. Up to 1903 Turkey supplied about half the world's consumption of the ore, but the development of the Rhodesian and New Caledonian deposits eventually ousted her almost completely from the market.

Prior to 1914 the market for chromite was confined to high-grade ores, with a chromic oxide content of upwards of fifty per cent. New York buyers paid about $15 per ton for fifty per cent. ore and 50 cents per unit for each unit over fifty per cent. War conditions, however, completely altered the market, and high-grade ores commanded a continually rising price, amounting to $45 per ton in 1916, while low-grade products attracted a ready demand. Post-Armistice days witnessed a reaction. Demand on military account was arrested, leaving heavy stocks in the hands of producers. **Prices have consequently been scaled down and mining restricted, and with the general depression in trade a return to normality cannot be readily predicted.**

Entre Rios Disappointment.

Though the unfavourable conditions under which the Argentine lines are working this year have been long since discounted in the Stock market, yet the announcement made on Wednesday by the Entre Rios Company was quite unexpected, and it produced a further unsettlement of sentiment with a detrimental effect on quotations. The announcement was to the effect that, owing to the abnormal increase in labour charges during the current financial year and the consequent diminution in net revenue, the directors are unable to make an interim payment of dividend on the Six per Cent. Cumulative First Preference stock of the Company. It is added that negotiations are proceeding with the Argentine Government with a view to establishing definitely increased rates, in order to compensate the Company for the heavy additional charges thrown upon it by labour regulations. This is all the more disappointing, as at the end of last financial year the interest on the stock was made cumulative, and £100,000 was set aside for its service. The position thus revealed reflects unfavourably on the prospects for other Argentine lines, all of which, with the exception of the Argentine North Eastern and the Central Argentine, show a decline in traffic earnings as compared with last year, as may be seen in the following table:—

	No. of Weeks	Gross Receipts this year £	Gross Receipts last year £	Per-centage Change
Argentine N. Eastern	44	514,000	513,400	+ 0·1
Argentine Trans-Andine	44	126,015	141,171	- 10·7
B. Ayres & Pacific	44	5,704,000	6,612,000	—13·0
B. Ayres Gt. Southern	44	7,315,000	7,954,000	— 8·0
Do. net receipts	44	1,287,000	2,754,000	—53·3
B. Ayres Western	44	3,469,000	4,383,000	—20·9
Do. net receipts	44	458,000	1,477,000	- 69·0
B. Ayres Central	10 mos.	418,405	418,711	— 0·1
Central Argentine	44	8,180,000	7,914,000	+ 3·4
Cordoba Central	44	2,274,200	2,585,000	—12·4
Entre Rios	44	1,005,000	1,038,000	— 3·2

The Entre Rios Railways compares favourably with many of the other lines, showing a decline of only 3.2 per cent., but it must be remarked that this undertaking has always had special difficulties to contend with. How the net earnings are likely to work out is indicated by the unfavourable results up to the present shown by the Buenos Ayres Great Southern and the Buenos Ayres Western. The former records a decline of 53.3 per cent. in net receipts, though there is a fall of only 8.0 per cent. in the aggregate earnings, while the net earnings of the latter are 69.0 per cent. lower, as compared with a decrease of 20.9 per cent. in the gross receipts.

Price Movements in Switzerland.

According to statistics compiled by Dr. J. Lorenz, and published in the *Neue Zurcher Zeitung*, the downward movement of wholesale prices of commodities between the beginning of January of last year and the beginning of March last has been more rapid in the case of Switzerland than of the United Kingdom, though less pronounced than the recession in the United States. The average decline in the prices of seventy-one selected commodities was 36.5 per cent. between the dates mentioned, as compared with 41.7 per cent. for the United States, according to *Bradstreet's* index-numbers, and 22.2 per cent. for the United Kingdom, according to THE STATIST's index-numbers. A comparison of the movements between June 1, 1914, and the beginning of last March in the three countries shows Switzerland to hold the same central position, with an increase of 117.5 per cent., as against 37.7 per cent. for the United States and 122.4 per cent. for the United Kingdom. The following are the details:—

Index-numbers for Wholesale Prices of Commodities in Switzerland.

Date	Foodstuffs 33 Commodities	Agricultural Products 12 Commodities	Industrial Materials 26 Commodities	Total 71 Commodities
June 1, '14 ...	100	100	100	100
Jan. 1, '20 ...	302·9	408·4	356·8	342·7
Jan. 1, '21 ...	371·5	172·3	222·0	234·3
Feb. 1, '21 ...	265·0	165·1	216·7	227·9
Mar. 1, '21 ...	259·0	154·8	179·1	217·5

Peruvian Exchange Control.

Despite the experience of other countries in which a policy of regulating exchange rates artificially was inaugurated, the Peruvian Government has, according to telegraphic advices, instituted steps to control the Lima rate of exchange. The main provision of the official decree is that all capital subscribed since the passing of the measure, as well as cash in the Savings Banks, must be kept in the country. Under the supervision of an inspector appointed for that purpose, all deposits are to be retained for utilisation in the country, and the banks, in conjunction with the inspector, are to fix the rate of exchange.

Banking Deposits in Czechoslovakia.

At the end of 1920 the deposits of the Czech banks reached a total of 1,518 million crowns, as compared with 1,179 millions on June 30, 1920, and 766 millions on December 31, 1919. The amounts deposited in banks which are under Czecho-German management (Czech Discount Bank, Czech Commercial Bank, and the Agrarian Credit Bank) totalled 356 millions towards the end of 1920, as compared with 252 millions on June 30 last. The total deposits in the banks throughout Czechoslovakia at the end of the year were 2,214 millions. At the same date the Czechoslovak branches of banks at Vienna contained 307 millions in deposits, as compared with 257 millions at the end of the first banking quarter of the year. The total deposits in the Czechoslovak banks and the Czechoslovak branches of banks at Vienna reached 2,521 millions at the close of 1920, as compared with 2,068 millions at the end of the first banking quarter of 1920 and 1,484 millions at the end of 1919.

Banque Francaise pour le Bresil.

A further echo of the business crisis in Brazil is provided by the announcement of the suspension of the Banque Française pour le Brésil. This Bank started auspiciously in 1913, but its progress received a severe setback on the outbreak of War, owing to the withdrawal of its staff for military service. In 1916 it came into its own again, and subsequently made such good progress that it was able to pay a dividend of six per cent. for 1919. In 1917 its profit was Frs.395,000; in 1918, Frs.725,000; and in 1919, Frs.1,920,000. The balance sheet as on December 31, 1919, shows deposit and current accounts at Frs.35,965,154.

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American Topics.

DULLNESS OF TRADE.

ACCORDING to a cable published this week by our daily contemporaries, American bankers declare that the complete recovery of business is proving slower than was expected. The situation is governed by the continuance of high prices. Wholesale prices, after a very sharp fall, remain fairly steady, but retail prices so far have failed to readjust themselves on the same basis. High transport and wages charges and relatively high prices of coal and steel are important factors in retarding the recovery.

United States banking interests are to be commended for having been the first to realise that on a peace basis consumption upon an appreciable scale is only possible if costs of production are kept within the purchasing power, that is to say within the earning capacity, of the community, and to take steps with a view to reducing costs of production. The attempt, so far, has met with only a partial measure of success. Retail dealers, not merely in the United States, but more or less all over the world, have shown the utmost reluctance to reduce their prices to the level which has already been attained in the wholesale market. Wages and high cost of transport are stated to be, as said above, dominant factors in the situation. There are two causes why this should be so. One is the natural one that the retail dealer is very reluctant to incur heavy losses. We are all very reluctant to incur heavy losses if we can avoid them. Retail dealers, for the most part, purchased their stocks of commodities upon a very much higher basis of values for raw materials than is the case at present, and they are unwilling to sell if they can help it without obtaining their usual trade profits. A still more important cause is the high cost of living which still prevails in the principal consuming countries of the world. We published last week an article on wholesale and retail prices, in which we showed that, while the fall in prices of wholesale commodities has been very great, the decline in the prices of retail commodities is relatively small. Even in wholesale prices the fall as yet has been comparatively small in food, with the exception of articles like coffee, sugar and tea. People cannot live on coffee, sugar and tea. Meat, as our table last week showed, is [illegible]

that attained at the extravagantly high level of last spring. Above all, bread is still very dear, as every reader can satisfy himself if he will inquire from his housekeeper the cost of bread in his own household. Cereals, speaking generally, have so far failed to respond to the very considerable fall in prices which has taken place in certain other directions. It is manifest that wages cannot be reduced to the level to which they require to be reduced if the present populations of the world are to be maintained while essential articles of food, and especially wheat, remain at their present extravagantly high level of prices.

It is most unfortunate that the efforts of the American bankers to reduce the cost of living have so far met with such a comparatively small measure of success. If the consuming power, or perhaps it would be more correct to say the purchasing power, of the world in general is to regain the force it attained before the War, one of the real essentials is to increase our production of food and raw materials. This can only be done by opening up new sources of supply. At present the taxation of the monied classes, and the cost of living for the wage-earner is checking the capacity of the saving classes for affording the means of opening up new sources of supply for both food and raw materials. The transportation industry in what are called the more advanced countries of the world has fallen into a deplorable condition at the very time when cheap transport would be particularly desirable. Unless some means can be devised whereby the cost of transport can be reduced and the saving classes relieved of some of their existing burdens which would enable them to open up new sources of supply of food, the world's recovery may be indefinitely retarded.

INTERNATIONAL HARVESTER COMPANY.

Year	Capital Expenditure for Year	Depreciation Provision*	Net Book Value of properties and Plant	Stock and Work in Progress	Amount of Surplus Liquid Assets†	Aggregate Reserve for Bad Debts & War Losses‡
	$	$	$	$	$	$
1913	2,799,265	—	65,381,015	85,712,943	37,311,572	6,002,664
1914	1,901,149	2,118,073	65,164,090	70,263,270	58,690,273	7,006,369
1915	770,966	2,602,891	63,332,165	50,215,580	88,535,480	7,306,223
1916	1,680,772	3,369,661	61,643,276	62,291,901	92,121,861	9,318,910
1917	4,513,190	3,646,062	62,510,404	78,682,825	83,236,110	16,860,737
1918	6,467,267	3,283,421	65,694,250	114,516,302	51,910,643	31,503,808
1919	14,072,450	5,866,820	74,193,990	99,565,232	56,664,318	3,249,928
1920	13,550,724	4,979,749	83,178,318	131,134,797	26,736,173	3,750,417

* Including sums realised for plant sales and amortisation written off.

† Excluding stock and work in progress, and after deducting short-term notes outstanding, and also the reserves for bad debts and war losses shown in last column.

‡ Deducted from bills receivable and funds in Europe (Russia) in arriving at surplus liquid assets.

The report of this Company for the twelve months to December 31, 1920, contains several features of general interest. In reviewing the year's operations the directors state that trade was exceedingly active during the first months, and although a sharp depression developed early in autumn, the total sales for the year amounted to $225,000,000, which constitutes a year in the Company's history and compares with $212,000,000 in 1919 and $204,000,000 in 1918. The net profit, however, amounted to $16,555,000, as compared with $20,011,000 in 1919 before deducting the balance of War losses ($7,403,034) written off in that year. It is pointed out that before arriving at the trading profit in 1920 it has been necessary to provide $7,500,000 for the fall in value of stocks, whereas in 1919 the adjustment did not exceed $5,400,000. Besides, provision has also been made for the bonus distribution of $2,760,264 among the employees under the scheme drawn up in 1920. The sums appropriated to provide for interest, depreciation, pensions, and losses on bills before arriving at the net profit amounted to $6,504,721, as compared with $5,774,438 in 1919. The Seven per Cent. Preferred dividend absorbs $4,200,000, while the dividend on the Common Stock is raised from 6 per cent. to 6.4 per cent., absorbing $5,750,000, as compared with $4,800,000. As the capital was increased during the year to $90,000,000 by the issue of $10,000,000 as a stock dividend of 12½ per cent., the dividend now paid is actually equivalent to 7.2 per cent. on the previous capital basis. The balance carried forward amounts to $68,350,742, which compares with $61,645,389 brought in after deducting $10,000,000 under the capitalisation scheme. The capital expenditure for the year amounted to $13,550,724, from which have to be deducted properties sold and charged off, amounting to $1,076,625, amortisation of mineral resources $428,380, and plant depreciation $3,474,744, leaving net additions for the year of $8,984,328.

The reduction shown under the heading of provision for depreciation is chiefly due to the absence of any allowance in 1920 for the amortisation of War facilities. The total provision for plant depreciation now amounts to $26,117,155, which, deducted from the fixed assets, leaves a net book value of $83,178,318, as compared with $74,193,990 at the date of the previous balance sheet. It will be seen that the heavy accumulation of stocks has resulted in a corresponding reduction in the surplus of liquid assets over current liabilities. The ordinary reserves amount to $23,613,941, in addition to which a reserve of $3,750,417 has been created against bad debts. The Company is accordingly well situated to meet the various difficulties arising from the present trade depression. In the European markets unsettled political and economic conditions, the absence of definite schemes for the supply of necessary credits and high rates of exchange have presented serious obstacles to the extension of American trade. Notwithstanding these difficulties the volume of the Company's foreign sales in 1920, amounting to $60,000,000, was the largest on record. Full particulars of the past year's operations will be found elsewhere in this issue.

UNITED STATES STEEL CORPORATION.

In the first eight or nine months of 1920 exceedingly high prices ruled in the United States for all the different iron and steel products. In the final quarter, however, values slumped badly, the year-end figures being in most cases the lowest for the twelve months. Foundry pig iron (No. 2 Philadelphia), which opened in January at $44.35 per gross ton had risen to $53.51 by September, but receded to $34.79 before Christmas. Steel bars, commencing at 2.75 cents per lb. (Pittsburgh), stood at 3.75 cents from March to May, after which quotations gradually eased away till 2.35 cents was reached in December. These prices refer, of course, to producers operating independently of the United States Steel Corporation. The latter made no change during the year in domestic prices for the principal steel products. Adherence to a fixed price schedule entailed the sacrifice by the Corporation of a substantial margin of profit during the initial six months of ascending values, but its justification came in the slump period with the possession of heavy forward contracts which might otherwise have been lost. The new business accepted during the year, with the considerable tonnage of unfilled orders carried over from 1919, enabled the properties of the subsidiary companies to operate at very nearly full capacity except for the curtailment from April to July consequent on inadequate railway service, arising principally from strikes and shortage in fuel supplies. For the entire year the output of the steel plants, measured by the tonnage of finished products for sale, averaged 88.3 per cent. of total rated capacity. The price policy of the Corporation enabled it, despite heavy advances in freight and labour rates and the enhanced cost of raw materials, especially fuel, to obtain considerable profits, detailed in the appended table, and to carry forward to 1921 a large tonnage of unfilled orders. The latter at December 31, 1920, totalled 8,148,122 tons, compared with 8,265,366 at the close of 1919. The unfilled tonnage at December 31, 1920, has, however, been since reduced to 6,284,765 tons at March 31,

1921. The receipts and expenditure for 1920, 1917 and 1915 are shown in the following table:—

(000's omitted.)

	1920	1917	1915
	£	£	£
Gross Receipts...	1,755,477	1,683,963	726,684
Operating Charges	1,525,509	1,344,312	581,147
Net Misc. Charges	120,274	115,431	69,703
Net Income	109,694	224,220	75,834
Dividends—Preferred...	25,220 (7%)	25,220 (7%)	25,220 (7%)
„ Common ...	25,415 (5%)	91,494 (18%)	6,354 (1¼%)
Surplus Appropriated	30,000	55,000	
„ Undivided ...	29,059	52,505	44,260

The volume of business done by the combine during 1920 equalled $1,755,477,025, against a total of $1,448,557,835 in the preceding year, and $1,683,963,000 in 1917. This amount represents the aggregate gross value of the commercial transactions conducted by all the companies, including sales between members and the gross receipts of the transport undertakings (excluding those of railroads under Federal control) for services rendered both to subsidiary companies and to the public. To customers outside of the United States Steel organisation, gross sales, on the basis of f.o.b. mill values, came to $1,219,644,904, against $1,074,249,645 in 1919. Expansion in operating and other charges absorbed the bulk of the income increase, and profits available for distribution, at $109,694,000, though substantially above the 1915 level, exhibit a decline of fifty per cent., as compared with the results of 1917. The Common dividend at five per cent. compares with a total of eighteen per cent. in 1917, and one and a-quarter in 1915.

The net sum of $102,956,133 was expended during the year for the acquisition of additional properties, extensions and construction, and net stripping and development expense at mines. In continuance of the practice observed in the preceding three years, $27,000,000 of the expenditure was charged to income, as part amortisation of the extraordinary construction costs resulting from War conditions. An additional sum of $5,500,000 was expended for employees' housing facilities, besides large sums loaned to them on five per cent. mortgages to assist them in the construction or purchase of homes. The average number of employees was 267,345, or six per cent. more than in the previous year, and the average daily wage, $7, against $6.17 in 1919. The financial position of the Corporation is visualised in the appended table:—

BALANCE SHEET:—

(000's omitted.)

	1920	1917	1915
	£	£	£
Capital Stock	869,005	869,064	869,171
Debentures, &c.	586,391	622,557	643,465
Creditors	156,745	340,352	64,834
Reserve Funds	154,052	75,916	36,046
Surplus—Appropriated	140,899	110,000	55,000
„ Undivided ...	523,455	431,661	180,025
Total ...	2,430,547	2,449,550	1,848,541
Cash	124,531	233,322	94,084
Investments	150,351	233,047	7,748
Stocks	258,363	223,668	161,114
Debtors	169,126	109,960	74,009
Sinking & Reserve Fund Assets	50,332	65,738	19,555
Properties, &c.	1,677,844	1,583,815	1,492,031

Capital stock, at $869,005,000 remained practically unaltered. No bond issues were made, and $13,868,469 of bonds and purchase money obligations were redeemed. Holdings of cash and marketable investments amounted to $274,882,000, or nearly half those of 1917. Liquidity was not seriously weakened, however, for creditors, at $156,745,000 show a proportionate reduction. The undivided surplus, plus that portion appropriated to cover capital expenditure, at $664,354,000, has been almost trebled since 1915.

The following tabled return shows the results for the first quarter of 1921:—

	Quarter ended		
	Mar. 31, '21	Dec. 31, '20	Mar. 31, '20
	£	£	£
Earnings	32,287,000	43,878,000	42,089,000
Net Income	20,650,000	31,703,000	31,324,000
Balance for Dividends.	15,476,000	26,516,000	26,032,000
Divs.—Prefrd. %	1¾	1¾	1¾
Divs.—Comm. %	1¼	1¼	1¼

Both earnings and net income are only fractionally lower than in the last quarter of 1920 and considerably in excess of those for the first three months of last year. The usual 1¼ per cent. dividend on the Common stock has, therefore, been maintained. Price cuts ranging from 3 to 43 per cent. have been recently announced by the Corporation, and are generally considered to be the forerunner of lower wages and possible further price reductions. The steel industries are still working at decreased capacity, the Steel Corporation about forty-five per cent. below normal. The unfilled orders of the Corporation on March 31 showed a reduction for the month of 649,102 tons. Total orders on hand amounted to 6,284,765 tons, as compared with 6,933,867 tons at the end of February, and 9,982,075 tons at the end of March 1920. The March total is the smallest since September 1919, and is seventeen per cent. below the peak reached in July 1920. Since the date to which the published figures refer, a wage cut of twenty per cent. has been announced by the Corporation. This does not, however, cover the previous price reduction, and a further shrinkage in the wages bill may be anticipated. Pig-iron production in the United States in April constituted a new low "record," amounting to 1,183,000 tons, against 1,596,000 tons in the previous month, and 2,700,000 tons in April last year. The weekly average output at the beginning of the present month was 270,000 tons, against 305,000 tons last month, and 624,000 tons last year.

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SOUTH AND CENTRAL AMERICA.

TRADE OF SOUTHERN CHILI.

THERE can be no reasonable doubt that the long agitation against the delay which formerly existed in the issue of their reports by our Consuls in various parts of the world has produced highly satisfactory results. The Department of Overseas Trade has recently adopted the very commendable practice of issuing to the Press, and to others whom it may concern, brief statements from time to time regarding openings for trade in various foreign countries.

We have before us a very interesting statement issued by the Department on the openings which exist for British trade in Southern Chili. Chili, as, no doubt, the reader is aware, is divided into three zones: the Northern, or nitrate, area; the Central, or agricultural, area; and the Southern district with which we now propose to deal. Roughly, the latter area extends from about the 35th to the 42nd parellel South of the line. This is a very varied area in the sense that it includes a large number of Chilian industries. Roughly, we should say that Southern Chili, if we were dealing in very general terms, was pastoral in its lower part and afforested in its upper area. This description, however, would give a totally wrong impression of the particular district with which the report just issued by the Department of Overseas Trade deals.

The area dealt with extends from Talca as far south as Puerto Montt and includes, moreover, the islands of the Chiloc Archipelago. This particular region is some 400 miles in length, with an average width of 120 miles. It includes among its principal towns Talca, Constitucion, Chillan, Tome, Talcahuano, Concepcion, Coronel, Lota, Lebu, Temuco, Valdivia, Borno, and Puerto Montt. This area, it will be seen, is pastoral, agricultural, and mining. It includes a great copper region, and at Coronel and Lota the greatest collieries so far found, and actually developed, upon the continent of South America. The report issued by the Department of Overseas Trade is mainly drawn up from a longer document which has been communicated to the Department by the Commercial Attaché to the British Legation at Santiago. It is a remarkable fact that many of the statements, and nearly all the recommendations, might as easily have been made a generation ago as to-day, so slow are our trading and commercial classes in adopting new methods. A generation ago our traders were warned in nearly every Consular report issued that German competition, which was then the most keen in the international market, was undermining large branches of our trade. It was not even alleged that German goods were in any sense better than British. On the contrary, it was contended it was rather the other way. The reason why Germans were making serious inroads into different branches of trade which up to that time had been wholly in the hands of British merchants and manufacturers was that the Germans studied the requirements of their customers. The British merchant too often offers, and the British manufacturer too often makes, a stereotyped article, whether it is intended to be used in the tropics or in the Arctic regions. He often fails to consider what are the requirements of the various customers for whom he undertakes to cater.

It seems now more than a quarter of a century since we read the series of complaints to which we are about now to refer. It reminds us of our youth to read of the difficulty of obtaining reliable information concerning British manufactures generally. The trader is informed that the language of Chili is Spanish. Nevertheless, says the report before us, British catalogues are more often than not printed in English, which is naturally not understood by the untravelled Chilian. Even when an effort is made to translate these catalogues into Spanish they are generally full of mistakes. The Chilians, like the people of the European Continent, are used to the decimal system of weights and measures; but in these catalogues, whether an attempt has been made to render them into Spanish or not, the English weights and measures so familiar at home, but so difficult for the foreigner to understand, are supplied to the prospective customer. Unfortunately, even when a firm sufficiently enterprising to endeavour to have the English weights and measures rendered into the equivalent decimals, the pamphlet complains that in a vast number of cases this is done so unsatisfactorily that for practical purposes it is quite unintelligible. The pamphlet complains, moreover, that representatives of various firms are sent over in the hope of obtaining business orders; but they are unable to speak Spanish, which, as said above, is the language of the country. Moreover, the pamphlet goes on to complain that only half-educated men with very indifferent manners are sent over. Now it is notorious that the Spaniard, even of the trading classes, is a bit of a courtier. He likes a certain amount of ceremony, and will never do business if he can help it with the rough-and-ready type of representatives described in the pages before us.

Virtually the information furnished by the British Embassy at Santiago and supplied to us through the Department of Overseas Trade comes to this: that if British goods cannot sell themselves on their own merits, human agency does hardly anything to push their sale. It appears that traders of the United States are quite willing to send representatives who have been specially trained for the business, and who are thoroughly conversant with the language, customs, and modes of business of Spanish people, to visit Chili. They visit all the principal towns in the region they are instructed to canvass and many of the small villages. It is complained of our people that they remain either at Valparaiso, which is the port of the country, or at the utmost content themselves with going up to Santiago, the capital. This is not the way to get orders in the mining district of Coronel. It would be as reasonable for a foreign traveller to come here and insist on remaining in London, although he was desirous of selling various kinds of equipment suitable for the colliery regions of Cardiff.

LONDON COUNTY WESTMINSTER AND PARR'S BANK, LIMITED.—As was to be expected in view of the gloomy trade conditions, comparison of the weekly average liabilities and assets of this Bank for April with those of March shows a continuance of the shrinkage chronicled for the earlier months of the year, the successive balance-sheet totals being approximately 357, 344, 337, and 327 millions sterling. Current, deposit, and other accounts for last month averaged £296,555,000, as against £304,172,000 for March, but, in relation to these liabilities to the public, coin, notes, and Bank of England balances were higher in proportion—at 10.2, following 10 per cent.—while by the inclusion of other bank balances and cheques in course of collection, with money at call and short notice, the strength of the cash position is seen to have been more than maintained, the ratio exceeding nineteen per cent. Investments, at 18.2 per cent. following 17.8, bills discounted, at 20.8 following 20.9, and advances, at 45.8 following 46, together with a decline from £15,150,000 to £12,770,000 in acceptances and endorsements, are all suggestive of reduced demands for accommodation—an experience no doubt typical and one the reversal of which can only come with a revival of trade activity.

THE BUKIT SELANGOR RUBBER ESTATES.—It will be recollected that some time ago this well-known rubber Company went into voluntary liquidation with a view to reconstruction on a larger capital basis. As far back as November the liquidator made a first distribution of twelve and a-half per cent. to shareholders. It is now announced that the final realisation of the assets has been accomplished, and that shareholders will receive a second and final distribution of approximately thirteen and a-half per cent. on the capital.

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Rubber Topics.

THE outstanding feature of the week in the Rubber market has been the further relapse in the price of the commodity, a new low record price of 9*d.* per lb. for plantation crêpe being reached on Tuesday; whilst smoked sheet responded with a drop to 8*d.* There was a slight recovery towards the close, when crêpe improved to 9¾*d.* and smoked sheet to 8¾*d.* The Share market was comparatively idle, but price movements generally were adverse to holders. We deal elsewhere with the question of restriction and the deterioration of stocks.

PEGOH (MALACCA).

Issued Capital: £130,000 in £1 Shares.

	Results for Years to September 30								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All in" Cost per lb.	Net Profit £	Dividend Amount £	Dividend %
1916-17	3,717	2,653	706,765	266	2/6¾	1/3¼	14,003	26,000	20
1917-18	3,707	—	600,256	—	1/11½	1/9	9,808	—	—
1918-19	3,597	—	789,308	—	2/1	1/4¼	28,619	45,500	35
1919-20	4,010	—	1,067,238	—	1/10·5	1/2·54	38,041	13,000	10

Price of Shares, 28/3. Market Capitalisation per planted acre, £46.

FOR Pegoh (Malacca) the year ended September 30, 1920, has been a period of genuine progress. As compared with 789,308 lb. for 1918-19, the crop harvested constituted a marked advance, the total of 1,067,238 lb. being even in excess of the original estimate of 1,025,000 lb. With this increase of over thirty-five per cent. in the quantity of rubber handled came a satisfactory reduction in the working costs, despite the continuance of adverse factors and the advent of a new one. The "all-in" cost per lb. has dropped from 1*s.* 4¾*d.* to 1*s.* 2.54*d.* This creditable achievement has been attained in face of an extra charge of £1,244 in respect of the Government duty on rubber and a loss on rice of £1,712, which is, nevertheless, £459 below the corresponding loss of the previous year. A new charge, which it is believed will be of short duration, is the loss of £169 in exchange on coolie remittances. However, as a result of the fall in the price of rubber during the latter half of the year under review, the average gross price secured by the sale of the crop fell from 2*s.* 1*d.* to 1*s.* 10.85*d.* per lb. Thus it happened that the profit per lb. remained practically unchanged at 7¼*d.*; but earned on a substantially larger crop it brought in a total net profit of £38,041, as compared with £28,619 in the previous year. The amount available for distribution was raised to £53,487 by the inclusion of £14,173 brought forward from the last accounts, and of £1,273, representing a refund of excess profits duty in respect of the previous year. From this total a sum of £10,000 was transferred to the reserve account, which in consequence amounts to £20,000. Shareholders, however, have to content themselves with a dividend of ten per cent., as against thirty-five per cent. in 1918-19; but in view of the depression which has existed in the Rubber market since last autumn, even this dividend will be welcomed. There is carried forward to the next accounts the substantial balance of £30,487, which is subject to deduction in respect of the bonus to staff, the corporation tax, and excess profits duty.

For the current year the dividend outlook may be described as uncertain; but, at the same time, it is clear that Pegoh (Malacca) is one of not many rubber companies that can look forward to the future with equanimity. The cause of its confidence was explained by the Chairman at the general meeting: "We have sold forward," he declared, "ten tons a month for the whole of 1921 at 2*s.* 4¾*d.*, which will give the estate $23,000 monthly in Singapore, and nine tons from April to June which will yield £1,176 in London. This means that our estates can be carried on without further payments from London, and that we can play a waiting game, being ready to take advantage of any rise in the market price of rubber." The policy of the Company at present is to tap only as many trees as will provide the requisite supply of rubber to meet these forward contracts. With a view to reduce the tapping costs, which were rather high, skilled Tamils have replaced the Chinese formerly used. As the Company is participating in the restrictions now in force, no estimate of the current crop is supplied; but that a very drastic curtailment is taking place may be seen from the return of 288,570 lb. only for the six months ended March 31, 1921. Certain areas, including the whole of the Rumbia division of 1,411 planted acres, are being rested entirely, and alternate daily tapping is in force on the rest of the estate. Meanwhile the labour thus released is being used in the no less necessary work of silt pitting, clean weeding, and thinning out the rubber by selection. The chairman, who had recently visited the property, was favourably influenced by its excellent condition. Moreover, he drew attention at the meeting to the economies in the cost of production which the present slump in the price of rubber rendered possible, expressing the opinion that ultimately as much as 3*d.* per lb. might be knocked off the "all-in" cost. The financial position of the Company, as disclosed in the balance sheet dated September 30, 1920, is very satisfactory. Including the dividend of ten per cent., current liabilities amounted to £29,033, against which were available liquid assets in the form of cash, investments, and sundry debtors to a total of £31,869. The stock of rubber in hand is returned net at £31,858. In the market the £1 shares are quoted at 28*s.* 3*d.*, which corresponds to the low market capitalisation per acre of £46.

TANGOEL RUBBER.

Issued Capital: £76,600, in Shares of £1 each.

	Results for Years to June 30								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.*	"All in" Cost per lb.	Net Profit £	Dividends Amt. £	Dividends %
1917 ...	913	910	284,674	312	2 2·19	1 1¼	16,181	11,383	15
1918 ...	913	913	303,154	332	1 3·68	1 0·98	8,305	3,830	5
1919 ...	913	913	324,044	355	1 4·21	1 0·38	5,165	6,128	8
1920 ...	913	913	338,633	371	2 0·86	1 0·78	14,094	11,490	15

* F.o.b. price

Price of Shares, 7/6. Market Capitalisation per planted acre, £32.

A GENUINE improvement is perceptible in the report issued by Tangoel Rubber Estates for the year ended June 30, 1920. Whilst the crop did not come up to the original estimate of 352,000 lb., it exceeded that of the previous year by over 14,500 lb. With the whole planted area of 913 acres mature the crop of 338,633 lb. was equivalent to the satisfactory yield of 371 lb. per bearing acre, as compared with 355 lb. for 1918-19. That this larger crop should coincide, not with a reduction in the "all-in" cost, but, on the contrary, with a small increase from 1*s.* 0.38*d.* to 1*s.* 0.78*d.* per lb., does not reflect on the administration of the estate. When allowance is made for the increased prices of stores and materials and the higher wages that had to be paid to native labour, the restriction of the advance to 0.40*d.* per lb. may well be viewed as a tribute to the efficiency of the administration. However, the more important point remains that the average f.o.b. price obtained for the crop increased at a much greater rate, the average of 2*s.* 0.86*d.* per lb.

representing an increase of over 8½*d.* as compared with the previous year. Accordingly, the net profit expanded from £5,465 to £14,094, the most satisfactory total returned since 1916-17. Moreover, this amount was further increased by the refund of £1,508 in respect of excess profits duty owing to the mediocre results of the previous year, and by £2,188 in the form of income tax recovered. Thus with the balance of £1,314 brought forward from 1918-19 there was available for distribution a total of £19,104. Availing themselves of this large sum, the directors transferred £1,500 to the reserve, thereby raising it to £2,500; and, in view of the good results of the year, paid to shareholders the generous dividend of fifteen per cent., as against eight per cent. in 1918-19 and five per cent. in 1917-18. The balance of £6,114 carried forward to the next accounts is subject to deduction in respect of excess profits duty, the corporation tax, and the directors' percentage of profits.

The almost stagnant condition of the Rubber market since the beginning of 1921 especially cannot be regarded as a favourable augury for the current year. Originally the estimate anticipated a crop of 390,000 lb.; but as the Company are taking part in the twenty-five per cent. restriction now in force, it is obvious that the total crop will fall much below this quantity. Returns for the first seven months, during the first four of which tapping was unrestricted, show that a total of 190,089 lb. has been harvested. On this basis the total crop is not likely to exceed that of 1918-19. It will be of interest to discover to what extent the fall in the prices of stores and materials and the economies resulting from the restriction of operations will offset the tendency of the "all-in" cost to rise with the decline in the crop. In so far as the whole estate is reported to be in good condition, free of weeds, and fully equipped with factory accommodation, the outlay in this direction can be reduced to a minimum. A more material and gratifying fact is that the Company has good forward contracts. These include the sale of sixty tons of all grades, January to December 1921 at 1*s.* 10½*d.* per lb. ex-warehouse Java. Assuming that this contract is equally distributed throughout the year, the Company can count, including other sales specifically within the current year, on an average of 1*s.* 10½*d.* per lb. for 176,960 lb., or more than half its anticipated crop. The profit on these sales should neutralise largely, if not entirely, any loss incurred on the remainder of the crop. Moreover, the Company can claim a refund of excess profits duty. Thus, whilst the dividend outlook is decidedly discouraging, the Company should come fairly well out of the crisis. Its financial position as disclosed in the balance sheet dated June 30, 1920, is sound. Current liabilities, including the final dividend of £5,745, did not exceed £9,176, whereas liquid assets were available to a total of £14,234. The market has already fully discounted the dividend uncertainty for the current year with a quotation of 7*s.* 6*d.* for the £1 shares, which is equivalent to the low market capitalisation of £32 per acre.

SUNGEI BAHRU.

Issued Capital: £107,565 in 101,000 Ordinary Shares of £1 each, and 6,565 7% Cumulative Preference Shares of £1 each.

	Results for Years to June 30—								
	Total Planted	Area in Bearing	Rubber Output	Yield per Av. Bearing Acre	Price "All-in" Realised	Cost	Net Profit	Ordinary Dividend— Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1918	2,201	—	320,160	—	1/10·52	1/5·82	6,242	5,750	7
1919	2,204	—	260,897	—	1/5·66	1/5·15	1,438	—	—
1920	2,234	—	504,160	—	1/10·33	1/4·81	12,001	5,012	5

Price of Shares, 16/4½. Market Capitalisation per planted acre, £40.

The report of the Sungei Bahru Rubber Estates for the year ended June 30, 1920, records a genuine improvement as compared with the previous year. The estimate anticipated a crop of 495,000 lb., whereas the crop actually harvested reached 504,160 lb., an increase of nearly forty per cent. over the crop of 1918-19. Allowing for the increase in the number of trees in bearing from 184,437 to 204,362, the yield per tree worked out at 2.47 lb., as against 1.96 lb. in the previous year. Prices of stores and materials proved, if anything, a heavier burden, whilst the unfavourable exchange resulted in a loss of £500. The great increase in the quantity of rubber harvested more than offset both these factors, and produced a decline in the "all-in" cost from 1*s.* 5.15*d.* to 1*s.* 4.86*d.* per lb. At the same time, the average net price realised by the sale of the crop improved from 1*s.* 5.66*d.* to 1*s.* 10.33*d.* per lb., although the crop on hand at the end of the period was valued at as low as 1*s.* 1½*d.* per lb., as compared with 1*s.* 10*d.* per lb. in 1918-19. A considerable improvement thus in the sale price, in conjunction with a decline in the "all-in" cost, resulted in a profit of nearly 5½*d.* per lb., as against the nominal profit of a little over ½*d.* per lb. in the previous year. Earned on a much larger crop, this better profit per lb. was reflected in a total net profit of £12,001, which not only dwarfs the figure of £1,438 for 1918-19, but exceeds the previous record of £9,524 in 1915-16. The amount in question is increased to £13,824 by the addition of £1,823 brought forward from the previous accounts. From this total the following sums were deducted:—Income tax, £109; loss on sale of National War Bonds, £147; share deposit interest, £8; and Preference share dividend for the year, £460. Ordinary shareholders, for whom 1918-19 had been a year barren of dividends, received an interim dividend of five per cent., absorbing £5,042. In view of the grave depression in the Rubber market at the date of presentation of the accounts, the directors came to the wise decision to refrain from declaring any final dividend. A sum of £1,000 was, however, transferred to the general reserve fund, thereby raising it to a total of £7,000, and the balance of £7,059 was carried forward to the next accounts.

The factor that caused the absence of the final dividend on the Ordinary shares is also responsible for rendering the outlook for the current year rather gloomy. With rubber falling as low as 9*d.* per lb., a company with an "all-in" cost of over 1*s.* 4*d.* per lb. cannot expect to produce at a profit. Fortunately, the administration has secured contracts for the delivery of 120 tons (268,800 lb.) of rubber at the satisfactory average price of 2*s.* 4.15*d.* per lb., London equivalent, over the period July 1, 1920, to December 31, 1921. Assuming that two-thirds of this contract falls within the current year, the Company will have found a very profitable market for 179,200 lb. of the crop, thus providing a large proportion of the necessary expenditure on the estate. Originally the crop estimated amounted to 623,000 lb., but since the Company has fallen in with the twenty-five per cent. restriction in force since last November a revision of this figure is necessary. Judging by the actual return of 311,000 lb. for the first eight months, it does not look as if the final crop will exceed 450,000 lb. To what extent the fall in the prices of stores and materials and the economies which the administration can be counted upon to introduce will offset the rise in the "all-in" cost as a result of the reduced crop remains to be seen. Financially the Company is in a strong position. According to the balance sheet dated June 30, 1920, current liabilities, including the taxation reserve of £705, did not exceed £7,286, and were more than amply covered by liquid assets in the form of cash, investments, and sundry debtors, which were available to a total of £17,622, in addition to which the stock of rubber is valued at £9,278. During the year under review the Ordinary share capital was increased from £85,000 to £101,000 by the issue of 16,000 Ordinary shares of £1 each in satisfaction of the share-deposit account of £20,000. The uncertainty of the dividend outlook for the current year is reflected in the market quotation of 16*s.* 4½*d.* for the Ordinary shares, which works out at the low capitalisation per acre of £40.

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Insurance Notes.

EAGLE, STAR AND BRITISH DOMINIONS INSURANCE COMPANY, LIMITED.

A VERY satisfactory report is presented by this important and progressive Company in respect of its operations in 1920. The premium income as a whole shows a substantial increase, a decrease in the marine and annuity premiums being much more than compensated by a remarkable growth in the premium receipts in the fire and general department. The shrinkage in the marine premium income is evidence of careful management under post-War conditions, and the annuity statistics are of minor moment. It is evident that for profit-producing purposes, apart from interest earnings, the Company is inclined to place its main reliance upon its non-marine departments, and these have assumed during the past year much greater relative importance.

The premium income in all departments in 1919 and 1920 was as follows:—

Premiums	1919	1920
	£	£
Life assurance	1,228,335	1,257,774
Annuity	98,514	59,987
Sinking fund	22,210	23,028
Fire and general	1,214,688	2,254,678
Marine	1,503,829	1,175,112
	4,067,606	4,770,549

The increase of premiums in the life section is the more noteworthy, because a great deal of the operations in this department relates to the closed funds of life offices taken over by this institution, including those of the Eagle, the Star, the English and Scottish Law, and the Sceptre Companies, in each of which no new business is transacted, and in which there must therefore be a considerable shrinkage of premium income from year to year. That the Company has been able to transact a sufficient volume of new transactions to more than make good the loss by wastage from the source referred to bears eloquent testimony to the skill and energy of its agency department. The new policies issued in 1920 covered sums assured amounting to £3,350,734 of which £180,500 was reassured, leaving a net retention at the Company's sole risk of £3,170,234, as compared with £2,793,117 in 1919 and £1,600,452 in 1918. It is clear, therefore, that the Company has participated to a large extent in the revival of the demand for life assurance since the close of the Great War. The amount of the expenses and commission in this section in 1920 represented only about 10.9 per cent. of the life premium income, which varies but little from the corresponding expense ratio in 1919. The ratio is one of the lowest recorded in commission-paying offices. The closed funds are being run off at an agreed expense of about ten per cent. of the premiums, while the expenses of the direct business are limited to twelve and a-half per cent. It is clear that the working of the life funds under such an arrangement could only be practicable in the case of a composite office, which is prepared to defray out of profits in other departments a considerable proportion of the annual expense invested in the acquisition of new business; and, looking to the increased cost of salaries and working costs under post-War conditions, it would not be surprising if the expenses in the direct life section showed a slightly upward tendency in future. But even in that case the comparative economy in management should be extremely productive from a profit-earning point of view. Another favourable feature is the satisfactory interest yield on the life and annuity funds, which, after deduction of income tax, amounted in the course of last year to about £4 7*s.* per cent. At the close of 1920 these funds (increased during the year by £220,480) amounted to £13,225,606. The sinking fund and capital redemption fund was increased by £3,735 to £221,094.

At the close of 1920 a quinquennial valuation fell due in the English and Scottish Law Life assurance fund. It was made on a net premium basis by the O^{M} table of mortality, in combination with an assumed interest yield of three per cent. The life assurance fund amounted on December 31 last to £2,524,926, after making full provision for depreciation in investments. The valuation on the basis above described showed a surplus in the fund amounting to £114,411, and, as £20,865 had been paid during the quinquennium as interim bonuses and dividends, the gross profits for the five years reached £135,276. At the close of last year, after full provision for depreciation, the annuity fund amounted to £129,417 and the general fund to £113,677, and the surpluses shown in these funds were respectively £4,632 and £5,212. A compound reversionary bonus is declared on fully-participating English and Scottish Law life policies at the rate of 20s. per cent. on sums assured and existing reversionary bonus additions for each year's premium due and paid during the quinquennium, and interim bonuses at the same rate are provided on policies becoming claims during the now current quinquennium. This is a particularly satisfactory result, looking to the fact that many of the leading life offices in the country have been compelled altogether to pass their usual quinquennial bonus declarations, owing to claims due to the War and to depreciation of securities, as well as other causes, such as greatly increased taxation. It justifies the decision of the English and Scottish Law to amalgamate with the Eagle Star and British Dominions, for such a result could scarcely have been practicable had the former Company continued its existence as an independent life office.

The fire and general revenue account for 1920 shows net interest receipts of £116,874, in addition to premium income. After payment of claims and expenses of all kinds, and provision for unexpired risks at the rate of 40 per cent. of premiums, a transfer of £376,140 was made to profit and loss account, so that the estimated trading profit for the year in this section amounted to £259,266, representing about 11.5 per cent. of the premium income, which must be considered a good result.

The net interest earnings credited to the marine account amounted to £58,437, and, as £100,000 was transferred to profit and loss, the assumed trading profit in this section was £41,563. Thereafter the marine fund at the close of the year stood at £785,644.

The total profits as shown in the accounts amounted to £476,140, of which £300,829 seems to be derivable from trading and £175,311 from interest. This was disposed of as follows: Dividends absorbed £177,762, the meeting of losses on realisation of securities £41,583, £50,000 was transferred to investment reserve fund, £100,000 was written off the "acquisition of companies and expenditure" account (thereafter standing at £423,823), while the balance of £106,795 was carried forward in profit and loss account. The dividend recommended to be declared on the Ordinary shares is, as was the case last year, at the rate of thirty per cent, free of income tax. Some of these shares are fully and others are only

partly paid up. A large number of them were issued at a high premium, which greatly assisted in the growth of the reserve fund. The subscribed capital in Preference, Preferred, and Ordinary shares, amounted on December 31, 1920, to £2,953,425, of which £1,047,896 was paid up. There was no change during last year in this respect.

The total assets as appearing in the Company's balance sheet on December 31 amounted to £19,665,903, having been increased last year by £476,586.

Apart from capital, investment reserve fund (£160,000), and life, annuity, capital redemption, and marine funds, the reserves carried forward to 1921 (excluding amounts received in respect of outstanding liabilities) were as follows:—

	£
General reserve fund	2,000,000
Fire and general fund...	901,871
Balance of profit and loss account	106,795
	3,008,666

This discloses an extremely strong financial position, representing as it does about 133 per cent. of the fire and general premium income for last year. It will be seen that the dividend distribution in 1920 was practically covered by interest earnings, so that under normal circumstances it should be easy to maintain it in future, and the strength of the reserves is a feature which has an important bearing on possibilities of an eventual increase.

It is announced in the annual report that the Most Honourable the Marquess of Carisbrooke, G.C.V.O., and the Right Honourable the Earl of Bessborough, C.M.G., have joined the main board of the Company, at the invitation of the directors. Their election falls to be confirmed at the annual meeting next Thursday.

London and Brazilian Bank.—Notwithstanding the severe commercial and financial crisis in Brazil and the unsatisfactory condition of business with the River Plate, the report of the London and Brazilian Bank for the twelve months ended January 31, 1921, indicates a large accession of business during the year. The big drop in the value of the country's exports and the adverse ruling of the foreign exchange resulted in a large number of big business failures, and it was impossible, of course, for the Bank with its large business and many branches along the coast to come off scathless. Ample provision had, however, been made for bad and doubtful debts and the board is to be congratulated at being able, under the circumstances, to show a net profit of over £300,000. The balance sheet totals, at £37,979,000, show an increase of no less than forty per cent. over the previous year. This addition is composed on the liabilities side of £4,999,000 in deposits which now stand at £18,031,324, and of £4,000,000 in bills for collection on customers' accounts. On the asset side, cash at £10,353,042 is £3,794,000 more, and loans and discounts at £15,402,937 is £5,210,000. This increase is no doubt due in part to the low exchange raising the currency cost of commodities and the correspondingly high currency amount of trade bills. Bills receivable, at £2,113,950, are less by £1,065,000, partly owing to remittances by cable in the absence of produce bills. It should be mentioned that the conversion of the Brazilian branch balances has been maintained at 16*d.* in order to allow of comparison with previous balance sheets. In the profit and loss account the gross profit is almost the same as for the previous year, as would also have been the net profit but for an increase of £27,000 in charges and £30,000 in taxes. The balance available for distribution is £811,647. A final dividend of seven per cent. and a bonus of four per cent., making eighteen per cent. for the year, absorbs £270,000, leaving after deduction of £20,000 for staff bonus £521,647 to be carried forward.

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Head Office:
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Total Assets (including Life Funds)—£31,801,986.

Commercial.

THE CANADIAN CATTLE CONTROVERSY

In Great Britain the introduction of Canadian store cattle is a matter of controversy between, roughly speaking, the agricultural and meat-consuming interests. In Ireland, on the contrary, as far as we can learn, there is a remarkable unanimity of opinion against the adoption of such a proposal, and the fact that that opinion is not very vocal at present may be ascribed in the main to the political circumstances of the time. Bodies such as the Irish Farmers' Union and the Department of Agriculture have already spoken, and we may take it that their weighty pronouncements carry the support of the vast majority of Irishmen. The Irish opposition to the repeal of the Contagious Diseases of Animals Act of 1896 is based on the belief that it would react most prejudicially on one of the most valuable trades in the country and one of the chief sources of its wealth. In 1919, out of a total Irish export of £176,032,000, cattle accounted for £27,143,000, or fifteen per cent.; and in 1920, although Ireland contained but ten per cent. of the human population, she owned forty-three per cent. of the cattle population of the United Kingdom. The numbers of cattle in Great Britain in the same year were 6,712,517, and in Ireland 5,022,860. As now conducted the Irish export cattle trade consists mainly of stores which are sent almost exclusively to Great Britain. Ireland, with her 481,000 small holdings of under fifty acres and with her mild winters, is well situated for breeding and rearing the stores, which Great Britain, with a drier climate more suited to cropping, can profitably finish into beef.

In the course of a lengthy statement the Irish Department of Agriculture urges that the admission of stores is concerned directly, not with the finished or fresh beef trade, but directly with the breeding end of the industry, and with the interest of the small farmer in Great Britain and Ireland, who, in conjunction with dairying and mixed farming, is able to rear some calves up to the point at which he sells them to the fattener and stall-feeder to be finished into beef. The introduc-

tion of Canadian stores, assuming it to be possible for them to come forward in any number and with any steadiness—which, it is stated, is the reverse of probable—would, it is argued, mean that the existing producers would reduce or get out of this line of business. The total stock would not be increased, but home production would be shaken, and the result to the consumer would be a decrease in the supply and a consequent increase in the price not only of his beef, but of his milk and other commodities, such as butter, cheese, bacon, etc., the production of which is associated with mixed farming and the breeding, rearing and fattening of cattle. For the industry of cattle-breeding—the small man raising the store cattle in his tillage or dairy farm, the large or medium-size farmer fattening them into prime beef, and the owner of the pure-bred herd furnishing the pedigree breeding animals to grade up the quality of the stock from year to year—is not only the means of providing our supply of home-grown beef; it has become the spinal column of the agricultural and food-production system of these islands as that system has been developed within the past twenty years.

The Department, it will be seen, takes a very gloomy view of the possible effects of the introduction of Canadian stores. If its conclusions are well-grounded the whole structure of the agricultural industry would be very seriously shaken. It is possible, however, that home cattle prices would not break to the extent anticipated. The home producer's profit margin might be reduced, but unless this reduction was substantial he would not be driven out of business. That prices will be scaled down to some extent seems very probable; the increased supply in the market can scarcely fail to bring this about. The amount of this supply is difficult to forecast; it is expected to reach 200,000 stores per annum, but everything seems to depend in this connection on the tariff wall against Canada set up by the United States. It is apparently taken for granted that it will be a remunerative proceeding to ship Canadian stores to the United Kingdom at the prices now prevailing, but, should these prices break, the future of the trade will be somewhat uncertain. This, with other circumstances, may introduce another speculative element into the cattle business here, a sufficiently speculative business as it is, which may conspire further to shake the position of the home producer.

Reverting to the Department's statement, it is pointed out that even our supply of dead beef and fat cattle from overseas, from Canada itself and from the Argentine, is in an important sense dependent on our pedigree stock-breeding industry. The stock-raisers of the American continent have only been able to supply saleable beef, whether frozen, chilled or alive, to the British market by having constant recourse to the cattle-industry of these islands for the replenishment of their herds with home blood. Conditions of climate, environment, and origin in those countries determine it that their herds cannot of themselves, even with the assistance of blood from here, furnish a fine, quick-maturing, beef-yielding animal; their cattle soon deteriorate, become coarse, bony, and slow fatteners, producing a small quantity of meat in proportion to the food consumed. Annual replenishment from the pure-bred herds of these islands has, consequently, proved an absolute necessity. But as these herds cannot be maintained if the home cattle industry is undermined by the insecurity and the danger of disease, which put it in such peril before 1896, the supply of chilled and frozen meat, which is the real factor in cheapening beef for the consumer, is directly menaced.

Opposition to the repeal or amendment of the Contagious Diseases of Animal Act of 1896 is undoubtedly considerably strengthened by considerations of the possible injury through disease to the quantity and quality of our pedigree stocks that such an alteration of policy might bring in its train. Fears are entertained of a repetition of such infectious and contagious diseases as pleuro-pneumonia and foot-and-mouth disease which, it is stated, were rife amongst United Kingdom flocks and herd previous to 1896. On this ground it is argued that it would be a risky experiment to interfere with the principle of isolation established by the Act, a principle which, it is claimed, has operated with the greatest advantage. Canada's clean bill of health as regards foot-and-mouth disease is not disputed, but with a frontier, across which there is huge animal traffic, marching with the United States for 3,000 miles, there would be great difficulty in guarding against the risks of infection from the latter. The United States has been infected from Japan; it is bounded on the south by Mexico, a country whose administrative conditions at present are such that they do not furnish any assurance of effective control of contagious disease.

The whole question is undoubtedly a complex one, as it is permeated not only by economic, but by political considerations and pledges, and these latter may weigh heavily on the scales. Before the Royal Commission, which will shortly explore the whole subject, Irish witnesses will have an opportunity of presenting their views, and it behoves them in the meanwhile, in view of the importance of the issues at stake, to prepare a careful and detailed statement of their case.

Industrial Companies.

BRYANT AND MAY, LIMITED.

Issued Capital: £1,285,209 in 480,000 Preference Shares, 800,000 Ordinary Shares, and 5,209 Partnership Shares of £1 each. 4% Debenture Stock: £180,009. 7½%, 5-Year Notes: £300,000.

Year to March 31	Profit*	Written off	Deb. Interest	Pref. Div.	Ordinary Div.		Employees' Profit Portion	To Reserve	Carried forward
	£	£	£	£	£	%	£	£	£
1915...	139,531	25,000	7,396	67,200	30,000	7½	—	—	29,709
1916...	147,554	25,000	7,396	67,200	18,000	12	—		29,667
1917...	175,140	25,000	7,396	67,200	48,000	12	—		27,211
1918...	134,529	25,000	7,296	67,200	48,000	12			11,244
1919...	156,852	25,000	7,296	67,200	52,000	13			19,600
1920...	233,937	25,000	7,296	67,200	88,000	11	24,000	20,000	22,041
1921...	233,774	25,000	18,450	67,200	88,000	11	24,000	20,000	12,748

* After providing for expenses and taxation including income tax on Ordinary Dividends. † Free of tax.

The report of this Company for the twelve months to March 31 last discloses a profit of £233,774 after deducting all charges other than depreciation and Debenture interest. As shown in the above table, this profit compares with £233,937 in 1919-20, but account must be taken of the heavy increase in taxation and the difficult trading conditions of the year. The allowance for depreciation is unchanged at £25,000, but interest charges are increased from £7,296 to £18,450 owing to the issue during the year of £300,000 seven and a-half per cent. short-term notes. The Preference dividend absorbs £67,200, and the Ordinary dividend is maintained at eleven per cent., free of tax, absorbing £88,000 net. It should be noted that the income tax on this dividend amounted to £37,714, which is included in the provision made for taxation before arriving at the year's profit. Under the co-partnership scheme £24,000 is again set aside for distribution among employees. The allocation to reserve fund is maintained at £20,000, but the balance carried forward is reduced from £22,041 to £12,748.

The following table shows the changes which have taken place in the balance-sheet position:—

LIABILITIES. ASSETS.

Mar. 31	Capital	Reserves	Deb. and Notes	Sundry Creditors	Total	Fixed	Stocks	Debtors	Cash	Total
	£	£	£	£	£	£	£	£	£	£
1920	1,285,209	180,000	77,71	222,000	2,[illegible]	1,[illegible]	2[illegible]	1[illegible]	6[illegible]	2[illegible]
1921	1,285,209	180,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Including [illegible]. † Including [illegible].

The increase in the share capital is due to the issue of £5,209 [illegible] dividend

of eight per cent., free of tax, has been paid in respect of the past financial year. The sundry liabilities, which include dividends payable, and a bank loan of £72,722, have been reduced by £66,151. With this year's allocations the reserve fund is increased to £240,000 and the insurance reserve to £21,332, while a reserve of £1,125 has been created in respect of the premium payable on the redemption of the short-term notes. The outlay on the fixed assets during the year amounted to £166,115, but, allowing for sales and depreciation, the actual increase does not exceed £135,792. It may be pointed out that the valuation attached to goodwill, patents and trade-marks is included in the fixed assets. Stocks, valued at cost or under, show an expansion of £84,851, while investments, at cost or under, have also been increased by £109,200. Debtors have, however, been reduced from £546,995 to £538,277 and cash holdings from £78,636 to £9,090. Accordingly the liquid assets, excluding stocks and investments (which are largely represented by shares in associated companies), exceed current liabilities, including dividends payable, by not more than £43,444, as compared with £55,558 at the date of the previous balance sheet. It is stated that the unfavourable cash position is largely due to the difficulty of obtaining regular remittances from the Colonies for goods supplied to the associated factories.

Owing to the nature of its business the Company is not likely to be unduly affected by the present industrial depression. It should be noted that much of the recent capital expenditure will contribute more proportionately to the profits during the current financial year; but, on the other hand, fixed interest charges will amount to approximately £29,700, as compared with £18,450. On the assumption of a dividend of 10 per cent., free of tax, the Ordinary shares, now quoted at 28*s.* 4*d.* ex dividend, yield a return of seven per cent., free of tax, equivalent to ten per cent., subject to tax. The Preference shares, quoted at 38*s.* 10*d.* ex dividend, yield a return of 7.2 per cent.

FAIRBAIRN LAWSON COMBE BARBOUR, LTD.

Issued Capital: £800,000 in 300,000 5% Pref. £1 Shares and 500,000 Ordinary £1 Shares.
Debenture Stock: £300,000 4% Mortgage.

Year	Net Profit*	Deb. Int.	Pref. Div.	Ord. Div.		To Reserve Fund	Carry-forward	Stocks	Surplus Liquid Assets‡
	£	£	£	£		£	£	£	£
1914...	31,881	12,000	15,000	12,500	2½	-	4,515	131,662	371,255
1915...	7,758	12,000	15,000	-	-	15,000†	271	154,444	344,050
1916...	18,449	12,000	15,000	-	-	8,500†	6,720	192,298	270,703
1917...	8,632	12,000	15,000	-	-	18,148†	-	251,455	203,473
1918...	93,550	12,000	15,000	25,000	5	21,648	19,902	272,570	215,627
1919...	97,580	12,000	15,000	37,500	7½	20, 00	32,983	337,012	159,951
1920...229,128		12,000	15,000	85,714	17½	50,000	99,396	404,008	§63,652

* After providing for depreciation and taxation.
† Transferred from reserve to P. & L. account.
‡ Excluding stocks.
§ Debentures, excluding trade investments and stocks.

Shareholders of this firm of textile and general engineers have reason to congratulate themselves upon the trading results of the past year. The accounts show a net profit of £218,414, which is arrived at after providing £12,411 for depreciation, and reserving £16,000 for corporation tax and £50,000 for "taxation, &c." The profit for the previous year amounted to £97,580, but, although a similar provision was made for depreciation, no reserve was apparently set aside for taxation. Income tax on the bonus to shareholders in respect of the past year amounts to £10,714, and by writing back this sum the adjusted net profit is accordingly £229,128, as compared with £97,580. Debenture interest and Preference dividends absorb £12,000 and £15,000 respectively, the same as in the previous year. The Ordinary shareholders receive a dividend of ten per cent. and a bonus, free of tax, of five per cent., making a total distribution of seventeen and one-seventh per cent., subject to tax, as compared with seven and a-half per cent. for 1919. The allocation to reserve fund is increased from £20,000 to £50,000, leaving a balance to be carried forward of £99,396, which compares with £32,983 brought in.

The reserve fund, from which £85,000 was transferred during the year to an investment reserve, is increased by the present allocation from revenue to £250,000, but the War contingency fund remains unchanged at £30,000. Sundry creditors have been increased from £558,529 to £619,232, which is due to the inclusion under this heading of "reserves for taxation, &c.," and the creation of a bank overdraft of £23,771. On the other side of the balance sheet the fixed assets show additions, less sales, for the year of £44,582, as compared with £19,844 for the previous period, but, allowing for depreciation, the net additions do not exceed £31,171. It may be pointed out that the fixed assets include an undisclosed amount for goodwill. Stocks of which the basis of valuation is not disclosed have been increased from £337,012 to £404,008 and debtors, less reserves, from £291,587 to £514,699. Government and railway investments taken at cost remain unchanged at £250,000, but the market value at December 31, 1920, shows a further decline from £149,993 to £138,138. The total depreciation, therefore, amounts to £115,262, of which £85,000 is covered by a transfer from reserve fund, as already stated. During the year investments in associated companies have been acquired at cost of £140,486, which, in conjunction with the outlay on stocks and fixed assets, is reflected in the reduction of cash and bills from £323,516 to £61,368. Accordingly the liquid assets, excluding stocks and trade investments, show a deficiency of £63,652, as compared with current liabilities (including dividends payable and estimated liability for taxation), whereas at the date of the previous balance sheet a surplus existed of £159,951. Otherwise the financial position as shown in the present accounts is satisfactory. The report states that considerable progress has been made with the Company's Indian establishment, and work has ben recommenced at the Lille branch. It is reassuring to learn that, despite the prevailing depression, the various branches "continue to be fully occupied with work." This may be largely explained by the continued demand for English textile machinery, the superiority of which has to some extent counteracted the effects of foreign competition. The Ordinary shares of the Company are now quoted at 21*s.* ex-dividend, at which price a yield of 9.5 per cent. is obtained on the basis of a ten per cent. dividend. The Five per Cent. Cumulative Preference shares, quoted at 12*s.* ex-dividend, yield a return of 8⅓ per cent.

MAYPOLE DAIRY COMPANY, LIMITED.

Issued Capital: £2,958,333, in 350,000 5% Cumulative Preference Shares of £1 each; 1,800,000 20% Cumulative Preferred Ordinary Shares of 5s. each and 21,583,327 Deferred Ordinary Shares of 2s. each.

Year	Profit*	Depreciation	Preference and Preferred Dividend	Deferred Dividend		To Reserve	Carried Forward
	£	£	£	£		£	£
1914	597,109	116,147	107,500	370,000	100	10,000	62,016
1915	534,160	13,544	107,500	370,000	100	10,000	95,132
1916	461,287	12,337	107,500	92,500	25	10,000	334,082
1917	998,550	262,196	107,500	940,417	225	10,000	12,520
1918	714,744	11,576	107,500	555,000	100	793,764†	43,188
1919	1,080,418	10,872	107,500	978,958	100‡	10,000	16,507
1920	975,730	12,761	107,500	809,375	37½	10,000	52,401

* After providing for taxation and directors' fees.
† £788,764 being profit on sales of shares placed to suspense reserve fund.
‡ Dividend of 62½%, on shares issued during the year.

The report of this Company for the twelve months to December 25 last shows that the profit, after providing for all charges other than depreciation, amounted to £975,730, representing a decline of £104,718 as compared with the record established in the previous year. The directors state that the value of the sales at the various branches and at the factories of the allied companies has shown a further increase, and presumably the decline in profit has therefore been due primarily to the heavy increase in taxation and the fall in the value of stocks. The manner in which it is proposed to distribute the profit is indicated in the above

table. The amount required to meet the Preference and Preferred Ordinary dividends remains unaltered at £107,500. The Deferred dividend is reduced from 100 per cent. to thirty-seven and a-half per cent., but as the additional capital created in 1919 and 1920 now ranks fully for dividend, the amount absorbed is £809,375, as compared with £978,958. The usual sum of £10,000 is allocated to reserve, leaving a balance of £52,401 to be carried forward, as against £16,307 brought in.

The following table shows the changes which have taken place during recent years in the balance-sheet position:—

	LIABILITIES.			ASSETS.			
Year	Issued Capital	Sundry Liabilities	Reserves and Carry Forward	Fixed Assets†	Stocks	Debtors	Investments and Cash
	£	£	£	£	£	£	£
'17	1,354,049	2,075,227	688,013	2,137,126	316,575	210,410	1,453,178
'18	1,355,000	1,111,878	1,523,047‡	2,684,676	544,445	154,856	635,948
'19	2,033,333§	2,170,437	828,457	3,438,237	1,045,549	50,312	498,129
'20	2,058,333	1,531,434	875,192	3,457,872	1,213,869	43,365	649,853

* Including dividends payable. † Including goodwill and trade marks £422,900, shares in subsidiary companies, loans and trading investments. ‡ Including capital profit of £783,764 on shares realised. § Increase effected by bonus capitalisation of £678,333 from reserve.

In February 1920 9,249,997 Deferred Ordinary shares of 2*s.* each (amounting to £925,000) were issued to the Deferred holders at par, and as the existing shares were quoted as high as 17*s.* 3*d.* (ex dividend) in January 1920, the terms of issue constituted a very liberal bonus. The sundry liabilities show a contraction of £639,003, which is explained by the reduction in the amount of final dividends payable from £824,583 to £458,437, together with the repayment of a loan of £390,308. The "suspense reserve fund" of £783,764, representing the capital profit on shares realised in 1918, remains unaltered, but the Ordinary reserve is increased by this year's allocation to £21,667. The fixed assets, with which are included "shares in subsidiary companies, loans, and trading investments," show net additions of £32,395, as compared with £764,434 for the previous year, but, allowing for depreciation, the actual increase does not exceed £19,635. It will be noted that the valuation attached to goodwill and trade-marks remains unchanged at £422,900. Stocks, valued at or below cost, have been increased by £168,320 to the large total of £1,213,869, while debtors have been reduced from £50,312 to £43,365 and dividends accrued from £262,500 to £35,000. Cash and War bonds have, however, been increased from £101,852 to £385,365, and investments in freehold and long leasehold properties (less depreciation) from £135,777 to £229,489. Although the policy of extension has been continued by the acquisition of premises and the opening of new branches, it is clear that a large part of the capital issued during the year has remained in a liquid form. Thus the liquid assets represented by debtors, dividends accrued, War bonds and cash reveal a deficiency of not more than £608,727, as compared with sundry liabilities (including dividends payable), whereas at the date of the previous balance the deficiency exceeded £1,486,000. The directors point out that credit has been taken in the accounts of the subsidiary companies for a claim on account of refund of excess profits duty.

In view of the existing conditions of trade, and the continued decline in values, profits during the current year will doubtless show some reduction. This, however, may be largely offset by the removal of the excess profits duty. Besides, it should be noted that the additional capital raised in 1920 will be more fully employed during the current year. The Deferred shares are now quoted at 7*s.* 6*d.* ex dividend, at which price a return of 9.3 per cent. would be obtained on the basis of a dividend of 35 per cent. The twenty per cent. Cumulative Preferred Ordinary shares, quoted at 13*s.* 4½*d.* ex dividend, yield a return of 7.5 per cent., while the five per cent. Cumulative Preference shares, at 15*s.* ex dividend, afford a yield of 6.7 per cent.

ROLLS-ROYCE, LIMITED.

Paid-up Capital: £804,271, in 787,176 Shares of £1 each, fully-paid, and 25,910 Shares of £1 each, partly paid.

Year to Oct. 31	Net Profit	Income Tax	Reserve Fund	Sundry Accounts	Dividends		Carry Forward
	£	£	£	£	£		£
1914...	75,651	8,500	—	[illegible]	20,000	10	28,204
1915...	43,171	10,000	—	20,000	10,000	5	[illegible]
1916...	81,640	[illegible]	[illegible]	20,000	20,000	10	43,116
1917...	141,056	45,000	[illegible]	30,000	20,000	10	39,171
1918...	152,262	42,000	40,000	50,000	[illegible]	1	19,451
1919...	189,778	15,000	[illegible]	[illegible]	118,076	15	7,135
1920...	202,835‡	25,500	[illegible]	[illegible]	79,295	10	10,175‡

* After providing for depre[illegible]
† Dividend paid on [illegible]
‡ Subject to directors' fees.

The accounts of this Company made up to October 31, 1920, contain little evidence of the effects of the severe depression which developed in the motor-car industry during the autumn of last year. Despite the heavy increase in the excess profit duty and the imposition of the new corporation tax the net profit, after providing for all charges other than income tax, works out at £202,835, representing an increase of £13,057, as compared with the previous year. The allocations to the reserve and welfare funds remain unaltered at £20,000 and £40,000 respectively, but the provision for income tax is increased from £15,000 to £25,500, and for contingencies from £10,000 to £35,000. The dividend is reduced from fifteen per cent. to ten per cent., but, being payable on an increased capital (proportionately to the amount paid up), the amount absorbed is £79,295, as compared with £118,076. The balance of £10,175 is carried forward, subject, however, to directors' fees.

The following table shows the balance sheet position at the end of each of the past two financial years:—

	LIABILITIES			ASSETS			
Oct. 31	Paid-up Capital	Sundry Liabilities*	Reserve and Carry forward	Fixed Assets	Stocks	Investments	Debtors and Cash
	£	£	£	£	£	£	£
1918	600,000	2,115,298	195,461	321,113	1,209,958	120,000	1,089,688
1919	787,176	1,883,149	213,162	317,019	1,468,595	20,000	1,077,873
1920	804,271	1,743,959	271,202	333,482	1,686,414	20,000	779,536

* Including dividends payable, estimated liability for Income Tax, and contributions payable under Welfare Scheme.

During the year 25,910 shares of £1 each were issued, the instalments received up to October 31, 1920, amounting to £17,095. Allowing for dividends payable and contribution to welfare fund, the sundry liabilities, which include provision of an undisclosed amount for taxation, show a reduction of £139,190. It may be pointed out that a bank overdraft of £459,639 which appeared in the previous balance sheet is not shown separately on the present occasion. The reserve fund and contingent liability account with the allocations now made are increased to £116,027 and £45,000 respectively, while the investment and war contingency accounts remain unchanged at £20,000 and £80,000 respectively. The additions to the fixed assets during the year amounted to £57,049, as compared with £46,843 (written down), but the allowance for depreciation has been reduced from £50,937 to £40,585. Stocks and work in progress have been increased by £217,819 to £1,686,414 and now form nearly sixty per cent. of the total assets. Nevertheless, no indication is furnished as to the basis of valuation. The investments, which are entirely represented by shares in the French subsidiary, remain unaltered at £20,000, but debtors have been reduced from £1,067,604 to £753,413, while cash has been increased by £10,268 to £26,123. A summary of the position shows that, in consequence of the heavy expenditure on stocks, the current liabilities (including dividends payable and provision for taxation) exceed the liquid assets (excluding investments) by £964,423, as compared with £805,276 at the date of the previous balance sheet. The cash position may have undergone some improvement since October 31, 1920, but the recent depression has necessarily militated against any material reduction in stocks. The uncertain outlook, together with the stringency of liquid capital, furnish ample justification for the rather conservative policy

which has been adopted by the directorate. On the whole it does not seem reasonable to anticipate a higher dividend than seven per cent. in respect of the current financial year, and on this assumption the shares now quoted at 19s., ex dividend, would afford a return of not more than 7.4 per cent.

New Issues.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

THE CROYDON GAS COMPANY.

Offer at 96 of £120,000 Seven and a-Half per Cent. Redeemable Preference stock, redeemable at par on July 1, 1936. Flat yield £7 16*s.* 3*d.* per cent. per annum. Yield with redemption £8 0*s.* 4*d.* per cent. per annum.

The Company supplies gas to the borough of Croydon and the neighbouring districts, covering in all an area of over seventy square miles. The net revenue of the Company for the year ended December 31, 1920, amounted to £61,969, and the interest on the issued loan capital was £14,669, leaving a balance of £47,300. As the dividend on the stock now offered will be only £9,000, it seems amply secured, and will appeal to investors who do not require an active market. The lists close on Thursday, May 12.

WINCHESTER WATER AND GAS COMPANY.

Offer at par of £25,000 Seven and a-Half per Cent. Debenture stock, redeemable on July 1, 1931.

The existing Debenture stock of the Winchester Water and Gas Company is £46,714, in addition to £30,000 Four per Cent. Preference and £158,400 Ordinary stock. The present issue will appeal to investors who do not insist on an active market.

NESTLE AND ANGLO-SWISS CONDENSED MILK COMPANY.

Offer of 2,000,000 Eight per Cent. Cumulative Preference shares of £1 each at par.

The Anglo-Swiss Condensed Milk Company was formed in Switzerland in 1866, and in 1905 amalgamated with the Société Anonyme Henri Nestlé, formed in 1875. The Company manufactures condensed milk and allied food products, the brands "Nestlé," "Milkmaid" and "Ideal" being advertised throughout the world, and in addition are sole distributors of the cocoa and chocolate products of Messrs. Peter Cailler and Kohler, Switzerland. The present issued capital is 160,000,000 Swiss francs, or £6,400,000 at par rate of exchange. In addition the Company has issued Obligations to a total of 85,000,000 Swiss francs (£3,400,000), carrying interest from four and a-half to six per cent. per annum. Of this issue 25,000,000 francs were made since the compilation of the last balance sheet. A further emission of £820,000 will shortly be made as part purchase consideration for certain factories. These Obligations do not constitute a specific charge on the undertaking, and no Debenture stock may be created till they are repaid. The object of the present issue of Preference shares is to provide funds for the repayment of bankers' loans and the extension of operations. Since inception the Company has paid substantial dividends, the rate being fifteen per cent. from 1906 to 1919. Net profits have increased steadily from £537,000 in 1913 to £1,362,000 in 1919. On the basis of these results the annual Preference dividend, amounting to only £160,000, seems amply secured. Certified net assets, at £7,021,250 on December 31, 1919, indicate equally satisfactory security as to capital. The prospectus states that, on account of the world-wide ramifications of the Company's trade, profits for 1920 cannot yet be ascertained. It is unfortunate that the results for so critical a period are not available. In the absence of such information it would have been desirable to state the purpose for which the Obligations of 25,000,000 Swiss francs were issued during 1920. Despite the lack of up-to-date information the shares now offered appear attractive. The lists close on or before Wednesday, May 11.

BRUNNER, MOND AND COMPANY, LIMITED.

Offer of 2,500,000 Seven and a-Half per Cent. Cumulative Preference shares of £1 each at par.

Brunner, Mond and Company, Limited, has had, since incorporation in 1881, a prosperous career. The chief product of the Company is soda-ash, but it is largely interested in the production of ammonia and nitrates from atmospheric nitrogen. Its activities in these fields will be widened by the recent acquisition of the British patents held by the Badische Anilin und Soda Fabrik, and in addition all the Government inventions worked out by the Munitions Inventions Department during the War. The issued capital is at present £11,077,843, £8,577,843 in Ordinary and £1,500,000 in Seven and a-Half per Cent. Preference shares. There are no Debentures or Debenture stock. The present issue, which ranks *pari passu* with the existing Preference capital, is being made in order to provide funds for the repayment of bankers' loans advanced for the construction of soda-ash and synthetic ammonia works at Wallerscote. The certified current value of net assets exceeds £11,750,000. The 4,000,000 Preference shares will thus possess substantial capital backing. Annual profits show a consistent increase from £760,000 in 1910 to £1,129,000 in 1919, and despite the prevailing depression will probably approximate to £1,000,000 for the year ending March 31, 1921. As the total yearly Preference dividend will not exceed £300,000, its payment is amply assured. The existing Preference shares are quoted at present at 21*s.* 6*d.* In view of the first-class security behind the shares and the wide market which they will command, the dividend rate offers strong probabilities of future capital appreciation. The lists close on or before Friday, May 13.

W. H. DORMAN AND COMPANY, LIMITED.

Offer at 94 of £350,000 Eight per Cent. First Mortgage Debenture stock, repayable at 105 on March 1, 1914. Flat yield, eight and a-half per cent. per annum; yield including redemption, nine per cent. per annum.

Till recently the main business of Dorman and Company has been the manufacture of internal-combustion engines, but the firm's name is now more closely associated with the development of wave-power tools, Heleshaw hydraulic (oil) clutches, and "Flexstel" patent flexible steel piping. The present share capital is £545,000, £250,000 in Preference shares and £295,000 in Ordinary shares, in addition to £129,575 in short-term notes. In October last the Company made an offer of £300,000 notes, and 50,000 Ordinary shares at 22*s.* each, to obtain funds for the development of its new patents. The public took up 45,000 of the Ordinary shares and £129,575 of the notes, but the subscriptions were not sufficient to the Company's needs and temporary accommodation had to be obtained from the banks. To pay off the latter and to provide further working capital the present issue is being made. Net assets on July 31, 1920, excluding goodwill and preliminary expenses and adding the proceeds of the note issue since made, were £620,564. The assets on which the £350,000 Debenture stock is specifically charged stand, however, at only £157,595 in the books of that date, and the statement that this figure is conservative does not make good the lack of capital security. Profits, given for the past three years, amply cover the annual Debenture interest, but investors will not favourably construe the absence of figures for the pre-boom years. The Company is under enterprising management. The details of the present offer are, however, not calculated to attract the discerning public. The lists close on or before Thursday, May 12.

THE LAMSON PARAGON SUPPLY COMPANY, LIMITED.

Offer at par of 250,000 Ten per Cent. Cumulative Preference shares of £1 each.

The Lamson Paragon Supply Company conducts a manufacturing stationery and office-equipment business, one of the largest of its kind in the world. The Company possesses three freehold factories, owns stationery shops in the leading cities of the United Kingdom, and is represented by agencies throughout the world. The issued capital is at present £589,020, of which £189,020 is in 5½ per Cent. Preference, and £400,000 in Ordinary, shares. Profits for 1911 (before providing for depreciation) were £30,458 and the Ordinary dividend was seven and a-half per cent. Consistent progress has been made ever since, the figures for 1920 being £82,740 and twelve and a-half per cent. The present emission, which ranks for dividend and capital between the Ordinary and the

existing Preference shares, is being made to pay off bankers' loans and to provide the additional plant and machinery necessary to the increased business of the Company. Net assets, exclusive of patents and goodwill and deducting the £189,000 Five and a-Half per cent. Preference capital, stood in the books on January 31, 1920, at £484,116. The shares now offered seem amply secured both as to capital and dividend, subject, of course, to general trade risks. The lists close on Saturday, May 7.

THE SHAKESPEARE PICTURE PALACE COMPANY, (MANCHESTER), LIMITED.

Offer of 19,000 £1 shares at par.

The Company has been formed to take over the Shakespeare Picture Palace, Manchester, erected about six years ago. The premises and fittings have been independently certified at a value of £28,540, and the purchase price is £28,500, payable £22,000 in cash and £6,500 in shares. Estimated takings point to a possible dividend of twenty per cent., but the omission from the propectus of previous results will be noted. The issue in addition to being speculative will not possess a ready market. The list will close on or before Monday, May 9.

SOUTHERN VAN RYN REEF GOLD MINING COMPANY, LIMITED.

Offer at par of 2,000 £50 Ten per Cent. Six-Year notes, redeemable at a premium of 100 per cent. on May 1, 1927.

The Company was registered in 1915 to exploit claims in the Orange Free State. The existing capital is £338,220 in £1 shares. In June 1920, 100,000 shares were offered to shareholders at a discount of fifty per cent. Their current Stock Exchange value is 5*s.* 6*d.* each. The present issue is being made to complete the reduction plant, and the Company undertakes that the proceeds of any Debenture issue will be first applied in repayment of the notes. The liberal return promised is an index of the risk involved.

NEWCASTLE-UPON-TYNE ELECTRIC SUPPLY COMPANY, LIMITED.

Offer at 71½ of £250,000 Four and a-Half per Cent. First Mortgage stock, redeemable at par on June 30, 1939. Flat yield, £6 6*s.* per cent. per annum; yield, including redemption, £7 11*s.* per cent. per annum.

The Company, incorporated in 1889, is, with its associated companies, the largest producer of electrical energy in the United Kingdom, its operating district covering 1,400 square miles. The share capital is at present £4,293,014, in addition to £400,000 in Five per Cent. Debenture stock and £1,227,799 in Four and a-Half per Cent. First Mortgage stock. The excess assets on December 31, 1920, amounted to over £6,000,000. The present issue is secured by trust deed as a specific charge on the property and plant and a floating charge on the general undertaking. Net profits have been maintained in the neighbourhood of £200,000 during the War, and £100,000 in 1914 and previous years. The Debenture interest is therefore amply assured. The lists have no definite closing date.

CANADIAN PACIFIC RAILWAY.

A block of £800,000 Canadian Pacific Four per Cent. Debenture stock has been purchased by a London financial group and was introduced on the Stock Exchange during the week.

PENDING ISSUES.

Allen-Liversidge: 106,280 £1 Ordinary shares.

Corporation Loan: About £2,500,000 stock on behalf of Reading, Tynemouth, Newport (Mon.), Wallasey (Birkenhead), and Derby.

Harrods (Buenos Ayres) 1,750,000 Eight per Cent. Cumulative £1 Preference shares at par.

Employers' Liability Assurance 300,000 £1 shares at £4, to be credited 5*s.* paid.

RESULT.

Lamson Paragon Supply: The issue of 250,000 Ten per Cent. Cumulative Preference shares of the Lamson Paragon Supply Company was considerably over-subscribed in the first post received.

Europe in Asia Minor. The real significance of the Near East Question. By "A Good European." (London: Thomas Murby.) 1*s.* 6*d.* net.

COMPANY MEETINGS.

Johnson and Phillips, Limited.

Increased Profits.

The sixteenth annual general meeting of this Company was held on May 5 at Winchester House, E.C.

Mr. W. Cecil Johnson, who presided, said that the year's profit of £98,340 was £10,000 more than that for the previous year, and the available balance was £151,065. The appropriations included dividend of twelve and a half per cent., less tax, and £7,113 was being carried forward. The total Debenture debt was now £118,475 only, whereas the total reserves amounted to £164,752. During the past year £65,408 had been expended on additions to buildings and plant. Sundry debtors, £342,702, showed an increase of about £130,000, which was the natural consequence of a very largely increased business. The same remark applied to the stock-in-trade and work in progress, £563,356, which showed an increase of nearly £100,000. The directors were pleased to be able to recommend the same dividend on the increased capital as was paid last year on a much lower figure, although the new money was not received until well towards the middle of the year. The profits earned must be considered very satisfactory, particularly having regard to the fact that the year had been one of exceptional difficulty from the manufacturing standpoint. Their order-books at the end of the year were as full as it was considered safe for the Company to accept; indeed, some departments had from eight to ten months' work in hand, including large and important Government contracts, so that the prospects for the current year might be considered highly satisfactory.

Since the formation of the Company in 1905, £277,477 had been spent on additions to plant, machinery, and buildings, and £146,130 on repairs and maintenance of the property, while £119,500 had been written off for depreciation out of profits; and, to meet the necessary outlays, which had been justified by the results obtained, it had recently been necessary to obtain financial assistance from their bankers. In order to put the Company's finances on a more solid basis, it was proposed to create £350,000 Eight per Cent. First Mortgage Debenture Stock, redeemable by twenty-three annual drawings, commencing in 1923. This would enable them to redeem the existing Debentures and to repay the bankers' advances, and would provide further working capital for the ever-increasing volume of business which was offered to the Company and for which they were now fully equipped.

The report was unanimously adopted. A resolution increasing the borrowing powers of the Company was negatived on a show of hands, but on a poll being taken it was carried by an overwhelming majority.

The British Bank of South America.—The recent suspension of the Banque Française pour le Brésil provides an index of the severity with which the stability of South American banks has been tested by recent trade conditions. It is satisfactory to note, however, that British institutions financing the trade of the Latin-American Republics have not only maintained their previous level of prosperity, but, in most cases, increased their activities and profits. The report of the British Bank of South America for the year ended December 31, 1920, shows gross profits of £574,732, against £498,419 in 1919 and £406,067 in 1918. Most of the increase has been absorbed by heavier administration charges, but the balance has allowed the payment, as in the previous year, of a dividend of twelve per cent., plus a bonus of three per cent., making fifteen per cent. in all. The balance sheet and profit and loss figures for the last three years are as follows:

BALANCE SHEET	£	£	1918 £
Capital			1,000,000
Reserve			
Deposits, &c.			
Profit and Loss			191,087
Total			
Cash	6,115,783		
			5,042,265
Premises	318,177	197,719	
PROFIT AND LOSS			
Balance			97,606
Gross profit			

Books Received.

A Great Bank. A reprint of an instructive article from the *Bankers' Magazine* for October 1920, describing the organisation, progress and policy of the London Joint City and Midland Bank, Limited. By Arthur W. Kiddy, Editor of the *Bankers' Magazine.*

Monthly Review, London Joint City and Midland Bank, Limited, contains, in addition to a number of general articles, reports from all the leading industrial centres.

Fuel Economy Review. Price 1*s.* Issued by the Federation of British Industries, and containing a number of informative articles by Sir Robert Hadfield, Sir Dugald Clerk, and other authorities on various aspects of the fuel problem.

Report on Stock-Breeding Farms for Pure-Bred Dairy Cattle. Price 1*s.* net. (Commission of Inquiry into the Resources and Industries of Ireland.) Justification for the inquiry rests on the fact that, despite the importance of the dairying industry in Ireland, there has not been, as in other countries, a concerted effort to develop it by the introduction of special breeds of dairy cattle. The cattle of the country are, it is observed, mainly of the Shorthorn type, and adapted more for the production of meat than of milk. After an exhaustive consideration of the various sides of the subject the Committee recommends a scheme involving the acquisition of a central farm whence pure-bred dairy cattle could be distributed to selected farms and to farmers in general.

Accrued Interest Tables. All interested in the sale or purchase of War, Exchequer, or Treasury bonds will welcome the publication by Messrs. Edwards and Smith, Drapers' Gardens, E.C., of a set of tables showing the number of days' interest accrued on each series of the bonds already mentioned at any date during 1921. The ex-dividend dates shown are not official, but adjustment, if necessary, can easily be made when the correct dates are published. Price 2*s.*

The Economics of Reparation. By Sir George Paish. An analysis of the alternatives confronting the Allies in the settlement of the reparation problem. Published by The Challenge, Limited, London. Price 6*d.*

Royal Academy Illustrated. Everyone who is interested in Art or the public life of the nation goes to the Royal Academy. For many years black-and-white reproductions of the principal pictures were sold in various forms. Six years ago the Academicians decided to issue an official book in which the leading pictures of the year should be properly represented and blocks made from special photographs. Thus was started *Royal Academy Illustrated.* It has been a success from the commencement, and the sixth issue, which is now out, is the best yet published. It is superbly printed, the blocks in half-tone are real pictures in themselves and the publication is infinitely more artistic than its famous contemporary *Salon Illustre.* Price 3*s.* 6*d.*, published by Walter Judd, Limited, 97 Gresham Street, London, E.C. 2.

Rubber Reviews. A. Mitchelson and Company, Pinners Hall, London. Price 6*d.* net. A review of the facts and figures concerning the present position and future prospects of the Plantation Rubber Industry. An ably-written and informative pamphlet which treats of all the salient factors in the situation.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Breweries and Distilleries:											
Booth's Distillery ...	31/12/20	38,145	6,828	25	17,172		-	16,274	+ 14,145	—	—
Groves & Whitnall ...	31/12/20	150,195	25,000	15	51,000	60,000	15,000	50,628	- 3,507	-	-
Commercial and Industrial:											
Bell's United Asbestos	31/12/20	14,670	3,600	12½	32,992		-	34,124	- 8,078	14,589	17½
Bryant & May ...	31/3/21	190,327	67,200	11†	88,416	20,000	10,000	12,718	9,293	201,642	11½†
Cranston's Tea Rooms	31/1/21	12,021	7,757	20	1,400			10,639	+ 2,864	22,754	15
Manganese Bronze & Brass ...	31/12/20	23,041	10,126	7½	8,923			13,941	+ 3,992	—	—
Odham's Press... (1st Year)	31/12/20	97,681	27,263	8	25,599	20,000		24,819		-	—
Olympic Portland Cement	31/12/20	22,016	-	10	17,500			13,757	+ 1,516	13,950	7
Rolls-Royce	31/10/20	142,355	—	10	79,295	20,000	40,000	10,175	- 3,040	167,777	15
Royal Hotel, Edinburgh	30/11/20	9,678	20,250	-	-	—		10,388	—10,572	12,640	- -
Singleton & Cole ...	29/1/21	20,509	-	12½†	15,000	5,000		8,503	- 509	-	-
Western Wagon & Property	31/12/20	9,677		10	9,800			941	— 123	—	—
Electric Light and Power:											
Brush Electrical Engineering	31/12/20	164,312		15	38,557	57,243		143,268	+ 68,542	136,641	15
Calcutta Electric Supply	31/12/20	76,894	24,750	11	48,457	5,000	2,000	42,386	- 3,313	171,177	10
Chiswick Electricity Supply	31/12/20	12,350		8	5,024	6,500		2,035	+ 826	-	-
Financial, Land and Investment:											
Texas Land and Mortgage ...	31/3/21	29,877		15	24,750	5,000		6,201	- 127	24,693	12½
Iron, Coal and Steel:											
Alabama Coal, Iron, Land, &c.	31/12/20	12,452		37½§	13,845			142	1,393	14,841	13½
Imperial Navigation Coal	31/12/20	30,645		20	26,975			6,355	- 3,670	28,188	20
Lothian Coal ...	28/2/21	49,857	10,950	20†	11,200			31,631	— 5,293	56,708	20†
Tea, Coffee and Rubber:											
Bukit Semb wang Rubber	31/12/20	14,297						59,747	+14,297	-	
Ceylon Tea Plantations	31/12/20	94,351	6,580	12½	17,060	25,000	3,000	47,676	+12,771	137,699	25
Dusun Durian Rubber	31/12/20	31,365		5	12,500	10,000		14,568	+ 8,865	33,518	12½
Galaha Ceylon Tea Estates	31/12/20	Dr. 28,712	3,600			Dr. 31,000		1,688	— 2,572		—
Hewagam Rubber ...	31/12/20	Dr. 4,728				—		Dr. 2,307	— 4,728	45,159	18
Higgoda Rubber ...	31/12/20	567	240					1,967	- 567	5,995	15
Highlands & Lowlands Para Rubber	31/12/20	22,629						40,116	+22,629	99,057	30
Java Rubber Plantations ...	31/12/20	133						6,355	+ 133	18,159	20
Kajang Rubber Estates ...	31/12/20	436						5,583	+ 436	12,973	20
Kombok (F.M.S.) Rubber ...	31/12/20	15,089		5	6,000	8,250	-	24,765	+ 839	32,102	15
Lunderston Rubber	31/12/20	Dr. 955				2,500	- -	1,766	— 3,155	9,250	10
Nuwara Eliya Tea ...	31/12/02	13,104		10	22,000	2,257	-	11,739	—11,153	-	—
Patalima Rubber ... (1st year)	31/12/20	24,829		5	11,250			13,579	-	-	—
Rubber Estates of Bentota	31/12/20	Dr. 3,595	827					2,090	- 1,422	12,992	12½
Rubber Estates of Johore ...	31/12/20	22,107		5	9,375			20,661	+12,732	36,586	25
Sapumalkande Rubber ...	31/12/20	Dr. 4,802				-		10,818	— 4,802	—	- -
Seafield Rubber (1st year)	31/12/20	22,895		5	20,000			2,895		—	—
Serdang Central Plantations ...	31/12/20	Dr. 9,925		-			—	Dr. 4,693	— 9,925	12,940	12½
Sungei Kapar Rubber ...	31/12/20	7,596		-				16,046	+ 7,596	32,157	40
Teluk Pah Rubber ...	31/12/20	Dr. 567		-		-		2,221	— 567	2,752	8½
Toerangie (Sumatra) Rubber ...	31/10/20	2,020						9,188	+ 2,020	13,301	5
Wampoe Tobacco & Rubber ...	31/10/20	Dr. 8,987		—				Dr. 12,152	+ 8,987	1,291	—
Tramways and Omnibus:											
Bristol Tramways ... Carriage	31/12/20	40,470	14,000	7	35,000			3,728	— 8,550	-	-
Gateshead & District Tramway ...	31/12/20	15,331	6,757	10	13,500	10,215	-	2,018	— 1,641	-	—
Northern General Transport ...	31/12/20	34,854	6,522	10	22,711	-		17,853	+ 5,621	- -	—
Rangoon Elect. Tramway & Supply ...	31/12/20	37,642	15,000	10	17,700	-		9,303	+ 4,942	-	-
Water:											
Antwerp Water Works ...	31/12/20	Dr. 12,937	-		-			Dr. 177	—12,937		—
Tarapaca Water Works ...	31/12/20	36,885		10‡	24,000	14,000	-	10,319	— 2,115	42,855	8
Mining:											
Anglo-Continental Mines ...	31/12/20	21,959	-	10†	15,500	-		14,499	+ 6,459		—
Ivanhoe Gold	31/12/20	66,726	-	6½	65,000	-		9,412	+ 726		-
Mozapi Copper	31/12/20	10,564			-	-		32,347	+10,564	-	—

* After provision for all Government taxation, prior charges, &c. † Tax free ‡ Half-year.

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

INTERNATIONAL HARVESTER COMPANY.

ANNUAL REPORT FOR THE YEAR TO DECEMBER 31, 1920.

To THE STOCKHOLDERS:

The Board of Directors submits the following report of the business and financial condition of the International Harvester Company and affiliated companies for the fiscal year ending December 31, 1920:

INCOME ACCOUNT FOR 1920.

Income before deducting Interest on Loans, Depreciation, Losses on Receivables, and Appropriations	$23,160,074 53
Deduct—Interest on Loans	$612,328 91
Ore and Timber Extinguishment	428,379 74
Plant Depreciation	3,471,711 18
Special Maintenance	280,168 74
Provision for Losses on Receivables	1,178,799 96
Appropriation for Pension Fund	500,000 00
	6,501,721 53
Net Profit for 1920	$16,655,353 00

SURPLUS DECEMBER 31, 1920.

Balance at December 31, 1919			$71,645,388 97
Deduct—Amount transferred from Surplus to Capital Stock September 15, 1920			10,000,000 00
Add—Net Profit for 1920		$16,655,353 00	$61,645,388 97
Deduct Dividends—			
Preferred Stock	$4,200,000		
Common Stock	5,750,000	9,950,000 00	6,705,353 00
Surplus at December 31, 1920			$68,350,741 97

COMBINED BALANCE SHEET, DECEMBER 31, 1920.

ASSETS

Property—			
Real Estate, Plant Property, Mines, Timber Lands, &c.		$104,295,172 07	
Deduct—			
Reserves for Plant Depreciation		26,117,154 30	$88,178,017 77
Deferred Charges			462,700 94
Reserve Fund Assets—			
Fire Insurance Fund		$1,258,950 00	
Pension Fund		2,000,000 00	3,258,950 00
Current Assets—Inventories—			
Raw Materials, Work in Process, Finished Products, &c.		$151,134,736 77	
Receivables—			
Dealers' and Farmers' Notes	$36,940,853 76		
Accounts Receivable	23,778,877 79		
	$60,719,731 55		
Deduct—			
Reserves for Losses	3,756,417 30	56,969,314 25	
Investments		2,113,705 22	
Cash		12,291,617 13	202,809,433 37
			$294,609,101 15

LIABILITIES.

	Authorized	Issued	
Capital Stock:			
Preferred	$100,000,000	$60,000,000	
Common	130,000,000	90,000,000	$150,000,000 00
Purchase-money Obligations			2,706,253 56
Current Liabilities—Bills Payable—			
War Finance Corporation Loan		$1,000,000 00	
Foreign Trade Acceptances		2,185,000 00	
Bank Loans		5,600,000 00	
		$11,785,000 00	
Accounts Payable—			
Current Invoices, Payrolls, Loose Ac.		$30,528,464 60	
Preferred Stock Dividend		1,050,000 00	
Common Stock Dividend		1,575,000 00	
		$33,153,464 60	
			11,958,164 60
Reserves (Appropriated Surplus)—			
Special Maintenance		$2,940,108 68	
Collection Expenses		2,000,000 00	
Fire Insurance Fund		7,175,313 83	
Pension Fund		5,728,518 51	
Industrial Accident Fund		950,000 00	
Employees Savings Plan		1,100,000 00	
Contingent		3,750,000 00	23,613,941 02
Surplus			68,350,741 97
			$294,609,101 15

PROPERTY.

CAPITAL ADDITIONS DURING 1920.

WORKS AND TWINE MILLS.

UNITED STATES. McCormick Works: Steam turbine; motors; transformers; additional transmission capacity; 300 power-squeezer molding machines. Deering Works: New grey iron cupolas and charging devices; locomotive crane; machine tools; exhaust steam heating apparatus; harvester-thresher and potato digger equipment. Tractor Works: Progressive assembly unit; drop-forge and foundry equipment; machine tools. Milwaukee Works: Water tube boiler; superheater; transformer; motors; unloading cranes. Akron Works: Sand blast building and machinery; rotary converter; transformers and switchboard; additional equipment for increasing motor truck manufacture. Auburn Works: Overhead runway and paint baking ovens; machine tools for tillage implements. Chattanooga Plow Works: Foundry addition; machine tools. Fort Wayne Works: Site for motor truck plant; preliminary construction. P. & O. Plow Works: Foundry cupola building; additional facilities for manufacturing plows. Richmond Works: Purchase of plant property of the American Seeding Machine Company at Richmond, Indiana. Rock [illegible] Works: Power [illegible] Works: Part [illegible] manufacture [illegible] plant property of [illegible] Iowa Chicago Water Works [illegible] West Pullman Works [illegible] ment; motors; thresher equipment. Twine Mills: McCormick Deering [illegible] [illegible] Works [illegible] and Warehouses [illegible]

CANADA. [illegible] Works [illegible] Works: Sprocket [illegible]

FOREIGN. Orco Works, [illegible] tation of works and twine mill. Norrkoping Works, [illegible] equipment: [illegible]

BRANCH HOUSES.

UNITED STATES. Purchase of warehouse property, [illegible] at Dubuque, Ia.; Des Moines, Ia.; Kansas City, Kan.; Louisville, Ky.; Oklahoma City, Okla.; Omaha, Neb.; Parkersburg, W. Va.; St. Paul, Minn.; Springfield, Mo.; Sioux Falls [illegible] and Aberdeen, So. Dak.; Ft. Dodge, Ia.; Grand Forks, No. Dak.; Minneapolis, Minn.; St. Cloud, Minn. Improvements to [illegible] warehouses at [illegible] Fla.; Minneapolis, Minn.; Portland, Ore.; St. Louis, Mo. [illegible]

CANADA. New warehouse site at London, Ont.; [illegible] at Quebec, Que.

FOREIGN. Purchase of warehouse [illegible] South America; [illegible] Blanca [illegible]

RAW MATERIAL FACILITIES.

COAL MINES AND COKE WORKS. Benham, Ky.: New machinery; water service and village improvements; new tipple and warehouse for commissary supplies; new dwellings and boarding house.

IRON ORE MINES. Hawkins Mine, Nashwauk, Minn.: Iron ore screening apparatus; erection of dwelling houses. Sargent Mine, Keewatin, Minn.: Machinery and equipment; village improvements. Bruce Mine, Chisholm, Minn.: Purchase of 50-year lease; exploration.

BY-PRODUCT COKE PLANT. South Chicago, Ill.: Service station and other buildings; addition to coal handling plant; machinery and equipment; purchase of 500 steel hopper-bottom 50-ton capacity coal cars to operate between the coal mines at Benham, Ky., and the by-product coke ovens at South Chicago, Ill.

BLAST FURNACES AND STEEL MILLS. South Chicago, Ill.: Real estate and improvements; concrete trestle for handling raw materials; boiler water purifier. Deering Rolling Mill: Chicago, Ill.: Completion of new mill.

TIMBER LANDS AND SAW MILLS. Deering and Rives, Mo.: Drainage and levee improvements; erection of dwellings, completion of church and lodge hall; machinery and equipment; extension of logging railroad.

SISAL PLANTATION. Cardenas, Matanzas, Cuba: Clearing, planting and cultivating; roads; tramways; buildings [illegible]

RAILROADS, &c. Chicago, West Pullman & Southern Railroad: New switch tracks at West Pullman and Irondale; new locomotive. Deering Southwestern Railway: Road bed improvements. Illinois Northern Railway: New equipment for machine shop [illegible]

Total Capital Additions during 1920		[illegible]
Deduct—Property sold, charged off, &c., during 1920	$1,076,624 48	
Provision for amortization of ore, coal, and timber during 1920	428,379 74	[illegible]
		[illegible]
Add—Balance at December 31, 1919		97,249,753 44
		[illegible]
Deduct—Reserves for Plant Depreciation		26,117,154 30
Net Balance at December 31, 1920		$88,178,017 77

INVENTORIES.

At Works and Twine Mills at close of manufacturing season:

United States:		
Raw Materials and Supplies	$22,204,460 74	
Work in Process of Manufacture	16,609,200 63	
Finished Machines, Repair Parts, and Twine	6,288,744 41	[illegible]
Canada:		
Raw Materials and Supplies	$1,946,477 84	
Work in Process of Manufacture	[illegible]	
Finished Machines and Repair Parts	1,414,088 24	[illegible]
Europe:		
Raw Materials and Supplies	$2,205,343 34	
Work in Process of Manufacture	[illegible]	
Finished Machines, Repair Parts, and Twine	[illegible]	[illegible]
		[illegible]
At Branch Houses and Distributing Points:		
United States	$[illegible]	
Canada	[illegible]	
Foreign	11,279,802 74	[illegible]
At Mines, Furnaces, [illegible]		[illegible]
At Saw Mills		[illegible]
Railroads		[illegible]
Miscellaneous		$16,679 77
		[illegible]
Add—Net Materials [illegible]		[illegible]
Labor [illegible]		[illegible]

The "basic" inventory, representing a normal quantity of raw materials, work in process, and finished products, is valued at 1916 inventory prices (being the actual cost of that year), which have been adopted as a fair and stable basis for inventory valuations during the period of high prices. The additional inventory (that is, the quantity in excess of normal) is valued at 1920 cost or market, whichever is lower.

"Net Material Purchases, &c., after close of manufacturing season," include purchases and manufacture at works between inventory-taking and December 31, 1920, less the manufacturing cost of goods shipped from the works during that period, which were either sold in 1920 season or included in the country inventory.

The character of the Company's business requires that large stocks of agricultural implements be carried at convenient locations throughout the world, in order to meet the urgent local necessities of uncertain crop conditions. Therefore, a large amount of working capital is constantly invested in inventories. By this investment the Company aims to give adequate service to the farmer and to meet the varying demands of a trade which is frequently unable to forecast its needs until the crops are assured and the harvest is at hand.

WORKING CAPITAL.

Current Assets—Inventories	$131,134,796 77
Receivables (Net)	56,969,314 25
Investments	2,413,705 22
Cash	12,291,617 13
	$202,809,433 37
Deduct—Current Liabilities	44,938,464 60
Net Working Capital at December 31, 1920	$157,870,968 77

CAPITAL STOCK.

The Capital Stock of the International Harvester Company at December 31, 1920, was :—

Authorised :

Preferred Stock, 7% Cumulative—1,000,000 shares, par value $100 each	$100,000,000
Common Stock—1,300,000 shares, par value $100 each	130,000,000
	$230,000,000

Issued :

Preferred Stock, 7% Cumulative—600,000 shares, par value $100 each	$60,000,000
Common Stock—900,000 shares, par value $100 each	90,000,000
	$150,000,000

The increase in the Capital Stock was ratified at a special stockholders' meeting, held July 29, 1920, and was authorised for the following purposes :—

1. $10,000,000 Common Stock issued September 15, 1920, as a stock dividend of 12½ per cent. to Common Stockholders. This amount has been transferred from Surplus to Capital Stock.

2. $20,000,000 Common Stock available for future semi-annual Stock Dividend requirements.

3. $40,000,000 Preferred Stock and $20,000,000 Common Stock available for issue to employees under the Extra Compensation and Stock Ownership Plan.

No portion of the Capital Stock has been issued for Goodwill or Patents. The Company's properties are unencumbered, and it has no bonded indebtedness.

CURRENT LIABILITIES.

BILLS PAYABLE.

War Finance Corporation Loan Maturing 1923	$4,000,000 00	
Foreign Trade Acceptances	2,185,000 00	
Bank Loans	5,600,000 00	$11,785,00 00

ACCOUNTS PAYABLE.

Current Invoices, Payrolls, &c.	$14,983,539 87	
Tax Provision—Federal, State, Municipal, and Foreign	10,523,664 36	
Extra Compensation Provision	2,760,263 66	
Employe's Savings Plan Subscriptions	2,260,996 71	
Preferred Stock Dividend, payable March 2, 1921	1,050,000 00	
Common Stock Dividend, payable January 15, 1921	1,575,000 00	33,153,464 60
Total Current Liabilities at December 31, 1920		$44,938,464 60

NOTE. There was a contingent liability at December 31, 1920, of $1,246,821 99 on Acceptances Discounted.

RESERVES.

PLANT DEPRECIATION.

The annual appropriations from earnings for plant depreciation reserves constitute the necessary provision for the impairment and consumption of the plant assets utilised in production. Such depreciation is based on rates established by recognised authorities and confirmed by past experience in this industry, and should prove sufficient to reproduce the properties as their replacement becomes necessary.

Balance at December 31, 1919	$23,055,763 22
Add—Provision for 1920	3,474,744 18
	$26,530,507 40
Deduct—Replacement charges, &c. during 1920	413,352 50
Balance at December 31, 1920	$26,117,154 90

REPAIRS, RENEWALS AND MAINTENANCE.

In accordance with the Company's policy, liberal expenditures have been made for ordinary repairs and renewals in order to maintain the properties at their maximum efficiency. All such expenditures are charged to operating expenses and have been included in the cost of production. A comparison of these expenses for the last three seasons is :—

	1920	1919	1918
Works and Twine Mills—			
United States	$8,614,663 78	$5,623,099 41	$5,163,826 62
Canada	759,931 24	516,219 77	312,747 96
Foreign	388,065 36	542,456 92	550,658 05
	$9,792,600 38	$6,681,776 10	$6,327,232 63
Furnaces and Steel Mills	1,389,795 59	1,164,127 26	1,200,049 74
Railroads	345,403 72	181,819 65	195,086 09
Branch Houses and Miscellaneous	214,942 76	162,114 58	159,803 44
	$11,742,742 45	$8,189,837 59	$7,882,171 90

SPECIAL MAINTENANCE.

These reserves provide for relining of blast furnaces, maintenance of docks and harbours, conversion of power systems, and other renewal work, the expenditures for which occur at irregular intervals. To provide for such renewals when they become necessary the future cost of the work is apportioned over current earnings.

Balance at December 31, 1919	$2,745,618 54
Add—Provision for 1920	280,468 74
	$3,026,087 28
Deduct—Relining, renewal and other charges during 1920	115,978 60
Balance at December 31, 1920	$2,910,108 68

LOSSES ON RECEIVABLES.

The annual deductions from earnings to provide for losses which may ultimately be sustained in the realisation of notes and accounts receivable taken on each season's sales are based on long experience and are adequate to cover bad debts incurred in the ordinary course of business.

Cash collections on the business transacted during the year resulted a little better than anticipated, being eighty-seven per cent. in the United States, seventy-five per cent. in Canada, and seventy per cent. in the European and other foreign trade. These results are lower than the preceding year, when ninety-four per cent. was collected in the United States, eighty per cent. in Canada, and seventy-five per cent. in other foreign countries. The five-year pre-war average of cash collections in the United States and in Canada was seventy-seven per cent. and forty-five per cent. respectively.

Balance at December 31, 1919	$3,249,927 95
Add—Provision for 1920	1,178,799 96
	$4,428,727 91
Deduct—Bad Debts charged off during 1920	678,310 61
Balance at December 31, 1920	$3,750,417 30

COLLECTION EXPENSES.

In most lines of business the time which elapses between the date of a sale and the collection of the proceeds in cash is comparatively short, and the need of a reserve to meet the future cost of collecting receivables outstanding at the date of the balance sheet would arise only in the event of liquidation. In the agricultural implement business, where long credits in some lines are extended to the farming community, conservative management has adopted the principle of providing a reserve to meet future collection expenses.

Balance at December 31, 1920, $2,000,000.

FIRE INSURANCE FUND.

The Company pursues the policy of carrying a reasonable portion of its own fire insurance. It is estimated that the fire insurance fund should now be sufficient, with the annual accretions from regular insurance charges to operations and the income from the fund, to provide ample protection for the risk which the Company assumes.

Balance at December 31, 1919	$6,610,645 00
Add—Credit for 1920 from regular charges to operations	260,690 25
Income from Fund for 1920	355,458 88
	$7,226,794 13
Deduct—Losses by Fire, &c., during 1920	51,480 30
Balance at December 31, 1920	$7,175,313 83

CONTINGENT.

Balance at December 31, 1920	$3,750,000

INDUSTRIAL ACCIDENT FUND.

Since the Company originated its plan of compensation for industrial accidents to employees regardless of legal liability, all States in which the Company has its principal plants have enacted workmen's compensation laws, which now supersede the Company's plan.

Payments for accidents are absorbed directly in operating expenses, and no portion is charged against the permanent industrial accident fund, which is maintained at a reasonable amount as a safeguard against future contingencies.

Balance at December 31, 1920	$950,000

GENERAL.

The business during the year 1920 presented sharp contrasts. For the first six months, goods were in such demand that the capacity of the Company was taxed to secure the necessary material and to manufacture the product; while in the last six months, efforts were directed

to slowing down activities and curtailing the manufacturing programme.

The change was primarily due to the fact that in the late summer a sudden decline in the prices of farm products brought them far below the general level of prices, and in some instances below pre-war levels. Confronted by this lessened return for their products and a restriction of bank credits, the farmers greatly reduced their purchases and the Company adjusted its plans to meet the altered conditions.

The total sales for 1920, aggregating $225,000,000, were the largest in the Company's history, and compare with $212,000,000 in 1919 and $204,000,000 in 1918.

The net profit for 1920 was $16,655,000, which compares with a profit of $20,011,000 in 1919, before deducting the balance of war losses charged off in that year. The percentage of net profit to capital invested in 1920 was 7.9 per cent.; in 1919 the profit percentage, before charging off war losses, was 9.6 per cent.

FINANCIAL SITUATION.

Cash collections on the business transacted during the year were eighty-seven per cent. in the United States, seventy-five per cent. in Canada, and seventy per cent. in the European and other foreign trade. Collections were unusually good in the first half of the year, but declined seriously in the latter half, resulting in a smaller volume of cash than 1919, when ninety-four per cent. was collected in the United States, eighty per cent. in Canada, and seventy-five per cent. in other foreign countries. The five-year pre-War average of cash collections in the United States and Canada was seventy-seven per cent. and forty-five per cent. respectively.

The machine selling prices in 1920 show an average increase of about sixty per cent. over pre-war prices and repair parts an average increase of only forty per cent.; whereas the average increase in price of "All Commodities" for 1920, as shown by the United States Bureau of Labour Statistics, was 143 per cent. over the average for 1914. The Company derived practically no increase in machine selling prices in 1920 over the preceding year, while the manufacturing costs increased more than ten per cent., due principally to higher material markets and higher wages paid to labour.

The average number of employees on the pay roll of the Company throughout the world in 1920 was 48,280, and the total compensation $89,930,000. This compares with 40,480 employees in 1919, and a total pay roll of $63,040,000.

Besides the increase in manufacturing cost, the larger inventory at the close of 1920 accumulated at high prices necessitated heavy reductions in value to meet the decline in market prices at the close of the fiscal year. The effect of these adjustments was to cut $7,500,000 from 1920 earnings, as compared with an adjustment of $5,400,000 in 1919.

For the last five years the Company has followed the "basic" principle of inventory valuation, in order to treat this large asset conservatively in its financial statement and to prepare for the inevitable decline to lower price levels. Under this plan a normal inventory quantity valued at 1916 low scale of prices is adopted as "basic," and the additional quantity is valued at cost or market, whichever is lower.

The capital expenditures for the year aggregated $13,550,000 for new plants, additions, extensions, and improvements to existing properties.

CAPITAL ADDITIONS.

The Richmond, Ind., factory of the American Seeding Machine Company was purchased in June 1920. The old-established lines of "Hoosier," "Kentucky," and "Empire, Jr.," drills and seeding machines, manufactured at that plant, had been sold by this Company for many years under a jobbing contract, and a substantial trade in them had already been established. With this acquisition a competent operating organisation trained for years in this line of manufacture was secured.

The extensive use of coiled springs in the manufacture of the Company's products prompted the purchase of the plant property of the Springfield Spring Company at Springfield, Ohio.

Other important capital additions during 1920 comprise an extensive development of the shop facilities for the manufacture of ploughs at the plough works in Canton, Ill., and Chattanooga, Tenn. A large warehouse addition at the plough works in Hamilton, Canada, was completed within the year.

At West Pullman Works the manufacture of threshers was introduced in the spring of 1920, requiring further capital outlay at that plant. New machinery and equipment have been added at other works where economy of operation justified the investment.

In the manufacture of tractors and trucks there was marked development. At the Tractor Works, the new foundry building constructed in 1919 was fully equipped and brought into operation during the year. A new manufacturing building was erected for the progressive assembly of small tractors.

For some years the need of a twine mill at the seaboard has been apparent. After thorough investigation, the port of New Orleans was selected and a site of 21 acres acquired on the Mississippi River, opposite the city. When this mill is erected the raw fibre from Mexico, Cuba, the Philippines, and other fibre-producing countries will be unloaded from ocean-going vessels at the Company's docks, and the finished twine shipped from there to all parts of the world. Provision will also be made for the storage of southern lumber and other materials to be transhipped by water to the Company's domestic and foreign works. Substantial saving in transportation charges will thereby be effected. No appropriation has yet been made for the construction of the New Orleans twine mill and warehouses.

TRANSPORTATION.

The subject of transportation is of great and growing importance, particularly in view of the present high railroad freight rates. The Company has used inland waterways this year to a greater extent than ever before, notably in the movement of sisal fibre from the Gulf and export shipments from New Orleans via the Mississippi River. The results have been satisfactory both in service and savings. It is to be hoped that Government agencies and commercial bodies will actively co-operate in an extensive plan for the improvement, development, and use of our inland waterways.

RAW MATERIAL FACILITIES.

The year has seen a conservative development of the Company's raw material facilities. Additional iron-ore reserves have been secured on the Mesaba Range. In January 1920 the Bruce Mine at Chisholm, Minn., was acquired under a fifty-year lease, adding a considerable body of non-Bessemer ore for the protection of the Company's open-hearth steel project. Development work continued throughout the mining season on the newly-acquired Sargent Mine, Keewatin, Minn. This property is now operating as an underground mine, but with completion of the present stripping area, open-pit mining will be commenced.

The coal mines at Benham, Ky., have been brought into fuller development, and 500 steel coal cars purchased for transporting coal from the mines to the coke ovens at South Chicago, Ill. The results of the operation of the by-product coke ovens during 1920 have been satisfactory.

In the foreign field, unsettled political and economic conditions, lack of definite arrangements to supply the needed credits, and high rates of exchange presented serious obstacles to the extension of American trade. Notwithstanding these difficulties, the volume of the Company's foreign sales in 1920 was the largest on record and amounted to $60,000,000. The profit resulting therefrom was greater than that of the preceding year.

The works at Neuss, Germany, which was officially and formally returned to the Company in June 1920, has been operated throughout the year and is meeting the demands of the trade.

The Croix works near Lille, France, which had been stripped of its machinery and equipment by the invading German army, has been restored as a strictly modern plant and is now in complete operation.

The works at Norrkoping, Sweden, ran at full capacity throughout the entire year.

THE FOREIGN ORGANISATION.

The foreign organisation throughout the world is in touch with local conditions and is prepared to meet and supply the demand for the Company's products wherever the resumption of trade is warranted.

Long-time credits, judiciously extended, will stimulate America's export trade, and it is hoped that some plan along the lines of the proposed Foreign Trade Financing Corporation will function in the near future. The investment of American capital in sound foreign enterprises, securities, and credits, either directly or through the purchase of Debentures issued against such investments is necessary, if the United States is to take its rightful place as an exporting nation. This country has much to learn from Europe in this regard.

During the year the stockholders adopted an extra compensation and stock ownership plan for employees in the United States and Canada. Under this plan the Company will set apart out of its earnings for 1920, and annually thereafter, an extra compensation fund which will equal sixty per cent. of the earnings for the year in excess of seven per cent. on the invested capital in its business. This extra compensation will be paid as nearly as possible one-half in cash and one-half in stock. Two-thirds of the extra compensation fund will be paid to employees in the non-managerial group, and one-third to employees in the managerial group; the first receiving Preferred stock at par, and the second Common stock at par. Two important provisions of the plan prescribe that employees must have been in service throughout the year for which the distribution is made, and must retain ownership of stock received as extra compensation in order participate in subsequent distributions.

The plan rounds out the [illegible] of the Company upon which it has been progressively at work since its organisation in 1902. Its purpose is to strengthen the community of interest between the Company and its employees and to compensate continued and efficient service, to enable employees to become owners of the Company's stock, and to promote team-work, efficiency, and economy, which will largely determine the amount of the

extra compensation. The cordial feeling existing between the management and the employees, 8,200 of whom are stockholders, was evidenced and strengthened in the recent visit of the President to the principal works and properties of the Company in the United States and Canada.

Under its pension system, the Company paid in pensions during the year $278,000. At December 31, 1920, there were 568 former employees on the pension roll receiving an average annual pension of $520.

MEDICAL AND SURGICAL SERVICE.

Medical and surgical service to employees is being steadily developed. Since 1911 an intensive campaign has been carried on for the treatment and prevention of tuberculosis among employees. As a result of this work the tubercular frequency rate among the Company's employees is about one-fifth of the general community rate. The medical department has recently been paying special attention to dental work, and highly satisfactory results have thereby been obtained in the prevention of infection and in continuity of service.

The Industrial Council Plan has been operative during the year and has furnished strong justification of its theory and methods. There are now 22 works councils with 175 employee representatives.

Large through the co-operation of the works councils important advances have been made in the education of employees to encourage and fit them for the full opportunities and duties of American citizenship. In two important plants this work has been carried forward with such enthusiasm and effect that all their alien-born employees have taken out final papers of citizenship.

On July 29, 1920, the stockholders authorised an increase in the Preferred stock from $60,000,000 to $100,000,000, and in the Common stock from $80,000,000 to $130,000,000.

Mr. George W. Perkins, a director of this Company since its organisation, and for many years Chairman of the Finance Committee, died after a brief illness on June 18, 1920. The directors desire to express their sorrow at the loss of a friend and fellow-director, whose counsel was at all times helpful and constructive.

The organisation was saddened, and the Company suffered a distinct loss, by the death of William V. Couchman and Phillip S. Post, Vice-Presidents, and of Samuel D. Snow, General Attorney. During the past twenty years Mr. Couchman had taken an important part in the extension and development of the foreign trade. At the time of his death he was in charge of all the Company's activities in Europe, with headquarters at Brussels, Belgium. Judge Post, who always displayed a high order of ability in the Company's service, was for many years General Attorney, and was elected a Vice-President in charge of Public Relations in 1919. Mr. Snow, who had served as a valued member of the Law Department since 1902, had been appointed to succeed Judge Post as General Attorney.

The books and accounts for the fiscal year have been audited by Messrs. Haskins and Sells, certified public accountants, and their certificate is presented herewith.

PROBLEMS OF READJUSTMENT.

The close of the year 1920 found this Company, like other American industries, confronted with serious problems of readjustment. These problems involve a reduction in the selling prices of the Company's products, and an adjustment of costs to enable such selling prices to be reached. As the pay rolls constitute so large an element of cost, reductions in wages and salaries throughout the entire organisation are essential. The Company enters the new year with a full appreciation of these serious difficulties, and is prepared to meet them.

The varied and difficult conditions arising during the past year have been met by the organisation, at home and abroad, with the same loyal and earnest effort displayed in previous years, and it is with renewed pleasure that the directors record their appreciation.

By order of the Board of Directors.

HAROLD F. McCORMICK,
President.

Chicago, April 8, 1921.

MEETINGS
OF PUBLIC COMPANIES.

Caledonian Insurance Company.

Substantial Expansion of Business.

THE one hundred and sixteenth ordinary annual meeting of the Caledonian Insurance Company was held within the Company's office, Edinburgh, on May 5, 1921.

The Chairman, Mr. Hugh Patten, W.S., in moving the adoption of the report and accounts, said: Gentlemen,—The report and accounts have been in your hands now for some time, and I presume I may take it that in accordance with the usual custom these may be held as read.

The outstanding feature of the accounts for 1920 is the very substantial expansion shown by practically all sections of our business. This increased activity was not equally distributed over the year, as during the last three months we began to feel the effect of the general slacking down in trade, which has grown into such serious proportions since. When the tide turns again, as turn it must, insurance companies will be among the first to realise the change to better conditions. There is no doubt that in a period of unemployment and unrest, such as we are passing through at present, the burden they have to carry is no light one.

Life Department.

In the life department we have again to record the transaction of a larger amount of new business than in any previous year. 1912 policies for £1,690,099 were placed upon our books, showing an increase of more than £113,000 over the sums assured in 1919, while the premiums thereon amounted to £67,998. After deducting reassurances the net assurances retained at the Company's risk amounted to £1,511,829, and the premiums to £62,875. Death claims amounted to £204,699, and though somewhat heavier than those of the previous year, were well within the expectation. The ratio of management expenses to premium income has been maintained at a very moderate figure—viz. 14.32 per cent.—and exceeds only by a small fraction the ratio of the previous year, notwithstanding the large amount of new business obtained and the further increase in cost of administration. You will notice that a considerable increase is shown this year in the interest revenue, an important factor in the success of a life fund. The net rate of interest, after deduction of income tax, yielded by the funds, excluding reversions purchased, was £4 7*s.* 10*d.* per cent., as against £4 5*s.* 1*d.* per cent. for 1919.

The total life income for the year was £607,909, and the outgo £407,554, the balance of £200,355 being added to the funds, which amounted to £4,089,502 at the close of the year.

Fire Insurances.

In the fire account it is gratifying to note the considerable growth in the premium income. All branches of our organisation, both at home and abroad, have contributed to the increase shown of £214,657. As my predecessor in the chair told you last year, we have been extending our operations beyond the United States and Canada, to which we have hitherto confined ourselves, and we are rapidly developing a valuable and efficient agency organisation all over the world. We have established a large number of important agencies, the majority of which are already sending us business, and when they are all in active operation we may look for a substantial addition to our revenue. The total fire premiums for the year, after deducting reinsurances, amounted to £920,209, and the losses to £459,124, or 49.89 per cent. of the premiums. The expense ratio was 36.64 per cent., as against 36.60 per cent. last year, and I think we have cause for satisfaction that our business has been administered at so moderate a level of expense. After meeting all claims and expenses, and providing for the increase in the reserve for unexpired risk, the account showed a surplus of £63,576, which has been carried to profit and loss account.

The accident and employers' liability accounts, though of smaller dimensions, continue to exhibit satisfactory results, and we have been able to transfer therefrom £6,000 to the profit and loss account. You will have noticed that the premium revenue in the employers' liability is greater by nearly fifty per cent. than that of the previous year.

In the general insurance department our experience this year has not been so favourable as in the other branches of our business. The ratio of loss was 53.49 per cent., and, in addition, we have had to provide for the usual reserve for unexpired risk in respect of an increase of £61,695 in the premium income. The motor section has been mainly responsible for the result shown, but as the premium rates have been recently adjusted to meet the adverse loss experience, which has been general among offices transacting motor insurance, the outlook for the business has been considerably improved. The reserves in this account were strengthened by the addition of £10,000 brought from profit and loss account.

Marine Business.

Coming now to the marine department, it is satisfactory to be able to report another profitable year. The account has shown considerable development, and we closed the year with an addition to our funds of £109,090, after carrying £25,000, the same amount as in the previous year, to the profit and loss account. As you are no doubt aware, the

shipping trade is not in a flourishing condition just now, and marine risks are being underwritten at very keen rates. We are, however, exercising every care in the selection of our business, and are avoiding risks where we consider the rates are not remunerative. In those circumstances it is not unlikely there may be a shrinkage in our premium revenue for the current year, but we are confident this should be a merely temporary phase, as on a return to normal conditions our connections, which are constantly increasing in number and importance, will procure for us a correspondingly larger share of this business in the market.

The sum brought into the profit and loss account at the beginning of the year under review was £216,253. After crediting the account with interest not carried into other accounts and with the various sums contributed by the fire, accident and marine departments, and deducting the dividend paid during the year, the provisions made for taxes an depreciation and the transfer to the general account, there was left a balance of £216,713 at the end of the year.

Fire Account: Increase in Special Reserve Fund.

In view of the great expansion of our business in the fire account, the directors thought it only wise and prudent, and I think you will endorse their decision, to increase the special reserve fund of that amount. They accordingly transferred to it the sum of £50,000, thereby reducing the balance in the profit and loss account to £166,713. It will not have escaped your notice that the provisions we have made for taxes, home and foreign, is unusually large, and in explanation I should mention that the figure of £61,000 includes a considerable sum for Canadian taxes for two years in arrear in excess of what we had provided for, owing to a change in the basis of assessment of Insurance Companies recently decided upon by the Canadian Revenue Authorities.

At the end of the report you will notice a comparative statement showing the Company's progress during the last few years, and it is interesting to see that the total revenue of the Company is now well beyond two million pounds, and that the funds amount to nearly five and a-half millions.

As announced in the report, the directors have resolved to recommend a dividend of thirty-five shillings per share, subject to income tax, being the same dividend as was declared last year. This will absorb £26,337, and will leave a sum of £140,376 in the profit and loss account to be carried forward to next year.

You will remember that Mr. Robert Chapman, the previous Manager of the Company, retired in November 1917 owing to a breakdown in health, and it is with great regret that I have now to record that he succumbed in February last to the illness which brought about his retirement

Tribute to Officials and Staff.

Before bringing these brief remarks to a conclusion I should like to express on behalf of the board, and I am sure the shareholders will join with us in doing so, our cordial appreciation of the zeal and devotion to the Company's interests shown by the officials and staff during the past year. The period has been one of great pressure and not entirely without anxiety, and the results of their labours which I have just been reviewing must, I venture to think, have been received by you with some satisfaction.

I now beg to move that the report be adopted and that the dividend of thirty-five shillings per share, less income tax, as recommended therein, be paid.

Sir James H. Warrack, K.B.E., seconded the motion, which was unanimously agreed to. On the motion of Mr. Edmund Berry, seconded by Mr. R. M. Watson, Mr. Charles H. Scott Plummer and Mr. William Brodie, the two directors falling to retire by rotation, were re-elected directors.

Mr. Kenneth M. Gourlay, C.A., was elected auditor for the ensuing year, and the meeting terminated with a vote of thanks to the Chairman, proposed by Mr. Neil Macvicar, W.S.

Scottish Union and National Insurance Company.

Record Life Business.

Mr. T. M. Murray, W.S., in presiding at the annual general meeting of shareholders held in Edinburgh, on May 4, after a reference to the absence through illness of Sir Thomas Mason, the Chairman of the Compay, said:—

I would draw your special attention to the very large life business which was transacted in the year. The new business at over £2,000,000 gross exceeds all previous records, which is highly satisfactory. The net premiums in the department have increased by £74,000, and the interest on the life fund by £39,000. The claims have again been moderate, and the net result of the year's operations is an addition of over £200,000 to the life assurance and annuity fund. While pleased to be able to comment favourably on these figures, I think it right to point out to the shareholders that we can hardly hope for such results in the year now current. The effects of the wave of industrial and commercial depression now passing over the country are already being shown in our returns, and I fear that twelve months hence we must be prepared for less favourable figures.

Fire and Marine Accounts.

The fire account is in its results less satisfactory than we have been accustomed to in recent years. The premiums

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show an increase of only £22,000, but this increase would have been greater but for the fact that in the last month of the year an account which had proved unremunerative was closed and the liabilities reinsured. The fires which occurred during the year were persistent and costly, a feature being the large increase in the home losses, many of which were no doubt due to Sinn Fein activities. It is possible that we may obtain relief in respect of some of these fires on the ground that they were the result of riot, civil commotion, or usurped power, but in the meantime we have made provision in the accounts for them as possible liabilities. The principal increase in the losses was due to less favourable results in the United States of America. The commission and expenses have increased by £31,000. The cost of obtaining and working the fire business is now becoming a very serious matter and is making a very important inroad upon the margin of profit. Salaries all over the world have had to be substantially added to in view of the increased cost of living. Travelling, postages, stamps, printing, and other expenses have all become much more costly, and I fear that it will be some considerable time before our efforts at reduction will make an important impression. After making the necessary addition to the fire insurance fund the profit of the department is £72,000 odds against £153,000 a year ago.

The accident and other subsidiary accounts do not call for special comment, except that in these also, although in the aggregate the premiums were greater, the profits were less.

The marine account shows the profit for the first year following the Armistice. A year ago the profit of £240,000 then shown was for the last year of the War, and you may remember that in May last the shareholders were warned in the words used by the then Chairman that a "material diminution in the marine profits for future years has to be anticipated." The increase of £189,000 in the marine premiums is a matter upon which the underwriters are to be congratulated, more particularly in view of the excellent results which these premiums are promising to secure.

The Profits.

The profit and loss account shows the balance brought forward from last year. The interest, dividends, and rents amount to £68,000, against £81,000 in 1919. This reduction is explained by the substantial sum of over £400,000, which you may remember had to be taken from this account a year ago towards depreciation in investments. The profit from all the underwriting accounts is shown at £143,000, and the total of the whole account at £398,000. In regard to the deductions, amounting to £175,000, I would refer only to the item £123,000 for income tax. It may strike the shareholders as curious that in a year when the total profits shown amount to £143,000 such a large sum for income tax should be required. The explanation is twofold. In the first place it is due to the fact that in respect of our large holding of registered Government stock tax is not deducted at the source, but has to be met by direct assessment and is thus provided for in this item. In the second and more important place it is due to the fact that tax on profits is calculated on the average profits for the three preceding years, and, as our profits in these years were very high, the income tax for the year is out of proportion to the profits for the year.

Dividend.

And now one word as to dividend. You will have observed, some of you probably with disappointment, that the dividend declared is at the same rate as a year ago. The anxious times through which the country is passing had their influence with the directors. It was felt that these are not the days to increase obligations, and it was further felt that as the year had not been a particularly profitable one, and the balance carried forward in the profit and loss account was substantially reduced, it would not be wise to make any change. The directors were unanimous in the decision arrived at.

Norwich Union Fire Insurance Society, Limited.

A Strong and Satisfactory Position.

THE annual general meeting of this Society was held on Monday, May 2, at the head office, Surrey Street, Norwich, Sir Gerald H. Ryan, Bt., in the Chair.

The Chairman said: The year under review was a very important one. It was the first year during which the joint arrangement with the Phœnix operated, and we had occasion to test the assumptions and expectations with which we entered into this combination.

Of our several departmental accounts, the fire falls to be dealt with first in order of seniority and importance. Here we have to report a very satisfactory growth in our premium revenue, from £1,921,202 to £2,354,707. There has been a steady development of our fire business over the last few years, owing to special circumstances which I need not recapitulate; but we see signs that this buoyancy has come to a stop, and we cannot anticipate for the current twelve months at any rate any further increase. In the end, after making the usual provision for the forty per cent. reserve on the increase in premiums, we show a profit of £109,155.

Our accident department records a very marked increase of business. The premiums have gone up in total from £840,237 to £1,311,384. The profit shown is £53,400.

In the marine department our premiums amounted to £825,409, as against £576,065 last year, and we show a profit of £62,493, which we think a matter of congratulation. We ask you to approve the transfer of the profit of £62,493 to the marine additional reserve.

Turning now to the profit and loss account, the profits from the several departments amount in the aggregate to the handsome total of £225,049. Interest receipts account for £147,235 after deduction of all incumbent income tax, and against this item we can place our dividend, which (with Debenture interest added) absorbed £141,002. Thus in this particular year our free interest was actually more than sufficient to pay all dividends. No company could be in a stronger or more satisfactory position than this. It must be, however, pointed out that in 1921 we shall have a heavier charge to meet in this respect. On the other hand, it is not a rash prophecy to make that the full contribution from interest in the current year will show a good advance over the corersponding item in 1920. The one point in this account which is of a distinctly unsatisfactory character is the heavy item of depreciation, £242,021. The year just passed was a most unfortunate one for investors, especially for those who held the highest class of securities.

The report and accounts were adopted.

The Northern Assurance Co., Ltd.

SUMMARY of Chairman's speech at annual general meeting held at Aberdeen on May 4, 1921:—

The Chairman, Mr. D. M. M. Milligan, again reported a large increase in the Company's business. The fire premiums, now within measurable distance of the 3 million mark, were £2,851,011. After adjustment of the United States Exchange to $4, and adding £405,503 to reserves, the underwriting profit was £95,484.

The marine premiums of £3,491,354 included the figures of the Indemnity Mutual Marine Assurance Company, Limited, and the World Marine and General Insurance Company, Limited; the profit resulting from the 1919 account enabled the sum of £294,591 to be transferred to profit and loss. Claims had increased very much during 1920, and the account for that particular year was not turning out so well as its immediate predecessors, although up to date the 1921 account had been normal as regards claims. Pilferage and theft had been responsible for a large number of claims, and special steps had been taken to endeavour to safeguard the underwriters' interests in this respect.

Accident premiums increased by £321,082 to £981,090. A loss of £12,555 was shown partly owing to the increase of reserves to meet unexpired liability on current risks and partly to unfavourable experience in motor insurance practically throughout the world. Companies were revising their rates to place the business on a sounder basis; the prospects for the current year were favourable.

New life business amounted to the satisfactory figure of £1,110,734. The end of 1920 marked the close of a quinquennial period and a valuation of the Company's liabilities and assets. In the participation branch very heavy depreciation in securities, amounting in all to £613,739, had to be met and precluded any possibility of a bonus being declared on this occasion. If securities had reached bedrock about the end of last year the outlook for the future was more hopeful. The directors felt justified in recommending the declaration of an interim bonus of 30*s.* per cent. per annum for the current quinquennium. In the non-participation and annuity branch heavy depreciation in the funds amounting to £145,433 had been made good out of the profit and loss account.

As the result of the year's operations £757,307, including interest, had been transferred to profit and loss from the various accounts. After payment of income tax, adjustment of United States Exchange, and writing off depreciation, there was a balance available of £377,314, out of which the directors proposed to pay a final dividend on the Ordinary shares of 9*s.* per share, less tax, making a total payment of 17*s.* for the year, against 16*s.* for 1919 and 12*s.* for 1918—and on July 1 a corresponding further dividend for 1920 of 7*s.* 1.97*d.* per share, less tax, upon the Six per Cent. Participating Preference shares. The total payments in respect of Debenture interest and Preference and Ordinary dividends were more than provided by the interest earnings of the Company.

Rio de Janeiro City Improvements Company, Limited.

Petition to Increase Rates.

THE HON. HERBERT C. GIBBS, presiding at the fifty-ninth ordinary general meeting of the Rio de Janeiro City Improvements Company, Limited, on May 3, reminded the shareholders that at the last general meeting he informed them that owing to the rise in currency wages and in the value of the milreis there had been a reduction in the profit on their work in Rio of £36,000, as compared with the profit of the previous year. He had also felt obliged to add that for the same reasons it was clear that their

expenditure in Rio whould be still further increased during the year then current. He regretted to say that that forecast had proved true. Up to the end of the year the Government had been unable to grant the Company their petition to be allowed to charge higher rates, as the railways had been allowed to do. The President of the Republic, at the suggestion of the Minister of Justice, under whose control the Government had placed the Company's works, considered that this relief could only be obtained by a revision of their contracts, and with that object in view the Government submitted to Congress an amendment to the Budget to the effect that the Executive should be allowed to revise the present contracts in agreement with the Company in order to meet modern conditions. Unfortunately Congress, through lack of time, was unable to pass the amendment. The Government, however, intended, as soon as Congress reopened this month, to renew the application for powers to revise the Company's contracts. The balance of revenue, after deducting cost of maintenance and administration in Rio, amounted for last year to £174,160, or less than that of the previous year by £39,433. In spite of the fact that the profits in the past year amounted to only £58,000, the directors had continued to recommend the payment of a six per cent. dividend, not only because of the prospects of the current year, but because they estimated that the Company would recover £40,000 for excess profits duty on account of the years 1914 to 1919. For the year 1920 he thought it would be safe to assume that they would receive another £40,000 on that account, and that amount would come into the revenue of the current year. They must not, however, forget the corporation tax, which, according to the directors' calculations, would amount to about £8,000 in the current year.

The Chairman moved the adoption of the report and accounts.

The report and accounts were adopted, and the dividend therein recommended was approved.

Brazilian Warrant Company, Ltd.

The annual general meeting of the Company was held on May 3 at Winchester House, Lieutenant-Colonel Charles E. Johnston, D.S.O., M.C. (Chairman and joint Managing Director), presiding.

The Chairman said: The passing of the interim dividend on the Ordinary shares will have prepared you for a report showing poor results. It is no use disguising the fact that the final result of last year's trading was very bad, and that we have had a decided set-back. Our experience, however, is not singular. Produce trade from Brazil, and, indeed, all parts of the world, has passed through a troublous time. Countries which had imported more than their exporting capacity warranted felt the effect in a depreciated rate of exchange for their currency, and found that produce imported stood them in much above the cost of replacement. When I addressed you last year there was no special reason to suppose that such bad times were at hand, but by September conditions had so far changed for the worse that we felt it unwise to pay an interim dividend on the Ordinary shares, and our fears were justified, as continuously falling prices of produce and rates of exchange produced a situation which we had not foreseen, and we found ourselves exposed to risks which in normal times would be considered almost negligible. The brunt of the storm fell on the export section of our business. Produce shrank in value with alarming rapidity, and the fulfilment of contracts could not be relied on.

Markets in United States: Restriction of Credit.

It was realised that trade with Europe was uncertain and not to be depended on, but the markets in the U.S.A. were regarded as a mainstay. The sudden severe restriction of credit in the U.S.A. in the second half of last year pulled away the last prop, and coffee prices and the rate of Brazil exchange fell steadily. Coffee and exchange, which had reached their highest point of Rs.15 $600 and 18⅛*d.* respectively in February, had fallen on December 31, 1920, to Rs.9 $000 and 10*d.* Previous high prices for produce and high exchange had induced a rush of imports into Brazil, and with the subsequent stagnant markets for produce and heavy bills for imports to be met, the rate of exchange was bound to fall. Whereas in 1919 the balance of trade was 52 millions sterling in favour of Brazil, in 1920 it has actually been 17 millions sterling against her, and one has to take into account with this that Brazil needs a surplus of exports to provide for the interest on foreign capital loaned and employed there. When it is realised that roughly half the value of her exports is represented by coffee, it will be understood what an effect on the balance of trade, and, therefore, on the rate of Brazilian exchange, a big fall in the value of coffee must produce. The position was not improved by credits given to Belgium and Italy for produce bought, which had the effect of removing bills for the amount of those credits from the exchange market. It is a matter for congratulation that the trade as a whole has been able to weather the storm as well as it has done, and in our own case the conservative policy which we have followed in the past has stood us in good stead. We have passed through a bad time, and we have made provision for the wounds received. No one, after last year's experience, would dare to affirm positively that prices can fall no lower; but, at any rate, one can say this—that at the existing level the position is much safer. I want to present the position to you without undue optimism, but at the same time without undue pessimism, and I think I can fairly say that we feel we have passed the worst and know better where we are. I would not hide from you, however, that the conditions of trade are still such as to make business difficult and anxious.

Statistical Position of Coffee.

The present coffee crop is proving to be larger than was anticipated, and prices are being sustained in Brazil by Government purchases. Next crop is reported to be smaller. The statistical position of coffee is sound; it is the course of exchange and the world's financial and political position that are the uncertain elements. Brazil is sound; it is sufficient demand for her produce that is lacking. Force of circumstances has caused her to curtail imports, and, given correct handling of her currency problems and opportunity for marketing her produce, she should soon recover her elasticity. The brunt of the storm, as I have said, fell on our export trade, and to provide for losses made there we have taken the step of transferring £150,000 from reserve fund to investments in subsidiary companies. Our net profits have fallen to £34,048, and it is a matter of acute regret to your directors that they should find themselves in the position of being unable to recommend a dividend on the Ordinary shares, and the more so in view of the fact that the new Ordinary shares issued last year have still to wait for their first dividend. But I think you will agree that we are going as far as is desirable in recommending the payment of the full Preference dividend and the carrying forward of a sum only slightly less than that brought in at the beginning of the year. I can well understand that this will be a keen disappointment to many shareholders, but your directors are moved by the considerations of the general good of the Company. As I have said, a conservative policy in the past has stood us in good stead in the adverse conditions through which we have recently passed, and we are sure that a continuance of that policy is the right course to pursue.

The resolution was unanimously approved.

Indian Electric Supply and Traction Co., Ltd.

The annual general meeting of this Company was held on May 4 at Orient House, New Broad Street, London.

Mr. John G. B. Stone, who presided, said that the number of units sold had again increased in all departments, except under the heading of special contracts, where, owing to the temporary stoppage of the mills due to labour unrest, they had a figure of 793,240 units, against 1,110,000 in the previous year. The figures under the other headings were:—Lighting and fans, 910,565 units against 725,587; power, 2,310,365 against 2,011,388; and public lighting, 282,983 against 186,205. The number of units used in the Company's offices and car-sheds amounted to 37,571 against 34,407, bringing the total for 1920 to 4,334,724 against 4,067,923. They had issued 120,000 Preference shares and 30,000 Ordinary shares to meet the cost of the new power-house, but their commitments in this respect were only in the first stages of being met, and this accounted for the large balance of £107,679 standing to their credit at bankers in London. The amount expended during the year on capital account was £23,437, and was spread over a

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number of items, including a 500 k.w. set, part payment of the riverside power-house, and a new boiler-room, mains, &c. In spite of labour unrest and delay in getting the necessary renewals for machinery and plant delivered in Cawnpore, they had secured the best results hitherto obtained by the Company, and were indebted to their employees for their loyalty in face of the adverse influence of local strikes, and to their agents and staff for their prompt and efficient handling of local matters. The buildings and other local works were in a forward state, so that they hoped to have effective use of the station early in the new year. The directors were advised that there was already a demand for the whole output. The earnings for the past year were £35,188, against £27,932 in the previous year, £1,537 of the increase of £7,255 being due to the higher rate of exchanges at which surplus earnings in India had been sent over to London.

The report and accounts were unanimously adopted, and a final dividend of seven per cent., making ten per cent. for the year on the Ordinary shares, was declared.

M. B. Foster and Sons, Ltd.

Increase of Capital Authorised.

THE first annual general meeting of M. B. Foster and Sons, Limited, was held yesterday at the Hotel Great Central, Marylebone Road, N.W., Mr. L. T. Glasson (the Chairman) presiding.

The Secretary (Mr. H. V. Hemans) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that the outcome of the year's trading was very satisfactory. The gross profit was £124,428, and the net profit, subject to excess profits duty and corporation profits tax, was £82,692. That had not been earned on a small trade at a large profit, but on a very largely increased trade. It was one of the best features of the business that the trade had gone forward by large strides during the new Company's first year, and had now reached a figure that had not been known previously in the history of the business. He was glad to say that that position had been maintained up to the present time, but what the outcome of the current year would be it was difficult to say. The difficulties they would have to contend with were those which were besetting every business—namely, labour unrest, and unwillingness on the part of a considerable number of the community to secure the largest output. At the moment the coal trade of the country was hung up, and manufacturing business in general had been brought to a standstill, which had resulted in a great deal of unemployment and loss of wages. So far as this Company was concerned, they were in no danger of a shortage of coal; they had plenty to carry them on for a couple of months. He did not know what effect that would have on other businesses such as the brewers who supplied them, but they were shrewd men, and he had no doubt that they had made preparations that would enable them to carry on. They had long claimed to be the largest bottlers of Bass and Guinness in the world, and the figures for the year 1920, he thought, proved that contention beyond question.

Export Trade.

The home trade was extremely satisfactory, but the export trade was at its lowest ebb. That not only applied to their own Company, but to all engaged in the export trade, and was due principally to high freights, difficulties of exchange, and difficulties of finance in the countries taking our exports. In the case of the United States, which was a large buyer of export beers, the unsatisfactory condition of the trade was due to the wave of prohibition. However, the people there now seemed to be in a repentant state, and their Attorney-General had proclaimed that beer could be admitted, in spite of prohibition, on the footing that it was a medicine. That had caused considerable excitement in the export trade on both sides of the water. We have ready to send there some exceedingly good stuff in bottles which I think will do them more good than some of the medicines they have been taking. He did not think they need have any fear of prohibition in this country. The War had convinced the Government that the beer of the working man must not be interfered with, and he thought that any Government that did interfere with it by unreasonable restrictions would receive very short shrift. It was satisfactory that there was a growing tendency for the consumption of beer from the bottle rather than from the cask, and this was a feature which was not confined to this country or to any particular class of brewing. For instance, in Denmark, where formerly three-quarters of the beer had been sold in cask and a quarter in bottles, the position had now been reversed, and now about three-quarters was in bottle and one-quarter in casks. That was really what one might expect. The first receptacles for wine were skins, and then it was put into casks. Then, when wealth increased, the bottle was introduced. Although certain brands of wine were still taken from the wood, a large proportion was taken from the bottle. That is what was going on in the beer trade. That was a very favourable outlook for their trade. Owing to the general condition of the country and labour unrest, the spending power of the community was likely to be diminished, and that might affect trade in general, and the beer trade in particular. It was an old saying that there was no trade which reflected the prosperity of the country more than the consumption of beer. Therefore, if the prevailing unrest disappeared, they might look forward to a continuance of the prosperity of the Company.

Mr. C. M. Duncan seconded the motion, which was carried unanimously, and a final dividend at the rate of fifteen per cent. was declared, making twelve and a-half per cent. for the year.

The retiring directors and auditors were reappointed, and a further resolution was passed increasing the capital to £250,000 by the creation of 50,000 additional shares of £1 each, ranking in all respects *pari passu* with the existing shares of the Company. The Chairman explained that the additional capital was required owing to the very large increase of trade that had taken place. The large increase in trade had necessitated the provision of additional means of transport in the shape of motors, and they also had to provide a garage for these motors. They had to make alterations to their freehold premises at North Woolwich, and had to provide a large quantity of new bottles.

Consolidated Waterworks Company of Rosario, Limited.

Steady Progress.

THE twenty-sixth ordinary general meeting of this Company was held on May 2, at 52 Moorgate Street, E.C.

The Chairman (Mr. James Anderson) said that the business of the Company continued to make steady progress. The number of services had increased from 22,029 to 26,631 in the last ten years, while the income for the same period had risen from $1,218,853 to $1,623,695. The greatly increased cost of labour and materials had militated against the construction of new houses, and this had had an adverse effect on the Company's progress. There was not much prospect of a fall in wages, but they saw ahead of them a large economy in fuel. During the past year the Company had enjoyed a large and exceptional profit through the high rates of exchange at which the net income was remitted to London. Since the close of the year the premium on the Argentine gold dollar had run off, and to-day the exchange was nine per cent. under par. Since the last meeting he had paid a visit to Rosario, and found everything in very good order. The works were well equipped with the most modern and economical machinery, and the supply of water to the city was of the highest standard of purity. During the heat of summer, when the demand for water was at its greatest, the pressure on the mains in the outlying parts of the city became rather weak, and it had been decided to erect a large water tower, which would fill during the night and increase the pressure in the district mains during the day. This would involve the expenditure of about £50,000. The capital account was already overspent to the extent of £155,000.

The report and accounts were unanimously adopted.

Anglo-American Debenture Corporation, Limited.

Increase in Revenue.

THE thirty-first ordinary general meeting of this Corporation was held on May 5 at the Cannon Street Hotel, Sir Vesey Holt, K.B.E. (the Chairman), presiding.

The Chairman said that the revenue from investments in the past year was £90,108, or a little over £1,000 more than in the previous year, while the other items of revenue amounted to £8,400, as against £9,200. The profit on exchange, £4,730, was likely to show a considerable fall next years, as they had taken advantage of the favourable exchange position during the year to realise still further their American investments, and consequently next year there would be less interest to receive from that source. It would be seen that this year there was an increase of £102,000 in industrial and other companies in Great Britain and the Colonies as compared with a year ago, and an increase of £40,000 in investments in foreign countries, excepting the United States, in which country the holdings showed a fall of £104,000, and now stood at a book cost of £347,000. The balance available for appropriation was £44,392, and the directors had decided to transfer £9,730 to general reserve account, this figure representing the profit on exchange and £5,000 transferred from normal revenue. They recommended a dividend of eight per cent. on the Ordinary stock, leaving £10,343 to be carried forward, subject to corporation profits tax, as against £9,392 brought forward from 1919-20.

A valuation of the investments showed that the depreciation, after deducting the reserve accounts, amounted to two and a-half per cent. on the book value, and of this two and a-half per cent. rather more than one-half was represented by the depreciation on their British Government securities, which, however, had appreciated considerably since March 31 last. This position could only have been arrived at by continuing for several years the conservative policy of transferring a considerable sum annually to reserve account out of revenue and by retaining in the Company all the balance on the change of investments.

The report was unanimously adopted.

Estates Control, Limited.

Increased Profits.

THE seventeenth annual general meeting of Estates Control, Limited, was held on May 5 at the Company's offices, 152 166 Old Street, E.C., Sir George Lawson Johnston (the Chairman) presiding.

The Chairman said: If you will turn to the profit and loss account you will see that the net profit at £59,694 is £4,847 in excess of that of the previous year. On the left-hand side of the balance sheet you will find investments increased by £38,925, while the stock of raw material is increased by £131,325. The cash at bank and in hand stands at £55,520, or £3,620 more than in 1919.

On the debtor side of the balance sheet the recent issue of capital causes considerable change in the figures. The whole of the 250,000 Eight per Cent. Preferred Ordinary shares were issued last autumn, and while only £112,500 had been paid up on these shares when the accounts were closed, the last call was due on the 2nd of this month, and now only a small proportion of the £250,000 remains unpaid. The balance of profit and loss, including the amount brought in from the previous year, you will notice, is £118,882, as against £86,910 for the year 1919. Payments on the Preference shares, as indicated in the report, have already been made. We now recommend the placing of £20,000 to the reserve and the payment of a dividend of twenty-five per cent. on the Ordinary shares, and that £74,909 11*s.* 10*d.* be carried forward, subject to corporation tax.

During the year the Company has acquired a promising asset in the shape of an increased interest in Virol and Virolax. Virolax is a preparation of a quite distinctive character—a nutrient laxative. It is, as the name suggests, a Virol compound, and its special interest lies in the fact that it successfully combines the nutritive properties of Virol with the remedial, laxative properties of refined paraffin, which is now so widely used in the treatment of intestinal statis. Virolax gained the immediate approval and support of the medical professional when it was placed on the market last year, and it has already met with a degree of success which gives every promise of its becoming a valuable property.

As our name implies, we have large interests in land and cattle in Australia and the Argentine and in other parts of the Southern Hemisphere. You are also aware that an important section of our business is in the organisation of the supply of raw material for Bovril, Limited.

I now move: That the payment of a dividend of five and a-half per cent. (less income tax) on the Preference shares, and a dividend of twenty-five per cent. (less income tax) on the Ordinary shares be declared, and that the placing of a further £20,000 to reserve is hereby approved.

The resolution was carried unanimously.

Messrs. Jackson, Pixley and Company were reappointed auditors for the current year.

Fairbairn Lawson Combe Barbour, Limited.

A Successful Year.

THE twenty-second ordinary general meeting of Fairbairn Lawson Combe Barbour, Limited, was held on May 5 at the Liverpool Street Hotel, E.C.

Mr. J. Campbell Inglis (the Chairman), in moving the adoption of the report, said that in presenting the accounts for the year 1920 the directors had a pleasant task. They recommended the payment of the full dividend of five per cent. on the Preference shares and a dividend of ten per cent. on the Ordinary shares. In addition, they were able to mark the successful results of the year by recommending the payment of a bonus of five per cent., free of tax, on the Ordinary shares, which was equal to a little over seven per cent. if subject to tax. With regard to investments in associated companies, considerable progress had been made with the Indian works, but the cost would exceed what had been anticipated.

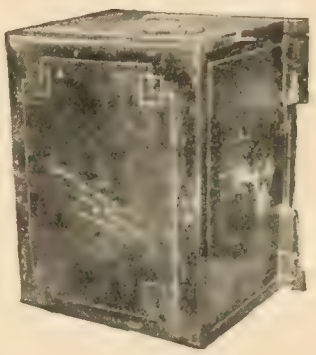
The board were assured that these works, when completed, would be the finest in India, and they believed that they would have a great future. The other associated undertaking was a home concern engaged in the manufacture of important accessories for the Company's machinery. They had the opportunity of acquiring the shares of this Company on favourable terms, thus materially improving their organisation. In order to carry the Indian enterprise to a triumphant conclusion and to provide that additional working capital which the huge expansion in the figures of the Company's trade really demanded, some moderate issue of further capital might be required. In considering this question the directors had not forgotten the very considerable investments which the Company still held. These, however, at present stood at a heavily depreciated figure, and they had written them down by £85,000. They could, of course, sell them, but under the circumstances they thought it better finance to retain them in the hope of a recovery, and there would be recovery so soon as the Bank rate was reduced to a reasonable figure. The directors hoped that with caution they might be able to carry through their full programme

A Tribute from the Enemy!

AT a recent trial of three burglars at the Old Bailey, the question was asked, "Who makes Burglars' jemmies?"

Examination of these tools proves they are the production of a skilled engineer and there must be a continual demand for them since quite a number are collected at every Old Bailey session.

The burglar of to-day is a skilled, trained, engineer able to use every modern tool, including that formidable weapon the Oxy-acetylene Blow-pipe, which will cut through 17 inches of mild steel in a few minutes.



Two burglars, after spending a night in the attempt, failed to force an entry into this CHATWOOD SAFE and wrote upon it the message, "This is a hard nut to crack."

During the last 62 years the failure of the repeated attacks of the burglar on THE CHATWOOD SAFE has established its reputation; it is accepted to-day with contented confidence by those with treasures to protect.

It is interesting to observe the opinion of the burglars written on THE CHATWOOD SAFE, illustrated above.

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of extensions with but a small, or even possibly without any, increase of capital. If only the costs of production could be decreased so as to render their products attractive in price, and if markets, which for reasons of exchange or political unrest were at present closed to them, could be reopened, there was no reason to be otherwise than hopeful as to the future of the Company.

Mr. H. L. Whalley seconded the motion, which was carried unanimously.

Rolls-Royce, Ltd.

The annual meeting of shareholders of Rolls-Royce, Limited, was held at Derby on May 6, Mr. Ernest Claremont, Chairman of directors, presiding. In moving the adoption of the report and balance sheet, the Chairman said of 50,000 workers' shares 25,910 had been issued, and were held by nearly 700 persons, by which it would be seen that the intention had been achieved of allowing the Company's servants to participate in the results. He criticised the accounts, mentioning that the goodwill had been written off, and plant and premises heavily depreciated. This conservative finance, he said, was standing the Company in good stead to-day. No mention was made of their holding in the American Company, which, broadly speaking, was obtained without cash payment. The directors purchased a few Preference shares for reasons of voting control, but the amount was too small for it to appear as an investment, and it had been written off out of profits. The American works were now turning out engines in gradually increasing quantities, and the directors had taken pains to ensure that the chassis manufactured in America were equal to those produced at Derby. Nothing had occurred beyond all-round depression in trade to interrupt the American Company's progress, and whatever prosperity it may enjoy the parent Company stood to share in it without risk. Referring again to the balance sheet, the Chairman said that the profit last year, which was a record, amounted to £202,000, as against £192,000 in the previous year. It had been his privilege to congratulate shareholders on the profits ever since the Company was formed, and except for the check received when the War broke out he could say they had never looked back, looking at the Company's progress from a broad point of view, although only about fifty per cent. of the original capital sought was subscribed by the public. The shareholders had received back in dividends in fourteen years one and a-half times their capital. The dividend this year was two-thirds of what it was last year, and the contingency liability account £25,000 more, but he hoped no one would be bold enough to say it was an excessive sum to provide against contingencies in these uncertain times. He thought the accounts showed a very satisfactory general position. He was not anxious with regard to the strength of the Company. As a manufacturing concern they possessed splendid talent and equipment, their productions and reputation were unique, and all he feared were the circumstances, such as general trade depressions, over which they might have no control. The outlook to-day was obscured. He would like to give them a forecast, but in these times he dared not attempt to do so. Circumstances might arise at any moment of a most unexpected character to alter any prospect he might conjure up. He showed them last year how from the formation of the Company their capacity had year by year increased, and they were able to satisfy themselves that it was not outrunning the demand. Then the War broke out, and the Company made frantic efforts in their loyalty to the country to increase their capacity still more.

The Outlook.

Without regard to consequences, they rendered excellent service during the War, but the result was they found themselves to-day, like all others in the motor industry, with greatly increased capacity and uncertain as to future demand; in short, they were in the dark, but it did not follow that they were in danger; whereas before they could advance step by step with the utmost confidence they were now groping their way; but he had no doubt they would soon see light again and solve the problem of what would be the demand compared with their capacity. If there were forces against them, there were others working in their favour, and they had for their comfort a wonderful reputation not only in motor-cars, but also in aero-engines. The Company's reputation continued to be pre-eminent, and the expression "Rolls-Royce" was accepted throughout the world as the finest English superlative, indicating supreme excellence. There were endless instances of their superiority and their marvellous achievements. Not long ago there was an outcry against the Government ordering 100 Rolls-Royce cars for Mesopotamia because of the expense, and the answer was to the effect that only Rolls-Royce cars would stand the exacting conditions. When the Government learned that the Company could not deliver for many months by reason of their well-filled order book, they issued a Press notice to customers asking that the Government might take precedence, and, of course, the request was readily granted. The Company had such a record on the earth, on the sea, and in the air that there was no knowing what repeat orders they might receive, not only from the British Government, but from foreign Governments also. Therefore, so far from being in danger, he considered the Company's prospects were brighter than ever. No one could approach them for quality, and they were always acquiring new talent; but as they produced mainly luxury articles they must expect to feel the effects of the wave of economy now passing over the world. Cost of production, too, was higher; skilled labour, which cost £100 in 1914, was now costing £232, and unskilled labour £346. However, with their marvellous reputation, a highly capable staff, splendid equipment, and substantial reserves they might safely await the return of happier times.

The accounts were passed, and Sir Edward Goulding, M.P., one of the retiring directors, re-elected.

Wages in the Building Trade in 1914 and 1920.—Utilising the information supplied in the *Labour Gazette* for February 1921, the British Commonwealth Union has compiled a most interesting comparison between the wages in certain trades as in 1914 and 1920. In the building trade the increase in the rates per hour is most marked in the case of labourers, the rate in force on December 31, 1920, being 265 per cent. higher than that prevailing on August 4, 1914. Painters rank next, with an increase of 208 per cent.; bricklayers occupying the lowest position, with a rise of 178 per cent. A study of the weekly rates shows that the rate of increase in every case has been less rapid owing to the reduction in the number of hours worked from forty-nine to forty-four. The weekly wage of labourers at the end of 1920 was 87*s.* 3*d.*, as against 26*s.* 11*d.* in August 1914, the increase being 224 per cent. Painters earned 99*s.* 3*d.* a week, instead of 36*s.* 3*d.*, a rise of 174 per cent. In the case of plumbers the weekly wage had advanced from 39*s.* 9*d.* to 101*s.* 11*d.*, corresponding to an increase of 156 per cent. Bricklayers come off the worst, the rise, from 40*s.* 7*d.* to 100*s.* 10*d.*, being equivalent only to an increase of 148 per cent.

THE AMERICAN THREAD COMPANY.
(Incorporated)

TRANSFERS.

NOTICE IS HEREBY GIVEN that the Register of Transfers will be Closed from 16th May to 31st May, 1921, both days inclusive. Transfers should be deposited on or before 14th May at the London Office of the Guaranty Trust Company of New York, 32 Lombard Street, E.C. 3.

J. G. WYLIE,
Treasurer and Secretary.

Registered Office,
245 Washington Street,
Jersey City, N.J.

UNION BANK OF CANADA.

CAPITAL STOCK REGISTERS.

NOTICE IS HEREBY GIVEN that the Registers of the above Stock will be Closed from the 16th day of May, 1921, to the 31st day of May, 1921, both days inclusive, for the preparation of Warrants for the quarterly dividend due 1st June, 1921.

For the Union Bank of Canada,
J. WILSON, Manager.

6 Princes Street, London, E.C. 2,
3rd May, 1921.

A. B. C. COUPLER, LIMITED.

NOTICE IS HEREBY GIVEN that the Transfer Registers of the Ordinary and Preference Shares will be Closed from the 18th to the 24th day of May, 1921 (both days inclusive).

By Order of the Board.

C. N. COOK, Secretary.

11 Angel Court, London, E.C. 2,
4th May, 1921.

THE STOCK EXCHANGE.

NOTICE.

Members of the Stock Exchange are not allowed to advertise for business purposes or to issue circulars to persons other than their own principals. Persons who advertise as Brokers or Share Dealers are NOT Members of the Stock Exchange or in any way under the control of the Committee. Members issuing Contract Notes are required to use such a form as will provide that the words "Member of the Stock Exchange, London," shall immediately follow the signature.

A List of Members of the Stock Exchange who are Stock and Share Brokers may be seen at the Bartholomew Lane entrance to the Bank of England or obtained on application to EDWARD SATTERTHWAITE, Secretary to the Committee of the Stock Exchange, Committee Room, Stock Exchange, London, E.C. 2.

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Assets Exceed - - - - £19,000,000
Claims Paid Exceed - - - £32,000,000

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IMPORTANT NOTICE.

Next week we will issue our ANNUAL BRITISH BANKING SECTION, which deals with the position of Banking and Banks in Great Britain and Ireland.

The Section will contain information and statistics of great value to all interested in the subject of Banking.

The Statist.

LONDON, SATURDAY, MAY 14, 1921.

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The Money Market.

Thursday, May 12, 1921.

	Current Rate — % Fixed	Previous Rate — % Fixed
Bank of England Rate	6½ (Apr. 28, '21)	7 (Apr. 15, '20)
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	4½ (Apr. 28, '21)	5† (Apr. 15, '20)
Discount Houses (Notice)	4¾ (Apr. 28, '21)	5½ (Apr. 15, '20)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days	3 Mos.	4 Mos.	6 Mos.	12 Mos.
	%	%	%	%	%
Bank Bills ...	5⅓	5⅜–⅛	5½	5⅝	—
Trade Bills ...	—	6½–¼	6¼	7	—

THE COAL STRIKE AND NATIONAL REVENUE.

It is superfluous to remark that the gradual [illegible] of trade which the coal strike is bringing about must eventually result in an unfavourable position for the National Exchequer. The effects of the strike, however, are not up to the present very apparent from this point of view, for by its nature its influence is not one to be immediately felt. At the same time, all the evidences go to show that its influence on revenue will from this forward become increasingly pronounced. On comparing the figures for revenue from the beginning of the financial year up to May 7 with the corresponding period of 1920, a decline of nearly £9 million is shown in the figures for this year, the total received being £95,678,000 as compared with £104,640,000 last year. These figures are exclusive of "special miscellaneous receipts," which being made up for the greater part of proceeds from the sale of Government assets must be eliminated in order to arrive at a just comparison. The position is set out in the following table showing the receipts week by week during the present year as compared with the corresponding periods of 1920-21.

Comparison of Revenue*, April 1—May 7, 1920, with April 1—May 8, 1921.
(In thousands of £'s).

Week ending 1921:		Week ending 1920:		Inc. (+) or Dec. (−)
April 9	28,810	April 10	35,455	− 6,645
,, 16	18,705	,, 17	19,489	− 784
,, 23	20,277	,, 24	18,958	+ 1,319
,, 30	14,455	May 1	15,425	− 970
May 7	13,431	,, 8	15,313	− 1,882
Total	95,678		104,640	− 8,962

* Excluding "special miscellaneous receipts".

A glance at the table will suffice to show that in examining the effects of the coal strike on revenue no conclusion can be drawn from the fact that since the commencement of the financial year revenue has shown a progressive decline, for the month of April forms normally a period in which revenue receipts are on a small and diminishing scale. In the periods shown in the table the first nine days of the current year make the least favourable comparison, for, though the corresponding period of last year included the Easter holidays, receipts this year show a decline of £6,645,000. The figure for the total decrease shown in the table, namely, £8,962,000, cannot altogether be attributed to the coal strike; in fact, if the truth were known, it is probable that the strike has been a negligible [illegible] detailed comparison of the various items included in the revenue. Taking the period April 1 to May 7, 1921, as compared with April 1 to May 8, 1920, the chief item of revenue to show a decline is the excess profits duty, which fell from £24,696,000 to 10,930,000, a decrease of £13,766,000, or fifty-six per cent. Undoubtedly a portion of this serious decline is to be attributed to the strike, but it would be idle to deny that much the larger portion is the

direct outcome of the slump in trade. Income-tax receipts show, not a decline, but a rise from £39,858,000 to £42,969,000, an increase of £3,111,000. An expansion is also recorded in the Excise receipts, which are £2,463,000 higher at £16,281,000. Among other changes the most important features are a decline of £3,382,000 in Customs duties and of £1,602,000 in stamp duties, and none of these items can be pointed to with any degree of certainty as evidence of the effect of the coal strike. "Special miscellaneous receipts," which we have excluded from the above table, are £38,258,512 lower at £8,766,696, and this again is an unmistakable reflection on the fall in prices of commodities and the dullness of trade rather than of the stoppage of coal production.

The outstanding feature of to-day's sale of Treasury bills by tender was again the large amount applied for—an evidence of the abundance of funds in the market. Though the amount offered for sale was reduced from £50 million to £45 million the total applications reached the figure of £93,350,000, as against £94,620,000 last week, and £76,735,000 on the preceding week. Despite the large subscriptions the average rate per cent. of allotments was again below the five and a-half per cent. mark at £5 11*s.* 2.81*d.*, this comparing with an average rate of £5 12*s.* 11.18*d.* last week. Tenders for bills dated from Monday to Friday at £98 11*s.* 9*d.* receive about seventy-four per cent. of applications and above in full, and tenderers for bills dated from Saturday at £98 12*s.* 1*d.* and above were allotted in full.

The early part of the week in the Money market was marked by a plenitude of funds, but subsequently supplies of floating credits seemed to have undergone considerable contraction. This feature was most pronounced to-day, when the ruling rate for day-to-day money was at 4½ per cent., with fixtures at 5 per cent. Expectation of a reduction in the Bank rate ran high at first, and this was responsible for a firmness in the Discount market, though the amount of business passing in bills was again on an exceedingly restricted scale. Later on the progress of the labour crisis effectually dissipated anticipations of a change in the Bank rate. To-day quotations in the Discount market were inclined to harden owing to the situation in the Short-loan market. Three months' paper ranged from 5½ to 5⅝ per cent., and it is significant that the longer-dated maturities were being avoided.

Foreign Exchanges.

Movements in the Foreign Exchange market during the week were more than usually interesting and were throughout of a conflicting nature. The most important perhaps is that in the New York rate, which rose to 3.99¼ to-day. This, however, shows but a small improvement as compared with a week ago, and as in other directions the bulk of the movements were towards a lower value for sterling it can be said that the position of the £ has disimproved as a result of the week's dealings. The rates on Paris, Brussels, and Italy continued their downward movement almost unchecked except for a slight reaction in the former to-day. The most pronounced improvement in the currencies of these centres was that in the lira, the Rome rate falling from 79 on Monday to 74½ to-day. Brussels was quoted at 47.57½ to-day and Paris at 47.52½. The rate on Buenos Ayres was subject to violent fluctuations during the week. It fell sharply at first, rose again on Tuesday, but rallied further yesterday. To-day it received another set-back, though on the week as a whole it shows a decline at 42¾*d.* The German mark seems to have been favourably affected by the result of the Reparations crisis, for the Berlin rate declined to 242. Among other Continental exchanges the most outstanding feature was an improvement in the Norwegian kroner yesterday to a quotation of 24.01½. This was due to the news of the Norwegian £4 million loan to be floated here shortly, which is commented on in a later column. To-day the rate suffered a moderate reaction to 24.20.

Income and Expenditure.

The return of Public Income and Expenditure for the period ending on Saturday last shows another serious contraction in revenue during last week. The total amount received was only £13,791,417, as against £17,222,528 during the preceding week, a decline of £3,431,111. Expenditure, on the other hand, on account of heavy disbursements in respect of interest, rose by £10,488,652 to £24,063,789, or £10,272,372 in excess of revenue. This deficit was partly covered by an excess in sales of Treasury bills over maturities amounting to £4,463,000. Maturities were £81,080,000, and sales reached the figure of £85,543,000, or £35,543,000 in excess of the amount offered for sale by tender during the week under review. The remainder of the revenue deficit was increased by an issue of £1,237,237 against securities tendered as revenue, and, accordingly, £7,100,000 had to be borrowed on Ways and Means. The amount advanced by the Bank of England, however, was in excess of this figure, at £8,500,000, for £1,400,000 on balance had to be repaid to Public Departments. The amounts owing to the Bank and to Public Departments stood at £27,750,000 and £169,669,000 respectively on Saturday last, as compared with £31,000,000 and £203,767,000 respectively on May 8, 1920. The total floating debt rose by £11,530,000 on the week to £1,301,561,000. As compared with a year previously it shows a rise of £2,342,000, and since the commencement of the financial year there is an expansion of £26,231,000

Currency Notes.

A contraction in the circulation both of currency notes and Bank of England notes occurred during the week ending on Wednesday last, the combined decrease amounting to £1,469,000. This movement, though due primarily to the fact that the week under review is the first clear week covered by the returns since the turn of the month, is yet an indication of the more fundamental factors at work in the direction of a reduction of the circulation, on which we commented in a recent issue. The downward movement is likely to continue during the coming weeks though in this connection an influence in the opposite direction should be noted, namely, an increase in borrowing on Ways and Means from the Bank. The decline during the week under review was less marked in the currency notes issue than in that of the Bank, the former falling by £699,510 to £335,599,085. This total compares with £345,478,668 on May 12, 1920, a decrease of £9,879,583. As compared with the high record reached on December 22 last it shows a fall of £29,906,162.

Bank of England.

The Bank return issued on Wednesday last shows a substantial improvement in the reserve position as compared with a week previously, due to a fall in deposit liabilities and to the movement noted above of a contraction in the note circulation. As regards the former, "other" deposits declined by £11,809,000 to £113,561,000. This feature is now becoming of regular occurrence at the beginning of each month, and may indicate a withdrawal of balances from the central institution after the monthly balance sheets of the clearing banks have been made up. The note circulation fell by £759,000 to £128,769,000, this total comparing with £111,313,000 a year ago, an increase of £17,456,000. To make a just comparison of the present circulation with that of a year ago, however, it is necessary to deduct from the present total the amount placed in the Currency Notes Redemption Account since a year ago. When this adjustment is effected the increase during the year appears more correctly as £5,206,000. An addition of £5,000 to the gold holdings is shown in the statement, and this, with the fall in the circulation, increased the reserve by £765,000 to £18,044,000, the proportion of reserve to liabilities rising from 12.3 per cent. to 14.0 per cent. A substantial reduction in Government borrowings on Ways and Means

is indicated by a decline of £13,481,000 in Government securities.

Bullion.

The available supplies in the Gold market were again purchased by the United States. Quotations declined steadily since Monday last in the Silver market, though there was again a paucity of Continental silver. This was due to the cessation of the demand from the Indian bazaars, from which quarter a few selling orders arrived. Despite the fact that the Indian demand was chiefly for spot silver, the margin between the spot and forward quotations showed a tendency to widen. This was due to the influence of "bear" speculators, who sold for forward delivery. As demand is now at a very low ebb the outlook for silver quotations is not promising, especially as the removal of the the 50 per cent. tax on commodities leaving Germany is likely to be removed very shortly, and this should result in increased offerings of silver here.

Quotations in the Gold and Silver markets since Saturday last are appended.

	May 7	May 9	May 10	May 11	May 12	Average
Silver (per oz. st 1. ·925 fine) :—						
Cash ...	34¼d.	35⅛d.	35⅛d.	35d.	34⅛d.	34⅝d.
Forward ...	34¼d.	34⅛d.	34⅛d.	34d.	33⅞d.	34 d.
Gold (per oz. fine)	103/4	103/0 nom.	103/3	103/2	102/11	103/1⅔

Recent movements in the Indian Currency Returns are shown below :—

1921	Note Circulation Lacs	Silver In India Lacs	Gold In India Lacs	% of Metallic Res. to Notes	Government Securities Indian Lacs	Government Securities British Lacs
Apr. 30 ...	16,732	6,665	2,426	54·3	6,806	835
Apr. 22 ...	16,695	6,633	2,420	54·2	6,807	835
Apr. 15 ...	16,668	6,610	2,416	54·2	6,807	835
Apr. 7 ...	16,644	6,586	2,416	54·1	6,807	835
Mar. 31 ...	16,616	6,557	2,417	54·0	6,807	835
Mar. 22 ...	16,533	6,480	2,411	53·8	6,807	835
Mar. 15 ...	16,441	6,395	2,406	53·5	6,807	835
Mar. 7 ...	16,441	6,393	2,406	53·5	6,807	835
Feb. 28 ...	16,460	6,411	2,407	53·6	6,807	835
Feb. 22 ...	16,414	6,372	2,400	53·4	6,807	835
Feb. 15 ...	16,382	6,340	2,400	53·4	6,807	835
Feb. 7 ...	16,356	6,314	2,400	53·3	6,807	835
Jan. 31 ...	16,341	6,299	2,400	53·2	6,807	835
Jan. 22 ...	16,284	6,246	2,396	53·1	6,807	835
Jan. 15 ...	16,135	6,104	2,389	52·6	6,807	835
Jan. 7 ...	16,145	6,114	2,389	52·7	6,807	835

NEW YORK.

According to the latest statement the position of the New York City Banks and Trust Companies associated with the Clearing House underwent an improvement during the week to May 7. The average aggregate reserve rose by $9,190,000 to $505,410,000. On account of an increase of $42,860,000 to $3,735,880,000 in net demand deposits—the first to be recorded for five weeks—the average excess reserve rose by only $3,610,000, the latest total being $9,970,000. This improvement was not sufficient to counterbalance the decline of the previous week, which was $3,850,000. The actual excess reserve on Saturday last, however, stood at $3,590,000, as compared with a deficit of $3,460,000 on April 30. Another feature in the return of a contrary nature to those appearing in previous statements is a rise of $12,490,000 to $4,748,930,000 in loans, discounts, and investments. Whether this movement, taken in conjunction with the increase in deposit liabilities, is a reflection of the changed financial policy recently inaugurated by the Federal Reserve Board, it is, of course, as yet too early to determine, but in the circumstances the weekly statements of these banks in the immediate future will be awaited with considerable interest.

In the New York Money market the rate for call money rose to 6½-7 per cent. The Minneapolis Reserve Bank reduced its rediscount rate from 7 to 6½ per cent. There appears to be a growing uneasiness in New York financial circles at the huge imports of gold, for there is now quite enough in the country to allow of sufficient credit extensions on the part of the banks to meet all requirements, and it is felt that any further imports may produce such a situation as that existing in Sweden in the early part of the War. The total exports of gold coin and bullion to the United States from this country amounted to £17,516,890 for the first four months of this year as compared with £9,154,959 during the corresponding period of last year.

THE
ANGLO-SOUTH AMERICAN
BANK, LIMITED.

CAPITAL & RESERVES EXCEED £13,000,000

HEAD OFFICE :
62, Old Broad Street, London, E.C. 2.

BRADFORD OFFICE : 69, MARKET STREET.

AFFILIATIONS :
THE BRITISH BANK OF SOUTH AMERICA LIMITED
and
THE COMMERCIAL BANK OF SPANISH AMERICA LIMITED

Stock Exchange.

A major obstacle to the re-establishment of peaceful conditions on the Continent has been definitely removed, it is to be hoped, by Germany's unconditional acceptance of the Allies' ultimatum. A mere written agreement is, of course, no guarantee as to eventual compliance with the terms. Its existence is proof, however, that the German Government realises the impossibility of any compromise. With the removal of the fifty per cent. export tax and the other recently created hindrances to trade, commercial relations between Germany and her neighbours will probably make a rapid recovery. Much will depend on the eventual fate of the Anti-dumping Bill, which, if passed, will restrict Germany's exports of electrical, engineering, and glass products. The Bill has already encountered sharp criticism, and it is very doubtful indeed if it has the approbation of the commercial world behind it. The recent appreciation in Continental currencies, and in foreign currencies as a whole (as expressed in the Statist Foreign Exchange Index Number), gives ground for hope that the purchasing power of our customers abroad is gradually returning towards normalcy. In contrast with the more favourable trend of foreign events, domestic conditions continue gloomy. The coal-strike and the more or less effective embargo on foreign coal has reflected itself in further drastic cuts in train services and factory hours. The firmness of the Government is a welcome feature, however, and has supported share values generally. Business on the Stock Exchange showed no tendency to broaden, but the undertone maintained firmness.

The Gilt-edge section opened dully, and fluctuated uncertainly later, but the news from Germany caused quotations as a whole to harden later to higher levels. With the exception of War Bonds and Local Loans, all British Government securities showed higher on the first three days of the week, Consols and War Fours being features of consistent strength. A string of rises was evident also in the County and Corporation list on Wednesday. Colonial issues attracted little attention.

Among Foreign bonds, French Fives and Fours, after a temporary weakness, moved up with the higher sterling value of the franc. Brazilian varieties

were nominally better, and Chinese descriptions appreciated on buying inquiry. It is understood that the Norwegian Government will approach the London market next week for a loan of £4,000,000. The bonds will carry six per cent. interest, giving a yield, at an issue price of 88, of £6 16*s*. 5*d*. The loan is redeemable at par in 1961, the Government reserving the right of repayment at any time after 1931, subject to three months' notice. Redemption will be effected through the operation of a cumulative sinking fund, commencing in three years' time, and of sufficient dimensions to redeem the loan by drawings at par or purchase below par, before the date of maturity. The issue is yet to be ratified by the Norwegian Government.

Business in the Home Railway market was strictly limited and price movements largely nominal. The unfavourable developments in labour matters deterred buyers and many fractional declines were recorded. The Railway Bill to be introduced in the House of Commons did not constitute an important factor.

Among Foreign Rails Grand Trunk issues showed stronger in anticipation of the meeting held on Thursday, the results of which are discussed in other columns in this issue. Elsewhere the only firm features were Mexican issues, which benefited on the report of the Chairman of the Mexican Railway Company concerning his tour of inspection. According to a circular issued to shareholders the property has suffered less during the revolutions than was expected. The permanent way is on the whole in good order, though it was not supplied with ballast while under Government control. With the exception of 130 kilometres, the whole of the main line is in very good condition at present. General improvement work, including rebuilding of stations, reconditioning of bridges, and replacement of rolling-stock is being proceeded with, the whole of the expense forming a liability of the State. The shortage of passenger and freight cars is serious, half of the original cars being missing, and nearly half of the remainder in bad condition. The level of gross earnings recently reached, about 40,000 pesos per normal working day, is the highest in the Company's history, and will undoubtedly further increase with the provision of better travelling facilities. Expenses have also swollen to a serious extent, but it is hoped that an increase in rates will be allowed to cover this item.

Commencing with a poor week-end accumulation of orders, the Industrial share department failed to attract more than a modicum of public business during the week. The coal strike remained a depressing factor, and the news that the transport workers were determined that industry should not obtain alternative supplies from foreign sources further unsettled markets. The acceptance by Germany of the Allies' conditions was not of sufficient importance to impart a brighter tone to the outlook. Iron and Steel shares continued dull, with a tendency to easiness. Textiles also exhibited flatness save Courtaulds, which moved up on active bidding. Shipping securities displayed only a few unimportant movements. Royal Mails were exceptionally higher on the dividend announcement, which was more favourable than generally expected. Brewery shares figured among the few favourites, Watney Combe Deferred and Preferred being notably strong. Bank issues, though not appreciably altered, showed a comparatively good turnover.

The Oil share market opened with a buoyant tone, and the prospects of a busy week. Labour complications formed an effective restraint, however, on public interest, and operations being left almost completely in professional hands, profit-taking, with a consequent reaction in values, ensued. Mexican Eagles fluctuated somewhat but concluded at higher levels. Shells also closed fractionally better, but Royal Dutch, despite an eventual rally, were lower on balance. The Trinidad group remained comparatively firm.

VENUS PENCILS
In 17 Blacklead Gradations
OF ALL STATIONERS

Mining Topics.

With gold falling to 102*s*. 11*d*., the lowest level reached since April 1920, with Paris suspending activities pending the result of the ultimatum to Germany, with the Cape in a reactionary mood, and with business here restrained by the threatened coal blockade, it is easy to understand the idle condition of the Kaffir Circus during the week. The relapse in the price of copper to £72 a ton is reflected in the decision of the Arizona Copper Company to follow the example of the leading American producers and to suspend operations for the present. Interest in tin shares was aroused by the proposed absorption of Associated Nigerian Tin Mines with Keffi Consolidated. The former Company was registered in July 1919, having being formed to take over the New Lafon, Yelwa, and Kassa Ropp properties with an issued capital of £273,002 in shares of 5*s*. Of these 356,000 shares were held by New Lafon Tin which is participating in the amalgamation. The basis of exchange will be one fully-paid Keffi Consolidated share of 5*s*. for each fully-paid share of 5*s*. in the Associated Nigerian Tin Mines. Thus for New Lafon this means that each shareholder will receive one fully-paid Keffi share for each 2*s*. New Lafon share held. The scheme has already been approved by holders of over eighty per cent. of the issued capital in Associated Nigerian. To carry out the scheme it is proposed to increase the authorised capital of Keffi Consolidated from £500,000 to £775,000. As the properties concerned are all in close proximity important economies should be effected in the working, with a reduction also in administrative charges. Such economies are indeed a *sine qua non* for success in view of the slump in the price of tin, and in conjunction with the recent concessions granted by the Nigerian Government should enable this new combine, which will be one of the largest producers in this region, to earn profits more rapidly than either of the constituent companies could have hoped.

RIO TINTO.

When discussing the 1919 report of this Spanish copper and sulphur mining Company, we expressed the opinion that the prospects for 1920 were at best uncertain and by no means encouraging, basing our judgment in part on the large surplus stocks of copper in the hands of the late belligerent Governments, and in part on the high cost of fuel. The interim report issued to shareholders in September 1920 confirmed this opinion as regards the cost of coal and iron used at the mines, and added the further adverse factor of low prices for pyrites owing to the competition of American sulphur deposits developed under the necessities of the War. But it drew attention also to a still more serious factor which was destined to exercise a dominating influence in the latter half of the year. "The labour situation in Spain has been, and is, very unsatisfactory." Thus ran the interim report, and the statement was elaborated by adding that since the end of July labour disputes had already brought operations to a standstill for over two months. The story is continued in the report for 1920, from which it appears that, although a settlement to this dispute had been reached in August, outside influence induced the bulk of the workers to leave their work, with the result that the strike continued to the close of the year. Financially, therefore, the profits of the mine were earned only in the first half of the year under review,

and during that period the quantities of pyrites delivered and the prices secured for copper were regarded as satisfactory in view of the unsettled condition of the trade in general and of American competition. However, working costs continued at such a high level that only a small profit per ton was secured. During the latter half of the year production had ceased, thus reducing revenue, whilst administration charges still continued to be incurred. The financial outcome of the whole period can best be seen from the following table:—

	1920	1919	1918	1917	1916
	£	£	£	£	£
Profit on produce ...	336,730	941,822	1,268,263	2,348,112	2,219,310
Interest & sundry receipts	38,422	53,986	49,996	55,823	31,828
	375,152	995,808	1,318,259	2,403,935	2,251,138
Deduct:—					
Administration expenses	116,364	171,595*	120,986	105,136	90,569
Workmen's pensions, &c.	45,694	49,699	56,269	98,034	38,313
Allowance to directors	—	2,027	4,875	12,506	12,782
Depreciation	2,907	4,300	10,949	61,835	47,263
Staff provident fund ...	2,000	3,000	4,000	5,000	5,000
Taxes	100,018	127,711	79,557	116,432	70,648
Total	266,983	358,332	276,637	398,943	264,575
Net profit	108,169	637,476	1,041,622	2,004,992	1,986,563
Divs. on Pref.	81,250	81,250	81,250	81,250	81,250
Divs. on Ord.	—	750,000	937,500	1,687,500	1,781,250
	—	(10%)	(50%	(90%)	(95%)
Balance profit	26,919	Dr.193,774	22,872	236,242	124,063
Brought forward ...	348,670	542,444	519,572	283,330	159,267
Carried forward ...	375,589	348,670	542,444	519,572	283,330

* Including £41,209 in respect of charges on interest and discount accounts.

Allowing for the absence of production for six months, the return of £336,730, as against £941,822, as the profit on produce bears eloquent testimony to the low prices secured for pyrites and copper and the high working costs. Administration charges are necessarily almost as heavy as if the mine had been working for the full period, the total of £116,364 comparing with £130,386, after deducting interest and discount charges in respect of 1919. Taxes, too, show a comparatively small decline. With a net profit of £108,169, or a little over one-sixth of that secured in 1919, the absence of a dividend on the Ordinary shares need create little surprise. After paying the dividend on the Preference shares, the balance carried forward to the next accounts is increased from £348,670 to £375,589.

The outlook for the current year is on the whole more promising, but this does not mean that a dividend on the Ordinary shares on the level of the 1919 rate of forty per cent. can be anticipated. Most of the men in the mines returned to work early in January on the basis of the settlement agreed to last August; but it was not until near the end of February that all the Huevla men resumed operations. This prolongation of the dispute resulted in the cancellation of several contracts for pyrites, and, in addition, some contracts that expired were not renewed. This loss of trade is one of the regrettable features of the strike, and some time will elapse before the trade can be recaptured. Moreover, keen American competition in this product has forced the Company to accept rather low prices for sales in the American market, especially inland, but on the seaboard the old trade is being regained. The situation is, however, improving in view of the fall in freights; whilst the prices of stores and materials are also falling. The Chairman at the general meeting expressed the belief that within two years there would be a great demand for sulphur from Northern and Central Europe, in connection with the demand for artificial fertilisers produced through the medium of sulphuric acid. As far as copper is concerned, the restricted production during 1920 has enabled much of the surplus stock to be disposed of, though the balance is still in excess of normal consumption. With copper at £65 a ton, the Chairman stated that the Company could earn sufficient profits to pay reasonable dividends, and he himself was inclined to fix £75 as the average price. Seeing that during 1920 standard copper did not fall below £70 and was as high as £122, this latter estimate does not appear unduly optimistic. On the other hand, against these favourable omens have to be placed the increased burden of taxation imposed alike in Spain and France. The financial position of the Company as disclosed in the balance sheet dated December 31, 1920, is sound. Including the final dividend on the Preference shares, current liabilities did not exceed £1,476,088, whilst liquid assets, in the form of cash, investments, and sundry debtors amounted to £1,152,863. In view of the suspension of operations for half the year, this deficiency of £323,225 is very moderate, especially as the stock of ore, produce, and minerals exceeded £1,116,554. As a permanent investment the Ordinary shares of £5 are decidedly attractive at the current low price of £31½, which is not much above the lowest level reached in 1920. The range of prices of the Ordinary shares during recent years can be seen from the following table:—

	1915	1916	1917	1918	1919	1920	Present
Highest ...	64½	66½	69	76½	69	50	31
Lowest ...	52½	54½	61	63½	51½	22¾	

GOVERNMENT AREAS.

	Ore Milled	Gold Yield per Ton	Working Costs per Ton	Working Profit—	Per Ton	Net Profit†	Dividends—	
	Tons			£		£	£	%
1916 ...	744,000	27/1	21/8	204,688	5/5	168,899	—	—
1917 ...	1,298,000	29/9	19/0	693,915	10/9	450,895	175,000	12½
1918 ...	1,303,500	33/0	19/9	876,327	13/5	519,267	385,000	27½
1919 ...	1,361,000	35/8‡	21/0	997,017‡	14/8‡	621,625*	525,000	37½
1920 ...	1,515,000	33/10‡	22/2	883,408‡	11/8‡	814,997*	700,000	50

* Including share of gold premium.
† After payment of Government taxes and share of profits.
‡ Excluding gold premium amounting in 1919 to £249 858, or 3/8 per ton milled, and in 1920 to £824,756, or 10/11 per ton milled.

It was not only the low-grade mines—though for them the existence of a high premium on gold for 1920 meant preservation instead of liquidation—that benefited by the gold premium in 1920. To many of the producers who in its absence could yet have earned a satisfactory profit, it brought in an additional revenue that was translated, to the satisfaction of the shareholders, into terms of a generous dividend for the year. Within this latter category falls Government Areas, the mainstay of the group of mines controlled by the celebrated Johannesburg Consolidated Investment Company. The report of this mighty producer for the year ended December 31, 1920, chronicles a most satisfactory degree of progress. With an improvement in the supply of native labour there was a marked increase in the quantity of ore milled from 1,361,000 to 1,515,000 tons. Remembering that the plant has a milling capacity of 5,000 tons per working day, this means that it was kept working almost at full capacity for the greater part of the time. There was a reduction in the grade of the ore milled, the yield per ton, on the basis of the par value of gold, falling from 35*s.* 8*d.* to 33*s.* 10*d.* On the other hand, notwithstanding the much greater quantity of ore crushed, the working costs rose from 21*s.* to 22*s.* 2*d.* per ton, mainly due to the increase in the wages of white employees, but also to the higher charges under the Miners' Phthisis Acts, which called for £27,693, as compared with £9,419 in 1919. With higher costs and a lower yield per ton, the working profit—assuming gold to be worth only 85*s.* 0*d.* per ounce—amounted only to 11*s.* 8*d.* as against 14*s.* 8*d.* per ton, the aggregate falling from £997,017 to £814,997. But as a matter of fact the average price of the gold, as determined from the weekly returns, was 112*s.* 7*d.* per ounce, and this meant that the yield per ton was actually 44*s.* 9*d.*, as against 39*s.* 4*d.* in 1919; that the working profit increased from 18*s.* 4*d.* to 22*s.* 7*d.*, and that the aggregate working profit reached the record figure of £1,708,164, as compared with £1,246,815 in the previous year. These facts, measured in their true light, show (1) that the premium on gold added £824,756, or 10*s.* 11*d.* per ton, to the profit, as against £249,858, or 3*s.* 8*d.* per ton, in 1919, when it was only in force for a little over five months; and (2) that the reduction in the grade of the ore was not too much, seeing that the increase in the working profit was £461,289, whilst the increase in the gold premium was £574,898. But it must also

be remembered that the Government is entitled to a large share in the working profit of this mine. Moreover, this share has been proportionately increased by the decision of the Government mining engineer in 1919, who fixed the life of the mine at twenty-five years from January 1, 1919, instead of twenty-two years as formerly. This had the result of reducing the annual allowance in respect of capital expenditure from £58,174 to £44,887, and thus lessened the amount that is to be deducted from the net produce of the gold before arriving at the Government percentage. For 1920 the share of the working profit accruing to the Government reached £882,975, as against £605,370 in 1919. Consequently, the net profit to which the shareholders are entitled amounted to £814,997 as compared with £621,625. In view of this satisfactory increase the dividends were raised from thirty-seven and a-half per cent. to fifty per cent., despite which the balance carried forward to the next accounts is increased from £352,593 to £467,536.

In the opinion of the consulting engineer "the development work accomplished during the year has shown excellent results." The total development has risen from 37,321 to 38,195 feet. The footage on reef has declined, however, from 26,594 to 19,905 feet. The payable disclosures as compared with previous years may be seen from the following table:—

	Development Work					Pay-ore Reserves			
	Payable Footage		Channel Width		Shilling-		Value per Ton	Stoping Width	Shilling-
	Ft.	%	In.	Value	In.	Tons	In.	In.	In.
1916	9,910	67·8	47	55/3	2,597	4,930 000	30/7	75	2,295
1917	17,220	75·0	51	53/6	2,728	7,016,000	31/10	79	2,512
1918	17,230	73·6	43	68/4	2,940	9,445,000	34/0	78	2,650
1919	17,140	64·7	50	73/11	3,696	11,001,700	36/6	77	2,810
1920	13,100	66·1	55	61/11	3,405	10,291,000	34/10	77	2,682

On the surface the decline in the payable footage in the grade of the ore disclosed, and in consequence in the ore reserves, does not appear to justify the description of the consulting engineer. But the statement made at the last general meeting at once corrects this first impression. "The policy of the Company," declared the chairman, "is at present not to aim at increasing the ore reserves, but to provide sufficient stope faces to ensure an adequate supply of average grade ore to the mill under all circumstances, and to explore those sections of the mine about which little is known."

For the current year shareholders can count upon favourable results. The working profit as a result of operations for the quarter ended March 31, 1921, amounts to £378,506, as against £336,645 for the corresponding quarter of 1920. Moreover, these results embody the enforced reduction in the tonnage in February as a result of the miners' strike and the conservative valuation of the output. During March the plant worked at its full capacity crushing 136,000 tons. Whilst the average yield per ton—a minimum in view of the low value adopted for the gold—is only 41*s.* 4*d.*, as against 44*s.* 9*d.* for the whole of 1919, the working costs exhibit the healthy feature of a slight decline to 22*s.* 1*d.* per ton. Notwithstanding the crushing of 380,000 tons in the three months, the ore reserves have not been reduced below 10,259,639 tons. Development results continue to prove satisfactory. Quoted in the market at 79*s.* 0*d.* the £1 shares afford a return of over twelve and a-half per cent. on the basis of the 1920 dividend of fifty per cent.

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ASSETS EXCEED £13,800,000.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, May 11, 1921.

Issue Department.

Notes Issued	£144,990,230	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,540,230
	£144,990,230		£144,990,230

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£49,186,122
Rest	3,148,790	Other Securities	78,903,266
Public Deposits	14,860,622	Notes	16,221,590
Other Deposits	113,560,751	Gold and Silver Coin	1,823,017
Seven-day and other Bills	10,832		
	£146,133,995		£146,133,995

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1921.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months Bills
	£	£	£	£	£	£	£	%	%	%
May 11	128.7	128.3	14.8	113.5	49.1	78.9	18.6	14·0	6½	5⅝
May 4	129.5	128.3	15.4	125.3	61.6	79.5	17.2	12·3	6½	5⅛–⅜
Apr. 27	128.5	128.3	15.2	125.9	54.6	86.0	18.2	12·9	6½	5⅛
Apr. 20	128.2	128.3	19.2	108.4	32.7	94.1	18.5	14·5	7	5⅛–⅜
Apr. 13	128.5	128.3	18.3	114.1	32.2	99.6	18.2	13·8	7	6½
July 22, '14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'sterling, 00,000's omitted):	May 11 1921	May 12 1920	May 14 1919	May 15 1918	May 10 1911
Circulation	£128.7	£111.3	£76.5	£50.0	£28.2
Public Deposits	14.8	21.4	22.8	41.5	14.1
Other Deposits	113.5	99.4	111.4	133.8	39.8
Government Securities	49.1	38.4	46.4	57.3	15.0
Other Securities	78.9	80.4	77.9	105.5	29.4
Reserve	18.0	19.6	27.5	30.2	27.3
Ratio to Liabilities	14·0%	16·3%	20·50%	17·22%	50·64%
Coin and Bullion	128.3	112.5	85.6	61.7	37.0
Money:					
Bank of England Rate	6½%	7%	5%	5%	3%
Bank of France Rate	6%	6%	5%	5%	3%
Rate 3 months' Bills London	5⅝%	6⅛%	3½%	3½%	2⅝%
Exchanges:					
Paris Cheque	47·75	58·60	29·57½	27·14½	25·30½
New York 60 days	3·97½	3·80	4·63½	4·72½	4·84½
Bombay Telegraphic Transfers	1 5⅜	2/1	1/7⅜	1/5⅝	1/4⅛
Prices:					
Consols 2½% Cash	47⅞	49⅛	56⅛	56	81⅞
French Rentes 3% Money	57·50	57·75	62·60	58·75	95·85
Silver, London spot oz.	34½d.	58½d.	54d.	48 7-16d.	24 1/16d.
Wheat, *Gazette* average qr.	86/11	72/8	73/2	73/5	31/4
Cotton, Mid Upland lb.	8·73d.	28·79d.	17·29d.	21·70d.	8·35d.
Iron, Scotch pig ton	128/0	223/6	161/0	101/0	52/0

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
May 11, '21	6,926,472	7,625,992	333,599,085	28,500,000	19,450,000	14·2
May 4, '21	7,462,576	7,042,729	336,298,605	28,500,000	19,450,000	14·2
May 12, '20	8,536 909	6,112,749	345,478,688	28,500,000	7,500,000	10·4
May 14, '19	6,207,244	6,681,924	346,665,595	28,500,000	—	8·2
May 15, '18	6,865,742	3,806 620	244,062,907	28,500,000	—	11·7
May 16, '17	4,976,668	3,725,421	155,947,658	28,500,000	—	18·3

Balance Sheet, May 11, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	265,582,135	Other Bankers	—
Ten Shilling	41,646,950	Currency Note Redemption A/c—	
Certificates outstanding ...	28,370,000	Gold Coin and Bullion ...	28,500,000
		Silver Coin ...	3,100,000
Total	335,599,085	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,127,362	Government Securities ...	302,069,028
Investments Reserve A/c ...	15,456,496	Balance at Bank of England	163,915
Total	353,182,943	Total	353,182,943

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
May 7, '21...	£13,791	£24,064	£10,273	£114,215	£104,338	£3,371
Apr. 30, '21...	17,223	13,575	3,647‡	84,850	88,553	3,785
Apr. 23, '21...	21,027	15,353	5,674‡	152,933	158,102	4,021
37 dys. '21-22	104,443	115,828	11,385	677,747	684,437	—8,543
38 dys. 20 21	151,684	133,538	18,126‡	596,015	623.511	—5,819
Yr. '21-22*	1,216,650	1,039,728	176,922‡	—	—	—
Yr. '20-21	1,425,985	1,195,428	230,557‡	5,710,142	5,920,698	6,294
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
May 7, '21...	£2,394	£6,037	£1,725	£3,635	£10,253	£10	£13,800
Apr. 30, '21...	2,754	5,119	3,430	5,920	3,584	87	9,914
Apr. 23, '21...	10,939	6,555	1,320	3,213	3,848	55	11,450
37 days '21-22	27,695	42,969	10,930	22,919	50,644	698	64,488
38 days '20-21	27,644	39,838	24,696	59,486	46,460	677	86,401
Yr. '21-22*	323,000	410,500	120,000	111,000	345,000	26,272	668,456
Yr. '20-21	333,785	391,146	219,181	478,873	349,599	28,488	817,381
Yr. '19 20	283,023	359,099	290,045	407,404	332 034	16,171	1,317,588
Yr. '18 19	162,220	291,186	286,028	150,587	269,984	11,380	2,297,958

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
May 7, 1921 ...	£1,104,142	£197,419	£1,301,561	—
Apr. 30, 1921 ...	1,089,712	190,319	1,290,031	—
Apr. 23, 1921 ...	1,091,408	196,294	1,287,702	—
Apr. 16, 1921 ...	1,103,330	184,839	1,288,169	—
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

BELGIUM.	Gold	Silver	Total	Discounts	Circulation	Deposits
Aug. 14, '14 ...	£10,977	£833	£11,810	£41,925	£51,800	£8,263
Apr. 28, '21 ...	10,862	1,487	12,149	27,783	244,234	45,433
May 4, '21 ...	10,862	1,590	12,252	27,289	246,949	43,478

CZECHO-SLOVAKIA.*	Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
Apr. 7, '21 ...	£398,950	£59,203	£69,390	£80,466	£450 498	£32,684
Apr. 15, '21 ...	396,995	58,979	67,723	78,943	441,428	37,946
Apr. 23, '21 ...	396,998	58,891	58,864	78,236	436,925	39,159

DENMARK.	Cash—Gold	Cash—Silver	Cash—Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,170	£341	£4,441	£6,197	£786	£8,893	£47
Mar. 31, '21 ...	12,643	165	12,808	15,807	1,157	28,725	3,412
Apr. 30, '21 ...	12,643	177	12,820	14,982	429	29,581	3,213
Apr. 30, '20 ...	12,588	164	12,752	17,531	981	28,982	1,542
Apr. 30, '19 ...	10,374	136	10,510	3,425	3,977	24,115	1,026

FRANCE.	Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits—Public	Deposits—Private
July 30, '14 ...	£165,654		£190,667	£97,768	£287,327	£15,302	£37,903
Apr. 28, '21 ...	142,655	77,934	231,444	115,342	1,528,447	3,577	117,855
May 6, '21 ...	142,779	77,934	232,904	122,370	1,553,313	1,102	123,435
May 6, '20 ...	144,331	79,131	233,165	81,127	1,529,974	2,398	136,935
May 8, '19 ...	142,779	79,131	234,256	35,798	1,377,187	2,484	137,535

GERMANY.'	Cash—Gold	Cash—Silver	Cash—Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14 ...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Apr. 23, '21 ...	54,577	446	55,023	1,181,656	2,702,587	3,418,959	737,273
Apr. 30, '21 ...	54,577	291	54,868	1,207,522	3,045,103	3,541,983	1,040,825
Apr. 30, '20 ...	54,584	153	54,737	759,769	3,100,451	2,393,985	824,945
Apr. 30, '19 ...	87,783	1,040	88,833	363,865	1,578,049	1,331,446	726,863

HOLLAND.	Cash—Gold	Cash—Silver	Cash—Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Apr. 25, '21 ...	50,915	1,203	52,118	23,638	17,579	87,034	5,066
May 2, '21 ...	50,495	1,161	51,656	26,066	20,541	93,401	4,218
May 1, '20 ...	52,954	989	53,923	26,044	23,900	96,907	7,931
May 3, '19 ...	55,236	605	55,841	14,351	18,331	90,648	3,690

ITALY.	Cash—Gold	Cash—Silver	Cash—Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48,456		£25,017	£69,204	£8,887
Mar. 20, '21 ...	£32,892	£3,000	35,892	15,647	214,005	574,100	72,809
Mar. 31, '21 ...	32,892	2,999	35,991	17,616	220,268	579,338	82,811
Mar. 31, '20 ...	32,190	3,006	35,196	24,686	161,661	481,801	74,222
Mar. 31, '19 ...	32,716	2,940	35,656	16,192	59,315	366,482	59,921

JAPAN.	Gold	Discounts	Advances	Notes	Deposits—Public	Deposits—Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,792	£13,818	£1,521
Mar. 26, '21 ...	102,317	4,559	8,404	105,766	104,831	14,125
Apr. 2, '21 ...	111,598	4,874	8,398	110,568	104,272	7,088
Apr. 3, '20 ...	92,062	34,858	35,830	129,853	111,196	4,221
Apr. 5, '19 ...	70,793	2,243	36,543	82,439	107,374	3,680

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14...	—	£89,888	£411,238	—	—	£887,165	£1,720
Apr. 30, '21...	£16,560†	99,244	947, 88	£738,604	£49,244	809,616	1,272
May 7, '21...	16,086†	101,032	949,786	747,176	49,654	815,128	1,994
May 8, '20...	18,786†	114,812	1,030,345	826,540	50,470	893,770	4,978
May 10, '19...	19,652†	114,804	1,0.1,822	812,148	31,132	857,282	7,732

NORWAY.	Gold	Balauce Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Apr. 22, '21 ...	8,115	2,205	501	23,013	22,882	5,341
Apr. 30, '21 ...	8,115	2,078	501	24,176	23,230	5,853
Apr. 30, '20 ...	8,122	3,786	579	21,843	24,509	5,730

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Mar. 30, '21 ...	£1,906	£3,924	£5,830	£28,702	£141,090	£12,491
Apr. 6, '21 ...	1,906	3,924	5,830	27,996	143,214	8,974
Apr. 7, '20 ...	1,906	3,921	5,827	17,496	91,129	5,864
Apr. 9, '19 ...	1,905	3,883	5,788	8,826	64,505	3,487

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Apr. 2, '21 ...	£150,489	£24,868	£6,119	£30,987	£438,481
Apr. 8, '21 ...	150,469	24,798	5,642	30,440	440,032
Apr. 16, '21 ...	150,469	24,620	5,845	30,465	439,163
Apr. 17, '20 ...	60,809	8,453	2,642	11,100	180,955

RUSSIA.	Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 31, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash—Gold	Cash—Silver	Cash—Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Apr. 30, '21 ...	99,316	24,245	123,561	84,693	13,779	168,593	47,762
May 7, '21 ...	99,335	24,089	123,424	93,9 2	13,779	170,577	47,133
May 8, '20 ...	88,105	24,883	122,988	85,420	13,779	155,623	43,608
May 10, '19 ...	90,443	25,856	116,299	74,.40	13,778	141,204	42,312

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Apr. 23, '21 ...	15,681	6,102	705	24,559	35,176	12,259
Apr. 30, '21 ...	15,658	6,746	705	27,980	37,906	10,644
May 1, '20 ...	14,500	4,692	2,524	37,195	40,469	14,993
May 3, '19 ...	15,967	7,227	2,880	20,276	40,319	6,039

SWITZERLAND.	Cash—Gold	Cash—Silver	Cash—Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Apr. 23, '21 ...	21,742	4,065	25,807	17,328	36,845	6,047
Apr. 30, '21 ...	21,744	4,446	26,190	17,646	38,859	5,073
Apr. 30, '20 ...	21,234	3,576	24,810	14,393	38,643	3,702
Apr. 30, '19 ...	16,801	2,632	19,433	23,012	33,509	4,216

* Converted at 24 crowns to £1.
† Not reserve, ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold—Held by Banks	Gold—With Agents	Total Cash	Bills Discount'd	Bills Accept-ances	Deposits—Govt.	Deposits—Net	Deposits—Total	Circulation
Apr. 18, '21 ...	£457,376		£497,018	£420,910	£23,916	£6,224	£323,912	£573,700	
Apr. 25, '21 ..	459,814		498,568	422 722	20.890	13,498	330 528	571,346	
Apr. 26, '20 ..	389,939		416 714	495,636	80,934	8,582	354 682	613 682	
Apr. 26, '19 ..	189,168	244,978	448,032	390,032	37,164	18,346	350 418	509 910	

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon ...	7	Sept. 3,'20
Berlin ...	5	Dec. 23,'14	Madrid ...	5	Nov. 4,'20
Berne ...	4½	Apr. 7,'21	Paris ...	5	Apr. 8,'20
Bombay ...	8	Mar. 3,'21	Petrograd	8	July 29,'14
Brussels ...	5½	Apr. 28,'20	Rome ...	6	May 12,'20
Calcutta ...	6	Mar. 3,'21	Stockholm	8	May 4,'21
Christiania	7	June 25,'20	Tokio ...	8·03	Nov. 18,'19
Copenhagen	6½	May 5,'21	Vienna ...	6	Apr. 14,'21

III.—FOREIGN EXCHANGES.

LONDON ON—		May 12, '21	May 6, '21	Apr. 29, '21	Apr. 22, '21
Berlin	Cable	244m.	258m.	262m.	268m.
Brussels	Cheques	47fr. 75c.	48fr. 80c.	51fr. 70c.	53fr. 00c.
Denmark	Cable	22kr. 00	21kr. 90	21kr. 90	21kr.75
Holland	do.	11d. 18c.	11d. 25c.	11d. 28c.	11d. 30c.
Italy	do.	75·50lr.	73lr. 87	83lr. 25	85lr. 00
Lisbon and Oporto	do.	5½	5	5½	5½
New York	do.	$3 99	$3 98	$3·95	$3 92
—	Cheques	$4 00	$3 97	$3 96	$3 93
Norway	Cable	24kr. 12	25kr. 85	25kr. 17	24kr 82
Paris	3 mos.	48fr. 50c.	49fr. 52c.	51fr. 97c.	54fr. 82c.
—	Cable	47fr. 75c.	48fr. 77c.	51fr. 45c.	53fr. 87c.
Spain (Bank places)	3 mos.	40½	41½	41½	41½
—	Cable	29c. 30	28c. 49	28c. 37	28c. 35
Sweden	do.	18kr. 87	17kr. 00	17kr. 11	16kr. 62
Switzerland	3 mos	22fr. 75c.	22fr. 77c.	23fr. 15c.	23fr. 10c.
—	Cable	23fr. 35c.	22fr. 37c.	22fr. 65c.	22fr. 70c.

ON LONDON—		May 12, '21	May 6, '21	Apr 29, '21	Par
Alexandria	Sight	97½pl.	97½pl.	97½pl.	97½pl.
Amsterdam	Cheques	11d. 17c.	11d. 24½c.	11d. 27½c.	12·107d.
Athens	Cable	63dr. 75	63dr. 50	63dr. 25	25dr. 22½
Bombay	Transfers	1s. 3½d.	1s. 3½d.	1s. 3½d.	2s.*
Brussels	Cheques	47f. 80c.	48f. 50c.	51f. 82c.	25f. 22½
Buenos Ayres	Transfers	42½d.	41½d.	43½d.	47·53d
Calcutta	do.	1s. 3½d.	1s. 3½d.	1s. 3½d.	2s.*
Christiania	Sight	24kr. 04	25kr. 86	25kr. 50	18·159kr.
Copenhagen	do.	21kr. 96	21kr. 86	21kr. 87	18·159kr.
Helsingfors	Cable	182m.	184m.	184m.	25m. 22½
Hong Kong	Transfers	2s. 6d.	2s. 6½d.	2s. 6½d.	—
Italy	Sight	74lr. 75c	78lr. 87c.	82lr. 25c.	25lr. 22½
Lisbon	do.	5½d.	5½d.	5½d.	53½d.
Madras	do.	1s. 3½d.	1s. 3½d.	1s. 3½d.	2s.*
Madrid	do.	29c. 38	28c. 46	28c. 37	25c. 22½
Montevideo	Transfers	40½d	39½d.	41½d.	51d.
Montreal	Cable	$4 46½	$4 41½	$4 43½	$4 86⅔
New York	Sight	$3 99½	$3 97½	$3 94½	—
—	60 days	$3 97½	$3 95½	$3 92½	—
—	Cable	$3 99½	$3 98	$3 95	$4 86⅔
Paris	Cheques	47f. 75c.	48f. 55c.	51f. 45c	25f. 22½c.
Rio de Janeiro	90 days	8⅞d.	37/8d.	37/8d.	16d.
Shanghai	Transfers	3s. 4½d.	3s. 3½d.	3s. 3½d.	—
Singapore	Sight	2s. 3½d.	2s. 3½d.	2s. 3½d.	—
Stockholm	do.	16kr. 86	17kr. 03	17kr. 08	18·159kr.
Switzerland	do.	22f. 34c.	22f. 37c.	22f. 61c.	25f. 22½c
Valparaiso	90 days	34·50d.	34·40d.	32·30d.	13·33d.
Yokohama	Sight	2s. 4½d.	2s. 4½d.	2s. 5d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—	Rate Current* May 11, '21	Rate Current* May 4, '21	Par as is any Quoted	Rate July 3
Amsterdam, sight ...	35 63c.	35·28c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	25 875c.	26·00c	48 66c. for 1 rupee	33 00c.
Buenos Ayres, cheques...	142·00	144 75		
Christiania, cheques ...	16 45c.	15·35c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	17 98c.	18·10c.	26·80c. for 1 kroner	26·85c
Greece, cheques ...	5·40c.	6 06c.	19·295c. for 1 drachma	
Hong Kong, cheques ...	51·50c.	51·50c.	74·59c. for Mex. $1	48·45c.
Italy, sight	5·305c.	4 885c.	19.30 cents for 1 lire	
Lima, cheques ...	3·30¼.	3 30¼.	4·8665 $ for 1 libra	
Manila, cheques ...	48·00c.	48·00c.	50c. for 1 peso	49·8c.
Montreal	10·75% diso.	10 25% diso.	Premium per $100	Par
Paris, sight	12·12fr.	12 93fr.	5·18¼ francs for $1	5·16fr.
Rio de Janeiro, cheques	7·55mil.	7·63mil.	3 032 milreis for $1	
Shanghai, cheques ...	67·50c.	67·75c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	42 00c.	42 00c.	56 77c. for $1	57 1·c.
Spain, cheques	13 69c.	13 9 c.	19 3 c. for 1 peseta	
Stockholm, cheques ...	23 95c.	23 49c.	26 80c. for 1 kroner	
Sw tzerland, cheques ...	5·61fr.	5 64fr.	5·18¼ francs for $1	5·14½ r.
Valparaiso, cheques ...	13·00c.	13·00c.	20·61c. for 1 peso	
Yokohama, cheques ...	48·00c.	48 00c.	49 83c. for 1 yen	49 9c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1921 Aggr.	Inc. or Dec.*
	1921	[In £'s sterling, 000's omitted.]			%
BIRMINGHAM ...	May 7	£3,113 —	2,104	£52 9.1 —	£20,418 — 27 8
BRISTOL	,, 7	1,209 —	574	28,735 —	6,490 — 17·5
DUBLIN	,, 7	6,979 —	3,115	139,504 —	32,120 — 18·7
HULL	,, 7	977 —	—	18,258 —	— —
LEEDS	,, 7	1,158 —	903	22,103 —	11,510 — 34·2
LEICESTER	,, 7	814 —	804	15,159 —	10,854 — 41·8
LIVERPOOL ...	,, 7	8,286 —	9,327	18·.07 —	146 671 — 44·1
MANCHESTER ...	,, 7	15,522 —	20,381	299,903 —	314,109 — 50 3
NEWCASTLE	,, 7	1,010 —	1,630	44,237 —	17,836 — 28 7
NOTTINGHAM ...	,, 7	775 —	868	14 4.5 —	8,575 — 37·2
SHEFFIELD	,, 7	1,694 —	719	25 619 —	5,640 — 18·0
LONDON—	1921				
TOWN	May 11	521,351 —	102,931	11,341,396 —	1,257,500 — 9·9
METROPOLITAN	,, 11	3,.55 —	9,017	653 705 —	154 [illegible] — 18·9
COUNTRY	,, 11	6,.30 —	13,416	1,245,029 —	3[illegible] — 20·5
TOTAL	May 11	6[illegible] —	132,904	[illegible] —	[illegible] — 11·5

* Compared with [illegible].

V.—FREIGHTS.—According to Messrs. J. C. Gould, Anyers & Co., Ltd.

HOMEWARDS.	1921 May 12	1921 May 6	1914 May 3
Alex. to U.K. ...	110	110	—
Aust. to U.K. ...	52/6	52/6	21/9
Bilbao to Cardiff...	—	—	—
Bombay to p.p. ...	—	—	d.w.12 0
Burmah to U.K....	35 0	35/0	18/0
Calcutta to p.p.(jute)	—	—	[illegible]
Danube to U.K.	24/0	21/0	7/9
R. Plate to U.K....	58/0	52/6	—

* Per ton.

Homewards.—Cont.	1921 May 12	1921 May 6	1914 May 3
U.S. Atl. Ports to U.K.	[illegible]	[illegible]	[illegible]
U.S. to U.K. [illegible]	[illegible]	[illegible]	—
Gulf Ports to U.K. Cont.			
[illegible] ...	—	—	15/6
OUTWARDS.—Cardiff to			
Port Said ...	—	—	7/0
River Plate ...	—	—	12/6
St. Vincent ...	—	—	—

* Per [illegible].

Time Charter 6/3.

VI.—WHOLESALE PRICES OF COMMODITIES.

	MAY 12, 1921	MAY 14, 1920	JUNE 30, 1914
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	106 0	£23 6	57/0
— Middlesbro' warrants ...ton	120/0	2.7 6	51/0
— Hematite warrants ...ton	160 0	269 0	61/0
— Staffordshire bars, London ton	£27 10	£29	£8 10
— Common bars ...ton	£93	£98	£6 16
Steel Rails ...ton	£15	£23	£8 2/6
Galvanised Sheets ...ton	£92—£94	£56	£16 17/1
Copper—Standard ...ton	£72 12/6	£100 15	£66
Tin—English Ingots ...ton	£176—£177	£295	£142 15
— Straits ...ton	£186	£310	£139 10
Tinplates, I.C. Coke, S. Wales...box	27/0—28/0	74 0	11/10½—12/0
Lead—Soft Foreign ...ton	£24 7/6 23 17/6	£38 10—£40	£19
Spelter—Ord. Foreign ...ton	£26 7/6-£27 7/6	£45 15—£47 5	£21 7/9
Quicksilver (75lb.) ...bottle	£11—£11 10	£22-£22 10nom.	£7
Aluminium ...ton	nom	£165	£82
Antimony—Regulus Foreign ...ton	£24—£26	£60—£63nom.	£27 10
— English ...ton	£37—£42	£60—£6 nom	—
Coal—(best) Yorkshire ...ton	—	37 9—38 2	17/6
— Steam (best) Newcastle...ton	70 0	50 2—55 2	14.6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	12/0	15 0	7/4
Soda—Crystals ex wharf ...ton	140 0	230 0—240 0	42 6—45/0
Copra—Malay and States ...ton	£20	£60 £23 15-£24 7 6	
Gambier—Good marks ...cwt.	29/6	51 0	16/10½
Indigo—Bengal good to fine ....lb.	10 0—11 6	13 0—16 6	3 2—3 8
Linseed Oil—Raw ...ton	£28 10	£99	£25 5
Linseed—Calcutta, spot ...ton	£16	£42 15	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£18 10—£19	£22	£7 17/6 —£8
Olive Oil—Spanish ...ton	—	—	£49 10
Palm Oil—Lagos ...ton	£34	66/6	£31 10
Petroleum—American ...gallon	2 3½	2 1½	7½d
Rape Oil—Refined English ...ton	£57	£110	£32
Soya Oil—Refined ...ton	nom.	£110	£24 10
Tallow—Imported ...cwt.	28/0—36 0	82 0—97 0	29 3—33 3
Turpentine—American ...cwt.	84/0	195 0	33 7½
Rape Seed—Toria ...ton	£19	£41 10	£13 5
Rubber—Para, spot ... lb.	9½	2 1¼	2 9½
— Fine plantation (standcrepe) lb.	10d.	1 1¼	2 2
— World's Production* Oct. tons	26 620	27.685	8.467
Shellac—T.N. Orange, fair ...cwt.	390/0—400/0	570 0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	8 73½	28·79½	7 53d.
— Egyptian good fair ...lb.	11·00d	74 50d	8 75d.
— Pernambuco fair ...lb.	8 03½	31·79½	7 73d.
— Middling Upl. New York ...lb.	13 15·	41 30·	13 25c.
— Stock, Liverpool (May 6) bales	985.690	1,199,160	934.600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£42	£60	£25 10
— Manila fair ...ton	£42	£66 10	£26 10
Jute—First Marks ...ton	£39	£59	£26 15
— Red SCO ...ton	£28 10	£45	£24 15
Silk—Common, New Style ...lb	30 6 nom.	35 0	12 0—12 6
— No. 1-14 Japan ...lb.	27/6 nom.	—	—
— 1st Order Italian ...lb.	26 0 nom	—	—
Wool—Pt. Philip unwashed av. lb.	1 6	5 9	11½d.—1/0
— Lincoln Half Hogs ...lb.	84d.	2 3½	1 0½
Hides—Eng. Ox, best ...lb	7d.	18½d.—19½	7½d.
Leather—Dressing Hides ...lb.	1 9—2/6	4 0—4 6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	—	66 268 000	34.640.000
— Red, price, N.Y. 60lb. bushel	173·	324·	67½c.
— English Gazette, aver. 480lb. qr.	86 2	72 8	34 3
Flour—G R. ... 280lb.	62 0	63 6	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	48 3	84 3	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	37/11	57 7	20/0
Maize—N.Y. (new bushel)....56lb.	78½	212⅜	76½c.
— Amer. mixed, Liverpool...480lb.	42/0	nom	32/4
— La Plata ...480lb. qr.	43.0	78 0	25/9
Potatoes—Good English ...ton	190 0	†310 0	70.0—75 0
Rice—Bassein ...cwt.	16 6—17/0	48 6	7 0—7/3
Tapioca—Pearl, medium ...cwt.	22/0	36/0	14 0—17/8
Hay—Clover, London ...ton	167/6	—	84 0
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	6 10	6 8	3 8 -3/10
— Scotch sides ...8lb.	11 0	10 0	4 6 —5 0
— English ...8lb.	10 6	10 0	4 2—4 5
Mutton—Scotch wethers...8lb.	12/3	10/6	5/8—6/0
— English wethers ...8lb.	12 0	10/6	4/6—5/4
— New Zealand frozen ...8lb.	5/8	10/6	2/4—3/2
Pork—English and Irish ...8lb.	12 0	12 0—16/0	3/6—4/0
Bacon—Irish, delivered ...cwt.	166/0—172 6	†240 0	60/0—74/0
— Danish ...cwt.	166/0—172/0	†192 0	58/0—68/0
— Canadian, ex Port ...cwt.	130/0—145/0	†187 0	—
— American, ex Port ...cwt.	†110/0—120/0	†187 0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	135/0—145/0	†184 0	75'0—79·0
— — short cut, ex Port ...cwt.	137/0—140/0	†184 0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	65.0—70 0	†198/6	51/9—52/9
Butter—Danish ...cwt.	185/0—195/0	303/4	117/0—120/0
— French ...cwt.	—	303/6	96/0—108/0
— Australian ...cwt.	180/0—190/0	303 4	98/0—110/0
— New Zealand ...cwt.	183/0—196/0	303/4	108/0—114/0
Cheese—Canadian ...cwt.	160.0—184/0	†145/0	66/0—68/0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt.	116/0—188/0	†145/0	53.0—64 0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30... cwt.	9.244.665	9.931.190	19.777.254
— Home consump'n. to Apr. 30 cwt.	9.082.585	8.420.987	17.272.000
— In Bond Apr. 30 ...cwt.	8.228.000	7.399.000	6.308.000
— Price, Java, 96° Pol. ...cwt	28 9	53 0	10/3
— — Yellow crystals ...cwt.	57/0	63 6	12/6—14/0
— — Tate's Cubes, No. 1...cwt.	66 9	72/0	18/0
Coffee—Imports to Apr. 30 ...cwt.	336.890	267.439	720.360
— Home consumpt'n to Apr. 30 cwt.	101.913	102.846	141.410
— Exports to Apr. 30 ...cwt.	146.391	168.426	340.250
— In Bond Apr. 30 ...cwt.	737.000	713.000	484.000
Price, Costa Rica gd. to fine cwt.	102/0—135/0	158/0—164/0	80/0—93.0
— — Brazil (Santos) good ...cwt.	53/0—58 0	130/0—132·0	41 6
Tea—Imports to Apr. 30...lb.	162.927.972	146.030.275	123.236.277
— Home consump'n. to Apr. 30 lb.	134.924.963	123.557.201	155.447.972
— Exports to Apr. 30...lb.	8.155.716	15.602.708	26.561.765
— In Bond Apr. 30 ...lb.	239.392.000	207.520.000	78.292.000
— Price, Indian, Pek. Soug. gd. lb.	1 1d	1 5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	8d.	1 6	8½d.
— — Common Congou ...lb.	3d. nom.	1/3	5½d.
Cocoa—In Bond Apr. 30 ...cwt.	1.271.000	1,086.000	309.000
— Grenada, good to fine ...cwt.	50 0—53 0	85 0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	..... Mar	$14.706.000	—1.0.0.000	$2.451 000	+ $493.000
	3 *mos.* to Mar	41.940.000	—1,248.000	3.906.000	+ 648.000
Grand Trunk	..... Mar.	£1.278.700	+ £95.900	£122,900	+ £68,400
	3 *mos* to Mar.	3.772,200	+ 593.200	Dr. 91.400	+ 306.50,

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Apr. 9	1,044	R2.29.810	— 10,949	1	—	—
Barsi Light ...	Apr. 16	118	24.600	— 6 000	2	51,000	— 41.600
Bengal & N.W.	Apr. 9	2.067	635.150	+ 15.863	1	—	—
Beng. Dooars	Mar. 31	158	42.269	— 10.34	26	6.50,518	— 3.26,045
Beng. Nagpur	Apr. 9	2.695	15.97.000	+ 10.000	1	—	—
Bomb. Baroda	Apr. 30	2.871	21.91.000	+ 1,65 000	5	89.87.000	+ 300.000
Burma ...	Mar. 31	1,342	12.80.195	+ 1.95.64	26	1.57.58.885	— 3.42.607
Del.Um. Kalk.	Apr. 30	239	87.070	— 12,082	4	3.43.715	— 31.008
East Indian ...	Apr. 30	2.772	30.10.000	+ 1,98.000	5	1.26 50 000	+ 3.64.000
Gt. Indian Pen	Apr. 30	3,121½	30.44.661	+ 2.13.100	5	1.24.6',200	+ 1.79.514
Madras & S.M.	Apr. 16	3,152	12.50.000	+ 41.971	2	28.25.000	+ 6',898
Nizam's Guar	Apr. 16	900	3.16.297	— 60 922	2	6.76.756	— 1,56.319
Roh. & Kumn.	Apr. 9	576	1 63.650	— 9,795	1	—	—
South Indian	Apr. 16	1,852½	7.86.846	+ 5.783	2	17.43.983	— 33.656
South Punjab	Dec.	716	8,17.861	— 33.919	3*m*	25,37,268	— 13,757
COLONIAL							
Can. Northern	May 7	9,750	$1.069.900	— 59.900	18	22,102,700	+ 3.589.577
Can. Pacific ...	May 7	13,388	2,9 5 000	+ 595 000	18	58.276.000	— 4,361.000
Grand Trunk	May 7	3,616	£266 736	+ 8.652	18	5.179.801	+ 616.249
Mashonaland	Feb.	810	102,913	+ 40.475	5*m*	479,173	+ 132,247
Mid. W. Aust.	Mar.	977	13.727	— 14	9*m*	102.138	+ 2.948
NewCapeCent.	Apr. 16	205	2 437	— 53	15	42.155	— 6.293
Rhodesia Rlys	Feb.	1,397	134.193	+ 34.042	5*m*	642,080	+ 149,731
Temiscouata ...	Feb.	—	$46,968	+ 24.268	2*m*	85,860	+ 31,565
FOREIGN.							
Argentine.							
Arg. N. East...	Apr. 30	752	£ 11.600	— 3.500	44	514.000	+ 600
Arg. Transand	May 7	111	£ 3.175	— 765	45	129.190	— 15.921
B.A. & Pacific	Apr 30	3.425	£ 180 000	— 30.000	44	5 704 000	— 503 000
B.A.Gt. South	May 7	3.903	£ 158.000	— 33 000	45	7,473.000	— 572.000
Do.	May 7	Net	£ 18.000	— 47.000	45	1,303 000	— 1,514.000
B.A. Western	May 7	1,882	£ 80.000	— 27 000	45	3.549.000	— 341.000
Do.	May 7	Net	£ 7.000	— 33 000	45	465.000	— 1,052.000
B. A. Central	Mar.	190	£ 39 347	— 15 061	10*m*	418.405	— 308
Cent. Argent.	May 7	3.305	£ 163 000	— 47,000	45	8.343.000	+ 219.000
Cord. Central	May 7	1.205	£ 60.100	+ 5.100	45	2.334.300	— 325 900
Entre Rios ...	Apr 30	811	£ 25.800	+ 3.500	44	1.005.000	— 33.000
Brazilian.							
Brazil Gt. South	Mar.	110	M 40.000	— 13,000	3*m*	115,250	— 47,250
Brazil Railway	Dec.	3.530	M4 859.000	— 141.271	12*m*	57.772.000	+ 7.619.243
Gt. W. Brazil	May 7	1.010	£ 12.400	— 9.700	19	283.000	— 201.700
Leopoldina ...	May 7	1.831	£ 28 969	— 17 830	19	592.373	— 390.047
San Paulo ...	May 8	153½	£ 24.786	— 15.983	19	542.031	— 286.511
So. Bahia S.W.	Apr.	52	M 41.000	— 80,000	4*m*	352.000	+ 55,000
Chilean and Peruvian.							
Antofagasta...	May 1	838	£ 20.440	— 25.156	18	611,000	— 436,070
Arauco ...	June	84½	£ 12.000	+ 500	6*m*	76.000	+ 10.700
Nitrate (2wks)	Apr. 30	390	£ 31.150	— 10.559	16	231.922	— 135,437
Peruvian Corp.	Apr.	1,140	£ 1.071.060	— 231.767	10*m*	11.496.360	— 491.454
Talca ...	Apr.	180	£ 13.100	— 1 5,720	10*m*	256.60.	+ 16.940
Cuban.							
Cuba Railroad	Jan.	—	$ 1,503 385	+ 448.284	7*m*	8.497.481	+ 1,017.244
Havana Cent.	Apr. 30	70	£ 18.843	+ 4.768	4*m*	647.823	+ 145.855
U. of Havana	May 7	681	£ 150.113	— 5,548	45	5.564.173	+ 703.263
Uruguayan.							
Cent. Uruguay	May 7	273	£ 27.050	+ 744	45	1.088.587	+ 54.110
,, (E. Ext.)	May 7	311	£ 5 617	— 2.248	45	255.700	— 28.734
,, (N. Ext.)	May 7	185	£ 3.70	— 822	45	135.010	— 35.932
,, (W. Ext.)	May 7	211	£ 2,151	— 1,44	45	114.611	— 13.494
Mid. Uruguay	Apr.	319	£ 14.468	— 4.632	10*m*	177.206	— 25,430
N.W. Uruguay	Apr.	113	$ 5.631	+ 104	10*m*	60.721	— 7,633
Urug. Northn.	Apr.	73	£ 1.596	— 326	10*m*	20,405	— 1.811
Miscellaneous							
Alcoy & Gandia	Apr. 30	33	Ps. 15.500	+ 5,500	18	308.900	+ 101,000
Bilbao ...	Apr.	15	£ 2.221	— 2,481	4*m*	9,098	— 6,522
Bolivar ...	Apr.	136	£ 12.929	+ 3.189	4*m*	38.220	— 6.296
Colomb. Natnl.	Mar.	86	£ 23.260	+ 4.624	3*m*	57,4 0	+ 10,614
Costa Rica ...	Feb.	190	£ 25.992	— 4.443	8*m*	195.985	— 8,291
Dorada Ext.	Mar.	70	£ 20.100	+ 8.00	3*m*	51,250	+ 15,760
Egyptian Delta	Apr 20	559½	£ 10.428	— 9.3	4	19.161	— 4.054
Gt. S. of Spain	Apr. 30	104	Ps 43.262	— 61.407	17	1,081.735	— 337.000
Lautaro Nit. Co.	Apr.	223	£ 10.030	— 3.910	4*m*	41,540	— 15.684
Ottoman Ry..	Apr. 30	379	£ 10.238	— —	—	—	—
Paraguay Cent	Apr. 30	274	£ 4.110	— 560	44	192.700	— 19.260
Puerto Cabello	Mar.	34	£ 4.500	— 2,500	3*m*	13,250	— 4.250
Salvador ...	Apr. 30	100	£ 4.070	— 2,630	44	162,875	— 35.242
Santa Fé Prov.							
French Rys.	Mar	1,181	£ 139.744	— 26.348	3*m*	391,881	— 78.244
S'm'na & S'ti'go	Apr.	80	£ 10.000	— 6,779	4*m*	33.310	— 20.320
Zafra & Huelva	Mar.	112	£ 15,237	+ 1,725	3*m*	43,330	+ 2,734
TRAMS.							
Anglo-Argent.	May 6	400	£ 80.726	— 424	18	1.448.307	+ 113.446
Bombay Elect.	Feb.	—	Rs. 8.23.939	+ 84,081	4*m*	16,98.666	+ 1,78.934
Brazilian Trac.	Mar.	378½	M13.102000	+ 3.202.000	3*m*	37,918.000	+ 3.902.000
Brisbane Elec.	Mar.	40½	£ 46.3.0	+ 870	3*m*	135.815	+ 3.966
Brit. Columbia	Mar.	334	$ 816.454	+ 55.27	9*m*	7,166.853	+ 629.116
B. A. Lacroze	Apr.	51	£ 60.238	+ 6.809	10*m*	570.952	+ 63.836
Calcutta ...	Apr. 30	35½	R 86.210	— 6.451	17	11.66.244	— 4.04.350
Carth. & Herr.	Apr.	9	£ 2.329	— 3.153	4*m*	11,271	— 6,460
Chatham & Dist	Apr.	15	£ 1.642	— :8	17	27,754	+ 2.296
Havana Elect	Jan	86	$ 1,089.076	+ 205.858	1*m*	—	—
Isle of Thanet	May 4	20½	£ 706	— 137	32	18.840	— 336
Kalgoorlie ...	Jan.	20½	£ 2.418	— 155	1*m*	—	—
Lanarkshire ...	Dec. 31	28½	£ 5.467	+ 1,927	52	221.564	+ 27.721
Lima Light ...	Feb.	85	£ 60.718	+ 4.556	2*m*	124,3?9	+ 9.553
London O.C....	May 4	141¾	£ 102.624	+ 18.589	5	476.035	+ 81.180
Madrid 2wks..	Apr. 30	15½	R 4.668	— 4.582	16	245.880	— 136.693
Manila Electric	Mar.	55	$ 298.317	+ 54.627	3*m*	926,156	+ 106.053
Pernambuco...	May 8	69	£ 3.4.0	— 3.63.	19	77.63?	— 66.294
Provincial ...	Apr. 30	21½	£ 3.386	+ 254	30	94.064	— 149
Rangoon Elec.	Feb.	25	£ 120.718	+ 5,7.8	2*m*	245,276	+ 16.276
Shanghai Elec.	Mar.	1,26?¾	M X. $160.654	+ 15.010	3*m*	468.238	+ 52.845
Singapore Elec.	Mar. 19	26½	$ 13.885	— 8.489	12	142.382	— 115.849
U. of Montevid	Apr.	90½	£ 46,189	+ 4.015	6*m*	286,87?	+ 21.979

UNDERGROUND ELECTRIC RAILWAYS CO. OF LONDON, LTD.

Metropolitan District Ry., London Electric Rly., City and South London Rly., Central London Rly., London General Omnibus Co.

Week to May 7, £243,32?; Aggregate, Jan. 1—May 7, £4,174,827.

Metropolitan Electric Trams, London United Trams, South Metropolitan Electric Trams, Tramways (M.E.T.) Omnibus Co., Gearless Motor Omnibus.

Week to May 7, £56,234; Aggregate, Jan. 1—May 7, £933,114.

Banking Accounts in Foreign Currencies

BY reason of its extensive foreign organisation the Guaranty Trust Company of New York is equipped to open on its books, in London or in Liverpool, deposit or current accounts in all of the principal currencies of the world for firms and individuals. Arrangements may be made for accounts in the moneys of Continental Europe, North and South America, India and the Far East. In most cases interest can be allowed.

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NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid-up Capital, Surplus and Undivided Profits (Feb. 28, 1921) - - - - $62,727,273.77
Total Assets (Feb. 28, 1921) - - - - $893,680,782.11

IMPORTANT NOTICE.

Next week we will issue our ANNUAL BRITISH BANKING SECTION, which deals with the position of Banking and Banks in Great Britain and Ireland.

The Section will contain information and statistics of great value to all interested in the subject of Banking.

The Statist.

LONDON, SATURDAY, MAY 14, 1921.

THE COAL DEADLOCK.

WE enter inauspiciously on the Whitsuntide holidays. Not only is the coal trouble still unsolved, but serious developments are threatened. The importation of coal for the continuance of services vital to the nation has been undertaken by the Government, but sporadic efforts are being made by different bodies of workers to hold up imports in the interests of what is called "working-class solidarity." While we have every sympathy with the legitimate aspirations of the workers and all well-conceived efforts to improve their economic position, their attitude towards the measures taken by the Government seems to us quite mistaken. Whether the Government be good or bad—and we have had occasion more than once to criticise it—it consists of the elected representatives of a people enjoying a wide franchise, and derives its authority from the nation as a whole. It is national in a sense to which no body of trade unionists, however large, can aspire, and while we regret the necessity which has forced it to take action that has involved friction with the transport and railway workers, its aim has been, not to antagonise working-class opinion or to spread the area of the present dispute, but to safeguard the general good. The declaration that coal brought into the country is not to be used as a source of private gain, but in order to meet vital needs, provides sufficient assurance that the Government will not misuse its undoubted strength to browbeat the workers or force them into submission. Such would, indeed, be an error of judgment, as a settlement by force of the present labour trouble would lack all elements of permanence. The cooler heads among the miners will, we are sure, admit that it is a mistake to make no distinction whatever with regard to coal supplies from overseas, and the declaration that "all coal is prolonging the dispute, and is designed to have the effect of starving the Miners' Federation into submission and bleeding the whole community white in the process" (words taken from the declaration of the Executive of the Transport Workers), misconstrues the intentions of both the Government and the general mass of citizens. It goes further, and throws overboard the previous decision of the National Union of Railwaymen, which expressly stated, "We intend to place an embargo upon coal to be used for commercial purposes, but it is not intended to interfere with the movement of coal intended for public utility purposes, households, and hospitals, and we limit our instructions to the coal falling within the first category." The rights of the community are plainly recognised here, and their proposed abrogation by Mr. Williams and his colleagues is a challenge that cannot be evaded.

The allegations that the community will be bled white if the Government policy is persisted in is open to more than question. The losses incurred by the community as a result of the crisis at the mines runs already into tens of millions. In addition to the 1,200,000 miners, practically two million workers have been thrown out of employment, while another two millions are working half time or less. Unemployment was, of course, large prior to the cessation of work at the mines, but its extent has been much aggravated since April 1, and the personal annoyances and inconveniences caused are, of course, manifold. The loss in wages directly due to the coal crisis is not less than £12,000,000 per week, while the cumulative loss of profits runs, on a conservative estimate, to more than half that sum, and the suspension of production leads to tremendous depreciation of factories, plant, machinery, and shipping, as well as the destruction of perishable goods. The labour trouble further gives foreigners the opportunity of making inroads into our external markets, in which they already figure so largely, and also causes an increased need for imports, thereby adversely affecting our foreign exchanges.

We must attribute the reluctance of the Miners' Federation to hold a ballot on the Government's offer of £10,000,000 to a feeling that the decision would be in favour of a settlement, as empty stomachs would powerfully affect the voting. We first suggested that a way of settlement would be the restoration of the eight-hour day at the old, or a slightly reduced, rate of wages, the increased output permitting of the payment of these wages without prejudice to the economic position of the industry. This proposal was subsequently advocated in many quarters. It is now clear, however, that the speediest means of settling the dispute would be the agreement of all parties to refer the matters at issue to a competent tribunal, which should be independent, while some temporary arrangement for the resumption of work by an improvement of the Government's previous offer might be made. By the suggestion of a grant of ten millions the Government has already conceded the principle of a wages pool, and as regards a profits pool, though the miners' desires on the matter cannot be met, there is plenty of room for negotiation and adjustment, given the good will of both parties and an honest endeavour to reach a solution.

OIL AND ANGLO-AMERICAN RELATIONS.

Oil is no longer a matter of purely commercial interest; it has obtruded itself into the sphere of international politics. Nations are now concerning themselves with the securing of an adequate and regular supply of a commodity whose possession they deem essential for the pursuit of peace or war. Little wonder need be expressed at this outcome, considering the recognition which the late War helped to bring about of the versatility and the potentialities of oil fuel for purposes of land, sea, or aerial transport.

The passage through the United States Senate of the Treaty which provides for the payment to Colombia of a sum of 25 million dollars had outwardly for its object the re-establishment of those friendly relations which have been seriously disturbed since 1903 when Panama seceded from Colombia; but there can be little doubt that the decision now arrived at to sanction a measure which had already been hung up several times, was largely influenced by the desire to be in a position to negotiate freely for oil concessions in a Republic which is credited with huge resources. The ambition of the United States to extend her control over oil supply is quite understandable, although in regard to the possession of rich natural resources of her own she is in a privileged position as compared with the United Kingdom. Lord Curzon, in the correspondence respecting economic rights in mandated territories recently issued as a White Paper, states that the output of oil within the British Empire is only about two and a-half per cent. of the world's production, and if the production of Persia be included, in virtue of certain oilfields in that country owned by a British company, the total amounts to four and a-half per cent. Against this small percentage the United States produces some seventy per cent. of the world's output, besides which American companies, owning at least three-fourths of the Mexican output, are estimated to produce a further twelve per cent. of the world's output. This overwhelming proportion, over eighty per cent. of the petroleum production of the world, is under American control, and the predominance of the United States in regard to oil production seems to be assured for many years to come. Remarkable as these figures are, they do not, however, emphasise fully the benefits conferred by Nature on the Republic. Granted the progressive exhaustion of the oil-wells, which are now responsible for the entire domestic output of the country, it is probable that the product of the oil-bearing shales may be relied upon, for some considerable time at any rate, to make up for any deficiency. Recognising this the United States Government has already taken steps to reserve for naval purposes about 132,000 acres of shale country. According to a recent report of the Bureau of Mines the shales of Wyoming, Utah, and North-West Colorado are richer in recoverable oil than the Scottish shales now worked, which latter constitute the most important in this industry in the world at the present time; they are also estimated to be of approximately equal nitrogen content, which is a measure of recoverable ammonia, and are, furthermore, of greater thickness and more easily mined than those of Scotland. While the Scottish shales are mined underground in a system similar to coal-mining, the Colorado shales admit of surface operations. By the United States Geological Survey the oil-bearing stratum in Colorado is estimated to be, on an average, 1,500 feet thick, but obviously all this cannot be designated as commercial shale. "Commercial" shale is counted as producing about one barrel of oil to every ton of rock, and shale capable of producing on this basis has been variously estimated to range from thirty feet to several hundred feet in thickness, though a conservative average would probably be around fifty feet. This would mean that each acre would contain 110,000 tons of commercial shale, equivalent to the same number of barrels of oil.

The fact that American oil resources, actual and potential, are on a vast scale would not, of course, be expected to preclude her from defending the interests of her nationals who seek for oil concessions in other parts of the world. At the same time it is possible that the American public, forgetful of the commanding position held by their own country, are inclined to distort the legitimate aspirations cherished by less-favourably situated nations, and to read into these aspirations intentions which they are not really designed to convey.

According to the correspondence in the White Paper previously mentioned, the American Government seems to harbour the suspicion that, under cover of the mandates for Mesopotamia and Palestine assigned to us, our Government had given advantages to British interests which were not accorded to American companies, and were, furthermore, engaged in preparing quietly for exclusive control of the oil resources in these regions. The suspicion seems to have arisen, firstly, from our execution of measures of a purely military character, which would, in all probability, require to be undertaken by the occupying armies of any other Power; and, in the second place, by a misapprehension of the nature of the oil concessions granted to the Turkish Petroleum Company, and the subsequent transfer into French hands of interests formerly held by Germans. With regard to the second point, the Turkish Government, in June 1914, after prolonged diplomatic negotiations, consented to lease to the Turkish Petroleum Company, which embraced both British and German interests, the petroleum deposits known or to be discovered in the vilayets of Mosul and Bagdad, reserving to itself the right to fix later on its share in the enterprise, as also the terms of the contract. Subsequently, the German interests in the Company were liquidated, and, coming into the hands of the British Government, were transferred to the French Government in return for facilities by which Mesopotamian oil would be able to reach the Mediterranean. It will be observed that the original concession formed the subject of a contract entered into between the various Governments concerned in pre-war days; its legality can, therefore, be scarcely questioned, and the later decision to make an allotment of interests to the French Government is justified by the return, in compensation, of certain facilities which would ensure better working operations. Had the American Government occupied the position of the French Government they would no doubt have been asked to participate on precisely similar terms.

It can scarcely be the intention of the United States Government to insist that rights granted in pre-war days should now come up for revision. Such rights were acquired in Palestine by American citizens, and the British Government would certainly not be a party to disputing them. And in any case, the American Government's attitude on this matter seems to be already defined by the approval expressed by the American Secretary of State of the declarations of President de la Huerta and President-Elect Obregon that article 27 of the new Mexican Constitution "is not, and must not be, interpreted as retroactive or violative of valid property rights." We cannot certainly be accused of any Imperial megalomania in desiring to control a few per cent. of world's resources in oil, especially in view of the dwindling character of our coal resources and the high production costs entailed in their working. If oil is to be the fuel of the future we are but exercising a wise foresight in trying to secure some sources of oil supply. We would certainly be neglecting an obvious duty to our posterity if we failed to make proper provision now not only for present but for possible future needs. Our policy does not, therefore, savour of aggrandisement, nor does it spring from ambitions roused in us by the War. It is simply a continuation of our legitimate and orderly expansion in the field of world commerce.

OUR INVISIBLE EXPORTS.

THE decline in the volume of overseas commerce has naturally led to a contraction in the earnings of our shipping. The trade figures for the United Kingdom may be taken as typical of the conditions generally prevailing, and in the following table we show the tonnage of our external trade in the last quarter of 1920 and the first quarter of 1921:—

(000's ommitted.)	Imports Tons	Exports Tons
1920		
October	4,076	2,707
November	3,613	2,566
December	3,723	3,482
Total	11,412	8,755
1921		
January	3,383	2,645
February	2,573	2,528
March	2,697	2,783
Total	8,653	7,956
Decr. in 1921 (1st quarter) ...	2,759	799
Decr. in 1921 (1st quarter)% ...	24·2	9·1

Decr. in total imports and exports in 1921 (1st quarter) 3,558 tons, or 17·1 per cent.

The decline in imports has been 24.2 per cent., and in exports 9.1 per cent., while the total movement has declined 17.1 per cent. The result is seen in the many thousands of tons of shipping laid up in our ports. The April returns of our trade in bulk, when available, will show an aggravation of the position since, to take but a single example, the coal exported in April amounted to only 606,548 tons, as compared with 1,968,078 tons in March, a decrease of 69.1 per cent. In addition to the reduced volume of freight, the continuous general decline in freight rates will further lessen the earnings of our shipping. The average time charter rate October-December 1920, taking the figure published weekly in our tabular appendix, was 14*s.* 2*d.*, but the January-March average fell by 48.3 per cent. to 7*s.* 4*d.*, while the weekly average for April was only 6*s.* 1*d.* In the circumstances, taking into account the amount of our shipping idle, the reduced overseas trade of the world, and the fall in freights, we consider it defensible to reduce the figure of shipping earnings for the first quarter of the current year by a substantial amount, even though passenger liners have not been so prejudiced by these various adverse factors as tramp steamers. One-fifth of our shipping was probably laid up during the period, and the earnings of the remaining four-fifths were probably reduced, taking both time and voyage charters into account, by forty per cent. We may select the following voyage rates as representative of the general movement:—United States ports to Continent (coal) average October-December 1920, $9.06, January-March 1921, $4.07, decline fifty-six per cent.; United States to United Kingdom, October-December, 10/2¼, January-March, 6/2½, decline forty per cent.; Cardiff to Port Said, October-December, 25/0, January-March, 16/7½, decline thirty-four per cent.; Cardiff to River Plate, October-December 37/3, January-March, 20/2¾, decline forty-six per cent. The quarterly earnings of our shipping of £105,000,000 in 1920 are thus reduced to £63,000,000 for 1921. The allocation of the latter figure as between different countries for the purposes of our Exchange Index Number is made according to the proportion of British tonnage cleared with cargoes to these countries.

Our invisible exports, in the shape of insurances on hulls and cargoes and general insurance, must likewise have suffered a decline, though less in extent. In the marine department underwriting losses have been so heavy that higher rates are now quoted for many risks, thus offsetting the decline in the volume of business. The shrinkage in capital values tends, however, to reduce premium income generally from all classes of insurance, though ordinary property risks have for some time past been done abroad by British insurance companies at higher percentage rates than those previously prevailing. Allowing for these conflicting factors, we may put the income derived from insurance and other services, such as banking and general commission business, which naturally decline with a fall in trade, at £6,500,000 from January to March 1921, as compared with £10,000,000 in the previous quarter.

The movement in interest earnings is more difficult to gauge. The immense sums of British capital invested in, for example, rubber and tea estates and Nigerian tin-mines are reaping little or no return, though our oil and other investments have continued profitable. Despite the fact that, according to our own compilation, £24,093,000 was subscribed in the United Kingdom for foreign enterprise and £43,543,000 for colonial enterprise in 1920, the earnings of our capital abroad, taking into account the average dividends disbursed on various tropical enterprises of the character above mentioned, can no longer be taken at previous levels. We are, for instance, financially interested in silver production in Mexico, in zinc production in Australia, in copper production throughout the world, and generally in mining enterprises of all kinds, most of which have recently gone through a period of exceptional depression, the end of the slump not being yet in sight. Our interests in Argentine, Canadian, and American railroads are not nearly so lucrative as formerly, while as regards East and West African produce, in developing which many millions of our capital have been sunk, a period of adverse fortune has succeeded the marked boom of the War years. It is therefore, in our opinion, not unjustifiable to reduce our quarterly estimate of £47,170,000 in 1920 to £30,000,000 in the first quarter of 1921, a decline of forty-six per cent. We have allocated the revised figure, as between different countries, in calculating our Exchange Index Number, on the lines previously followed, the determining factor being the amount of capital invested. The individual and the aggregate items in our invisible exports for the two quarters under discussion may thus be finally set out as follows:—

(000's omitted.)

Earnings in respect of	Oct.-Dec. 1920	Jan. March 1921
Shipping	£105,000	£63,000
Insurance, &c. . ..	10,000	6,500
Interest	47,170	30,000
	£162,170	£99,500

THE ESTIMATES COMMITTEE.—The new Committee which the Chancellor of the Exchequer promised is evidently intended to supplant the National Committee on Expenditure, but the extent of its powers is somewhat limited, and members are somewhat disappointed at what they consider the failure of an excellent opportunity for tightening the control of the House of Commons over expenditure. The new Committee will apparently be little more than a Public Accounts Committee, with no influence on decisions.

ESTABLISHED 1810

THE
MECHANICS & METALS
NATIONAL BANK
OF THE CITY OF NEW YORK

Capital (fully paid), Surplus and undivided Profits
$25,000,000

This Bank finances exports and imports, buys and sells Foreign Exchange, Cable Transfers, etc., and makes Collections on all parts of the world.

LONDON CORRESPONDENTS:
London Joint City and Midland Bank, Ltd.
London County Westminster and Parr's Bank, Ltd.
Barclays Bank Ltd.

THE ANTI-DUMPING BILL.

During the week the House of Commons has been conducting an exhaustive inquiry into the financial resolutions on which it is the intention of the Government to found the much-discussed Bill for the Safeguarding of Industries. The first resolution proposes to impose for a period of five years from the passing of the Act an import duty of thirty-three and one-third per cent. of the value of different articles enumerated in nine categories. This resolution embodies the attempt to safeguard the so-called key industries which, in the opinion of the President of the Board of Trade, "are absolutely necessary for national defence." They include the manufacture of such scientific instruments as optical glasses, microscopes, theodolites, galvanometers, electroscopes, barometers, wireless valves and vacuum tubes; of apparatus generally used in chemistry and physics, such as flasks, burettes, measuring cylinders, thermometers, and evaporating dishes; of ignition magnetos and permanent magnets; of arc-lamp carbons; of hosiery latch needles; of metallic tungsten and manufactured products of this and other rare metals, such as thorium; and finally, of all synthetic organic chemicals, other than synthetic organic dyestuffs and organic intermediate products imported for their manufacture. The list which is already elaborate enough is likely to become more comprehensive still by the power proposed to be given to the Board of Trade to define the articles falling within these varied categories. The second resolution, which is supposed to provide a remedy against the dumping which the excessive depreciation of the exchanges renders possible, and against dumping which may originate from the concerted action of producers, imposes an import tax of thirty-three and one-third per cent. of the value of the article, in addition to any other duties already in existence. In this case it is again proposed to vest in the Board of Trade the power to draw up the list of articles which will be liable to this tax, the resolution confining itself to the conditions that such articles are being sold in the United Kingdom below the cost of production, or in the case of depreciated exchanges, below prices at which similar goods can be produced at a profit in the United Kingdom, and that owing to such unfair competition employment in the industry in question in the United Kingdom is being seriously prejudiced. In the Bill the Government propose to limit the duty against exchange dumping to a period of three years.

Although the Opposition put up a sturdy resistance the fate of these pregnant resolutions was never in doubt. The majority by which they were carried must be regarded, however, as a measure of the power of the Government Whips rather than of the conviction of the voters. In so far as the debate was concerned, the advantage lay with the Opposition. They exposed the shallowness of the professions of many of those who supported the resolutions that they were only concerned with the safeguarding of essential industries from unfair competition and brought to light the real motive, which was to introduce into this country again the system of protection pure and simple. As Sir W. Barton pointed out, the thirty-three and one-third per cent. duty, in so far as key industries were concerned, was merely a pernicious attempt to put a premium on inefficiency. The fundamental blunder, he added, was that the Government were considering primarily the interests of the limited number of producers and disregarding the more vital interests of the large numbers of consumers. They were solicitous of the welfare of a small section of the home trade and blind to the injury involved to our all-important foreign trade. Little they recked that bankers like Lord Inchcape and Mr. Leaf, who had no political axe to grind, vigorously condemned this proposal to impede imports. "The thing which the world wants," declared Mr. Asquith, "is the freest and fullest production and interchange of commodities." Both resolutions handicapped the realisation of this. Moreover, it was painfully evident that the whole issue was between Free Trade and Protection. Had the Government merely desired to safeguard key industries and to prevent dumping, it could have accomplished the first by a system of carefully devised subsidies which would be continued no longer than was vitally necessary. Public opinion would have seen to that point. The duty of thirty-three and one-third per cent., even if added to the thirty-three and one-third per cent. imposed to protect key industries, is not sufficient to protect dumping that originates in depreciated exchanges. That is the considered opinion of the British Empire Producers' Organisation. Moreover, manufacturers who are keenly alive to the introduction of protection which these resolutions involve are already seeking to widen the scope of the Bill. The Federation of British Industries is daily discovering new key industries, whilst the British Empire Producers' Organisation goes further still and boldly calls for agricultural protection.

The second resolution in particular is capable of great abuse. Under it, any manufacturer is entitled to appeal for protection if he can show that the foreign article is being retailed here at a price below that at which it can be profitably manufactured in this country. It is not fair to lay the Board of Trade open to the pressure which is likely to be brought upon it under this proposal. It is quite conceivable that a group of producers would agree amongst themselves that each of their industries was a key industry, and by united action might induce the Board of Trade to think likewise. It is no less significant that the Labour Party was opposed to the scheme. The Government maintained that under the Bill they would be able to reduce the unemployment which dumping causes. Mr. Clynes emphatically declared that he could not see how the proposals could hope to ease the industrial situation, and asserted his belief that the Trade Union Congress would unanimously repudiate the Bill.

It will be noted that the interpretation of both resolutions is left largely in the hands of the Board of Trade. This, particularly in so far as the second resolution is concerned, is a proposal that should be vigorously contested when the Bill comes before the House. As was rightly pointed out, it is an ingenious attempt to transfer what the House of Commons has always jealously regarded as one of its most sacred privileges—the right of imposing taxation—to a Government department. After all, the likelihood that the importers with malice aforethought will always delay their dumping operations until Parliament has adjourned for the autumn recess is very remote. We see no reason why in each case the power of the Board of Trade should not be limited to recommending to Parliament the particular industry or industries which should be included within the scope of either section. It is one thing to ask the House to object to an order already made; the Government is well aware that precedents for this step are rare. It is another thing to present the House not with a *fait accompli*, but with a suggestion which it is at liberty to discuss, modify, or reject as it pleases.

Although the financial resolutions have been passed, the Bill is not yet law. There is time yet for public opinion to exert its influence in the House of Commons. The fundamental fact is that the country should recognise that we are being rushed into a system of protection camouflaged under the title of the Safeguarding of Industries. The effect of the Bill in short will be to subsidise the group of industries concerned, to hamper our import trade, and, since international trade is, after all, barter, to handicap our exports. Personally we have a strong objection to the formation of a national pool—for that is the last resort is what the measure is reduced to—for the benefit of a limited number of industries. If there is to be a national pool, then we prefer that it should be in the coal mining industry which is after all our key industry.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

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Our calculations as to the movements of wholesale prices of commodities are of special interest this month as it is now twelve months since the peak of high prices was reached. Our final index-number for April is 169.8, showing a decline of 36.2 per cent. on April 1920, the latter being the high record. As compared with the previous month it shows a decline of 4.2 per cent., this being slightly in excess of the movement during March. The latest index-number is the lowest in any month since March 1917, and represents a level of prices just double the average for 1913. An analysis of the changes during April is shown in the following table:—

	Apr. 30, 1921	Mar. 31, 1921	Apr. 30, 1920	June 30, 1914	+ or — Mar. 1921	% Apr. 1921 on Apr. 1920	% Apr. 1921 on June 1914
Veg. food ...	147·1	148·8	240·6	66·5	— 1·2	—38·8	+121·2
Animal food ...	247·9	260·8	264·1	97·5	— 4·9	— 6·1	+154·2
Sugar, coffee and tea	96·5	97·4	209·9	51·8	— ·9	—54·0	+ 86·3
Foodstuffs ...	**173·6**	**179·2**	**242·8**	**74·8**	**— 3·1**	**—28·5**	**+132·1**
Minerals	194·4	198·0	290·6	96·7	— 1·8	—33·1	+101·0
Textiles	144·9	143·9	297·7	80·6	+ ·7	—51·3	+ 79·7
Sundries	165·9	184·5	267·7	82·5	—10·1	—38·0	+101·1
Materials ...	**167·1**	**175·7**	**283·1**	**85·7**	**— 4·9**	**—40·9**	**+ 94·9**
Totals	**169·8**	**177·2**	**266·1**	**81·2**	**—4·2**	**—36·2**	**+109·1**

It will be noted that Materials again show a greater decline than Foodstuffs, though in the latter, vegetable foods fell 1.2 per cent., following a rise of 4.2 per cent. during the preceding month. Among Materials the minerals group show a recession of only 1.8 per cent., as against 10.5 per cent. during March. In this category also textiles show a small increase, the first to be noted since the recession began in the beginning of 1920. This feature is of special interest as it throws further light on the movement, to which we recently drew attention, towards the approximation of value ratios to those existing at some previous period. The two groups, groceries and textiles, which record the heaviest decline from the highest level reached, as well as the smallest increase since the commencement of the War, are just those groups that are now showing signs of having touched bottom. Animal food, on the contrary, which has risen higher than any other group above the pre-War level and has been least affected by the general depression, seems now to be subject to an accelerating downward movement. It is quite probable, in fact, that we are now at the period when the unevenness naturally attendant upon a forty per cent. fall in prices is beginning to be adjusted, and if this is true we may expect that those commodities in which the decline has been overdone, as unquestionably it has in some cases, will experience a reaction, while those other commodities whose indices are still far above the general average will during the course of the next few months show a heavy decline.

The foregoing observations, it should be noted, have no reference to the general movement of all commodities. How long the present decline will continue it is exceedingly difficult to estimate; all that can be said at the moment is that no prospect of a revival is yet in sight. At the same time it is to be noted that the uniformity of the decline is being broken, and that those commodities to record increases are becoming increasingly numerous. The increase shown above in the textiles group for April is of little significance, as it was shared in by only three commodities: hemp, jute, and wood.

A comparison of the latest index-number with previous monthly and annual figures is afforded by the following table:—

	Annual Numbers—Year		End-of-Month Numbers			
1809 [Jevons'...	189	Dec. '14 ...	118·4	July '18...	192·9	Feb. '20... 260·4
1810 adjusted...	171	Jan. '16 ...	123·6	Aug. „ ...	195·9	Mar. „ ... 261·8
1818 Figures]	159	Mar. „ ...	130·4	Nov. „ ...	195·3	April „ ... 266·1
1873	111	Oct. „ ...	141·5	Dec. „ ...	196·0	May „ ... 266·0
1880	88	Dec. „ ...	154·3	Jan. '19 ...	192·1	June „ ... 255·7
1896	61	Jan. '17 ...	159·3	Mar. „ ...	184·7	July „ ... 254·0
1911	80	Feb. „ ...	164·0	May „ ...	194·6	Aug. „ ... 253·5
1912-13-14 ...	85	April „ ...	173·0	June „ ...	199·4	Sept. „ ... 248·7
1915	108	June „ ...	180·4	July „ ...	206·4	Oct. „ ... 239·9
1916	136	Aug. „ ...	175·7	Aug. „ ...	212·7	Nov. „ ... 223·8
1917	175	Oct. „ ...	180·6	Sept. „ ...	214·8	Dec. „ ... 207·2
1918	192	Dec. „ ...	185·1	Oct. „ ...	224·3	Jan. '21 ... 197·2
1919	206	Jan. '18 ...	186·2	Nov. „ ...	231·0	Feb. „ ... 183·0
1920	251	Apr. „ ...	189·8	Dec. „ ...	239·2	Mar. „ ... 177·2
June '14 ...	81.2	May „ ...	191·1	Jan. „ ...	245·3	Apr. „ ... 169·8

In other countries, just as in the United Kingdom, the fall in prices still continues almost unabated. As may be seen from the subjoined table the level of prices in the United States, according to Bradstreet's index-numbers, was at the end of March [illegible] per cent. above the average for 1913, and there is as yet no prominent sign of a reaction. At the same time it can safely be said that the fall in prices cannot continue much longer in that country. This view is based upon the fact that the recession in the States has been more than sufficient to consolidate the banking position on a gold basis, the object at which the authorities were aiming. As a result of this situation the Federal Reserve Board last month were able to make certain fundamental changes in their financial policy, and it may be taken that the financial position has now nothing to gain by a further fall in prices.

INTERNATIONAL WHOLESALE PRICES

Published Index Numbers.

	U.K. ("Statist")	America (Bradstreet's)	Canada (Dept. of Labour)	Japan (Bank of Japan)	France (Stat. Gen.)	Italy (Prof. Bachi)	Sweden (Svenska Handelstidning)
1913 ...	85·0	$9·2115	135·5	132·2	115·6	126·0	—
1914 ...	83·0	8·0034	136·1	126·3	117·9	119·8	116
1915 ...	108·0	9·8530	148·0	127·8	161·6	167·2	145
1916 ...	136·0	11·8237	182·0	154·9	217·6	253·5	185
1917 ...	175·0	15·6385	237·0	196·4	302·4	376·8	244
1918 ...	192·0	18·7117	278·3	259·0	392·1	515·6	339
1919 ...	206·0	18·6683	293·2	316·6	411·8	460·9	331
1920 ...	251·0	18·1679	333·7	341·2	588·8	786·7	347
1919							
June ...	199·4	18·8964	284·1	295·0	380·0	451·0	324
July ...	206·4	20·0017	294·0	319·0	403·0	456·6	320
Aug. ...	212·7	19·4720	301·1	324·0	401·7	465·5	321
Sept. ...	214·8	19·5215	301·5	332·0	415·9	468·3	319
Oct. ...	224·3	19·9026	299·6	352·1	441·1	492·0	307
Nov. ...	231·0	20·1756	307·7	370·2	468·2	552·9	308
Dec. ...	235·2	20·3638	322·7	381·5	488·6	576·2	317
1920							
Jan. ...	245·3	20·8690	338·4	397·9	562·7	639·2	319
Feb. ...	260·4	20·7950	343·5	413·8	603·3	701·2	342
Mar. ...	261·8	20·7124	349·0	425·0	641·0	758·5	354
April ...	266·1	20·7341	353·1	396·6	679·2	836·3	354
May ...	260·0	19·8752	356·6	328·0	635·9	831·8	361
June ...	255·7	19·3528	349·3	337·0	569·6	796·0	366
July ...	254·6	18·8273	346·8	317·0	572·9	761·3	363
Aug. ...	253·5	17·9746	330·2	311·0	579·5	787·8	365
Sept. ...	248·7	16·9094	326·6	305·0	607·7	825·9	362
Oct. ...	239·9	15·6750	317·6	298·5	580·0	829·8	346
Nov. ...	223·8	13·6263	304·2	292·7	532·6	844·1	331
Dec. ...	207·2	12·6631	290·5	272·0	502·6	825·8	299
1921							
Jan. ...	197·2	12·3689	281·3	267·8	470·0	809·5	267
Feb. ...	183·0	11·8650	270·1	257·9	436·3	772·8	250
Mar. ...	177·2	11·3749	—	252·5	416·0	760·5	—
April ...	169·8	—	—	—	397·5	—	—

Provisional.

Expressed as a Percentage of 1915.

	United Kingdom	United States	Canada	Japan	France	Italy	Sweden*
1913 ...	100·0	100·0	100·0	100·0	100·0	100·0	—
1914 ...	100·0	96·7	100·4	95·5	102·0	95·1	116
1915 ...	127·1	107·0	109·2	96·7	139·8	132·6	145
1916 ...	160·0	128·4	134·4	117·2	187·0	201·3	185
1917 ...	205·9	170·0	174·9	148·5	261·6	299·0	244
1918 ...	225·9	203·2	205·4	195·9	339·2	409·1	339
1919 ...	242·4	202·7	216·4	239·5	355·6	365·8	331
1920 ...	295·3	197·2	246·2	257·9	509·3	624·3	347
1919							
June ...	234·6	205·1	209·7	223·1	328·7	358·0	324
July ...	242·8	217·1	217·0	241·3	348·6	362·4	320
Aug. ...	250·2	211·4	222·2	245·1	347·5	369·4	321
Sept. ...	252·7	211·9	222·5	251·1	359·8	371·6	319
Oct. ...	263·6	216·1	221·2	266·3	381·6	390·4	307
Nov. ...	271·8	219·0	227·1	280·0	405·0	438·7	308
Dec. ...	276·0	221·1	238·2	288·6	422·7	457·3	317
1920							
Jan. ...	288·6	226·6	249·7	301·0	486·8	507·2	313
Feb. ...	306·4	229·8	253·5	313·0	521·8	556·5	342
Mar. ...	308·0	224·9	257·5	321·5	554·5	602·0	354
April ...	313·1	225·1	260·6	300·0	587·5	663·7	354
May ...	305·9	215·8	263·1	248·1	550·1	660·1	361
June ...	300·8	210·1	257·8	254·9	492·7	631·7	366
July ...	299·5	204·4	256·0	239·8	495·6	604·2	363
Aug. ...	298·2	195·1	243·7	235·3	501·3	625·2	365
Sept. ...	292·6	185·6	241·0	230·7	525·7	655·5	362
Oct. ...	282·2	170·2	234·1	225·8	501·7	658·6	346
Nov. ...	263·3	147·9	224·6	221·4	460·7	670·1	331
Dec. ...	243·8	137·5	214·4	202·7	434·8	655·4	299
1921							
Jan. ...	232·0	134·3	207·6	201·1	406·5	642·4	267
Feb. ...	215·3	128·8	199·3	195·1	377·7	613·3	250
Mar. ...	208·5	123·5	—	191·0	359·9	603·6	—
April ...	199·8	—	—	—	343·9	—	—

* Average for twelve months to June 1914.

INDEX-NUMBERS OF THE FOREIGN EXCHANGE VALUES OF THE £ STERLING.

Our Index-Numbers showing the course of the values of the £ sterling abroad, based on the average of the daily cable rates on twenty-eight centres, record a fall during the month of April more than sufficient to counter-balance the rise during the previous month. The final figure for April is 120.0, as against 123.0 for March and 120.9 for February. The Index-Numbers for each month since the Armistice are shown in the following table: –

Index-numbers of Foreign Exchange Values of the £ sterling.

	1918	1919	1920	1921
Jan.	—	98·9	98·5	122·4
Feb.	—	99·1	94·9	120·9
Mar.	—	99·2	102·9	123·0
April	—	100·3	109·7	120.0
May	—	101·2	107·5	—
June	—	100·4	106·3	—
July	—	101·7	100·2	—
Aug.	—	101·6	100·1	—
Sept.	—	100·7	100·2	—
Oct.	—	100·3	108·7	—
Nov.	98·7	100·2	111·2	—
Dec	98·7	98·3	114·5	-

Last month's decline is the outcome partly of the coal strike and partly of the movement towards the tightening of the reparations screw on Germany, which resulted in an improved value for the currencies of our late Allies on the Continent. Of the twenty-eight exchanges on which the calculations are based, fourteen show a movement adverse to the value of sterling, and in ten an improvement is recorded. Among the former the most striking feature was a decline in the Italian rate from an average of 103.44 for March to 85.52 for April. The movements in the Eastern currencies were also prominent in this group. In those directions where the value of sterling improved the extent of the improvement was generally very slight, except in the case of the South American countries among which the Argentine peso fell from 47⅞*d.* to 44¾*d.* and Brazilian milreis became cheaper at 8 11/16*d.*, as against 9⅝*d.* during the preceding month. An analysed comparison of the position in April and March last and in April of last year is presented in the appended table.

As regards the construction of the Index-Numbers, it is to be noted that, according to our method, the "weighting" has been changed for the quarter April to June 1921 on the basis of the trade figures during the quarter January to March 1921. The "weighting" and the total trade with each country is shown below. As explained in previous articles on this subject the trade figures include the imports and exports of merchandise, gold and silver between the United Kingdom and each country as well as an estimate of the "invisible" exports. The latter are dealt with in a separate article in the present issue.

At this juncture it is fitting to draw attention to the significance of the changes in the value of our currency abroad as depicted by these Index-Numbers. Side by side with our Index-Numbers for wholesale prices of commodities the foreign exchange Index-Numbers afford a comparison of the changes that take place in the internal and the external values of our currency. Referring to the movements during the past twelve months, they indicate the effects of the deflation campaign on the purchasing power of the £ sterling, both at home and abroad. In Table 1 above a very rapid rise is shown in the value of our currency in the Foreign Exchange markets since August of last year. This movement affords a striking illustration of one phase of the unevenness attendant on the deflation of our currency which we have experienced during the past twelve months. Stated briefly, it indicates that world prices have not fallen correspondingly with the level of prices in this country. The result is seen in a diminution of foreign purchases of our products due to the movement in the exchanges, and this has naturally provided an added difficulty to our trade. There is at the present time abundant evidence that the unevenness accompanying the deflation period is beginning to be adjusted. In this connection it will be of great interest to watch the changes in the value of sterling at home as indicated by our price Index-Numbers, side by side with the movements in the values of our currency abroad, as summarised by our exchange Index-Numbers during the coming critical period.

Foreign Exchange Values of the £ Sterling.

Country.	Method of Quoting.	Par.	April, 1921 Average Rate.	April, 1921 % of Par.	Mar. 1921 Average Rate.	Mar. 1921 % of Par.	April, 1920 Average Rate.	April, 1920 % of Par.	Total Trade Jan.-Mar. 1921 in Millions of £'s	Weighting used for Index-Numbers Apr.-June 1921
United States ...	Dollars to £	4·867	3·93	80·8	3·90 5/8	80·3	3·92	80·6	130·23	205
France	Francs to £	25·225	54·33	215·4	55·38	219·6	64·24	254·7	43·93	70
India	Pence to Rupee	16†	15 1/16	102·0	15½	103·2	27¾	57·7	69·67	109
Africa	—	—	—	101·2	—	101·2	—	93·5	41·65	65
Netherlands ...	Florins to £	12·107	11·30½	93·2	11·36	93·8	10·67	88·0	32·09	50
Australia ...	—	—	—	101·5	—	101·5	—	100·2	45·84	72
Argentina ...	Pence to Peso	47·58	44⅜	106·3	47⅜	99·4	60	79·3	37·60	60
Canada	Dollars to £	4·867	4·41⅜	90·7	4·45 1/16	91·5	4·48	88·0	25·32	40
Germany ...	Marks to £	20·43	250·2	1,197·0	244	1,195·0	237·4	1,136·0	20·10	32
Belgium ...	Francs to £	25·225	52·83	209·4	52·92	209·9	60·16	238·5	21·69	34
Sweden	Kronen to £	18·159	16·71	92·0	17·21	94·7	18·0	99·1	9·35	15
Egypt	Piastres to £	97⅛	97⅛	100·0	97⅛	100·0	97⅛	100·0	14 69	23
China	Pence to Tael	32½*	39¼	82·8	36 1/16	88·3	80⅝	40·2	14·74	23
Spain	Pesetas to £	25·225	28·21	111·9	28·04	111·2	22·66	89·8	17·39	27
New Zealand ...	—	—	—	101·3	—	101·3	—	100·4	21·20	33
Japan	Pence to Yen	24·58	29 3/16	83·2	29 1/16	83·0	29⅛	82·8	10·97	17
Italy	Lire to £	25·225	85·52	339·0	103·44	410·1	90·28	357·9	12·98	20
Denmark ...	Kronen to £	18·159	21·76	119·9	22·65	124·7	22·13	121·9	12·46	20
Norway	Kronen to £	18·159	24·73	136·1	24·14	132·9	19·87	109·4	8·46	13
Turkey	Piastres to £	111	569	512·6	580·3	522·8	468·0	421·3	3·70	6
Brazil	Pence to Milreis	16	8 11/16	184·2	9⅜	166·3	16¼	98·1	7·74	12
Switzerland ...	Francs to £	25·225	22·64	89·8	22·99	91·2	21·84	86·6	7·59	12
Strts.Settlements	Pence to Dollar	28	27 15/16	100·2	27 1/16	100·8	27¾	101·0	7·95	12
Chile	Pence to Peso	18	7 1/16	234·1	9 1/16	198·6	12 1/16	140·5	4·49	7
Greece	Drachmas to £	25·225	57·71	228·9	51·65	204·7	35·14	139·3	2·68	4
Portugal ...	Pence to Escudo	53¼	5¼	990·6	5 1/16	1,002·0	14⅜	361·0	4 47	7
Hong-Kong ...	Pence to Dol.	23·81*	30 3/16	79·3	28⅛	84·6	57⅞	41·12	3·69	6
Uruguay ...	Pence to Peso	51	42¼	120·7	46 11/16	109·2	60⅜	84·1	3·93	6
Index-numbers (Weighted Geometric Average)				120·0		123·0		109·7	636·60	1,000

* For Shanghai and Hong-Kong the parity has been taken as the average T.T. rates for the year 1913.
† The old fixed parity rate of Rs. 15 to £1 has been taken for India in preference to the new rate of Rs. 10 to the sovereign.

ARGENTINA.

A PERIOD OF RECONSTRUCTION.

Readers who follow more or less closely the telegraphed reports appearing in the daily Press on conditions in Argentina and whose interests have induced them to attend the meetings of companies working in that Republic may, and probably will, have formed a rather pessimistic opinion of economic prospects in that Republic in the immediate future. Prices of Argentine securities have given way. The movements of the exchanges as between this country and Argentina, and still more as between Argentina and the United States, have somewhat puzzled even those who pay careful attention to the subject. Readers who have had occasion to listen to the speeches of some of our best-known public men who are chairmen of industrial undertakings have heard descriptions of the labour situation in Argentina which might well check the optimism of the most cheerful. We wrote some time ago on the labour situation in the Republic at a time when it was far worse than it is at present. We do not, therefore, wish to minimise, or to make light of, the seriousness of the situation. Nevertheless, in our opinion it would be a complete mistake to take an unduly gloomy view of the outlook, either for the prospects of the products of Argentina or for the prospects of the securities associated in the mind of the British investor with that Republic. It is, of course, notorious that every railway operating in Argentina has passed through an exceedingly trying period. It is notorious, also, that each and all of the companies have applied for power to raise their rates. To some extent the Government, seeing the justice of their position and that they were faced with demands upon their resources for which they were in no way responsible and could not be expected to foresee, have granted them powers to increase rates to a certain point. It is equally notorious that the railways, taken as a whole, are far from being satisfied with the higher rates which they have been permitted by statute to charge. No one who is really acquainted with the difficulties against which they have to fight, and under which they have to operate their various systems, will be disposed to criticise them unduly. We would point out, however, that although their argument taken by itself is unanswerable, the fact remains that it is not by increasing the cost of transportation that any country, and particularly a new country like the Argentine Republic, is going ultimately to increase its prosperity. The notorious case of the prolonged strike of the operators of a shipping company working between Buenos Ayres and Assuncion is, of course, quite fresh in the mind of the reader. We do not, of course, desire to minimise its importance. But, on the other hand, we would point out that Argentina is not by any means the only country that has had to face very serious troubles in the recent past. We think we are justified in recommending readers interested in Argentine securities, whether connected with the transportation business or otherwise, having gone through a very trying period, to retain their holdings and to await a period, which we ourselves believe not to be far distant, when they will receive a reward for their patience. Gradually, in Argentina as in other countries, the producer, the trader, and even the ordinary labourer are coming to see that if Argentina is to regain the prosperity which has been laboriously built up during the past two generations, she must face the facts of the present situation as they actually exist. It is perfectly useless to pine for the halcyon days when Allied Governments were purchasing enormous quantities of food and raw materials purely upon credit. That period has passed, and it is to be hoped, in the interests both of the purchasers and of the sellers, that it will not occur again in the near future. The labour difficulty is gradually righting itself, and transport conditions, although far from being normal, are very much better than they were, say, at the beginning of the present year. Prices of produce—wheat, for example—have shown a very material decline during the four months that has elapsed of the present year. Nevertheless, they are very much higher than they should be if Argentina is to export upon the scale which she has been accustomed to in the recent past. During the year 1920 her exports in general, and of cereals in particular, were upon a phenomenally large scale as compared with the preceding year, itself a by no means unfavourable one in the economic history of the Republic. The wheat exports increased by two-thirds in quantity over those of the preceding year, and the prices obtained were exceedingly high. This season the Republic has enjoyed an exceedingly bountiful harvest. She did, as we have already said, exceedingly well last year, and it is not surprising that she is most unwilling to accept the comparatively low level to which prices have declined since the boom period came to an end last summer.

Argentina did not feel the effects of the fall in prices as soon as many other countries. It will be remembered that American bankers were the first to become alarmed at the extravagant height to which prices had attained. Still more were they alarmed by the colossal pyramid of credit which had been built up on a totally inadequate reserve, whether that reserve be measured in gold or in commodities. In other words, American bankers were the first to realise that the international markets were trading on a basis of prices which had multiplied roughly five times over compared with the pre-War level, and were dealing in commodities which had been reduced, roughly, by about forty per cent. No one who is accustomed to deal in the international markets and to watch the exchanges, when they came to realise what, in fact, was going on, could fail to see that, if it were persisted in, a crash of great magnitude sooner or later was inevitable. The cash resources of the great banks of the world were totally inadequate to carry on trade upon such a magnitude, bearing in mind the relative proportion between credit and assets. American bankers, as is well known, made a serious attempt to reduce credits, and they met with a partial measure of success. The action of American bankers has aroused not a little measure of adverse criticism. But few who will carefully study the facts will fail to see that, whether or not the most prudent methods were adopted in endeavouring to reduce the current level of prices, there can be no reasonable doubt that some such action had to be taken if a great panic in the international markets of the world was to be avoided. That American bankers should initiate such action was only natural because, for various reasons into which we do not propose to enter at the moment, the greater number of the prominent countries of the world had become creditors of the United States. The conditions here, apart altogether from the policy pursued during the War and by political questions of any kind, are totally different from what they are in the United

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States. Consequently, our bankers and financial magnates could not afford to adopt the drastic measures which were adopted with a large measure of success in the United States. The United States is still primarily a country which lives on the production of food and raw materials. This country is, on the contrary, one which primarily lives upon the manipulation of raw materials, as distinct from their production, and upon rendering services, as well as employing what accumulated resources we may possess. Consequently, a drastic attempt to reduce credits here upon the scale which was safe in the United States would have defeated its own object; would, perhaps, have hastened the panic it was desired to avert, and would certainly have thrown even a greater number of people out of employment than has actually been the case. Consequently, our bankers proceeded with the utmost caution, and the result is that whereas in many great commodities dealt in in the United States prices are at or about pre-War level, this is hardly true of any commodity here, and least of all is it true of commodities in the form in which they reach the unfortunate consumer. The drastic action taken by the American bankers, supported, as far as it was in a position to do so, by the banking community here, led to a dramatic fall in prices, first in the Far East, then gradually spreading to the various producing countries in different parts of the world. Argentina, producing as she does for what, until recently, were the richest countries in the world, wheat, maize, linseed, frozen meat and tanning extract, was about the last to feel the effects of the general fall in prices. She felt it, however; and she now feels the exceptional difficulty of disposing of her products upon anything like the basis of values to which she has lately become accustomed. A cut in wages, a cut in transportation charges, and a cut in profits had become, and has become, inevitable, and Argentina relishes the process just as little as we do in Europe. Nevertheless, the situation has to be faced, and from information received from various sources in close touch with trade and producing conditions in the Republic we feel justified in saying that her traders, producers and workers are facing the situation with as much equanimity as could be expected under the circumstances. No one who has been accustomed to charge what he likes for his products relishes the prospect of selling in markets to people who can only buy within the limits of their earning capacity. Nevertheless, as we have just said, the Argentine trader, like a sensible man, is realising, like the rest of us, that half a loaf is better than no bread.

Accompanying recent events in Argentina was the usual rhetoric, to which we are accustomed in all democratic countries, against foreign ownership of the transportation facilities and other utility services in the Republic. Readers sufficiently interested will be well advised not to pay undue attention to the somewhat alarmist reports which from time to time appear in the Argentine Press, as well as in the telegraphed summaries despatched to this side of the Atlantic. The solid argument remains that if Argentina drove the foreign capitalist out of the country, how does she propose to develop the resources of the Republic? The type of rhetoric to which we have referred does not come from the business classes of the Republic, who are as well aware of the importance of attracting, as distinct from frightening, foreign capital as we are. Argentina, as we have often pointed out, is roughly ten times the size of the United Kingdom, and she has a population of a little over, according to recent estimates, eight millions of people. For practical purposes it may be said with, perhaps, some measure of exaggeration, the choicest parts of Argentina have already been opened up. Nevertheless, these parts represent barely ten per cent., either of the total area or of the wealth-producing part of the Republic. If it is proposed not merely to maintain the present population, but to increase it and to open up the ninety per cent. of the territory and potential wealth-producing part which remains, it will be necessary to offer encouragement to the foreign capitalist to invest his savings, and the mass of intelligent opinion in the Argentine Republic, who are as well aware of these facts as we are, can be trusted not to altogether overlook them.

TRADE OF THE UNITED KINGDOM IN APRIL.

The persistent decline since the opening of 1921 in the imports and exports of the United Knigdom, as seen in the monthly returns published by the Board of Trade, have supplied a dismal corroboration of the trade depression which set in towards the close of 1920. The slowing down of the rate of this decline, especially in March as contrasted with February, gave reasons for hoping that the depths had been probed, and that henceforth we might expect a recovery, steady if somewhat slow. But the coal strike, which began on April 1, sounded the death knell of such hopes and plunged the country deeper still into the slough of depression. The creeping paralysis which trade and industry experienced as soon as this foundational branch became effectively atrophied is reflected to some extent in the dismal figures embodied in the Board of Trade returns now to hand.

Course of Foreign Trade.
(000's omitted.)

	April 1921.	Inc. or Dec. on		4 Mos. to April 1921.	Inc. or Dec. on	
	Amount	1920	1913	Amount	1920	1913
	£	£	£	£	£	£
Imports ...	89,995	−77,134	+ 27,041	397,569	−299,420	+138,311
Re-exports ...	8,524	−11,884	− 1,534	35,371	− 60,136	− 5,770
Net imports	81,471	−65,250	+ 28,575	362,138	−239,284	+144,081
Exports ...	59,868	−16,384	+ 16,814	287,654	−114,141	+117,290
Exc. of imports	21,603	−18,866	− 11,761	74,484	−125,143	+ 26,791

A new low record is established by the total value of imports received into the United Kingdom during April, which dropped by nearly £4,000,000, as compared with March, to £89,995,000. Some consolation may be derived from the fact that this fall is more than accounted for by the reduction in the imports of manufactures in Class III., the total being valued at £20,374,000, as against £24,930,000 in March. Nevertheless, the fact that, with the exception of a trifling increase in the imports of cutlery and hardware and of oils, fats, and resins manufactured, there was a decline in every other member of the class—the decline being marked in the case of iron and steel manufactures, silk, and chemicals, drugs and dyes—speaks eloquently of the decreased activities of the home market. The vital factor is, however, the continued decline in the imports of raw materials, the total of £16,547,000 for April being almost £1,200,000 below the already low total for March. How serious is this reduction in the trade in those vital requisites, without which our looms cannot weave and our machinery must be silent, may be gauged from the significant fact that in April 1913 the value of raw materials imported amounted to £20,754,000, or more than £4,000,000 in excess of the value for April 1921, when price levels were approximately 100 per cent. above those in force in April 1913. The decline as compared with March was common to most, but not to all, members of this class. As regards the iron, steel and engineering trades movements were a little irregular. A reduction of nearly £427,000 in the imports of iron ore and scrap is partially counterbalanced by an expansion in the imports of non-ferrous ores and scrap from £647,000 to £708,000. The textile industry reduced its purchases in all branches. Lancashire took only £3,018,000 worth of cotton, as compared with £3,409,000 in March. The decline was mainly in American cotton, of which only 345,467 bales were received, as against 409,889 bales in March. The fall in prices and the more favourable exchange, the latter being in part attributable to the reduced import trade

and in part to the effect of the recent ultimatum to Germany, are reflected in the cost per bale of £4.56, as compared with £4.90 in March. Yorkshire's purchases of wool called for £3,555,000, as against £3,562,000 in the previous month, a decline in the import from Australia and the Argentine Republic being offset by an increase in the import from New Zealand and South Africa. The salient increase was in the trade in oil seeds, fats and resins, which amounted to £2,786,000, as compared with £2,176,000 in March. The extent to which London is still being used as a dumping ground during the depression in rubber is reflected in an increase in the import from £1,171,000 to £1,293,000. Strike or no strike, the nation must have food, and accordingly imports under Class I. have risen during the month from £50,888,000 to £52,908,000. An increase in the import of bacon from Denmark and Canada explains the rise in the import of meat from £12,523,000 to £13,828,000. The value of dutiable food and drink is returned at £12,044,000, as against £9,258,000 in March, owing to the large purchases of sugar from Cuba and Mauritius.

As might be anticipated, it is the export trade that shows most clearly the economic loss involved by the coal deadlock. The total value of the export trade has fallen from £75,697,000 in March to £68,392,000 in April. Two of the three classes into which the commodities are grouped in the official returns have contributed to this marked decline. Class I. alone registers an improvement, the total of £3,729,000 comparing with £2,897,000 for the previous month, owing to the growth in the export of tobacco and snuff from £208,000 to £766,000, and of grain and flour from £415,000 to £836,000. The drop in exports under Class II. is primarily due to the decline in coal, only 606,548 tons valued at £1,310,000 being exported, as against 1,968,078 tons worth £4,282,000 in March. Similarly, bunker coal fell from 1,056,000 tons to 662,000 tons. With trifling exceptions, the other members of the group also recorded declines, though not so great as in the case of coal. For the whole class the total only amounted to £2,936,000, as compared with £5,832,000 in March. The extent to which actual manufacturing operations have been handicapped may be measured by the fall in exports under Class III. from £56,969,000 to £52,019,000. Apparently not all trades suffered, for the exports of iron and steel manufactures, of non-ferrous metals and manufactures of cutlery, of electrical goods, and of machinery are all slightly higher than those for March. The shipbuilding industry, however, showed in the depression thus enforced, for the value of ships exported, not registered as British, fell from £3,129,000 to £1,248,000. The textile industry suffered most severely and the cotton trade in particular. Lancashire can only claim credit for an export of £13,389,000, as against £17,449,000 in March. The quantity of cotton piece goods purchased outside the United Kingdom fell from 231,931,000 square yards to 186,761,000 square yards, the drop being most pronounced in the trade with India, China, the Argentine Republic and Egypt. Yorkshire reduced her already low export from £5,707,000 to £5,568,000, whilst declines also characterised the paper, chemical and rubber industries.

Excess of Imports into United Kingdom.

Month	1921 £	1920 £	1919 £	1918 £	1917 £
Jan. ...	14,740,000	52,154,000	82,615,000	54,202,000	35,301,000
Feb. ...	20,748,000	61,946,000	55,039,000	57,214,000	24,668,000
Mar. ...	18,045,000	45,918,000	43,715,000	68,042,000	29,465,000
April ...	21,603,000	40,495,000	40,382,000	77,621,000	40,244,000
May ...	—	26,753,000	59,318,000	77,516,000	37,852,000
June ...	—	34,015,000	46,420,000	64,176,000	35,999,000
July ...	—	8,042,000	76,068,000	63,525,000	35,703,000
Aug. ...	—	24,984,000	58,748,000	64,435,000	46,220,000
Sept. ...	—	21,886,000	66,376,000	56,094,000	39,870,000
Oct. ...	—	21,460,000	54,783,000	72,768,000	39,405,000
Nov. ...	—	11,780,000	36,188,000	70,732,000	62,621,000
Dec. ...	—	33,455,000	52,717,000	74,797,000	44,450,000
Corrected Total	-	378,767,000	662,772,000	783,787,000	467,408,000

To the fact that the reduction in exports during April exceeded £7,300,000, whilst the decline in the imports was less than £4,000,000, we owe an adverse trade balance of £21,603,000 for April, as compared with £18,045,000 for March. In the two preceding years the trade balance for April proved to be less unfavourable than that of March. The explanation of the transformation now recorded is furnished by the coal strike. No wealth of argument is necessary to prove how disastrous to the economic well-being of the nation the continuance of this strike must be. Even during April, when industry had its reserve stock of fuel to fall back on, production was reduced to a low ebb. Now these stocks are gradually approaching exhaustion and unless a settlement is speedily reached subsequent returns from the Board of Trade will reveal still more unfavourable results. And in the absence of this catastrophe there were good reasons for believing that, particularly as regards the textile industry, orders were beginning to flow in again from abroad. Until, however, the nation is assured of its customary supply of fuel, it is useless to expect better trade returns. At present the dispute seems to have reached an impasse; both sides fearing to make any radical approach which might be interpreted as a sign of weakness. We do not favour the national pool as advocated by the Miners' Federation, believing it to be opposed to the economic interests of the nation as a whole; but we are convinced that once the miners waived this claim they could count on an overwhelming measure of support for any scheme for regulating wages in accordance with the economic capacity of the industry during normal times, and including such temporary provisions as are required to prevent wages from falling below the cost of living during the present transitionary period.

External Trade of the U.K. since 1914.
(000's omitted).

Year	Imports £	Re-Exports £	Net Imports £	Exports £	Excess of Imports £
1921					
Apr. ...	89,995	8,524	81,471	59,868	21,603
Mar. ...	93,743	8,888	81 854	66,809	18,045
Feb. ...	96,974	8,004	88,970	68,222	20,748
Jan. ...	117,051	9 555	107,496	92,756	14,740
1920					
Dec. ...	142,785	12,699	130,086	96,631	33,455
Nov. ...	144,260	13,115	131,145	119,365	11 780
Oct. ...	149,889	16,134	133,755	112,295	21,460
Sept. ...	152,692	13,350	139,342	117,456	21,886
Aug. ...	153,255	13,368	139,887	114,903	24,984
July ...	163,342	17,848	145,494	137,452	8,042
June ...	170,491	20,124	150,367	116,352	34,015
May ...	166,334	20,260	146,074	119,319	26,755
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	85,964	61,946
Year					
1920 ...	1,936,742	222,406	1,714,336	1,335,569	378,767
1919 ...	1,626,156	164,749	1,461,407	798,635	662,772
1918 ...	1,316,151	30,945	1,285,206	501,419	783,787
1917 ...	1,064,165	69,677	994,488	527,080	467,408
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,894	99,062	752,832	384,868	367,964
1914 ...	696,635	95,474	601,161	430,721	170,440

JAPAN.

The enthusiastic welcome accorded to the Crown Prince of Japan during his visit to the United Kingdom, pointing as it does to closer commercial relations between the two countries in the future lends increased interest to a review of recent conditions in Japan. There, as elsewhere, the signing of the Armistice was the prelude to an unexpectedly strong trade boom. The cessation of the demand for munitions resulted indeed in a temporary depression in the iron, steel, copper, dyestuffs, and drug industries, and in shipping and shipbuilding, but this quickly passed. *Post-bellum* reconstruction in Europe created there a brisk market for those foodstuffs and raw materials which Japan could supply, and the prosperity of the United States engendered a greatly increased demand for raw silk and silk tissues. By April 1919 the trade outlook was again bright and continued so till well into 1920. The trade figures, in total and per head, from the year 1912 to date are shown in the following table, compiled from official statistics:—

Exports and Imports of Merchandise.

(*Calculated on the Basis of 2s. per Yen.*)

(000's omitted.)

	Exports Total	Exports Per Head	Imports Total	Imports Per Head	Total Foreign Trade Total	Total Foreign Trade Per Head	Exports Excess or Deficit
	£	£	£	£	£	£	£
1912 ...	52,698	1·00	61,899	1·18	114,597	2·18	— 9,201
1913 ...	63,246	1·18	72,943	1·37	136,189	2·55	— 9,697
1914 ...	59,110	1·09	59,573	1·10	118,683	2·19	— 4,634
1915 ...	70,831	1·28	53,244	0·98	124,075	2·26	+17,587
1916 ...	112,746	2·03	75,642	1·35	188,388	3·38	+37,104
1917 ...	160,300	2·83	103,581	1·83	263,881	4·66	+56,719
1918 ...	196,210	3·43	166,814	2·92	363,024	6·35	+29,396
1919 ...	209,887	3·67	217,345	3·81	427,232	7·48	— 7,458
1920 ...	194,839	3·34	233,617	4·24	428,456	7·58	—38,778
1921 ... (Jan.-Mar.)	36,100	0·64	24,500	0·43	60,600	1·07	+11,600

Imports.

(*Calculated on the Basis of 2s. per Yen.*)

(000's omitted.)

	1913	1917	1918	1919	1920
	£	£	£	£	£
China	9,210	18,645	38,222	48,449	21,808
India	17,317	22,394	26,819	31,948	39,493
Hongkong... ...	129	180	83	153	223
Straits Settlements	520	1,505	2,932	2,821	1,713
Asiatic Russia ...	75	375	437	492	383
French Indo-China	2,470	729	5,541	12,412	2,061
Dutch Indies ...	3,739	1,733	4,884	6,552	6,862
Europe	22,029	8,217	8,278	16,297	30,531
United States ...	12,241	35,970	62,603	76,638	87,317
Other Countries ...	5,213	13,833	17,015	21,584	43,226
	72,943	103,581	166,814	217,345	233,617

Exports.

(*Calculated on the Basis of 2s. per Yen.*)

(000's omitted.)

	1913	1917	1918	1919	1920
	£	£	£	£	£
China	18,449	38,410	47,552	59,717	41,027
India	2,987	10,136	20,252	11,688	19,225
Hongkong ...	3,362	5,717	6,370	5,915	7,406
Straits Settlements	1,014	2,802	4,221	2,984	3,573
Asiatic Russia ...	427	7,423	4,003	7,096	2,288
French Indo-China	105	377	1,003	154	344
Dutch Indies ...	515	3,625	7,168	5,735	10,722
Europe	14,723	33,518	29,826	19,485	19,559
United States ...	18,447	47,854	53,013	82,810	56,501
Other Countries ...	3,217	10,439	22,802	14,303	34,645
	63,246	160,300	196,210	209,887	194,839

Exports and imports both increased rapidly during the war years, and the balance of trade moved in favour of Japan. The expansion continued in 1919, with, however, a reversed trade balance. The collapse in the demand for munitions, increased domestic consumption of foodstuffs and other necessaries of life, higher costs of production due to advanced wages and prices of raw materials, the high purchasing power of the yen in Europe, the Chinese boycott on Japanese goods and exemption of cotton-yarn and cloth from Customs duties raised imports from the 1918 level by £50,531,600 to £217,345,900. The result was an adverse trade balance of £7,444,100. These figures are for Japan proper only. If the returns of Formosa and Korea are included, exports amount to £215,426,500 and imports to £233,329,800, an excess in the latter of £17,903,200. It will be noticed that exports to the United States, one of Japan's largest customers, swelled to £82,809,700 from £53,012,900 in the previous year, and those to China recorded £41,027,000 against £47,552,000 in 1918. Shipments to British India fell to £11,687,800 from £20,252,200, and those to England to £11,134,300 from £14,286,600. In imports arrivals from the United States increased to £76,638,100 from £62,602,500 in the year before, and those from China to £48,449,000 from £38,222,000. Purchases from British India were also larger at £31,947,700 against £26,818,500 in 1918. Among export commodities raw silk, cotton fabrics, and *habutae* tissue attracted a stronger demand, but shipments of cotton-yarn, waste silk, beans, peas, and copper showed a marked falling off. The most important import items were raw cotton, rice, oil-cake, machinery, sugar and wool. The larger purchases were mainly in raw materials and foodstuffs, while the increase in sales resulted from a keener demand for finished and manufactured products —an index of the progress made in the development of industry in Japan.

Though foreign trade, which bulks so largely in the economic prosperity of the country, exhibited an adverse balance in 1919, the home industrial outlook remained satisfactory. Weather conditions being favourable, the rice crop yielded 60,733,000 *koku*, an increase of over eleven per cent. on the previous harvest. (A koku is approximately 5 English bushels.) Wheat, barley, rye and oats aggregated 23,896,000 *koku*, a gain of 5.4 per cent. on the 1918 figures. Stimulated by the high prices ruling for raw silk, the output of cocoons showed, at 7,221,000 *koku*, an excess of 5.7 per cent. on the year before. Speculation in stocks and commodities became widespread, and quotations on the Stock Exchanges were levered up to spectacular heights, retail commodity prices pursuing a similar trend. As in Great Britain and the United States, conditions favoured expansionist policies among industrial undertakings, and new capital was invested to the extent of £406,800,000, more than fifty per cent. over the corresponding figures for the preceding year.

For the Money market the year 1919 opened with an easy tendency, the ruling rate in Tokio standing at about 1.9 *sen per diem* (6.94 per cent. per annum) until June. In February and April an issue of £13,400,000 five per cent. Exchequer bonds proved a great success, applications covering the amount offered more than twice over. In July a further issue of £8,000,000 was accorded a similarly keen welcome. About this time the market gradually tightened, the discount rate rising to over 2 sen per diem (7.3 per cent. per annum) for the remainder of the year. The only factor tending to relieve the pressure was the removal of the export ban on gold in America, which resulted in an inflow of the precious metal to Japan. In October the Bank of Japan found itself compelled to raise its rate from 1.8 *sen* (6.57 per cent. per annum) to 2 *sen per diem* (7.3 per cent. per annum), and the Government issued instructions to the banking community in November to restrict all speculative loans. As would be expected, bank deposits steadily increased during 1919. The deposits of the Associated Banks in Tokio and the other cities stood at £415,800,000 at the end of January, at £460,700,000 on June 30, and at £497,500,000 on December 31, the last-mentioned being a gain of fifteen per cent. on the year. Loans and advances amounted to £353,900,000 on January 31, £403,200,000 on June 30, and £451,600,000 at the end of the year, showing an increase of twenty-nine per cent. for the twelve months. In May 1919 the Bank of Japan decided to rediscount foreign bills at specially favourable rates, the result being an increase in the aggregate amount of foreign acceptances rediscounted from only £112,800 in June to £3,243,500 in December.

Details of revenue and expenditure and the National Debt during the last eight years are shown in the following table:—

Revenue and Expenditure.

(*Calculated on the Basis of 2s. per Yen.*)

(000's omitted.)

	Revenue Ordinary	Revenue Extra-ordinary	Revenue Total	Expenditure Ordinary	Expenditure Extra-ordinary	Expenditure Total	Revenue Surplus
	£	£	£	£	£	£	£
1912–13	55,208	13,531	68,739	41,690	17,670	59,360	9,380
1913–14	57,543	14,655	72,198	41,563	15,800	57,363	14,834
1914–15	53,634	19,830	73,465	39,923	24,920	64,842	86,228
1915–16	53,900	16,962	70,862	38,652	19,675	58,327	12,535
1916–17	62,205	19,126	81,331	38,607	20,473	59,080	22,251
1917–18	76,376	32,120	108,496	43,782	29,720	73,502	34,993
1918–19	75,504	56,119	131,623	48,848	52,638	101,486	30,138
1919–20	97,020	71,593	168,613	50,074	66,879	116,953	51,659
1920–21*	101,261	32,274	133,535	72,479	61,056	133,535	—

* Estimated.

National Debt.

(Calculated on the Basis of 28s. per Year.)

	Internal	Foreign	Total	Per Head
	£	£	£	£
1912-13...	111,624,734	145,697,190	257,321,925	3·631
1913-14...	105,463,385	152,948,865	258,412,250	3·568
1914-15...	99,153,158	151,483,966	250,637,124	3·396
1915-16...	102,809,165	146,114,277	248,923,443	3·309
1916-17...	109,749,437	137,020,756	246,770,194	3·218
1917-18...	115,996,050	133,878,381	249,874,431	3·234
1918-19...	126,880,875	131,113,773	257,994,648	3·307
1919-20...	148,242,357	131,113,773	279,356,130	3·643

MONTHLY BANK STATEMENTS.

On another page of this issue will be found set out the weekly average figures of liabilities and assets of the London Clearing Banks for the month of April, in practically the same detail as furnished by the Bankers' Clearing House. In regard to volume the figures but carry on the tale of the immediately preceding months, as seen in balance sheet totals declining from well over £2,000 million in January to £1,996, £1,948, and now £1,937 million; while the changes in distribution follow the lines which, to take only one barometer of our economic condition, the course of our external trade would lead one to expect. Thus liabilities in respect of acceptances, endorsements, &c., have fallen from £69,802,000 for March to £63,585,000, and bills discounted from £285,419,000 to £278,302,000, both items showing a drop since January in the region of twenty-five per cent. Advances to customers and other accounts register a decrease of £10 million on the month.

April Averages.

(000's omitted)

	Current, Deposit & other Accts.	Cash in Hand & with Bank of Eng.*	Bills Discounted*	Advances*
	£	£	£	£
Bank of Liverpool & Martins	76,956	8,593	6,266	42,261
		(11·2)	(8·1)	(54·9)
Barclays Bank	320,550	35,491	54,806	158,053
		(11·1)	(17·1)	(49·3)
Coutts and Co.	19,093	1,555	3,550	7,440
		(8·1)	(18·6)	(39·0)
Glyn, Mills, Currie and Co....	21,524	2,655	1,072	8,625
		(12·3)	(5·0)	(40·1)
Lloyds Bank	32[illegible],751	36,806	66,286	141,691
		(11·3)	(20·3)	(44·3)
London County Westminster and Parr's...	296,555	30,164	61,537	135,689
		(10·2)	(20·7)	(45·7)
London Joint City and Midland	355,538	53,032	47,675	191,990
		(14·9)	(13.4)	(54·0)
National Bank	42,029	5,312	3,148	17,729
		(12·6)	(7·5)	(42·2)
National Provincial and Union	259,276	27,473	31,708	141,294
		(10·6)	(12·2)	(54·5)
Williams Deacon's	33,404	3,902	2,164	22,129
		(11·7)	(6·5)	(66·2)
Total, 10 Banks... ...	1,751,719	204,983	278,302	869,901
		(11·7)	(15·9)	(49·6)

* The figures given below the tabulated assets represent percentages of the current, deposit and other accounts.

A strengthened cash position is disclosed in the ratio of the aggregate cash in hand and with the Bank of England to deposits, which, at 11.7 per cent., compares with 11.1 per cent. last month; while if other bank balances, cheques in course of collection, and money at call and short notice are included, the proportion of total cash assets is seen to have moved upward from 19.3 per cent. to 20.2 per cent. Investments, at £2½ million less, still account for nearly eighteen and a-half per cent. The position of the individual banks in regard to some of the more important points is set out in the above table, and it may be noted that several of the larger institutions report increased deposits.

Australian Wool Sales.—The New Zealand Loan and Mercantile Agency Company, Limited, have to-day received cable dated 11th inst. from their Melbourne Branch as follows: "At to-day's auctions 3,600 bales were offered, comprising a poor selection, mostly crossbred. Competition, however, was stronger and more general, and the tendency of prices firmer than at the opening, a good clearance being effected."

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Financial Notes.

The German Surrender.

The unconditional acceptance by Germany of the Allied demands as set forth in the ultimatum recently presented entails the discharge of the following obligations:—

June 1.—Payment of one milliard gold marks [£50,000,000].

June 30.—Disarmament.

July 1.—Delivery to the Reparations Commission of bonds for 12 milliards gold marks [£600,000,000].

July 15.—First quarterly payment of the annual sum of two milliard gold marks [£100,000,000].

August 15.—First quarterly payment of the twenty-six per cent. of the value of German exports.

October 15.—Second quarterly payment of the annual sum of two milliard gold marks.

November 1.—Delivery to the Reparations Commission of bonds for thirty-eight milliards gold marks [£1,900,000,000]. Also bonds without coupons attached for eighty-two milliards gold marks [£4,100,000,000].

November 15.—Second quarterly payment of the twenty-six per cent. of the value of German exports.

The manner of meeting these obligations is one of grave concern to us, and the arrangements made by the Reparations Commission will be watched with interest.

"Ter Meulen" Scheme.

The news that the negotiations between the Austrian Government and the financial delegates of the League of Nations on the question of financial assistance for Austria have been completed serves to accentuate the importance of the "Ter Meulen" scheme, as it is generally believed that whatever assistance will be extended will be based upon this now well-known plan. At the same time it is necessary to insist that this scheme has a much wider application and is designated to afford relief to traders in impoverished countries who wish to utilise credit to import such raw materials and primary necessaries as will help to re-establish industry and revive trade within their boundaries. It is not intended according to the explanatory memorandum just issued by the League of Nations to supply credit to traders who, in the ordinary course of events, can transact business without it, and every precaution will be taken to confine its operations to those who could not otherwise provide such collateral security as would induce the financial house or bank acting for the exporter to accept their bills. Neither is it proposed to interfere in any way with the ordinary negotiations between buyer and seller as to price, rate of interest, length of credit, etc. Governments desiring to participate in the scheme are required to inform the International Financial Commission of the League of Nations what national assets such as customs duties, state railways or Government monopolies, they are willing to pledge as security for credits granted to their traders. Each Government will then be authorised to issue bonds up to the gold value placed by the Commission on these assets. Importers within the country in question will negotiate with their Government as to the terms on which they can secure such bonds for the amount and term agreed between them and the exporter. These bonds will form the collateral security for the bill accepted by the importer and will be returned by the exporter to the importer if the bill is met on maturity. Generally speaking it is contemplated that these bonds will run for a period of five, but not of more than ten years, bearing interest annually at a rate fixed by the Commission for each borrowing country on the basis of what it would have to pay for an issue in the open market. In case of default the exporter can retain the bonds as an investment till they fall due or can sell them. In the latter case they must first be offered to the issuing Government in return for a full settlement of the claims. If this is refused, they can be sold in the open market, but any surplus realised over the amount of the debt must be returned to the issuing Government. A claim for any deficiency lies not against the Government, but against the importer. This latter device is probably intended to act as a check against reckless credits.

The Grand Trunk Railway.

The English shareholders of the Grand Trunk Railway are to be congratulated on their practically unanimous sanction of the proposals placed before them at the special general meeting held in London yesterday. It will be remembered that the agreement, dated March 8, 1920, between the Canadian Government and the Grand Trunk Railway Company, provided a State guarantee in perpetuity for the interest on the debenture and guaranteed stocks of the Company, and that Preference and Ordinary stockholders were to receive compensation—the amount of which was to be determined by arbitration. The Company's case was put before the arbitrators with the greatest possible expedition and was practically completed before the expiry of the arbitration period on April 9. The expectation that the Government would extend the period by Order in Council to allow completion of the proceedings was not realised, and the powers of the arbitrators lapsed in consequence, thus debarring the Company from obtaining any reward or prosecuting an appeal. The position was further embarrassed by the refusal of the Government to meet Grand Trunk interest obligations on April 1. Following an intimation by the Canadian Premier that arbitration proceedings could not be revived until complete control of the railroad was handed over, a meeting was held in London yesterday, at which it was resolved without dissent that the present board of directors should resign in favour of Government nominees. The former are, however, to continue to represent the Preference and Ordinary stockholders as a special committee, and will have full powers to carry the arbitration proceedings to a conclusion. An important reservation, the right of final appeal to the British Privy Council, was, however, mentioned. The significance of this right lies mainly in the fact that the Board of Arbitrators refused to admit evidence of the physical value of the railway, upon which evidence counsel for the shareholders largely relied to establish their case.

The Agricultural Situation.

The prospects of the winter-sown crops are favourable in the United States, where the promise for wheat is nine per cent. above the average of the past ten years, according to the April issue of the Bulletin of International Institute of Agriculture. At the beginning of the month the outlook was also good in Germany, Belgium, Bulgaria, France, Spain, Great Britain, Poland, Roumania, and North Africa; and an average in Italy and Japan. In parts of British India the want of rain has been detrimental to wheat crops. The spring sowing has made favourable progress in Belgium, Bulgaria, France, Great Britain, Italy, Roumania, and Japan, but delay has occurred in Spain, Ireland, and Czecho-Slovakia.

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American Topics.

THE TARIFF QUESTION.

Not unnaturally, President Harding having come into power at the head of a Party which is associated in the American public mind with a high tariff, there is a certain body of opinion throughout the United States which hopes to restore confidence and to create a boom in trade by imposing high protective duties upon all classes of imports. Various measures have been introduced by different members, both of the House of Representatives and of the Senate, with a view to protecting the trader and the farmer from foreign competition. Last month a measure of very far-reaching importance, had it any prospect of becoming law, was introduced into the House of Representatives with a view to protecting the farmer from what is known as "dumping." The only effect of such a Bill, if it became law, would be to still further increase the already sufficiently high cost of living in the United States. It is perfectly natural that large classes of more or less uninstructed opinion should favour a high tariff, since the Party in power is associated with that class of legislation. The Government of the United States, as well as the great banking, financial and trading community, have, however, to take a far more serious view of the situation. The Government, the bankers, the financiers and the traders know that the economic condition, not merely of the United States itself, but of foreign countries as well, has been so profoundly modified as a result of the War that it is not, for practical purposes, possible to compare conditions as they existed, say, at the time of the passing of the MacKinley Tariff and the present time. Whether high tariffs were ever desirable in the United States is a question that might be debated indefinitely by Protectionists and anti-Protectionists. The conditions when the MacKinley Tariff was imposed were such that it could not have the same influence upon the course of American trade and the same effect upon production in the United States that such legislation would have in our time. Primarily, the United States, then as now, and still more then than now, lived upon the production of food and raw materials, a large proportion of this food and raw material requiring to be sold abroad in order to enable the United States to meet its liabilities in foreign countries. In those days the United States was a debtor country owing vast sums of money—some 200 or 300 million sterling a year—which she was obliged to meet mainly in London. To meet these liabilities it was most convenient to send large quantities of food and raw materials; and, as we in this country always, and certain other European countries from time to time, required supplies of these commodities, the most convenient method of meeting her liabilities was to send produce—wheat, maize, cotton, tobacco and various other commodities, but principally those named. Whether the United States imposed, or did not impose, a tariff, she had certain definite liabilities to meet in Europe every year; and, consequently, she was absolutely certain of selling a very large part of her produce; in fact, experience showed almost as large a proportion of her produce as she could conveniently spare. It was not a question of adjusting a balance between the United States and any other country. The United States had contracted each year to make certain payments; and, consequently, she was bound to make them, and did, in fact, perform her undertakings. These liabilities had to be met, whether America bought a shilling's-worth of Manchester goods or a single bale of cloth from Bradford, or whether she did not. Consequently, to a certain extent the Tariff, however high and however prohibitive it might be, on the import of European goods had very little effect upon the export of products of the United States itself.

Since the War, however, the position has completely changed. Instead of the United States being under the necessity of remitting some hundreds of millions in produce each year to Europe, she is entitled to receive some hundreds of millions from Europe in settlement of the debts of this continent. Now, how are we going to settle those debts? The United States became a debtor country of Europe because this country, primarily, and other European countries to some extent, invested large sums of money for the purpose of opening up the United States with a view to obtaining large supplies of food and raw materials upon a low economic basis of values. At present neither this country nor any other European country is in a position to invest large sums of money in the United States. Consequently, if we are to meet our liabilities at all it is essential that we should export commodities and render services. The Government of the United States, instructed public opinion in the United States, and the trading and financial world in the United States are, of course, all as well aware of this fact as we are. They are faced, however, with very serious difficulties. Trade in the United States, as with the rest of the world, is exceedingly depressed at the present time. A certain body of opinion hopes to improve conditions by imposing a high tariff. The Government, the big financiers, and the great traders know that they would never get repayment of their debts from Europe if they were really successful in preventing imports from Europe. Moreover, they know that Europe must cease to be a customer of the United States unless she is in a position to export to that country. The Government of the United States will, under these circumstances, naturally take time before imposing legislation which it clearly realises could only have the effect of increasing the cost of living in the United States itself without in any way encouraging the exports of home-grown produce.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY.

The affairs of the Atchison Railway have always commanded attention on this side of the Atlantic, where, despite diminished interest in American securities, a substantial amount of the Company's bonds and stocks are still held. The system has developed in a marked fashion over the past decade; and, fortunately, the [illegible] was completed prior to the outbreak of war. The report for the year ended December 31, 1920, presented in subsequent pages, indicates a further expansion in traffic, higher working costs, increased efforts of the management to introduce economies, and the financial strength of the undertaking. Though the United States has passed through a period of

financial stringency even more serious than that existing here, the directors are able to state that on December 31 the Company and its auxiliaries had no bills or notes outstanding. Cash held in the Treasury amounted to $26,749,783, and in addition the Company owned $19,409,650 Liberty Loan bonds, Victory Loan notes, and United States Treasury certificates of indebtedness. The report again calls attention to the fact that the Railway was not returned at the end of the Federal control period, as was agreed in the compensation contract, in substantially as good condition and with substantially as complete equipment as when taken over by the Government, pursuant to the Proclamation of December 26, 1917. The settlement of claims still involves a net amount of $5,122,240. The result of the operation of the undertaking by the Railroad Administration for the entire period of Federal control, as stated on the Federal books, was as follows:—

	$
Operating revenue	441,019,993
Operating expenses	332,018,676
Net operating revenue	119,001,316
Taxes, less war taxes	18,263,092
Uncollectable revenues ...	97,948
Railway operating income	100,640,276
Equipment and joint facility rents	1,720,999
Railway operating income as defined in Federal Control Act	98,919,276

Operations for 1920 divide into three distinct periods: the first two months under Federal control, the next six months under the guarantee of the Transportation Act, and the closing four months without guarantee. The trade boom in the early part of the year reflected itself in heavy transportation business throughout the United States. Beginning on April 1 a switchmen's strike led to a serious congestion on the railroads, with a consequent diminution in traffic, and, after the expiration of the guarantee period on September 1, a more serious decline occurred owing to the trade reaction. Over the whole year, however, the business handled by the Atchison-Topeka line was as large as that of any previous year. Net operating receipts, at $46,652,000, compared favourably with the two previous years, but net profits, after allowing for miscellaneous income and all charges, is 5½ millions lower than in 1919 at $37,531,000. After the usual payment of five per cent. on the Preference, and six per cent. on the Common, stock, a surplus of $17,881,460 is carried to the credit of profit and loss.

An estimated diminution of 3 million dollars in gross receipts occurred through a fire on the Tehachapi Mt. joint track, which broke out at the height of the deciduous-fruit moving season. There are apparent abnormalities in operating results for the year by the credit to railway operating revenue in January of $3,191,559 on account of back railway mail pay, by an increase in compensation of employees, averaging about twenty per cent., granted by the Railway Wage Board in July, and by increases in inter-State freight rates and passenger fares from August 26. Income and expenses for 1920 and previous years were:—

(000's omitted)	1920	1919	1918	1917	1913
	$	$	$	$	$
Operating Receipts	93,102			165,530	113,571
Fed. Compensation	7,699	44,615	42,885		
Govt. Guarantee	22,553				
Operating Expenses	76,702			105,223	75,851
Net Receipts	46,652	44,615	42,885	60,307	37,720
Misc. Income	10,221	15,100	4,311	3,865	2,306
Net Income	56,873	59,715	47,196	64,172	40,026
Taxes	5,890	3,373	3,062	11,932	5,110
Interest, &c.	13,452	13,342	15,876	14,054	14,104
Net Profit	37,531	43,000	28,258	38,186	20,812
Div. 5 % Pref.	6,209	6,209	6,209	6,209	5,709
Div. Common	13,441 (6%)	13,352 (6%)	13,289 (6%)	13,179 (6%)	11,085 (6%)
Surplus	17,881	23,439	8,760	18,880	4,801

The conditions obtaining during the last four months of 1920 have not materially altered for the first quarter of 1921; and the figures available for January and February exhibit a marked shrinkage in operating revenue as compared with the corresponding period of the previous year.

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Rubber Topics.

IN the Commodity market a reactionary spirit was in evidence from the opening, and the price of crêpe fell from 10¼*d.* on Monday to 9⅞*d.* on Wednesday. At the same time it is consoling to observe a rise in the weekly deliveries to trade to 1,312 tons for the week ended May 7, and, as imports amounted to 1,746 tons, the addition to stock was reduced to 434 tons. Crop returns for April again disclose irregular tendencies. Drastic reductions are reflected in the cases of Djasinga with a crop of 44,791 lb., as against 95,829 lb. in April 1920, of Langen (Java), whose crop is returned at 37,650 lb. instead of 75,384 lb., and of Sapumalkande, with a crop of 44,524 lb. as compared with 77,176 lb. Reductions of twenty-five per cent., or slightly over, characterise the returns of companies such as Bukit Sembawang, the Rubber Plantations Investment Trust and Anglo-Malay. On the other hand, London Asiatic Rubber and Produce Company registers a crop of 120,578 lb., as against 125,851 lb. in April 1920, and Malayalam Rubber and Produce Company a crop of 102,468 lb. instead of 108,690 lb. In some cases an actual increase in the crop is reported. Thus Toerangie harvested 44,106 lb. as compared with 34,799 lb., Mendaris (Sumatra), 98,250 lb. as against 94,000 lb., and Vallambrosa 54,919 lb. as against 54,145 lb. However, these discrepancies may be explained by an increase in the area in bearing in 1921 as compared with 1920.

ANNUAL REPORTS ANALYSED.

EDINBURGH RUBBER ESTATES.

Issued Capital: £233,751 in shares of 2s. each.

Results for Years to November 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Yield per Aver. Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1917*	1,069	930	446,184	479	2/3·53	-/9·87	31,999	11,250	50
1918*	1,033	894	314,423	352	1/8·22	1/2·13	9,259	12,750	30
1919†	1,033	975	455,100	467	—	—	—	19,479	45½
1920	1,098	975	480,934	493	1/7·84	1/1·07	12,023	7,013	3

* Year to December 31. † Eleven months to November 30.

Price of Shares, 1/2¾. Market Capitalisation per plante acre, £131.

THE accounts recently submitted by this well-known rubber Company cover operations for the first twelve months of its existence after being reconstructed. Hitherto the financial year ended on December 31; henceforth the financial year terminates on November 30. One result of the change is the absence of accounts for the period January 1 to November 30, 1919. Beyond the dividend of 11*d.* per share and the harvest for the eleven months of 455,400 lb., equivalent to an average yield of 467 lb. per acre, no information is available. We are informed that accounts for this period were prepared only for inland revenue purposes, and that as shareholders were not supplied with copies, the Press cannot have access to them. Personally, we see no reason for this refusal to supply information which would permit of a continuous comparison of the operations of this rubber Company over one of the most interesting periods in

the history of the rubber industry, and we trust that shareholders will exert such pressure as is necessary to secure this information to which they are fully entitled. At present the results for the year ended November 30, 1920, must be compared with those for the year ended December 31, 1918, a year during which operations were influenced adversely by the restrictions on output. For the year under review the crop harvested reached 480,934 lb., as against an estimate of 450,000 lb., and corresponded to the very satisfactory yield of 493 lb. per bearing acre. With high prices for stores and materials, a loss on rice supplied to coolies and an increase in the wages, an "all-in" cost of 1*s.* 1.07*d.* per lb. including depreciation and income tax, but of 10.35*d.* per lb. only excluding these items, is indeed favourable. How these adverse factors weighted the cost may be seen if it is recollected that in 1918 the "all-in" cost per lb. was only 1*s.* 2.13*d.* despite the reduction in the quantity harvested to 314,423 lb. It is interesting to note that the average price realised per lb. fell to 1*s.* 7.84*d.*, lower than that recorded in 1918. This low average was mainly due to the heavy slump in the price of rubber, particularly towards the close of the year. However, owing to the better "all-in" cost the profit per lb. worked out at 6.77*d.*, as against 6.09*d.* in 1918, and the aggregate net profit at £12,023, as compared with £9,259. From this an interim dividend of three per cent. had already been declared. In view of the depressed condition of the industry, the directors refrained from declaring any final dividend, but recommended that the preliminary expenses of the formation of the reconstructed Company, amounting to £2,404, should be written off, leaving to be carried forward to the next accounts a balance of £2,607, subject to corporation profits tax, director's fees and bonus to staff. Compared with 45⅞ per cent in 1919 and thirty per cent. in 1918, the interim dividend of three per cent. is really equivalent to sixteen and a-half per cent. if allowance is made for the fact that each shareholder in the reconstructed Company received five and a-half fully paid shares for each share held in the parent concern.

The transformation accomplished by the reconstruction can only be studied by comparing the balance sheet as at December 31, 1918, and as at November 30, 1920, in the absence of other figures. The authorised capital has been increased from £45,000 to £250,000, and the issued capital from £42,500 to £233,751. The estate account, which figured at £26,000, is now valued at £206,540; whilst the development account is reduced from £19,173 to £850. Plant and buildings in virtue of depreciation amount to £3,495 instead of £4,272. Financially, a strong position is disclosed in the latest balance sheet. Current liabilities did not exceed £7,710, whereas liquid assets were available to a total of £32,769. The cash balance alone stood at £25,279, thereby enabling the Company to supply the bulk of the necessary expenditure on the estate during the current year without being compelled to sacrifice its stock at the existing unremunerative price levels. Participating in the twenty-five per cent. restriction now in force, the Company does not anticipate a larger crop than 372,000 lb. for the current year. To what extent the fall in prices of stores and of rice, and the adjustments in wages that may follow, will offset the rise in the "all-in" cost which this reduction in the crop involves remains to be seen. No information is supplied as to the existence of forward contracts. Yet in their absence it is difficult to see how a loss on the crop can be avoided. It is stated that advantage will be taken of the restriction in output to put the works on the estate in a state of thorough efficiency. The uncertainty of the dividend outlook is reflected in the quotation of 1*s.* 2¾*d.* for the 2*s.* shares. Even this low price corresponds to a market capitalisation of £131 per acre, which, if anything, is too high in the light of the existing depression.

SUMATRA PROPRIETARY.

Issued Capital : £100,000 in £1 Shares.
Debentures : £20,180 7% in issue.

—Results for Years to April 30—

	Total Planted Acres	Area in Bearing Acres	Rubber crop, lb.	Average Yield per Bearing Acre, lb.	Average Realised Price per lb.	"All-in" Cost per lb.	Net Profit	Dividend Amt.	Dividend %
							£	£	%
1916-17	1,664	431	170,645	396	2.00*d.*	1.11*d.*	14,155	4,500	9
1917-18	1,586	1,071	245,143	229	2.09*d.*	1.03*d.*	7,234	—	—
1918-19	1,586	1,158	314,423	271	1.54*d.*	1.13*d.*	6,962	5,250	5
1919-20	1,786	1,158	347,700	300	2.24*d.*	1.19*d.*	12,819	5,250	12½

* Reduction of [illegible] survey.

Price of Shares, 12 0. Market Capitalisation per planted acre, £58, including Debentures.

The crop harvested by Sumatra Proprietary for the year ended April 30, 1920, amounted to 347,700 lb. Notwithstanding this increase in the quantity of rubber secured, the "all-in" cost per lb. rose from 1*s.* 3¾*d.* to 1*s.* 5¾*d.* This was mainly due to the abnormal price paid for rice, which had to be supplied much below cost to the coolies. For the year in question the loss involved in this direction was as much as £3,000. However, with an improvement in the market for rubber, the average gross price realised by the sale of the crop increased from 1*s.* 9¾*d.* to 2*s.* 2½*d.* per lb. Accordingly the profit per lb. amounted to 8¾*d.*, as compared with 6*d.* in 1918-19. Hence there was recorded a net profit of £12,819, as against £6,962 in the previous year, and even this amount was arrived at after deducting £1,000 for depreciation of buildings and machinery. Debenture and other interest called for £2,976, leaving a balance of £9,844, which was increased to £10,703 by the addition of £859 from the previous accounts. In view of the progress thus disclosed, shareholders received a dividend of twelve and a-half per cent., as compared with five per cent. for 1918-19, and there was carried forward to the next accounts a balance of £1,953.

Towards the close of the year 30,000 Ordinary shares of £1 each were successfully offered to existing shareholders at a premium of 12*s.* 6*d.* per share. The object of this issue was partly to provide funds for the development of the estate, and partly to enable the Company to reduce its indebtedness in the form of Debentures. Accordingly £19,820 of the Debenture stock was bought at £98 per cent., thereby reducing the amount of such stock outstanding to £20,180. The discount of £396 on this redemption was added to the reserve fund, which stands at £5,396. In virtue of the premium on the issue, the share premium account amounts to £18,248, whilst the issued capital is now £100,000. A strong financial position is disclosed in the balance sheet dated April 30, 1920, where liquid assets to a total of £38,506 are available to meet current liabilities not exceeding £24,139. In view of the serious slump in the price of rubber since last autumn, it is satisfactory to note that 100,800 lb. of the current crop were sold forward at the remunerative price of 2*s.* 3¾*d.* per lb. London equivalent. In the absence of further remunerative sales, it seems unlikely that any profit can be expected. The market has discounted the probable absence of any dividend with a quotation of 12*s.* for the £1 shares, which corresponds to the market capitalisation of £58.

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The Legal and General has recognised this condition, and, with a view of doing its best for its existing participating policyholders, has materially altered its appeal to the public within the last year or two. The course it has taken has been characteristically bold and drastic. The issue of assurances entitled to participate in profits has been discouraged, and at least the great bulk of the Company's business now takes the form of non-participating assurances. Under these circumstances a reduction in the volume of its new transactions might have been looked for as the most probable result. But the reverse is the case. Since the decision was arrived at to discourage participating business, the new business returns would appear to have actually increased in volume. The fact that they have done so runs counter to general anticipation, and bears eloquent testimony to the ability which characterises the management of the Company's business extension organisation.

From the annual report for 1920 we learn that new life policies were issued by the Company in that year for £3,392,367, which exceeds the corresponding figure in 1919 by £65,306. Owing, however, to a larger amount of reassurance having been effected in 1920 than in 1919, the net amount retained at the sole risk of the Company last year shows a slight diminution. Comparing net figures only, the following are the new business results for the first four years of the current quinquennium:—

Year	Net New Life Business £
1917	1,794,700
1918	2,055,552
1919	3,123,720
1920	3,085,942

The decision to discourage new participating life business became operative in the course of 1919, and from the above comparison it will be seen that the Company has greatly increased its new business since these limitations were imposed, which is certainly a very remarkable result. The returns for 1919 and 1920 far surpass any previous records of the kind in the Company's history.

The total net life premium income of the Company, amounting to £1,212,516 in 1920, was increased during that year by £77,482. The sum of £29,281 was received in addition as consideration for new annuities granted. After making a suitable allowance for the cost of the annuity business, expenses and commission seem to have absorbed about seventeen per cent. of the net life premiums. Looking to the inevitable increase of salaries and working costs, and in view of the large proportion of new premiums, this ratio seems moderate. The death claims in 1920, after deduction of reassurances, amounted to £419,580, as compared with £475,438 in 1919. The amount paid by the Company in the course of last year on the maturity of policies by survivance appears from the revenue account to have been £130,578. Amongst other outgoings charged to the life account are £67,720 for surrenders and £130,900 for annuities. One unfavourable feature of the year's experience is the transfer from the life fund to investment

reserve fund of the sum of £350,000. The investment reserve fund was increased by this transfer to £487,831, and from a certificate by the directors appended to the balance sheet it appears that this amount was in their belief sufficient to provide for the depreciation which was shown in a valuation of the assets at the close of the year. At the present time such a valuation has no bearing on profits, and the position may, of course, be materially altered at the close of the present year, when the quinquennial valuation will fall to be made and the question of the amount of the depreciation during the quinquennium will assume practical form. Notwithstanding this transfer, the life assurance fund was increased in 1920 by £369,671 to £12,526,553.

The revenue account dealing with the general fund may be supposed mainly to relate to capital redemption and sinking fund policies. It showed a premium income of £37,365 in 1920, and a relative fund of £389,769 at the close of that year.

In 1919 the Company commenced the transaction of fire, accident, and other classes of assurance, but these risks were not undertaken till the latter part of that year, and the premiums thereon amounted to less than £20,000. From its influential connection with solicitors, its proprietary and consequently its directorate being restricted to members of the legal profession, it is in a good position to obtain a fair share of risks in these descriptions of the best class, and considerable progress seems to have been made in this direction in 1920. The premium income on fire insurance shown by last years' accounts amounted to £102,732, and that in connection with personal accident, employers' liability, and miscellaneous business to £9,798. At the close of the year the amount of the funds in these two departments, representing the reserves for unexpired risks, amounted to £35,951 and £3,253 respectively. The development of these sections, which may be expected to prove valuable adjuncts to the life department, will be watched with interest.

The subscribed capital of the Company amounts to £1,000,000, of which £160,000 is paid up, in 20,000 shares of £50, with £8 paid on each. This forms an additional security to policyholders in all departments. The dividend payable to shareholders during the current quinquennium is 30*s.* per share, free of income tax, per annum. The proprietor's funds at the close of the year amounted to £192,059.

The total assets as shown by the balance sheet on December 31, 1920, amounted to £13,800,460. It is stated that, omitting the amount invested in the purchase of reversionary interests, the productive and unproductive funds yielded in 1920 an average rate of £5 2*s.* 6*d.* per cent., as compared with £4 18*s.* 6*d.* per cent. in 1919, before deduction of income tax.

Early in the present year Mr. E. Colquhoun, F.I.A., who had been manager and actuary of the Company for thirty-five years, retired from that position and was appointed consulting actuary, being succeeded as general manager by Mr. W. A. Workman, F.I.A., and as actuary by Mr. G. F. Robinson, F.I.A. During Mr. Colquhoun's long and very able leadership the business of the Legal and General has made extraordinary and most successful progress, and it must be gratifying to all interested in the Company that it continues to have the benefit of his experience and advice.

Commercial Goodwill: Its History, Value, and Treatment in Accounts. By P. D. Leake, F.I.C.A., F.R.S.S. (London: Sir Isaac Pitman and Sons, Limited.) Price 21s. net. Starting with a new definition of commercial goodwill, the author proceeds to prove that its value is equal to the present value of future super-profit. Methods of computing its value and of gradually writing off the cost of goodwill where it is included in the value of the assets of an undertaking are discussed. Altogether an acute analysis of a subject on which, up to the present, singularly little light has been thrown.

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Fire & General Dept. & Marine Department.
37/41 GRACECHURCH ST., LONDON, E.C.3
General Manager: J. HERBERT E. LANE,
Registered Office and Life Department.
9 FLEET STREET, LONDON, E.C. 4.
Actuary and Secretary: CHAS. WINDETT.

Commercial.

IRON AND STEEL PRODUCTION.

THE production of pig-iron in the post-War period reached its maximum in August last, since when it has fallen heavily, until it reached the new low level of 386,000 tons in March. The April return reveals the alarmingly low figure of 60,300 tons, while steel ingots and castings have sunk to 68,000 tons from 359,100 tons in March, and 884,700 tons in September last, the post-War maximum for any month. The cessation of coal production on April 1 completed the discomfiture of the iron and steel industry, already hard hit by the trade depression. The National Federation of Iron and Steel Manufacturers report that a slight recovery in demand was noticeable towards the end of March, which led to hopes of an improved output in the following month; but the failure of these hopes has caused renewed depression. Of every 100 persons employed in June last, the industry found occupation for only 21.5 at the end of April. The following tables give the production of pig-iron and steel for each month from January 1919:—

	Pig Iron		
	1919	1920	1921
Jan.	661,000	665,000	642,100
Feb.	626,000	645,000	463,600
Mar.	691,000	699,000	386,000
April	647,000	671,000	60,300
May	671,000	739,000	—
June	658,000	726,000	—
July	641,000	750,600	—
Aug.	521,000	752,400	—
Sept.	581,000	741,000	—
Oct.	445,000	533,200	—
Nov.	624,000	403,200	—
Dec.	632,000	682,200	—
Total ...	7,398,000	8,007,900	—

	Steel Ingots and Castings		
	1919	1920	1921
Jan.	718,000	754,000	493,400
Feb.	734,000	798,000	483,500
Mar.	758,000	840,000	359,100
April	668,000	794,000	68,000
May	755,000	846,000	—
June	631,000	845,000	—
July	618,000	789,900	—
Aug.	474,000	709,200	—
Sept.	718,000	884,700	—
Oct.	433,000	544,300	—
Nov.	695,000	505,100	—
Dec.	692,000	746,600	—
Total ..	7,894,000	9,056,800	—

Owing to lower costs of production on the Continent, particularly in respect of labour and fuel, France and Belgium have been able to hold their own in the trade slump much better than either the United States or this country. This is borne out by the following table:—

Production of pig iron and steel in United Kingdom, United States, France and Belgium.

	United Kingdom (tons)	United States (tons)	France (tons)	Belgium (tons)
Pig Iron—				
1913 -Avg. mthly	855,000	2,581,000	427,000	203,800
1920 -Aug. ...	752,400	3,147,400	316,300	113,200
Sept. ...	741,000	3,129,300	342,000	104,300
Oct. ...	533,200	3,278,100	365,300	122,700
Nov. ...	403,200	2,934,900	350,400	116,600
Dec. ...	682,500	2,703,900	343,600	124,900
1921 —Jan. ...	642,100	2,401,800	288,000	110,600
Feb. ...	463,600	1,937,300	287,400	103,700
Mar. ...	386,000	1,595,500	295,300	104,700
April ...	60,300	1,193,000	—	—
Steel -				
1913—Avg. mthly	639,000	2,608,000	385,000	202,300
1920—Aug. ...	709,200	3,529,900	272,300	121,400
Sept. ...	884,700	3,523,900	295,200	109,500
Oct. ...	544,300	3,543,200	318,900	119,700
Nov. ...	505,100	3,099,900	309,400	117,800
Dec. ...	746,600	2,749,500	307,200	119,400
1921—Jan. ...	493,400	2,588,300	263,700	119,100
Feb. ...	483,500	2,055,300	259,600	98,400
Mar. ...	359,100	1,845,600	246,900	96,300
April ...	68,000	—	—	—

The 1913 figures for France do not include Lorraine (317,000 tons of pig iron and 188,000 tons of steel monthly). Further slight reductions in the price of Continental material took place in April. In Belgium a mixed commission of employers and workers in the mining industry has agreed to a wage reduction of five per cent. to take effect from May 15; this is the third reduction since March, a five per cent. reduction having taken place on March 1 and again on April 4.

Trade Combinations.—The Committee on Trusts have already investigated and reported on the following matters:—Electrical lamps, furriery, fish, fixed retail prices, fruit, glassware, iron and steel products, laundry prices, meat, milk, oils and fats, pipes and castings, road transport rates, salt, sewing cotton, soap, tobacco, and yeast. The Investigation of Prices Committee has inquired into, and reported on, production costs for aspirin, biscuits, brushes and brooms, clogs, costings in Government departments, furniture, matches, metal bedsteads, motor fuel, tweed cloth, wool and worsted yarns and wool tops and yarns.

Industrial Companies.

BABCOCK AND WILCOX, LTD.

Issued Capital: £2,427,884 in 100,000 6% Cumulative Preference Shares, 179,056 5% Cumulative Second Preference Shares, and 2,148,828 Ordinary Shares of £1 each fully paid.

Year to Dec. 31	Net Profit*	Preference Dividends	Ordinary Dividend on Subject to tax	Ordinary Dividend on Free	D.V. Tax Reserve Fund	To Pensions Fund	Other allocations	Carried forward
	£	£	£ s	£	£	£	£	£
1913 ...	462,526	10,652	17	283,053	16	150,000	10,000	73,885
1914 ...	422,357	14,800	15 17	251,810	14	150,000	10,000	69,492
1915 ...	434,848	14,918	17·31	289,308	15	150,000	10,000	42,125
1916 ...	510,613	14,953	19·35	321,290	15	150,000	10,000	56,495
1917 ...	527,513	14,953	20 00	332,000	15	150,000	10,000	77,056
1918 ...	540,620	14,953	21 00	350,636	15	150,000	10,000	92,089
1919 ...	561,803	14,953	21·43	355,714	15	150,000	12,100	121,125
1920 ...	644,816	14,953	22·86	491,160	16	150,000	10,000	99,828

* After providing for depreciation and taxation (excluding income tax on dividends).

Shareholders of this firm of boilermakers have ample reason to congratulate themselves upon the trading results of the past year. Including income for associated companies and other receipts, the manufacturing profit, after deducting depreciation and excess profits duty, amounted to £777,761, representing an increase of £103,885 over the record established in the previous year. Sundry expenses have, however, been increased from £18,407 to £31,260, and the provisions for income tax and corporation tax from £200,380 to £249,033, leaving a balance profit of £497,468, as compared with £455,089. It is well to bear in mind that the provision for taxation includes income tax on the Ordinary dividend, and as the rate of tax and the amount of the dividend has increased considerably in recent years it is accordingly necessary in providing a suitable basis for comparison to write back the income tax on the dividend. The figures for each year have, therefore, been adjusted in the above table, which shows that the actual increase in net profit for 1920 amounted to £83,013. The provision which has been made for excess profits duty in respect of the past year is not indicated in the accounts, but this has obviously been much greater than in the previous year. The Ordinary dividend, free of income tax, is raised from fifteen per cent. to sixteen per cent. (an increase of 1.43 per cent. expressed subject to tax), and being payable upon a much larger capital involves a distribution of £343,812 net (or £491,160 gross), as compared with £249,000 net (or £355,714 gross) for the previous year. The reserve fund is again allotted £150,000 and the pensions fund £10,000, leaving a balance of £99,828 to be carried forward, as compared with £121,125 brought in.

The following table shows the changes which have taken place in the balance sheet:—

	Liabilities.			Assets			
Dec. 31	Paid-up Capital	Sundry Liabilities*	Reserves & Carry forward	Fixed Assets†	Stocks	Debtors	Investmts. and Cash
	£	£	£	£	£	£	£
1918	1,939,056	1,462,811	1,387,089	563,494	1,229,502	842,848	2,213,112
1919	2,129,275	1,923,338	1,756,345	764,465	2,120,672	963,261	1,960,566
1920	2,427,875	3,378,174	2,229,897	1,113,334	2,782,447	2,140,223	2,009,942

* Including provision for taxation, investment depreciation and final dividends payable.
† Including shares in associated companies.

In September 1919 the Company issued 437,201 Ordinary shares of £1 each to shareholders at a premium of £1 per share, the receipts up to December 31, 1919, on capital and premium account amounting to £380,438. The shares were fully paid at December 31 last, the total receipts on capital and premium account in respect of this issue being, therefore, £874,402. In addition, 51,627 Ordinary shares have been issued at a premium of over £2 per share, the receipts on capital and premium account amounting to £51,618 and £107,868 respectively. Accordingly the premium account now amounts to £545,069. The reserve fund is increased by this year's allocation to £1,350,000, while the dividend equalisation fund remains unchanged at £245,000. Despite the additional capital raised during the year, the sundry liabilities have been increased from £1,923,338 to £3,378,174. It should be noted that under this heading are included such miscellaneous items as "reserve for estimated further

expenditure on orders invoiced, fall in value of investments, excess profits duty, income tax, corporation profits tax, &c." The accounts show that temporary banks overdrafts of £741,448 have been created during the year under review. The fixed assets, which include shares in associated companies, show net additions (after charging depreciation) of £348,869, while stocks and work in progress (of which the basis of valuation is not stated) have been increased by £661,775 to the large total of £2,782,447. It may be pointed out, however, that this item includes "expenditure on orders not invoiced," amounting to £314,557. Existing financial conditions are reflected in the expansion in debts due to the Company from £963,261 to £2,140,223. The cash balance has fallen from £249,259 to £216,710. Investments have been increased from £1,711,301 to £1,793,231 and are valued at cost, but as already indicated provision has been made for depreciation under the heading of sundry liabilities. The financial position as shown in the balance sheet is remarkably sound. The liquid assets, excluding shares in associated companies and stocks, exceed current liabilities, including dividends payable and provision for taxation, by £771,991, as compared with £1,000,489 at December 31, 1919.

It may be remarked that the Company has important interests in France, Spain, and Japan, and operations in these countries do not appear to be unduly affected by the prevailing depression. The construction of the factory in Spain has now been completed, and these works are in operation and well supplied with orders. At home, however, some difficulty is experienced at present in obtaining new orders, and the coal crisis has caused a stoppage of work in certain departments. It is stated that "the output of the workmen is still on the average below pre-war standard, and the continual interruptions through trade disputes militate against the business." With the increased productive capacity of the works, and the removal of the excess profits duty, it seems likely, however, that, despite the existing difficulties, the Company will be able to maintain last year's dividend of sixteen per cent., free of tax. On this assumption the Ordinary shares, which are now quoted at 47*s.* ex-dividend, afford a yield of 6.8 per cent., free of tax, equivalent to 9.7 per cent., subject to tax. The Six per Cent. Cumulative Preference shares, quoted at 18*s.* 4*d.*, ex-dividend, give a return of nearly 6.6 per cent., while the Five per Cent. Cumulative Second Preference shares at 13*s.* 10*d.*, ex dividend, afford a yield of 7.5 per cent.

AMALGAMATED INDUSTRIALS.

Issued Capital: £3,200,000 Ordinary Shares of £1 each. 7% Debenture Stock: £1,483,150.

Year to June 30	Net Income	Written off	Ordinary Dividend		To Reserve	Carried forward
	£	£	£	%	£	£
1920 ...	261,138	45,486	168,000	10	—	47,652

* Less tax.

It will be remembered that this Company was formed early in 1919 to finance and extend British industrial enterprises and to carry on the business of an ordinary investment company. The report which accompanies the first accounts covering the twelve months to June 30, 1920, shows that the Company now owns and controls nineteen undertakings, including several shipping and colliery concerns. The process of absorption has been remarkably rapid, and has involved very heavy capital outlay. The net revenue of the Company applicable to the period ending on June 30, 1920, amounted to £261,138, and is entirely represented by dividends declared by associated companies, less expenses and income tax. An interim dividend of five per cent., less tax, was paid in February 1920 on an issued share capital at that date of £1,600,000, absorbing £56,000 net. The issued capital was subsequently increased to £3,200,000, upon which there was paid in December last a final dividend of five per cent., less tax, absorbing £112,000 net. From the balance the whole of the preliminary expenses, amounting to £37,873 and a proportion of £7,613 of the discount on debentures, have been written off, leaving a surplus of £47,652 to be carried forward.

The balance sheet [illegible] as shown below:—

LIABILITIES	£	£
Share capital ...	[illegible]	[illegible]
Debenture stock ...	[illegible]	[illegible]
Bank loan ...	[illegible]	[illegible]
Special loans ...	[illegible]	[illegible]
Loans from associated companies ...	[illegible]	[illegible]
Sundry creditors ...	[illegible]	
Suspense account ...	[illegible]	
Carried forward ...	[illegible]	
	[illegible]	11,284,557

It will be seen that shares in associated companies have been acquired at a cost of £10,346,030 provided mainly by debentures, loans from banks, and from associated companies. Part of the purchase price of two shipping companies was satisfied by the allotment in June 1920 of £1,483,150 Seven per Cent. Redeemable Debenture stock secured as a floating charge on all the undertaking and assets. The Company has raised temporary loans from banks amounting to £2,820,106 at June 30, 1920, and secured by the deposit of certificates for the holdings in associated companies. The "special loans" of £970,808 were obtained from two of these companies who have borrowed to this extent on the security of their stocks. The Company has also deposited as collateral security the certificates for its holding in these undertakings. To finance further acquisitions the Company has obtained loans from associated concerns amounting to £2,535,696 at June 30, 1920. This novel method of finance is further complicated by the existence of advances of £866,928 to allied companies. Creditors (including dividends payable) amount to £159,452, while cash does not exceed £3,082. The suspense account of £68,068 represents the proportion of dividends received applicable to period subsequent to June 30, 1920, less sundry charges of £24,625 paid in advance. As already indicated the preliminary expenses of £37,873 have been eliminated, while £7,613 of the discount on debentures have been written off, leaving a balance of £68,517. Having regard to the change in industrial conditions the stringency of liquid capital has probably become still more acute since the date of the balance sheet. The outlook is distinctly uncertain, and it is rather significant that no interim dividend has been paid by the Company in respect of the current financial year. Many of the businesses which were acquired at a period of abnormal industrial prosperity, and consequently at inflated values, are now passing through a depression the duration of which it is impossible to estimate. The position of the colliery undertakings in consequence of the present crisis is particularly grave. Debenture and loan interest will represent a very heavy charge against the revenue for the current financial year, and in addition provision may have to be made for depreciation of investments. The uncertainty of the position is reflected in the present quotation for the Company's Ordinary shares.

THE BRITISH THOMSON-HOUSTON CO., LTD.

Issued Capital: £3,500,000 in 1,500,000 7% Cumulative Preference Shares and 2,000,000 Ordinary Shares of £1 each. 4½% Debenture Stock: £157,595.

Year	Profit	Deb. Int.	[illegible]	[illegible]	Pref. Divs.	[illegible]	[illegible]
	£	£	£	£	£	£	£
1914...	130,805	[illegible]	[illegible]	[illegible]	—	—	[illegible]
1915...	192,361	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1916...	221,205	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1917...	329,664	114,098	[illegible]	[illegible]	—	[illegible]	[illegible]
1918...	317,016	116,196	[illegible]	[illegible]	[illegible]	[illegible]	150,865
1919...	412,400	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1920...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* After [illegible]
† Dividends [illegible]
‡ Deficit [illegible]

The report of this firm of electrical engineers and contractors for the twelve months to December 31 last shows that after deducting all expenses and charges other than interest and depreciation a profit has [illegible]

obtained amounting to £470,470, as compared with £412,400 for the previous year. No information is furnished as to the provision which has been made for taxation, but this has clearly been greater than in 1919. Interest on debentures and loans absorbs £179,990, as compared with £134,230, while the allowance for ordinary depreciation remains practically unchanged at £60,000. A provision of £150,000 is made in respect of "inventories, &c." but the reserve for possible losses on exchange, to which £154,723 was transferred in 1919, receives no further allocation. The arrears of Preference dividend from February 1904 to December 31, 1919 (amounting to fifty-two and a-half per cent.), were satisfied in full in July 1920 by the allotment of 210,000 fully-paid £1 Ordinary shares, while 40,000 Ordinary shares at the rate of ten per cent. were allotted to the Ordinary holders, the allotments being effected by capitalising £250,000 standing to the credit of the capital reserve. In July 1920 the capital was rearranged by converting into £1 Ordinary shares at par 40,000 £10 Preference shares, and the 40,000 £10 Ordinary shares. Besides these alterations the Company issued at par for cash 950,000 Ordinary shares and 1,500,000 Seven per Cent. Preference shares. The dividend in the old Preference shares for the eight months to date of conversion amounts to £10,667, and on the new Preference shares for one month (to December 31 last) to £8,750, free of income tax. An Ordinary dividend of six per cent., tax-free, is recommended, payable on £400,000 shares for twelve months, on £773,500 shares for four months, and on £826,500 shares for one month, absorbing in all £43,607. The balance of £225,892 carried forward to the current year is subject to adjustment of the reserve made for excess profits duty for 1918, 1919, and 1920.

The following table shows the balance sheet position:—

LIABILITIES.	1919	1920	ASSETS.	1919	1920
	£	£		£	£
Share Capital ..	2,500,000	3,500,000	Fixed assets ..	978,177	1,329,092
Debenture stock	142,895	157,595	Goodwill, &c.	223,596	222,853
Sundry liabilities	2,571,982	3,139,862	Trading Investments	65,740	306,939
			Investments		
Capital reserve	251,772		Stocks, &c. ...	1,534,003	2,397,310
Profit balance	278,151	288,911	Debtors ...	1,281,324	2,456,395
			Cash and war bonds ...	212,240	173,869
	4,245,050	7,086,368		4,295,080	7,086,368

Including reserve for taxation.

Although loans have been reduced from £1,197,854 to £500,000, sundry creditors, which include provision for taxation and possible exchange losses, have been increased from £834,317 to £1,344,690, and the sums due to the International General Electric Company of New York from £837,366 to £1,292,808. The outlay on the fixed assets during the year amounted to £595,208, mainly representing additions to the works at Rugby, Coventry, and Willesden. Stocks have been increased from £1,534,003 to £2,397,310, and debts (against which reserves have been created) from £1,281,324 to £2,456,395. Trading investments have also been increased from £65,740 to £306,939, while cash and War bonds have been reduced from £212,240 to £173,869. The valuation attached to goodwill, patents, and licences remains practically unchanged at £222,853. It will be seen that despite the additional capital raised during the year the deficiency of liquid assets (excluding stocks and trade investments) as compared with current liabilities has only been reduced from £1,378,418 to £509,598. Besides, allowance has to be made for dividend payments amounting to £63,019, and for adjustments in respect of taxation. The report states that during the period under review the pressure of work has been abnormally heavy, notwithstanding the fact that towards the end of the year the volume of orders showed signs of decreasing. The Preference and Ordinary shares of the Company are not quoted, as a controlling interest is held by the International General Electric Company, Incorporated, of New York.

THE BRITISH COTTON AND WOOL DYERS' ASSOCIATION, LIMITED.

Issued Capital: £580,624, in 2,322,496 Ordinary shares of 5s. each; 4% 1st Mortgage Debenture stock, £620,000.

Year to March 31	Profit*	Depreciation, Repairs Renewals	Debenture Interest	Dividend		To Reserve Fund	Other Allocations	Carried forward
	£	£	£	£	%	£	£	£
1915...	125,991	55,980	27,714	22,566	7	—	—	32,455
1916...	187,023	68,947	27,552	32,600	10	50,000	—	40,382
1917...	252,622	93,308	24,960	57,620	15	50,000	—	47,116
1918...	206,242	96,056	24,800	38,708	10	50,000	—	43,815
1919...	216,861	109,007	24,800	38,708	10	50,000	—	38,160
1920...	291,532	144,535	24,800	58,062	10	68,541	—	33,753
1921...	263,165†	165,356	24,800	58,062	10	—	25,000	23,699

* After providing for taxation, but before deducting depreciation, repairs and renewals.
† Subject to directors' fees

STRIKING evidence of the effects of the recent depression in the textile industry is afforded by the report of this Company for the twelve months to March 31 last. The accounts show a profit, before providing for specific depreciation, repairs, and renewals, of £263,165, as compared with £291,532 for the previous year. The half-yearly report published in November showed that the profit, estimated on the same basis for the first six months, amounted to £154,955, as against £128,641 for the corresponding period of the previous year; and accordingly the profit, subject to directors' fees, for the half-year to March 31 last works out at £108,210, as compared with £168,140 for the six months to March 31, 1920. The actual decline resulting from the depression which developed in the autumn of last year has, therefore, been much greater than is indicated by a comparison of the full results for each year. Despite the reduced profit, the charge for repairs and renewals is increased from £106,136 to £130,648, and for specific depreciation from £4,754 to £9,707. The transfer to depreciation fund is, however, reduced from £33,644 to £25,000, leaving a net profit of £97,809, as compared with £146,977. Debenture interest amounts to £24,800, while the dividend is maintained at ten per cent., absorbing £58,062, the same as in the previous year. No allocation is now made to the reserve fund, which received £68,541 a year ago, but £25,000 is transferred to an investment contingency fund, leaving a balance of £23,699 to be carried forward (subject to directors' fees), as compared with £33,753 brought in.

The following table shows the balance-sheet position at the end of each of the past three financial years:—

LIABILITIES.				ASSETS.				
March 31	Issued Capital*	Sundry Liabilities†	Reserves & Carry forward	Fixed Assets‡	Stocks	Debtors	Cash and Investments	
	£	£	£	£	£	£	£	
1919...	1,007,083	219,294	378,458	909,472	250,602	536,369	118,592	
1920...	1,200,624	559,176	279,003	1,002,670	391,120	539,148	105,865	
1921...	1,200,624	378,641	313,700	1,174,283	287,613	257,287	173,782	

* Including debenture stock £620,000.
† Including dividends payable. ‡ Including goodwill.

The sundry liabilities, which presumably include provision for taxation as well as other contingencies, show a reduction of £180,535, due in part to the repayment of a loan of £75,027. It should be noted that the reserves include a depreciation fund of £140,000, besides the investment contingency fund of £25,000 now established. The reserve fund remains unchanged at £125,000. The fixed assets, which include goodwill valued at £40,905, show net additions for the year of £181,320, but, allowing for specific depreciation, the actual increase for the year does not exceed £171,613. Stocks have fallen from £391,120 to £287,613, and have been valued at cost or market price, whichever was the lower, with the exception of yarn bought against sales, which is taken at cost. Debtors have also been reduced from £539,148 to £257,287, allowing of an increase from £1,097 to £59,695 in cash and bills (excluding sums deposited with trustees for Debenture-holders). The investments valued at cost show an increase of £4,000 at £90,361, represented by shares in British Dyestuffs Corporation £31,311, British Alizarine Company £8,000, Scottish Dyes £2,000, and Government securities £48,750. Despite the large additions to

properties, the surplus of liquid assets (excluding stocks) over current liabilities (including dividends payable and provision for taxation) has only been reduced from £67,130 to £28,403. It may be pointed out that the balance sheet incorporates the accounts of all the subsidiaries of the Association.

Although there are indications that the most acute period of the depression in the textile industry has now passed, the outlook is still uncertain. The export trade, upon which the prosperity of the industry primarily depends, is seriously hampered by high production costs and the unstable conditions prevailing abroad. The position is still further aggravated by the present crisis in the coal industry.

The 5*s.* shares of the Company are now quoted at 5*s.* 3½*d.* ex dividend, at which price a yield of nearly 9.5 per cent. is obtained on the basis of a dividend of 10 per cent.

TEXTILE CORPORATION LIMITED.

This Company was formed for the purposes of transacting merchant banking business, mainly in the textile and allied trades, and to conduct and finance export trading. Its first accounts, covering the period from January 22, 1920, to March 31, 1921, show a gross income (represented by dividends, interest and commission) of £31,542, from which have to be deducted administration expenses, including reserve for taxation, amounting to £11,082, leaving a net profit of £20,460. An interim dividend of ten per cent. per annum, less tax, paid in July last absorbed £13,258 net, leaving a balance of £7,202 to be carried forward.

The issued share capital, which amounts to £680,000, is represented by 600,000 Ten per Cent. Ordinary shares of £1 each and 800,000 Deferred shares of 2*s.* each issued in January 1920. The Company acquired the whole of the Ordinary capital of Charles Semon and Company, amounting to £250,000, at a price of £500,000. Other investments which figure among the assets do not exceed £9,250. Loans and sundry debtors amount to £100,301 and cash to £57,621, against which there are sundry creditors not exceeding £31,834. Under the guarantee in respect of the Preference shares of Charles Semon and Company the Corporation has paid the half-yearly dividend, amounting to £13,250, on these shares to that company, and will also provide funds to cover the dividend to June 30 next. These payments, being recoverable out of the profits of the associated company, appear among the assets. The preliminary expenses figure at £25,405, representing the balance, after deducting the premium on the Deferred shares amounting to £10,000.

In the prospectus issued in January 1920 it was stated that the profits then accruing to the Ordinary shares of Charles Semon and Company were more than twice the amount required to pay the ten per cent. dividend upon the Ordinary shares of the Corporation. The accounts of that company covering the fifteen months to December 31, 1920, showed, however, a net loss of £97,145, due, it is stated, to the unprecendented fall in values in the textile trades. This debit balance has been increased to £140,599 by the payment of Preference dividends of £24,704 and an Ordinary dividend, in July 1920, of seven and a-half per cent., amounting to £18,750. No reserves have been created by this Company, and its accounts show a rather acute stringency of liquid capital. The ten per cent. £1 ordinary shares of the Textile Corporation are now quoted as low as 1*s.* 3*d.*, while the 2*s.* Deferred shares are quoted at 1*s.* 6*d.*

SOUTH AND CENTRAL AMERICA.

We regret that pressure upon our space compels us to hold over our usual article under the above heading.—Ed.

New Issues.

LONDON HOUSING BONDS.

Details of these bonds were given in our issue of December 24, 1920.

UNITED GLASS BOTTLE MANUFACTURERS, LTD.

Offer for sale at par of £600,000 Seven per Cent tax free First Mortgage Debenture stock, repayable at 103 per cent. by twelve equal annual drawings from 1925 to 1936. Flat yield, £10 per cent per annum; yield, including redemption, £10 5*s.* 6*d.* per cent. per annum.

The Company was formed in 1913 with a capital of £600,000 to amalgamate a number of bottle manufacturing businesses. The authorised capital is at present £917,330 £499,800 in seven and a-half per cent., tax free, Preference and £417,530 in Ordinary shares, in addition to £200,000 Debenture stock. The present emission is intended to provide funds for the redemption of the existing Debenture stock, to repay temporary advances and to replace capital expenditure made from revenue. The stock will be secured by trust-deed as a specific mortgage upon the freehold and leasehold land, buildings, and fixed plant and machinery of the parent company, on the shares, stocks, and Debentures held by it and a floating charge on the whole undertaking. It is not possible to segregate the value of the assets specifically charged from the figures given in the circular offering the stock for sale. Certified total net assets, subject to excess profits duty liability, amounted, on December 31 last, to £1,107,419, thus giving a floating charge of nearly double the value of the stock now offered. Profits, shown since 1913, rose from £54,755 in that year to £151,660 in 1916, falling again to £59,417 in 1918. The installation of Owen's automatic machines was followed by a marked increase in profits, which amounted to £171,616 and £235,833 in 1919 and 1920 respectively. The management express the opinion that, when the Charlton works come into full operation, profits will display a steady increase despite the fall in the price of bottles. The annual Debenture interest seems, therefore, amply assured. Repayment at 103 by equal annual drawings between 1925 and 1936 is an attractive feature of the offer. The lists will close on or before Wednesday, May 18.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED.

Offer of 300,000 £1 shares at £4 each to be credited 5*s.* paid.

The Corporation was established in 1880 to undertake employers' liability and all classes of accident insurance business. With its recent acquisitions it is now in a position to deal with all kinds of insurance business at home and abroad. That the Corporation is well established is evidenced by the fact that between 1911 and 1920 the premium income increased from £1,405,011 to £6,799,865, assets from £2,024,195 to £8,904,391, and the general reserve from £656,638 to £1,255,913. Dividends on the paid-up capital, which rose during the same period from thirty per cent. to eighty per cent., have been covered by the gross interest earned on the invested funds of the Corporation, without recourse to the profits on the business carried on. The above figures relate only to the Employers' Liability Assurance Corporation, Limited, and (except for the inclusion of the dividend paid on the shares of the Merchants' Marine Insurance Company, held by the Corporation) do not refer to the Merchants' Marine Insurance Company, Limited, or the Clerical, Medical, and General Life Assurance Society, the majority of whose shares are now owned by the Corporation. In 1921 and subsequent years the gross interest of 1920 will be increased by the dividend payable on the shares of the Clerical, Medical, and General Society held by the Corporation. The proceeds of the present issue will be used to provide additional working capital necessitated by the recent expansions of the Corporation's existing business. The general policy of the directors in the past has been to distribute by way of dividend approximately the gross amount of interest earned by the invested funds. They have accordingly fixed the price of the shares of this issue at a figure which, allowing for the increase in investment income resulting from the increased capital, should enable them to pay the same rate of dividend on the shares now offered. At the price at which they are now offered the yield, including the payment of the tax at 6*s.* in the £, is £7 2*s.* 11*d.* per cent., an attractive rate for a high-class security. The lists closed on Friday, May 13.

ALLEN LIVERSIDGE, LIMITED.

Offer at par of 160,280 Ordinary shares of £1 each.

The Company is engaged in all branches of the acetylene, electric, and petrol air-gas industries, and especially in the manufacture and sale of dissolved or compressed acetylene for use with oxygen in oxy-acetylene metal cutting and welding. The Company is now the sole manufacturer of dissolved acetylene in the United Kingdom, and holds patent rights throughout the world. With concurrently increasing capital dividends have shown a consistent growth, from ten per cent. in 1916 to twenty-three per cent. in 1920. The shares now offered form the balance of 300,000 Ordinary shares authorised. There is no Preference capital, and the existing £50,000 Debentures, deposited as banker's collateral, will be redeemed out of the proceeds of the present issue. Trading for the current financial year, according to the prospectus, has been well maintained, and the sales of dissolved acetylene, the Company's principal product, have increased considerably over the corresponding period of the previous year. The directors confidently expect that the present rate of dividend will be maintained on the increased capital. Subject to general trade fluctuations, the emission now being made seems attractive. The lists close on or before Wednesday, May 18.

JOHN BELL AND CROYDEN, LIMITED.

Offer at par of 90,000 Ten per Cent. Cumulative Participating Preference shares of £1 each. The participating rights consist of a title to one-third of the distributable profits left after the Preference shares have received ten per cent. and the Ordinary 100 per cent.

The Company has been formed to acquire the undertakings of John Bell and Croyden, Limited, dispensing, pharmaceutical, analytical, and general chemists and druggists, and Langham Brothers, Limited, fine chemical and perfumery manufacturers, London. The total purchase consideration is £76,249 8s., payable £40,677 8s. in cash, £29,622 in Preference and £5,950 in Ordinary shares. The authorised capital is £150,000, £144,000 in £1 Preference and £6,000 in 1s. Ordinary shares. The prospectus contains a certified valuation for only one of the businesses taken over and shows no statement of previous profits. The present offer is limited in appeal, therefore, to those directly interested in the enterprise. There is apparently no immediate intention of obtaining a Stock Exchange quotation. The lists closed on Wednesday, May 11.

DUDLEY EMPIRE PICTURE HOUSE, LIMITED.

Offer at par of 20,000 Ten per Cent. £1 Cumulative Preference shares and 19,000 £1 Ordinary shares.

The Company has been formed to acquire a picture theatre in Dudley, Worcester. The purchase price is £57,000, of which £36,000 is in cash. A sum of £14,600 is included for goodwill. Ordinary dividends, based on 1920 results, are estimated at twenty per cent. The shares will possess a very limited market and partake of the speculative nature common to all amusement undertakings.

ISSUES TO SHAREHOLDERS.

Menykibol (Central Johore) Rubber: 41,651 Eight per Cent. Cumulative Participating Preference shares at par in the proportion of two for every five Ordinary shares held.

Portian (Malay) Rubber: 46,714 Eight per Cent. Cumulative Participating Preference shares at par in the proportion of six for every five Ordinary shares held.

RESULTS.

We are informed that the recent issues of £2,000,000 in Eight per Cent. Preference shares at par by Nestlé and Anglo Swiss Condensed Milk Company, £2,500,000 in Seven and a-Half per Cent. Cumulative Preference shares at par by Brunner, Mond and Company, £750,000 Eight per Cent. First Mortgage Debenture stock at ninety-five by Sheffield Steel Products, Limited, £450,000 Six and a-Half per Cent. Debentures at ninety-eight, 1,500,000fl. Seven per Cent. Non-Mortgage Debentures by Arnold J. Van den Berghs Emballage, Farrieren, were over-subscribed. The response to the issue to the shareholders of £750,000 Ten per Cent. Debentures by the Roumanian Consolidated Oilfields, Limited, was sufficient to place the company in a position to carry out its extensive development programme. Underwriters had to take up about sixty per cent. of the British Central Africa issue of 200,000 Eight per Cent. First Mortgage Debentures at ninety-five.

PENDING ISSUES.

Among the numerous pending issues are £4,000,000 in Six per Cents 1931-61 at eighty-eight by the Norwegian Government, £1,250,000 in Seven per Cent. Debentures by De Beers, £2,000,000 in Seven and a-Half per Cent. Debentures by Baldwins, Limited, £500,000 in Seven and a-Half per Cent. Debenture stock 1921-41 at ninety-five by the Metropolitan Electric Supply, £1,100,000 in Ten per Cent. Preference shares by Beechams, Limited, £350,000 Eight per Cent. Debentures by Johnson and Phillips, and £500,000 in Ordinary shares at par by the San Paulo Development Company.

Banque Nationale de Credit.—Though the trade depression reacted as severely in France as elsewhere, the year 1920 was for the Banque Nationale de Crédit again a period of development and prosperity. The net work of branches and agencies of the Bank comprises now 316 offices, and a further group will probably be opened in the current year at Nice, Cannes, and Monte Carlo. The net profits for the twelve months ended December 31 last were Frs.25,582,703, an increase of Frs.11,225,535 on the previous year. The dividend is consequently raised from fourteen to sixteen per cent., absorbing Frs.20,000,000 in all, leaving a total carry-forward of Frs. 2,233,318. The expansion of business rendered necessary an increase of capital, which was accordingly raised from 300 to 500 millions. Deposits have increased from Frs.2,157,000,000 in 1919 to Frs.2,419,000,000. Liquid assets, represented by cash on hand and with bankers, and bills receivable, amount to nearly two billion francs. The Bank's endeavours to accommodate industrial interests resulted in a heavy further increase in loans and advances, but liquidity has not been unduly strained by this assistance as the items represent chiefly money at call or short notice. The reserve fund, amounting now to over ninety-two million francs, has been swelled by the premium on recent capital emissions.



KING'S HEAD
Tobacco

The smoker of King's Head feels on good terms with the world. That delectable flavour of King's Head is a thing to capture every pipe-lover; a flavour that is full enough for most and not too full for many.

THREE NUNS
is a similar but milder blend

Both are sold everywhere in the following packings only
Packets: 1-oz. 1 2, 2-oz. 2 4—Tins: 2-oz. 2 5, 4-oz. 4 8

"THREE NUNS" CIGARETTES

	10's	20's	50's	100's
MEDIUM	6d	1/-	2/5	4/8
HAND MADE	8d	1/4	3/4	6/8

Stephen Mitchell & Son, Branch of the Imperial Tobacco Company (of Great Britain and Ireland), Limited, 36 St. Andrew Square, Glasgow

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COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Railways—Foreign:											
Lima Railways	31 12 20	15,191		3½	15,556					8,066	2
Puerto Cabello & Valencia	31 12 20	9,548	-	2½	8,050	1,487					
Breweries and Distilleries:											
Brandon's Putney Brewery	31 12 20	11,115	7,500	20	30,000	10,000				55,022	25
Gordon & Blair	31 3 21	10,288	2,625	15	7,875						20
Lowrie (W.) & Co.	31 3 21	20,950	18,000	25	50,000	25,000					25
Walker (Peter)	31 12 20	305,585	123,356	12½	156,250	90,000					
Canals and Docks:											
Irvine's Shipbuilding & Dry Docks	31 12 20	55,687	27,000	3·41	15,000	-	-				
Commercial and Industrial:											
Amalgamated Industrials	30 6 20	215,652	-	7½	105,000						-
Ardath Tobacco	31/12 20	65,362	32,242	5½	10,000	20,000				127,447	
British Cotton & Wool Dyers	31 3 21	48,008		10	58,062						
British Thomson-Houston Co.	31/12/20	80,480	19,417	8½	15,000			225,892	+ 17,462	569,762	
British Tobacco Co. (Australia)	31/1 21	640,150	89,084	12	491,987		27,160	36,179	+ 1,908		
Brown Brothers	18 12 20	60,047	13,765	10+	31,610	12,500					10+
Craigpark Electric Cable	31 3 21	13,677	2,850	12½	4,687	4,000				14,454	12½
McIlroy (William)	16 3 21	12,067	23,000			5,000				31,801	
National Drug & Chemical	31/1 21	41,220	45,195	--	-	-	-	21,441	- - 47	47,200	
Financial, Land and Investment:											
Consolidated Mines Selection	31 12 20	124,921		5½	to 72,415	—	—	53,427	- 5,500	-	
Home Property & Investment	31/3 21	13,751	6,551	4	7,375	-		2,515	978	15,065	
Pacific Loan & Investment	31/12 20	13,577		7	11,812			15,047	- 1,765	13,646	
Pacific Trust Association	31 12 20	8,639		6	4,200	2,000		3,000	- 2,450	2,000	
Financial Trust:											
Consolidated Trust	15 4 21	37,218	16,292	15	13,230	—	—	21,501	7,000	2,545	15
Iron, Coal and Steel:											
Babcock & Wilcox	31/12 20	497,467	14,952	16†	343,812	15,000	1,000	90,000	- 30,000	15,000	7
Blake Boiler, Wagon & Engineering	31/3/21	8,409	162	10	4,236	4,000	—	4,777	44		
Kerr, Stuart	31/7/20	38,281	4,200	1½	22,050	—		62,765	- 11,153	15,564	
Knowles (Andrew)	(15 mos.) 31/3/21	69,755			52,500	—		36,421	+ 17,153	63,939	
Nitrate:											
New Pacific & Jarpampa	31 12 20	1,156	-	8	5,100	—		50	- 1,300	Dr. 21,077	
Tea, Coffee and Rubber:											
Bikam Rubber	31/12/20	10,141	—	5	4,000		-	4,241	4,241	-	
Boker Tobacco	(15 mos.) 31/12/20	8,078	-					8,078			
Ceylon Provincial Tea Estates	31 12 20	1,793	1,306	—		500		4,000	4,000	10,566	10
Dehiowita Ceylon E.M.S.) Rubber	31 12 20	5,476				-		18,000	- 5,000	23,098	20
Dolosbage Rubber	31 12 20	787	--	-		-		4,128	- 785	7,771	5
Golconda Malay Rubber	31 12 20	571	--	-				8,712	+ 571	33,198	35
Jones, Lund & Carey	(15 mos.) 30 11/20	82,588	--	5	67,039			15,000	-	-	
Pamunkila Rubber	31 12 20	510	--	-				2,417	+ 510	11,077	5
Sungei Way (Java) Rubber	31/12,20	1,513	--	--	-	—	--	4,665	+ 1,513	6,752	-
Standard Tea Co. of Ceylon	31 12 20	Dr. 1,017	--	--		--	--	37,255	1,000	-	-
Waverley Rubber & Tea	31,12,20	Dr. 2,191	-	--		—	—	28	- 2,191	10,374	5
Water:											
Burgess Hill Water Co.	25 3 21‡	850	--	{ 2 Old Ord. 1 New	900	- -	—	147	- 747	812	2 Old Ord. 1 New
Mining:											
Golden Horse-Shoe Estates	31 12 20	65,489	—	5†	75,000	—	-	22,083	— 9,511	—	-
Meyer & Charlton	31/12,20	106,109	120	210,000		—	—	161,677	- 20,999	332,367	120
Namaqua Copper	31/12/20	Dr. 8,376	-	-		-	-	Dr. 1,225	8,376	—	
Rhodesia Gold Mining & Invest.	31 12 20	Dr. 188,271	-	-		-	-	Dr. 150,000	—188,271	—	—
Waihi Gold	31/12/20	84,274	—	20‡	99,181	—	-	14,159	— 9,511	—	—

° After provision for all Government taxation, prior charges, &c. ‡ Tax free. † Half-year

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

London Clearing Banks: Weekly Averages for April.

(000's omitted.)

	Liabilities. Paid-up Capital and Reserve Fund. £	Current and Deposit and other Accounts. £	Acceptances, Endorsements, &c. £	Other Liabilities. £	Total Liabilities or Assets £	Assets. Coin, Bank & Currency Notes and Balances with Bank of England. £	Balances with and Cheques in course of collection on other Banks in U.K. £	Money at Call and Short Notice £	Bills Discounted £	Investments £	Advances and other Accounts £	Other Assets £
Bank of L'pool & Martins, Ltd.	3,748	76,996	4,531	—	85,275	8,593	2,198	5,790	6,265	14,366	42,261	5,801
Barclays Bank, Ltd.	23,842	320,550	8,100	-	352,492	35,491	8,116	19,304	54,805	56,022	158,053	20,610
Coutts & Co.	1,600	19,093	426	—	21,119	1,555	483	2,619	3,000	4,506	7,440	766
Glyn, Mills, Currie & Co.	1,500	21,524	1,420	149	24,593	2,655	1,029	3,317	1,072	6,250	8,625	1,790
Lloyds Bank, Ltd.	24,138	326,754	9,392	—	360,284	36,806	9,747	15,040	66,281	66,750	144,691	21,644
London Joint City & Midland Bank, Ltd.	21,720	355,538	20,629		397,887	53,032	11,551	14,169	47,67	41,500	141,000	27,771
London County Westminster & Parr's Bank, Ltd.	18,008	296,555	12,770	18	327,351	30,164	8,364	17,872	61,537	54,114	135,689	19,611
National Provincial & Union Bank of England, Ltd.	18,187	259,276	4,481		281,944	47,473	6,944	12,238	51,768	51,768	140,700	10,524
National Bank, Ltd.	2,480	42,029	553	3,659	48,721	5,312	158	7,922	3,148	13,000	17,720	980
William Deacon's Bank, Ltd.	2,875	33,404	1,283	—	37,562	3,902	1,490	1,521	2,164	4,473	22,120	1,886
Total, 10 Banks...	118,098	1,751,719	63,585	3,826	1,937,228	204,983	50,080	99,792	278,302	322,784	869,901	111,386

ATCHISON, TOPEKA AND SANTA FE RAILWAY.

TWENTY-SIXTH ANNUAL REPORT—FOR THE FISCAL YEAR TO DECEMBER 31, 1920.

To the Stockholders:

Your directors submit the following report for the fiscal year January 1, 1920, to December 31, 1920, inclusive.

The lines comprising the Atchison System, the operations of which are embraced in this report, and the mileage in operation at the end of the year, as compared with the previous year, are as follows:—

	December 31, 1920. Miles.	December 31, 1919. Miles.
Atchison, Topeka & Santa Fe Railway ...	8,879.11	8,879.99
G., C. & S. F., Colorado & Southern Railway ...	1,607.14	1,607.64
Fort Worth & Denver City Railway ...	892.48	747.07
Grand Canyon Railway ...	64.59	64.59
Kansas, Oklahoma & Gulf Railway ...	—	61.51
Roswell-Pecos, El Paso & Santa Fe Railroad ...	29.22	29.22
	11,674.54	11,483.12

Operated by Atchison, Topeka & Santa Fe Railway Company from March 1, 1920.

Increase during the year, 191.41 miles. The average mileage operated during the fiscal year ending December 31, 1920, was 11,583.68, being an increase of 84.03 miles as compared with the average mileage operated during the preceding fiscal year. The Company is also interested, jointly with other companies through ownership of stocks and bonds, in other lines aggregating 567.00 miles—namely, Northwestern Pacific Railroad, 517.14 miles, and Sunset Railway, 49.86 miles. For detailed statement of present mileage and for changes in mileage during the year see pages 45 to 47 of Pamphlet Report.

INCOME STATEMENT.

The following is a summary of the transactions of the System for the years ending December 31, 1919 and 1920:—

	1919.	1920.
Operating Income		$12,985,721 54
Compensation under Transportation Act Accrued	$44,015,087 16	7,629,591 51
Guaranty under Section 209 Transportation Act, 1920		22,553,224 99*
Other Income	15,100,115 06	9,842,116 07
Gross Income	$59,715,203 22	$53,078,597 05
War Tax Accruals	5,375,271 20	2,098,197 20
Miscellaneous Tax Accruals	25,892 77	17,553 98
Rent for Leased Roads and Equipment	1,556,712 22	772,173 42
	$54,757,326 97	$50,190,672 45
Interest on Bonds, Rentals and Accrued Interest on Adjustment Bonds	11,651,539 20	12,015,621 67
Net Corporate Income (or Deficit) available for Dividends or Surplus	$43,005,657 77	$37,574,757 18

From the net corporate income for the year the following sums have been deducted:—

Dividends on Preferred Stock No. 44 and No. 45	$8,686,687 50
Dividends No. 100 on Common Stock	14,441,110 00
Appropriation for Fuel Reserve Fund	71,829 81
California Arizona Lines Bonds Sinking Fund	14,266 84
S. F. & S. V. Ry. Co. Bonds Sinking Fund	12,300 00
Surplus carried to Profit and Loss	$17,881,460 13
Surplus to Credit of Profit and Loss, December 31, 1919	65,366,689 83
Sundry Adjustments	2,000,531 49
Surplus Applicable to Investment in Property	54,715 72
Surplus to Credit of Profit and Loss, December 31, 1920	$84,105,786 16

* Four months ending December 31, 1920.
† Two months ending February 29, 1920.
‡ Six months ending August 31, 1920.

In this statement the full amount of the guaranty under section 209 of the Transportation Act, 1920, has been set up. The net result of the operations of the guaranty period is not set out separately, but is included in the amount of the guaranty.

"Other Income" consists of interest accrued and dividends received on securities owned, including United States bonds and Treasury certificates, interest on bank balances, rents from lease of road and other property, and other miscellaneous receipts.

During the year the sum of $400,000 in cash was received as the net proceeds of sale of land embraced in the Santa Fe Pacific Land Grant, but this was directly written off the book value of road and equipment and the transaction does not appear in the income account.

CAPITAL EXPENDITURES AND REDUCTION OF BOOK VALUES.

The total charges to capital account, as shown by the general balance sheet at December 31, 1920, aggregated $820,746,497.97, as compared with $804,903,069.71 at December 31, 1919, an increase during the year of $15,843,428.26, which analyses as follows:—

Construction and acquisition of new mileage, including the acquisition of bonds and stocks of other railway companies: Clinton County & Santa Fe Ry., $58,333.47; Buffalo Northwestern R.R., $841,897.66; Minkler Southern Ry., $570,162.91; North Texas & Santa Fe Ry., $207,965.56; Oklahoma Central R.R., $18,256.63; Osage County & Santa Fe Ry., $22,817.84; Ligon & Santa Fe Ry., $4,274.85; Verde Valley Ry., $119,000.00. Total, $1,867,874.80.

Additions and Betterments:—Fixed Property, $8,134,043.53; Equipment, $8,775,465.17; Improvements to Equipment, Railroad Companies, $800,705.55; Santa Fe Land Improvement Co., $376,793.93. Total, 16,168,086.30.

Investments in Affiliated and Collateral Companies:—

Cherokee & Pittsburg Coal & Mining Co., $ *299,000.00*; Ft. Worth Union Passenger Station Co., $7,702.23; Northwestern Pacific R.R., $29,997.12; Santa Barbara Tie & Pole Co., *$1,295.14*; Santa Fe Land Improvement Co., $23,865.00; Southwestern Lumber Co. of New Jersey, *1,681,744.08*; Westport Tie Co., $102,371.27. Total, 1,500,975.29. Miscellaneous Physical Property, *$ 91 181.91*; Other Investments, including Sinking Fund, $626,926.84. Total, $16,380,798.61.

Reduction of Book Values:—

Santa Fe Pacific Land Sales, $400,000.00; Miscellaneous Items, $137,280.35, $537,280.35; Net Increase in Capital Account during the year, $15,843,428.26.

Note.—Credits in *italics*.

The net charge of $6,850,545.49 for "Equipment" analyses as follows:—

52 Locomotive, $4,387,011.94; 1,207 Freight-Train Cars, $3,858,630.60; Passenger-Train Cars, $1,129.69; 229 Miscellaneous Work Cars, $151,462.19; 8 Miscellaneous Equipment, $7,421.13—Total, $8,406,655.55. *Less*—Value of Equipment retired during the year as follows:—59 Locomotives, $298,061.94; 1,821 Freight-Train Cars, $1,126,187.07; 27 Passenger-Train Cars, $77,315.30; 166 Miscellaneous Work Cars, $38,607.67; Miscellaneous Adjustments, $14,940.08. Total, $1,555,112.06.—$6,850,543.49.

The 1,821 freight-train cars reported as retired and the 229 miscellaneous work cars added, include 203 cars, which, being converted into work service cars, were relettered and transferred from freight equipment to work service equipment during the year.

CAPITAL STOCK AND FUNDED DEBT.

The outstanding capital stock on December 31, 1919, consisted of:—

Common, $222,875,500.00; Preferred, $124,173,700.00.:—Total:—$347,047,200.00.

Issued during the year:—Common Stock issued in exchange for Convertible Bonds retired, $1,842,000.00. Capital Stock outstanding December 31, 1920:—Common, $224,715,500.00; Preferred, $124,173,700.00.—Total, $348,889,200.00

The number of holders of the Company's capital stock at the close of the last five years and the changes in number from year to year were as follows:—

Number of Stockholders: Common, 56,169, increase for the year, 5,188; Preferred, 21,367; increase for the year, 1,724. The outstanding Funded Debt of the System amounted on December 31, 1919, to $285,533,457.70. The following changes in Funded Debt occurred during the year: *Obligations Issued*:—California-Arizona Lines 1st and Refunding Mortgage 4% Bonds, $8,170.20; Equipment Trust 6% Notes, $7,356,000.00. Total $7,364,170.20 *Obligations Retired*:—Convertible 4% Bonds, $1,842,000.00; S. F. & S. V. Ry. Co., First Mortgage 5% Bonds, $3,000.00. Total, $1,845,000.00.—Increase of Funded Debt, $5,519,170.20. Total System Funded Debt outstanding December 31, 1920, $291,052,627.90.

TREASURY.

Neither this Company nor any of its auxiliaries has any notes or bills outstanding.

The Company held in its treasury on December 31, 1920, $26,749,783.32 cash. In addition, the Company and its affiliated railway companies own $19,409,650 of Liberty Loan Bonds and Victory Loan notes and United States Treasury Certificates of Indebtedness, which are carried at par in the general balance sheet in "Other Investments."

FUEL RESERVE FUND.

The fund has been increased during the year by appropriations of income as follows:—

Amount to credit of Fund December 31, 1919	$2,103,945 06
Added during the year	71,829 81
In Fund December 31, 1920	$2,178,774 86

VERDE VALLEY RAILWAY.

This line, extending from Drake to Clarkdale, Arizona, a distance of about thirty-eight miles, leased by your Company on February 1, 1915, was constructed pursuant to an agreement under which your Company received the capital stock of the Verde Valley Railway Company in consideration of a small cash payment and its agreement to purchase all the First Mortgage bonds of the Company, par amount $1,300,000, in semi-annual instalments based on the traffic originating on and destined to points on the new line. During the year the final payment on these bonds was made so that your Company now owns all the securities of the Verde Valley Railway Company.

CONSTRUCTION OF NEW LINES.

The present status of new lines under construction is briefly outlined in the following:—

BUFFALO NORTH-WESTERN RAILROAD.

This line, extending from Waynoka, Woods County, Oklahoma, to Buffalo, Harper County, Oklahoma, a distance of 51.44 miles, which was acquired while in a partly completed condition, was completed and placed in operation July 1, 1920.

MINKLER SOUTHERN RAILWAY.

Extensions of this line, from Porterville to Ducor, California, a distance of 12.40 miles, and from Oil Junction to a connection with the main line of your Company near Bakersfield, a distance of 2.82 miles, were placed in operation July 15, 1920. On the same date a long-term lease granting the Company the joint use of the Southern Pacific Company's line between Ducor and Oil Junction, a distance of 39.52 miles, became effective, and thus the direct easterly outlet for traffic originating in the Minkler Southern territory referred to in the annual report for the year ended June 30, 1917, has become an accomplished fact.

OSAGE COUNTY AND SANTA FE RAILWAY.

No work has been done during the year on this line, which is to extend from Owen, Washington County, Oklahoma, to a connection with the Eastern Oklahoma Division of your

main line between Remington and Fairfax, Oklahoma, a distance of 26.17 miles.

NORTH TEXAS AND SANTA FE RAILWAY.

This line, extending from Shattuck, Ellis County, Oklahoma, to Spearman, Hansford County, Texas, a distance of 34.74 miles, was placed in operation July 1, 1920.

FEDERAL CONTROL.

In the last annual report attention was called to the fact that your properties were not turned back at the end of Federal control, as it was agreed in the compensation contract they should be, in substantially as good condition and with substantially as complete equipment as when taken over by the President, pursuant to his proclamation of December 26, 1917. The determination and settlement of all matters relating to the maintenance of your properties are under way and will be brought to a conclusion as rapidly as possible, with due regard to the magnitude of the amounts and complexities of the questions involved.

The status as of December 31, 1920, of the accounts with the Railroad Administration other than maintenance was as follows :—

DUE FROM THE UNITED STATES GOVERNMENT :		
Accrued Compensation—balance		$38,063,929 57
Cash transferred December 31, 1917		7,948,850 95
Agents' and Conductors' Balances December 31, 1917		2,275,314 65
Assets December 31, 1917, collected		12,486,201 81
Revenue prior to January 1, 1918, collected		2,512,174 79
Federal Liabilities Paid		261,041 12
Federal Mileage Scrip		100,527 39
Accrued Depreciation and Retirements Road and Equipment		13,490,622 83
		$78,038,163 11
DUE TO THE UNITED STATES GOVERNMENT :		
Liabilities December 31, 1917, paid		$25,894,049 22
Payments for Corporate Transactions		2,976,187 04
Expense prior to January 1, 1918, paid		2,588,656 16
Expended for :		
Additions and Betterments—Road		17,003,284 21
Additions and Betterments—Equipment		20,871,695 07
Road Extensions		3,055,084.20
Federal Assets collected		748,677 39
Agents' and Conductors' Balances Federal, February 29, 1920		675,491 68
		$72,916,422 97
Balance due from the United States Government		$5,122,240 14

In the above statement the Government has been credited with $56,236,000, paid on account of compensation, but is charged with the estimated amount of additional compensation on additions and betterments completed prior to the end of Federal control. It does not, however, include interest due the Company on unpaid balances, estimated at $1,095,860.82, and carried in the general balance sheet as an unadjusted debit account.

In addition to the above, the Government is charged with material and supplies on hand December 31, 1917, and certain subsequent additions thereto, stated in the accounts at time of transfer at a value of $23,905,873.00, and is credited for material and supplies on hand at February 29, 1920, with $25,522,384.54, the value as stated in the Federal accounts.

At December 31, 1920, the Government was carrying a charge against the Company for expenditures for additions and betterments not approved by it and not included above, amounting to $364,033.96.

The retired property (road and equipment) and accrued depreciation accounts are subject to modification and adjustment to conform to a proper construction of the compensation contract.

These various accounts are grouped in the general balance sheet, pages 26 and 27 of Pamphlet Report, as United States Government accounts under current and deferred assets, deferred liabilities, and unadjusted debit and credit accounts.

GUARANTEE UNDER TRANSPORTATION ACT, 1920.

As stated in the last annual report the provisions of section 209 of Transportation Act, 1920, were accepted by your Company. Under these provisions the guaranty extended to the Company for the period of six months ended August 31, 1920, is approximately $22,553,224.93. This amount is based upon one-half the amount accruing to the Company as annual compensation under the compensation contract of November 22, 1918, plus the increases in such compensation provided for in section 4 of the Federal Control Act, and is subject to slight modification with respect to the increased compensation referred to. The net income from the operations of the guaranty period apply in the partial discharge of this amount.

ALLOCATED EQUIPMENT.

During the year the Company received the remainder of the 2,700 steel under-frame forty-ton capacity box cars, constructed under contract between the Director General of Railroads and equipment manufacturers, allocated to it during the preceding year. As of January 15, 1920, the Company issued equipment trust notes in accordance with an equipment trust agreement bearing that date between the Director General of Railroads, your Company, and the Guaranty Trust Company of New York, as trustee, in the sum of $7,356,000, which, together with $1,500 in cash, equals the minimum purchase price specified in the agreement. Final settlement for this equipment has not yet been made, but will be effected shortly without substantial variation from the amount of the minimum purchase price.

GENERAL.

At the opening of the year business was moving in tremendous volume. Beginning on April 1 a switchmen's strike complicated the situation and the railroads became badly congested. In spite of this, the business handled by your road was practically as large as that handled in any previous year.

In addition, a very grave interruption occurred on the Tehachapi Mt. joint track due to a fire in a tunnel. This occurred at the height of the deciduous fruit-moving season, making it necessary to divert all freight from the San Joaquin Valley and San Francisco over other roads for a period of four weeks. It is estimated that this interruption diminished gross receipts by at least $5,000,000.

Further, there are apparent abnormalities in the operating results for the year brought about by credit to railway operating revenue in January of $3,191,588.80 on account of back railway mail pay; by an increase in compensation of employees averaging about twenty per cent. granted by the Railway Wage Board on July 20, 1920, retroactive to May 1, 1920; and by increases in interstate freight rates and passenger fares granted by the Interstate Commerce Commission, not effective, however, until August 26, 1920.

For the purpose of approximating the amount of the maintenance expenditures to which the Company was entitled under the Transportation Act, it set up an equalisation reserve for maintenance of way and structures and maintenance of equipment. In creating this reserve there was charged to maintenance of way and structures and maintenance of equipment in the aggregate the sum of $13,374,975.59 in excess of expenditures for such purposes and the normal depreciation and retirement charges usually made by the Company.

It is with profound sorrow that your directors record the death, on July 25, 1920, of one of the oldest and most valued members of the board, Mr. Charles Sumner Gleed.

Becoming a resident of Kansas when a young man, he rose to be one of its most prominent and honoured citizens. As a director, he represented the interests of the State as well as the Company with conspicuous fidelity, bringing to the Company by his high character and services a large measure of the popularity which it enjoys in all communities of the State.

The faithful and efficient services of the officers and employees of the Company are again acknowledged with pleasure by your directors.

W. B. STOREY, *President.*

INCOME ACCOUNT FOR 12 MONTHS ENDING DEC. 31, 1920.

Dr.		
Operating Expenses		$76,701,982 86
Taxes (Less War Taxes)		6,248,845 80
Uncollectible Railway Revenues		44,155 77
Joint Facility Rents		509,209 70
Balance, Railway Operating Income		12,985,724 54
		$96,489,974 67
War Taxes		$2,688,495 20
Rent for Leased Roads		16,796 74
Miscellaneous Rents		169,990 17
Miscellaneous Tax Accruals		47,555 98
Interest on Funded Debt		12,015,622 67
Interest on Unfunded Debt		145,585 44
Miscellaneous Income Debits		444,894 57
Dividend No. 41 on Capital Stock, Preferred	$3,104,342 50	
" " 45 " " "	3,104,342 50	
		6,208,685 00
" " 60 " " Common	$3,543,567 50	
" " 61 " " "	3,557,487 50	
" " 62 " " "	3,566,787 50	
" " 63 " " "	3,573,267 50	
		14,241,110 00
Appropriation for Fuel Reserve Fund		74,829 81
California-Arizona Lines Bonds Sinking Fund		16,500 84
The S. F. & S. J. V. Ry. Co. Bonds Sinking Fund		12,500 00
Balance, being Surplus for twelve months ended December 31, 1920, carried to Profit and Loss Account		17,881,400 14
		$96,489,974 67
Cr.		
Operating Revenues :		
Freight	$69,795,[illegible] 78	
Passenger	23,226,811 19	
Mail, Express and Miscellaneous	[illegible]	
		$93,[illegible]
Hire of Equipment—Credit Balance		[illegible]
Joint Facility Rent Income		[illegible]
		$93,480,971 67
Railway Operating Deficit		$12,[illegible]
Compensation under Federal Control Contract Accrued		7,699,531 51†
Guaranty under Transportation Act, 1920		[illegible]
Income from Leased Roads		14,[illegible]
Miscellaneous Rent Income		371,646 22
Miscellaneous Non-Operating Physical Property		[illegible]
Dividend Income		[illegible]
Income from Funded Securities		[illegible]
Income from Unfunded Securities and Accounts		[illegible]
Income from Sinking and Other Reserve Funds		[illegible]
Miscellaneous Income		[illegible]
		[illegible]

PROFIT AND LOSS ACCOUNT TO DECEMBER 31, 1920.

Dr.	
Surplus as per Balance Sheet	[illegible]
Balance	[illegible]
	[illegible]
Cr.	
Balance brought forward from December 31, 1919	$65,366,689 83
Surplus for the year	[illegible]
Sundry Adjustments	[illegible]
	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

EXHIBIT A.—ROAD AND EQUIPMENT.

Amount December 31, 1919	$731,110,400 11
Expenditures for Additions and Betterments, and Road Extensions during year ending December 31, 1919	22,512,037 77
Total	$753,622,437 88
Transferred from Exhibit C.: Buffalo Northwestern Railroad	582,469 44
	$754,204,907 32

EXHIBIT B.—EXPENDITURES FOR ADDITIONS AND BETTERMENTS AND ROAD EXTENSIONS DURING YEAR ENDING DEC. 31, 1920.

Name of Road.	Additions and Betterments. $	Road Extensions. $	Other Expenditures. $	Total. $
Atch., Top. & Santa Fe Ry. ...	3,984,751	—	*140,000*	3,844,751
Ditto (Coast Lines)	1,697,719	—	—	1,697,719
Barton County & Santa Fe Ry. ...	295	58,333	—	58,629
Buffalo Northwestern RR	—	650,930	190,968	841,898
Cali., Ariz. & Santa Fe Ry. ...	551,659	—	—	551,659
Cane Belt RR.	39,151	—	—	39,151
Concho, San Saba & Llano Valley RR.	459	—	—	459
Dodge City & Cimarron Valley Ry.	39,411	—	—	39,411
East. Ry. of New Mex. System ...	279,331	—	—	279,331
Garden City, Gulf & N. RR. ...	4,059	—	—	4,059
Grand Canyon Ry.	133,716	—	—	133,716
Gulf & Interstate Ry. of Texas ...	9,078	—	—	9,078
Gulf, Beaumont & Gt. N. Ry. ...	11,729	—	—	11,729
Gulf, B. & Kansas City Ry. ...	27,073	—	—	27,073
Gulf, Colorado & Santa Fe Ry. ...	853,897	—	—	853,897
Jasper & Eastern Ry.	50,513	—	—	50,513
Kansas South Western Ry.... ...	6,337	—	—	6,337
Minkler Southern Ry.	2,026	570,463	—	572,489
North Texas & Santa Fe Ry. ...	—	297,036	—	297,036
Oil Fields & Santa Fe Ry.... ...	22,831	—	—	22,831
Oklahoma Central RR.	—	—	18,234	18,234
Osage County & Santa Fe Ry. ...	—	*32,814*	—	*32,814*
Panhandle & Santa Fe Ry. ...	144,468	—	—	144,468
Rio Gr., El Paso & Santa Fe RR.	27,829	—	—	27,829
Rocky Mountain & Santa Fe Ry....	13,048	—	—	13,048
Santa Fe Pacific RR.	—	—	2,720	2,720
Santa Fe Land Imp. Co.	8,188,882	—	—	8,188,882
South Plains & Santa Fe Ry. ...	8,916	—	—	8,916
Texas & Gulf Ry.	9,619	—	—	9,619
Tulsa & Santa Fe Ry.	44,766	*4,275*	—	40,490
Verde Valley Ry.	16,583	—	119,000	135,583
Western Arizona Ry.	*60*	—	—	*60*
	16,168,086	1,539,673	190,921	17,898,680
Deductions: Land Sales	—	—	—	400,000
				$17,498,680

EXHIBIT C.—INVESTMENTS IN TERMINAL AND COLLATERAL COMPANIES.

Expenditures to Dec. 31, 1919	$15,885,799 01
Transferred from "Other Investments"	9,618,281 02
	$25,504,080 03
Transferred to "Miscellaneous Physical Property"	4,736,969 21
Expenditures to Dec. 31, 1919, as rearranged	$20,767,110 82
Transferred to Exhibit A:— Buffalo Northwestern Railroad	582,469 4
	$20,184,641 38
Deductions during year ending Dec. 31, 1920: Cherokee and Pittsburg Coal and Mining Co., $295,000.00; Fort Worth Union Passenger Station Co., $533.02; Northwestern Pacific Railroad, $29,661.32; Santa Barbara Tie and Pole Co., $1,299.14; Southwestern Lumber Co. of New Jersey, $1,681,744.08 ... ... Total, $2,008,237 56	
Expenditures:— Santa Fe Land Improvement Co. $23,865 00 Westport Tie Co. 103,374 27	127,239 27
	1,880,998 29
	$18,303,643 09

EXHIBIT D.—CAPITAL STOCK, DECEMBER 31, 1920.

	Issued.*	In Treasury.	Outstanding.
Common	$224,760,000 00	$44,500 00	$224,715,500 00
Preferred	124,199,500 00	25,800 00	124,173,700 00
	$348,959,500 00	$70,300 00	$348,889,200 00

* Not including $4,800,000 Preferred Stock placed in special trust for certain purposes by the Reorganisation Committee and not yet used, nor $2,486,500 Preferred Stock in custody of the Central Union Trust Company of New York as Trustee, but held subject to the Company's order.

EXHIBIT E.—FUNDED DEBT, DECEMBER 31, 1920

Class of Bonds.	Rate of Interest. %	Issued. $	In Treasury. $	Outstanding. $
Gen. Mort.—Due Oct. 1, 1995 ...	4	152,562,500	1,928,000	150,634,500
Adjust. Mort.—Due July 1, 1995 ...	4	51,728,000	382,000	51,346,000
Convertible—Due June 1, 1955 ...	4	7,975,000	—	7,975,000
Convertible—Due June 1, 1960 ...	4	8,229,000	—	8,229,000
Transcontinental Short Line—Due July 1, 1958	4	22,545,000	—	22,545,000
California-Arizona Lines—Due March 1, 1962	4½	18,533,907	14,599	18,519,308
Eastern Oklahoma Division — Due March 1, 1928	4	9,603,000	—	9,603,000
Equipment Trust Notes—See Note	6	7,356,000	—	7,356,000
Rocky Mountain Division—Due Jan. 1, 1965	4	3,000,000	—	3,000,000
San Francisco & San Joaquin Valley Ry.—Due Oct. 1, 1940	5	5,953,000	7,000	5,946,000
Santa Fe, Prescott & Phœnix Ry.— Due Sept. 1, 1942	5	4,940,000	—	4,940,000
Chic., Santa Fe & California Ry.— Due Jan. 1, 1937	5	560,000	—	560,000
Hutchinson & Southern Ry.—Due Jan. 1, 1928	5	192,000	—	192,000
Prescott & Eastern RR.—Due April 1, 1928	5	224,000	—	224,000
Miscell. Bonds	—	2,820	—	2,820
		$293,404,227	$2,331,599	$291,072,628

NOTE—15 series of $4,640,000 each, a series maturing on January 15 each year beginning January 15, 1921

GENERAL BALANCE SHEET, DECEMBER 31, 1920.

Balances Dec. 31, 1919. $	ASSETS.	Balances Dec. 31, 1920. $
731,110,400 11	Road and Equipment (Exhibit A) ...	754,204,907 32
22,512,037 77	Expenditures for Additions and Betterments and Road Extensions during Current Fiscal Year (Exhibit B) ...	17,498,680 75
753,622,437 88		771,703,588 07
20,767,110 82	Investments in Terminal and Collateral Companies (Exhibit C)	18,303,643 09
819 06	Sinking Funds	256 97
29,178,181 49	*Miscellaneous Physical Property... ...	8,476,900 16
21,334,620 46	Other Investments	22,262,109 38
804,903,069 71		820,746,497 97
172,302,412 01	Balance brought down	180,784,670 07
	Current Assets:	
4,282,650 01	Cash	26,734,783 32
250,000 00	Time Deposits	15,000 00
248,641 68	Special Deposits	269,557 27
1,499,589 70	Loans and Bills Receivable	133,045 05
17,365 74	Traffic and Car Service Balances ...	7,386,327 21
—	Agents and Conductors	1,397,360 15
53,169,398 06	U.S. Gov't—Accrued Compensation ...	38,963,929 57
618,885 69	Miscellaneous Accounts Receivable ...	12,669,524 06
119,989 00	Material and Supplies	39,761,322 07
34,449 04	Interest and Dividends Receivable ...	28,193 45
181 13	Other Current Assets	340 380 27
60,241,150 05		128,509,422 42
	Deferred Assets:	
200 00	Working Fund Advances	128,319 19
	Guaranty Trust Co. of New York:	
2,103,945 06	Cash Deposit for Fuel Reserve Fund ...	2,178,774 87
26,330 14	Other Deferred Assets	258,155 26
2,130,475 20		2,565,249 32
49,219,871 04	U.S. Government —Deferred Assets ...	49,489,983 71
	Unadjusted Debits:	
	Rents and Insurance Premiums Paid in Advance	136,471 27
139,186 18		
1,431,505 10	Other Unadjusted Debits	6,199,463 40
1,570,691 28		6,335,934 67
11,987,583 20	U.S. Government—Unadjusted Debits ...	13,490,622 83
—	U.S. Government—Guarantee under Transportation Act	21,399,928 59
297,452,186 28		402,275,811 61

Balances Dec. 31, 1919. $	LIABILITIES.	Balances Dec. 31, 1920. $
347,047,200 00	Capital Stock: Outstanding (Exhibit D)	348,889,200 00
	Funded Debt:	
285,553,457 70	Bonds Outstanding (Exhibit E)... ...	291,072,627 90
172,302,412 01	*Balance carried down ... ...*	*180,784,670 07*
804,903,069 71		820,746,497 97
	Current Liabilities:	
3,259 22	Traffic and Car Service Balances ...	3,002,068 66
309,500 23	Audited Accounts and Wages Payable...	25,695,566 74
46,555 49	Miscellaneous Accounts Payable ...	1,937,359 02
1,138,367 54	Interest Matured Unpaid	948,206 80
225,187 70	Dividends Matured Unpaid	185,780 70
45,000 00	Funded Debt Matured Unpaid	3,000 00
6,447,475 00	Unmatured Dividends Declared... ...	6,47,,610 00
3,158,621 30	Unmatured Interest Accrued	3,354,356 27
39,560 47	Unmatured Rents Accrued	84,928 76
—	Other Current Liabilities	1,061,361 30
11,413,526 95		42,750,738 25
196,639 49	Deferred Liabilities	366,699 92
68,057,090 00	U.S. Government—Deferred Liabilities ...	98,43-,807 51
	Unadjusted Credits:	
3,499,878 30	Tax Liability	7,168,380 99
3,201,119 94	Operating Reserves	16,671,515 18
46,681,481 40	Accrued Depreciation—Equipment ...	52,226,820 93
10,233,092 60	Other Unadjusted Credits	11,055,283 40
63,618,652 24		87,122,000 50
278,054 40	U.S. Government—Unadjusted Credits ...	364,033 96
	Corporate Surplus:	
86,260,793 44	Additions to Property through Income and Surplus	86,315,513 46
34,504 94	Funded Debt Retired through Income and Surplus	48,451 19
108,166 65	California-Arizona Lines Bonds—Sinking Fund Reserve	124,533 49
14,118 28	The S. F. & S. J. V. Ry. Co. Bonds— Sinking Fund Reserve	12,472 03
2,103,945 06	Reserve for Fuel Lands	2,178,774 87
88,521,533 37		88,679,745 04
65,366,689 83	Profit and Loss—Balance	84,554,786 43
153,888,223 20		173,233,531 47
297,452,186 28		402,275,811 61

* New account—raised by transfers of $4,736,969·21 and $4,441,112·28 respectively from "Investments, New Acquisitions," and "Other Investments," as shown in the last annual report.

We have examined the books and accounts of The Atchison, Topeka and Santa Fe Railway and System lines, and certify that the above Balance Sheet and relative Income and Profit and Loss Accounts are properly drawn up therefrom, and show the correct income of the Company's system for the year and the true financial condition at the close of the year, subject to such adjustment as may be required in settlement of U.S. Government accounts referred to in the President's report. We have been provided with satisfactory certificates from the Trustees as to the securities pledged under the different mortgages, and we have also verified the cash items.

PRICE, WATERHOUSE AND CO., *Auditors.*

Chicago, April 2, 1921.

Copies of the full Pamphlet Report may be obtained upon application from Messrs. Baring Bros. and Co., Limited, 8 Bishopsgate, London, E.C. 2.

MEETINGS
OF PUBLIC COMPANIES.

Liverpool and London and Globe Insurance Company, Limited.

Continued Progress During Past Year.

THE eighty-fifth annual meeting of shareholders of the Liverpool and London and Globe Insurance Company, Limited, was held at the head office, Liverpool, on Tuesday, Mr. A. K. Barnes, the Chairman, presiding.

The Chairman, in moving the adoption of the report, accounts, and balance sheet for the year 1920, referred to the numerous changes in the *personnel* of the Company which had taken place. The Company had lost by death two of its London directors, Mr. Walter Chamberlain, who was also Chairman for many years of the "Central," one of the companies allied with the Liverpool and London and Globe, and Mr. Maurice George Carr Glyn, and also the Chairman of the Sydney board, Mr. W. C. Watt. Mr. H. H. Nicholson, who had been a member of the Board of Direction for half a century, had retired with his colleagues' deep appreciation of his valuable advice and assistance.

Retirement of Mr. Dent.

Another matter to which he desired to make reference was the retirement of the late General Manager and Secretary, Mr. Dent. Mr. Dent entered the Company's service in 1901 as Assistant Secretary. In 1904 he was appointed Sub-Manager. In 1906 he assumed the position of General Manager and Secretary. He had held this high office for fourteen years. It was a pleasure to mention the remarkable progress which had taken place since Mr. Dent took supreme charge. In 1906 the total assets were £10,855,000, and in 1920 £20,455,000, the premium income being in 1906 over £2,600,000, and having now reached well over £9,000,000. If he did not emphasise at greater length Mr. Dent's very notable services it was because he was glad to think that they were still to have the advantage of his experience and advice as a director. In expressing the hope that Mr. Dent might enjoy to the full the benefits of his well-earned retirement he knew he was only voicing the feelings of his colleagues on the board and the shareholders of the Company.

Appointment of New General Manager.

The directors had appointed Mr. Hugh Lewis to succeed Mr. Dent. He first entered the service of the Company in 1884 as a junior clerk in the Birmingham office, returning as London Manager when, fifteen years ago, the Central Insurance Company, whose chief officer, Mr. Hugh Lewis, had been from its inception until the present time, was purchased by this Company. In October last he was appointed Deputy General Manager, and on January 1 of this year he succeeded to his present office. The directors felt themselves very fortunate in securing Mr. Lewis for the position. He enjoyed the full confidence of the directors, and they were satisfied he would hold the position with distinction and that the Company would steadily progress under his able management.

The Chairman referred to the happy relationship existing between the Liverpool and London and Globe and its sister company, the Royal, and said the close alliance of two such powerful organisations had undoubtedly proved of great value, and had fully confirmed the anticipations which had led to the combination of these two great Liverpool offices.

With regard to the accounts, he hoped, having regard to the unsettled state of the civilised world, they would be considered to show satisfactory progress, even though the business might not have been so profitable as in the previous year, when all records were broken, not only with regard to income, but with regard to underwriting profits. In 1920 the total income of the Company increased by £1,424,334, namely, from £8,392,062 to £9,816,396.

Fire Department.

Reviewing the fire business, the Chairman said the net premium income had increased by £460,102 to a total of £5,022,270, and a sum of £326,295 had been added to profit and loss account. The closing months of 1920 showed, more especially in the United States, a sudden, violent reduction in values which, combined with the growing depression in trade, caused a serious check to the advancement in premium income, which was accompanied by a marked increase in the number and amount of losses. The loss-ratio for the closing three months of the year had been considerably in excess of the average, and these adverse factors were continuing, and, taken in conjunction with the further deflation in values, made it difficult to forecast the outcome of the present year.

In the home fire business special problems had arisen in the outbreak of incendiary fires directly attributable to the political disturbances in Ireland. It would probably be conceded that neither insurer nor insured ever intended that such risks should be within the protection of an ordinary fire policy, which expressly excluded loss occasioned by riot, civil commotion, or military or usurped power. The leading fire offices had therefore, after consulting high legal authority, come to the conclusion they were not liable, but notwithstanding this had decided to deal with claims in the most generous spirit; but with regard to the future, in order to avoid misconception, the Company had advised its agents and policyholders that they were prepared to provide at a moderate cost insurance against these excepted causes. This indemnity was now available to all who desired to make themselves secure.

Accident.

In the accident department the net premium income had increased by £731,680 to a total of £2,904,965, and a sum of £42,845 had been carried forward to profit and loss account. To strengthen the reserves of the personal accident account, £13,000 had been transferred to that account from profit and loss account. The next account should show an improvement by the steps taken for raising rates of premium in the motor and burglary sections, both in this country and the United States.

Life Department.—New Record.

In the life department the new business had constituted a record in the history of the Company. The net premium income was now £464,522, an increase of £73,887 over the previous year's. Whilst it seemed that the high-water mark of new life business had been reached for the time being, inasmuch as the state of trade was likely to have a restricting effect, the directors felt that with its strong reserves and good bonus record the Company would be able to do more than hold its own. He might mention that the Company had the unique record of having maintained since 1875 its present very liberal bonus at its highest level of 35*s.* per cent. per annum declared quinquennially, and this notwithstanding the strain of recent years. The directors had decided upon a reduction in the non-bonus rates of premium, and a new scale for this class of policy would shortly be issued, and in regard to life annuities new rates on a very attractive basis had recently been published.

Marine.

Marine insurance had during the last few years contributed its full share to the Company's profits, but in common with all marine offices a change of conditions had been experienced.

Pilferage risk was still serious and would not diminish, he feared, until adequate steps were taken by carriers and the authorities. The net premium income had increased by £95,683 to a total of £312,650; and a sum of £63,076 had been transferred to profit and loss account.

General Expenses of Management.

Referring to expenses of management, the increase shown was largely accounted for by the ever-rising demands of foreign taxation throughout the world and by the adjustment of staff remuneration to meet the higher cost of living. The problem became an increasingly anxious one now that they were confronted with deflation of values and its effect upon premium income.

Dealing with profit and loss account, the Chairman said the amounts transferred to this account from the various departments totalled £487,387, to which must be added interest of £378,925, which, with the balance brought forward from last year of £423,971, gave a total of £1,290,283. Against this a sum of £200,000 was required to cover outstanding home taxation. A further sum of £646,388 would be transferred to investment fluctuation fund, £13,000 to the personal accident account, and £25,000 to staff pension fund, and after payment of the dividend due, less tax, there remained a balance to carry forward of £51,917. The directors proposed a further dividend of 8*s.* 6*d.* per share, which, with the interim dividend of like amount paid in November, made 17*s.* per share for the year, less tax.

International Credit Insurance.

The Chairman proceeded: You are doubtless aware of the efforts which have been, and are being, made in many quarters to establish a scheme for restoring international

credit, in order to assist the revival of trade and reduce unemployment. The Ter Meulen scheme is exciting great interest, its aim being to provide impoverished nations with collateral security to enable them to finance their importations. Under the scheme it is intended that this security shall take the form of gold bonds guaranteed by the purchaser's own Government and covered by specific assets approved by an international commission constituted under the auspices of the League of Nations. There is no doubt much can be said in favour of this proposal. A contributory scheme involving the participation of insurance companies and other financial institutions sought to provide an additional guarantee to the British exporters accepting these gold bonds, against a possible loss thereunder. It was contemplated that these two schemes would dovetail together, the Continental merchant in the countries concerned being provided with a form of security—the value of which is necessarily doubtful—which he could offer to the British exporter, and the latter, fortified by the guarantee of a British institution, thus encouraged to accept trading risks which he would not otherwise entertain.

The question which your directors had to consider was whether the guarantees which the companies were invited to give were not too hazardous, implying, as they did, the acceptance of risks which were quite as much political as commercial. The possibility had to be faced that in the end the company might be landed with a considerable number of foreign bonds of impoverished Governments, of doubtful negotiability, which in ordinary event the company would not have regarded as a suitable investment for its funds. For these reasons, therefore, your directors, although regarding most sympathetically all practical schemes having for their object the rehabilitation of credit throughout Europe, came regretfully to the conclusion that as things stand today the Company's obligations, not only to its shareholders, but also to its policyholders, prevented it from entering upon a class of enterprise so far outside its natural and legitimate province.

Investments.

I regret to have to record a further fall in capital values of gilt-edged securities, which, at the close of the year, reached an unprecedentedly low level. It is very disappointing that the profits of our underwriting operations should be nullified by the necessity for having to provide for this continued fall. We have increased our investment fluctuation fund, which will, after allowing for losses on realisations during the year, stand at £2,000,000.

Whilst on this subject I should like to refer to the effect of the heavy fall in the price of commodities on premium income. In recent years the heavy additions to standing expenses and the provision for depreciation has been partly met, not by increased rates, but by enhanced premium income resulting from augmented insurances effected to meet increased cost of production.

It will, therefore, be appreciated that a rapid fall in prices materially affects for the time being premium income.

If we search back we shall find that a fall in the prices of commodities has invariably been followed by a rise in the price of gilt-edged securities, due to the release of money from trade for investment in high-class securities. I am well aware that it is dangerous to prophesy, particularly at a time when there are so many cross-currents in the economic situation. Amongst these I need only mention the large amount of unfunded debt overhanging our country, the large demand for capital, and the problems arising from the varying economic conditions prevailing here and accentuated on the Continent; but if we take a broad and comprehensive view—I am only speaking in the most general terms—although the expansion of sections of our business may be affected by the fall in prices, we can, on the other hand, reasonably hope from present indications that we may not be called upon to provide for further depreciation in gilt-edged securities. Indeed, since the closing of our accounts we have witnessed a distinct improvement in these securities, and we trust we may find at the end of the year the appreciation has been maintained.

A separate resolution on the work of the staff will be submitted to you, but it is fitting that I should from the chair cordially acknowledge how energetically and loyally we have been served at home and abroad during the year which has closed. (Cheers.)

Mr. E. S. Parker, in seconding the motion, desired to corroborate what the Chairman had said as to the retirement of their old friend, Mr. H. H. Nicholson. When he (the speaker) first joined the board Mr. Nicholson was exactly double his age, and no words could express the kindness he had shown to him from that day to this. Mr. Nicholson carried with him into his retirement the love and respect of everybody in the Company. (Hear, hear.)

The motion was carried.

On the motion of Mr. Thomas Woodsend, seconded by Mr. F. C. Bowring, the following directors, who retired in accordance with the articles of association, were re-elected, namely: Messrs. A. K. Barnes, H. B. Beausire, J. Bruce Ismay, Lieutenant-Colonel Sir J. P. Reynolds, D.S.O., and R. Q. Wilson.

On the motion of Mr. W. F. Moore, seconded by Mr. W. R. Glazebrook, Messrs. Stead, Taylor, and Stead, Chartered Accountants, were reappointed Auditors.

Mr. A. E. Pattinson, in moving a vote of thanks to the Board of Direction, the London board, and the other boards of directors at home and abroad, said he spoke not only for the shareholders of the Liverpool and London and Globe, but also for those of the Royal Insurance Company, who all felt very much indebted to the directors for the able way in which they had conducted the affairs of the Company during the past year, and had added so much to its success.

Mr. A. A. Paton seconded, and the motion was carried with applause.

Mr. Barnes, having acknowledged the vote of thanks on behalf of the board of direction called upon Mr. A. G. Hooper, Chairman of the London board, to reply on behalf of London and the other boards.

Mr. Hooper acknowledged the kind references to the services of the various directors, not only at home, but also those operating in distant parts of the world. By all of these the cordial expression of thanks would be very fully appreciated.

Lieutenant-Colonel Sir James P. Reynolds, D.S.O., proposed that the thanks of the meeting be given to the officers and staff for their zeal and interest in the affairs of the Company. In reviewing once a year the affairs of this great Corporation, he said, there should go forth from the board and the proprietors expressions of gratitude to those men by whose energy the Company continued to prosper. Insurance companies, after all, were not concerns of bricks and mortar, machinery and trade marks, but concerns the machinery of which was human beings—a great army of men who canvass and co-ordinate the business of the Company, the people upon whom they relied for the progress and good name of the Company, and the welfare of the proprietors. He was certain the staff, led by Mr. Lewis, would continue to treasure the name of the Liverpool and London and Globe. They tendered their thanks to the staff for the courage and enterprise they had shown. (Hear, hear.)

Mr. R. Q. Wilson, in seconding, said that from his intimate relationship with the staff he found they displayed the utmost keenness in promoting the affairs of the Company.

The motion was heartily carried, and the Chairman called upon the General Manager to respond.

Statement by General Manager.

Mr. Hugh Lewis said: I am very sensible of the compliment you have paid the staff in the vote you have just passed, and could wish all concerned could have heard the generous words Sir James Reynolds and Mr. Wilson have used in recommending this resolution. I am very glad of the opportunity the resolution gives me of acknowledging my personal indebtedness to my immediate colleagues on the executive of the Head Office. I refer to Mr. Reddrop, the Sub-Manager of the Company, Mr. Hay, and Mr. Warner, the Assistant Secretaries. In common with other branches of commerce the business of insurance is passing through a very trying though perhaps an interesting time. In that sense we have no more to put up with than many others. It must, however, I think, be unique in the case of a great Company such as ours to lose the whole of its Executive within a few weeks in consequence of death, retirements, and transfer. This is what has happened in our case, and I cannot too emphatically acknowledge the energy and resource which have been shown by my colleagues under conditions which have not proved too easy for any of us. It is hardly necessary to say that we have received valuable assistance from the Managers of our great Departments—namely, our Actuary, Mr. Kilpatrick, and our Accident Manager, Mr. Mackinnon, and our able Marine Underwriter, Mr. Harper, who is abroad on the Company's business, and his colleague, Mr. Martindale. Neither must I overlook Mr. Macready, who has succeeded me in London. It used to be a fairly arduous position, and I see clear signs that Mr. Macready, in his new appointment, is going to add to his present reputation. I know he is well supported by his able lieutenants, and notably by Mr. Brown, our London accident manager, whom I am glad to see with us to-day. But, Sir, I wish particularly to refer to our officials abroad. First to those in the United States, Mr. Loudon, Mr. Duncan Reid, Mr. Cauty, and their leading colleagues, and then Mr. Thompson in Canada, Mr. Danvers in Australia, Mr. Kirk in South Africa, and other Overseas Managers who serve the Company with such conspicuous ability. On behalf of these officials and all our principal officers, our Branch Managers, and last, but certainly not least, on behalf also of our equally zealous and faithful rank and file, women as well as men, and all our Agents at home and abroad, as well as for myself, I thank you. In conclusion, may I just add that while I have said these few words in my official capacity as General Manager, I do not by any means forget that we have been dealing with a year when my predecessor was in charge. Perhaps it would have been more appropriate if he had returned thanks for his colleagues. I am glad, however, of this opportunity of paying homage again to Mr. Dent's great work and that of his lamented and beloved colleague Mr. Rimmer, the late Sub-Manager. It will be our duty to maintain those high traditions of the Company which have been handed down to us. I am under great obligation to you, Sir, for your more than kind references to myself. I hope it may always be my good

to have the full confidence of the directors and shareholders. (Cheers.)

Mr. T. Woodsend proposed a vote of thanks to the Chairman. He said those who had had the privilege of working with Mr. Barnes had nothing but praise for the way in which he had fulfilled his great office. They hoped to have the advantage of his services for many years to come.

The motion was carried with applause.

The Chairman briefly acknowledged the compliment, and the meeting concluded.

London and Scottish Assurance Corporation, Limited.

Assets Exceed £7,000,000.

THE fifty-eighth ordinary general meeting of this Corporation was held on May 10 at the Cannon Street Hotel, E.C., Sir Vesey Holt, K.B.E. (the Chairman) presiding.

The Chairman said: The conditions prevailing during the year 1920 have been difficult for the business of insurance generally, and perhaps even more so for a company such as our own, engaged, as we have been, in pursuing on careful lines the policy of developing our organisation at home and abroad. Nevertheless, you will observe from the list of branches and agencies set out on the last pages of the report that considerable progress has been made in that direction, and that we now have a well-spread organisation.

In the life department it will be observed that the number of policies issued is, by a strange coincidence, exactly the same as last year, and that the sums assured thereunder at £1,408,930 are only slightly less than those of 1919. The new premium income received was £56,604. The total amount paid under policies becoming claims by death during the year amounted, after deducting re-assurances, to £197,726, which figure, I am glad to say, was well within the expectancy. The life and annuity funds were increased during the year by £106,483.

My opening remarks as to the difficult conditions prevailing during 1920 are, I think, perhaps more applicable to the fire department than to any other department of our business. The trade depression, which was so general throughout the world during the closing months of the year, had an adverse effect upon our fire loss experience. Our participation in fires at home and abroad had the effect of increasing our loss-ratio to a point in excess of what we should have reasonably anticipated, having regard to the large increase in premium income and to the continuance of our careful methods in underwriting. This loss-ratio is 47.8 per cent.

Marine Account.

It will be seen from the figures of the marine insurance account that this, the most recently established department of our business, has made good progress, and I should here like to state how very much we appreciate the support given to us by the marine insurance market. In setting out the figures of this account we have thought it desirable to show separately the claims arising in 1920, against the 1919 and 1920 accounts. Referring first to the 1919 account, it will be seen that, against a balance of £293,423 brought into the account, claims were paid during 1920 amounting to £188,784, leaving a balance of £104,639 to meet further claims which may come in after the second year of account. The balance is over thirty per cent. of the original premium income. With regard to the 1920 account, the net premium income was £1,334,169, and the claims paid during the year £361,778, being at the rate of 27.1 per cent. of the premium income.

The expenses charged to the account amounted to £59,270, being at the rate of 4.4 per cent. of the premium income. After deducting these claims and expenses there remains a balance of £913,121, being 68.5 per cent. of the 1920 premium income.

The accident, employers' liability, and general insurance account has shown, on the whole, quite good results. The sections in the account which have been the least satisfactory are the motor-car, burglary, and plate-glass. It was found necessary, therefore, during the year to increase the rates of premium for these classes of risk. The premium income from all sections of the accident department amounted to £229,246, being an increase of £83,749 as compared with the previous year. The claims paid and outstanding amount to £98,340, being at the rate of 42.9 per cent. of the premiums. The balance of the account amounts to £45,741, of which £33,500 has been added to the reserve for unexpired risks and £12,241 transferred to profit and loss account.

Our Company has undoubtedly made very considerable progress during the last few years, as indicated by the fact that the net premium income now amounts to over two and a-quarter millions and our assets to over seven millions. I have now to move: "That the report of the directors, together with the statement of revenue accounts and balance sheet and the auditors' certificate, be received, adopted, and entered on the minutes, and that the dividend on the Company's shares recommended by such report be and the same is hereby declared."

Mr. Richard S. Guinness (the Deputy-Chairman) seconded the resolution, which was carried unanimously.

Norwich Union Life Insurance Society.

New Business Record.

THE 113th annual general meeting was held at Norwich on May 11, when the President (Mr. Haynes S. Robinson) submitted the report and accounts for 1920 and also the report on the valuation of assets and liabilities for the period from July 1, 1916, to December 31 last.

In the course of his remarks the President said:

Except in one very important direction, and that a direction which has been out of our power of control to any great extent, I am able to point with complete satisfaction to the figures now laid before you. In the matter of new business the year has been a record one in the history of British life insurance generally, and we have, without undue or unwise expenditure, been able comfortably to maintain our position as premier in the matter of volume among the home offices which confine their operations to the ordinary branch of life insurance. From any British standpoint a new business of £8,586,000, after deduction of reassurances, is one which would have been regarded in pre-War days as unattainable unless at a cost out of all relation to its value.

Our interest-earning rate for the year, after deduction of income tax, has been the very satisfactory one of £4 12*s.* 4*d.* per cent. The corresponding figure for 1919 was £4 7*s.* 10*d.* per cent., but it is only right to point out that this excellent increase is to the extent of 2*s.* 3*d.* per cent. due to what at an earlier stage of my remarks I indicated was the one unsatisfactory feature of our accounts for the year.

Depreciation.

As regards this subject of depreciation, as most of you are aware, the *Bankers' Magazine* has for many years past published statistics of the fluctuations of invested capital. It is true that these statistics are essentially of an average and representative character, ranging from gilt-edged and other first-class securities, such as are alone suitable for the investment of our funds, down to those of a more speculative nature, but the feature of war-time shrinkage, generally speaking, up to the close of 1920 at all events, has been that Government stocks, railway investments, and so forth have suffered quite as heavily as other forms of security.

On asking the General Manager to let me know what, according to the *Bankers' Magazine* statistics, the actual shrinkage of values generally throughout 1920 had been, I was astonished on being told that it was almost exactly twelve per cent. By way of contrast you will note that our shrinkage of £818,354 throughout the entire period of four and a-half years represents less than five per cent. of our total funds of £17,000,000, so that the experience of the average investor during the year 1920 alone was almost exactly two and a-half times as unfavourable as our own experience, not for a year, but throughout a period of four and a half anxious years. That is a consideration which affords a distinct element of comfort from the purely selfish standpoint of the present report on our stewardship of your funds.

Valuation of Assets and Liabilities.

As regards our valuation of assets and liabilities under present conditions we have felt no hesitation as to the course that should be adopted, and have repeated the line of caution which brought us so well through the years of the actual fighting. We have adhered to our bed-rock two and a-half per cent. basis of valuation on the liability side of our account and, on the asset side, to the actual Stock Exchange market values of December 31 in the case of all forms of investment alike, redeemable as well as permanent, and by that process we have refrained from distributing as profit what cannot, with due regard to the interests not merely of posterity, but even more emphatically of the present generation of policyholders itself, be described as profit in the true sense of the term.

The General Manager and Actuary, in response to the President's call, said: The year 1920 will, I think, long be known in the life insurance world as the year of violent contrasts. All features but one of the accounts of most purely life offices—and certainly not least of this Society—have been most excellent, and, viewed on their individual merits, have furnished the clearest evidence of prosperity.

I know it will be said in some quarters that, looking to our remarkably good net interest-earning rate, I should have passed, as others have done, from the two and a half per cent. basis of valuation to a weaker reserve principle, thus releasing capital which might have figured as earned profit, and that I should also have urged the directors to follow the fashion of abandoning, at least in respect of Government securities, that principle which has been the sheet anchor of British life insurance in the past—the principle of never recording Stock Exchange securities in the accounts above their actual market values. By the adoption of such expedients I realise quite well that both directors and officials would have attained a temporary glory even greater than that implied in our present bonus declaration, but the very fact that we have resisted such temptations is the best evidence of our conviction that the true interests of the present generation of Norwich Union policyholders, and the future relative prosperity of the office, are best safeguarded by the continuance of a policy of caution.

Eagle, Star and British Dominions Insurance Company, Limited.

Continued Progress in Fire and General Business.

THE ordinary general meeting of this Company was held at 32 Moorgate Street, E.C., on May 12, Sir Edward M. Mountain, J.P. (Chairman and Managing Director), presiding.

The Secretary (Mr. J. Gardiner, A.C.A.) having read the notice convening the meeting and the auditors' report,

The Chairman said: My Lords and Gentlemen,—So far I have always been able to present to you a balance sheet which has met with your appreciation, and it gives me great pleasure to be able once more to do so.

I shall be referring later on to the difficulties consequent upon trade depression with which we have had to contend. The progress we have made in spite of those difficulties, however, reflects the highest credit on those concerned in the advancement of the Company's interests both at home and abroad.

It has now almost become a custom to announce to you that certain companies have been drawn into the fold and become part of our great organisation. We have never neglected an opportunity of acquiring a business which we have thought would be an acquisition to our Company, but the only absorption I have to record this year is that of the British North-Western Insurance Company, a Canadian concern possessing a very select business, and I am glad to tell you that the results of this purchase have so far proved exceedingly satisfactory.

The completion of the absorption of the Liverpool Reversionary Company, Limited, took place during the year, and we are quite satisfied with our bargain in this respect.

The development of our branch organisations throughout the United Kingdom, which I told you last year was having our special consideration, has been continued, and new branches have been opened at North-West London, Grimsby, and Lincoln.

Very important connections have been secured in India and France, and branches opened at Calcutta and Paris.

Further developments will take place in the foreign field this year, and we have made arrangements to open up our business in Spain and the Argentine.

Financial Position.

It is with great satisfaction that I have to inform you that the whole of the calls, including the premium, have been received on the 100,000 Ordinary shares of £3 each which were issued towards the end of 1919, and that the premium received thereon has been transferred to our reserve fund, making that fund amount to £2,000,000. (Applause.)

The subscribed capital now amounts to £2,953,425 and the paid-up to £1,047,896.

The balance of the marine account is £785,644, being 66.8 per cent. of the premium income. The reserve carried forward on the fire and general account to meet unexpired liability is forty per cent., and amounts to £901,871.

Your directors are of opinion that both these ratios are more than ample to run off the accounts.

The interest received from investments amounts, after deduction of income tax, to no less than £175,331.

The dividends on the Preference shares, the Preferred Ordinary shares, and the Ordinary shares, the latter at the rate of thirty per cent. per annum, free of income tax, absorb £177,762, which you will see is only £2,451 more than interest received from the invested funds of the Company. I think you will agree that this is a very satisfactory position, and the directors recommend the payment of a dividend at the rate of thirty per cent., free of income tax, on the Ordinary shares, and have decided in future to make the distribution by quarterly interim dividends at the rate of seven and a-half per cent., free of income tax. (Applause.)

Marine Department.

You will recollect that when I addressed you last year I stated we must look to a very considerable reduction in our premium income in this department, and you will see my justification for this in our premium income for this year, which is £1,175,111. This is £328,717 less than last year, and £500,796 less than in 1918. This reduced premium income accounts for the apparently large percentage of our settlements during last year, as we had to wind up two much larger accounts.

After paying all expenses and making provision for income tax and excess profits duty, we have, out of this account, transferred £100,000 to profit and loss account. After transferring this amount we are able to carry forward the sum of £785,644, or 66.8 per cent. of the premium income, instead of 66.1 per cent. last year. Our outstanding liabilties are considerably less than they have ever been before. Of our total income last year two-thirds was comprised of cargo and other short risks, most of which have already run off, and also we are much more heavily re-insured than we have been in previous years.

There are many features to-day which make marine underwriting particularly difficult; I will just enumerate a few.

In the case of insurances on hulls of steamers, the outlook is not satisfactory. The building of tramp steamers has far outstripped the present state of the world's requirements, reduced as it is through the great slump in trade, strikes, and other causes, with the result that freights are low and ports at home and abroad are full of laid-up tonnage belonging to all nations. This will have considerable effect in upsetting the averages on which the premiums are based, besides making the amount of return premiums on policies already issued abnormally heavy, and in the future underwriters will get reduced accounts. The values of steamers also have been much reduced, but the cost of repairs unfortunately is still very heavy.

With regard to cargo insurances, there are fewer cargoes carried, and these are of less value. Through the disturbed state of business and finance and falling markets, always in itself a disturbing factor in cargo claims, there is considerable congestion and delay at the different ports, with the result that the already heavy claims for theft and pilferage are becoming still heavier, and that the risk of ordinary damage is much increased.

Fire and General Department.

The substantial progress I was able to report last year has been continued in our fire and general business, which embraces all transactions other than marine and life business.

You will remember that last year I announced an increase in the premium income of £305,447, but this year I am able to record an increase of no less than £1,039,989—(applause)—the total premium income after deduction of reinsurance being £2,254,677. I do not wish anyone to go away with the idea that the large increase indicated means that we have taken all the business that has been offered to us; the facts are in the opposite direction, and the greatest care has been exercised in the selection of the business, most of which has been the development of our previous efforts and has been on our books for the best part of the year. The soundness of the business is reflected in the loss ratio, which comes out at the very moderate figure of 41.3 per cent.; this ratio compares more than favourably with that of the majority of the accounts of other offices so far available. The ratio would have been even more favourable but for our experience in the motor department, where we, in common with all other offices, have not had a good experience. With the exception of this department, however, all the others have done well, and now that the premiums have been raised on motor insurances we can look forward to better results in that department in future. In fact, our experience so far this year has greatly improved and is decidedly encouraging.

It is a well-known fact that in insurance business losses follow depression in trade, and moral hazard, therefore, has to be watched with the greatest care

I think it well to say that every precaution has been taken in this respect, and instructions have been given and regulations laid down whereby we hope to escape anything that can be avoided through want of foresight.

I am glad to say that the greatest expansion in our business has taken place at home.

We have opened no new departments, for the reason that we are equipped in every way to deal with practically any insurance proposition that is put before us, and our business is now so spread that I think we can face with equanimity bad times in any part of the world.

Accident Department.

On the whole the results of our accident department have again been exceedingly satisfactory.

With regard to workmen's compensation business, competition for business has been exceedingly keen, reminiscent of 1916, many of the rates quoted by our competitors being undoubtedly inadequate. Employers, however, appear to be discriminating, and not necessarily accepting the lowest rate, appreciating that security is of especial importance in connection with this class of business, where the liability for an accident may quite possibly extend over some years. In accordance with our customary practice a full reserve has been made for outstanding claims. As at December 31 we had no claims outstanding with a duration exceeding three years, only two with a duration exceeding two years, and seventeen where the duration of disablement exceeded one year. This is a record of which we have, I think, every reason to be proud.

The effect of the latest Workmen's Compensation Act, the Workmen's Compensation (War Amendment) Act, 1919, which came into operation on January 1, 1920, is clearly seen in the increase in the average cost of claims.

The report of the Departmental Committee which was appointed by the Government in May 1919 to inquire into the working of the Workmen's Compensation Act, to which I referred last year, was presented during the year, but up to the present no action has been taken by the Government upon the same, so that it is still impossible for me to say whether, and if so in what way, this section of our business may be affected in the future. I am sure, however, that I am voicing the views of the majority of the people of this country, not only employers but also employees, when I suggest that whatever is done the country does not want anything in the nature of State control. (Hear, hear.)

There is, of course, little doubt but that the present depression in trade and unemployment may materially affect the results of the employers' liability business for this year, and the difficulties of getting the injured workmen back to work when employment is scarce. Up to the present, however, the results for the current year have been quite satisfactory.

We have a very important live-stock department, which shows very profitable results.

The same remarks apply in the case of our burglary business, although here the risk is considerably higher than it was prior to the War, and it is only by careful selection of the business and obtaining full rates that satisfactory results, such as we are obtaining, can be shown.

We, in common with practically every first-class office, again found it necessary to increase our rates for plate-glass insurance. It would, however, seem that the corner has been turned.

With regard to driving accidents, the position is very similar to that in respect of motor business; here, again, rates during the past year have had to be increased.

Life Department.

Turning now to the life department, I am glad to be able to report continued and satisfactory progress. You will observe that during last year we issued over 6,000 policies for sums assured exceeding £3,350,000, thus showing a considerable increase over the figures for the preceding year. As you are probably aware, the demand for new life assurance has been exceptionally great during the past two years, following the termination of the Great War and the return to their ordinary avocations of an immense number of persons who had been debarred during the War from effecting life policies on account of military hazards. The experience of life offices seems to show that this special demand has been largely met by this time, and in consequence there is likely to be a smaller new life business transacted during the present year, and we expect to share in this reduction to some extent, while we have no doubt that a quite satisfactory volume of new business will be transacted.

The revenue account before you relates, of course, to the whole of the life business of the Company, including that of the various closed funds, and you will be interested to note the steady growth both in the total life funds and the total life premium income.

Once again unfortunately we have to deal with depreciation, this time principally in respect to the English and Scottish funds in connection with their quinquennial valuation, made at the end of last year, and this amounts to £168,949. Notwithstanding the fact that during the whole of the quinquennial period then expired we were bearing the heavy burdens of the War and its aftermath, we have been able to declare a compound reversionary bonus additional to all English and Scottish policies entitled to participate at the satisfactory rate of £1 per cent. per annum for the quinquennium, and this after maintaining the usual strong reserves and making full provision for the depreciation in the investments. It is very gratifying to us to be able to show such a result so soon after the transfer of the English and Scottish business to us, and I am sure that it must be regarded with satisfaction by the policyholders concerned, particularly if it is borne in mind that the great majority of first-class life offices have declared no bonuses as the result of their last quinquennial valuations.

At the end of the current year, 1921, the first quinquennial valuation of the assets and liabilities of the British Dominions Life Fund will be made, and we look forward to the result of that valuation with confidence. As you know, we have guaranteed that the reversionary bonus additional to ordinary participating policies shall not be less than 30*s.* per cent. on the sum assured for each year's premium paid up to the end of the present year, and whilst in these days of difficulty one hesitates to prophesy, I am glad to say we have every expectation that the surplus disclosed will be such as fully to justify this guarantee.

We have at least two great advantages which I should like to emphasise. Our expenses are very moderate, and we have no dead weight of old investments requiring to be heavily written down.

In these circumstances I venture to think that the prospects of satisfactory bonuses being declared on direct British Dominions life policies are excellent. (Hear, hear.)

The mortality experienced of the closed "Sceptre Fund" for the past year produced the following interesting results. In the general section, out of 114 deaths expected only eighty-three occurred, or just under seventy-three per cent., whilst in the temperance section, out of 149 deaths expected only sixty-three occurred, or a little over forty-two per cent., showing a balance in favour of the temperance lives of some thirty per cent. The superiority of this class of life in that fund is not, however, peculiar to last year, since for the past thirty-seven years out of 4,597 expected deaths in the general section 3,614 deaths occurred, or nearly seventy-nine per cent., whilst in the temperance section for the same period out of 3,762 deaths expected only 1,905 occurred, or barely fifty-one per cent.

These figures indicate the very careful class of business which goes to make up this fund; not only is the rate of mortality in the general section light, but that in the temperance section remarkably so.

Under the new tables of the Sceptre abstainers' section, the abstainer, of course, obtains an immediate advantage in the low premium charged, but notwithstanding that it is hoped that with the growth of this new section the bonuses will be quite satisfactory.

Of the total business completed by the Company last year, the Sceptre abstainers' section was responsible for no less than 1,400 policies assuring £426,327, which shows a very extraordinary growth.

At this stage I [illegible] ing the results achieved in the life department during the past four years since the British Dominions embarked to transact life insurance business. In these four years we have issued nearly 37,000 policies for total sums assured of £11,360,000, and have at the present time a net premium income, after deducting reinsurances, in respect of the new British Dominions life business of over £500,000. When you bear in mind that these results have been achieved within the short space of four years, I am sure you will agree with me that the record is, to say the least, a remarkable one. Indeed, I believe that it has never been remotely approached by any other Company in the history of life assurance in this country. (Applause.)

Having dealt with the various departments, I would call your attention to the fact that we have for the first time, in addition to setting out marine and fire and general revenue accounts, adopted a profit and loss account, from which you will see that the sum of £376,140 has been transferred from the fire and general accounts and £100,000 from the marine account. The total of £476,140 has been appropriated as follows: Dividends, £177,762; loss on realisation of securities, £41,582; transferred to investment reserve fund, £50,000; amount written off acquisition of companies and extraordinary expenses account, £100,000; leaving a balance of £106,794 13*s.* 3*d.* to be carried forward.

I may here point out that all our investments were written down to market prices on December 31, and, as you know, they have since considerably improved.

Credit Insurance.

The Prime Minister indicated on several occasions that some form of credit insurance would very much assist our export trade. Although at one time some companies entertained running a part of this risk, I always took the view it was not a business in which we were justified in jeopardising our shareholders' money. The bills of any country which we might guarantee might all become total losses if such country was seized by Bolshevists or became insolvent. Furthermore, we have no control of the further inflation of their currency by their issuing more paper money.

I put forward a scheme, however, in which I suggested that a syndicate should be formed of all our leading banks and insurance companies, which syndicate should give their time and service gratis. The syndicate would insure our merchants against loss, charging a moderate premium for so doing. The syndicate would have held as security the bill of the foreign merchant guaranteed by a syndicate of bankers in that country, and further guaranteed by the Government of that country. Our Government should guarantee the syndicate in this country against ultimate loss to the extent of £13,000,000, which was half the sum already voted to assist trade with Central Europe. Should the syndicate make a profit half should go to the Government. I still maintain that this would do more to assist trade than any other scheme at present in force and at less cost, if any, to the Government, because not only would the Government get the advantage of the huge organisation of the banks and insurance companies for nothing, but also the brains best equipped for dealing with such matters. No Government Department could possess such information, nor could any one man or body of men they could appoint have such varied experience irrespective of the cost.

Unless the syndicate made a profit they would have given all their time and services for nothing, and have lost the expenses. If they made a profit the Government got half.

I contend taxpayers are more likely to lose their money, although handled by the most efficient Government Department than by the means I proposed. (Hear, hear.) Several leading bankers were prepared to support the scheme, and I believe such a syndicate could still be formed if the Government thought it desirable.

No questions being asked, the Chairman formally moved: "That the report and accounts be adopted."

Mr. A. C. Mackenzie, F.I.A., seconded the resolution, which was carried unanimously.

On the motion of the Chairman, seconded by Mr. Mackenzie, the following resolutions were passed unanimously:—(1) That the dividends on the Preference shares paid on July 1, 1920, and January 1, 1921, be and are hereby confirmed. (2) That a final dividend of ten per cent., free of income tax, be paid on the Ordinary shares, which, with the interim dividends already paid and aggregating twenty per cent., will make thirty per cent., free of income tax, for the year. (3) That the payment of the dividends of ten per cent. on the Preferred Ordinary shares, of which five per cent. was paid on July 1, 1920, and five per cent. on January 1, 1921, be and is hereby confirmed."

Viscount Goschen, O.B.E., proposed the re-election of the retiring directors, Sir Edward M. Mountain and Mr. Harry T. Gullick.

The Earl of Bessborough, C.M.G., seconded the motion, which was unanimously agreed to.

The election as [illegible] of Prince Maurice of Carisbrooke, G.C.V.O., and the Earl of Bessborough was confirmed, on the motion of Mr. P. Hugh Marshall, seconded by Mr. Frank [illegible].

Messrs. Edwin Guthrie and Co. were reappointed auditors, and a hearty vote of thanks to the Chairman and boards of directors concluded the proceedings.

Bell's United Asbestos Co., Ltd.

Record Turnover and Profits.

Current Year's Outlook.

THE thirty-third ordinary general meeting of this Company was held on May 12 at the Cannon Street Hotel, London, E.C., Mr. J. Alfred Fisher (Chairman and Joint Managing Director) presiding.

The Secretary (Mr. George W. Giles) having read the notice convening the meeting and the auditors' report,

The Chairman said: It is not necessary, ladies and gentlemen, to occupy much of your time in alluding to the general situation with which the trading and financial world is confronted to-day.

The Slump in Trade.

But although the main factors of the situation are doubtless better known to you than they are to me, I think it desirable that we should keep the events that have led up to and dominate the present position before our minds, particularly as they illustrate the difficulties which this Company, like so many others, is encountering at the present time.

What I am about to say savours of ancient history, and everybody is aware that a few months after the Armistice there was a world-wide shortage of raw materials and manufactured goods of almost every kind. Everywhere there was keen competition to obtain what was wanted. Buyers were willing to pay almost any prices that were asked, and producers and manufacturers were loaded with orders. Enterprise was stimulated by the prospect of reduced taxation, which traders had been led to anticipate. Heavy financial commitments were entered into; many new companies were formed; big schemes were launched; soaring prices and rapidly increasing wages caused estimates of cost to be exceeded; new issues of capital under increasingly tempting conditions were offered, assets revalued, reserves capitalised, and bonus shares issued. Everything was booming.

Then, while on the crest of a great wave of apparent prosperity, the nation was suddenly, and almost without warning, thrown into the breakers.

Probably one of the first shocks to enterprise was the announcement of the continuation of the excess profits duty at an increased rate, instead of its expected reduction or total abolition.

Banking restrictions and curtailments of credits added to the difficulties. These restrictions were, no doubt, wisely imposed to restrain speculation, but they also retard and dislocate legitimate trading.

Concurrently, the rush from abroad to purchase British goods was checked, and subsequently was practically stopped by depreciated rates of exchange, intensified and accentuated by Continental imports largely exceeding exports.

British exports being thus seriously diminished, it became necessary to relieve the financial position by unloading accumulated stocks at greatly reduced prices. This fall in prices has continued to an extent which a few months ago would not have been considered possible.

While the purchasing power of European countries has declined, the fall in prices at home has not yet stimulated much more than a spasmodic demand in those cases where retailers have advertised special sales.

Traders generally are more ready to buy in a rising market. On the other hand, when prices are falling they hesitate until they believe the lowest point has been reached.

Meanwhile, manufacturers must either partially or entirely close their factories (thereby causing unemployment), or else carry increased stocks, or sell their goods at a loss. The latter alternative may involve serious financial considerations, and cannot be faced in the absence of adequate support, or if ample reserves have not been created in more prosperous times.

The resulting position to-day is that almost every trade, not only in this country, but in nearly every other country, is in a state of acute depression. Orders are being cancelled; railway, steamship, coal and iron companies and other large consumers are only buying from hand to mouth; and a state of "nerves" (in a commercial sense) pervades the world; while a solution of existing exchange and international trading problems is taxing the ingenuity of all the political economists and financial experts of our time.

The picture is not a bright one. All commerce to-day is passing through a crisis, and is face to face with an extraordinary situation, brought about nearly seven years ago through insane ambition and a reckless disregard of the rights of nations such as has never before been experienced. The slump has been tremendously aggravated by the deplorable stoppage in the coal trade. Happily, however, past experience leads one to expect that, although the outlook appears so gloomy, it will, sooner or later, be cleared by the exercise of those sterling qualities that have carried the nation through apparently insurmountable difficulties in former days.

Stocks in the hands of merchants and dealers must become exhausted, and I agree with those who say that it is quite as possible to under-estimate an eventual demand as it is to under-rate supplies.

General Labour Conditions.

Then, if labour can be brought to understand the difficulties with which employers are faced, and will recognise the necessity of co-operation with them as opportunities again occur, in increasing output and reducing costs, there is no doubt that this will go a long way towards helping us as a nation to re-establish our trading position on a more satisfactory basis.

It is necessary, however, that everything possible should be done to enlighten workers in every industry on economic questions. It is important that they should realise that, by doing a full and fair day's work, and attending to the interests of their employers in the many ways which are so clearly open to them, they will be helping to meet foreign competition and assisting employers to maintain a higher standard of wages, and more continuous and dependable employment, than would otherwise be possible.

These matters affect the well-being of every man and woman in the country. It is hoped, therefore, that British workers will see that it is quite as important, if not more important, in their own interests as in the interests of any other class that, after having, shoulder to shoulder with men of all grades and creeds, won the fight for national existence, they should not, either through indifference to recognised economic laws or by ill-considered action, throttle our industries and cause the nation to be beaten in the struggle to preserve its position in the markets of the world.

If the workers will only take these matters to heart, the words, slightly altered, of a modern amateur poet, may come true:

> "We lived the year of reconstruction,
> Cancellations, slumps, and general reduction;
> Over half we had went up the flue,
> But, thank the Lord, we did come through."

(Laughter.) It is encouraging to find that in some directions there are signs of improvement, and it may be a little consolation to some of us to know that our friends in the North are said to be enjoying a real boom in the export whisky trade!

Even this may help the asbestos business, for possibly Mr. Pussyfoot would say that it prognosticates a boom for fire-resisting asbestos clothes! (Laughter.)

Coming more directly to the affairs of our own Company, the statement in the directors' report that it had been found necessary to restrict the output of our factory will not, in the circumstances I have endeavoured to describe, have caused surprise.

Taking the year as a whole, we have had a record turnover, and a record profit, which would have been most gratifying but for the serious falling off in both the home and export trade which has since taken place, although I am pleased to say that home sales of "Poilite" have, so far, been fairly maintained. (Hear, hear.)

Exports and Prohibitive Tariffs.

The condition of our export trade is rendered less satisfactory than it might otherwise be by the high protective tariffs imposed by most foreign countries, and in a less degree by some of our Colonies, in which very remunerative prices are obtained by local manufacturers.

The most striking case, however, is that of America, where an attempt is now being made to impose an entirely prohibitive tariff in place of the existing import duty of twenty per cent. *ad valorem*. This is high enough indeed, and practically shuts out trade, but the new tariffs proposed are so remarkable as to be worthy of mention. Take, for instance, asbestos yarn of ordinary quality, selling here for two to three shillings per lb. American manufacturers are urging that a duty be put on this article of $1.75 and/or 50 cents per lb., or, say, from one to three hundred per cent. The supporters of this extraordinary proposal, however, give manufacturers on this side a good advertisement when they base their claim upon the statement that, while they have to pay their workers higher rates than are paid in Europe, they can only spin yarn from the longest asbestos procurable, costing them $3,000 per ton, or 6*s*. 3*d*. per lb., at the normal rate of exchange. This class of fibre represents less than one per cent. of the total Canadian production.

The prices charged by American manufacturers for asbestos goods even now are very high. Is it conceivable that they wish to persuade their Customs authorities that they are unable to utilise less costly grades of spinning fibre that are available, and from which they must surely know that it is quite possible with proper skill to make goods of best quality?

It would appear to be their object not to protect themselves from loss, but to make sure of keeping British manufacturers out of their market altogether (although they have a free market here), and to increase their already large margins and make American consumers pay the bill.

If their proposals are adopted this Company would be justified in seriously considering the question of starting a

factory in the United States, where we have important connections. The difference in labour cost is not serious, having regard to the high rates now paid here to asbestos workers.

It is obvious that the present *ad valorem* duty of twenty per cent. should be ample to cover any increased wages cost in the States, and if we are so much ahead of our American friends in the art of spinning asbestos fibre as the statements to their Customs authorities imply, then we should have a good prospect of success, and I purpose sailing for New York in a few days to go into these questions.

"Hurcan" Building Slabs.

The completion of the buildings and machinery for the manufacture of the new "Hurcan" building slabs took longer than was anticipated, and this department was only brought into operation a few weeks ago. The large demand for building materials that existed when we embarked on the new department has considerably moderated, owing partly, no doubt, to many building schemes having been either abandoned or deferred, and to financial difficulties. But sales are being effected, and appreciation has been expressed by users of the high quality and appearance of the new products, the price of which, as stated in the report, and which cannot be too strongly emphasised, compares favourably with the high cost of brickwork and other materials. We hope, therefore, that we shall do a satisfactory business in "Hurcan" building slabs, although (as we found when we commenced manufacturing "Poilite") it may take some time to get the new industry established on a profitable basis.

I have referred to the lower prices now ruling for many commodities, and may say that we are doing the best we can to comply with the wishes of many of our customers by reducing prices wherever we find it possible to do so without detracting from the high standard of our manufactures, but unfortunately the cost of all grades of raw materials used in the asbestos trade is still very high, and until this is reduced there is not much hope of our being able to effect any considerable reductions in the prices of manufactured goods. These matters, however, continue to receive the unremitting attention of my colleague, Mr. Bell, who has rendered such excellent service to the Company in connection with asbestos mining and manufacturing and in many other ways.

With regard to labour, I am pleased to say that the good relations, to which I have alluded on previous occasions, between our own workpeople and factory managers continue, and that when recently their attention was drawn to the difficulties with which we were confronted their Works Committee entered into full and frank discussions with us respecting the situation. They realised the gravity of the position, and adopted, as we felt sure they would, the wise course of co-operating with us in our efforts to economise.

The Balance Sheet.

Referring now to the balance sheet, you may have noticed that several rather important changes have taken place in the figures.

The new Ordinary shares have been paid up, and now rank in all respects equally with the old shares.

The sum of £91,856 was received during the year on capital account, and we expended £76,182 on land and buildings and £26,230 on plant at Harefield. The extensions contemplated two years ago are now practically complete, but, having regard to the exceptionally high cost of materials and labour, your directors have not hesitated in their report to recommend that £20,000 be appropriated from the year's profits, in addition to the usual amount written off, as a further depreciation reserve.

Although we have to pay taxes on any profits so set aside in excess of the amounts allowed by the Revenue Authorities, it is considered the right policy to keep the fixed assets on a sound basis, and there is no doubt in our minds that, as a result of that policy, the actual value of the Company's buildings and machinery would be found to exceed, even at pre-War prices, the balance sheet figures.

Cash and bills receivable, at £180,204, were £44,220 more than last year. On the other hand, the amount due to sundry creditors, shown on the opposite side of the account, was larger than usual, and was also considerably swollen as compared with the previous year, by reserves for excess profits duty, corporation profits tax, and income tax.

The amount due to the Company by trade debtors was £185,130. The only remark I need make regarding this item is that we believe it to be a perfectly safe asset; in fact, I am informed that ninety per cent. of it has been received.

The charge on the profits for the year for bad debts was again very small, and only amounted to a fraction over one halfpenny in the pound on the sales.

Regarding the shares of Potter's Asbestos Company, I am pleased to say that the turnover and profits of that company during the first nine months of last year exceeded expectations, but since then the business, like other concerns, has suffered very severely through the general depression in trade.

Stock-in-trade stands at £188,595. Stocks of raw material showed an increase and manufactured goods a decrease, the latter being due to the greater pressure of orders during most of the year.

The stocks have been valued on the same conservative basis as that adopted by this Company for many years, but, as I have already stated, the costs of raw materials are still high, and do not appear likely to approach the normal within the period proposed to be allowed by the Revenue Authorities for making readjustments for excess profits duty purposes.

This places us in a somewhat disadvantageous position in comparison, for example, with the cotton trade, where the price of raw material has fallen very considerably. We have therefore included an amount in the £20,000 appropriated for depreciation reserve towards meeting the contingency of having to write down stocks remaining on hand if or when a fall in prices takes place.

Profit and Loss Account.

Turning now to the profit and loss account, I hope that in the present circumstances you will consider that your directors have adopted a prudent course in not advising the payment of a bonus for the past year.

Many companies whose profits in proportion to their capital were more than ours have kept very large amounts in reserve, while others, although showing excellent trading results, have deemed it advisable, for purely financial reasons and because of the difficulty in raising new money to meet the requirements of their business on anything like reasonable terms, not to pay any dividend at all until the outlook becomes more promising.

Fortunately our position is such that we are able, without at present touching the invested reserves, to maintain a rate of dividend for the past year which has come to be regarded as a standard for this Company, viz., twelve and a-half per cent.

If we can keep this up—and you may depend upon it every effort will be made to do so—I have no doubt that if at any time it should be found necessary to raise additional capital, such an operation will be facilitated by the policy your directors have consistently followed.

Will you allow me to close by again tendering, on behalf of the directors, and I hope on your behalf also, our best thanks to those members of the staff to whose continued energy and devotion the excellent results of the past year are largely due?

I now move: "That the report of the directors and of the auditors, and the financial statements submitted to this meeting, be and the same are hereby approved, adopted, and confirmed, and that, in addition to the dividend at the rate of six per cent. per annum paid upon the Preference shares, a dividend at the rate of 1*s.* 6*d.* per share be paid out of the profits on the Ordinary shares, making, with the interim dividend already paid to June 30 last, a total dividend at the rate of twelve and a-half per cent. for the year."

Mr. A. J. Burnett seconded the resolution, which was carried unanimously.

The retiring directors (Mr. H. J. Enthoven and Mr. K. Lightfoot) were re-elected, and Messrs. Cooper Brothers and Company having been reappointed auditors, a vote of thanks to the Chairman and directors concluded the proceedings.

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Calcutta Electric Supply Corporation, Limited.

THE annual general meeting of this Company was held at the offices, 3 and 4 Clement's Inn, London, yesterday (May 12), Lord Meston, K.C.S.I. (Chairman of the Company) presiding.

In moving the adoption of the report and accounts the Chairman explained how the Company's business had developed in spite of the check which Calcutta had experienced in its general prosperity during 1920. Owing to the cheapening of their supply by the introduction in March 1920 of a flat rate of 3 annas per unit for domestic purposes, the rise in revenue had not been proportionately great. Their income in Calcutta, however, had increased from 46¼ to 52 lacs of rupees. This fact, taken with the high rates of exchange prevailing in the first half of 1920, had enabled them to show a profit in their net revenue account of £263,482, against £237,206 in the previous year, in spite of the rise in the price of coal and the general revision of salaries and wages which had been necessitated by the great increase in the cost of living in Calcutta. The directors had written off the whole cost of their recent Debenture issue, £24,793, out of the profits, and reserved £83,000 for excess profits duty and other taxation in England; £43,760 had been carried to the depreciation fund, and the reserve and other funds strengthened to the extent of £10,000. The directors proposed a final dividend on the Ordinary shares of six per cent., with an additional bonus of one per cent., making eleven per cent. in all for the year. Out of the proceeds of the issue on favourable terms of the £500,000 First Mortgage Debentures in July last the board had been able to order one 15,000 k.w. turbo-generator set and one 6,000 k.w. set with the necessary boilers, &c., to cope with the new demands with which they expected to be inundated. They were deferring the purchase of new plant so far as possible in the present state of the money market and the dearness of machinery. The Chairman concluded: As time goes on the scope of our supply promises to increase steadily, for our services are both cheap and good.

The Indian Position.

Our shares have recently been affected by the general uneasiness regarding the Indian position, added to the depression which has beset investments generally. The extravagances, however, of a certain section of Indian politicians are now on the wane, and India moves steadily forward in spite of them. The lessons of responsibility are already being taught by the new Constitution, and nothing could be more gratifying than the sobriety which has marked the opening scenes of India's new form of administration. It is safe to say that the risks attending well-employed capital in India are not greater, but probably on the whole less, than under the present industrial conditions in our own country

I need not emphasise the strength of this Company's position as set forth in the accounts; but I may perhaps be allowed to refer to a point which investors might easily overlook. Under the arrangement by which H.M. Government have put an end to the iniquities of the old double income tax, our ordinary shareholders in England obtain the benefit of relief from British income tax, of a rate equivalent to that at which we have paid on our profits in India. On the Ordinary dividend now being declared, this means that British income tax will be deducted at the rate of only 3*s.* 6½*d.*, and from this you can calculate the actual yield on our shares at their present market quotation.

Strong General Prospects.

Apart from this minor but substantial recommendation, I would invite you to look at the strength of our general prospects. In a business like ours, which touches the whole range of industry and the comforts of life in a great city, the second city in our Empire, rapid progress is inevitable when once the innate conservatism of the people has been breached. In particular the avidity with which our fellow-subjects in Calcutta have taken to the use of electric light is remarkable. In 1900, three years after the birth of the Company, we had only 407 houses connected; last year we had 11,500. In 1900 we sold under half a million units; last year nearly 39 millions. In 1900 we had 26 miles of cables; last year 525 miles. And yet, in spite of this remarkable increase, I make bold to say that we are only on the threshold of our activity. The demands upon us must grow with the growth of Calcutta's manufacturing interests and with the rising standard of the people's comfort. To cope with them we have an efficient plant, carefully kept up to date, and capable of steady expansion. We have an experienced staff, and our tariff is low and elastic. With careful finance the outlook is most encouraging. Meanwhile we are giving our customers a remarkably cheap supply; we are asking you to sanction a generous bonus for our staff in India; and we are proposing a return to our shareholders which in these difficult times I trust they will regard as reasonable.

Anglo-Continental Mines Co., Ltd.

Favourable Developments of the Mongu and Anglo-Jos Properties.

THE eleventh ordinary general meeting of the shareholders of this Company was held on May 10 at Winchester House, Old Broad Street, E.C., Mr. W. F. Turner (the Chairman) presiding.

The Chairman said: The profit and loss account shows that our earnings have been within £2,500 of those of the preceding year. The expenses are heavier, as we knew they would be. There is also an item this time for "losses written off, £3,624," which has to be provided for. This, however, is not in respect of the business of the year. We estimate the liability for income tax and corporation profits tax up to December 31 last at £3,250, which leaves a balance of, in round figures, £30,000. We propose to declare a dividend of ten per cent., free of income tax, which will require £15,500. Directors' commission amounts to £664, so there remains a credit balance of £13,835 to be carried forward to the new account. We aimed throughout the year at repeating the dividend of the preceding year, which was seventeen and a-half per cent., free of tax. We succeeded in making the requisite amount of profit, but we think that you will all agree that under the circumstances we are taking the right course in declaring the dividend that I have mentioned.

Mongu Tin Mines Prospects.

As regards our interests in Nigeria, you are already aware from the information which was given in our last report and at the last general meeting that we sold an important group of our properties to the Mongu (Nigeria) Tin Mines, Limited, for a consideration of 35,000 fully paid shares. The following passage from my speech at the annual general meeting of the Mongu Company the other day will give you the latest information with regard to the development of these properties: "Some 700 tons of tin concentrate have been proved on these areas, and upon one of them several lode formations have been discovered. As to this the manager writes: 'When opportunity serves a more extensive examination must be made of the lode formations on this area. Owing to the shortage of labour, it has been found impossible to devote any time to the further investigation of these, in some places, very rich occurrences.' The indications as regards these lode formations are so favourable that we have decided, now that labour is available, to resume prospecting and prosecute it as actively as possible." We hold more than half the capital of the Mongu Company, which paid a balance dividend of twelve and a-half per cent., less income tax, in May 1920, and an interim dividend of the same amount in November 1920, and I can only repeat what I said to the Mongu shareholders the other day: "Our confidence in the future of the Mongu Company is unimpaired." We have received a cablegram quite recently from our manager in Nigeria informing us that the concession has been returned by the Secretary of State approved, with certain alterations, which, so far as we know, are not of an important character, and we hope in the course of a few weeks to be in possession of the document itself for final consideration and decision. I need not enlarge again upon the importance of this subject to the tin industry in Nigeria, which will be recognised by all those who have a practical acquaintance with it. The next paragraph of the report states that the mining industry in Nigeria has been seriously affected by the long-continued fall in the price of tin which took place throughout the greater part of the year 1920 and continued into the present year, the lowest figure reached being £148 per ton. It is reassuring to find that to-day's price is about £173 per ton.

We have spent a good deal of money during the year 1920 in connection with some of our properties in Nigeria, but in view of the extremely low price of tin and the state of the market in tin shares here, we considered it prudent to take advantage, as stated in the report, of the relaxation of the labour obligations. We have discontinued operations for the time being on all our properties with one exception—that is the group of properties known as Anglo-Jos, of which I should like to give you some particulars. It consists of an area of over three square miles, held under exclusive prospecting licence, three mining leases totalling 233 acres, and six mining rights of a total length of 4,530 yards. The three-square-mile area is contiguous on the south and east to properties held by the Rayfield Co. and the Niger Co., and on the north and east it is bounded by mining leases of the Jantar Company. Up to December 31 last the drilling on one part of the property known as the Nigel Valley had proved the existence of about 750 tons of tin concentrates in ground averaging 1.3 lb. of shipping grade ore per cubic yard over a very considerable depth. I now move: "That the directors' report and accounts to December 31, 1920, be, and they are hereby, received and adopted, and that a dividend of ten per cent., free of income tax, recommended by the board, be, and it is hereby declared payable on May 11, 1921.

Mr. Edmund Davis seconded the motion, which was carried unanimously.

Spillers Milling and Associated Industries, Limited.

Excess Profits Duty.—Decontrol of Mills.

PRESIDING at the thirty-fourth annual ordinary general meeting of Spillers Milling and Associated Industries, Limited, at Cardiff on Saturday, May 7, the Chairman, Sir William Edgar Nicholls, said that for the second time the directors were compelled to meet the shareholders without the balance sheet of the Company being available for consideration, and that he hoped that such a course would not be necessary again.

The control of the flour-milling industry was determined on March 31 last by arrangement between the Ministry of Food and the National Association of British and Irish Millers, but in regard to the remuneration of Spillers and Bakers, Limited, although one important principle had now been conceded, it was not yet possible to indicate when a final adjustment would be arrived at. In fact, no settlement had yet been come to in respect of any one year of the whole period of control. A scheme formed part of the arrangement to decontrol mills whereby the functions of the Royal Commission on Wheat Supplies would be terminated in stages, the Commission undertaking to provide the necessary supplies of wheat in decreasing proportions until, in September next, the flour millers would be expected to obtain the whole of their requirements through the usual commercial channels. The necessity for this provision appeared to be imperative if supplies of foreign wheat were to be ensured.

A fundamental error was made when the excess profits duty was imposed and made retrospective, and a greater injustice would be done unless one general date for valuations of stock on termination of this duty was agreed, and the trader given the option of such date or the date now applicable, viz., on the expiry of seven trading years from the commencement of the first accounting period. Where businesses had been under State control, with agreements guaranteeing pre-War profits as the main principle, the cessation of the excess profits duty was not of the same importance as where such guarantees had not been given, and in this latter category were several of the associated companies.

Trading Year.

It had been decided last year that the Company's trading year should, in future, end on January 31, but as a consequence of the decision of the Chancellor of the Exchequer, that excess profits duty should cease at the termination of seven yearly periods, it appeared probable that when the accounts for last year were presented it might be found judicious to present them made up to February 28 last.

The issued capital of all classes on January 31 last was just under £3,000,000, an amount largely in excess of that appearing in last year's balance sheet, and the dividends for the eleven months, therefore, at the rate of fifteen per cent. per annum on the Ordinary shares, and at the rate of ten per cent. per annum on the Deferred Ordinary shares, including the present recommendations, would amount to the total sum (less tax) of £211,566 9*s.* 3*d.*, compared with £135,210 13*s.* 1*d.* paid last year.

Referring to expansions during the year, he gave particulars in regard to the businesses of Messrs. F. A. Frost and Sons, Limited, and Messrs. Watson, Todd and Company (Millers), Limited, the entire share capital of which companies had been acquired during the year.

In regard to these developments he wished to emphasise that there was one principle governing this policy—viz., that instead of allowing the activities of Spillers and Bakers, Limited, to cover the whole of the United Kingdom as formerly, it was desired as an economic factor to create zones to be supplied primarily by the mills within those zones, thus securing the full benefit from their respective geographical positions, and the economies thus made would be of advantage to the community as well as the Company.

Trade Policy.

Messrs. W. Vernon and Sons' Mill, at Victoria Dock, London, which was entirely destroyed by the Silvertown explosion in January, 1917, had now restarted work. For the present time it was the agreed trade policy to continue the manufacture of one grade of flour only, but when circumstances permitted reverting to grades the Company would experience the full value of the goodwill associated with Vernons' brand "Millenium."

Other schemes of amalgamation had materialised so lately that it had not been possible to include any notification of them in the report. Preliminary agreements had been signed some months ago with Messrs. Rishworth, Ingleby and Lofthouse, Limited, of Hull, and Messrs. John Jackson and Son, Limited, of Manchester and Bolton; these agreements had been ratified within the last few days, and the necessary steps were now being taken to complete these amalgamations. He did not proposed to give fuller details of these most recent amalgamations at the present time, but it was intended to publish a brochure, to be circulated to the shareholders, which would include reasonably full accounts of these companies.

Spillers Industries, Limited, would now be able, by schemes of co-operation through the associated companies, to occupy a place in the national commerce which would not take second place to any competing house, and as the Company's interests were to serve the consumers, through the customers, with the best values, the principle of distribution must have an important bearing upon the Company's welfare, as the effect of the excessively enhanced railway rates was thereby greatly diminished. A resolution would be submitted to the meeting to confirm the principles of the policy outlined. It had been thought necessary for the purposes of more complete co-ordination of the flour-milling interests to create what was in effect an association of the companies within the group, and accordingly a company bearing the name of the Associated British Flour Millers, No. 1 Group, had been registered on March 4 last.

Healthy Finance.

A further issue of Ordinary shares had not been necessary during the past year, as the finances of the Company had remained in a perfectly liquid and healthy condition, and, having regard to the general position, no further issue would be considered, unless circumstances definitely dictated the necessity. He thought that the Company's finances and banking facilities would see them through the present year.

Spillers Grain Company, Limited, in common with other grain traders, had had an exceedingly difficult time in consequence of the heavy deflation of values. They had now branches at London, Liverpool, Hull, Cardiff, Bristol, Southampton, Plymouth, Gloucester, Birmingham, and Newcastle-on-Tyne and he thought that no one would dispute their claim to be the largest distributors of coarse grains in the United Kingdom.

Referring to the British Oak Insurance Company, Limited, it was now a matter of increase in premium income that was required to hasten the commencement of dividend distributions, of which Spillers Industries, Limited, by its present shareholding, would take about nineteen-twentieths.

It was the intention as soon as possible to review and reconstruct the present co-partnership scheme, and it was desired, if it was favoured by them, to include the workpeople as well as the staff in the new scheme. Generally, the leaders of trade unions did not favour any scheme which embodied the principles of co-partnership, but he believed this view to be entirely wrong. The first charge on an industry must of necessity be the remuneration of the employees.

Consistent Prosperity.

The next step was that capital, which was only another word for saved earnings, must obtain sufficient returns of income to attract money to the industry. Given a proper return on these saved earnings, a community of interest could be created, because any excess over and above these necessary outgoings could be utilised for some measure of co-partnership, and consistent prosperity could only be re-established on some such basis.

On the much greater national issue, if the principle of the largest possible wages and shortest possible hours was to be the accepted policy, a concordat between capital and labour could never be established; this could only be obtained by co-operation, which should mean the re-establishment of industries, a return to national prosperity, and consistent and regular employment.

Coming to the question of the coal crisis, he understood that in 1913 an expenditure on wages of £91,000,000 resulted in an output of 287,000,000 tons of coal. In 1920 an expenditure on wages of £264,000,000 resulted in an output of 229,000,000 tons of coal. Reducing these figures to a common denominator of costs per ton, one could begin to grasp what this indicated.

He pleaded for common sense all round, which alone would place the country again in the position in the world which was at one time the envy of all other nations. His gratitude was due to the managers, staff, and employees for their co-operation during very difficult times.

The report was adopted, as also the resolution above referred to confirming the policy of amalgamation.

The retiring directors and auditors were reappointed.

Brush Electrical Engineering Company, Limited.

Satisfactory Year's Results.—Dividend of 15 per cent.

THE annual general meeting of this Company was held on May 9 at 88 Kingsway, W.C., Mr. Emile Garcke, the Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said that, including £74,726 brought forward, there was a balance of £265,822, subject to excess profits duty for 1920 and previous years. The directors proposed that that sum should be applied by writing off depreciation £13,000, by writing off the expenses in connection with the issue of capital last year, £15,575, by payment of the participating four per cent. interest on the prior lien stock, £2,044, by the addition to general reserve of £53,377, and by the payment of a dividend at the rate of fifteen per cent. on the paid-up share capital, absorbing £38,556, and leaving £143,268 to be carried forward. That was a result of the year's operations, on which the shareholders might be con-

gratulated. The liability of the Company in respect of excess profits duty might take some time to adjust: it was a great relief that it had been abolished. The gross profit on trading had been £285,328, as against £223,000. Expenses, of course, had been higher. That the issued capital showed a large increase was the result of the issues made last year. The increased capital had been necessary to provide for the largely increased volume of business, the magnitude of which could best be indicated by the fact that stock had risen from £145,000 in 1918 to £600,000 in the accounts before them, while amounts owing to the Company had grown from £80,000 in 1919 to £226,000. He thought they might look to the present position with satisfaction, and to the future with confidence. The specialities controlled by the Company placed them in a favourable position, notwithstanding the depression in most branches of industry.

The Company's order books were well filled, and there had been a gratifying increase in the demand for their Brush-Ljungstrom turbo-generator plant for electric-power production. Its installation effected such marked economy in coal and cost of electric power that its introduction had, in the case of some electric supply undertakings, been directly instrumental in converting a yearly loss into a substantial profit, while stations already working at a profit showed a corresponding improvement in results. When Brush-Ljungstrom plant was installed it was common for the engineer to find that he could at once dispense with one or more of the boilers previously in use, while it was a fact that a Brush-Ljungstrom set, when once started, was invariably, for the sake of economy, run continuously and for the maximum number of hours possible.

Mr. B. S. Broadhurst (the Managing Director) seconded the motion, which was carried unanimously.

Fanti Consolidated Mines, Ltd.

THE ordinary general meeting of Fanti Consolidated Mines, Limited, was held on May 11 at the Cannon Street Hotel, E.C., Mr. Edmund Davis (Chairman of the Company) presiding.

The Chairman said: Our expenditure in London at £7,479 shows an increase of about £1,000, and our West African expenditure, £895, an increase of about £140.

On turning to the credit side of the profit and loss account, interest and dividends, income from a property and sundry receipts, £48,382, show an increase of about £3,000. Our West African receipts at £903 show an increase of £254, and transfer fees at £288, a decrease of £291. Trustees' fees, £50, are the same, and the difference on realisation of shares, £43,963, shows an increase of £1,331. The total receipts on the credit side of the account come to £93,587, compared with £89,242 for the previous twelve months, an increase of £4,345, which is satisfactory.

We have set out in the report a list of the principal holdings of the Company on May 4. These particular investments remain unchanged to-day; the easily realisable portion of the same represent at present prices £240,000—that is, 3*s.* 6.6*d.* per share. As regards our other investments in companies working gold mines in the Gold Coast Colony, these are affected by a very serious shortage of labour, but, given an improvement in this respect, the Abbontiakoon Mines, Limited, should show very satisfactory returns, as at no time has this particular property looked as well as it does at the present moment—that is, so far as present developments are concerned.

As regards our other investments, we have during the year under review changed some, and in particular have acquired 7,200 shares in the Chinese Engineering and Mining Company, Limited, on which we should shortly receive a bonus of 2880 fully-paid shares, which will make our interest 10,080, which should bring us in a satisfactory return, and, in course of time, as that company's output gradually increases, show a large appreciation on the cost. The Company at the present moment disposes of about 4½ million tons of coal per annum, and within a few years should show considerable increase over this figure.

We have taken a small participation in the Compagnie D'Exploitation Forestieres Africaines, which should make very satisfactory profits, the Company in question dealing with large forests in one of the French African colonies.

The holding of South-West Africa Company shares is a late acquisition and may, under certain circumstances, be worth considerably more than the amount at which it stands in our books.

The Union Corporation, which has just declared a dividend of sixteen per cent., is a very strong and influential institution. Other important interests are our Wankie Colliery holding, which is paying satisfactory dividends, having just declared an interim one of five per cent., and our shares in the Compagnie Tunisienne des Phosphates du Djebel M'dilla.

During the year under review we have disposed of our chrome interests, being satisfied that the new discoveries of ore in Rhodesia, and competition from other parts of the world, will lead to diminished profits.

The report and accounts were adopted.

Bryant and May, Limited.

Success of Co-Partnership Scheme.

THE thirty-seventh ordinary general meeting of Bryant and May, Limited, was held on May 11 at the Fairfield Works, Bow, E., Mr. Wm. Alexr. Smith (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that notwithstanding many adverse circumstances the profits had been well maintained, and the directors were able to recommend the same return to the shareholders and workers as was made last year. They had again written £25,000 off premises, plant, machinery, &c. During the last five years they had expended under this head £294,676, but the amount now standing in the books was only £156,523 more than that of March 31, 1916, and only £152,252 more than at March 31, 1904. Since the latter date they had expended on the new offices and works at Bow, the new addition at Liverpool, and their entirely new establishment at Glasgow no less than £563,242.

Mr. G. W. Paton (Managing Director) seconded the motion, and stated that among the proposals in the report was one to pay an extra three per cent. under the Brymay co-partnership, bringing the Ordinary dividend up to eleven per cent., free of tax. This three per cent. absorbed £24,000, and a like amount went to the workers. The trading throughout the year had been satisfactory, notwithstanding all the difficulties. Those difficulties had not been with the Company's workers, complete harmony having prevailed throughout the whole year in all their factories and offices. This had not been reached in a day or a year, but by a long, steady, and gradual process of caring for the wants of their workers and eliminating everything that might cause friction.

The latest scheme, which had just been launched, was a supplementary voluntary unemployment benefit, designed to relieve as far as possible the dread of unemployment through depression of trade. A fund was raised by setting aside one per cent. of the wages bill each year until it reached five per cent., at which it was maintained. Payments to those out of work through depression in their own industry would provide fifty per cent. of the normal wage for an unmarried man and 75 per cent. for a married man with three children, the Government grant and the payment by the trades union forming part of the total allowance. It was an essential part of the scheme that workers must pay a sufficient contribution to their trade union to enable them to draw 6*s.* from the union before they were eligible for the supplementary benefit. This scheme had been introduced in

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the whole match industry through the Joint (Whitley) Industrial Council, and, he believed, was the first in the country for a complete industry.

The report and accounts were unanimously adopted.

Lonely Reef Gold Mining Co., Ltd.

Latest Development Cable.

THE eleventh ordinary general meeting of this Company was held on May 10 at the offices of the Company, Threadneedle House, 34 Bishopsgate, E.C., Mr. C. F. Rowsell (the Chairman) presiding.

The Chairman said: The bullion realised for the year under review amounted to £354,619 1*s.* 3*d.*, as against £340,015 19*s.* 2*d.* in the previous year. Costs amounted to £134,742 15*s.* 6*d.*, as against £106,519 5*s.* 5*d.* The costs of mining have been increased by £13,000, hauling and underground transport by £4,000, transport of ore and milling by £7,000, and slimes treatment by £3,600.

Coming to the appropriation account, we brought forward from the previous year £58,129 9*s.* 5*d.*, which, together with the profit brought forward for the year, made a total of £236,726 5*s.* 4*d.* available for distribution, as against £247,124 the previous year. We have paid dividends of fifty per cent., amounting in all to £111,790, out of the profits of the year, and we have paid for the British and Rhodesian income tax £42,959 12*s.* (this was £11,000 more than in the previous year), leaving £68,729 5*s.* 8*d.* to be carried forward.

As you will have seen from the report, your board have been met by the difficulty arising from the rapid exhaustion of the available supplies of wood fuel in the neighbourhood of the mine. The solution which has been adopted is the installation of a producer plant for the consumption of wood fuel. It is estimated that the use of this plant will decrease the cost of power so largely that the cost of the plant, which will be in the neighbourhood of £75,000, should be redeemed within the next three years.

So far as the current year is concerned we have just declared a dividend of fifteen per cent. I, of course, cannot prophesy as to what our total dividend is likely to be in the current year.

The total ore reserves at December 31 last were estimated to contain 4,170,467.4 dwt., as against 4,620,022.3 dwt. in the previous year. The tonnage of the reserves increased by some 3,000 tons, while the value decreased by 2.74 dwt. This change in the value of the ore reserves is, of course, brought about by the fact that the developments carried out during the year, particularly in the 21st, 22nd, and 23rd levels, have not disclosed ore of the very high values which we have been developing in the levels immediately above. A cable just received from the mines gives the following results:—

"No. 23 level north—Great improvement in the reef: last 25 ft. averages 1 oz. 9 dwt. over 6 ft. 8 in. This may prove very important development."

This suggests that we are now getting out of the poor zone and are again entering a richer section of the reef.

The report was adopted.

Ivanhoe Gold Corporation, Ltd.

Existence of Company depends on Maintenance of Gold Premium

THE twenty-fourth ordinary general meeting of this Corporation was held on May 9 at River Plate House, E.C., Mr. Francis A. Govett (the Chairman) presiding.

The Chairman said it was not the smallest use his wasting the time of the shareholders by discussing the tonnage of reserves, which, as a matter of form, the directors included in their report on the lines of former years, made up of ore which then was payable, when they had to allow nearly 5*s.* for loss in residues, and for last year, on top of that, they showed working costs of 32*s.* 6*d.* per ton, which costs had been since increased by a recent devastating award, and other matters, by an amount which at first was estimated at no less than £45,000 a year. Fortunately, it was not quite so bad as that. They agreed last year that their only course was to cease to treat ore that could not be worked at a profit, but to treat a higher grade, in the hope that, with the return of labour to the mines, and perhaps increased efficiency, which perhaps had been the case to some extent, the cost of working again might fall, and so enable them to reduce the grade of ore, and in the expectation that the gold premium would continue. The last expectation had indeed been realised, but so far from the working cost being reduced, it looked like being now increased by over 4*s.* per ton, or, say, £36,000 a year, on their present scale of about 170,000 tons. That meant that, with the loss in residues, there was no profit at the par of gold, or 85*s.* per ounce, in treating ore of less value than about 42*s.* per ton. Their average grade was given at 34*s.* The average gold premium received in respect of last year's gold amounted to 11*s.* per ton, which placed the lowest grade of ore which could be treated, if that average premium were maintained, at about 31*s.* per ton.

The New York Exchange.

Now, the premium on gold depended on two factors—first, the actual scarcity of the metal itself; and, secondly, the New York exchange, which was just a pressure gauge which indicated the varying balance of indebtedness of Great Britain to America. The gold premium and the New York exchange were, in fact, the same thing expressed in different terms. The scarcity of gold was being increased now by increased demands and by reduced production, especially on the high cost of its production, the main factor in which was the cost of labour. That [illegible] to point to some possibility that production might continue to decrease, and so increase the premium, and might set off against the Company's increased cost. But, so far from there being a sufficient supply, the world's production was now not more than £70,000,000 sterling, against pre-War £93,000,000, and under the present circumstances, a [illegible] and poorer, unless new mines were found to take their place, or unless [illegible] tion was likely still to be growing less. At the same time, nations were now competing for gold, and all the while there [illegible] India. He had seen a computation, which he believed to be correct, that in twenty-one years to 1919 no less than £253,000,000 of gold had disappeared into hoards in India, which was just the simple result of closing the Indian mints to silver in 1893, since when they had hoarded gold instead of silver—a process which was still going on. There was not the [illegible] to silver so as to release the gold, which was the case that he would take, and restore the normal monetary standard of the East with its sentimental associations and traditions derived from immemorial ages. One of the two factors, then, was distinctly in favour of the maintenance of the premium, and therefore of the continued existence of the Ivanhoe Gold Corporation.

As to the financial position of the Company, like all the world, they had suffered from depreciation, and as they had a large amount of money in Australia which for the moment they could not use for distribution here, and they had the additional reason that, although this year's profits had been larger than they anticipated, the outlook in the future was by no means sure, the directors had thought it right to pay a dividend which was less than the amount which was normally available, and to write off the depreciation. He had already referred to the effect of the disastrous arbitration award upon the Ivanhoe Gold Corporation. So far as this Company was concerned they could go on making profits so long as they could find ore of sufficiently high grade and the gold premium still existed. He moved the adoption of the report and accounts.

Mr. A. H. Collier seconded the motion, and after a few questions had been answered by the Chairman it was unanimously adopted.

THE ECONOMIC CONDITION OF TURKEY.

THE first annual review published by the National Bank of Turkey throws an exceptionally interesting light on the economic condition of Turkey since the Armistice. For other countries generally the period since the Armistice has been devoted to reconstruction, though progress has been unexpectedly slow. In the case of Turkey, however, it has been a period of greater internal distress and of retrogression. Deprived of the rich granary of Anatolia, which soon fell under the Kemalist régime, Constantinople had to fall back upon imported foodstuffs, whilst losing at the same time [illegible] that region formerly available for export. The downfall of the Wrangel régime in South Russia deprived Constantinople of a brisk trade and made it the dumping-ground of goods originally destined for South Russia. Coal in particular had been in great demand, but now importers were left with large stocks on hand, and the severe fall in prices caused considerable losses. The situation was aggravated by the wild fluctuations of the exchanges. During 1920 the rate, which, at par was 110 piastres [illegible] particularly between 382 piastres in January and 600 piastres in December. Compelled to purchase foodstuffs at these abnormal rates, it is scarcely surprising to find that the cost of living had risen considerably since the War, the exact [illegible] when the index number was [illegible] July 1914. By December 1920, however, the slump in prices had reduced this to 231. The loss of the South Russian market, the temporary isolation from Anatolia, and the abnormal exchange all resulted in a greater adverse trade balance. The latest figures available for the period January 1919 to January 1920

show imports amounting to 91,871,665 Ltgs., whilst exports do not exceed 34,929,549 Ltgs. The only other figures with which these can be compared concern the year March 1913 to March 1914. For that period imports were returned at 40,809,837 Ltgs., and exports at 21,431,669 Ltgs. Thus the adverse trade balance has been multiplied threefold during the interval. It is interesting to note that, whilst the United Kingdom retains its place as first in the list both of imports and exports, America, which only ranked eleventh on the list of imports before the War, ranked fourth in 1919, the total imports therefrom having increased more than sevenfold. At the same time, America took third place on the export list, as against fifth in 1913-14. It appears that the returns for 1920 are likely to be still less favourable to Turkey, despite the slump in freights and prices, especially towards the end of the year. It is stated that the adverse trade balance will probably be over 100 per cent. greater than that for 1919. It is evident that until the fate of Turkey has been definitely settled by the Supreme Council, no economic recovery is possible.

TRADE OF THE NETHERLANDS IN 1920.—According to a report furnished by the Commercial Secretary to H.M. Legation the Netherlands experienced in 1920 the effects of the trade depression that had swept over the United States and United Kingdom alike. In particular receipts from Customs duties began to decline in the latter half of the year. The monthly receipts, which were as high as 5½ million florins in May, had dropped to 3¾ million florins by November. Preliminary reports indicate that agriculture was by no means as successful as had been hoped, prices falling severely in the closing quarter of the year. Dutch industries in general made good progress, shipbuilding in particular benefiting by a more plentiful supply of raw materials. There was an increase, too, in the production of coal, the output for the first ten months amounting to 3,216,000 tons, or an increase of 393,000 tons as compared with the corresponding period of 1919.

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CLAIMS PAID EXCEED ... £10,500,000
All classes of Life Assurance and Annuity Business transacted.
Under the latest Tables an
Annual Bonus of £3 per cent. is guaranteed.
Write for Prospectuses or quotations to meet your individual requirements.
ARTHUR L. HUNT, F.S.S., F.C.I.I.,
General Manager.

P A
YOUR FUTURE SAVINGS.
You may guarantee your savings to your family if you die and to yourself if you live by means of
An ENDOWMENT POLICY.
PRUDENTIAL ASSURANCE CO., LTD.
C Ld.

BANK OF NEW ZEALAND.
Bankers to the New Zealand Government.

CAPITAL.

Authorised, £6,154,988 **Subscribed, £3,904,988**

PAID UP.

Four per Cent. Guaranteed Stock	**£529,988**
"A" Preference Shares issued to N.Z. Government	**500,000**
"B" " " " " " " "	**625,000**
Ordinary Shares	**2,2 0,000**
	£3,904,988
Reserve Fund and Undivided Profits	**£1,521,520**

London Office: 1 Queen Victoria Street, E.C. 4.

Issues Drafts and **Letters of Credit,** makes **Telegraphic Transfers, Negotiates** and **Collects** Bills of Exchange.
ALEXANDER KAY, Manager.

THE CHINESE ENGINEERING & MINING COMPANY, LIMITED.

DIVIDEND NO. 17.

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER.

NOTICE IS HEREBY GIVEN that an Interim Dividend of Ten (10) per cent. or 2s. per Share free of Income Tax has been declared on account of the year ending 30th June, 1921, and will be paid on the 23rd May next to all Shareholders registered on that date. The Transfer Books will be closed from the 17th to the 23rd May, 1921, inclusive.

Holders of Share Warrants to Bearer are informed that Coupon No. 17 may now be presented for payment at either of the following places:—

London: At the Transfer Offices of the Company, No. 5 London Wall Buildings, E.C. 2;
Brussels: At the Banque d'Outremer, 48 rue de Namur.

Coupons must be left three clear days for examination, and must be listed on forms, which can be obtained on application at either of the above addresses.

By Order of the Board,
ALFRED W. BERRY,
Secretary.

22 Austin Friars,
London, E.C. 2,
13th May, 1921.

THE CHINESE ENGINEERING & MINING COMPANY, LIMITED.

ISSUE OF FULLY PAID BONUS SHARES.

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER.

NOTICE IS HEREBY GIVEN that by Resolutions of the Company passed on the 4th January, 1921, it was resolved to capitalise the sum of £400,000, being part of the undistributed profits of the Company, by the distribution amongst the Shareholders of 400,000 new Shares of One Pound each, fully paid, at the rate of two new Shares for every five Shares held.

The new Shares are now ready for issue, and Holders of Share Warrants to Bearer must deposit their Share Warrants (with Coupons Nos. 18 to 20 attached), listed in numerical order on a form to be obtained from the Company, at either of the following places:—

London: At the Transfer Office of the Company, No. 5 London Wall Buildings, E.C. 2;
Brussels: At the Banque d'Outremer, 48 rue de Namur.

The Company will issue a receipt to be exchanged later for the Share Warrants deposited and for the new Share Warrants, and will detach Coupon No. 18 from the Share Warrants deposited and from the new Share Warrants.

Fractions of Shares will be sold and the proceeds distributed amongst those entitled thereto.

The Transfer Books will be Closed from the 17th to the 23rd May, 1921, inclusive.

By Order of the Board,
ALFRED W. BERRY,
Secretary.

13th May, 1921.

NOTE.—Share Warrants must not be sent by post, but must be lodged by the holder in person or by a Banker or other Agent.

PERRY'S
TRADE PROTECTION OFFICES
(Established 1776)
12 COLEMAN STREET, E.C. 2.
Status enquiries made as to the position and standing of Traders and others.
PERRY'S GAZETTE & LIST OF CREDITORS, are published Weekly, and are valuable to everyone in business.

PRELIMINARY ANNOUNCEMENT.

JOSEPH NATHAN & Co. LIMITED.

AUTHORISED SHARE CAPITAL £1,050,000

Proprietors of Glaxo *(Registered)*

WILL ISSUE AT PAR

300,000 8% Cumulative Participating Preferred Ordinary Shares of £1 each, participating up to 12%

These Shares will have the right to a fixed cumulative dividend at the rate of 8 per cent. per annum on the capital for the time being paid up, payable next after the dividend on the £250,000 "A" 7 per cent. Cumulative Preference Shares and in priority to any dividend on the Ordinary Shares.

They will also rank for dividend pari passu with the Ordinary Shares after the latter shall have received 8 per cent., until both classes of Shares shall have received 12 per cent.

The Prospectus will be advertised in the public press on May 22nd and 23rd, and will show that the

ANNUAL NET SALES OF GLAXO

have increased steadily from £14,508 in 1911 to

£1,413,425

in 1920, and are still increasing.

Copies of the PROSPECTUS will be obtainable from

THE COMPANY'S BANKERS:

THE ROYAL BANK OF SCOTLAND, 3 Bishopsgate, London, E.C.2., and all Branches.

THE UNION BANK OF AUSTRALIA LTD., 71 Cornhill, E.C.3.

LONDON COUNTY WESTMINSTER & PARR'S BANK LTD., 1 Harley Place, W., and all Branches.

Or from the COMPANY'S BROKERS:

ALEX. WILSON & SONS, 11 Birchin Lane, London, E.C.3, and Stock Exchange.

CHARLTON ILLINGSWORTH & CO., 18 Exchange St., Manchester, and Stock Exchange.

FYSHE & HORTON, 3 Temple Row West, Birmingham, and Stock Exchange.

ARTHUR E. BLAKE, Prudential Buildings, Nottingham, and Stock Exchange.

Or from the SECRETARY at the Offices of the Company:

FRED. C. RANDALL, A.C.I.S., 88 Gracechurch Street, London, E.C.3.

CANADA.

THE DOMINION BANK.

HEAD OFFICE: TORONTO.

TOTAL ASSETS: $139,263,093.

SIR EDMUND B. OSLER, President.

SIR AUGUSTUS M. NANTON and A. W. AUSTIN, Vice-Presidents.

C. A. BOGERT, General Manager.

LONDON BRANCH, 73 CORNHILL, E.C.3.

S. L. JONES, Manager.

Dealers in Canadian and American Exchange. General Banking Business transacted. Branches and Correspondents throughout Canada and the United States.

NEW YORK AGENCY: 51 BROADWAY.

INDUSTRIAL BANK OF JAPAN LTD. 5% STERLING BONDS.

NOTICE IS HEREBY GIVEN that the Coupons due 1st June, 1921, will be paid on and after that date (Saturdays excepted), between the hours of 11 and 3, at the Yokohama Specie Bank, Ltd., where lists may be obtained.

Coupons must be left three clear days for examination prior to their payment.

For the Yokohama Specie Bank, Ltd.,
T. OKUBO,
Manager.

9 Bishopsgate, E.C. 2,
17th May, 1921.

IMPERIAL JAPANESE GOVERNMENT 4½% STERLING LOAN OF 1910.

NOTICE IS HEREBY GIVEN that the Coupons due 1st June, 1921, will be paid on and after that date (Saturdays excepted), between the hours of 11 and 3, at the Yokohama Specie Bank, Ltd., where lists may be obtained.

Coupons must be left three clear days for examination prior to their payment.

For the Yokohama Specie Bank, Ltd.,
T. OKUBO,
Manager.

9 Bishopsgate, E.C. 2,
17th May, 1921.

CITY OF BLOEMFONTEIN FOUR PER CENT. INSCRIBED STOCK, 1954.

NOTICE IS HEREBY GIVEN that, in order to prepare the Dividend due on 1st July next, the Balances of the several accounts in the above-mentioned Stock will be Struck on the night of 1st June, and that on and after 2nd June the Stock will be transferable ex dividend. Forms of request for the purpose of forwarding dividend warrants by post to Banks or other agents may be obtained on application to the Bank.

For the National Bank of South Africa, Limited,
D. CUNNINGHAM, Manager.

Circus Place, London Wall, E.C.,
17th May, 1921.

CITY OF PRETORIA FOUR PER CENT. INSCRIBED STOCK 1939. CITY OF PRETORIA FOUR AND-A-HALF PER CENT. INSCRIBED STOCK, 1940-60.

NOTICE IS HEREBY GIVEN that, in order to prepare the Dividend due on July 1st next, the Balances of the several accounts in the above-mentioned Stocks will be Struck on the night of June 1st, and that on and after June 2nd the Stocks will be transferable ex dividend. Forms of request for the purpose of forwarding dividend warrants by post to Banks or other Agents may be obtained on application to the Bank.

For the National Bank of South Africa, Limited,
D. CUNNINGHAM, Manager.

Circus Place, London Wall, E.C.,
17th May, 1921.

RAND WATER BOARD FOUR PER CENT. INSCRIBED STOCK, 1935.

NOTICE IS HEREBY GIVEN that, in order to prepare the Dividend due on 1st July next, the Balances of the several accounts in the above-mentioned Stock will be Struck on the night of 1st June, and that on and after 2nd June the Stock will be transferable ex dividend. Forms of request for the purpose of forwarding dividend warrants by post to Banks or other Agents may be obtained on application to the Bank.

For the National Bank of South Africa, Limited,
D. CUNNINGHAM, Manager.

Circus Place, London Wall, E.C.,
17th May, 1921.

ALEXANDRIA WATER COMPANY, LIMITED.

NOTICE IS HEREBY GIVEN that the Forty-third Ordinary General Meeting of the Shareholders will be held at the Company's Offices, Alexandria, on Wednesday, the 1st June, 1921, at four o'clock in the afternoon, for the transaction of the ordinary business of the Company, pursuant to Act of Parliament.

Holders of Share Warrants to Bearer desiring to attend or to be represented at the Meeting must deposit their Share Warrants in London before the 20th May, 1921, or in Alexandria before the 28th May, 1921, until after the Meeting, at Messrs. Barclay's Bank, Limited, 1 Pall Mall East, London, S.W. 1, or at the Anglo-Egyptian Bank, Limited, Alexandria, or at some other approved Bank in London or Alexandria.

Dated, Alexandria, Egypt, the 21st April, 1921.

By Order of the Board,
J. E. CORNISH,
Secretary General.

GRAND TRUNK RAILWAY COMPANY OF CANADA.

NOTICE IS HEREBY GIVEN that the Transfer Books of the Company, so far as regards the Four per Cent. Guaranteed Stock, will be Closed from Friday, the 3rd June, to Thursday, the 30th June, 1921, both days inclusive, for the purpose of the payment of the dividend, guaranteed by the Canadian Government in accordance with the terms of the agreement approved by the Proprietors on the 19th February, 1920.

Warrants for the dividend accrued to the 30th June, 1921, will be forwarded on that date to all Proprietors of this Stock registered on the Books of the Company on the 3rd June, 1921.

By Order,
H. DEER, Secretary.

Dashwood House,
9 New Broad Street, London, E.C. 2,
20th May, 1921.

THE LEOPOLDINA RAILWAY COMPANY, LIMITED.

NOTICE IS HEREBY GIVEN that the next Ordinary General Meeting of the Leopoldina Railway Company, Limited, will be held at River Plate House, Finsbury Circus, in the City of London, on Monday, the 30th May 1921, at 12 o'clock noon, to receive the Directors' Report and an Audited Statement of Accounts for the year ended 31st December 1920, to elect Directors, to transact the ordinary business of the Company, and to declare a dividend on the Preference Shares.

By Order of the Board,
J. H. DRURY,
Secretary.

Dated this 20th May, 1921.
Offices of the Company,
5 Lombard Street,
London, E.C. 3.

LAKE SUPERIOR CORPORATION FIRST MORTGAGE COLLATERAL TRUST FIVE PER CENT. GOLD BONDS.

The Lake Superior Corporation announces that the Interest Coupons of the above-mentioned Bonds maturing 1st June, 1921, may be presented on and after the 18th May, 1921 between the hours of 10 and 2 o'clock (Saturdays excepted), for payment at the rate of 1.86⅔, at the Bank of Montreal, 47 Threadneedle Street, London, E.C. 2, or its Branches in Montreal or New York. Three clear days are required for examination. Lists may be obtained on application at the Bank.

NOTICE IS HEREBY GIVEN

that the Transfer Books will be Closed from the 18th to the 31st May, 1921, both days inclusive.

By Order,
CHAS. WINDETT,
Actuary and Secretary.

The Consolidated Assurance Company, Limited,
9 Fleet Street,
13th May, 1921.

BANQUE GUYERZELLER

Société Anonyme ZURICH. Established 1894.

Paid-up Capital - Frs. 6,000,000.

Every description of Banking business transacted.

BANK OF JUGOSLAVIA LTD.

Zagreb, Jugoslavia

Subscribed Capital ... JK200,000,000
Reserve 50,000,000

NEW YORK AGENCY
25 Broadway New York
Cable Address "Jugobank"

THE LONDON AND RIVER PLATE BANK, LIMITED.

Established 1862.
AFFILIATED WITH LLOYDS BANK LIMITED.

Paid-up Capital and Reserve Fund, £4,140,000.

ESTABLISHED AT:

Argentina.—Buenos Aires and Sub-Branches, Bahia Blanca, Concordia, Cordoba, Mendoza, Parana, Rosario, Tucuman.
Uruguay.—Montevideo, Calle Rio Negro (Montevideo), Paysandu, Salto.
Brazil.—Rio de Janeiro, Bahia, Curityba, Maceio, Manaos, Para, Pelotas, Pernambuco, Porto Alegre, Rio Grande, Santos, Sao Paulo, Victoria.
Chile—Valparaiso, Santiago, Antofagasta.
Paraguay.—Asuncion.
Colombia.—Bogota.
U.S. America.—New York, 51 Wall Street.
France.—Paris (16 Rue Halévy).
Belgium.—Antwerp (22 Place de Meir).
Portugal.—Lisbon (32 Rua Aurea).

Agents throughout the World. Letters of Credit, Drafts and Cable Transfers issued. Bills negotiated, advanced upon, or sent for collection.

7 Prince's Street, E.C. 2.
Manchester: 86 Cross Street.

THE COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED.

Established 1834. Incorporated in New South Wales.

Capital Paid up	£2,500,000	0	0
Reserve Fund	2,220,000	0	0
Reserve Liability of Shareholders	2,500,000	0	0
	£7,220,000	0	0

Drafts payable on demand and Letters of Credit on Australasia are issued by the London Branch. Bills on Australasia negotiated or collected. Remittances cabled.

London Office—
18 Birchin Lane, Lombard Street, E.C. 3.
F. A. SCRIVENER, Manager.



Bureau of Canadian Information

The Canadian Pacific Railway, through its Bureau of Canadian Information will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In the Reference Library maintained at the head European Office of the Canadian Pacific Railway, 62-65 Charing Cross, London, S.W. 1, is complete data on natural resources, climate, labour, transportation, business openings, etc., in Canada, which is continually being revised and brought up to date. No charge or obligation attaches to this service. Business organisations are invited to make use of it. For further particulars write or call—

The Canadian Pacific Railway
Department of
Colonization and Development
62-65 Charing Cross, London, S.W. 1

The London Assurance.

Incorporated by Royal Charter, A.D. 1720

7 ROYAL EXCHANGE, LONDON, E.C.3.

INCOME **£2,970,539**

FIRE. MARINE.

Applications for Agencies invited.



ASSETS **£8,499,206**

LIFE. ACCIDENT.

All classes of Insurance.

Third Century of Active Business.

ABSTAINERS AND GENERAL INSURANCE COMPANY LTD.

Head Offices:—BIRMINGHAM.

LIFE ASSURANCE.

Reduced Rates for Abstainers.

FIRE. BURGLARY, PLATE GLASS, PERSONAL ACCIDENT, Motor, Employers' Liability, Driving Accidents, Property Owners' Indemnity, Comprehensive "Household" Insurances.

BRITANNIC ASSURANCE COMPANY, Ltd.

(Established 1866.)

As a result of the 1920 Valuation the excellent Reversionary Bonus of £1 4s. 0d. per £100 sum assured has been declared to all Ordinary Branch policies in the immediate profit class.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £1,000,000
FUNDS exceed £2,500,000

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1920,

Annual Income Exceeds - - £6,300,000
Assets Exceed - - - - £19,000,000
Claims Paid Exceed - - - £32,000,000

Subscription to "The Statist," to include all Special Numbers.

Payable in advance.

Inland (Post Free):

One Year (52 weeks)	£1	12	0
Half-Year (26 weeks)		16	0

Colonies and Abroad (within Postal Union, Post Free):

One Year (52 weeks)	£1	17	4
Half-Year (26 weeks)		18	8

Offices: 51 CANNON STREET, LONDON, E.C.4.

IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

THE STATIST,
51 Cannon Street, London, E.C. 4.

Telegrams: "Statist Cent. London." *Telephone: City 5258-5259.*

The Statist.

LONDON, SATURDAY, MAY 21, 1921.

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The Money Market.

Friday May 20, 1921.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate	6½ (Apr 28, '21)	7 (Apr 15, '20)
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	4½ (Apr. 28, '21)	5† (Apr. 15, '20)
Discount Houses (Notice)	4¾ (Apr 28, '21)	5½ (Apr. 15, '20)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Bank Bills ...	5¾	5¾	5½	5¾	—
Trade Bills ...	—	6½-¾	6¾	7	—

TREASURY BILLS AND THE EXCHEQUER.

A RATHER curious position as regards the national finances has developed from the plenitude of funds which characterised the Money market since the middle of April last, with the exception of the current week. It has caused a large transference of money into Treasury bills despite the reduction of the rate and the limited amounts offered for sale by tender. As a result the total of Treasury bills outstanding has grown from £1,103,230,000 on April 16 to £1,127,082,000 on Saturday last, an increase of £23,752,000. This has been accompanied by a reduction of only £1,870,000 in Ways and Means Advances during the period, for there was a substantial revenue deficit, as we point out elsewhere. A comparison of the floating debt on Saturday last with the total of a year previously shows that while Ways and Means Advances have declined by £35,898,000, yet Treasury bills outstanding have advanced by £63,349,000, so the total floating debt is £27,451,060 higher. This position is certainly not in accordance with the policy

of the Government initiated as long ago as the beginning of last financial year, which is to effect a gradual reduction in the floating debt. It is satisfactory to note that something in this direction has been effected as regards Ways and Means Advances, but this is not enough, and even here the reduction is a small one and may easily disappear if revenue continues to come in at its present diminished scale. It is now more than a year ago since Mr. Chamberlain told us the Government regarded the reduction of the floating debt as of the foremost importance, a policy that has been reiterated by his successor. Yet to-day, instead of a reduction which should by this time have amounted to over £70,000,000, there is actually an increase of nearly £27½ millions. The cause of this position is primarily the large amounts of compulsory repayments of unfunded debt that had to be made last year, and at present the dominant cause is the poor showing made by revenue—a position that is not likely to improve in view of the present industrial outlook. The situation as regards revenue is intensified by the fact that sales of surplus Government material, which last year proved a very fruitful source of funds, are now on a small scale. Assuming then that the coming period will be a trying one for the Exchequer it is well to recognise that the Government is faced with the alternative of cutting down expenditure or abandoning their policy of reducing the floating debt and reverting to the old pernicious practice of meeting obligations by increasing short-term borrowings. Whatever line of action will be adopted it is clear at any rate that the volume of Treasury bills outstanding provides a more pressing problem than that of reducing other forms of unfunded debt or than meeting some of the unproductive expenditure undertaken for the current year, and a departure from the policy of reducing the floating debt should be considered only as a last resort.

The Norwegian Government has been singularly successful in its flotation here, and there is no doubt that, in view of the favourable terms of the loan and the high credit of the borrower, the proportion of subscriptions from the genuine investor is a large one. It may be recalled that a similar success was attained by an issue in New York on October 1 last, when the external gold loan of the kingdom of Norway for $20,000,000 was offered at a yield of 8 per cent. The fate of the issue here will probably have the effect of attracting other foreign borrowers now that the market has been tested.

Another indication of the universal reduction of Bank rates is provided by the announcement yesterday that the National Bank of Belgium reduced its discount rate to 5 per cent. from 5½ per cent., at which it was fixed on April 28, 1920.

The week was characterised by unusual stringency in the Money market, probably on account of heavy purchases of Treasury bills and the repayment of Ways and Means Advances; the position was accentuated by the calling in of funds on the part of one of the clearing banks. The money was let out again to-day, and conditions became more comfortable. Day-to-day loans were quoted at 5 per cent. to 5½ per cent. to-day, as compared with 5-6 per cent. previously. Fixtures remained at 5 per cent. Except on to-day moderate amounts had to be borrowed from the Bank all during the week. The Discount market was firm, as the supply of bills was excessive in face of a dull demand. There was again some profitable re-selling of Treasury bills allotted last week.

Treasury Bill Tenders.

The results of to-day's tendering for £45,000,000 Treasury bills will come as a surprise to many quarters where the scarcity of funds during the week was not taken sufficiently into account in forecasting the average rate. This was as high as £5 14*s.* 11.02*d.*, as compared with £5 11*s.* 2.81*d.* last week. It is the highest since the first offer of bills by tender. The total amount applied for was only £65,565,000, as compared with £93,350,000 last week. Tenders for bills dated from Monday to Friday at £98 10*s.* 6*d.* receive about 57 per cent., and above in full, and tenders for bills dated from Saturday at £98 10*s.* 10*d.* and above will be allotted in full.

Foreign Exchanges.

In the Foreign Exchange market movements were of the same nature as in previous weeks, and there are few outstanding features to be noted. The Berlin rate continued to decline, falling from 244 to 241. Again there was a marked improvement in the Italian lira, which was quoted at 72¼ to-day, as against 75½ on the 12th inst. The Paris and Brussels rate also declined, the French franc improving from 47.75 to 45.65. The Belgian franc was valued at the same to-day. After its rise to 4.00¼ at the end of last week, the New York cable rate has shown little change during the week under review, the range for quotations to-day being 4.00⅜-4.00⅞. The "neutral" group was irregular; the Norwegian rate recorded a further improvement on the success of the loan. Among Eastern exchanges, the rupee fell to 1*s.* 3⅛*d.*, and the Shanghai tael was reduced on Wednesday last to 3*s.* 2*d.* from 3*s.* 3*d.*, at which it had remained for over a month.

Income and Expenditure.

Regarded from the point of view of the revenue, last week is the worst during the current financial year up to date. The total tax receipts were only £10,559,158, showing a decline of £3,232,259 as compared with the preceding week. During the corresponding week of last year revenue amounted to £25,902,204, though this included £11½ million from sales of assets, as compared with only £640,000 for the week ending on the 14th inst. Expenditure last

THE STANDARD BANK OF SOUTH AFRICA, LTD.

(with which is incorporated the AFRICAN BANKING CORPORATION, LTD.)

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa, and to the Administration of Rhodesia.

Authorised Capital	£10,000,000		
Subscribed Capital ...	£8,916,660	Reserve Fund	£2,893,335
Paid-up Capital	£2,229,165	Uncalled Capital... ...	£6,687,495

BOARD OF DIRECTORS.

WM. REIERSON ARBUTHNOT, Esq. | ROBERT E. DICKINSON, Esq. | RT. HON. THE EARL OF SELBORNE, K.G.
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STANLEY CHRISTOPHERSON, Esq. | HORACE PEEL, Esq.

Head Office: 10 CLEMENTS LANE, LOMBARD STREET, LONDON, E.C. 4.

London Wall Branch: 63 London Wall, E.C. 2.
West-End Branch: 17 NORTHUMBERLAND AVENUE, W.C. 2 (adjoining the Royal Colonial Institute).
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Over 440 Branches, Sub-Branches and Agencies in South and East Africa.

BANKING BUSINESS OF EVERY DESCRIPTION transacted at all Branches and Agencies.
CURRENT ACCOUNTS opened on the usual terms, and DEPOSITS RECEIVED for fixed periods at rates which may be ascertained on application.
SAVINGS BANK ACCOUNTS opened on terms, particulars of which may be obtained at Branches.
BILLS NEGOTIATED and COLLECTED.
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TRAVELLERS' LETTERS OF CREDIT issued available in all parts of the world.
PURCHASE AND SALE of Stocks and Shares effected.
DIVIDENDS, ANNUITIES, &c., received and COUPONS COLLECTED.
STRONG ROOMS provided for the safe custody of Securities and Valuables of Customers.
ASSAY DEPARTMENT.—Gold, &c., and all Mineral Ores assayed and realised.
EXECUTOR AND TRUSTEE Business undertaken.

The Officers of the Bank are bound not to disclose the transactions of its customers. FRANCIS SHIPTON, *London Manager.*

week amounted to £16,749,610, or £6,190,452 in excess of revenue. This constitutes the second weekly deficit in succession, and the third since the commencement of the financial year. Despite the deficit, however, no fresh borrowing on Ways and Means had to be resorted to; on the contrary, outstanding Advances were reduced by £14,450,000 to £182,969,000. This was rendered possible by the large sales of Treasury bills, commented on in a previous column, which at £92,593,000 exceeded maturities by the large figure of £22,913,000. As regards Ways and Means Advances, the amount owing to the Bank of England was reduced by £12 million to £45½ million, and Advances by Public Departments declined by £2,450,000 to £167,219,000. The total floating debt rose by £8,190,000 on the week to £1,310,051,000.

On looking at the whole period since March 31 last as compared with the corresponding period of last financial year, it will appear that revenue up to the present makes a very poor showing as compared with last year. Though expenditure shows a fall of £11,582,443 as compared with the period April 1-May 15, 1920, yet there is a revenue deficit this year amounting to £17,575,263, as compared with a surplus of £33,406,159 last year. The total revenue between April 1 and May 14 of this year is £115,002,404, as against £177,566,269 for the corresponding period of 1920—a decline of £62,563,865. If, however, we confine the comparison to recurring revenue, the decrease appears as only £13,568,948, for sales of assets this year were only £9,406,696, as against £58,401,621 last year.

Currency Notes.

In contrast with the movement in the Bank's note circulation, mentioned below, the circulation of currency notes rose by £295,464. The increase, however, is of no significance, as the amount of fresh issues during the week to the 18th inst. was only £5,572,531, the smallest with one exception in any week since January 19 last. Cancellations of notes, in fact, slightly exceeded this figure, the expansion in the total being due to an issue of £310,000 currency notes certificates in excess of cancellations. The combined total for notes and certificates outstanding is £335,894,549.

Bank of England.

A further withdrawal of bankers' balances at the central institution is shown in the Bank of England's statement for Wednesday last. The latest movement is £8,265,000, making a total decline of £20,074,000 during the fortnight. Following a fresh repayment of Ways and Means Advances, Government securities fell by £9,255,000, the latest total being just under £40 million. The market increased its indebtedness to the Bank by £2,107,000. Another fall of £575,000 to £128,194,000 is recorded in the note circulation, and, as a consequence, the amount of the reserve advanced by £572,000 to £18,616,000, the highest since March 16 last. The proportion of reserve to liabilities is the highest since the middle of last June at 15·3 per cent.

Bullion.

All arrivals in the Gold market were consigned to the United States. Following the improvement in the New York exchange, the price fell to 102*s.* 8*d.* yesterday, this being a low record for the year. Prices declined steadily in the Silver market during the week, owing to resales by the Indian Bazaars, as well as some selling by China and America, the Shanghai tael falling from 3*s.* 3*d.* to 3*s.* 2*d.* on the 18th inst. As, however, Continental offerings were again small and there was some "bear" covering, the downward movement in quotations was slow. The prices since the 13th inst. were as follows:—

	May 13	May 14	May 17	May 18	May 19	May 20	Average
Silver (per oz. std. ·925 fine):—							
Cash ...	34¼*d.*	35⅛*d.*	33⅞*d.*	33⅝*d.*	33⅞*d.*	33⅝*d.*	33·46*d.*
Forward ...	34¼*d.*	33¼*d.*	33⅝*d.*	33⅝*d.*	33⅞*d.*	33⅝*d.*	33·21*d.*
Gold (per oz. fine)	102/11	- -	102/11	102/9	102/5	102/3	102/9·1

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NEW YORK.

The improvement in the position of the New York Associated Banks during the week ending on the 7th inst. proved short-lived, for the latest statement shows a renewed fall in both the aggregate and the excess reserve. The former declined by $5,760,000 to $499,650,000, but the excess over legal requirements is only $180,000 lower at $9,790,000. The smaller decline in the latter was due to a fresh fall in net demand deposits which are down by over $42½ million at $3,693,350,000. Loans, discounts, investments, &c., again fell by $58,320,000 to $4,190,610,000.

The Federal Reserve Bank's statement issued on the 13th inst. shows another increase in the reserve ratio—from 55.3 per cent. to 55.9 per cent. This was due to an increase of $20,190,000 in the gold reserves to a new high record of $2,363,550,000, and to a fall of $23,660,000 in the Federal Reserve note circulation. The total recorded for this item is $2,804,930,000, or $539,760,000 below the figure returned on December 31 last. Rediscounts fell by $30,890,000 to $2,035,360,000, and the total bill holdings contracted by $48,550,000. The reserve ratio of the New York Federal Reserve Bank is 55 per cent.

The reduction of discount rates has now been made universal. The rate for call money in New York advanced towards the end of last week from 6½ per cent. to 7 per cent., and has ruled firm at this figure since. Prime commercial paper is quoted at 6½-7 per cent. A cabled report states that the $25,000,000 Eight per Cent. Twenty-Year Bonds offered by the Brazilian Government in New York were heavily over-subscribed within a few hours of issue. Details have now come to hand about a new loan in New York to be made by the French Government to meet maturing dollar obligations during the current year. The loan, which is expected to be open for subscription next week, is for $100,000,000, to be redeemed from fifteen to twenty years hence. It will be offered at 95, and will bear interest at 7 per

JAPAN.

As the seasonal demand for accommodation for the buying of cocoons in the silk industries has not yet become active, money remains plentiful in the Tokio Money market. Rates for overdrafts and money rates generally were reduced by the banks, but the official discount rate remains at 8 per cent. A Government issue of 50,000,000 yen (£5,000,000) at 8 per cent. Exchequer Bonds was heavily over-subscribed on the day of issue.

Imports into Japan during April were 130,000,000 yen (£13,000,000), as against exports amounting to 115,000,000 yen (£11,500,000), making the adverse balance of 24,000,000 yen (£2,400,000)

Stock Exchange.

THE consistent success recently of first-class new issues, an instance of which is provided by the Norwegian loan, is ample proof of the existence of investment funds; but general Stock Exchange business nevertheless remains restricted to very narrow limits. The Gilt-edge turnover for the week was comparatively satisfactory but shrunk somewhat toward the close. War Bonds were a feature of unusual activity. Buyers, anxious to obtain the shorter-dated varieties for conversion purposes, took up the stock offered by holders who wished to maintain liquidity by exchanging into the longer-dated series. The two forces being equally balanced, prices showed no alteration, except for some of non-convertible descriptions. In connection with such sales it is of interest to note that the Stock Exchange Committee will hold sellers of short-dated bonds responsible to the buyer for any loss arising from non-delivery in sufficient time for effecting the conversion into the new Three-and-a-Half per Cent. Conversion Loan. Consols and the various War Loans constituted buoyant items, and Funding Loan, after an initial weakness, recovered to opening levels. Victory Bonds eventually shed a slight appreciation, and closed without net change. India Three-and-a-Halfs improved slightly. Irish Land stock receded. A further string of rises was registered in the County and Corporation list, and Colonial issues also showed many improvements.

Among Foreign bonds German Threes developed keen speculative activity, stimulated by anticipations of no further difficulties over the reparations question. A bout of profit-taking on Thursday caused prices, however, to react. Mexican issues again improved on renewed inquiries, and Brazilian varieties moved up on Monday with the news that the $25,000,000 loan in New York was progressing favourably. Among Japanese emissions, both series of the Four-and-a-Half per Cent., 1895, were accorded support. Norwegian issues were not affected by the success of the £4,000,000 loan.

The Home Railway market opened in a listless fashion, but a return of optimism on Wednesday reflected itself in numerous fractional appreciations. The movement did not continue in any marked fashion, however, into the following day. Foreign Rails did not attract more than a modicum of attention, and the volume of business was not sufficient in many cases to test quotations. Argentine issues commenced with an upward trend, but quickly reacted, and the list as a whole concluded at lower levels.

Though hopes of an early settlement of the coal stoppage continued strong in the Industrial market, conditions were not such as to warrant a return of optimism among purchasers. The holiday period did not result in any increased accumulation of week-end orders, and the business arriving during the week did not exceed moderate dimensions. Quotations for shipping, iron and steel, and textile securities moved between very narrow limits. Brewery shares again attracted a small but steady investment demand, and values altered accordingly. Support was also forthcoming for gas and cable shares, and the firm tone for bank issues was well maintained. Elsewhere British Oil and Cake Mills reacted on pessimistic forecasts of the report. Among motor descriptions, Brazilian Traction exceptionally improved.

The Oil share market opened quietly, public interest being entirely absent. Foreign selling on Wednesday induced weakness among the leaders, and the downward movement continued on the prevalence of unfavourable dividend rumours. A slight rally developed, however, towards the close. Shells, Mexican Eagles, and Royal Dutch, though finishing with a hardening tendency, failed to recover initial losses.

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Mining Topics.

RAND GOLD OUTPUT FOR APRIL.

QUANTITATIVELY the total gold output of the Transvaal mines as officially reported for April is the best recorded for the current year. The total of 681,382 ounces represents a satisfactory increase on the 671,123 ounces secured in March and is the highest output secured since September 1920. When we come to the basis of valuation we find that, with the exception of the Rand Mines group, the leading producers, including the Johnnies group, the General Mining and Finance Corporation, Geduld and Modder Deep, have adopted the price of 103*s.* 9*d.* as in March. For the Rand Mines coterie and Brakpan and Springs, however, the output has been valued at 103*s.* 3*d.*, again the price accepted in the March return. Allowing for the fact that the output of any one month is generally realised about the middle of the next month, it is evident now that prices which were justly regarded as conservative for the March output may prove an over-estimate for the April output in view of the recent sharp recovery in the New York exchange, with the consequent relapse in the price of gold, which is now quoted below 103*s.* On the other hand, assuming that the average price secured does not exceed 103*s.*, the deficiency in the estimate should be more than counterbalanced by the amount received in excess of the estimate in the previous three months. In this connection it is interesting to note that different valuations are adopted by African mines outside the Transvaal region. Taquah and Abosso value the April output at 103*s.* Several important Rhodesian mines, such as Lonely Reef and Shamva, take the price of gold at 100*s.* only. In the case of Globe and Phœnix, Ashanti Goldfields Corporation and Rezende the output is estimated on the basis of the par value of gold and the premium is either estimated in bulk for each month or credited in bulk as received. On the whole we believe that the practice followed by the Transvaal producers, of basing the estimated price on what they expect to receive in view of the condition of the New York exchange, is the simplest and best, especially as the tendency is generally to fix a conservative valuation.

Taking the mines controlled by the Johannesburg

Investment Company, the total tonnage milled has increased from 453,200 to 465,100 tons, the estimated value from £819,851 to £826,811, and the estimated profit from £253,627 to £261,506. Individually the increase in tonnage characterises four mines; three producers have treated less ore than in March; and in one case, Government Areas, the quantity of ore milled remains unchanged at 136,000 tons. The increase in tonnage is most pronounced in the case of Randfontein Central, which has crushed 128,500 tons, or 8,500 tons more than in March. The greatest decrease of 1,600 tons is recorded by Langlaagte Estate with a total of 38,400 tons. Higher grade ore than in March has been treated by five mines, the improvement being most pronounced in the case of Van Ryn Deep, where the yield per ton rose from 55*s.* to 55*s.* 10*d.* Three mines reveal a reduction in the grade of the ore, and by a coincidence it appears that the reduction is greatest, the yield falling from 31*s.* 3*d.* to 28*s.* 7*d.* per ton, in the case of the mine which returned the greatest increase in tonnage crushed, Randfontein Central. Perhaps the most pleasing feature of the return is the decline in working costs as applied to five of the mines. The reduction is as much 2*s.* 8*d.* per ton for Witwatersrand and 2*s.* 1*d.* per ton with Randfontein Central, thus helping to offset the bulk of the falling off in the grade of the ore treated by the latter producer. With two exceptions the estimated profit is greater than that of March. Van Ryn Deep returns a nominal reduction from £73,063 to £73,050, but Randfontein Central, penalised by the heavy decline in the grade of the ore, has only secured £10,308, as against £13,420. To Government Areas belongs the credit of the greatest increase in profit with a total of £142,781, as compared with £136,042.

Individual results in the Rand Mines coterie reveal similar differences. Nine mines have milled a greater quantity of ore than in March; whilst a decline in tonnage is recorded in six cases. Crown Mines heads the list with an increase of 5,000 tons to 192,000 tons. City Deep returns the heaviest decline in tonnage, having treated only 80,000 tons, as against 85,000 tons in March, the loss being attributed to an overwinding at No. 2 shaft. Financially the results are more satisfactory on the whole. New Modder again proves to be the best revenue producer with an estimated profit of £113,706, as compared with £110,475. The improvement is most pronounced in the case of Modder B, where the estimated profit has increased from £75,595 to £85,080. Despite the reduced tonnage City Deep ranks third with a profit of £56,774, which, however, is over £6,500 below that secured in March. Thanks to the increased tonnage and to the no less important improvement in the grade of the ore the yield worked out at nearly 282 ounces of gold per 1,000 tons of ore as against less than 274 ounces in March—Crown Mines registers a profit of £40,639 instead of £32,741.

Only two of the mines controlled by the General Mining and Finance Corporation treated less ore than in March. The reduction was greatest in the case of Meyer and Charlton, where it reached 300 tons, the total falling to 14,000 tons. An increase of 800 tons was recorded by Aurora West with a total of 10,800 tons and Roodepoort United with a total of 23,800 tons. Reductions both in the grade of the ore and in working costs characterised Aurora West, Meyer and Charlton, and New Goch. Higher-grade ore and higher working costs were returned by Roodepoort United and Van Ryn Gold Mines. The decline in the grade of the ore was very pronounced in the case of Meyer and Charlton, the yield per ton falling from 63*s.* 5*d.* to 59*s.* 3*d.* Working costs fell by as much as 2*s.* 10*d.* per ton with Aurora West and 1*s.* 4*d.* per ton with Meyer and Charlton, and rose by 1*s.* 11*d.* per ton with Roodepoort United despite the increased quantity of ore milled. The bulk of the profit came from Meyer and Charlton, but its contribution of £23,013 was over £2,400 less than in March.

Crushing 44,000 tons or 1,000 tons less than the previous month, the profit of Geduld was reduced from £24,582 to £24,437, whilst higher-grade ore produced a profit of £72,270, as against £70,652 for Modder Deep, despite the decline of 100 tons in the quantity of ore treated. Brakpan records a profit of £38,749 and its stable companion Springs Mines a profit of £31,000. With gold at 100*s.* per ounce, Lonely Reef returns a profit of £13,388; whilst valuing the output at par only Globe and Phœnix earns a profit of £5,495.

For May the outlook at the moment appears to be less favourable. The withdrawal of labour from the mines has now set in, and the Transvaal Chamber of Mines reports that at the end of April the number of natives employed on the gold mines had fallen from 174,364 to 172,826. Moreover, the decline is likely to continue, though it is to be hoped that the rate of the efflux will not be too rapid. At the same time the movement makes for a reduction in the output. The pronounced recovery in the New York rate to over $4 has caused a relapse in the price of gold to 102*s.* 9*d.* It is difficult to believe that the recovery is permanent in view of the trade depression and the reduction in imports into the United Kingdom.

RAND MINES, LIMITED.

Year to Dec. 31	Dividends	Profit on Shares Realised (cost)	Subsidiary Receipts	Interest, &c.	Net Profit	Deduct:—Amount	Rate	Carried Forward
	£	£	£	£	£	£		£
1917...	725,070	124,521	42,152	30,164	863,538	770,763	145	348,898
1918...	458,589	35,555	66,976	31,699	529,122	451,774	85	361,507
1919...	531,792	487,066‡	62,896	45,509	1,024,245	531,499	100	865,822
1920...	785,548	32,333	85,012	39,229	863,661	770,673	145	627,766

Including net revenue of receipts, interest and exchange and forfeited dividends.

† Including Government Taxes.

‡ Including £183,141, book value received on realisation of shares more in excess of book value of new investments made during 1919.

The report issued by Rand Mines, Limited, for the year ended December 31, 1920, provides an interesting contrast with that of the previous year. In 1919 more than half the substantial net profit was derived from sources other than dividends. Owing to the active interest displayed in mining shares on the Stock Exchange, the Company was able to secure a net profit of £303,925 on the realisation of investments, and this sum was swelled to £487,066 by the transference of £183,141 from the reserve account, representing the book value received on such realisations in excess of the book value of new investments made during the year. In 1920, as in most of the preceding years, the revenue derived from the realisation of investments played a subsidiary part, the actual net profit on the sales being reduced to £32,333. Furthermore, instead of an addition to this total as in 1919, it was necessary to allocate £331,047 from the net profit to the reserve to cover funds appropriated for new investments during the year in excess of the book value received on realisation of some of the existing investments. On the other hand, however, revenue in the form of dividends expanded from £531,792 to £785,548, mainly as a result of the record distributions by the leading producers owing to the high premium on gold in force during the whole of the year under review. As in 1919, Crown Mines contributed a substantial part of this revenue, ranking first with a total of £301,212, as against £158,198 last year. New Modderfontein retained second place, increasing its contribution from £69,956 to £104,075. Third place is taken, however, by Ferreira Deep, with a total of £80,160, having declared a dividend of twenty-two and a-half per cent. instead of twelve and a-half per cent. in 1919. Rose Deep drops down to fourth place, having increased its rate of dividend only by two and a-half per cent. to twenty-seven and a-half per cent. Next comes City Deep, with its dividend of thirty-two and a-half per cent., accounting for £56,890. Modder B, which declared only eighty-two and a-half per cent. as against ninety-two and a-half per cent. in 1919, takes sixth place instead of fourth with a contribution of £43,641. Sundry revenue shows a general increase from £62,896 to £85,012, whilst general administrative expenses, including an outlay of £7,575 on

prospecting ventures, have fallen slightly to £39,229. Accordingly, allowing for the sharp fall in the receipts from realisation of investments, the net profit amounted to £863,664, as compared with £1,034,245 in 1919. After allocating £331,047 in connection with the acquisition of additional investments as described above, dividends to shareholders were nevertheless increased from 100 to 145 per cent., leaving to be carried forward to the next accounts a balance of £627,766, as against £865,822 brought forward from 1919.

During the year there were some slight reductions in the shares held in Brakpan, City Deep, Ferreira Deep and Crown Mines. The outstanding increase is in Modder East, the number of shares held at the end of the year being 85,351, as against 33,975 a year ago. This perhaps constitutes the best answer that the Corner House could have made to those critics who still describe this new venture as an "unwanted baby." New acquisitions include 50,820 shares of £1 each in the Anglo-American Corporation, 25,000 shares of £1 each in the Hume Pipe Company (South Africa) Limited, 18,780 shares of £1 each in the South African Iron and Steel Corporation, and 4,475 shares of £1 each in Pretoria Iron Mines, Limited. Thus the Company is wisely continuing its policy of spreading its investments, and if these new industrial ventures prove as successful as Pretoria Portland Cement, which declared a dividend of thirty-two and a-half per cent. for the year under review, the directors will have every reason to congratulate themselves. Their conservative attitude is revealed in the writing down of the investments by £519,022 from the reserve, which, nevertheless, still amounts to £2,344,194. As a result of this, investments, none of which were valued above the low market values in force on December 31, 1920, stand in the accounts only at £2,470,356. Taking current quotations for the 778,605 shares of 10*s.* each in Crown Mines, the 211,599 Modder B shares of 5*s.* each, the 204,999 New Modder shares of 10*s.* each, the 175,663 £1 shares in City Deep, the 282,493 £1 shares in Geldenhuis Deep, and the 266,724 £1 shares in Rose Deep only, we arrive at a total of £3,092,577, which is £622,221 in excess of the total value of all the investments in the balance sheet at the end of 1920. Apart from this concealed reserve, the financial position of the Company is very strong. Current liabilities did not exceed £547,429 on December 31, 1920, whilst liquid assets were readily available to a total of £1,134,195. Whilst it is certain that the gold premium will not reach so high an average as in the year under review, it is nevertheless certain to continue at a reasonable level. Moreover, with the cost of living falling in South Africa as elsewhere, and the prices of stores and materials falling in proportion, there is good reason to hope for a lower cost of production on the part of the leading producers in particular. Judging by recent events, the mines now have the labour situation well in hand, and wage adjustments, where equitable, should be easily accomplished. At the same time, no great relief in this direction can be expected in the current year. On the whole, therefore, the outlook is encouraging, though not as bright as that of the year under review. At a quotation of 46*s.* 3*d.* for the 5*s.* shares a dividend of 100 per cent. would afford a return of over ten per cent., ignoring the prospects of capital appreciation, which are scarcely less attractive.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, May 18, 1921.

Issue Department.

Notes Issued	£144,990,435	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,540,435
	£144,990,435		£144,990,435

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£39,931,122
Rest	3,179,686	Other Securities	81,010,236
Public Deposits	16,517,045	Notes	16,795,685
Other Deposits	105,296,418	Gold and Silver Coin	1,820,119
Seven-day and other Bills	11,011		
	£139,557,162		£139,557,162

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1921.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months Bills
	£	£	£	£	£	£	£	%	%	%
May 18	128.2	128.3	16.5	105.3	39.9	81.0	18.8	15·3	6½	5⅞-¾
May 11	128.7	128.3	14.8	113.5	49.1	78.9	18.6	14·0	5½	5⅝
May 4	129.5	128.3	15.4	125.3	61.6	79.5	17.2	12·3	5½	5⅝-¾
Apr. 27	128.5	128.3	15.2	125.9	54.8	86.0	18.2	12·9	6½	5⅝
Apr. 20	128.2	128.3	19.2	108.4	32.7	94.1	18.5	14·5	7	5¾-⅞
Jly.22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅞

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'sterling, 00,000's omitted):	May 8 1921	May 19 1920	May 21 1919	May 22 1918	May 17 1911
Circulation	£128,2	£110.8	£76,5	£50.2	£27.9
Public Deposits	16.5	20.0	26.1	38.4	13.9
Other Deposits	105,3	101.3	110,3	127.6	41.2
Government Securities	39,9	36.5	46.3	55.6	15.0
Other Securities	81,0	82.6	80.4	97.3	29.6
Reserve	19,6	19,9	27,4	30,8	28.3
Ratio to Liabilities	15·3%	16·5%	20·10%	18·57%	51·27%
Coin and Bullion	128,3	112,4	85,5	62.6	37.7
Money:					
Bank of England Rate	6½%	7%	5%	5%	3%
Bank of France Rate	6%	8%	5%	5%	3%
Rate 3 months' Bills London	5⅝%	6⅞-⅞%	3½%	3⅛%	2⅝-¾%
Exchanges:					
Paris Cheque	45·70	54·90	30·82½	27·16	25·31½
New York 60 days	3·98	3·79	4·60⅜	4·72⅜	4·84·10
Bombay Telegraphic Transfers	1/3⅜	2/1½	1/7⅜	1/5⅜	1/4⅛
Prices:					
Consols 2½% Cash	46⅝	47-	56½	56⅛	81⅝
French Rentes 3% Money	57·31	59·95	62·30	59·75	95·05
Silver, London spot os.	33½d.	58½d.	51½d.	48⅛d.	24½d.
Wheat, *Gazette* average qr.	86/5	72/10	73/3	73/4	31/8
Cotton, Mid Upland lb.	8·62d.	29·00d.	18·55d.	20·88d.	8·40d.
Iron, Scotch pig ton	126/0	223/6	161/0	101/0	52/0

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
May 18, '21	6 032,531	5,737,067	335,894,543	28,500,000	19,450,000	14·2
May 11, '21	6,926,472	7,625,992	335,599,085	28,500,000	19,450,000	14·2
May 19, '20	9,573,673	9,226,211	345,826,150	28,500,000	7,600,000	10·4
May 21, '19	5,969,6·2	7,796,409	344,838,838	28,500,000	—	8·2
May 22, '18	5,786,493	2,653,318	247,195,082	28,500,000	—	11·5
May 23, '17	5,365,515	4,268,301	157,044,870	28,500,000	—	18·1

Balance Sheet, May 18, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	265,482,452	Other Bankers	—
Ten Shilling ...	41,732,097	Currency Note Redemption A/c—	
Certificates outstanding ...	28,680,000	Gold Coin and Bullion ...	28,500,000
		Silver Coin ...	3,000,000
Total	335,894,549	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,113,268	Government Securities ...	302,175,539
Investments Reserve A/c ...	15,251,000	Balance at Bank of England	133,278
Total	353,258,817	Total	353,258,817

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
May 14,'21...	£10,559	£16,750	£6,191	£103,974	£97,971	£3,183
May 7,'21...	13,791	24,064	10,273	114,215	104,338	3,371
Apr. 30,'21...	17,223	13,575	3,648‡	84,650	88,563	3,785
44 dys. '21-22	115,002	132,578	17,576	778,741	762,220	—3,111
45 dys. '20-21	177,568	144,160	33,406‡	678,468	721,244	—5,646
Yr. '21-22*	1,216,650	1,039,728	176,922‡	—	—	—
Yr. '20-21	1,425,985	1,195,428	230,557‡	5,710,142	5,920,699	8,294
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	8,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,361,353	12,788

Principal Items of Revenue and Expenditure.

Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profit Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services
May 14,'21...	£3,401	£2,747	£1,500	£2,911	£2,038	£576	£14,135
May 7,'21...	2,394	6,037	1,725	3,635	10,253	10	13,800
Apr. 30,'21...	2,754	5,119	3,430	5,920	3,584	87	9,914
44 days '21-22	31,026	45,686	12,460	25,830	52,682	1,273	78,623
45 days '20-21	31,575	41,528	29,124	75,339	47,876	1,533	94,751
Yr. '21-22*	323,000	410,500	120,000	111,000	345,000	26,272	668,456
Yr. '20-21	333,785	391,146	219,181	478,873	349,599	28,468	817,381
Yr. '19 20	283,023	359,099	290,045	407,404	332 034	16,171	1,317,588
Yr. '18 19	162,220	291,186	285,028	150,687	269,954	11,380	2,287,956

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
May 14, 1921 ...	£1,127,082	£182,969	£1,310,051	—
May 7, 1921 ...	1,104,142	197,419	1,301,561	—
Apr. 30, 1921 ...	1,089,712	190,319	1,290,031	—
Apr. 23, 1921 ...	1,091,408	196,294	1,287,702	—
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 14, '14	...	£10,977	£633	£11,610	£41,925	£51,900	£8,263
May 4, '21	...	10,882	1,590	12,252	27,289	246,949	43,478
May 11, '21	...	10,662	1,588	12,250	27,396	247,073	42,523

		Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Apr. 23, '21	...	£398,999	£59,891	£58,884	£78,936	£435,925	£39,159
Apr. 30, '21	...	397,001	57,974	58,345	81,524	455,257	28,505
May 7, '21	...	397,004	57,610 ¶	54,134	83,031	453,693	25,784

		Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4.10	£341	£4.441	£8.197	£786	£8,693	£47
Mar. 31, '21	...	12.643	165	12,908	15,307	1,157	28,795	3,412
Apr. 30, '21	...	12,643	177	12,820	14,982	429	29,581	3,213
Apr. 30, '20	...	12,588	164	12,752	17,531	981	28,982	1,542
Apr. 30, '19	...	10,374	136	10,510	3,425	3,977	24,115	1,076

		Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
FRANCE.								
July 30, '14	...	£165,854		£190,667	£97,788	£287,327	£15,302	£37,903
May 12, '21	...	142,788	77,934	231,592	105,568	1,559,687	1,850	118,581
May 19, '21	...	142,796	77,934	231,604	107,156	1,539,200	1,863	116,435
May 20, '20	...	144,346	78,131	233,791	79,733	1,502,060	3,342	145,031
May 22, '19	...	142,822	79,131	234,247	32,058	1,365,344	8,537	128,000

		Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£87,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Apr. 30, '21	...	64,577	291	54,868	1,207,522	3,045,103	3,541,993	1,042,825
May 7, '21	...	64,577	283	54,860	1,148,419	2,940,359	3,555,728	749,036
May 7, '20	...	54,684	152	54,736	767,736	1,971,582	2,418,644	843,690
May 7, '19	...	87,513	1,029	88,542	385,695	1,467,702	1,336,100	612,795

		Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14		£13,498	£249	£13,745	£13,422	£10,332	£35,680	£1,437
May 2, '21	...	50,495	1,161	51,656	26,066	27,541	91,401	4,218
May 9, '21	...	50,495	1,117	51,612	25,740	18,369	90,412	4,727
May 8, '20	...	52,971	985	53,956	21,246	27,608	91,009	11,200
May 10, '19	...	55,199	613	55,812	14,539	18,810	88,726	5,949

		Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—		£48,456	£25,017	£89,204	£8,887
Mar. 20, '21	...	£32,892	£3,000	35,892	15,647	214,005	574,100	72,809
Mar. 31, '21	...	32,892	2,999	35,891	17,618	227,268	579,338	82,811
Mar. 31, '20	...	32,190	3,006	35,196	24,666	161,861	481,801	74,222
Mar. 31, '19	...	32,716	2,940	35,656	16,192	59,315	366,482	59,921

		Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Apr. 2, '21	...	111,598	4,874	8,398	110,568	104,272	7,088
Apr. 9, '21	...	105,385	4,443	8,674	102,768	107,195	14,551
Apr. 10, '20	...	91,922	32,697	33,225	120,641	117,241	3,753
Apr. 12, '19	...	70,722	1,548	34,312	78,588	109,782	3,112

		Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest. &c.	Net Deposits Demand	Net Deposits Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89,888	£411,238	—	—	£887,165	£1,720
May 7, '21	...	£16,086†	101,082	849,786	£747,176	£49,654	815,128	1,994
May 14, '21	...	16,388†	99,930	838,122	738,670	49,514	801,728	1,958
May 15, '20	...	19,840†	113,900	1,028,312	828,468	50,274	891,340	4,136
May 17, '19	...	20,138†	114,230	1,004,796	821,626	30,068	899,450	5,396

		Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£8,752	£793
Apr. 30, '21	...	8,115	2,078	501	24,176	23,230	5,853
May 7, '21	...	8,115	2,091	501	23,333	23,118	5,270
May 7, '20	...	8,121	3,763	579	21,874	24,248	8,104

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
Apr. 8, '21	...	£1,906	£3,924	£5,830	£27,906	£143,214	£8,974
Apr. 13, '21	...	1,906	3,924	5,830	27,639	142,020	10,682
Apr. 7, '20	...	1,906	3,921	5,827	17,496	91,129	5,864
Apr. 16, '19	...	1,905	3,918	5,823	8,518	64,330	3,395

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Apr. 2, '21	...	£150,469	£24,868	£6,119	£30,987	£438,481
Apr. 9, '21	...	150,469	24,798	5,642	30,440	440,032
Apr. 16, '21	...	150,469	24,620	5,845	30,465	439,163
Apr. 17, '20	...	60,809	8,458	2,642	11,100	180,955

		Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 31, '14...		£180,114	£14,395	£181,892	£78,081	£163,411	£6,589	£109,911
Oct. 29, '17...		129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£31,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Apr. 30, '21	...	99,316	24,245	123,561	94,693	13,779	168,598	47,752
May 7, '21	...	99,335	24,089	123,424	93,912	13,779	170,577	47,132
May 8, '20	...	98,105	24,883	122,988	85,420	13,779	155,623	43,638
May 10, '19	...	90,443	25,856	116,299	74,140	13,778	141,204	42,312

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Apr. 30, '21	...	15,658	6,746	705	27,960	37,806	10,644
May 7, '21	...	15,655	6,526	705	27,095	37,171	9,985
May 8, '20	...	14,500	4,473	2,524	35,668	39,159	14,230
May 10, '19	...	15,961	7,494	2,880	18,302	38,991	5,064

		Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
May 7, '21	...	21,746	4,444	26,190	16,314	38,188	4,179
May 14, '21	...	21,746	4,444	26,190	15,299	36,861	4,678
May 15, '20	...	21,235	3,629	24,864	14,434	36,712	5,561
May 15, '19	...	17,228	2,663	19,896	21,216	36,086	5,207

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Bills Accept-ances	Deposits Govt.	Deposits Net	Circulation
May 6, '21 ...	£483,872		£503,052	£413,760	£19,683	£4,740	£329,070	£585,706
May 13, '21 ...	£472,700		£517,554	407,072	15,329	2,580	328,324	580,986
May 17, '20 ...	£387,828		415,878	510,258	82,653	9,330	387,870	816,648
May 17, '19 ..	178,834	253,332	449,172	407,789	38,944	37,163	333,061	508,408

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	7	Sept. 3,'20
Berlin	5	Dec. 23,'14	Madrid	5	Nov. 4,'20
Berne	4½	Apr. 7,'21	Paris	6	Apr. 8,'20
Bombay	8	Mar. 3,'21	Petrograd ...	6	July 29,'14
Brussels	5	May 19,'21	Rome	6	May 12,'20
Calcutta	6	Mar. 3,'21	Stockholm ...	6½	May 4,'21
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen ...	6½	May 5,'21	Vienna	6	Apr. 14,'21

III.—FOREIGN EXCHANGES.

LONDON ON—		May 20, '21	May 13, '21	May 6, '21	Apr. 29, '21
Berlin	Cable	241m.	244m	253m.	262m.
Brussels	Cheques	47fr. 70c	48fr. 75c	49fr. 80c.	51fr. 70c.
Denmark	Cable	21kr.95	22kr. 00	21kr. 90	21kr. 90
Holland	do.	11d. 11⅛c.	11d. 1⅛c.	11d. 25/8	11d. 28c.
Italy	do.	72fr. 00	75fr.50	73fr. 87	81fr. 25
Lisbon and Oporto	do.	5⅞d.	5¾d.	5 d.	5¾d.
New York	do.	$4 00⅛	$3 99⅞	$3 93⅝	$3 95½
—	Cheques	$4 01⅛	$4 00⅛	$3 97⅛	$3 96⅛
Norway	Cable	24kr. 87	24kr. 12	25kr. 85	25kr. 47
Paris	3 mos.	46fr. 45c	48fr 50c	49fr. 52c	51fr. 97c.
—	Cable	46fr. 70c	47fr. 75c	48fr. 77c.	51fr. 45c.
Spain (Bank places)	3 mos.	39⅜	40⅜	41⅜	41⅜
—	Cable	29 62	29p. 30	28p. 49	28p. 37
Sweden	do.	16kr. 87	16kr. 87	17kr. 00	17kr. 11
Switzerland	3 mos.	22fr. 65c.	22fr 75c	22fr. 77c.	23fr. 16c.
—	Cable	22fr. 25c.	23fr. 35c.	22fr. 37c.	22fr. 65c.

ON LONDON—		May 20, '21	May 13, '21	May 6, '21	Par.
Alexandria	Sight	97⅛pl.	97⅛pl.	97⅛pl.	97⅛pl.
Amsterdam	Cheques	11d. 12c.	11d. 17c.	11d. 24⅛c.	12·107d.
Athens	Cable	72dr. 12	63dr. 75	68dr. 50	25dr. 22½
Bombay	Transfers	1s. 3¼d.	1s. 3⅛d.	1s. 3⅛d.	2s.*
Brussels	Cheques	45fr. 72c.	47fr 80c.	48fr. 50c.	25fr. 22½c.
Buenos Ayres	Transfers	42⅝d.	42⅛d.	41⅞d.	47·58d.
Calcutta	do.	1s. 3¼d.	1s. 3⅛d.	1s. 3⅛d.	2s.*
Christiania	Sight	24kr. 80	24kr 04	25kr. 86	18·159kr.
Copenhagen	do.	21kr. 95	21kr. 96	21kr. 86	18·159kr.
Helsingfors	Cable	187m.	182m.	184m.	25m. 22½
Hong Kong	Transfers	2s. 5⅛d.	2s. 6⅛d.	2s. 6⅛d.	—
Italy	Sight	71fr. 87c.	74fr. 75c	78fr. 87c.	25fr. 22½c.
Lisbon	do.	5⅛d.	5⅛d.	5⅛d.	53½d.
Madras	do.	1s. 3¼d.	1s. 3⅛d.	1s. 3⅛d.	2s.*
Madrid	do.	29p. 62	29p. 38	28p. 46	25p. 22½
Montevideo	Transfers	41⅛d.	40⅛d.	39⅛d.	51d.
Montreal	Cable	$4 43	$4 43⅛	$4 41⅛	$4 86⅔
New York	Sight	$4 00	$3 99⅛	$3 97⅛	—
—	60 days	$3 93	$3 97⅛	$3 93⅛	—
—	Cable	$4 00⅛	$3 99⅝	$3 93	$4 86⅔
Paris	Cheques	45f. 70c.	47fr. 75c.	48f. 55c.	25f. 22½c.
Rio de Janeiro	90 days	8⅛d.	8⅛d.	—	16d.
Shanghai	Transfers	3s. 2⅝d.	3s. 4⅛d.	3s. 3⅛d.	—
Singapore	Sight	2s. 3¼d.	2s. 3⅜d.	2s. 3⅜d.	—
Stockholm	do.	18kr. 98	18kr. 88	17kr. 03	18·159kr.
Switzerland	do.	22f. 22c.	22f. 34c.	22f. 37c.	25f. 22½c.
Valparaiso	90 days	33·10p.	34·10p.	34·40p.	13·33p.
Yokohama	Sight	2s. 4⅝d.	2s. 4⅝d.	2s. 4⅝d.	24·68d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—		Rate Current* May 18, '21	Rate Current* May 11, '21	Par as Is ually Quoted	Par July 3
Amsterdam, sight	...	39·93c.	39·85c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	...	25·50c.	25·375c.	48·66c. for 1 rupee	33·00c.
Buenos Ayres, cheques	...	143 00	1 42·00		
Christiania, cheques	...	15·94c.	16·45c.	26·80c. for 1 kroner	
Copenhagen, cheques	...	18·16c.	17·93c.	26·80c. for 1 kroner	26·85c
Greece, cheques	...	5·83c.	5·40c.	19.295c. for 1 drachma	
Hong Kong, cheques	...	50·25c.	51·50c.	74·59c. for Mex. $1	48·4c.
Italy, sight	...	5·54c.	5·305c.	19.30 cents for 1 lire	
Lima, cheques	...	3·32c.	3·30c.	4·865c $ for 1 sol	
Manila, cheques	...	49·00c.	48·00c.	50c. for 1 peso	49·8c.
Montreal	...	10·125% disc.	10·75% disc.	Premium per $100	Par
Paris, sight	...	11·61fr.	12 12fr.	5·18¾ francs for $1	5·18fr.
Rio de Janeiro, cheques		—	7·55mil.	3·032 milreis for $1	
Shanghai, cheques	...	65·00c.	67·50c.	52·96c. for 1 tael	83·00c.
Singapore, cheques	...	42·00c.	42·00c.	56 77c. for $1	57·12c.
Spain, cheques	...	13 72c.	13·69c.	19·30c. for 1 peseta	
Stockholm, cheques	...	23 60c.	23 55c.	26·80c. for 1 kroner	
Switzerland, cheques	...	5·54c.	5 61fr.	5·18¾ francs for $1	5·18¾fr.
Valparaiso, cheques	...	13 00c.	13·00c.	20·61c. for 1 peso	
Yokohama, cheques	...	48·45c.	48 55c	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week	Amount.	Inc. or Dec.*	1921 Aggr. to date	Inc. or Dec.*
	1921	[In £'s Sterling, 000's omitted.]			
BIRMINGHAM ...	May 14	£2,243	— 1,232	£55,164	— £21,850 — 28·3
BRISTOL ...	,, 14	1,233	— 382	30,078	— 6,572 — 17·8
DUBLIN ...	,, 14	7,072	— 1,533	146,578	— 33,638 — 18·6
HULL ...	,, 14	918	—	17,178	— —
LEEDS ...	,, 14	1,057	— 744	23,163	— 12,254 — 34·6
LEICESTER ...	,, 14	1,007	— 824	16,106	— 11,683 — 41·9
LIVERPOOL ...	,, 14	6,823	— 6,973	194,330	— 153,644 — 44·1
MANCHESTER ...	,, 14	13,627	— 13,205	313,530	— 330,384 — 51·3
NEWCASTLE ...	,, 14	1,439	— 851	45,676	— 18,717 — 29·1
NOTTINGHAM ...	,, 14	724	— 173	15,209	— 9,953 — 37·3
SHEFFIELD ...	,, 14	896	— 476	28,515	— 6,116 — 18·7
LONDON—	1921				
TOWN ...	May 18	545,568	— 74,977	11,816,924	— 1,332,477 — 10·7
METROPOLITAN	,, 18	28,134	— 15,890	614,839	— 170,302 — 19·7
COUNTRY ...	,, 18	51,549	— 32,854	1,298,578	— 355,450 — 21·5
TOTAL ...	May 18	625,251	— 123,521	13,375,341	— 1,858,229 — 11·9

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1921 May 20	1921 May 13	1914 May 15
Alex. to U.K. ...	—	14/3	6/6
Aust. to U.K. ...	52/6	52/6	21/6
Bilbao to Cardiff...	—	—	—
Bombay to p.p. ...	20.0 l.w.	— 4 v. 12/0	—
Burmah to U.K...	35/0 nom.	35/0	1d/3
Calcutta to p.p.(jute)	—	—	—
Danube to U.K.	22/6	24/0	7/3
R. Plate to U.K ...	55/0	58/9	—

* Per ton.

Homewards.—Cont.	1921	1921	1914
U.S.Atl.Ports to U.K. (coal)	55	55/3	
U.S. to U.K. (gr.)	6/9	7/3	2/0
Gulf Ports to U.K. Cont. (grain) ...	—	—	—
OUTWARDS.—Cardiff to			
Port Said ...	—	—	7/6
River Plate ...	—	—	13/0
St. Vincent ...	—	—	—

† Per quarter.

Time Charter, 6/3.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAY 20, 1921	MAY 20, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	126/0	223/6	57/0
— Middlesbro' warrants ...ton	120/0	217/6	51/0
— Hematite warrants ...ton	160/0	260/0	61/0
— Staffordshire bars, London ton	£27 10	£28 10	£8 10
— Common bars ...ton	£23	£28	£6 18
Steel Rails ...ton	£15	£23	£6 2/6
Galvanised Sheets ...ton	£22—£24	£56	£16 17/1
Copper—Standard ...ton	£75 5	£90	£66
Tin—English Ingots ...ton	£180—£181	£275 6	£142 15
— Straits ...ton	£180	£300nom.	£139 10
Tinplates, I.C. Coke, S. Wales...box	27/0—28/0	74/0	11/10½—12/0
Lead—Soft Foreign ...ton	£24 10	£37 15—£39	£19
Spelter—Ord. Foreign ...ton	£28 5—£28 15	£43 15—£45 15	£21 7/9
Quicksilver—(75lb.) ...bottle	£11—£11 10	£22-£22 10nom.	£7
Aluminium ...ton	nom.		£82
Antimony—Regulus Foreign ...ton	£25—£26	£59—£61nom.	£27 10
— English ...ton	£37—£42	£60—£6[illegible]nom	
Coal—(best) Yorkshire ...ton	—	37/9—38/2	17/6
— Steam (best) Newcastle...ton	70/0	50/2—55/2	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	12/0	15/6	7/4
Soda—Crystals ex wharf ...ton	140/0	230/0—240/0	42/6—45/0
Copra—Malay and States ...ton	£30—£40 5	£58	£23 15-£24 7/6
Gambier—Good marks ...cwt.	29/6	50/0	16/10½
Indigo—Bengal good to fine ....lb.	10/0—12/6	13/0—16/6	3/2—3/8
Linseed Oil—Raw ...ton	£30 15	£99	£25 5
Linseed—Calcutta, spot ...ton	£17 15	£43	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£18 10—£19	£22	£7 17/6—£8
Olive Oil—Spanish ...ton	—		£49 10
Palm Oil—Lagos ...ton	£34	66/10	£31 10
Petroleum—American ...gallon	2/3†	2/7½	7½d
Rape Oil—Refined English ...ton	£60	£110	£32
Soya Oil—Refined ...ton	nom.	£105	£24 10
Tallow—Imported ...cwt.	28/0—36/0	80/0—90/0	29/3—33/3
Turpentine—American ...cwt.	99/0	195/0	33/7½
Rape Seed—Toria ...ton	£20 10	£40	£13 5
Rubber—Para, spot ...lb.	10d.	2/2½	2/9†
— Fine plantation (stnd.crepe) lb.	9d.	2/0	2/2
— World's Production* Oct. tons	26,620	27,685	8,467
Shellac—T.N. Orange, fair ...cwt.	405/0	575/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	8.52d.	29.00d.	7.53d.
— Egyptian good fair ...lb.	10.50d.	72.00d.	8.75d.
— Pernambuco fair ...lb.	7.89d.	31.75d.	7.73d.
— Middling Upl. New York ...lb.	12.45c.	42.00c.	13.25c.
— Stock, Liverpool (May 6) bales	985,690	1,204,770	934,600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£40	£59	£25 10
— Manila fair ...ton	£42	£65	£26 10
Jute—First Marks ...ton	£31	£58	£26 15
— Red SCO ...ton	£25 10	£45	£24 15
Silk—Common, New Style ...lb.	20/0	35/0	12/0—12/6
— No. 1-1½ Japan ...lb.	27/0	—	—
— 1st Order Italian ...lb	26/0	—	—
Wool—Pt. Philip unwashed av. lb.	1/8	5/9	11½d.—1/0
— Lincoln Half Hogs ...lb	8½d.	2/3†	1/0†
Hides—Eng. Ox, best ...lb.	7d.	18½d.—19d	7½d.
Leather—Dressing Hides ...lb	1 9—2/6	4/0—4/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	—	63 133,000	34,640,000
— Red, price, N.Y. 60lb...bushel	177c.	335c.	67½c.
— English Gazette, aver. 480lb. qr.	86 5	72 10	34/3
Flour—G.R. ...280lb.	67/0	63/6	28/6
Barley—Eng Gaz., aver. 400lb. qr.	46 2	85 5	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	38/8	60/10	20/0
Maize—N.Y. (new bushel)...56lb	76½	—	76½c.
— Amer. mixed, Liverpool...480lb	37 0	nom.	32/4
— La Plata ...480lb. qr	44/6	77/6	25/9
Potatoes—Good English ...ton	100/0	†315/0	70/0—75/0
Rice—Bassein ...cwt	16/8—16/9	48/6	7/0—7/3
Tapioca—Pearl, medium ...cwt	22/6	32/0	14/0—17/9
Hay—Clover, London ...ton	160/0—180/0	—	84/0
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	6 6	6/8	3/8—3/10
— Scotch sides ...8lb	—	10/0	4/6—5/0
— English ...8lb.	8/6	10/0	4/2—4/5
Mutton—Scotch wethers...8lb.	14/6	10/6	5/8—6/0
— English wethers ...8lb	13 4	10/6	4/6—5/4
— New Zealand frozen ...8lb	5/6	6/6	2/4—3/2
Pork—English and Irish ...8lb	11 4	10/8—15/0	3/6—4/0
Bacon—Irish, delivered ...cwt	160/0—172/6	1220/0	60/0—74/0
— Danish ...cwt.	165/0—172/6	†192/0	58/0—68/0
— Canadian, ex Port ...cwt.	110/0—140/0	†187/0	—
— American, ex Port ...cwt.	110/0—120/0	†187/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	130/0—144/0	†184/0	75/0—79/0
— — short cut, ex Port ...cwt.	130/0—135/0	†184/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	67/0— 69/3	†158/6	51/9—52/9
Butter—Danish ...cwt.	200/0—205/0	303/4	117/0—120/0
— French ...cwt	—	303/4	96/0—108/0
— Australian ...cwt.	180/0—188/0	303/4	98/0—110/0
— New Zealand ...cwt.	190/0—198/0	303/4	108/0—114/0
Cheese—Canadian ...cwt.	160/0—164/0	†145/0	66/0—68/0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt.	116/0—188/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30...cwt.	9,244,860	9,931,190	19,777,254
— Home consump'n. to Apr. 30 cwt.	9,062,595	8,420,987	17,272,000
— In Bond Apr. 30 ...cwt.	8,228,000	7,399,000	6,308,000
— Price, Java, 96° Pol. ...cwt	21/9	53/0	10/3
Yellow crystals ...cwt.	57/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	66/9	72/0	18/0
Coffee—Imports to Apr 30 ...cwt.	336,890	267,439	720,360
— Home consumpt'n to Apr. 30 cwt	101,913	102,646	141,410
— Exports to Apr. 30 ...cwt	146,397	169,428	340,250
— In Bond Apr. 30 ...cwt	737,000	713,000	484,000
— Price, Costa Rica gd. to fine cwt.	102/0—135/0	158/0—164/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	53/0—58/0	130/0—132/0	41/6
Tea—Imports to Apr. 30 ...lb.	162,827,972	146,030,275	123,236,277
— Home consump'n. to Apr. 30 lb.	134,924,96	123,558,201	155,447,972
— Exports to Apr. 30 ...lb.	8,155,716	15,602,708	26,561,765
— In Bond Apr. 30 ...lb.	239,392,000	267,520,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	—	1/5½	8½d.
— — Ceylon, Pek. Soug. ord. lb	—	1/6	8½d.
— — Common Congou ...lb.	—	1/3	5½d.
Cocoa—In Bond Apr. 30 ...cwt.	1,271,000	1,086,000	309,000
— Grenada, good to fine ...cwt.	52/0—54/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or −	Net	+ or −
Canadian Pacific	Mar	$14,706,000	—1,010,000	$2,401,000	+ $493,000
	3 *mos.* to Mar.	41,940,000	—1,248,000	3,906,000	+ 648,000
Grand Trunk	Mar.	£1,278,700	+ 195,900	£122,800	+ 68,400
	3 *mos.* to Mar.	3,772,200	+ 593,200	Dr. 91,400	+ 306,500

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or—on Year Ago	No. Wks.	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Apr. 9	1,044	R2.29.810	— 10,949	1	—	—
Barsi Light ...	Apr. 16	118	24,600	— 6,000	2	51,000	— 41,600
Bengal & N.W.	Apr. 9	2,067	635,150	+ 15,863	1	—	—
Beng. Dooars	Apr. 16	158	17,786	— 5,058	2	43,120	— 11,285
Beng. Nagpur	Apr. 9	2,695	15,97,000	+ 10,000	1	—	—
Bomb. Baroda	May 7	2,871	22,56,000	+ 1,94,000	6	1,12,39,000	+ 4,94,000
Burma	Apr. 9	1,342	8,61,575	— 29,231	13	—	—
Del.Um. Kalk.	May 7	239	90 000	— 9,498	5	5,33,716	— 40,507
East Indian ...	May 7	2,772	30,64,000	+ 1,36,000	5	1,57,14,000	+ 5,00,000
Gt. Indian Pen	May 7	3,121†	29,14,500	+ 2,37,100	6	1,53,75,700	+ 3,94,589
Madras & S.M.	Apr. 16	3,152	12,50,000	+ 41,971	2	28,25,000	+ 85,998
Nizam's Guar.	Apr. 16	800	3,16,297	— 60,922	2	6,76,756	— 1,56,318
Roh. & Kumn.	Apr. 9	576	1,69,650	+ 9,795	1	—	—
South Indian	Apr. 16	1,852½	7,86,840	+ 5,783	2	17,43,983	— 33,658
South Punjab	Dec.	716	8,17,861	— 33,919	3m.	25,37,288	— 13,757
COLONIAL.							
Can. Northern	May 14	9,750	$1,173,900	— 47,900	19	23,276,600	+ 3,541,677
Can. Pacific ...	May 14	13,388	2,954,000	— 622,000	19	61,230,000	— 4,983,000
Grand Trunk	May 14	3,616	£266,160	+ 4,491	19	5,445,981	+ 820,740
Mashonaland	Feb.	810	102,913	+ 40,476	5m.	479,173	+ 132,247
Mid. W. Aust	Mar.	277	13,727	— 14	9m.	102,138	+ 2,948
New Cape Cent.	Apr. 23	205	2,60	— 402	17	44,768	— 6,700
Rhodesia Rlys	Feb.	1,397	134,193	+ 34,042	5m.	612,080	+ 149,731
Temiscouata..	Mar.		$42,975	+ 12,389	3m.	128,835	+ 43,954
FOREIGN.							
Argentine.							
Arg. N. East..	May 14	752	£ 10,600	— 2,900	46	534,700	— 5,200
Arg. Transand	May 14	111	£ 448	— 3,042	46	129,638	— 18,963
B.A. & Pacific	May 14	3,428	£ 138,000	— 52,000	46	5 932,000	— 1,010 000
B.A.Gt. South	May 14	3,903	£ 172,000	— 11,000	46	7,645,000	— 685,000
Do.	May 14	Net	£ 27,000	— 21,000	46	1,330 000	— 1,535,000
B.A. Western	May 14	1,882	£ 77,000	— 34,000	46	3,626,000	— 975,000
Do.	May 14	Net	£ 4,000	— 35,000	46	469,000	— 1,087,000
B. A. Central	Mar.	190	£ 39,347	— 15,084	10m.	418,405	— 308
Cent. Argent	May 14	3,305	£ 165,000	— 59,000	46	8,568,020	+ 160,000
Cord. Central	May 14	1,205	£ 56,000	— 2,000	46	2,390,300	— 327 900
Entre Rios ..	May 14	811	£ 22,700	— 2,100	46	1,053,100	— 35,100
Brazilian.							
Brazil Gt. South	Apr.	110	M 39,400	— 4,100	4m.	154,850	— 51,350
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m.	57,772,000	+ 7,619,243
Gt. W. Brazil	May 14	1,010	£ 12,500	— 6,900	20	295,500	— 208,600
Leopoldina ...	May 14	1,831	£ 22 86	— 27,797	20	621,234	— 417,844
San Paulo ...	May 15	153½	£ 27,363	— 16,472	19	569,394	— 312,983
S. of Bahia S.W	Apr.	52	M 41,000	— 80,000	4m.	352,000	+ 65,000
Chilean and Peruvian.							
Antofagasta...	May 15	638	£ 17,175	— 19,725	20	543,740	— 480,030
Arauco	June	83	£ 12,000	+ 500	6m.	76,000	+ 10,700
Nitrate (2wks)	May 15	390	£ 24,117	— 14,362	18	256,039	— 149,789
Peruvian Corp.	Apr.	1,140	S 1,071,060	— 231,76	10m.	11,498,360	— 491,454
Taltal	Apr.	180	£ 13,100	— 15,720	10m.	256,60.	+ 16,840
Cuban.							
Cuba Railroad	Jan.	—	$ 1,606,385	+ 448,284	7m.	8,497,481	+ 1,017,244
Havana Cent	May 14	70	£ 16,289	+ 1,473	46	681,38	+ 149,873
U. of Havan	May 14	881	£ 152,5.7	— 1,929	46	5,706,700	+ 701,334
Uruguayan.							
Cent. Uruguay	May 14	273	£ 25,63	+ 379	46	1,114,272	+ 54,489
,, (E. Ext.	May 14	311	£ 5,46	— 1,44	46	261,165	— 30 179
,, (N. Ext.	May 14	185	£ 4,04	— 81	46	139,068	— 36 805
,, (W. Ext.	May 14	211	£ 1,63	— 93	46	116,274	— 14,427
Mid. Uruguay	Apr.	319	£ 14,468	— 4,632	10m.	177,206	— 25,430
N.W. Uruguay	Apr.	113	$ 5,631	+ 104	10m.	60,721	— 7,633
Urug. North	Apr.	73	£ 1,596	— 326	10m.	20,405	— 3,844
Miscellaneous							
Algoa & Gamtoo	Apr. 30	33	Rs. 15,500	+ 5,500	18	308,900	+ 101,000
Bilbao	Apr.	15	£ 2,221	— 2,48	4	9,09	— 6,622
Bolivar	Apr.	136	£ 12,928	+ 3,185	4m.	38,22	— 6,298
Colomb. Natnl	Apr.	86	£ 18 60	— 200	4m.	76,080	+ 9,884
Costa Rica ...	Feb.	190	£ 25,99	— 4,44	8m.	195,585	— 8,281
Dorada Ext.	Mar.	70	£ 20,0.	+ 8,00	3m.	51,250	+ 15,756
Egyptian Delt	pr. 20	559½	£ 10,428	— 903	4	19,481	— 4,054
Gt. S. of Spain	May 7	104	Ps. 36,583	— 57,602	18	1,118,288	— 394,692
La Guaira & Ca	Apr.	22½	£ 10,030	— 3,910	4m.	41,540	— 18,949
Ottoman Ry.	May 7	379	£ 8,636	—	—	—	—
Paraguay Cent	May 7	274	£ 4,120	— 960	45	196,820	— 20,220
Puerto Cabello	Mar.	34	£ 4,500	— 2,500	3m.	13,250	— 4,250
Salvador	May 14	100	£ 3,035	— 1,34.	46	169,550	— 32,018
Santa Fé Prov							
French Rys	Mar	1,181	$ 139,744	— 26,348	3m.	391,881	— 78,244
S'm'na & S'ti'g	Apr.	80	$ 10,000	— 8,773	4m.	33,310	— 20,320
Zafra & Huelva	Apr.	112	£ 15,528	+ 4,935	4m.	58,859	+ 7,667
TRAMS.							
Anglo-Argent.	May 13	400	£ 81,480	— 1,330	19	1,529,787	+ 114,776
Bombay Elect.	Mar.	—	Rs. 8,76,443	+ 74,369	3m.	25,87,565	+ 2,65,778
Brazilian Trac.	Mar.	378†	M13,102000	+ 3,202,000	3m.	37,918,000	+ 8,982,000
Brisbane Elec.	Apr.	40½	£ 47,750	+ 2,860	4m.	183,635	+ 6,786
Brit. Columbia	Mar.	334	$ 816,452	+ 55,27	9m.	7,186,963	+ 629,118
B. A. Lacroze	Apr.	51	£ 60,238	+ 6,809	10m.	570,952	+ 63,638
Calcutta	May 14	35½	R 85,1.5	— 7,408	19	13,37,164	— 420,339
Carth. & Herr.	Apr.	9	£ 2,329	— 3,153	4m.	11,271	— 8,460
Chatham & Dist	May 5	15	£ 1,68	— 17	18	29,434	+ 2,279
Havana Elect.	Jan	86	$ 1,089,076	+ 205,858	1m.	—	—
Isle of Thanet	May 11	20½	£ 725	— 159	33	19,586	— 525
Kalgoorlie ...	Feb.	20½	£ 316	— 2,361	2m.	2,734	— 2,518
Lanarkshire...	Dec. 31	28½	£ 5,467	+ 1,927	52	221,564	+ 27,728
Lima Light ...	Feb.	85	£ 60,718	+ 4,556	2m.	124,3 9	+ 9,593
London O.C....	May 18	141½	£ 104,329	+ 18,964	7	681,436	+ 114,048
Madras (2wks.)	May 15	15½	R 51,07.	— 3,40	18	295,952	— 140,074
Manila Electric	Mar.	55	$ 298,317	+ 34,627	3m.	926,156	+ 106,653
Pernambuco..	May 15	59	£ 3,300	— 2,956	20	8,833	— 69,250
Provincial ...	May 7	21½	£ 3,198	+ 124	31	97,262	+ [illegible]
Rangoon Elec	May	25	£ 158,12.	+ 27,651	3m.	401,397	+ 43,927
Shanghai Elec	Apr.	26½	M X. $157,500	+ 15,500	4m.	625,73	+ 68 345
Singapore Elec.	Mar. 19	26½	$ 13,895	— 8,489	12	142,98	— 115,849
U. of Montevid.	Apr.	90½	£ 46,189	+ 4,016	6m.	286,877	+ 21,979

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The Statist.

LONDON, SATURDAY, MAY 21, 1921.

THE UPPER SILESIAN PROBLEM.

THE truth of the position in Upper Silesia has been obscured by the repeated assertions of the parties to the dispute that they desire only what is fair and equitable, and that their claims are based solely on the relevant clauses of the Treaty of Versailles. The present heat is engendered mainly by the statement of Mr. Lloyd George in the House of Commons last week, supplemented by his declaration on Wednesday of this week; but on impartial examination the justice of his assertions cannot be questioned, though his adumbration of the "future grouping of nations" and "old and new friendships," and his reference to the "unusually dense mists" that lie about us, were not in his happiest vein. They are too vague to raise precise objections; yet they seem to imply a threat. Whatever be the shortcomings of his declaration, it is indisputable that the fate of Upper Silesia must be decided by the Supreme Council and not by Korfanty. Further, there is no reason why the division of Upper Silesia should not have been made at the London Conference, since all the facts of the *plébiscite* were then known. None of the speeches delivered in the French Chamber since the inauguration of the debate on foreign affairs affords a clear answer on this point, being Chauvinistic in tone, and alluding, as in the case of the Marquis de Baudry d'Asson, to the "hand on the shoulder," the hand being that of Mr. Lloyd George and the shoulder that of M. Briand.

The position of the French Premier is rendered difficult by the uncompromising vigour of the Clemencist attacks and the clamour from the extreme Right when he appears to abate one jot or tittle of French demands. Thus his Parliamentary utterances, even though he is naturally a man who fights shy of rhetoric or of an appeal to passion, are inclined to be attuned to the temper of his audience. He has had, however, no defence to make of the inactivity of the French forces in the *plébiscite* area affected by the invasion. Despite General Lerond's assurance that everything that could be done to maintain order would be done, the activity of the Polish irregulars continues almost unchecked. Nor can Warsaw be acquitted of complicity in the matter. It is not, indeed, the first time since the Armistice that action by the Poles has endangered the peace of Europe. The invasion of Russia and the aggression on Lithuania are precedents up to which the Poles are still, apparently, inclined to act.

M. Witos, the Polish Premier, speaking in the Diet on Thursday in reply to Mr. Lloyd George, claimed that his sole object was "to obtain a just appreciation of the result of the *plébiscite*, in conformity with the letter and the spirit of the Treaty of Versailles." But he did not disown the action of Korfanty, nor did he explain why the Polish frontier remains open and further munitions and stores have been daily reaching the insurgents. The German Government has, on its side, denied that *Reichswehr* are being massed on the German frontier of the *plébiscite* area, and has said that the only regular troops there are the regiments permanently stationed in Upper Silesia. The truth of this statement is easily ascertainable by the Allied Commission on the spot. Hostile acts by the insurgents are, however, undeniable. The seizure of rolling stock from the locomotive sheds at Kattowitz, despite the protests of the British Comptroller of Railways to the French military authorities, who are nominally the guardians of the peace, is an incident not calculated to smooth ruffled feelings or to promote that co-operation amongst the Allies which alone can solve the difficult task they have set themselves in Eastern Europe.

While the Treaty does not preclude a partition of Upper Silesia, the Poles claim practically the whole industrial area, which is more than they are entitled to on the voting results. Historically, also, this claim falls to the ground, since Upper Silesia has been severed from Poland for six hundred years. Frederick the Great annexed it by force to Prussia 150 years ago, and the Poles assert that this annexation should now be finally and completely undone. The admission of such a claim would, however, unsettle the political stability of more than one country in Europe. There is, moreover, a suspicion that all the Poles who voted in the *plébiscite* were not autochthonous, but a final decision on the point is at the moment impossible. As helping to clear up this and other contentious issues we welcome the decision of President Harding to be represented on the Supreme Council in the event of a meeting being held to consider the Silesian question. Such a meeting is inevitable unless the Council decides to forgo its functions under the Treaty.

While M. Briand has as yet made no definite announcement regarding France's attitude, he has, in a Note just handed to the British Government, invited our Premier to meet him at Boulogne, on the understanding that, before the question of Upper Silesia is considered by the Supreme Council, a decision on it shall be reached by a technical commission. Pending the publication of the French text of the message, it is impossible to say whether this represents M. Briand's final word on the matter, but the proposal is tantamount to removing the matter altogether from the jurisdiction of the Council. This would, naturally, be unacceptable. It is to be hoped that in Boulogne Count Sforza, the Italian Foreign Minister, and Mr. Harvey, the United States Ambassador, will use their undoubted influence in the direction of a peaceable and rapid adjustment of the dispute, with due regard both to the dignity of France and the just claims of Poland.

PURCHASING POWER AND BANK CREDITS.

THE problems of financial inflation and the consequent effect on industry do not readily admit of statistical investigation, but the information available, incomplete though it is, is worthy of attention. According to the Quantity Theory of Money, the total momentum of existing purchasing media should equal exactly the money price paid for total commodities produced. Momentum, in this case, depends on the quantity of such media (principally bank deposits, note issues, and subsidiary currency) and on their velocity of circulation. Variations, therefore, in the physical volume of trade or in unit-prices should, if we accept the quantity theory, reflect, or be reflected in, a corresponding alteration in the amount of purchasing media or in their velocity of circulation. Much barren controversy concerning inflation, restriction of bank credits, the conduct of the national finances and kindred subjects would be saved if the progressive readjustments in the various items of the equation would allow of accurate analysis. The actual volume of purchasing power may be estimated with relative accuracy, as is evident from the following table for the United Kingdom:—

(In Millions of Pounds)

	1913 Dec. 31	1918 Dec. 31	1919 Dec. 31.	1920 Dec. 31	1921 April
Gold	77	--	—	—	—
Treasury notes ..	-	323·2	356·1	364·9	338·0
Bank of England notes	52·3	97·8	108·7	144·8	145·0
Other Bank notes ...	16·1	58·0	59·2	54·3	54·0
Total	145·4	479·0	524·0	564·0	537·0
Less Bank of England notes in Banking Dpt.	22 7	27·6	17·4	12·0	16 5
Scotch and Irish note reserves	—	52·4	53·9	50·0	50·0
Net Circulation	**122.7**	**399.0**	**448.7**	**512.0**	**470.5**
Bank of England public deposits	10·3	26·3	19·2	14·3	15·3
Post Office and Trustee Banks	249·2	309·7	353·0	358·0	350·0
Other bank deposits ...	1,070·7	2,033·5	2,398·8	2,549·3	2,174·6
Total Deposits ...	**1,330.2**	**2,369.5**	**2,771.0**	**2,921.6**	**2,539.9**
Total Purchasing Media	**1,452.9**	**2,768.5**	**3,219.7**	**3,433.6**	**3,010.4**

The gross amount of gold coin, Treasury Notes, Bank of England Notes, and other bank notes, less the quantity of notes held in reserve, shows the total circulation. In the absence of reliable data no account is taken of subsidiary coinage, but the omission is of negligible importance. It will be noticed that the continuous growth between 1913 and 1920, from £122,700,000 to £512,000,000, had apparently reached its peak at the latter date, for the initial four months of 1921 recorded a decline to £470,500,000, due wholly to a contraction in Treasury Note and Bank of England Note Issues. Total bank deposits are arrived at by adding the deposits of all banks except "Other Deposits" of the Bank of England, which consist almost completely of redeposits by the joint-stock and private banks. For April the figure of "other bank deposits" is based on the published statements of the ten London clearing banks which control the bulk of our banking business, the change in the aggregate item from the previous December being taken as proportionate. Data for the Post Office and Trustee Savings Banks are official excepting that for April, which is an estimate. On such a basis of calculation the purchasing media of the United Kingdom had a nominal value at the end of 1913 of £1,452,900,000. The counters multiplied consistently during the War and post-Armistice period, and by the end of 1920 had reached £3,433,600,000. The ensuing four months have shown, however, a contraction of over 400 millions to £3,010,400,000. This shrinkage is due principally to a fall in the deposits of joint-stock and private banks. The movement is an index of the drastic curtailment of trading activities in the past quarter.

The backing for such monetary instruments in terms of the ultimate gold cover available in the bank reserves is indicated in the appended statement:—

Specie Reserves of the United Kingdom.

(*In Millions of Pounds.*)

	1913 Dec. 31	1918 Dec. 31	1919 Dec. 31	1920 Dec. 31	1921 April
Bank of England ...	35	80	91·3	128·3	128 4
Other banks	123	40	30·0	—	—
	158	120	121·3	128·3	128·4
Ratio of specie to purchasing media ...	10·87	4·33	3·76	3·73	4·25

The gold held by banks other than the Bank of England is shown as estimated by the Cunliffe Currency Committee for 1913 and 1918. After the latter year such holdings were transferred gradually to the central institution, and by 1920 had been reduced to a negligible amount, though not extinguished. It is not possible to arrive at an exact figure for 1919, and our figure of £30,000,000 must be accepted as an arbitrary estimate. The post-war ratio of gold to total monetary instruments compares very unfavourably with the pre-War level, but the position would seem to have become stronger in recent months.

As might be expected, the reduction in bank deposits has occurred simultaneously with a shrinkage in the credit fabric of the United Kingdom. The following table illustrates the credit provided by British banks over recent periods, the April figure being calculated on the basis already mentioned. Acceptances have been included.

The Credit Fabric of the United Kingdom.

(*In Millions of Pounds.*)

	1913 Dec. 31	1918 Dec. 31	1919 Dec. 31	1920 Dec.31	1921 April
Call and short loans ...	124·8	222·8	150·6	153·1	127·4
Investments	242·6	653·3	711·0	679·0	620·6
Discounts	121·9	421·3	364·7	415·9	390·9
Advances	604·4	744·1	1,125·3	1,268·8	1,272·6
Acceptances	63·5	65·1	161·1	112·5	79·2
Total . .	1,157.2	2,106.6	2,512.7	2,629.3	2,490.7

A movement similar to those already chronicled is evident in these figures, but the rate of decline in 1921 has not been so marked. Such is only in accordance with the statements of many bank chairmen that their institutions are not pursuing a deliberate policy of deflation.

To estimate the velocity of circulation is much more difficult than to estimate its volume. The only index available is the returns of the various Bankers' Clearing Houses. Though referring to cheque-movements only, they would provide a satisfactory indicator, but that they are swollen by Treasury bill renewals, unsuccessful applications for new capital issues, and other redundant items. The following table, using 1913 as a base-year, shows, among other items, the aggregate town, metropolitan, and country clearings:

	1913 Dec. 31	1918 Dec. 31	1919 Dec. 31	1920 Dec.31	1921 April
Circulation and deposits	100	190	221	236	208
Specie holdings ...	100	75·9	76·7	81·2	81·2
Bank credits	100	182	217	227	215
Bankers' clearings ...	100	129	173	237	161
Statist index-number ...	100	231	276	243·8	199·8
National Debt* ...	100	895	1,133	1,193	1,154

* March 31.

The clearing figures represent total volumes for the various years, that for the initial four months of 1921 being accordingly multiplied by three. The current year shows a sharp reaction, the first since 1916, in the clearing-house turnovers, and though the figure must be interpreted with reservations, the movement is sufficiently pronounced to justify the conclusion that circulation has declined in velocity as well as in volume. With the material at hand it would not be feasible to attempt an estimate of the actual momentum of circulation, but in view of the contraction in the constituent items it may be safely assumed to have fallen.

Wholesale prices, as measured by THE STATIST index-number, have been falling for a longer period than the items already mentioned, but broadly speaking the movement has been similar all round. It

would be of interest to take the figures in conjunction with physical production for the same period. No estimate, similar to that of Professor Kemmerer for the United States, has, however, been made for Great Britain. To preserve the integrity of the quantity-theory equation one would expect a falling-off recently in production, and such a condition is almost certainly reflected in the existing depression.

Incidental to the connection between Government borrowing and credit inflation, the growth of the national debt makes an interesting comparison with that of bank credits. Though the gross liabilities of the State have grown by one thousand and fifty-four per cent. since December, 1913, the credit fabric of the nation has, in the meantime, expanded by only one hundred and fifteen per cent. Even on the unjustifiable assumption that bank accommodation had been provided solely for the financing of Government expenditure, it would cover but a minor proportion of the State's borrowings.

EMPLOYMENT, WAGES AND RETAIL PRICES.

OFFICIAL RETURNS FOR APRIL.

Unemployment, which was serious in March, developed considerably in April owing to the increased shortage of fuel consequent on the cessation of work at the coal mines. In the chief coal-using industries employment was greatly reduced, and in the pig-iron, tinplate and pottery trades it was almost at a standstill, though it continued fair throughout the month in agriculture and the building trades. The percentage unemployed amongst members of trade unions, mainly skilled, rose, according to the *Labour Gazette*, to 17.6 at the end of April, as compared with ten per cent. at the end of March, and the percentage unemployed of the 12 million workpeople insured under the Unemployment Insurance Act rose to fifteen per cent. on April 29, as compared with 11.3 per cent. on March 24. In addition, no less than 524,000 males and 553,000 females were working systematic short time on April 29 to such an extent as to entitle them to benefit under the Unemployment Insurance Act or the Out-of-Work Donation scheme. The total number of workpeople registered at the Employment Exchanges as unemployed at the end of last month was approximately 1,854,000, as compared with 1,414,000 at the end of the preceding month, an increase of 31.1 per cent. The following table shows the extent of unemployment, chiefly among skilled workmen:—

Unemployment Among Trade Union Members.

End of	1919	1920	1921
	%	%	%
January	2·5	2·9	6·9
February	2·8	1·6	8·5
March	2·9	1·1	10·0
April	2·8	0·9	17·6
May	2·1	1·1	—
June	1·7	1·2	
July	2·0	1·4	—
August	2·2	1·6	—
September	1·6	2·2	—
October	2·6	5·3	
November	2·8	3·7	—
December	3·2	6·1	—

The number of trade disputes that commenced during the month was forty-four, and in addition fifty-four which began before April were in progress at the commencement of that month. The most important industry affected was, of course, coal mining, in which the stoppage began on April 1. The total number of workpeople involved was nearly 1,200,000, as compared with 31,000 in the previous month, and the estimated aggregate duration of all the disputes during the month was nearly 24,000,000 working days.

Adjustments took place in quite a number of cases, and 1,147,000 workpeople suffered decreases during the month amounting to over £270,000 per week, while 18,000 received weekly increases aggregating £2,700. Of the number whose wages were reduced, over 900,000 were affected by sliding-scale arrangements in which wages are regulated automatically in accordance with the changes in the cost of living or with the selling-price of iron or steel. The principal reductions under cost-of-living sliding scales affected railway workers, whose wages were reduced by 4*s.* per week; wool textile workers in Yorkshire, who sustained a reduction of about four per cent. on current wage rates; workpeople in the textile dyeing, bleaching, finishing, &c., trades, in whose case the reductions amounted, in Yorkshire, to about twelve per cent. on the current rates, and in Lancashire and Scotland to 9*s.* 8*d.* and 5*s.* 9*d.* per week for men and women respectively. Under sliding scales dependent on selling prices there were reductions in the wages of blast-furnacemen and iron and steel workers in various districts. Other important reductions which came into operation during April affected workpeople engaged on civil engineering constructional work, whose wages were reduced by amounts varying from 2*d.* to 4*d.* per hour, and men employed in the heavy chemical trade and in the vehicle-building and wheelwright trades, in which there was a reduction of generally 2*d.* per hour. There were also decreases in the wages of workpeople in the glass bottle and soap and candle trades, and of carters in London and Scotland.

On April 30 the average level of retail prices of all the commodities taken into account in the statistics prepared by the Ministry of Labour (including food, rent, clothing, fuel and light, and miscellaneous items) was 128 per cent. above that of July, 1914, as compared with 133 per cent. at April 1. As was the case in the previous month, the decrease was due mainly to reductions in the prices of food, but clothing also continued to decline. The statistics are designed to indicate the average increase in the cost of maintaining unchanged the average pre-War standard of living of the working classes. Accordingly, in making the calculations, the changes in the prices of the various items included are combined in proportions corresponding with the relative importance of those items in pre-War working-class expenditure, no allowance being made for any changes in the standard of living. If we take food alone, the rise since July 1914 is 132 per cent. Comparative figures for the Overseas Dominions and foreign countries, taken from official sources, are given in the following table, but the use of these data for comparative purposes is subject to the provisos mentioned by us in treating this subject on the 23rd ultimo.

Food Prices.

Percentage Increase in the Retail Prices of Food in the Various Countries at the Undermentioned Dates, as compared with July 1914.

	July					Latest Figures Available	
	1916	1917	1918	1919	1920	Rise	Date
	%	%	%	%	%	%	1921
United Kingdom	61	104	110	109	158	132	April 30
Overseas Dominions—							
Australia... ...	30	26	31	47	94	81	Mar.
Canada	14	57	75	86	127	78	Mar.
India (Calcutta)...	10	16	31‡	51‡	70	61	Nov. '20
New Zealand ...	19	27	39	44	67	'69	April
South Africa ...	16	28	34	39	97	60	Mar.
Foreign Countries—							
Belgium	—		—	—	359	334	Mar.
Denmark... ...	46	66	87	112	162	176	Jan.
Finland	—		—	—	882	1,007	Feb.
France (Paris) ‡...	32	83	106	161	273	228	April
,, (other towns) ‡ .	42*	84*	144*	188*	288*	329	1st Qr.
Germany§ ...	—		—	—	—	794	April
Holland (Amsterdam)		42	76	110	117	99	Mar.
Italy (Rome) . .	11	37	103	106	218	332	April
,, (Milan) ...	—		225	210	345	498	April
,, (Florence)	47	84	198	178	313	421	April
Norway	60	114‡	179	189	219	208	Feb.
Sweden†	42	81	168	210	197	148	April
United States ...	9	43	64	86	115	49	April

* Figures for third quarter.
† Fuel and lighting are also included in these figures.
‡ Figures for August.
§ Includes rent, fuel and lighting.

AMERICAN RAILROAD EARNINGS.

DETAILS OF FEBRUARY RETURNS.

A RECRUDESCENCE of speculative and investment activity in American railroad issues has for some time past been noticeable in the New York Stock Exchange. In the first week of the current month twenty representative railroad securities appreciated 3.06 points to 74.31, as compared with 73.76 on the corresponding date last year. The rise was influenced more by optimism as regards prospects than by any encouraging features so far revealed in the monthly reports for the year. The reduction in rediscount rates by the New York, Chicago and other Federal Reserve Banks, and the greater ease in call money rates have helped professional dealers, who are hopeful that the gold basis of credit will be further widened, correspondingly increasing the supply of available funds. Net receipts of gold in March and April were amongst the highest recorded for the United States in any two months since the War. The reduction of prices by the Steel Corporation and independent producers, though it has not encouraged that revival in demand which was anticipated, is also considered a factor in favour of the railroads as tending to reduce maintenance of way and equipment charges. The most cheerful news for the market has, however, been the ruling of the Labour Board as regards the abrogation or termination of the labour agreements entered into during the War period, and the possibility that managements will be able to divest themselves of a large portion of the burden incontinently thrust upon them last July. The Board announces that it intends to make a downward revision of wages for over a million unskilled railway workers, which will become effective on July 1. The amount of the decreases will be announced on June 1. The Board will shortly hold a hearing on the proposals of the railroads to reduce the wages of other classes of employees, the reductions, if decided upon, to become effective on July 1. Including the skilled men involved in the last-mentioned proposals, two million men are altogether affected. The need for relief to the railroads may be gathered at a glance from the table at the foot of the page showing the working results of the leading lines in February.

Surpluses have been converted into deficits in the following cases: Louisville and Nashville, February 1920, surplus, $805,731; February 1921, deficit, $929,411; Chesapeake and Ohio, February 1920, + $871,069, February 1921, − $124,008; Northern Pacific, including extensions and subsidiary lines, February 1920, + $1,478,495, February 1921, − $108,613. A reduction of surpluses is recorded by the New York Central from $2,932,154 to $1,783,230; by the Atchison, Topeka and Santa Fe from $5,563,418 to $935,851; and by the Union Pacific from $4,614,274 to $1,841,168. For the thirty lines included in our table total revenue in February 1921 showed a decline of $27,139,351 compared with the previous year, as against a decline in expenditure of only $24,242,264, resulting in a decrease in the surplus from $7,050,831 to $4,153,744.

RETURNS FOR FEBRUARY 1921 AND 1920.

Railroad	Revenue in February		Expenditure in February		Surplus of Revenue in February	
	1921	1920	1921	1920	1921	1920
	$	$	$	$	$	$
New York Central*	38,463,658	42,674,695	36,680,428	39,742,541	+1,783,230	+2,932,154
Southern Pacific*	19,766,866	18,661,169	15,894,270	17,592,701	+3,872,596	+1,068,468
Atchison, Topeka & Santa Fe*	16,620,4 9	19,257,401	15,684,638	13,693,983	+ 935,851	+5,563,418
Baltimore & Ohio	14,165,359	14,606,031	13,245,229	15,420,826	+ 920,130	- 814,794
Union Pacific*	11,318,067	14,993,994	9,476,899	10,379,720	+1,841,168	+4,614,274
Chicago, Milwaukee & St. Paul	10,152,244	11,595,154	10,202,432	13,950,537	— 50,188	−2,355,382
Chicago & N. Western	10,656,696	11,180,934	10,288,109	11,408,734	+ 368,587	— 227,800
Illinois Central	10,787,230	11,093,800	8,823,878	9,579,146	+1,963,352	+1,514,653
Chicago, Rock Island & Pacific	9,395,340	9,738,194	8,094,261	8,825,973	+1,301,079	+ 912,221
Louisville & Nashville	8,520,178	10,111,516	9,449,589	9,305,784	— 929,411	+ 805,731
New York, N.H. & Hartford	8,157,804	6,915,961	9,275,492	8,702,274	−1,117,688	−1,786,313
Great Northern	5,864,482	7,252,816	6,048,383	7,755,546	- 183,901	— 502,729
Missouri Pacific	8,356,643	9,442,930	7,971,757	7,789,679	+ 384,886	+1,653,251
Erie*	8,988,827	7,869,456	8,492,119	9,205,817	+ 496,708	−1,366,361
St. Louis & San Francisco*	6,924,178	7,489,667	5,327,972	6,183,332	+1,596 206	+1,306,335
Philadelphia & Reading	6,593,456	6,420,627	6,101,439	7,090,196	+ 492,017	— 669,568
Chesapeake & Ohio	5,271,089	6,236,381	5,395,097	5,365,312	— 124,008	+ 871,069
Boston & Maine	5,778,757	4,190,062	6,825,176	6,608,095	-1,046 419	−2,118,032
Wabash	4,430,804	4,043,925	3,965,099	4,380,448	+ 465,705	— 342,523
Minneapolis, St. Paul & S.S.M.	3,055,788	3,481,254	3,380,572	3,021,376	— 324,784	- 459,878
Delaware & Hudson	3,550,378	2,423,376	3,534,482	2,820,629	+ 15,896	- 397,253
New York, Chicago & St. Louis	1,945,662	2,077,922	1,695,602	1,728,817	+ 250,060	+ 349,105
Alabama Great Southern	811,967	864,226	723,498	763,759	+ 88,469	+ 100,467
Union RR. (of Penn.)	892,602	595,307	747,236	688,269	+ 145,366	- - 92,962
Pennsylvania Co.†	37,506,974	34,777,462	37,771,721	43,087,858	— 264,747	—8,310,396
Chicago, Burlington & Quincy	12,126,672	13,216,614	9,535,862	11,144,033	+2,590,810	+2,072,581
Southern Railway‡	9,798,329	11,479,474	9,678,825	10,207,391	+ 119,504	−1,272,083
Northern Pacific System*	7,074,134	9,196,333	7,182,747	7,717,838	— 108,613	+1,478,495
Pittsburgh, Cincinnati, Chicago & St. Louis†	6,060,841	7,410,094	7,834,103	8,888,623	−1,773,261	−1,478,528
Norfolk & Western	5,659,621	6,237,717	5,214,476	5,728,418	+ 445,144	+ 509,299
Grand Total	288,695,135	315,834,486	284,541,391	308,783,655	+4,153,744	+7,050,831

* Including extensions and subsidiary lines. † Part of the Pennsylvania System. ‡ Part of Southern Railway System.

RETURNS FOR 1921 AND 1920.

Railroad	January 1 to February 28, 1921			January 1 to February 29, 1920		
	Revenue	Expenses	Surplus or Deficit	Revenue	Expenses	Surplus
	$	$	$	$	$	$
New York Central	84,954,595	79,899,045	+ 5,055,550	33,320,528	79,714,068	+13,606,460
Southern Pacific*	41,537,083	34,850,805	+ 6,686,278	41,616,988	35,015,155	+ 6,601,833
Atchison, Topeka & Santa Fe*	35,166,798	33,180,403	+ 1,986,395	42,795,162	28,184,420	+14,610,742
Baltimore & Ohio	32,021,510	29,193,965	+ 2,827,545	31,949,699	31,348,478	+ 601,221
Union Pacific*	24,585,442	21,568,905	+ 3,016,537	33,788,673	21,827,909	+11,960,764
Chicago, Milwaukee & St. Paul	21,739,901	21,951,839	— 211,938	26,128,745	26,442,769	- 314,024
Chicago & N. Western	22,446,292	22,474,933	- 28,640	24,273,996	23,119,779	— 165,566
Illinois Central	23,665,429	18,974,317	+ 4,691,112	23,349,692	19,161,728	+ 4,187,964
Chicago, Rock Island & Pacific	19,835,567	17,910,033	+ 1,925,534	22,082,761	18,391,600	+ 3,691,160
Louisville & Nashville	18,662,360	19,728,922	— 1,066,561	20,381,230	18,163,565	+ 2,217,665
New York, N.H. & Hartford	16,813,850	19,076,482	— 2,262,632	17,229,037	17,777,303	- 54,266
Great Northern	12,143,721	12,785,607	— 641,885	17,404,752	15,705,861	+ 1,698,890
Missouri Pacific	17,908,983	16,803,987	+ 1,104,995	1 ,938,158	15,777,766	+ 4,160,392
Erie*	18,378,891	18,523,874	— 144,983	16,970,724	18,660,684	- - 1,689,960
St. Louis & San Francisco*	14,303,842	11,234,252	+ 3,069,590	14,825,098	12,569,428	+ 2,255,670
Philadelphia & Reading	14,467,077	13,368,148	+ 1,098,928	13,352,449	13,505,634	— 153,184
Chesapeake & Ohio	12,397,188	11,784,690	+ 612,497	12,656,891	10,711,307	+ 1,945,584
Boston and Maine	11,899,020	14,033,489	— 2,134,468	11,320,884	13,035,149	— 1,714,265
Wabash	9,147,821	8,481,245	+ 666,575	9,157,840	8,779,375	+ 378,464
Minneapolis St. Paul & S.S.M.	6,268,302	7,116,149	— 847,847	6,973,456	6,218,750	+ 754,705
Delaware & Hudson	7,676,617	7,295,959	+ 380,658	5,189, 13	5,765,806	— 576,292
New York, Chicago & St. Louis	4,210,760	3,402,295	+ 808,465	4,271,579	3,515,452	+ 756,127
Alabama Great Southern	1,684,028	1,606,775	+ 77,253	1,783,244	1,404,648	+ 378,595
Union RR. (of Penn.)	1,903,298	1,621,919	+ 281,379	1,182,965	1,353,800	- - 170,835
Pennsylvania Co.†	82,224,786	80,854,341	+ 370,445	74,752,934	84,542,057	— 9,789,122
Chicago, Burlington & Quincy	26,126,472	21,308,686	+ 4,817,786	29,786,962	22,066,385	+ 7,720,577
Southern Railway‡	20,491,258	20,349,096	+ 142,161	25,525,150	20,899,638	+ 4,625,512
Northern Pacific System*	12,369,729	12,328,892	+ 40,837	17,670,873	13,596,011	+ 4,074,862
Pittsburg, Cincinnati, Chicago & St. Louis†	15,843,331	17,133,235	— 1,289,904	17,990,606	17,598,512	+ 392,094
Norfolk & Western	13,096,337	11,645,796	+ 1,450,540	13,072,912	11,745,273	+ 1,327,639
Grand Total	643,971,228	610,488.084	+33,483,144	690,743,501	616,598,310	+ 74,145,191

* Including extensions and subsidiary lines. † Part of the Pennsylvania System. ‡ Part of the Southern Railway System.

If we combine the results for both January and February, we find that the revenue in 1921 fell short of that in 1920 by $46,772,273 while expenses fell by only $6,110,226, with the result that the surplus was reduced to $33,483,144, compared with $74,145,191 in the previous year. The falling off in traffic and the increase in the number of idle freight cars, which has risen by nearly a quarter of a million since the commencement of the year, are factors that will tend to impede recovery even if a satisfactory settlement of present railroad controversies were effected. Final decisions as to wage reductions will take a long time and may possibly entail some trouble with the workers' organisations. Further, a persisfent clamour is being set up by farmers and other sections of the community against some of the existing rates schedules on the ground that they are so high as to prejudicially affect trade. Such clamour is unlikely to be heeded until the roads return to a self-supporting basis, and it is certainly not in the interests of either farmers or manufacturers to interfere with such return. In our tables the revenue given includes freight, passenger, and other income, and expenditure includes maintenance of way and equipment and all traffic and transportation expenses. The surplus or deficit shown is the difference between these two items, but further provision has to be made in respect of taxes and uncollectible revenue and certain rents. Taking these factors into account, the need for remedying the situation becomes even more urgent, and the adjustment of the labour problem becomes imperative if the elementary rights of the stockholders are to be respected.

CLEARING HOUSE RETURNS AND TRADE.

THE turnover at the London Bankers' Clearing House in 1920 was £39,018,903,000, as compared with £28,415,382,000 in 1919 — an increase of £10,603,521,000. On detailed investigation of the figures it becomes clear that 73 per cent. of this increase took place in the first quarter of the year, 58 per cent. in the second quarter, 24 per cent. in the third, and 8.5 per cent. in the fourth. This movement corresponds to the gradual downward course of trade throughout the year, as revealed by the official returns, of which details are set out herewith:—

1920	Imports £	Exports £	Re-exports £	Total £
1st Qtr....	530,572,455	295,543,420	75,099,623	901,215,498
2nd ,,	502,762,229	341,928,464	60,791,425	905,422,118
3rd ,,	467,855,880	369,811,152	44,567,434	882,234,466
4th ,,	435,551,556	328,290,991	41,947,475	805,790,022
Total for Year ...	1,936,742,120	1,335,569,027	222,405,957	3,494,717,104

Not all the London Clearings are of equal importance or of equal significance from the trade standpoint. The Town Clearing is more particularly a mirror of Money market conditions, the volume of day-to-day loans, Treasury bill renewals, and short term financing of every description, also of dividend payments, subscriptions to capital issues, and Stock Exchange and foreign exchange business. The Metropolitan Clearing reflects more than anything else the retail trade of the metropolis, while the Country Cheque Clearing illustrates general movements in the trade of the country. In none of the Clearings, however, is it possible to determine the respective proportion of trading and purely financial transactions, but the latter are certainly not so high as is the case in, say, New York. The New York Clearing returns are, indeed, taken by American statisticians as an index not so much of trading as of Stock Exchange activity, but the figures of the London Clearings as a whole partake, though not to a large extent, of a trade character. A contributory proof of this is the fact that the amounts cleared fluctuate, generally speaking, with [illegible] corded by the Provincial Clearings, the chief of which are, of course, Manchester, Liverpool, Dublin, and Birmingham. Comparative data for all the centres for the first four months of the current year are given in the annexed table:

London and Provincial Clearings.

In Thousands of Pounds.

	[illegible]	[illegible]	Inc.	—April— 1921	1920	Decrease Apr. 1921
London.	£	£	%	£	£	%
Town	7,812,780	8,215,[illegible]	1·2	2,344,875	2,495,890	6·0
Metropolitan	463,781	564,[illegible]	18·1	136,117	164,559	17·3
Country	868,516	1,075,386	23·9	256,103	317,240	19·3
Total	9,144,083	10,354,509	11·7	2,737,095	2,977,689	8·1
Provincial						
Manchester ...	246,556	420,501	48·5	68,028	155,108	56·1
Liverpool	135,519	254,[illegible]	42·1	41,902	80,200	47·7
Dublin	97,280	117,584	17·2	35,235	43,946	19·8
Birmingham	38,062	50,624	24·8	11,678	17,430	33·0
Newcastle	33,163	42,941	22·7	9,164	15,563	41·1
Bristol	20,323	24,231	16·1	7,263	8,971	19·3
Sheffield ...	18,139	20,303	10·1	5,786	8,545	32·3
Leeds ...	15,389	21,809	29·4	5,559	9,746	42·9
Leicester	10,581	17,455	39·3	3,764	6,940	45·8
Nottingham	9,947	15,280	34·9	3,763	6,097	38·8
Hull ...	9,484	—	—	—	—	—
Total Provincial Clearings ...	594,766	964,793	38·3	192,142	352,544	45·5
Grand Total ...	9,738,849	11,319,302	13·9	2,929,237	3,330,233	13·7

* Clearing House opened February 5, 1921. Figure *not* included in totals.

The centres are here arranged in the order of their importance. The turnover of a Clearing naturally depends on the area covered, amongst other things, and there is little uniformity in this matter as between different Clearing cities. It should be observed, however, that in Liverpool the financial settlement arising out of the Cotton Clearing is handled by the Bank of England, and the direct daily adjustment, on a Clearing basis, of the multitudinous transactions in the Cotton market, including the differences in carrying over "futures," &c., keeps from the Bankers' Clearing a large amount of business which would otherwise pass through it. Making allowances for the sums involved in the Cotton Clearing, it is probable that Liverpool would rank highest amongst our Provincial Clearings. According to our table, Manchester, at 48.5 per cent., shows a greater decline than Liverpool in the first quarter of 1921. The decline in April has been still more marked in both cases, and further figures for these and other centres up to the current week may be seen by reference to our Tabular Appendix.

Sympathetic movements in both the London and Provincial Clearings are evident from the above table, but while the returns for the former showed a decrease of only 11.7 per cent. for the first three months of the year, the decrease in the case of the others was 38.3 per cent., and the respective figures for April were 8.1 per cent. and 45.5 per cent. The differences are a measure of the extent to which financial transactions such as Treasury bill renewals, Stock Exchange loans, foreign exchange speculation, and other influences more or less independent of trade operate on the London Clearing.

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TRADE BALANCES OF THE UNITED KINGDOM.

An analysis of the returns issued by the Board of Trade in connection with the foreign trade of the United Kingdom for the first three months of the current year, if carried out with reference to the countries concerned, rather than the commodities exchanged, provides an interesting measurement of the trade balances due to or from the principal countries of the world. In the table appended below figures are supplied giving the value of the total trade in merchandise—all transactions relative to gold, coin and bullion are excluded—with each country tabulated for the three months ended March 31, 1921, and showing the excess of imports over exports or vice versa with the corresponding excess for the similar period in 1920 and 1913. At the outset it is necessary to strike a note of caution: conclusions based merely on the mathematical dimensions of the trade balances in 1920 and 1921 are of necessity erroneous. What the variations in those totals show are, at most, tendencies, and the actual extent to which the tendency has existed cannot be even estimated without taking into account the great transformation in the industrial arena which has taken place during the interval. Two vital factors differentiate the conditions under which the foreign trade of the United Kingdom was carried on in the first quarter of the current year from those prevailing during the opening quarter of 1920. As already repeated *ad nauseam* in our monthly survey of the trade returns, industrial activities have been severely retarded since the autumn of 1920 by a world-wide trade depression; whereas the post-Armistice boom was still in force during the first three months of 1920. Consequently trade was inevitably bound to assume smaller proportions, and unless the depression affected equally the imports and exports of each country concerned, the resulting balances would reveal differences comprehensible only in the light of this fact. The second factor was partly the outcome of the first and partly due to the policy of deflation drastically carried out particularly in the United States and the United Kingdom. The price levels under which trade was conducted in the first three months of 1921 were considerably lower than those prevailing in the corresponding period of 1920. Here, as The Statist Index-Number shows, prices as a whole continued to rise steadily in the opening months of 1920, reaching the apex in April, when the Index-Number was 266.1. After that date they steadily declined until, in April 1921, the Index-Number had fallen to 169.8. Thus equal quantities of trade in both periods would reveal different trade balances due to this sharp variation in price levels, and the effect of this factor is still further complicated if allowance is made for the varying declines of prices in the different countries. Accordingly no rigid mathematical conclusions can be drawn from the table, which nevertheless reveals in no unmistakable light tendencies of a reversion slow, though none the less sure, to a normal trading basis.

The balance of trade with eleven countries is adverse: imports therefrom have exceeded exports thereto during the quarter ended March 31, 1921. The United States retains its position as the country to which the largest amount is due in respect of trade for the period in question. In amount the balance of £66,971,194 represents a considerable improvement over the £140,214,308 due in the first quarter of 1920. But this sharp decline is explained by the two factors just mentioned: trade depression and lower price levels. Exports to the United States dropped from £46,000,000 to £17,000,000, whilst imports only amounted to £84,000,000, as against £186,000,000. The more pronounced fall in price levels in America accentuated the decline in imports. Quantitatively the import of American cotton was a little less than one-third of that in the corresponding period of 1920: in value, the fall was almost from sixteen to three. The decline in the adverse trade balance in the case of the Argentine Republic from £20,417,509 to £9,679,455 coincides with an increase of over twenty-five per cent. in the value of the exports and a decrease of nearly thirty per cent. in the imports, and has taken place despite an improvement in the exchange situation from the point of view of the United Kingdom. A considerable expansion in exports and a decline in imports is reflected in the decline of the balance due to Australia from £18,570,495 to £9,485,073. The pronounced improvement in the case of Egypt, where the amount due from the United Kingdom has dropped from £28,473,233 to £1,800,024, is primarily due to the pregnant falling-off in the import of cotton in conjunction with the heavy slump in prices. In quantity the import was less than thirty-one per cent. of that for the same quarter in 1920: in value the import was worth less than nineteen per cent. of the amount paid

Table showing the Trade of the United Kingdom with Different Countries during the First Quarter of 1921 and the Excess of Imports (−) or of Exports (+) for the Quarter as compared with the Corresponding Period of 1920 and 1913.

Country	Exports	Re-exports	Total Exports	Imports	Excess of Imports (−) or of Exports (+) for the Quarter ended March 31		
					1921	1920	1913
	£	£	£	£	£	£	£
United States ...	11,255,297	6,107,773	17,363,070	84,334,264	—66,971,194	—140,214,308	—22,056,257
Argentine Republic	10,232,605	127,480	10,360,085	20,039,540	— 9,679,455	—20,417,509	— 5,420,107
Australia	15,466,321	695,952	16,162,273	25,647,346	— 9,485,073	—18,570,495	— 1,362,676
Denmark	2,856,907	264,925	3,121,832	8,773,682	— 5,651,850	+ 4,461,443	— 3,836,527
Canada	5,912,955	445,463	6,358,418	11,054,045	— 4,695,627	— 5,546,430	+ 2,190,811
Switzerland ...	1,695,856	300,131	1,995,987	5,594,933	— 3,598,946	— 4,790,960	— 1,577,743
Belgium	5,282,768	1,769,370	7,052,138	9,809,785	— 2,757,647	+ 9,569,970	— 716, 26
Sweden	2,849,650	406,470	3,256,120	5,291,908	— 2,035,788	+ 1,883,401	— 264,348
Egypt	4,935,800	113,946	5,049,746	6,849,770	— 1,800,024	—28,473,233	— 6,218,467
Spain	6,131,937	223,817	6,355,754	7,049,349	— 693,595	— 5,657,149	— 1,029,770
Holland	7,364,569	2,026,651	9,391,220	9,453,086	— 61,866	+ 8,935,926	— 251,211
Portugal	1,203,043	317,228	1,520,271	1,210,865	+ 309,406	+ 1,016,238	+ 373,985
Norway	4,172,070	166,907	4,338,977	3,573,635	+ 765,342	+ 2,847,959	— 294,910
Russia	3,167,557	350,232	3,517,789	2,057,807	+ 1,459,982	+ 1,047,063	— 1,533,162
Japan	5,024,840	235,972	5,259,812	3,426,893	+ 1,832,919	+ 171,422	- 1,057,610
Germany	4,130,479	5,747,314	9,878,793	8,023,745	+ 1,855 048	+ 6,998,818	- 4,257,429
Brazil	3,747,999	72,356	3,820,395	1,642.061	+ 2,178,334	— 2,434,762	— 2,101,692
France	13,766,155	2,329,513	16,095.668	13,018,068	+ 3,077,600	+37,527,894	- 1,422,600
China	9.654,332	68,955	9,723,287	4,302,356	+ 5,420,931	— 1,305,286	- 2,094,229
Union of S. Africa...	9,520,989	327,260	9,848,249	3,869,094	+ 5,979,155	+ 2,930,277	2,099,667
Italy	7,928,748	454,257	8,383,005	2,230,572	+ 6,152,433	+ 7,183,182	- 1,840,664
India	35,803.912	863,325	36,667,237	16,424,688	+20,242,549	+ 4,986,075	- 5,634,015
British Possessions : Total ...	97,060,783	3,483,926	100,544,709	93,340,145	+ 7,204,564	—71,028,465	+ 2,227,641
Foreign Countries : Total ...	130,726,003	23,363,501	154,089,504	214,291,612	- 60,202,108	—88,900,947	—40,123,272
Total ...	227,786,786	26,847,427	254,634,213	307,631,757	—52,997,544	—159,929,412	—37,895,631

for the 1920 quantity. Denmark, Belgium, Sweden and Holland provide examples where a favourable balance for the first quarter of 1920 is replaced by an unfavourable balance for the first quarter of 1921. A pronounced reduction both in quantity and value of the export of cotton goods to Denmark is the salient feature in the reduction of the export trade to one-third that of the 1920 quarter; whilst the rise in imports of over thirty-three and a-third per cent. is reflected in an expansion in the import of bacon. The transformation in the case of Belgium is the outcome of her persistent efforts at reconstruction, which are now fructifying. A decline of over eighteen per cent. in the value of imports may largely be ascribed to the trade depression and lower price-levels. But the outstanding fact is the drop in exports thereto, which amounted to £7,052,138, as compared with £21,570,743 for the same period of 1920.

By a peculiar coincidence, the number of countries in the table with whom the balance of trade is favourable to the United Kingdom is also eleven. In two cases, Brazil and China, the nature of the balance has changed as compared with the 1920 quarter, when it was adverse. Exports to Brazil have dropped in value by nearly seventeen per cent., whilst imports therefrom have fallen by over fifty per cent., and this latter movement has taken place notwithstanding the remarkable decline in the sterling value of the milreis from, roughly speaking, 18*d.* in the first quarter of 1920 to 9¾*d.* in the first quarter of 1921. China owes the United Kingdom £5,420,931, instead of being owed £1,305,286. Imports from China fell by nearly fifty per cent. in value, the decline in quantity as regards tea in particular being emphasised by the depression in the world market for that commodity. Moreover, China has been suffering severely from famine and internal political troubles, and these, in conjunction with the sharp relapse in the price of silver, were bound to react injuriously on her export trade. At the same time exports to China have risen by nearly fifty per cent. in value, the decline in the export of cotton goods in quantity by over thirty-three and a-third per cent. coinciding with a rise in value of over ten per cent. In the case of Russia, in order to effect any useful comparison, it was necessary to include the trade of Finland, Esthonia, Latvia, and Lithuania, which are now shown separately in the trade returns. As a matter of fact, Finland is credited with over half the total imports, and over seventy per cent. of the exports went to Esthonia. The financial difficulties which Japan has been experiencing are reflected in a reduction of nearly fifty per cent. in the value of the imports, whereas the decline in the value of the exports has not exceeded twenty-five per cent. The improvement as regards Germany is more pronounced than appears, since the figures for 1921 exclude the trade of Memel, Dantzig, the part of Poland formerly German, part of Slesvig now Danish, and Luxemburg. Exports to Germany have only fallen in value by fifteen per cent., whereas, partly under the stimulus of a very high exchange, imports from Germany have practically doubled in value. Even after allowing for the trade depression and price levels, the recovery made by France is little short of wonderful, the balance due to the United Kingdom dropping from £37,527,894 to £3,077,600. Exports of British produce and manufactures fell from £40,923,491 to £13,766,155; re-exports only amounted to £2,329,513, as against £15,876,002. Meanwhile imports from France only fell from £19,271,599 to £13,018,068. The position of the Union of South Africa becomes reversed if allowance is made for the primary export of gold. The table shows that South Africa is indebted to the United Kingdom for £5,979,155. But we received in gold no less than £8,932,692 during the quarter, thereby leaving us owing South Africa nearly £3,000,000 on balance. The continued depreciation of the rupee still operates against the export trade of India. Imports therefrom show a decline in value of nearly fifty per cent., the reduction being common alike to tea, cotton, silk, timber, hemp, and jute. On the other hand, exports to India show little change in value, despite the trade depression and the lower price levels.

Reviewing the position as a whole, it appears that an adverse balance of £71,028,165 as regards trade with British Possessions during the first quarter of 1920 is replaced by a favourable balance of £7,204,564 for the first quarter of 1921. At the same time the balance due to foreign countries as a result is swamped from £88,900,947 to £60,202,108. The net trading operations of the United Kingdom for the three months in question result in an adverse balance of £52,997,544, as against £159,929,412 in 1920. Our recent estimate of the invisible exports was £99,500,000. Consequently, despite the difficulties of the period we have a balance of over £46,500,000 in our favour. Bearing in mind, however, the systematic decline in our purchases of essential raw materials since the opening of the year, which involves an increasing purchase of these as soon as trade revives, and the customary movements of the American corn and cotton crops in the second half of 1921, we must be prepared for more unfavourable returns still during the next two quarters, especially in view of the serious blow which our export trade in all its branches has got from the coal deadlock.

FINANCIAL AND ECONOMIC POSITION OF ITALY.

The heavy financial sacrifices made by Italy during the War are duly reflected in her currency, exchange, and Budget position. The onerous burden represented by the public debt, Treasury bills included, may be visualised by its increase from 15,200 million lire on June 30, 1914, to 81,700 million on September 30, 1919, 93,900 million on June 30, 1920, and to a probable amount of 100,000 million lire, or 2,500 lire per head of the population, in December 1920. Taking the sum quoted for June 30, 1920, the various constituent items are as follows:—

	Millions of Lire
Consolidated Debt—Pre-War	10,051·1
War loans	33,383·3
Redeemable Debt—Pre-War	3,379·4
War and post-War loans ...	5,488·8
Floating Debt—Ordinary Treasury Bills ...	9,250·0
State paper money in circulation	2,269·0
Bank-note issue on Treasury account	9,333·0
Debt to the deposit and loan bank	509·0
Total Domestic Debt	**73,663.6**
Foreign Debt (at par of exchange)	**20,265.0**
Total National Debt ...	**93,928.6**

Bearing in mind the depreciation of the exchange, the problem of the repayment of this foreign debt, contracted entirely since the War, is one of great gravity, especially when we reflect that the economic element is not the only factor to be taken account of in a harassing situation. Political and industrial unrest, strongly in evidence for some time past, hinders that development of the productive energies of the country so essential for the early establishment of a sound equilibrium. We have no doubt, however, that this point will be borne in mind by Italy's creditors in estimating the ability of the country to discharge its obligations. Broad views are needful in this respect, and would be encouraged if the United States, the world's creditor, saw fit to adjust her financial policy to the needs of a European Continent which is now only engaged in the preliminaries of reconstruction.

The national expenditure and revenue for 1919-20 came to 31,024 million and 10,420 million lire respectively, a deficit of 20,604 millions being shown. For the 1920-21 Budget the deficit is estimated at 11,548 millions, and for the 1921-22 at 16,370 millions. In respect of 1921-22 a sum of 6,300 millions is included

for loss on grain control, but, very satisfactory to note, this burden has been completely eliminated by the recent passage of an Act which increases the price of bread and the requisition price of home-grown wheat and provides for special taxation to cover the difference of cost of the imported wheat. As a matter of fact, it is thought probable that the provisions of the new Act will result in a net benefit to the Budget of 1,000 millions, and, furthermore, that the receipts in certain directions will reveal increases compared with the estimates. The success of the measures taken by the Italian Government to redress the Budgetary deficit will depend on the will of the people to contribute and on the ability of the authorities to collect. The programme of taxation formulated in a series of decrees issued in November 1919 is now in partial operation. Of the tax on capital, levied on estates exceeding 50,000 lire on January 1, 1920, the most noteworthy departure, some details may be given. The rate, varying from 4.50 per cent. on estates under 100,000 lire to fifty per cent. on estates over that standard, is payable yearly in bi-monthly instalments, and is spread over a maximum period of twenty years. The date of payment of the first instalment was October 1, 1920. No figures as to the amounts obtained have yet been published, but the preliminary declarations of property gave the following results: Over 225,000 returns were received, to a total value of over 48,000 million lire. They showed that 1 in 168 of the population possessed a fortune of over 50,000 lire, and that the average capital possessed by each person liable to the tax was 214,000 lire. It appeared that 5,120 persons declared fortunes exceeding one million, and that the average amount of each fortune was 2,373,000 lire. Details of income and expenditure from 1914 onwards are given in the following table:—

Italian National Accounts, 1914-20.

(In Millions of Lire.)

Year	Expenditure	Revenue	Balance
1914-15	2,688	2,560	— 128
1915-16	5,395	3,734	— 1,661
1916-17	10,625	5,345	— 5,280
1917-18	17,595	7,532	—10,063
1918-19*	32,599	9,498	—23,101
1919-20†	31,024	10,420	—20,604
Total ...	99,926	39,089	—60,837
	100 per cent.	39 per cent.	61 per cent.

* Closed accounts - provisional calculation.

† Revised estimates at the end of the financial year.

The average rate of exchange, lire for pounds sterling, at 85.52 in April denoted a movement in Italy's favour compared with the quotation for the preceding month of 103.44 and April 1920 of 90.28. On the satisfactory April basis, however, the lira's depreciation in relation to British currency is only exceeded, in the case of countries that come within the ambit of our exchange index-number, by Germany, Turkey, and Portugal. And the significance attached to the term "satisfactory" must be qualified by the observation that such a violent movement must upset the markets for Italian importers and cause them to act with great caution. Underlying the depreciation of the lira in terms of the most important world's currencies is the accumulation of a heavy adverse trade balance. Between 1913 and 1919 the total value of imports increased more than fourfold, while exports were little more than doubled. In other words, exports, which formed sixty-eight per cent. in relation to the value of imports in 1913, represented only thirty-one per cent. six years later. The result was that an adverse trade balance of 1,134 million lire increased to almost exactly ten times that amount. Out of the eighteen categories into which the Customs Tariff is divided five showed an excess of exports over imports in 1913. In 1919 this number had been reduced to three—namely, hemp, &c.; silk; and miscellaneous—those in which the favourable balance was reversed being spirits, beverages and oils, and animals and animal products. In 1913 foodstuffs accounted for 19.3 per cent. of the total imports, and in 1919 no less than 32.2 per cent. The strain imposed on Italian finance by the imperative necessity of provisioning the country after an exhausting War may thus be conceived. Subjoined is the table which forms the subject of the foregoing remarks. The values given are mean values, calculated officially according to a scale of prices fixed from time to time for statistical purposes, and varying according to the country of origin. The figures relate to special trade—*i.e.*, imports for home consumption and exports of domestic and nationalised products:—

Imports and Exports of Italy, 1913-1919.

	—Million Lire—	
Imports:	1913	1919
Materials for Industry—Raw ...	1,391·5	5,598·6
Materials—Semi-manufactured ...	699·6	3,076·7
Manufactured articles	851·9	2,522·9
Foodstuffs and Live-stock... ...	702·6	5,318·4
Total	3,645.6	16,623.3*
Exports:		
Materials for Industry—Raw ...	360·7	712·8
Materials—Semi-manufactured ...	590·4	1,743·0
Manufactured articles	798·1	1,986·0
Foodstuffs and Live-stock... ..	762·4	746·8
Total	2,511.6	6,065.7*
Excess of Imports	1,134.0	10,557.6

* Corrected total.

In continuation of the above it may be interesting to give some particulars of Italy's 1920 trade, as given in the official publications of the Ministry of Finance. These indicate an export of 15,862.1 million lire during the year, and an import of 7,803.7 million lire. The relatively high percentage, forty-nine—exports of imports—is a gratifying sign of recovery.

It remains to give details of the rate of increase of another influence operating on the exchange—namely, the note circulation. At the end of December 1913 Treasury notes, the conversion being made at approximately par rate, were returned at £19,963,000; December 1919, £90,808,000; and August 1920, £90,799,000. Bank notes of the Bank of Italy, Bank of Naples, and Bank of Sicily were for the similar months in 1913 and 1919 returned at £91,340,000 and £651,252,000 respectively and for December 1920 £789,266,000. The settlement of the reparations question will, no doubt, be of great assistance to Italy, and the successful operation of the Government policy of restricting the import of articles of luxury, coupled with the lower cost of essential requirements, should tend to straighten out the trade tangle. The results of the effort to grapple with the Budget deficit, as evidenced by the imposition of additional taxation and the withdrawal of subsidies, are reflected in the more optimistic estimates for the financial year 1921-22. Running counter to these tendencies are the prevailing spirit of unrest, and the violence of the political factions, and these conditions, though no different, at bottom, from those existing elsewhere are liable to be intensified in the case of a race with the mercurial temperament of the Italians. It is to be hoped that the elections held last Sunday will, temporarily at any rate, compose political trouble and lay the new White Terror that has evinced itself in the person of the Fascisti.

British Industries Fairs. Report of Committee appointed by the Board of Trade to consider the best policy to be adopted in future as regards British Industries Fairs. (London: His Majesty's Stationery Office.) The Committee's conclusion is that other things being equal, the ideal arrangement would be for the Fair to be concentrated in one centre - London.

Another Considered Judgment. Second Report of Judge Bodkin (fourteen years County Court Judge for the County of Clare). (Dublin: The Talbot Press, Limited, 85 Talbot Street.) A statement of facts and awards regarding claims for criminal injuries against Government Forces heard at the Clare Sessions.

THE WEST INDIA COMMITTEE.
ITS DUTIES AND DIFFICULTIES.

We are sorry to learn from the report of the West India Committee for the year ended December 31 last that its finances are not in as favourable a condition as could be wished. The report says: "For the fourth year in succession the accounts show a debit balance, the deficit for the year being £598 6*s.* 11*d.*, and the surplus of assets over liabilities being consequently reduced to £1,560 6*s.* 2*d.*" There are in all some 2,268 members belonging to the Committee. One reason, although the report does not say so, for the difficulties of the Committee is the very modest amount of the annual subscription demanded from members, which is for those resident in this country one guinea, and for colonials five dollars. In addition, members make a voluntary contribution to the Endowment Fund, which now, we believe, amounts to some £22,000. It is exceedingly unfortunate that the resources at the disposal of the Committee should be so modest, and should be curtailed at the present time, when it is highly desirable that the Committee should have the means whereby it could pursue, without the pressing necessity of daily counting the cost, the objects for which it is established. At present its efforts are hampered in every way. Those who are sufficiently interested in its work to have ever visited the premises at Seething Lane know that they are quite inadequate for the proper carrying out of the work which Mr. Algernon Aspinall, the popular Secretary, and those who work with him, are so satisfactorily conducting. Mr. Aspinall himself has recently been in the West Indies, partly for the purpose of obtaining increased support for the Endowment Fund, but also for the purpose of obtaining information as to the current of opinion in the various colonies and the different interests in which they are engaged, and keeping members here at home fully posted of events in the colonies. The report says that one of the great difficulties of the Committee is the cost of the production of the Committee's circular. The cost of printing anything nowadays is extravagant to a degree. But the Committee's circular is performing an exceedingly useful function in keeping members both here and in the colonies informed of what is going on in the various entities which form the area covered by what is known as the British West Indies. If the Endowment Fund had been greater it was hoped to obtain more suitable premises for the carrying on of the work of the Committee in London. As things are, the Committee have decided, and we think wisely, to defer any removal from Seething Lane. They are awaiting the inevitable fall in rents, which present costs of production, high taxation, and the consequent falling-off in trade, not merely in London, but throughout the world, will inevitably bring about if we have the patience to wait for it. Sooner or later extravagant cost of production, whether it be an advance in rents or taxes, advances in the prices of commodities, undue increase in the cost of labour—all these things in time ultimately cure themselves by the sure and certain process of the killing of the goose which lays the golden egg. Meanwhile, it is very much to be regretted that these oldest colonies of the British Empire should be, not merely so neglected as they are, but that those who are anxious to push their interests, to inform the world primarily of their existence; and, secondly, of their potentialities as sources of production of various kinds of tropical products should be hampered by the very inadequate means at the command of Mr. Aspinall and his associates.

Mr. Aspinall, in his recent tour, visited practically all the British colonies in those regions, with the exception of British Guiana, which is naturally the largest of the whole. The British West Indies, all told, somewhat exceed in area 101,000 square miles. British Guiana and British Honduras between them account for practically 99,000 square miles of its total area. It will be seen how exceedingly small are the various colonies themselves. Very few people appreciate the exceedingly small areas which are included in the Bahamas, Jamaica, the Turcos Islands, the Cayman Islands, the Morant Cays, Trinidad and Tobago, the Windward Islands, St. Lucia, Grenada, St. Vincent, the Grenadines, the Leeward Islands, St. Kitts, Nevis, Anguilla, Montserrat, Dominica and the Virgin Islands. The total population is only a little over two millions. Barbados may be said, for existing economic conditions, to be fully peopled; and it will be at once evident to the reader from their very limited area that only a very modest expansion is possible in any of the islands. Expansion is practicable, but only to a very moderate extent. If the Committee had adequate resources, adequate premises, and was in a position to fulfil its real functions of keeping the English investing and trading public fully informed of the resources and potentialities of the British West Indies taken as a composite whole, it would naturally endeavour to boom the great colony of British Guiana and the lesser but potentially valuable colony of British Honduras. The Home authorities, far from doing what they might to assist, seem to go out of their way to obstruct, progress. It is notorious that one of the great products of the British West Indies, including in that term British Guiana, is the production of sugar. Now, although the point is disputed, there is a preponderating measure of opinion which inclines to the view that cane-sugar is superior in consumption to beet-sugar. Anyhow, cane-sugar is produced, and can be produced in enormous quantities, within British territory. And although, no doubt, beet-sugar could be produced to an equal extent, the land required for its production could be more usefully employed for other purposes. The West Indies, as any reader who is at all acquainted with the subject knows, are primarily interested in sugar, and are peculiarly well suited for the growth of cane-sugar. Now it is notorious that cane-sugar cannot be grown at a profit in normal times unless it is practicable to sell the by-products of the refining house. Now one of the most important by-products, and there are several, is the distillation of rum. Rum is an exceedingly palatable spirit, and is believed to have an appreciable feeding value, inasmuch as it contains a large proportion of the component parts of sugar in solution. Rum, as is generally known, is served to the Navy because Jamaica is our oldest colony, and the practice was encouraged in the hope of stimulating one of the most important industries of Jamaica. Rum, as we have said, is an exceedingly palatable spirit. But it has never been esteemed as one of the classes of beverages which command high prices. Rum can command its market, provided it is saleable at a reasonable price over and above the very modest cost of production. It has to be remembered that rum itself owes its origin to the fact that it is a by-product of the extracting of the essential properties of the sugar-cane in the form of sugar. Now, at the present time, so ill-advised are the Home authorities, that they insist upon selling a spirit like rum, which, as we have said, cannot be expected to command a high price, at the equivalent of twelve shillings a bottle. The result is that throughout the West Indies, and indeed throughout all the cane-producing countries seeking a market here, the storage capacity from cellar to garret is full of unsaleable puncheons of rum. We are informed upon excellent authority that the amount of rum for which no market can be found here in London is enormous. Surely it would be better to get some revenue out of the sale of rum at a price at which the public will buy it, rather than hold up the sale indefinitely by demanding such an unreasonable price that no one who has been accustomed to drink rum would be willing to pay.

Foreign Exchange: Before, During, and After the War. By T. E. Gregory, B.Sc. Price 2*s.* 6*d.* (London: Humphrey Milford.)

FISCAL AUTONOMY AND ANGLO-IRISH RELATIONS.

Under the Government of Ireland Act Customs and Excise remain a reserved service, the Governments of Northern and Southern Ireland having no authority to interfere with the levying or collection of duties. For this purpose the fiscal unity of the United Kingdom consequently remains unimpaired. It is true that the Act provides that at any time after the date of Irish union the transfer of the service may be made to the Irish Governments on an address for the purpose of both Houses of Parliament of Ireland, but this eventuality, in view of the relations ruling at the moment, is somewhat remote. The belief is, however, held in many quarters that, with a view to securing a permanent Irish settlement, the Government would be prepared to depart from the principle established in the Act, and to agree to an immediate concession of full fiscal autonomy. In doing so it would, of course, have to risk a twofold danger. It would have to face, in the first place, the possibility of a tariff warfare between both Irish sections, carrying in its train the violent disturbance of the economic structure of the entire country; and, secondly, the erection of a tariff wall against Great Britain by one or both of the parties concerned. Such a prospect is alarming, but its translation into actual fact would seem to depend on the temper of the participants concerned in the final negotiations. To take the worst aspect of the case, a settlement concluded in an envenomed atmosphere might have these disagreeable consequences, but we are convinced that the Irish Governments would very speedily realise the suicidal effects of this policy, and the fact that Belfast and certain categories of English goods are now banned by the Sinn Feiners cannot be taken as an indication of their future attitude, inasmuch as it reflects the bitter political passions of the moment. The Sinn Feiners recognise that in the long run the preservation of the economic homogeneity of the North and South is indispensable for the prosperity of the nation. A balance must be maintained between their respective manufacturing and agricultural interests, and the path of development must be unimpeded by artificial obstacles. Furthermore, a blow inflicted at the industrial North could not fail to be severely felt by many whose religious beliefs and political sympathies harmonise with those held by the people of the South.

The fear that one of the first acts of a Parliament of Southern Ireland, if invested with the necessary powers, would be to levy heavy import duties on British goods, thus curtailing a valuable market, rests, at first sight, on more solid grounds. The promotion of the growth of home industries is a programme always advocated by Irishmen. Sentiment, however, plays a large part in this matter, and, consequently, the industrial resources of the country are invested with an importance which will not be sustained by practical investigation. What must carry most weight with an Irish statesman is the consideration of Ireland's external trade position, and, as conveyed by the figures published by the Department of Agriculture, this has, since 1914, been as follows:—

(Values expressed to the nearest thousand pounds)

	Imports into Ireland	Exports from Ireland	Excess of Exports over Imports
	£	£	£
1914 . . .	74,125	77,311	3,186
1915	87,257	84,463	2,794 (a)
1916	104,517	107,171	2,654
1917	119,181	133,805	14,624
1918	126,016	152,931	26,915
1919	158,716	176,032	17,316

(a) Excess of Imports.

In only one of the six years mentioned above has the trade balance been against Ireland. If we go back still further we shall find that the trade balance has been consistently adverse for a considerable time, but the trade policy of an Irish Government must be dictated by present and not anterior facts. In future years it is possible that the decline of the exchange value of the produce of the farm—farm produce, food and drink accounted for £93,709,000, or fifty-three per cent. of the total 1919 export—may turn the balance the other way round, but so long as annuity or interest rates fixed on a pre-war basis are paid in depreciated pounds by holders of 13,220,000 acres, or sixty-eight per cent. of the total area of the country, the agricultural industry will enjoy a certain advantage in its trading relations. Reverting to the table the total Irish export in 1919 was £176,032,000. Of this amount the total direct foreign export, *i.e.*, without transhipment at a port in Great Britain, was £1,937,000, or something over one per cent. The remainder, shipped to Great Britain, was disposed of locally or despatched to foreign consumers. Its apportionment cannot be stated with any approach to accuracy, though Great Britain has been credited with a consumption percentage of about seventy. Disregarding this point, however, the preceding table shows, on a superficial examination, that with the solitary exception of 1915, Ireland's exports to Great Britain have been greater than her imports therefrom. Under these circumstances the question arises if any Irish Government would be inclined to countenance a tariff policy that would involve the risk of retaliation from this side. To analyse the trading relations of the two countries still further: In 1919 the gross Irish exports amounted to £176,032,000; deducting the £1,972,000 appearing under the head of direct exports the net export to Great Britain came to £174,060,000. Gross Irish imports in the same year were returned at £158,716,000. Subtracting the sum of £26,341,000 registered for goods imported directly into Ireland from abroad the net import from Great Britain was £132,375,000. On this showing Great Britain's indebtedness to Ireland was £174,060,000 minus £132,375,000, or £41,685,000. To determine the matter more precisely we should want to know the actual value of the Irish produce retained in Great Britain and the actual value of produce, originating in Great Britain, imported into Ireland. These particulars, however, if procured, would be unlikely to invalidate the conclusion that on balance Great Britain is Ireland's debtor. Should they have that effect it it possible that an Irish Government might contend, in seeking support for its tariff policy, that Irish goods could find their way into countries other than Great Britain, and that Ireland's requirements could also be obtained more cheaply from these sources. On this argument we would make two observations. In the first place, the opening-up of new markets is a most difficult and expensive business, and from a geographical and economic standpoint it would be difficult to find one more suitable than the British market. Secondly, the practice of purchasing commodities, originating elsewhere, from Great Britain is indulged in by countries besides Ireland as the huge scale on which the business is done here reduces costs to a minimum. If Ireland wishes to encourage direct importation it must be prepared to take large deliveries and to provide return cargoes, otherwise the higher average original cost per unit of goods and freight charges may more than counterbalance the saving of transhipment charges and the British wholesalers' commission.

Brief reference might be made to the objections of the Irish agricultural community to the imposition of protective duties on imported manufactured goods. The Irish manufacturer, enabled to raise his price by an amount almost equivalent to the duty, would, in most cases, look only for an outlet in the Irish home market, while agriculture, an exporting industry, would, for a large proportion of its output, be forced to rest content with the fluctuating prices ruling in external markets. This grievance would be still more sensibly felt if the produce arriving, say, in this country, were subjected to retaliatory duties.

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Financial Notes.

The Coal Mines Dispute.

The situation has grown appreciably clearer during the week, and the resumption of negotiations must be looked on as a favourable omen. It is clear that some drastic change in the old conditions in the industry will be necessary before any permanent agreement can be reached, and, as a temporary measure, substantial concessions in regard to wages will have to be made. The question of the amount of these concessions may yet prove a stumbling block, but the Government may, in order to secure peace, renew or even extend the offer of a subsidy of £10,000,000. The paying of wages greater than the industry can bear is, of course, economically indefensible, since workers in all other industries could put up a claim to be treated in the same fashion, but a way out of the present deadlock, which is stifling industry, must be found. We renew our suggestion that the speediest means of settling the dispute would be the agreement of all parties to refer the matters at issue to some tribunal or commission, with an independent chairman, or composed wholly of persons not associated with any party to the dispute, while some temporary arrangement for the resumption of work by an improvement of the Government's previous offer might be made. Given a genuine desire on the part of all the disputants to reach a solution, the questions to be settled are not insoluble, though concessions in detail and even in principle will have to be made by both masters and miners.

Deflation and the National Debt.

Some misconception appears to exist about a subject that is much discussed of late—namely, the relation between changes in the price-level and the burden of the National Debt. It has been asserted that the fall in prices that has taken place during the past twelve months has added considerably to the real amount of our dead-weight debt. This statement is, in the main, true, but there is also a consideration in this connection which, though it seems to have escaped general attention, is one of great importance at the present time. That portion of our debt that is increased by a fall in prices is the internal debt, and, as this is owed by one section of the community to the other, the fall in commodity prices, so far as it affects this portion of our debt, while altering the distribution of the national income, does not ultimately increase the burden of the community as a whole. The change is, however, adverse to the taxpayer who is not a *rentier*, but, on the other hand, a change in the amount of our foreign debt affects the burden of the nation as a whole; it represents that portion of the cost of the War which is still unpaid by the country. At the end of the last financial year it amounted to £1,226,560,000 at the parities of exchange, by far the greater portion being a United States dollar obligation. Obviously then the amount of our foreign debt varies according to the position of the £ sterling in the foreign exchange markets. Now a fall in prices here, denoting an enhanced internal purchasing power for our currency, is bound to find a reflection in the foreign exchanges, and will accordingly have the effect—it would not be, perhaps, true to say of decreasing—but, at any rate, of making the cost of repaying our foreign debt less than it would otherwise be.

Reverting to the effects of deflation on the internal debt, it seems hardly fair to the thousands of investors who patriotically lent to the Government during the years of war, and who had to suffer a heavy depreciation in the capital and interest value of their holdings, to deplore the present appreciation which but gives them compensation. As regards the capital amount of the debt, the equitable aim should be to repay when the commodity value for money is the same as when the original subscriptions were made, and, while the fall in prices has unquestionably increased the real burden of internal war borrowings as compared with a year ago, yet it would be difficult to prove that it has increased since it was originally acquired by the State. It is clear that the periods selected for comparison with the present in estimating changes in the National Debt due to movements in the price-level should be those in which the debt was originally subscribed. Otherwise it would not be absurd to advocate a fresh orgy of inflation of the currency in order to reduce the real burden of the National Debt.

Gold Movements to the U.S.

Though the position of the Federal Reserve Banking system of the United States continues to grow in strength, the inflow of gold into the country, far from showing signs of slackening, appears to have increased in volume during recent months. If it continues on the present scale the United States financial authorities will be faced with quite a new problem for them, similar in nature to that confronting Sweden in the early part of the War. The imports and exports of the precious metal during the first three months of this year and of 1920 are set out in the following table:—

U.S.A. Imports and Exports of Gold.

(*In Thousands of Dollars.*)

	Imports	Exports	Excess of Imports
1921			
Jan.	38,145	2,725	35,420
Feb.	44,442	1,036	43,406
Mar.	106,222	710	105,512
Total	188,809	4,471	184,338

	Imports	Exports	Excess of Exports
1920			
Jan.	12,018	47,817	35,799
Feb.	473	42,873	38,400
Mar.	16,985	47,050	30,065
Total	33,476	137,740	104,264

In looking at the figures it will be of interest to remember that the first quarter of last year was that in which the reserve position of the Federal Reserve banks attained a record degree of weakness, following an unprecedented drain of gold which had continued ever since the removal of the embargo on export of the metal in June 1919. Imports during the first three months of 1921 were $188,809,000, as against only $33,476,000 for the corresponding period of 1920; exports, on the other hand, were only $4,471,000, as compared with $137,740,000, so that an excess of exports amounting to $104,264,000

during the first quarter of 1920 was replaced by an excess of imports amounting to $184,338,000 for the first quarter of this year. The influx has continued since March, and it is unquestionable that at the moment the United States has recovered all the gold lost after the removal of the embargo. The drain on the metal after that event was due to adverse exchanges with China, India, Spain, and the South American Republics. The exchange position changed in the spring of last year, and since then the United States has received gold from these countries, though the bulk of the subsequent imports represents purchases of South African gold in the London market. The turn of the tide came definitely in April of last year, and it will be interesting to compare the movements during the two periods. From the beginning of June 1919 up to the end of March 1920 imports were $85,700,000 and exports $491,890,000, making a net loss of $406,190,000. During the twelve months to the end of last March—that is to say, the period during which the position was reversed—imports totalled $572,401,000 against exports amounting to $188,822,000, making a net gain of $383,579,000, or only $22,611,000 below the previous outflow. The bulk of the South African gold purchased was acquired by the Federal Reserve banks, whose total gold reserves, in consequence, now stand at the highest figure ever recorded by them—$2,363,550,000—and are $424,410,000 higher than the amount returned a year ago. As a result of this position the ratio of total reserves to the combined net deposit and Federal Reserve note liabilities combined is 55.9 per cent. for the whole system, as compared with 42.2 per cent. on May 16, 1920, this latter being a low record.

South African Conditions.

South Africa has suffered heavily, in common with other countries, in both its internal and external trade, the reduced price of gold and the collapse of the Diamond market being among the factors primarily responsible. A more cheerful tone is, however, evident in recent messages; but it is too early yet to be optimistic, despite a reassuring cable to hand from the Special Commissioner. He states, as the result of careful investigation and personal inquiries in well-informed quarters, that commercial conditions show an improving tendency. Money is again easier, and merchants are steadily getting rid of their high-priced stocks. Generally there is a feeling that the worst is over. American capital is coming in in considerable volume and finding employment in trade, while large industrial investments are also pending. The prospectus of the Central Reserve Bank has been issued, with a capital of £1,000,000. The South African banks are allotted £300,000, the balance being offered to the public.

The Swiss Federal Railways.

Consequent on an increase in rates from August 1, 1920, the gross receipts of the Swiss Federal Railways exhibit a further growth for the past year. Net revenue, at Frs.35,702,893, showed lower, however, than in 1919, when it was Frs.50,854,675, mainly on account of heavier wage and fuel costs, and, though interest and other charges came to only Frs.67,404,000, or more than 10 millions below those for the two previous years, the deficit of Frs.31,701,314 for 1920 is a million francs greater than in 1919, and was not exceeded previously except in 1918. The following table summarises the income and expenses for recent years:—

Income Statement of the Swiss Federal Railways

(000's omitted).

	1920	1919	1918	1913
	Frs.	Frs.	Frs.	Frs.
Gross Receipts	394,031	341,747	239,289	212,721
Operating Expenses	358,328	290,892	217,714	142,405
Net Revenue	35,703	50,855	21,575	70,316
Interest Charges	64,993	66,004	61,279	48,994
Other Charges	2,411	15,695	15,144	19,709
Deficit	31,701	30,844	54,848	*1,613

* Excess

The total number of passengers carried in the past year was 86,080,314, against 74,419,300 in 1919 and 68,585,180 in 1918. Despite this improvement the standard is still lower than that of 1913, when 91,649,336 were carried, but the difference is not great in view of the sharp rise in travelling expenses in the interval. The volume of merchandise hauled also shows a sensible increase over the previous year, but the income from this source did not increase in proportion to the tonnage. The disproportion is largely explained by the heavy but unremunerative transport of German coal to Italy. The carriage of animals was adversely affected by an epizootic outbreak in Switzerland, which lasted throughout the year. Miscellaneous income from rents, farms, and auxiliary services came to Frs.12,923,000, approximately the same as in preceding years. It is interesting to note in the light of international trade reactions that gross receipts mounted progressively in the initial months of 1920 till the peak was reached in August, after which a steady reaction became evident. Out of a total of 358 million francs operating expenses, wages absorbed 240 millions (or sixty-six per cent.), against 152½ millions (seventy per cent.) in 1918 and 101½ millions (seventy-one per cent.) in 1913. The past financial year has been the worst, save for 1918, in the history of the railway. Improvement during the current period cannot be sought in the direction of increased receipts, for unit charges are already too high. Reduced expenditure is the only solution to the problem. This may be possible to a minor degree as far as coal costs are concerned, but a shrinkage in the dominant item, the wages' bill, constitutes the prime desideratum.

Chinese Railway Loan.

A group of twenty-seven Chinese banks has undertaken to issue to the Ministry of Communications a loan of $6,000,000 at 95, bearing interest at eight per cent., for the specific purpose of purchasing locomotives and cars for the Chinese Government Railways. The loan agreement, signed in January last, is, according to His Majesty's Minister at Peking, one of the most interesting contracts recently concluded in China, in that a Chinese group has provided funds for the Government for productive purposes, with conditions of control more favourable than have ever been accorded to a foreign lender. The proceeds of the loans will be retained by the banks and disbursed directly to the suppliers of material with a right of veto on the contracts concluded under the specifications of the Ministry. What is perhaps of even more importance is that the first option on any further loan for the purchase of rolling-stock is secured by the lenders, who will receive a commission of one-quarter of one per cent. on the purchase price of material. The provision of Chinese funds for the financing of purchases of rolling-stock should assist British manufacturers who desire to supply material, but who have neither the organisation nor the desire to become entangled in Chinese finance.

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American Topics.

FUNDING THE BRITISH DEBT.

According to a cabled report from Washington, there has been some preliminary talk between the Secretary of State and the British Embassy with a view to the funding of the heavy debt incurred by this country in the United States during the War. Even if we assume the reports to be well founded, the conversations can only be of a preliminary nature. The British Ambassador is at present absent from the Federal capital. Moreover, it may be assumed with confidence that no steps will be taken in so important a matter until some financial expert is selected and sent out to assist the Ambassador in discussing the matter with the financial authorities of the United States Government.

As soon as circumstances admit, there can be no reasonable doubt it is highly desirable that some steps should be taken for arranging how the British debt to the United States is to be ultimately paid, and what form it is to take until that period arrives. As we showed quite recently, our actual debt to the United States, for which we are directly responsible, exceeds in amount some 1,200 millions sterling. This figure, enormous as it is, takes no account of further large sums, bringing the total to well over 2,000 millions, for which we are more or less indirectly responsible.

The burden of the foreign debt, particularly in its present form, is one of the difficulties militating against the improvement of trade. The Lord Privy Seal, in his Budget speech for the Chancellor of the Exchequer, argued that it was worth while to increase to some extent the magnitude of the home debt in order to reduce our debt held abroad. It is, of course, common knowledge that, while we have liquidated some pressing obligations lately maturing in the United States, we have not only failed to reduce appreciably the aggregate of the amount owing, but we have not been, and are not at the present time, paying the interest upon that debt, and do not propose to do so for some months yet. Until the debt is liquidated it is evident that a large amount of British capital and British industry must be employed in endeavouring to meet this obligation. Money and labour which is so urgently needed for the reconstruction of our own trade and industry. In its present form it is evident we are not in a position to liquidate it. It remains to be seen, however, what would be the best method whereby it can be converted into such a form as will enable us to deal with it at the earliest possible moment for the good of our own trade, as well as for that of the United States.

The importance of reducing, and, indeed, of liquidating as soon as possible, this debt is admitted on all hands. On behalf of the Government, as we have said above, the Lord Privy Seal explained the Government's feeling in the matter when speaking for the Chancellor of the Exchequer in his Budget speech. Every economist will, of course, agree with what Mr. Chamberlain said upon that occasion. Probably the most convenient way, until such time as we can ultimately discharge the liability, would be to fund it in some form. As it is it forms a kind of load slightly differing from, but in a very real sense analogous to, the floating debt in this country, and weighs, consequently, as a burden upon the trade both of the United States and of ourselves. We have from the very outset dissociated ourselves from all proposals that the United States should cancel even a portion of the debt. Even assuming that the Americans were willing to do so, we think it would be most injurious both to the United States and to Europe, and would be calculated to have far-reaching consequences that no living man can foresee. It is, of course, evident that it would be humiliating in the last degree to Europe to treat that continent not merely as in temporary difficulties, which is admitted, but as such an insolvent debtor that to expect her to pay any of the liabilities which she, presumably with her eyes open, entered into has become hopeless. We and the other States of Europe which borrowed from America incurred certain liabilities and presumably counted the cost. If we had not, we were playing straight neither with ourselves nor with our creditors; and, consequently, any such proposal could not fail to have a demoralising influence upon our creditors at the other side of the Atlantic. Inasmuch, however, as it is not possible to pay immediately the vast sums owed it may be desirable that the several loans should be converted into some more or less permanent form. It has to be remembered that in the final result we in Europe can only hope to pay these debts by exporting commodities, by the sale of securities, or by rendering services, not necessarily, of course, to the United States.

SOUTH AND CENTRAL AMERICA.

We regret that pressure upon our space compels us to hold over our usual article under the above heading.—Ed.

Increase in Company Capital.—In the period April 1 to 30 (inclusive) 139 companies increased their nominal capital by £5,657,856 in all, an average of £40,704 per company, or £226,314 per diem (exclusive of non-working days), according to the Department of Overseas Trade. The figures for the four months, January, February, March, and April 1921 are as follows:—

Month	Number of Companies	Total Increase of Capital £	Average per Company £
Jan.	198	10,790,418	54,497
Feb.	159	13,407,996	85,401
Mar.	149	5,397,286	36,223
April	139	5,657,856	40,704
Four months ...	645	35,253,556	

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Rubber Topics.

THE closing of the markets during the Whitsun recess failed to bring any relief to the depression in the Rubber market. On Tuesday the Commodity market opened weak, with crêpe at 10*d.* and first-smoked sheet at 9*d.* per lb. Wednesday brought a reaction to 9$\frac{3}{4}$*d.* and 8$\frac{3}{4}$*d.* respectively, with a still further relapse on Thursday to 9$\frac{1}{2}$*d.* for crêpe, with smoked sheet unchanged at 8$\frac{3}{4}$*d.* Under such circumstances not much consolation was to be derived by the presence of a trade demand for 1,225 tons, especially as imports had risen to 1,911 tons, thereby adding 686 tons to the London stocks, as compared with 434 tons in the previous week. The crisis is not, however, without its good points, though it is difficult to perceive them. Already the lesson of rigid supervision of working costs has been driven home successfully, notably in the case of Ceylon producers, who, with the aid of a much more favourable rupee exchange, are discovering that it is possible to produce rubber with a small margin of profit even at existing prices. On the other hand, a point of view now finding expression in America is that the permanent solution to the crisis is to be found rather in the opening up of new uses for rubber. This view, as stated in the monthly magazine of the National Bank of New York, is all the more interesting as coming from that nation which consumes at least two-thirds of the world's production of rubber. At present, however, over four-fifths of the rubber used in the United States finds its way into the manufacture of tyres and tubes. Seeing that one concern boasts of turning out 30,000 different products in which rubber is employed, it is evident that the commercial utilisation of rubber in directions other than the automobile industry is a problem that would amply repay research.

In the Share market business was at a low ebb, and there was no evidence of any accumulation of week-end orders. Price movements were reactionary. On Tuesday losses of 1/6 characterised Highlands and Lowlands at 30*s.*, United Sua Betong at 45*s.*, Linggi at 30*s.*, and Bukit Rajah at 16*s.* 3*d.*; whilst Rubber Trusts eased to 16*s.* Wednesday witnessed a relapse in Tandjong to 24*s.*, and in United Sua Betong to 43*s.* 9*d.* Anglo-Dutch, however, remained firm at 26*s.* 3*d.* Subsequently Highlands and Lowlands, as well as Linggi, weakened to 28*s.* 9*d.*, and Rubber Trusts to 15*s.* 9*d.* On the other hand, Anglo-Dutch hardened to 26*s.* 6*d.* To provide funds for the upkeep of immature areas and the development of Sungei Mati, it is proposed to issue 127,000 Ordinary shares of 2*s.* each in Cicely Rubber to existing shareholders at a price of 3*s.* per share in proportion of one share for every five shares held at present. As the Ordinary shares are quoted at 3*s.* 9*d.*, despite the depression, this offer confers a bonus on shareholders, and the issue should be readily taken up in view of the satisfactory history of the Company as a dividend payer.

ESCOT RUBBER (SELANGOR).

Issued Capital: £108,252 in 2s. Shares.

Results for Years to September 30—

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Bearing Acre Yield per lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit† £	Dividend Amt. £	Dividend Amt. %
1917 ...	1,118	764*	245,403	333	2/0·65	1/5·5	11,268	5,421	20
1918 ...	1,118	765*	180,373	236	1/9·2	1/6·6	2,556	5,8	5
1919 ...	1,118	860‡	235,581	295	1/10·50	1/1·1	9,419	7,578	25
1920 ...	1,314	814	307,214	373	1/9·7	1/3·1	8,083	7,036	24§

* Including 513 acres opened in 1910, 1911, and 1912 plantations. † After writing off depreciation of buildings and machinery. ‡ Estimate. § 15% interim on old capital of £36,084 and 3% final on capital multiplied threefold by bonus issue.

Price of Shares, 1/10. Market Capitalisation per planted acre, £76.

SOME little difficulty is experienced in handling the accounts presented by the Escot Rubber Estates covering its operations for the twelve months ended September 30, 1920. The accounts are presented in two parts: one dealing with the operations of the Company as it was hitherto constituted for the six months up to March 31, 1920; and the other appertaining to the results of the reconstructed Company for the six months ended September 30, 1920. For purposes of continuity, however, the financial results have been amalgamated, and the figures embodied in the table above relate to the twelve months as a co-ordinated whole. In discussing the figures we propose at the same time to avail ourselves of the contrast furnished by the operations for each six months. The total crop of 307,214 lb. represents a considerable advance on the previous return of 235,581 lb., and there is little reason to doubt that the estimate of 319,000 lb. would have been exceeded were it not for the introduction of alternate daily tapping on part of the estate, with the consequent temporary decline in the yield. Yet a return of 373 lb. per bearing acre is a creditable achievement, and constitutes a great improvement on the figure of 295 lb. for the previous year. Turning to the average price realised by the sale of the crop, the average for the whole year works out at 1*s.* 9·7*d.* per lb., as against 1*s.* 10·5*d.* per lb. in 1918-19. The explanation is not difficult for those who studied the Rubber market during the period and who watched the steady relapse in the price of the commodity, especially in the latter six months of the period under review, when the best crêpe fell from 2*s.* 7$\frac{1}{2}$*d.* to 1*s.* 6*d.* per lb. It is this decline in the latter half of the year that produced the lower average; for sales during the first six months were effected at an average of 26.01*d.* per lb., whilst in the second six months the average dropped to 17.40*d.* Side by side with this reduction in sale price went an increase in the cost of production, despite the growth in the quantity of rubber harvested. Here the higher wages that had to be paid and the increased cost of supplies, accentuated by the loss on rice supplied to the coolies below cost price, were at work, and their adverse influence is reflected in an "all-in" cost for the year of 1*s.* 3.1*d.* per lb. as compared with 1*s.* 1.1*d.* per lb. for 1918-19. The loss on rice alone worked out at 1.13*d.* per lb. Again, in this case the increase was most marked in the second half of the year, the crop for that period costing 16.02*d.* per lb. "all-in," as against 14.37*d.* per lb. "all-in" during the first six months. Thus it came to pass that whereas in the first half-year a net profit of £7,623 was earned, the amount secured during the latter half dropped to £460. The total of £8,083 does not, however, compare so unfavourably with the return of £9,419 for the previous year. It will be noted that the rate of dividend inserted in the table is twenty-four per cent., which compares with twenty-five per cent. for 1918-19. As a matter of fact, an interim dividend of fifteen per cent. was declared in March at the extraordinary meeting, at which it was agreed to go into voluntary liquidation in order to reconstruct the Company on the new capital of £108,252, each shareholder receiving three fully-paid shares of 2*s.* each in the new Company for every 2*s.* share held in the parent concern. The final dividend was declared on the new capital of £108,252, and was at the rate of three per cent., being therefore equiva-

lent to nine per cent. on the old capital. Thus shareholders received a dividend of twenty-four per cent. on the basis of the former capital, and in addition the agreeable bonus of two fully-paid shares for every share already held.

The outlook for the current year is of necessity discouraging. Since September 1920 the price of rubber has dropped still lower to 9*d.* per lb., and even to-day it is still hovering near this unremunerative level. Production at an "all-in" cost exceeding 1*s.* 1*d.* per lb. in the best year must involve a loss in the absence of good forward sales. Fortunately, in this case it is said that thirty-six per cent. of the estimated crop for the current year has been sold forward at the satisfactory average price of over 2*s.* 3*d.* per lb., London terms. The estimate, after allowing for the reduction of twenty-five per cent. in force since November last, anticipates a crop of 295,000 lb. in the absence of any more drastic restrictions. Returns for the first four months give a total of only 84,450 lb., indicating that the final crop will fall short of the above total. This reduction foreshadows an unwelcome increase in the "all-in" cost; but some relief should be experienced by the fall in the price of rice and stores and by the determination of the management to curtail drastically all expenditure that can be avoided without injuring the excellent condition of the estates. Plans for the opening up of more of the reserve land have been postponed. Again, it is of interest to note that as regards 1922, a forward contract has been entered into for the sale of 53,760 lb. at an average price exceeding 2*s.* 9*d.* per lb., London terms. As a result of the capitalisation the estate account, with the addition of net capital expenditure during the year, stands at £99,909, as against £57,116 in the previous balance sheet. Financially the Company is in a very sound position. The balance sheet dated September 30, 1920, shows that, including the final dividend, current liabilities did not exceed £9,746, whereas liquid assets other than stocks and stores were available to a total of £14,963. The quotation of 1*s.* 10*d.* for the 2*s.* share in a stagnant market is equivalent to the moderate capitalisation per acre of £76.

GULA-KALUMPONG.

Issued Capital: £500,000 in 450,000 fully-paid Shares of £1 each and 200,000 £1 Shares, of which 5s. paid.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Yield per Bearing Acre lb.	Av. Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividends Amt. £	Dividends %
1917	4,417	4,068	1,333,328	328	2.3†	1.0‡	85,744§	75,125	16¼
1918	4,460	—	1,013,200	—	2'1¼	1/3	55,086‖	45,000	10
1919	4,460	4,363	1,549,500	332	2'2¼	1.11‡	125,724§	101,250	22½
1920	4,460	4,390	1,618,987	368	1.5	1.0⅞	56,111	37,500	7½

† Including £21,400 from coconuts. ‡ Including £5,169 from coconuts.
‡ Including £4,834 from coconuts. § Including £26,924 from coconuts.

Price of Shares, 17/3. Market Capitalisation per planted acre, £95 (excluding 3,607 acres under coconuts).

Making due allowance for the depression in the Rubber market in the latter half of 1920, the report issued by this well-known rubber-Company for the year ended December 31, 1920, may be described as satisfactory. Although subjected to the restriction of 25 per cent. during the last two months of the period, the total crop harvested exceeded the estimate of 1,560,000 lb. by nearly 59,000 lb. As during the other ten months production was at the anticipated rate of 400 lb. per bearing acre per annum, it is evident that under normal conditions a heavier crop still would have been secured. Despite this increase in the quantity of rubber harvested, the "all-in" cost worked out nearly 1*d.* higher at 1*s.* 0⅞*d.*, due to the rise in standing charges. The same forces were at work as regards the cost of the copra output. On both crops there was an addition to the cost of some £12,500 owing to the provision to the native workers of foodstuffs below cost price; whilst a higher Government levy involved an increase of £1,500. In addition to these, concessions had to be granted to the European staff to meet the increased cost of living. In the light of these facts, the rise in the "all-in" cost of the rubber appears to be very moderate. The more serious factor was the pronounced relapse in the sale price of the commodity, especially during the latter half of the year. What this meant is embodied in the low average gross price of 1*s.* 5*d.* per lb., as against 2*s.* 2¼*d.* in 1919. And this figure was arrived at despite forward sales of 672,000 lb. at an average of 2*s.* 3⅜*d.* per lb.; but it included a valuation of only 10¼*d.* for the best smoked sheet, down to 6½*d.* for scrap. Unlike the rubber crop, the output of coconuts failed to reach the estimate of 6,000,000. Yet the 5,195,800 nuts gathered represented an increase of 180,000 nuts over the crop of 1919. As already mentioned, the increase in the standing charges caused a rise in the cost of production, the estate expenditure and sale costs working out at £26.55 per ton, as compared with less than £20 in 1919. But in this case allowance must also be made for the larger area in bearing which called for attention. The sale price, however, continued favourable, so that the net profit on the 2,720 acres in bearing amounted to £8⅓ per acre, as against £12¾ per acre from 2,200 acres in 1919. On the other hand, the profit per bearing acre of rubber had fallen from £21½ to £6 $\frac{19}{20}$. The total net profit, however, only amounted to £56,111, as against £125,724 in the previous year. Accordingly, in view of the less favourable results and the need of conserving funds during the present depression, the dividend was reduced from 22½ per cent. to 7½ per cent.

At the moment the outlook for the current year is uncertain and none too bright. With rubber oscillating sluggishly around 10*d.* per lb., the prospects of the rubber crop are disheartening unless there is a marked recovery in price within the next six months. In view of the 25 per cent. restriction the estimate does not anticipate a larger crop than 1,260,000 lb. It is satisfactory to note that of this 582,400 lb. have been sold forward at the remunerative price of 2*s.* 3*d.* per lb., whilst forward contracts for 1922 cover 324,800 lb. at the still better price of 2*s.* 8⅝*d.* per lb. Thus funds are guaranteed that will help to provide a large part of the necessary expenditure on the estate, without calling for a sacrifice of stocks at the existing unremunerative prices. Whilst thus the result of the rubber crop appears none too promising, it is stated that, owing to the fall in the price of copra, the profit from this direction is likely to be less. On the other hand, if the estimated crop of 5,900,000 nuts is realised, this decline in the sale price may in part be offset by a reduction in working costs, since freights have been reduced, as well as the price of stores and materials. The issued capital has been increased to £500,000 by the issue of 200,000 shares to shareholders during the year, on which the sum of 5*s.* per share has been paid up. Shareholders will be glad to note that no further call will be made on these shares during the current year. The funds thus obtained, after meeting the premium of £22,500 on the Sungei Tawar estate of 4,564 acres, which has just been secured from the Kedah Government, will be adequate to provide, until late in 1922, for the felling, clearing, planting and upkeep of the 1,000 acres on which a start has been made. Financially, indeed, the company is in a strong position to meet the existing depression. The balance sheet dated December 31, 1920, shows that current liabilities, including the dividend of £37,500, did not exceed £78,921, whereas liquid assets were available to a total of £183,253. In a stagnant market the £1 shares, fully paid, are quoted at 17*s.* 3*d.*, and the £1 shares, 5*s.* paid, at 3*s.* 6*d.*, corresponding to a market capitalisation, taking into account only the area under rubber, of £95. Including the 3,607 acres under coconuts on the basis of three acres of rubber as equivalent to five acres of coconuts, the market capitalisation is reduced to the moderate level of £64.

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From the manner in which the accounts are presented the actual results of trading in each underwriting year can be clearly followed. The system adopted is the one which is generally employed by Lloyds' underwriters. The premiums received in each year are set apart, and from these the claims relating thereto in that year and the two following years are deducted, the account being closed at the end of the third year for the purposes of ascertaining the profit or loss during its currency. The figures submitted in connection with the annual report published in the spring of 1921 deal, therefore, with three years' underwriting accounts (those for 1918, 1919, and 1920), as well as with the profit and loss account for 1920, and enable us to obtain a more than usually comprehensive grasp of the Company's achievements and position than could be obtained if the more ordinary forms of accountancy as generally employed by joint-stock companies had been adopted.

Before referring to the three underwriting accounts dealt with in the last annual report, it may be interesting to look at the Company's position at the close of 1919. The paid-up capital then amounted to £50,000, in 50,000 fully-paid shares of £1 each, the reserve fund (apart from reserve for depreciation) to £800,000, and, in addition to reserves of £1,447,350 in connection with the then subsisting and unclosed underwriting accounts for 1918 and 1919, a balance of £26,657 was left to be carried forward in profit and loss account to 1921, after deduction of the balance of the dividend disclosed in respect of 1920. The underwriting account for 1917 had been closed with a transfer of £423,103 to profit and loss account. As against this had to be set taxes and expenses charged to profit and loss account in 1919 amounting to £210,873, and an addition of £61,810 to the reserve against depreciation of investments. On the other hand, the sum of £80,848 had been received in 1919 from the investment section of the business in the form of dividends and interest. The dividend declared in respect of 1920 was 9*s.* per share (equivalent to forty-five per cent. on the shares as then standing), which absorbed £22,500. It will be seen that this was little less than one-fourth of the income from investments alone. During the War up to 1917 the premium income of the Company had shown great expansion. It amounted in 1914 to £573,247, in 1915 to £928,889, in 1916 to £1,739,996, and in 1917, when it reached its zenith, to £2,451,644. The dividends declared during the War period were fifteen per cent. in each year for 1914 and 1915, twenty per cent. for 1916, twenty-five per cent. for 1917, and thirty-five per cent. for 1918. In each year the dividend distribution was much below interest earnings, and the result was an increase in reserves to a high degree as compared with premium income.

From the annual report presented in 1921 it appears that the underwriting account for 1918 was closed at the end of 1920 with a profit of £621,608. It will be seen that this exceeds by £198,505 the profit that was shown in 1920 from the winding up of the 1917 account, and this is the more remarkable seeing that the premiums in 1918, amounting to £1,599,549, were less by £852,095 than those which were received in 1917. This is assuredly a magnificent result. On the other hand, the burden of taxation and expenses was much greater in 1920 than had been the case in 1919. It amounted to £424,497. Moreover, a much larger sum than in 1919 was required to meet depreciation in securities, viz. £183,864. This is an adverse circumstance such as all insurance companies have in greater or less degree to deal with in connection with the business experience of last year, and it is fortunate that this enormous outgo in the case of the Excess Company has been more than met out of the year's net profits. Apart from the trading surplus arising from the winding up of the 1918 account, dividends and other earnings amounted to £84,339.

In 1919 the premium income showed a further considerable shrinkage, falling to £931,881. The balance thereof carried forward to 1920, after payment of first year's claims, amounted to £661,772. Further claims for £291,338 were settled in 1920, and at the close of that year the balance carried forward to 1921 to meet third-year settlements and war taxes was £370,434. In proportion to premium income this balance looks satisfactory, and this impression is strengthened by a confident statement to the same effect which was made by the Chairman at the last annual meeting.

It is clear that the period of huge marine profits came to a close with the end of the War, and that the Company cannot expect to increase its reserves out of trading surpluses in the early future to anything like the same extent which was possible during the past few years. But these reserves are already so strong that, looking to interest earnings alone, the Company's dividend prospects seem unusually bright, given the absence of exceptional losses from trading, of which up to the present time there is no sign.

The underwriting account for 1920 shows a premium income of £1,070,895, which, it will be observed, exceeds the corresponding figure for 1919 by £139,014. It is stated in the annual report that an advance in premium income is shown in all the Company's departments except in the marine section, where the commitments have been curtailed. The premium income, while greatly less than was obtained in the booming years of 1916, 1917, and 1918, is nearly double that of the year 1914, in which the War commenced, which

varied little from the similar records of 1911, 1912, and 1913. In 1920 claims of £361,793 were settled in respect of the 1919 account, and, after deduction of fire brigade tax of £105, the balance of this account carried forward was £708,997.

By a resolution of the shareholders dated November 29, 1920, the sum of £450,000 was transferred from the reserve fund to capital account, making the paid-up capital £500,000, in 50,000 shares of £10 each, fully paid. A dividend for 1920 is declared thereon at the rate of seven and a-half per cent. (inclusive of two and a-half per cent. previously paid as interim dividend), and a balance of £36,742 is thereafter carried forward in profit and loss account. Apart from this amount, and from capital and the underwriting balances, aggregating £1,079,131, the reserve fund on December 31, 1920, amounted to £400,000. In comparison with premium income the Company's resources look very strong. The reserve funds referred to are apart from a reserve now amounting to £360,000 which is provided for in respect of depreciation. The balance sheet as at December 31, 1920, shows total assets amounting to £2,152,500, less reserve for depreciation. It was stated by the Chairman at the annual meeting that the investments had been written down to their actual market value at the close of the year, and he pointed out that since then there had been a substantial rise in the market value of Government securities, in which the Company had invested over £1,000,000.

Banco Central.—The possible dangers accruing to a country from extended credits granted to it are amply illustrated in the case of the republic of Colombia during 1920. The imports of that country in the early months of the year, bought at boom prices, were obtained on generous credit conditions from the sellers. The eventual slump in the Coffee market and in that for most other Colombian products left debtors in a very weak position to meet their foreign liabilities. The result was a suspension of payments by many Colombian houses of standing in New York and elsewhere. The elastic currency mechanism of the country fortunately helped to maintain a measure of stability in domestic prices. Gold payments to foreign creditors threatened, however, to undermine the national credit basis, and the banks eventually persuaded the Government to impose an embargo on the export of precious metal. In practice the embargo proved largely nominal, and gold stocks continued to ebb away. Protracted but fruitless discussions and a contemporary inflationist campaign eventually precipitated a financial crisis in Antioquia and Caldas. Bank credits had of necessity to be drastically restricted, further aggravating the difficulties of traders, and the temporary palliative of heavy paper emissions further reduced the stability of the financial structure. Operating under such difficult conditions, it is to the credit of the Banco Central directorate that a net profit of $162,900 was made for the year. A dividend of three and a-half per cent. on the capital of $1,427,242 absorbed $100,156. An allocation of $45,509 to the reserve funds, bringing the latter to $740,427, and sundry other outgoes left $10,000 to the credit of profit and loss, as compared with a previous balance of $11,936.

The Inner and Outer Ireland. By "A. E." Reprinted from *Pearson's Magazine*, U.S.A. Published by the Talbot Press, Dublin.

The Czechoslovak Republic. Its Economical, Industrial and Cultural Resources. Collected under the direction of Jar. Cisar by Fr. Pokorny and P. Selver. (Prague: L'Effort de la Tchecoslovaquie.)

Official Statistics: What they Contain and How to Use Them. By Arthur L. Bowley, Sc.D. Price 2s. 6d. (London: Humphrey Milford.) A brief examination of the more important reports and papers officially published in recent years containing statistics of general interest. The intention is to show by example what information the reports contain.

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Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.
Head Office:
24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£31,801,986.

Commercial.

TRADE IN SOUTH AFRICA.

We are indebted to the Standard Bank of South Africa, Limited, for an exceedingly interesting compilation giving the figures of the trade of British South Africa for the first eleven months of last year, and comparing them with the figures of the trade for the corresponding period of 1919. Incidentally, we may say that the figures disclose a factor which is becoming embarrassingly common in the case of a large number of new countries upon which we are accustomed to rely for the production of food and raw materials. This feature is the growth of an unfavourable trade balance. In the nature of the case, a very new country is not in a position to have, and to maintain, an unfavourable trade balance. In countries like our own in the pre-War period, France and certain other favoured countries which had over a long series of years, and, indeed, during generations, amassed immense quantities of mobilisable capital, and had employed that capital in the building up of various industries overseas, it was perfectly compatible with a healthy economic condition to receive immense quantities of supplies of various kinds from those countries against which it was not possible to discover any *per contra* entry on the export side from these shores, because no such [illegible] and there was no need that it should exist. In the case of a country like South Africa the position is totally different. South Africa has been built up by the employment of vast sums of money mainly subscribed from this country; and, consequently, she is really in a position in which she should be remitting large supplies of her products in excess of the value of the commodities she annually imports. This [illegible] on an enormous scale, in fact, [illegible] 1919. According to the figures with which we have been furnished by the Standard Bank of South Africa, in the eleven months ended November 30, 1919, the imports amounted in value to only £48,512,000, whereas the exports amounted in value during the same period to £96,643,000. This shows a balance of £48,131,000 in

favour of the Union of South Africa. So pleased were the trading and commercial classes of the Union with such a favourable trade showing that they decided to import upon a very extensive scale, the result being that in the eleven months ended with November 1920, the imports exceeded in value £98,257,000, whereas the exports fell to £79,638,000. This turns a handsome trade balance into a very material deficit. Unfortunately, as we learn from various sources, these commodities were imported on a very high basis of values. The reader will, no doubt, recollect that a year ago prices were extravagantly high, and all imports ordered at that time were invoiced to the consignee at extravagant values. Since then there has been a heavy fall in prices, and trade, which was booming in South Africa a year ago, is now depressed, as it is depressed in every country in the world. Consequently, traders and consignees generally have found it exceedingly difficult to dispose of the large quantities of commodities of various kinds which they imported at such extravagantly high prices. These difficulties, however, will in course of time right themselves. But they are a factor, and a factor which not merely affects South Africa, but affects nearly all the new countries of the world at the present time. While we may confidently look for recovery, this factor tends to delay such recovery.

We will now proceed to show upon what basis rests South Africa's right to import anything. Many readers who have not given special attention to the subject will have a vague notion that South Africa is so enormously rich that trade balances one way or another are of comparative indifference. This, however, is a mistaken view of the question. It is perfectly true that from South Africa, as we have often heard it said, comes gold. Many people, and intelligent people, too, seem to have got the impression that in these days South Africa is the only source of supply for gold. This, however, is far from being the case, although it is perfectly true that South Africa is the world's greatest source of supply of gold. Something like sixty-six and two-thirds per cent. of the world's total production of gold comes from the mines of South Africa. More satisfactory still is the fact that the owners of those mines are, to a very large extent, British subjects. Even if it were true that the whole produce of gold raised from the world's mines was in the hands of British subjects, it is not sound economic policy that any country should base its economic existence solely on the production of one commodity, whether it be gold or any other product. South Africa is well aware of this; and whereas formerly the production of gold and diamonds formed practically the business of South Africa, and provided the means whereby she was enabled to import almost everything she required, she has in these later days built up a very appreciable trade for herself. Nevertheless, there is a large margin for improvement. As things are, the production of gold and diamonds still forms a preponderating proportion of the trade of South Africa. If space allows, we will refer to the enormous number and variety of the Union's imports of commodities. Meanwhile, we will concentrate on the more important question of what South Africa herself produces which enables her to import any commodities at all.

During the eleven months ended with November of last year, as we have just said, the total value of the exports from the Union amounted to £79,638,000. Of this sum the total value of gold and diamonds amounted to 45½ millions sterling—that is to say, 57.2 per cent. of the value of the total exports of the Union. In fact, it may be said that the only important items, other than minerals, are wool and the products of the pastures. Wool is a really important item. During the eleven months ended with November last the Union exported 107¼ million lb. of wool, for which she received 15½ millions sterling. She exported some 18¼ million lb. of hides, for which she received £1,177,706. She exported goat skins to the extent of more than 5¾ million lb., for which she received £861,000. She exported sheep skins to the quantity of 22¼ million lb., receiving in exchange over two millions sterling. Angora hair she exported to the extent of over five million lb., receiving nearly half a million sterling, and ostrich feathers to the extent of nearly a quarter of a million lb., for which she received very nearly half a million sterling. That is to say, the value as measured in sterling of her pastoral products considerably exceeded 20 millions sterling, or in rough figures, say, a quarter of the value of the total exports as disclosed in the figures before us. In addition, South Africa is making a bid for a far more extensive trade. She exported over 400,000 gallons of spirits in the first eleven months of last year, for which she received £43,000. She exported tobacco to the extent of 2¼ million lb., receiving £193,000 for it. She exported whale oil to the extent of 1¾ million gallons, receiving £230,000. Further, she did, curious as it may seem, a fairly extensive business in confectionery and jams, exporting 4¾ million lb., and getting £144,000 for it. In addition, she exported, but not, of course, in large quantities, maize, maize meal, fresh and frozen meat —we will return to this question later—oats, eggs, fish, dried and fresh fruits, potable spirits, cane sugar and sugar products, tea—an entrepôt trade—and wines. It is desirable that South Africa should develop her trade in all kinds of cereals, in eggs, in fish as far as possible, in sugar, and in sugar products. But it seems more desirable that she should make a serious effort to develop an industry in which at one time she promised to become one of the world's great sources of supply. We refer to the cattle industry. In the early days it was estimated that the vast plains of South Africa would carry enormous herds of cattle. But, unfortunately, various forms of disease, notably the rinderpest, destroyed those herds, or made them of comparatively little value. Fortunately, the late Dr. Koch was able by various inoculations to render South African cattle more or less immune from this terrible pest, and gradually the cattle industry is recovering. We understand that there is a project on foot whereby it is proposed on the Atlantic seaboard to build extensive freezing-houses. This is by far the most reasonable way of dealing with the proposition. It would be desirable that steps should be taken to improve to the utmost extent possible the breed of South African cattle. If it is found practicable, by the import of cattle of approved strains, to so improve the breed that it is practicable to raise cattle fit for, and worthy of, the freezing-house, then it will be eminently desirable that freezing-houses on a great scale should be built either at the west coast ports suggested, or in some other port that may be regarded as suitable, which will enable a great chilled and frozen meat industry to develop between our kinsfolk in South Africa and ourselves. They need not have any fear that there will be no market for their produce when it is ready. The unfortunate experience which certain interests have had in recent months with various products which they have raised for the European market is that they have taken it for granted that, provided produce was forthcoming, it was a matter of almost total indifference the price at which it was offered for sale in the various markets of the world. This, naturally, is a fatal mistake. Success in the chilled and frozen meat industry will come to those, and will come to those only, who produce with due regard to the purchasing capacity of their prospective customers.

"Edge Law" Banking for Individual Exporters. The First Federal Foreign Banking Association, New York.

Sperling's Journal, May 1921. Amongst the contents may be noted an informative article, "The Value of Goodwill," by Hartley Withers, and "British Trade Unionism and Revolution," by J. Ellis Barker.

Industrial Companies.

SWAN, HUNTER, & WIGHAM RICHARDSON, LTD.

Issued Capital: £2,459,909, in 739,845 6% Cumulative Preference Shares and 1,711,034 Ordinary Shares of £1 each; 4½% First Mortgage Debenture Stock, £323,340.

Year	Net Profit*	Deb. and Pref. Int. &c.	Ordinary Dividend‡		To Reserve Fund	Other Allocations	Carried Forward
	£	£	£	%	£	£	£
1914 . .	239,091	53,373	85,553	10	90,000		52,127
1915 . .	296,676	53,585	106,942	12½	125,000	-	43,576
1916 . .	313,755	53,305	106,942	12½	150,000		47,083
1917 . .	331,785	53,303	128,330	15	150,000	9,858	37,376
1918 ...	388,907	53,708	106,942	12½	215,222	6,007	45,104
1919 ...	447,748	59,240	171,109	10	200,000	10,000	52,801
1920 ...	397,139	59,173	136,885	8	190,000	10,000	53,882

* After providing for depreciation and taxation (including income tax on dividends). ‡ Free of income tax.

The report of this Company for the twelve months to December 31 last contains several features of interest. The directors state that although serious difficulties have had to be met both with regard to materials and labour, the tonnage launched during the year amounted to 170,061 gross register tons, the output from the shipyards of associated companies being also particularly large. The progress of work during the year was, however, very slow compared with pre-War standards in consequence of strikes, shortage of materials, and a reduction in the working hours, together with a very unsatisfactory falling-off in the output during the hours worked. In view of these difficulties it is not surprising that the accounts should show a decline in net profit from £447,748 to £397,139. The profit is arrived at after charging depreciation and taxation, including income tax on the Ordinary dividends. It should be noted that the allowance for depreciation amounted to £79,507, as compared with £52,692, and it is probable that taxation has also represented an increased charge against the profit. As shown in the above table, the amount required to meet Debenture interest and Preference dividends (including sinking-fund charge) remains practically unaltered at £59,173. The Ordinary dividend, free of tax, is reduced from ten per cent. to eight per cent., involving a corresponding diminution from £171,109 to £136,885 in the amount absorbed. The allocation to reserve account is reduced from £150,000 to £140,000, but £50,000 is again appropriated for equalisation of dividends and £10,000 for benefit of employees, leaving a balance of £53,882 (against £52,801) to be carried forward. In connection with recent dividends it may be remarked that the Ordinary capital was doubled in 1919 by the distribution of bonus shares.

The following table shows the balance sheet position at the end of each of the past three years:—

	LIABILITIES.			ASSETS.			
Dec. 31	Issued Capital*	Sundry Creditors†	Reserves and Carry-forward	Fixed Assets‡	Stocks	Investments	Debtors and Cash
	£	£	£	£	£	£	£
1918	1,927,897	2,192,822	1,092,807	1,103,158	770,671	1,780,627	1,559,070
1919	2,776,079	2,411,557	418,378	1,191,583	450,922	1,746,681	2,246,828
1920	2,774,249	2,451,780	613,105	1,252,274	635,834	2,565,703	1,415,623

* Including Debentures. † Including "provisions and sundry credit balances." ‡ Including goodwill.

Loans and deposits have been increased during the year from £175,674 to £435,354, and trade creditors, which include "provisions and sundry credit balances," from £1,813,120 to £1,893,639, but the item "instalments received in excess of cost of work in progress," amounting to £265,696 at December 31, 1919, does not appear among the liabilities in the present accounts. The reserve is increased by this year's allocation to £290,000, the dividend equalisation account to £200,000, the Debenture sinking fund to £24,431, and the leasehold amortisation account to £25,092, but the insurance reserve remains unaltered at £50,000. The fixed assets (which include goodwill) show additions for the year of £140,197, but allowing for depreciation the actual increase does not exceed £60,691. Work in progress (at cost), which did not appear among the assets at December 31, 1919 (being exceeded by instalments received thereon), now figure at £111,427, less instalments. Loose tools and stocks, of which the basis of valuation is not stated, have been increased from £450,922 to £524,406. The outstanding alteration among the assets, however, is the expansion during the year in shares and Debentures in other companies (at cost or under) from £986,710 to £2,162,243. In this connection it may be pointed out that the Company acquired in March 1920 one-half of the share capital of the Glasgow Iron and Steel Company, with the object of ensuring more regular deliveries of steel material at the Clyde yards. Investments in Government securities at cost, less reserve for depreciation, have been reduced from £737,541 to £379,029, debtors from £1,151,112 to £953,637, and cash and bills from £1,095,715 to £461,987. A summary of the position shows that the liquid assets represented by debtors, Government investments, cash and bills, reveal a deficiency of £657,128, as compared with current liabilities (including dividends payable), whereas the previous balance sheet revealed a surplus of £572,812. It may be pointed out that at December 31 last there was a liability of £128,582 for uncalled capital in respect of holdings in other companies.

Regarding the outlook, the report states that no new orders for ships have been received during the past six months, and none can be expected until the present excessive costs of building have been greatly reduced. The Company's yards at Southwick, Sunderland, have been temporarily closed, owing to the falling-off in demand for cargo ships, but it is stated that there is sufficient work in hand to keep the other branches "moderately employed" for the remainder of this year. The present position is rendered still more uncertain by the continuance of the coal crisis, which particularly affects a business of this nature. The Ordinary shares of the Company are now quoted at 24*s.* 9*d.* ex dividend, at which price a return of 6.5 per cent., tax-free (or 9.3 per cent., subject to tax), is obtained, on the basis of a dividend of 8 per cent., tax-free. The six per cent. Cumulative Preference shares, quoted at 16*s.* 3*d.* ex dividend, yield a return of nearly 7.4 per cent.

BELL BROTHERS, LIMITED.

Issued Capital: £1,000,000, in 50,000 Cumulative 6% Preference Shares of £10 each and 100,000 Ordinary Shares of £5 each. 4% Debenture Stock: £362,486.

Year	Profits*	General Reserve	Reserve Fund	Debenture Interest	Preference Dividend	Ordinary Dividend		Carried forward
	£	£	£	£	£	£		£
1914 ...	15,969		3,650	15,154	30,000			20,872
1915 ...	115,360	51,964‡	16,832	14,890	30,000	30,000	10	22,545
1916 ...	173,085	65,798‡	16,850	14,866	30,000	30,000	10½	38,115
1917 ...	186,811	100,000	16,899	14,819	30,000	30,000	10	33,208
1918 ...	118,515	40,000	16,942	14,744	30,000	30,000	10	26,037
1919 ...	168,933	60,000	16,959	14,744	30,000	45,342	10	21,925
1920 ...	265,568	100,000	17,088	14,597	30,000	75,000	15	50,809

* "After providing for liabilities to Government," but before making depreciation. ‡ Free of Income Tax. ‡ Depreciation.

The report of this Company for the twelve months to December 31 last shows a profit of £265,568, representing an increase of over £96,600, as compared with the previous year. Provision has been made for liabilities to the Government before striking the profit, but no specific transfer has been made for depreciation, which, however, is covered by an allocation of £100,000 (against £60,000) to a reserve for general purposes. Debenture interest and preference dividends absorb £14,597 and £30,000 respectively, while the Ordinary dividend is increased from ten per cent. to fifteen per cent. absorbing £75,000, as against £45,342. The reserve fund is allotted £14,597, leaving a balance of £50,809 to be carried forward as compared with £21,925 brought in.

The following table shows the changes which have taken place in the balance sheet.

	LIABILITIES.			ASSETS.			
	Issued Capital*	Sundry Creditors†	Reserves and Carry-forward	Fixed Assets	Stocks	Investments	Debtors and Cash
	£	£	£	£	£	£	£
1919...	1,362,486	624,964	680,198	1,778,317	561,554	316,644	411,145
1920.	1,362,486	875,696	849,854	2,007,462	567,774	360,796	482,111

* Including Debentures. † Including provision for taxation and dividends payable.

The sundry liabilities, which show an expansion of £250,639, include provision for dividend payments, taxation, and other contingencies. The reserve fund and general reserve are increased by this year's allocations to £498,576 and £300,000 respectively. The outlay on the fixed assets during the year amounted to £268,175, of which £70,127 is represented by further expenditure on munitions plant. It should be noted that no depreciation has been written off the fixed assets since 1917. Investments, which include shares and Debentures of £142,500 in the Horden Collieries, have been increased by £44,256, and stocks by £35,685. The investments are apparently valued conservatively, but the basis upon which stocks are taken is not stated. Debtors show an increase of £69,251, but the cash balance does not exceed £737. A summary of the position shows that in consequence of the additional outlay on the fixed assets and stocks the deficiency of liquid assets, as compared with current liabilities (including provision for taxation and dividend payments) has been increased from £195,279 to £326,796. This stringency of liquid capital has probably been accentuated since the date of the balance sheet by the coal crisis and the general depression in the iron and steel industry. There is no quotation for the Company's Ordinary shares, all of which are now held by Dorman, Long and Co. The Preference shares are quoted at 6½, ex dividend, affording at this price a yield of 9.2 per cent.

THE FINE COTTON SPINNERS' AND DOUBLERS' ASSOCIATION, LTD.

Issued Capital: £7,615,000 in 3,000,000 5% Cumulative Preference shares, 940,000 5% Cumulative Preferred Ordinary Shares, and 3,675,000 Ordinary Shares of £1 each fully paid, 4% 1st Mortgage Debenture Stocks, £2,750,000.

Year to Mar. 31	Profit*	To Depreciation Reserves	To Reserve Fund	Other Reserves	Deb. Int., Pref. and Pref. Divs.	Ordinary Dividend £	Ordinary Dividend %	Carried Forward
	£	£	£	£	£	£		£
1915	531,057	190,000	–	—	282,500	180,000	8	134,868
1916	675,854	200,000	–	10,000	282,500	180,000	8	138,222
1917	850,077	330,000	–	10,000	282,500	225,000	10	140,790
1918	1,276,132	700,000	—	45,000	282,500	237,000	10	152,430
1919	1,073,659	180,000	100,000	200,000	282,500	294,000	12	169,599
1920	1,427,541	180,000	200,000	65,000	303,201	490,000	20	385,927
1921	342,816§	232,358†	612,500‡	—	307,000	367,500	10	185,909

* After providing for taxation but before charging depreciation.
† Including issue expenses of £12,358 written off.
‡ From share premium account.
§ Including amount recovered in respect of enemy debts.

Striking evidence of the effects of the recent depression in the textile industry is afforded by the report of this Company for the twelve months to March 31 last. The accounts show that after adjustment of excess profits duty, but before charging depreciation, the profit, including sums recovered in respect of enemy debts, amounted to £342,816, representing a reduction of almost £1,084,800 as compared with the previous year. Indeed, allowing for the fact that nearly £1,000,000 was set aside for excess profits duty before showing the profit in 1919-20, whereas in respect of 1920-21 the liability, if any, has been comparatively insignificant, the set-back experienced by the Company must have been far more severe than is indicated by the accounts. No information is furnished as to amounts recovered in respect of enemy debts, the balance of which was written off in 1918, but it seems likely that receipts from this source have contributed substantially to revenue during the past year. With regard to the Association's investments in France, the auditors point out that in the cases of mills owned by French companies registered in France those companies have already recovered from the French Government seventy-five per cent. of the amount of their claims in respect of War damage, but as yet nothing has been recovered in respect of the mills owned by the Company registered in England. The claim has, however, been lodged, and it is stated that the directors are hopeful that no loss will be sustained on the ultimate settlement. Under those circumstances it is considered that the reserves against depreciation and contingencies, amounting to £291,020 and £100,000 respectively, are no longer necessary, and the amounts have been recredited to profit and loss. With the large balance of £358,929 brought forward from the previous year there is accordingly a total credit to that account of £1,092,765, the distribution of which proceeds on the basis indicated in the above table. The allowance for ordinary depreciation is increased from £180,000 to £220,000, but no allocation from profit is made to the reserve fund, which received £200,000 a year ago. The premium of £540,500 received on shares issued during the year is credited, however, to that account. Debenture interest absorbs £110,000, and the Preference and Preferred Ordinary dividends £150,000 and £47,000 respectively. The Ordinary dividend is reduced from twenty per cent. to ten per cent., but being payable upon a much larger capital the amount absorbed is £367,000, as compared with £490,000. The expenses of £12,358 involved in the issue of Ordinary shares are written off, leaving a balance of £185,907 to be carried forward, as compared with £358,929 brought in.

Several important changes are shown in the balance sheet, a summary of which is embodied in the following table:—

	LIABILITIES			ASSETS			
Mar. 31	Issued Capital*	Sundry Creditors†	Reserves and Carry Forward	Fixed Assets‡	Stocks	Investments & Loans	Debtors and Cash
	£	£	£	£	£	£	£
1919	8,650,000	3,740,164	2,195,655	5,028,237	4,049,336	3,476,197	2,032,049
1920	9,140,000	6,264,071	2,102,622	5,088,547	5,212,158	4,259,944	2,946,044
1921	10,365,000	2,006,696	2,180,496	5,333,286	3,808,286	3,988,087	1,422,533

* Including debenture stocks.
† Including final dividends payable and reserves for taxation.
‡ Including goodwill.

In June last the Ordinary capital was increased from £2,450,000 to £3,675,000 by the issue to existing shareholders of 1,225,000 Ordinary shares of £1 each at a premium of 10*s.* per share. In view of the fact that the existing shares were then quoted at a premium of about £2, and that the full year's dividend has been paid on the new shares, although they were not fully subscribed until January 1 last, the terms of issue constituted a very liberal bonus to shareholders. As already stated, the premium of £612,500 received on the issue has been credited to the reserve fund, which is thereby increased to £1,692,959. The research and pensions funds remain unaltered at £35,000 and £125,380 respectively, but the insurance fund has been increased by £17,181 to £135,386, and the superannuation fund by £13,013 to £85,228. It should be noted that in previous years additions to the insurance fund were treated as allocations from net profit, but in the present instance this practice has not, apparently, been followed. It is also worthy of note that, whereas not more than £260,177 stood to the credit of the reserve for depreciation of investments at the date of the previous accounts, the actual transfer from that account to profit and loss amounts to £291,020. It is difficult to understand how the difference of £30,843 has been created, especially in view of the auditors' statement that the investments stand in the books at the values at which they have appeared in previous balance sheets. As already stated the amount standing to the credit of the contingencies account has also been transferred to profit and loss. The bank overdrafts have been increased from £146,153 to £385,626 and loans from £260,960 to £272,268, but sundry creditors have been reduced from £5,376,964 to £1,064,801. While this remarkable contraction is indicative of the drastic change in trading conditions, it should be noted that at March 31, 1920, sundry creditors included reserves for taxation, the sum reserved for the renewal of the English subsidiaries in France, and the open bills on cotton at prices seven times above the pre-War level. The fixed assets (which include goodwill) show additions (less realisations) amounting to £242,308, while the depreciation fund is credited with £220,000 from revenue and debited with £220,367, representing that proportion of the outlay on renewals of properties not charged against the year's profit. The balance of the depreciation fund, amounting to £759,513, is deducted from the fixed assets, which now stand at £5,333,286. Stocks of

which the basis of valuation is not stated have fallen from £5,212,158 to £3,808,286, but this does not necessarily mean any reduction in quantity. Investments, which include loans, shares, and undistributed profits in subsidiary companies, have also been reduced from £4,259,944 to £3,988,088, sundry debtors from £2,936,856 to £1,418,250, and cash holdings from £9,189 to £4,282. Owing to the manner in which the accounts are presented, it is not possible to draw any exact comparison between liquid assets and current liabilities. It will be seen, however, that, including the investments and interests in other companies, there is a surplus over current liabilities, including dividends payable, of £3,303,924, as compared with £941,918 at the date of the previous balance sheet. Provided that stocks have been valued on a conservative basis, the Company would accordingly appear to be well situated to meet the existing difficulties of trade. Although the outlook is still very uncertain, the most acute stages of the depression in the textile industry seem to have passed, and the Company should materially improve its position during the current year. It is well to bear in mind that only a small part of the new capital has been fully employed during the past financial year. The report does not contain any reference to existing conditions, but a full review of the general position may be expected at the general meeting on May 27 next. The Ordinary shares of the Association are now quoted at 32*s*. 2*d*. ex dividend, yielding at this price a return of not more than 6.2 per cent. on the basis of a dividend of ten per cent. The Five per Cent. Cumulative Preference shares, at 15*s*. 11*d*. ex dividend, yield nearly 6.3 per cent., while the Five per Cent. Cumulative Preferred Ordinary, at 14*s*. ex dividend, afford a return of 7.1 per cent.

WHITEAWAY, LAIDLAW AND CO., LIMITED.

Issued Capital:- £1,239,380 in 400,000 6 per cent. Cumulative Preference shares, 250,000 7 per cent. "A" Cumulative Preference shares, and 589,380 Ordinary shares of £1 each fully paid.

Year to Feb. 28	Profit*	Income Tax	Preference Dividend	Ordinary Dividend		To Reserve Fund	To Benefit Fund	Carried forward
	£	£	£	£	%	£	£	£
1914...	95,472	5,576	24,000	27,378	10	38,744	1,000	1,397
1915...	77,939	7,220	24,000	27,914	10	9,229	2,500	11,472
1916...	103,982	9,966	24,000	28,159	10	24,712	1,500	27,116
1917...	129,933	23,852	24,000	28,265	10	49,181	2,000	29,750
1918...	131,544	24,452	24,000	28,476	10	67,428	2,000	14,938
1919...	162,336	18,866	24,000	43,066	10	69,349	2,500	19,493
1920...	342,384	62,335	31,922	54,194	12½	195,370	4,000	14,056
1921...	245,343‡	52,313	41,500	73,672	12½	66,276	2,000	23,637‡

* After providing for depreciation and E.P.D. but before charging Income tax. † Free of Income tax. ‡ Subject to taxation.

The report of this firm of drapers and general dealers for the twelve months to February 28 last shows that the profit, after charging depreciation but subject to taxation, amounted to £245,343. For the previous year the profit, after charging depreciation, excess profits duty and corporation tax (including £53,548 provided after the date of the report), amounted to £342,384, and the profit now registered accordingly represents a very considerable decline. As shown in the above table, the allowance for income tax is reduced from £62,335 to £52,313, despite the fact that the tax on the Ordinary dividends, which is included in the provision, amounts to £31,574, as compared with £23,226. The Preference dividends absorb £41,500, as against £31,922, and the Ordinary dividend, which is maintained at twelve and a-half per cent., free of tax, £73,672, as compared with £54,194. Allowing for the bonus capitalisation this dividend is, however, equivalent to nearly 16.7 per cent., free of tax, on the previous capital basis. The reserve, to which £195,370 was transferred in the previous year (after deducting £53,548 in respect of excess profits duty and corporation tax), now receives £66,276, and the benefit fund £2,000, leaving a balance of £23,637 to be carried forward, as compared with £14,056 brought in. The following table shows the balance sheet position at the end of each of the past two financial years:—

Feb. 28	Liabilities. Issued Capital	Sundry Liabilities	Reserve and Carry forward	Assets. Fixed Assets	Stocks	Debtors	Investments and Cash
	£	£	£	£	£	£	£
1920...	1,086,075	504,624	585,507	571,281	945,034	100,870	559,[illegible]
1921...	1,239,380	418,905	323,637	646,557	1,186,552	83,466	6[illegible]

[illegible] [illegible] [illegible] [illegible].

The Ordinary capital was increased during the year to £589,380 by the bonus distribution (out of the reserve) of 145,719 shares of £1 each, and the issue of 7,583 shares for cash. The premium of £7,991 received on the latter has been added to the reserve, which, with this year's allocation from revenue, now stands at £300,000. Sundry liabilities have been reduced from £504.624 to £418,905, but it should be noted that no provision for excess profits duty and corporation tax is included in the present instance. The fixed assets, less depreciation, have been increased from £571.281 to £646,557, and stocks (of which the basis of valuation is not stated) from £945,034 to the large total of £1,186,552. Debtors have been reduced from £100,870 to £83,466, cash holdings from £132,462 to £26,013, and Government investments from £226,562 to £31,000. Shares valued at £8,333 have been acquired in a subsidiary company. A summary of the position reveals a rather acute stringency of liquid capital, the deficiency amounting to £278,426, as compared with £44,730 at the date of the previous balance sheet. In addition, allowance has to be made for the oustanding liability in respect of taxation.

The report does not contain any reference to trading conditions in India and China, where the various branches of the Company are almost entirely situate. It is well to bear in mind that the exceptionally favourable position of the exchanges was largely responsible for the record profits earned during 1919-20, and that the decline shown in 1920-21 has been due partly to the remarkable change which has since taken place in the Eastern exchanges. Earnings are not likely to show any material recovery during the present year, but the Company should be able to maintain last year's dividend of twelve and a-half per cent., free of tax. On this assumption the Ordinary shares, quoted at 29*s*. 9*d*. ex dividend, yield a return of 8.4 per cent., free of tax, equivalent to twelve per cent., subject to tax. The Six per Cent. Cumulative Preference shares at 16*s*. 3*d*. ex dividend yield 7.4 per cent., and the Seven per Cent. "A" Cumulative Preference at 17*s*. 6*d*. ex dividend, afford a return of eight per cent.

OCEANIC STEAM NAVIGATION CO., LIMITED.

Issued Capital: £5,000,000, in 5,000 Shares of £1,000 each, fully paid. 4½% First Mortgage Debenture Stock: £1,741,000.

Year	Profits*	Income tax	Depreciation	Debenture Interest	Dividend		To Reserves	Carried forward
	£	£	£	£	£	%	£	£
1914	801,652	37,544	398,968	65,211	262,500	35	66,500	61,399
1915	1,939,508	56,408	628,712	109,537	487,500	65	500,000	156,768
1916	2,399,883	150,845	440,752	101,418	750,000†	20†	810,000	300,636
1917	1,531,762	301,266	318,940	97,936	750,000	20	210,000	154,256
1918	1,339,042	322,238	317,793	94,731	637,500	17	100,000	21,036
1919	1,744,124	295,865	397,521	89,262	750,000	20	128,000	104,512
1920	1,370,658	222,460	388,112	83,713	750,000‡	15‡	-	30,885

* After providing for excess profits duty and contingent liabilities, but before charging income tax and depreciations.
† Capital increased from £750,000 to £3,750,000 by capitalisation of reserves.
‡ Capital increased to £5,000,000 by reserve capitalisation of £1,250,000.

The report of the White Star Line for the twelve months to December 31 last shows that, after providing for excess profits duty and contingent liabilities, a profit has been obtained of £1,058,364, to which has to be added interest and dividends on investments amounting to £312,294, making a total profit of £1,370,658, as compared with £1,744,124 for the previous year. Comparisons are, however, likely to be misleading in the absence of any information as to the provision which has been made in each year for taxation and contingencies. As shown in the above table, the allowance for income tax has been reduced from £295,865 to £222,460, and for depreciation from £397,521 to £388,112, while Debenture interest absorbs £83,713, as compared with £89,262. The

Ordinary dividend has been nominally reduced from twenty per cent. to fifteen per cent., but, in consequence of the distribution of bonus shares during the year, the amount absorbed remains unaltered at £750,000. Consequently no allocation is made to the general reserve and benefit funds, which received £100,000 and £28,000 respectively in the previous year, and the undivided balance is reduced from £104,512 to £30,885.

The following table shows the financial position:—

	LIABILITIES.			ASSETS.		
Dec. 31	Issued Capital* £	Sundry Liabilities. † £	Reserves and carry-forward £	Fixed assets and stores £	Investments £	Debtors and cash £
1919...	5,615,900	4,085,908	3,034,512	5,145,977	3,434,081	4,156,262
1920...	6,741,000	4,284,276	1,408,294	6,558,183	2,400,730	3,174,657

* Including Debentures.
† Including provision for taxation and dividends payable.

The share capital has been increased to £5,000,000 by the bonus distribution of 1,250 shares of £1,000 each, the general reserve being thereby reduced from £1,430,000 to £430,000 and the general purposes fund from £1,300,000 to £1,050,000. The latter has since been reduced to £747,409 by debiting part of the expenses incurred on deferred overhauls. The insurance fund, however, remains unaltered at £200,000. Debenture stock of £124,900 has been redeemed during the year, making the total amount redeemed to December 31, 1920, £1,009,000. Sundry creditors and credit balances, which include provision for taxation and contingencies, have been increased from £4,025,215 to £4,070,858, and trade bills from £60,692 to £213,417. The fixed assets, less depreciation, show net additions of £1,394,617 at £6,308,939, and movable plant and stores £17,288 at £249,243. This expenditure is reflected in the reduction of general investments from £2,619,798 to £1,585,287, debtors and debit balances from £3,867,903 to £3,399,965, and cash holdings from £288,359 to £74,692. Trade investments, however, remain practically unaltered at £815,443. A summary of the position shows that the liquid assets, excluding stores and trade investments, exceed current liabilities (including provision for taxation, dividends payable, and contingencies) by £775,668, as compared with £2,690,153 at the date of the previous balance sheet.

The directors, in their report, state that during the year under review heavy outlay has been incurred on overhauls and repairs, a "very considerable proportion" of which has been charged to working expenses. This, indeed, may largely explain the reduction shown in the profit. Several new steamers have been purchased, the gross tonnage of the fleet being now 528,230 tons, as compared with 438,000 tons. The additional tonnage in course of construction is, however, not more than 26,400, as against 76,000. In the opinion of the directors there does not seem to be any indication of an immediate improvement in the freight situation. Moreover, the outlook for passenger business in the North Atlantic is somewhat disturbed owing to contemplated legislation by the United States Government, which, if carried through, "will restrict immigration and result in a large reduction in carryings." The shares of the Company are not quoted, being held privately.

TANKERS, LIMITED.

This Company was formed to purchase and build oil-tankers to be chartered mainly to the Scottish American Oil and Transport Company. The first annual report covering the period from the date of incorporation (February 17, 1920) to March 31, 1921, shows that, after providing £14,000 for taxation and £60,000 for depreciation, a net profit of £111,139 has been obtained. The dividend on the Preference shares absorbs £103,928, leaving a balance to be carried forward of £7,212. It is pointed out that during the period under review the Company had the benefit of two steamers only, the first of which was acquired in May 1920, and the second in August last. These two vessels, together with nine in course of construction, are chartered over a period of years to the Scottish American Oil and Transport Company on terms which, compared with current market rates, can, it is stated, be regarded as "extremely satisfactory." One of the new steamers has already been launched, and the others are expected to follow at intervals of about two months. The fleet, being purchased or contracted for at a period of very high prices, its cost will be considerably higher than the current market value, and accordingly the allowance for depreciation has been as large as the available profits permitted. The balance sheet at March 31 last shows that the cost of the completed steamers, including payments on account of those under construction, amounted to £1,961,903. Sundry debtors do not exceed £59,965, while Treasury bills and cash amount to £295,317 and £110,500 respectively, against which there are sundry creditors of £46,019. The extent of the contingent liabilities for vessels under construction is not disclosed. The preliminary expenses, which, exclusive of the cost of underwriting and brokerage, were estimated at £35,000, do not appear in the balance sheet, being paid by the Scottish-American Oil Company, which has promoted the undertaking. Of the 1,500,000 £1 Ordinary shares issued only 10*s.* per share had been paid up at March 31 last. These shares were issued to the parent Company in June 1920, and the balance due on each share is payable "as and when required." The Preference shares are entitled to a cumulative dividend of eight per cent. and to participate up to a total of fifteen per cent. *pro rata* with the Ordinary shares after the latter have received eight per cent. In view of existing conditions and the necessity to provide large sums for depreciation during the coming year, the possibility of any higher return than eight per cent. on the Preference shares seems very remote. These £1 shares are now quoted as low as 12*s.* 6*d.*

New Issues.

NORWEGIAN GOVERNMENT.

Offer at eighty-eight of £4,000,000 Six per Cent. Bonds 1931-61. Flat yield at price of issue £6 16*s.* 5*d.* per cent. per annum. Minimum yields, including redemption, £6 17*s.* 10*d.* per cent. per annum.

The return of Norway to the London market after an absence of ten years, during which interval it had obtained financial assistance from New York, is a further index of the recovery by London of its premier position in the international markets. The proceeds of the present loan will be used for the construction of railways and telephones and for water-power development, the materials for which will probably be obtained from the United Kingdom. The emission will be redeemed during forty years by an accumulative sinking fund commencing July 1, 1924, to be applied by half-yearly drawings at par or purchase below par, subject to the right of the Government to effect redemption in whole or in part at any time after July 1, 1931, three months' notice being given. Interest and principal will be payable in sterling or in kroner at the rate of 18.18 to the £, and will be free of all Norwegian taxes. The rate of interest is comparatively attractive and the prospect of a substantial premium on redemption within a few years makes the issue a desirable investment of its kind. The lists closed over-subscribed within a few hours of opening.

CORNISH KAOLIN, LIMITED.

Offer at par of 131,780 10*s.* shares.

The Company commenced production in Cornwall shortly before the War. The authorised capital is £120,000 in 10*s.* shares, and the present emission forms the balance hitherto unissued. The Company's area measures 1,180 acres, held under sixty years' lease from 1911, and recently a further fifty-two acres have been obtained from Tehidy Minerals, Limited. The present dry has a capacity of 12,000 tons per annum. It is proposed to construct two additional dries of a total capacity of 28,000 tons; and for this purpose and to pay off £15,000 Debentures which form the only existing charge on the undertaking, the current issue is being made. The pro-

(*Continued on page* 985.)

"The Statist."

BRITISH BANKING SECTION.

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THE

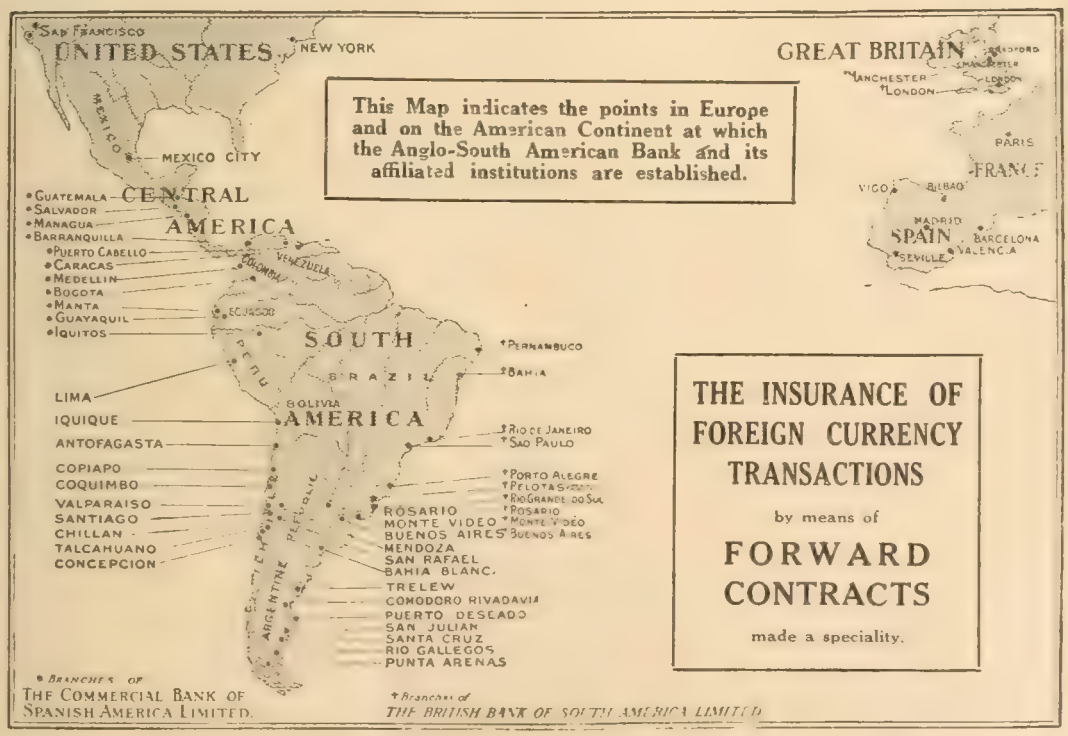
ANGLO-SOUTH AMERICAN BANK,

LIMITED.

Capital and Reserves exceed £13,000,000.

Head Office:

62 Old Broad Street, London, E.C. 2.



This Map indicates the points in Europe and on the American Continent at which the Anglo-South American Bank and its affiliated institutions are established.

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and

THE COMMERCIAL BANK OF SPANISH AMERICA, LIMITED.



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ASSURANCE CO., LTD.

ESTABLISHED IN 1824.

Head Office: Bartholomew Lane, London, E.C. 2.

Assets Exceed £25,000,000.

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issued by the Company may be obtained on application to the Head Office as above or to any of the Offices or Agencies of the Company.

O. Morgan Owen, *General Manager.*

BRITISH BANKING AND NATIONAL NEEDS.

THE transformation effected in the economic and industrial spheres since the appearance of our British Banking Number of May 1920 is too well known to require detailed treatment here. Only a short twelve months ago trade was practically at the crest of a period of unparalleled activity. Our productive resources were being fully utilised in response to considerable and effective buying pressure. Profits were large, and the outlook was so promising that expansionist schemes involving almost every industry were on foot. The volume of banking credits created to finance this multifarious activity was never previously surpassed, and when the reaction in trade came its repercussion in the world of finance was keenly felt. Besides numerous business failures everywhere, banking failures have been recorded in most countries, and we ourselves have not been entirely immune. Our experience, however, has been, comparatively speaking, very favourable, and this in itself is a tribute to the solidarity of British banking and the wise foresight exercised by our financial leaders at a time when optimism as to the future was unbounded. Understanding the artificial character of the boom, they curtailed their financial commitments as far as possible, and are now reaping the rewards of their prudence, though the liquidation of many of the commercial credits which they granted is not proceeding very rapidly.

As a result of the decisive set-back in all branches of manufacturing and trade activity, no marked general improvement is observable on the year, and, briefly put, the underlying cause is that the world has not yet made up its mind to face economic realities. We have failed to see that the external commerce of all civilised countries should be treated as one and indivisible. When it is considered as a whole it is obvious that restoration to economic health is impossible for the world while some of the most highly organised manufacturing and trading communities which it contains are practically *hors de combat*. The revival of international trade should therefore be our primary aim, and the matter is of more concern to bankers than may appear on the surface, since the production, movement, and sale of commodities are, in the advanced stage of industrial evolution which we have reached, to a large extent financed by borrowed money.

Concerted efforts by favourably situated nations to raise the devastated countries from the slough of economic despond into which they have fallen have been miserably inadequate. The little positive improvement effected has come mainly from private initiative. Some well-conceived proposals of the League of Nations have been checkmated by the conflict of interests manifest among its members and by the continued aloofness of the United States. The practical outcome of the Brussels Financial Conference, on which many placed such high hopes, has been disappointing, though it performed invaluable work of an exploratory character, and accumulated a mass of data necessary to the proper understanding and handling of the present economic *malaise*. Its recommendations as to the equilibration of Budgets, the withdrawal of redundant paper currency, the restriction of recurrent Government expenditure within the limits of recurrent revenue, and the removal of all impediments to free economic intercourse between nations still remain counsels of perfection. The Conference wisely insisted upon the need of freeing banks—particularly banks of issue—from political pressure, leaving them to be guided solely by considerations of prudent finance. The abandonment of all wasteful and artificial methods which conceal the true economic position from the people, and the repayment or funding of floating debts, were strongly urged. Many praised the wisdom of these decisions, but few have had the courage to enforce them.

PRODUCTION, CONSUMPTION AND UNREST.

The [illegible] necessary to the restoration of commercial confidence is still to seek, and its achievement is a condition precedent to any worldwide revival of prosperity. Europe's capacity for saving has been crippled by the destruction of wealth involved by the Great War and the numerous petty wars that have succeeded it. The result is a decline in consumption and accordingly in the standard of living, with a necessary contraction in the amount of goods required to meet the current demands of the European populations. Though the sole determinant of consumption is ultimately production, the post-Armistice recovery in production was more rapid than the recovery in consumption, and hence the speedy filling of many markets to repletion and the consequent decline in trading activity. These undesirable results were hastened by the rise in the general price level, which still further tended to limit consumption. This rise, while due to some extent to profiteering and high freights and to the operation of a heavy demand upon restricted supplies, was also caused by absolute disregard of the question of manufacturing costs. No one troubled to curtail costs or to refuse requests for wage increases when the extra burden which the granting of these entailed could be passed on, and merchants and manufacturers awoke to realities only when the luckless consumer was in revolt.

Wealth is measured by production, which in turn, as above stated, ultimately determines consumption. Production has been seriously curtailed, not only by the destruction due to the War, but by strikes and rumours of strikes. Everyone will recall that the coal trouble of last autumn completed the discomfiture of British trade, already weakened by the falling-off in demand. Suspension of production in any department is always detrimental to the community, since it affects consumption, and consumption determines our standard of living, which is high or low according as we consume much or little. If improved conditions of life are sought by the workers they can be attained only by increasing production; to do this the co-operation of capital in some form or other is needed, and the organisation of all industries so as to give the maximum output is imperative. At the same time, wasteful consumption, whether by individuals or by governments, must be eliminated. In this connection it should be borne in mind that what the world suffers from now is not over-production but under-consumption, or misdirected consumption, and that a widespread revival in demand can be effected only by a lowering of selling prices, which, of course, are largely dependent on the volume of production. Strikes may temporarily deflect a greater portion of what is called the national income to a particular body of workers, but as they reduce production there is ultimately less to go round, and thus the workers' position is in the end prejudiced. Unnecessary expenditure on military enterprises, armaments, and other unproductive objects are equally to be deprecated, and it savours of hypocrisy to blame the workers while their more educated fellows are pursuing in different spheres a policy precisely the same in [illegible].

The necessary readjustments between the apparently conflicting but really identical interests of capital and labour in many countries have unfortunately not yet been effected. Lack of purchasing power on the part of individuals, and consequent poverty in countries that suffered through the War, have been responsible for much social disorder, and,

TABLE I.—LIABILITIES OF 48 BANKS OF THE UNITED KINGDOM, 1920.

	Date of Balance Sheet 1920	No. of Offices	Paid-up Capital £	Reserve £	Paid-up Capital and Reserve £	%	Notes in Circulation £	%	Acceptances £	%	Deposit and Current Accounts, &c. £	%	Profit Balance £	%	Total Liabilities and Assets £
Baker, Duncombe & Co. ...	Mar. 31‡	1	100,000	90,000	190,000	2·3	—	—	—	—	8,144,697	97·7	—	—	8,334,697
Bank of England	De . 29	11	14,553,000	3,000,000	17,553,000	5·2	132,851,150	39·0	-	—	189,866,973	55·7	339,587	·1	340,610,710
Bank of Ireland	Dec. 31	124	2,769,231	970,000	3,739,231	7·3	10,926,457	21·4	—	—	36,355,856	71·0	158,767	·3	51,180,311
Bank of Liverpool & Martins	Dec. 31	314	2,348,890	1,400,000	3,748,890	4·1	—	—	6,518,293	7·1	81,206,768	88·5	313,319	·3	91,787,270
Bank of Scotland	Feb. 28‡	182	1,325,000	550,000	1,875,000	4·1	4,328,175	9·6	841,751	1·9	38,103,337	84·1	150,337	·3	45,298,600
Barclays Bank	Dec. 31	1,470	+15,592,372	8,250,000	23,842,372	6·6	—	—	10,227,554	2·8	327,222,768	90·4	565,602	·2	361,858,296
Baring Bros. & Co.	Dec. 31	2	1,025,000	1,000,000	2,025,000	8·3	—	—	3,731,786	15·4	18,500,885	76·2	13,360	·1	24,271,031
Belfast Banking	Dec. 31	100	500,000	550,000	1,050,000	4·9	1,661,679	7·7	—	—	18,742,243	87·1	73,854	·3	21,527,776
Brydenstein & Co., B.W. ...	Dec. 31	1	500,000	125,000	625,000	4·7	—	—	-	—	12,636,954	95·3	—	—	13,261,954
British Linen Bank	Jan. 15‡	151	1,250,000	1,350,000	2,600,000	6·8	3,622,276	9·4	605,759	1·6	31,530,306	82·0	98,457	·2	38,456,798
British Mutual	Dec. 31	1	70,603	52,000	122,603	18·2	—	—	—	—	545,737	80·8	6,898	1·0	675,238
Child & Co.	July 7	1	500,000	73,098	573,098	13·0	—	—	—	—	3,818,552	87·0	—	—	4,391,650
Clydesdale Bank	Dec. 31	162	1,000,000	1,200,000	2,200,000	4·8	3,712,881	8·1	512,308	1·1	39,249,163	85·5	226,562	·5	45,900,914
Commercial Bank of Scotland	Nov. 1	192	1,750,000	1,000,000	2,750 000	5·4	4,350,944	8·5	2,034,587	4·0	41,975,145	81·9	130,921	·2	51,241,597
Co-op. Wholesale Society, Ltd.	Dec. 25	6	(b)	8,410	8,410	(b) ·1	—	-	—	—	15,948,672	99·7	38,332	·2	15,995,414
Coutts & Co.	Dec. 31	2	800,000	800,000	1,600,000	6·8	—	—	596,118	2·6	21,465,775	90·6	—	—	23,461,893
Cox & Co.	Sept. 30	11	650,000	600,000	1,250,000	5·1	—	—	829,937	3·4	22,237,472	91·5	—	—	24,317,409
Equitable Bank	Dec. 31	6	40,000	50,000	90,000	7·7	—	—	—	—	1,077,700	91·6	8,393	·7	1,176,093
Farrow's Bank, Ltd.‡...	June 30	—	361,423	138,500	499,923	10·7	—	—	—	—	4,137,043	88·3	20,820	·5	4,657,786
Glyn, Mills, Currie & Co. ...	Dec. 31	1	1,000,000	500,000	1,500,000	4·6	—	—	1,727,503	5·3	29 154 817	90·1	—	—	32,382,325
Guernsey Banking Co. ...	June 30	3	50,000	65,000	115,000	13·4	47,215	5·5	—	—	688,109	80·2	7,984	·9	858 308
Hibernian Bank	Dec. 31	103	500,000	180,000	680,000	4·5	—	—	—	—	14,292,422	95·2	35,288	·3	15,007,710
Hoare & Co., Chas.	July 6	1	485,000*	*	485,000	10·3	—	—	—	—	4,221,675	89·7	—	—	4,706,675
Isle of Man Banking	Dec. 31	8	30,000	88,000	118,000	5·2	90,362	4·0	—	—	2,050,026	90·5	7,555	·3	2,265,943
Lancashire & Yorkshire Bank	Dec. 31	133	1,006,560	875,000	1,881,560	5·7	17,245	·1	1,106,723	3·4	29,591,220	90·1	239,768	·7	32,836,516
Lloyds Bank	Dec. 31	1,500	+14,137,796	10,000,000	24,137,796	6·2	—	—	17,867,530	4·6	345,028,984	88·8	1,368,569	·4	388,402,879
Lond. & L'pool Bk. of Commerce	Dec. 31	1	600,000	170,000	770,000	30·9	—	—	1,437,530	57·7	255,981	10·3	28,426	1·1	2,491,937
London County West. & Parr's	Dec. 31	870	+ 8,503,718	9,003,718	17,507,436	5·1	19,025	—	19,034,317	5·5	305,854,631	89·1	1,018,566	·3	343,455,975(c)
London Joint City & Midland	Dec. 31	1,480	+10,859,800	10,859,800	21,719,600	5·2	—	—	27,849,904	6·6	371,841,968	87·9	1,425,786	·3	422,837,258
London Merchant Bank ...	Dec. 31	1	750,000	350,000	1,100,000	26·3	—	—	2,259,618	54·1	721,375	17·3	93,838	2·3	4,174,831
Manchester and County Bank	Dec. 31	152	1,092,040	850,000	1,942,040	6·2	—	—	1,325,358	4·3	27,673,512	88·6	283,063	·9	31,223,973
Manchester & Liverpool District	Dec. 31	350	1,896,000	1,550,000	3,446,000	5·3	—	-	1,596,659	2·4	60,037,956	91·6	437,952	·7	65,518,567
Mercantile Bk. of Scotland, Ltd.	Mar. 31	11	14,070	5,000	19,070	8·5	—	—	—	—	205,058	91·4	288	·1	224,416
Munster & Leinster	Dec. 31	145	400,000	900,000	1,300,000	4·7	—	—	—	—	26,351,085	95·1	58,562	·2	27,709,647
National Bank	Dec. 31	233	1,500,000	980,000	2,480,000	5·1	3,967,729	8·1	531,000	1·1	41,706,785	85·4	160,714	·3	48,846,228
National Bank of Scotland ...	Nov. 1	134	1,100,000	1,000,000	2,100,000	4·8	3,798,878	8·6	898,782	2·0	37,057,604	84·2	187,403	·4	44,042,667
Nat. Prov. & Union B. of Eng.	Dec. 31	890	+ 9,409,16	8,878,0.1	18,187,457	6·0	—	—	4,404,104	1·5	278,335,366	92·2	821,070	·3	301,750,997(a)
N. of Scot. & Town & Co. Bank	Sept. 30	153	652,000	652,000	1,304 000	4·7	2,644,222	9·5	—	—	23,719,742	85·1	204 593	·7	27,872,557
Northern Banking Co. ...	Aug. 31	194	600,000	480,000	1,080,000	5·1	2,572,945	12 0	842,766§	3·9	16,921,042	78·8	47,105	·2	21,463,858
Provincial Bank of Ireland ...	Dec. 31	131	540,000	450,000	990,000	4·9	2,058,690	10·2	—	—	17,110,155	84·7	50,295	·2	20,209,140
Reliance Bank, Ltd.	Mar. 31	32	60,000	5,469	65,469	15·0	—	-	-	-	360,547	85·0	—	—	424,016
Royal Bank of Ireland ...	Aug. 31	16	300,000	80,000	380,000	8·1	—	—	—	—	4,308,754	91·6	15,283	·3	4,704,037
Royal Bank of Scotland ...	Oct. 9	171	2,000,000	1,082,276	3,082,276	6·5	3,539,685	7·5	311,772	·6	40,442,952	85·2	84,000	·2	47,460,685
Ulster Bank	Nov. 30	231	500,000	700,000	1,200,000	4·0	3,530,334	11·9	—	—	24,905,018	83·7	106,806	·4	29,742,158
Union Bank of Manchester ...	Dec. 31	131	750,000	675,000	1,425,000	5·3	—	—	3,424,881	12·6	22,294,412	81·9	64,445	·2	27,208,738
Union Bank of Scotland ...	Apr. 2‡	162	1,000,000	1,000,000	2,000,000	5 1	3,366,092	8·7	397,556	1·0	32,911,343	84 6	217,709	·6	38,892,700
Williams Deacon's Bank ...	Dec. 31	155	1,875,000	1,000,000	2,875,000	6·6	—	—	1,529,191	3·6	38,870,845	89·5	143,588	·3	43,428,624
Yorkshire Penny Bank ...	Dec. 31	122	750,000	750,000	1,500,000	4 8	—	—	—	—	29,675,686	95 2	—	—	31,175,686
TOTAL, 48 BANKS ...			107,396,919	74,334 312	181,731,231	5·6	187,105,984	5·8	112,453,292	3·5	2,739,155,116	84·8	9,256,865	·3	3,229,702,488

* Reserve included with paid-up capital. + Payment suspended December 20, 1920. Compulsory winding-up order made January 11, 1921. ‡ 1921. § Endorsements, guarantees and confirmed credits. (a) Including figures of Northamptonshire Union Bank. (b) The Capital is not one of the purely banking resources, being liable for trading commitments. (c) Including figures of Becketts' Banks.

translated into terms of international trade, for the lessened movement of commodities between different nations. In an attempt to return to normal a deflation policy has in many cases been adopted, in pursuance of the lead by Great Britain and the United States; but the results have everywhere been somewhat disconcerting, though the evils usually attributed to deflation arise, properly speaking, from a complex of causes. Present ills are too deep-seated to be due to causes purely monetary. One good result is that the undesirable element of speculation has been largely eliminated.

DISCRIMINATION IN CREDITS.

It was no doubt imperative, from the point of view of banking security, to put a stop to the heavy creations of credit, and the necessity for some action by us along these lines was further emphasised when the Federal Reserve Board of the United States initiated a policy of credit restriction. Speculative commitments were no longer financed, and fresh credits were as far as possible confined to projects of an essential or productive character. This refusal of banking facilities came at a moment when trade was heavily burdened by taxation, and under the twin influences huge quantities of goods were forced on practically all markets. In the face of a general decline in the internal purchasing-power of many countries, and in the international purchasing-power of most, a fall in wholesale prices was inevitable, and this has necessarily led to a contraction in production, which in turn has caused a decline in profits and brought about unemployment on a large scale. The liquidation of stocks accumulated under high costs of material and labour has not yet been completed, and further increases the uneasiness of a situation already delicate and difficult to handle. The cardinal necessity of the moment—to reduce costs of production, and so lower selling prices to a level at which demand will revive—has received little, if any, sympathetic consideration on the part of organised labour generally. In the political, as well as in the economic sphere, indeed, both nationally and internationally, the year has been one of effort rather than achievement, and if disillusionment was manifest amongst many towards its close, it was but the recognition of an inevitable fact—that the millennium cannot be attained by treaties, however carefully drawn, and that the world is only as good as the mass of the inhabitants choose to make it.

THE HIGH BANK RATE.

In Great Britain an easing of the monetary situation has recently been brought about by a fall in the Bank rate, but difficulties with labour remain acute, despite the fact that the reductions in wages involved in most cases where trouble has arisen do not represent an equal fall in real wages, since the cost of living has declined. A readjustment in wages is, however, inevitable, though its advent may here and there be delayed. In the meantime, a more liberal financial policy would not be unwelcome, as we must recognise the power of finance in modern commerce and its important bearing on production and trade, as well as on distribution and social welfare. It will be remembered that prior to its recent reduction the Bank rate was raised from six per cent. to seven per cent. on April 15, 1920, and from five per cent. to six per cent. on November 6, 1919. The official minimum rate of discount was, in fact, at a higher average level throughout 1920 than in any previous year since the Act of 1844, though there have, of course, been occasions when a much higher rate was in force for shorter periods. As regards low rates, it may be interesting to recall that within the last thirteen years—to be exact, on April 1, 1909—the Bank rate was reduced from three per cent. to two and a-half per cent., remaining at the latter figure for over six months. An easing of money rates is also evidenced in the United States, Switzerland, Sweden and Denmark.

The varying degrees of depreciation of national currency in terms of gold, the wholly abnormal and constantly fluctuating level of many exchanges, with their discouraging effect on trade, the issue of paper

TABLE I.—ASSETS OF 48 BANKS OF THE UNITED KINGDOM, 1920.

	Cash in Hand and at Bank of England	Money at Call and at Short notice	Bills Discounted	Investments	Total Liquid Assets	Bills Discounted for Customers	Advances	Total Loans and Advances	Acceptances	Total Assets	Ratio of Acceptances to Total Assets
	£	£	£	£	£	£	£	£	£	£	
[illegible]	96,566	—	[illegible]	[illegible]	1·1	[illegible]	[illegible]	6·7	[illegible]	92·2	
[illegible]	1,218,207,470	—	1,218,207,470	37·7	[illegible]	37·1				25·2	
[illegible]	[illegible]	[illegible]	[illegible]	18·4	[illegible]	39·3				41·4	·9
Bank of Liverpool & Martins	12,041,557	9,973,071	22,014,628	24·6	14,150,484	15·4	7,081,836	40,185,509	47,267,345	51·5	7·1	1,264,422	1·4
Bank of Scotland	6,574,193	5,195,000	11,769,193	15·4	11,685,425	32·4	6,656,467†	13,706,357	20,362,824	44·9	1·9	637,189	1·4
Barclays Bank	61,719,646	21,313,397	83,033,043	22·9	66,956,110	17·7	[illegible]	[illegible]	[illegible]	55·4	2·8	4,248,857	1·2
[illegible]	[illegible]	[illegible]	[illegible]	27·4	[illegible]	3·4	[illegible]	[illegible]	[illegible]	53·3	15·4	127,000	·5
[illegible]	[illegible]	—	[illegible]	18·5	[illegible]	14·1	1,626,737	12,825,360	14,452,097	67·1		66,517	·3
[illegible]	94,071	—	94,071	·7	167,548	1·3	[illegible]	181,885	[illegible]	97·8		24,948	·2
Brown, Janson & Co.	8,819,159	—	8,819,159	22·9	10,141,320	26·4	—	[illegible]	[illegible]	46·8	1·6	881,967	2·3
British Mexican	62,517	—	62,517	9·2	152,091	22·6	—	156,510	156,510	67·6		4,190	·6
Child & Co.	640,200	500,000	1,140,200	30·7	1,520,715	41·4	—	[illegible]	[illegible]	26·0		84,200	1·9
Cocks, Biddulph & Co.	7,957,452	—	7,957,452	16·0	16,920,511	34·8	[illegible]	[illegible]	[illegible]	47·1	1·1	[illegible]	1·0
Commercial Bank of Scotland	8,227,119	5,332,423	13,559,542	26·5	13,481,567	26·3	6,465,767†	15,115,940	21,581,707	42·1	4·0	581,194	1·1
Co-op. Wholesale Society, Ltd.	2,334,994	—	2,334,994	21·1	5,911,000	24·6	—	[illegible]	[illegible]	54·3		2,143	
Coutts & Co.	4,103,702	2,855,222	6,958,924	25·4	4,711,[illegible]	20·1	—	[illegible]	[illegible]	50·5	2·6	[illegible]	1·4
C. A. C.	7,145,942	1,000,[illegible]	[illegible]	37·2	[illegible]	4·6	5,733,973‡	6,923,663	12,657,636	52·1	829,937	3·4	[illegible]	2·7
Equitable Bank	472,880	—	472,880	40·2	[illegible]	29·9	[illegible]	[illegible]	[illegible]	29·9			
Farrow's Bank, Ltd.	507,796	—	[illegible]	6·6	[illegible]	38·7	—	2,473,[illegible]	2,473,[illegible]	53·1	—	73,309	1·6
Gibbs, Mills, Curtis & Co.	6,852,997	7,199,750	14,052,747	43·4	6,430,246	19·9	—	[illegible]	[illegible]	30·3	5·3	370,000	1·1
Guernsey Banking Co.	157,283	—	[illegible]	17·9	[illegible]	49·5	[illegible]	[illegible]	[illegible]	31·8	—	—	·8
Hibernian Bank	2,743,137	—	2,743,137	18·3	5,852,480	39·2	—	[illegible]	[illegible]	41·5	—	146,375	1·0
Hoare & Co., Chas.	751,158	300,000	1,051,158	22·4	1,018,927	28·0	—	2,236,890†	2,236,890	47·5	—	100,000	2·1
Isle of Man Banking	535,008	—	535,008	23·6	[illegible]	38·3	—	[illegible]	[illegible]	36·8	—	30,000	1·3
Lancashire & Yorkshire Bank	5,896,896	—	5,896,896	18·0	[illegible]	18·9	8,494,824†	10,714,625	19,209,449	58·5	1,106,723	3·4	405,000	1·2
Lloyds Bank	51,153,076	14,747,688	65,900,764	17·0	73,376,529	18·9	76,037,123	151,079,174	227,116,297	58·5	17,867,530	4·6	4,141,759	1·0
Lon. C. & Liverpool Bk. of Commerce	10,244	70,000	11,0244	4·4	[illegible]	15·0	—	570,354	570,354	22·9	[illegible]	57·7	100	—
London County West. & Parr's	49,124,145	22,927,762	72,051,907	21·0	[illegible]	16·9	60,335,724	130,538,521	190,874,245	55·6	19,034,317	5·5	2,478,812	1·0
London Joint City & Midland	70,196,168	18,492,013	88,688,181	21·0	55,023,730	13·0	57,671,879	189,719,805	247,391,684	58·5	27,849,904	6·6	3,883,759	·9
London Merchant Bank	[illegible]	135,000	[illegible]	5·8	[illegible]	2·6	224,932	1,342,349	1,567,281	37·5	2,259,618	54·1	—	
Manchester and County Bank	5,048,014	—	5,048,014	16·1	[illegible]	15·2	3,915,389	15,785,633	19,701,022	63·1	1,325,358	4·3	[illegible]	1·3
Manchester & Liverpool District	7,195,514	3,305,[illegible]	[illegible]	16·0	[illegible]	11·1	12,476,005†	33,172,113	45,648,118	69·7	1,596,659	2·4	500,000	·8
Mercantile Bk. of Scotland, Ltd.	24,458	—	24,458	10·9	[illegible]	62·0	[illegible]	[illegible]	[illegible]	27·0	—	—	203	1
Munster & Leinster	2,648,123	2,018,599	[illegible]	19·0	[illegible]	26·5	4,669,537†	10,305,871	14,975,408	54·1	—	—	111,155	·4
National Bank	6,023,068	6,268,873†	12,291,941	25·1	13,490,290	27·6	4,385,924	17,715,025	22,100,949	45·3	531,000	1·1	432,048	·9
National Bank of Scotland	6,028,528	6,208,169	12,236,697	27·8	[illegible]	26·2	[illegible]	[illegible]	[illegible]	42·5	898,782	2·0	637,100	1·5
Nat. Prov. & Union B. of Eng.	[illegible]	[illegible]	[illegible]	17·8	[illegible]	18·7	42,752,612	140,686,760	183,439,432	60·8	[illegible]	1·5	3,665,236	1·2
N. of Scot. & Town & Co. Bank	1,052,110	—	1,052,110	14·5	[illegible]	36·7	—	13,385,936†	13,385,936	48·0	—	—	226,703	·8
Northern Banking Co.	3,581,083	—	[illegible]	16·7	[illegible]	22·9	—	[illegible]	[illegible]	55·8	842,766§	3·9	160,000	·7
Provincial Bank of Ireland	2,122,742	1,560,000	3,682,742	18·2	5,658,089	28·0	[illegible]	[illegible]	[illegible]	53·1		—	[illegible]	·7
Belfast Bank	146,811		146,811	34·6	[illegible]	57·0	—	[illegible]	[illegible]	8·4	—			
Royal Bank of Ireland	161,257	—	161,257	3·4	[illegible]	34·4	[illegible]	2,768,[illegible]	2,889,[illegible]	61·3	—	—	42,316	·9
Royal Bank of Scotland	5,376,180	5,333,477	10,709,657	22·6	10,537,569	22·2	[illegible]	[illegible]	[illegible]	53·4	311,772	·6	[illegible]	1·2
Ulster Bank	5,577,857	—	5,577,857	18·7	[illegible]	32·8	—	14,282,494†	14,282,494	48·0	—	—	135,042	·5
Union Bank of Manchester	2,416,827	—	2,416,827	8·9	[illegible]	12·4	1,489,335	16,110,589	17,599,924	64·7	3,424,881	12·6	400,000	1·4
Union Bank of Scotland	[illegible]	[illegible]	[illegible]	19·3	[illegible]	23·8	[illegible]	[illegible]	[illegible]	54·5	397,556	1·0	638,730	1·4
Williams Deacon's Bank	7,420,349	3,585,269	11,005,618	25·3	7,034,199	16·2	3,079,175	20,187,631	23,266,806	53·6	1,539,191	3·6	582,810	1·3
Yorkshire Penny Bank	9,528,586	—	[illegible]	30·5	[illegible]	32·2	4,600,[illegible]	[illegible]	[illegible]	35·8	—	—	[illegible]	1·5
TOTAL 48 BANKS	569,011,404	153,097,466	722,108,870	22·3	678,985,768	21·0	415,872,275	1,268,843,8[illegible]	1,684,716,085	52·2	112,453,292	3·5	31,438,473	1·0

† Including Treasury Bills. ‡ Made up of [illegible] Bills Discounted, £4,570,847 Investments and £[illegible] Treasury Bills (British and £155,000. § See *contra*. (a) Where shown separately.

by many Governments to bridge the gap between revenue and expenditure, the existence of a huge mass of internal and external indebtedness, the devotion of a large proportion of national savings to unproductive purposes in many States, and the diversion of trade into channels largely different from those through which it had flowed before the War, all combine to lend uncertainty to the future course of economic events. In the circumstances, the prudence that has characterised the leaders of British banking, not only as regards the class of business undertaken in 1920, but as regards the distribution of profits arising from the year's operations, is the more to be commended.

GROWTH OF BANKING CREDITS.

As will be seen from Table I., the assets of the banks of the United Kingdom at the close of the year totalled £3,229,702,000. This represents an increase of only five per cent. on the preceding year, though the increase of 1919 over 1918 was 17·4 per cent., and of 1918 on 1917 18·5 per cent. The lessened rate of increase reflects the smaller growth in deposits and the relative decline in banking accommodation in proportion to the demand for it. As regards the latter point, though the total of acceptances, bills discounted, and advances rose from £1,651,070,000 at the end of 1919 to £1,797,169,000 a year later, the demand for accommodation increased to an even greater extent, since, even after the decline in trade set in, money was needed on an enormous scale for the carrying of stocks and for tiding merchants and manufacturers over the period of depression. Advances against shipments of produce and manufactured goods were also, of course, much in request, and the discounting of fine trade and other commercial bills brought much profitable business to the banks. In the latter part of the year banks were unjustly accused of an arbitrary limitation of credits, but they gave as far as was consistent with sound banking principles, and quite a number did not hesitate to liquidate a portion of their investments, even at a sacrifice, in order to meet legitimate demands. The proportion of bills discounted and advances to total assets rose from 48·5 per cent. at the end of 1919 to the unusually high figure of 52·2 per cent. at the end of 1920. Whatever diminution in credits did take place was due to the fact that the enormous burden of taxation, occasioned by the Government's failure to retrench, seriously lessened savings, which are ultimately the source on which banking credits depend. The decline in acceptances from £161,095,000 to £112,453,000, representing 5·2 and 3·5 per cent. respectively of the total assets, was, of course, caused directly by the lessened movement of commodities and the lower level of prices.

AMALGAMATIONS: CAPITAL AND RESERVE INCREASES.

The movement, previously noticed, towards increasing capital and reserves, has continued throughout the past year—modified, it is true, though not to the same extent as in some former years, by the policy of amalgamation. The amalgamations effected by the leading London banks numbered seven, the interests concerned being as given in the following list:—

Messrs. Tubb and Co., Bicester, amalgamated with Barclays Bank, Ltd.

Anglo-Egyptian Bank, Ltd., affiliated with Barclays Bank, Ltd.

[illegible] Messrs. Richards and Co., of Llangollen, and Messrs. Shilson, Coode and Co., of St. Austell, amalgamated with the National Provincial and Union Bank of England, Ltd.

Messrs. [illegible] Limited with Parr's Bank, Ltd.

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London and River Plate Bank ... 984
Manual of Electrical Undertakings ... 981
Mechanics and Metals National Bank ... 915
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Mercantile Bank of India ... 959
Mitsubishi Bank, Ltd. ... 941
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National Bank of Australasia ... 957
National Bank of Egypt ... 965
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National Bank of New Zealand ... 957
National Bank of Scotland ... 953
National Benefit Assurance Co. ... 937
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North British and Mercantile Insurance Co. ... 935
Oertling, L., Ltd. ... 887
Philippine National Bank ... 963
Prudential Assurance Co., Ltd. ... 937
Refuge Assurance Co. ... 979
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Royal Bank of Scotland ... 953
Russo-Asiatic Bank ... 969
Pitman & Sons, Ltd. ... 983
Scottish Amicable Life Assurance ... 979
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Vickers, Ltd. ... 983
Western Australian Assurance Co. ... 893
Whitehead Morris & Co. ... 983
Williams Deacon's Bank, Ltd. ... 945
Yokohama Specie Bank ... 941

Messrs. Coutts and Co., affiliated with the National Provincial and Union Bank of England, Ltd., as from December 31, 1919, but officially sanctioned in 1920.

This list, which is of less importance than that of the previous year, needs no further comment. At the end of 1920 the total paid-up capital of our banks was equal to £107,397,000, as compared with £91,708,000 at the end of 1919, and the reserve funds amounted to £74,334,000, as against £67,398,000. The increase in capital and reserves has not in recent years been proportionate to the increase in total liabilities, the percentage working out as follows from the year 1913 onward:—1913, 9.8; 1914, 8.6; 1915, 7.8; 1916, 6.8; 1917, 6.1; 1918, 5.6; 1919, 5.2; 1920, 5.6. The higher ratio in 1920, as compared with 1919, is a cause for satisfaction. The important item of deposit and current accounts, etc., £2,739,155,000, shows an increase of £140,460,000 on the previous year, despite the fact that the demands for capital in the shape of public issues during 1920 totalled £300,072,000 for general business purposes and £181,126,000 for Government and municipal purposes. The total of public borrowings was swollen in 1919 by the issue of the Victory and Funding Loans to £848,335,000, and it is noticeable that 1920 was the first for a number of years in which no long-dated Government loan was placed. Reverting to the increase in deposits, most of the banks record a rise in the number of accounts, but a portion of the expansion is no doubt due to the increased credits granted in the early part of the year and the slow liquidation of loans, and in the latter part to the accumulation of funds temporarily denied an outlet in trade. The attractive rate offered on deposits during 1920 was also a factor favourably affecting them, but this rate is now reduced, consequent on the fall in the Bank rate. Until the labour situation clears and industrial conditions become more settled, it is probable that depositors will prefer to keep their money in banks to risking it in business ventures.

The strength of the general cash position has been maintained, the total of cash in hand and money at call and short notice having risen from £685,475,000 to £722,109,000, while the proportion remains at 22.3 per cent. of the total assets. Investments, at £678,986,000, are down by over £30,000,000, as many banks realised a portion of their heavy holdings of War and post-War issues, partly for the purpose of satisfying the growing demand for accommodation and partly to increase their cash holdings. The decline in the investments total is also due in part to the heavy depreciation, especially in gilt-edged and fixed-interest-bearing securities, that marked 1920, consequent on the high level of the Bank rate. In conformity with British banking practice, investment values were in most cases marked down to the level ruling in December, which was practically the lowest point touched in the year. Since then there has been a substantial appreciation, and this constitutes a very welcome reserve margin, of considerable proportions, for our banks—a point that must not be overlooked in valuing their assets.

Combined Balance Sheet of the Banks† of the United Kingdom, exclusive of the Bank of England.

LIABILITIES.

	1920 £	1920 % of Total	1919 £	1919 % of Total	Inc. or Dec. £
Capital paid up	92,841,000	3·2	77,155,000	2·8	+ 15,689,000
Reserve funds ...	71,334,000	2·5	64,398,000	2·3	+ 6,936,000
Total ...	164,178,000	5·7	141,553,000	5·1	+ 22,625,000
Notes in circulation	54,255,000	1·9	57,413,000	2·1	— 3,158,000
Acceptances ...	112,453,000	3·9	161,095,000	5·8	- 48,642,000
Deposits & current accounts ...	2,519,288,000	88·2	2,398,831,000	86·7	+120,457,000
Profit balance ...	8,917,000	·3	8,159,000	3	+ 758,000
Total Liabilities	**2,833,091,000**	*100·0*	**2,767,051,000**	*100 0*	**+122,040,000**

† As tabulated in this and last year's Supplement respectively.

1849—1921



ARE ACKNOWLEDGED AS THE BEST IN THE WORLD.

MANUFACTURED IN LONDON BY
L. OERTLING, LTD., TURNMILL STREET, E.C.1.
ESTBLD. 1849.

BANKERS' SCALES
CHEMICAL, ASSAY, AND
BULLION BALANCES

CABLE:
"OERTLING, LONDON."

ILLUSTRATED CATALOGUE FREE ON APPLICATION.

ASSETS.

	1920 £	1920 % of Total	1919 £	1919 % of Total	Inc. or Dec. £
Cash in hand, at B. of Engl., &c.	440,743,000	15·3	443,538,000	16·0	— 2,795,000
Money at call, &c.‡	153,098,000	5·3	150,594,000	5·5	+ 2,504,000
Investments ...	552,671,000	19·1	600,035,000	21·7	— 47,364,000
Bills discounted‡	415,872,000	14·4	364,722,000	13·2	+ 51,150,000
Advances ...	1,182,816,000	40·9	1,018,476,000	36·8	+164,340,000
Liabilities of customers for acceptances	112,453,000	3·9	161,000,000	5·8	— 48,547,000
Bank premises, &c.	31,458,000	1·1	28,591,000	1·0	+ 2,867,000
Total Assets	**2,889,091,000**	*100 0*	**2,767,051,000**	*100 0*	**+122,040,000**

‡ Where shown separately.

NOTE.—Bankers do not in all cases separate their cash from their call loans or their bills discounted from their advances. For the two years dealt with, however, the practice of the individual banks (particularly in regard to the separation of cash in hand from money at call and short notice) has only varied in few instances.

DISCOUNT COMPANIES.

The reports of the three discount companies summarised in the annexed table are of considerable interest as presenting a side of finance somewhat different from ordinary deposit banking. The margin between the average rate of discount and the rate at which deposit and loan money could be obtained was throughout the year sufficiently wide to permit of substantially increased net profits in two of the cases and a close approximation to the 1919 figures of the third, increased distributions to shareholders being found to be justifiable in each instance. Loans and deposits have not risen very materially as compared with the expansion shown in the previous year, but bills discounted show an increase of about £11 million to over £91 million, re-discounts having also risen by nearly £10 million to upwards of £27 million. The increase in the latter is explained by the unusually big demand for first-class bills, especially during the latter part of the year. As it is the policy of discount houses to hold only short-dated securities, they have not suffered to the same extent as the banks from depreciation of investments. The combined assets of the three companies now exceed £103 million, a figure which indicates the extent of the influence they wield in the London discount market.

LIABILITIES OF DISCOUNT COMPANIES, DECEMBER 31, 1920.

	Date of Balance Sheet. 1920	Paid-up Capital. £	Reserve Fund. £	Proprietary Capital and Reserves £		Loans, Deposits, &c. £		Bills Re-discounted. £		Rebate on Bills Discounted. £		Profit [illegible] £		Total Liabilities and Assets. £
Alexanders	Dec.31	550,000	270,000	[illegible]	4·0	17,196,250	83·8	2,255,865	11·0	175,881	·9	72,321	·3	20,520,297
National	Dec.31	846,665	500,000	1,346,665	3·8	21,231,176	60·0	12,174,743	34·4	507,146	1·4	124,695	·4	35,384,725
Union of London	Dec.31	1,000,000	1,000,000	2,000,000	4·2	31,807,069	67·5	12,661,765	26·9	424,480	·9	224,044	·5	47,118,258
Total Liabilities ...		2,396,665	1,770,000	4,166,665	4·0	[illegible]	68·2	27,092,373	26·3	1,107,507	1·1	421,060	·4	103,023,280

ASSETS AND PROFITS OF DISCOUNT COMPANIES, DECEMBER 31, 1920.

	Cash at Bankers &c. £		Loans £		Bills Discounted. £		Loans £		Other £		Net Profits of Year. £	Divs. on Paid-up Capital.	Dividends Paid. £	Rate.	Special Appropriations. £	Carried Forward. £
Alexanders	418,111	2·2	1,818,280	8·9	[illegible]	88·0	1,000,427	·9	—	—	119,798	21·8	84,107†	15·3	35,000	26,572
National	414,178	1·7	377,855	1·6	32,406,636	91·6	1,082,101	4·8	105,895	·3	158,565	18·7	118,533‡	14·0	10,000	77,282
Union of London ...	1,259,557	2·7	3,149,911	6·4	41,079,151	87·2	1,558,415	3·3	200,889	·4	247,591	24·8	168,571§	16·9	50,000	155,044
Total Assets, Profits, &c. ...	2,521,846	2·3	5,411,188	5·2	[illegible]	88·9	3,641,000	3·3	306,784	·3	525,954	21·9	371,211	15·5	95,000	258,898

* Subject to [illegible] † Including bonus of 2s. per share. ‡ Including bonus of 2s. per share. § Including bonus of 2s. per share. (a) Paid-up capital at end of year.

IRISH BANKING IN 1920.

ITS SPECIAL DIFFICULTIES.

BANKING in Ireland in 1920 was affected by circumstances from which we are, fortunately, immune here. Springing from the existing political disquiet, which could not fail to introduce an element of uncertainty into all business transactions, there arose at times problems requiring the greatest delicacy in handling. A case in point is furnished by the effort of the Government to ascertain the nature of the deposits standing to the credit of certain individuals and associations, and its tragic outcome. Connected also with the political unrest was the introduction, towards the middle of 1920, of a Bill in the House of Commons for the purpose of amending the law with respect to the place of payment of notes issued by Irish banks. The Currency and Bank Notes Act, 1914, had laid it down that an Irish bank of issue was not under any obligation to pay its notes on demand except at the head office, but previous to the War the note-issuing banks, contrary to the practice obtaining in Scotland and most British colonies, were required to redeem their notes on demand at the place of issue. This entailed the keeping of monetary reserves in numerous country branches, and, apart altogether from the disadvantages, from a purely banking point of view, of the immobilisation of such reserves, there were manifest dangers, from a more general standpoint, of reverting to the former practice. The isolation of many local branches, with consequent exposure to attack, made it desirable that temptation should be narrowed down as much as possible. The unfounded fears entertained of that section of the community which always seeks to take advantage of political turmoil were confirmed by a number of bank robberies, though, happily, the loss has been small in a pecuniary sense. Another novel feature was introduced into the Irish banking situation about last August by the Sinn Fein proclamation instituting a boycott of Belfast, and urging depositors to withdraw their accounts from Northern banks and to refrain from further dealings with them. In passing it might be mentioned that the banks having headquarters in Belfast number three, and possess numerous branches scattered throughout the country—in the south as in the north. Difficulty arises in attempting to estimate the consequences of this step. In southern banking circles it is asserted that a considerable number of accounts have been so withdrawn, and it is certain that immediately following the proclamation there was some movement in this direction. Anticipations, however, of the effect of the Sinn Fein proclamation fail to take into consideration the fact that the bond of mutual obligation between banker and client is not readily weakened even by party predilections. It is to be hoped that this unhappy affair will soon be terminated by the joint efforts of Mr. De Valera and Sir James Craig. The boycott, in its trade, banking and political aspects, must assuredly have been referred to in their recent discussion.

The prosperity of Ireland, so far as it is bound up with the production and exchange of commodities, must have suffered recently from the heavy destruction of property and the many suspensions of markets and fairs. Claims for compensation have thrown heavy burdens on many districts, and the disorganisation of local finances is added to in some cases by the withdrawal of the usual grants-in-aid. It is a matter of some comfort to the banks that local authorities have now thought better of the practice they were inclined to adopt at the beginning of last year of removing their credit balances from the banks [illegible]. Reviewing the position of the nation as a

whole, it is satisfactory to note [illegible] has improved its trading position since the outbreak of the War. A favourable trading balance—excess of exports over imports—to the amount of £37,185,000 was returned (after what must have been a very long interval) for 1914, and in the years 1916 to 1919, inclusive, it was maintained at £2,054,000, £14,620,000, £26,915,000 and £17,316,000 respectively. The accumulation of these balances during the War is explained in great part by the demand for the products of the agricultural industry, and to a less degree for those of the linen and shipbuilding industries. Without doubt the banks benefited thereby, and this feature of Ireland's recent economic history must be accorded a certain weight when examining the [illegible] growth of Irish banking deposits since 1914.

Irish Banking Deposits, &c. (1914-20).

(000's omitted.)

	£	Increase on preceding year. %
1914	74,709	—
1915	78,056	4·5
1916	84,522	8·3
1917	99,880	18·2
1918	132,009	32·2
1919	166,552	26·1
1920	200,693	20·5

The figures for 1918 stand out prominently, recording as they do an increase of 32.1 per cent. on the previous year, this synchronising with the accumulation of the most substantial credit trading balance. The rate of increase of deposits diminishes from that date, the contemporary growth of political unrest, amongst other factors, exerting, in all probability, a deterrent influence. Between 1914 and 1920 the total increase of deposits—from £74,709,000 to £200,693,000, was £125,984,000, or 168 per cent.

Particulars of the banking situation in 1920 are furnished below. The included figures for 1919 are useful for purposes of comparison.

Aggregate Figures of Nine Irish Banks.

LIABILITIES.	1919 £	1920 £	Inc. (+) or Dec. (—) of 1920 on 1919
Paid-up capital ...	7,509,231	7,609,231	1·3
Reserve	5,323,000	5,290,000	— 0·6
Notes in circulation ...	29,054,366	24,717,834	—14·9
Acceptances	523,280	1,373,766	+162·5
Deposit and current accounts, &c. ...	166,552,730	200,693,360	+20·5
Profit balance	669,868	706,674	+ 5·5
Total	209,632,475	240,390,865	+14·6

ASSETS.	1919 £	1920 £	Inc. (+) or Dec. (—) of 1920 on 1919 %
Cash on hand and at Bank of England ...	37,359,979	35,429,904	— 5·1
Money at call and at short notice	17,730,020	11,268,212	— 36·4
Investments	69,262,906	71,834,368	+ 3·7
Bills discounted .	11,434,473	13,407,763	+ 17·2
Advances	71,889,031	105,382,235	+ 46·5
Liability of customers for acceptances ..	523,280	1,373,766	+162·5
Bank premises ..	1,432,786	1,694,617	18·2
Total	209,632,475	240,390,865	14·6

The decline in "cash on hand and at Bank of England" will be noted. This item represented nineteen per cent. of the bank's liabilities in respect of deposit and current accounts, acceptances and notes in circulation in 1919, and fifteen per cent. in 1920. The liberal accommodation granted to traders is evidenced by the increases in regard to bills discounted and advances, of 17.2 per cent. and 46.5 per cent. respectively. The decline in note-circulation springs from the growth of the safer practice of making payments by cheque. Profits earned showed an appreciable expansion, both actually and in relation to paid-up capital, and dividends were fully maintained.



Capital Subscribed - £2,000,000
Capital Paid Up - - £1,000,000

Guardian
Assurance
Company Limited

ESTABLISHED 1821

CENTENARY 1921

Head Office: 11 LOMBARD STREET
LONDON, E.C. 3

Chairman - - HON. EVELYN HUBBARD
Deputy Chairman - CHAS. R. GILLIAT, ESQ.
Vice-Chairman - COL. LIONEL H. HANBURY, C.M.G.

The Company
transacts all the principal classes of Insurance Business

Total Income - - £2,300,000
Total Funds - - - £9,400,000



Aggregate Liabilities of Banks of the United Kingdom (including Bank of England).

Year.	No. of Banks.	Capital Paid up and Reserve Funds.				Notes in Circulation.		Acceptances.		Deposit and Current Accounts.		Profit Balance.		Total Liabilities.
		Capital Paid up. £	Reserves. £	Total. £	% of Liabilities.	Amount. £	% of Liabilities	Amount. £	% of Liabilities	Amount. £	% of Liabilities.	Amount. £	% of Liabilities.	Amount £
1920	48	107,397,000	74,334,000	181,731,000	5·6	187,106,000	5·8	112,453,000	3·5	2,739,155,000	84·8	9,257,000	·3	3,229,702,000
1919... ...	49	91,708,000	67,398,000	159,106,000	5·2	148,762,000	4·8	161,095,000	5·2	2,598,695,000	84·5	8,432,000	·3	3,076,090,000
1918	54	88,449,000	59,405,000	147,854,000	5·6	126,514,000	4·8	65,079,000	2·5	2,274,729,000	86·8	7,098,000	·3	2,621,274,000
1917	63	86,555,000	49,764,000	136,319,000	6·1	88,237,000	4·0	70,630,000	3·2	1,909,083,000	86·3	7,902,000	·4	2,212,171,000
1916	65	85,250,000	46,578,000	131,828,000	6·8	74,490,000	3·8	74,338,000	3·8	1,657,705,000	85·3	6,217,000	·3	1,944,576,000
1915	67	85,176,000	47,644,000	132,820,000	7·8	63,082,000	3·7	65,831,000	3·9	1,433,374,000	84·2	6,513,000	·4	1,701,620,000
1914	70	85,184,000	49,209,000	134,393,000	8·6	56,848,000	3·6	50,770,000	3·2	1,322,267,000	84·2	6,829,000	·4	1,571,107,000
1913	77	85,755,000	49,621,000	135,376,000	9·8	45,589,000	3·3	63,458,000	4·6	1,142,038,000	81·9	6,346,000	·4	1,392,807,000
1912	82	85,518,000	49,175,000	134,693,000	10·1	44,267,000	3·3	63,689,000	4·7	1,088,614,000	81·5	6,047,000	·4	1,337,310,000
1911	84	83,766,000	48,381,000	132,147,000	10·5	43,781,000	3·5	51,020,000	4·1	1,017,707,000	81·4	6,105,000	·5	1,250,760,000
1910	83	83,516,000	49,193,000	132,709,000	10·9	43,174,000	3·6	54,242,000	4·5	982,133,000	80·6	5,602,000	·4	1,217,860,000
1905	88	83,408,000	49,185,000	132,593,000	12·1	43,456,000	4·0	42,235,000	4·0	871,165,000	79·4	5,920,000	·5	1,095,369,000
1900	111	82,194,000	45,817,000	128,011,000	12·4	45,623,000	4·4	28,291,000	2·7	825,419,000	79·9	5,838,000	·6	1,033,182,000
1895	155	85,610,000	37,234,000	122,844,000	13·2	41,339,000	4·4	27,821,000	3·0	735,394,000	79·0	4,613,000	·4	932,011,000
1890	124	70,972,000	33,278,000	104,250,000	14·5	39,477,000	5·5	27,190,000	3·8	541,405,000	75·5	5,174,000	·7	717,496,000

Aggregate Assets of Banks of the United Kingdom (including Bank of England).

Year.	No. of Banks.	Cash in Hand and Money at Call and at Short Notice.						Investments.		Bills Discounted and Advances.				Liability of Customers for Acceptances.		Bank Premises, etc.		Total Assets.
		Cash in Hand and at Bank of England.		Money at Call and at Short Notice (Where shown separately).		Total.				Bills Discounted (Where shown separately).	Advances.	Total.						
		Amount. £	% of Assets.	Amount. £	% of Assets.	Amount. £	% of Assets.	Amount. £	% of Assets.	Amount. £	Amount. £	Amount. £	% of Assets.	Amount. £	% of Assets.	Amount. £	% of Assets.	Amount. £
1920	48	569 011,000	17·6	153.098,000	4·7	722,109,000	22·3	678,986,000	21·0	415,872,000	1,268,844,000	1,684,716,000	52·2	112,453,000	3·5	31,438,000	1·0	3,229,702,000
1919	49	534,880,000	17·4	150,595,000	4·9	685,475,000	22·3	710,954,000	23·1	364,722,000	1,125,253,000	1,489,975,000	48·5	161,095,000	5·2	28,591,000	·9	3,076,090,000
1918	54	486,880,000	18·2	222,751 000	8·9	709.631,000	27·1	653,334,000	24·9	421,263,000	744,079,000	1,165,342,000	44·4	65,079,000	2·5	27,888,000	1·1	2,621.274,000
1917	63	403,832,000	18·3	188.894.000	8·5	592,726.000	26·8	508,715,000	23·0	276 582,000	735,470,000	1,012,052,000	45·7	70,630.000	3·2	28,048,000	1·3	2,212,171,000
1916	65	391,590,000	20·1	121,680,000	6·3	513,270,000	26·4	512,298,000	26·4	176,154,000	639,974,000	816,128,000	41·9	74,336,000	3·8	28,544,000	1·5	1,944,576,000
1915	67	289,645,000	17·0	87,763,000	5·2	377,408,000	22·2	492,342,000	28·9	93,533,000	644,228,000	737,761,000	43·3	65,831,000	3·9	28,278,000	1·7	1,701,620,000
1914	70	308,191,000	19·6	105.137,000	6·7	413,328,000	26·3	274,999,000	17·5	117,513,000	686.582,000	804,095,000	51·2	50,770,000	3·2	27,915,000	1·8	1,571,107,000
1913	77	208,168.000	15·0	124,755,000	8·9	332,923,000	23·9	242,583,000	17·4	121,908,000	604,406,000	726.314,000	52·1	63,458,000	4·6	27,529,000	2·0	1,392,807,000
1912	82	190,393,000	14·2	114,813,000	8·6	305,206,000	22·8	246,338 000	18·4	110,997,000	584,034,000	695,031,000	52·0	63,689,000	4·8	27,046,000	2·0	1,337,310,000
1911	84	181,513,000	14·5	113,299,000	9·1	294,812,000	23·6	239,453,000	19·2	100,311,000	539,411,000	639,722,000	51·1	51,020,000	4·1	25,753,000	2·0	1,250,760,000
1910	83	173,072,000	14·2	106,330,000	8·7	279,402,000	22·9	242,245.000	19·9	83,924,000	532,956,000	616,880,000	50·7	54,245,000	4·5	25,088,000	2·0	1,217,860,000
1905	88	157,163,000	14·3	97,275,000	8·9	254,438,000	23·2	220,456,000	20·1	59,164,000	495,075,000	554,239,000	50·6	42,235,000	3·9	24,002,000	2·2	1,095,370,000
1900	111	151,101,000	14·6	69,143,000	6·7	220,244,000	21·3	227,425,000	22·0	51,666,000	485,375,000	537,041,000	52·0	28,291,000	2·7	20,185,000	2·0	1,033,186,000
1895	155	152,318,000	16·3	59,125,000	6·3	211,443,000	22·6	213,332,000	23·0	53,134,000	407,491,000	460,625,000	49·4	27,821,000	3·0	18,790,000	2·0	932,011,000
1890	124	97,248,000	13·5	44,986,000	6·3	142,234,000	19·8	155,576,000	21·7	52,382,000	327,906,000	380,288,000	53·0	27,190,000	3·8	12,208,000	1·7	717,496,000

THE NATIONAL CITY BANK OF NEW YORK

ESTABLISHED 1812.

Head Office: New York City.

LONDON BRANCHES:
City Office, 36 Bishopsgate, E.C. 2.
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Correspondence Invited.

PROFITS OF BRITISH BANKS.

In the Banking and Commercial Review Section of our issue of February 19 last we discussed in detail the various factors contributing to an increase in banking profits in 1920 and the actual expansion shown by a number of the leading banks. The profits table then given has now been completed, and information as to expenses, dividends, various allocations, and carry-forward is included. A marked rise in working expenses, increased provision for bad and doubtful debts and for investment depreciation are features common to practically all banks. Most of the dividends paid by our banking institutions to their shareholders are declared subject to deduction of income tax and the method, adopted in the majority of cases, of showing on the debit side of the profit and loss account only the net amount actually disbursed to proprietors has the effect of lessening, to the extent of the tax deducted, the amount shown as net profit, or, alternatively, swelling the item of outgo in respect of expenses and charges, where these latter are separately set out. There is, in our opinion, much to be said for the plan followed by several of the Scottish banks—such as the Clydesdale Bank and the Union Bank of Scotland—of expressly showing as a debit the amount of the dividend and the income tax thereon, while the method of the North of Scotland and Town and County Bank, of setting out both the amount of the dividend disbursed and, as a separate item, the relative income tax, seems the ideal in this matter, in which the banks are merely in effect acting as tax collectors for the Government. It is upon this principle that the summarised profits tables attached to our articles on the individual banks, as well as the appended aggregate table, are compiled.

PROFITS OF 36 BANKS OF THE UNITED KINGDOM IN 1920.*

Name of Bank	Capital at end of Year: Subscribed £	Paid up £	Reserve Capital and General Reserve £	Gross Profits £	Expenses £	Net Profits £	Rate of Net Profits to Paid-up Capital %	Dividends Paid: Amount £	Dividends Paid: Rate %	To General Reserve £	To Provision for Depreciation £	Other Appropriations £	Carried Forward £
Bank of Ireland	2,769,231	2,769,231	3,739,231	1,090,870	444,637	646,233	23.3	532,308	12	—	310,000	—	42,459
Bank of Liverpool & Martins ...	18,791,120	2,348,890	3,748,890	—	—	735,948	31.3	375,822	16	—	350,000	—	124,414
Bank of Scotland(b)	1,487,500	1,325,000	1,875,000	—	—	577,500	28.1	212,000	16	—	120,000	20,000	76,137
Barclays Bank, Ltd.	15,592,372	15,592,372	23,842,372	8,051,274	4,315,020	3,536,254	22.7(c)	2,029,102	(k)	—	650,000	800,000	565,602
Belfast Banking Co., Ltd. ...	2,500,000	500,000	1,665,000	—	—	141,278	28.1	59,583	(m)	—	70,000	—	75,854
Williams Deacon's Bank, Ltd. ...	1,250,000	1,250,000	2,000,000	—	—	400,000	32.0	200,000	16	—	160,352	60,000	28,457
British Mutual Banking Co., Ltd.	200,000	70,605(g)	122,605	—	—	7,353	12.3	5,400	9	2,000	—	—	1,498
Clydesdale Bank, Ltd.	5,000,000	1,000,000	2,200,000	721,955	384,880	336,975	33.7	180,000	18	—	125,000	30,000	46,562
Commercial Bank of Scotland‡	5,500,000	1,750,000	2,750,000	805,803	456,264	369,539	21.1(l)	225,000	(n)	—	100,000	45,000	52,171
Equitable Bank	80,000	40,000	90,000	—	—	8,564	21.4	6,400	16	—	—	—	5,193
Farrow's Bank§(o)	700,000	361,423	450,923	172,724	126,979	45,769	12.6	23,463	6	20,000	—	—	9,987
Guernsey Banking Co., Ltd.§ ...	250,000	50,000	115,000	57,957	25,957	50.7	10,500	21	—	16,205	1,300	1,584
Hibernian Bank, Ltd.	1,000,000	500,000	650,000	259,390	176,397	82,993	16.6	40,000	8	20,000	25,000	—	15,288
Isle of Man Banking Co., Ltd. ...	150,000	30,000	78,000	—	—	18,927	63.1	6,750	22½	—	12,000	200	3,805
Lancashire & Yorkshire Bank, Ltd.	2,013,120	1,006,560	1,881,560	—	—	231,426	23.0	191,246	19	25,000	—	—	104,044
Lloyds Bank Ltd.	70,688,980	14,137,796	24,137,796	—	—	3,944,583	27.9	2,356,139	16½	—	1,250,000	300,000	543,866
Liverpool Bk of Commerce	600,000	600,000	770,000	41,552	16,740	24,812	4.2	24,000	4	—	—	—	20,026
London County West & Parrs	29,716,688	8,503,718	17,503,718	—	—	3,393,695	39.9	1,693,289	(p)	253,718	1,300,000	200,000	460,914
London Joint City & Midland ...	38,116,050	10,859,800	21,719,600	—	—	3,417,758	31.5	1,952,991	(p)	—	1,200,000	250,000	741,619
London Merchant Bank ...	1,500,000	750,000	1,100,000	100,195	40,151	60,044	8.0	45,000	6	—	—	—	67,588
Manchester & County Bank, Ltd.	5,460,200	1,092,040	1,817,040	—	—	296,077	27.1	177,456	16½	—	80,000	5,000	106,238
Manchester & Liverpool Dist. Bkg.	9,480,000	1,896,000	3,446,000	—	—	561,783	29.6	347,600	18½	—	—	85,228	264,152
Mercantile Bank of Scotland(h)	28,140	14,070	19,070	8,147	—	911	6.5	Nil	—	—	1,000	—	195
Munster & Leinster Bank, Ltd.	1,000,000	400,000	1,300,000	—	—	176,328	44.1	80,000	20	—	75,000	15,000	30,562
National Bank, Ltd.	7,500,000	1,500,000	2,300,000	831,466	510,542	320,924	21.4	180,000	12	—	—	140,000	27,714
National Bank of Scotland,Ltd.‡	5,000,000	1,100,000	2,100,000	692,805	344,695	348,110	31.6	176,000	16	—	150,000	125,000‖	64,207
Nat. Prov. & Union Bank	13,947,980	9,309,416	18,187,456	—	—	2,562,514	29.7(d)	1,369,502	14·7	500,000	—	700,000	824,070
Northern Banking Co., Ltd.(b)	3,000,000	600,000	1,080,000	398,676	197,673	201,603	33.5	83,125(e)	(q)	—	75,000	35,685	47,105
N. of Scot. & Town & Co. Bk. (a)	3,260,000	652,000	1,504,000	—	—	152,645	23.4	104,320	16	—	50,000	15,000	71,785
Provincial Bank of Ireland, Ltd.	4,080,000	540,000	990,000	421,330	274,475	146,855	27.2	72,900	13½	15,000	45,000	5,000	24,780
Royal Bank of Ireland(b)	1,500,000	300,000	380,000	—	—	55,493	18.5	24,000	8	31,003(d)	—	—	6,883
Royal Bank of Scotland(b)	2,000,000	2,000,000	3,082,276	813,692	372,553	441,139	22.1	220,000	11	—	171,139	50,000	—
Ulster Bank, Ltd.(f)	3,000,000	500,000	1,200,000	—	—	242,181	48.4	106,250	21½	—	93,000	40,000	106,806
Union Bank of Manchester	1,560,000	750,000	1,275,000	598,955	312,328	286,027	38.1	150,000	20	—	—	140,000	11,945
Union Bank of Scotland(b)	5,000,000	1,000,000	2,000,000	774,851	442,529	342,122	31.2	160,000	16	—	110,000	30,000	47,705
Williams Deacon's Bank, Ltd.	8,125,000	1,875,000	2,875,000	—	—	463,653	24.7	234,375	12½	100,000	100,000	25,000	24,230
TOTAL, 36 BANKS ...	332,794,481	85,973,919	153,563,254	—	—	24,568,703	28·2	13,354,321	15·4	966,721	6,638,696	3,117,413	4,643,444

* Except where otherwise indicated, the figures relate to the year ended December 31, 1920. † Subject to deduction of income tax. ‡ Year ended November 1, 1920. § Year ended June 30, 1920. ‖ Including £100,000 credited to paid-up capital stock. (a) Year ended September 30, 1920. (b) Year ended August 31, 1920. (c) Excluding £3,227 for interest on new shares. (d) Including unspecified amount appropriated to officers' superannuation fund. (e) Year ended October 9, 1920. (f) Year ended November 30, 1920. (g) £10,603 represents share payments in advance. (h) Year ended March 31, 1920. (i) Year ended February 28, 1921. (j) Payment suspended December 20, 1920; compulsory winding-up order made January 11 1921. (k) "A" shares, 10%; "B" shares, 14%; equivalent on total capital at end of year, 15·91%. (l) Calculated on capital at end of year. (m) Old shares, 21½%; new, 8%; equivalent on total capital, 11·92%. (n) "A" shares, 14%; "B," 10%; equivalent on total capital at end of year, 12·86%. (o) On partly paid shares, 20%; fully paid, 12%; equivalent on total capital, 18·73%. (p) 9% on £10,840,112 and 9% on capital at end of year £10,850,000. (q) On "A" shares, 17½%; on "B" shares, 9%; equivalent on total capital, 13·85%. (r) Year ended January 15, 1921. (s) Year ended April 2, 1921.

THE BANK SHARE MARKET.

The increased attention attracted to bank shares is evidenced by the steadiness in quotations in recent months, a rise being in effect registered if we take into account the recent dividend disbursements. In the table below we show the capitalisation at par and at the current market price of the various share groups, the highest and lowest prices in 1921 to date, and the yield on the basis of present values. The paid-up capital, as represented by the shares of the various banks included in our table, totals £70,301,000, of which the market capitalisation on the 17th inst. was £160,454,000. The appreciation in values has caused a decline in yields as compared with February last, when we drew attention to the advantages held by bank shares for the investor. As regards the columns dealing with capitalisa-

BANK CAPITALISATION AND SHARE DIVIDENDS, PRICES, AND YIELDS.

Name of	Shares: Preference	Shares: Deferred	Approximate market value at par (000's omitted) £	Approximate market price £	Rise (+) or fall (−) in market price of 1920	Prices: 1921 to date: Highest	Prices: 1921 to date: Lowest	Current market price	Approx. yield % at current price
Bank of Liverpool & Martins	—	1	2,348	5,165	16	5/11/0	4½	5¼	7 5 6
Barclays "A"	—	1	3,430	5,350	10	6⅞	5⅝	6¼	6 8 0
Barclays "B"	1	1	11,760	24,990	14	43/6	40/3	41	6 11/10
Lloyds Bank	—	1	14,137	33,575	16⅝	47/9	42/3	2⅝	7/0/4
London and Liverpool Bank of Comm	10	10	600	300	4	5⅛	4⅜	2	8/0/0
London County West[illegible] A	20	5	7,070	20,856	20	14¼	12¼	14¼	6/15/7
London County West[illegible] A	1	1	1,932	3,861	12½	40/0	35/6	2	6/5/0
London Joint City and Midland	5½	5½	7,175	19,361	18	6⅝	5⅝	6¼	6/13/4
London County and Mid	5	5½	7,687	10,692	18	7⅛	6⅜	7¼	6/4/2
London Merchant Bank	20	1	750	412	6	5⅞	5/0/3	5⅛	10/18/2
Manchester and Liverpool Dist	5	5	1,896	4,740	18⅝	8⅝	7	7⅛	7/6/8
National Bank	50	10	1,500	2,925	12	16⅝	15 5 3	15½	7/14/10
National Provincial & Union	25	25	420	900	16	8	6⅞	8	7/0/0
National Provincial & Union	50	1	7,880	17,750	16	9⅜	7⅝	9	7/2/3
National Provincial & Union	—	5	1,000	2,200	8(a)	—	—	11	7/5/5
Provincial of Ireland (Old) ..	10	10	500	758	12½	18/19/0	18/2/9	18/19/0	8 18 1
Provincial of Ireland (New)	20	10	40	—	13½	—	—	—	—
Williams Deacon's "A"	—	1	1,562	2,538	12½	34 9	31/0¾	1⅜	7 13 1
Williams Deacon's "B"	—	1	312	585	12½	37/6	33 6	1⅜	6/13/4
DISCOUNT COMPANIES									
Alexanders Discount Co. (Ltd.)	1	—	150	787	17 5s 0d	8⅞	8¼	8¼	9 18 3
National Discount Co. ...	25	—	816	1,184	14	7⅞	6⅞	7	10/0/0
Union Discount Co. of London	10	5	1,000	2,050	162(b)	10⅞	9½	10¼	8 1 5

Subject to deduction of income tax, or inclusive of bonuses or [illegible] (a) Dividend for half year at annual rate of 16. (b) Dividend for half year at annual rate of 16.

for it should be remembered that much of the capital has been issued above its nominal value, and the ability to do this reflects not only the soundness of the banks, but the confidence of the public in them. The visible and invisible reserves of our banking institutions constitute a large margin of security for the shareholder, while at the same time the reduction in the uncalled liability of many shares, which has been a feature of recent years, frees the holder from the possibility of further calls at awkward moments. The large reserves and resources in the way of deposits em-

ployed by the banks in addition to the paid-up capital constitute an effective means of equalising dividends, and hence it happens that the lean periods which often characterise the operations of industrial companies are of very rare occurrence in the case of banks. Recognition of these considerations explains the comparatively low yields obtainable, a fact that may be verified by reference to our table. Amongst the banks quoted the London Joint City and Midland Bank and Lloyds Bank [illegible]

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INTERNATIONAL PRICE MOVEMENTS.

Owing to differences in the methods of construction of the appended Index-numbers, caution must be exercised in drawing inferences. A general comparison, however, may legitimately and usefully be made. In referring to the movements it is necessary to emphasise at the outset the close connection between changes in international price levels and movements in the foreign exchanges. A general movement of commodity prices in any of the leading countries will be reflected at first in the foreign exchange markets, and will also have an effect on prices abroad, varying in intensity according to the importance of the country in the world's commerce. The following table shows the history of the price depression in ten of the leading countries:—

	—Highest level reached—				
	Date		% above 1913	% decline from	% of latest Index-No. above 1913
United Kingdom...	April,	1920	213	36	100
United States ...	Jan.	,,	127	46	24
Canada	May	,,	163	26	94
Japan	Mar.	,,	222	41	91
France	April	,,	488	42	244
Italy	Nov.	,,	570	13	484
Sweden	June	,,	266	37	129
Norway	Sept.	,,	325	27	212
Denmark	Oct.	,,	303	36	157
Holland	July	,,	201	36	92

A more detailed comparative study than that afforded by the table is necessary in order to see the present trend of movements, and this is presented in the chart on the next page showing the course of prices in the ten countries month by month since the Armistice. If the contemporaneous movements in the foreign exchange markets shown on a succeeding page are studied in this connection, an interesting corroborative reflection of a tendency will be found towards an increased rate of movement in prices in countries which were the latest to feel the depression, while the decline seems to be slackening in countries where the depression commenced. This movement will probably become more marked during the next few months. As regards the more remote outlook, the extent of the increase in each country above normal pre-War gold prices before the present recession commenced must be considered; for, rightly or wrongly, the authorities in most countries at the present day still regard a return to the gold standard as the ultimate goal of their financial policy, and have accordingly come to look upon a fall in the price level as a movement towards the "normal." Unless, therefore, the principle of the gold standard is abandoned as impossible of achievement, obviously during a number of years to come the general trend of prices will be downward until the exchanges return to the old parities.

International Wholesale Prices.

Published Index-Numbers.

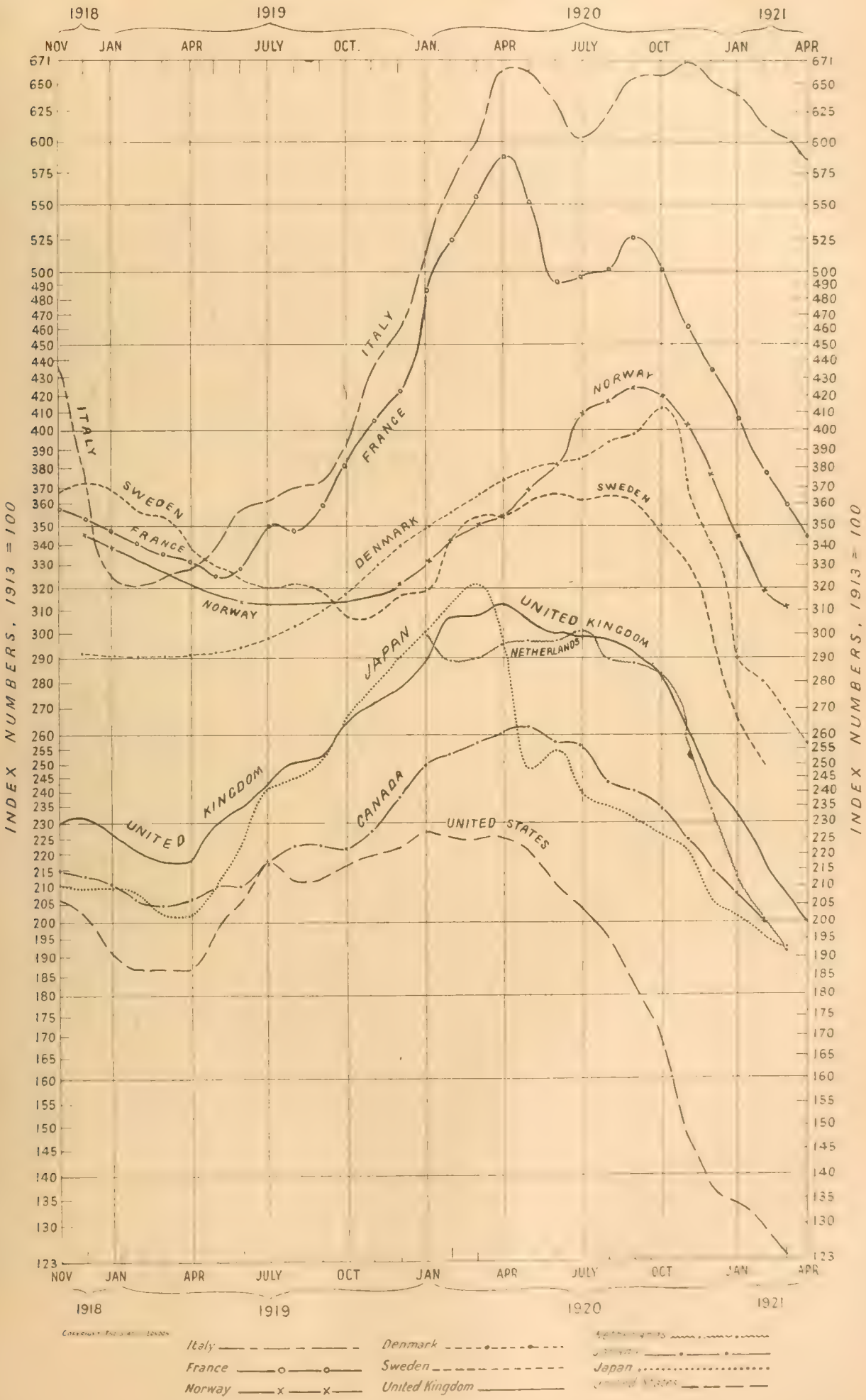
	U.K. "(Statist"	America (Bradstreet's)	Canada (Dept. of Labour)	Japan (Bank of Japan)	France (Stat. Gen.)	Italy (Prof. Bachi)	Sweden (Svensk Handelstidning)	Norway (Okonomisk Revue)	Denmark (Finansti-dende)	Holland (Bur. de Stat.)	Shanghai¶ (Official
1913 ..	85·0	$9·2115	135·5	132·2	115·6	126·0	—	—	—	114	
1914 .	83·0	8·9034	136·1	126·3	117·9	119·8	116	115‡	134‡	121	
1915 ..	108·0	9·8530	148·0	127·8	161·6	167·2	145	159‡	149‡	170	-
1916 ...	136·0	11·8237	182·0	154·9	217·6	253·5	185	233‡	206‡	266	
1917 ..	175·0	15·6385	237·0	196·4	302·4	376·8	244	341‡	284‡	340	
1918 ..	192·0	18·7117	278·3	259·0	392·1	515·5	339	345‡	292‡	454	
1919 .	206·0	18·6683	293·2	316·6	411·8	460·9	331	322‡	340‡	349	-
1920	251·0	18·1679	333·7	341·2	588·8	786·7	347	377‡	341‡	325	105·5
1920											
Jan. .	245·3	20·8690	338·4	397·9	562·7	639·2	319	333	—	334	98·8
Feb. ..	260·4	20·7950	343·5	413·8	603·3	701·2	342	342	—	329	102·1
Mar. ..	261·8	20·7124	349·0	425·0	641·0	758·5	354	351	—	331	106·5
April ..	266·1	20·7341	353·1	396·6	679·2	836·3	354	354	-	338	106·9
May ..	260·0	19·8752	356·6	328·0	635·9	831·8	361	368	-	339	107·9
June ..	255·7	19·3528	349·3	337·0	569·6	796·0	366	382	383	339	109·9
July ..	254·6	18·8273	346·8	317·0	572·9	761·3	363	409	385	343	108·3
Aug. ...	253·5	17·9746	330·2	311·0	579·5	787·8	365	417	394	330	106·2
Sept. ..	248·7	16·9094	326·6	305·0	607·7	825·9	362	425	398	328	105·5
Oct. ..	239·9	15·6750	317·6	298·5	580·0	829·8	346	419	403	323	104·2
Nov. ...	223·8	13·6263	304·2	292·7	532·6	844·4	331	403	374	297	104·6
Dec. ..	207·2	12·6631	290·5	272·0	502·6	825·8	299	377	341	266	104·8
1921											
Jan. ...	197·2	12·3689	281·3	265·8	470·0	809·5	267	344	290	243	103·9
Feb. ...	183·0	11·8650	270·1	257·9	436·3	772·8	250	319	280	229	106·9
Mar. ...	177·2	11·3749	263·1	252·5	416·0	760·5	237	312	270	219	—
April ...	169·8	-	—	-	397·5*	735·7	229	--	257	—	-

Expressed as a Percentage of 1913.

	United Kingdom	United States	Canada	Japan	France	Italy	Sweden†	Norway§	Denmark‖	Holland	
1913 ...	100·0	100·0	100·0	100·0	100·0	100·0	—	—	—	100	--
1914 ..	100·0	96·7	100·4	95·5	102·0	95·1	116	115‡	134‡	106	--
1915 ...	127·1	107·0	109·2	96·7	139·8	132·6	145	159‡	149‡	149	-
1916 ...	160·0	128·4	134·4	117·2	187·0	201·2	185	233‡	206‡	233	-
1917 ...	205·9	170·0	174·9	148·5	261·6	299·0	244	341‡	284‡	298	--
1918 ...	225·9	203·2	205·4	195·9	339·2	409·1	339	345‡	292‡	398	--
1919 ...	242·4	202·7	216·4	239·5	355·6	365·8	331	322‡	340‡	306	--
1920 ...	295·3	197·2	246·2	257·9	509·3	624 3	347	377‡	341‡	285	—
1920											
Jan. ...	288·6	226·6	249·7	301·0	486·8	507·2	319	333	—	301	--
Feb. ...	306·4	225·8	253·5	313·0	521·8	556·5	342	342	—	289	-
Mar. ...	308·0	224·9	257·5	321·5	554·5	602·0	354	351	—	290	-
April ...	313·1	225·1	260·6	300·0	587·5	663·7	354	354	—	297	-
May ...	305·9	215·8	263·1	248·1	550·1	660·1	361	368	—	297	-
June ..	300·8	210·1	257·8	254·9	492·7	631·7	366	382	383	297	-
July ...	299·5	204 4	256·0	239·8	495·6	604·2	363	409	385	301	-
Aug. ...	298·2	195·1	243·7	235·3	501·3	625·2	365	417	394	290	-
Sept. ...	292·6	183·6	241·0	230·7	525·7	655·5	362	425	398	288	-
Oct. ...	282·2	170·2	234·4	225·8	501·7	658·6	346	419	403	283	-
Nov. ...	263·3	147·9	224·6	221·4	460·7	670·1	331	403	374	261	-
Dec. ...	243·8	137·5	214·4	205·7	434·8	655·4	299	377	341	233	-
1921											
Jan. ...	230·0	134·3	207·6	201·1	406·5	642·4	267	344	290	213	-
Feb. ...	215·3	128·8	199·3	195·1	375·7	613·3	250	319	280	201	-
Mar. ...	208·5	123·5	194·2	191·0	359·9	603·6	237	312	270	192	-
April ...	199·8	—	—	—	343·9	583·9	229	--	257	—	-

* Provisional. † Average for twelve months ending June 1914 = 100. ‡ Year-end Index-Number.
§ Average for six months ending June 1914 = 100. ‖ July 1, 1912—June 30, 1914 = 100. ¶ Average for September 1919 = 100.

RATIO CHART OF INTERNATIONAL PRICE MOVEMENTS
SINCE THE ARMISTICE



THE FOREIGN EXCHANGES.

It is perhaps true to say that the impediment to international trade constituted by violently fluctuating foreign exchange values was never greater or never more apparent than at the present time. To understand properly the nature of the present foreign exchange position it is necessary to bear in mind that the past twelve months has been one of rigorous currency deflation in nearly all countries, more particularly in the nations which were least effected by the War. If the deflation had begun at the same time and preceded to the same extent in all countries there need not necessarily have been any general shifting of foreign exchange values, but unfortunately this was not the case, for the recession in commodity prices was more rapid in such countries as the United Kingdom and the United States, and it was in these countries also that the first signs of world-wide depression appeared. It is not suggested that movements in the foreign exchanges follow in all cases the violent fluctuations that occur from time to time in price levels under present conditions; exchange movements, in fact, at the present day as before the War, are determined primarily by supply and demand; that is to say, they follow changes in the relative indebtedness of the nations, but this relative indebtedness depends in the long run upon the ratios of international price levels.

It is difficult to make an exact comparison between movements of prices in different countries, but from the data available it seems beyond question that the fall in prices has been more pronounced in this country than in the generality of other countries, and this greater enhancement of the commodity value of our currency has resulted in a general appreciation of sterling in the foreign exchange markets. The appreciation has not, of course, been universal, but it is sufficient for our purposes to know that the value of the £ has increased in terms of the chief currencies of the world collectively, allowance being made for the different degrees of importance of the different currencies regarded from the point of view of our foreign trade with each country. The nature and extent of the movement is indicated by THE STATIST's index-numbers for the foreign exchange values of the £ sterling. As explained in previous issues these index-numbers represent the average value of the £ in each month in terms collectively of the currencies of twenty-eight of the leading countries abroad expressed as a percentage of its collective value at the old parities. The index-numbers for each month since the Armistice are shown in the following table and presented in graphical form on the accompanying chart, together with the movements in the leading exchanges since the Armistice. As regards the latter the points plotted represent the percentage premiums or discounts of the £ sterling in each month in terms of each of the currencies of the countries represented, the average cable rate for each month being taken as the basis.

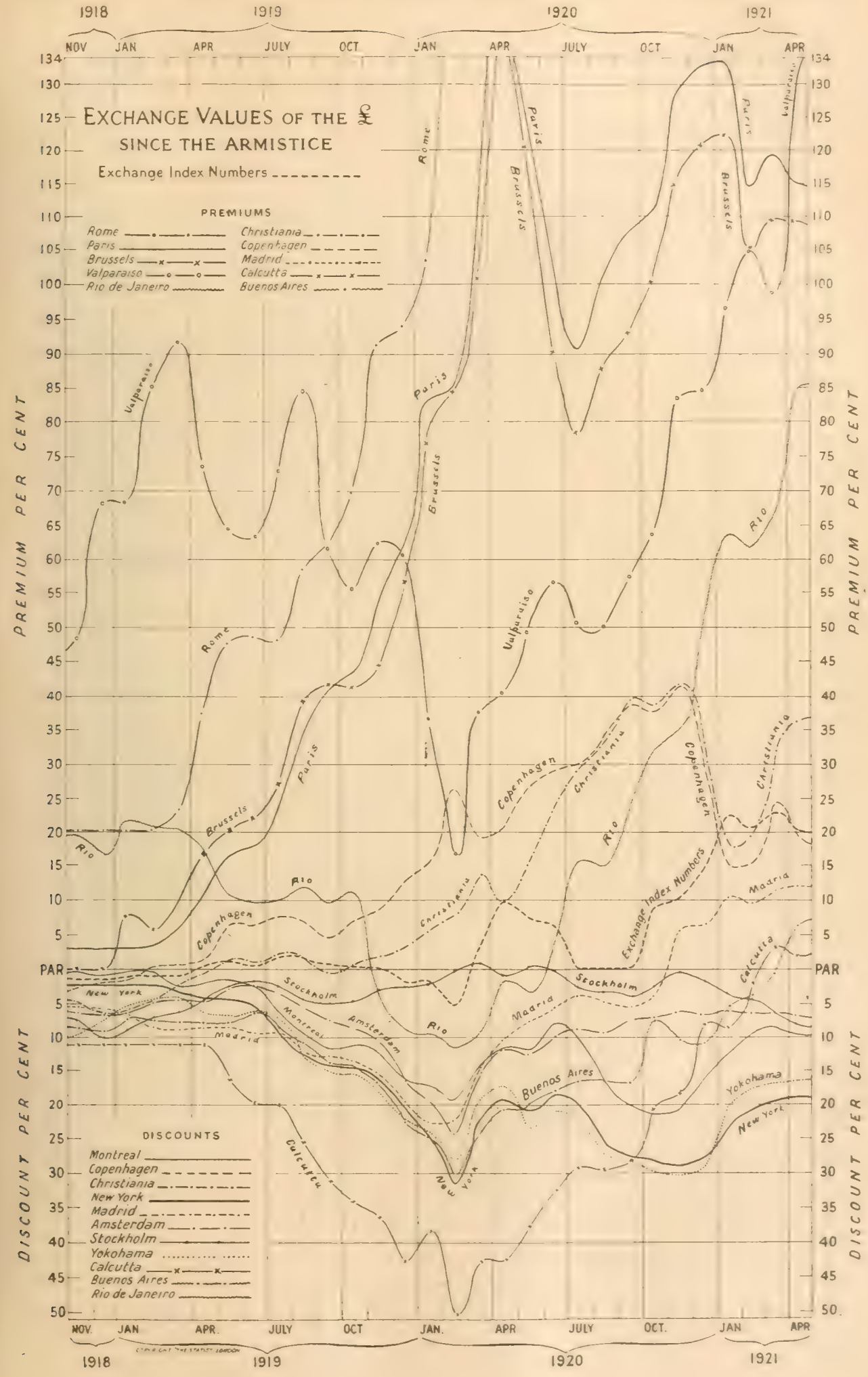
Index-numbers of Foreign Exchange Values of the £ sterling.

	1918	1919	1920	1921
Jan.	—	98·9	98·5	122·4
Feb.	—	99·1	94·9	120·9
Mar.	—	99·2	102·9	123·0
April	—	100·3	109·7	120·0
May	—	101·2	107·5	—
June	—	100·4	106·3	—
July	—	101·7	100·2	—
Aug.	—	101·6	100·1	—
Sept.	—	100·7	100·2	—
Oct.	—	100·3	108·7	—
Nov.	98·7	100·2	111·2	—
Dec.	98·7	98·3	114·5	—

A glance at the chart will be sufficient to show that, as compared with twelve months ago, the value of the £ has undergone a general appreciation. Referring again to the foreign exchange index-numbers, which present a single picture of the movements, it will be found that the value of our currency in the foreign exchange markets has risen with great rapidity since last August, the index-number for August being 100.1. as compared with 120 for last month and 123 for March.

In pre-War days such a movement would be referred to as a "favourable" one, because it would increase our power of demanding gold from abroad. Under present conditions the term would be not only misleading but erroneous; the movement does not empower us to demand gold from other countries. Even if it did many of our debtors are not in a position to send gold, and neither have we any use for the metal, since the strength of our banking position does not depend on the stock of gold in the country. Again, while an appreciation of sterling in certain countries, such as the United States, which are creditors of the United Kingdom, is unquestionably a movement to be welcomed as it makes it cheaper for us to pay our debts abroad; at the same time, the majority of foreign countries are at the present day very much in our debt, and naturally the general appreciation of sterling will have the result of increasing the difficulties of collecting our obligations from those countries. The chief reason, however, why this appreciation of sterling must be regarded as unfavourable is, that it has greatly restricted our foreign trade by reducing the ability of other countries to buy from us, and, at the same time, making it easier for them to sell goods in our own markets. The effect of the fall in prices here is accordingly, paradoxical as it may seem, to make it easier for the foreign manufacturer to undersell the British producer. This position is not altogether due, however, to the movements in the foreign exchanges, for it is an outcome also of the false position occupied by certain of the Continental exchanges, notably the German exchange. That is to say, the rate of exchange on certain countries of the Continent, for various reasons which need not be entered into here, vary widely from the true rate as determined by the ratios between the level of commodity prices here and in the countries concerned. Apart from this, it must be remembered that one of the chief disadvantages hindering the home manufacturer from competing successfully in international markets is the fact that costs of production in this country have not fallen correspondingly with the decline in selling prices. This is but another way of stating that the deflation of our currency that has taken place during the past twelve months has been uneven as regards our position, both internally and externally. The movement in the foreign exchange markets constitutes, in fact, but a phase of the unevenness naturally attendant on the deflation movement. It provides another indication of what during the past few months has unfortunately been only too evident, namely, that the deflation has been too rapid.

It is probable that we are now approaching a period when this unevenness is beginning to be adjusted. At any rate, as regards the foreign exchanges it has become apparent quite recently that a reaction has set in from the improvement in the position of the £ discussed above. This again is due, broadly speaking, to the fact that the downward movement in prices has slackened somewhat in the United Kingdom, while in many countries abroad it is just now developing greater intensity. Until values both at home and abroad again adjust themselves about the new price levels trade must remain in its present position. Meanwhile, attempts at artificial adjustment, such as the imposition of import duties in this country and in the United States, though they may afford some temporary relief, are bound to postpone the period of natural readjustment of values, and cannot but provide an obstacle to the future development of the foreign trade of the countries imposing the tariffs.


EXCHANGE VALUES OF THE £
SINCE THE ARMISTICE
Exchange Index Numbers
PREMIUMS
Rome
Paris
Brussels
Valparaiso
Rio de Janeiro
Christiania
Copenhagen
Madrid
Calcutta
Buenos Aires
DISCOUNTS
Montreal
Copenhagen
Christiania
New York
Madrid
Amsterdam
Stockholm
Yokohama
Calcutta
Buenos Aires
Rio de Janeiro
PREMIUM PER CENT
DISCOUNT PER CENT
PAR
1918
1919
1920
1921
NOV
JAN
APR
JULY
OCT
JAN
APR
JULY
OCT
JAN
APR
NOV.
JAN
APR.
JULY
OCT
JAN.
APR
JULY
OCT.
JAN
APR

FOREIGN EXCHANGES—TABLE I.

WEEKLY EXCHANGE QUOTATIONS OF THE £ STERLING FROM JANUARY 2, 1920, TO MAY 13, 1921.

Date	Germany Marks	Denmark Kroner	Holland Florins	Italy Lire	United States Dollars	France Francs	Spain Pesetas	Switzerland Francs	India Rupees.	China (Shanghai) Taels.*	Japan Yen	Argentina Pesos.	Brazil.†¶ Milreis.
1920.	par 20.43	18·159	12·107	25·22½	4·86⅔	25 22½	25·22½	25·22½	1s. 4d.‡	2s. 8½d.	2s. 0·58d.	47·58d.	16d.
Jan. 2 ..	187·50	19·65	10·09	50·12½	3·76½	40 95	19·67	21·12½	2 3⅞	7 9	2 8	62¼	17⅛
,, 9 ..	192·50	20·53½	9·95	50·35	3·76	41·97½	19·66	21·27½	2 4⅜	8 0	2 8¼	62¾	17⅛
,, 16 ..	212·50	21·00	9·94	50·55	3·72¼	42·60	19·30½	20·43	2 3⅞	7 9	2 8	63¼	17⅝
,, 23 ..	257·50	21·52½	9·68	51·32½	3·61¼	43·55	19·49	20·20	2 3⅛	8 1	2 8½	64½	17⅞
,, 30 ..	275·00	21·86	9·16	54·25	3·51¼	46·50	19·20	19·90	2 3⅛	8 8	2 9	62¼	17⅛
Feb. 6 ..	325·00	22·88½	8·90	64·00	3·22½	43·35	19·22½	20·15	2 8⅛‡	9 1	2 11½	71½	17⅝
,, 13 ..	337·50	23·27	9·18	61·50	3·37½	48·60	19·60	20·56	2 9⅛	8 1	2 10⅛	69½	18⅛
,, 20 ..	325·50	22·95	9·27	61·47½	3·40½	45·75	19·74	21·35	2 8	8 0	2 10	62¾	18⅛
,, 27 ..	337·50	22·79½	9·22½	62·37½	3·39	48·35	19·57	20·99	2 7⅛	8 4	2 9¾	69¼	18⅛
Mar. 5 ..	348·00	22·76	9·66½	64·50	3·66	49·85	20·30	21·17½	2 7⅞	8 4	2 8½	66½	18⅛
,, 12 ...	270·00	21·65	10·16	67·87	3·75	49·52	20·91	21·80	2 5¾	8 2	2 7⅛	63½	18⅛
,, 19 ..	290·00	21·25	10·31½	70·50	3·73½	51·65	21·23½	22·35	2 4½	7 5	2 6½	62	17⅜
,, 26 ...	287·50	21·23	10·47	78·00	3·86	55·25	22·14	22·43½	2 4½	7 5	2 4⅝	60⅜	16½
,, 31 ..	280·00	21·24	10·43	80·75	3·85½	58·20	22·31	23·11	2 4½	7 7	2 4⅞	61	17⅛
April 9 ..	230·00	21·23	10·64	97·25	3·97½	62·50	22·27	21·98	2 3⅝	7 2	2 4⅝	59½	15⅝
,, 16 ...	240·00	21·95	10·71	89·50	3·96⅝	65·50	22·77	22·01½	2 3⅜	6 5	2 5⅛	59½	16⅝
,, 23 ..	238·50	22·72	10·60½	89·75	3·87½	64·85	22·87	21·84	2 3⅛	6 9½	2 5⅛	60⅛	16⅛
,, 30 ...	220·00	22·65	10·64	84·57½	3·87½	64·20	22·69	21·57½	2 3⅛	6 7	2 6⅛	60⅛	16⅛
May 7 ...	203	23·70	10·55	78·50	3·87	62·15	22·82	21·72	2 1⅝	6 1	2 7⅛	60⅛	16⅛
,, 14 ...	184½	22·90	10·49	73·00	3·82	58·60	22·70	21·75	2 2⅛	5 11½	2 8⅛	60⅜	16⅜
,, 21 ...	172½	23·37	10·48	74·50	3·81½	54·87	22·90	21·62	2 1⅝	6 0	2 8	60⅜	16⅝
,, 28 ...	160	23·42	10·67	67·00	3·90½	52·50	23·82	21·75	2 1½	5 11	2 7½	59⅜	16⅛
June 4 ...	170	22·82½	10·69	67·00	3·90⅜	51·07	23·95	21·45	2 1½	5 7	2 6⅜	59½	—
,, 11 ...	157	23·40	10·91	70·25	3·95½	51·98	23·95	21·70	2 0½	4 10½	2 8	58½	15⅜
,, 18 ...	154	23·70	11·03	65·50	3·97½	49·90	23·91	21·87	1 10⅝	5 0	2 6⅜	57½	14⅜
,, 25 ...	147	23·80	11·05	64·50	3·97	47·70	23·77	21·80	1 10	4 10	2 6⅛	57½	14⅜
July 2 ...	149	24·00	11·17	65·25	3·96½	47·12	24·10	21·84	1 9⅞	5 1	2 7⅛	57⅝	14⅜
,, 9 ...	150	23·85	11·17	65·50	3·96	46·75	24·35	22·00	1 10⅛	5 1⅛	2 7⅛	56⅞	14⅞
,, 16 ...	150	23·35	11·12	66	3·89½	46 15	24·30	22 00	1 10⅛	5 2	2 7⅛	57⅛	14⅞
,, 23 ...	165	23·40	10·97	71	3·80	49·50	24·15	21·97	1 10⅛	5 4⅛	2 7⅛	57⅛	14
,, 30 ...	161	23·62	10·92	70·75	3·75½	49·15	24·27	21·97	1 11⅛	5 6⅛	2 8⅛	56½	13⅝
Aug. 6 ...	167	23·65	10·90	71·50	3·61½	50·25	24·20	21·82	1 10⅛	5 9⅛	2 9⅛	57⅛	14⅞
,, 13 ..	169	24·10	10·99	73·50	3·63½	50·27	24·17	21·85	1 10⅛	5 10⅛	2 9⅛	57⅛	13⅝
,, 20 ...	179	24·32	11·01	78·37	3·59½	50·56	23·93	21·65	1 10⅛	6 0⅛	2 10	57⅛	13⅝
,, 27 ...	176	25·27	11·12	77	3·57½	51·10	23·80	21·70	1 10⅛	6 1⅛	2 10⅛	56½	13⅛
Sept. 3 ..	177	24·70	11·16	76·75	3·56	51·42	23·85	21·66	1 10	5 10⅛	2 10⅛	57⅛	13
,, 10 ...	188	24·95	11·21	80·50	3·52½	52·97	23·87	21·55	1 10⅛	5 10⅛	2 10⅜	57⅛	12⅛
,, 17 ...	225	25·62	11·27	81·50	3·50½	53·05	23·95	21·65	1 10⅛	6 0⅛	2 11⅛	56⅞	12⅝
,, 24 ...	222	25·60	11·25	83	3·49	51·75	23·81	21·68	1 10⅛	5 11⅛	2 11⅛	57⅛	12⅛
Oct. 1 ..	214	25·55	11·17	83·50	3·48	52·02	23·75	21·70	1 9⅞	5 11⅛	2 11	57⅛	12⅛
,, 8 ...	222	25·02	11·28	88·50	3·51	52·45	23 87	21·87	1 8	5 6⅛	2 10⅛	56⅞	12⅛
,, 15 ...	244	25·10	11·25	88·60	3·47½	53.25	24·16	21·86	1 8	5 4⅛	2 11	56⅛	11⅝
,, 22 ...	242	24·80	11·22	91·50	3·44	53·22	24·32	21·81	1 7⅞	5 3⅛	2 11⅛	55⅛	12
,, 29 ...	266	25·42	11·34	92·50	3·46⅜	54·30	24·99	22 05	1 7⅝	5 2⅛	2 11⅛	55⅛	12⅛
Nov. 5 ...	278	25·45	11·32	97·00	3·41⅞	56·57	25·22	21·99	1 8⅛	5 4⅛	2 11⅛	55⅛	12⅜
,, 12 ...	289	25·75	11·34	97·87	3·36⅜	58·45	28·30	22 08	1 8⅛	5 4⅛	2 11⅛	53⅛	11⅛
,, 19 ...	262	25·75	11·39	92·00	3·46	57·70	26·35	22·15	1 7⅛	5 0⅛	2 11	51⅛	11⅛
,, 26 ...	245	25 85	11·41	94·75	3·48⅜	57·75	26·75	22 20	1 6⅞	4 8⅛	2 10⅝	52⅛	11⅛
Dec. 3 ...	244	25·25	11·41	95 62	3·49	57·55	26·77	22·25	1 6⅛	5 4⅛	3 4⅛	54	11⅛
,, 10 ...	257	23·50	11·30	98·12	3·45⅜	58·70	27·05	22·25	1 4⅛	4 1⅛	2 10⅛	56	11⅛
,, 17 ...	255	23·22	11·18	99·00	3·53	58·10	26·95	23·05	1 5⅛	4 1⅛	2 9⅛	53	10⅛
,, 23 ..	255	23·20	11·26	103	3·54⅛	59·60	27 10	23·25	1 5⅛	4 0⅛	2 8⅛	52⅛	10⅛
,, 31 ..	257	23·10	11·25	101·75	3·54	59·67	26·45	23·17	1 5⅛	4 0⅛	2 8⅛	51⅛	—
§Week to Jan. 7 ..	260	22·47	11·32	103·83	3·59⅜	60·91	27·23	23·45	1 5	4 0⅜	2 8	51⅝	10⅛
,, 14 ...	260	21·61	11·37	106·75	3·72⅜	61·26	27·88	23·85	1 5⅛	5 11	2 7⅞	50½	10⅞
,, 21 ...	233	20·42	11·38	107·27	3·76	59·22	28·15	24·02	1 5⅛	5 11⅛	2 6⅛	50⅛	9⅜
,, 28 ...	221	19·18	11·40	103·72	3·82⅛	55 78	27·74	24·15	1 5⅛	3 10	2 6⅛	50⅛	9⅛
Feb. 4 ...	240	19·91	11·34	105·55	3·84⅞	54·61	27·56	23·99	1 4⅞	3 5	2 6⅛	50⅛	9⅜
,, 11 ...	234	20·73	11·33	106·47	3·86⅝	54·32	27·58	23·94	1 4⅞	3 5⅛	2 6⅛	49⅝	9⅛
,, 18 ...	229	21·30	11·34½	106·05	3·90⅜	53·29	27·70	23·60	1 4⅞	3 5⅛	2 5⅞	48⅞	9⅛
,, 25 ...	237	21·47	11·34	106·18	3·87½	53·87	27·82	23·41	1 5	3 5⅛	2 5⅞	49⅛	10⅛
Mar. 4 ...	242	22·09	11·35¼	106·37	3·88⅝	54·21	27·97	23·36	1 5	3 1⅛	2 5⅞	48⅝	10⅛
,, 11 ...	244	23·09	11·36	106·00	1·89½	54·57	28·03	23·20	1 5⅛	2 11⅞	2 5⅛	48⅛	9⅛
,, 18 ...	245	22·79	11·36	102·00	3·90⅛	56·03	28·11	22·80	1 5⅛	3 0⅜	2 5⅝	47⅞	9⅛
,, 25 ...	243	22·55	11·36½	99·50	3·91⅛	56·57	28·01	22·80	1 5⅛	3 1⅛	2 5⅞	47⅜	9⅜
April 1 ...	246	21·80	11·37	96·12	3·92½	56·16	28·05	22·64	1 5⅛	3 1⅜	2 5⅛	46⅞	9⅛
,, 8 ...	241	21·84	11·32⅜	91·68	3·91⅞	55 47	28·04	22·60	1 5⅛	3 1⅛	2 5⅛	45⅞	8⅞
,, 15 ...	244	21·62	11·29½	83·80	3·91⅜	54·99	28·07	22·62	1 5⅛	3 1⅛	2 5⅛	45⅛	8⅛
,, 22 ...	255	21·74	11·31	82·65	3·92⅝	54·13	28·39	22·70	1 5⅛	3 1⅛	2 5⅛	44	8⅛
,, 29 ...	259	21·90	11·28¾	81·62	3·95⅛	52·96	28·55	22·67	1 5⅛	3 1⅛	2 5⅛	43⅛	8⅛
May 6 ...	260	21·88	11·25⅞	80·67	3·97⅜	50·27	28·44	22·47	1 5⅛	3 1⅛	2 5⅛	42⅛	8⅛
,, 13 ...	251	22·13	11·18½	77·25	3·99⅛	47·75	29·0-	22·50	1 5⅛	3 0⅞	2 4⅛	42¼	8⅛

* For China the par is taken as the average rate during 1913.
† The Brazil (Rio de Janeiro) rate is for 90 day bills, except for 1921, when cable rates are used. All the others are cable transfer rates throughout.
‡ For India the par was raised to 2s. gold on September 8, 1920.
§ For the current year figures are the weekly averages of daily rates.

FOREIGN EXCHANGES—TABLE II.

HIGHEST AND LOWEST EXCHANGE QUOTATIONS FROM JANUARY 2, 1920, TO MAY 13, 1921.

	1920 Highest	Date	Lowest	Date	January 1, 1920 to May 13, 1921 Highest	Date	Lowest	Date
France ...	68·50	April 12, '20	40·95	Jan. 2, '20	68·50	April 12, '20	40·95	Jan. 2, '20
Italy ...	106·00	April 12, '20	50·12½	Jan. 2, '20	108·87	Jan. 17, '21	50·12½	Jan. 2, '20
Amsterdam ...	11·41	Dec. 3, '20	8·70	Feb. 4, '20	11·42	Jan. 28, '21	8·70	Feb. 4, '20
Switzerland ...	22·43½	Mar. 26, '20	19·52	Feb. 4, '20	24·22	Jan. 28, '21	19·52	Feb. 4, '20
Spain	28·85½	Nov. 13, '20	19·20	Jan. 30, '20	31·25	May 13, '21	19·20	Jan 30, '20
Denmark ...	25·85	Nov. 26, '20	19·65	Jan. 2, '20	25·85	Nov. 26, '20	18·82	Jan. 24, '21
Germany ...	356	Jan. 27, '20	147	June 25, '20	356	Jan. 27, '20	147	June 25, '20
United States ...	3·99⅞	April 9, '20	3·19½	Feb. 4, '20	4·00¼	May 13, '21	3·19½	Feb. 4, '20
Argentina	51	Dec. 31, '20	73½	Feb. 6, '20	40⅝	May 9, '21	73½	Feb 6, '20
Brazil	10	Dec. 23, '20	18⅝	Feb. 9, '20	8	May 12, '21	18⅝	Feb. 9, '20
India	1/4	Dec. 10, '20	2·9¼	Feb. 4, '20	1 3	Mar. 5, '21	2 9½	Feb. 4, '20
China	4 0½	Dec. 23, '20	9 4½	Feb. 10, '20	2 11½	Mar. 5, '21	9 4½	Feb. 10, '20
Japan	2/4½	Mar. 27, '20	3 4½	Dec. 3, '20	2/4½	May 27, '20	3/4½	Dec. 3, '20

INDIVIDUAL BANKS.

ALEXANDERS DISCOUNT CO., LTD.

Office: 24 Lombard Street, London, E.C. 3.

Capital—

Authorised and subscribed in 10,000 6% Preference shares, and 90,000 Ordinary shares, of £10 each £1,000,000
Paid up, £10 per Preference share, and £5 per Ordinary share 550,000

Under its modern title this discount company dates only from the commencement of 1919, but under the style of "Alexanders and Company" its history extends back to the Napoleonic era. It was founded in 1810, and has thus witnessed the complete cycle of evolution which brought the London Money market to the leading position that it occupied in the world of finance before the War. The London Discount market, and with it the sterling bill, have not yet, indeed, lost their predominant place, though their glory has been slightly dimmed by the divorce between gold and sterling. Despite the difficulties which naturally attend a period of changing values for money, last year saw an expansion in the Company's business. In February last 10,000 £10 Ordinary shares, £5 paid, were issued to shareholders at a premium of £2 10s. per share, thereby increasing the paid-up Ordinary capital to £450,000, the Preference capital standing at its old figure of £100,000. The amount derived from the premium—£25,000—was placed to the reserve fund, raising the latter to £240,000, which was further increased by the addition of £30,000 during the year, making, with the paid-up capital, a total of £820,000, as compared with £715,000 on December 31, 1919. The raising of the Bank rate from six to seven per cent. on April 15 of last year naturally increased open market rates, and led to an expansion of the margin between deposit and discount rates, which resulted in profitable business for the Company. On the year the deposits show an increase from £15,991,170 to £17,196,230. Bills discounted, at £18,063,470, compare with £16,346,470 previously, and, deducting the re-discounts, which amounted to £2,255,865 and £1,327,012 respectively, we get the net amount of discounts at £15,807,605, as compared with £15,019,458—an increase of £788,147 in 1920. The rebates, at £175,881, are naturally higher. On the assets side of the balance sheet, cash at bankers, at £448,111, shows a natural increase in view of the expansion in liability, and investments are up from £1,347,582 to £1,818,289. It is highly satisfactory to find that, owing to the directors' policy of holding very short-dated securities, there has been no depreciation to write off during the year.

The gross profit for the year, as shown in the report, was £358,843, inclusive of the carry-forward of £25,881. Deducting the carry-forward, and also the rebate of interest on bills not yet due (amounting to £175,881), we arrive at a total gross profit of £157,081. Expenses are up on the year by £24,703 to £37,283, but the rise is to some extent on non-recurrent items, and leaves the net profit of £119,798 still higher by about sixty per cent. than the £75,860 of 1919. A dividend of fourteen and a-half per cent., subject to tax, was declared for the year; also a bonus of 2s. per share (or two per cent.) free of income tax, in addition to the Preference dividend of six per cent. In the previous year the distribution to the Ordinary shareholders was thirteen and a-half per cent., less tax. The appropriations comprise £30,000 (following £15,000) to the reserve fund and £5,000 to the clerks' pension fund. Despite these increases in profit distribution and special allocations, the amount left undivided, at £26,572, is somewhat higher than the corresponding balance from 1919.

Profits of Alexanders Discount Company, Limited.

Yr. to Dec. 31	Gross Profit	Expenses	Net Profit	Profit for Ord. (a)	Div. on Ord. subject to Tax — Earned	Div. on Ord. subject to Tax — Paid	Special Allocations	Carried Forward
	£	£	£	£	%	%	£	£
1920	157,081	37,283	119,798	113,798	25·29	17·3	78,107	35,000	26,572
1919	100,563	24,703	75,860	69,860	17·46	13·5	54,000	15,000	25,880
1918	112,126	20,420	91,706	85,706	21·43	13·4	53,714	30,000	25,020
1917	111,746	20,078	91,668	85,668	21·41	12·7	50,666	30,000	23,029
1916	86,418	19,411	67,007	61,007	15·25	10	40,000	20,000	18,027
1915	66,281	18,291	47,990	41,990	10·50	10	40,000	—	17,020
1914	88,310	19,330	68,980	62,980	15·74	10	40,000	20,000	15,030
1913	84,476	17,552	66,924	60,924	15·23	10	40,000	20,000	12,030

(a) After provision for dividend on 6 per cent. Preference shares.

BAKER, DUNCOMBE AND CO., LTD.

Office: 36 Lombard Street, London, E.C. 3.

Capital—

Subscribed and paid up, in 16,000 "A" and 4,000 "B" shares of £5 each, fully paid £100,000

This private banking and discount house was established in 1866 and registered as limited in 1905. The balance sheet for March 31 last shows total assets of £8,334,697—an increase of £1,806,421 as compared with the corresponding date in 1920, the change being due to the expansion in bills discounted, including rediscounts, from £5,863,590 to £7,675,918. There has been a corresponding expansion in liability on deposits, loans, and bills rediscounted (including rebate and sundry accounts) from £6,358,276 to £8,144,697. The proportion of capital and reserve, as of cash in hand and at bankers, is naturally small, as the deposit liability is light, and in any case the deposits of discount companies are chiefly secured by collateral. Judging from the balance sheet, working funds are obtained principally by loans from banks, as assets to the value of £8,219,023 are held by bankers and others as cover. Investments, at £557,000, consist of £515,000 five per cent. National

Liabilities and Assets of Alexanders Discount Company, Limited.

LIABILITIES. Dec. 31	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Deposits and Loans, &c.		Bills Re-discounted.		Rebate on Bills Discounted.		Profit Balance		Total Liabilities.
	£	£	£	%	£	%	£	%	£	%	£	%	£
1920 ...	550,000	270,000	820,000	4·0	17,196,230	83·8	2,255,865	11·0	175,881	·9	[illegible]	·3	20,520,297
1919 ...	500,000	215,000	715,000	3·9	15,991,170	87·8	1,327,012	7·3	130,015	·7	56,880	·3	18,220,077
1918 ...	500,000	200,000	700,000	4·2	13,826,917	83·2	1,912,260	11·5	124,205	·7	[illegible]	·4	16,619,403
1917 ...	500,000	170,000	670,000	4·5	12,668,671	85·2	1,348,701	9·1	128,870	·8	54,029	·4	14,869,071
1916 ...	500,000	140,000	640,000	5·0	10,978,632	85·0	1,145,851	8·8	118,000	·9	41,027	·3	12,923,510
1915 ...	500,000	120,000	620,000	5·1	9,429,747	90·2	272,536	2·6	86,555	·9	40,020	·4	10,458,858
1914 ...	500,000	120,000	620,000	5·1	9,127,422	90·2	281,748	2·7	76,835	·8	38,030	·4	10,444,135
1913 ...	500,000	100,000	600,000	4·8	10,131,947	82·1	1,497,231	12·1	86,334	·7	35,050	·3	12,353,562
1910 ...	500,000	60,000	560,000	5·2	9,982,052	92·1	—		232,152	2·6	—		10,824,204

ASSETS. Dec. 31	Cash at Bankers.		Investments.		Bills Discounted.					
	£	%	£	%	£	%	£	%	£	
1920 ...	448,111	2·2	1,818,289	8·9	18,063,470	88·0	[illegible]	·9	[illegible]	20,520,297
1919 ...	423,057	2·3	1,347,582	7·4	16,346,470	89·7	[illegible]	·6	[illegible]	18,220,077
1918 ...	420,496	2·6	2,235,363	13·4	13,798,181	83·0	[illegible]	1·0	[illegible]	16,619,403
1917 ...	409,895	2·7	1,790,859	12·0	12,616,556	84·9	[illegible]	·4	[illegible]	14,869,071
1916 ...	380,560	3·0	1,673,906	13·0	10,856,120	84·0	[illegible]	—	[illegible]	12,923,510
1915 ...	367,437	3·5	1,141,307	10·9	8,885,693	84·9	[illegible]	·7	[illegible]	10,458,858
1914 ...	350,143	3·4	1,341,713	12·8	8,684,172	83·1	[illegible]	·7	[illegible]	10,444,135
1913 ...	293,726	2·4	944,221	7·6	10,798,650	87·4	[illegible]	2·6	[illegible]	12,353,562
1910 ...	282,506	2·7	1,012,234	9·3	9,143,262	84·4	[illegible]	3·6	[illegible]	10,824,204

* Per cent. of Total Liabilities or Assets.

War Bonds and £50,000 five per cent. War Loan 1929-47. No particulars of profits are available.

Baker, Duncombe & Co., Ltd.

LIABILITIES. Mar. 31	Capital Paid up. £	Reserve Funds. £	Paid-up Capital & Reserve. £	% *	Deposits, Loans, and Bills Rediscounted. £	% *	Total Liabilities. £
1921 ...	100,000	90,000	190,000	2·3	8,144,697	97·7	8,334,697
1920 ...	100,000	70,000	170,000	2·6	6,358,275	97·4	6,528,275
1919 ...	100,000	70,000	170,000	2·7	6,144,245	97·3	6,314,245
1918 ...	100,000	70,000	170,000	2·6	6,290,965	97·4	6,460,965
1917 ...	100,000	60,000	160,000	3·1	5,056,533	96·9	5,216,533
1916 ...	100,000	50,000	150,000	3·4	4,228,255	96·6	4,378,255
1915 ...	100,000	50,000	150,000	2·0	7,143,580	98·0	7,293,580
1914 ...	100,000	25,000	125,000	2·8	4,279,612	97·2	4,404,612
1910 ...	100,000	25,000	125,000	2·5	4,882,290	97·5	5,007,290

ASSETS. Mar. 31	Cash in Hand, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances, &c. £	% *	Total Assets. £
1921 ...	90,566	1·1	557,000	6·7	7,675,918	92·1	5,213	·1	8,334,697
1920 ...	95,102	1·5	560,000	8·6	5,863,590	89·8	9,583	·1	6,528,275
1919 ...	92,516	1·4	562,500	8·9	5,649,646	89·5	9,583	·2	6,314,245
1918 ...	95,981	1·4	582,300	9·0	5,781,966	89·5	2,718	·1	6,460,965
1917 ...	82,151	1·6	182,200	3·5	4,951,520	94·9	662	—	5,216,533
1916 ...	73,456	1·7	393,500	9·0	3,888,047	88·8	22,052	·5	4,378,255
1915 ...	77,065	1·1	1,198,250	16·4	5,993,102	82·2	25,163	·3	7,293,580
1914 ...	58,475	1·3	604,000	13·7	3,712,827	84·3	29,310	·7	4,404,612
1910 ...	55,088	1·1	465,000	9·3	4,464,117	89·1	25,085	·5	5,007,290

* Per cent. of Total Liabilities or Assets.

BANK OF ENGLAND.

THE last half-yearly court of the Bank of England was held on March 18, when it was announced that the profits of the six months to February 28, 1921, after provision had been made for all contingencies, amounted to £509,942. A dividend of five per cent., less income tax, requiring £500,355, was declared payable on April 5, making with the like distribution on October 5, ten per cent. for the year, the rate which has prevailed throughout and subsequent to the war period. The capital stock, which carries no liability, is quoted in the official list under British Funds, etc., and this year's prices have ranged from 163½ to 184. The accompanying tables show the movements in liabilities and assets at the end of the financial years and on other dates of interest, and the significance of the changes indicated in the weekly returns is commented upon in each issue of THE STATIST. Profit balances are included with the "Rest" or Reserve Fund, which is not allowed to fall below £3,000,000.

Liabilities and Assets of The Bank of England.

LIABILITIES. End of Feb.	Capital £	Rest. £	Reserve £	% *	Notes in Circulation £	% *	Deposits £	% *	Other Deposits £	% *	Seven Day and other Bills £	% *	Total Liabilities £
1921§ ...	14,553,000	3,148,790	17,701,790	6.4	128,768,640	46·9	14,809,022	5.4	113,560,751	41·3	10,832	—	274,902,635
1921 ...	14,553,000	3,520,989	18,073,989	6.6	127,697,910	46·8	15,987,902	5·9	111,259,206	40.7	9,237	—	273,028,244
1920 ...	14,553,000	3,509,269	18,062,269	5.9	96,526,440	31.7	17,322,000	5.7	172,824,755	56.7	17,224	—	304,752,748
1919 ...	14,552,000	3,499,563	18,052,563	7.7	70,335,745	30.1	25,823,907	11.1	119,169,536	51.1	23,751	—	233,405,502
1918 ...	14,553,000	3,563,021	18,116,021	7.8	47,251,225	20.3	42,649,718	18.3	124,767,163	53.6	10,219	—	232,794,346
1917 ...	14,553,000	3,571,262	18,124,262	6.6	38,584,710	14.2	47,846,179	17.6	167,992,209	61.6	27,726	—	272,575,086
1916 ...	14,553,000	3,514,962	18,067,962	9.1	32,507,860	16.3	52,619,707	26.3	96,393,965	48.3	23,611	—	199,613,105
1915 ...	14,553,000	3,569,837	18,122,837	8.5	34,222,880	16.1	26,924,591	12.7	132,868,891	62.7	38,304	—	212,177,503
1914† ...	14,553,000	3,446,453	17,999,453	17.4	29,317,290	28.4	13,735,393	13.3	42,185,297	40.9	14,796	—	105,252,229
1914 ...	14,553,000	3,543,013	18,096,013	16.4	28,210,060	25.6	20,630,506	18.7	43,438,437	39.3	13,065	—	110,394,080
1911 ...	14,553,000	3,569,392	18,122,392	17.8	27,110,320	26.5	16,875,386	16.5	40,049,854	39.2	32,572	—	102,190,563

ASSETS. End of Feb.	Government Debt. £	% *	"Other" Securities. Issue Dept. £	% *	Government Securities. Bkg. Dept. £	% *	"Other" Securities. Bkg. Dept. £	% *	Gold Coin and Bullion. Issue Dept. £	% *	Gold and Silver Coin. Bkg. Dept. £	% *	Total Assets £	Notes Issued. £	Gold Coin and Bullion, both Depts. £	Total Reserve. £	Reserve to Total Deposits. %
1921§	11,015,100	4.0	7,434,900	2.7	49,186,122	17.9	78,903,266	28.7	126,540,230	46.0	1,823,017	.7	274,902,635	144,990,230	128,363,247	18,044,607	14.00
1921	11,015,100	4.0	7,434,900	2.7	31,030,156	11.4	95,220,101	34.9	126,510,485	46.3	1,817,502	.7	273,028,244	144,960,485	128,327,987	19,080,077	14.99
1920	11,015,100	3.6	7,434,900	2.4	85,152,523	28.0	90,704,526	29.8	109,713,890	36.0	731,809	.2	304,752,748	128,163,890	110,445,699	32,369,259	17.02
1919	11,015,100	4.7	7,434,900	3.2	50,196,744	21.5	83,130,365	35.7	80,450,165	34.4	1,178,228	.5	233,405,502	98,900,165	81,628,393	29,742,648	20.51
1918	11,015,100	4.7	7,434,900	3.2	56,350,082	24.2	98,641,366	42.4	58,287,275	25.0	1,065,623	.5	232,794,346	76,737,275	59,352,898	30,551,673	19.25
1917	11,015,100	4.0	7,434,900	2.7	82,445,859	30.2	117,383,137	43.1	52,717,870	19·4	1,578,220	.6	272,575,086	71,167,870	54,296,090	34,161,380	15.08
1916	11,015,100	5.5	7,434,900	3.7	32,839,300	16.5	93,336,312	46.7	54,216,265	27.2	771,228	.4	199,613,105	72,666,265	54,987,493	40,929,633	27.50
1915	11,015,100	5.2	7,434,900	3.5	26,924,284	12.7	102,931,679	48.5	62,329,555	29.4	1,541,985	.7	212,177,503	80,779,555	63,871,540	48,098,660	30.10
1914†	11,015,100	10.7	7,434,900	7.2	11,005,126	10.7	33,632,762	32.6	38,564,410	37.3	1,599,931	1.5	103,252,229	57,014,410	40,164,341	29,297,051	52.40
1914	11,015,100	10.0	7,434,900	6.7	11,252,858	10.2	37,986,182	34.4	41,336,215	37.4	1,368,825	1.3	110,394,080	59,786,215	42,705,040	32,944,980	51.42
1911	11,015,100	10.7	7,434,900	7.3	14,830,493	14.5	30,712,918	30.0	37,090,840	36.4	1,106,312	1.1	102,190,563	55,540,840	38,197,152	29,536,832	51.85

* Per cent. of total. † July 22. § May 11.

THE BANK OF ENGLAND.

ISSUE DEPARTMENT.[1]

	Notes Issued. £	Total. £	Government Debt. £	Other Securities. £	Gold Coin and Bullion. £	Total. £
1921, May 11..	144,990,230	144,990,230	11,015,100	7,434,900	126,540,230	144,990,230
1921, ,, 12...	130,442,245	130,442,245	11,015,100	7,434,900	111,992,245	130,442,245
1921, ,, 14...	102,463,240	102,463,240	11,015,100	7,434,900	84,013,240	102,463,240
1918, ,, 15 ..	79,574,335	79,574,335	11,015,100	7,434,900	61,124,335	79,574,335
1917, ,, 9...	71,226,985	71,226,985	11,015,100	7,434,900	52,776,985	71,226,985
1916, ,, 10...	76,631,030	76,631,030	11,015,100	7,434,900	58,181,030	76,631,030
1915, ,, 12..	80,789,410	80,789,410	11,015,100	7,434,900	62,339,410	80,789,410
1914, ,, 13..	52,513,730	52,513,730	11,015,100	7,434,900	34,063,730	52,513,730
Increase or Dec.						
1921 on 1920*	14,547,985	14,547,985		—	14,547,985	14,547,985
1921 ,, 1914*	92,476,500	92,476,500		—	92,476,500	92,476,500

BANKING DEPARTMENT.

	Proprietors' Capital. £	Rest. £	Deposits. Public. £	Deposits. Other. £	7-day & Other Bills. £	Total. £	Securities. Government. £	Securities. Other. £	Notes. £	Gold and Silver Coin. £	Total. £
1921, May 11 ..	14,553,000	3,148,790	14,860,622	113,560,751	10,832	146,133,995	49,186,122	78,903,266	16,221,590	1,823,017	146,133,995
1920, ,, 12 ..	14,553,000	3,145,624	21,128,930	99,401,124	23,636	138,555,314	38,455,283	80,444,463	19,129,310	526,258	138,555,314
1919, ,, 14 ..	14,553,000	3,105,747	22,807,099	111,479,248	9,587	151,954,681	46,433,817	77,984,317	25,976,155	1,560,392	151,954,681
1918, ,, 15 ..	14,553,000	3,180,036	11,457,354	133,820,292	10,118	193,020,800	57,316,732	105,522,431	29,597,785	583,852	193,020,800
1917, ,, 9 ...	14,553,000	3,135,107	54,172,724	119,375,972	37,907	191,274,710	45,049,406	111,479,848	32,502,830	2,242,626	191,274,710
1916, ,, 10 ...	14,553,000	3,123,747	54,833,814	83,441,906	31,364	155,983,831	33,187,474	79,409,760	42,204,900	1,181,697	155,983,831
1915, ,, 12 ...	14,553,000	3,115,512	127,864,334	95,614,594	44,490	241,191,930	51,043,491	143,072,712	45,786,695	1,289,032	241,191,930
1914, ,, 13 ..	14,553,000	3,102,033	18,610,669	38,774,384	16,953	75,057,039	11,046,570	38,456,772	23,811,075	1,742,622	75,057,039
Increase or Dec.											
1921 on 1920* ...	—	3,166	6,268,308	14,156,627	12,804	7,578,681	10,730,839	1,541,197	2,907,720	1,296,759	7,578,681
1921 ,, 1914* ...		46,757	7,750,047	74,786,367	6,121	71,076,956	38,139,552	40,446,494	7,589,485	80,395	71,076,956

* Increase, black type; decrease, italics.

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Capital—
Authorised, issued, and paid ... .. Stock £2,769,231

THE Bank of Ireland, which was established in 1783—some years before the Act of Union—occupies in Ireland a semi-official position, acting as banker to the Government and holding the Government balances in the same manner as the Bank of England on this side. It is the chief of the six Irish banks which have the right of note issue, but, as in England, this function has tended to become of minor importance in banking finance. The limits of note issue were fixed for Irish banks by Act of Parliament in 1845, but permission was given to exceed them if coin were held against the excess, it being provided that silver should not be more than one-fourth of the gold held. On December 31 last the notes and post bills of the Bank of Ireland in circulation reached £10,926,457, as compared with £13,310,164 at the end of 1919, and for the other five banks of issue the comparative figures were £13,791,377 and £15,744,202 respectively.

The growth of the volume of business in the course of the twelve months is to some extent evidenced by the rise in balance-sheet totals from nearly £46 million to £51 million. The paid-up capital and the reserve remain unchanged at £2,769,231 and £970,000 respectively. The chief item on the liability side—the deposit, current, and other accounts (other than public accounts)—shows the big rise of nearly thirty per cent.—from £24,756,725 to £32,152,142. The explanation of this increase is furnished in part by the remarkably rapid growth in the assets item of advances and bills discounted (excluding Treasury bills), from £11,512,633 to £17,825,805. Government and other public accounts are higher by £417,615 at £4,203,714. On the assets side, cash at head office, branches, and Bank of England is down by over £2¼ million, and money at call and short notice by nearly £1¼ million, resulting in a decrease in the total of cash from £12,997,000 to £9,423,000. It would be incorrect, however, to infer on this account a proportionate decline in the liquidity of the Bank's position, as these items do not reveal the full extent of the fluid resources at its command. The holding of Treasury bills has risen from £850,000 to £3,350,000, and these bills, being of short currency and undoubted security, may for many purposes be reckoned as cash. The reduction in actual cash items is, of course, to some extent attributable to increased accommodation to customers, as evidenced by the rise in advances. The British Government Debt remains at the old figure of £2,630,769, which, like the corresponding item in the Bank of England balance sheet, is of a stationary character. Other investments, which consist of British Government stocks, £14,641,659, Indian and Colonial Government securities, £1,648,070, and railway and corporation debentures and other securities, £1,206,387, have risen slightly by £149,455 from £17,346,661.

The expansion in net profit—from £579,495 in 1919 to £646,233 in 1920—has not been proportionate to the rise in gross profit, which increased from £923,692 to £1,090,870. The working expenses were admittedly heavy, but their increase was largely of a temporary character, comprising arrears of maintenance and renewal work that had accumulated in the previous six years. The net profit earned represented the high percentage of 23.34 per cent. on the paid-up capital, as compared with 20.92 per cent. in the preceding year. With £310,000 utilised as a provision for depreciation of securities and other contingencies, following a similar appropriation of £200,000 for 1919, when £50,000 was also carried to the reserve, the dividend distribution for the year has been maintained at the 1919 figure of twelve per cent., which represented an increase on the eleven per cent. of 1918 and the 1917 dividend of ten per cent., all subject to income tax. An undivided profit of £42,459 succeeds one of £38,534, and, as before, the investments appear at the market value as on the date of the balance sheet, except that holdings of War Loans are taken at cost.

Profits of the Bank of Ireland.

Year to Dec 31	Gross Profit. £	Expenses. £	Net Profit. £	Div. Subject to Tax Earned. %	Div. Subject to Tax Paid. %	Special Allocat'ns. £	Carried Forward. £
1920	1,090,870	444,637	646,233	23·34	12	332,308	310,000	42,459
1919...	923,692	344,197	579,495	20·92	12	332,308	250,000	38,534
1918...	795,247	271,340	523,907	18·92	11	304,615	220,000	41,347
1917...	726,479	233,820	492,659	17·79	10	276,923	200,000	42,055
1916...	667,971	214,800	453,171	16·36	10	276,923	175,000	26,319
1915...	667,691	209,937	457,754	16·53	10	276,923	180,000	25,071
1914...	601,280	203,150	398,130	14·37	10	276,923	120,000	24,240
1913...	607,158	192,772	414,386	14·96	10	276,923	137,000	23,033

BANK OF LIVERPOOL AND MARTINS, LIMITED.

Head Office: 7 Water Street, Liverpool.

Capital
Authorised and subscribed, in 939,556 shares of £20 each £18,791,120
Paid up, £2 10s. per share 2,348,890
(Callable £5 10s., and reserved liability £12, per share.)

THE Bank of Liverpool, which dates from 1831, was one of the first joint-stock banks established in the North of England subsequent to the Bank Act of 1826. It was registered as limited in 1882 and its business continued to expand—mainly, until the present century, by process of natural growth. In 1906 it absorbed the Craven Bank, which, with other amalgamations previously effected, helped to extend its power in the provinces; in 1911 it took over the Carlisle and Cumberland District Banking Company; but the era of its most important development was reserved for the War years. In 1914, just before the outbreak of hostilities, it acquired the business of the North

Liabilities and Assets of The Bank of Ireland.

LIABILITIES.

Dec. 31	Paid-up Capital. £	Rest. £	Deposits, Current and Rest — £	Deposits, Current and Rest — %	Notes in Circulation — £	Notes in Circulation — %	Govt. & other Public Accounts — £	Govt. & other Public Accounts — %	Deposits, &c. — £	Deposits, &c. — %	Profit Balance — £	Profit Balance — %	Total Liabilities. £
1920...	2,769,231	970,000	3,739,231	7·3	10,926,457	21·4	4,203,714	8·2	32,152,142	62·8	158,767	·3	51,180,311
1919...	2,769,231	970,000	3,739,231	8·2	13,310,164	29·1	3,786,100	8·3	24,756,725	54·1	154,842	·3	45,747,062
1918...	2,769,231	920,000	3,689,231	8·5	16,290,339	37·5	3,269,371	7·5	20,030,184	46·1	157,655	·4	43,436,780
1917...	2,769,231	700,000	3,469,231	10·2	11,925,615	35·3	2,868,187	8·5	15,429,254	45·6	145,402	·4	33,838,189
1916...	2,769,231	500,000	3,269,231	11·2	9,695,951	33·4	2,403,230	8·3	13,495,819	46·6	130,165	·5	28,992,396
1915...	2,769,231	600,000	3,369,231	12·5	7,415,588	27·4	3,199,025	11·8	12,967,660	48·0	141,032	·5	27,022,536
1914...	2,769,231	810,000	3,579,231	14·2	5,087,565	20·2	2,744,906	10·9	13,615,411	54·1	149,720	·6	25,176,833
1913...	2,769,231	750,000	3,519,231	15·8	3,350,546	15·1	2,635,930	11·8	12,597,475	56·6	153,418	·7	22,256,600
1910 ..	2,769,231	1,020,000	3,789,231	18·0	3,008,309	14·2	2,521,690	12·0	11,573,973	55·0	177,527	·8	21,070,730

ASSETS.

Dec. 31	Cash in Hand & at B.of E. £	Cash in Hand & at B.of E. %	Money at Call, &c. £	Money at Call, &c. %	Government Debt. £	Government Debt. %	Other Investments. £	Other Investments. %	Advances and Bills Discounted. £	Advances and Bills Discounted. %	Bank Premises. £	Bank Premises. %	Total Assets. £
1920...	8,602,575	16·8	820,711	1·6	2,630,769	5·1	17,496,116	34·2	21,175,805	41·4	454,316	·9	51,180,311
1919...10,951,483		23·9	2,045,999	4·5	2,630,769	5·8	17,346,661	37·9	12,362,653	27·0	409,517	·9	45,747,062
1918...14,059,998		32·3	1,994,800	4·6	2,630,769	6·1	12,312,726	28·4	12,051,640	27·7	386,847	·9	43,436,780
1917... 9,536,531		28·2	2,549,665	6·9	2,630,769	7·8	7,796,988	23·0	11,135,103	32·9	389,133	1·2	33,838,189
1916... 7,116,765		24·5	2,660,388	9·1	2,630,769	9·1	7,855,699	27·1	8,365,761	28·9	363,014	1·3	28,992,396
1915... 4,786,614		17·7	1,940,511	7·2	2,630,769	9·8	8,152,422	30·1	9,129,830	33·8	382,390	1·4	27,022,536
1914... 3,781,744		15·0	1,715,026	6·8	2,630,769	10·4	7,857,437	31·2	9,045,595	36·0	146,262	·6	25,176,833
1913... 1,748,321		7·9	1,674,434	7·5	2,630,769	11·8	6,476,158	29·1	9,581,809	43·1	145,109	·6	22,256,600
1910... 1,668,565		7·3	1,161,531	5·5	2,630,769	12·5	6,323,009	30·0	9,163,248	43·5	123,608	·6	21,070,730

Per cent. of Total Liabilities or Assets.

BANK OF LIVERPOOL & MARTINS LIMITED.

Head Office: 7 WATER STREET, LIVERPOOL.

London Office: 68 LOMBARD STREET, LONDON, E.C. 3.

Capital Subscribed - - - -	**£18,791,120**
Capital Paid up - - - - -	**2,348,890**
Reserve Fund and Surplus Profits -	**1,524,413**
Deposits, etc., at 31st Dec., 1920 -	**81,206,767**

313 BRANCHES AND SUB-BRANCHES.

All descriptions of Banking, Trustee and Foreign Exchange Business Transacted.

THE BANK IS PREPARED TO ACT AS AGENTS FOR FOREIGN BANKS ON USUAL TERMS.

LLOYDS & NATIONAL PROVINCIAL FOREIGN BANK, LTD.

A British Bank conducted on British Lines.

Head Office and City Office: 31 THREADNEEDLE STREET, LONDON, E.C. 2.
West-End Branch: 71 HAYMARKET, LONDON, S.W. 1.

Branches:

FRANCE.		BELGIUM.	
PARIS - - - -	3 Place de l'Opéra.	BRUSSELS - - -	58 Rue Royale.
BIARRITZ - - - -	10 Place de la Liberté.	ANTWERP - - -	14 Place de Meir.
BORDEAUX - - -	23 Allées de Chartres.	**SWITZERLAND.**	
HAVRE - - - -	1 Rue de la Bourse.	GENEVA - - - -	1 Place Bel Air.
MARSEILLES - - -	33 Rue Cannebière.	ZURICH - - - -	1 Bahnhofstrasse.
NICE - - -	7 Jardin du Roi Albert Ier.	**OCCUPIED TERRITORY.**	
ROUBAIX (to be opened shortly)	20 Rue de la Gare.	COLOGNE - - - -	72 Heumarkt.
ST. JEAN DE LUZ - -	20 Boulevard Thiers.		



PARIS OFFICE: 3 PLACE DE L'OPÉRA

General Banking Business.

Collections throughout France and Belgium, Switzerland, &c.

Foreign Exchange and Transfers.

Enquiries may be addressed to any Office of the Bank, or to any Branch of—

Lloyds Bank Limited, or

The National Provincial and Union Bank of England, Limited.

Liabilities and Assets of The Bank of Liverpool and Martins, Limited.

LIABILITIES.	Paid-up Capital.	Reserve.	Paid-up Capital and Reserve.		Acceptances.		Deposits, &c.		Profit Balance, &c.		Total Liabilities.
	£	£	£	%	£	%	£	%	£	%	£
1920, Dec. 31	2,348,890	1,400,000	3,748,890	4·1	6,518,293	7·1	81,206,768	88·5	313,319	·3	§91,787,270
1919, ,, ...	2,148,890	1,400,000	3,548,890	4·1	15,623,631	18·0	67,530,621	77·6	287,095	·3	‡86,990,237
1919, June 30	2,046,390	1,400,000	3,446,390	4·8	3,002,515	4·1	65,643,407	90·7	296,148	·4	†72,388,460
1918 ,, ...	1,733,890	900,000	2,633,890	5·0	2,365,058	4·4	47,866,760	90·0	331,340	·6	53,197,046
1917 ,, ...	1,733,890	900,000	2,633,890	5·6	2,337,141	5·0	41,380,576	88·9	241,223	·5	46,592,830
1916 ,, ...	1,733,890	900,000	2,633,890	7·1	1,250,125	3·3	33,238,515	88·9	242,208	·7	37,364,738
1915 ,, ...	1,733,365	900,000	2,633,365	6·3	2,832,031	7·4	32,364,853	85·1	215,021	·6	38,045,270
1914 ,, ...	1,412,500	875,000	2,287,500	10·0	844,227	3·8	19,447,817	85·5	148,422	·7	22,727,966
1910 ,, ...	1,312,500	850,000	2,162,500	11·6	561,985	3·0	15,804,282	84·6	144,880	·8	18,673,647

ASSETS.	Cash in Hand, &c.		Money at Call, &c.		Investments, inc. Treasury Bills.		Bills.		Loans and Advances.		Liab. of Custrs. for Acceptances.		Bank Premises &c.		Total Assets.
	£	%	£	%	£	%	£	%	£	%	£	%	£	%	£
1920, Dec. 31	12,601,557	13·7	9,973,071	10·9	14,159,582	15·4	7,081,836	7·7	40,185,509	43·8	6,518,293	7·1	1,264,422	1·4	§91,787,270
1919 ,,	7,930,264	9·1	11,006,969	12·7	16,089,712	18·5	3,768,631	4·3	31,399,236	36·1	15,623,631	18·0	1,171,794	1·3	‡86,990,237
1919, June 30	15,453,714	21·4	10,539,583	14·5	15,435,910	21·3	3,682,236	5·1	23,188,364	32·0	3,002,515	4·1	1,086,138	1·5	†72,388,460
1918 ,,	9,121,255	17·1	7,776,022	14·7	15,098,574	28·4	2,271,033	4·3	15,660,762	29·4	2,365,058	4·4	904,344	1·7	53,197,048
1917 ,,	4,254,661	9·1	4,554,561	9·8	10,783,873	23·1	1,924,342	4·1	21,839,978	46·9	2,337,141	5·0	898,274	2·0	46,592,830
1916 ,,	5,185,303	13·9	5,147,684	13·8	10,156,465	27·2	1,773,000	4·7	12,949,201	34·7	1,250,125	3·3	902,960	2·4	37,364,738
1915 ,,	5,321,139	14·0	5,678,045	14·9	7,223,907	19·0	2,319,564	6·1	13,789,797	36·3	2,832,031	7·4	880,787	2·3	38,045,270
1914 ,,	1,853,893	8·1	2,423,282	10·7	3,262,838	14·3	2,140,500	9·4	11,713,634	51·5	844,227	3·8	499,592	2·2	22,727,966
1910 ,,	1,392,547	7·5	1,896,642	10·1	2,909,913	15·6	2,168,353	11·7	9,283,494	49·8	561,985	3·0	460,718	2·5	18,673,647

* Per cent. of Total Liabilities or Assets. † Including figures of Martin's Bank.
‡ Including figures of Cocks, Biddulph and Company and the Palatine Bank. § Including figures of Halifax Commercial Banking Company.

Liabilities and Assets of Messrs. Cocks, Biddulph and Company.

LIABILITIES. Jan.	Total Capital and Reserve.		Deposits, &c.		Total Liabilities.
	£	%	£	%	£
1919...	200,000	15·1	1,124,911	84·9	1,324,911
1918...	200,000	15·5	1,090,770	84·5	1,290,770
1917...	200,000	17·0	979,655	83·0	1,179,655
1916...	200,000	17·3	956,082	82·7	1,156,082
1915...	200,000	16·2	1,032,953	83·8	1,232,953
1914...	200,000	18·4	888,334	81·6	1,088,334
1911...	200,000	17·9	915,737	82·1	1,115,737

ASSETS.	Cash in Hand, at Call, &c.		Investments.		Bills and Advances.		Bank Premises Account.		Total Assets.
	£	%	£	%	£	%	£	%	£
1919...	588,493	44·4	398,139	30·0	288,279	21·8	50,000	3·8	1,324,911
1918...	588,569	45·7	353,375	27·3	298,526	23·1	50,000	3·9	1,290,770
1917...	422,000	35·8	353,375	30·0	354,280	30·0	50,000	4·2	1,179,655
1916...	345,137	29·9	362,095	31·3	398,850	34·5	50,000	4·3	1,156,082
1915...	393,948	32·0	330,618	26·8	458,387	37·2	50,000	4·0	1,232,953
1914...	244,102	22·4	307,793	28·3	486,439	44·7	50,000	4·6	1,088,334
1911...	225,150	20·1	317,560	28·5	523,027	46·9	50,000	4·5	1,115,737

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Palatine Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%	£	%	£	%	£	%	£
1918	125,000	11,000	136,000	11·5	34,826	2·9	1,009,168	85·1	5,493	·5	1,185,487
1917	112,500	7,500	120,000	15·9	26,484	3·5	603,427	79·9	5,174	·7	755,085
1916	112,500	2,500	115,000	18·5	3,919	·6	495,829	79·8	6,742	1·1	621,490
1915	112,500	2,500	115,000	24·2	13,206	2·8	339,178	71·5	6,659	1·5	474,043
1914	112,500	2,500	115,000	26·3	23,283	5·3	293,539	67·0	6,164	1·4	437,986
1913	112,500	2,500	115,000	25·3	54,606	12·0	279,597	61·4	5,750	1·3	454,953
1910	112,500	2,500	115,000	20·0	190,867	33·2	262,681	45·8	5,654	1·0	574,202

ASSETS. Dec. 31	Cash in Hand and at Call.		Investments.		Bills Discounted.		Loans and Advances.		Liab. of Customers for Acceptances.		Bank Premises, &c.		Total Assets
	£	%	£	%	£	%	£	%	£	%	£	%	£
1918	309,795	26·1	216,932	18·3	215,183	18·1	398,692	33·7	34,826	2·9	10,059	·9	1,185,487
1917	201,549	26·7	55,428	7·4	113,628	15·0	348,036	46·1	26,484	3·5	9,960	1·3	755,085
1916	174,753	28·1	66,740	10·8	64,686	10·4	301,835	48·6	3,919	·6	9,557	1·5	621,490
1915	76,618	16·2	76,212	16·1	28,677	6·0	270,893	57·1	13,207	2·8	8,436	1·8	474,043
1914	59,572	13·6	53,339	12·2	28,618	6·5	264,938	60·5	23,283	5·3	8,236	1·9	437,986
1913	89,189	19·6	45,808	10·1	31,240	6·9	225,757	49·5	54,606	12·0	8,363	1·9	454,953
1910	109,385	19·0	35,334	6·1	23,605	4·2	207,303	36·1	190,867	33·2	7,708	1·4	574,202

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Halifax Commercial Banking Company, Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Notes in Circulation.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%	£	%	£	%	£	%	£	%	£
1918, Dec. 31 ...	200,000	120,000	320,000	8·9	3,515	·1	62,772	1·7	3,193,246	88·8	16,854	·5	3,596,387
1917 ,, ...	200,000	110,000	310,000	9·1	2,890	·1	51,477	1·5	3,011,665	88·9	13,384	·4	3,389,416
1916 ,, ...	200,000	105,000	305,000	9·7	1,795	·1	111,807	3·6	2,703,282	86·0	21,120	·6	3,143,004
1915 ,, ...	200,000	105,000	305,000	12·0	2,395	·1	45,599	1·8	2,165,186	85·4	17,837	·7	2,536,017
1914 ,, ...	200,000	105,000	305,000	13·0	2,840	·1	63,257	2·8	1,949,125	83·4	15,277	·7	2,335,499
1913 ,, ...	200,000	105,000	305,000	13·2	2,575	·1	68,935	2·9	1,911,845	82·9	18,013	·9	2,306,368
1910, June 30 ...	200,000	100,000	300,000	13·4	3,580	·2	76,249	3·4	1,841,303	82·1	20,805	·9	2,241,937

ASSETS.	Cash in Hand and at Call.		Investments.		Bills, Loans, and Advances.		Liab. of Cust. for Acceptances.		Bank Premises and other Assets.		Total Assets.
	£	%	£	%	£	%	£	%	£	%	£
1918, Dec. 31 ...	713,891	19·9	783,915	21·8	1,995,310	55·5	62,772	1·7	40,589	1·1	3,596,387
1917 ,, ...	726,658	21·5	671,466	19·8	1,899,138	56·0	51,477	1·5	40,677	1·2	3,389,416
1916 ,, ...	841,903	26·8	805,860	25·6	1,307,957	41·6	111,807	3·6	75,477	2·4	3,143,004
1915 ,, ...	334,566	13·2	690,924	27·3	1,393,685	54·9	45,599	1·8	71,243	2·8	2,536,017
1914 ,, ...	354,389	15·2	471,265	20·2	1,375,803	58·9	63,257	2·7	70,785	3·0	2,335,499
1913 ,, ...	284,387	12·3	376,612	16·4	1,505,602	65·3	68,935	2·9	70,832	3·1	2,306,368
1910, June 30 ...	267,390	11·9	380,953	17·0	1,452,756	64·8	76,249	3·4	64,589	2·9	2,241,937

* Per cent. of Total Liabilities or Assets.

Eastern Banking Company, and in 1918 entered the circle of the London clearing banks when it joined forces with Martins Bank, Limited, the title of the new institution being the Bank of Liverpool and Martins, Limited.

The date of the foundation of Martin's Bank is uncertain, but it was reputed to be the oldest bank in existence and probably dated from the Tudor period. Its origin is traditionally ascribed to Sir Thomas Gresham, and the first Martin joined the Bank as far back as 1694. Its business was for long confined mainly to the City, but in later years it extended into the immediately surrounding suburbs. In 1891 it was registered as a private joint stock company, and it continued business as a private bank until the above-mentioned amalgamation in 1918. On June 30 of that year the paid-up capital and reserve amounted to £685,000, the deposits to about £5½ million, and the total assets exceeded £6,350,000.

In the year subsequent to this amalgamation the Palatine Bank, of Manchester, was taken over. As will be seen from our table, the deposits of this Bank at the end of 1918 exceeded one million pounds and the total assets £1,185,000. The clearing bank thus obtained a centre in Manchester from which it could consolidate its already extensive interests in that area. In the same year (1919) another London bank was added to the list, in Cocks, Biddulph and Company, of Charing Cross—an institution with assets totalling £1,324,911 prior to the amalgamation. By means of

GLYN, MILLS, CURRIE & CO.

ESTABLISHED 1753. REGISTERED WITH UNLIMITED LIABILITY 1885.

67 LOMBARD STREET, LONDON, E.C. 3.

CAPITAL	£1,000,000
RESERVE FUND	£500,000
CURRENT AND DEPOSIT ACCOUNTS	£29,007,505
CASH IN HAND AND AT BANK OF ENGLAND	£6,852,997
MONEY AT CALL AND SHORT NOTICE	£7,199,750
INVESTMENTS (Government Securities).	£6,430,246
ADVANCES, &c.	£9,801,824

31st December, 1920.

MANAGING PARTNERS:

The Hon. A. H. MILLS. LAURENCE CURRIE.
Lord WOLVERTON. Lord HILLINGDON.
General the Hon. Sir H. A. LAWRENCE, K.C.B.

General Manager : Brig.-General A. MAXWELL, C.M.G., D.S.O.

Secretary : ERIC GORE BROWNE, D.S.O.

Every description of British and Overseas Banking and Exchange business transacted.
The Bank undertakes the office of Executor and Trustee.

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The British Overseas Bank,

LIMITED.

FORMED UNDER THE AUSPICES OF THE FOLLOWING BANKS:

Anglo-South American Bank, Ltd.
Dominion Bank (Canada).
Glyn, Mills, Currie & Co.
Charles Hoare & Co.
Imperial Ottoman Bank.
Northern Banking Co., Ltd.
Union Bank of Scotland, Ltd.
Williams Deacon's Bank, Ltd.

CAPITAL - £5,000,000
Issued and paid up - £2,000,000

Foreign business of all kinds transacted. *Correspondence invited.*

31, LOMBARD STREET, LONDON, E.C.3.

TELEPHONE NUMBER: CITY 7140 (5 lines).

London Correspondents of the
BANQUE DE BRUXELLES, BRUSSELS,
with whom The British Overseas Bank, Limited, works in close association for all Belgian Business.

Affiliated Institution in Poland:
ANGLO-POLISH BANK, LIMITED (BANK ANGIELSKO-POLSKI),
Krakowskie Przedmiescie, 47/49, WARSAW.

this acquisition an opening was obtained in the West End of London and the Bank's advance in the Metropolis thereby furthered.

Apart from these amalgamations, the natural growth of the Bank was facilitated by its recognised status in the industrial districts of the North of England. Its primary concern was naturally with the shipping business, cotton spinning and weaving, but its interest in the engineering and allied industries, as well as in agriculture, was very extensive. In 1920 a further extension of its sphere of operation was effected by the completed acquisition of the Halifax Commercial Banking Company, an important concern with deposits of over three million pounds and assets reaching almost £3,600,000.

The growth of the Bank in recent years has been accompanied by an appreciable expansion of the paid-up capital, which has risen from £1,412,500 on June 30, 1914, to £2,348,890 on December 31, 1920, the amount subscribed on the latter date being £18,791,120, of which £11,274,672 was reserved and £5,167,558 callable. The reserve fund, at £1,400,000, makes with the paid-up capital £3,748,890, or 4.1 per cent. of the total assets. A decrease of over £9,000,000 in acceptances during the past year still leaves the 1920 figures more than twice those of June 30, 1919, though some allowance must be made for the inclusion in the intervening period of the accounts of the absorbed banks. The decline from the exceptionally high figures of 1919 is explained by the facts that fewer drafts were drawn upon the Bank and that the price of produce had materially fallen. The current, deposit and other accounts show an increase of £13,676,000 during 1920, and have risen from 77.6 per cent. of the total liabilities to 88.5 per cent. Even allowing for the figures of the Halifax Commercial Banking Company, the net increase in deposits has been £11,000,000.

On the assets side of the balance sheet, cash in hand and at Bank of England, at £12,604,557, shows an increase of £4,674,000 since December 31, 1919, but money at call or short notice, at £9,973,071, is down by £1,033,000, while investments (including Treasury bills) have also undergone a reduction from £16,089,712 to £14,159,582. There was a large demand for banking accommodation necessary to finance business initiated during the early part of 1920. Loans and advances to customers, for example, advanced from £31,143,325 to £40,012,925, and bills of exchange from £3,768,631 to £7,081,836.

The net profit for the year amounted to £735,948, or 31.33 per cent. on the capital employed, as compared with £325,320, or 15.14 per cent., for the half-year to December 31, 1919. The 1920 figures were helped by the inclusion of the profits of the Halifax Commercial Banking Company, which in the year to December 31, 1918, had amounted to £28,470. The rate of dividend distributed to shareholders has remained unchanged at sixteen per cent., the amount absorbed being £375,822. As in the case of most other banks, investments depreciation has been heavy, and the large sum of £350,000 was appropriated out of profits to meet the fall in values. By means of this transfer and other internal appropriations, all investments other than Government war issues (against which, too, a substantial reserve has been accumulated) were written down to market prices, and, as quotations have improved since the commencement of the current year, the appreciation in values constitutes a valuable hidden reserve. According to the Chairman's statement at the annual meeting in January, the Bank's internal contingent fund had been increased to a substantial figure, while it is satisfactory to note that, by the application of £100,000 of the surplus resulting from recent amalgamations, the intangible asset, "bank purchase account," has disappeared from the balance sheet. The sum carried to the next account, at £124,414, is over £10,000 in excess of the amount brought in.

Profits of the Bank of Liverpool and Martins, Limited.

Year ended Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. subject to Tax—Earned %	Div. subject to Tax—Paid %	Special Allocations £	Carried Forward £
1920...	—	—	735,948	31·33	16	375,822	350,000	124,414
1919§...	717,643§	392,323§	325,320§	15·14	8	171,911	150,000	114,288
June 30 1919...	1,194,970†	697,968	497,002†	24·28‡	16‡	327,422	250,000	110,879
1918...	920,095	505,528	414,567	23·91	15	260,083	65,000	191,299
1917...	814,003	409,986	404,017	23·30	15	260,083	145,000	101,816
1916...	689,223	326,667	362,556	20·91	15	260,083	75,000	102,852
1915...	651,919	287,981	363,938	20·99	15	260,083	75,000	75,409
1914...	454,182	194,658	259,524	18·37	15	211,875	25,000	46,554

† Including £2,586 balance of profit brought forward from last account by Martin's Bank.

‡ On capital as increased by issue of shares to shareholders of Martin's Bank.

§ Figures for half-year to December 31, 1919, including those of Cocks, Biddulph & Co., and the Palatine Bank.

Profits of the Palatine Bank, Limited.

Year	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Special Allocations £	Carried Forward £
1918 ...	—	—	11,382	9·10	5½	7,187	4,500	1,743
1917 ...	22,189	11,632	10,557	9·38	5	5,625	5,000	2,048
1916 ...	17,573	9,865	7,708	6·85	5	5,625	1,500	2,117
1915 ...	16,338	8,819	7,519	6·68	5	5,625	2,000	1,534
1914 ...	15,705	8,665	7,040	6·25	5	5,625	1,400	1,640
1913 ...	15,320	7,899	7,421	6·59	5	5,625	1,000	1,625

Profits of the Halifax Commercial Bank, Limited.

Yr. to Dec. 31	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Balance £	Special Alloct'ns £	Carried Forward £
1918	28,470	14·24	10	20,000	8,470	7,000	4,854
1917	26,264	13·13	9	18,000	8,264	8,000	3,384
1916	24,783	12·39	8	16,000	8,783	10,000	3,120
1915	22,560	11·28	8	16,000	6,560	5,500	4,337
1914	21,264	10·63	8·5	17,000	4,264	4,000	3,277
1913	23,492	11·74	8·4	16,991	6,501	7,000	3,012

BANK OF SCOTLAND.

Head Office: Edinburgh.

Capital—

Authorised	... ...	Stock £4,500,000
Issued	... ...	1,987,500
Paid up	... ...	1,325,000

The Bank of Scotland was established under an Act of the Scots Parliament in 1695, and launched into business in the following year. The capital of £1,200,000 (Scots money—equal to 100,000 English pounds sterling) with which it started operations was subscribed as to two-thirds in Scotland and one-third in London. Under the deadening influence of a monopoly the Bank at first made little progress, but the termination in 1727 of its exclusive right to carry on banking business in Scotland tended to encourage a more forward policy. In 1774, 1784, 1792 and 1794 capital increases were authorised, that in the last-named year bringing the total to £1,000,000. Early in the nineteenth century the authorised capital was further raised to a million and a-half, and for a long period it remained unchanged. The policy of amalgamation, so popular during the later part of the century, appeared to hold little attraction for the Bank, but in 1868 an important addition was made to its interests, when it absorbed the Central Bank of Scotland, whose head office was in Perth. Following swiftly on this move, the authorised capital was in 1873, pursuant to an Act of Parliament, raised to £4,500,000. The purchase of the Caledonian Bank in 1907 was the next important development in the Bank's history, and this transaction led to an increase in the paid-up capital, which, on February 29, 1908, stood at £1,325,000, at which figure it still remains.

The reserve fund has materially declined from the high-water mark of £1,400,000 reached in 1914, and on the date of the last balance sheet—February 28, 1921—the aggregate capital and reserve, £1,875,000, represented only 4.1 per cent. of the total liabilities, as compared with 10.2 per cent. in 1914, the decline in the reserve item being due to drafts made on the

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FOREIGN EXCHANGE. COMMERCIAL CREDITS.

CABLE TRANSFERS. FOREIGN COLLECTIONS.

TRAVELLING CREDITS.

INVESTMENT SECURITIES. DIVIDENDS COLLECTED

COUPONS and DRAWN BONDS PURCHASED.

DEPOSIT and CURRENT ACCOUNTS OPENED.

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Liabilities and Assets of The Bank of Scotland.

LIABILITIES. Feb. 28	Capital Paid up. £	Reserve Fund. £	Paid up Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1921 ...	1,325,000	550,000	1,875,000	4·1	4,328,175	9·6	841,751	1·9	38,103,337	84·1	150,337	·3	45,298,600
1920	1,325,000	550,000	1,875,000	4·1	4,228,825	9·3	673,307	1·5	38,390,652	84·8	129,134	·3	45,296,918
1919	1,325,000	550,000	1,875,000	4·8	4,022,757	10·2	676,162	1·8	32,568,495	82·9	127,812	·3	39,270,226
1918	1,325,000	750,000	2,075,000	6·0	3,074,872	8·8	996,397	2·8	28,691,679	82·1	115,232	·3	34,953,180
1917	1,325,000	750,000	2,075,000	6·3	2,492,623	7·6	1,184,764	3·6	27,161,013	82·2	103,724	·3	33,017,124
1916	1,325,000	1,050,000	2,375,000	8·7	2,119,702	7·7	1,052,042	3·8	21,836,768	79·5	100,043	·3	27,483,555
1915	1,325,000	1,200,000	2,525,000	8·9	1,556,979	5·5	2,522,997	8·9	21,669,943	76·3	106,910	·4	28,381,829
1914	1,325,000	1,400,000	2,725,000	10·2	1,238,666	4·6	2,609,030	9·7	20,060,625	74·9	144,529	·6	26,777,850
1911	1,325,000	1,250,000	2,575,000	10·9	1,172,060	5·0	1,676,827	7·1	17,962,988	76·4	132,501	·6	23,519,376

ASSETS. Feb. 28	Cash and Notes in Hand, &c. £	% *	Brit. Govt. Securities & Call Money, &c. £	% *	Indian & Colonial Govt. Securities, &c. £	% *	Bills Discounted & Advances. £	% *	Liab. of Customers for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1921 ...	6,574,003	14·5	15,610,607†	34·5	1,272,227	2·8	20,362,823†	44·9	841,751	1·9	637,189	1·4	45,298,600
1920 ...	6,565,604	14·5	17,856,636	39·4	1,488,607	3·3	18,064,236	39·9	673,307	1·5	648,528	1·4	45,296,918
1919 ...	5,863,329	14·9	17,678,051	45·0	2,003,633	5·1	12,387,339	31·5	676,162	1·8	661,812	1·7	39,270,226
1918 ...	4,582,375	13·1	13,317,966	38·1	2,132,247	6·1	13,254,548	38·0	996,397	2·8	669,647	1·9	34,953,180
1917 ...	3,821,053	11·6	11,669,149	35·3	2,237,906	6·7	13,424,172	40·7	1,184,764	3·6	680,080	2·1	33,017,124
1916 ...	3,217,393	11·7	10,001,524	36·4	2,545,721	9·3	9,981,646	36·3	1,052,042	3·8	685,229	2·5	27,483,555
1915 ...	2,165,207	7·6	8,215,566	28·9	3,478,748	12·2	11,309,582	39·9	2,522,997	8·9	689,729	2·5	28,381,829
1914 ...	1,808,776	6·8	5,788,119	21·6	3,855,448	14·4	12,028,203	44·9	2,609,030	9·7	688,274	2·6	26,777,850
1911 ...	1,773,740	7·5	2,802,331	11·9	5,294,584	22·6	11,283,952	48·0	1,676,827	7·1	687,942	2·9	23,519,376

* Per cent. of Total Liabilities or Assets. † Including £15,706,356 bullion accounts and other advances and £5,005,000 Treasury bills.
‡ Money at call and short notice £1,195,765 of total.

fund in connection with investment values. The Bank's position cannot, however, be judged by reference to these two items alone, as the cash in hand, bank balances, and cheques in transit on February 28 last amounted to £6,574,003, as compared with £1,808,776 on the like date in 1914, while British Government securities, with money at call or short notice, have risen from £5,788,119 to £15,610,607 in the corresponding period, and represent 34.5 per cent. of the total assets, as against 21.6 per cent. in 1914. The note circulation, which naturally expanded during the war years, owing to the demand for currency, now stands at £4,328,175. Deposits and credit balances, including drafts issued payable within fourteen days, have, as shown in our table, declined slightly in the last financial year—from £38,390,652 to £38,103,337; but if we allow for the shrinkage in drafts, from £1,446,699 to £415,979, it will be seen that there has actually been an increase in deposit and credit balances from £36,943,953 to £37,687,358. Acceptances, too, have increased from £673,307 to £841,751, the rise being wholly on account of banking customers.

Returning to the assets side of the balance sheet, investments other than Government securities, at £1,272,227, show a reduction of £216,380. The principal increase appears in the hitherto grouped figures of bills discounted, current accounts and other advances, now standing for £20,362,823 (in succession to £18,064,236), further light on the liquidity of the Bank's position being thrown by the fact that this large sum consists to the extent of nearly one-fourth of Treasury bills, part of £6,656,467 in all represented by bills discounted. At £373,203 the net profits are within about £10,000 of those of the preceding year, and allow, after the application of £120,000 (following £160,000) to depreciation in investments and £20,000 (as against £10,000) in reduction of bank premises account, of a repetition of the usual sixteen per cent. dividend (subject to tax), leaving a carry-forward of £76,137, as against £54,934 brought in. The latest balance sheet is characterised by a more detailed and informative classification of certain of the assets, and its publication was preceded by the enactment of the Bank of Scotland Act, 1920, a measure designed to bring the Bank into closer conformity with modern requirements.

Profits of the Bank of Scotland.

Year ended Feb 28	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Div. Subject to Tax—Paid £	Special Allocations £	Carried Forward £
1921...	—	—	373,203	28·16	16·00	212,000	140,000	76,137
1920 ..	—	—	383,322	28·93	16·00	212,000	170,000	54,934
1919...	—	—	374,880	28·30	16·00	212,000	145,000	53,612
1918...	—	—	338,508	25·55	16·00	212,000	115,000	35,732
1917...	—	—	309,161	23·33	16·00	212,000	85,000	24,224
1916...	508,491	210,850	297,641	22·46	16·00	212,000	85,000	12,063
1915...	519,819	206,927	312,892	23·61	18·00	238,500	75,000	11,422
1914...	539,276	202,034	337,241	25·45	21·24	281,415	55,000	12,030

BARCLAYS BANK, LIMITED.

(*See also* **British Linen Bank** *and* **Union Bank of Manchester, Limited.**)

Head Office: 54 Lombard Street, London, E.C. 3.

Capital—

Authorised £20,000,000

Issued and paid up, in 857,589 "A" shares of £4 each, 11,760,811 "B" shares of £1 each, and 401,205 "C" shares of £1 each, all fully-paid £15,592,372

The rapid expansion of this Bank dates from a comparatively recent period. Up to 1896 the house of Barclay and Company was a well-known and progressive private institution in London, but in that year, in addition to being converted into a joint-stock company with limited liability, it entered upon a vigorous policy of amalgamation, which led to an important and widespread expansion of business. Even before the opening of the present century it had become associated with the iron, steel, and shipbuilding industries of the north, as well as with agricultural interests, and after 1900 it established a closer identity with manufacturing and shipping interests, which developed profitably in succeeding years up to 1914. The first remarkable event in the Bank's history during the War was the absorption in 1916 of the United Counties Bank—a move that extended the sphere of operations of the absorbing Bank into the Midlands, the West Riding of Yorkshire, and West Lancashire, principally Liverpool. This move was in pursuance of the Bank's policy to widen the area available for the judicious employment of its resources, thereby stimulating the trade and manufactures of this country. The benefits that accrued to the business community more than justified the various amalgamations and absorptions, of which altogether a large number was carried through by the Bank. Before the close of the War another amalgamation, destined to have an important influence on the history of the Bank, was arranged. The need had long been felt of additional branches in the Metropolitan area, in order to meet the business requirements of the Bank's customers, and by amalgamation with the London Provincial and South-Western Bank as from December 31, 1917, 250 branches were acquired in London and the suburbs. In addition, 300 branches were secured in a number of industrial centres (including South Wales) and important agricultural areas. The overlapping caused was comparatively small, and led to the closing of but a few branches. By this arrangement Barclays further gained some valuable foreign connections, as it acquired the interests of the London Provincial and South-Western Bank in Cox and Company (France), Limited, enabling it to cater more fully for the interests of South Wales, principally in fostering the large export trade to France from the Bristol Channel. No increase in the authorised capital was directly necessitated by the

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Sydney, New South Wales.

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GOVERNMENT OF THE STATE OF TASMANIA.

SAVINGS BANK DEPARTMENT.

Branches in the Chief Centres and 3,085 Agencies at Post Offices throughout Australasia.

ON 31ST DECEMBER, 1920 :

Savings Bank balances	£35,306 956
General Bank balances	27,153 311
Note Issue Department	58,972,537
Other Items	13,527,765
Total	£134,960,569

LONDON BRANCH : 36-41 NEW BROAD STREET, E.C.

C. A. B. CAMPION, London Manager.

BANK OF NEW ZEALAND

BANKERS TO THE NEW ZEALAND GOVERNMENT.

Authorised Capital - - £6,154,988
Subscribed Capital - - £3,904,988

PAID-UP CAPITAL.

Four per Cent. Guaranteed Stock	£529,988
Preference Shares (Issued to N.Z. Government)	£1,125,000
Ordinary Shares	£2,250,000

Reserved Fund and Undivided Profits, £1,521,520.

Head Office: WELLINGTON, N.Z.
London Office: 1 QUEEN VICTORIA STREET, E.C. 4.

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And at Melbourne, Victoria ; Sydney, New South Wales ; Suva and Levuka, Fiji ; Apia, Samoa.

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ALEXANDER KAY, Manager.

amalgamation, but at an extraordinary general meeting held in July 1918 to approve the amalgamation with the London Provincial and South-Western Bank it was also decided to increase the authorised capital to twenty millions by the creation of 750,000 new "A" shares of £4 each, ranking *pari passu* for all purposes with the existing "A" shares, and of 1,750,000 new "B" shares of £2 each, similarly ranking with the existing "B" shares.

The capital of Barclays Bank on December 31 last stood at £20,000,000, of which £15,592,372 was paid up, divided into the three categories of "A," "B," and "C" shares. The "A" capital consisted of £3,430,356, divided into 857,589 shares of £4 each, fully paid, no change being registered since December 31, 1919. The "B" capital of £11,760,811, in shares of £1 each, fully paid, compares with £5,390,000 in £2 shares, £1 paid, a year earlier. The increase is due to the acquisition of the control of the British Linen Bank, the Union Bank of Manchester, and the Anglo-Egyptian Bank. The holdings in these institutions are set out as follows on the assets side of the balance sheet:—British Linen Bank: £1,209,132 0s. 7½*d.* stock, £3,627,396; Union Bank of Manchester, Limited: 299,500 shares of £5 each, £2 10s. paid, £2,695,500; and Anglo-Egyptian Bank, Limited: 110,315 shares of £15 each, £5 paid, £1,930,512. According to the Chairman's statement, these yielded a good return upon the capital invested and in addition were responsible for a large accession of business. The "C" capital amounts to £401,205, in £1 fully-paid shares, all held by the staff in accordance with a special scheme approved by the shareholders towards the end of 1919, and allotted at par. The total paid-up capital showed the substantial increase of £6,772,016 on the amount at the end of 1919, while the reserve fund has simultaneously risen from £7,000,000 to £8,250,000. Together, the paid-up capital and reserve, at £23,842,372, represent 6.6 per cent. of the aggregate liabilities, as compared with 4.9 per cent. in the previous year and 7.7 per cent. on June 30, 1914. Liability in respect of acceptances and endorsements, which stood at £13,588,825 on December 31, 1919, had declined by the following June to £13,531,057, and is now down to £10,227,554—a decline no doubt accounted for by the restricted movement of commodities. Current, deposit, and other accounts, on the other hand, have expanded from £295,550,682 to £327,222,768, now representing 90.4 per cent. of the liabilities, as compared with 90.8 per cent. The expansion is in part accounted for by the increased accommodation given to customers.

On the assets side, cash in hand and at the Bank of England, at £51,186,474, is down by £360,000, and balances with other British banks, with cheques in course of collection, by £3,103,000, the combined proportion to liabilities showing a decline from twenty to seventeen per cent.; while money at call and short notice, at £21,313,395, following £20,031,495, has fallen from 6.2 to 5.9 per cent. Investments, inclusive of £8,253,409 representing holdings in affiliated institutions, are up by over a million and a-half at £63,936,119, otherwise they constitute £55,682,710, or 15.4 per cent. of the total assets, following a proportion of 19.1 per cent. At least fifty per cent. of the sum is repayable at a premium within the next ten years, and this is an important consideration, in view of the uncertain character of the general monetary outlook. The expansion in bills discounted has been very substantial—from £30,253,309 to £44,860,805, representing 12.4 per cent. of the assets as compared with 9.3 per cent. twelve months earlier, this item being very liquid in character, as it consists largely of Treasury bills. In all, the cash, money at call, and bills discounted are equivalent to thirty-nine per cent. of the deposits. Advances to customers and other accounts show a remarkable rise—from £130,095,257 on December 31, 1919, to £155,560,920 on December 31, 1920. The increase indicates the vast amount of credit extended to commerce and industry, and took place almost wholly in the first half of the year, as this item figured at £153,868,423 on June 30 last. The persistence of the increase, despite the heavy falling-off in trade, has proved that many manufac-

Liabilities and Assets of Barclays Bank, Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Paid-up Capital and Reserve.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£
1920 Dec. 31	15,592,372	8,250,000	23,842,372	6·6	10,227,554	2·8	327,222,768	90·4	565,602	·2	361,858,296
1919 ,, ...	8,820,356	7,000,000	15,820,356	4·9	13,588,825	4·2	295,550,682	90·8	508,450	·1	325,468,313
1918 ,, ...	8,160,743†	6,000,000	14,160,743	5·5	4,211,796	1·6	239,381,613	92·8	278,428	·1	258,032,580
1917 ,, ...	4,594,443	2,200,000	6,794,443	4·9	2,151,137	1·6	128,881,528	93·4	186,373	·1	138,013,481
1916 ,, ...	4,594,443	2,200,000	6,794,443	5·8	2,861,428	2·5	107,169,892	91·6	120,938	·1	116,946,701
1915 ,, ...	3,600,000	1,600,000	5,200,000	6·4	2,329,806	2·8	73,269,579	90·7	72,611	·1	80,771,996
1914 June 30	3,600,000	1,600,000	5,200,000	7·7	322,131	·5	61,740,266	91·6	140,671	·2	67,403,068
1913 ,, ...	3,600,000	1,600,000	5,200,000	8·3	377,302	·6	57,257,953	90·9	125,361	·2	62,960,616
1910 ,, ...	3,200,000	1,250,000	4,450,000	8·2	316,211	·6	49,170,615	90·9	121,511	·3	54,058,337

ASSETS.	Cash in Hand, B. of E., &c.		Money at Call, &c.		Investments.		Bills Discounted.		Advances.		Liab. of Cust. for Acceptances.		Bank Premises, &c.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920 Dec. 31	61,710,646	17·0	21,313,395	5·9	63,936,119	17·7	44,860,805	12·4	155,560,920	43·0	10,227,554	2·8	4,248,857	1·2	361,858,296
1919 ,,	65,174,350	20·0	20,031,495	6·2	62,341,380	19·1	30,253,309	9·3	130,095,257	40·0	13,588,825	4·2	3,983,697	1·2	325,468,313
1918 ,,	51,819,891	20·1	21,325,154	8·2	50,559,987	19·6	47,442,254	18·4	78,854,584	30·6	4,211,796	1·6	3,818,914	1·5	258,032 580
1917 ,,	28,778,428	20·9	5,920,400	4·2	26,266,878	19·0	28,089,055	20·4	44,201,242	32·0	2,151,137	1·6	2,606,341	1·9	138,013,481
1916 ,,	23,983,218	20·5	5,526,400	4·7	27,041,404	23·1	16,880,286	14·4	38,203,822	32·7	2,861,428	2·5	2,450,143	2·1	116,946,701
1915 ,,	14,181,269	17·6	4,470,000	5·5	25,908,497	32·1	3,721,689	4·6	28,408,025	35·2	2,329,806	2·8	1,852,710	2·2	80,771,996
1914 June 30	9,029,178	13·4	6,779,500	10·0	13,098,629	19·5	8,636,251	12·8	27,762,844	41·2	322,131	·5	1,774,535	2·6	67,403,068
1913 ,,	9,479,205	15·0	6,608,000	10·5	11,846,410	18·8	6,476,444	10·3	26,441,686	42·0	377,302	·6	1,731,569	2·8	62,960,616
1910 ,,	7,226,369	13·4	5,879,700	10·9	11,559,712	21·4	4,865,308	9·0	22,819,449	42·2	316,211	·6	1,391,588	2·5	54,058,337

* Per cent. of Total Liabilities or Assets. † Includes £871,299 instalments on new issue of "A" shares.

Liabilities and Assets of The London and Provincial Bank, Limited.

LIABILITIES.	Capital Paid up.†	Reserve Fund.	Invest. Depreciation Reserve.	Total Capital and Reserve.		Acceptances.		Deposits, &c.		Profit Balances.		Total Liabilities.
	£	£	£	£	%	£	%	£	%	£	%	£
1918 June 30† ...	2,125,000	3,000,000	–	5,125,000	5·7	2,341,779	2·7	82,517,592	91·6	—	—	89,984,371
1917 Dec. 31 ...	1,000,000	1,650,000	500,000	3,150,000	7·9	425,500	1·1	35,961,878	90·1	345,848	·9	39,883,226
1916 ,, ...	1,000 000	1,650,000	350,000	3,000,000	8·8	300,000	·8	30,512,945	89·4	339,821	1·0	34,152,766
1915 ,, ...	1,000,000	1,750,000	250,000	3,000,000	10·8	–	—	24,362,305	88·0	324,937	1·2	27,687,242
1914 ,, ...	1,000,000	2,000,000	—	3,000,000	12·0	–	—	21,731,260	87·0	251,322	1·0	24,982,582
1913 ,, ...	1,000,000	2,000,000	–	3,000,000	12·7		-	20,216,006	85·8	381,686	1·5	23,597,692
1910 ,, ...	800,000	1,495,000	–	2,295,000	12·1			16,546,857	87·1	154,729	·8	18,996,566

ASSETS.	Cash in Hand and with Bank of England.		Money at Call and at Short Notice.		Investments		Bills Discounted. Advances, &c.		Liab. of Cust. for Acceptances.		Bank Premises.		Total Assets.
	£	%	£	%	£	%	£	%	£	%	£	%	£
1918 June 30†	16,371,544	18·2	11,599,980	12·8	12,917,798	14·4	45,746,163	50·8	2,341,779	2·7	1,007,107	1·1	89,984,371
1917 Dec. 31	7,438,394	18·6	6,470,270	16·2	7,002,593	17·6	18,239,840	45·7	425,500	1·1	306,629	·8	39,883,226
1916 ,, ...	6,946,131	20·3	4,955,182	14·5	6,985,451	20·5	14,683,927	43·0	300,000	·8	282,075	·9	34,152,766
1915 ,, ...	4,719,973	17·0	4,232,776	15·3	6,570,568	23·7	11,894,101	43·0	—		261,824	1·0	27,687,242
1914 ,, ...	4,824,330	19·3	2,248,127	9·0	5,228,051	21·0	12,118,046	49·7	-	-	264,028	1·0	24,982,582
1913 ,, ..	3,633,466	15·4	2,615,000	11·1	5,053,943	21·5	12,029,915	50·9	—	—	260,368	1·1	23,597,692
1910 ,, ...	2,212,183	11·6	1,700,000	9·0	4,508,834	23·7	10,350,141	54·5	—	—	225,408	1·2	18,996,566

* Per cent. of Total Liabilities or Assets. † London, Provincial and South Western Bank, Ltd.

THE ROYAL BANK OF CANADA

HEAD OFFICE: MONTREAL

LONDON, Eng.
PRINCES ST., E.C.

NEW YORK
68 WILLIAM ST.

BARCELONA
PLAZA DE CATALUNA 6

PARIS AUXILIARY
THE ROYAL BANK OF CANADA (FRANCE)

COLLECTIONS MADE. BILLS OF EXCHANGE PURCHASED. DRAFTS SOLD
TRADE ENQUIRIES EFFECTED.

625 BRANCHES THROUGHOUT CANADA AND NEWFOUNDLAND.

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DOMINICAN REPUBLIC—S. Domingo and 5 other points. **MARTINIQUE**—Fort de France and Trinité.
GUADELOUPE Pointe-à-Pitre and Basse Terre. **VENEZUELA**—Caracas, Ciudad Bolivar, Maracaibo and Puerto Cabello.
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St. Kitts Basseterre. **St. Lucia**—Castries. **Tobago** Scarborough. **Trinidad**—Port of Spain, San Fernando, &c.
BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne). **BRITISH HONDURAS**—Belize.

With our chain of 730 Branches throughout Canada, Newfoundland, the West Indies, Central and South America, we offer a complete banking service to exporters, importers, manufacturers and others wishing to extend their business in these countries. Trade enquiries are solicited. Consult our LONDON MANAGER, or write direct to our *Foreign Trade Department, Montreal, Canada.*

CAPITAL PAID UP AND RESERVE - - - - $40,000,000
AGGREGATE ASSETS - - - - - - - $550,000,000

UNION BANK OF CANADA

INCORPORATED 1865. Head Office—WINNIPEG.

Paid-up Capital (Nov. 30, 1920) - - $8,000,000
Rest and Undivided Profits (Nov. 30, 1920) $6,527,135
Total Assets (Nov. 30, 1920) - -$169,205,445

The BANK has over 400 Branches in Canada, and AGENTS IN ALL THE PRINCIPAL CITIES IN AMERICA

GENERAL BANKING AND EXCHANGE BUSINESS TRANSACTED.

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LONDON OFFICES: **6 PRINCES STREET, E.C. 2.**
26 HAYMARKET, S.W.1.

NEW YORK AGENCY: 49 Wall Street.
PARIS AGENTS: Park-Union Foreign Banking Corporation, 1 Rue Taitbout.

turers are still carrying heavy volumes of stock of which they are unable to dispose, and which, probably, preclude them from liquidating the claims of the Bank, thereby giving rise to what is popularly termed "frozen credit."

Turning to the profit and loss account, the gross profit for last year reached £8,051,274, as compared with £5,873,820 in the previous twelve months—an increase of thirty-seven per cent., while the net profit rose from £2,547,407 to £3,536,254. The net percentage earned on the capital, calculated on the amount at the end of each year, figured at 22.68 per cent. in 1920 and 28.88 per cent. in 1919. Interim dividends had been paid in August last at the rates of ten per cent. per annum on the "A" shares of £4 each, fully paid, and fourteen per cent. per annum on the "B" and "C" shares of £1, fully paid, both less income tax; and the final dividends were on the same scale. As regards the "B" capital, three shares had been allotted to each shareholder in exchange for two shares of £2, with £1 paid. The present dividend of fourteen per cent. per annum is therefore equivalent to a distribution of twenty-one per cent. on the old capital, which formerly received twenty per cent. dividend. Before the final dividend declarations substantial allocations were made to various reserves, including £500,000 to contingency account, a provision rather for the possibility of future untoward happenings than for actual *contretemps* in the past. £650,000 was set aside for writing down investments, including holdings in affiliated banks, and £200,000 applied to the reduction of premises account and payment for buildings, the expansion of business and opening of new branches necessitating considerable outlay under the latter head. The staff pension reserve has been strengthened by the addition of £100,000, this bringing up the special allocations to a total of £1,450,000, as compared with £900,000 in the previous year—an additional proof of the prudent and conservative policy followed by the board of directors.

Profits of Barclays Bank, Limited.

Year to Dec. 31	Gross Profit	Net Profit	Dividend Subject to Tax: Equiv. on A Earned	Equiv. on A To Cap.	Paid: B sh.	C sh.	Amount	Special Allocations	Carried Forward
	£	£	%	%	%	%	£	£	£
1920	8,051,274	3,536,254	22·68	13·01*	10	14‡	2,000,102	1,450,000	265,[illegible]
1919	5,873,820	2,547,407	28·88*	16·07*	10	20	1,417,384	900,000	508,450
1918	4,712,803	2,133,448	26·14	14·7	10	20	1,199,133	950,000	327,428
1917	2,562,201	1,364,378	29 69	15·8	10	20	728,943	570,000	186,373
1916	2,282,435	1,256,896	27·42	14·4	10	17½	661,568	550,000	120,938
1915†	895,200	524,487	29 12	13‡	10	17½	247,500	275,000	72,610
1915a	1,629,612	939,053	26 11	13‡	10	17½	495,000	515,000	70,624
1914a	1,574,226	832,810	23·13	14‡	10	18‡	517,500	200,000	140,671
1913a	1,498,740	816,322	22 67	13‡	—	—	480,000	364,025	125,361

(a) Year to June 30. (b) For 1920 both "B" and "C" shares.
* Calculated on capital at end of year. † Half-year to Dec. 31.
‡ [illegible] on "A" and 7½ on "B" [illegible] £[illegible] of § [illegible] £7,739 of unappropriated 1918 profit of London Provincial and South Western Bank brought into account.

Profits of the London and Provincial Bank, Limited.

Year to Dec. 31	Gross Profit	Interest & Expenses	Net Profit	Div. Subject to Tax: Earned	Paid	Special Allocat'ns	Carried Forward
	£	£	£	%	%	£	£	£
1917...	1,368,906	1,018,129	350,777	35·0	19	190,000	150,000	53,348
1916...	1,193,688	851,387	342,301	34·2	19	190,000	150,000	42,571
1915...	1,006,669	682,367	324,302	32·4	19	190,000	120,000	40,270
1914...	877,235	636,037	241,198	24·1	19	190,000	50,000	25,968
1913...	953,109	620,576	332,533	33·2	19	190,000	140,000	24,770

BARING BROTHERS AND CO., LTD.

Head Office: 8 Bishopsgate, London, E.C. 2

Capital—

Nominal	£1,025,000
Subscribed and paid up	1,025,000

(In 5,000 5% 1st Preference shares of £100 each, 5,000 6% 2nd Preference shares of £100 each, and 5,000 Ordinary shares of £5 each.)

BARING BROTHERS was registered as a limited company on November 24, 1890, with a capital of £1,000,000 in 2,000 shares of £500 each. As from January 1, 1895, the capital was converted into 5,000 Five per Cent. First Preference shares of £100 each and 5,000 Six per Cent. Second Preference shares of £100, and a new issue was made of 5,000 Ordinary shares of £5, all fully paid. The total capital was, therefore, increased to £1,025,000, at which figure it still remains. A remarkable decline (following an equally marked rise) has occurred in the balance-sheet totals—from £38,701,624 on December 31, 1919, to £24,271,031 on December 31, 1920. Thus among the assets the item of "Liabilities of customers on acceptances and on current accounts, &c." has moved from £13,916,255 to £6,204,938, and bills receivable figure at £10,468,677, following £15,661,723. British Government and other securities have also fallen from £2,011,256 to £830,431, the securities now standing in the books being scheduled at or below market values. The cash in hand, at call and at short notice, while down by nearly £[illegible],000, has risen in proportion to the total liabilities from 18 per cent. to 27.4 per cent.

On the liabilities side of the balance sheet the reserve fund shows a remarkable increase—from £100,000 in 1919 to £1,000,000 in 1920, and the proportion of paid-up capital and reserve is now 8.3 per cent., as compared with 2.9 per cent. a year earlier. The Bank's liability in respect of current and other accounts has declined from £26,304,886 to £18,500,885, and that in respect of acceptances from £11,257,865 to £3,731,786, while the liability on rediscounts and foreign bills negotiated, as indicated by a footnote extraneous to the balance-sheet figures, compares at £72,954 with £137,310 at the end of 1919. No profit and loss account is furnished, but the profit [illegible] £13,360—is practically unchanged as compared with the previous year and has been arrived at after providing for current expenses, bad debts, contingencies and dividends for the year on each class of share.

Liabilities and Assets of Messrs. Baring Brothers and Company, Limited.

LIABILITIES.

Dec. 31	Capital Paid up.	Reserve Fund.	Paid-up Capital and Reserve.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£
1920...	1,025,000	1,000,000	2,025,000	8·3	[illegible]	15·4	[illegible]	76·2	13,360	·1	24,271,031
1919	1,025,000	100,000	1,125,000	2·9	11,257,865	29·1	26,304,886	68·0	13,923	—	38,701,624
1918...	1,025,000	100,000	1,125,000	4·8	3,064,047	13·1	19,245,252	82·1	12,658	—	23,446,957
1917...	1,025,000	100,000	1,125,000	4·0	5,939,554	21·2	20,934,869	74·7	12,[illegible]	·1	28,011,822
1916...	1,025,000	100,000	1,125,000	4·8	4,613,591	19·8	17,602,610	75·3	12,110	·1	23,353,311
1915...	1,025,000	100,000	1,125,000	4·8	6,781,991	29·2	15,275,245	66·0	11,009	—	23,193,245
1914...	1,025,000	100,000	1,125,000	6·9	3,723,682	22·9	11,377,869	70·1	12,232	·1	16,238,783
1913...	1,025,000	100,000	1,125,000	7·1	6,636,589	42·0	8,042,292	50·9	11,121	—	15,815,002
1910...	1,025,000	100,000	1,125,000	6·3	7,498,544	42·1	9,177,763	51·5	12,481	·1	17,813,788

ASSETS.

Dec. 31	Cash in Hand, at Call, &c.		Investments.		Bills Receivable		Advances.		Liab. of Customers for Acceptances.		Bank Premises Account.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920	6,639,984	27·4	830,431	3·4	10,468,677	43·1	2,473,153	10·2	3,731,786	15·4	127,000	·5	24,271,031
1919	6,985,389	18·0	2,011,257	5·2	15,661,723	40·5	2,658,390	6·9	11,257,865	29·1	127,000	·3	38,701,624
1918	5,385,994	23·0	1,607,306	6·9	11,317,959	48·3	1,944,651	8·3	3,064,047	13·0	127,000	·5	23,446,957
1917	5,587,499	19·9	1,656,941	5·9	12,291,061	43·9	2,409,767	8·6	5,939,554	21·2	127,000	·5	28,011,822
1916	7,611,963	32·6	1,651,942	7·0	7,031,403	30·1	2,317,412	10·0	4,613,591	19·8	127,000	·5	23,353,311
1915	4,306,533	18·6	1,692,023	7·3	8,095,535	34·9	2,190,163	9·4	6,781,991	29·3	127,000	·5	23,193,245
1914	7,378,471	45·4	1,489,299	9·2	1,493,550	9·3	2,026,781	12·4	3,723,682	22·9	127,000	·8	16,238,783
1913	3,029,015	19·1	1,503,519	9·5	2,909,829	18·4	1,609,050	10·2	6,636,589	42·0	127,000	·8	15,815,002
1910	2,728,345	15·3	2,370,125	13·3	4,722,9[illegible]	26·5	366,822	2·1	7,498,544	42·1	127,000	·7	17,813,788

* Per cent. of Total Liabilities or Assets.

ALLIANCE BANK OF SIMLA, LTD.

with which are incorporated

THE PUNJAB BANKING COMPANY, LTD. THE DELHI & LONDON BANK, LTD., and THE BANK OF RANGOON, LTD.

Authorised Capital	**Rs. 1,00,00,000**
Subscribed and Fully Paid-up Capital	**88,51,800**
Reserve Fund	**42,00,000**
Reserve against Depreciation of Government Paper and other Investments	**11,00,000**

HEAD OFFICE - - - - - SIMLA.

General Manager - Mr. L. A. DAVIS.

BRANCHES.

Abbottabad	Calcutta	Gwalior	Meerut	Quetta
Agra	Cawnpore	Jullundur	Multan	Rangoon
Ajmere	Dalhousie	Karachi	Murree	Rawalpindi
Allahabad	Darjeeling	Kasauli	Mussoorie	Saharanpur
Ambala	Dehra Dun	Lahore	Naini Tal	Sialkote
Amritsar	Delhi City	Lahore Cantt.	Nowshera	Simla
Bareilly	Delhi Civil Lines	Lucknow	Peshawar Cantt.	Srinagar (Kashmir)
Bhopal (Bhopal State)	Ferozepore	Lyallpur	Peshawar City	Ujjain (Gwalior State)
Bombay				

Sub-Offices.

Aminabad (Lucknow)	Gulmarg (Srinagar)	Mandsour (Ujjain)	Pashhar (Gwalior)
Barnagar (Ujjain)	Sadar Bazar (Delhi)	Morena (Gwalior)	Meerut City (Meerut)
Bhilsa (Ujjain)	Shujalpur (Ujjain)	Sipri (Gwalior)	Sehore (Bhopal)
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LONDON OFFICE - - 40 Old Broad Street, E.C.

AGENCIES in the Principal Cities and Towns in India, Burma and Ceylon.
Current Accounts are opened and transferred free of charge to any other Branch.
Deposits are received for fixed periods and at short notice on favourable terms.
Bills of Exchange are purchased and collected, Drafts and Telegraphic Transfers issued, Letters of Credit granted.
The Bank undertakes Banking business of every description, the purchase and sale of Government Paper, Stocks and Shares, and affords all possible facilities to its Constituents.
Terms of Business and any further information can be obtained on application to Head Office, or any of the Branches.

NATIONAL BANK OF INDIA,

LIMITED.

Registered in London under the Companies Act of 1862 on the 23rd of March, 1866.
Established in Calcutta 29th September, 1863.
Bankers to the Government in British East Africa and Uganda.

Subscribed Capital - - - - -	£4,000,000
Paid-up Capital - - - - -	£2,000,000
Reserve Fund - - - - -	£2,500,000
Number of Shareholders - - -	1,835

Head Office: 26 BISHOPSGATE, LONDON, E.C. 2.

BOARD OF DIRECTORS.

ROBERT CAMPBELL, Esq., *Chairman.* ROBERT WILLIAMSON, Esq., *Deputy-Chairman.*
H. CHALMERS, Esq. | SIR JOHN P. HEWETT, G.C.S.I., | ROBERT MILLER, Esq.
SIR CHARLES C. McLEOD. | J. DUNCAN NIMMO, Esq. [K.B.E., C.I.E. | J. A. TOOMEY, Esq.
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Branches:

CALCUTTA	AMRITSAR	MANDALAY	ZANZIBAR	ENTEBBE	Uganda
BOMBAY	DELHI	ADEN		KAMPALA	Uganda
MADRAS	TUTICORIN	ADEN, Steamer	MOMBASA (Kenya Colony, British East Africa)	JINJA	Uganda
KARACHI	COCHIN (S. India)	COLOMBO [Point	NAIROBI (Kenya Colony, British East Africa)	TANGA	Tanganyika Territory
CAWNPORE	CHITTAGONG	KANDY	NAKURU (Kenya Colony, British East Africa)	DAR-ES-SALAAM	Tanganyika Territory
LAHORE	RANGOON	NEWERA ELIYA	KISUMU (Kenya Colony, British East Africa)		

The Bank grants Drafts and Telegraphic Transfers on all places where it is represented; negotiates and collects Bills of Exchange; undertakes the Purchase or Sale of Indian Government and other Securities; collects Pay, Pensions, and generally transacts every description of Eastern Banking Business. The Bank receives Deposits for fixed periods, not exceeding one year, at rates to be obtained on application.
The Bank opens Current Accounts, and, provided they do not fall below £200, allows Two per cent. per annum interest on the minimum monthly balances.

C. NICOLL, *London Manager.* H. CHALMERS, *General Manager.*

BECKETTS' BANKS.

(*See* London County Westminster and Parr's Bank, Limited.)

BELFAST BANKING COMPANY, LTD.

(*See also* London Joint City and Midland Bank.)

Head Office: Waring Street, Belfast.

Capital—

Authorised and subscribed, in 200,000 shares of £12 10*s.* each £2,500,000
Paid up, £2 10*s.* per share 500,000

THE Belfast Banking Company, which was established in 1827 and incorporated in 1865, was registered with limited liability in 1883. The expansion which marked its history prior to registration was continued—and at a more rapid rate—after 1883, and the Bank's activities were not a little responsible for the building up of the industrial fabric which has made North-East Ulster famous throughout the world. The Bank has always been closely identified with both the linen and shipbuilding industries, and this connection was even further strengthened when in 1917 an offer from the London Joint City and Midland Bank for the purchase of the Bank's shares was accepted. The London institution already held many important accounts in Ireland, and was desirous of extending its influence in that country, more especially as the era of amalgamation in England was drawing to a close. All the shares of the Belfast Bank are now held by the London one, which, it will be remembered, also owns all but ninety-one of the shares of the Clydesdale Bank, Limited, of Glasgow. The Belfast Bank has retained its separate corporate existence, and the administration and control by the local board of directors have not been interfered with, while the advantages necessarily accruing from the large resources in possession of the London bank are at the disposal of its clients.

The paid-up capital has for a number of years been stationary at £500,000, the amount authorised and subscribed being £2,500,000; but the reserve fund, which has recently received substantial accessions, is now £550,000. The total of paid-up capital and reserves represents 4.9 per cent. of the liabilities—a lower proportion than previously, owing to the rapid growth in the Bank's business. Deposits, which were £9¼ million on July 31, 1917, rose to nearly £12 million on July 31, 1918, and to £17 million on December 31, 1919, the marked rise being probably not unconnected with the transfer of some accounts from London to Belfast. As with other banks, the rate of increase in deposits was checked during 1920—a condition accounted for by the preliminary attempts at deflation which marked the national finances during the year. Since 1916 the total assets of the Bank have practically doubled, having risen from about £11 million to £21,527,776. The decline in cash in hand from the record figure of £6,205,843 on July 31, 1918, to £3,970,972 on December 31 last, was accompanied during last year by a decline in investments from £3,215,212 to £3,038,190. British Government Treasury bills, which supplemented the cash assets on December 31, 1919, to the extent of £1,479,552, do not figure in the last balance sheet, but other Home Government securities have risen from £2,842,521 to £2,861,288, though British railway and corporation stocks are down from £372,691 to £176,901, and advances against War Loans from £1,057,266 to £270,213. The increased monetary resources have to a large extent been used for the benefit of customers, as advances on current and other accounts have expanded by nearly 3½ millions—from £9,197,206 in 1919 to £12,555,147 in 1920—and bills of exchange from £1,155,147 to £1,626,737. Bank premises are conservatively valued at £66,517, the institution having, in addition to its head office in Belfast, no less than 67 branches.

The net profit earned in 1920, at £140,278, represents the high proportion of 28.05 per cent. of the capital paid up, as compared with an annual rate of 26.02 per cent. resulting from the previous seventeen months. The distribution in dividend and bonus for 1920 has been maintained at the old rate of 21⅔ per cent. on the 50,000 old shares and 8⅔ per cent. on the 150,000 new, the London Joint City and Midland Bank being now, as above remarked, the sole proprietor of the capital. A sum of £70,000 was set aside for depreciation of War Loan and other contingencies, following £50,000 carried to reserve a year ago, and the balance carried forward, at £73,854, is over £10,000 greater than the amount brought into account.

Profits of the Belfast Banking Company, Limited.

Year to July 31	Net Profit	Dividend Subject to Tax—Earned	Dividend Subject to Tax—Paid—Total	Dividend Subject to Tax—Paid—Old Sh.	Dividend Subject to Tax—Paid—New Sh.	Special Allocations	Carried Forward
	£	%	%	£	%	£	£
1920§	140,278	28·05	11·92	59,583	21⅔	70,000	73,854
1919*	184,314	26·02‡	11·92‡	84,410	21⅔‡	125,000†	63,159
1918	96,688	19·34	11·92	59,583	21⅔	—	86,255
1917	83,766	16·75	11·92	59,583	21⅔	—	49,150
1916	76,905	15·20	11·92	59,583	21⅔	25,000	24,968
1915	71,400	14·28	11·92	59,583	21⅔	25,000	33,546
1914	79,779	15·95	11·78	58,797	21·3	22,055	46,729
1913	76,547	15·31	11·68	58,406	21·2	750	47,802

* 17 months to Dec. 31, 1919. † Including £53,000 in special staff bonuses. ‡ Rate per annum. § Year to Dec. 31.

B. W. BLYDENSTEIN AND CO.

Office: 55-56 Threadneedle Street, London, E.C. 2.

Capital—

Paid up £500,000

THIS firm of Anglo-Dutch bankers, which was established in London in 1858, includes among its partners, besides Messrs. Blydenstein and Ledeboer, the Twentsche Bank (incorporated in England)—an offshoot of the De Twentsche Bank of Amsterdam. In the year immediately following the outbreak of War the institution does not seem to have fared too well, but there was subsequently a rapid recovery, and

Liabilities and Assets of The Belfast Banking Company, Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Notes in Circulation.	
	£	£	£	%*	£	%*
1920, Dec. 31	500,000	550,000	1,050,000	4·9	1,661,679	7·7
1919, ,,	500,000	550,000	1,050,000	5·2	2,108,389	10·4
1918, July 31	500,000	500,000	1,000,000	6·5	2,253,720	14·6
1917	500,000	450,000	950,000	7·8	1,664,591	13·6
1916	500,000	450,000	950,000	8·7	1,378,990	12·6
1915	500,000	450,000	950,000	10·6	986,368	11·0
1914	500,000	450,000	950,000	11·3	656,288	7·8
1913	500,000	450,000	950,000	11·7	631,257	7·7
1910	500,000	450,000	950,000	13·9	543,104	8·6

ASSETS.	Cash in Hand, &c.		Investments.		Deposits, &c.		Miscellaneous.		Profit Balance.		Total Liabilities.
	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920, Dec. 31	3,970,972	18·5	3,038,190	14·1	18,742,243	87·1	—	—	73,854	·3	21,527,776
1919, ,,	4,054,562	20·1	3,215,212	15·9	17,001,418	84·1	—	—	63,159	·3	20,222,966
1918, July 31	6,205,843	40·3	2,875,984	18·7	12,024,671	78·0	48,343	·3	86,255	·6	15,412,989
1917... ...	2,946,393	24·1	2,850,984	23·4	9,486,449	77·8	48,277	·4	49,150	·4	12,198,467
1916... ...	3,199,605	29·3	2,855,735	26·1	8,530,823	78·0	48,112	·5	24,968	·2	10,932,893
1915... ...	1,617,206	18·0	2,817,235	31·3	6,976,950	77·5	47,926	·5	33,546	·4	8,994,790
1914... ...	2,028,097	24·2	1,485,606	17·8	6,663,635	79·7	47,779	·6	46,729	·6	8,364,431
1913... ...	1,720,494	21·1	1,536,957	18·9	6,463,596	79·4	45,892	·6	47,802	·6	8,138,547
1910... ...	732,992	10·7	1,400,993	20·5	5,251,167	76·9	38,772	·6	42,889	·6	6,825,932

ASSETS.	Advances, Bills Discounted, &c.		Bank Premises Account.		Total Assets.
	£	%*	£	%*	£
1920, Dec. 31	14,452,097	67·1	66,517	·3	21,527,776
1919, ,,	12,889,172	63·7	64,020	·3	20,222,966
1918, July 31	6,259,624	40·6	71,538	·4	15,412,989
1917... ...	6,326,980	51·9	74,110	·6	12,198,467
1916... ...	4,802,897	44·0	74,656	·6	10,932,893
1915... ...	4,485,378	49·9	74,971	·8	8,994,790
1914... ...	4,782,061	57·2	68,667	·8	8,364,431
1913... ...	4,811,034	59·1	70,062	·9	8,138,547
1910... ...	4,620,659	67·7	71,288	1·1	6,825,932

* Per cent. of Total Liabilities or Assets.

ESTABLISHED 1810.

THE MECHANICS & METALS NATIONAL BANK

OF THE CITY OF NEW YORK

Capital, Surplus and Profits - - - - - - $25,000,000

Through years of banking service the Foreign Department of this Bank has established intimate relations with all the principal cities of the world. A full range of foreign trade transactions is covered by a specialised service; and customers are assured of prompt attention and painstaking endeavour in the performance of any service entrusted to this Bank.

LONDON, CORRESPONDENTS:

London Joint City and Midland Bank, Ltd.
London County Westminster and Parr's Bank, Ltd.
Barclays Bank Ltd.



Opposite
Broad Street Station

When in Philadelphia

YOU and your friends will receive a cordial welcome at this bank.

We will appreciate a call from you.

Commercial Trust Company

Member Federal Reserve System

Liabilities and Assets of Messrs. B. W. Blydenstein and Company.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Paid-up Capital and Reserve.		Deposits, &c.		Miscellaneous.		Total Liabilities.
Dec. 31	£	£	£	%	£	%	£	%	£
1920	500,000	125,000	625,000	4·7	12,442,235	93·8	194,719	1·5	13,261,954
1919	500,000	125,000	625,000	5·6	10,378,973	93·3	118,994	1·1	11,122,967
1918	500,000	125,000	625,000	6·2	9,439,590	93·2	63,909	·6	10,128,499
1917	500,000	125,000	625,000	7·9	7,216,015	91·3	60,296	·8	7,901,311
1916	500,000	125,000	625,000	8·3	6,815,307	90·8	61,907	·8	7,502,214
1915	500,000	125,000	625,000	12·2	4,447,703	87·2	27,431	·6	5,100,134
1914	500,000	125,000	625,000	8·3	6,446,690	85·8	438,543	5·9	7,510,233
1913	500,000	125,000	625,000	7·6	6,544,282	79·5	1,064,829	12·9	8,234,111
1910	500,000	66,000	566,000	7·9	5,836,767	81·4	763,699	10·7	7,166,466

ASSETS.	Cash in Hand, &c.		Investments.		Bills Discounted.		Advances.		Bank Premises Account.		Total Assets.
Dec. 31	£	%	£	%	£	%	£	%	£	%	£
1920	94,674	·7	167,548	1·3	12,792,916	96·4	181,888	1·4	24,928	·2	13,261,954
1919	57,082	·5	1,217,981	11·0	9,576,478	86·1	246,630	2·2	24,796	·2	11,122,967
1918	1,861,597†	18·4	882,142	8·7	7,243,580	71·5	115,415	1·1	25,765	·3	10,128,499
1917	69,931	·9	—	—	7,684,430	97·3	120,168	1·5	26,782	·3	7,901,311
1916	78,817	1·0	—	—	7,244,220	96·6	151,329	2·0	27,848	·4	7,502,214
1915	137,255	2·7	120,229	2·4	4,531,259	88·8	282,424	5·5	28,967	·6	5,100,134
1914	267,678	3·6	1,287,729	17·1	5,340,794	71·1	583,891	7·8	30,141	·4	7,510,233
1913	361,184	4·4	1,887,472	22·9	4,810,070	58·4	1,144,022	13·9	31,363	·4	8,234,111
1910	129,904	1·8	1,202,478	16·8	4,716,712	65·8	1,104,190	15·4	13,182	·2	7,166,466

* Per cent. of Total Liabilities or Assets. † Includes £1,800,000 placed on deposit at the Bank of England.

in 1918 the total assets for the first time reached the £10,000,000 mark, whilst on December 31 last they totalled nearly £13,262,000. The capital of £500,000 and the reserve at £125,000 have remained unchanged for a number of years. Deposit and credit balances, including profit and loss account, as well as loans against securities, reached £12,442,235 on the date of the last report, as compared with £10,378,973 at the end of 1919, and aggregated 93.8 per cent. of the total liabilities. This omnibus item apparently includes, besides an unstated amount for profit and loss, a sum of £168,750 in respect of secured loans, as against £196,927 in 1919 and £81,297 in 1918. The item "Miscellaneous" in the accompanying table, which for the years 1919 and 1920 comprised only rebate on bills not due, has risen from £118,994 to £194,719, an expansion probably caused by the increased volume of business on hand. As a further indication of enhanced activity it may be noted that the liability on bills rediscounted and guarantees, including English and foreign, has risen from £1,999,560 to £3,448,987, these figures, with the corresponding asset, being supplementary to those comprised in the balance sheet totals and our table.

On the assets side, cash at bankers and on hand has risen from £57,082 in 1919 to £94,674 in 1920, but is still below the large figure reached in 1918, which, however, included £1,800,000 placed on deposit at the Bank of England and presumably afterwards invested in English Treasury bills, since the item "Bills receivable, including Treasury bills," rose from £7,243,580 in 1918 to £9,576,478 in 1919, further expanding last year to £12,792,916. A large part of the 1919 holding of Exchequer, National War, and Victory Bonds, and short-dated Corporation Bonds, would seem to have been allowed to run off, these investments being down from £1,217,981 to £167,547 and the proceeds apparently applied to increased discounts. Bills receivable, indeed, show the material rise in percentage of total assets from 86.1 to 96.4. Advances show a decline from £246,630 to £181,888, while bank premises account, at £24,928, remains practically unchanged.

BRITISH LINEN BANK.

(*See also* **Barclays Bank, Limited.**)

Head Office: Edinburgh.

Capital—

Authorised .. .. Stock £1,500,000
Subscribed and paid up 1,250,000

The British Linen Bank derives its origin from the British Linen Company, which was incorporated by Royal Charter in 1746 for the purpose of developing the linen trade. Its object was not so much to engage in banking as to assist manufacturing and mercantile operations; but from the outset it had naturally to enter into transactions of a financial character. The Company gradually divested itself of its purely trading characteristics; from 1750 it began to issue its own notes, and henceforth attention was chiefly devoted to the expansion of banking activities, the authorised capital being increased in 1813 under a supplementary Charter from £200,000 to £300,000. In 1836 the Paisley Banking Company, with branches at Glasgow, Irvine and Stranraer, was taken over. A further charter, permitting an increase in capital to one million pounds, was obtained in 1849, and from that time the Company was recognised as a fully-fledged banking corporation. The paid-up capital was subsequently added to, and it now amounts to £1,250,000, making, with the reserve fund of £1,350,000, a total of £2,600,000, or 6.8 per cent. of the total assets. This proportion shows a big decrease since the pre-War years, but, owing to our methods of war financing, the deposits in practically every bank of the United Kingdom have increased at a more rapid rate than the paid-up capital and reserves. The inflation of the currency is reflected in the increase in deposit, current, and other accounts, including drafts, letters of credit, and transfers by advice outstanding, from £14,339,840 on January 15, 1914, to £31,530,306 on the same date in 1921. The figures in the last balance sheet constitute a new record for deposits, and represent an increase of over £1½ million on the previous year. A greater expansion than usual in the number of depositors is a satisfactory feature of the increase. The notes in circulation, at £3,622,276, show an advance of £222,000, and acceptances are up from £593,283 to £605,759. The growth in the foreign business of the Bank has been marked in recent years, and has been to some extent responsible for the increase in balance-sheet totals from £18,222,139 in 1914 to £38,456,798 in 1921.

On the assets side, cash in hand and at bankers, and money at call and at short notice, including cheques in course of collection (on this occasion shown separately at £1,369,802), has risen to the very high figure of £8,819,159—an increase of £2,175,672 on the previous year. This item, which is now equivalent to 22.9 per cent. of the total assets, reveals the exceptionally liquid position of the Bank. This position has not been achieved, as in the case of some institutions, by a reduction in investments, as the latter, at £10,141,320, show a decline of only £437,588 on the previous year, this being partially accounted for by the contraction of Stock Exchange values. A large sum has been provided out of profits to meet this depreciation, and the investments included in the balance sheet are taken at or under the prices prevailing on January 15 last, with the exception of Exchequer Bonds falling due this year and National War Bonds redeemable at a premium in 1922, 1924, 1925, 1927 and 1928, taken at or under cost. Bills discounted (including British Government Treasury bills) and advances on cash, credit, and current accounts have risen from £14,863,195 to £16,639,161 on account of the increased demand for accommodation, it being the Bank's policy not to refuse applicants whose demands were reasonable and sprang from

CHARTERED 1822.

The Farmers' Loan & Trust Company.

Head Office: 16, 18, 20 & 22 WILLIAM STREET, NEW YORK.
Branch Office: 475 FIFTH AVENUE, NEW YORK.
Paris: 39 and 41 BOULEVARD HAUSSMANN.

LONDON: 15 COCKSPUR STREET, S.W. 1.
26 OLD BROAD STREET, E.C. 2.

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United States Government Depositary.

BERNHARD, SCHOLLE AND COMPANY

INVESTMENT BONDS
SHORT TERM SECURITIES
BILLS

PARIS NEW YORK LONDON
14 WALL STREET

Liabilities and Assets of The British Linen Bank.

LIABILITIES. Jan. 15	Capital Paid up. £	Reserve Funds. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1921 ...	1,250,000	1,350,000	2,600,000	6·8	3,622,276	9·4	605,759	1·6	31,530,306	82·0	98,457	·2	38,456,798
1920 ...	1,250,000	1,350,000	2,600,000	7·2	3,399,800	9·4	593,283	1·7	29,304,262	81·4	118,382	·3	36,015,727
1919 ...	1,250,000	1,350,000	2,600,000	7·7	3,182,911	9·5	391,180	1·2	27,301,058	81·2	137,252	·4	33,612,401
1918 ...	1,250,000	1,250,000	2,500,000	8·6	2,334,137	7·9	545,428	1·9	23,672,011	81·1	156,612	·5	29,208,188
1917 ...	1,250,000	1,200,000	2,450,000	9·9	1,889,913	7·6	866,401	3·4	19,550,886	78·6	130,378	·5	24,887,578
1916 ...	1,250,000	1,250,000	2,500,000	12·0	1,441,925	6·9	419,191	1·9	16,528,814	78·7	113,126	·5	21,003,056
1915 ...	1,250,000	1,350,000	2,600,000	13·1	1,048,215	5·3	661,350	3·3	15,417,834	77·5	164,655	·8	19,892,054
1914 ...	1,250,000	1,500,000	2,750,000	15·1	796,620	4·3	193,936	1·1	14,339,840	78·7	141,743	·8	18,222,139
1911 ...	1,250,000	1,700,000	2,950,000	17·7	737,170	4·4	339,096	2·0	12,439,191	74·9	157,063	1·0	16,622,520

ASSETS. Jan. 15	Cash in Hand, Notes & Call Money. £	% *	Investments. £	% *	Bills, Advances, &c. £	% *	Loans. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1921 ...	8,819,159	22·9	10,141,320	26·4	16,639,161	43·3	1,369,432	3·5	605,759	1·6	881,967	2·3	38,456,798
1920 ...	6,643,488	18·4	10,578,908	29·4	14,863,196	41·2	2,517,070	7·0	593,283	1·7	819,782	2·3	36,015,727
1919 ...	6,608,777	19·7	9,578,353	28·5	14,379,306	42·8	1,823,187	5·4	391,180	1·2	831,598	2·4	33,612,401
1918 ...	6,589,704	22·5	6,913,311	23·7	12,487,595	42·7	1,773,102	6·1	545,428	1·9	899,048	3·1	29,208,188
1917 ...	5,887,066	23·7	7,017,585	28·2	8,211,947	33·0	1,935,694	7·8	866,401	3·4	968,885	3·9	24,887,578
1916 ...	4,292,842	20·5	6,902,746	32·8	6,225,032	29·7	2,184,721	10·4	419,191	1·9	978,524	4·7	21,003,056
1915 ...	3,773,140	19·0	5,123,449	25·8	5,764,439	28·9	3,584,873	18·1	661,350	3·3	984,803	4·9	19,892,054
1914 ...	3,485,206	19·1	4,615,591	25·3	5,270,428	29·0	†3,667,970	20·1	193,936	1·1	989,008	5·4	18,222,139
1911 ...	1,743,056	10·5	3,910,618	23·5	5,720,283	34·4	3,883,158	23·4	339,096	2·0	1,026,309	6·2	16,622,520

* Per cent. of Total Liabilities or Assets.

legitimate trade requirements. The expansion in this item more than offset the decline in loans on stocks and other securities from £2,517,070 in 1920 to £1,369,432 in 1921. Bank premises and other property, at £881,967, have risen by £62,185 since 1920.

The net profit for the last financial year amounted, according to the report, to £340,428, which represents 27.2 per cent. earned on the capital employed, as compared with 24.6 per cent. in the previous year. As always, a conservative policy is followed in the matter of distributing profits, £160,352 of the amount realised being placed to investment reserve account, £50,000 to contingency account and £10,000 to reduction of bank premises and other heritable property, leaving, after the usual sixteen per cent. dividend distribution, a balance of £28,457 to be carried forward, as compared with £48,382 brought into the account. The major portion of the profit distributed goes, of course, to Barclays Bank, Limited, which about the end of 1919 acquired almost the whole of the stock of the British Linen Bank. On the date of Barclays' last balance sheet this holding amounted to £1,209,132 out of the paid-up capital of £1,250,000. The British Linen Bank, however, continues to retain its individuality, while its sphere of operations is, of course, largely extended by the agreement. In addition to its head office at Edinburgh, the Bank has numerous branches in the Glasgow district and elsewhere throughout the country, the total number, including sub-branches, amounting to 150. The London office is situated at Threadneedle Street.

Profits of the British Linen Bank.

Year ended Jan. 15	Net Profit £	Dividend Earned %	Dividend Paid %	Dividend Paid £	Special Allocations £	Carried Forward £
1921 ...	400,428	32·03	16·0	200,000	220,352	28,457
1920 ...	367,215	29·37	16·0	200,000	186,086	48,382
1919 ...	355,640	28·45	16·0	200,000	170,000	67,252
1918 ...	346,234	27·70	16·0	200,000	120,000	81,612
1917 ...	311,581	24·92	16·0	200,000	85,712	55,378
1916 ...	307,605	24·61	16·0	200,000	140,923	29,509
1915 ...	283,813	22·70	18·0	225,000	25,227	62,827
1914 ...	271,617	21·72	19·1	238,938	40,982	29,242

BRITISH MUTUAL BANKING CO., LTD.

Office: Ludgate Circus, London, E.C. 4.

Capital—

Nominal	£200,000
Subscribed, in 40,000 shares of £5 each ...	200,000
Paid up, £1 10s. each on 40,000 shares ...	60,000

(In addition, payments in advance—on 2,041 shares £3 10s. per share, and on 6,920 shares 10s. per share=£10,603.)

THIS Bank, the board of which is composed largely of members of the directorate of the Prudential Assurance Company, was established in 1857 and registered in 1882. It possesses no branches, and business, as represented by the statement of assets and liabilities, has been of a somewhat stationary character for several years past, though an increase in the rate of turnover may, of course, have taken place without any expansion in balance-sheet figures. The profits returned, indeed, show a relatively substantial increase, amounting as they do for 1920 to £7,353, as compared with £6,654 in 1919 and £4,927 in 1913. The dividend earned last year was equivalent to 12.25 per cent. on the actual paid-up share capital of £60,000, the difference between which and the £70,603 paid up by shareholders is accounted for by payments in advance to the extent of £10,603. The dividend, which was increased to nine per cent., subject to income tax, in 1919, is maintained at that figure for 1920. For the preceding thirteen years it had been at the rate of only six per cent. per annum, free of tax. The distribution for last year absorbed £5,400, and the special allocation mentioned in our table consists of £2,000 to reserve, as compared with £1,500 in the previous year. The amount carried forward to next account, £1,498, is practically unchanged.

With regard to the balance sheet, the total of capital and reserves, at £122,603, amounts to 18.2 per cent. of the liabilities, a higher percentage than is the case with large joint-stock institutions, though this is a not uncommon feature with private and semi-private banks. On the assets side of the balance sheet the increase in loans and advances to £456,340 has been accompanied by a decline in investments, now figuring at £152,391, and in cash in hand and at bankers, which has moved from £67,862 to £62,317. In the absence of branches the bank premises item is naturally small, amounting to only £4,190. The total assets, at £675,238, though comparing favourably with those of recent years, are less than some of the pre-War totals.

Profits of the British Mutual Banking Company, Limited.

Year to Dec. 31	Net Profit £	Dividend Earned %	Dividend Paid %	Dividend Paid £	Special Allocations £	Carried Forward £
1920 ...	7,353	12·25	9·0	5,400	2,000	1,498
1919 ...	6,654	11·09	9·0	5,400	1,500	1,544
1918 ...	6,720	11·20	8·6	5,142	1,500	1,790
1917 ...	6,823	11·37	8·0	4,800	1,500	1,712
1916 ...	5,483	9·14	7·7	4,645	1,000	1,189
1915 ...	6,077	10·13	6·9	4,154	2,000	1,351
1914 ...	5,836	9·72	6·5	3,901	2,500	1,428
1913 ...	4,927	8·21	6·3	3,823	1,000	1,993

Liabilities and Assets, British Mutual Banking Company, Ltd.

LIABILITIES. Dec. 31	Capital Paid up† £	Reserve Funds £	Total Capital & Reserves £	% *	Deposits, &c. £	% *	Profit Balance £	% *	Total Liabilities £
1920...	70,603	52,000	122,603	18·2	545,737	80·8	6,898	1·0	675,238
1919...	70,603	50,000	120,603	17·9	546,778	81·1	6,944	1·0	674,325
1918...	70,603	48,500	119,103	17·5	557,180	81·7	5,390	·8	681,673
1917...	70,603	47,000	117,603	18·8	503,490	80·4	5,312	·8	626,405
1916...	70,603	45,500	116,103	18·0	521,854	81·2	4,789	·8	642,746
1915...	70,603	44,500	115,103	17·1	553,425	82·2	4,952	·7	673,480
1914...	70,603	42,500	113,103	15·9	591,966	83·4	5,028	·7	710,097
1913...	70,543	40,000	110,543	15·7	587,743	83·5	5,594	·8	703,880
1910...	69,791	56,000	125,791	16·9	610,872	82·3	5,794	·8	742,457

† The excess of the figures shown over £60,000 represents share payments in advance.

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Investments £	% *	Loans and Advances £	% *	Bank Premises £	% *	Total Assets £
1920...	62,317	9·2	152,391	22·6	456,340	67·6	4,190	·6	675,238
1919...	67,862	10·1	164,761	24·4	437,362	64·9	4,340	·6	674,325
1918	112,697	16·5	142,166	20·9	422,320	62·0	4,490	·6	681,673
1917...	63,597	10·2	144,666	23·1	413,502	66·0	4,640	·7	626,405
1916...	64,867	10·1	147,450	22·9	425,639	66·2	4,790	·8	642,746
1915...	66,483	9·4	158,672	23·6	453,385	67·3	4,940	·7	673,480
1914...	49,830	7·0	172,372	24·3	482,805	68·0	5,090	·7	710,097
1913...	74,954	10·6	106,106	15·1	517,580	73·6	5,240	·7	703,880
1910...	83,098	11·2	141,675	19·1	511,994	68·9	5,690	·8	742,457

* Per cent. of Total Liabilities or Assets.

BANCO DE CHILE

94 GRACECHURCH STREET, E.C.3.

PAID-UP CAPITAL - - - -	$100,000,000	
RESERVE FUND - - - - -	58,000,000	Chilian
RESERVE LIABILITY OF SHAREHOLDERS - - - -	100,000,000	Dollars
RESERVE FUND IN GOLD OF 18d. -	13,333,333 =	£1,000,000

Head Offices—SANTIAGO & VALPARAISO.

BRANCHES.

Santiago (Estacion), Santiago (Matadero), Santiago (San Pablo), Santiago (Bella Vista), Valparaiso (Almendral), Ancud, Antofagasta, Arica, Chañaral, Chillan, Concepcion, Copiapó, Coquimbo, Curicó, Illapel, Iquique, La Calera, La Ligua, La Serena, Lebu, Los Andes, Los Anjeles, Mulchen, Nueva Imperial, Osorno, Ovalle, Pisagua, Puerto Montt, Quillota, Rancagua, Rengo, San Carlos, San Felipe, San Fernando, Tacna, Talca, Talcahuano, Taltal, Temuco, Tocopilla, Tomé, Traiguen, Valdivia, Vallenar, Vicuña, Viña del Mar.

The London Agency transacts every class of Banking business with Chile. Current Accounts also opened and Deposits received.

DAVID BURNS, Manager.

BANCO CENTRAL

(ESTABLISHED IN 1905).

BOGOTA, COLOMBIA, SOUTH AMERICA

Cable Address: "GERENCIA, BOGOTA."

Manager: G. GONZALEZ LINCE.

Capital Paid up - - $2,300,000 (gold)

Reserve Fund - - - $621,772.04

Collection of Drafts and every description of Banking and Exchange Business transacted. Financing of Loans, Railway, Tramway and other Concessions. Issues Hypothecary Bonds.

Liabilities and Assets of Messrs. Child and Company.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Paid-up Capital and Reserve.		Acceptances.		Deposits, &c.		Total Liabilities.
	£	£	£	%	£	%	£	%	£
1920, July 7	500,000	73,098	573,098	13·0	—	—	3,818,552	87·0	4,391,650
1919, ,, 5	500,000	81,591	581,591	16·3	—	—	2,996,231	83·7	3,577,822
1918, ,, 10	500,000	80,082	580,082	19·4	—	—	2,413,564	80·6	2,993,646
1917, ,, 11	500,000	79,219	579,219	22·3	25,000	1·0	1,988,965	76·7	2,593,184
1916, ,, 12	500,000	82,584	582,584	19·2	25,000	·8	2,424,548	80·0	3,032,132
1915, ,, 8	500,000	90,707	590,707	18·7	—	—	2,564,071	81·3	3,154,778
1914, ,, 9	500,000	99,406	599,406	18·3	—	—	2,623,420	81·4	3,222,826
1913, ,, 8	500,000	96,586	596,586	20·5	—	—	2,318,172	79·5	2,914,758
1910, ,, 6	500,000	104,120	604,120	18·7	—	—	2,623,435	81·3	3,227,559

ASSETS.	Cash in Hand, &c.		Money at Call and Short Notice, &c.		Investments.		Advances.		Liab. of Cust. for Acceptances.		Bank Premises.		Total Assets.
	£	%	£	%	£	%	£	%	£	%	£	%	£
1920, July 7	646,296	14·7	700,000	16·0	1,820,719	41·4	1,140,435	26·0	—	—	84,200	1·9	4,391,650
1919, ,, 5	716,483	20·0	700,000	19·6	1,187,407	33·2	889,732	24·9	—	—	84,200	2·3	3,577,822
1918, ,, 10	546,648	18·2	525,000	17·6	1,083,007	36·2	754,791	25·2	—	—	84,200	2·8	2,993,646
1917, ,, 11	313,126	12·1	275,000	10·6	907,034	35·0	988,824	38·1	25,000	1·0	84,200	3·2	2,593,184
1916, ,, 12	499,705	16·5	500,000	16·5	1,116,427	36·8	806,800	26·6	25,000	·8	84,200	2·8	3,032,132
1915, ,, 8	487,506	15·4	500,000	15·8	1,049,668	33·3	1,033,404	32·8	—	—	84,200	2·7	3,154,778
1914, ,, 9	493,126	15·3	550,000	17·1	1,011,103	31·4	1,084,397	33·6	—	—	84,200	2·6	3,222,826
1913, ,, 8	323,057	11·1	275,000	9·4	1,019,611	35·0	1,212,890	41·6	—	—	84,200	2·9	2,914,758
1910, ,, 6	510,962	15·8	550,000	17·0	1,122,729	35·1	959,664	29·5	—	—	84,200	2·6	3,227,555

* Percent. of Total Liabilities or Assets.

CHILD AND COMPANY.

Office: 1 Fleet Street, London, E.C. 4.

Capital—

Paid up £500,000

THIS celebrated London institution, which has a history extending back to the days when goldsmiths discharged to some extent the functions of modern banks, has, despite the number of external crises, banking and otherwise, that its proprietors have witnessed, preserved its independence to the present day. When the issue by goldsmiths of deposit receipts in respect of actual cash or precious metals deposited with them was superseded by the issue of notes for equal amounts, Messrs. Child and Company participated in the innovation, for early in the eighteenth century these notes came to be printed, and the first of which evidence is available was one produced by Child and Company in 1735.

The firm's statement of assets and liabilities is made up annually in July, and according to the latest return the capital remains at the old figure of £500,000, while the reserve fund has slightly diminished, to £73,098, the total of capital and reserve being equivalent to thirteen per cent. of the liabilities. As in the two preceding years, acceptances do not figure in the statement, but current and deposit accounts, at £3,818,552, show a substantial increase for the twelvemonth, and are now equivalent to eighty-seven per cent. of the total assets of £4,391,650. The increases in loans to customers—from £889,732 in 1919 to £1,140,435 in 1920—and in investments—from £1,187,407 to £1,820,719—have no doubt been in part responsible for the reduction of cash in hand and at the Bank of England from £716,483 to £646,296. Money at call and short notice, at £700,000, and bank premises, at £84,200, remain unchanged. The Company being private, no particulars as to profits are given.

CLYDESDALE BANK, LIMITED.

(*See also* **London Joint City and Midland Bank, Ltd.**)

Head Office: St. Vincent Place, Glasgow.

Capital—

Authorised and issued, in 100,000 £50 shares ... £5,000,000
Paid up, £10 per share 1,000,000

THIS Scottish Bank, established in Glasgow in 1838, was the most important of the six joint-stock institutions founded for banking business north of the Tweed about the same time. Outside the headquarters, the only office which it possessed at the outset was in Edinburgh, but an energetic policy of expansion resulted in the opening of other branches, which now number 160. In 1882 the Bank was registered with limited liability, and the wide growth in its business, which had not a little to do with the expansion of Clydeside industries, was aided by the absorption of existing banking institutions, chief among which may be mentioned: (1) Greenock Union Bank; (2) Edinburgh and Glasgow, comprising (*a*) Edinburgh and Leith, which included the Southern Bank of Scotland, (*b*) Glasgow Joint Stock; (3) Eastern Bank of Scotland, which included the Dundee Commercial Bank.

As from January 1, 1920, the London Joint City and Midland Bank acquired control of the Clydesdale Bank by means of an exchange of shares, one £50 share of the Scottish Bank (£10 paid) being surrendered for five fully paid £2 10*s.* shares in the London bank. Prior to the affiliation, the London Joint City and Midland Bank had acquired premises in Buchanan Street, with a view to opening a branch office in Glasgow. These premises, which passed to the Clydesdale, now house the department specially dealing with exchange and financial transactions in connection with foreign trade. Its operations have been markedly successful, the volume of business transacted far exceeding expectations.

The authorised and subscribed capital of the Clydesdale Bank is £5,000,000, of which £1,000,000 is paid up. The reserve fund amounts to £1,200,000 and with the capital represents 4.8 per cent. of the total assets. On December 31 last the notes in circulation showed a slight increase on the year—to £3,712,881, but acceptances were down to £512,308, probably as a result of lower price levels. The substantial increase in deposits—from nearly £35 million at the end of 1919 to over £38 million on December 31, 1920—amongst the liabilities is explained by the growth of advances from £12,485,116 to £17,175,705 shown on the assets side of the balance sheet and affords a striking refutation of the charge of restricting credit made so frequently against the banks during last year. Of course, an average monthly or weekly figure would be a better index to the extent of the credit facilities given by a bank than are figures referring to a single date, but at present the latter is all we have to go upon, except in the case of the London clearing banks.

Amongst other assets, cash in hand and with bankers, notes of other banks, and cheques, &c., *in transitu* attained the high ratio of sixteen per cent. of the total. The second assets item shown in our table is of an omnibus character, representing investments in British Government securities (valued at cost), other securities (at or under market price), temporary loans, and money at call and at short notice. It shows a decline of nearly £2½ million as compared with the previous year. The increase in bills discounted—from £2,702,668 to £4,447,742—taken in conjunction with the rise in advances above noted, is further suggestive of the additional help afforded during 1920 to trade and industry; though it includes a larger holding of Treasury bills. The increase has also to be read in the light of the decline in money values.

The high rates of interest ruling elsewhere are reflected in an increase in the gross profit—to £721,955

THE YOKOHAMA SPECIE BANK, LIMITED.

(REGISTERED IN JAPAN.) ESTABLISHED 1880.

Capital Subscribed and Fully Paid - Yen 100,000,000
Reserve Fund - - - - - - „ 53,000,000

Head Office : YOKOHAMA.

BRANCHES AT :—

BATAVIA.
BOMBAY.
BUENOS AYRES.
CALCUTTA.
CHANGCHUN.
DAIREN (Dalny).
FENGTIEN (Mukden).
HAMBURG.
HANKOW.
HARBIN.
HONG KONG.
HONOLULU.
KAI YUAN.
KOBE.
LONDON.
LOS ANGELES.
LYONS.
MANILA.
NAGASAKI.
NEWCHWANG.
NEW YORK.
OSAKA.
PEKIN.
RANGOON.
RIO DE JANEIRO.
SAIGON.
SAN FRANCISCO.
SEATTLE.
SHANGHAI.
SHIMONOSEKI.
SINGAPORE.
SOURABAYA.
SYDNEY.
TIENTSIN.
TOKYO.
TSINANFU.
TSINGTAU.
VLADIVOSTOK.

The Bank buys and receives for Collection Bills of Exchange, issues Drafts and Telegraphic Transfers and Letters of Credit on above places and elsewhere, and transacts General Banking Business.

Deposits received for fixed periods at rates to be obtained on application.

LONDON OFFICE:
7 BISHOPSGATE, E.C. 2.

T. OKUBO, Manager.

THE BANK OF TAIWAN, Ltd.

(REGISTERED IN JAPAN, 1899.)

Capital Subscribed - - Yen 60,000,000
Capital Paid up - - „ 45,000,000
Reserve Funds - - - „ 10,380,000

Head Office - - - - - - - TAIPEH, FORMOSA (TAIWAN)
Tokyo Office - - - - YEIRAKUCHO, KOHJIMACHI-KU, TOKYO
London Office - - - - 58 OLD BROAD STREET, LONDON, E.C. 2

BRANCHES :

Amoy
Bangkok
Batavia
Bombay
Canton
Foochow
Hankow
Hongkong
Keelung
Kiukiang
Kobe
Moji
New York
London
Osaka
Semarang
Shanghai
Singapore
Soerabaya
Swatow
Tainan
Tokyo
Yokohama
&c., &c.

CORRESPONDENTS :

Amsterdam
Antwerp
Bahia
Bale
Berlin
Berne
Barcelona
Boulogne
Brisbane
Brussels
Buenos Ayres
Cairo
Calcutta
Cape Town
Chicago
Christiania
Cologne
Dairen
Geneva
Genoa
Hamburg
Johannesburg
Lisbon
Lyons
Madrid
Manila
Marseilles
Melbourne
Milan
Monteville
Montreal
Mukden
Nagasaki
Nagoya
Paris
Peking
Rangoon
Rio de Janeiro
Rome
Rosario
Rotterdam
Saigon
Santos
San Francisco
Sao Paulo
Seattle
Stockholm
Sydney
Winterthur
Zurich, &c.



LONDON BANKERS—

BARCLAYS BANK LIMITED.
LLOYDS BANK LIMITED.
LONDON COUNTY WESTMINSTER AND PARR'S BANK, LIMITED.

The Bank is incorporated by special charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa, being under the special supervision of the Government.

The Bank transacts General Banking and Foreign Exchange Business, undertakes Trust Business, and acts as Business Agents for other Banks.

Special facilities are available for Exchange Business on Japan, China, Dutch East Indies, the Straits Settlements, India and France, where the Bank has special working arrangements with Cox & Co. (France), Ltd.

Deposits are received for fixed periods on terms which may be ascertained on application.

Liabilities and Assets of the Clydesdale Bank, Limited.

LIABILITIES.

Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920 ...	1,000,000	1,200,000	2,200,000	4·8	3,712,881	8·1	512,308	1·1	39,249,163	85·5	226,562	·5	45,900,914
1919 ...	1,000,000	1,200,000	2,200,000	5·2	3,534,066	8·4	720,717	1·7	35,530,345	84·2	224,587	·5	42,210,215
1918 ...	1,000,000	1,170,000	2,170,000	6·0	3,092,333	8·6	251,110	·7	30,254,001	84·2	172,094	·5	35,939,538
1917 ...	1,000,000	1,070,090	2,070,000	6·6	2,266,315	7·2	357,436	1·1	26,708,273	84·6	148,068	·5	31,550,092
1916 ...	1,000,000	1,000,000	2,000,000	7·2	1,776,614	6·4	538,963	1·9	23,288,527	83·9	143,245	·6	27,747,349
1915 ...	1,000,000	1,000,000	2,000,000	9·0	1,415,425	6·3	352,486	1·5	18,398,339	82·4	156,522	·8	22,322,772
1914 ...	1,000,000	1,070,000	2,070,000	10·5	1,165,321	5·9	182,986	·9	16,253,320	81·9	164,258	·8	19,835,885
1913 ...	1,000,000	1,050,000	2,050,000	11·0	913,847	5·0	208,260	1·1	15,233,563	82·0	161,379	·9	18,567,049
1910 ...	1,000,000	950,000	1,950,000	12·3	772,947	4·9	165,145	1·0	12,776,641	80·8	155,312	1·0	15,820,045

ASSETS.

Dec. 31	Cash in Hand, &c. £	% *	Investments, Temp. Loans, and Call Money. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1920 ...	7,357,432	16·0	15,959,341	34·8	4,447,742	9·7	17,175,705	37·4	512,308	1·1	448,386	1·0	45,900,914
1919 ...	7,470,286	17·7	18,406,566	43·6	2,702,668	6·4	12,485,116	29·6	720,717	1·7	424,862	1·0	42,210,215
1918 ...	5,561,418	15·5	16,585,495	46·1	5,712,525	15·9	7,405,337	20·6	251,110	·7	423,653	1·2	35,939,538
1917 ...	4,932,216	15·6	10,407,184	33·0	8,212,492	26·0	7,207,450	22·9	357,436	1·1	433,314	1·4	31,550,092
1916 ...	4,284,480	15·5	12,045,963	43·4	5,587,919	20·1	4,852,348	17·5	538,963	1·9	437,676	1·6	27,747,349
1915 ...	3,331,758	15·0	11,223,737	50·3	2,162,202	9·7	4,814,108	21·5	352,486	1·5	438,481	2·0	22,322,772
1914 ...	2,443,657	12·3	8,458,950	42·7	3,003,135	15·1	5,309,420	26·8	182,986	·9	437,737	2·2	19,835,885
1913 ...	2,180,688	11·8	6,854,661	36·9	3,266,727	17·6	5,618,844	30·2	208,260	1·1	437,869	2·4	18,567,049
1910 ...	1,830,973	11·6	5,897,208	37·3	2,468,607	15·6	5,025,050	31·8	165,145	1·0	432,062	2·7	15,820,045

* Per cent. of Total Liabilities or Assets.

from £603,950 in 1919. Expenses in 1920 were, however, on a much higher scale than usual, including bonus and cash payment to staff of £60,930, following bonus of £32,370. The net profit represents 33.69 per cent. earned on the paid-up capital, as compared with 33.08 per cent. in the previous year. Special allocations comprise £10,000 to bank buildings, £20,000 to superannuation and allowances fund, and £125,000 provision for depreciation of investments and future contingencies—a total of £155,000. The dividend, which is maintained at eighteen per cent., a figure to which it was raised in 1918 from the sixteen per cent. of 1917 and fifteen per cent. of 1916, goes almost exclusively to the London Joint City and Midland Bank, which, at the date of the balance sheet, owned all but ninety-one of the issued shares. The balance carried forward to the current year, at £46,562, is £2,000 higher than the sum brought into account.

Profits of the Clydesdale Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax Earned %	Paid %	Paid £	Special Allocations £	Carried Forwd. £
1920...	721,955	384,980	336,975	33·69	18	180,000	155,000	46,562
1919...	603,950	273,114	330,836	33·08	18	180,000	150,000	44,587
1918...	547,389	231,706	315,683	31·56	18	180,000	120,000	43,751
1917...	500,026	213,768	286,258	28·62	16	160,000	125,000	28,068
1916...	452,568	187,177	265,391	26·53	15	150,000	115,000	26,810
1915...	428,610	172,974	255,636	25·56	15	150,000	105,000	26,419
1914...	416,643	165,989	250,654	25·06	15	150,000	95,000	25,783
1913...	394,553	157,041	237,512	23·75	15	150,000	95,000	20,129

COMMERCIAL BANK OF SCOTLAND, LIMITED.

Head Office: Edinburgh.

Capital—

Authorised and Subscribed, in 250,000 "A" shares of £20 each, and 500,000 "B" shares of £1 each £5,500,000

Paid up, £5 per "A" share, and £1 per "B" share 1,750,000

The Commercial Bank of Scotland, which, besides its head office in Edinburgh, has also an important office in London, was founded as far back as 1810 and ranks as one of the oldest Scottish banks. When it commenced business, the Bank of Scotland, established in 1695, and the Royal Bank of Scotland, dating from 1727, were the only other banks of importance operating north of the Tweed, if we exclude the British Linen Company, which, though founded in 1746 by Royal Charter, was not, on a strict interpretation of the term, a bank until it received a new Charter in 1849. Throughout a career of over a century the Commercial Bank of Scotland has maintained its independence, though it was rumoured early in the current year that an amalgamation was meditated with one of the Big Five. The rumour appears to have been a revival of previous conjectures, which in turn may have been prompted by the acquisition by the London Joint City and Midland Bank and Barclays Bank of almost the entire capital of the Clydesdale Bank and the British Linen Bank respectively; but an authoritative denial was soon forthcoming. In fact, to enable the Bank to cater on a wider scale for the needs of its clients the paid-up capital had been increased as recently as November 1919 from £1,000,000 to £1,750,000, the increase being marked by the introduction of a new type of bank share in Scotland, 500,000 "B" shares of the low denomination of £1, fully paid, being issued.

The total of the Bank's assets, for the first time in its history, now exceeds the 50 million mark, amounting on November 1 to £51,241,597—an increase of £28,518,236 when compared with the £22,723,361 of October 31, 1914. The paid-up capital and reserve, £2,750,000, represent 5.4 per cent. of the total liabilities. As with most other Scottish banks possessing a right of note issue, the circulation has increased during the year (by £361,969) and now stands at £4,350,944. The slight decline in acceptances, to £2,034,587, probably reflects the fall in commodity prices during 1920. Deposits show a very large increase—to £41,096,567 from £36,071,163 in the previous year, and have risen nearly threefold since 1910. The high rate of interest receivable on deposits, combined with the uncertainty of the investment market, has no doubt induced many to keep their cash balances in banks instead of employing them in other directions. The rise in deposits here noticed is also obviously not unrelated to the growth in advances from £9,240,628 to £15,115,940, which shows a large increase in business during 1920.

On the assets side of the balance sheet the increase in cash in hand, notes, bank balances, &c., from £7,672,181 to £8,227,119, and in money at call and short notice, from £4,110,793 to £5,332,423, is explained by the rise in deposits above mentioned and also by the fall in investments from £14,059,646 to £13,484,567. British Government securities have been reduced by £330,000 and other investments by £240,000. Full provision, including £100,000 set aside for the purpose from the year's profits, has been made for the serious depreciation that marked practically all Stock Exchange securities during the year. The cash items mentioned above, exceeding 13½ millions, together with £4,842,000 invested in Treasury bills, represent immediately liquid assets to the extent of thirty-six per cent. of the deposits. Bills discounted are down by just under a million—to £6,465,767—the drop being wholly in Treasury bills. An increase of £56,000 in bank premises, &c., is due to the purchase during the year of a number of properties in Paisley, Glasgow and elsewhere, and to structural alterations. While gross profits show a large increase, the net profit shows little change, being again returned in the neighbourhood of £300,000. For each half-year, dividends on the "A" shares at the rate of eighteen per cent. per annum and on the "B" shares at the rate of ten per cent. per annum were paid, subject to tax. Taking into account the conversion of

THE MITSUI BANK, LTD.

TOKYO.

THE OLDEST BANKING INSTITUTION IN JAPAN. FOUNDED IN 1680.

Capital Subscribed ...	Yen	100,000,000.00
Capital paid up	,,	60,000,000.00
Reserve Fund	,,	20,600,000.00
Special Reserve Fund	,,	6,400,000.00

HEAD OFFICE:
No. 1 SURUGACHO, TOKYO, JAPAN.

BRANCHES.
FUKAGAWA (Tokyo), FUKUOKA, HIROSHIMA, KOBE, KYOTO, MOJI, NAGASAKI, NAGOYA, OSAKA, OSAKA NISHI (Osaka), OTARU, SHANGHAI, SHIMONOSEKI, WAKAMATSU, YOKOHAMA.

FOREIGN AGENTS.

LONDON:
BARCLAYS BANK LTD.
LONDON JOINT CITY & MIDLAND BANK, LTD.

NEW YORK:
THE NATIONAL CITY BANK OF NEW YORK.
BANKERS' TRUST COMPANY.
THE CHASE NATIONAL BANK.

PARIS:
COMPTOIR NATIONAL D'ESCOMPTE DE PARIS.
BANQUE DE L'UNION PARISIENNE.

BOMBAY:
NATIONAL BANK OF INDIA, LTD.

BALANCE SHEET,

Dr. 31st December, 1920. *Cr.*

LIABILITIES	Yen.	ASSETS	Yen
Capital	100,000,000.00	Capital unpaid	40,000,000.00
Reserve Fund	19,800,000.00	Cash in hand and at Bank of Japan	45,370,652.60
Special Reserve Fund ...	4,400,000.00	Money at call and short notice	90,350,000.00
Pension and Provident Funds	1,195,520.50	Japanese & Foreign Government Bonds	50,150,362.91
Deposits (current, fixed, &c.)	426,261,034.63	Debentures and Stocks ...	12,762,823.00
Foreign Bills of Exchange sold	242,845.51	Foreign Bills of Exchange Purchased	18,061,671.68
Due to Foreign Agents and Correspondents	2,281,523.63	Customers' Liabilities under L/C *per contra*	12,789,155.10
Liabilities under L/C	12,789,155.10	Due from Foreign Agents and Correspondents... ...	10,479,839.13
Due to Local Banks	960,634.66	Loans and Discounts	208,630,499.00
Dividend unpaid	4,309.51	Due from Local Banks ...	366,844.67
Interest accrued on deposits not due...	4,173,234.16	Provisional Payments ...	1,731,772.22
Rebates on Bills not due ...	2,217,516.25	Bank Premises	1,982,759.11
Provisional Receipts	839,459.12	Real Estates	756,144.17
Balance from last account ...	489,113.89		
Net profit for the half-year ...	7,777,576.60		
	583,432,523.69		583,432,523.69

Dr. **APPROPRIATION OF PROFIT.** *Cr.*

	Yen.		Yen.
Reserve Fund	800,000.00	Net profit for the half-year ...	7,777,576.60
Special Reserve Fund ...	2,000,000.00	Balance brought forward from last year	489,113.89
Pension and Provident Funds	146,000.00		
Bonus	583,300.00		
Dividend to Shareholders ...	3,000,000.00		
Balance carried forward to next half-year	1,737,390.49		
	8,266,690.49		8,266,690.49

The Bank sells Drafts and Telegraphic Transfers, buys approved Inward and Outward Bills, grants Commercial Credits, issues Travellers' Letters of Credit available in all important places of the World. Makes collections.

IMPERIAL OTTOMAN BANK

Capital - £10,000,000. Paid up - £5,000,000.
Reserve Fund - £1,250,000.

GENERAL COMMITTEE:

LONDON.

VISCOUNT GOSCHEN, C.B.E.
E. W. H. BARRY.
THE EARL OF BESSBOROUGH, C.M.G.
SIR W. GUY GRANET.
SIR JOHN P. HEWETT, G.C.S.I., K.B.E., C.I.E.
LORD HILLINGDON.
General the HON. SIR HERBERT A. LAWRENCE, K.C.B.
LORD ORANMORE AND BROWNE, K.P.
Lieut-Col. SIR ALBERT STERN, K.B.E., C.M.G.
SIR W. LAWRENCE YOUNG, Bart.

PARIS.

LE BARON DE NEUFLIZE, C.V.O.
ANDRE BERTHELOT.
JEAN BOISSONNAS.
CHARLES DE CERJAT.
HORACE FINALY.
GEORGES HEINE.
ARSENE HENRY, G.C.V.O.
HENRI HOTTINGUER.
RAOUL MALLET.
FELIX VERNES.

London Office: 26 THROGMORTON STREET, E.C. 2.

Manager: E. W. H. BARRY.
Assistant Manager and Secretary: C. E. L. CORTHORN.
Assistant Manager and Deputy-Secretary: R. S. C. PEARCE.
Assistant Manager: W. P. SHEPPARD.

MANCHESTER: 25 Pall Mall.
PARIS: 7 Rue Meyerbeer.
MARSEILLES: 41-43 Rue Grignan.

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EGYPT.
Alexandria. Cairo.
Mansourah. Minieh.
Port Said.

PALESTINE.
Jerusalem.
Jaffa.
Caiffa.

CYPRUS.
Nicosia. Larnaca.
Limassol.
Famagusta. Paphos.

SYRIA.
Aleppo.
Alexandretta.
Beyrout.
Damascus.
Hamah.
Homs.
Saida.
Tripoli.

SALONICA.

MESOPOTAMIA.

TUNIS, AFRICA.

(Over 80 Branches in the Near East.)

Liabilities and Assets of the Commercial Bank of Scotland, Limited.

LIABILITIES.

Oct. 31	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits. £	% *	Miscellaneous £	% *	Profit Balance. £	% *	Total Liabilities. £
1920†	1,750,000	1,000,000	2,750,000	5·4	4,350,944	8·5	2,034,587	4·0	41,096,567	80·2	878,578	1·7	130,921	·2	51,241,597
1919...	1,000,000	1,000,000	2,000,000	4·4	3,988,975	8·8	2,151,287	4·8	36,071,163	79·8	878,061	1·9	115,632	·3	45,205,118
1918...	1,000,000	850,000	1,850,000	4·9	3,307,838	8·8	1,023,858	2·7	30,698,529	81·2	812,669	2·1	112,390	·3	37,805,284
1917...	1,000,000	700,000	1,700,000	5·3	2,421,155	7·5	718,578	2·2	26,659,325	82·7	619,839	2·0	104,509	·3	32,223,406
1916...	1,000,000	700,000	1,700,000	6·1	2,109,716	7·6	683,019	2·5	22,873,082	81·8	473,196	1·7	101,973	·3	27,940,986
1915...	1,000,000	800,000	1,800,000	7·7	1,754,857	7·5	274,677	1·2	19,036,911	81·5	398,994	1·7	93,421	·4	23,358,860
1914...	1,000,000	800,000	1,800,000	7·9	1,278,330	5·6	310,054	1·4	18,953,227	83·4	278,516	1·2	103,234	·5	22,723,361
1913...	1,000,000	900,000	1,900,000	8·7	1,107,342	5·1	216,399	1·0	18,056,150	83·0	366,303	1·7	116,908	·5	21,763,102
1910...	1,000,000	900,000	1,900,000	10·2	997,229	5·4	404,421	2·2	14,687,812	79·2	431,700	2·3	122,466	·7	18,543,628

ASSETS.

Oct. 31	Cash in Hand, Notes, &c. £	% *	Money at Call and Short Notice, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets.
1920†	8,227,119	16·1	5,332,423	10·4	13,484,567	26·3	6,465,767	12·6	15,115,940	29·5	2,034,587	4·0	581,194	1·1	51,241,597
1919...	7,672,181	17·0	4,110,793	9·1	14,059,646	31·1	7,445,205	16·5	9,240,628	20·4	2,151,287	4·8	525,378	1·1	45,205,118
1918...	6,545,787	17·3	3,430,347	9·1	10,216,612	27·0	11,268,826	29·8	4,793,435	12·7	1,023,858	2·7	526,419	1·4	37,805,284
1917...	4,968,824	15·4	2,109,912	6·6	9,210,029	28·6	8,992,117	27·9	5,645,128	17·5	718,578	2·2	578,817	1·8	32,223,406
1916...	3,516,904	12·6	2,584,988	9·2	8,190,493	29·3	7,931,845	28·4	4,444,899	15·9	683,019	2·5	588,838	2·1	27,940,986
1915...	3,039,177	13·0	2,984,027	12·8	8,726,997	37·3	2,408,333	10·3	5,331,775	22·8	274,677	1·2	593,874	2·6	23,358,860
1914...	4,011,303	17·5	2,030,689	8·8	4,860,134	21·4	3,601,089	16·0	7,392,194	32·6	310,054	1·4	517,897	2·3	22,723,361
1913...	2,458,862	11·3	4,382,004	20·1	4,345,218	20·0	3,722,275	17·1	6,120,348	28·1	216,399	1·0	517,995	2·4	21,763,102
1910...	971,189	5·2	3,750,387	20·2	3,580,761	19·3	2,713,576	14·7	6,608,636	35·6	404,421	2·2	514,658	2·8	18,543,628

* Per cent. of Total Liabilities or Assets. † November 1.

the old capital into "A" shares and the addition of £250,000 to the paid-up capital of £1,000,000 (being the amount of the premium on the recent issue of "B" shares), the dividend of fourteen per cent. is equivalent to a distribution at the rate of seventeen and a-half per cent. on the old capital of £1,000,000. The various allocations made out of profits comprise £100,000 applied to depreciation of investments, as above mentioned, £25,000 credited to the officers' retiring allowances fund, and £20,000 to reduction of the cost of the Bank's properties. The sum carried forward to the next account, £52,171, is practically the same as the amount brought in.

Profits of the Commercial Bank of Scotland, Limited.

Year to Oct. 31	Gross Profit £	Net Profit £	Dividend Subject to Tax Earned %	Dividend Subject to Tax Paid %	Dividend Subject to Tax Paid £	Special Allocations Investment Depreciation £	Special Allocations Reserve, &c. £	Special Allocations Bank Premises £	Carried Forward £
1920†	805,803	369,539	21·12§	‡	225,000	100,000	25,000	20,000	52,171
1919	652,619	368,456	36·84	17	170,000	—	175,000	20,000	53,632
1918	605,014	359,666	35·96	17	170,000	—	175,000	10,000	49,176
1917	546,644	322,537	32·25	16	160,000	60,000	90,000	10,000	44,509
1916	491,316	281,241	28·12	16	160,000	100,000	—	5,000	41,973
1915	461,645	260,377	26·04	16	160,000	100,000	—	5,000	25,732
1914	458,753	262,613	26·26	18	180,000	70,000	—	5,000	30,355
1913	441,108	252,237	25·22	20	200,000	45,000	—	5,000	22,742

† November 1. § Calculated on capital at end of year.
‡ On "A" shares (250,000 £20, £5 paid) 14%, on "B" shares (500,000 £1, fully paid) 10%, equivalent on total capital at end of year, 12·9%.

COMMERCIAL CORPORATION OF LONDON, LIMITED.

ORIGINALLY the Anglo-Japanese Bank, the Commercial Bank of London came under the control of the present interests in 1916, since when its operations were mainly confined to the development and financing of industrial undertakings previously in German hands. In 1918 the British Commercial Bank (formerly Reuter's Bank) was absorbed and the capital increased to £500,000. In the following two years the Bank acquired and organised a large number of enterprises, including Agricultural Industries, Amalgamated Industrials, British Glass Industries, Irvine's Shipbuilding and Dry Docks Company, Leyland Motors and C. A. Vandervell and Company. In January 1920 the capital was increased to £5,000,000 in Ordinary shares of £1 each, and of these 975,000 were allotted in exchange for the original holdings, and 1,275,000 issued for cash at par. The development of the deposits side involved serious complications during the trade depression, which led to an abandonment of this sphere of operations. The position at the end of 1920 and 1918 is shown in the following table:—

	Dec. 31, 1920 £	Dec. 31, 1918 £
Capital	2,250,642	500,000
Reserve	—	—
Deposits ...	385,094	765,860
Loans, &c.	759,496	
Acceptances	47,421	—
Profit Balance	14,945	99,140
Total	3,457,598	1,365,000
Cash	508,932	280,835
Investments	2,076,165	472,371
Advances ...	667,765	611,794
Acceptances	47,421	—
Other Accounts ...	157,315	—

The report points out that the deposits item of £385,094 has since been extinguished and advances satisfactorily reduced, a loan of £108,000, not repayable till 1942, being disposed of for £58,175. In view of the return of deposits, cash, which stood at £508,932 on December 31, is at present probably much lower. Investments, at £2,076,165, form the principal asset, but this figure is based upon cost in the case of quoted securities and directors' valuation for unquoted holdings. Depreciation in the former had reached £631,000 in December, and since that date has increased. Included among the unquoted securities is £128,000 in the Commercial Bank Buildings Trust, since realised at that figure. The fact that no reserve against depreciation of investments has been created reveals an optimism, on the directors' part, as to future values which will not be generally shared. The chairman admitted, however, that "it may possibly be necessary, as soon as circumstances permit, to provide for the depreciation of, say £631,000." One of the Company's largest holdings is a block of shares in British Glass Industries, now quoted at less than twenty-five per cent. of par.

Concurrent with the decision to close the banking side of the institution, it was resolved to alter the title to "Commercial Corporation of London, Ltd." The financial operations of the Company will in future command the whole attention of the directorate. In consequence of the changes in organisation large economies in administration will be effected, and an improvement in trade conditions would facilitate a recovery in the financial position, which has certainly deteriorated since the presentation of the report.

CREDITO ITALIANO

Capital Fully Paid - - - Lire 300,000,000.
Reserve - - - - - - - Lire 80,000,000.
Deposits and Current Accounts at 31st December, 1920, Lire 4,117,617,960.
HEAD OFFICE - - MILAN.

BRANCHES.

ACIREALE	CHIAVARI	MOLFETTA	SAVONA
AREZZO	CHIETI	MONZA	SPEZIA
ASTI	CIVITAVECCHIA	NAPLES	TARANTO
BARI	COMO	NERVI	TERNI
BARLETTA	FERRARA	NEW YORK	TORRE ANNUNZIATA
BENEVENTO	FLORENCE	NOVARA	TORRE DEL GRECO
BERGAMO	FOGGIA	ORISTANO	TRENTO
BIELLA	FRATTAMAGGIORE	OZIERI	TRIESTE
BOLOGNA	GENOA	PALERMO	TURIN
BRINDISI	IGLESIAS	PARMA	VADO LIGURE
CAGLIARI	LECCE	PINEROLO	VARESE
CARPI	LECCO	PISA	VENICE
CARRARA	LEGHORN	PORTO MAURIZIO	VENTIMIGLIA
CASALE MONFERRATO	LUCCA	ROME	VERCELLI
CASTELLAMMARE DI STABIA	MESSINA	SAMPIERDARENA	VOGHERA
CATANIA	MILAN	S. GIOVANNI A TEDUCCIO	VOLTRI
CATANZARO	MODENA	SASSARI	

LONDON OFFICE: 22 ABCHURCH LANE, E.C. 4.
MANAGERS—D. A. HORNER, F. N. SCHILLER.

Correspondent of the Royal Italian Treasury and of the National Institution for Foreign Exchanges.

The London Branch transacts a General Banking Business, and is specially prepared to grant facilities for the Development of Trade between the British Empire and Italy.
Documentary Credits opened. Telegraphic and Mail Transfers effected to all parts of the World. Clean and Documentary Bills collected. Tariff sent on application. Approved Foreign Bills negotiated, and Advances granted against Documents. Freights collected at principal Italian ports free of commission. Circular Cheques issued, payable at any branch or Correspondent of the Credito Italiano in Italy, free of charge.
CORRESPONDENCE INVITED.

Telegrams - "ITALOCREDI, CANNON, LONDON" *Telephones* - 7802 and 7803 CITY.

BANCO DI ROMA



Established 1880.

Head Office : ROME.

Capital Paid up - Lit. 150,000,000.

The Bank is prepared to transact every class of approved banking business in and connected with ITALY and COLONIES, FRANCE, SPAIN, SWITZERLAND, MALTA, RHODES, EGYPT, SYRIA, LEBANON, PALESTINE, ASIA MINOR and TURKEY

Correspondence invited.

LONDON REPRESENTATIVE:
28 Throgmorton Street, E.C. 2.
Telephones: London Wall 9650, 9657

CO-OPERATIVE WHOLESALE SOCIETY.

Head Office: 1 Balloon Street, Manchester.

THE Co-operative Wholesale Society, Limited, which began business in 1864 under the Industrial and Provident Societies Act, 1862, was registered under the Act of the same name passed in 1893. Its balance sheets, which are of a detailed character, cover both the banking and trading departments. The paid-up share capital employed in the two shows a further increase, from £3,898,134 at the end of 1919 to £4,270,408 on December 25, 1920. The deposits and current accounts record the greatest expansion yet shown in the Society's history—from £10,778,810 to £15,948,672. With these increased liabilities, cash in hand has risen from the exceptionally low figure of £300,641 to £3,374,994, or 21.1 per cent. of the total banking liabilities, as compared with 2.8 per cent. in the earlier year. The banking profit for the twelve months reached £38,332, which, as with the £29,945 of 1919, it was recommended should be carried to investment reserve.

Liabilities and Assets of Co-operative Wholesale Society, Ltd. (Banking Department).

LIABILITIES.

	Reserve (a).		Deposits and Current Accounts.		Profit Balance.		Total Banking Liabilities.	Paid-up Capital.†
Dec.	£	%*	£	%*	£	%*	£	£
1920	8,410	·1	15,948,672	99·7	38,332	·2	15,995,414	4,270,408
1919	11 352	·1	10,778,810	99·6	29,945	·3	10,820,107	3,898,134
1918	1,759	—	10,530,600§	99·6	46,517	·4	10,578,776	3,195,737
1917	6,943	·1	9,636,481	99·6	26,483	·3	9,669,907	2,981,133
1916	430	—	9,214,494§	99·6	34,461	·4	9,249,385	2,653,774
1915	588	—	7,916,906§	99·6	28,776	·4	7,946,270	2,284,758
1914	143,984	2·1	6,833,094§	97·5	27,624	·4	7,004,702	2,130,959
1913	143,707	2·3	6,116,402§	97·3	27,737	·4	6,287,846	2,039,054

ASSETS.

	Cash, &c.		Investments.		Advances, Loans, &c.		Land and Buildings.		Total Banking Assets.	Trade Dept.—Balance owing (a) by or (b) to Banking Dept.
	£	%*	£	%*	£	%*	£	%*	£	£
1920	3,374,994	21·1	3,941,606	24·6	8,676,671†	54·3	2,143	—	15,995,414	b5,768,553
1919	300,641	2 8	4,331,871	40·0	6,185,257‡	57·2	2,338	—	10,820,107	b4,723,287
1918	3,080,049	29·1	4,287,484	40·5	3,208,334	30·3	2,909	—	10,578,776	a1,324,466
1917	2,155,256	22·3	4,192,225	43·4	3,319,213‡	34·3	3,213	—	9,669,907	b 43,900
1916	1,738,544	18·8	4,660,614	50·4	2,846,720	30·8	3,507	—	9,249,385	a1,172,486
1915	1,028,345	13·0	4,704,441	59·2	2,210,367	27·8	3,117	—	7,946,270	a2,135,772
1914	1,215,535	17·4	4,361,537	62·3	1,424,318	20·3	3,312	—	7,004 702	a2,342,230
1913	1,523,187	24·2	3,868,081	61·5	893,071	14·2	3,507	·1	6,287,846	a2,446,520

* Per cent. of total Banking Liabilities or Assets. † Liable for trading commitments. ‡ Including balance owing by Trade Department. § Including balance owing to Trade Department. (a) Since 1916, investment reserve.

COUTTS AND COMPANY.

(*See also* **National Provincial and Union Bank of England, Limited.**)

Office: 440 Strand, London, W.C. 2.

Capital—

Paid up £800,000

COUTTS AND COMPANY has the distinction of being one of the number of present-day London banks which can trace their foundation to the goldsmiths of the sixteenth and seventeenth centuries. Its very early history is somewhat obscure, but as a private banking institution it developed in later days, and in 1892 Coutts' Bank was registered as an unlimited company with a capital of £600,000 subscribed and paid up, a reserve fund of £400,000 being provided in addition by the partners. In July 1914 a seat was secured in the London Clearing House as a result of amalgamation with Robarts, Lubbock and Company. This amalgamation led to a considerable growth of business, and deposits have continued to rise substantially year by year. The paid-up capital, which was increased from £600,000 to £800,000 in 1914, has since remained at the latter figure; but the reserve fund, which in the same year was raised from £400,000 to £700,000, received a further accession of £100,000 in 1920. As from December 31, 1919, the National Provincial and Union Bank of England acquired the business of Messrs. Coutts and Company, but no change took place in the management of the private institution, which is continued under the same name, with the managing partners retaining the personal direction and forming a local Board, while four of them have joined the Board of the National Provincial.

With the National Provincial balance sheet is issued a separate one for Coutts and Company, from which the particulars given in our table are derived. During 1920 deposits expanded by £2,112,528, and now represent 90.6 per cent. of the total liabilities. A decline in cash in hand, from £3,500,550 to £3,103,702, was offset by an increase in money at call and short notice from £2,281,585 to £2,855,222. The holding of Treasury bills, at £4,524,835, was higher by £2,327,236, but investments contracted from £4,876,728 to £4,711,952. There was a fall in acceptances from £690,207 to £596,118, and in bills discounted and loans, from £7,456,486 to £7,329,764. It has not been the practice to issue a statement of profits.

COX AND COMPANY.

Head Office: 16 Charing Cross, London, S.W. 1.

Capital—

Paid up, in 1,500 4% Cumulative Preference shares and 5,000 Ordinary shares of £100 each ... £650,000

THIS well-known firm of Army bankers, established in 1758, had, prior to the War, built up a strong connection in India, and in addition to its head office in Charing Cross Road and its City office at 38 Lombard Street, to supply the needs of the Metropolis, it now has branches at the following places in the Dependency and in Egypt:—Bombay, Calcutta, Karachi, Rawal Pindi, Murree and Srinagar (Kashmir), Alexandria, Alexandria Docks, and Cairo. An important event in its history, marking an expansion of its career as a private bank, was its registration in 1909 as a company with unlimited liability, the capital being then £350,000 and the reserve £50,000. By 1914 these figures had increased to £450,000 and £80,000 respectively, subsequent impressive additions

Liabilities and Assets of Messrs. Coutts and Company.

LIABILITIES.

	Capital Paid up.	Reserve.	Paid-up Capital and Reserve		Acceptances.		Deposits, &c.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£
1920 (Dec. 31) ...	800,000	800,000	1,600,000	6·8	596,118	2·6	21,265,775	90·6	23,461,893
1919 ,, ...	800,000	700,000	1,500,000	7·0	690,207	3·2	19,153,247	89·8	21,343,454
1918 ,, ...	800,000	700,000	1,500,000	7·4	385,243	1·9	18,426,905	90·7	20,312,148
1917 ,, ...	800,000	700,000	1,500,000	8·0	404,500	2·1	16,852,100	89·9	18,756,600
1916 ,, ...	800,000	700,000	1,500,000	8·3	419,056	2·3	16,145,790	89·4	18,064,846
1915 ,, ...	800,000	700,000	1,500,000	9·9	243,914	1·6	13,385,762	88·5	15,129,676
1914 ,, ...	800,000	700,000	1,500,000	10·3	386,744	2·7	12,666,393	87·0	14,553,137
1913 (Jan.) ...	600,000	400,000	1,000,000	9·9	110,907	1·1	9,003,403	89·0	10,114,310
1910 ,, ...	600,000	400,000	1,000,000	10·7	337,487	3·6	8,031,263	85·7	9,368,750

ASSETS.

	Cash in Hand, &c.		Money at Call, &c.		Investments.		Bills, Loans, and Advances		Liab. of Cust. for Acceptances		Bank Premises Account		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920 (Dec. 31)	3,103,702	13·2	2,855,222	12·2	4,711,952	20·1	11,854,599	50·5	596,118	2·6	340,300	1·4	23,461,893
1919 ,,	3,500,550	16·4	2,281,585	10·7	4,876,728	22·9	9,654,084	45·2	690,207	3·2	340,300	1·6	21,343,454
1918 ,,	3,616,010	17·8	3,912,011	19·3	4,057,905	20·0	8,000,679	39·4	385,243	1·9	340,300	1·6	20,312,148
1917 ,,	3,056,963	16·3	3,499,815	18·7	3,872,565	20·7	7,582,457	40·4	404,500	2·1	340,300	1·8	18,756,600
1916 ,,	2,956,304	16·4	3,465,018	19·2	4,198,351	24·9	6,387,814	35·4	419,056	2·3	340,300	1·8	18,064,846
1915 ,,	2,366,701	15·6	2,078,439	13·7	4,705,531	31·1	5,394,791	35·7	243,914	1·6	340,300	2·3	15,129,676
1914 ,,	2,064,965	14·2	2,334,407	16·0	3,313,773	22·8	6,112,948	42·0	386,744	2·7	340,300	2·3	14,553,137
1913 (Jan.)	1,160,387	11·5	1,704,307	16·9	2,488,213	24·8	4,430,496	43·8	110,907	1·1	220,000	2·1	10,114,310
1910 ,,	795,620	8·5	1,310,000	14·0	2,306,260	24·6	4,399,378	47·0	337,487	3·6	220,000	2·3	9,368,750

* Per cent. of Total Liabilities or Assets



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(NATIONAL OVERSEAS BANK).

HEAD OFFICE - - LISBON.

ESTABLISHED IN 1864.

STATE BANK OF THE PORTUGUESE COLONIES.

Capital (paid up), Esc. 24,000,000

Reserve Funds, Esc. 24,900,000

Branches in the following countries: Portugal, Portuguese East and West Africa, India, China, Timor, Belgian Congo and Brazil.

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leading up to the present proportions of £650,000 and £600,000. This growth has been concurrent with a marked expansion in business—current, deposit, and other accounts having risen from £4,061,000 on October 8, 1913, to £22,237,472 on September 30, 1920. The enormous increase which thus characterised the War period was, of course, due to Messrs. Cox and Company's long-standing association with the Army, and the large accessions to the commissioned ranks naturally brought about an increase in the resources of the Company. For Army officers Cox and Company became a household word. It acted for them in innumerable capacities, and was, in fact, recognised as a kind of Paymaster-General for the commissioned ranks.

That its new clients have not since deserted it is suggested by the increase in the balance-sheet totals of the Bank since the close of hostilities. Aggregate assets, which on October 5, 1918, amounted to £20,788,050, have since risen to £24,317,409—an increase of 17.7 per cent. The balance sheet is published half-yearly, and the latest increase (from £425,000 to £600,000) in the reserve fund was disclosed in the statement as at March 31, 1920. Paid-up capital and reserve, at £1,250,000, were equivalent to 5.1 per cent. of the assets on September 30 last. On the liabilities side, besides the current, deposit, and other accounts to which reference has been made, the item of acceptances, £829,937, though much below the £1,075,976 of March 31 of last year, shows an increase of £286,137 on the September 1919 figure.

Amongst the assets, cash at bankers and on hand, including balance of items in transit between head office and branches (with exchange adjustments), which reached the record level of £5,806,943 on September 30, 1919, achieved a new high record on September 30, 1920, at £7,443,942. This has been accompanied by, and has no doubt been partly responsible for, a decline in money at call and short notice from £3,350,000 to £1,600,000. The nature of the Bank's position compels it to maintain an exceptional liquidity, and the total of the cash assets reveals the high proportion of 37.2 per cent. of the total assets. The decline in investments, from £4,203,449 to £1,132,927, has synchronised with a decided expansion in the items representing accommodation to customers and others. By far the greater part of the Bank's holdings of British Government securities, which stood at £3,321,299, have been realised, while the Indian, Colonial, and other securities have also decreased. The Bank's preponderating interest in its subsidiary—Cox and Company (France), Limited—was on September 30 represented by 368,182 shares of £1 each, 10s. paid, as against 340,909 shares a year earlier.

The latest balance sheet presents as a separate item "Documentary bills negotiated, £2,908,126," which, combined with bills receivable and advances, gives a total of £12,502,636, compared with £9,647,837 on the corresponding date in the previous year, and indicates the direction in which the additional funds available from the realisation of investments have been employed, increased business having also, as pointed out above, been registered under acceptances. A noticeable increase in the values at which the Bank's premises are scheduled, from £318,133 to £652,967, is doubtless accounted for in part by the opening of the three branches in Egypt.

EQUITABLE BANK, LIMITED.

Head Office: Halifax.

Capital—

Nominal	£200,000
Subscribed, in 10,000 shares of £1 each, 7,500 of £4 each, and 26,500 of £2 each	93,000
Paid-up, £1 per share	44,000

ESTABLISHED in 1900 as the Halifax Equitable Bank, this institution assumed its present title in 1913. It has branches in Bradford, Brighouse, Doncaster, Elland and Huddersfield, and is essentially a "People's Bank." In spite of its comparatively small size, it weathered the buffets of war with a success not shared by a number of similar institutions, and on December 31 last the deposit and current accounts amounted to £1,077,700 (compared with £558,841 only two years ago), while cash in hand and at call was equivalent, at £472,880, to forty-three per cent. of the liabilities to customers. The paid-up capital of the Bank has in recent years been largely increased, and at the end of 1920 amounted to £40,000 out of a subscribed capital of £89,000. The reserve fund has also been substantially added to, and now amounts to £50,000. The increase in the deposits already mentioned brings the balance-sheet totals to a figure much in excess of one million, the highest ever attained. On the assets side of the account, cash in hand and at call shows an increase of £194,074 from the £278,806 on December 31, 1919. A slight decline in investments—from £360,563 to £351,260—was more than offset by the reappearance in the balance sheet of the item of bills of exchange; after an absence of three years, the sum involved is £31,012. An increase in advances and loans from £283,730 to £320,941 shows the useful function discharged by the Bank.

With growing magnitude has come increased profit, the net amount, after provision for investment depreciation, being £8,564, following £6,220 realised in 1919 and £3,867 for 1918. For the third successive year the total dividend distribution has equalled 3*s.* 2⅖*d.* per share, or sixteen per cent., subject to income tax, leaving the profit balance at £5,193, against £3,029 brought forward. In their report the

Liabilities and Assets of Messrs. Cox and Company.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	% *	Acceptances, &c. £	% *	Deposits, &c. £	% *	Total Liabilities. £
1920, Sept. 30	650,000	600,000	1,250,000	5·1	829,937	3·4	22,237,472	91·5	24,317,409
1919 ,, 30	650,000	425,000	1,075,000	4·4	543,800	2·3	22,552,363	93·3	24,171,163
1918, Oct. 5...	650,000	425,000	1,075,000	5·2	447,641	2·1	19,265,409	92·7	20,788,050
1917 ,, 4...	450,000	80,000	530,000	3·0	256,624	1·4	16,921,409	95·6	17,708,033
1916 ,, 9...	450,000	80,000	530,000	3·8	215,445	1·5	13,391,872	94·7	14,137,317
1915 ,, 8...	450,000	80,000	530,000	4·7	505,007	4·4	10,303,958	90·9	11,338,965
1914 ,, ›...	450,000	80,000	530,000	8·4	288,115	4·6	5,479,212	87·0	6,297,327
1913 ,, ›...	450,000	80,000	530,000	11·3	82,086	1·7	4,061,241	87·0	4,673,327
1910 ,, ›...	350,000	50,000	400,000	9·8	8,941	·2	3,681,004	90·0	4,089,945

ASSETS.†	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills Receivable. ‡ £	% *	Documentary Bills Negotiated. ‡ £	% *	Advances and Bills. ‡ £	% *	Liab. of Customers for Acceptances, &c. £	% *	Bank Premises, &c. £	% *
1920, Sept. 30...	7,443,942	30·6	1,600,000	6·6	1,132,927	4·6	2,825,847§	11·6	2,908,126	12·0	6,923,663‡	28·5	829,937	3·4	652,967	2·7
1919 ,, 30...	5,806,943	24·0	3,350,000	13·9	4,203,449	17·4	—	—	—	—	9,948,837	41·1	543,800	2·3	318,134	1·3
1918, Oct. 5 ...	5,384,198	25·9	4,583,334	22·0	4,002,743	19·3	—	—	—	—	6,055,016	29·1	447,641	2·2	315,118	1·5
1917 ,, 4 ...	3,919,552	22·1	3,718,333	21·0	2,357,237	13·4	—	—	—	—	7,202,945	40·6	256,624	1·4	253,342	1·5
1916 ,, 9 ...	2,892,083	20·5	3,000,093	21·2	1,909,800	13·5	—	—	—	—	5,895,664	41·7	215,445	1·5	224,231	1·6
1915 ,, 8 ...	2,126,744	18·7	1,630,785	14·4	2,581,247	22·8	—	—	—	—	4,279,665	37·8	505,007	4·4	215,517	1·9
1914 ,, 8 ...	1,236,420	19·7	916,462	14·6	903,529	14·3	—	—	—	—	2,773,754	44·0	288,115	4·6	179,047	2·8
1913 ,, 8 ...	742,277	15·9	460,677	9·9	751,548	16·1	—	—	—	—	2,457,286	52·6	82,086	1·7	179,453	3·8
1910 ,, [8 ...	540,024	13·2	360,000	9·0	1,004,798	24·5	—	—	—	—	1,996,986	48·8	8,941	·2	179,196	4·3

* Per cent. of Total Liabilities or Assets.
‡ Bills now carried to separate columns.
† For Total Assets *see* Total Liabilities.
§ Includes £155,000 in Treasury bills (British and Indian).

Swiss Bank Corporation.

ESTABLISHED 1872.

BASLE, ZURICH, ST. GALL, GENEVA, LAUSANNE, LA CHAUX-DE-FONDS, NEUCHATEL, SCHAFFHOUSE, BIENNE, CHIASSO, HERISAU, LE LOCLE, NYON, AIGLE, MORGES, RORSCHACH, VALLORBE.

LONDON OFFICE: 43 LOTHBURY, E.C.2.

West End Branch: 11c Regent Street, Waterloo Place, S.W.1.

General Manager - - - X. CASTELLI.

Capital Authorised - - -	**£5,000,000**
Capital Paid up - - -	**£4,800,000**
Reserves - - - -	**£1,320,000**

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NEDERLANDSCHE HANDEL-MAATSCHAPPIJ

(NETHERLANDS TRADING SOCIETY).

Established by Royal Charter A.D. 1824.

Capital Paid up - -	**- f. 80,000,000**	**Neth. Currency (£6,666,666)**
Statutory Reserve Fund	**- f. 17,353,284**	**„ „ (£1,446,107)**
Extraordinary Reserve	**- f. 22,660,000**	**„ „ (£1,888,333)**

Head Office: AMSTERDAM.

Branches: **ROTTERDAM, THE HAGUE.**

Branches in the NETHERLANDS INDIES: **BATAVIA, SOURABAYA, SAMARANG, MEDAN and further Principal Ports.**

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LONDON CORRESPONDENTS: The National Provincial and Union Bank of England, Ltd., LONDON.

directors recommended the issue at par to existing shareholders of the remaining 4,000 unissued £1 shares, and the proposed transaction has since been duly carried out.

Profits of the Equitable Bank, Limited.

Year to Dec. 31	Net Profit	Div. Earned %	Div. Subject to Tax Paid %	Div. Subject to Tax Paid £	Special Allocations £	Carried Forward £
1920...	8,564	21·41	16	6,400	—	5,193
1919...	6,220	15·55†	13·35†	5,340		3,029
1918...	3,867	28·64	16	2,160	1,000	2,149
1917...	3,361	25·46	15	1,980	1,000	1,442
1916...	3,348	25·36	15	1,980	1,000	1,061
1915...	3,084	23·54	12½	1,692	1,100	693
1914...	2,332	17·80	11·9	1,561	1,000	401
1913...	2,535	19·35	11·8	1,530	1,000	630

† Calculated on increased capital as at end of year.

Liabilities and Assets of the Equitable Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Paid-up Capital & Reserve. £	Paid-up Capital & Reserve. %*	Deposits and Current Accounts £	Deposits and Current Accounts %*	Profit & Loss. £	Profit & Loss. %*	Total Liabilities. £
1920...	40,000	50,000	90,000	7·7	1,077,700	91·6	8,393	·7	1,176,093
1919...	40,000	50,000	90,000	9·7	826,870	89·6	6,229	·7	923,099
1918...	13,500	15,575	29,075	4·9	558,842	94·4	4,296	·7	592,213
1917...	13,200	14,200	27,400	5·4	474,121	93·9	3,432	·7	504,953
1916...	13,200	13,200	26,400	6·6	370,913	92·6	3,161	·8	400,474
1915...	13,100	12,000	25,100	7·4	311,122	91·8	2,721	·8	338,943
1914...	13,100	11,000	24,100	8·8	248,887	90·5	2,187	·7	275,174
1913...	13,100	10,000	23,100	9·9	208,952	89·1	2,417	1·0	234,469
1910...	6,000	4,300	10,300	7·0	136,423	92·0	1,463	1·0	148,186

ASSETS. Dec. 31	Cash in Hand, at Call, &c. £	Cash in Hand, at Call, &c. %*	Investments. £	Investments. %*	Bills of Exchange. £	Bills of Exchange. %*	Advances, Loans, &c. £	Advances, Loans, &c. %*	Total Assets. £
1920...	472,880	40·2	351,260	29·9	31,012	2·6	320,941	27·3	1,176,093
1919...	278,806	30·2	360,563	39·1	—	-	283,730	30·7	923,099
1918...	179,283	30·3	234,705	39·7	—	—	178,225	30·0	592,213
1917...	192,868	38·2	121,850	24·1	—	—	190,235	37·7	504,953
1916...	126,924	31·7	103,887	25·9	22,463	5·6	147,200	36·8	400,474
1915...	137,418	40·6	62,039	18·3	16,861	4·9	122,625	36·2	338,943
1914...	102,212	37·1	28,346	10·3	4,891	1·8	139,725	50·8	275,174
1913...	96,404	41·1	—	—	5,063	2·1	133,002	56·8	234,469
1910...	93,216	62·9	—	—	—	—	54,970	37·1	148,186

* Per cent. of Total Liabilities or Assets.

GLYN, MILLS, CURRIE AND COMPANY.

Office: 67 Lombard Street, London, E.C. 3.

Capital—

Paid up ... £1,000,000

This member of the London Clearing House figures as the largest single-office bank in the United Kingdom. Its history goes back to the early days of banking. The firm of Vere, Glyn, Hallifax and Company seems to have started business soon after 1750. Forty years later we find the name changed to Glyn, Mills, Hallifax and Company, and in 1851 to Glyn, Mills and Company, a style retained until 1864, when the present title was adopted as the result of an amalgamation with another ancient banking house—that of Currie and Company, established in 1773. The joint undertaking was registered as a company with unlimited liability in 1885, and it may be noted that it was the first private bank to follow the example set by the joint-stock banks of issuing balance sheets to the public.

The capital and reserve have remained unchanged at £1,500,000 for many years, and were equal to 4.6 per cent. of the total liabilities on December 31 last. Acceptances, £1,727,508, show an increase of over £200,000 on the year, while deposit and current accounts are down by £1,500,000 to £29,007,506, leading to a decline in the total liabilities from £33,727,485 to £32,382,325. The first effects of the general deflationary policy pursued in the latter part of 1920 are seen in these figures. On the assets side the cash position shows exceptional strength, the balances on hand and at the Bank of England having risen from £5,467,410 in 1919 to £6,852,997 in 1920. Money at call and at short notice also displays a substantial increase from £6,638,750 to £7,199,750. That the greater liquidity so secured is derived in part from the sale of investments may be gathered from the decline in the latter item, as given in our table, from £9,986,983 to £6,430,246 during the twelvemonth. Bills discounted and advances, including other securities, show little alteration, and the scheduled value of the freehold bank premises at £370,000 is unchanged. On account of its private character no particulars are available as to the profits earned by the Company.

GUERNSEY BANKING CO., LTD.

Head Office: 29 High Street, Guernsey.

Capital —

Subscribed, in 5,000 shares of £50 each ... £250,000
Paid up, being £10 per share 50,000

This Bank, which was established in 1827, was registered under the Guernsey Limited Liability Law in 1898. The subscribed capital amounts to £250,000, of which £50,000 is paid up, this sum being exceeded by the reserve fund, which stood on June 30 last at £65,000. War Loan to the nominal value of £47,198, written down to £40,000, represents about two-thirds of this fund. The deposits of the Bank last year touched the record figure of £647,985, and the growing business of which this is a token resulted in an increase in gross profits from £23,143 in 1918-19 to £30,639 in 1919-20. Outside the reserve fund referred to above there is also a pension fund of £10,571 and a reserve for loss in exchange on French investments, bills, and agents' balances, £19,573, these items being included under the heading of "Miscellaneous" in our table. To provide for the extensive depreciation of securities common to all banks during the period under review, and also for the loss on French exchange, the sum of £30,000 was withdrawn from the inner reserve and transferred to the credit of the profit and loss account. Investments have risen from £371,980 to £425,231, and all the Stock Exchange securities are written down to the middle market price on June 30 last. The dividend has been increased to twenty-one per cent. As from April 4 English currency has been adopted

Liabilities and Assets of Glyn, Mills, Currie and Company.

LIABILITIES. Dec. 1	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	Paid-up Capital and Reserve. %*	Acceptances. £	Acceptances. %*	Deposit and Current Accounts. £	Deposit and Current Accounts. %*	Miscellaneous. £	Miscellaneous. %*	Total Liabilities. £
1920 ...	1,000,000	500,000	1,500,000	4·6	1,727,508	5·3	29,007,506	89·6	147,311	·5	32,382,325
1919 ...	1,000,000	500,000	1,500,000	4·5	1,525,970	4·5	30,559,059	90·6	142,456	·4	33,727,485
1918 ...	1,000,000	500,000	1,500,000	5·2	982,739	3·4	26,346,874	91·0	137,736	·4	28,967,349
1917 ...	1,000,000	500,000	1,500,000	5·4	1,092,250	4·0	24,781,965	90·1	133,102	·5	27,507,317
1916 ...	1,000,000	500,000	1,500,000	6·6	1,068,479	4·7	19,992,138	88·1	128,330	·6	22,688,947
1915 ...	1,000,000	500,000	1,500,000	7·6	1,025,371	5·2	17,193,471	86·6	123,967	·6	19,842,809
1914 ...	1,000,000	500,000	1,500,000	6·9	571,268	2·6	19,422,903	89·9	119,229	·6	21,613,400
1913 ...	1,000,000	500,000	1,500,000	7·5	1,352,023	6·7	17,194,359	85·3	104,745	·5	20,151,127
1910 ...	1,000,000	500,000	1,500,000	7·7	1,332,398	6·8	16,590,994	85·1	65,159	·3	19,488,551

ASSETS. Dec. 31	Cash in Hand, &c. £	Cash in Hand, &c. %	Loans at Call and Short Notice. £	Loans at Call and Short Notice. %*	Investments.† £	Investments.† %	Bills Discounted and Advances.‡ £	Bills Discounted and Advances.‡ %*	Liab. of Cust. for Acceptances £	Liab. of Cust. for Acceptances %	Bank Premises. £	Bank Premises. %*	Total Assets. £
1920 ...	6,852,997	21·2	7,199,750	22·2	6,430,246	19·9	9,801,824	30·3	1,727,508	5·3	370,000	1·1	32,382,325
1919 ...	5,467,410	16·2	6,638,750	19·7	9,986,983	29·6	9,738,372	28·9	1,525,970	4·5	370,000	1·1	33,727,485
1918 ...	4,800,548	16·6	6,605,000	22·8	10,747,764	37·1	5,461,298	18·8	982,739	3·4	370,000	1·3	28,967,349
1917 ...	4,650,405	16·9	8,120,000	29·5	7,363,751	26·8	5,910,911	21·5	1,092,250	4·0	370,000	1·3	27,507,317
1916 ...	3,880,343	17·1	6,019,000	26·5	5,621,418	24·8	5,729,707	25·2	1,068,479	4·7	370,000	1·7	22,688,947
1915 ...	3,181,023	16·0	3,337,200	16·8	5,659,895	28·5	6,269,320	31·6	1,025,371	5·2	370,000	1·9	19,842,809
1914 ...	4,055,473	18·7	5,023,000	23·3	3,637,722	16·8	7,955,937	36·8	571,268	2·6	370,000	1·8	21,613,400
1913 ...	3,244,374	16·1	4,729,030	23·5	2,843,689	14·1	7,606,011	37·8	1,352,023	6·7	370,000	1·8	20,151,127
1910 ...	2,775,805	14·2	4,716,794	24·2	3,730,334	19·1	6,563,220	33·6	1,332,398	6·9	370,000	2·0	19,488,551

* Per cent. of Total Liabilities or Assets. † British, Indian and Colonial Government securities. ‡ Including other securities.

SOCIÉTÉ GÉNÉRALE (DE PARIS)

(SOCIÉTÉ ANONYME).

Subscribed Capital - - -	Frs. 500,000,000
Paid-up Capital - - -	Frs. 250,000,000
Reserve Fund - - - - -	Frs. 51,743,124
Uncalled Capital - - -	Frs. 250,000,000
	Frs. 551,743,124

Head Office : 29 BOULEVARD HAUSSMANN, PARIS.
London Office : 53 OLD BROAD STREET, E.C. 2.
West End Branch : 65 REGENT STREET, W. 1.

OVER 1,100 BRANCHES IN FRANCE AND NORTH AFRICA.

SUBSIDIARY BANKS in Belgium, Greece, Spain, Switzerland, Turkey, Argentina, Brazil and Chile.

CORRESPONDENTS IN ALL PARTS OF THE WORLD.

This Bank transacts every description of English and Foreign Banking business, including the Sale of Drafts, Telegraphic Transfers and Circular Letters of Credit and Notes payable in Allied or Neutral Countries. It also undertakes the purchase and sale of Stocks and Shares on the London and Continental Exchanges, the collection and cashing of Dividends, Coupons, Bills of Exchange, Drawn Bonds, arrangements for Documentary Credits, &c., &c.

The West End Branch has been specially fitted with Safe Deposits for the use of Customers. This Office buys and sells Foreign Exchange and Securities.

BANQUE INDUSTRIELLE DE CHINE

Capital authorised	-	Frcs. 250,000,000
„ subscribed	-	„ 150,000,000
„ paid up	-	„ 75,000,000

Head Office : PARIS, 74 Rue Saint-Lazare. Cable Address { Head Office : Dirgebicid. Branches : Chibankind.

BRANCHES.

BATAVIA	HAIPHONG	HONGKONG	SAIGON	SWATOW	YOKOHAMA
CANTON	HANKOW	MUKDEN	SHANGHAI	TIENTSIN	YUNNANFU
FOOCHOW	HANOI	PEKING	SINGAPORE	TSINAN	
BORDEAUX		DUNKIRK	LYONS	MARSEILLES	
ANTWERP		LONDON		NEW YORK	

London Office - - 28 THROGMORTON ST., E.C. 2

Telephone Nos. : 2663 London Wall (Three Lines).

General Banking Business transacted, and especially business with the Far East—Negotiation and Collection of Bills of Exchange on the Far East and all countries—Documentary Credits opened—Freights collected at all ports in the Far East—Letters of Credit—Deposit and Current Accounts in £, Frcs., $, &c.—Telegraphic and Mail Transfers effected to all parts of the world—Financial and Commercial Information, &c., &c.

Liabilities and Assets of The Guernsey Banking Company, Limited.

LIABILITIES. June 30	Capital Paid up. £	Reserve Funds. £	Paid-up Capital and Reserve. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Miscellaneous. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920 ...	50,000	65,000	115,000	13·4	47,215	5·5	657,964	76·7	10,145	3·5	7,984	·8	858,308
1919 ...	50,000	60,000	110,000	14·6	48,504	6·4	581,690	76·9	—	—	16,237	2·1	756,431
1918 ...	50,000	58,000	108,000	19·5	42,136	7·6	393,170	71·0	—	—	10,510	1·9	553,816
1917 ...	50,000	56,000	106,000	22·9	39,025	8·4	308,328	66 7	—	—	9,146	2·0	462,499
1916 ...	50,000	55,000	105,000	22 8	39,076	8·5	309,404	67 1	—	—	7,573	1·6	461,052
1915 ...	50,000	60,000	110,000	23·3	39,731	8·4	317,371	67·4	—	—	3,877	·9	470,979
1914 ...	50,000	60,000	110,000	23·8	37,531	8·1	306,465	66·4	—	—	7,650	1·7	461,646
1913 ...	50,000	60,000	110,000	25·4	37,785	8·8	276,988	64·0	—	—	7,808	1·8	432,581
1910 ...	50,000	60,000	110,000	25·5	38,700	9·1	275,045	63 8	—	—	7,176	1·6	430,921

ASSETS. June 30	Cash in Hand &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1920 ...	153,283	17·9	425,231	49·5	30,548	3·5	242,746	28·3	6,500	·8	858,308
1919 ...	137.158	18·1	371,980	49·2	61,093	8 1	179,700	23·7	6,500	·9	756.431
1918 ...	158,493	28·6	174,127	31·4	9,369	1·7	205,327	37·1	6,500	1·2	553,816
1917 ...	80,694	17·4	119,612	25·9	11,885	2·6	243,808	52·7	6,500	1·4	462,499
1916 ...	57,250	12·5	130,048	28·2	12,268	2·6	254,986	55 3	6,500	1·4	461,052
1915 ...	74,999	15·9	126,366	26·9	12,641	2·7	250,848	53·2	6,125	1·3	470,979
1914 ...	73,814	15·9	117,211	25·4	15,705	3·0	251,560	54 5	5,356	1·2	461,646
1913 ...	63,745	14·8	85,594	19·8	13,977	3·2	264,265	61·0	5,000	1·2	432,581
191 ...	55,003	12·8	91, 18	21·1	14,103	3·2	265,797	61·7	5,000	1·2	430,921

* Per cent. of Total Liabilities or Assets.

in Guernsey, Sark, Herm and Jethou in substitution for the old Guernsey currency.

Profits of the Guernsey Banking Company, Limited.

Year ended June 30	Gross Profit £	Expenses £	Net Profit £	Dividend Earned %	Dividend Paid %	Paid £	Special Allocat'ns £	Carried Forw'd £
1920 ...	30,639	5,287	25,352‡	50·70‡	21·00	10,500	17,505	1,584
1919 ...	23,143	4,941	18,202	36·40	16·80	8,400	6,750	4 238
1918 ...	17,065	4,275	12,790	25·58	15·75	7,875	4,600	1,186
1917 ...	15,704	3,605	12,099	24·20	13·65	6,825	5,251	871
1916 ...	15,059	3,575	11,484	22·97	13·65	6,825	4,013	848
1915 ...	14,404	3,320	11,084	22·16	13 65	6,825	4,532	202
1914 ...	13,690	3,248	10,442	20·88	13 65	6,825	3,500	475
1913 ...	13,519	2,990	10,529	21·06	13·65	6.825	3,775	358

‡ Subject to deduction (included under "special allocations") of £26,652 for depreciation on securities and £19,573 for reserve for loss in exchange on French investments, &c., less £10,000 withdrawn from inner reserve.
† See note ‡.

HIBERNIAN BANK, LIMITED.

Head Office: College Green, Dublin.

Capital—

Subscribed, in 100,000 shares of £20 each ... £2,000,000
Paid up, £5 per share 500,000

ESTABLISHED in 1825 as the Hibernian Joint Stock Company, and registered with limited liability in 1881, the name of this Bank assumed its present form in 1885. The head office is situated in Dublin, and scattered throughout the country from Londonderry to Cork there are about one hundred branches and sub-branches. The Bank's progress has been steady rather than spectacular, though in the last three years a very marked increase has taken place in the amount of business and in the volume of resources at disposal. The satisfactory expansion in 1920 is evident from the figures given in our table.

The capital paid up has remained unaltered for a number of years at £500,000, out of an authorised total of £2,000,000. The reserve has been substantially added to in almost every year from 1914, and at the date of the last balance sheet stood at £180,000. The growth in deposit, current, and other accounts in 1920—to £14,248,729, the highest record in any year of the Bank's history—occurred chiefly in the latter half of the year, despite the decline in trade. The movement cannot be dissociated from the increase on the assets side of the balance sheet in loans and advances, *inter alia*, from £4,685,237 to £6,235,418. We think it would be more satisfactory if bills discounted were not lumped together under one head with advances on current accounts, loans, &c. Prior to June 1919 they were shown separately, and—unless, indeed, they have dwindled to insignificant proportions—no obvious reason suggests itself for discontinuing the practice, especially as Treasury bills are shown each year as a distinct item. On December 31 last the holding of Treasury bills amounted to three-quarters of a million. Combined with cash and investments, they totalled upwards of £9,300,000, representing approximately sixty-five per cent. of the total liabilities to the public. The investments redeemable at or over par on fixed dates, including War Stocks and War Bonds, stand in the balance sheet at under cost price, and all other investments at the market prices current on December 31 last. The amount included for bank premises and furniture shows the slight increase of £2,985 on the year, there being an addition of two to the number of branches. The total assets just exceed the fifteen-million mark, and, as they amounted to slightly under five millions on December 31, 1913, the growth since the outbreak of War has been threefold.

Increased business and high rates of interest brought about an expansion of gross profits in 1920 to £259,390, as compared with £184,139 in the previous year; but net profits did not benefit to the same extent, as expenses increased to £176,397, consisting of salaries and other staff emoluments, directors' fees, rent, rates, taxes, repairs and other outlay. Still, the net profits did rise from £69,604 to £82,993,

Liabilities and Assets of The Hibernian Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Investment Reserve. £	Paid-up Capital and Reserve. £	% *	Deposits, &c. £	% *	Miscellaneous. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920 ...	500,000	180,000	—	680,000	4·5	14,248,729	94 9	43,693	·3	35,288	·3	15,007,710
1919 ...	500,000	160,000	—	660.000	5·3	11,613,166	94·0	42,190	·4	37.296	·3	12,352.652
1918 ...	500,000	140,000	—	640,000	6·5	9,058,642	92·8	40,700	·4	27.193	·3	9,766,534
1917 ...	500,000	125,000	10,000	635,000	8·4	6,883,117	90·8	39,251	·5	27,587	·3	7,584,955
1916 ...	500,000	125,000	—	625,000	10·5	5,293,813	88·5	37,782	·6	25,379	·4	5,981,974
1915 ...	500,000	112,500	—	612,500	11·7	4,558,164	87·2	36,541	·7	18,754	·4	5,225,959
1914 ...	500,000	95,000	115,000	710,000	13·5	4,516,901	85·5	34,852	·6	18,022	·4	5,279,775
1913 ...	500,000	90,000	105,000	695.000	14·1	4,173,677	84·8	32,605	·7	17,672	·4	4,917,954
1910 ...	500,000	150,000	42,500	692,500	15·3	3,783,180	83·7	27,186	·6	19,547	·4	4,522,413

ASSETS. Dec. 31	Cash in Hand &c. with Bankers £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Bank Premises Account £	% *	Total Assets. £
1920	2,743,437	18·3	5,882,480	39·2	†		6,235,418	41·5	146,375	1·0	15,007,710
1919	1,485,146	12·0	6,038,880	48·9	†		4,685,237	37·9	143.389	1·2	12,352,652
1918	1,120,497	11·5	4,507,880	46·2	1,577,438	16·1	2,418,645	24·7	142,074	1·5	9,766,534
1917	2,117,868	27·9	1,687,791	22·2	1,531,974	20·2	2,106,192	27·8	141,130	1·9	7,584,955
1916	1,503,864	25·1	1,478,102	24·7	618,505	10·4	2,239,229	37·4	142,274	2·4	5,981,974
1915	675,971	12·9	1,489,765	28·5	660,798	12·6	2,256,363	43·2	143,062	2·8	5,225,959
1914	843,995	15·9	1,275,585	24·1	704,826	13·4	2,313,840	43·8	142,519	2·7	5,279,775
1913	388,573	7·9	1,237,232	25·1	780,193	15·9	2,368,471	45·1	143,485	2·9	4,917,954
1910	279,451	6·2	1,173,380	26·0	800,581	17·7	2,132,104	47·1	136,897	3·0	4,522,413

* Per cent. of Total Liabilities or Assets.
† Included with Loans and Advances.

COX & CO. (FRANCE) LTD.,
Bankers.

FOUNDERS: BARCLAYS BANK, LIMITED; COX & COMPANY

Principal Office:
PARIS: 33 RUE DU IV. SEPTEMBRE.

BORDEAUX.—4 rue Esprit des Lois.
BOULOGNE.—61 rue Victor Hugo.
HAVRE.—9 Quai Georges V.
LYONS.—1 rue de la République.
MARSEILLES.—5 rue Cannebiere.
ROUEN.—7 rue Jeanne d'Arc.

THE RIVIERA.

CANNES.—7 rue du Maréchal Foch.
MENTONE.—Avenue Félix-Faure. Villa les Grottes, Garavan.
MONTE CARLO.—1 Bld. des Moulins.
NICE.—4 Avenue Georges Clemenceau.

ALGERIA.

ALGIERS.—6 rue de la Liberté.
ORAN.—15 rue Alsace-Lorraine.

COLOGNE.—135 Hohestrasse.

LONDON.—168 FENCHURCH ST., E.C.3. and 16 CHARING CROSS, S.W.1.

The Bank is specially organised to provide banking facilities for trade between Great Britain and France and their respective Overseas Possessions

EVERY DESCRIPTION OF BANKING BUSINESS UNDERTAKEN

The First National Bank of Boston

Transacts commercial banking business of every nature.

CORRESPONDENCE SOLICITED.

Capital, Surplus and Profits

$37,500,000

representing 16.6 per cent. on the paid-up capital. In accordance with the conservative policy usually followed by the directors, the dividend is maintained at eight per cent., subject to tax, absorbing £40,000; but special allocations are more than doubled, at £45,000, consisting of £20,000 transferred to reserve fund and £25,000 placed to credit of investments account. In spite of these increases, the amount carried forward to the current year, at £15,288, shows only a slight decline from that brought in.

Profits of the Hibernian Bank, Limited.

Year to Dec. 31	Gross Profit	Expenses	Net Profit	Div. Earned	Div. Paid	Tax	Special Allocat'ns	Carried Forward
	£	£	£	%	%	£	£	£
1920...	259,390	176,397	82,993	16·60	8·0	10,000	45,000	15,288
1919...	184,139	114,535	69,604	13·92	8·0	40,000	22,000	17,296
1918...	158,212	96,107	62,105	12·42	7·0	35,000	27,500	9,692
1917...	131,082	76,874	54,208	10·84	6·5	32,500	21,000	10,087
1916...	123,930	73,806	50,124	10·02	6·0	30,000	14,500	9,378
1915...	119,876	69,662	50,214	10·04	6·4	31,981	17,500	3,754
1914...	114,869	64,015	50,854	10·17	6·5	32,505	18,000	3,021
1913...	113,558	62,517	51,041	10·21	6·3	31,859	20,000	2,672

HOARE (CHAS.) AND COMPANY.

Office: 37 Fleet Street, London, E.C. 4.

Like a number of the other London banks, this institution can trace its foundation to the goldsmiths of the seventeenth century, the accepted date of its establishment being 1673. As was the case with several private and joint-stock institutions, the War proved no harbinger of prosperity, for the deposit and current accounts, which had been £2,752,753 on July 6, 1914, declined to £2,089,841 on the same date in 1917. In subsequent years, however, they showed a continuous increase, and on July 6, 1920, registered the satisfactory total of £4,221,675, as compared with £3,213,275 a year earlier. An interesting distinction is made between the amounts due on current and deposit accounts respectively, the latter representing in the latest statement the considerably enhanced proportion of forty-seven and a-half per cent. of the total deposits. The other liability of the Bank consists of the capital and reserve, which for many years past has remained unchanged at £485,000.

On the assets side of the balance sheet, the cash in hand and at bankers has risen by £188,765 to £751,158, while money at call has declined by £20,000 to £300,000. The decline in investments from £1,406,998 to £1,318,627 is accompanied by a material rise in loans, overdrafts and bills discounted, from £1,308,884 to £2,236,890, the latter figure including Treasury bills to the amount of £1,034,529. Bank premises remain unchanged at £100,000.

ISLE OF MAN BANKING CO., LTD.

Head Office: Douglas.

Capital -

Authorised and subscribed, in 15,000 shares of £10 each £150,000
Paid up, £2 per share £30,000
(Callable £1 6*s.* 8*d.*, and reserved liability £6 13*s.* 4*d.*, per share.)

This Bank, established in 1865, is incorporated under the Isle of Man Companies Act, and, in addition to the head office at Douglas, possesses six branches and one sub-branch throughout the Island. Of the authorised capital of £150,000, £30,000 is paid, and the reserve fund totals £48,000, exclusive of the investment reserve account of £40,000. The Bank enjoys the right of note issue, and the growth in circulation, also from £1,727,995 at the end of 1919 to £2,050,026 at the end of 1920 in deposits, has been responsible for the rise in balance-sheet totals to £2,265,943. Amongst the assets, cash in hand, Treasury bills, and bills discounted (with advances) show material expansion. The bank premises account, £30,000, is considerably below the value of the head office alone. A slight increase in net profit is shown on the year, and the distribution to shareholders is maintained at twenty-two and a-half per cent., to which figure it was increased in respect of 1919 from twenty per cent.

Profits of the Isle of Man Banking Company, Limited.

Year ended Dec. 31	Net Profit	Dividend Subject to Tax — Earned	Dividend Subject to Tax — Paid	Tax	Special Allocations	Carried Forward
	£	%	%	£	£	£
1920	18,927	63·09	22½	6,750	12,210	3,800
1919	18,299	61·00	22½	6,750	11,000	3,828
1918	14,991	49·97	20	6,000	8,605	3,279
1917	12,355	41·18	15	4,500	7,500	2,893
1916	10,038	33·46	15	4,500	5,000	2,538
1915	9,197	30·65	15	4,500	4,500	2,000
1914	8,461	28·21	15	4,500	4,000	1,800
1913	8,610	28·70	15	4,500	4,400	1,839

Liabilities and Assets of Messrs. Charles Hoare and Company.

July 7	LIABILITIES. Total Capital and Reserve £	%	Deposits, &c. £	%	Total Liabilities and Assets. £	ASSETS. Cash in Hand & at Bankers. £	%	Money at Call and at Short Notice. £	%	Investments. £	%	Loans, Advances and Bills Discounted. £	%	Bank Premises Account. £	%
1920†	485,000	10·3	4,221,675	89·7	4,706,675	751,158	16·0	300,000	6·4	1,318,627	28·0	2,236,890‡	47·5	100,000	2·1
1919	485,000	13·1	3,213,275	86·9	3,698,275	562,393	15·2	320,000	8·7	1,406,998	38·0	1,308,884	35·4	100,000	2·7
1918	485,000	15·3	2,688,627	84·7	3,173,627	461,586	14·5	110,000	3·5	715,286	22·6	1,786,755	56·3	100,000	3·1
1917	485,000	18·8	2,089,841	81·2	2,574,841	396,881	15·4	264,700	10·3	544,700	21·1	1,268,560	49·3	100,000	3·9
1916	485,000	17·2	2,348,755	82·8	2,833,755	414,805	14·7	428,000	15·1	844,142	29·8	1,046,808	36·9	100,000	3·5
1915	485,000	15·3	2,683,411	84·7	3,168,411	563,767	17·8	507,000	16·0	618,945	19·6	1,378,699	43·5	100,000	3·1
1914	485,000	15·0	2,752,753	85·0	3,237,753	492,704	15·2	496,000	15·3	719,513	22·2	1,429,536	44·2	100,000	3·1
1913	485,000	14·7	2,818,680	85·3	3,303,680	506,826	15·3	420,000	12·8	1,012,082	30·6	1,264,772	38·3	100,000	3·0

* Per cent. of Total Liabilities or Assets. † July 6. ‡ Including £1,034,529 Treasury bills.

Liabilities and Assets of The Isle of Man Banking Company, Limited.

Dec. 31.	LIABILITIES. Capital Paid up. £	Reserve Fund. £	Investment Reserve. £	Paid-up Capital & Reserves. £	%	Notes in Circulation. £	%	Deposits, &c. £	%	Profit Balance. £	%	Total Liabilities £
1920	30,000	48,000	40,000	118,000	5·2	90,362	4·0	2,050,026	90·5	7,555	·3	2,265,943
1919	30,000	48,000	40,000	118,000	6·1	88,643	4·5	1,727,995	89·0	7,578	·4	1,942,216
1918	30,000	38,000	40,000	108,000	7·1	84,174	5·6	1,306,869	86·8	7,029	·5	1,506,072
1917	30,000	30,000	40,000	100,000	8·5	68,395	5·8	1,006,172	85·3	5,143	·4	1,179,710
1916	30,000	23,000	45,500	98,500	9·2	63,086	5·9	909,097	84·5	4,788	·4	1,075,471
1915	30,000	33,000	—	63,000	6·3	57,850	5·8	873,807	87·5	4,250	·4	998,907
1914	30,000	38,000	—	68,000	6·9	38,649	3·9	879,425	88·4	8,053	·8	994,127
1913	30,000	38,000	—	68,000	6·8	25,488	2·6	896,757	90·2	4,089	·4	994,334
1910	30,000	38,000	—	68,000	7·5	26,340	2·9	806,350	89·1	3,965		904,655

Dec. 31	ASSETS. Cash in Hand and at Bankers. £	%	Investments. £	%	Bills Discounted, Advances, &c. £	%	Bank Premises and other Assets. £	%	Total Assets. £
1920	535,608	23·6	867,288	38·3	833,047	36·8	30,000	1·3	2,265,943
1919	335,607	17·3	1,077,041	55·5	499,568	25·7	30,000	1·5	1,942,216
1918	283,328	18·8	830,297	55·1	361,447	24·0	31,000	2·1	1,506,072
1917	206,657	17·6	438,914	37·2	502,639	42·6	31,500	2·6	1,179,710
1916	222,204	20·7	406,706	37·8	414,561	38·5	32,000	3·0	1,075,471
1915	233,658	23·4	359,083	36·0	373,666	37·4	32,500	3·2	998,907
1914	232,561	23·4	370,374	37·3	358,433	36·0	32,759	3·3	994,127
1913	176,802	17·8	329,387	33·0	455,386	45·9	32,759	3·3	994,334
1910	123,019	13·6	377,636	41·7	370,425	41·0	33,575	3·7	904,655

* Per cent. of Total Liabilities or Assets.

ESTABLISHED 1809.

NORTH BRITISH & MERCANTILE

INSURANCE COMPANY, LTD.

FIRE **LIFE**

BURGLARY ACCIDENT ANNUITIES MARINE

FUNDS - - - £25,746,000

INCOME - - £9,110,000

CHIEF OFFICES:

LONDON: 61 Threadneedle St., E.C. 2. EDINBURGH: 64 Princes St.

Head Office:
1 DALE STREET,
LIVERPOOL.

LONDON,
Chief Office:
1 CORNHILL, E.C. 3.

ASSETS EXCEED
£20,000,000

CLAIMS PAID OVER
£102,000,000

NEW TERMS for LIFE ANNUITIES.

The Liverpool and London and Globe Insurance Company, Limited, have substantially increased their Annuity Terms, and the return now allowed per cent. on the Purchase Money places the Company right in the front rank of Annuity Offices.

The following are a few illustrations of the very favourable terms now granted:

ANNUITY (payable half-yearly) per £100 of Purchase Money.

MALE LIFE (Age last Birthday).	OLD RATE.	NEW RATE.
55	£7 8 10	£8 10 0
60	8 15 2	9 14 8
65	10 8 0	11 8 4
70	12 13 6	13 15 8

The Company's assets form an unimpeachable security for payment of all Annuities.

For a Prospectus containing the rates for all ages apply to the above offices, or any of the Branches.

LANCASHIRE AND YORKSHIRE BANK, LIMITED.

Head Office: 43 Spring Gardens, Manchester.

Capital—

Authorised, in 200,000 shares of £20 each ...	£4,000,000
Subscribed, in 100,656 shares	2,013,120
Paid up, £10 per share	1,006,560

THOUGH of recent foundation, having only been registered in 1872, this Bank has expanded with great rapidity. The natural growth of the business has been facilitated by the absorption of some important institutions, including the Bury Banking Company in 1888, the Preston Union Bank in 1894, the Adelphi Bank in 1902, and the Mercantile Bank of Lancashire in 1904. At the present time, in addition to its headquarters in Manchester, where it has an important foreign department, the Bank has about 130 branches, including those in the Isle of Man, where it possesses authority to issue notes to the extent of £20,000. The balance sheet reflects a creditable expansion during 1920 in all portions of the Bank's business, and for the first time in its history the total assets have passed the 30 million mark, being now £32,836,516. While a large number of new accounts were opened during the year, the increase in the balance-sheet figures is, as in the case of our other banks, not unrelated to the expansion of credit in the early part of 1920, and in the latter part to the accumulation of funds for which trade and investment outlets were temporarily not available. It may interest some to learn that the Bank was the pioneer of the now widespread movement on the part of the great banks to attract the small depositor, a savings department having been opened over sixteen years ago and being now in operation in every office of the Bank. It has proved a useful adjunct to ordinary business and has helped materially to swell to the substantial total of £29,591,220, shown in the latest balance sheet, the item of current, deposit, and other accounts.

The paid-up capital remains unchanged at £1,006,560, to which figure it was increased in 1919, when 14,390 shares were allotted to shareholders at £27 10*s.* per share, being £10 for payment of capital and £17 10*s.* for premium. The reserve fund, raised to £875,000 in 1920, will be further increased in the next balance sheet to £900,000 by the addition of £25,000 out of profits. The slight advance in notes in circulation is accompanied by a large increase in acceptances and similar contingent liabilities—from £460,594 to £1,106,723; while on the assets side bills of exchange are up from £5,600,626 (including £4,300,000 Treasury bills) to £8,494,823 (£6,000,000 Treasury bills), and loans and advances from £10,056,816 to £10,714,625. These figures afford an illustration of the statement made by the Chairman, the Right Hon. Lord Colwyn, at the annual meeting, to the effect that no reasonable request for ordinary trade accommodation was refused, though the directors resolutely declined to lock up the funds in loans to assist speculation and company financing. If we add commercial bills to the total of advances and acceptances, which all represent actual trade credits, we find that the resulting sum is equivalent to almost fifty per cent. of the deposits, and this shows the substantial measure of assistance accorded to the industrial and trading community.

On the assets side, cash in hand and money at call, at £5,896,893, bears the high ratio of eighteen per cent. to total liabilities. Another highly liquid item amongst the assets is the holding of Treasury bills mentioned above. Investments stand at £6,218,451, and show little change. All War Loans are included at under cost, and other holdings at or under market prices on December 31, ample provision having been made out of internal reserves for all the depreciation.

The profit and loss account registers an increase in the net profit to £231,426, equivalent to 22.99 per cent. on the paid-up capital. Following a prudent policy, the dividend is maintained at the nineteen per cent., subject to tax, to which it was raised in the previous year. After the transfer of £25,000 to reserve, the amount carried forward, at £104,046, shows the substantial increase of £15,179 on the year.

Profits of the Lancashire and Yorkshire Bank, Limited.

Year ended Dec. 31	Net Profit	Div. Earned	Div. Subject to Tax—Paid— %	Div. Subject to Tax—Paid— £	Special Allocations	Carried Forward
	£	%	%	£	£	£
1920 ...	231,426	22·99	19	191,246	25,000	104,046
1919 ...	216,410	21·50	19	191,246	23,175	88,867
1918 ...	203,984	23·64	18	155,279	20,000	86,878
1917 ...	191,032	22·14	17½	149,527	10,000	58,173
1916 ...	158,256	18·34	16	138,026	25,000	26,668
1915 ...	153,416	17·78	16	138,026	5,000	31,438
1914 ...	153,059	17·74	16½	142,339	5,000	21,048
1913 ...	165,268	19·15	17	146,652	15,000	15,328

LLOYDS BANK, LIMITED.

(*See also* **National Bank of Scotland, Limited.**)

Head Office: 71 Lombard Street, London, E.C. 3.

Capital—

Authorised, in 14,500,000 £5 shares ...	£72,500,000
Subscribed, in 14,137,796 shares	70,688,980
Paid up, £1 per share	14,137,796

(Callable 5*s.*, reserve liability £3 15*s.*, per share.)

LLOYDS BANK can trace its origin back as far as 1765, when the precursor of the present institution was founded as a private bank. A century later, in 1865, it was incorporated as a joint-stock company, and its expansionist career may be said to date from the latter year. It has had recourse in a marked degree to the methods of absorption and amalgamation, while increasing its existing business connections concurrently with the development of British internal and external commerce. A Birmingham institution, it took over in 1884 the businesses of two London Clearing Banks—Barnett, Hoares and Company, and Bosanquet, Salt and Company—and from being a provincial undertaking it attained at one stride to Metropolitan status

Liabilities and Assets of The Lancashire and Yorkshire Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	Paid-up Capital and Reserve. %	Notes in Circulation. £	Notes in Circulation. %	Acceptances. £	Acceptances. %	Deposits, Current Accounts, &c. £	Deposits, Current Accounts, &c. %	Profit Balance. £	Profit Balance. %	Total Liabilities. £
1920 ...	1,006,560	875,000	1,881,560	5·7	17,245	·1	1,106,723	3·4	29,591,220	90·1	239,768	·7	32,836,516
1919 ...	1,006,560	851,825	1,858,385	6·6	15,424	·1	460,594	1·6	25,656,046	90·9	222,763	·8	28,213,212
1918 ...	862,660	580,000	1,442,660	6·0	12,964	·1	491,118	2·0	21,690,616	91·0	193,144	·9	23,830,502
1917 ...	862,660	570,000	1,432,660	7·2	9,668	·1	203,990	1·0	18,075,553	91·0	148,688	·7	19,870,559
1916 ...	862,660	565,000	1,427,660	8·0	9,628	·1	520,892	2·9	15,773,293	88·3	120,681	·7	17,852,154
1915 ...	862,660	560,000	1,422,660	9·4	9,804	·1	227,860	1·5	13,364,669	88·3	105,451	·7	15,130,444
1914 ...	862,660	655,000	1,517,660	10·7	8,525	·1	143,438	1·0	12,320,790	87·5	95,061	·7	14,085,474
1913 ...	862,660	650,000	1,512,660	11·1	5,104	—	135,912	1·0	11,808,957	87·0	103,654	·9	13,566,287
1910 ...	862,660	635,000	1,497,660	12·9	5,123	—	74,840	·7	9,903,625	85·5	104,357	·9	11,585,605

ASSETS. Dec. 31	Cash in Hand and Money at Call, &c. £	Cash in Hand and Money at Call, &c. %	Investments. £	Investments. %	Bills Discounted. £	Bills Discounted. %	Loans and Advances. £	Loans and Advances. %	Liab. of Cust. for Acceptances. £	Liab. of Cust. for Acceptances. %	Bank Premises Account. £	Bank Premises Account. %	Total Assets. £
1920 ...	5,896,893	18·0	6,218,451	18·9	8,494,824	25·9	10,714,625	32·6	1,106,723	3·4	405,000	1·2	32,836,516
1919 ...	5,441,125	19·3	6,264,051	22·2	5,600,626	19·9	10,056,816	35·6	460,594	1·6	390,000	1·4	28,213,212
1918 ...	6,762,991	28·4	4,618,799	19·4	5,208,785	21·9	6,363,809	26·7	491,118	2·0	385,000	1·6	23,830,502
1917 ...	4,592,590	23·1	4,347,445	21·8	3,587,038	18·1	6,754,496	34·0	203,990	1·0	385,000	2·0	19,870,559
1916 ...	4,862,517	27·3	4,718,824	26·4	1,055,096	5·9	6,309,825	35·4	520,892	2·9	385,000	2·1	17,852,154
1915 ...	2,768,118	18·3	4,875,824	32·2	474,956	3·1	6,398,686	42·3	227,860	1·5	385,000	2·6	15,130,444
1914 ...	3,048,540	21·6	3,084,426	21·9	1,165,725	8·3	6,258,345	44·4	143,438	1·0	385,000	2·8	14,085,474
1913 ...	3,170,486	23·3	2,358,952	17·3	1,547,053	11·4	5,968,884	44·0	135,912	1·0	385,000	3·0	13,566,287
1910 ...	2,287,779	19·7	2,513,549	21·7	602,713	5·2	5,721,724	49·4	74,840	·6	385,000	3·4	11,585,605

* Per cent. of Total Liabilities or Assets.

AN ENDOWMENT ASSURANCE POLICY

affords the dual benefit of provision for old age and protection of dependents or business interests in the event of premature death. These policies can be effected

WITH THE

PRUDENTIAL ASSURANCE Co., LTD.,

at moderate rates of premium and combine with the advantages already mentioned all the merits of a gilt-edged investment with the additional attraction that they

CANNOT DEPRECIATE.

ALL CLASSES OF INSURANCE BUSINESS are transacted by the Company, and full particulars may be obtained on application. Write at once to the local representative or to

THE CHIEF OFFICE, HOLBORN BARS, E.C. 1.

NATIONAL BENEFIT ASSURANCE COMPANY, LIMITED

ASSETS EXCEED £1,500,000

ALL CLASSES OF INSURANCE, including LIFE, FIRE, MARINE, MOTORS, ACCIDENT, PROPERTY INVESTMENT, EMPLOYERS' LIABILITY, etc., at very favourable rates.

PROSPECTUS ON APPLICATION.

Managing Director - J. FRANCIS, O.B.E., J.P.

ESTB. 1890.

Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.

Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C. 3.

A WONDERFUL RECORD OF THE

CANADA LIFE ASSURANCE COMPANY.

Outstanding Features of Report for 1920:—

Business in Force	£56,849,429	Increase	£9,631,429
Total New Business Paid for in Year ...	£11,971,347	Increase	£3,414,797
Business Completed in the United Kingdom	£1,746,500	Increase	£950,000
Assets	£15,227,864	Increase	£977,398
Surplus Earned During Year	£444,388	After meeting all Depreciation.	

This is the largest Surplus in the history of the Company, and shows an increase over 1919 of £[illegible] over 1918 of £189,240.

The Rate of Interest earned during the year was 6 per cent.

The Company has not only maintained, but increased, the Bonuses to Policyholders since 1914, and at 31st December, 1920, carried forward an undivided Surplus of £1,416,592.

The Company issues most liberal Policy and Annuity Contracts, and fullest particulars will be furnished on application to the nearest Branch Office, or to the Head Office:—

15 KING STREET, CHEAPSIDE, LONDON, E.C. 2.

J. R. WANDLESS, F.I.A. - - MANAGER.

and to opportunities of which it took full advantage. A most active stage in its growth was reserved for the period of the War, which witnessed the formation in 1916 of the British Italian Corporation in England and the Compagnia Italo-Britannica in Italy, for the promotion of closer economic relations between the two Allied countries. In the launching of these undertakings Lloyds Bank was associated with the London County Westminster and Parr's, and the Credito Italiano. Prior to this, in 1911, Lloyds Bank (France), Limited, had been formed for the purpose of taking over the business of Messrs. Armstrong and Company, of Paris and Havre; in October 1917 the name was changed to Lloyds Bank (France) and National Provincial Bank (France), Limited, and in 1919 to its present form of Lloyds and National Provincial Foreign Bank, Limited, the shares being held in equal proportions by the two home banks indicated in the title.

The absorption of the Capital and Counties Bank as from July 1, 1918, was a step of the first importance, as may be realised from the fact that its paid-up capital and reserve amounted on December 31, 1917, to £2,550,000 and its deposits to over £58,000,000, while its assets aggregated £62,767,772. This acquisition gave Lloyds Bank 473 additional branches, 259 of them in new territory. In the same year an affiliation by way of purchase of shares was arranged with the National Bank of Scotland, Limited—an Edinburgh institution with a history extending back almost 100 years and possessing 124 branches, together with deposits of £29,000,000 and a paid-up capital of £1,000,000. With the announcement of this arrangement came also the news of a similar union of interests with the London and River Plate Bank, Limited, whose head office was situated in London and whose branch offices covered the most important centres in Argentina, Brazil and Chile, in addition to others at Paris and New York. The deposits of this institution aggregated £25,000,000, and the paid-up capital was £1,800,000. As regards the terms of these arrangements, one Lloyds Bank share, plus £2 in cash, was given for each Capital and Counties Bank share, and two Lloyds Bank shares for each share of the London and River Plate Bank, while stockholders of the National Bank of Scotland were offered £350 (in eleven Lloyds Bank shares and £75 National War Bonds) per £100 paid stock, together with a sum of £5 10s. in lieu of profits accrued to May 1, 1918.

The following year (1919) was marked by other important developments, foremost of which was the acquisition of the West Yorkshire Bank as from January 1, 1919. The paid-up capital and reserve of this Bank on the date of the amalgamation amounted to £800,000, and the current, deposit, and other accounts to over £10,000,000. The linking up of the two institutions gave the woollen industry of the West Riding largely increased banking facilities, in addition to providing a profitable avenue of employment for the large funds of Lloyds Bank.

The building up of foreign connections also proceeded apace in 1919, when £10,000 was invested in fully-paid shares of the South Russia Banking Agency, Limited, a company formed by three of the chief banks and the British Trade Corporation, and designed to promote closer commercial relations between the United Kingdom and South Russia.

Shares were also acquired in the Bank of British West Africa, Limited, and in the National Bank of New Zealand. Of the present paid-up capital of the former (£1,200,000 in 300,000 £10 shares, £4 paid), Lloyds Bank holds 37,500 shares. It also figured prominently in the establishment in 1920 of the P. and O. Banking Corporation, Limited. The acquisition of these additional interests provided further substantial facilities for the customers of Lloyds Bank, and led to many-sided developments in foreign fields.

The numerous developments recorded were not effected without substantial increases in capital, and we find that the amount paid up, which in 1910 was £4,171,600, had advanced by 1914 to £5,008,672, in 1918 to £8,954,056, and in 1919 to £9,420,544. Early in 1920 the authorised capital was increased from £60,000,000 to £72,500,000 by the creation of 2,500,000 new shares of £5 each, and the already issued and unissued £50 shares were each sub-divided into ten shares of £5 each, the issued shares, on which £8 had been paid up, having a further £2 credited thereto from the reserve fund. Of the total authorised capital, consisting of 14,500,000 shares of £5 each, the amount subscribed on December 31, 1920, was £70,688,980, of which £14,137,796, being £1 per share, was paid up. On the same date the reserve fund totalled £10,000,000, as compared with £3,000,000 at the end of 1913, paid-up capital and reserve together constituting 6.2 per cent. of the total liabilities, as compared with 5.1 per cent. at the end of 1919—an increase that is a satisfactory but seldom occurring feature in the accounts of our joint-stock banks.

Passing on to a consideration of other items in the latest balance sheet, we find that the acceptances, endorsements, guarantees, &c., at £17,867,530, are lower by £14,212,313. This decline cannot be wholly attributed to the falling-off in trade, as by June 30 last the item had dropped to £16,285,514. Deposit and current accounts, &c., at £345,028,984, show a rise of over £20,000,000, and represent 88.8 per cent. of the total liabilities, as compared with 86.1 per cent. in the previous year. Taking this item in conjunction with bills discounted on the assets side of the balance sheet it will be seen that the facilities extended to trade throughout the year were, in spite of the decline in acceptances, &c., much expanded, and Lloyds Bank can readily acquit itself of the charge, levelled by unthinking critics at our leading banking institutions, of arbitrarily curtailing credit.

Amongst the assets, cash in hand and with the Bank of England, at £51,153,076, shows a decline of £6,434,139, or two per cent., in its proportion to total liabilities. This is partially offset by a small increase in the money at call and short notice—from £14,621,756 to £14,747,688. The net decline in the cash assets is accounted for to a large extent by the marked expansion in bills discounted, from £57,491,864 to £76,037,123, or from 15.3 to 19.6 per cent. of total assets. Another influence tending towards a reduction of cash assets has been the rise in advances, from £135,763,591 to £151,079,174. The holdings of War Loan (at cost or under) and other British Government securities declined slightly, from £66,232,571 in 1919 to £64,041,039, while Indian and Colonial Government securities, corporation stocks, and other investments also fell, from £1,917,786 to £1,697,100. The change in book values was due, not so much to realisations as to depreciation, and there is little doubt that a large portion of the value temporarily lost will eventually be recovered.

In dealing with the net profits of the year the large allocation of £1,250,000 has been made to a special contingency account for writing down the investments, as compared with £1,150,000 on the previous occasion. The bank premises account benefits to the extent of £250,000 (following £200,000), but the item of bank premises stands in the balance sheet at £4,141,759, as compared with £3,803,880 in the preceding year, owing to the considerable additions involved in the large extensions of the Bank's business. £50,000 is again placed to the credit of the widows and orphans fund, making the special allocations £1,550,000 in all, as in the previous year, while the amount carried forward, £543,864, is higher by approximately £38,000. Dividend and bonus payments for the year absorb £2,356,139, subject to tax—a considerable rise on the previous £1,848,053, and representing a total distribution of sixteen and two-thirds per cent., less income tax, as against twenty per cent. previously, the bare

THE NATIONAL BANK, LIMITED.

Head Offices—13-17 OLD BROAD STREET, LONDON, E.C. 2. ESTABLISHED 1835.

Capital Subscribed, £7,500,000. Paid up, £1,500,000. Rest, £800,000.

DIRECTORS.

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*R. J. KELLY, Esq., K.C. | SIR JOHN R. O'CONNELL, M.A., LL.D. | (Hon. Director.)
*These Directors are Irish.

Secretary—M. J. COOKE. **Solicitors**—W. H. DUNNE, Esq., 7 Suffolk Street, Dublin; P. C. FAWCETT, Esq., 16 Old Broad Street, E.C. 2.

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Belgravia.—19 & 21 Grosvenor Gardens, S.W. 1 ...H. M. Bexfield, ,,
Camden Town.—189 High Street, N.W. 1 ... ,, J. P. Gandy, ,,
Charing Cross.—9 and 10 Charing Cross, S.W. 1 ...A. V. P. Carroll, ,,
Harrow Road.—2 Elgin Avenue, W. 9 ... ...J. C. St. Lawrence, ,,
Holborn.—10 Southampton Row, W.C. 1 ... ... J. M. Jennings, ,,
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Oxford Street.—274 & 276 Oxford Street, W. 1 ...E. N. D. Crabb, ,,
Regent Street.—3 Regent Street, S.W. 1 ... ...H. E. Webster ,,
Strand.—180 Strand, W.C. 2 ... ...A. B. Clappé, ,,
Willesden.—St. Mary's Road, Harlesden, N.W. 10 ...H. F. Finucane ,,

BRISTOL.—25-27 Clare Street, P. Blackburn, *Manager.*
CARDIFF CITY.—3 Hayes Street, F. J. C. Lima, *Manager*
CARDIFF DOCKS.—125 Bute Street, J. E. Leopard, *Manager.*
LIVERPOOL.—1 Water Street, } J. E. Sparkes, *Manager.*
BIRKENHEAD.—34 Hamilton Square, }
MANCHESTER.—Spring Gardens, F. E. Kaye, *Manager.* S. Marrian, *Sub-Mngr.*
NEWPORT (Mon.)—32 Commercial Street, J. A. H. Lewis, *Manager.*
PT. TALBOT & ABERAVON.—Station Street, H. A. Thomas, *Manager.*
SALFORD.—301 and 303 Chapel Street, A. H. B. Wilde, *Manager.* [illegible]
SWANSEA.—204 High Street, W. M. Sterne, *Manager.* [illegible]

IRELAND.—DUBLIN.—34 College Green .. J. J. O'Connell, *General Manager for Ireland*; D. W. Jackson, *Manager*; J. J. O'Loghlen, *Sub-Manager.*

And 123 Branches and 85 Sub-Offices throughout the Provinces.

THE NATIONAL BANK, LIMITED.

Current Accounts are opened and conducted in conformity with the practice of London Bankers. Current Account Customers have the usual facilities for the discounting of approved Bills, obtaining Loans upon negotiable Securities, depositing Bills, Coupons, &c., for collection, and of lodging with the Bank Deeds and other valuable property for safe custody. Every facility is afforded for the transmission of money and for the receipt and delivery of Stocks, Shares, &c., between Great Britain and Ireland. The Bank undertakes the collection of Dividends, Coupons, Annuities, Pensions, &c., for its Customers free of charge and transacts every description of Banking Business, including the Purchase and Sale of Stocks, Shares, Securities, &c.

Deposits in sums of £10 and upwards are received from the public at the current rate of interest allowed on such accounts, subject to seven days' notice of withdrawal. And at all Branches deposits from 1s. upwards are received under the head of "National Thrift."

Letters of Credit payable at the chief commercial cities and towns of the world are granted.

Circular Notes are issued by the Bank addressed to all and payable at any of the places on the Continent where the Bank has an Agent.

Ireland.—Drafts are granted on the numerous Branches of the Bank and Bills, &c., collected in the principal Cities and Towns in Ireland.

*** Every Official signs a Declaration of Secrecy as to the Accounts of Individuals and the affairs of the Bank generally. M. J. COOKE, *Secretary.*

DEN DANSKE LANDMANDSBANK

HYPOTHEK-OG VEKSELBANK

Capital, fully paid:
100 Million Kroner.

Reserves:
50 Million Kroner.

COPENHAGEN (Denmark).

Telegraphic Address: Landmandsbank.

PROVINCIAL BRANCHES:

Aabenraa	Esbjerg	Grenaa	Kallundborg	Marstal	Nysted	Skive	Thisted
Aalborg	Eskildstrup	Hadersiev	Kolding	Nakskov	Norre Broby	Slangerup	Tollose
Bagsvard	Faaborg	Holbäk	Kolind	Nordby	Roslev	Stubbekjöbing	Tönder
Bandholm	Farum	Hurup	Korsör	Nyborg	Rodby	Svendborg	Vejle
Bramminge	Fejo	Hvidbjerg	Langeskov	Nykjobing F.	Saxkjöbing	Sönderborg	Vestervig
Durup	Fredericia	Hörsholm	Maribo	Nykjobing Sj.	Skagen	Sonderho	Aroskjobing
Elsinore							Orbäk

The Bank transacts every kind of legitimate Banking business.

London Correspondents:—
London County Westminster and Parr's Bank, Ltd. London Joint City and Midland Bank, Ltd. Barclays Bank Ltd.
National Provincial and Union Bank of England, Ltd. Lloyds Bank Ltd. Hambro's Bank of Northern Commerce, Ltd.

CREDIT FONCIER d'ALGERIE et de TUNISIE

ESTABLISHED 1881

Capital - - Frs. 125,000,000

Registered Office: ALGIERS. **Head Office: PARIS**

London Office: 54 GRACECHURCH ST., E.C. 3

(Tel.: "Foncaltun, Bilgate, London." Phone: Avenue 8017 and 8474)

Branches in BORDEAUX, LYONS, MARSEILLES, NANTES, GIBRALTAR, MALTA, SMYRNA, PALMA DE MAJORCA

Over 100 Branches in Algeria, Tunis and Morocco. All Banking and Foreign Exchange Business transacted. Accounts in English and French money opened at call or at short notice.

Liabilities and Assets of Lloyds Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Paid-up Capital & Reserve £	Paid-up Capital & Reserve %	Acceptances. £	Acceptances. %	Deposits and Current Accounts. £	Deposits and Current Accounts. %	Profit Balance. £	Profit Balance. %	Total Liabilities. £
1920	14,137,796	10,000,000	24,137,796	6·2	17,867,530	4·6	345,028,984	88·8	1,368,569	·4	388,402,879
1919	9,420,544	9,675,105	19,095,649	5·1	32,079,843	8·5	324,711,756	86·1	1,226,680	·3	377,113,928
1918	8,954,056	9,000,000	17,954,056	6·0	14,764,992	4·9	266,808,139	88·7	1,158,300	·4	300,685,487
1917	5,008,672	4,000,000	9,008,672	4·6	10,375,536	5·4	174,068,047	89·7	629,898	·3	194,082,153
1916	5,008,672	3,600,000	8,608,672	5·0	11,207,870	6·5	151,368,307	88·2	447,638	·3	171,632,487
1915	5,008,672	3,600,000	8,608,672	5·8	9,497,082	6·4	130,017,379	87·5	487,120	·3	148,610,253
1914	5,008,672	3,600,000	8,608,672	6·6	6,226,218	4·7	117,657,945	88·5	515,914	·4	133,008,749
1913	4,208,672	3,000,000	7,208,672	6·8	7,462,309	7·0	91,511,992	85·8	435,976	·4	106,618,949
1910	4,171,600	3,000,000	7,171,600	7·6	8,227,468	8·7	78,116,468	83·2	433,927	·5	93,949,463

ASSETS. Dec. 31	Cash in Hand, &c. £	Cash in Hand, &c. %	Money at Call, &c. £	Money at Call, &c. %	Investments. £	Investments. %	Bills Discounted. £	Bills Discounted. %	Advances. £	Advances. %	Liab. of Cust. for Acceptances. £	Liab. of Cust. for Acceptances. %	Bank Premises. £	Bank Premises. %	Total Assets. £
1920 ...	51,153,076	13·2	14,747,688	3·8	73,376,529	18·9	76,037,123	19·6	151,079,174	38·9	17,867,530	4·6	4,141,759	1·0	388,402,879
1919 ...	57,587,215	15·2	14,621,756	3·9	75,765,779	20·1	57,491,864	15·3	135,763,591	36·0	32,079,843	8·5	3,803,880	1·0	377,113,928
1918 ...	48,767,706	16·2	15,570,978	5·2	62,522,683	20·8	74,340,196	24·7	81,072,135	27·0	14,764,992	4·9	3,646,797	1·2	300,685,487
1917 ...	34,684,836	17·8	7,191,892	3·7	37,760,074	19·4	39,901,359	20·6	61,466,709	31·7	10,375,536	5·4	2,701,746	1·4	194,082,152
1916 ...	38,115,549	22·2	6,430,338	3·8	41,882,390	24·4	15,306,653	9·0	55,856,841	32·5	11,207,870	6·5	2,832,846	1·6	171,632,487
1915 ...	30,419,416	20·4	3,964,170	2·7	42,825,433	28·9	4,042,326	2·7	55,008,883	37·0	9,497,082	6·4	2,852,943	1·9	148,610,253
1914 ...	24,634,181	18·5	10,072,645	7·6	16,373,142	12·3	13,420,193	10·1	59,439,647	44·7	6,226,218	4·7	2,842,723	2·1	133,008,749
1913 ...	16,176,860	15·2	8,617,380	8·1	10,456,561	9·8	10,829,874	10·1	50,871,241	47·7	7,462,309	7·0	2,204,774	2·1	106,618,949
1910 ...	14,104,395	15·0	5,498,865	5·8	11,709,417	12·5	8,758,707	9·3	43,741,880	46·6	8,227,468	8·7	1,908,731	2·1	93,949,463

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The West Yorkshire Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	Total Capital and Reserve. %	Notes in Circulation. £	Notes in Circulation. %	Deposits, &c. £	Deposits, &c. %	Acceptances. £	Acceptances. %	Profit Balance. £	Profit Balance. %	Total Liabilities. £
1918 ...	400,000	400,000	800,000	7·1	2,245	—	10,413,812	92·1	28,705	·2	64,175	·6	11,308,937
1917 ...	400,000	380,000	780,000	7·1	2,105	—	10,202,307	92·4	9,389	·1	50,985	·4	11,044,786
1916 ...	400,000	350,000	750,000	8·2	2,315	—	8,239,201	90·1	109,759	1·2	42,593	·5	9,143,868
1915 ...	400,000	400,000	800,000	9·4	2,320	—	7,622,297	89·5	51,005	·6	40,110	·5	8,515,732
1914 ...	400,000	400,000	800,000	10·8	2,315	—	6,482,201	87·6	69,810	1·0	42,656	·6	7,396,982
1913 ...	400,000	400,000	800,000	11·7	2,195	—	6,012,468	87·5	—	—	57,427	·8	6,872,090
1910 ...	400,000	400,000	800,000	12·6	3,845	·1	5,468,609	86·6	—	—	44,399	·7	6,316,853

ASSETS. Dec. 31	Cash in Hand, at Call, &c. £	Cash in Hand, at Call, &c. %	Investments. £	Investments. %	Bills. £	Bills. %	Loans and Advances. £	Loans and Advances. %	Liab. of Cust. for Acceptances. £	Liab. of Cust. for Acceptances. %	Bank Premises. £	Bank Premises. %	Total Assets. £
1918 ...	2,216,914	19·6	1,831,621	16·2	1,721,211	15·2	5,402,441	47·8	28,705	·2	108,045	1·0	11,308,937
1917 ...	2,140,623	19·4	2,089,421	18·9	2,310,794	20·9	4,375,644	39·6	9,389	·1	118,915	1·1	11,044,786
1916 ...	1,752,892	19·2	2,107,146	23·1	1,461,738	15·9	3,593,418	39·3	109,759	1·2	118,915	1·3	9,143,868
1915 ...	1,351,635	15·9	2,205,895	25·9	953,536	11·2	3,834,746	45·0	51,005	·6	118,915	1·4	8,515,732
1914 ...	1,105,892	14·9	823,239	11·1	867,437	11·7	4,428,289	59·9	69,810	1·0	102,315	1·4	7,396 982
1913 ...	851,090	12·4	703,800	10·2	807,673	11·8	4,407,212	64·1	—	—	102,315	1·5	6,872,090
1910 ...	679,353	10·8	1,084,373	17·1	671,557	10·7	3,793,055	60·0	—	—	88,515	1·4	6,316,853

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The London and River Plate Bank, Limited.

LIABILITIES. Sept. 30	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	Paid-up Capital and Reserve. %	Deposits, &c. £	Deposits, &c. %	Bills for Collection per Contra. £	Bills for Collection per Contra. %	Acceptances. £	Acceptances. %	Profit Balance. £	Profit Balance. %	Total Liabilities. £
1920 ...	2,040,000	2,100,000	4,140,000	6·9	40,350,801	66·8	8,706,991	14·4	6,446,928	10·7	731,740	1·2	60,376,460
1919 ...	1,800,000	2,100,000	3,900,000	7·3	39,080,379	72·7	5,972,716	11·1	4,109,437	7·6	721,325	1·3	53,783,857
1918 ...	1,800,000	2,000,000	3,800,000	8·6	32,567,677	74·0	4,713,792	10·7	2,467,445	5·6	491,251	1·1	44,040,165
1917 ...	1,800,000	2,000,000	3,800,000	10·1	26,202,827	69·8	3,782,746	10·1	3,273,377	8·7	456,357	1·2	37,514,307
1916 ...	1,800,000	2,000,000	3,800,000	11·4	22,033,271	66·3	3,324,085	10·0	2,722,288	11·2	352,959	1·1	33,222,603
1915 ...	1,800,000	2,000,000	3,800,000	11·1	22,000,208	64·4	3,503,321	10·2	4,481,372	13·1	398,676	1·2	34,183,577
1914 ..	1,800,000	2,000,000	3,800,000	11·7	19,913,072	61·5	4,148,844	12·8	4,129,310	12·8	401,159	1·2	32,392,385
1913 ...	1,800,000	2,000,000	3,800,000	9·5	23,432,461	58·9	5,956,582	14·9	6,088,587	15·3	552,189	1·4	39,829,819

ASSETS. Sept. 30	Cash in Hand, &c. £	Cash in Hand, &c. %	Advances, Bills, Securities, &c. £	Advances, Bills, Securities, &c. %	Bills for Collection. £	Bills for Collection. %	Custrs.' Liab. for Acceptances. £	Custrs.' Liab. for Acceptances. %	Bank Premises, &c. £	Bank Premises, &c. %	Total Assets. £
1920	13,832,135	22·9	30,483,461	50·5	8,706,991	14·4	6,446,928	10·7	906,945	1·5	60,376,460
1919	16,528,989	30·7	26,748,217	49·8	5,972,716	11·1	4,109,437	7·6	424,498	·8	53,783,857
1918	12,762,067	29·0	23,762,521	54·0	4,713,792	10·7	2,467,445	5·6	334,340	·7	44,040,165
1917	9,491,504	25·3	20,637,108	55·0	3,792,746	10·1	3,273,377	8·7	329,572	·9	37,514,307
1916	8,267,246	24·9	17,586,054	52·9	3,324,085	10·0	2,722,288	11·2	332,930	1·0	33,252,603
1915	9,519,149	27·9	16,345,534	47·2	3,503,321	10·2	4,481,372	13·1	334,201	1·0	34,183,577
1914	10,799,963	33·3	12,994,414	40·1	4,148,844	12·8	4,129,310	12·8	319,854	1·0	32,392,385
1913	7,837,122	19·7	19,693,071	49·4	5,956,582	15·0	6,088,587	15·3	254,457	·6	39,829,819

* Per cent. of Total Liabilities or Assets.

comparison, of course, requiring to be taken in conjunction with the capitalisation from reserve, the reduced liability on the shares and the offer to existing shareholders of the new issue.

Last month Treasury sanction was given to the acquisition by Lloyds Bank of the banking business of Messrs. Fox, Fowler and Company (of Wellington, Somerset), the last of the private banks with power of note issue.

Profits of Lloyd's Bank, Limited.

Year ended Dec. 31	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid— %	Div. Subject to Tax—Paid— £	Special Allocations £	Carried Forward £
1920	3,944,583	27·90†	16⅔§	2,356,139	1,550,000	543,864
1919	3,430,719‡	36·42†	20*	1,848,053	1,550,000	505,420
1918	2,767,793	30·91	20	1,424,042	1,160,460	472,755
1917	1,690,084	33·74	18½	907,824	600,000	289,465
1916	1,488,060	29·71	18½	907,824	580,000	107,205
1915	1,380,235	27·55	18½	907,824	470,000	106,969
1914	1,245,568	24·87	18½	907,824	310,000	104,558
1913	1,228,410	29·18	18½	762,822	465,000	76,814

* 9 1/16% on £9,022,698; 10 1/16% on capital at end of year, £9,420,544.
† Calculated on capital at end of year.
‡ Including profit of West Yorkshire Bank for whole year.
§ 8⅓% on £14,135,876; 8⅓% on capital at end of year, £14,137,796.

Profits of the West Yorkshire Bank, Limited.

Year ended Dec. 31	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid— %	Div. Subject to Tax—Paid— £	Special Allocations £	Carried Forward £
1918... ...	96,400	24·10	15	60,000	30,000	25,154
1917... ...	91,702	22·92	13⅓	53,333	30,000	18,753
1916... ...	75,897	18·97	13⅓	53,333	20,000	10,384
1915... ...	70,792	17·69	13⅓	53,333	20,000	7,821
1914... ...	65,074	16·26	13⅓	53,333	8,629	10,363
1913... ...	73,273	18·30	13·27	53,097	20,000	7,251

Profits of the London and River Plate Bank, Limited.

Year to Sept. 30	Gross Profit £	Net Profit £	Dividend Earned %	Dividend Paid— %	Dividend Paid— £	Special Allocations £	Carried Forward £
1920 ...	1,267,019	534,815	26·2	15	306,000	470,000*b*	318,140
1919 ...	1,091,906	505,574	28·1	15	270,000	Nil	559,325
1918 ...	881,579	400,394	22·2	15	270,000	100,000	323,751
1917 ...	781,070	334,599	18·6	15	270,000	Nil	293,357
1916 ...	633,531	263,445	14·6	15	270,000	28,663	228,758
1915 ...	678,234	285,469	15·8	15	270,000	29,653	260,976
1914 ...	660,691	221,565	12·3	15·96*a*	287,405	Nil	275,159
1913 ...	868,793	444,527	23·0	21·23*a*	382,300	Nil	306,189

(*a*) Paid free of tax: 1914, 15%; 1913, 20%.
(*b*) Including £240,000 capitalised.

THE MITSUBISHI BANK, LTD.

(Incorporated in Japan.)

Subscribed Capital - Yen 50,000,000 **Paid-up Capital - Yen 30,000,000**

President: Baron KOYATA IWASAKI.

Head Office: TOKYO.

Branches: TOKYO, OSAKA, KOBE, KYOTO, NAGOYA, SHANGHAI, NEW YORK, LONDON.

London Office: 149 LEADENHALL STREET, E.C.3.

BANCO DE BILBAO.

ESTABLISHED 1857

Head Office: BILBAO.

Branches: MADRID, VITORIA, PARIS (29 Avenue de l'Opera), BARCELONA, SEVILLA, TANGER, VALENCIA.

LONDON: Bilbao House, 36 New Broad Street, E.C. 2.

Authorised Capital - - 100,000,000 pesetas.
Paid-up Capital - - 60,000,000 pesetas.
Reserve Fund - - - 63,000,000 pesetas.

THE ONLY SPANISH BANK OPERATING IN ENGLAND.

The London Branch has been established with a view to the development of Anglo-Spanish Commerce.

Current Accounts Opened and Interest at the Rate of 5 per cent. per annum allowed on Daily Balance. Accounts in Francs, Pesetas, and other currencies, bearing interest, also opened.

Foreign Exchange, Stock Exchange, and banking business of every description carried out. Full Terms on application.

Telegraphic Address—"BANCOBAO, AVE., LONDON."
Cable—"BANCOBAO, LONDON."

Telephone Nos.—London Wall 3556,
" " 3557 (Foreign Exchange).

Commercial Bank of Spanish America, Limited

(Affiliated to The Anglo-South American Bank, Limited).

Head Office - - 9 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES.

UNITED STATES -	New York (49 Broadway).	COLOMBIA - -	Barranquilla.
		" - -	Bogota.
" "	San Francisco (465 California St.).	" - -	Medellin.
		" - -	Santa Marta.
NICARAGUA - -	Managua.	VENEZUELA - -	Caracas.
ECUADOR - -	Guayaquil.	" - -	Puerto Cabello.
" - -	Manta.	PERU, RIO AMAZONAS - -	Iquitos.
GUATEMALA - -	Guatemala City.	SALVADOR - -	San Salvador.

The Bank transacts General Banking Business in the above-mentioned countries: receives, sells, and makes Advances against consignments of produce of every description: issues Letters of Credit; collects Bills of Exchange; receives Deposits, and opens Accounts Current on terms which will be furnished on application. In conducting this class of business the Bank has had an experience of more than Thirty Years.

LONDON AND LIVERPOOL BANK OF COMMERCE, LIMITED.

Head Office: 34 Old Broad Street, London, E.C. 2.

Capital—

Authorised (in £10 shares)	£1,000,000
Issued and fully paid up	600,000

THIS Bank, which was established in 1871 and reconstructed in 1879, has no branches, and owing to its abstention from any share in the expansionist movement characteristic of other banks the paid-up capital has remained unchanged for a number of years. The amount authorised is £1,000,000, of which £600,000 has been paid up, and the reserve fund reaches £170,000. The total ratio of paid-up capital and reserve to liabilities reaches the high figure of 30.9 per cent., the magnitude of the proportion being not unrelated to the fact that the institution is not so much an ordinary bank of deposit as a trading bank dealing largely in acceptances and the discounting of bills. From our table it will be seen that there was a marked falling-off in acceptances after 1913, this being due largely to the extreme care exercised in the granting of credit and to the high discount rates prevailing, which affected the demand for credits, especially in the Liverpool cotton business, in which the Bank is substantially interested. On December 31, 1919, acceptances showed a material recovery to £2,444,113; but at the date of the last balance sheet they had receded to £1,437,530, both amounts including advances under the Government scheme of 1914. The shrinkage during the twelve months was caused by the falling-off in business in the latter half and by the liquidation of pre-War debts. A conservative policy has throughout been pursued, and, pending more settled economic conditions, the directorate make a point of reducing acceptances to a minimum. A number of pre-War debts in Germany and Poland remained for collection at the date of the last meeting, and the Chairman stated that it might be necessary to fall back upon the reserve to meet possible loss on such debts. Substantial amounts had, however, already been received from Germany, but with regard to Polish debtors no arrangement had been come to. As a set-off against pre-War debts, a sum of undefined amount, but declared by the Chairman to be large, stands to the credit of the Bank at the Bank of England. Were it not for this provision the liquid assets would be returned at a much higher figure.

Amongst other items in the balance sheet, the sum due on current accounts, with other liabilities, is down by £61,603. Cash in hand and at bankers at £40,244, and money at call and short notice, at £70,000, show an aggregate falling-off of £183,612, and the decline in the ratio to total assets has been from 8.3 to 4.4 per cent. Investments, at £373,709, are less by £80,864. It should be noted that the office furniture and fittings stand amongst the assets at the nominal sum of only £100. The balance-sheet total shows a contraction from £3,561,216 to £2,491,937 in 1920. In view of the reduced volume of business, it is not surprising that gross profits have diminished from £43,060 in 1919 to £41,552 in 1920. A slight reduction is also evident in working expenses, and the net profit is down by about £1,400, the amount representing 4.17 per cent. on the paid-up capital, of which four per cent., or £24,000, is distributed.

The declaration of a larger interim dividend in July last raised hopes of an increase in the total distribution for the year; but the heavy provision that had to be made out of profits for depreciation on investments—a sum of nearly £13,000, or equivalent to over two per cent. on the Bank's capital—has falsified expectations, and the dividend is maintained at the figure ruling from 1915 onwards. The carry-forward, at £20,026, is slightly over £1,000 in excess of the amount brought into the account.

Profits of the London and Liverpool Bank of Commerce, Limited.

Year ended Dec. 31	Gross Profit	Expenses	Net Profit	Div. Subject to Tax—Earned	Div. Subject to Tax—Paid	Special Allocations	Carried Forward
	£	£	£	%	%	£	£
1920 ...	41,552	16,546	25,006	4·17	4·0	24,000	—	20,026
1919 ...	43,060	16,618	26,442	4·41	4·0	24,000	—	19,019
1918 ...	42,163	16,945	25,218	4·20	4·0	24,000	—	16,576
1917 ...	43,707	18,545	25,162	4·19	4·0	24,000	—	15,358
1916 ...	47,986	23,853	24,133	4·02	4·0	24,000	—	14,196
1915 ...	48,595	24,588	24,007	4·00	4·0	24,000	—	14,063
1914 ...	50,955	21,456	29,499	4·91	4·19	25,143	—	14,056
1913 ...	65,996	28,937	37,059	6·17	6·37	32,920	5,000	9,700

LONDON COUNTY WESTMINSTER AND PARR'S BANK, LIMITED.

(*See also* **Ulster Bank.**)

Head Office: 41 Lothbury, London, E.C. 2.

Capital—

Authorised, in 1,500,000 £20 shares, and 3,000,000 £1 shares	£33,000,000
Subscribed, in 1,414,198 £20 shares, and 1,932,728 £1 shares	30,216,688
Paid up, £5 per £20 share, £1 shares fully paid...	9,003,718

THE history of this powerful institution is one of unrivalled interest in the annals of British banking. As may be inferred from the title, it was directly the result of a fusion of three banks—the London and Westminster Bank, the London and County Bank, and Parr's Bank; but each of these concerns had behind it prior to amalgamation a lengthy and honourable record of service to British trade and industry. The London and Westminster, founded in 1834, was (if we except the Bank of England) the first of the joint-stock banks established in London, and two years later—in 1836—came the establishment of the London and County. These Banks, in common with most other joint-stock concerns, became registered as limited liability companies in 1880. The exact date of

Liabilities and Assets of The London and Liverpool Bank of Commerce, Limited.

LIABILITIES. Dec. 31	Capital Paid up.	Reserve Fund.	Paid-up Capital and Reserve.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%	£	%	£	%	£	%	£
1920	600,000	170,000	770,000	30·9	1,437,530	57·7	255,981	10·3	28,426	1·1	2,491,937
1919	600,000	170,000	770,000	21·7	2,444,113	68·6	317,584	8·9	29,519	·8	3,561,216
1918	600,000	170,000	770,000	33·7	1,211,013	52·9	278,255	12·2	27,171	1·2	2,286,439
1917	600,000	170,000	770,000	28·0	1,711,296	62·2	243,396	8·8	26,608	1·0	2,751,300
1916	600,000	170,000	770,000	29·4	1,614,318	61·8	205,133	7·8	25,634	1·0	2,615,085
1915	600,000	170,000	770,000	25·9	2,016,915	67·8	158,309	5·4	27,000	·9	2,972,224
1914	600,000	170,000	770,000	25·0	2,133,594	69·5	147,206	4·8	22,306	·7	3,073,106
1913	600,000	165,000	765,000	16·3	3,735,524	79·8	141,450	3·0	35,700	·9	4,677,674
1910	400,000	125,000	525,000	20·1	1,909,820	73·1	145,288	5·5	33,486	1·3	2,613,594

ASSETS. Dec. 31	Cash in Hand &c.		Money at Call &c.		Investments.		Bills Discounted, &c.		Liab. of Cust. for Acceptances.		Office Furniture and Premises.		Total Assets.
	£	%	£	%	£	%	£	%	£	%	£	%	£
1920 ...	40,244	1·6	70,000	2·8	373,709	15·0	570,354	22·9	1,437,530	57·7	100	—	2,491,937
1919 ...	53,856	1·5	240,000	6·8	454,573	12·8	368,574	10·3	2,444,113	68·6	100	—	3,561,216
1918 ...	49,318	2·1	200,000	8·8	452,499	19·8	373,509	16·4	1,211,013	52·9	100	—	2,286,439
1917 ...	52,470	1·9	195,000	7·1	318,582	11·6	473,852	17·2	1,711,296	62·2	100	—	2,751,300
1916 ...	48,768	1·9	190,000	7·2	282,238	10·8	479,661	18·3	1,614,318	61·8	100	—	2,615,085
1915 ...	49,808	1·7	230,000	7·5	—	—	685,401	23·0	2,016,915	67·8	100	—	2,972,224
1914 ...	67,156	2·2	380,000	12·3	—	—	492,256	16·0	2,133,594	69·5	100	—	3,073,106
1913 ...	62,291	1·3	585,000	12·6	—	—	294,759	6·3	3,735,524	79·8	100	—	4,677,674
1910 ...	42,493	1·6	360,000	13·8	—	—	301,181	11·5	1,909,820	73·1	100	—	2,613,594

* Per cent. of Total Liabilities or Assets.

THE "RENODEN" LOOSE LEAF LEDGER

Grips like a vice.
Absolutely secure.
Flat opening.
Reasonable in price.

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BARCLAYS BANK LIMITED

Head Office - - 54 LOMBARD STREET, LONDON, E.C.3.

Authorised Capital - - - - - -	£20,000,000
Issued and Paid-up Capital - - - -	£15,592,372
Reserve Fund - - - - - -	£8,250,000
Deposits (31st December, 1920) - - - -	£327,788,370

THE BANK HAS OVER 1,500 BRANCHES IN ENGLAND AND WALES
and Agents and Correspondents in all the Principal Towns throughout the World.

Every Description of British and Foreign Banking Business Transacted. Executorships and Trusteeships Undertaken.

Chief Foreign Branch—168 FENCHURCH ST., LONDON, E.C.3.
West End Foreign Branch—1 PALL MALL EAST, LONDON, S.W.1.
Liverpool Foreign Branch—42 CASTLE STREET, LIVERPOOL.
Manchester Foreign Branch—Corner of YORK ST. and FOUNTAIN ST., MANCHESTER.

AFFILIATED BANKS
THE BRITISH LINEN BANK, Head Office, Edinburgh.
The UNION BANK OF MANCHESTER LIMITED, Head Office, Manchester.
THE ANGLO-EGYPTIAN BANK LIMITED, Head Office, 27 Clements Lane, London, E.C.4.

WILLIAMS DEACON'S BANK LIMITED.

TOTAL ASSETS 31st DEC., 1920, £43,428,623.

London Office - - 20 Birchin Lane, E.C.3
West-End Office, 2 Cockspur St., Charing Cross, S.W.1
Manchester Office - - - Mosley Street

and 149 other Offices, principally in the manufacturing districts of Lancashire, Yorkshire, Cheshire, Derbyshire and Staffordshire.

SPECIAL WORKING ARRANGEMENTS FOR

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AND
SHIPPING ADVANCES

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Agency arrangements with our Colonies and all parts of the World.

Foreign Exchange, Shipping and Agency Dept.
Agency of the Anglo-South American Bank, Ltd.
YORK STREET, MANCHESTER

Agents for the British Overseas Bank, Ltd.

ALEXANDERS DISCOUNT CO. LIMITED,

24 Lombard Street, E.C. 3.

Capital Subscribed	£1,000,000
Paid up	550,000
Reserve Fund ...	270,000

£100,000 in £10 (fully paid 6 per cent.) Preference Shares.
£900,000 in £10 Ordinary Shares (£5 paid).

DIRECTORS.

COLIN FREDERICK CAMPBELL, *Chairman.*
ROBERT ERNEST ALEXANDER.
GEORGE CLEVERLY ALEXANDER.
PHILIP PEMBROKE ALEXANDER.
SIR AUSTIN EDWARD HARRIS, K.B.E.

Manager—F. NEWCOMB.
Sub-Manager—E. D. SPRING RICE.
Secretary—A. K. BRUCE.

Approved Mercantile Bills discounted. Loans granted on negotiable securities. Money received on deposit at call and short notices at current market rates, as advertised from time to time in the daily papers. For longer periods on specially agreed terms.

the formation of Parr's Bank is uncertain. It commenced business as a private firm over 150 years ago, and its conversion into a joint-stock company took place in 1865. In 1892 the Bank, whose head office was in Warrington, took over the Alliance Bank, Limited, a London clearing bank—a step in the invasion of the Metropolis by important provincial banks which had commenced some eight years earlier. Having secured a firm foothold in London, Parr's Bank made rapid forward strides, under the title of Parr's Banking Company and the Alliance Bank, Limited. In 1896 it absorbed the Consolidated Bank, Limited.

By means of various agreements there was a marked concurrent development in both the London and County and the London and Westminster Banks, both of which entered the London Clearing House in 1854 and became well known for their friendly rivalry, especially in London and the suburbs, the latter Bank having no country branches and the former being well established in the Home Counties. In 1909 the two Banks joined forces, and the event was a most auspicious one for both, as subsequent developments proved. At the outbreak of the War the combined resources of the new institution exceeded £104,000,000, of which deposits accounted for over £88,000,000. The war era was marked by an important transaction. In 1917 an agreement was come to with the Ulster Bank, Limited, whereby 194,666 of its 200,000 shares of £15 each, £2 10s. paid, were purchased, this being the second example of the acquisition of a large interest in an Irish bank by a London institution. Early in the following year the final amalgamation, with Parr's Bank, took place. In the December previous to the agreement the deposits of the London County and Westminster amounted to nearly £147,000,000 and those of Parr's Bank to nearly £69,000,000. Unlike so many others of its kind, the amalgamation involved practically no overlapping, as out of 565 branches controlled by the amalgamated Bank only thirteen served the same districts. The natural growth of the institution was helped in the following year by the taking over of the Nottingham and Nottinghamshire Banking Company, Limited, with deposits of about £7,000,000. No further development of the kind is recorded until January 1921, when the businesses of Messrs. Beckett and Company (of Leeds and York), one of the oldest banking firms in the country, dating from 1750, were acquired, by which step a foothold was secured in the great industrial district of Yorkshire. The partners were allotted 500,000 fully-paid £1 shares at par, and two of them joined the Board of the London bank.

During the War a French auxiliary, established in 1913 under the title of London County and Westminster Bank (Paris), Limited, was found to be very helpful in extending the Bank's business, and the title was changed to the London County Westminster and Parr's Foreign Bank, Limited, on March 31, 1920. The branches spread to Spain and Belgium, but, owing to the introduction in Spain of a tax on the total amount of the nominal capital and reserves of all foreign banks, it was decided to convert this auxiliary into a foreign bank, with powers to carry on business anywhere abroad. As from October 1 last, the business of the Spanish and Belgian branches of the parent Bank was transferred to it, the sum involved being £12,385,258. The total deposits of this foreign bank, taking the current rate of exchange for foreign currencies, amounted to £21,965,550 on December 31 last.

The various amalgamations, the most important of which are enumerated above, necessitated successive increases of paid-up capital, the effect of which is seen in the following figures:—1916, £3,500,000; 1917, £4,148,890; 1918, £6,830,990; and 1919, £8,503,718. The last-mentioned figure was unchanged on December 31 last, but has subsequently been increased to £9,003,718 by the allocation, already indicated, of 500,000 fully-paid £1 shares to the partners of Beckett and Company. By an anticipatory transfer in 1920 of £253,718 to reserve, the latter was made to equal the increased capital. The current, deposit, and other balances of the Yorkshire banks amounted to £11,291,673, and these were transferred as on January 1 last. On the previous day the current, deposit, and other accounts of the London County Westminster and Parr's totalled £305,380,814, representing an independent bank should be added to the 1920 previous twelve months. To ensure an accurate comparison with the deposits of 1919, however, the balances of £12,385,258 involved in the transfer which followed the reconstitution of the foreign auxiliary as an independent bank should be added to the 1920 figures. This change also accounts for the diminution in balance-sheet totals from £346,796,385 on December 31, 1919, to £343,433,975 on December 31, 1920. There was a marked reduction in acceptances and endorsements—from £23,704,366 to £19,034,317—caused by the falling-off in cotton imports. On the other hand, advances of £130,538,521 showed an increase of nearly £2,500,000 on the earlier year, the proportion to total assets having risen from 36.9 to 38 per cent. Similarly, bills discounted, at £60,335,724, showed an expansion of about £11,000,000, or from 14.3 to 17.6 per cent. The large increase in accommodation has probably been in part secured by the liquidation of investments, but depreciation in values has also been a potent factor in the fall in the latter item—from £62,299,691 in 1919 to £54,995,072 in 1920. A substantial part of the increased profits that naturally attended the high rates of interest ruling during the year was set aside to meet to the full the difference between the cost of investments and their market value on December 31 last. The material appreciation in the last four months constitutes, therefore, a hidden reserve of considerable magnitude. While cash in hand has fallen from £58,766,910 in 1919 to £49,124,145 in 1920, money at call and at short notice has risen in the interval from £18,794,487 to £22,937,762, the aggregate proportion to total liabilities declining slightly in consequence—from 22.4 to 21 per cent. Bank and other premises, at £3,478,812, are higher by £449,000, the sum of £200,000 set aside for premises account not being used in writing down this item, but held as a reserve to meet the cost of the new rebuilding scheme to be completed by the Bank on its valuable sites at Lothbury and Threadneedle Street in the next four or five years.

No figures are available as to the gross profit, but the net profit showed an increase of nearly half-a-million pounds on the previous year. After a number of special allocations, including £1,300,000 (following £1,000,000) to investment depreciation and £253,718 (following £165,721) to reserve, final dividends were paid making up the total distribution for the year to twenty per cent. per annum on the £20 (£5 paid) shares and to twelve and a-half per cent. on the £1 shares, less tax in both cases, a balance of £460,914 (following £414,226) being carried forward to the new account.

Profits of the London County Westminster and Parr's Bank.

Year to Dec. 31	Gross Profit	Expenses	Net Profit	Div. Earned	Subject to Tax—Paid—	Tax	Special Allocat'ns	Carried Forward
	£	£	£	%	%	£	£	£
1920 ...	—	—	3,393,095	39·90	20‡	1,593,289	1,753,718	460,914
1919 ...	—	—	2,906,130	34·17‡	20†	1,593,743	1,765,791	414,226
1918 ...	—	—	2,458,912	36·00	20	1,365,951	900,000	377,560
1917 ...	5,917,324	4,646,257	1,271,067	34·10	19	708,259	560,500	184,599
1916 ...	4,927,513	3,857,807	1,069,706	30·56	18	630,000	419,000	182,291
1915 ...	4,032,825	2,928,940	1,103,885	31·54	18	630,000	472,412	161,585
1914 ...	3,306,214	2,222,396	1,083,818	30·96	21½	743,750	336,600	160,112
1913 ...	3,648,535	2,453,636	1,194,899	34·13	21½	743,750	450,000	156,645

† On £7,070,990 of capital: on £1,432,728 (new £1 shares), 6½%.
‡ Calculated on capital at end of year.
§ On £7,070,990 of capital (partly paid shares); on £1,432,728 (£1 fully-paid shares), 12½%. Equivalent on total capital, 18·7%.

THE

STANDARD BANK

OF SOUTH AFRICA, LIMITED.

(With which is incorporated the

AFRICAN BANKING CORPORATION, LTD.)

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa; and to the Administration of Rhodesia.

Authorised Capital	-	**£10,000,000**
Subscribed Capital	-	**£8,916,660**
Paid-up Capital	- -	**£2,229,165**
Reserve Fund	- -	**£2,893,335**
Uncalled Capital	- -	**£6,687,495**
		£11,809,995

BOARD OF DIRECTORS.

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EDWARD CLIFTON BROWN, Esq.
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WILLIAM SMART, Esq.
Rt. Hon. LORD SYDENHAM, G.C.S.I., G.C.M.G., G.C.I.E., G.B.E.

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Joint General Managers in South Africa—
NOEL JENNINGS. JOHN JEFFREY. JAMES S. SHIEL.

Assistant General Managers in South Africa.—G. F. LE SUEUR. W. K. ROBERTSON.

London Manager—FRANCIS SHIPTON.
Assistant Manager—BERTRAM LOWNDES.
Sub-Manager—F. NORMAN.

Chief Inspector—
J. T. PRINGLE.

Secretary—HERBERT G. HOEY.
Assistant Secretary—T. D. WILLIAMS.

Head Office: 10 Clements Lane, Lombard Street, London, E.C.4.

London Wall Branch: 63 London Wall, E.C. 2.
West End Branch: 17 Northumberland Avenue, W.C. 2 (adjoining the Royal Colonial Institute).

New York Agency: 68 Wall Street.

Rotterdam Branch: 15 Coolsingel. Amsterdam Branch: 69 Rokin.

Hamburg Agency:
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Over 440 Branches, Sub-Branches and Agencies in—

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ORANGE FREE STATE.	BASUTOLAND.	PORTUGUESE EAST AFRICA.
TRANSVAAL.	KENYA COLONY.	SOUTH WEST AFRICA.
TANGANYIKA TERRITORY.	KENYA PROTECTORATE.	BELGIAN CONGO.

Banking Business of Every Description Transacted at all Branches and Agencies.

EVERY FACILITY AFFORDED FOR THE DEVELOPMENT OF TRADE WITH ALL PARTS OF SOUTH AND EAST AFRICA, THE UNITED STATES OF AMERICA, AND THE CONTINENT OF EUROPE.

DOCUMENTARY CREDITS ARRANGED. ENQUIRIES INVITED.

Liabilities and Assets of The London County Westminster and Parr's Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	% *	Notes. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920	8,503,718	9,003,718	17,507,436	5·1	19,025	—	19,034,317	5·5	305,854,631	89·1	1,018,566	·3	343,433,975
1919	8,503,718	8,750,000	17,253,718	5·0	18,351	—	23,704,366	6·8	304,848,073	87·9	971,877	·3	346,796,385
1918	6,830,990	7,430,086	14,261,076	5·0	17,263	—	9,276,488	3·2	263,129,887	91·5	855,730	·3	287,540,444
1917	4,148,890	4,725,949	8,874,839	5·5	—	—	5,448,608	3·4	146,855,839	90·8	577,858	·3	161,757,144
1916	3,500,000	4,000,000	7,500,000	5·5	—	—	6,978,683	5·2	120,367,660	88·9	497,291	·4	135,343,634
1915	3,500,000	4,000,000	7,500,000	6·1	—	—	5,095,255	4·2	109,224,429	89·3	476,585	·4	122,296,269
1914	3,500,000	4,250,000	7,750,000	6·8	—	—	4,276,068	3·8	101,428,373	88·8	531,987	·5	113,986,428
1913	3,500,000	4,250,000	7,750,000	7·4	—	—	7,656,068	7·4	88,313,651	84·7	528,519	·5	104,248,238
1910	3,500,000	4,050,000	7,550,000	8·3	—	—	5,178,996	5·7	78,151,229	85·5	506,229	·5	91,386,454

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call and at Short Notice. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances £	% *	Bank Premises. £	% *	Total Assets. £
1920 ...	49,124,145	14·3	22,937,762	6·7	57,984,694	16·9	60,335,724	17·6	130,538,521	38·0	19,034,317	5·5	3,478,812	1·0	343,433,975
1919 ...	58,766,910	17·0	18,794,487	5·4	65,058,988	18·7	49,351,485	14·3	128,090,983	36·9	23,704,366	6·8	3,029,166	·9	346,796,385
1918 ...	47,476,604	16·8	36,970,158	12·8	49,384,942	17·1	60,528,722	21·0	80,973,192	28·1	9,276,488	3·2	2,930,338	1·0	287,540,444
1917 ...	25,197,730	15·6	26,983,535	16·7	37,249,439	23·0	24,288,394	15·0	40,800,159	25·2	5,448,608	3·4	1,789,279	1·1	161,757,144
1916 ...	32,385,400	23·9	7,871,420	5·7	35,945,054	26·6	14,336,443	10·6	36,117,330	26·7	6,978,683	5·2	1,709,304	1·3	135,343,634
1915 ...	23,250,542	19·0	5,141,897	4·2	35,732,925	29·2	11,351,684	9·3	39,941,302	32·7	5,095,255	4·2	1,782,664	1·4	122,296,269
1914 ...	22,524,904	19·8	5,634,633	4·9	14,847,092	13·0	18,369,284	16·1	46,617,341	40·9	4,276,068	3·8	1,717,106	1·5	113,986,428
1913 ...	13,757,107	13·2	12,382,899	11·9	8,913,517	8·5	15,800,195	15·1	44,089,226	42·3	7,656,068	7·4	1,649,226	1·6	104,248,238
1910 ...	11,054,781	12·1	13,388,672	14·6	9,835,237	10·8	14,210,139	15·6	36,143,786	39·6	5,178,996	5·6	1,574,843	1·7	91,386,454

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of Becketts' Banks.

LIABILITIES. Dec. 31	Partners' Capital. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Total Liabilities. £
1919	600,000	5·0	153,690	1·3	525,432	4·4	10,746,947	89·3	12,026,069
1918	600,000	5·3	122,930	1·1	309,603	2·8	10,194,883	90·8	11,227,416
1917	600,000	5·9	93,755	·9	333,460	3·3	9,098,835	89·9	10,126,050
1916	600,000	6·6	77,495	·9	285,167	3·2	8,060,723	89·3	9,023,385
1915	600,000	6·9	60,400	·7	253,580	3·0	7,707,259	89·4	8,621,240
1914	600,000	7·6	53,320	·7	228,957	2·9	7,037,694	88·8	7,919,971
1913	600,000	8·3	40,010	·6	213,057	2·9	6,379,052	88·2	7,232,119
1910	600,000	9·7	46,735	1·0	229,029	4·1	5,875,402	85·2	6,751,166

ASSETS. Dec. 31	Cash in Hand, and at Call, &c. £	% *	Investments. £	% *	Bills and Advances. £	% *	Liab. of Customers for Acceptances. £	% *	Bank Premises Account. £	% *	Total Assets. £
1919 ...	1,669,867	13·9	3,649,063	30·3	5,985,624	49·8	525,432	4·4	196,083	1·6	12,026,069
1918 ...	2,096,491	18·7	3,098,516	27·6	5,529,903	49·2	309,603	2·8	192,903	1·7	11,227,416
1917 ...	2,367,169	23·3	1,498,972	14·8	5,733,931	56·7	333,460	3·3	192,518	1·9	10,126,050
1916 ...	1,811,158	20·1	1,502,967	16·6	5,231,925	58·0	285,167	3·2	192,168	2·1	9,023,385
1915 ...	1,667,214	19·3	2,153,645	25·0	4,356,429	50·5	253,580	3·0	190,372	2·2	8,621,240
1914 ...	1,586,602	20·0	2,263,713	28·6	3,668,103	46·2	228,957	2·9	172,596	2·3	7,919,971
1913 ...	1,153,320	16·0	2,307,146	31·9	3,387,601	46·8	213,057	2·9	170,995	2·4	7,232,119
1910 ...	1,229,062	18·0	2,370,189	35·1	2,753,553	41·0	229,029	3·4	169,333	2·5	6,751,166

* Per cent. of Total Liabilities or Assets.

LONDON JOINT CITY AND MIDLAND BANK, LIMITED.

(*See also* Belfast Banking Company, Limited, *and* Clydesdale Bank, Limited.)

Head Office: 5 Threadneedle Street, London, E.C. 2.

Capital—

Authorised	£45,200,000
Subscribed, in 2,869,079 £12 shares and 1,474,841 £2 10*s.* shares	38,116,050
Paid up, £2 10*s.* per share	10,859,800

To follow in detail the development of this great Bank would be to unfold the history of modern banking in the United Kingdom, and we must therefore content ourselves with a brief retrospective survey of its growth. As illustrating this phenomenal development we may here remark that, founded in 1836 as the Birmingham and Midland Bank, with a paid-up capital of £50,000, it has now a paid-up capital of £10,859,880, with an equal sum in reserve fund. At the outset its expansion was slow and tentative, and, though it had purchased private banking firms at Stourbridge and Bewdley, it possessed but three offices in 1879. In the 'eighties, however, its forward career was aided by the taking over of the Union Bank of Birmingham, the Coventry Union Banking Company, and the Leamington Priors and Warwickshire Banking Company. In 1891 it made its first decisive entry into London banking by the purchase of the Central Bank of London, Limited, after which it changed its name to the London and Midland Bank, Limited. It was henceforth to be a force of ever-increasing magnitude in Metropolitan banking, and in addition to the process of natural growth its expansion was facilitated by a policy of judicious affiliation with other banking interests. Another landmark in its career was the acquisition in 1898 of the City Bank, causing a further change of title to the London, City and Midland Bank, Limited. The Nottingham Joint Stock Bank was taken over in 1905, while in the same year a special foreign exchange department was opened. This was to some extent a departure from the traditional practice of English banking, and, though the move evoked some criticism at the time, it soon provided its own justification, and the Bank's example came gradually to be imitated elsewhere. In the year of which we speak (1905) the London City and Midland Bank possessed from four to five hundred branches, about £50 million of deposits and a paid-up capital of approximately £3,000,000. By 1913 these figures had expanded to over 840 branches and sub-branches, £93,833,580 deposits and £4,348,650 capital. On December 31, 1920, there were nearly 1,500 branches and sub-branches, while the deposits reached £371,841,968 and the paid-up capital £10,859,800; and the claim of the Bank to be considered the premier banking institution of the world cannot be seriously contested.

Some intermediate events of great importance in the Bank's history since 1905 were, first, the taking over of the North and South Wales Bank, Limited, in 1908. The latter institution was of considerable size, having deposit and current accounts of £11,500,000 and a paid-up capital of £750,000. Secondly, we may note the absorption in 1910 of the Bradford Banking Company, Limited—a move that linked up the Bank with the woollen industry—and in 1913 of the Sheffield and Hallamshire Bank, Limited, which established contact with the steel trade. The absorption of the Lincoln and Lindsey Banking Company, Limited, in the latter year brought what was largely an agricultural *clientèle*. Firmer and closer identity of interests was established with Wales in 1914, when the Metropolitan Bank (of England and Wales), Limited, was taken over.

In 1909, in order to act as trustees for debenture-holders and to undertake the executorship and trusteeship of wills, marriage settlements and similar agree-

LONDON JOINT CITY & MIDLAND BANK LIMITED

Chairman:
The Right Hon. R. McKENNA

Joint Managing Directors:
S. B. MURRAY F. HYDE E. W. WOOLLEY

Subscribed Capital	**£38,116,050**
Paid-up Capital	**10,859,800**
Reserve Fund	**10,859,800**
Deposits (*Dec. 31st, 1920*)	**371,841,968**

HEAD OFFICE: 5 THREADNEEDLE STREET, LONDON, E.C. 2
OVER 1,500 OFFICES IN ENGLAND AND WALES
OVERSEAS BRANCH: 65 & 66 OLD BROAD STREET, LONDON, E.C. 2

AFFILIATED BANKS:
BELFAST BANKING CO. LTD. Over 110 Offices in Ireland
THE CLYDESDALE BANK LTD. Over 160 Offices in Scotland

THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.

ESTABLISHED IN 1833.

Authorised Capital	...	£60,000,000.	Paid-up Capital	...	£9,309,416.
Subscribed Capital	...	£43,447,080.	Reserve Fund	...	£8,878,041.

Head Office ... ... 15 BISHOPSGATE, LONDON, E.C. 2.

PRINCES STREET OFFICE (UNION) 2 Princes Street, E.C. 2. LOMBARD STREET OFFICE (SMITHS) 1 Lombard Street, E.C.3.
CORNHILL OFFICE (PRESCOTT'S) 50 CORNHILL, E.C. 3.

The Bank has Branches or Agents throughout the United Kingdom and Correspondents in all parts of the World. **British, Colonial** and **Foreign** Banking and **Exchange** business transacted. Trusteeships and Executorships undertaken. Copies of the Annual Report of the Bank, List of Branches, Agents and Correspondents may be had on application at the Head Office and at any of the Bank's Branches.

COUTTS & CO.,
Established 1692, is affiliated with this Bank.

Auxiliary: LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK, LTD.

National Discount Company, Limited.

Established 1856.

35 Cornhill, London, E.C. 3.

Telegraphic Address: NATDIS, STOCK, LONDON.
Telephones: No. 1484 AVENUE (2 lines). No. 11948 CENTRAL.

Subscribed Capital	**£4,233,325**
Paid-up Capital	**£846,665**
Reserve Fund	**£500,000**

Directors.
SIR SIGISMUND F. MENDL, K.B.E., Chairman.
LAWRENCE E. CHALMERS, Deputy-Chairman.
FREDERICK W. GREEN. | COL. THE HON. SIDNEY PEEL D.S.O., M.P.
THE RT. HON. F. LEVERTON HARRIS. | CHARLES D. SELIGMAN
WALTER J. HERIOT. | PHILIP H. WADE.

Manager.
PHILIP H. WADE

Sub-Manager. FRANCIS GOLDSMITH.
Secretary. CHARLES H. COUGH.

Auditors.
FRANCIS W. PIXLEY (Jackson, Pixley & Co.) | SIR ALBERT WYON, K.B.E. (Price, Waterhouse & Co.)

Bankers.
BANK OF ENGLAND.
NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND LIMITED.

Approved Mercantile Bills Discounted.

Money received on Deposit at Call and Short Notice, and Interest allowed at the Current Market Rates; and for longer periods upon specially agreed terms.

Loans granted upon Negotiable Securities.

Investments and Sales of all descriptions of British and Foreign Securities effected. All communications on this subject to be addressed to the Manager.

London County Westminster and Parr's Bank Limited

ESTABLISHED IN 1836.

Chairman: WALTER LEAF.
Deputy-Chairmen: SIR MONTAGU TURNER, R. HUGH TENNANT.

AUTHORISED CAPITAL ...	£33,000,000
PAID-UP CAPITAL	9,003,718
RESERVE	9,003,718

(31st December, 1920.)
Current, Deposit & other Accounts £305,380,814

Head Office: 41 LOTHBURY, LONDON, E.C. 2.
Chief General Managers: F. J. BARTHORPE, JOHN RAE.

FOREIGN BRANCH OFFICE: **82 CORNHILL, LONDON, E.C. 3.**

AFFILIATED ABROAD.

LONDON COUNTY WESTMINSTER & PARR'S FOREIGN BANK, LIMITED.

FRANCE.—PARIS: 22 Place Vendôme.
BORDEAUX: 22 and 24 Cours de l'Intendance.
LYONS: 17 Rue de la Republique.
MARSEILLES: 29 Rue Cannebière.
NANTES: 6 Rue Lafayette.
BELGIUM. BRUSSELS: 114-120 Rue Royale.
ANTWERP: 21 Place de Meir.
SPAIN.—MADRID: Avenida del Conde de Peñalver 21 & 23.
BARCELONA: Paseo de Gracia 8 & 10.
BILBAO: Gran Via 9. [Genis 6.
VALENCIA: Alfredo Calderon 13 & Paseo [illegible]

AFFILIATED IN IRELAND.

ULSTER BANK LIMITED. [illegible] on the Ulster Bank will be received for Customers of this Bank, free of Commission.

The Bank is represented in London at the Principal Office and [illegible] and has Correspondents throughout the World.

EXECUTOR AND TRUSTEE DUTIES UNDERTAKEN.

ments, the London Joint City and Midland Bank Executor and Trustee Company, Limited, was formed with a subscribed capital of £500,000. Other developments about this time included the opening (in 1905) of a Shipping Branch, the creation of an Intelligence and Statistical Department, and the publication of a Monthly Review which has come to hold a recognised place as a source of information on financial and kindred topics. The latest, and in its way the most novel, departure is the opening of offices on Atlantic liners—an experiment that has been attended with no small measure of success.

The outbreak of the Great War was destined to have a marked influence on the Bank's history. Amongst its patriotic actions we may note its contribution of a large amount of gold to the Bank of England's reserve and its taking up of big blocks of the first and other War Loans. It did not hesitate, in addition, to give all possible support to the industrial and trading community, and accordingly its prosperity waxed apace, as may be seen from our table showing the various assets and liabilities of the Bank during all the War years. Between 1913 and 1920 the balance sheet totals rose from £108,584,000 to £422,837,000, an increase of 289 per cent. This great enhancement of strength came not only from the natural development of business and the inflation of the currency that marked the War period, but was in part derived from a further development of the amalgamation policy. Banking in England, Scotland and Ireland had hitherto been carried on under wholly separate institutions, and in the two latter countries this local banking autonomy was jealously guarded as a special privilege. It was considered that identification with outside interests would not only deprive the banks of their local character, and accordingly of their anxiety to serve local interests, but would lead to a marked diversion of deposits to England, to be used in supplying the English Money market with funds and in financing English industries to the neglect of Irish and Scottish. These fears received open expression when the London Joint City and Midland Bank proposed to purchase the share capital of the Belfast Banking Company, Limited, in 1917. It should be noted that the acquisition did not directly affect the general balance sheet figures of the purchasing Bank, and the liabilities and assets of the two institutions continue to be separately presented. The banking resources of the Irish institution are entirely employed in Ireland, and from the accounts subsequent to the transfer, which are dealt with under the Belfast Banking Company, it can be seen that the change has even increased the rate of progress shown by that bank prior to 1917. The success of the experiment induced the London institution (after a further outstanding development in 1918, to which we shall refer later) to cross the Tweed. In 1920 it purchased practically all the share capital of the Clydesdale Bank, Limited, of Glasgow, and, as in the case of the Irish bank, the necessary provision of purchase consideration was made by an increase in the share capital, which rose, mainly for this and similar reasons, by successive increases from £4,780,793 in 1914 to £5,188,840 in 1917, £7,172,697 in 1918, £8,417,335 in 1919, and £10,839,800 in 1920. In both Ireland and Scotland the local board of directors and local management have been retained, but all three banks are animated by the common desire to conduct banking business on the most modern and most helpful lines.

A big increase in share capital and in deposits in 1918 as compared with the previous year was due to the purchase in the interim of a well-known London institution—the London Joint Stock Bank, Limited, after which the name of the purchaser was changed to its present form, the London Joint City and Midland Bank, Limited. The deposit, current and other accounts of the London Joint Stock Bank, which at the end of 1910 had amounted to about £33 million, were over £58 million on June 30, 1918. The paid-up capital on the later date was £2,970,000, as compared with its subscribed capital of £19,800,000; the large unpaid liability was a source of some anxiety to shareholders, and contributed to their favourable reception of the amalgamation proposals. For one share in the London Joint Stock Bank of £100, with a liability of £85, shareholders received four London City and Midland Bank £12 shares, with a liability of £9 10*s*., thus making a total liability of £38, or a reduction of over fifty per cent. on their holding; the £38, moreover, was spread over four times as many shares, making them a much more marketable security than the old shares. The capital of the absorbing Bank was increased by £1,980,000 and the same made over to shareholders of the London Joint Stock Bank. The purchase of the Clydesdale Bank in 1920, above referred to, marks the termination so far of the amalgamating activities of the London Joint City and Midland. Consolidation has now become the order of the day, and the world-wide character of the Bank's operations almost precludes further extension by the old means.

It will be noted that the London Joint City and Midland has no branches or affiliations abroad. It has refrained from competing with foreign institutions in their own countries, and it is claimed for this policy that, besides amicable relations with foreign banks, it gives greater security to domestic depositors by restricting activities to the home field. Despite the trade depression that marked the closing part of last year, the balance sheet figures on December 31, 1920, indicate a distinct expansion in practically all spheres of the Bank's business. As the chairman, the Right Hon. Reginald McKenna, remarked at the annual meeting in January last, the principles that have animated the Board have been to keep the Bank strong and to help the country's trade and industry.

Coming to a consideration of the latest balance sheet, it strikes one in general as showing a position not only of liquidity, but of exceptional banking strength. We see an increase in the paid-up capital and in the reserve fund of £2,442,465 each, due to the acquisition of all but 91 shares in the Clydesdale Bank and to the allotment of 477,441 new shares of £2 10*s*. each to the shareholders of the London bank at the price of £5 per share. The paid-up capital and the reserve are maintained at the same figure, and together amount to the very large sum of £21,719,600. The current, deposit, and other accounts, at £371,841,968, show a slight increase on those at December 31, 1919, and are several millions in excess of the June total. A big increase in home deposits was, it appears, offset by the withdrawal of a large share of foreign balances on deposit with the Bank in London, in order to pay for foreign imports from the United Kingdom. Acceptances show a decline of £1,164,664, due to the contraction in trade which set in during the later months of the year. Amongst assets, the cash in hand, with cheques in course of collection, at £70,196,168, is higher by £1,928,765 than in the previous year, and its proportion to total liabilities has risen from 16.3 to 16.6 per cent. In the balance sheet the cash item is now described as "Coin, bank and currency notes and balances with the Bank of England," instead of the former "Cash in hand (including gold coin £8,000,000) and cash at Bank of England," the change being in conformity with a decision of the London Clearing Banks to adopt this form in their monthly statements of account. The £8,000,000 of gold coin that figured in the previous balance sheet no longer appears, as in pursuance of an agreement between the Government and the Bank it was handed over to the Bank of England early last year in return for Bank of England notes. Money at call and short notice shows a slight increase, but the ratio to total liabilities is unchanged. A drop of £15,537,000 is seen in investments (exclusive of the shares of the Belfast and Clydesdale Banks), which now amount to £51,766,315. We understand that holdings

LLOYDS BANK LIMITED.

Chairman:
Sir RICHARD V. VASSAR-SMITH, Bart.
Deputy-Chairman:
J. W. BEAUMONT PEASE.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED	£70,688,980
CAPITAL PAID UP -	14,137,796
RESERVE FUND -	10,000,000
DEPOSITS, &c. - -	346,397,553
ADVANCES, &c. -	151,079,173

THIS BANK HAS OVER 1,500 OFFICES IN ENGLAND AND WALES.

Colonial and Foreign Department:
17, CORNHILL, LONDON, E.C. 3.

AFFILIATED BANKS:
THE NATIONAL BANK OF SCOTLAND LIMITED.
LONDON AND RIVER PLATE BANK, LIMITED.
AUXILIARY:
LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK LIMITED.

LONDON & BRAZILIAN BANK, LIMITED.

ESTABLISHED 1862.

Capital Subscribed - -	£3,000,000
In 150,000 Shares of £20 each.	
Capital Paid up - - -	1,500,000
Reserve Fund - - -	1,500,000

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED IN

BRAZIL, ARGENTINE, URUGUAY, PORTUGAL.

Continental Trade Facilities.
PARIS BRANCH—5 Rue Scribe.

American Trade Facilities.
NEW YORK—(Agency) 56 Wall Street.

The Bank issues **Trade Reports** embracing Business Conditions and Opportunities for Expansion of Trade.

There are also extensive Files of **Information and Statistics** at the disposal of Clients.

Agents in the United Kingdom.

MANCHESTER AGENCY. 36 Charlotte Street.
LIVERPOOL. BANK OF LIVERPOOL & MARTIN'S, LTD., 7 Water Street (and Branches)
SCOTLAND. CLYDESDALE BANK, LTD., Glasgow (and Branches).
IRELAND. NORTHERN BANKING CO., LTD., Belfast (and Branches).

All enquiries should be addressed to :—
7 TOKENHOUSE YARD, LONDON, E.C. 2.
(Head Office.)

BAKER, DUNCOMBE & Co., Limited,

36 LOMBARD STREET, LONDON, E.C. 3.

BALANCE SHEET, 31st March, 1921.

Dr. LIABILITIES.	£ s. d.	£ s. d.
To Capital Account—		
16,000 fully paid "A" Shares of £5 each ...	80,000 0 0	
4,000 fully paid "B" Shares of £5 each ...	20,000 0 0	
		100,000 0 0
„ Reserve		90,000 0 0
„ Liability on Deposits and Loans and Bills Re-discounted (including Rebate and Sundry Accounts)		8,144,696 18 7
		£8,334,696 18 7

ASSETS.	£ s. d.	Cr. £ s. d.
By Investments—		
5% National War Bonds (£515,000), 5% War Loan 1929/47 (£50,000)		557,000 0 0
„ Bills Discounted (including Re-discounts)		7,675,918 2 10
„ Loans on Security and Sundry Accounts		5,213 0 0
Assets of the value of £8,219,022 17 7 are held by Bankers and others as cover for Liabilities *per contra*.		
„ Cash in Hand and at Bankers		96,565 15 9
		£8,334,696 18 7

HERBERT SAMUELSON, D. H. S. HOWARD, } *Directors.*

AUDITORS' REPORT TO THE SHAREHOLDERS OF BAKER, DUNCOMBE & Co., Limited.

In accordance with the provisions of Section 113, Sub-section 2, of the Companies (Consolidation) Act, 1908, we report to the Shareholders as follows:

1. We have audited the above Balance Sheet and have obtained all the information and explanations we have required.
2. We have examined the Securities, Bills, and Cash in Hand, and verified those in the hands of various Banks.
3. We are of opinion that such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Company.

36 Walbrook London, E.C. 4, 5*th April*, 1921. KEMP, CHATTERIS, NICHOLS, SENDELL & CO., *Chartered Accountants.*

THE LONDON MERCHANT BANK, Ltd.

Subscribed Capital	£1,500,000
Paid-up Capital	750,000
Reserve Fund	350,000

F. LUBBOCK, *Chairman.* A. HARTER, *Manager.*
F. POOLE, *Secretary.*

OFFICE - - - - 38 Lombard Street, E.C. 3.

Clearing Agents: BANK OF ENGLAND; COUTTS & Co.
Telegraphic Address: "LONDOMERCH, THREAD, LONDON."

Liabilities and Assets of the London Joint City and Midland Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Dividend Payable £	% *	Profit Balance Carried Forward. £	% *	Total Liabilities. £
1920 ...	10,859,800	10,859,806	21,719,600	5·2	27,849,904	6·6	371,841,968	87·9	684,167	·1	741,619	·2	422,837,258
1919 ...	8,417,335	8,417,335	16,834,670	4·0	29,014,568	6·9	371,742,389	88·8	530,292	·1	726,852	·2	418,848,771
1918 ...	7,172,697	7,172,698	14,345,395	4·0	13,145,849	3·6	334,898,435	92·1	451,880	·1	675,098	·2	363,516,657
1917 ...	5,188,840	4,342,826	9,531,666	4·0	8,826,866	3·7	220,551,768	91·9	350,247	·1	733,785	·3	239,994,332
1916 ...	4,780,793	4,000,000	8,780,793	4·6	7,220,781	3·7	174,620,725	91·4	322,703	·2	243,538	·1	191,188,540
1915 ...	4,780,793	4,000,000	8,780,793	5·3	9,157,601	5·5	147,750,702	88·9	360,352	·3	113,598	—	166,163,046
1914 ...	4,780,793	4,000,000	8,780,793	6·1	7,210,915	5·1	125,732,736	88·2	394,415	·3	421,285	·3	142,540,144
1913 ...	4,348,650	3,700,000	8,048,650	7·4	6,162,612	5·7	93,833,580	86·4	391,378	·4	147,993	·1	108,584,213
1910 ...	3,989,237	3,590,314	7,579,551	8·6	6,461,941	7·4	73,414,510	83·5	359,031	·4	102,301	·1	87,917,334

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises £	% *	Total Assets. £
1920...	62,495,818	14·8	26,194,363a	6·2	55,023,730b	13·0	57,671,879	13·6	189,719,805	44·9	27,849,904	6·6	3,883,759	·9	422,837,258
1919...	60,216,796	14·4	26,189,759a	6·3	68,063,118b	16·2	52,889,521	12·6	178,556,048	42·7	29,014,568	6·9	3,618,961	·9	418,848,771
1918...	63,756,372	17·6	67,810,656a	18·6	62,360,312b	17·2	39,249,296	10·8	113,431,816	31·2	13,145,849	3·6	3,762,327	1·0	363,516,657
1917...	44,110,354	18·3	31,003,560	13·0	37,007,455b	15·4	35,052,992	14·6	81,155,897	33·8	8,826,866	3·7	2,837,210	1·2	239,994,332
1916...	47,973,686	25·1	8,844,378	4·6	37,190,296	19·5	23,336,817	12·2	63,868,857	33·4	7,220,781	3·7	2,753,725	1·5	191,188,540
1915...	30,881,201	18·6	8,651,258	5·2	38,829,434	23·4	9,961,546	6·0	65,921,541	39·7	9,157,601	5·5	2,760,465	1·6	166,163,046
1914...	33,196,459	23·3	9,865,226	6·9	17,078,221	12·0	14,055,806	9·9	62,424,616	43·8	7,210,915	5·1	2,678,901	1·8	142,540,144
1913...	17,241,279	15·9	11,946,769	11·0	7,824,892	7·2	11,790,641	10·9	51,309,563	47·2	6,162,612	5·7	2,308,457	2·1	108,584,213
1910...	13,332,567	15·2	9,810,744	11·1	8,697,124	9·9	6,686,140	7·6	41,088,146	46·7	6,461,941	7·4	1,840,672	2·1	87,917,334

* Per cent. of Total Liabilities or Assets.

a Including cheques in course of collection on other banks in the United Kingdom.
b Including book value of shares of affiliated banks.

Liabilities and Assets of The London Joint Stock Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918, June 30 ...	2,970,000	1,325,000	4,295,000	6·6	2,541,301	3·9	58,293,200	89·1	273,928	·4	65,403,429
1917, Dec. 31 ...	2,970,000	1,325,000	4,295,000	6·5	2,947,107	4·5	58,182,376	88·6	273,928	·4	65,698,411
1916 ,, ...	2,970,000	1,125,000	4,095,000	7·2	3,582,701	6·3	49,078,252	86·2	198,824	·3	56,954,777
1915 ,, ...	2,970,000	1,125,000	4,095,000	8·1	2,559,610	5·1	43,686,502	86·4	218,776	·4	50,559,888
1914 ,, ...	2,970,000	1,125,000	4,095,000	8·5	3,122,446	6·5	40,653,102	84·5	252,156	·5	48,122,704
1913 ,, ...	2,970,000	1,125,000	4,095,000	9·1	3,153,328	7·0	37,637,045	83·4	225,676	·5	45,111,049
1910 ,, ...	2,970,000	1,100,000	4,070,000	10·2	2,040,741	5·1	33,612,502	84·2	197,300	·5	39,920,543

ASSETS.	Cash in Hand & at B. of Eng. £	% *	Money at Call and at Short Notice. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1918 June 30	10,101,548	15·6	2,158,569	3·3	16,354,599	25·0	17,315,284	26·4	15,919,972	24·3	2,541,301	3·9	1,012,165	1·5	65,403,429
1917 Dec. 31	11,087,649	16·9	2,150,395	3·3	13,145,029	20·0	19,880,150	30·3	15,468,529	23·5	2,947,107	4·5	1,019,552	1·5	65,698,411
1916 ,, ...	9,391,198	16·5	2,042,681	3·6	12,136,315	21·3	15,175,526	26·6	13,573,976	23·8	3,582,701	6·3	1,052,130	1·9	56,954,777
1915 ,, ...	6,578,122	13·0	2,294,166	4·5	12,943,783	25·6	9,482,765	18·7	15,656,795	31·0	2,559,610	5·1	1,044,347	2·1	50,559,888
1914 ,, ...	8,112,792	16·9	4,033,300	8·4	7,024,635	14·6	6,069,396	12·6	18,715,400	38·9	2,122,446	6·5	1,044,735	2·1	48,122,704
1913 ,, ...	5,996,668	13·3	5,644,476	12·5	6,260,705	13·9	6,811,871	15·1	16,218,749	35·9	3,153,328	7·0	1,025,252	2·2	45,111,049
1910 ,, ...	4,626,004	11·6	6,604,135	16·5	8,084,979	20·3	†	—	17,626,087	44·2	2,040,741	5·1	938,597	2·3	39,920,543

* Per cent. of Total Liabilities or Assets.

† Included with Loans and Advances.

of War issues have been realised on a large scale by the Bank since June last, but a portion of the decline is due to writing down. Bills discounted of £57,671,879 —outside Treasury bills to the extent of £12,000,000 —represent bank and approved trade bills of short currency. Combined with advances, £189,719,805, they represent financial assistance to trade and industry of nearly 250 millions—an immense sum even in these days of inflated values. The advances in June last were somewhat higher, at £197,044,143, and the decrease in the last six months was caused by the lessened trade activity and drooping prices. These figures refute the charges of wilful contraction of credit by the banks, and it has, in fact, been the policy of the London Joint City and Midland Bank to sell investments even at a loss in order to meet legitimate demands for accommodation. The opening of fifty new offices during the year, including those on three Atlantic liners, accounts for the rise of £264,800 in premises, which now stand at £3,883,760. The wisdom of the methods followed in financing the purchase of outside banking institutions is shown in the fact that the values at which the shares of the Belfast Banking Company and the Clydesdale Bank are entered in the Bank's books—together £3,257,415—include no amount in respect of goodwill. The sum here mentioned is less than the combined paid-up capital, reserve fund and undivided profits of these institutions. The three banks together control 1,770 offices, distributed approximately as follows:—England and Wales, 1,490; Scotland, 160; Ireland, 120.

In view of the large increase in capital, it is not surprising that the percentage of profit shows some reduction, though it is still above the figures for 1915 and previous years. The dividend of eighteen per cent., less income tax, is unchanged, but involves, of course, a much larger sum. £1,200,000 (following £1,000,000) is placed to reserve for depreciation of War Loans and future contingencies and £250,000 is again carried to bank premises reduction fund. The amount carried forward to the next account, £741,619, shows an increase of practically £15,000 on the sum brought in.

Profits of the London Joint City and Midland Bank, Ltd.

Year to Dec. 31	Net Profit* £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Div. Subject to Tax—Paid £	Balance £	Special Allocat'ns £	Carried Forward £
1920 ...	3,417,758	31·50	18·00	1,952,991	1,464,767	1,450,000	741,619
1919 ...	2,805,331	33·58	18·00	1,503,577	1,301,754	1,250,000	726,852
1918 ...	2,582,379	36·00	18·00	1,291,067	1,291,312	1,350,000	675,097
1917 ...	1,887,514	37·90	18·00	897,267	990,247	500,000	733,785
1916 ...	1,622,984	33·94	18·00	860,542	762,442	632,501	243,538
1915 ...	1,245,715	26·06	18·00	860,542	385,173	692,860	113,598
1914 ...	1,144,777	25·08	18·65	851,485	293,292	20,000	421,280
1913...	1,207,895	28·97	19·11	796,895	411,000	396,000	147,902

* Before income tax on dividend, but after deduction of bonuses, etc. to staff.

Profits of the London Joint Stock Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Div. Subject to Tax—Paid £	Special Allocat'ns £	Carried Forward £
1917...	1,143,545	531,440	612,105	20·6	10	297,000	240,000	125,428
1916...	1,049,354	500,706	548,648	18·4	10	297,000	271,600	50,324
1915...	996,602	453,132	543,470	18·3	10	297,000	265,000	70,276
1914...	896,987	443,808	453,179	15·2	11	326,700	100,000	88,806
1913...	949,622	429,115	520,507	17·5	10⅝	321,750	198,000	62,326

LONDON MERCHANT BANK, LTD.

Office: 38 Lombard Street, London, E.C.3.

Capital—
Authorised and subscribed, in 75,000 £20 shares...**£1,500,000**
Paid up, £10 per share **750,000**

THIS Bank, which in its original form dates from 1873, is not an ordinary bank of deposit, its attention being directed mainly to the financing of shipments of manufactures, both imports and exports. A large interest in the Bank was acquired about two years ago by Messrs. Robert Fleming and Co., merchants, and Messrs. Seligman Brothers, merchant bankers, co-operation with whom has meant a profitable addition

The Merchants Bank of Canada

Total Deposits . $170,000,000
Total Assets . $209,000,000

BOARD OF DIRECTORS:

Lt.-Col. Sir H. Montague Allan, C.V.O., *President*
F. Howard Wilson, Esq. - *Vice-President*

Sir F. Orr Orr-Lewis, Bart.
Hon. C. C. Ballantyne.
F. Howard Wilson, Esq.
F. Robertson, Esq.
G. L. Cains, Esq.
A. B. Evans, Esq.
T. Ahearn, Esq.
Lt.-Col. J. R. Moodie.
Hon. Lorne C. Webster, Esq.
E. W. Kneeland, Esq.
Gordon M. McGregor, Esq.
John Baillie, Esq.
Norman J. Dawes, Esq.
Ross H. McMaster, Esq.

THE Foreign Department at Montreal offers special facilities to clients of the Bank of obtaining Credit Reports on Canadian individuals and firms, and will also give Merchants and Manufacturers opening up in Canada valuable information regarding Water Power, Sites, Tariffs, etc.

400 BRANCHES IN CANADA
COMPLETE BANKING SERVICE

LONDON OFFICE: 53, CORNHILL.
J. B. DONNELLY, D.S.O., Manager.

THE MUNSTER & LEINSTER BANK LIMITED.

Head Office : CORK.

Subscribed Capital - - £1,000,000.
Called-up Capital - - £400,000.
Reserve Fund - - - £900,000.

Directors :

RIGHT HON. SIR STANLEY HARRINGTON, P.C., CHARLES EUSTACE MURPHY, ESQ., THOMAS BARRY LILLIS, ESQ., JOHN MURPHY, ESQ., J.P., D.L., ALFRED ROBINSON MACMULLEN, ESQ

General Manager :
T. B. LILLIS.

London Agents :
NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.

Bills, Annuities, Coupons, and Dividends are collected in all parts of the United Kingdom and abroad, and every kind of Banking business is transacted on the usual terms at the Head Office and Branches.

The Purchase and Sale of Stocks and Shares are effected. Strong Rooms are provided for the custody of deeds and other property deposited by Customers of the Bank.

Executorships and Trusteeships.

The Bank, having the necessary powers, is prepared to undertake the offices of Executors and Trustees. Particulars of terms can be obtained from the Head Office and Branches.

THE LANCASHIRE & YORKSHIRE BANK, LTD.

ESTABLISHED 1872.

CAPITAL - - - £4,000,000.

Subscribed Capital, £2,013,120. Paid-up Capital, £1,006,560. Reserve & Undivided Profits, £1,004,046.

DIRECTORS.

The Right Hon. Lord COLWYN, CHAIRMAN.
GEORGE COMBER, ESQ., DEPUTY-CHAIRMAN.

The Right Hon. Lord ARMAGHDALE.
The Right Hon. Lord EMMOTT, G.C.M.G., G.B.E.
CHARLES W. KEIGHLEY, ESQ.
THOMAS NORTON, ESQ., C.B.E.
E. M. PHILIPS, ESQ.
ALFRED WATKIN, ESQ.
JOSEPH WHEATLEY, ESQ.
THOS. B. MOXON, ESQ. (Honorary).

GENERAL MANAGER: P. W. RAMSBOTTOM, ESQ.

Head Office—43 SPRING GARDENS, MANCHESTER.

Offices at LIVERPOOL, LEEDS, HUDDERSFIELD, BLACKBURN, BOLTON, BURNLEY, BURY, HALIFAX, OLDHAM, PRESTON, ROCHDALE, and 118 Offices in other towns in Lancashire and Yorkshire.

British Trade Corporation.

Incorporated by Royal Charter.

Telegrams—"TRABANQUE, LONDON." Telephone—LONDON WALL 2947 2948

13/14 AUSTIN FRIARS, LONDON, E.C. 2.

CAPITAL: Authorised - £10,000,000 Subscribed and Paid up - £2,000,000

Governor ... THE LORD FARINGDON. Deputy-Governor ... SIR HENRY BABINGTON SMITH, G.B.E., K.C.B., C.S.I.
Manager: A. G. M. DICKSON. London Manager: P. C. WEST. Secretary: G. DE B. BROUNLIE.

The Corporation is prepared to assist in the development of the Trade of the British Empire in every part of the world, and offers exceptional financial facilities to British Manufacturers and Merchants for the increase of their export and import trade.
It has Agents and Correspondents in all parts of the world, and transacts Banking Business of every description.
It invites inquiries, and will endeavour, where necessary, to put expert advice at the disposal of correspondents regarding the financing of their foreign and overseas business.
Moneys received on fixed deposit. Terms on application.

Branches: BATOUM. BELGRADE. DANZIG.

AFFILIATED COMPANIES:

THE NATIONAL BANK OF TURKEY, Constantinople, and Branches.
THE TRADE INDEMNITY COMPANY, LIMITED. Established in connection with British Trade by the Insurance of Accounts

Liabilities and Assets of The London Merchant Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	% *	Current Accounts, &c. £	% *	Acceptances. £	% *	Staff Pension Fund. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920 ...	750,000	350,000	1,100,000	26·3	694,331	16·6	2,259,618	54·1	27,044	·7	93,838	2·3	4,174,831
1919 ...	750,000	350,000	1,100,000	30·3	439,237	12·1	1,988,340	54·7	26,256	·7	78,794	2·2	3,632,627
1918 ...	750,000	350,000	1,100,000	31·8	349,770	10·1	1,911,497	55·3	25,410	·7	73,311	2·1	3,459,988
1917 ...	750,000	350,000	1,100,000	30·2	328,306	9·0	2,131,601	58·7	24,496	·7	50,834	1·4	3,635,147
1916 ...	750,000	350,000	1,100,000	27·4	373,147	9·3	2,471,913	61·5	23,378	·6	48,005	1·2	4,016,443
1915 ...	750,000	350,000	1,100,000	26·2	161,326	3·8	2,877,205	68·4	22,300	·5	45,682	1·1	4,206,513
1914 ...	750,000	350,000	1,100,000	20·1	173,551	3·2	4,126,415	75·4	21,257	·4	47,943	·9	5,469,166
1913 ...	750,000	350,000	1,100,000	13·1	1,445,295	17·2	5,749,835	68·7	18,376	·2	64,891	·8	8,378,397
1910 ...	625,000	235,000	860,000	14·9	629,732	11·0	4,196,683	72·8	11,728	·2	67,051	1·1	5,765,194

ASSETS. Dec. 31	Cash in Hand and at Bankers. £	% *	Loans at Call and at Short Notice. £	% *	Investments. £	% *	Bills Receivable. £	% *	Current and Other Accounts, &c. £	% *	Total Assets. £
1920	106,000	2·5	135,000	3·2	106,932	2·6	224,932	5·4	3,601,967	86·3	4,174,831
1919	46,944	1.3	186,000	5.1	114,924	3·2	150,741	4·1	3,134,018	86·3	3,632,627
1918	63,705	1·9	145,000	4·2	188,547	5·4	137,884	3·9	2,924,852	84·6	3,459,988
1917	54,484	1·5	160,000	4·4	250,500	6·9	121,748	3·3	3,048,415	83·9	3,635,147
1916	54,608	1·4	160,000	4·0	286,903	7·1	147,922	3·7	3,367,010	83·8	4,016,443
1915	39,272	·9	183,000	4·3	309,968	7·4	186,687	4·5	3,487,586	82·9	4,206,513
1914	47,639	·9	398,540	7·3	340,742	6·2	156,727	2·9	4,525,518	82·7	5,469,166
1913	52,867	·6	532,700	6·4	311,217	3·7	749,451	9·0	6,732,162	80·3	8,378,397
1910	42,765	·8	509,000	8·8	284,380	4·9	554,065	9·6	4,374,984	75·9	5,765,194

* Per cent. of Total Liabilities or Assets.

to the Bank's sphere of operations. The paid-up capital, at £750,000, and the reserve fund at £350,000 are unchanged. Comparing the balance-sheet figures on December 31 last with those of a year earlier, acceptances on account of customers, and advances under the Government's scheme of September 5, 1914, have increased from £1,988,340 to £2,259,618, though the pre-War outstandings have been lessened. Cash shows the material increase from £46,944 to £106,000, but loans on securities, at call and at short notice have moved from £186,000 to £135,000, and investments are lower by £7,992, due partly to realisations and partly to writing down. The increase in the liability item of current and other accounts, from £438,237 to £691,913, and, on the other hand, in bills receivable, from £150,741 to £224,932, reflect the expanded business which has led to a rise in the gross profits from £91,058 to £100,195. The net profit has not been quite maintained, and the dividend remains unchanged at six per cent., less income tax, but the carry-forward, at £67,588, compares with £52,544 brought into the account.

Profits of the London Merchant Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Dividend Subject to Tax Earned %	Dividend Subject to Tax Paid %	Dividend Subject to Tax Paid £	Special Allocat'ns £	Carried Forward £
1920...	100,195	40,151	60,044	8·01	6·0	45,000	—	67,588
1919...	91,058	29,325	61,733	8·23	6·0	45,000	—	52,544
1918...	66,899	25,672	41,227	5·50	5·0	37,500	—	35,811
1917...	68,843	28,513	40,330	5·37	5·0	37,500	—	32,085
1916...	67,366	27,543	39,823	5·31	5·0	37,500	—	29,255
1915...	66,744	27,755	38,989	5·19	5·0	37,500	—	26,932
1914...	78,278	29,468	48,810	6·51	6·5	48,758	—	25,443
1913...	126,328	35,489	90,839	12·92	8·49	59,734	27,000	25,391

MANCHESTER AND COUNTY BANK, LIMITED.

Head Office: 55 King Street, Manchester.

Capital—

Authorised...	£5,500,000
Subscribed, in 273,010 £20 shares	5,460,200
Paid up, £4 per share	1,092,040

THIS Bank is a comparatively young institution, its history extending back a little over half a century. Founded in Manchester in 1862, it entered almost immediately on a career of expansion, its first branches being established at Preston, Bacup and Blackburn. In 1866 the business of the old-established Saddleworth Banking Company was taken over, and this step was succeeded in 1871 by the absorption of the Bank of Stockport. Throughout the following years the Bank steadily extended its sphere of operations in Lancashire and the neighbouring counties by the opening of branches. A further stage in its development was marked in 1897, when amalgamation took place with the Bank of Bolton, and an important foothold was thus secured in the fine spinning district. These various fusions were accompanied by increases in the authorised capital, which stood originally at £3,500,000, with £222,736 paid up. Bonus distributions of £1 per share in 1889 and 1903 added to the paid-up total, which from the latter year until 1912 stood at £928,234. From that time onward it has remained at £1,092,040, the amount authorised being £5½ million, of which £5,460,200 has been subscribed. In 1919 the reserve fund received the substantial accession of £125,000 by way of re-transfer from the investment reserve, and has since remained unaltered at £725,000. As offsetting the fall in the investments depreciation fund, from £250,000 in 1918 to £125,000 in the following year, it should be mentioned that in respect of 1919 £70,000 was applied to writing down investments, though in the balance sheet of the following year the figure of investments reserve is unchanged. The problem of depreciation has thus been tackled in two ways—by building up a reserve fund to provide for it, and, at the same time, by writing down existing holdings. It seems to be the policy of the Board to maintain the sum of the reserve and investment depreciation funds at the fixed total of £850,000, as they have been constant at this figure since 1913. £80,000 was further applied to writing down investments out of the profits of 1920, and, after giving effect to this appropriation, the book values of all the investments are now under market prices.

The deposit, current, and other accounts rose from £24,071,009 on December 31, 1919, to £27,673,512 on the corresponding date in 1920, the increase being well distributed over the two half-years, as the item stood at £25,427,449 on June 30 last. The fall in acceptances, from £3,012,230 to £1,325,358, has been accompanied by increases in loans and advances from £10,376,776 to £15,785,633, and in bills discounted from £3,232,383 to £3,915,389. The three items of loans, bills discounted and liabilities of customers for acceptances represent roughly the assistance given to industry and commerce, and together these totalled £21,026,380 at the end of 1920, as compared with £16,621,389 at the date of the preceding account. The contraction of credit for which the banks have been so often blamed is not here evident. An increase of £100,000 in bank premises account—from £300,000 to £400,000—was partly due to the fact that the directors have acquired the well-known Bindloss Chambers adjoining the head office, the Bank being now the fortunate possessor of a valuable island site. The building of numerous branch offices accounts for the rest of the increase in value.

Despite the high rate of interest on deposits, the rates charged for accommodation left an ample margin to the Bank during 1920, and the increase in net profit, from £240,371 in 1919 to £296,077—even allowing for heavy increase in business expenses—is not a matter for surprise. The dividend earned was equivalent to 27.1 per cent. on the paid-up capital, as compared with

THE
CLYDESDALE BANK
LIMITED.
Incorporated under Acts of Parliament.
ESTABLISHED 1838.

Head Office: GLASGOW.

Capital - - - - £5,000,000
Capital Paid up - - £1,000,000
Reserve Surplus Fund - £1,200,000

Directors.

Sir JAMES BELL, Bart., C.B., of Montgreenan, Ayrshire, *Chairman.*
HENRY ALLAN, Esq., 21 Bothwell Street, Glasgow, *Deputy-Chairman.*
ADAM PATERSON CROSS, Esq., 44 Bernard Street, Leith.
JOHN HENDERSON, Esq., Glen Tower, Kelvinside, Glasgow.
DAVID McCOWAN, Esq., Royal Exchange, Glasgow.
The Right Hon. REGINALD McKENNA, 5 Threadneedle Street, London, E.C. 2.
JOHN M. MACLEOD, Esq., C.A., M.P., 149 West George Street, Glasgow.
SAMUEL B. MURRAY, Esq., 5 Threadneedle Street, London, E.C. 2.
HUGH REID, Esq., C.B.E., LL.D., North British Locomotive Co., Ltd., Glasgow.
Sir ROBERT KING STEWART, K.B.E., of Murdostoun, Newmains.
WILLIAM P. URE, Esq., Balvaird, Helensburgh.
ARCHIBALD WALKER, Esq., Newark Castle, Ayr.

FREDERICK TOD and **DAVID YOUNG**, *Joint General Managers.*
ROBERT W. JACK, *Secretary.*

London Office:
30 LOMBARD STREET, E.C. 3.
WILLIAM LOCHHEAD, *Manager.* GEORGE REOCH WILSON, *Assistant Manager.*

COMMERCIAL BANK OF SCOTLAND LTD.

ESTABLISHED 1810.

Head Office - EDINBURGH

General Manager - - ALEX. ROBB
Secretary - - MAGNUS IRVINE

Capital Subscribed - - £5,500,000
Capital Paid up - - - £1,750,000
Reserve Fund - - - £1,000,000
Deposits (1st Nov., 1920) - £41,000,000

London Office: 62 Lombard Street, E.C. 2

GEORGE S. COUTTS, *Manager.*
JOHN F. SANDEMAN, *Assist.-Manager.*

The Bank has 236 Branches and Sub-Branches throughout Scotland

General Banking and every description of Foreign Exchange business transacted, and Agency business for Foreign and Colonial Banks undertaken.

ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter, 1727.

Paid-up Capital, £2,000,000 **Rest and Undivided Profits, £1,082,276.**
Deposits - - - - - - £39,114,127.

Head Office - - - - ST. ANDREW SQUARE, EDINBURGH
A. K. WRIGHT, *Cashier and General Manager.* J. B. ADSHEAD, *Secretary.*
London Office - - - - - - - 3 BISHOPSGATE, E.C. 2
WM. WALLACE, *Manager.* ALEX. DICK, *Deputy-Manager.*
Glasgow Office - ROYAL EXCHANGE SQUARE & BUCHANAN STREET
THOMAS LILLIE, *Agent.* WILLIAM DONALD, *Sub-Agent.*

177 BRANCHES THROUGHOUT SCOTLAND

Every description of British, Colonial and Foreign Business transacted. Foreign Exchange.
CORRESPONDENCE INVITED.

The National Bank of Scotland Limited.

Incorporated by Royal Charter and Act of Parliament. ESTABLISHED 1825.

Capital Subscribed, £5,000,000. Paid up, £1,100,000.
Uncalled, £3,900,000. Reserve Fund, £1,000,000.

Head Office—EDINBURGH. WILLIAM CARNEGIE, GENERAL MANAGER. GEORGE A. HUNTER SECRETARY.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.

T. C. RIDDELL, MANAGER. DUGALD SMITH, ASSISTANT MANAGER

Every description of banking business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of remittances to all parts.

There is a specially equipped Foreign Department at the principal Glasgow Office.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its customers.

Liabilities and Assets of The Manchester and County Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Investment Fund. £	Paid-up Capital & Reserves. £	%	Acceptances. £	%	Deposits, &c. £	%	Profit Balance. £	%	Total Liabilities. £
1920 ...	1,092,040	725,000	125,000	1,942,040	6·2	1,325,358	4·3	27,673,512	88·6	283,063	·9	31,223,973
1919 ...	1,092,040	725,000	125,000	1,942,040	6·6	3,013,250	10·3	24,071,009	82·3	225,818	·8	29,251,097
1918 ...	1,092,040	600,000	250,000	1,942,040	9·5	506,126	2·5	17,679,775	87·1	189,129	·9	20,317,070
1917 ...	1,092,040	600,000	250,000	1,942,040	11·0	1,017,700	5·8	14,505,740	82·2	186,266	1·0	17,651,746
1916 ...	1,092,040	600,000	250,000	1,942,040	11·7	1,299,795	7·8	13,181,813	79·4	183,539	1·1	16,607,187
1915 ...	1,092,040	700,000	150,000	1,942,040	14·0	428,594	3·0	11,431,430	82·0	141,302	1·0	13,943,366
1914 ...	1,092,040	850,000	—	1,942,040	14·4	369,452	2·7	11,047,391	82·0	121,282	·9	13,480,165
1913 ...	1,092,040	850,000	—	1,942,040	14·2	718,329	5·3	10,875,579	79·8	103,387	·7	13,639,335
1910 ...	928,234	1,060,000	—	1,988,234	16·3	728,268	6·0	9,339,025	76·7	119,538	1·0	12,175,065

ASSETS. Dec. 31	Cash in Hand & at Call & Short Notice. £	%	Investments. £	%	Bills Discounted. £	%	Loans and Advances. £	%	Liab. of Cust. for Acceptances. £	%	Bank Premises, &c. £	%	Total Assets. £
1920... ...	5,048,014	16·1	4,749,579	15·2	3,915,389	12·5	15,785,633	50·6	1,325,358	4·3	400,000	1·3	31,223,973
1919... ...	7,451,129	25·4	4,899,579	16·8	3,232,383	11·0	10,376,776	35·5	3,012,230	10·3	300,000	1·0	29,251,097
1918... ...	5,434,439	26·7	3,810,278	18·8	4,439,006	21·8	5,852,170	28·8	506,126	2·5	275,000	1·4	20,317,070
1917... ...	4,345,206	24·6	3,745,212	21·2	1,778,692	10·1	6,491,836	36·8	1,017,700	5·8	275,000	1·5	17,651,746
1916... ...	4,191,087	25·2	4,391,012	26·5	1,750,490	10·5	4,699,803	28·3	1,299,795	7·8	275,000	1·7	16,607,187
1915... ...	2,717,817	19·5	4,646,457	33·3	704,336	5·1	5,171,105	37·1	428,594	3·1	275,000	1·9	13,943,366
1914... ...	4,272,078	31·7	1,877,738	14·0	1,401,835	10·4	5,284,062	39·2	369,452	2·7	275,000	2·0	13,480,165
1913... ...	3,379,193	24·7	1,765,882	12·9	1,983,745	14·5	5,573,186	40·9	718,329	5·3	225,000	1·7	13,639,335
1910... ...	2,919,953	23·9	1,578,340	13·0	1,479,335	12·1	5,259,169	43·3	728,268	6·0	210,000	1·7	12,175,065

* Per cent. of Total Liabilities or Assets.

twenty-two per cent. in the preceding year. The dividend declared has been maintained at 12*s.* per share, or fifteen per cent., subject to tax, as in the two previous years, but in addition a bonus of 1*s.* per share, equivalent to one and a-quarter per cent., is given. The special allocations comprise the £80,000 above mentioned, devoted to writing down investments, and a sum of £5,000 voted to the late General Manager at the annual meeting in January 1920. The amount carried forward to the profit and loss account for 1921, at £106,238, shows the substantial increase of £33,620 over the corresponding figure for the previous year.

Profits of the Manchester and County Bank, Limited.

Year to Dec. 31	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid— %	Div. Subject to Tax—Paid— £	Special Allocations £	Carried Forward £
1920 ...	296,077	27·1	16½*	177,456	85,000	106,238
1919 ...	240,371	22·0	15	163,806	70,000	72,618
1918 ...	206,115	18·9	15	163,806	40,000	66,053
1917 ...	197,952	18·1	14⅔	154,706	40,000	63,443
1916 ...	188,093	17·2	13⅔	145,605	50,000	60,196
1915 ...	166,901	15·3	13⅔	145,605	—	67,708
1914 ...	171,042	15·6	13⅔	150,155	—	46,413
1913 ...	193,929	17·7	14⅔	154,706	35,000	25,525

* Including 1*s.* per share (1¼%) bonus.

MANCHESTER AND LIVERPOOL DISTRICT BANKING CO., LTD.

Head Office: Spring Gardens, Manchester.

Capital—

Authorised and subscribed, in 632,000 £15 shares £9,480,000
Paid up, £3 per share 1,896,000
(Callable, £1,264,000; reserved liability, £6,320,000.)

THIS Bank is one of those financial institutions, increasing in number in recent years, that not only cater for important interests at home, but have developed an extensive foreign business and established overseas connections in order to afford complete banking service in both home and foreign departments. As is indicated by the name, the interests of the Manchester and Liverpool District Banking Company are centred mainly in Lancashire, but it has also an important London Office in Cornhill. Its foreign departments in the two Lancashire cities named transact a large amount of business for cotton and shipping interests.

The Bank has a long history, extending back as far as 1829. Thirty-four years after its foundation, in 1863, it acquired the business of Messrs. Loyd, Entwisle, Bury and Jervis, of Manchester, and in 1880, in common with most other banking companies of the period, it registered as a limited liability concern. Subsequent to registration it extended its influence in surrounding counties, not only in compliance with the wishes of existing clients, but to cope with the growth in the country's trade and to attract new business. It became further identified with textile interests in 1891, when it purchased the business of William John and Thomas Brocklehurst and Company, of Macclesfield. The policy of expansion was continued into the present century, and in 1907 it amalgamated with the Lancaster Banking Company. The absorption as from January 1, 1916, of the Bank of Whitehaven gave it a large *clientèle* in the Western border counties, where the latter Bank was well-established. The consolidation of existing interests has since been the aim of the Board, which may be said to have succeeded admirably in its task.

The present subscribed capital of £9,480,000 is divided into 632,000 shares of £15 each, on each of which £3 has been paid. No increase in capital has been made in recent years, but the amount paid up, plus the reserve fund of £1,550,000, together £3,446,000, constitutes 5.3 per cent. of the total liabilities. Current, deposit and other accounts—£60,037,956 on December 31 last—are up by approximately one million pounds on the year, owing to the increased number of accounts opened. The heavy decline in the Bank's acceptances—from £5,259,016 to £1,596,659—was accounted for by the reduction in acceptances for cotton and the lower price basis obtaining for that commodity. The decline is largely responsible for the diminution in the balance sheet total, which is £65,518,567, as compared with £68,122,863 in 1919.

On the assets side of the balance sheet a fall is to be noticed of £2,529,756 in the cash in hand and at Bank of England, while the money at call and short notice is practically unchanged. The decline in bills discounted—from £15,432,706 to £12,476,005—is caused entirely by the smaller holding of Treasury bills, trade bills being £1,000,000 in excess of the previous year's figure. The contraction of investments by £3,403,813 to £7,272,306 is attributable to the sale of £3,000,000 of War Loan, in order to meet industrial demands for accommodation, and to depreciation. Following the traditional policy of British banks—a policy suspended during the War—all investments have been written down to market prices before declaration of profits. As the Chairman, Sir E. Tootal Broadhurst, stated at the annual meeting, it has "only been possible to do this owing to the abnormal profits of the year consequent upon the high rate of interest prevailing and the greatly increased turnover, though this same high rate of interest had caused the depreciation in the market value of investments." The decline in bills discounted and in acceptances is more than offset by the increase in advances—from £23,172,182 in 1919 to £33,172,113 in 1920. The percentage of advances to total assets has risen from 34 to 50.6, and this increase in itself necessitated a reduction in investments and bills discounted, besides affecting also the various cash items.

The net profit of £561,783 constitutes a record, and is equal to 29.6 per cent. on the paid-up capital, as compared with 24.1 per cent. in 1919—showing a rate of increase that has been displayed in the case of few other banks. The dividend has, however, been maintained at 18⅔ per cent., subject to tax, and, after

English, Scottish & Australian Bank, Limited.

Head Office: 5 GRACECHURCH ST., E.C. 3.

Authorised Capital - -	**£3,000,000 0 0**
Subscribed Capital - -	**£2,495,525 0 0**
Paid-up Capital - - -	**£1,247,762 10 0**
Further Liability of Proprietors - - - -	**£1,247,762 10 0**
Reserve Fund - - - -	**£635,000 0 0**

Board of Directors.

ANDREW WILLIAMSON, Esq., *Chairman.*

J. ANNAN BRYCE, Esq.
Hon. Sir JOHN A. COCKBURN, K.C.M.G.
The Rt. Hon. Viscount KNUTSFORD.
Hon. Sir ARTHUR LAWLEY, G.C.S.I.
JOHN PATERSON, Esq.
GEORGE SLADE, Esq.
SIDNEY M. WARD, Esq.
Sir FREDERICK W. YOUNG, M.P.

Manager—E. M. JANION.
Assistant Manager—JOS. GRIEVE.
Accountant—F. C. HOUNSFIELD.

Bankers.

BANK OF ENGLAND; LONDON COUNTY WESTMINSTER AND PARR'S BANK LIMITED.

Letters of Credit and Drafts on the Branches and Agencies of the Bank in Australia can be obtained at the Head Office, or through the Agents of the Bank in the Chief Provincial Towns throughout the United Kingdom.

Remittances made by **Telegraphic Transfer.**

Bills Negotiated or forwarded for **Collection.**

Banking and **Exchange** Business of every description transacted with Australia.

BANK OF ADELAIDE

Incorporated by Act of Parliament, 1865.

Paid-up Capital	**£625,000**
Reserve Fund	**620,000**
	£1,245,000
Reserve Liability of Proprietors	**625,000**
	£1,870,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.

Melbourne Office: 267 Collins Street.
Sydney Office: 105 Pitt Street.
London Office: 11 Leadenhall Street, E.C. 3.

Bills on all the Australasian Colonies purchased or collected.

Drafts issued and **Remittances** cabled.

Deposits received for fixed periods at rates to be ascertained on application.

WESTERN AUSTRALIAN BANK

London Agency.

ESTABLISHED 1841.

Paid-up Capital	**£250,000**
Reserve Fund	**725,000**
Reserved Profits	**20,562**
Reserve Liability of Shareholders	**250,000**

Head Office: PERTH, WESTERN AUSTRALIA.

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,

The Bank of Adelaide,
11 Leadenhall Street, London, E.C. 3.

THE

UNION BANK OF AUSTRALIA LIMITED.

ESTABLISHED 1837. INCORPORATED 1880.

Authorised and Issued Capital		**£7,500,000**
Paid-up Capital, £2,500,000	**Together**	**5,130,000**
Reserve Fund, £2,630,000		
Reserve Liability of Proprietors ...		**5,000,000**
Total Issued Capital and Reserves ...		**£10,130,000**

DIRECTORS.

HENRY P. STURGIS, Esq., Chairman.

The Rt. Hon. LORD CARMICHAEL, G.C.S.I.
The Rt. Hon. The EARL OF CHICHESTER.
JOHN DENNISTOUN, Esq.
HUGH D. FLOWER, Esq.
The Rt. Hon. LORD HILLINGDON.
S. R. LIVINGSTONE-LEARMONTH, Esq.
WILLIAM R. MEWBURN, Esq.
ROBERT C. NESBITT, Esq.
FRED. G. PARBURY, Esq.
The Hon. EDMUND W. PARKER.
SIR WESTBY B. PERCEVAL, K.C.M.G.

HEAD OFFICE:

71 CORNHILL, LONDON, E.C.3.

Manager—W. J. ESSAME. Assistant Manager—W. A. LAING.

Branches throughout Australia and New Zealand, viz.:

In VICTORIA	42
„ SOUTH AUSTRALIA ...	14
„ NEW SOUTH WALES...	38
„ WESTERN AUSTRALIA	20
„ QUEENSLAND	19
„ TASMANIA	3
„ NEW ZEALAND	46
	182

Drafts upon the Branches are issued by Head Office, and may also be obtained from the Bank's Agents throughout England, Scotland, and Ireland.

Commercial and Circular Travelling Credits issued available throughout the World.

Telegraphic Remittances are also made.

Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Deposits are received at Head Office at rates of interest and for periods which may be ascertained on application.

THE

Commercial Banking Company of Sydney,

LIMITED.

Established 1834.

Incorporated in New South Wales.

Capital Paid up	**£2,500,000. 0. 0**
Reserve Fund ...	**£2,220,000. 0. 0**
Reserve Liability of Shareholders ...	**£2,500,000. 0. 0**

Drafts payable on demand and Letters of Credit on Australasia are issued by the London Branch. Bills on Australasia negotiated or collected. Remittances cabled.

London Offices:

18 BIRCHIN LANE, LOMBARD STREET, E.C. 3.

F. A. SCRIVENER, *Manager.*

Liabilities and Assets of The Manchester and Liverpool District Banking Company, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Inv. Deprec. Reserve. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposit and Current Accounts, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920...	1,896,000	1,550,000	—	3,446,000	5·3	1,596,659	2·4	60,037,956	91·6	437,952	·7	65,518,567
1919...	1,896,000	1,550,000	—	3,446,000	5·1	5,259,016	7·7	59,108,850	86·8	308,997	·4	68,122,863
1918...	1,896,000	1,550,000	—	3,446,000	6·9	1,567,079	3·2	44,530,513	89·3	300,189	·6	49,843,781
1917...	1,896,000	1,250,000	300,000	3,446,000	7·2	3,261,935	6·9	40,592,886	85·3	305,814	·6	47,606,635
1916...	1,896,000	1,200,000	300,000	3,396,000	8·1	2,795,954	6·7	35,346,576	84·6	268,040	·6	41,806,570
1915...	1,896,000	1,410,000	200,000	3,506,000	10·1	2,010,542	5·8	28,666,699	83·2	281,470	·9	34,464,711
1914...	**1,896,000**	1,610,000	—	**3,506,000**	**10·5**	**2,052,961**	6·2	**27,412,987**	82·6	**219,066**	·7	**33,191,014**
1913...	1,896,000	1,600,000	—	3,496,000	10·8	2,688,757	8·3	25,916,689	80·2	216,724	·7	32,318,170
1910...	1,896,000	1,750,000	—	3,646,000	12·7	2,402,032	8·4	22,523,160	78·3	176,887	·6	28,748,079

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call & at Short Notice, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances £	% *	Bank Premises, &c. £	% *	Total Assets. £
1920...	7,195,514	11·0	3,305,970	5·1	7,272,306	11·1	12,476,005	19·0	33,172,113	50·6	1,596,659	2·4	500,000	·8	65,518,567
1919...	9,725,270	14·3	3,357,570	4·9	10,676,119	15·7	15,432,706	22·7	23,172,182	34·0	5,259,016	7·7	500,000	·7	68,122,863
1918...	7,192,479	14·4	3,562,409	7·1	8,903,719	17·9	14,705,232	29·5	13,412,863	26·9	1,567,079	3·2	500,000	1·0	49,843,781
1917...	6,185,094	13·0	3,033,861	6·4	8,942,616	18·8	11,075,009	23·2	14,608,120	30·7	3,261,935	6·9	500,000	1·0	47,606,635
1916...	5,325,209	12·7	4,220,929	10·1	9,900,237	23·7	6,646,967	15·9	12,417,274	29·7	2,795,954	6·7	500,000	1·2	41,806,570
1915...	4,100,476	11·9	2,213,109	6·4	10,839,262	31·5	1,682,944	4·9	13,118,378	38·1	2,010,542	5·8	500,000	1·4	34,464,711
1914...	**3,601,142**	**10·8**	**3,793,922**	**11·5**	**4,502,552**	**13·5**	**4,762,626**	**14·4**	**13,977,811**	**42·1**	**2,052,961**	**6·2**	**500,000**	**1·5**	**33,191,014**
1913...	3,480,025	10·7	3,741,597	11·6	3,530,352	10·9	4,806,296	15·0	13,571,143	42·0	2,688,757	8·3	500,000	1·5	32,318,170
1910...	2,718,815	9·5	2,736,117	9·5	3,826,792	13·3	3,589,255	12·5	12,975,068	45·1	2,402,032	8·4	500,000	1·7	28,748,079

* Per cent. of Total Liabilities or Assets.

deduction of £85,228 for the 1920 staff bonus, the substantial balance of £264,152 is carried forward, as compared with £135,197 brought in.

Profits of the Manchester and Liverpool District Banking Company, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Dividend Subject to Tax Earned %	Paid %	Paid £	Special Allocations £	Carried Forward £
1920 ...	—	—	561,783	29·6	18⅜	347,600	85,228	264,152
1919 ...	—	—	456,408	24·1	18⅜	347,600	100,000	135,197
1918 ...	—	—	426,175	22·5	17½	339,700	100,000	126,389
1917 ...	—	—	419,574	22·1	17½	331,800	50,000	139,914
1916 ...	672,821	283,557	389,264	20·5	17½	331,800	70,000	102,140
1915 ...	625,623	244,819	380 804	20·1	17½	331,800	—	114,676
1914 ...	623,318	242,579	380,739	20·1	18·1	344,532	20,000	65,672
1913 ...	620,232	221,243	398,989	21·0	18·6	352,354	40,000	49,465

MERCANTILE BANK OF SCOTLAND, LIMITED.

Head Office: 53 West Regent Street, Glasgow.

Capital—

Authorised...	£100,000
Issued, in 28,140 shares of £1 each	28,140
Paid up, 10*s.* per share	14,070

THIS Bank, which is one of the smaller institutions, dates from 1889, and its experience in recent years has been somewhat unfortunate, as no dividend has been paid since 1914. For the six years immediately preceding, five per cent. per annum, free of tax, had been paid. The War seems to have interfered considerably with the Bank's operations, and profits gradually dropped, until losses in 1916-17 and 1917-18 led to a debit balance in the profit and loss account. A net profit of £1,774 emerged in the year ended March 31, 1919, followed by one of £911 only in 1919-20 (the last year for which accounts are available), these results being due, however, to the inclusion of income-tax recoveries of £2,379 and £1,026 respectively. The changes recorded in the balance sheet are of minor importance, the total of capital and reserve still remaining below the pre-War level, though deposit and current accounts, also investments, display an increase. The scheduled total of the latter, arrived at by taking cost prices less a provision against loss on eventual realisation, has since the first year of war been in excess of current market prices. The total assets on March 31, 1920, were valued at £224,416, as compared with £194,020 on the corresponding date in 1919. The directors' report issued in December last referred to negotiations for the purchase of a controlling interest in the Bank. These, however, have been indefinitely suspended.

Profits of the Mercantile Bank of Scotland.

Year ended March 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax Earned %	Paid %	Paid £	Special Allocat'ns £	Carried Forward £
1920...	9,058‡	8,147	911	6·5	Nil	—	1,000	195
1919...	7,947†	6,173	1,774	12·6	Nil	—	1,000	284
1918...	5,009	5,583	Dr.*574*	—	Nil	—	—	Dr.*490*
1917...	5,446	6,071	Dr.*625*	—	Nil	—	—	84
1916...	6,589	5,993	596	4·23	Nil	—	500	709
1915...	8,108	6,664	1,444	10·26	Nil	—	1,500	613
1914...	8,259	6,695	1,564	11·11	5·3	746	750	669
1913...	7.808	6.286	1.522	10·82	5·3	746	750	601

† Including £2,379 income tax recovered and recoverable.
‡ Including £1,026 income tax recovered.

Liabilities and Assets of the Mercantile Bank of Scotland, Limited.

LIABILITIES. End March	Paid-up Capital £	Reserve £	Capital and Reserve £	% *	Deposits and Current Accounts £	% *	Bank Overdraft, &c. £	% *	Profit Balance. £	% *	Total Liabilities £
1920...14,070	5,000	19,070	8·5		205,058	91·4	93†	—	195	·1	224,416
1919...14,070	5,000	19,070	9·8		174,573	90·0	94†	—	283	·2	194,020
1918...14,070	5,000	19,070	11·9		141,445	88·1	94†	—	—	—	160,609
1917...14,070	5,000	19,070	13·3		114,261	79·6	10,015	7·0	179	·1	143,525
1916...14,070	9,250	23,320	14·4		137,539	85·1	—	—	838	·5	161,697
1915...14,070	10,500	24,570	13·3		159,368	86·3	—	—	774	·4	184,712
1914...14,070	10,500	24,570	12·7		168,283	86·7	—	—	1,178	·6	194,031
1911...14,070	8,250	22,320	12·2		158,403	87·2	—	—	976	·6	181,699

ASSETS. End March	Cash in Hand, &c. £	% *	Invests. £	% *	Advances, Bills Discounted, &c. £	% *	Office Furniture, &c. £	% *	Total Assets £
1920...24,458	10·9		139,219	62·0	60,537	27·0	203	·1	224,416
1919...24,392	12·6		119,970	61·8	49,421	25·5	237	·1	194,020
1918...27,788	17·3		94,058	58·6	38,041	23·7	232	·4	‡160,609
1917... 5,879	4·1		93,984	65·5	43,420	30·2	242	·2	143,525
1916...17,566	10·8		96,099	59·4	47,672	29·5	360	·3	161,697
1915...17,792	9·7		112,569	61·0	53,974	29·0	377	·3	184,712
1914...29,532	15·2		104,857	54·1	59,257	30·5	385	·2	194,031
1911...22,658	12·4		93,391	51·4	65,392	36·0	258	·2	181,699

* Per cent. of Total Liabilities or Assets.
† Unpaid dividends. ‡ Includes profit and loss debit of £490.

MUNSTER & LEINSTER BANK, LTD.

Head Office: Cork.

Capital—

Authorised and subscribed, in 200,000 £5 shares...	£1,000,000
Paid up, £2 per share	400,000
(Callable £1, and reserve liability £2, per share.)	

THE Munster and Leinster Bank came into existence in 1885, when the assets of the Munster Banking Company were acquired. It commenced operations with twelve branches, and soon afterwards reopened the remaining twenty-one of the thirty-three branches which it had acquired from the old Company. Though of comparatively recent formation, the Bank has pursued an energetic policy of expansion, and scarcely a single year has passed without the opening of a number of offices. At the end of 1920, head and branch offices totalled eighty-seven, there being in addition many sub-branches. With the extension of business, increases in the paid-up capital were naturally effected, and from £137,723, the amount shown in the first balance sheet, it had grown by 1890 to £199,510, the reserve fund being £150,000. Raised shortly afterwards to a round £200,000, the sum invested by shareholders in the business remained unchanged until 1919, when it was increased to its present figure of £400,000. The reserve fund now stands at £900,000, having been trebled since 1916, and the aggregate paid capital and reserve now total 4.7 per cent. of the liabilities, as compared with 6.9 per cent. in 1914. The decline in proportion is strictly attributable to the expansion in deposits, which have risen from £7,208,716 in 1914 to £26,351,085 in 1920. The interests of depositors, however, are well secured by the rise in the cash in hand and with other banks from the 1914 figure of £843,166 to the present level of £2,648,123, whilst money at call and at short notice has correspondingly expanded from £1,329,842 to £2,618,599, and investments from £1,766,968 to

THE



ESTABLISHED 1858.

ESTABLISHED 1858.

OF AUSTRALASIA LIMITED

(With which is amalgamated THE COLONIAL BANK OF AUSTRALASIA, LTD.). (INCORPORATED IN VICTORIA.)

Authorised Capital ... ... £6,000,000 | Reserve Fund £1,320,000
Capital Paid up ... ... 2,000,000 | Reserve Liability of Shareholders ... 828,000

Head Office - - - MELBOURNE.

The Bank is fully represented by branch establishments and agencies throughout Australia, New Zealand and Tasmania, and undertakes every description of Banking and Exchange business with Australasia. **BILLS** on all parts of Australasia purchased and collected. **DRAFTS** and **LETTERS OF CREDIT** issued. **MAIL AND TELEGRAPHIC TRANSFERS** made at minimum current rates. **DEPOSITS** received for fixed periods at rates ascertainable upon application.

London Board of Advice—R. H. CAIRD, Esq., J.P.; Hon. Sir ARTHUR L. STANLEY, K.C.M.G. *Manager*—J. G. HANCORNE.

***London Office*—7 LOTHBURY, E.C. 2.**

BANK OF NEW SOUTH WALES

(ESTABLISHED 1817).

London Office : 29 THREADNEEDLE STREET, E.C. 2.

Paid-up Capital - -	£4,931,100
Reserve Fund - -	3,350,000
Reserve Liability of Proprietors - -	4,931,100
	£13,212,200



Aggregate Assets, 30th September, 1920,

£72,467,795 : 2 : 3

The Bank has 357 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea), and London, and Agents and Correspondents all over the World, on whom the London Office grants Circular Letters of Credit and Circular Notes. Also issues Drafts on demand. Makes Mail and Cable Transfers, and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for Fixed Periods, on terms which may be known on application, and transacts every description of Australasian Banking Business.

H. MELDRUM, *Assistant Manager.*

The National Bank of New Zealand,

LIMITED.

AUTHORISED CAPITAL - - £3,000,000 | PAID-UP CAPITAL - - £1,000,000
SUBSCRIBED CAPITAL - - £3,000,000 | RESERVE FUND - - - £1,020,000
UNCALLED CAPITAL - - - £2,000,000.

Directors.

HON. W. PEMBER REEVES (*Chairman*).
JAMES H. B. COATES, Esq. HENRY F. FRESHWATER, Esq. ROBERT LOGAN, Esq.
CHARLES ELGAR, Esq. SIR AUSTIN E. HARRIS, K.B.E. LINDSAY ERIC SMITH, Esq.

Head Office :—17 MOORGATE STREET, LONDON, E.C. 2. Manager :—ARTHUR WILLIS.
Chief Office in New Zealand :—WELLINGTON. General Manager :—D. W. DUTHIE.

Branches and Agencies throughout New Zealand and Correspondents in all parts of the World.

The National Bank of New Zealand, Limited, issues DRAFTS and LETTERS of CREDIT, makes **Telegraphic Transfers**, opens **Current Accounts, negotiates and collects Bills of Exchange.** Receives **Deposits** of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application, and conducts every other description of banking business.

B. W. BLYDENSTEIN & Co.

55-56 THREADNEEDLE STREET, E.C. 2.

ESTABLISHED IN LONDON, 1858.

BANKERS & DISCOUNTING AGENTS.

DEALERS IN BRITISH TREASURY BILLS OF ANY MATURITY.

ALL BANKING AND DISCOUNT BUSINESS TRANSACTED. SPECIAL FACILITIES FOR BUSINESS WITH HOLLAND. FORWARD CONTRACTS IN DUTCH GUILDERS.

Liabilities and Assets of The Munster and Leinster Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	% *	Deposits. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920...	400,000	900,000	1,300,000	4·7	26,351,085	95·1	58,562	·2	27,709,647
1919...	400,000	900,000	1,300,000	5·9	20,604,443	93·9	52,235	·2	21,956,678
1918...	200,000	400,000	600,000	3·6	15,916,897	96·2	30,000	·2	16,546,897
1917...	200,000	315,000	515,000	4·2	11,714,416	95·3	55,897	·5	12,285,313
1916...	200,000	300,000	500,000	5·2	9,058,512	94·5	27,802	·3	9,586,314
1915...	200,000	320,000	520,000	6·4	7,569,544	93·0	48,923	·6	8,138,467
1914...	200,000	342,500	542,500	6·9	7,208,716	92·5	41,904	·6	7,793,120
1913...	200,000	330,000	530,000	7·2	6,766,711	92·2	38,064	·6	7,334,775
1910...	200,000	320,000	520,000	8·4	5,649,525	91·0	34,844	·6	6,204,369

ASSETS. Dec. 31	Cash in Hand and with other Banks. £	% *	Money at Call and at Short Notice. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Bank Premises Account. £	% *	Total Assets. £
1920...	2,648,123	9·6	2,618,599	9·4	7,356,362	26·5	4,669,537	16·9	10,305,871	37·2	111,155	·4	27,709,647
1919...	2,151,844	9·8	1,602,101	7·3	7,438,798	33·9	4,779,277	21·8	5,892,809	26·8	91,849	·4	21,956,678
1918...	2,349,073	14·2	1,000,000	6·0	6,047,732	36·6	3,380,445	20·4	3,684,775	22·3	84,872	·5	16,546,897
1917...	1,591,479	13·0	1,550,000	12·6	2,242,012	18·2	3,725,195	30·3	3,091,838	25·2	84,789	·7	12,285,313
1916...	1,399,504	14·6	458,788	4·8	2,387,896	24·9	2,392,842	24·9	2,863,255	29·9	84,029	·9	9,586,314
1915...	1,426,947	17·5	399,189	5·0	2,440,579	30·0	941,451	11·6	2,850,559	35·0	79,742	·9	8,138,467
1914...	843,166	10·8	1,329,842	17·1	1,766,968	22·6	994,766	12·8	2,780,180	35·7	78,198	1·0	7,793,120
1913...	520,944	7·1	1,303,237	17·7	1,710,299	23·3	979,620	13·4	2,749,069	37·5	71,606	1·0	7,334,775
1910...	475,198	7·7	1,175,144	18·9	1,470,499	23·7	887,496	14·3	2,145,401	34·6	50,631	·8	6,204,369

* Per cent. of Total Liabilities or Assets.

£7,356,362, and in the later year there is a holding of Government Treasury bills of £3,500,000. Adequate provision has been made for investments depreciation, and holdings of War Loan, Funding Loan, Indian and Colonial Government stocks, &c., are valued at the prices current on December 31 last, while short-dated War Bonds are taken at cost. A slight decline on the year in bills discounted has been altogether overshadowed by the increase in advances on securities and current accounts from £5,892,809 to £10,305,871. The increased lending power of the Bank has been made possible only by the large rise in total resources —from £21,956,678 to £27,709,647. The increase in the accommodation granted to clients has not impinged on the liquidity of the Bank's position, as the cash, money at call, and Government Treasury bills, together with investments, account for a total of £16,123,084, or equivalent to sixty-one per cent. of the Bank's liabilities to the public.

The profitable nature of the enlarged business transacted during the year is shown by a rise in the net profits from £141,834 to £176,328, the dividend thus earned on the paid-up capital being 44.08 per cent. in 1920. The special allocations made out of profits altogether reach £90,000, being made up of £75,000 to investment contingency account and £15,000 to reduction of premises account. The sum carried forward, at £30,562, shows an increase of £6,328 over the amount brought in.

Profits of the Munster and Leinster Bank, Limited.

Year to Dec. 31	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid— %	£	Special Allocations £	Carried Forward £
1920 ...	176,328	44·08	20	80,000	90,000	30,562
1919 ...	141,834	35·46†	20·0‡	60,000	75,000	24,234
1918 ...	104,253	52·12	17·5	35,000	70,000	17,400
1917 ...	80,345	40·17	16·5	33,000	45,000	18,147
1916 ...	67,479	33·73	16·0	32,000	35,000	15,802
1915 ...	67,452	33·73	16·0	32,000	35,000	15,323
1914 ...	58,874	29·43	16·0	32,000	25,000	14,871
1913 ...	55,938	27·96	16·0	32,000	27,000	12,997

† Paid-up capital doubled in second half-year.
‡ 10% on £200,000 and 10% on £400,000.

NATIONAL BANK, LIMITED.

Head Offices: 13-17 Old Broad Street, London, E.C.2.

Capital—
Authorised and subscribed, in 150,000 shares of £50 each £7,500,000
Paid up, £10 per share 1,500,000

THIS institution, which ranks as an important London bank and is a member of the London Clearing House, though six members of the Board sit in Dublin, was originally established at Carrick-on-Suir, Co. Tipperary, in 1835. The authorised capital at the outset was £1,000,000 in £50 shares, and the paid-up capital at the end of the first year of operations was £374,000. Both the authorised and paid-up amounts were increased from time to time, new shares being issued as the business expanded. This expansion was the result, not of the acquisition of other institutions in a similar line of business, but of the sound policy pursued by the directors of opening branches in the various towns and rural districts where banking services were most needed. The only instance of absorption in the Bank's history occurred in 1847, when the London and Dublin Bank was taken over. The Company was registered with limited liability in 1882, and in 1890 the total of paid-up capital and reserve stood at £1,753,438, while the offices opened numbered about 104. Between 1890 and 1910 the comparatively stagnant condition of agriculture, with the exception of a brief spell during the South African War, tended to restrict the growth of institutions like the National Bank, whose *clientèle* was mainly of an agricultural character; but despite these disadvantages the business of the Bank underwent gratifying expansion. In 1913 deposits, current and other accounts stood at £14,445,741, while the total of the paid capital and reserve was £1,950,000, or thirteen and a-half per cent. of the deposit liabilities.

The War era, bringing as it did an almost insatiable demand for food products within the United Kingdom, was marked by a prosperity unknown to agriculture since the days of the Napoleonic wars, and the resulting conditions in Ireland are reflected in the remarkable growth of the National Bank since 1914, as regards not only balance sheet totals and volume of business transacted, but also the area covered by its operations. The number of offices, which in 1914 was 151, had increased by 1918 to 200, and on December 31 last stood at 233. The deposits rose from £15¼ million in 1914 to £28¼ million in 1918, and the process did not cease with the conclusion of hostilities, for the figure on the Bank's books further increased to £34,825,774 at the end of 1919 and the record figure of £41,706,785 at the end of 1920. The year just closed has, indeed, been one of the most favourable in the Bank's career, judged by the growth in certain items of the balance sheet. While notes in circulation have fallen slightly—from £4,365,871 in 1919 to £3,967,729 in 1920, reflecting to some extent the decline in trade, and especially the suspension of fairs by military order—acceptances have risen from £523,280 to £531,000, bills discounted from £3,906,307 to £4,385,924, and loans and advances from £11,585,182 to £17,715,025. The accommodation afforded to industry and commerce has thus materially expanded, and to this expansion not only the Irish, but the London, English and Welsh branches have contributed. The paid-up capital and the investment reserve remain at £1,500,000 and £180,000 respectively, but the reserve fund has been increased in the year by £20,000 to £800,000, this immediately following an addition of £115,000.

On the assets side of the balance sheet, cash on hand at head office, branches and Bank of England is down from £6,318,733 to £6,023,068, the proportion of total assets which the 1920 figure represents being 12.3 per cent. The item of money at call and short notice, including Stock Exchange loans, British

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA,

38 BISHOPSGATE, LONDON, E.C. 2.

Incorporated by Royal Charter.

CAPITAL - - - £3,000,000
RESERVE FUND - £3,600,000

COURT OF DIRECTORS.

Sir MONTAGU CORNISH TURNER, Chairman.
Sir DUNCAN CARMICHAEL.
THOMAS CUTHBERTSON, Esq.
Sir ALFRED DENT, K.C.M.G.
Sir WILLIAM HENRY NEVILLE GOSCHEN, K.B.E.
The Right Hon. LORD GEORGE HAMILTON, G.C.S.I.
The Rt. Hon. SIR JOHN NEWELL JORDAN, G.C.I.E, K.C.B., K.C.M.G.
WILLIAM FOOT MITCHELL, Esq.
JAMES MAXWELL GRANT PROPHIT, Esq.
LEWIS ALEXANDER WALLACE, Esq.

W. E. PRESTON, *Chief Manager.* J. S. BRUCE, G. MILLER, *Sub-Managers*

AGENCIES AND BRANCHES.

ALOR STAR (Malay States)	HANKOW	PEKING
AMRITSAR	HONG KONG	PENANG
BANGKOK	ILOILO	PUKET
BATAVIA	IPOH	RANGOON
BOMBAY	KARACHI	SAIGON
CALCUTTA	KLANG	SEREMBAN
CANTON	KOBE	SHANGHAI
CAWNPORE	KUALA LUMPUR	SINGAPORE
CEBU	MADRAS	SOURABAYA
COLOMBO	MANILA	TAIPING (F.M.S.)
DELHI	MEDAN	TAVOY
HAIPHONG	NEW YORK	TIENTSIN
		YOKOHAMA

BANKERS.

THE BANK OF ENGLAND.
THE LONDON JOINT CITY AND MIDLAND BANK, LIMITED.
THE LONDON COUNTY WESTMINSTER AND PARR'S BANK LIMITED.
THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.
THE NATIONAL BANK OF SCOTLAND, LIMITED.

The Corporation buy and receive for collection Bills of Exchange, grant Drafts payable at the above Agencies and Branches, and transact general Banking business connected with the East. Deposits of Money are received for fixed periods at terms which may be ascertained on application; interest payable half-yearly, 30th June and 31st December. On Current Accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances provided they do not fall below £200.

The Central Bank of India, Ltd.

ESTABLISHED 1911.

Head Office: BOMBAY.

Branches and Agencies:
LONDON, CALCUTTA, KARACHI, DELHI, AMRITSAR, LAHORE, LYALLPUR, AND JHARIA.

London Agents:
THE LONDON JOINT CITY AND MIDLAND BANK, LIMITED.

Subscribed Capital Rs. 1,00,00,000
Paid-up Capital - Rs. 49,99,000
Reserve Fund - Rs. 20,00,000
Public Deposits (31.12.20) Rs.10,93,00,000

S. N. POCHKHANAWALA, Managing Director.

BANK OF BRITISH WEST AFRICA,

ESTABLISHED 1894. LIMITED.

Authorised Capital £4,000,000
Subscribed Capital £3,000,000
Paid-up Capital £1,200,000
Reserve £625,000

Chairman:
The Right Hon. THE EARL OF SELBORNE, K.G., G.C.M.G.

Head Office:
17-18 LEADENHALL ST., LONDON, E.C. 3.

General Manager:
LESLIE COUPER, C.M.G.

Liverpool Manchester Hamburg New York
West Africa Canary Islands Egypt Morocco

PRINCIPAL SHAREHOLDERS:
Lloyds Bank Ltd.; London County Westminster & Parr's Bank Ltd.; National Provincial & Union Bank of England, Ltd.; Standard Bank of South Africa, Ltd.

The Mercantile Bank of India, Limited.

Head Office:
15 Gracechurch Street, London, E.C. 3.

Capital Authorised £3,000,000
Capital Paid up £1,050,000
Reserve Fund & Undivided Profits £1,227,638

BRANCHES and AGENCIES in India, Ceylon, Burma, Straits Settlements, China, and Port Louis, Mauritius.

The Bank buys and sells Bills of Exchange, issues Letters of Credit, and conducts every description of Banking Business in connection with the East.

FIXED DEPOSIT RATES
will be quoted upon application.

ON CURRENT ACCOUNTS Interest is allowed at 2 per cent. per annum on Daily Balances, provided interest for the half-year amounts to £1.

Liabilities and Assets of The National Bank, Limited.

LIABILITIES. Dec.31	Capital Paid up. £	Reserve Fund. £	Investment Reserve. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920...	1,500,000	800,000	180,000	2,480,000	5·1	3,967,729	8·1	531,000	1·1	41,706,785	85·4	160,714	·3	48,846,228
1919...	1,500,000	780,000	180,000	2,460,000	5·8	4,365,871	10·3	523,280	1·2	34,825,774	82·3	159,790	·4	42,334,715
1918...	1,500,000	665,000	180,000	2,345,000	6·8	3,238,154	9·4	277,600	·9	28,270,257	82·4	157,113	·5	34,288,124
1917...	1,500,000	500,000	220,000	2,220,000	8·2	2,778,116	10·3	452,497	1·7	21,333,322	79·3	129,867	·5	26,913,802
1916...	1,500,000	500,000	115,000	2,115,000	9·4	2,724,009	12·0	225,000	1·0	17,421,129	77·1	122,379	·5	22,607,517
1915...	1,500,000	500,000	30,000	2,030,000	9·5	2,306,267	10·8	175,000	·8	16,726,703	78·2	146,307	·7	21,384,277
1914...	1,500,000	425,000	—	1,925,000	9·9	1,887,335	9·7	304,233	1·5	15,293,800	78·3	127,507	·6	19,537,875
1913...	1,500,000	450,000	—	1,950,000	10·8	1,344 039	7·5	197,526	1·1	14,455,593	80·0	116,116	·6	18,063,274
1910...	1,500,000	505,000	75,000	2,080,000	12·3	1,255,023	7·4	105,908	·6	13,381,296	79·0	104,741	·7	16,926,968

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call, Loans &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1920...	6,023,068	12·3	6,268,873	12·8	13,490,290	27·6	4,385,924	9·0	17,715,025	36·3	531,000	1·1	432,048	·9	48,846,228
1919...	6,318,733	14·9	12,976,920	30·7	6,587,810	15 6	3,906,307	9·2	11,585,182	27·4	523,280	1·2	436,483	1·0	42,334,715
1918...	4,794,897	14·0	12,441,504	36·3	4,902,230	14·2	3,087,337	9·0	8,377,388	24·4	277,600	·9	407,168	1·2	34,288,124
1917...	4,469,544	16·6	6,588,750	24·5	4,548,993	16·9	2,840,684	10·5	7,709,912	28·7	452,497	1·7	303,422	1·1	26,913,802
1916...	3,854,296	17·0	4,377,341	19·4	4,580,801	20·3	2,421,451	10·7	6,846,696	30·3	225,000	1·0	301,932	1·3	22,607,517
1915...	3,201,281	15·0	2,947,063	13·8	4,627,640	21·7	3,265,469	15·2	6,863,649	32·1	175,000	·8	304,175	1·4	21,384,277
1914...	2,924,862	14·9	2,997,505	15·3	2,671,422	13·6	3,456,202	17·9	6,887,058	35·3	304,233	1·5	296,593	1·5	19,537,875
1913...	2,244,882	12·4	3,147,883	17·4	2,360,769	13·1	3,150,421	17·5	6,672,092	36·9	197,526	1·1	289,701	1·6	18,063,274
1910...	2,050,284	12·1	2,506,766	14·8	2,448,285	14·5	3,285,553	19·4	6,232,696	36·8	105,908	·6	297,476	1·8	16,926,968

* Per cent. of Total Liabilities or Assets.

Treasury bills, etc., displays a material decline on the year—from £12,976,920 to £6,268,874; on the other hand, investments have risen from £6,587,810 to £13,490,290; while, as stated above, loans and advances have expanded by more than six millions. The writing down of bank premises, which on December 31 last stood at £432,048, as compared with £436,483 on December 31, 1919, is a mark of the conservative policy pursued by the Bank. The liquid assets show a proportion of fifty-five per cent. to the liabilities payable to the public on demand, and advances a ratio of under forty-two per cent. to such liabilities.

The gross profit for the year, at £831,466, reflected the expansion in business. As has been the experience of all banks, the curve of expense also took a sharp upward turn, rising from £361,853 to £510,542. The net profit, £320,924, represents, however, the substantial percentage of 21.4 earned on the paid-up capital, as compared with 19.8 per cent. for 1919, and has been exceeded on only one occasion in recent years, namely in 1918, when it amounted to 21.7 per cent. The dividend has been maintained at the rate of twelve per cent. for the year, to which it was increased in 1918, ten per cent. having been paid previously. The special allocation of £140,000 represents two half-yearly transfers to tax and contingencies account, and the balance carried forward reaches £27,714, as compared with £26,790 brought into the account.

Profits of the National Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Earned %	Subject to Tax—Paid %	£	Special Allocat'ns £	Carried Forward £
1920 ...	831,466	510,542	320,924	21·4	12	180,000	140,000	27,714
1919 ...	659,530	361,853	297,677	19·8	12	180,000	115,000	26,790
1918 ...	609,950	284,454	325,496	21·7	12	180,000	145,000	24,113
1917 ...	491,870	229,382	262,488	17·4	10	150,000	110,000	23,617
1916 ...	427,132	209,497	217,635	14·5	10	150,000	70,000	21,129
1915 ...	474,602	195,646	278,956	18·5	10	150,000	130,000	23,494
1914 ...	415,494	196,447	219,047	14·6	10	150,000	65,000	24,538
1913 ...	391,328	194,021	197,307	13·1	10	150,000	50,000	20,491

NATIONAL BANK OF SCOTLAND, LTD.

(*See also* **Lloyds Bank, Limited.**)

Head Office: Edinburgh.

Capital—

Authorised and subscribed ... ... Stock £5,000,000
Paid up 1,100,000
(Uncalled, £900,000; reserve liability, £3,000,000).

In the 'twenties of last century a strong demand arose in Scotland for the extension of existing banking facilities, and as a result the formation of a number of banking companies was proposed. Before being carried to the final stage of establishment, however, a union was effected between the different competitors, and in 1825 a combination of the proposed companies appeared as a new bank—the National Bank of Scotland. Only £500,000 of the nominal capital of £5,000,000 was at first issued, but in 1843 the paid-up capital was increased from £500,000 to £1,000,000, a figure at which it remained until the end of 1919, when it was increased to £1,100,000 by crediting to capital account £100,000 out of the sum carried forward on November 1 of that year. Almost from the first the extension of the Bank's operations kept pace with the growth of Scotland in population and prosperity. Amalgamation was not favoured as a means to this end, for only three small Scottish banking houses have been taken over; but the number of branches steadily progressed, amounting to 114 in 1900, 124 in 1909, and at the present time to about 130. The growth of international trade, and the demand for facilities for financing import and export business, led to the opening at the Glasgow office of a foreign department specially equipped for dealing with foreign exchange operations and all financial transactions arising out of overseas business.

In order to establish a closer connection with English interests and to place at the disposal of its clients the larger resources commanded by English banking institutions, arrangements were made in October 1918 for affiliation with Lloyds Bank, Limited, the stockholders in the National Bank receiving for each £100 paid stock standing to their credit the equivalent of £350, consisting of eleven shares in Lloyds Bank and £75 in National War Bonds, an additional sum of £5 10*s*. being paid in respect of accrued profits. Consequent on the new arrangements a satisfactory development of business has ensued, deposits and kindred items having risen from £30,748,370 on November 1, 1918, to £34,398,023 and £37,057,605 respectively on the like date in 1919 and 1920. Reference has already been made to the increase in paid-up capital, and it may be added that from 1916 to 1919 inclusive the reserve fund was annually increased by £100,000, raising it to the £1,000,000 at which it now stands. The note circulation increased during the War owing to the heavy demands for currency, and on the date of the last balance sheet reached £3,798,878.

The National Bank has throughout played a prominent part in the development of Scottish industry, and that it did not discontinue its good services even amidst the uncertainty surrounding commercial operations last year is shown by the increase on the assets side of the balance sheet in advances and loans, from £11,333,127 on November 1, 1919, to £15,053,508. The trade depression and the declining level of prices are, however, reflected in the decrease in the liability of customers for acceptances from £1,444,468 to £898,782. In the earlier year bills discounted figured at £5,912,875, against a subsequent £3,661,296, but the former amount included £4,202,000 in British Treasury bills. The cash position shows up more strongly to some extent as a result of the non-employment of funds, cash and notes in hand and bankers' balances having risen from £5,236,080 to £6,028,528, and money at call and short notice from £4,887,026 to £6,208,469. Together, these represent 27.8 per cent.

THE EQUITABLE TRUST COMPANY OF NEW YORK.

Head Office:
37 WALL STREET, NEW YORK.
ALVIN W. KRECH, President.

New York Branches:
222 BROADWAY. 355 MADISON AVENUE.

Paris Branch:
23 RUE DE LA PAIX.

Capital, Surplus and Undivided Profits (Feb. 28th, 1921), $28,077,778 at Exchange of $4·00 per £ = £7,019,444

Member of the Federal Reserve System.

Member New York Clearing House Association.

LONDON BRANCH:
3 KING WILLIAM ST., E.C. 4.

THE CANADIAN BANK OF COMMERCE.

PAID-UP CAPITAL - $15,000,000 (£3,082,192)
RESERVE FUND - - $15,000,000 (£3,082,192)

Head Office - TORONTO.

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., *President.*
SIR JOHN AIRD, *Vice-President and General Manager.*
RT. HON. SIR THOMAS WHITE, K.C.M.G., *Vice-President.*
H. V. F. JONES, *Assistant General Manager.*

Over 520 *Branches throughout CANADA and NEWFOUNDLAND.*

FOREIGN BRANCHES:
BRIDGETOWN (Barbados). HAVANA (Cuba). KINGSTON (Jamaica). PORT OF SPAIN (Trinidad). Mexico, MEXICO CITY; St. Pierre et Miquelon, ST. PIERRE; United States, NEW YORK, SAN FRANCISCO, PORTLAND (OREGON), and SEATTLE.

AGENTS IN ALL THE PRINCIPAL CITIES OF THE UNITED STATES.

London Office: 2 LOMBARD ST., E.C. 3
CHARLES CAMBIE, *Manager.* A. R. PHIPPS, *Assistant Manager.*

THE DOMINION BANK.

Head Office: TORONTO, CANADA.

TOTAL ASSETS. $139,263,093.

SIR E. B. OSLER, *President.* A. W. AUSTIN, SIR AUGUSTUS M. NANTON, *Vice-Presidents.*
C. A. BOGERT, *General Manager.*

London Branch—73 CORNHILL, E.C. 3.
S. L. JONES, Manager.

GENERAL BANKING BUSINESS TRANSACTED.
DEALERS IN ALL FOREIGN EXCHANGES.
BILLS OF EXCHANGE, DEBENTURES AND COUPONS PURCHASED OR COLLECTED.
FUNDS TRANSFERRED BY DRAFT OR CABLE.
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National Provincial and Union Bank of England, Ltd.
Union Bank of Scotland, Ltd. R. Raphael & Sons.

SPECIAL CORRESPONDENTS IN
PHILADELPHIA.
SAN FRANCISCO.

Liabilities and Assets of The National Bank of Scotland, Limited.

LIABILITIES. Nov. 1	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920...	1,100,000	1,000,000	2,100,000	4·8	3,798,878	8·6	898,782	2·0	37,057,604	84·2	187,403	·4	44,042,667
1919...	1,000,000	1,000,000	2,000,000	4·8	3,248,797	7·9	1,444,468	3·5	34,398,023	83·1	279,093	·7	41,370,381
1918 ...	1,000,000	900,000	1,900,000	5·2	5,167,678	8·5	1,127,175	3·0	30,748,370	82·8	187,828	·5	37,131,051
1917 ...	1,000,000	800,000	1,800,000	5·2	2,254,494	6·6	1,173,909	3·4	29,060,779	84·3	182,962	·5	34,472,144
1916 ...	1,000,000	700,000	1,700,000	5·9	1,851,085	6·4	1,150,511	3·9	24,001,896	83·1	181,165	·7	28,884,657
1915 ...	1,000,000	800,000	1,800,000	7·2	1,531,533	6·2	763,774	3·1	20,485,728	82·6	204,394	·9	24,785,429
1914 ...	1,000,000	900,000	1,900,000	8·4	1,098,453	4·8	1,210,380	5·4	18,162,755	80·3	257,482	1·1	22,629,070
1913 ...	1,000,000	900,000	1,900,000	8·8	910,084	4·2	1,019,688	4·8	17,473,946	81·2	204,938	1·0	21,508,656
1910 ...	1,000,000	900,000	1,900,000	9·7	836,720	4·2	705,162	3·7	15,969,907	81·2	254,250	1·2	19,666,039

ASSETS. Nov. 1	Cash and Notes in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. &c. £	% *	Total Assets. £
1920...	6,028,528	13·7	6,208,469	14·1	11,554,984	26·2	3,661,296	8·3	15,053,508	34·2	898,782	2·0	637,100	1·5	44,042,667
1919...	5,236,080	12·7	4,887,026	11·8	11,922,405	28·8	5,912,875	14·3	11,333,127	27·4	1,444,468	3·5	634,400	1·5	41,370,381
1918...	4,095,277	11·0	5,355,690	14·4	8,923,913	24·0	9,044,846	24·4	7,961,900	21·5	1,127,175	3·0	622,250	1·7	37,131,051
1917...	4,324,005	12·6	2,699,733	7·8	7,072,247	20·5	10,535,118	30·6	8,068,032	23·4	1,172,909	3·4	599,100	1·7	34,472,144
1916...	3,520,895	12·1	3,383,792	11·7	7,201,751	25·0	6,825,213	23·8	6,201,495	21·5	1,150,511	3·9	601,000	2·0	28,884,657
1915...	2,468,556	9·9	2,997,935	12·1	7,746,123	31·3	2,216,423	9·0	7,988,018	32·2	763,774	3·1	604,600	2·4	24,785,429
1914...	2,036,110	9·0	3,621,697	16·0	3,234,862	14·3	2,297,940	10·1	9,621,481	42·5	1,210,380	5·4	606,600	2·7	22,629,070
1913...	1,823,180	8·5	3,821,837	17·8	3,047,798	14·1	2,971,177	13·8	8,214,326	38·1	1,019,688	4·8	607,650	2·9	21,508,656
1910...	1,494,932	7·5	3,315,914	16·9	3,178,596	16·2	2,034,205	10·3	8,524,830	42·3	705,162	3·7	612,400	3·1	19,666,039

* Per cent. of Total Liabilities or Assets.

of the total assets, and the position therefore shows a considerable degree of liquidity. Investments, at £11,554,984, consisting as to £11,212,427 of British Government securities, show a decrease of £367,421 on the year.

The greater resources at the command of the Bank have naturally had the effect of increasing gross profits, which rose in the year ended November 1 last to £692,805, as compared with the preceding £641,240. Owing to an increase in expenses, however, from £266,575 to £344,695, the net profit declined from £374,665 to £348,110, representing 31.65 per cent. on the paid-up capital, as compared with 37.46 per cent. previously. The distribution on the stock remains at sixteen per cent. less tax, a figure to which it was reduced in 1915 from the eighteen per cent. formerly paid. The special allocations, including the £100,000 credited to paid-up capital stock, amount altogether to £275,000, the other items being £150,000 to investment reserve, £15,000 to officers' pension fund, and £10,000 to reduction of cost of heritable property. There remains a balance of £64,203 to be brought into the current year, representing in reality but a slight decline on the unappropriated profit balance of a year ago after allowance for the capital increase.

Profits of the National Bank of Scotland, Limited.

Yr. to Nov. 1	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax — Earned %	Div. Subject to Tax — Paid %	Div. Subject to Tax — Paid £	Special Allocat'ns £	Carried Forward £
1920...	692,805	344,695	348,110	31·65	16	176,000	275,000*	64,203
1919...	641,240	266,575	374,665	37·46	16	160,000	120,000	167,093
1918...	564,326	234,859	329,467	32·94	16	160,000	160,000	72,429
1917...	517,826	189,229	328,597	32·85	16	160,000	160,000	62,962
1916...	474,062	183,544	290,518	29·05	16	160,000	140,000	54,365
1915...	443,017	172,584	270,433	27·04	16	160,000	135,000	63,847
1914...	416,925	168,949	247,976	24·79	18	180,000	15,000	88,414
1913...	407,439	164,889	242,550	24·25	18	180,000	60,000	35,438

* Including £100,000 credited to paid-up capital stock.

NATIONAL DISCOUNT CO., LTD.

Office: 35 Cornhill, London, E.C. 3.

Capital—

Authorised, in £25 shares	£4,250,000
Subscribed, in 169,333 shares	4,233,325
Paid up, £5 per share	846,665

THE National Discount Company, Limited, which was established in 1856, has long been prominent in the London market, not only as a dealer in bills of exchange, but in the negotiation of bankers' and other commercial bills. It has weathered the trying period of the War with success, and the expansion of its business is shown by the increase in deposits and sundry balances from £15,757,480 on December 31, 1913, to £17,973,136 on December 31, 1918. During the past year bills to the amount of approximately £97,000,000 were discounted, as compared with £82,000,000 in 1919. The paid-up capital remains at £846,665, out of £4,233,325 subscribed, and makes, with the reserve fund of £500,000, a total of £1,346,665. Deposits and sundry balances, at £21,206,143, compare with £22,753,164 in the preceding year, but the contraction in liability that has here taken place is more than offset by the increased liability in respect of bills rediscounted, which stand at £12,174,743, as compared with £9,151,250 previously. The bills discounted on December 31 last (inclusive of some other items of unknown but probably small extent) amounted to £32,406,636. Deducting the rediscounts, we get a net figure of £20,231,893, which compares with £20,672,792 at the end of 1919. On the assets side of the balance sheet, while cash at bankers, at £614,179, is higher by £37,111 than in the preceding year, investments show a marked fall from £1,472,785 to £575,855, but this was due to the employment of the Company's resources along other and more profitable avenues, such as the discounting of bills. At £1,682,161 loans were higher by £143,321, but the item of interest due on investments and loans, with sundry balances, previously £276,093, came nigh to disappearing at £5,895.

The wide margin that persisted during last year, especially after the raising of the Bank rate on April 15, between rates of interest and of discount naturally increased the gross profits of the Company, which at £668,619 compare with £621,970 for 1919. Deducting £507,146 for rebate of interest on bills not matured, we get a true gross profit of £161,473, which shows a slight decline from the £167,032 of the previous twelve months, and is subject to increased expenditure. The dividends, inclusive of a bonus of 2s. per share, less income tax, equal fourteen per cent. for the year, as compared with twelve per cent. in 1919. The only special allocation on this occasion is £10,000 placed to pension fund, as compared with £64,000 devoted in the preceding year to covering investment depreciation—an element which it is satisfactory to learn was this time of a negligible character. The amount carried forward to the current year, at £77,282, shows the substantial increase of £30,000 as compared with the amount brought in.

Profits of the National Discount Company, Limited.

Year to Dec. 31	Net Profit £	Div. Subject to Tax — Earned %	Div. Subject to Tax — Paid %	Div. Subject to Tax — Paid £	Special Allocations £	Carried Forward £
1920 ...	158,565	18·7	14·0*	118,533*	10,000	77,282
1919 ...	165,529	19·5	12·00	101,600	64,000	47,250
1918 ...	148,953	17·6	11·50	97,367	50,000	47,320
1917 ...	105,016	12·4	11·00	93,133	—	45,735
1916 ...	85,731	10·1	10·00	84,666	—	33,852
1915 ...	91,360	10·7	10·00	84,666	—	32,787
1914 ...	93,301	11·0	10·50	88,893	—	26,093
1913 ...	110,032	13·0	10·62	89,911	20,000	21,685

* Including 2% bonus

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AUTHORISED CAPITAL - P. 50,000,000.00

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BRANCHES:
Iloilo, Cebu, Corregidor, Cabanatuan, Aparri, Davao, Bacolod, Legaspi, Lucena, Dagupan, Vigan and Naga.
FOREIGN: New York and Shanghai.

AGENCIES:
41 other agencies throughout the Philippine Islands.

Codes used: Western Union, A B C, 5th Edition, Bentley's, Peterson and Lieber's.

E. W. WILSON, General Manager.
M. S. CONCEPCION, Asst. Gen. Manager.

GORDON GRANT & CO., Ltd.

Established 1872. **Port of Spain, Trinidad, B.W.I.** Incorporated 1911.

Capital (Fully Paid up) - **£500,000** | **Reserve - - - £115,000**

Bankers, Merchants, Estates, Ship & Insurance Agents.

Correspondents in London, New York and Principal Business Centres in Europe, America, Canada and India.

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ESTABLISHED 1886

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Liabilities and Assets of The National Discount Company, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	%	Deposits, &c. £	%	Bills Rediscounted. £	%	Profit Balance. £	%	Total Liabilities. £
1920 ...	846,665	500,000	1,346,665	3·8	21,738,622	61·4	12,174,743	34·4	124,695	·4	35,384,725
1919 ...	846,665	500,000	1,346,665	4·0	23,208,102	68·7	9,151,250	27·1	82,810	·2	33,788,827
1918 ...	846,665	500,000	1,346,665	4·8	18,296,919	65·1	8,388,687	29·9	82,880	·2	28,115,151
1917 ...	846,665	450,000	1,296,665	4·0	21,545,990	66·3	9,597,240	29·5	83,835	·2	32,523,730
1916 ...	846,665	450,000	1,296,665	5·0	17,105,822	66·2	7,361,649	28·5	65,602	·3	25,829,738
1915 ...	846,665	505,000	1,351,665	7·9	11,905,906	70·0	3,705,488	21·7	68,241	·4	17,031,300
1914 ...	846,665	505,000	1,351,665	8·0	13,197,142	78·1	2,285,466	13·5	64,546	·4	16,898,819
1913 ...	846,665	505,000	1,351,665	5·9	15,935,754	69·2	5,656,538	24·6	64,018	·3	23,007,975
1910 ...	846,665	450,000	1,296,665	6·9	14,441,233	76·6	3,051,121	16·2	62,229	·3	18,851,248

ASSETS. Dec. 31	Cash at Bankers. £	%	Loans at Call, Short and Fixed Dates, &c. £	%	Investments, &c. £	%	Bills Discounted, &c. £	%	Bank Premises. £	%	Total Assets. £
1920	614,179	1·7	1,688,055	4·8	575,855	1·6	32,406,636	91·6	100,000	·3	35,384,725
1919	577,067	1·7	1,814,933	5·4	1,472,785	4·3	29,824,042	88·3	100,000	·3	33,788,827
1918	515,616	1·8	1,639,155	5·8	2,368,987	8·4	23,491,363	83·6	100,000	·4	28,115,151
1917	653,424	2·1	2,616,473	8·0	1,153,225	3·6	28,000,608	86·1	100,000	·2	32,523,730
1916	490,045	1·9	2,096,902	8·1	1,038,146	4·0	22,104,645	85·6	100,000	·4	25,829,738
1915	464,144	2·7	388,137	2·3	1,375,907	8·1	14,702,812	86·3	100,000	·6	17,031,300
1914	427,866	2·5	828,592	4·9	1,851,902	11·0	13,690,459	81·0	100,000	·6	16,898,819
1913	503,251	2·2	768,205	3·3	1,851,125	8·0	19,785,394	86·0	100,000	·5	23,007,975
1910	311,670	1·6	1,628,953	8·7	2,631,868	14·0	14,178,757	75·2	100,000	·5	18,851,248

* Per cent. of Total Liabilities or Assets.

NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LTD.

(*See also* **Coutts and Co.**)

Head Office: 15 Bishopsgate, London, E.C. 2.

Capital—
Authorised £60,000,000
Subscribed, in 120,000 £25, 1,972,354 £20, and 200,000 £5 shares 43,447,080
Paid up, £3 10*s.* per £25 share, £4 per £20 share, and £5 shares fully paid 9,309,416
(Uncalled £5,839,611, reserve liability £28,298,053.)

This Bank dates from 1918, but its constituent members—the National Provincial Bank of England, Limited, and the Union of London and Smiths Bank, Limited—trace their history back to 1833 and 1839 respectively. The former, early in its career, showed a marked tendency to expansion—not by the process of absorption elsewhere favoured, but by the opening of its own branches, especially in various industrial centres throughout the Midlands and the North. The interests of the Union Bank of London were largely Metropolitan, though it had a big connection in the Western counties, and in addition maintained important foreign connections. In the course of its development it absorbed a number of private and joint-stock institutions, but its most important move in this direction was reserved for the present century, when, in 1902, it amalgamated with Smith, Payne, and Smiths Bank. By this step a number of important provincial concerns were acquired, which were bound by family ties to the old Lombard Street firm. In the following year Prescott's Bank, Limited, was taken over, and in subsequent years several other provincial banks, until the final amalgamation in 1918 with the National Provincial Bank of England under the title of the National Provincial and Union Bank of England, Limited.

A vigorous expansionist policy was now entered upon. In 1918 the new amalgamation took over as from December 31, 1917, the business of the Bradford District Bank, Limited—a concern with deposits amounting on that date to £9,235,000, and assets of £10,142,000. This move into the woollen centre of West Yorkshire was followed in 1919 by an extension into South Yorkshire, where the Sheffield Banking Company, Limited, was absorbed as from December 31, 1918. On that date the latter institution had paid-up capital and reserves of £720,000 and deposits of nearly seven millions. In 1918 the Bank also established a branch in West Smithfield, by acquiring the premises formerly occupied by Messrs. W. & J. Biggerstaff and Company, a banking firm with a history extending back to 1790. The year 1920 saw carried to completion yet another important affiliation of the National Provincial and Union Bank of England—that with Coutts and Company—an old-established and renowned private bank in London. The fusion of interests took effect as from December 31, 1919, but the management of the private institution remained unchanged, and it presents a separate annual balance sheet. As from the same date, too, the Northamptonshire Union Bank, Limited, with a paid-up capital of £396,000 and assets of over seven millions, was amalgamated with the National Provincial and Union, whose further acquisitions last year included the businesses of Messrs. Shilson, Coode and Company, of St. Austell, and Messrs. Richards and Company, of Llangollen, while 33,333 £10 shares (£4 paid) were purchased in the Bank of British West Africa, Limited, and 10,000 of £10 each, fully paid, in the newly-formed P. & O. Banking Corporation, Limited. These purchases were in pursuance of a policy initiated in the latter part of 1917, when the National Provincial became joint owner of Lloyds Bank (France), Limited, the title of the new concern eventually decided upon being Lloyds and National Provincial Foreign Bank, Limited.

In consequence of the rapid expansion of the Bank's interests in recent years, the paid-up capital has been raised from £5,476,884 on December 31, 1918, to £9,309,416 on December 31, 1920, and the reserve fund from £4,850,000 to £8,878,041. The combined capital and reserve now represent six per cent. of the total assets, as compared with 5.5 per cent. in the previous year and 6.8 per cent. in 1913, the decline since the last-named year being very slight, in view of the rapid growth of liabilities. The entire business of Coutts and Company stands in the Bank's balance sheet at £2,000,000, or £400,000 more than the capital and reserve of Coutts, which aggregate £1,600,000. The difference of £400,000 might be thought to represent goodwill, but according to the Chairman's statement at the last meeting it actually represents value not shown in the assets as scheduled. Deposits, at £278,335,000, equal 92.2 per cent. of the total liabilities, and show an increase of £26,584,000 on the previous year. The effect of this increase is reflected in the large rise in bills discounted (including Treasury bills) from £23,943,000 to £42,752,000, while advances on current and other accounts also increased from £132,773,000 to £140,686,000. Bills discounted and advances together represent 60.8 per cent. of the total assets. While it is possible to exaggerate the part played by banking institutions in helping to increase industrial production, there is no doubt that in so far as its good offices can be effective the National Provincial and Union Bank of England has at least done its share. The aggregate figures of the balance sheet have risen from £273,396,337 to £301,750,997. Both the cash in hand and in transit, £41,954,105, and money at call and short notice, £11,850,947, show substantial increases, and together comprise 17.8 per cent. of the total assets—a proportion only slightly below that of the investments, which at £56,437,173 are equivalent to 18.7 per cent.

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OFFICES THROUGHOUT THE WORLD

No. 38.

THE EASTERN BANK
Limited.

Head Office:
4 Crosby Square, London, E.C. 3.

Authorised Capital - - -	£2,000,000
Called-up Capital - - -	£1,000,000
Reserve Fund - - - -	£266,000
Reserve Liability of Shareholders	£1,000,000

Branches:

BOMBAY	CALCUTTA
COLOMBO	BAGDAD
BASRA	AMARA
BAHREIN	BASRA CITY
HILLAH	MOSUL

Board of Directors:
Chairman:
The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T.
Deputy-Chairman:
J. S. HASKELL, Esq.
Sir JAS. LEIGH-WOOD, K.B.E., C.B., C.M.G., JAMES H. BATTY, Esq., EMILE FRANCQUI, Esq., G. BROMLEY-MARTIN, Esq., MEYER SASSOON, Esq.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.
Deposits are received for one year at 6 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

The ANGLO-EGYPTIAN BANK, LIMITED.

Subscribed Capital	£1,800,000
Paid up - -	£600,000
Reserve Fund -	£720,000

Head Office: No. 27 Clement's Lane, Lombard Street, E.C. 4.

Branches:
ALEXANDRIA, CAIRO, BENI-SOUEF, MANSOURAH, PORT SAID, TANTAH, ZAGAZIG, KHARTOUM, MALTA, GIBRALTAR, JAFFA, JERUSALEM, HAIFA, PORT SUDAN, ASSIUT, OMDURMAN, NAZARETH.

THE Bank transacts every description of Banking Business in Egypt, grants Letters of Credit, and affords facilities to Travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application.

On current accounts Interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

NATIONAL BANK OF EGYPT.

Established under Egyptian Law, June, 1898 with, the exclusive right to issue Notes payable at sight to bearer.

Capital - - £3,000,000
(In 300,000 Shares of £10 each, fully paid)
Reserve Fund - - £2,100,000

Governor—B. HORNSBY, Esq., C.B.E.
Head Office - CAIRO.

London Committee:
E. W. P. FOSTER, C.M.G. HON. ALGERNON MILLS.
SIR CARL MEYER, BART. HON. SIDNEY PEEL, D.S.O., M.P.

London Agency:
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Manager ... ... J. T. BEATY-POWNALL.
Assistant Manager ... A. F. GILLBEE.

Accounts opened with traders and private persons. Circular Notes issued. Every kind of Banking business transacted.
Offices in Egypt at Cairo (Head Office), Alexandria, Assiout, Assuan, Benha, Beni-Suef, Chibin-el-Kom, Damanhur, Fayoum, Guerga, Keneh, Luxor, Mansourah, Minieh, Mousky (Cairo), Port Said, Rod-el-Farag (Cairo), Sohag, Suez, Tantah, and Zagazig; and in the Sudan at Khartoum, Port Soudan, Suakim, and the Sub-Agencies at El-Obeid, Omdurman, Tokar, and Wad-Medani.

Liabilities and Assets of The National Provincial and Union Bank of England, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Paid-up Capital & Reserve, £	Reserve, % •	Acceptances, £	Acceptances, % •	Deposits, &c., £	Deposits, &c., % •	Profit Balance, £	Profit Balance, % •	Total Liabilities. £
1920	9,309,416	8,878,041	18,187,457	6·0	4,404,104	1·5	278,335,366	92·2	824,070	·3	301,750,997§
1919	7,806,864	7,239,041	15,045,905	5·5	5,968,448	2·2	251,751,125	92·1	630,859	·2	273,396,337‡
1918	5,476,884	4,850,000	10,326,884	4·8	3,891,343	1·8	200,864,639	93·2	487,318	·2	215,570,184
1917	3,000,000	2,100,000	5,100,000	4·2	1,982,964	1·7	112,597,468	94·0	182,932	·1	119,863,364
1916	3,000,000	1,800,000	4,800,000	4·4	3,032,252	2·8	100,218,765	92·7	98,221	·1	108,149,238
1915	3,000,000	2,000,000	5,000,000	5·6	1,810,301	2·1	81,589,601	92·2	96,777	·1	88,496,679
1914	3,000,000	2,000,000	5,000,000	6·2	683,164	·9	74,916,018	92·8	93,027	·1	80,692,209
1913	3,000,000	2,000,000	5,000,000	6·8	824,240	1·1	67,882,423	92·0	91,985	·1	73,798,648
1910	3,000,000	2,150,000	5,150,000	7·2	1,114,643	1·6	65,142,782	91·1	96,379	·1	71,503,804

ASSETS. Dec. 31	Cash in Hand, &c., £	Cash in Hand, &c., % •	Money at Call and at Short Notice, £	Money at Call and at Short Notice, % •	Investments, £	Investments, % •	Bills Discounted, £	Bills Discounted, % •	Advances, £	Advances, % •	Liab. of Cust. for Acceptances, £	Liab. of Cust. for Acceptances, % •	Bank Premises, &c., £	Bank Premises, &c., % •	Total Assets. £
1920 ...	41,954,105	13·9	11,850,947	3·9	56,437,173	18·7	42,752,672	14·2	140,686,760	46·6	4,404,104	1·5	3,665,236	1·2	301,750,997§
1919 ...	35,685,632	13·1	10,997,504	4·0	53,531,285	19·6	23,913,769	8·8	140,361,887	51·3	5,968,448	2·2	2,907,812	1·0	273,396,337‡
1918 ...	33,576,002	15·6	13,221,591	6·1	44,925,251	20·9	39,060,649	18·1	78,298,859	36·3	3,891,343	1·8	2,596,489	1·2	215,570,184
1917 ...	17,294,994	14·4	8,100,946	6·8	42,402,960	35·4	49,256,957†	41·1	—	—	1,982,964	1·7	824,543	·6	119,863,364
1916 ...	16,450,067	15·2	5,493,340	5·1	40,437,646	37·4	41,892,722†	38·7	—	—	3,032,252	2·8	843,211	·8	108,149,238
1915 ...	11,365,362	12·8	4,653,895	5·2	30,974,115	35·0	38,832,289†‖	43·9	—	—	1,810,301	2·1	860,717	1·0	88,496,679
1914 ...	16,125,106	19·9	3,449,059	4·3	14,361,027	17·8	45,238,795†	56·1	—	—	683,164	·9	835,058	1·0	80,692,209
1913 ...	10,816,205	14·6	7,400,188	10·0	12,975,849	17·6	41,018,260†	55·6	—	—	824,240	1·1	763,906	1·1	73,798,648
1910 ...	9,891,941	13·8	4,666,112	6·5	16,681,976	23·3	38,509,802†	53·9	—	—	1,114,644	1·6	639,329	·9	71,503,804

• Per cent. of Total Liabilities or Assets. † Including Loans. ‡ Includes figures of Sheffield Banking Company, Limited.
§ Includes figures of Northamptonshire Union Bank, Limited.

Liabilities and Assets of The Sheffield Banking Company, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Surplus Fund. £	Total Capital and Reserve, £	Reserve, % •	Acceptances, £	Acceptances, % •	Deposits, &c., £	Deposits, &c., % •	Profit Balance, £	Profit Balance, % •	Total Liabilities. £
1918	404,075	315,925	720,000	9·3	—	—	6,930,385	89·3	26,537	·4	7,676,922
1917	404,075	305,925	710,000	10·5	—	—	6,034,190	89·2	23,604	·3	6,767,794
1916	404,075	295,925	700,000	11·0	—	—	5,630,997	88·7	17,408	·3	6,348,405
1915	404,075	295,925	700,000	14·0	—	—	4,293,553	85·8	10,148	·2	5,003,701
1914	404,075	295,925	700,000	15·3	48,000	1·0	3,816,566	83·3	16,191	·4	4,580,757
1913	404,075	295,925	700,000	15·3	44,000	1·0	3,680,380	82·3	49,969	1·1	4,474,349
1910	404,075	300,000	704,075	17·1	69,500	1·7	3,312,414	80·2	41,415	1·0	4,127,404

ASSETS. Dec. 31	Cash in Hand, &c., £	Cash in Hand, &c., % •	Investments, £	Investments, % •	Bills Discounted, £	Bills Discounted, % •	Loans and Advances, £	Loans and Advances, % •	Liab. of Cust. for Acceptances, £	Liab. of Cust. for Acceptances, % •	Bank Premises and other Assets, £	Bank Premises and other Assets, % •	Total Assets. £
1918 ...	2,966,029	38·6	1,164,500	15·2	1,387,797	18·1	2,083,596	27·1	—	—	75,000	1·0	7,676,922
1917 ...	2,089,929	30·9	2,574,000	38·0	123,588	1·8	1,903,577	28·1	—	—	76,700	1·2	6,767,794
1916 ...	2,198,235	34·6	2,543,000	40·1	192,287	3·0	1,335,883	21·1	—	—	79,000	1·2	6,348,405
1915 ...	1,267,882	25·3	1,465,500	29·3	223,979	4·5	1,969,340	39·4	—	—	77,000	1·5	5,003,701
1914 ...	1,174,905	25·7	785,210	17·2	199,531	4·3	2,301,611	50·2	48,000	1·0	71,500	1·6	4,580,757
1913 ...	1,289,235	28·8	514,050	11·5	413,487	9·2	2,148,177	48·1	44,000	1·0	65,400	1·4	4,474,349
1910 ...	1,100,244	26·6	546,407	13·2	257,063	6·2	2,086,238	50·6	69,500	1·7	67,962	1·7	4,127,404

• Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Northamptonshire Union Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Guarantee Fund. £	Investment Reserve. £	Total Capital and Reserves, £	Reserves, % •	Notes in Circulation, £	Notes in Circulation, % •	Deposits, &c., £	Deposits, &c., % •	Profit Balance, £	Profit Balance, % •	Total Liabilities. £
1919... ...	396,000	293,000	205,000	894,000	12·4	1,820	—	6,240,601	86·8	54,804	·8	7,191,225
1918... ...	396,000	264,000	205,000	865,000	13·3	1,820	—	5,607,334	85·9	54,057	·8	6,528,211
1917... ...	396,000	254,000	195,000	845,000	14·9	1,840	—	4,757,885	84·1	53,967	1·0	5,658,692
1916... ...	396,000	254,000	175,000	825,000	16·2	1,840	—	4,195,551	82·7	54,029	1·1	5,076,420
1915... ...	396,000	304,000	100,000	800,000	17·0	1,840	—	3,840,842	81·7	60,644	1·3	4,703,326
1914... ...	396,000	404,000	—	800,000	18·6	1,856	—	3,451,354	80·3	45,007	1·1	4,298,811
1913... ...	396,000	404,000	—	800,000	20·0	1,855	—	3,160,546	79·0	36,034	1·0	3,998,435
1910... ...	396,000	384,000	—	780,000	10·7	1,884	·1	2,957,816	78·4	30,359	·8	3,770,059

ASSETS. Dec. 31	Cash in Hand, &c., £	Cash in Hand, &c., % •	Investments, £	Investments, % •	Bills of Exchange, £	Bills of Exchange, % •	Loans and Advances, £	Loans and Advances, % •	Bank Premises, £	Bank Premises, % •	Total Assets. £
1919	757,357	10·5	1,763,401	24·5	611,217	8·5	4,027,522	56·0	31,728	·5	7,191,225
1918	658,954	10·1	3,209,409	49·2	176,335	2·7	2,447,135	37·5	36,378	·5	6,528,211
1917	640,906	11·3	2,741,633	48·5	189,133	3·3	2,050,382	36·2	36,638	·7	5,658,692
1916	538,722	10·6	2,549,104	50·2	131,442	2·6	1,820,190	35·9	36,962	·7	5,076,420
1915	476,246	10·1	2,131,271	45·3	175,246	3·8	1,884,232	40·0	36,331	·8	4,703,326
1914	468,970	10·9	1,207,202	28·1	442,495	10·3	2,144,309	49·9	35,835	·8	4,298,811
1913	336,339	8·4	1,075,219	27·0	529,078	8·2	2,222,382	55·5	35,417	·8	3,998,435
1910	278,470	7·4	1,176,499	31·2	396,305	7·2	1,985,711	52·7	33,074	·9	3,770,059

• Per cent. of Total Liabilities or Assets.

The net profits for the year, £2,762,514, show an increase of £497,030 on those of 1919, largely on account of the greater profit-earning resources at disposal. Calculated on the capital at the end of each year, they represent a rise from 29.02 to 29.67 per cent. The rate of dividend paid has been kept unchanged at sixteen per cent., less income tax. Substantial provision has been made for future contingencies by the placing of £350,000 to contingencies account, which had been strengthened in the previous year by the addition of £150,000. Other allocations consist, as on the last occasion, of £500,000 to reserve fund and £350,000 to pension fund, leaving a balance to be carried forward of no less than £824,070, as compared with £630,859 brought in.

Profits of the National Provincial and Union Bank of England, Limited.

Year to Dec. 31	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid— %	Paid— £	Special Allocations £	Carried Forward £
1920 ...	2,762,514	29·67‡	16§	1,369,302	1,200,000	824,070
1919 ...	2,265,484	29·02‡	16†	1,121,942	1,000,000	630,859
1918 ...	1,821,383	33·25	16	876,301	850,000	487,318*
1917 ...	1,214,711	40·49	16	480,000	650,000	182,932
1916 ...	1,179,444	39·31	16	480,000	698,000	98,221
1915 ...	931,586	31·05	16	480,000	447,836	96,777
1914 ...	681,042	22·70	16	480,000	200,000	93,027
1913 ...	870,174	29·00	18	540,000	330,000	91,985

* Includes £209,304 undivided profit of 1917 of Union of London and Smiths Bank brought into account.
† 8% on £6,217,416 and 8% on £7,806,864—the capital at the end of the year. ‡ Calculated on capital at end of year.
§ 8% on £7,806,864 and 8% on £9,309,416—the capital at the end of the year.

Profits of the Sheffield Banking Company, Limited.

Year ended Dec. 31	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid— %	Paid— £	Special Allocations £	Carried Forward £
1918	85,085	21·05	16	64,652	17,500	26,537
1917	84,848	20·91	16	64,652	14,000	23,604
1916	75,412	18·46	16	64,652	3,500	17,408
1915	72,569	17·96	15	60,611	18,000	10,149
1914	70,241	17·38	15	60,611	3,000	16,191
1913	72,181	17·86	15	60,611	9,925	9,561

Profits of the Northamptonshire Union Bank, Limited.

Year ended Dec. 31	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid— %	Paid— £	Special Allocations £	Carried Forward £
1919	83,747	21·14	15·00	59,400	25,000	10,404
1918	74,090	18·71	13·64	54,000	26,000	11,057
1917	73,937	18·67	13·64	54,000	10,000	16,966
1916	72,385	18·28	13·64	54,000	20,000	7,029
1915	69,637	17·58	13·64	54,000	25,000	8,644
1914	72,610	18·33	14·18	56,149	—	18,007
1913	64,032	16·17	12·31	48,735	15,000	1,546

NORTHAMPTONSHIRE UNION BANK.

(*See* National Provincial and Union Bank of England, Limited.)

Hongkong and Shanghai Banking Corporation.

CAPITAL, ALL PAID UP $15,000,000
SILVER RESERVE $21,500,000
STERLING RESERVE, held in London ... £2,500,000
RESERVE LIABILITY OF PROPRIETORS $15,000,000

Head Office - - HONGKONG.
Chief Manager: A. G. STEPHEN.

BRANCHES AND AGENCIES:
Amoy, Bangkok, Batavia, Bombay, Calcutta, Canton, Colombo, Dalny, Foochow, Hankow, Harbin, Hongkew (Shanghai), Ipoh, Johore, Kobe (Hiogo), Kuala Lumpur, London, Lyons, Malacca, Manila, Nagasaki, New York, Peking, Penang, Rangoon, Saigon, San Francisco, Shanghai, Singapore, Sourabaya, Tientsin, Tsingtao, Vladivostok, Yloilo, Yokohama.

COMMITTEE IN LONDON:
Sir Charles Addis, *Chairman*.
Hon. Cecil Baring. C. A. Campbell.
David Landale. Sir George Sutherland.
A. M. Townsend. C. F. Whigham.

MANAGERS IN LONDON:
SIR CHARLES ADDIS. H. D. C. JONES.
Sub-Manager, John M cLennan. Accountant, A. Moncur.

9 GRACECHURCH STREET, LONDON, E.C.

THE DAI-ICHI GINKO, LIMITED
(FORMERLY THE FIRST NATIONAL BANK.)
Established 1873.

SUBSCRIBED CAPITAL - Yen 50,000,000.00
PAID-UP CAPITAL - - Yen 29,525,000.00
RESERVE FUND - - Yen 28,000,000.00

Y. SASAKI, President.
K. ISHII, Managing Director.
Y. NOGUCHI, Managing Director.
S. SUGITA, Managing Director.

Head Office:
No. 1 KABUTO-CHO, NIHONBASHI-KU, TOKYO.
T. AKASHI, Manager.

City Branches:
Isecho, Shin-Osakacho, Fukagawa, Marunouchi.

Home Branches:
Yokohama, Nagoya, Yokkaichi, Kyoto, Nishijin (Kyoto), Gojo (Kyoto), Fushimi, Osaka, Nishiku Osaka, Minamiku Osaka, Honmachi (Osaka), Kobe, Hyogo, Hiroshima, Shimonoseki, Chotu, Moji, Fukuoka, Kurume, Kumamoto, Hakodate, Otaru, Sapporo, Muroran.

Branches in Corea:
Seoul, Fusan.

London and New York Bankers:

LONDON.	NEW YORK.
London County Westminster & Parr's Bank, Ltd.	The National City Bank of New York.
The London Joint City & Midland Bank, Ltd.	The National Bank of Commerce in New York.
The Yokohama Specie Bank, Ltd.	The Yokohama Specie Bank, Ltd.

Correspondence:
The Bank, in addition to its own Branches, has numerous Agencies or Correspondents in the principal Cities and Towns at Home and Abroad.

The Bank of Chosen

Subscribed Capital - Yen 80,000,000
Paid up - - - Yen 50,000,000

Governor: S. Minobe, Esq.
Deputy Governor: T. Kano, Esq.
Directors: S. Ohta, Esq., S. Katayama, Esq., S. Yoshida, Esq., S. Kakei, Esq.

HEAD OFFICE - - - SEOUL, CHOSEN
FOREIGN DEPARTMENT - TOKYO, JAPAN

Principal Branches:
CHOSEN—Chemulpo, Pyengyang, Wonsan, Fusan.
MANCHURIA—Antung, Mukden, Dairen, Yinkow (Newchang), Changchun, Harbin.
CHINA—Shanghai, Tsingtao, Tientsin, Tsinan.
JAPAN—Tokyo, Osaka, Kobe, Shimonoseki.
EASTERN SIBERIA—Vladivostock.
NEW YORK AGENCY—City Investing Building, 165 Broadway, New York City.

Every Description of General Banking and Exchange Business Transacted.

London Bankers:
LONDON JOINT CITY & MIDLAND BANK LTD.

London Representative—Mr. T. MUKAI, Gresham House, 24 OLD BROAD STREET, E.C.2.

THE
Sumitomo Bank, Limited,
OSAKA, JAPAN.
ESTABLISHED 1912.
(Successors to the Sumitomo Bank.)

Capital Subscribed Yen 70,000,000.00
Paid-up Capital - Yen 40,000,000.00
Reserve Fund - Yen 18,976,000.00
Deposits (31 Dec., 1920) Yen 351,000,000.00

BARON K. SUMITOMO, President.
K. YUKAWA, Esq., Managing Director.
T. KANOH, Esq., ,, ,,
S. YOSHIDA, Esq., ,, ,,
N. YATSUSHIRO, Esq., ,, ,,

Home Branches.—Tokyo, Yokohama, Nagoya, Kyoto, Kobe, Hyogo, Onomichi, Niihama, Kure, Hiroshima, Yanai, Shimonoseki, Moji, Kokura, Wakamatsu, Hakata and Kurume.

Foreign Branches.—Shanghai, Hankow, Bombay, London, New York, San Francisco, Seattle, and Honolulu.

London Bankers.—Lloyds Bank Limited.

Correspondents in all important places at Home and Abroad.

The Bank buys, sells and receives for collection Drafts and Telegraphic Transfers; issues **Commercial and Travellers' Letters of Credit** available in all important parts of the world, besides doing general Banking Business.

LONDON OFFICE:
87 GRACECHURCH STREET, E.C.3.
K. OHDAIRA, Manager.

NORTHERN BANKING COMPANY, LTD.

Head Office: Belfast.

Capital—

Authorised, in 275,000 "A" and 75,000 "B" £10 shares £3,500,000
Subscribed, 225,000 "A" and 75,000 "B" shares 3,000,000
Paid up, £2 per share 600,000
(Callable £2, and reserved liability £6, per share.)

THIS Irish Bank, which was established in 1824, continues to maintain its independence, though the two other banks with their head offices in Belfast—namely, the Belfast Banking Company and the Ulster Bank—have both been purchased by London institutions, the former by the London Joint City and Midland Bank and the latter by the London County Westminster and Parr's. It has an extensive connection all over the Ulster counties, also branches in Dublin and elsewhere in Leinster. In 1918, in order to cope with the requirements of its customers, it established a foreign department, which has been attended with marked success. The Bank's London agents are Lloyds Bank and Barclays, the numerous connections of which are available for the customers of the Irish institution. The constitution of the Northern Banking Company presents some unusual features, the directors being all managing directors, who devote their whole time to the banking business and are assisted by a committee of shareholders appointed at each annual meeting. The accounts of the Bank are made up annually to August 31, and on the date of the last balance sheet the paid-up capital stood at £600,000 and the reserve fund at £480,000, representing increases of £100,000 and £80,000 respectively on the corresponding figures of the previous year. An increase of the nominal capital by 100,000 shares of £10 each was first authorised in July 1919 and subsequently confirmed, since which 50,000 of the shares have been issued (£2 paid) and taken up at £5 per share. It may be noted that 3,060 new shares were allotted to 110 members of the Bank's staff on terms similar to those offered to existing shareholders. The facilities for foreign exchange and other foreign business to which we have referred above have been increased by the participation of the Northern Banking Company in the formation of the British Overseas Bank, Limited.

According to the balance sheet, the notes in circulation on August 31 last showed a rise, at £2,572,945, of slightly over £100,000 on the preceding year. The deposit and credit accounts, at £16,832,415, registered an advance of £3,818,090 on 1919, representing the largest increase in any single year in the Bank's history, and no doubt accounted for in part by the growth, as shown in our table, of bills discounted, loans and advances, from £6,576,578 to £11,965,582. In respect of guarantees, endorsements, and confirmed credits, a new item of £842,766 appears in the account. The miscellaneous figure of £88,627 comprises various funds relating to the Bank's officials and their dependants.

On the assets side of the balance sheet, cash in hand and bank balances, £3,580,083, shows a slight increase on the preceding year. Investments are lower by a million and a-half, at £4,915,426, though it may be noted that the special reserve fund of £185,000 for depreciation has been applied (together with a further £75,000) to the purpose for which it was formed, namely, for writing them down. This fund, therefore, disappears from the balance sheet. The rise in the bank premises account, from £130,000 to £160,000, is due to additions during the year to the number of branches. The balance-sheet total, at £21,463,858, is £4,767,818 in excess of that for the preceding year.

The increased resources available have naturally resulted, despite increased working expenses, in enhanced net profits, which amounted for 1920 to £201,603, as compared with £115,151 in the preceding year. The proportion of net profits earned to paid-up capital reached the high figure of 33.6 per cent., as compared with twenty-three per cent. in 1919; and dividends of seventeen and a-half per cent. on the "A" shares and eight and three-quarters per cent. on the "B" shares, also £3,226 for interest on new shares, amounting in all to £86,351, less income tax £24,935, have been paid. Special allocations made comprise the £75,000 for writing down investments, £5,781 for the reduction of bank buildings account, and £29,904 bonus to the Bank's officials. The special allocations for 1919 totalled only £30,921, but in spite of this great increase the sum carried forward to the current financial year, £47,105, was nearly £5,000 more than the previous undivided profit balance.

Profits of the Northern Banking Company, Limited.

Year ended Aug. 31	Net Profit	Dividend Subject to Tax—Earned on Total Capital	Dividend Subject to Tax—Paid Total Capital	Dividend Subject to Tax—Paid "A" Sh.	Dividend Subject to Tax—Paid "B" Sh.	Amt.	Special Allocat'ns	Carried Forward
	£	%	%	%	%	£	£	£
1920 ...	201,603	33·60	13·85	17·50	8·75	86,352†	110,685	47,105
1919 ...	115,151	23·03	13·81	16·25	8·12	69,062	30,921	42,538
1918 ...	106,751	21·35	12·04	14·16	7·08	60,208	43,108	27,370
1917 ...	95,235	19·04	11·05	13·00	6·50	55,250	36,318	23,935
1916 ...	86,642	17·32	11·05	13·00	6·50	55,250	31,230	20,268
1915 ...	83,891	16·78	11·05	13·00	6·50	55,250	26,298	20,106
1914 ...	78,043	15·72	10·85	12·77	6·38	54,255	20,677	17,763
1913 ...	73,732	14·74	10·83	12·74	6·37	54,159	21,253	14,052

† Including £3,225 for interest on new shares.

NORTH OF SCOTLAND AND TOWN AND COUNTY BANK, LTD.

Head Office: Aberdeen.

Capital—

Authorised and subscribed, in 163,000 £20 shares... £3,260,000
Paid up, £4 per share 652,000
(Callable £4, and reserve liability £12, per share.

THE North of Scotland Bank, which was formed in Aberdeen in 1836, amalgamated in May 1908 with the Town and County Bank, Ltd., also of Aberdeen and dating from 1825. At the time of the fusion the

Liabilities and Assets of the Northern Banking Company, Limited.

LIABILITIES.†

Aug. 31	Capital Paid up.	Reserve Fund.	Investment Reserve.	Paid-up Capital and Reserves.		Notes in Circulation.		Deposits, &c.		Endorsements, Guarantees, &c.		Miscellaneous.		Profit Balance.	
	£	£	£	£	% *	£	% *	£	% *	£	% *	£	% *	£	% *
1920 ...	600,000	480,000	—	1,080,000	5·1	2,572,945	12·0	16,832,415	78·4	842,766	3·9	88,627	·4	47,105	·2
1919 ...	500,000	400,000	185,000	1,085,000	6·5	2,472,011	14·8	13,014,325	77·9	—	—	82,165	·5	42,538	·3
1918 ...	500,000	300,000	185,000	985,000	7·3	2,043,604	15·1	10,361,605	76·8	—	—	79,471	·6	27,369	·2
1917 ...	500,000	260,000	185,000	945,000	9·4	1,355,851	13·6	7,610,176	76·0	—	—	75,453	·8	23,935	·2
1916 ...	500,000	230,000	185,000	915,000	10·1	1,258,942	13·8	6,875,169	75·2	—	—	73,585	·8	20,268	·1
1915 ...	500,000	230,000	155,000	885,000	10·7	926,826	11·2	6,418,633	77·1	—	—	71,808	·8	20,106	·2
1914 ...	500,000	230,000	130,000	860,000	11·4	828,394	10·8	5,811,803	76·6	—	—	70,206	·9	17,763	·2
1913 ...	500,000	230,000	110,000	840,000	11·4	737,023	10·0	5,687,238	77·5	—	—	65,995	·9	14,052	·2
1910 ...	500,000	275,000	30,000	805,000	12·7	634,944	9·9	4,834,552	76·1	—	—	59,575	·9	28,392	·4

ASSETS.

Aug. 31	Cash in Hand, &c.		Investments.		Bills, Loans and Advances.		Endorsements, &c.		Bank Premises Account.		Total Assets.
	£	% *	£	% *	£	% *	£	% *	£	% *	£
1920 ...	3,580,083	16·7	4,915,427	22·9	11,965,582	55·8	842,766	3·9	160,000	·7	21,463,858
1919 ...	3,570,428	21·4	6,419,033	38·4	6,576,578	39·4	—	—	130,000	·8	16,696,039
1918 ...	3,039,796	22·5	4,620,493	34·2	5,716,760	42·4	—	—	120,000	·9	13,497,049
1917 ...	2,386,099	23·9	3,258,326	32·5	4,253,990	42·5	—	—	112,000	1·1	10,010,415
1916 ...	1,847,653	20·2	3,283,573	35·9	3,896,738	42·6	—	—	115,000	1·3	9,142,964
1915 ...	1,431,637	17·2	3,421,139	41·1	3,354,607	40·3	—	—	115,000	1·4	8,322,373
1914 ...	1,666,413	21·9	2,036,586	26·9	3,770,167	49·7	—	—	115,000	1·5	7,588,166
1913 ...	1,233,890	16·8	2,047,968	27·9	3,949,450	53·8	—	—	113,000	1·5	7,344,308
1910 ...	1,021,963	16·1	1,750,186	27·6	3,477,314	54·7	—	—	103,000	1·6	6,352,463

* Per cent. of Total Liabilities or Assets.

† For Total Liabilities see Total Assets.

The IMPERIAL BANK OF PERSIA

25 Abchurch Lane, London, E.C. 4.

Incorporated by Royal Charter, 1889.

Capital, fully paid up	**£650,000**
Reserve	**£280,000**
Reserve Liability of Proprietors	**£1,000,000**

Bankers:
Messrs. Glyn, Mills, Currie & Co.
London County Westminster and Parr's Bank Ltd.
Lloyds Bank Ltd.

OFFICES AND AGENCIES:

Ahwaz, Bagdad, Birjand, Bombay, Bunder Abbas, Bushire, Busreh, Hamadan, Ispahan, Kazvin, Kerman, Kermanshah, Meshed, Mohammerah, Nasratabad (Seistan), Resht, Shiraz, Sultanabad, Tabriz, Teheran (Chief Office), Yezd.

This Bank is prepared to transact Banking Business of every description in and connected with Persia and Mesopotamia; and in London grants Drafts, Telegraphic Transfers and Letters of Credit, and negotiates and collects Bills on Persia and the Near East.

THE
RUSSO-ASIATIC BANK

Incorporated by Russian Government Decree.

CAPITAL (Authorised)	Rbls. 65,000,000
CAPITAL (Subscribed)	Rbls. 55,000,000
CAPITAL (Subscribed by the Chinese Government)	Kouping Taels 3,500,000
RESERVE FUNDS	Rbls. 26,961,423
RESERVE FUNDS	Kouping Taels 1,767,033

Head Office at Petrograd.

Branches at all the principal Towns in Russia, Manchuria, Siberia, Central Asia, and China; also at Paris, Bombay, Hong Kong, Yokohama and Kobe. The number and geographical position of the Bank's branches, &c., place it in a unique position for financing British trade with all parts of the World. Interest (paid quarterly) allowed on Fixed Deposit and on Current Accounts at Rates to be learnt on application. Banking and Foreign Exchange business transacted of every description.

LONDON OFFICE:
62 Old Broad Street, E.C. 2.

IONIAN BANK, LIMITED.

LONDON. GREECE. EGYPT.

The only British Bank or Financial House in Greece, originally established in London and the Ionian Islands in 1839, subsequently incorporated by Royal Charter in 1844 and registered under the Companies Acts in 1883. The Bank now has branches and correspondents throughout Old Greece, the Ionian Islands, Macedonia, and the Islands recently rejoined to Greece; and is therefore able to offer special facilities to all British and Allied firms having business with that country.

In Egypt the Bank's principal office is at Alexandria; but it also has branches at Cairo and throughout the cotton-growing districts, and specialises in all operations connected with the moving of the cotton crop.

For information as to terms of business, &c., apply to the

HEAD OFFICE: BASILDON HOUSE, MOORGATE STREET, LONDON, E.C. 2.

Authorised Capital, £600,000. Paid-up Capital, £485,580. Reserve, £130,000.

ANGLO-BALTIC AND MEDITERRANEAN BANK, Ltd.

Subscribed Capital - £1,002,500. Paid up - £494,000.

Chairman - - - Sir THOMAS WILTON.

By reason of the fact that the Bank numbers amongst its shareholders numerous Banking and Commercial institutions abroad, it is exceptionally well equipped for the care of Overseas Banking business of all descriptions, including transactions for shipowners.

Explanatory Booklet on Application. P. V. SHERWIN, *Managing Director.*

92 CANNON STREET, LONDON, E.C. 4.

Telegrams—"Angabalti, Cannon, London."
Cables—"Angabalti, London."
Telephones—City 7338-9.
Foreign Exchange—City 6194.

Liabilities and Assets of The North of Scotland and Town and County Bank, Limited

LIABILITIES. Sept. 30	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920	652,000	652,000	1,304,000	4·7	2,644,222	9·5	23,719,742	85·1	204,593	·7	27,872,557
1919	652,000	600,000	1,252,000	5·0	2,513,741	10·0	21,099,312	84·1	223,269	·9	25,088,322
1918	652,000	500,000	1,152,000	5·5	2,114,062	10·0	17,527,339	83·3	254,624	1·2	21,048,025
1917	652,000	452,500	1,104,500	6·7	1,546,002	9·4	13,594,161	82·5	230,884	1·4	16,475,547
1916	652,000	452,500	1,104,500	7·7	1,354,308	9·4	11,809,448	81·7	182,528	1·2	14,450,784
1915	652,000	452,500	1,104,500	9·2	1,054,560	8·8	9,617,862	80·8	129,156	1·1	11,906,078
1914	652,000	452,500	1,104,500	10·1	903,277	8·3	8,771,273	80·7	92,826	·9	10,871,876
1913	652,000	435,000	1,087,000	10·4	791,178	7·5	8,504,752	81·3	84,161	·8	10,467,091
1910	652,000	387,500	1,039,500	11·4	749,368	8·2	7,260,912	79·6	74,788	·8	9,124,568

ASSETS. Sept. 30	Cash in Hand, &c. £	% *	Investments. £	% *	Loans to London Bankers. £	% *	Bills Discounted, Advances, &c. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1920...	4,032,149	14·5	10,227,769	36·7	—	—	13,385,936	48·0	226,703	·8	27,872,557
1919...	3,431,551	13·7	10,408,138	41·5	—	—	11,001,213	43·8	247,390	1·0	25,088,322
1918...	3,400,181	16·1	8,261,543	39·3	—	—	9,121,479	43·3	264,822	1·3	21,048,025
1917...	2,602,003	15·8	4,767,669	29·0	429,375	2·6	8,422,193	51·1	254,307	1·5	16,475,547
1916...	2,282,059	15·8	3,718,810	25·8	552,342	3·8	7,641,260	52·9	256,313	1·7	14,450,784
1915...	1,664,056	14·0	3,758,611	31·6	805,588	6·7	5,420,957	45·6	256,866	2·1	11,906,078
1914...	1,451,213	13·3	1,951,542	18·0	1,886,790	17·3	5,323,849	49·0	258,482	2·4	10,871,876
1913...	1,246,251	11·9	1,817,257	17·4	2,019,000	19·3	5,120,847	48·9	263,736	2·5	10,467,091
1910...	1,152,881	12·7	1,788,269	19·6	903,227	9·9	5,003,917	54·8	276,274	3·0	9,124,568

* Per cent. of Total Liabilities or Assets.

deposits of the two Banks amounted to £7,315,000. During the next three years there was comparatively small variation, and in 1911 the amount was £7,252,000; but in the further three years to 1914 it increased to £8,670,000, and thereafter the business of the combined Bank grew steadily. On the date of the last balance sheet—September 30, 1920—the subscribed capital was £3,260,000, of which £652,000 had been paid. From 1910 onward the reserve fund has received a number of substantial accessions, and in 1920 it was increased to the amount of the paid-up capital, the two combined now representing 4.7 per cent. of the total liabilities. As with a number of other Scottish banks, the North of Scotland and Town and County possesses the right of note issue, and the circulation on the date of the last balance sheet was £2,644,222, as compared with £2,513,741 in the previous year. The inflation of the War period is a factor reflected in the big increase in deposits and credit balances, from £8,670,580 in 1914 to £23,125,584 last year, a rise of 167 per cent.

At £4,032,149, the cash assets in the latest statement disclose an increase of 17½ per cent. on the previous year and represent the substantial proportion of 14.5 per cent. of total liabilities, following 13.7. If to this we add the sum of £4,700,000 in Treasury bills, we get a total of over £8,700,000, a very substantial provision against all possible demands. Investments are down from £10,408,138 to £10,227,769, but all depreciation has been fully provided for. Temporary loans on securities have risen from £1,956,033 to £2,402,135. The bank buildings account, at £156,981, is practically unchanged save for a reduction of £5,000 effected from the profits of 1919.

The net profit for the year, at £152,645, is about £28,000 less than that for 1919, which was the highest ever recorded, the decline being due to increased taxation, higher salaries, depreciation of investments and generally increased working costs. Despite the fall, the amount earned represented the satisfactory ratio of 23.41 per cent. on the paid-up capital, and the dividend was maintained at the previous year's figure of sixteen per cent., less income tax, to which it had been raised from the 14.75 per cent. of 1918. The dividend and tax absorb £104,320, £5,000 each is again written off the heritable property account and bank buildings account, the other allocations being £5,000 to officers' superannuation fund and £50,000 to depreciation on investments. The carry-forward, at £71,785, is less by £16,675 than the amount brought into the account.

Profits of the North of Scotland and Town and County Bank, Limited.

Year ended Sept. 30	Net Profit £	Div. Subject to Tax Earned %	Div. Subject to Tax Paid %	Div. Subject to Tax Paid £	Special Allocat'ns £	Carried Forward £
1920	152,645	23·41	16·00	104,320	65,000	71,785
1919	180,764	27·72	16·00	104,320	67,000	88,460
1918	159,259	24·43	14·75	96,170	110,000	79,016
1917	126,799	19·45	13·50	88,020	47,500	125,926
1916	122,648	18·81	12·50	81,500	—	134,647
1915	126,627	19·42	13·07	85,204	—	93,499
1914	122,877	18·14	13·60	88,713	—	52,076
1913	114,470	17·55	13·27	86,548	25,500	17,912

PROVINCIAL BANK OF IRELAND, LTD.

Head Office: 8 Throgmorton Avenue, London, E.C. 2.

Capital—

Authorised and subscribed, in 40,000 shares of £100 each, and 4,000 of £20 ... ... £4,080,000

Paid up, £12 10*s*. per £100 share, and £10 per £20 share 540,000

(On £100 shares, £37 10*s*. callable and £50 reserve liability; on £20 shares, reserve liability £10.)

LIKE a large number of banking institutions in the United Kingdom, this Bank dates from the 'twenties of last century, having been established in 1825, with a head office in London. Its business, as its name suggests, is, however, transacted almost wholly in Ireland (where its half-yearly, as distinct from the annual, meetings are held), especially in Leinster and Munster, its English business quarters being confined to the office at 8 Throgmorton Avenue. The subscribed capital is £4,080,000, divided into 40,000 shares of £100 each, £12 10*s*. paid, and 4,000 shares of £20 each, £10 paid. The amount paid up on December 31, 1920, was £540,000, which, with the reserve fund of £450,000, equals 4.9 per cent. of the total liabilities. The Bank has the right of note issue, and during recent years the circulation has been expanding, although on December 31 it had declined to £2,058,690, as against £2,305,557 in the preceding year. Business grew rapidly during the War period, deposits rising from £6,752,422 in 1914 to £11,816,700 in 1918; but the expansion has been even more rapid since the conclusion of hostilities, and on the date of the last balance sheet deposits reached £17,110,155. The post-War increase is not unconnected with the rise in bills and advances, from £6,121,281 to £9,696,661. Advances are on this occasion shown separately in the accounts, and accordingly form the subject of an independent item in our table. The liquidity of the Bank's position has not been affected by the increased accommodation given, since simultaneously with the fall in cash in hand—from £2,314,460 at the end of 1919 to £2,122,742 on December 31 last—money at call and short notice has risen from £1,105,000 to £1,560,000, while on the later date Treasury bills to the amount of £1,025,000 were also in possession. Investments declined to £5,658,089 from £6,591,207, but the realisation of some of the securities held has apparently helped to increase the accommodation afforded customers. The investments have been written down within market prices, with the exception of War Loan issues, which are taken at cost or under.

The profitable character of the increased business transacted is reflected in a rise in gross profits to £421,330 in 1920. The net profits, at £146,855, have not correspondingly expanded, owing to the rapid increase in expenses, but the dividend earned on the paid-up capital is nevertheless 27.2 per cent., as compared with 20.9 per cent. in 1919. The dividend paid is maintained at thirteen and a-half per cent., subject to tax, to which figure it was increased from twelve

AMSTERDAMSCHE BANK.

Head Office - - AMSTERDAM

BRANCHES at Rotterdam, Almelo, Amersfoort, Apeldoorn, Appingedam, Arnhem, Assen, Bergen-op-Zoom, Deventer, Dordrecht, Eindhoven, Enschede, Groningen, Haarlem, The Hague, Hilversum, Leeuwarden, Leiden, Maastricht, Schiedam, Tilburg, Utrecht, Veendam, Zutfen.

AGENCIES at Alkmaar, Delft, Heerlen, Helmond, Hoorn, Raamsdonksveer, Oosterhout.

CAPITAL - Fl.55,000,000 (£4,583,333)
(Issued and fully paid up)
RESERVE - Fl.38,900,000 (£3,241,666)

MANAGING DIRECTORS:
H. A. VAN NIEROP. P. HOFSTEDE DE GROOT
A. J. VAN HENGEL. F. I. DE GREVE.

DEPUTY MANAGING DIRECTOR:
D. ANDRESON.

LEU & Co.'s BANK

LIMITED.

ZURICH (Switzerland).

Founded 1755.

Paid-up Capital Frs. 40,000,000

Affiliated Banks:

Banque Commerciale de Berne.
Banque Commerciale de Soleure.
Bank of St. Gall.

Every description of Domestic and Foreign Banking business transacted. Booking and Travel Department.

Our Bank and affiliated Banks are prepared to furnish the Mercantile and Industrial Community with all available information regarding Trade and Industry in Switzerland, and also with reports on Merchants and Manufacturers established in our Country.

STOCKHOLMS ENSKILDA BANK

N.B.—BANK WITH UNLIMITED LIABILITY.

Established 1856.

STOCKHOLM.

CAPITAL (entirely paid up) - Kr. 43,500,000
RESERVE FUNDS „ 41,500,000

Banking and Exchange Business of every description.

Bills negotiated or forwarded for Collection.

Letters of Credit issued available in the principal Cities of the World.

Remittances made by Telegraphic Transfer.

Deposits received for fixed periods or at notice.

London Agents:
LONDON COUNTY WESTMINSTER & PARR'S BANK Ltd.
FREDK. HUTH & CO.
HAMBRO'S BANK OF NORTHERN COMMERCE Ltd.

Kansallis-Osake-Pankki

(National Joint Stock Bank)

FINLAND.

Established in 1889.

Head Office: Helsingfors (Helsinki)
Branches at 123 places in Finland.

Capital and Reserves
Fmk. 240,000,000

Deposits and Current Accounts (December 31, 1920)
Fmk. 1,180,000,000

EVERY KIND OF BANKING AND EXCHANGE BUSINESS TRANSACTED.

Telegraphic Address: Kansallispankki, Helsingfors.

Liabilities and Assets of The Provincial Bank of Ireland, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920 ...	540,000	450,000	990,000	4·9	2,058,690	10·2	17,110,155	84·7	50,295	·2	20,209,140
1919 ...	540,000	435,000	975,000	5·4	2,305,557	12·7	14,802,721	81.7	41,340	·2	18,124,618
1918 ...	540,000	415,000	955,000	6·3	2,264,951	15·0	11,816,700	78·4	43,242	·3	15,079,893
1917 ...	540,000	375,000	915,000	7·7	1,717,577	14·5	9,168,958	77·4	44,301	·4	11,845,836
1916 ...	540,000	330,000	870,000	8·7	1,638,755	16·4	7,457,207	74·5	40,653	·4	10,006,615
1915 ...	540,000	375,000	915,000	9·8	1,655,355	17·6	6,757,577	72·1	40,359	·5	9,368,291
1914 ...	540,000	375,000	915,000	10·3	1,151,927	13·0	6,752,422	76·1	51,629	·6	8,870,978
1913 ...	540,000	360,000	900,000	11·0	790,530	9·7	6,427,172	78·8	45,658	·5	8,163,360
1910 ...	540,000	360,000	900,000	12·3	737,628	10·1	5,608,973	77·0	46,423	·6	7,293,024

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call & at Short Notice, &c. £	% *	Investments. £	% *	Bills and Advances.† £	% *	Advances, &c. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1920 ...	2,122,742	10·5	1,560,000	7·7	5,658,089	28·0	2,613,066	13·0	8,108,595	40·1	146,648	·7	20,209,140
1919 ...	2,314,460	12·8	1,105,000	6·1	6,591,207	36·4	7,994,247	44·1	—	—	119,704	·6	18,124,618
1918 ...	2,120,873	14·0	945,270	6·3	5,790,235	38·4	6,121,281	40·6	—	—	102,234	·7	15,079,893
1917 ...	1,435,938	12·1	622,500	5·2	2,534,876	21·4	7,148,896	60·4	—	—	103,626	·9	11,845,836
1916 ...	1,365,756	13·7	833,000	8·3	2,475,120	24·7	5,225,432	52·2	—	—	107,307	1·1	10,006,615
1915 ...	1,205,704	12·9	791,600	8·4	2,685,732	28·6	4,579,257	48·9	—	—	105,998	1·2	9,368,291
1914 ...	1,045,881	11·8	439,900	4·9	2,483,434	28·0	4,798,837	54·1	—	—	102,926	1·2	8,870,978
1913 ...	680,546	8·3	475,000	5·9	2,153,423	26·4	4,752,497	58·2	—	—	101,894	1·2	8,163,360
1910 ...	358,470	5·0	529,063	7·2	2,327,788	32·0	3,970,751	54·4	—	—	106,952	1·4	7,293,024

* Per cent. of Total Liabilities or Assets. † After year 1919 "Bills discounted, including Treasury bills."

and a-half per cent. in 1918. Special allocations comprise £45,000 appropriated to writing down investments, £15,000 added to reserve fund, and £5,000 written off bank premises—a total of £65,000, as compared with £42,000 in the preceding year. This additional provision notwithstanding, the amount carried forward from the 1920 account shows the substantial increase of nearly £9,000 compared with the amount brought in.

Profits of the Provincial Bank of Ireland, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Earned %	Div. Subject to Tax—Paid— %	£	Special Allocations £	Carried Forward £
1920...	421,330	274,475	146,855	27·2	13½	72,900	65,000	24,780
1919...	305,780	192,782	112,998	20·9	13½	72,900	42,000	15,825
1918...	276,853	158,213	118,640	22·0	13½	72,900	47,000	17,728
1917...	256,504	127,355	129,149	23·9	12½	67,500	58,000	18,989
1916...	243,381	121,634	121,747	22·5	12½	67,500	51,000	15,340
1915...	231,980	110,429	121,551	22·5	12½	67,500	63,000	12,093
1914...	220,591	110,925	109,666	20·3	12½	67,500	35,000	21,043
1913...	214,506	104,426	110,080	20·3	12½	67,500	42,000	13,877

ROYAL BANK OF IRELAND, LTD.

Head Office: Foster Place, Dublin.

Capital—

Authorised and subscribed, in 30,000 shares of £50 each £1,500,000
Paid up, £10 per share 300,000
(Callable £10, and reserve liability £30, per share.)

THE Royal Bank of Ireland was established on September 13, 1836, in Dublin, and its sphere of operations has since been almost wholly restricted to the Irish capital, though its activities have extended to Kingstown and elsewhere throughout Co. Dublin. A sub-office opened at Celbridge in Co. Kildare was temporarily closed during 1919-20. It is possible that an extension of the Bank's operations outside Dublin would bring about increased business, besides giving it additional scope for profitably utilising its funds; but the disturbed condition of the country at present interferes with any forward movement of the kind. On the date of the last balance sheet the paid-up capital amounted to £300,000, at which figure it has remained unchanged for a number of years, and the reserve fund to £80,000, to which it had been increased from £63,000 in the previous year. Paid-up capital and reserve together represent the fairly high proportion of 8.1 per cent. of the liabilities.

The deposits of the Bank, £4,308,754 on August 31 last (the end of the financial year), constitute a record in its history and display an increase of nearly one million pounds as compared with 1919. No doubt the diminished opportunities for profitable employment in trading and business in Ireland have been responsible to no small extent for the accumulation of funds in this and other Irish banks. A fall in the cash in hand, at call and short notice from £278,793 in 1919 to £161,257 in 1920, and in investments from £1,719,838 to £1,619,881, is not surprising in view of the growth in advances from £1,589,143 to £2,768,084, these representing, with the deposits, a substantial increase in business. The balance-sheet total of £4,704,037 creates a new record, and shows an expansion of no less than £964,250 on that of the preceding year.

The greater extent of the banking business transacted has naturally brought about an increase in net profits, which amounted for the year 1919-20 to £55,493, representing 18.5 per cent. earned on the paid-up capital—a higher percentage than in any of the immediately preceding years dealt with in our table. Still, the dividend is retained at the figure of eight per cent., less tax, to which it was reduced in 1919 from the ten per cent. paid in previous years. The special allocations of £31,003 comprise £17,000 to reserve and £14,003 to officers' superannuation

Liabilities and Assets of The Royal Bank of Ireland, Limited.

LIABILITIES. Aug. 31	Capital Paid up. £	Reserve Fund. £	Investment Reserve. £	Paid-up Capital and Reserves. £	% *	Deposits, &c. £	% *	Miscellaneous. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920 ...	300,000	80,000	—	380,000	8·1	4,308,754	91·6	—	—	15,283	·3	4,704,037
1919 ...	300,000	63,000	—	363,000	9·7	3,338,435	89·3	23,560	·6	14,793	·4	3,739,788
1918 ...	300,000	122,500	—	422,500	12·0	3,056,361	86·5	20,532	·6	33,467	·9	3,532,860
1917 ...	300,000	112,500	—	412,500	15·5	2,196,459	82·4	22,612	·9	33,100	1·2	2,664,671
1916 ...	300,000	100,000	—	400,000	15·5	2,113,051	82·1	23,794	·9	38,601	1·5	2,575,446
1915 ...	300,000	116,000	115,000	531,000	19·6	2,116,905	77·9	25,151	·9	41,713	1·6	2,714,769
1914 ...	300,000	106,000	115,000	521,000	20·2	1,998,522	77·3	27,861	1·1	37,089	1·4	2,584,472
1913 ...	300,000	106,000	105,000	511,000	20·0	1,976,350	77·5	29,024	1·1	38,301	1·4	2,554,675
1910 ...	300,000	150,000	50,000	500,000	21·2	1,792,016	76·0	31,843	1·4	32,555	1·4	2,356,414

ASSETS. Aug. 31	Cash in Hand, at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Bank Premises. £	% *	Total Assets. £
1920 ...	161,257	3·4	1,619,881	34·4	112,499	2·4	2,768,084	58·8	42,316	·9	4,704,037
1919 ...	278,793	7·5	1,719,838	46·0	114,190	3·0	1,589,143	42·5	37,824	1·0	3,739,788
1918 ...	517,893	14·7	1,235,444	34·9	504,179	14·3	1,242,604	35·2	32,740	·9	3,532,860
1917 ...	319,912	12·0	845,544	31·7	128,442	4·8	1,338,773	50·3	32,000	1·2	2,664,671
1916 ...	263,974	10·2	993,047	38·6	140,030	5·4	1,147,428	44·6	30,967	1·2	2,575,446
1915 ...	131,184	4·9	1,116,919	41·1	197,266	7·3	1,238,433	45·6	30,967	1·1	2,714,769
1914 ...	202,833	7·8	878,555	34·0	180,022	7·0	1,292,095	50·0	30,967	1·2	2,584,472
1913 ...	131,066	5·1	888,555	34·8	189,001	7·4	1,315,086	51·5	30,967	1·2	2,554,675
1910 ...	185,793	7·9	892,615	37·9	201,943	8·5	1,055,426	44·8	20,637	·8	2,356,414

* Per cent. of Total Liabilities or Assets.

BANK OF ROUMANIA

Founded LIMITED. *1866.*

Head Office: 17 Tokenhouse Yard, LONDON, E.C. 2.

Branch: 11 Calea Victoriei, BUCAREST.

Directors:

E. W. H. BARRY, Esq.
C. de CERJAT, Esq.
THE VISCOUNT GOSCHEN.
GENERAL THE HON. SIR H. A. LAWRENCE, K.C.B.
LT.-COL. SIR ALBERT STERN, K.B.E., C.M.G.

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Bankers:

BANK OF ENGLAND.

MESSRS. GLYN, MILLS, CURRIE & CO.

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A General Banking Business with Roumania is conducted, and correspondence from those having interests in that country is invited.

BANQUE BELGE POUR L'ETRANGER

Société Anonyme.

(Filiale de la Société Générale de Belgique.)

CAPITAL (Subscribed) - Frs. 100,000,000
,, (Paid up) - - Frs. 75,000,000
RESERVES - - - Frs. 15,977,943

Head Office: Brussels, 66 Rue des Colonies.
LONDON OFFICE: 2 BISHOPSGATE, E.C. 2.

Branches:

PARIS (12 Place de la Bourse), BUCAREST, COLOGNE, CAIRO, ALEXANDRIA, TANTAH, SHANGHAI, TIENTSIN, PEKING.

Agents: Manchester, 31 Mosley Street. New York, 22 William Street.

LONDON COMMITTEE: Messrs. J. S. HASKELL, A. F. BUXTON, G. GRINNELL MILNE, Sir WM. GARSTIN, G.C.M.G., EMILE FRANCQUI, CHEVALIER DE WOUTERS.

Affiliated Banks: In all towns of any importance in Belgium, and also Banço de Cartagena, Madrid, with branches in Spain and Morocco; Wiener Bank-Verein, Vienna, with Branches in Austria, Hungary, Czecho-Slovakia, Poland, Rumania, Italy (Tyrol), Yugo-Slavia, and Asia Minor; Kouyoumdjisky & Co., Sofia.

CORRESPONDENTS IN ALL PARTS OF THE WORLD.

AGENTS IN THE UNITED KINGDOM FOR THE BELGIAN POSTAL CHEQUE SERVICE.

LETTERS OF CREDIT—COLLECTION OF CLEAN AND DOCUMENTARY DRAFTS.

FOREIGN EXCHANGE business a speciality; FOREIGN CURRENCIES bought and sold for immediate or forward delivery, enabling traders to secure the exchange for their contracts in the currency of the country of their customers.

ALL KINDS OF BANKING BUSINESS UNDERTAKEN.

CAISSE GENERALE

DE REPORTS ET DE DEPOTS

Rue des Colonies 11, Bruxelles.

FOUNDED IN 1874.

Capital - Fr. 20,000,000
Reserves Fr. 21,300,000

Current Accounts opened without charge.

Fortnightly Deposit Accounts.

Funds withdrawable Fortnightly, at the middle and end of each month, subject to four days' notice, bearing interest varying according to the yield of the transactions.

Long- and short-term Loans on Securities.

The Institution takes care of Customers' securities at a charge of 40 centimes per year per Fcs. 1,000.

Bond Drawings verified and Coupons collected without charge.

ITALO-BELGIAN BANK.

(Banque Italo-Belge, Societe Anonyme.)

Capital Subscribed and Paid - Frs. 50,000,000
Reserve Funds - - - Frs. 21,933,866

Head Office:

ANTWERP.

London Agency:

50 OLD BROAD STREET, E.C. 2.

Branches:

FRANCE—Paris.
ARGENTINE—Buenos Ayres.
BRAZIL—Sao Paulo, Rio de Janeiro, Santos, Campinas.
URUGUAY—Montevideo. CHILI—Valparaiso.

Correspondents in all the Principal Places in South America.

The Bank transacts every description of Banking Business. Bills and Documentary Bills negotiated, advanced upon, or sent for collection. Drafts and Letters of Credit issued and Cable and Mail Transfers effected on Branches and Correspondents. Documentary Credits opened or confirmed. Sale and Purchase of Stocks and Shares undertaken. Coupons and Drawn Bonds collected and negotiated.

Telegrams: "Itabelban, Stock, London."
Telephone: London Wall 1157, 1158.

fund. The sum carried forward to the next account, £6,883, shows an increase of £500 over that brought in.

Profits of the Royal Bank of Ireland, Limited.

Year to Aug. 31	Gross Profit	Interest & Expenses	Net Profit	Div. Subject to Tax — Earned	Paid	Special Allocations	Carried Forw'd
	£	£	£	%	%	£	£	£
1920...	—	—	55,493	18·50	8	24,000	31,003	6,883
1919...	—	—	52,359	17·45	8	24,000	30,309	6,393
1918...	113,570	69,078	44,492	14·83	10	30,000	14,500	8,342
1917...	109,385	70,699	38,686	12·89	10	30,000	13,500	8,350
1916...	101,769	58,068	43,701	14·57	10	30,000	14,000	13,164
1915...	103,028	57,591	45,437	15·14	10	30,000	15,000	13,463
1914...	100,335	60,485	39,850	13·28	10	30,000	10,000	13,026
1913...	102,683	61,731	40,952	13·65	10	30,000	11,000	13,176

ROYAL BANK OF SCOTLAND.

Head Office: St. Andrew Square, Edinburgh.

Capital—

Authorised, issued, and paid up ... Stock £2,000,000

THE Royal Bank of Scotland, founded by Royal Charter, has a history dating back to 1727, or about thirty years subsequent to the establishment of the Bank of Scotland. Its capital, which at the outset amounted to £111,348 approximately, was increased in 1773 by £38,652 to £150,000, and in the following year to £300,000. Further increases under a series of charters accompanied the expansion in the Bank's business and the extension of its sphere of operations, and in 1829 the authorised capital was raised to £2,000,000. At this amount the paid-up capital has long figured, supplemented by a reserve fund, or "rest," of substantial proportions, appearing in the last two balance sheets at £1,082,276, and which combined with the capital is equivalent to 6.5 per cent. of the total liabilities as at October 9, 1920. Comparing the statement of affairs on the date mentioned with that of a year earlier we find a contraction in the notes in circulation from £3,637,299 to £3,539,685, and in acceptances from £347,588 to £311,772, presumably due to some extent to the depression in trade. This depression is also no doubt partly responsible for the rise in deposits from £35,548,823 to £39,114,127, since dullness in trade and the Stock Exchange markets leads to the accumulation of funds in banks. It has been the policy, however, of the directors to assist productive enterprises, and due care has been exercised in selecting the projects to which support is accorded, the necessity for care being, of course, redoubled by the falling level of commodity prices. The liberality of the accommodation afforded to the Bank's *clientèle* is reflected in the increase on the assets side of the balance sheet of bills discounted (other than Treasury bills) from £3,399,656 in 1919 to £3,902,679 in 1920, and in loans and advances from £9,951,706 to £14,520,549. The liquidity of the Bank's position has not been impinged upon to any appreciable extent, since despite a fall in the money at call and at short notice, &c., from £5,783,604 to £5,333,477, cash and notes in hand, with bankers' balances, have risen from £5,158,547 to £5,376,180. Furthermore, no less than £6,930,000 (following £6,087,000) was represented by British Treasury bills, which naturally form a very liquid reserve.

On August 16 last an Act of Parliament was passed conferring extended powers upon the Bank, in virtue of which it has been possible to provide banking facilities of the most modern and extended character to meet the needs of customers. As an instance of such development undertaken in recent years may be mentioned the foreign exchange departments established at the head office in Edinburgh, at the principal Glasgow office and at the London office, all of which have yielded most satisfactory results, both to the Bank itself and to its customers.

According to our table, the system of compiling which is set out in our article on the banking profits of the year, the gross profits of the Royal Bank during 1920 amounted to £813,692—an increase of £118,957 on the preceding year. Despite an increase in expenses from £302,929 to £372,553, the net profit rose by £49,333. The distribution to the proprietors remains unchanged at eleven per cent., less income tax, to which it was raised, by the addition of a bonus of one per cent., from the ten per cent. of the four preceding years. Special allocations of £221,139, which compare with £120,000 in the preceding year, are made up of £20,000 written off expenditure on bank buildings and heritable property, £30,000 carried to pension fund, and £171,139 (the balance disposable) applied to investments account, leaving the "rest," or undivided profits, unchanged at the £1,082,276 to which it was raised by an increment of £51,805 effected at the end of the preceding year.

Profits of The Royal Bank of Scotland.

Year to Oct.*	Gross Profit.	Expenses.	Net Profit.	Dividend. subject to Tax. Earned.	Paid.	Special Allocations.	Carried Forward.†
	£	£	£	%	£	£	£
1920 ...	813,692	372,553	441,139	22·06	11	220,000	221,139	1,082,276
1919 ...	694,735	302,929	391,806	19·59	11	220,000	120,000	1,082,276
1918 ...	622,304	256,801	365,503	18·27	10	200,000	50,000	1,030,471
1917 ...	594,243	240,262	353,981	17·70	10	200,000	40,000	914,968
1916 ...	601,047	220,127	380,920	19·04	10	200,000	180,920	800,986
1915 ...	519,562	202,705	316,857	15·84	10	200,000	276,500	800,986
1914 ...	475,033	195,392	279,641	13·98	11	220,000	59,641	960,630

* Date varies from 9th to 14th. † Being free Rest or undivided Profits.

ULSTER BANK, LTD.

(*See also* **London County Westminster and Parr's Bank.**)

Head Office: Waring Street, Belfast.

Capital—

Authorised and subscribed, in 200,000 shares of £15 each £3,000,000
Paid up, £2 10*s.* per share 500,000

THIS Bank, which has its head office in Belfast, was established in 1836, but its career as an independent institution came to an end about the close of 1917, when it affiliated with the then London County and Westminster Bank. According to the terms of the

Liabilities and Assets of The Royal Bank of Scotland.

LIABILITIES.	Capital Paid up.	Rest.	Paid-up Capital and Reserve.		Notes in Circulation.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920, Oct. 9	2,000,000	1,082,276	3,082,276	6·5	3,539,685	7·5	311,772	·6	40,442,952	85·2	84,000	·2	47,460,685
1919 ,, 11	2,000,000	1,082,276	3,082,276	7·0	3,637,299	8·2	347,588	·8	36,916,284	83·8	84,000	·2	44,067,447
1918 ,, 12	2,000,000	1,030,471	3,030,471	8·4	3,266,556	9·0	193,925	·5	29,738,769	81·9	70,000	·2	36,299,721
1917 ,, 13	2,000,000	914,968	2,914,968	8·1	2,590,251	7·9	335,034	1·0	26,948,907	82·0	75,000	·2	32,864,160
1916 ,, 14	2,000,000	800,986	2,800,986	10·0	2,091,083	7·5	540,333	1·9	22,489,605	80·3	75,000	·3	27,997,007
1915 ,, 9	2,000,000	800,986	2,800,986	11·3	1,640,239	6·6	442,193	1·8	19,724,974	79·9	87,396	·4	24,695,788
1914 ,, 10	2,000,000	960,629	2,960,629	13·5	1,253,729	5·6	394,266	1·8	17,275,571	78·6	112,500	·5	21,976,695
1913 ,, 11	2,000,000	960,630	2,960,630	13·6	1,041,019	4·8	319,454	1·5	17,235,014	79·6	113,000	·5	21,669,117
1910 ,, 8	2,000,000	1,013,565	3,013,565	16·3	976,860	5·3	204,614	1·1	14,196,790	76·7	110,000	·6	18,501,829

ASSETS.	Cash in Hand, &c.		Money at Call, at Short Notice, &c.		Investments.		Bills Discounted.		Advances.		Liab. of Cust. for Acceptances, &c.		Bank Premises, &c.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920, Oct. 9	5,376,180	11·3	5,333,477	11·3	10,537,569	22·2	10,832,679	22·8	14,520,549	30·6	311,772	·6	548,459	1·2	47,460,685
1919 ,, 11	5,158,547	11·7	5,783,604	13·1	12,766,093	29·0	9,486,656	21·5	9,951,706	22·6	347,588	·8	573,253	1·3	44,067,447
1918 ,, 12	4,849,075	13·4	4,360,800	12·0	7,766,285	21·4	12,566,316	34·6	5,971,125	16·4	193,925	·5	592,197	1·7	36,299,721
1917 ,, 13	3,930,482	11·9	4,184,963	12·7	7,005,120	21·3	9,921,963	30·2	6,876,240	21·0	335,034	1·0	611,358	1·9	32,864,160
1916 ,, 14	3,097,167	11·0	3,882,937	13·9	7,224,669	25·8	7,187,370	25·7	5,444,364	19·5	540,333	1·9	620,167	2·2	27,997,007
1915 ,, 9	3,119,379	12·6	3,256,317	13·2	7,959,894	32·2	2,964,757	12·0	6,329,741	25·7	442,193	1·8	623,607	2·5	24,695,788
1914 ,, 10	2,277,832	10·4	2,872,477	13·0	4,438,583	20·2	3,263,187	14·8	8,106,401	36·8	394,266	1·8	623,949	2·8	21,976,695
1913 ,, 11	1,609,336	7·4	3,858,101	17·8	4,013,517	18·5	4,291,103	19·8	6,956,287	32·1	319,454	1·5	621,319	2·8	21,669,117
1910 ,, 8	1,402,607	7·6	3,177,043	17·2	3,529,051	19·1	3,643,761	19·7	6,908,848	37·3	204,614	1·1	636,905	3·4	18,501,829

* Per cent. of Total Liabilities or Assets.

BANCO CENTRAL

Capital entierement souscrit 200,000,000 de Pésétas.

Calle Alcala 31, Apartado No. 339.
MADRID (Espagne).

PRESIDENT—Son Exc. Monsieur le Marquis d'Aldama.
DIRECTEUR—N. Vouroucla.

SUCCURSALES: Arevalo. Avila. Toledo. Málaga y Talavera de la Reina.

BANQUES ET BANQUIERS AFFILIES:
CREDITO DE LA UNION MINERA, Bilbao.
BANCO GUIPUZCOANO, San Sebastian.
BANCO CASTELLANO, Valladolid.
BANCO DE SANTANDER, Santander.
CREDITO NAVARRO, Pamplona.
BANCO DE CREDITO DE ZARAGOZA, Zaragoza.
HIJOS DE M. RODRIGUEZ ACOSTA, Granada.

Correspondants a Londres :
London Joint City & Midland Bank, Limited.
Barclays Bank Limited.

Correspondants a New York :
National City Bank of New York.
The Equitable Trust of New York.

S'occupe de toutes opérations de Banque et de Bourse.

TO ENGINEERS.

MOVEMENT OF MERCHANDISE

THIS Bank specialises in financing the movement in the Home market of high-priced products of the Engineering, Motor, and Allied Trades.

Manufacturers and Traders holding valuable stocks and willing to grant reasonable periods of credit to approved customers, but requiring prompt cash, should get in touch with this Bank which specially caters for such requirements.

Current Accounts. ***Deposit Accounts.***
Foreign Exchange. ***Deposits at Fixed Periods.***
General Banking Operations.

CONTINENTAL GUARANTY CORPORATION
Bankers,
KING'S HOUSE, KING STREET,
LONDON, E.C. 2

Banco da Provincia do Rio Grande do Sul.

Established 1858. **Head Office : Porto Alegre, Brasil.** Telegraphic Address: "PROVINCIA"

ASSETS (31st December, 1920).

Capital paid up	24.387 : 440$000
Bills and loans	74.772 : 140$240
Current accounts	100.573 : 023$330
Branch accounts and correspondents	07.696 : 005$200
Securities deposited	127.087 : 542$340
Bank buildings, furniture, &c.	4.927 : 288$030
Government, State, municipal loans, and other investments	7.134 : 800$700
Sundry accounts	426 : 070$580
Cash in hand	26.075 : 098$429
Rs.	430.080 : 020$930

LIABILITIES (31st December, 1920)

Capital subscribed	40.000 : 000$000
Reserve Fund	21.000 : 000$000
Profits in suspense	774 : 170$040
Personal assistance	767 : 710$070
Branch accounts and correspondents	73.021 : 101$230
Deposits and current accounts	135.071 : 088$740
Securities	111.401 : 043$850
Deposited for safe custody	15.020 : 408$000
Suspense accounts	30.263 : 003$650
Dividends paid up	068 : 128$800
Dividends payable	34 : 128$740
Sundry accounts	461 : 044$820
Rs.	430.080 : 020$930

BRANCHES :—Rio de Janeiro, Pelotas, Rio Grande, Santa Maria, Livramento, Caxias, Cachoeira, Alegrete, Uruguayana, Jaguarão, São Gabriel Lageado, Taquara, Passo Fundo, D. Pedrito, Bagé, Cruz Alta, Montenegro, Novo Hamburgo, São Leopoldo.
AGENCIES :—Bento Gonçalves, Rio Pardo, Santa Cruz, Lavras, Pinheiro Machado, Rosario, S. Francisco de Paula, Estrella, Santiago do Boqueirão Arroio Grande, Garibaldi, Vaccaria, S. Antonio da Patrulha, Venancio Ayres.
LONDON AGENTS : Crédit Lyonnais, London Joint City and Midland Bank.
NEW YORK AGENTS :—The National Park Bank, The Mechanics and Metals National Bank, Irving National Bank, The Equitable Trust Company.
PARIS AGENTS :—Crédit Lyonnais, Comptoir National d'Escompte, Banque Française et Italienne pour l'Amérique du Sud.

BANQUE GUYERZELLER

SOCIETE ANONYME

ZURICH

Paid-up Capital - - Fr. 6,000,000

EVERY DESCRIPTION *of* BANKING BUSINESS.

Liabilities and Assets of The Ulster Bank, Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Div. Guarantee Fund.	Total Capital and Reserves.		Notes in Circulation.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	£	%*	£	%*	£	%*	£	%*	£
1920, Nov. 30	500,000	700,000	—	1,200,000	4·0	3,530,334	11·9	24,905,018	83·7	106,806	·4	29,742,158
1919, „ 29	500,000	700,000	—	1,200,000	4·2	4,492,374	15·8	22,661,708	79·6	103,875	·4	28,457,957
1918, „ 30	500,000	650,000	50,000	1,200,000	5·0	4,804,918	19·9	18,063,976	74·7	108,734	·4	24,177,628
1917, Aug. 31	500 000	650,000	50,000	1,200,000	7·0	2,883,831	16·8	13,052,572	76·0	36,562	·2	17,172,965
1916, „	500,000	650,000	50,000	1,200,000	7·7	2,417,188	15·7	11,738,971	76·4	23,028	·2	15,379,187
1915, „	500,000	650,000	50,000	1,200,000	8·8	1,709,803	12·6	10,702,063	78·5	15,436	·1	13,627,302
1914, „	500,000	650,000	50,000	1,200,000	9·5	1,426,489	11·3	9,970,823	79·1	15,541	·1	12,612,853
1913, „	500,000	650,000	50,000	1,200,000	9·9	1,221,042	10·1	9,684,098	79·8	26,150	·2	12,131,290
1910, „	500,000	650,000	50,000	1,200,000	11·3	1,042,394	9·8	8,318,552	78·5	37,091	·4	10,598,037

ASSETS.	Cash in Hand, &c.		Investments		Bills, Loans and Advances.		Bank Premises.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£
1920, Nov. 30 ...	5,577,857	18·7	9,746,765	32·8	14,282,494	48·0	135,042	·5	29,742,158
1919, „ 29 ...	6,234,530	21·9	11,274,698	39·6	10,948,729	38.5	Nil	—	28,457,957
1918, „ 30 ...	6,222,771	25·7	9,533,541	39·4	8,421,316	34·9	Nil	—	24,177,628
1917, Aug. 31 ...	4,173,029	24·3	4,424,383	25·7	8,575,553	50·0	Nil	—	17,172,965
1916, „ ...	3,706,924	24·1	4,484,752	29·2	7,187,511	46·7	Nil	—	15.379,187
1915, „ ...	2,768,126	20·2	4,897,598	36·0	5,971,578	43·8	Nil	—	13,627,302
1914, „ ...	2,563,904	20·3	2,883,892	22·9	7,165,057	56·8	Nil	—	12,612,853
1913 „ ...	1,919,257	15·8	2,892,534	23·9	7,319,499	60·3	Nil	—	12,131,290
1910, „ ...	1,617,327	15·3	2,797,133	26·4	6,183,578	58·3	Nil	—	10,598,037

* Per cent. of Total Liabilities or Assets.

agreement, the latter were to give two-thirds of a share in their Bank (£5 paid), with £2 10*s.* in cash, for each Ulster Bank share. The arrangement thus contemplated the issue of 133,333⅓ new London County and Westminster shares of £20 each, £5 paid, plus a cash payment of £500,000, and up to December 31 last all but 301 of the shares of the Irish bank had been acquired. The authorised and subscribed capital of the Ulster Bank has long stood at £3,000,000, with £500,000 paid up. Since the amalgamation the Bank has shown marked progress, and deposits have risen from £12,877,152 on August 31, 1917, to £24,800,892 on November 30 last. The reserve fund, at £700,000, now exceeds the paid-up capital by £200,000, and their combined figure of £1,200,000 constitutes four per cent. of the aggregate liabilities. The note issue increased substantially during the War owing to the demand for currency, but at £3,530,334 the amount of notes in circulation fell appreciably below the high-water mark of £4,804,918 reached in 1918. The increased resources at disposal, as reflected in the growth of deposits already referred to, were utilised in affording help to trade and industry, as bills, loans and advances expanded from £10,248,729 in 1919 to £13,782,494 in 1920. Cash in hand and at bankers, which fell from £6,234,530 to £5,577,857, and investments, which also moved downward from £11,274.698 to £9.746,765, were obviously drawn upon to meet increased demands by customers.

The growth in business had the very natural and proper effect of increasing profits—from £186,392 in 1919 to £242,181 in 1920, the sum earned in the latter year being equivalent to the very high figure of 48.44 per cent. on the paid-up capital. The dividend is maintained at the rate of 21¼ per cent. per annum, absorbing £106,250, subject to tax; £93,000 is set aside for depreciation in investments and £40,000 transferred to the officers' superannuation fund. Special allocations thus total £133,000, as compared with £85,000 in the previous year, but despite this increase the amount carried forward, at £106,806, is larger by about £3,000 than the amount brought into the account.

Profits of the Ulster Bank, Limited.

Year ended	Net Profit Earned	Div. Subject to Tax Paid			Special Allocations	Carried Forward
	£	%	%	£	£	£
1920 (Nov. 30) ...	242,181	48·44	21·25	106,250	133,000	106,806
1919 (Nov. 29) ...	186,392	37·28	21·25	106,250	85,000	103,875
*1918 (Nov. 30) ...	224,984	45·00	21·25	132,812	20,000	108,733
1917 (Aug. 31) ...	153,782	30·75	21·25	106,250	34,000	36,561
1916 „ ...	147,842	29·56	21·25	106,250	34,000	23,028
1915 „ ...	141,145	28·23	21·25	106,250	35,000	15,436
1914 „ ...	121,820	24·36	21·28	106,430	26,000	15,541
1913 „ ...	128,137	25·62	21·24	106,194	17,000	26,151

* 15 months.

UNION BANK OF MANCHESTER, LTD.

(*See also* **Barclays Bank, Ltd.**)

Head Office: York Street, Manchester.

Capital—

Authorised	£2,500,000
Subscribed, in 300,000 shares of £5 each ...	1,500,000
Paid up, £2 10*s.* per share	750,000

The Union Bank of Manchester, Limited, established in 1836, is the second oldest of the Manchester banks. Soon after its foundation it entered on a policy of extension by the opening up of branches, and in 1894 its increasing importance, due to the energetic methods adopted, received a substantial fillip on the opening of the Manchester Ship Canal. It helped in the great industrial expansion witnessed in the conversion of the former inland city into a port, and early in the present century its development was aided by several amalgamations. In 1904 it absorbed E. W. Yates and Company, of Liverpool, in 1906 the Blackburn Bank, and in 1907 Downes and Company (Nantwich). It was thus in a position to benefit from the temporary prosperity that marked the War era, and its current, deposit and other accounts rose from £6,428,858 in 1913 to £15,212,193 in 1918. In 1917 it acquired the Halifax and District Permanent Banking Company, Limited, and towards the end of 1918 the East Morley and Bradford District Deposit Bank, Limited. Its area of operations thus covered practically the whole of the industrial districts of the North, with a well-organised system of about 130 branches, and this attraction doubtless induced the offer made by Barclays Bank in 1919. The terms for the acquisition of its shares were as follows:—Four and thirteen-twentieths (4 13/20ths) "B" shares in Barclays Bank of £1 each, credited as fully paid up (ranking *pari passu* with the other "B" shares of that Bank) for each £5 share, £2 10*s.* paid up, of the Union Bank. Out of the paid-up capital of £750,000, divided into 300,000 shares of £5 each, £2 10*s.* paid, Barclays Bank had by December 31 last acquired 299,500 shares.

The drop in balance sheet totals, from £30,667,597 on December 31, 1919, to £27,208,738 on the corresponding date in 1920, is chiefly accounted for by the decline in deposits from £25,378,022 to £22,294,412. A decrease in acceptances, from £3,896,157 to £3,424,881, combined with one in loans and advances from £17,600,879 to £16,110,589, marks the falling-off in business which set in as a result of trade depression as well as of the declining level of prices towards the latter part of 1920. The decrease in the Bank's liability, as marked by the balance sheet total, was accompanied by a fall in the cash in hand, at call and

Banque Commerciale de Bâle

Geneva Basle Zurich

Established 1863

Capital fully paid .... Frs. 60,000,000
Reserves .... Frs. 22,000,000

Every Description of Banking Business transacted
Documentary Credits Large Foreign Exchange Dealers

Correspondence invited

For Banking Business in Finland use

A/B. NORDISKA FÖRENINGSBANKEN

(O/Y. POHJOISMAIDEN YHDYSPANKKI)

(Established by amalgamation of Förenings-Banken i Finland and Nordiska Aktiebanken för Handel och Industri).

Capital and Reserves: Fmks. 260,000,000.

HEAD OFFICE: HELSINGFORS. Fifty-one Branches all over the country.

Telegraphic Address: **UNITAS.**

EVERY KIND OF BANKING BUSINESS TRANSACTED.

BANQUE FRANCO-SERBE

Capital - - Frs. 20,000,000

London Office: 30 COLEMAN STREET, LONDON, E.C. 2

Telephones—London Wall 8934, 8935. *Telegrams*—"Francoserb, Ave., London."

Manager - - H. E. EVITT.

HEAD OFFICE - - - PARIS, 16 RUE LE PELETIER

BELGRADE

ZAGREB (Agram), BITOLJ (Monastir), SKOPLYE (Uskub), and SALONIQUE.

Agents throughout JUGO-SLAVIA, the BALKANS, AUSTRIA, HUNGARY, CZECHO-SLOVAKIA, Etc., Etc.

The London Office collects Drafts and Documents; issues Cheques and effects Mail and Telegraphic Transfers; accepts Bills; opens Documentary Credits; issues Letters of Credit and conducts all operations of Foreign Banking.

Current Accounts opened in Sterling, Francs, Dinars, etc.

Insurances effected through the Bank's Brokers. Applications for Terms invited.

THE COLONIAL BANK

ESTABLISHED IN 1836.

Sanctioned by Royal Charter and under the Authority of Parliament.

SUBSCRIBED CAPITAL - - - - - - - -	£3,000,000
PAID-UP CAPITAL - - - - - - - -	£900,000
RESERVE FUNDS - - - - - - - - -	£400,000

HEAD OFFICE - - - 29 GRACECHURCH STREET, E.C.3

BRANCHES IN WEST INDIES, WEST AFRICA, NEW YORK, LIVERPOOL, MANCHESTER & HULL.

BILLS RECEIVED FOR COLLECTION OR NEGOTIATION.

Liabilities and Assets of The Union Bank of Manchester, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920	750,000	675,000	1,425,000	5·3	3,424,881	12·6	22,294,412	81·9	64,445	·2	27,208,738
1919	750,000	575,000	1,325,000	4·3	3,896,157	12·7	25,375,022	82·8	68,418	·2	30,667,597
1918	750,000	525,000	1,275,000	7·2	1,150,084	6·5	15,212,193	85·9	71,170	·4	17,708,447
1917	550,000	355,000	905,000	7·0	901,654	6·9	11,127,088	85·5	77,948	·6	13,011,690
1916	550,000	355,000	905,000	7·8	1,556,936	13·4	9,117,392	78·3	60,069	·8	11,639,397
1915	550,000	355,000	905,000	10·3	764,545	8·7	7,053,582	80·4	54,709	·6	8,777,836
1914	550,000	355,000	905,000	11·0	665,556	8·1	6,594,015	80·4	39,334	·5	8,203,905
1913	550,000	350,000	900,000	11·2	674,181	8·4	6,428,858	79·9	44,483	·5	8,047,522
1910	550,000	370,000	920,000	13·5	596,344	8·9	5,215,193	77·0	37,498	·6	6,767,035

ASSETS. Dec. 31	Cash in Hand, at Call, &c. £	% *	Investments. £	% *	Bills. £	% *	Loans and Advances. £	% *	Liab. of Customers for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1920... ...	2,416,827	8·9	3,367,106	12·4	1,489,335	5·5	16,110,589	59·2	3,424,881	12·6	400,000	1·4	27,208,738
1919... ...	3,050,848	10·0	4,417,171	14·4	1,302,541	4·2	17,600,880	57·4	3,896,157	12·7	400,000	1·3	30,667,597
1918... ...	2,393,458	13·5	4,312,890	23·8	4,093,485	23·1	5,508,530	31·1	1,150,084	6·5	350,000	2·0	17,708,447
1917... ...	1,715,031	13·2	1,876,180	14·4	3,105,205	23·9	5,113,620	39·3	901,654	6·9	300,000	2·3	13,011,690
1916... ...	2,048,042	17·6	2,366,536	20·3	1,376,968	11·8	3,999,731	34·4	1,556,936	13·4	291,184	2·5	11,639,397
1915... ...	821,664	9·4	2,166,738	24·7	520,747	5·9	4,204,289	47·9	764,545	8·7	299,853	3·4	8,777,836
1914... ...	1,341,255	16·4	736,095	9·0	718,005	8·8	4,440,240	54·1	665,556	8·1	299,754	3·6	8,203,905
1913... ...	1,592,993	19·8	801,779	10·0	795,345	9·9	3,884,297	48·2	674,181	8·4	298,927	3·7	8,047,522
1910... ...	1,119,546	16·5	829,969	12·2	622,628	9·2	3,304,644	48·8	596,344	8·9	293,904	4·4	6,767,035

* Per cent. of Total Liabilities or Assets.

short notice, from £3,050,848 to £2,416,827, and in investments from £4,417,171 to £3,367,106. Bills of exchange, at £1,489,335, show an increase of £186,794. Bank premises—at cost, less depreciation funds—remain unchanged at £400,000. It may be observed that henceforth the practice of issuing a half-yearly report is to be discontinued. During the year six new branches were opened and at the date of the report it was intended to establish ten more.

In spite of the industrial *malaise*, the gross profits in the second half of 1920, at £308,743, compare with £290,212 in the first half, making in all £598,955, as against £485,599 in the year 1919. As with all other banks, expenses show an increase, but the net profits of £286,027 compare with £232,248 in the preceding year, and represent the high rate of 38.14 per cent. earned on the paid-up capital, as compared with 30.96 per cent. in the preceding year. The dividend remains unaltered at twenty per cent., subject to tax, to which figure it was increased in 1918. Other appropriations include £100,000 to special contingency fund, £20,000 to pension fund, and £20,000 written off bank premises—together £140,000. Notwithstanding this large increase over allocations of £85,000 in 1919, the amount carried forward, at £11,945, is only £4,000 lower than that brought in.

Profits of the Union Bank of Manchester, Limited.

Yr. to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax Earned %	Paid %	Paid £	Allocations £	Carried Forward £
1920 ...	598,955	312,928	286,027	38·14	20·00	150,000	140,000	11,945
1919 ...	485,599	253,351	232,248	30·96	20·00	150,000	85,000	15,918
1918 ...	373,190	152,468	220,722	29·43	20·00	137,500	80,000	18,670†
1917 ...	298,848	145,594	153,254	27·86	18·18	100,000	38,500	40,448
1916 ...	252,046	113,561	138,485	25·18	16·13*	88,710	50,000	25,694
1915 ...	212,245	100,757	111,488	20·27	12·50	68,750	25,000	25,919
1914 ...	185,941	86,122	99,819	18·15	12·50	68,750	35,000	8,182
1913 ...	189,463	80,775	108,688	19·76	12·50	68,750	48,000	12,113

* Dividend paid was 12½%, free of income tax.

† After allowing for transfer from Income Tax Account of £50,000 and the transfer of £75,000 to Capital Account.

UNION BANK OF SCOTLAND, LTD.

Head Office: Ingram Street, Glasgow.

Capital—

Authorised and subscribed, in 100,000 £50 shares... £5,000,000
Paid-up, £10 per share 1,000,000
(Reserve liability, £40 per share.)

THIS progressive institution, which represents the merger of about a dozen Scottish banking houses, was established in 1830 and registered with limited liability in 1882, when 127 branches were actually engaged in business. In 1917 it modernised its constitution by substituting for its contract of co-partnership a memorandum and articles of association drawn up under the Companies (Consolidation) Act, 1908, increased powers to conduct business abroad and otherwise extend operations being taken. One of the chief results of this newly-acquired power was participation in the British Overseas Bank—a new institution registered on June 10, 1919.

The balance-sheet total on the 2nd ultimo, at £38,892,700, shows a decline of £607,088 on the preceding year, which is due to the depressed condition of trade, acceptances being down from £907,566 to £397,556, and notes in circulation from £3,480,280 to £3,366,092. Deposits are practically unchanged at about £33 million. On the assets side, cash in hand, etc., has declined from £4,258,644 to £3,796,640, and money at call and short notice, etc., from £4,338,481 to £3,693,093, the difference contributing to an increase in advances from £6,132,019 to £8,388,596 and in bills discounted from £9,872,241 to £10,633,333, the last-named item including just over £8,000,000 of Treasury bills, which are, of course, constantly maturing and therefore almost equivalent to cash in hand. At £2,171,440, short-period loans on securities are lower by £1,333,000.

Despite a further increase of £95,400 in charges, the net profits, at £312,132, show an increase of

Liabilities and Assets of The Union Bank of Scotland, Limited.

LIABILITIES. April 2	Capital Paid up. £	Reserve. £	Paid-up Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1921 ...	1,000,000	1,000,000	2,000,000	5·1	3,366,092	8·7	397,556	1·0	32,911,343	84·6	217,709	·6	38,892,700
1920† ...	1,000,000	1,000,000	2,000,000	5·1	3,480,280	8·8	907,566	2·3	32,906,366	83·3	206,576	·5	39,499,788
1919 ...	1,000,000	1,000,000	2,000,000	6·1	2,987,221	9·2	418,547	1·3	26,931,733	82·7	214,801	·7	32,552,302
1918 ...	1,000,000	900,000	1,900,000	6·6	2,535,731	8·8	373,726	1·3	23,773,368	82·5	220,452	·8	28,803,277
1917 ...	1,000,000	800,000	1,800,000	8·1	1,895,883	8·5	955,362	4·3	17,438,844	78·1	221,286	1·0	22,311,375
1916† ...	1,000,000	800,000	1,800,000	8·5	1,594,494	7·5	691,890	3·3	16,916,264	79·5	261,456	1·2	21,264,104
1915† ...	1,000,000	800,000	1,800,000	8·4	1,217,971	5·6	401,846	1·9	17,849,839	82·9	260,883	1·2	21,530,539
1914 ...	1,000,000	1,000,000	2,000,000	9·7	945,432	4·6	889,972	4·3	16,595,042	80·3	220,010	1·1	20,650,456
1910 ...	1,000,000	1,000,000	2,000,000	12·4	866,795	5·3	246,364	1·5	12,932,983	79·7	174,212	1·1	16,220,354

ASSETS. April 2	Cash in Hand, &c. £	% *	Money at Call & at Notice. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1921	3,796,640	9·8	3,693,093	9·5	9,273,312	23·8	10,633,333	27·3	10,560,096	27·2	397,556	1·0	538,730	1·4	38,892,700
1920†	4,258,644	10·8	4,338,481	11·0	9,947,705	25·2	9,872,241	25·0	9,636,315	24·4	907,566	2·3	538,036	1·3	39,499,788
1919...	3,362,649	10·3	3,816,321	11·7	7,875,340	24·2	10,640,358	32·7	5,885,432	18·1	418,547	1·3	553,655	1·7	32,552,302
1918...	3,163,005	11·0	3,272,810	11·4	6,708,027	23·3	9,644,132	33·5	5,169,037	17·9	373,726	1·3	472,540	1·6	28,803,277
1917...	2,348,179	10·5	2,317,049	10·4	6,554,555	29·4	2,071,117	9·3	7,617,116	34·1	955,362	4·3	447,997	2·0	22,311,375
1916†	1,755,536	8·3	3,780,048	17·8	7,281,138	34·2	2,005,749	9·4	5,293,705	24·9	691,890	3·3	455,978	2·1	21,264,104
1915†	1,570,532	7·3	4,427,429	20·5	4,948,724	23·0	3,166,319	14·7	6,360,531	30·5	401,846	1·9	455,158	2·1	21,530,539
1914...	1,231,406	6·0	4,009,781	19·4	3,617,892	17·5	3,787,380	18·3	6,667,542	32·3	889,972	4·3	446,483	2·2	20,650,456
1910...	1,071,191	6·1	3,519,484	22·2	3,396,544	21·0	2,596,235	16·0	4,973,432	30·6	246,364	1·5	417,104	2·6	16,220,354

* Per cent. of Total Liabilities or Assets. † April 1.

REFUGE
ASSURANCE COMPANY
LIMITED.

FOR THE YEAR ENDING
DEC. 31st, 1920:

ANNUAL INCOME
exceeds £6,300,000

ASSETS
exceed £19,000,000

CLAIMS PAID
exceed £32,000,000

CHIEF OFFICE:
OXFORD STREET, MANCHESTER.

BRITISH EQUITABLE
ASSURANCE COMPANY, LIMITED.

Accumulated Funds exceed		£1,620,000
Subscribed Capital	-	£300,000
Paid-up Capital	-	£34,500

The Company transacts the following classes of business—

LIFE FIRE ACCIDENT
BURGLARY
EMPLOYERS' LIABILITY
MOTOR CAR THIRD PARTY
AND PLATE GLASS

Write for particulars of the
NEW MONTHLY PREMIUM POLICY WITHOUT MEDICAL EXAMINATION

To the Manager,
1, 2 & 3 Queen St. Place, London, E.C. 4

THE STANDARD LIFE ASSURANCE COMPANY.

Established 1825. **Incorporated 1910.**

The following are extracts from the Annual Report for the year ending 15th November, 1920, with results of the 18th Quinquennial Investigation.

Declaration of Bonus.—The Directors have declared a Reversionary Bonus for the Quinquennium 1915-1920 in respect of all Ordinary Participating Policies existing on the 15th November, 1920, on which all premiums to date have been paid at the rates shown in the following Table:—

QUINQUENNIUM 1915-1920.						
Full Years in Force	One to Five	Six	Seven	Eight	Nine	Ten or more
Rate of Bonus per cent. per annum for the Quinquennium	20/-	24/-	28/-	32/-	36/-	40/-

The rate of Bonus is a varying one on this occasion in order to give effect to the regulation made by the Directors in 1916, that all Policies on the Ordinary Participating scale existing on 15th November, 1920, should share in any Divisible Surplus which may then be distributed in respect of each year's premium due and paid after 15th November, 1910.

For all Ordinary Participating Endowment Assurances which become claims by maturity on or before 15th November, 1923, the Directors have fixed the rate of Intermediate Bonus at 30/- per cent. per annum for each full year's premium due and paid after 15th November, 1920.

Triennial Investigations.—In the past Investigations have been held at intervals of five years. The large amount of labour attendant on an Actuarial Valuation has been the chief reason against adopting a shorter term than five years for the Investigation period. Modern methods, however, have largely overcome the difficulties, and the Directors have the pleasure to announce that **in future Investigations will be held Triennially, the next Investigation taking place as at the 15th November, 1923.**

The Standard Life Assurance Company,

EDINBURGH—3 George St. (Head Office). LONDON—83 King William St., E.C. 4.
WEST END OFFICE—15a Pall Mall, S.W. 1. DUBLIN—59 Dawson Street.

SCOTTISH AMICABLE
LIFE ASSURANCE SOCIETY

Funds exceed £7,000,000

A MUTUAL PROFIT-SHARING OFFICE. An Unbroken Record of High Compound Bonus Declarations.

The Society since its formation in 1826 has a continuous record of high bonus rates, unbroken by the war.

Throughout that long period of nearly 100 years a Bonus has been declared at each of the periodic investigations, and on no occasion has the rate fallen below 30s. % compound. This was the rate declared for the latest quinquennial period, which included nearly 3 years of war; and for the preceding 20 years the rate was 35s. % compound.

Head Office:
35 ST. VINCENT PLACE, GLASGOW.

London Office:
1 THREADNEEDLE STREET, E.C. 2.

£1,358. The dividend is maintained at the sixteen per cent., less income tax, of the previous year, and special allocations calling for £140,000 comprise £110,000 to securities and investments and £10,000 each to bank offices, heritable property yielding rent, and pensions and allowances fund.

Profits of the Union Bank of Scotland, Limited.

Yr. to April 2	Gross Profit	Expenses	Net Profit	Div. Subject to Tax—Earned	Paid		Special Alletns.	Carried Forw'd.
	£	£	£	%	%	£	£	£
1921...	754,661	442,529	312,132	31·21	16	160,000	140,000	47,708
1920†	657,903	347,129	310,774	31·08	16	160,000	170,000	35,576
1919...	575,236	290,887	284,349	28·43	15	150,000	140,000	54,801
1918...	520,078	240,912	279,166	27·92	15	150,000	130,000	60,452
1917...	462,779	212,949	249,830	24·98	15	150,000	140,000	61,286
1916†	419,645	199,072	220,573	22·05	15	150,000	70,000	101,456
1915†	409,582	183,709	225,873	22·58	15	150,000	20,000	100,883
1914...	388,295	178,408	209,887	20·99	15	150,000	50,000	45,010

† April 1.

UNION DISCOUNT CO. OF LONDON, LIMITED.

Office: 39 Cornhill, London, E.C. 3.

Capital—

Authorised and subscribed, in 200,000 £10 shares...£2,000,000
Paid up, £5 per share £1,000,000

Last in point of age, but first of the three principal discount companies in regard to magnitude, the Union Discount Company of London, established in 1885, crowned its record last year with total assets of £47,118,259, as against £40,177,981 at the end of 1919, of which bills discounted, &c., accounted for £41,079,453, in succession to £33,689,891. A more than proportionate increase in rediscounts—from £6,723,646 to £12,661,765—is accounted for by the exceptional demand for first-class bills during the last few months of the year, while the major liability item of loans and deposits, including provision for contingencies, only rose from £30,792,023 to £31,669,303. Many fresh accounts were opened during the year. The increase in rebate on bills diccounted, from £345,000 to £424,000, is due to the higher rates prevailing in consequence of a seven per cent. Bank rate. On the assets side of the balance sheet the decrease of £777,000 in the holdings of British Government and other securities is due to the sale of Exchequer and National War Bonds upon the advance of the Treasury bill rate to six and a-half per cent. Cash at bankers, £1,259,557, compares with £1,173,981 in the previous year. A greater amount of first-class banking and commercial paper was in circulation during the year, and this, combined with the enormous volume of Treasury bills continually on offer, enabled the Bank to find employment for its increased funds.

The gross profit for the year, after making provision for contingencies, but including rebate of interest on bills discounted but not due, amounted to £686,048, as compared with £557,807 in the previous year. Deducting rebate of interest in both years, the profits work out respectively at £261,568 and £212,658. A higher average rate of net profit was earned on the capital. The dividend is maintained at the same figure as in the previous year—fourteen per cent. per annum, less income tax—but the bonus of 1*s.* per share, free of income tax, given in 1919 is increased to 2*s.* per share, free of income tax.

Profits of the Union Discount Company of London, Limited.

Year to Dec. 31	Gross Profit	Expenses	Net Profit	Div. Subject to Tax—Earned	Paid		Special Allocat'ns	Carried Forward
	£	£	£	%	%	£	£	£
1920 ...	261,568	13,978	247,590	24·76	16·86	168,571	50,000	156,044
1919 ...	212,658	13,943	193,715	19·87†	14·38†	143,786	50,000	128,025
1918 ...	169,621	17,430	152,191	17·91	14·43	122,643	25,000	121,096
1917 ...	176,225	20,378	155,847	18·33	14·33	121,833	25,000	116,548
1916 ...	165,389	19,809	145,580	17.13	14·29	121,468	10,000	107,534
1915 ...	192,885	30,893	161,992	19·06	13·00	110,500	80,000	93,421
1914 ...	171,989	41,277*a*	130,712	16·34	13·45	107,698	—	121,929
1913 ...	188,701	39,544	149,157	19·88	13·27	99,557	35,000	98,915

(*a*) Includes £1,565 for interest at 5 % on new shares for broken period.
† On increased capital.

WILLIAMS DEACON'S BANK, LIMITED.

Head Office: Mosley Street, Manchester.

Capital—

Nominal, in 1,800,000 "A" shares (£5) and 1,000,000 "B" shares (£1) ... £10,000,000
Issued, in 1,562,500 "A" and 312,500 "B" shares 8,125,000
Paid up, £1 per share 1,875,000

By dint of sustained effort this institution has come to occupy one of the foremost places amongst our English banks. The Manchester and Salford Bank, which was established in 1836, took over Heywood Brothers and Company, of Manchester, in 1874, Hardcastle, Cross and Company, of Bolton, in 1878, and Clement Royds and Company, of Rochdale, in 1881. In the last-named year it became registered as a joint-stock bank with limited liability, and with the aid of the resources placed at its disposal by the various amalgamations mentioned it built up a large connection, particularly with the industrial and trading community of Lancashire. In 1890 it took a step for which there were already a few precedents, amalgamating with the London clearing bank of Williams, Deacon, Thornton and Company, under the title of Williams Deacon and Manchester and Salford Bank, Limited. The name was changed in 1901 to Williams Deacon's Bank, Limited, and in 1907 the Sheffield and Rotherham Joint Stock Banking Company, Limited, was absorbed. From that date onwards the consolidation of the interests that had been acquired and the extension of new business were steadily pursued, not only in northern England, but also in London, and recent years have been marked by a steady growth in all directions.

In 1920 the Bank established a record alike in regard to business and profits, but the good effects of this achievement were offset, as in the case of other banks, by the unprecedented depreciation of investments. The authorised capital at the end of the year was £10,000,000, of which £1,875,000 was paid up, and the reserve fund stood at £1,000,000, the last two items being equivalent to 6.6 per cent. of the total liabilities. £300,000 of the reserve is earmarked for investment depreciation, but with the recovery in

Liabilities and Assets of The Union Discount Company of London, Limited.

LIABILITIES. Dec. 31	Capital Paid up.		Reserve Fund.	Prov. Reserve Fund.	Paid-up Capital and Reserve.		Loans and Deposits, &c.		Bills Re-discounted.		Profit Balance.		Total Liabilities.
	£		£	£	£	%*	£	%*	£	%*	£	%*	£
1920 ...	1,000,000		1,000,000	138,666	2,138,666	4·5	32,093,784	68·1	12,661,765	26·9	224,044	·5	47,118,259
1919 ...	1,000,000		1,000,000	132,138	2,132,138	5·3	31,137,172	77·5	6,723,646	16·7	185,025	·5	40,177,981
1918 ...	850,000		850,000	130,303	1,830,303	5·3	27,821,434	80·3	4,823,455	13·9	168,271	·5	34,643,463
1917 ...	850,000		825,000	124,508	1,799,508	6·0	23,670,206	78·6	4,450,768	14·8	166,486	·6	30,086,968
1916 ...	850,000		800,000	119,150	1,769,150	6·7	19,596,981	74·5	4,765,204	18·2	157,471	·6	26,288,806
1915 ...	850,000		800,000	113,976	1,763,976	7·3	18,117,452	74·9	4,155,122	17·2	139,693	·6	24,176,243
1914 ...	850,000		800,000	108,968	1,758,968	8·2	16,433,338	76·5	3,113,506	14·5	172,574	·8	21,478,386
1913 ...	750,000		700,000	99,147	1,549,147	4·9	20,892,160	66·2	8,966,329	28·4	152,665	·5	31,560,301
1910 ...	750,000		600,000	71,928	1,421,928	5·7	17,163,143	68·5	6,321,697	25·3	126,617	·5	25,033,385

ASSETS. Dec. 31	Cash at Bankers.		Loans at Call and at Notice, &c.		Investments.		Bills Discounted, &c.		Bank Premises and other Assets.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920 ...	1,259,557	2·7	1,558,415	3·3	3,019,944	6·4	41,104,156	87·2	176,187	·4	47,118,259
1919 ...	1,173,981	2·9	1,307,943	3·3	3,796,422	9·5	33,722,215	83·9	177,420	·4	40,177,981
1918 ...	1,065,677	3·1	2,491,569	7·2	4,249,108	12·3	26,658,578	76·9	178,531	·5	34,643,463
1917 ...	1,043,251	3·5	362,273	1·2	2,655,404	8·8	25,870,040	86·0	156,000	·5	30,086,968
1916 ...	1,040,703	4·0	807,554	3·1	1,975,879	7·5	22,308,114	84·9	156,556	·5	26,288,806
1915 ...	965,685	4·0	576,082	2·4	2,184,397	9·1	20,290,883	83·9	159,196	·6	24,176,243
1914 ...	918,652	4·3	980,741	4·6	2,786,719	12·9	16,642,280	77·5	149,994	·7	21,478,386
1913 ...	886,338	2·9	954,500	3·0	2,213,542	7·0	27,366,216	86·7	139,705	·4	31,560,301
1910 ...	829,556	3·3	1,782,289	7·1	3,449,238	13·8	18,854,427	75·3	117,875	·5	25,033,385

* Per cent. of Total Liabilities or Assets.

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Liabilities and Assets of Williams Deacon's Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920 ...	1,875,000	1,000,000	2,875,000	6·6	1,539,191	3·6	38,870,845	89·5	143,588	·3	43,428,624
1919 ...	1,875,000	900,000	2,775,000	6·6	2,150,023	5·1	37,047,806	88·0	138,997	·3	42,111,826
1918 ...	1,250,000	850,000	2,100,000	6·0	941,030	2·7	31,837,419	91·0	129,319	·3	35,007,768
1917 ...	1,250,000	750,000	2,000,000	6·2	1,443,159	4·5	28,494,564	88·9	110,091	·4	32,047,814
1916 ...	1,250,000	650,000	1,900,000	6·8	1,327,834	4·8	24,488,104	88·0	107,002	·4	27,822,940
1915 ...	1,250,000	650,000	1,900,000	8·4	623,665	2·8	19,887,797	88·4	102,299	·4	22,513,761
1914 ...	1,250,000	650,000	1,900,000	9·1	407,502	1·9	18,381,581	85·1	163,988	·9	20,853,071
1913 ...	1,250,000	650,000	1,900,000	9·6	549,556	2·8	17,220,479	87·0	129,537	·6	19,799,572
1910 ...	1,250,000	750,000	2,000,000	11·1	737,494	4·1	15,187,287	84·1	120,994	·7	18,045,775

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans & Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1920...	7,420,349	17·1	3,585,269	8·2	7,034,199	16·2	3,079,175	7·1	20,187,631	46·5	1,539,191	3·6	582,810	1·3	43,428,624
1919...	6,690,600	15·9	2,779,453	6·6	7,904,150	18·8	3,213,947	7·6	18,902,291	44·9	2,150,023	5·1	471,362	1·1	42,111,826
1918...	5,641,141	16·1	5,909,730	16·9	6,586,806	18·8	5,549,519	15·8	9,943,798	28·4	941,030	2·7	435,744	1·3	35,007,768
1917...	6,193,199	19·3	2,541,770	8·0	6,120,644	19·1	5,100,816	15·9	10,179,796	31·8	1,443,159	4·5	458,430	1·4	32,047,814
1916...	5,921,012	21·3	1,928,508	6·9	6,780,830	24·4	4,846,938	17·4	6,540,785	23·5	1,327,834	4·8	477,033	1·7	27,822,940
1915...	3,356,432	14·9	1,347,270	5·9	7,090,885	31·5	1,911,111	8·5	7,712,871	34·3	623,665	2·8	471,527	2·1	22,513,761
1914...	2,949,932	14·1	3,314,042	15·9	3,360,104	16·1	2,784,057	13·4	7,577,651	36·4	407,502	1·9	459,783	2·2	20,853,071
1913...	3,042,373	15·4	2,418,332	12·2	2,464,867	12·4	4,599,039	23·2	6,274,778	31·7	549,556	2·8	450,637	2·3	19,799,572
1910...	2,316,092	12·8	1,698,536	9·4	2,679,715	14·9	4,309,415	23·9	5,869,378	32·5	737,494	4·1	435,145	2·4	18,045,775

* Per cent. of Total Liabilities or Assets.

values that has taken place since the date of the balance sheet, and which is still going on, the necessity for this hypothecation may largely disappear. Acceptances are down from £2,150,023 to £1,539,191, the decline being due to the lower level of values for many commodities, especially cotton. Deposits, at £38,870,845, establish a new record, and now aggregate 89.5 per cent. of the liabilities.

On the assets side comparison is rendered somewhat difficult owing to the change made in the form of presentation of the balance sheet, but, as will be seen from our tables, the proportion of cash assets shows a substantial increase. A large sum of gold formerly held by the Bank has been transferred to the Bank of England. "Balances with, and cheques in course of collection on other banks in the United Kingdom" is a new item which last year was included under the head of money at call, and a similar remark applies to "items in transit," which hitherto had been added to advances. A slight decrease in bills discounted—from £3,213,947 to £3,079,175—is more than offset by the rise in loans and advances from £18,902,291 to £20,187,631, and the accommodation afforded to trade, as represented by these two items plus acceptances, aggregates nearly £25,000,000, or 57.2 per cent. of the total resources. This indicates that the Bank, so far from hampering trade by curtailing credit, has pursued the opposite policy. The expansion in the bank premises account, from £471,362 to £582,810, is accounted for by the number of new branches opened and by the necessity of overtaking arrears of building. A very advantageous additional site has been acquired at Mosley Street, Manchester, which will enable the foreign exchange, shipping and agency departments to be accommodated under one roof.

The net profit of £463,653 in 1920 represents the highest figure yet attained by the Bank, and is equal to 24.7 per cent. on the paid-up capital, as compared with 21.3 per cent. in the previous year. The allocation to the reserve fund is increased from £50,000 to £100,000, thus bringing the aggregate figure up to £1,000,000. £100,000 is again set aside for investment depreciation, and £25,000 for bank premises. The dividend is maintained at twelve and a-half per cent. on both classes of shares, and the carry-forward, at £24,230, is over £4,000 in excess of the sum brought into account.

Profits of Williams Deacon's Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax — Earned %	Div. Subject to Tax — Paid %	Paid £	Special Allocatn's £	Carried Forward £
1920 ...	—	—	463,653	24·73	12½	234,375	225,000	24,230
1919 ...	—	—	399,481	21·31	12½	234,375	175,000	19,952
1918 ...	678,999	359,808	319,191	25·54	14⅓	185,156	125,000	29,846
1917 ...	579,894	281,979	297,916	23·83	14	175,000	120,000	20,811
1916 ...	510,342	230,155	280,187	22·41	14	175,000	100,000	17,895
1915 ...	437,415	199,367	238,048	19·04	14	175,000	125,000	12,708
1914 ...	398,824	177,343	221,481	17·72	14½	181,250	—	74,660
1913 ...	410,721	167,435	243,287	19·22	15	187,500	55,000	34,429

YORKSHIRE PENNY BANK, LIMITED.

Head Office: 2 Infirmary Street, Leeds.
London Office: 26 King Street, E.C. 2.

Capital—

Authorised and subscribed, in 250,000 shares of £5 each £1,250,000
Paid up, £3 per share 750,000

No profit and loss account is issued by this Bank, but a half-yearly balance sheet appears, accompanied in respect of the first half of the calendar year by the directors' report. From the time of the reconstruction in 1911 there has been a reserve fund equal to the paid-up capital of £750,000, and on December 31 last the £1,500,000 represented 4.8 per cent. of the liabilities. The deposit and other accounts of the Bank did not display the same increase during the War as those of ordinary joint-stock institutions, but at the close of last year they reached the satisfactory total of £29,675,686, as compared with £27,708,165 at the end of the preceding twelve months. As a matter of fact, since June 30, 1914, depositors have withdrawn upwards of £18,500,000 for investment in British Government War Loans, Housing Bonds, etc.

Liabilities and Assets of The Yorkshire Penny Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Paid-up Capital and Reserve £	% *	Deposits and other Accounts. £	% *	Total Liabilities. £
1920, Dec. 31 ...	750,000	750,000	1,500,000	4·8	29,675,686	95·2	31,175,686
1920, June 30 ...	750,000	750,000	1,500,000	4·9	28,822,296	95·1	30,322,296
1919 ,, ...	750,000	750,000	1,500,000	5·4	26,086,358	94·6	27,586,358
1918 ,, ...	750,000	750,000	1,500,000	6·7	20,772,184	93·3	22,272,184
1917 ,, ...	750,000	750,000	1,500,000	8·0	17,372,474	92·0	18,872,474
1916 ,, ...	750,000	750,000	1,500,000	7·2	19,355,066	92·8	20,855,066
1915 ,, ...	750,000	750,000	1,500,000	6·7	20,821,658	93·3	22,321,658
1914 ,, ...	750,000	750,000	1,500,000	6·7	20,720,639	93·3	22,220,689

ASSETS.	Cash in Hand with Bank of Eng. &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Bank Purchase Account. £	% *	Bank Premises. £	% *	Total Assets. £
1920, Dec. 31...	9,528,586	30·5	8,309,236	26·7	6,329,474	20·3	5,950,757	19·1	600,000	1·9	457,633	1·5	31,175,686
1920, June 30...	10,341,657	34·1	8,663,953	28·6	4,858,475	15·9	5,425,577	17·9	600,000	2·0	452,634	1·5	30,322,296
1919 ,, ...	10,829,809	39·3	8,407,844	30·5	3,326,639	12·0	3,970,984	14·4	600,000	2·2	451,082	1·6	27,586,358
1918 ,, ...	4,674,394	21·0	5,529,099	24·8	6,150,542	27·6	4,867,067	21·9	600,000	2·7	451,082	2·0	22,272,184
1917 ,, ...	4,159,334	22·0	6,796,203	36·0	1,248,002	6·6	5,618,375	29·8	600,000	3·2	450,560	2·4	18,872,474
1916 ,, ...	3,356,905	16·1	7,389,612	35·4	3,893,322	18·7	5,164,281	24·8	600,000	2·9	450,946	2·1	20,855,066
1915 ,, ...	3,474,519	15·5	8,687,733	38·9	4,400,950	19·7	4,709,544	21·1	600,000	2·6	448,912	2·0	22,321,658
1914 ,, ...	3,306,588	14·9	11,672,362	52·5	1,656,696	7·5	4,539,622	20·4	600,000	2·7	445,421	2·0	22,220,689

* Per cent. of Total Liabilities or Assets.

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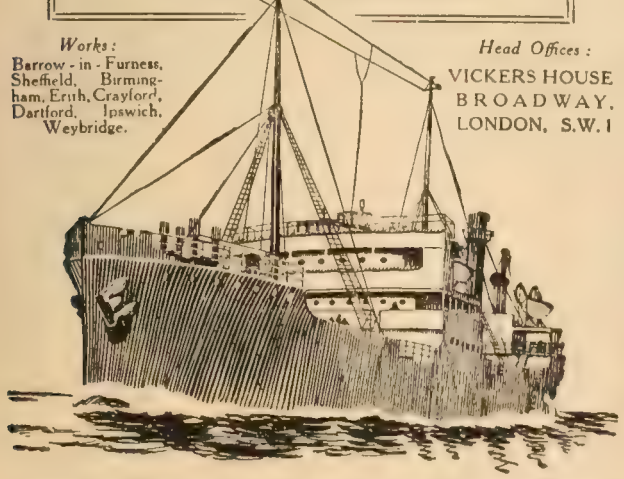
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(*Continued from page* 880.)

spectus quotes extensive figures for production and profits in the china-clay trade, but offers no statement as to previous earnings of the Company itself. Though the enterprise seems under capable management, the shares cannot be considered other than distinctly speculative. The lists close on May 19.

THE CHALK FUEL, POWER-GAS AND BY-PRODUCTS CORPORATION, LIMITED.

Offer of 29,947 Ten per Cent. 5*s*. Participating Preference shares at 8*s*. each, 17,303 1*s*. Founders' shares at 5*s*. each, and £50,000 Nine per Cent., Tax Free, Four-Year Short-Term bonds at par, redeemable at 125.

The Company claims to possess a secret process for treating mixed chalk and cinders so as to produce a highly efficient fuel. Though formed in 1914, the War apparently did not offer opportunities for marketing the invention—an invention which would have been of prime national importance. Beyond a vague reference to an electricity works in London, no statement of tests and results is offered. The Company does not boast an auditor, and the present issue, as might be expected, is not underwritten. The flamboyant terminology of the prospectus should form sufficient indication of the nature of the flotation.

PENDING ISSUES.

South Africa.—Mr. Henry Burton, Minister of Finance, announced during the week the Government's intention of approaching the London market for a loan at an early date.

Anglo-Ecuadorian Oilfields.—290,000 new shares at par to shareholders of the Anglo-Ecuadorian and Lobitos Oilfield Companies in the proportion of one new share for every two now held.

Joseph Nathan and Co.—300,000 Eight per Cent. Cumulative Participating Preferred Ordinary shares of £1 each at par, participating up to 12 per cent.

ISSUES TO SHAREHOLDERS.

M. B. Foster and Sons.—50,000 £1 shares, at par, in the proportion of one to every five held.

Rini (Java) Rubber.—£25,000 Ten per Cent. Debenture stock at par, redeemable at 105 on December 31, 1926, up to when the stock will be convertible at par in Ordinary shares.

Rio de Janeiro Land, Mortgage, and Investment Agency.—£150,000 Ten per Cent. First Mortgage Debentures at 95, redeemable at par on April 30, 1931.

American Telephone and Telegraph.—$90,000,000 capital stock at par.

Cicely Rubber Estates.—127,000 2*s*. shares at 3*s*. in the proportion of one for every five, Preference or Ordinary, held.

RESULTS.

Norwegian Loan.—The lists for the Norwegian Government Six per Cent. Loan for £4,000,000 was heavily oversubscribed within a few hours of opening.

Croydon Gas.—We are informed that the issue of £120,000 Seven and a-half per Cent. Redeemable Preference stock of the Croydon Gas Company was considerably over-subscribed. Allotment letters have been issued.

M. B. Foster and Sons.—The directors of M. B. Foster and Sons announce that the new issue has been largely over-subscribed and that they have proceeded to allotment. Allotment letters will be posted during next week.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Railways—Foreign:											
Nitrate Railways	... 31/12/20	158,040	12,124	7	105,896	—	-	1[illegible]	+ 12,120		- -
Breweries and Distilleries:											
Brampton Brewery	... 31/12/20	27,837	4,125	14[illegible]	17,500	5,000		36,882	+ 1,212		
Chesters Brewery	... 31/3/21	84,622	7,670	20	48,515	20,000	5,000	49,407	+ 3,437	-	
Silver King Brewery	... 31/12/20	1,576	1,750	-		—		[illegible]42	— 174		
Commercial and Industrial:											
Bolands	... 2/4/21	10,142	3,150	6	5,460	1,500	—	11,191	+ 32	-	
City & West End Properties ...	... 25/3/21	28,074	15,356	4	6,060	6,359	-	3,996	- [illegible]99	26,330	8½
Fine Cotton Spinners' & Doublers' ...	... 31/3/21	458	197,000	10	367,500	Dr. 391,020		185,907	17[illegible]	—	-
Liverpool Storage	... 31/ /21	13,349	—	10	8,996	—		8,111	— 1,[illegible]38	--	
Maypole Dairy	... 25/12/20	962,969	17,500	{20 Pf.O.; 37½ Def.; Ord. [illegible]}	899,374	10,000	—	52,401	+ 36,094	—	—
Riverside Orange Co.	... 31/12/20	Dr. 7,069	—	—	—	—		Dr. 64,615	+ 7,069	Dr 4,589	—
Semon (Charles) ... (1st 15 mos.)	31/12/20	Dr. 97,145	24,704	7½	18,750		-	Dr. 140,599	—		—
Stranaghan & Stephens Stores ...	... 31/3/21	801	1,125	—	—	—		196	— 324	—	--
Textile Corporation ... (1st 14 mos.)	31/3/21	20,[illegible]60		10	13,258	—		7,202	--	-	—
Whiteaway, Laidlaw	... 28/2/21	193,029	41,500	12½	73,672	66,276	2,000	23,637	+ 9,581	—	—
Financial, Land and Investment:											
Scottish Mortgage & Trust	... 31/3/21	18,828	2,266	7	13,241	3,000	—	5,493	- 321		
Warner Estate	... 31/3/21	24,096	12,500	2½	5,475	5,640	-	1,954	- 481		—
Financial Trusts:											
Bankers' Investment Trust	... 30/4/21	92,531	40,500	6	25,650	20,000		21,167	- 6,381	90,486	6
British & Continental Plantations Trust	... 31/3/21	5,776	—	—	—	5,000	-	8,199	- [illegible]76	29,436	10
Gas:											
New Brunswick Gas & Oilfields ...	... 31/12/20	7,779	5,040	10	5,000	—	-	14,950	— 2,861		--
Iron, Coal and Steel:											
Bell Brothers	... 31/12/20	150,971	30,000	15	75,000	17,088		50,809	- 28,884		-
Wilsons & Clyde Coal	... 28/2/21	Dr. 25,038	3,500	10	40,500	—		8,5[illegible]	[illegible]	148,4[illegible]3	25
Nitrate:											
Anglo-Chilian Nitrate & Railway ...	... 31/12/20	282,152	87,500	25†	137,500			2[illegible]0,[illegible]24	- 57,[illegible]72	-	
Oil:											
Kansas-Oklahoma Oil & Refinery ...	... 31/12/20	Dr 1,169	—	—	—	-	—	7,361	1,[illegible]69		
Maritime Oilfields	... 31/12/20	5,848	—	8	5,544	-		1,[illegible]97	- [illegible]1		
Shipping:											
Oceanic Steam Navigation ...	... 31/12/20	676,373	—	15	750,000	—	-	[illegible],[illegible]80	75,627		-
Tea, Coffee and Rubber:											
Ayer Kuning (F.M.S.) Rubber ...	... 31/12/20	15,873	—	7½	10,500	10,000	—	12,626	— [illegible]27	[illegible]85	[illegible]
Bandarapola Ceylon Co. ...	... 31/12/20	Dr. 9,196	—	-	—	Dr. 5,000		[illegible]00	- 4,196		
Bukit Jok (Selangor) Rubber ...	... 31/12/20	Dr. 341	—	-	-	-		[illegible]6[illegible]	- 341		
Cluny Rubber	... 31/12/20	5,083		-		-		12,702	- 5,083	[illegible],227	15
F.M.S. Rubber Planters ...	... 31/12/20	21,332	—	10	14,162	-	—	12,734	+ 7,170		
Hanwella Rubber ... (1st 9 mos.)	31/12/20	Dr. 1,709					—	Dr. 1,709	-		
Haycella Tea & Rubber	... 31/12/20	Dr. 11,512	—					Dr. [illegible]81	- 11,[illegible]12	3,967	15
Java Amalgamated Rubber	... 31/12/20	Dr. 8,824						1,[illegible]08	- [illegible],824	34,837	-
Kasintoe Rubber	... 31/12/20	Dr. 640				-		[illegible],[illegible]75	[illegible]	[illegible],[illegible]29	20
Lanadron Rubber	... 31/12/20	401						1[illegible],[illegible]00	[illegible] 1	39,002	20
Ledbury Rubber	... 31/12/20	9,[illegible]32						2[illegible],[illegible]32	- 2[illegible]	30,001	-
Merlimau Rubber	... 31/12/20	8,874	-					15,571	- 8,874		
Riverside (Selangor) Rubber (1st year)	31/12/20	[illegible]03						603			
St. George Rubber	... 31/12/20	8,479		12½	8,750			4,192	- 1,[illegible]77	[illegible],[illegible]7	1
Scottish Malay Rubber (1st year)	31/12/20	14,825						14,825			
Selabu Rubber	... 31/12/20	4,782						16,083	- 4,[illegible]8[illegible]	31,856	-
Shelford Rubber	... 31/12/20	4,986						12,004	+ 4,986	15,791	15
Tanggi Batu Rubber	... 31/12/20	Dr. 456						3,195	— 456		
Third Mile (F.M.S.) Rubber	... 31/12/20	2,394						[illegible],[illegible]38	+ 2,394		
Yatiyantota, Ceylon Tea	... 31/12/20	Dr. 50,559						Dr. 25,434	- [illegible],[illegible]00		-
Tramways and Omnibus:											
Carthagena & Herrerias Steam Tram.	... 31/12/20	Dr. 377	—	-	-	-		Dr. [illegible],[illegible]54	- [illegible]77	Dr. 3,703	
Oldham, Ashton & Hyde Electric Tram.	... 31/12/20	11,500	2,500	6	3,000	6,000		[illegible],[illegible]87			
Potteries Electric Traction	... 31/12/20	28,500	12,250	5	12,250	10,000	- -	[illegible],[illegible]82	... [illegible]00	44,141	-
Water:											
Borough of Portsmouth Waterworks	... 31/3/21‡	13,836	--	3·58	26,128	—	--	Dr. 2,[illegible]34	— [illegible],292	—	

* After providing for all Government taxation, prior charges, &c. † Tax free. ‡ Half-year.

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

MEETINGS
OF PUBLIC COMPANIES.

British Thomson-Houston Co., Ltd.

Satisfactory Progress despite Adverse Conditions.

THE twenty-sixth ordinary general meeting of this Company was held on May 18 at the offices, 83 Cannon Street, E.C. 4, Mr. H. C. Levis (the Chairman of the Company) presiding.

The Assistant Secretary read the notice convening the meeting.

The Chairman, having read the auditors' report, said: The report which has been sent to the shareholders, and which is now formally submitted, is the twenty-fifth, and thus completes the first quarter-century of the Company's existence. It is a pleasure, on such an occasion, to submit a report which I think the shareholders will consider satisfactory.

For many years the growth of the Company was very slow, because of the depressed state of the electrical business in this country and the competition which existed, due not only to the fact that there was no restriction of imports, but also because the manufacturing facilities in the country, when taken in conjunction with the imports, largely exceeded the demand.

About 1912, however, matters commenced to improve, and that improvement has been steadily maintained up to nearly the end of the year under review, when a reaction began. Notwithstanding that falling-off, the year, as a whole, was a record one, and, as a result, the volume of orders on hand on January 1, 1921, was larger even than on January 1, 1920, particularly in heavy plant. The depression which began towards the end of last year has continued, so far, during the present year. It is to be hoped that the present industrial conditions will be so settled in the near future that a revival of trade will take place, and I cannot help feeling that such a revival will take place soon after the present strikes are settled, for the reason that the number of important inquiries we are receiving is large, and it is to be assumed that those making the inquiries contemplate making purchases.

It must also be remembered that there is a great shortage of electrical machinery which must be made up when prospective purchasers are in a better position to finance their requirements.

Shares Outstanding.

The issues of shares which I mentioned a year ago have been substantially completed, with the result that the Company had outstanding on December 31 last 2,000,000 Ordinary shares of the par value of £1 each, and 1,500,000 Cumulative Preference shares of a like par value, making the total shares issued £3,500,000. The proceeds were used to liquidate debts, and for other purposes of the Company. The only cost of issue was the Government tax on the new shares, which, although a heavy item, has been written off.

The Debenture stock outstanding amounts to £152,295. £5,300 is retired annually by drawings at 105. The total amount redeemed from the date of issue is £59,705.

The loss in exchange in connection with the amount owing to the International General Electric Company, of New York, was almost entirely settled prior to the last annual meeting, and the exchange on the balance of the debt has been so adjusted that no further loss is likely to be incurred.

Factory Expenditure.

During the year there was expended on factories the large sum of £595,000. This includes payment for the factory at Birmingham, which, as I stated at our last annual meeting, although purchased in 1919, did not come into our possession until the middle of 1920; also certain additions at our Willesden factory, which have considerably increased our manufacturing facilities there; also further work on the important additions to our Rugby factory; and, finally, in connection with new works now being constructed at Chesterfield. Building progress, particularly on the extensions at Rugby, has been painfully slow, due to causes beyond our control, and the relief we anticipated, particularly in relation to the manufacture of heavy plant, has not been fully realised.

The total floor space of the various plants of the Company amounts to about 1,650,000 square feet. The number of employees at December 31 last was over 9,000.

Profit and Loss Account.

Turning to the profit and loss statement, it will be observed that the profits for the year, after deducting all expenses and charges, other than interest on debentures and loans, and after making provision for estimated War taxation for 1920, were £470,470, which shows an increase of nearly £60,000 over 1919. This was realised because of the fact that the amount of unfilled orders on our books at January 1, 1920, was, up to that time, the largest in the history of the Company, and, further, that the volume of orders received during the year formed a new record.

To this amount of profit must be added the amount brought forward from the previous year—viz., £208,431, making the total amount to be dealt with £678,901. From this there has to be deducted interest on Debentures and loans, £179,990; the plant account has been depreciated by £60,000, and a reserve of £150,000 has been made in connection with inventories, etc., leaving, to be carried to the balance sheet, £288,910. This is subject to adjustment of the reserves made for excess profits duty for 1918, 1919, and 1920, and it is believed that these reserves are ample.

Out of this amount it is proposed to pay dividends aggregating £63,019, and to carry to the new account £225,891, which is about £17,000 more than was carried forward last year. Particulars of the proposed dividends are set forth in the report. The old Preference shares of the par value of £400,000 will receive four per cent., subject to income tax, for the eight months of 1920 that they were in existence. They were then converted into Ordinary shares, and for the last four months they will receive dividends like the other Ordinary shares. The new Preference shares, aggregating £1,500,000, were in existence for one month, and dividends will be paid thereon for that period at the rate of seven per cent. per annum, free of income tax. Then it is proposed to pay dividends on the £2,000,000 of Ordinary shares at the rate of six per cent. per annum, free of income tax, for the periods during which they were outstanding; that is to say, on £400,000 for twelve months, £773,500 for four months, and £826,500 for one month.

Employees as Shareholders: Conditions of Participation.

Many of our employees having from time to time expressed a desire to become financially interested in the Company, the directors have arranged to offer to them savings certificates in multiples of £10, bearing interest at the rate of seven per cent. per annum, free of income tax up to 6s. in the £, and with a right of participation in the earnings of the Company under certain conditions. They are to be paid for on an instalment plan, which will spread the payments over a period of nearly two years. At any time an employee can apply for repayment, and, on the other hand, the Company can pay off the certificates. They are personal to the employee, and not negotiable or assignable.

Later on, the Company may decide to offer some of its shares to its employees on a deferred payment basis, but for the present it is felt that these certificates, with a fixed and attractive rate of interest, and with participating privileges, will answer the purpose, and prove to be a sound and attractive savings investment.

All the welfare arrangements that I alluded to last year as having been made for the benefit of our staff are being continued with success. The memorial, which the Company has decided to erect at Rugby to those of its employees who fell in the Great War, will be completed during the current year. It will be a modest, though dignified, cross of Portland stone, on an appropriate base of the same material, the whole being designed by Sir Edwin Lutyens, the designer of the Cenotaph in Westminster. On the base will be inscribed the names of the employees of the Company who died for their country.

During the year a memorial pamphlet was distributed, not only to the relations of all those who fell, but to each one of the Company's employees who had served in the War, and to each of those now in its employ. In this is set forth the names of all who served, those who died or were wounded, the honours and promotions which were received, and, finally, a brief statement of some of the work which the Company itself did during the War.

At our last annual meeting I referred to the excess profits duty, and the unfair way in which it had operated, which unfairness was generally recognised and eventually led to its abolition.

Before closing, I would like to bear testimony to the efficient and loyal work done by all of the Company's employees.

I now beg to move that the report of the directors, produced, together with the annexed statement of the Company's accounts at December 31, 1920, duly audited, be now received, approved, and adopted, and that the recommendations therein contained as to dividends and otherwise be adopted and carried out.

Lord Carmichael seconded the resolution, which was carried unanimously.

On the motion of the Chairman, seconded by Mr. A. R. Monks, Messrs. E. A. Carolan, F. Fraser, and H. N. Sporborg, the retiring directors, also Mr. J. M. Woodward, who had been appointed a member of the board since the last annual general meeting, were re-elected directors of the Company.

On the motion of Mr. Monks, seconded by Mr. W. C. Fish, Messrs. Price, Waterhouse & Co., the retiring Auditors, were re-elected, their remuneration to be fixed by the directors.

The proceedings then terminated.

Maypole Dairy Company, Limited.

Large Increase in Turnover.

THE twenty-third annual meeting of the shareholders of this Company was held on May 18 at Winchester House, Old Broad Street, London, E.C., Sir W. George Watson, Bart. (the Chairman), presiding.

The Secretary (Mr. W. J. Latty) read the notice convening the meeting, and the report of the auditors was read by Mr. C. J. G. Falmour.

The Chairman, in moving the adoption of the report and accounts, said: Ladies and Gentlemen,—With your kind permission we will take the report and balance sheet as read. I must apologise for the unavoidable delay in holding this annual meeting and presenting the report and accounts. We shall try to avoid delay in the future now that trading conditions have become somewhat more normal.

Stocks and Excess Profits Duty.

To ensure supplies for the factories of our subsidiary companies we have to carry and purchase raw materials in the countries of production equivalent to at least 50,000 tons of crude oil. It takes from three to six months after purchase before these raw materials can arrive and be manufactured and distributed to consumers in the form of margarine.

On the outbreak of war the market price of crude oil was £37 per ton, and the price advanced to £100 per ton by the end of 1919. The advance in the value of the stock of oil we have to carry was reflected in the value of the assets on our balance sheets and nominally increased our profits. This increase was subject to excess profits duty, but the gain from it is likely to disappear as the price of oil falls to pre-War values.

During last year the price of crude oil fell from £100 to £10 per ton, and the decrease in value (£90 per ton on 50,000 tons—say, £4,500,000) would have seriously affected last year's results of the trading of our subsidiary companies had not the Excess Profits Act given us the right up to the end of 1920 to reclaim from the Government some of the excess profits duty paid in previous years.

I am sorry we are unable to fix an earlier date on which we can pay the final dividend recommended to-day, as it may be necessary that we should first receive payment of this refund of excess profits duty from the Government.

When we have a tax like the excess profits duty, which taxes unrealised profits, it becomes very difficult to arrange the finances of a large business.

Unless some concession with regard to the value of stocks is made to companies who import raw materials from distant countries, the taking off of the excess profits duty before the fall in prices is completed will prejudice rather than help the traders' position.

Under free competitive conditions selling prices have to be largely based on the cost of replacement, so a heavy fall in prices is a serious matter for companies like ourselves, who have to purchase raw materials in the distant producing countries to ensure our food supplies.

When under control conditions the Food Ministry bought food products (butter, bacon, sugar, lard, wheat, &c.) from distant foreign countries, they protected themselves from loss when markets fell by forbidding private traders to import. This policy stopped competition and enabled the Government to maintain the price to British consumers, and so helped the Food Ministry to liquidate some of their dear purchases without loss.

Private traders cannot keep up prices to consumers under free competitive conditions. This is a great advantage to consumers, and it is for this reason that I consider the Government should, in the interests of the public, devote their legislation to encourage competition. I think it is a mistaken policy to press railway companies or other traders to amalgamate and so obtain a monopoly and eliminate competition.

Competition will always be the best protection of the interests of the consumer, whereas monopoly encourages extravagance and prevents initiative, efficiency, and progress.

It appears to me that the Government and nearly everybody, including trading companies as well as trade unions, now erroneously think that by federations and combinations they can beat economic laws. They forget that it is impossible to get more out of an industry than it contains or will yield. These combinations may prevent competition for a time and so benefit its members at the expense of the general public, but they should never forget that the general public consists chiefly of themselves. This policy, therefore, eventually has the effect of a boomerang, and is delusive and misleading to its exponents and advocates.

Labour Costs.

The increased cost of labour and shorter working hours has greatly augmented our manufacturing and distributing expenses. It will be impossible to maintain present wages and hours with the cheaper commodity and food prices now ruling, unless we can increase output and efficiency, or get more work done by mechanical means.

Already we have had to consider the advisability of closing down some departments in our factories, as we can now buy foreign-manufactured oil, margarine, &c., at a lower price than we can manufacture it in this country.

Under present conditions every employer should endeavour to keep his works running and not increase unemployment by closing down or refusing orders on a question of price until after he has explained the position to his employees, and ascertained if they will help him to keep going by agreeing to work for a wage he can afford to pay if he takes orders at the best price obtainable.

If an employer takes orders at unprofitable prices, without the aid and co-operation of his employees, it will eventually end in his bankruptcy or the unemployment of his workpeople by the closing of his works.

The Government have now fixed minimum rates of wages in many trades. I think it advisable that these rates should be made subject to the rise and fall in the cost of living, as there is the certainty of difficulties arising and ever-increasing unemployment if fixed inelastic rates of wages are maintained when conditions are changed.

Labour must be well paid when the cost of living is high, and if demand falls off and food and commodity costs fall, the worst enemies of labour will be those who prevent a man from taking work at a wage which an employer can afford to pay him.

Recently most traders have been caught with heavy stocks of dear goods in a falling market. It would be considered by these traders an unfriendly act if they were forbidden to sell their stocks at a low price which the buyer can now afford to pay.

It must never be forgotten that economic laws are all-powerful, and no Government or federation of employers or employees can permanently ignore or overcome these natural laws.

New Issue of Shares.

In February of last year we issued 9,249,997 new Deferred shares to shareholders at par, and the proceeds of this issue provided the necessary capital to continue the extension of the business. We are sorry that owing to the rapid fall in prices the increased capital has not proportionately increased our profits.

Co-partnership and Profit Sharing with Employees.

We have again distributed Trust shares to our employees who hold positions of responsibility, but we have given cash instead of shares as a bonus to our lower-grade employees, as we hesitate to give them further Trust shares until the position for future trading is more settled and the cost of living is further reduced. We have given our employees who are interested in Trust shares the option of selling half of their total Trust shares allotted to them and having the proceeds invested in Government securities.

Turnover.

We have to again report a large increase in our turnover. The value of the goods sold last year by our Company and its subsidiary companies exceeded £36,500,000, and the profit shown on our balance sheet represents less than three per cent. net profit on this turnover.

This small percentage of profit earned shows that Maypole have done their part in helping to reduce the cost of living. (Hear, hear.) We took great risks during the War to obtain much-needed supplies, risks which were not justified from a purely business point of view, but we always felt sure that British shareholders would grant us their indulgence should risks undertaken for that object entail eventual losses upon the Company.

Trading is now freed from control and we are allowed to import our own selection of Danish butter. Our customers greatly appreciate the superior quality and freshness of this butter compared with the cold-stored butter from distant countries obtainable during the period of control.

Food Prices.

We are now retailing best Maypole margarine at 8*d.* per lb., a reduction since December last of 5*d.* per lb. (thirty-eight per cent.). Our retail price for fresh-made Danish butter sold under our Maypole brand is now 2*s.* per lb., a reduction of 1*s.* 4*d.* per lb. (forty per cent.) since December. These reduced prices should help to materially reduce the cost of living, and help consumers through the present difficult times.

Management and Staff.

Our Companies have sustained a great loss by the recent deaths of Mr. A. E. Watson and Mr. Blichfeldt. Mr. A. E. Watson was one of our original managing directors, and Mr. Blichfeldt was an assistant managing director and chief chemist at our Southall Works.

Our thanks are due to our managing directors and staff, who have worked very hard under the difficult conditions prevailing during last year.

I will now move: "That the report and balance sheet for the financial year ended December 25, 1920, as certified by

the auditors, Messrs Whinney, Smith and Whinney, be and is hereby confirmed and adopted, and that a final dividend for last year of 4½*d.* per share (less income tax) be declared and paid on the Deferred Ordinary shares, such dividend to be paid to shareholders entitled thereto on or before June 30 next."

Mr. A. B. Warde seconded the motion, and, the Chairman having replied to questions, it was carried unanimously.

The retiring directors (Mr. C. H. Watson and Mr. T. H. Reading) were re-elected, and the auditors having been reappointed, votes of thanks to the managing directors and staff and to the Chairman and the other directors concluded the proceedings.

Odhams Press, Limited.

Satisfactory Results.

THE first annual general meeting of Odhams Press, Limited, was held on May 17 at the Holborn Restaurant, W.C., Lieut.-Colonel W. Grant Morden, M.P., Chairman of the Company, presiding.

The Chairman said: In moving the adoption of the report and accounts, which have been circulated to the shareholders, you will observe that the net profit of the first year of the Company's trading amounts to £150,265 1*s.*, which I think you will regard as a very satisfactory result, more especially in view of the fact that, as is common knowledge, during the year the cost of wages and the prices of paper and of all other material have been exceptionally high. In addition, I need hardly remind you that in the autumn of last year there was dislocation of trade owing to a coal strike, together with a general trade depression. The profits earned during the year would have justified a larger dividend than eight per cent. being distributed to the shareholders, but in view of the present industrial uncertainty the board think it wise to conserve its resources.

An Amalgamation of Businesses.

As you are aware, the Company is an amalgamation of the well-known printing and publishing business of Odhams, Limited, with that of the no less well-known newspaper *John Bull*, each of them having subsidiary businesses. The Company are now the owners of the following newspapers and periodicals: *John Bull*, *Sporting Life*, *Passing Show*, *Kinematograph Weekly*, *London Mail*, *The Picturegoer*, *Everywoman's*, *The Ideal Home*, *Pan*, "The Racing Guide," *Pictures*, *Monthly Film Record*, "Odhams' Monthly Novels," "Sporting Life Companion," "Everywoman's Monthly Novels," and "Children's Zoo Pictorial." In addition to the large printing and publishing and advertising business owned by the Company, it has also an important book-publishing business, process-engraving department, art-publishing department, billposting department, publicity department, and pen-manufacturing business. It is quite safe to say that there is no publishing house in the country so complete in itself.

It will be seen from the report that during the year the Company has acquired the entire goodwill, plant, and machinery of the very old-established and leading sporting daily newspaper, *The Sporting Life*, and has also purchased the goodwill and advertising sites of the largest outdoor publicity business in the country, the Borough Billposting Company, together with its subsidiary branches, in all controlling and owning over 10,000 advertising sites. The printing business was originally founded by the late Mr. William Odhams in the year 1847, so that we are of no mushroom growth, having been established over seventy-three years. From very small beginnings the business has become one of huge proportions, and is to-day probably the second largest printing and publishing house in the British Empire. There is no need for me to tell you anything about *John Bull*, the paper being world-famous and having the largest circulation of any weekly journal other than perhaps certain of the Sunday newspapers. Since the Company began operations three new publications have been established—namely, *The Ideal Home*, *Picturegoer*, and "Children's Zoo Pictorial"—all of which have met with considerable public favour and should add to the Company's earnings.

The Outlook.

We are meeting the shareholders during what, we hope, are the darkest moments of a great trade depression, but in spite of this the directors look forward with every confidence to the future. The success we have met with during our first year in consolidating such large interests in one concrete organisation is largely due to the unfailing energy and ability of our Managing Director, Mr. J. S. Elias. (Hear, hear.) The shareholders will be pleased to know that our relations with our employees continue to be highly satisfactory, the management always endeavouring to approach any controversial subject in a sympathetic manner. The board desire to express their appreciation to all the heads of departments for their loyal services to the Company. I now move: "That the directors' report and statement of accounts be received and adopted, and that a dividend of eight per cent. be declared on the Ordinary shares of the Company."

Mr. W. J. B. Odhams (Deputy-Chairman) seconded the motion, and it was carried unanimously.

Mr. Dudgeon proposed a vote of thanks to the Chairman, directors, and staff. In doing so, he said that this was the first occasion on which they had met in the new circumstances in which the Company was carried on, and he felt well satisfied, as the directors must be, with the result of the year's working. (Hear, hear.) He was certain that the combination of interests which was so well represented round the table would be for their mutual benefit. He had the greatest pleasure in moving a vote of thanks to the Chairman, directors, and staff of the Company for the able way in which they had carried on the business.

The Chairman, in acknowledging the compliment, said that they all took a keen interest in the affairs of the Company, because now that they possessed the second largest publishing business in the British Empire they hoped to make it the largest, as well as being most profitable for the shareholders. (Applause.)

The proceedings then terminated.

Booth's Distillery, Limited.

Ordinary Shares to be Marketed.

PRESIDING at the twenty-fourth ordinary general meeting, held at 55 Cowcross Street, E.C. 1, on Thursday, May 12, 1921, Mr. Charles E. Cottier moved the adoption of the report and accounts and said: The trading profit for the year under review (after payment of all trading expenses, salaries, directors' fees, and a writing off from properties and plant account of the figure of £4,380 5*s.*) is £72,382 12*s.* 11*d.* This sum, with the carry-forward from the previous year of £32,129 3*s.* 6*d.*, makes an available surplus of £104,511 16*s.* 5*d.* This surplus has already been allocated as follows: Debenture interest and dividend on Preference shares, £13,647 7*s.* 6*d.*; income tax, £22,410 8*s.* 9*d.*; written off goodwill, £5,008 11*s.* 1*d.*; dividend of twenty-five per cent., less tax, paid in November last, £17,171 14*s.*; leaving a carry-forward to the next accounts of £46,273 15*s.* 1*d.*, as against £32,129 3*s.* 6*d.* brought into the accounts.

In reviewing the balance sheet, it will be noted that the capital liability has been increased by the reorganisation of our share capital and the new issue, details of which I will give you later. By reason, however, of the redemption of Debentures to the extent of £23,100, and the writing down of the goodwill by £15,000, the Ordinary shareholders' position has been strengthened to the extent of £38,100, and the overhead charge in respect of Debenture interest proportionately decreased. Since the issue of our report the Debenture charge has been further reduced by the sum of £25,900, so that it now stands at £214,100.

The authorised share capital of the Company as at December, 1919, was £520,532 2*s.*, divided into 40,000 Preference shares of £10 each, and 185,434 Ordinary shares of 13*s.* each. Of this capital at the time of the contemplated reorganisation, 19,525 Preference shares and 150,960 Ordinary shares had been issued. It was therefore decided to convert the unissued Preference share capital of £204,750 into 315,000 additional Ordinary shares of 13*s.* each, and the necessary resolutions and sanction of the Court were respectively passed and obtained. By this reorganisation the Ordinary share capital was increased from 185,434 shares to 500,434 shares, of which 266,440 shares (with the exception only of 7,500) were last November issued *pro rata* to existing shareholders.

The 218,940 Ordinary shares actually allotted have all been paid up, and upon allotment of the remaining 7,500 the amount realised by the issue will be £147,186.

The resolution having been seconded by Mr. F. J. Kelly, was carried unanimously.

W. P. Lowrie and Company, Ltd.

Satisfactory Balance-sheet Figures.

THE sixteenth ordinary general meeting of shareholders of the above Company was held within the Registered Office, 44 Washington Street, Glasgow, on Wednesday, May 18, 1921, Mr. James Fowler Johnston, J.P., in the chair.

The Chairman, in submitting the accounts for the year ending March 31, 1921, said that, taking into consideration the unsettled conditions in the industrial world during the last twelve months, the figures shown in the balance sheet were very satisfactory. The trade was still under Government restrictions, and many of the Food Controller's regulations still held sway, but he hoped the day was now near at hand when a new and better order would take the place of the present system. Since we last held our annual meeting the Temperance (Scotland) Act, 1913, poll had been taken, and the Prohibition party had been doing their very utmost to induce the Scottish public to vote "dry," but in spite of the fact that they had carried on an extensive propaganda for the last thirty years, their efforts had resulted in an ignominious failure, only forty out of 584 areas having gone "dry," and this at an expense to the ratepayers of £30,000, not to mention the money which had been expended by the Prohibition party themselves, and the sums contributed by the wine and spirit trade towards the propaganda work re-

quired for the defence of their interests. The Prohibition party will return to the attack in three years' time, and he understood that the trade had already been moving in the matter by bringing before the Government a scheme to devise reforms in our trade.

The Trade Outlook.

The trade outlook at the moment was very obscure, owing to the irreparable damage done to the industrial life of the country arising out of the present miners' strike, and he would be a bold man who would attempt to prophesy as to what would happen to the trade in the near future. He said, however, that as regards stocks of whiskies, they, along with the other companies associated with Messrs. Buchanan-Dewar, Limited, held very large stocks of fully matured whiskies, and he could assure the meeting that they were in a position to supply in the future the same good quality as in past years.

The Chairman informed the meeting that they had a number of distilleries under their own control at full work during the season, and had been in a position to put into stock a considerable quantity of whisky at prices approximating cost.

Referring to the report, the Chairman said they would notice that the directors recommended a further sum of £25,000 to be added to the reserve fund, which would then amount to £225,000. Excess profits duty and corporation tax had already been provided for in the accounts, and the necessary depreciation on properties had been written off. The Debenture sinking fund now stood at £87,222 16*s*. 6*d*.

The directors proposed to pay a final dividend on the Ordinary share capital of £1 15*s*. per share, making twenty-five per cent., free of income tax, for the year, carrying forward a balance of £93,004 11*s*. 10*d*.

The Chairman then formally moved the adoption of the report and declaration of dividend on the Ordinary share capital.

Jugra Land and Carey, Limited.

Profits Adversely Affected by Low Price of Rubber.

The first annual general meeting of shareholders was held in the Hall of the Institute of Accountants and Actuaries, 218 St. Vincent Street, Glasgow, on Tuesday, May 17, 1921, at 12 o'clock noon, Mr. L. Dougal, in the absence of Mr. John Wishart, presiding.

Mr. Macdonald, for the Secretaries, having read the notice calling the meeting, the Chairman said:—Gentlemen,—I am sorry Mr. Wishart is unable to be present to-day as he is just recovering from a severe chill, but I shall read you the speech he would have delivered.

"You have had before you for more than the statutory period the directors' report and statement of accounts, and I presume these may be taken as read.

"I think the reference to Mr. Mustard's remarks in the report would satisfy shareholders as to the condition of the properties, and it is, therefore, unnecessary for me to make any further observations under this head. I should only like to say that we have again to congratulate ourselves on the thoroughly efficient manner in which our interests have been looked after by Mr. French and his assistants, to whom our thanks are again due.

"The profits anticipated in the prospectus issued in December 1919 have not been realised, which is, of course, entirely due to the fall in the price of rubber, the profit amounting to only slightly over 8*d*. per lb., as against 1*s*. per lb. estimated. The profit realised from the sale of copra and coconuts was slightly more than we estimated.

Condition of Rubber Market.

"The flatness in the Rubber market continues, stocks in London now amounting to more than 69,000 tons. There is no doubt that the present position of the industry is the direct outcome of the artificial boom in trade which took place immediately after the War. Everywhere a boom was expected, and in anticipation tremendous activity was shown in the manufacture of all classes of goods. When it was realised that the boom was not going to mature manufacturers were left with enormous stocks in their hands, and, in consequence, a heavy fall in prices ensued. Nowhere was this more marked than in the rubber industry, that industry being to a large extent dependent on the motor trade, which in time of peace is, to a large extent, a luxury industry. America normally consumed fully two-thirds of the world's output of rubber, but conditions altered so suddenly there that not only did she not take anything like her usual supply of rubber, but she actually came back on the London market as a seller, the consequence of which is the great increase in the London stocks, and that stock is increasing from week to week. While I have no doubt whatever as to the ultimate future of the rubber industry, I do not see that there is any likelihood of an improvement in the price of the raw material until trade generally gets back to something like ordinary conditions. We may be perfectly certain that estates are not going to continue producing rubber at a cost of about 1*s*. per lb., and disposing of the same at an average price of something less than 9*d*. per lb.





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As to the question of the payment of a dividend, this matter has given your directors considerable thought. The view ultimately arrived at, however, is that as the financial position of the Company is thoroughly sound it is only fair that shareholders should receive a modified dividend in respect of the profits which have been earned.

"The financial position is such that it is estimated that with our present funds we should be able to carry on till the end of 1924 without making any further call on the shareholders."

I have now pleasure in moving that the report and accounts be adopted and that a dividend of two per cent., less income tax (making five per cent. for the year), be paid.

I shall ask Mr. MacLellan to second this resolution, but before putting it to the meeting I shall be glad to answer any questions that may be asked.

Mr. MacLellan seconded the adoption of the report, which was carried unanimously.

Mr. John Wishart was re-elected a director, and Messrs. Gibson and Anderson, C.A., were re-elected auditors.

African Steamship Company.

A Prosperous Year.

THE sixty-ninth annual meeting of the African Steamship Company was held on May 20 at the offices of the Company, 23 Billiter Street, E.C., the Rt. Hon. the Lord Pirrie, K.P., P.C., Chairman of the Company, presiding.

The Secretary having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and gentlemen, I presume you will take the report as read. (Agreed.) You will be glad to see from the accounts that the Company has had a satisfactory year. We are able to maintain the dividend at ten per cent., free of tax, for the year. There are also very satisfactory features in connection with the accounts. We have been enabled to increase the reserve account from £300,000 to £500,000, and, in addition, the carry-forward has been increased from £99,595 to £156,618—an increase of £57,000. The ships have also been written down, and, notwithstanding that more than half the main line fleet have been acquired since the termination of the War at the high prices ruling during that time, our vessels stand in the books at a price below even the present low market value. Since I last addressed you three new boats have been delivered to the Company, namely, the *Ekari*, *Fantee*, and *New Columbia*, and I am glad to tell you that they have proved most satisfactory and suitable for the various trades they were intended for.

It is a great satisfaction to your board to be able to record the fact that no serious casualty has occurred during the year 1920. This reflects the greatest credit on the personnel of the fleet. The care and seamanship displayed by the officers and men of our fleet are matters on which we can justly pride ourselves. Since our last annual meeting the Supplementary Charter authorising the increase of the capital from £2,000,000 to £5,000,000 has been granted by His Majesty, and has been accepted by the Company in extraordinary general meetings held in October last. The ever-increasing importance of the West African trade, and the necessity of meeting the developments which take place from time to time renders it necessary for us to be in a position to increase our capital if the state of the trade justifies it.

The Condition of Trade.

Gentlemen, we have had a prosperous year, but, as you know, the conditions of trade not only in West Africa but throughout the world lately have been deplorable. At the present moment things look a little brighter, but if this country is to retain its commercial supremacy it will be necessary for all of us to work harder. It is only by efficiency and economy that we can pull through. The costs must come down all round. We must economise in everything. We have faced great commercial depressions before, and I am optimist enough to believe we shall before long emerge from this great depression. As regards the African Steamship Company, we face the storm in a good position. We have no watered capital and we have no ships which stand in our books at extravagant figures, and we have substantial reserves. I have now pleasure in formally moving: "That the report and accounts be received and adopted."

Mr. O. Harrison Williams seconded the resolution, and it was carried unanimously.

The Chairman then proposed "That a dividend of 5 per cent. be declared for the six months ended December 31, 1920, which, with the interim dividend of 5 per cent. paid on October 11, 1920, makes a total payment of ten per cent. for the year 1920, free of income tax."

Mr. G. W. Neville seconded the resolution, and it was carried unanimously.

On the proposition of Mr. O. Harrison Williams, seconded by Mr. G. W. Neville, the Right Hon. the Lord Pirrie, K.P., P.C., was re-elected a director.

On the motion of Mr. Picton Jones, seconded by Mr. Leslie Couper, C.M.G., Messrs. Cooper Brothers & Co. were re-elected auditors.

Mr. Leslie Couper, C.M.G., then proposed "That a cordial vote of thanks be given to the Chairman, the directors, the superintendents, officers, and engineers of the Company." In doing so he said that at any time that vote would be unanimously supported by the shareholders, but at such a time as the present he thought they might go one step further and say that the shareholders greatly appreciated the action of those gentlemen in a time of crisis and trade depression. (Hear, hear.) They all believed that the country would pass through the bad times quite creditably, as had been the case in the past, and, so far as this Company was concerned, the shareholders had confidence in the directors and in that robust optimist, its present Chairman. (Applause.)

Mr. N. Porter seconded the motion, and it was carried by acclamation.

The Chairman, in acknowledging the compliment, said that he did not think that the board or the Chairman deserved all the credit which they generally received. It was the officers and managers who deserved it. A tremendous amount of hard work and constant attention was given by the managing board in Liverpool, and he did not think that any company had more willing and loyal help than this Company received from its Liverpool assistants and managers. Of the officers and crew, he could not speak too highly. They had had no serious accident or loss during the year under review, and it was entirely due to their care and good management during bad fogs and other unfavourable circumstances. They knew that they could rely on their officers and crews in distant waters, and he knew of no steamship company which had a more loyal band of workers than the African Steamship Company possessed. From the top to the bottom everyone of them did his best, and, indeed, employed more energy and did more work than the directors sometimes thought they should; in fact, the board were always urging them to take more rest, but they felt enthusiastic in their work. It gave the board great pleasure that the shareholders had shown their appreciation of the work of the superintendents, officers, and engineers by passing a vote of thanks to them every year enthusiastically. (Hear, hear.)

The proceedings then terminated.

Potteries Electric Traction Co., Ltd.

Increased Costs.

THE twenty-third ordinary general meeting of this Company was held on May 20 at Electrical Federation Offices, Kingsway, London, W.C., Mr. R. J. Howley, C.B.E., M.Inst.C.E. (Chairman of the Company), presiding.

The Chairman, in moving the adoption of the report and accounts, said that the results of the year's working were not as satisfactory as he would wish, but the period covered by the accounts had been, from an operating point of view, one of the most difficult which he could recollect. The wages paid to tramway workers were increased by a further 9*s.* per week during the first half of the year, making a total increase of 43*s.* a week since 1914. During the year the Company had paid in wages £147,934, as compared with £42,933 in 1914. Relatively the cost of power for working the tramways had increased even to a greater extent than the cost of labour, amounting to £31,509, as compared with £7,677. This was mainly due to the higher price of coal, which cost £22,564, as compared with £5,318 in 1914. There had also been a serious increase in the amount paid in rates. In 1914 the amount was £6,026 and in 1920 £11,983.

The traffic and parcel receipts amounted to £280,632, an increase of £28,193, while power and running expenses amounted to £145,717, as compared with £115,534 in 1919. Administration and general expenses were £25,873, as compared with £21,623. Repairs and maintenance cost £60,791, as compared with £51,179. Capital expenditure to the extent of £22,081 was incurred during the year, the greater part of this being in connection with the provision of additional

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motor omnibuses. After deducting working expenses, Debenture interest, £15,000 reserved for renewals, and adding £12,031 brought forward from the previous year, there was £40,582 for distribution. They were placing £10,000 to reserve account, paying a dividend on the Ordinary shares at the rate of five per cent. per annum, and carrying £6,032 forward. He had recently addressed a letter to the local Corporation in regard to what he might term "pirate" competition by licensed vehicles with the regular services worked by the Company. This competition had developed considerably during the year, owners of charabancs and similar vehicles finding work for their vehicles by sending them out to play for hire over the tramways. He was satisfied that in the long run the competition would be overcome, but as the owners of these vehicles did not as a rule employ union labour, nor pay standard rates of wages, the problem was not an easy one.

The report was unanimously adopted.

Balaghat Gold Mines, Limited.

Working Profits Benefited by Gold Premium.

THE first ordinary general meeting of this Company was held on May 20 at 6 Queen Street Place, E.C., the Rt. Hon. Lord Ribblesdale presiding.

The Chairman said that late in 1919 it became necessary to re-equip the mine with more machinery and to push on more vigorous development. The Company was accordingly reconstructed, and £42,520 of additional capital provided, and within nine months of incorporation the new Company, on July 28, 1920, paid its first dividend, justifying the anticipations expressed by the board. The nominal capital, £154,000, was half the previous amount, and plant, buildings, &c., had been written down to representative values. For the period of fourteen months to December 31, 1920, they produced 32,462 oz. of fine gold, which realised £163,715, at a profit of £33,296, after allowing for royalty paid to the Mysore Government. This profit, with dividends received, less debits of £10,060 shown in the report, left a balance of £25,509, subject to some £1,600 for corporation profits tax. The total dividends paid for the period were 2*s.* 4.57*d.* per share on the Preference and 1*s.* 1½*d.* per share on the Ordinary shares, leaving £5,588 to be carried forward. The position at the mine had greatly improved, and they looked forward to increased development work, which the superintendent referred to as most important in connection with the maintenance of the more established position reached by ore reserves in the past two years. The financial position was satisfactory, the liquid assets, less liabilities, being £35,705, while they had to their credit 2*s.* per share uncalled on 212,593 Ordinary shares. They were well off in material and stores at the mine and in transit. Working profits had substantially benefited by the premium on gold, and a very satisfactory arrangement had been made with the Indian Government regarding future sales of gold. As to developments, a point of considerable importance was the recent improvement in the 4,000-foot level north of the main winze, which was the deepest level in the mine.

Mr. Edgar Taylor said that very good progress had been made in underground development, which would be vigorously continued, and they looked forward with confidence to good results being obtained. The recent discovery in depth was of great importance to the future of the mine, and things were looking much brighter in this direction than for some months past.

The report and accounts were unanimously adopted.

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RESERVE FUND, £1,000,000.

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London Office—37 NICHOLAS LANE, LOMBARD STREET, E.C. 4.

T. C. RIDDELL, Manager. DUGALD SMITH, Assistant Manager.

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The Statist.

LONDON, SATURDAY, MAY 28, 1921.

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The Money Market.

Friday, May 27, 1921.

	Current Rate Fixed	Previous Rate Fixed
Bank of England Rate	6½ % (Apr. 28, '21)	7 % (Apr 15, '20)
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	4½ % (Apr. 28, '21)	5† % (Apr. 15, '20)
Discount Houses (Notice)	4¾ % (Apr. 28, '21)	5¼ % (Apr. 15, '20)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates:—	60 Days	3 Mos.	4 Mos.	6 Mos.	12 Mos.
	%	%	%	%	%
Bank Bills ...	5⅞	5⅞	5⅞	5¾	—
Trade Bills ...	—	6½–¾	6¾	7	—

THE TREND OF THE CAPITAL MARKET.

IN recent weeks a modest revival of capital issues has become apparent, in marked contrast to the slackening that characterised last month, and it is probable that when the total issues for May are computed they will be found to exceed that for any previous month of the year. The initial impetus to this recrudescence of borrowing was probably the reduction in the Bank rate at the end of last month, and it is probable that many issues at present in contemplation are being postponed until the further reduction in the official discount rate which is confidently looked for on the settlement of the coal strike. The total amount of issues in recent months are, as might be expected in view of existing trade conditions, much below those of the corresponding period of last year, when the flood of new issues surpassed all previous records. During the first three months of 1921 total issues amounted to only £64,157,000, of which £36,415,000 represent Government and municipal borrowings, and £27,742,000 issues by private enterprises. The total for the corresponding period of last year was £238,228,000, £104,007,000 representing Government and municipal issues, and £134,221,000 flotations on the part of companies. During last month the total issues were less than £19 million, as compared with over £31 million for April of 1920. Since November last, excluding the month of March, issues by companies have in each month been substantially less than Government and municipal flotations, but they seem to have shared fully in the revival of the present month. On glancing at the course of capital issues during recent months certain well-defined tendencies may be discerned.

In the first place, it is plain that fixed-interest-bearing securities are more in favour than speculative or semi-speculative descriptions. In fact there have been no issues of a purely speculative nature since the commencement of the year—very few issues of Ordinary shares and no appeals for capital by entirely new enterprises. As regards fixed-interest-bearing securities themselves, in conformity with the general tendency to seek safety of principle rather than a high interest yield, purely gilt-edged issues have met with a more ready response than many flotations on the part of companies of undoubted standing yielding a higher rate of interest. The attitude of the public in this regard is a result of the prevailing gloomy outlook for trade which seems to have so impressed investors that they have been led into a feeling of over-cautiousness. Each new issue on the part of a company is now judged primarily from this standpoint and only secondarily on the merits of the company making the issue. Though investment funds have become, on the whole, much diminished, yet they have been sufficient to ensure a complete success for recent gilt-edged issues, the amount of which was small in comparison. This situation has given rise to "stagging" on a large scale, for recent issues of this type have been very rapidly over-subscribed, and have quickly risen to a premium in the Stock markets. Such has also been the experience of borrowers offering gilt-edged securities in the New York [illegible].

where, however, a substantially higher rate of interest than that prevailing in London had to be offered. In consequence of this position it is probable that the immediate future will see a marked increase in foreign and colonial issues here in preference to New York, thus reversing the tendency of six months ago, when despite the increased cost, many foreign flotations had to be transferred from our market to New York.

In the second place, arising out of the circumstances explained in the foregoing paragraph there is a tendency in the case of issues by private enterprises to increase the security behind the stock offered, though this has not been accompanied by a general reduction in the rate of interest. At the same time there has also been apparent a general increase in the term of the loans. The common form of such issues at present is a specifically secured Debenture stock. The method of obtaining funds by fixed interest bearing securities was initiated towards the close of last year, but at first, in accordance with the view then prevailing that the trade depression would not be of long duration, the issues generally took the form of short-term notes. The present tendency is the natural outcome of the disfavour in which this form of borrowing has fallen, for in a few cases these notes possessed only a doubtful security, and in nearly all cases, on account of their short-term nature, they were fraught with many embarrassments to the companies concerned. The present general trend of company financing provides food for interesting reflection. It is apparent to the most casual observer that the object of the majority of recent issues on the part of companies is not to increase or extend business, but to tide the concern over a difficult period. In order to appreciate fully this aspect of company finance it would be necessary to ascertain the extent of the outstanding bank loans. But although such information is not available, there can be little doubt that, while it is not suggested that the credit position is unsafe or over-extended, yet judging by conditions in the Money market the banks have already lent very heavily. Under existing conditions of trade it is only natural that the bulk of these credits are what has aptly been termed "frozen," and, in consequence, it is not unreasonable to suggest that in many cases of recent issues by private enterprises the funds were required for the repayment of bank overdrafts directly or for other purposes when no further loans could be obtained from the banks. Such issues may succeed in their object of helping companies over the present period of readjustment, and in this case would justify themselves, but at the same time they are not of a nature calculated to inspire confidence in existing shareholders of the companies concerned, and on that account will tend to accentuate further the prevailing depression in the Stock markets.

Finally, the outlook for the capital market may be judged by present conditions in the Stock markets themselves. Gilt-edged descriptions are strongly in favour, and it is not an exaggeration to say that speculation is absolutely dead. So marked is the position that most of the municipal issues made earlier in the year, which met with such a remarkably poor response from the public and hit the underwriters so hardly, at present stand at a premium, even allowing for accrued interest. From the point of view of trade this situation is unfortunate, for the strength of the gilt-edged market is unquestionably an outcome in part of the acquisition of funds which under better conditions would undoubtedly have been employed in speculation. It is probable that these funds will be realised on the appearance of a hopeful prospect of a revival in trade, but on the other hand the speculator has been very hard hit in the general collapse of quotations, and his attitude for a considerable time to come is likely to be one of excessive caution.

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ASSETS EXCEED £13,800,000.

THE pressure for accommodation was again very pronounced during the week in the Money market; some of the clearing banks were again calling in money. The amount due to the Bank, in consequence, could not be altogether repaid, and it is indeed probable that the market has on balance increased its indebtedness to the central institution. The range of rates for day-to-day money was 5 per cent. up to 6½ per cent. Transactions gravitated towards the lower quotation as the week progressed, and this afternoon 5 per cent. was accepted freely for overnight accommodation. Fixtures continued at 5 per cent. In view of conditions in the short-loan market, and the fact that £55 million Treasury bills were on offer to-day, discounts remained firm with little business passing. The range of rates for commercial paper was 5$\frac{11}{16}$-$\frac{3}{4}$ per cent. Treasury bills allotted last week were occasionally resold early in the week at 5¾ per cent. The outlook for the immediate future is dominated by the large Government distributions on June 1, which, in addition to increasing directly the market's resources, will also entail fresh borrowing on Ways and Means.

Treasury Bill Tenders.

The results of to-day's tendering for the £55 million Treasury bills offered was slightly more favourable to the Exchequer than on the previous week the average rate of allotment being £5 13*s.* 1.83*d.* per cent. The total applications amounted to £72,490,000, as against £65,565,000 on the 20th inst. Of tenders for Bills dated from Monday to Friday next at £98 11*s.* 2*d.*, about 5 per cent. were allotted and above in full, and applications for Bills dated from Saturday next at £98 11*s.* 6*d.* receive in full.

Foreign Exchanges.

The outstanding feature in the Foreign Exchange market was the decline of the dollar rate, which averaged only 3.91½ to-day, as against over $4 a week ago. This reaction occurs after a long period of strength to this exchange; the initial impetus to the movement may have been given by the coal strike, the effects of which may now be reaching the Foreign Exchange markets, but, even excluding this factor, it must be recognised that we are now approaching the buying season for dollars, and it is probable that speculators in New York, who were undoubtedly in a large degree responsible for the recent strength of sterling there, are already beginning to reverse their line of action. The downward trend in the rates on Paris, Brussels, and Rome extended into the current week, but a reaction set in towards the end; the two former were quoted at 46.45 to-day, at which, though slightly better on the week as a whole, they are yet above the lowest for the week. The same holds true of the lira, which centred at 73¼ this afternoon. Changes in other directions were unimportant, with the exception of a further improvement in the Greek drachma to 70. The German mark displayed an uncertain tendency, but was rather weak this afternoon at 240. Movements in the "neutral" group were generally in our favour.

Income and Expenditure.

The showing made by revenue last week gives more ground for satisfaction than that of the previous week, which was the worst for the year. The amount received last week was £17,466,500, or £6,907,342 above the receipts for the preceding week. There was, moreover, a surplus of £5,671,990 over ex-

penditure, as against a deficit of more than £6 million during the week to the 14th inst. The increase in revenue was due to receipts of £9,860,000 from excise duties, as against only £1,589,000 on the previous week; in other directions there was a falling off. Excess profits duty receipts in particular were the lowest for the year at £1,160,000. Receipts for Treasury Bills showed a remarkable falling off at £69,734,000, as against £92,593,000 on the previous week, but there was an excess of £6,154,000 over maturities. This, combined with the revenue surplus, enabled a reduction of £7,100,000 to be effected in Ways and Means Advances; advances by the Bank were reduced by £4,500,000 to £11,250,000, and advances by Public Departments were reduced by £2,600,000 to £164,619,000. In addition, War Loans, Exchequer Bonds, etc., tendered as revenue to the extent of £1,006,177 were cancelled and £2,000,000 of foreign debt was repaid.

Currency Notes.

The general tendency of the note circulation, which seems at present to be in the direction of a contraction, was again in evidence in the returns for the week ending on the 25th inst. According to the currency notes statement cancellations of notes during the week totalled £9,008,607, the largest since the middle of February last. Fresh issues were the lowest since the middle of January, at £5,096,538. The combined total of notes and certificates outstanding fell by £4,822,069 to £331,072,480. This total is the smallest since March 24, 1920; it is £17,243,767 below that of May 25, 1920, and £34,432,767 below the high record of December 22 last. The fiduciary issue is now £34.4 million below the legal maximum, at £283,122,480.

Bullion.

The United States is still buying in the Gold market, and this week again took all available supplies. The price reacted in sympathy with the New York Exchange. The predominant influence in the Silver market has been purchases for bear covering, which, in the absence of selling pressure, were sufficient to impart a steady tone to the market. There was again a very scanty inquiry for the metal from the Indian Bazaars, and China was inactive. Despite the fall in the American exchange, moderate supplies were sent from the United States, but Continental offerings, on the other hand, continued on a small scale. At the moment the tendency is uncertain in view of the nature of the demand. It is felt, however, that the market is likely to develop further weakness when bear covering has ceased, though, on the other hand, no increase in supplies is looked for. Quotations since a week ago were as follows:—

	May 21	May 23	May 24	May 25	May 26	May 27	Average
Silver (per oz. std. ·925 fine):—							
Cash ...	33½d.	33⅝d.	33½d.	33½d.	33½d.	33½d.	33·562d.
Forward ...	33d.	33⅛d.	33d.	33d.	33⅛d.	33⅛d.	33·125d.
Gold (per oz. fine)	—	103/9	104/1	103/4	101/8	103/-	101/07·2

Recent movements in the Indian Currency Returns are shown below:—

1921	Note Circulation Lacs	Silver In India Lacs	Gold In India Lacs	% of Metallic Res. to Notes	Government Securities Indian Lacs	Government Securities British Lacs
May 15 ...	16,671	6,600	2,430	54·2	6,806	835
May 7 ...	16,682	6,612	2,429	54·2	6,80	835
Apr. 30 ...	16,732	6,665	2,426	54·3	6,806	835
Apr. 22 ...	16,695	6,653	2,420	54·2	6,807	835
Apr. 15 ...	16,668	6,640	2,416	54·2	6,807	835
Apr. 7 ...	16,644	6,586	2,416	54·1	6,807	835
Mar. 31 ...	16,616	6,597	2,417	54·0	6,807	835
Mar. 22 ...	16,533	6,480	2,411	53·8	6,807	835
Mar. 15 ...	16,441	6,395	2,406	53·5	6,807	835
Mar. 7 ...	16,441	6,393	2,406	53·5	6,807	835
Feb. 28 ...	16,460	6,411	2,407	53·6	6,807	835
Feb. 22 ...	16,114	6,372	2,400	53·4	6,807	835
Feb. 15 ...	16,383	6,340	2,400	53·4	6,807	835
Feb. 7 ...	16,356	6,314	2,400	53·3	6,807	835
Jan. 31 ...	16,341	6,299	2,400	53·2	6,807	835
Jan. 22 ...	16,284	6,246	2,396	53·1	6,807	835

Bank of England.

The latest statement of the Bank of England is an accurate reflex of Money market conditions. The market increased its indebtedness to the central institution by £8,030,000 during the week to Wednesday last, and bankers' balances were increased by £6,764,000. This latter, viewed in the light of conditions in the Short-loan market last week, would indicate that the calling-in of funds on the part of some of the clearing banks was in order to increase their liquid resources for balance-sheet purposes. As evidence of further repayment of Ways and Means Advances, Government securities were reduced by £1,825,000. The note circulation declined by £386,000 to £127,808,000, this latter being only £6,774,000 below the high record of December 22 last. The amount of the reserve rose by £375,000 to £18,991,000, the highest since February 23 last. Despite this movement, however, and in consequence of the increase in liabilities already noted, the proportion of reserve to liabilities declined from 15.3 per cent. to 14.8 per cent. This compares with 16.5 per cent. a year ago.

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NEW YORK.

YET another decline in the aggregate reserve of the New York Clearing Banks is recorded in the latest average statement for the week ending on the 21st inst. The fall during the week was $3,660,000; since the commencement of the year there is a decline of $49,320,000. The latest total is recorded at $496,570,000, the lowest since the end of June 1917. Despite the movement in the aggregate reserve during the week, the excess reserve rose by $1,570,000 to $11,360,000, for net demand deposits declined by $50,820,000. Loans, discounts, and investments fell by $51,140,000 to $4,639,470,000. This figure is $622,500,000 below the total at the end of 1920 and $510,760,000 below the amount recorded a year previously.

The improvement in the position of the Federal Reserve Banks, due to the continued gold imports, is still in evidence. According to the latest statement, issued on the 20th inst., the ratio of total reserves to the combined net deposit and Federal Reserve note liabilities stands at 56.8 per cent., as against 55.9 per cent. a week previously and 42·7 per cent. a year ago. The total gold reserve rose by $15,360,000 on the week to the new high record of $2,378,910,000; the figure for total reserves is also a high record—$2,549,140,000. Net deposits fell by $17,080,000 during the week to $1,611,740,000. The note circulation declined further by $37,510,000 to $2,767,420,000, this total being $339,600,000 below that of a year ago and $67,510,000 below the high record of December 24 last.

Call money continued at 6½-7 per cent. except on Monday, when 7 per cent. was asked. Commercial paper, prime names, was quoted at 6¾-7 per cent.

Stock Exchange.

Business in the Gilt-edge section witnessed a decided contraction during the week, and an uncertain tendency [illegible]. The Five per Cent. War Loan dipped under selling pressure, holders being anxious to transfer into the shorter-date War Bonds for conversion purposes. This factor receded towards the end of the week, when the conversion list was due to close, and the Five per Cent. War Loan, though lower on balance, closed with a hardening tendency. National War Bonds, on the other hand, weakened on the cessation of conversion rights. Funding Loan and Victory Bonds rallied after a temporary weakness, and registered a net appreciation. India stocks maintained firmness, except for the Seven per Cents, which shed a fractional portion of the premium, now standing at 3¾. County and Corporation issues were characterised by quietness, with a moderate investment demand towards the end of the week. Colonial stocks displayed a similar tendency, South African varieties being taken in anticipation of the coming loan.

In the Foreign Bonds department the reaction in the sterling value of the franc was reflected in lower quotations for French issues. German Threes eased away with a decline in speculative interest. Norwegian Six per Cents opened on Tuesday at ½ premium, and gradually improved to ⅝. Stag realisations, though cautiously restrained at first, increased later with the less reassuring news from Norway, and the premium was eventually scaled down to ⅛.

The Home Railway market was unfavourably affected by labour difficulties in the handling of foreign coal. Little business was done and the close was weak. Metropolitan and Metropolitan District exceptionally appreciated. Undergound issues recorded a satisfactory volume of business, but the price trend favoured sellers.

Among Foreign Rails Argentine varieties eased on the traffic losses due to the ports' strike. The volume of business was restricted, however, and movements were largely nominal. United of the Havana relapsed with the passing of the interim dividend, though earnings to date are satisfactory and prospects good. The decision is directly ascribable to the financial stringency in Cuba and the necessity of conserving liquid resources. President Obregon's refusal to accept the terms of recognition by the United States caused Mexican issues to recede, but a slight recovery was effected later.

With the continued absence of any prospect of a coal settlement the Industrial share market failed to develop even moderate activity. Price movements were confined to narrow limits, however, and the undertone was hopeful. Shipping, Textile, and Iron and Steel shares remained inactive except for Cunards, which appreciated sharply. The calling of another week-end coal conference resulted in some buying of Iron and Steel issues. Breweries shares maintained their previous popularity, and many substantial improvements were recorded. Bank shares also continued firm, but exhibited little net alteration. Elsewhere General Electrics eased in anticipation of the pending Debenture issue, and British Oil and Cake Mills rallied with the satisfactory report.

Unfavourable dividend forecasts helped to depress the Oil-share market. The Burmah dividend, announced on Wednesday, came to only thirty per cent. tax free, against fifty per cent. tax free last year, and the disappointment of the market was reflected in a general easing of prices. Royal Dutch, Shells, and Mexican Eagles all concluded at lower levels, and elsewhere buoyant features were non-existent. A further cut in the price of Pennsylvania crude oil did not help sentiment, and the close was unusually pessimistic.

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Mining Topics.

Generally speaking, business in the more important sections of the Mining market was on a small scale during the week. To Russo-Asiatics belongs the credit of being one of the few active counters. At the opening week-end orders forced the price up 6*d*. to 12*s*., at which level profit-taking ensued, and there was a relapse to 11*s*. 6*d*. Now, however, fresh support was forthcoming, and the shares closed at 11*s*. 9*d*. During the rest of the week, whilst there was always a certain measure of support which prevented any sudden relapse, profit-taking was in the ascendency, particularly on Thursday, when the price closed at 10*s*. 6*d*. There was a market in Russian mining at 7*s*. 3*d*. to 8*s*., whilst bargains were recorded in Sisserts at prices varying between 8*s*. 3*d*. and 8*s*. 6*d*

Tin shares benefited by the improvement in the price of tin at the opening to £184 2*s*. 6*d*., though it fell by Thursday to £180⅝. Interest was, however, mainly directed to Naragutas. The important circular issued by the company confirming the existence of payable gold in the Birnin Gwari district did not come to hand until the market had closed. At the opening a brisk demand brought the price up to 1¼; but as it was then generally realised that, owing to the suspension of further development work pending the arrival of the requisite machinery, some time must elapse before any definite idea of the nature and extent of the lode could be determined, caution got the upper hand and the price dropped to 1⅛. This opinion gained ground as the week progressed, and the shares steadily reacted to ⅝ on Thursday. There were demands also for other tin shares. Naraguta Extended found favour on Monday at 8*s*. 3*d*., but weakened subsequently to 7*s*. 6*d*. Bauchis were in request at 3*s*. 6*d*. and Ropps at 7*s*. 3*d*. Anglo-Continentals and Mongus were firm on Thursday at the common price of ⅛.

The inactivity of the market was most in evidence in the Kaffir Circus. The somewhat irregular movements in the price of gold, though very favourable on balance, passed unnoticed. From 103*s*. on Monday the price rose to 104*s*. 1*d*. on Tuesday, reacted sharply to 103*s*. 4*d*. on Wednesday, and recovered more rapidly still to 104*s*. 8*d*. on Thursday. To-day gold was quoted still higher at 105*s*. 1*d*. At the opening share movements were mainly confined to the improvement in Modder B to 1⅞ and in Van Ryn Deep to 3⅛, whilst De Beers hardened ⅛ to 10⅝. A better tone was in evidence on Tuesday, stimulated possibly by the announcement that the Transvaal Chamber of Mines was about to propose a reduction in wages to the Industrial Federation. Modders were good at 3¼ and Van Ryn Deep at 3⅜. Support was in evidence for Modder B at 1¼, for Rand Mines at 2⅝, and for Central Mining at 3⅜. Consolidated Mines Selection moved up 6*d*. to 14*s*. 9*d*., but De Beers reacted to 10½. This relapse was continued, and on Thursday the shares closed weak at 9⅝. Geduld were in good demand at 2⅞, whilst the options moved up to 14*s*. 6*d*. Slight reactions were recorded in Johnnies, Crown Mines and Brakpan. A first liquidation distribution of 5*s*. per share is announced by the liquidators of the New Heriot Gold Mining Company, and a dividend of 6*d*. per share is declared by the Great Boulder Proprietary Gold Mines. To-day the Cape was inquiring for Gedulds at 2⅞, Springs Mines at 1⅛, and Modder B at 1¼. Paris support raised De Beers to 10.

UNION CORPORATION, LIMITED.

Issued Capital : £875,000 in Shares of 12/6 each.

	Results for Years to December 31						
	Total Receipts	General Expenses	Net Profit	Reserve	Dividends Amount	Dividends %	Carried Forward
	£	£	£	£	£	%	£
1918 ...	177,219	31,839	145,380	20,000	105,000	12	45,564
1919 ...	281,538	43,621	237,917	50,000	175,000	20	58,281
1920 ...	254,310	64,236	190,074	40,000	140,000	16	68,355

For the Union Corporation, Limited, the year ended December 31, 1920, has been another period of prosperity, though not on such a large scale as 1919. We regret to note, however, that the Company still continues to present its profit and loss account in an unduly condensed form. Shareholders are assuredly entitled to more information as regards the nature and extent of the revenue derived than is contained in the single entry of £254,310 described as "Realised profit on shareholdings, dividends, interest, exchange, and sundry receipts (*less* commission and bonuses to management and staff and amounts written off)." It is objectionable enough to lump together all sources of revenue; but the climax is reached when we find that the sum mentioned represents what remains after deducting sundry charges, such as commission and bonuses and mysterious items on the nature and extent of which no ray of light is thrown by the vague description of "amounts written off." We suggest that shareholders request to be informed of the revenue secured, or loss incurred, as the case may be, by the sale of investments, of the income derived in the form of dividends, of the sum received as interest, and the balance can then be described as "sundry receipts." Furthermore, all deductions should be placed under their proper heading on the other side of the profit and loss account.

Taking the information such as it is, the revenue disclosed in the accounts for 1920 amounts to £254,310, as compared with £281,538 in 1919. The expansion in expenditure from £43,621 to £64,236 is entirely due to the increase in exploration expenses and claim licences, which absorbed £28,663, as against £5,065 in 1919. The report states that during the year under review a considerable number of mining claims in the Ojocaliente district, State of Zacatecas, were taken up and that continuous prospecting work had been carried out upon them. The writing off in the accounts of the bulk of this outlay is reflected above. At the same time it appears that not enough work has yet been done to enable an opinion to be expressed on the properties in question. Deducting the general charges, the net profit of £190,074 is left, which is nearly £48,000 less than that returned in 1919. In so far as dividends are concerned this profit was derived mainly from the holding in those two well-known Rand producers, Modder Deep and Geduld. Thanks to the large premium on gold during 1920, the latter mine increased its dividend from sixteen per cent. to seventeen and a-half per cent.; whilst Modder Deep declared the record dividend of 145 per cent., as against 115 per cent. in 1919. Despite, however, the decline in the net profit, the Company placed £40,000 to the reserve account, thereby raising it to £120,000. The dividend paid to shareholders was reduced from twenty per cent. to sixteen per cent., leaving to be carried forward to the next accounts a balance of £68,355, as against £58,281 brought forward from 1919.

The report as usual contains an interesting review of conditions on the Rand during 1920. Whilst the quantity of ore crushed increased slightly from 24,043,638 to 24,096,277 tons, the quantity of fine gold secured fell from 8,111,271 to 7,949,585 ounces. Thus the grade of the ore fell, the yield per ton on the basis of the par value of gold—being only 27*s.* 9*d.*, as against 28*s.* 7*d.* On the other hand, working costs advanced from 22*s.* 11*d.* to 25*s.* 8*d.* per ton. Accordingly, as compared with 1919 the working profit per ton was 3*s.* 7*d.* less. Including, however, the substantial premium on gold, the value of the output increased considerably. In 1920 the value per fine ounce of gold produced was 110*s.*, as compared with 94*s.* in 1919; whilst working costs per ounce had only risen from 68*s.* 1*d.* to 78*s.* 7*d.* Consequently the working profit per ounce amounted to 31*s.* 5*d.* instead of 25*s.* 11*d.* It is of interest to note that on the whole shareholders received the full increase in profit in dividends. The dividends declared per fine ounce rose from 15*s.* 2*d.* to 20*s.* 10*d.*, an increase of 5*s.* 8*d.*, as compared with an increase of 5*s.* 6*d.* in the working profit per ounce. The labour situation was slightly better, the number of natives employed being 175,980, as against 170,949. A statement is given as to the distribution of the gold is chronicled. For the first nine months of the year 42.7 per cent. of the output found its way to India and the Straits Settlements; but in the closing quarter their demand did not absorb 4.4 per cent. America proved to be the dominant purchaser, taking for the whole year forty-four per cent. of the output, leaving thirty-three per cent. to India and the Straits Settlements, 10.4 per cent. to South America, 8.8 per cent. to South Africa, and 3.8 per cent. in sundry directions and to the trade.

For the current year, in so far as its holdings in Geduld and Modder Deep are concerned, the outlook of the Union Corporation is again satisfactory. Whilst the premium is not expected to reach the high levels attained in 1920, it is nevertheless likely to continue at a remunerative level. Moreover, there are prospects of a relief in the reduction in working costs. The financial position of the concern is beyond question, though as a result of the inclusion of the dividend of £140,000 current liabilities in the balance sheet dated December 31, 1920, showed a slight excess over liquid assets, amounting to £868,202, as against £847,124 for liquid assets. The deficiency is, however, not of such a nature as to cause any anxiety, particularly since the above total of current liabilities includes £24,239 in respect of unclaimed dividends. The holdings in other companies figure in the balance sheet at £1,061,717 on the basis of the low quotations in force at the end of 1920. Consequently an appreciation has taken place in the interval. Quoted in the market at 15*s.* 7½*d.* the shares of 12*s.* 6*d.* each afford a yield of ten per cent. on the basis of a dividend of 12½ per cent.

MEYER AND CHARLTON.

Year to Dec. 31	Ore Crushed Tons	Gold Revenue* per Ton	Working Costs† per Ton	Working Profit per Ton	Net Profit £	Dividend Amount £	Dividend %	Carried Forward £
1917..	164,586	58 9	20 5	38 4	315,253	220,000	110	150,780
1918	137,736	66 3	26 4	39 11	288,456	220,000	110	136,503
1919..	165,137	56 6‡	24 6	32 0‡	277,949§	240,000	120	135,171
1920 ..	160,000	54 4‡	27 8	26 8‡	364,038a	240,000	120	161,670

* Including sundry revenue in the form of rents and commission amounting in 1919 to £15,419.

† Exclusive depreciation.

‡ Excluding premium on gold equivalent in 1919 to an additional revenue and profit per ton of 8*s.* 6*d.*, and in 1920 to an additional revenue and profit per ton of 16*s.* 6*d.*

§ Including £45,741 in respect of gold premium and £8,687 over-estimated redemption charges.

(a) Including £132,371 in respect of gold premium.

In one imporfant direction the report of Meyer and Charlton for the year ended December 31, 1920, constitutes a record in the history of this outstanding produce of the group of mines controlled by the General Mining and Finance Corporation. The slight set-back in the quantity of ore crushed to 160,000 tons was entirely the outcome of the inadequate supply of native labour available. Moreover, as the report points out, "the mine has suffered more, in this respect, than those mines which can replace hammer boys with machines in time of labour shortage, an arrangement which is impossible on this mine owing to the condition of the hanging wall." Following our usual practice of valuing the output on the basis of the standard price of gold in order to maintain a continuous comparison, it is evident that there was a reduction in the grade of the ore treated, the yield per ton falling from 56*s.* 6*d.* to 54*s.* 4*d.* This was in accordance with the policy of the administration which had wisely decided to utilise the high premium on gold in order to work blocks of ore in the upper levels [illegible]

in earlier years as unpayable." Thus during the year under review a large quantity of payable ore was served in this manner. The increase in working costs from 24*s.* 6*d.* to 27*s.* 8*d.* per ton reflects the higher wages paid alike to white and native labour, the introduction of a forty-eight hours' week, and the heavier burden imposed by the recent Miners' Phthisis legislation. Thus, with gold at 85*s.* per ounce, the working profit per ton would have dropped from 32*s.* to 26*s.* 8*d.* Seeing, however, that gold was at a substantial premium during the whole of the year under review, the Company obtained an additional revenue of £132,371 so that actually the yield per ton worked out at 70*s.* 10*d.*, as against 63*s.* in 1919 and the working profit per ton rose from 37*s.* 6*d.* to 43*s.* 2*d.* This increase in the working profit shows that no undue reduction in the grade of the ore had been effected. The result is to give the Company a net profit of £364,033, the largest ever earned in the history of this celebrated mine. The directors, however, confined themselves to declaring a dividend of 120 per cent. as in 1919, increasing the balance carried forward to the next accounts from £135,171 to £161,670.

The total development work during the year reached only 1,202 feet, as against 2,057 feet in 1919; but this decline is the normal feature of a mine whose development is now practically completed. The position of the ore reserves is reflected in the following table:—

	1920			1919		
	Tons	Value per ton	Working Width Inches	Tons	Value per ton	Working Width Inches
Main Reef Level	403,118	6/3	55	149,064	70/6	54
Main Reef ...	42,242	20/4	72	45,342	29/4	72
South Reef	4,000	30/2	55	14,283	27/7	57
Total	549,360	54/11	54	516,189	65/3	55

As against this decline of 66,439 tons, it is well to observe that the above figures do not take into account pillars and hanging wall and footwall reefs "since, although these sources will provide a large quantity of ore for several years, an accurate estimate in regard to tonnage and value cannot be made." Still during the year under review no less than 54,555 tons of ore came from these sources, thereby enabling the tonnage drawn from the stopes to be reduced by 7,176 tons. This fact, in conjunction with the policy of utilising ore hitherto abandoned as unpayable in the upper levels but now payable in view of the gold premium, will prove of material importance in prolonging the life of the mine. For the current year, the existence of this premium can again be counted upon, though the average is not likely to be as favourable as that for the year under review. On the other hand the fall in price levels and the possibility of wage adjustments should help to compensate for any reduction in the average price realised by the gold. For Meyer and Charlton, the supply of labour is scarcely less vital. As already pointed out, "a large proportion of the ore milled is being obtained from the reclamation of caved areas, and since the output per boy on this work is considerably less than that obtained from straight stoping, it is essential to maintain a high percentage of the native labour complement in order to keep the plant steadily at work, and so reduce the overhead and treatment costs per ton milled." The returns for the quarter ended March 31, 1921, show that 37,700 tons have been crushed, yielding a working profit of £65,487 based on a rather conservative valuation of the output. The results both from the point of view of tonnage and value were influenced unfavourably by the strike in February. Allowing for this fact, they are very satisfactory and foreshadow another prosperous year. Financially the position of the Company as seen in the balance sheet dated December 31, 1920, is very strong. Liquid assets amounting to £421,543 are available to meet current liabilities which, with the inclusion of the Government and Provincial taxes, did not exceed £279,119. Quoted in the market at 82*s.* 6*d.*, the £1 shares afford a return of over 24 per cent. on the basis of a dividend for 100 per cent. for the year.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, May 25, 1921.

Issue Department.

Notes Issued	£144,990,915	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,540,915
	£144,990,915		£144,990,915

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£38,106,122
Rest	3,183,391	Other Securities	89,139,834
Public Deposits	16,419,417	Notes	17,183,255
Other Deposits	112,060,283	Gold and Silver Coin	1,808,632
Seven-day and other Bills	11,802		
	£146,237,893		£146,237,893

Comparison with Previous Four Weeks [00,000's omitted.]

Date	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months Bills
1921	£	£	£	£	£	£	£	%	%	%
May 25	127,8	128,3	16,4	112,1	38.1	89.1	19.0	14 8	6½	5½
May 18	128.2	128.3	16.5	105.3	39.9	81.0	18.8	15.3	6½	5½
May 11	128.7	128.3	14.8	113.5	49.1	78.9	18.6	14·0	6½	5½
May 4	129.5	128.3	15.4	125.3	61 6	79.5	17.2	12·3	6½	5½
Apr. 27	128.5	128.3	15.2	125.9	54.6	86.0	18.2	12·9	6½	5½
July 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2¾

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%; Apr. 28, 1921, 6½%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	May 25	May 26	May 28	May 29	May 24
Bank of England (in £'s sterling, 00,000's omitted):	1921	1920	1919	1918	1911
Circulation	£127,8	£111,4	£77,2	£51,0	£28 0
Public Deposits	16.4	16.6	21,0	4 .1	15.1
Other Deposits	112,1	103,1	121,6	135.3	40,6
Government Securities	38.1	34.3	52.5	56.7	15 0
Other Securities	89.1	81.7	80.4	108.5	29.6
Reserve	19.0	19.3	27.4	30.8	28.8
Ratio to Liabilities	14·8%	16·5%	19·19%	17·50%	51·76%
Coin and Bullion	128.3	112.4	86.1	63.4	38.3
Money:					
Bank of England Rate	6½%	7%	5%	5%	3%
Bank of France Rate	6%	8%	5%	5%	2%
Rate 3 months' Bills London	5⅛%	6⅛%	3½%	3½%	2½%
Exchanges:					
Paris Cheque	46 68	52·75	29·93	27·15½	25·31
New York 60 days	3·91¼	3·89½	4·6⅞	4·72½	4·84½
Bombay Telegraphic Transfers	1·53½	2/1½	1/7½	1/5⅜	1/4⅝
Prices:					
Consols 2½% Cash	46⅝	47⅝	55½	58½	81
French Rentes 3% Money	57·35	69·50	62· 0	60·00	85·95
Silver, London spot	33⅞d.	57⅜d.	51½d.	48¾d.	24⅝d.
Wheat, *Gazette* average qr.	87/6	72/10	73/2	73/3	32/6
Cotton, Mid Upland lb.	8·63d.	28 60d.	20·14d.	21·33d.	8·28d.
Iron, Scotch pig ton	138/6	923/8	181/0	101/0	52/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
May 26, '21	5,096,538	9,818,607	331,072,480	28,500,000	19,450,000	14 3
May 18, '21	6 032,531	5,737,067	335,894,549	28,500,000	19,450,000	14·2
May 26, '20	7,898,232	5,208,135	348,316,947	28,500,000	7,850,000	10·4
May 28, '19	6,476,867	7,102,974	344,242,731	28,500,000	—	8·3
May 29, '18	5,529,352	4,933 873	247,790,461	28,500,000	—	11·5
May 30, '17	6,155,657	4,097,755	159,102,772	28,500,000	—	17·9

Balance Sheet, May 25, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	262,022,497	Other Bankers	—
Ten Shilling	41,279,983	Currency Note Redemption A/c—	
Certificates outstanding ...	27,770,000	Gold Coin and Bullion ...	28,500,000
		Silver Coin ...	3,000,000
Total	331,072,480	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,092,946	Government Securities ...	297,693,709
Investments Reserve A/c ...	15,534,810	Balance at Bank of England	146,527
Total	348,700,236	Total	348,700,236

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
May 21,'21...	£17,466	£11,794	£5,672‡	£77,843	£84,836	£3,812
May 14,'21...	10,559	16,750	6.191	103,974	97,971	3,183
May 7,'21...	13,791	24,064	10.273	114,215	104,338	3,371
51 dys. '21-22	132,469	144,372	11,903	854,584	845,715	—2,462
52 dys. '20-21	206,757	169,734	37,023‡	741,873	798 083	—4,972
Yr. '21-22*	1,216,650	1,039,728	176,922‡	—	—	—
Yr. '20-21	1,425,985	1,195,428	230,557‡	5,710,142	5,920,699	6,294
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	8,389
Yr. '18-19	889,021	2,579,361	1,690,280	7,033,402	5,351,363	12,798

Principal Items of Revenue and Expenditure.

Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
May 21,'21...	£11,114	£2 856	£1,160	£2,336	£2,914	£30	£8,850
May 14,'21...	3,401	2,717	1.5 0	2,911	2,038	576	14,134
May 7,'21...	2,394	6,037	1,725	3,635	10,253	10	13,800
51 days '21-22	42,140	48,542	13,620	28,167	55,598	1,303	87 473
52 days '20-21	41,685	42,708	33,370	88,984	46,828	1,680	109,246
Yr. '21-22*	323,000	410,500	120,000	111,000	345,000	26,272	668,456
Yr. '20-21	333,785	391,146	219,131	478,573	349,599	28,498	817,381
Yr. '19 20	283,023	359,099	290,045	407,404	332 034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,954	11,380	2,297,956

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
May 21, 1921 ...	£1,132,997	£175,869	£1,303,866	—
May 14, 1921 ...	1,127,082	182,969	1,310,051	—
May 7, 1921 ...	1,104,142	197 419	1,301,561	—
Apr. 30, 1921 ...	1,059,712	190,319	1,250,031	—
June 30, 1919	796,150	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 14, '14	...	£10,977	£833	£11,810	£41,925	£51,800	£6,283
May 11, '21	...	10,682	1,588	12,250	27,396	247,073	42,523
May 19, '21	...	10,682	1,500	12,162	26,489	246,230	43,324

		Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Apr. 23, '21	...	£398,993	£58,891	£58,864	£78,236	£435,925	£39,159
Apr. 30, '21	...	397,001	57,974	56,345	81,524	455 357	28,505
May 7, '21	...	397,004	57,610	54,134	83,031	453,663	25,784

		Gold	Cash— Silver	Total	Dis-counts	Balance Abroad	Circula-tion	Deposits
DENMARK.								
July 31, '14	...	£4 10	£341	£4,441	£8,197	£786	£8,693	£47
Mar. 31, '21	...	12,643	165	12,808	15,307	1,157	28,725	3,412
Apr. 30, '21	...	12,643	177	12,820	14,982	429	29,561	3,213
Apr. 30, '20	...	12,588	164	12,752	17,531	981	28,982	1,542
Apr. 30, '19	...	10,374	136	10,510	3,425	3,977	24,115	1,026

		Gold— In Bank	Abroad	Total Cash incl'g Silver	Bills	Circula-tion	Deposits— Public	Private
FRANCE.								
July 30, '14	...	£165,854		£190,667	£97,788	£267,327	£15,302	£37,903
May 19 '21	...	142,796	77,934	231,604	107,156	1,538,200	1,863	116,435
May 28, '21	...	142 805	77,934	231,633	103,094	1,529,328	904	120,748
May 27, '20	...	144,351	78,131	233, 97	76,111	1,516,593	4,427	145,559
May 30, '19	...	142,848	79,131	234,255	35,885	1,362,450	5,849	136,078

		Gold	Cash— Silver	Total	Treasury Notes	& Loans & Other Discounts	& Loans & Discounts	Circula-tion	De-posits
GERMANY.									
July 23, '14	...	£87,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198	
Apr. 30, '21	...	54,577	291	54,868	1,207,522	3,040,103	3,541,993	1,042,825	
May 7, '21	...	54,577	283	54,860	1,148,419	2,840,359	3,555,728	749,036	
May 7, '20	...	54,584	152	54,736	767,738	1,871,582	2,418,644	643,690	
May 7, '19	...	87,513	1,029	88,542	365,895	1,457,702	1,336,100	612,795	

		Gold	Cash— Silver	Total	Dis-counts	Ad-vances	Circula-tion	De-posits
HOLLAND.								
Aug. 1, '14		£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
May 17, '21	...	50,495	1,097	51,592	26,142	17,200	87,958	6,326
May 23, '21	...	50,495	1,095	51,590	25,499	15,073	85,530	7,023
May 22, '20	...	52,983	1,027	54,010	18,529	25,197	85,120	12,928
May 24, '19	...	55,165	644	55,809	12,758	17,690	85,403	6,859

		Gold	Cash— Silver	Total	Other Cash	Loans & Discounts	Circula-tion	Deposits
ITALY.								
July 31, '14	...	—	—	£48,456	£25,017	£69,204	£8,837	
Mar. 20, '21	...	£32,892	£3,000	35,892	15,647	214,005	574,100	72,809
Mar. 31, '21	...	32,892	2,999	35,891	17,616	221,268	579,338	82,811
Mar. 31, '20	...	32,190	3,006	35,196	24,666	161,861	481,801	74,222
Mar. 31, '19	...	32,716	2,940	35,656	16,192	59,3 5	366,482	59,921

		Gold	Discounts	Advances	Notes	Deposits— Public	Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Apr. 2, '21	...	111,598	4,874	8,398	110,563	104,272	7,088
Apr. 9, '21	...	105,385	4,443	8,674	102,758	107,195	14,551
Apr. 10, '20	...	91,922	32,697	33,225	120,541	117,241	3,753
Apr. 12, '19	...	70,722	1,548	34,112	78,588	109,782	3,112

		Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest. &c.	Demand	Net Deposits— Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14...		—	£89,888	£411,238	—	—	£887,165	£1,720
May 14, '21...		£16,388†	99,930	958,122	£738,670	£49,514	801,728	1,958
May 21, '21...		15,658†	99,314	927,894	728,506	62,614	808,278	2,272
May 22, '20...		19,402†	117,010	1,036,046	836,990	50,146	897,986	6,152
May 24, '19...		19,774†	117,166	937,230	820,084	29,632	877,308	8,546

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circula-tion	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£8,752	£793
May 7, '21	...	8,115	2,091	501	23,333	23,118	5,270
May 15, '21	...	8,115	2,240	501	23,160	23,044	5,313
May 15, '20	...	8,121	3,778	579	22,005	24,032	6,378

		Gold	Silver	Total	Discounts & Advances	Note Circu-lation	Deposits
PORTUGAL.							
Apr. 20, '21	...	£1,906	£3,924	£5,830	£27,639	£140,020	£10,682
Apr. 27, '21	...	1,906	3,924	5,830	27,761	141,408	10,443
Apr. 7, '20	...	1,906	3,921	5,827	17,496	91,129	5,864
Apr. 30, '19	...	1,905	3,925	5,830	8,191	63,578	3,648

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Apr. 16, '21	...	£150,469	£24,620	£5,845	£30,465	£439,183
Apr. 23, '21	...	151,469	24,350	5,734	30,284	450,525
Apr. 30, '21	...	154,469	22,905	6,146	29,051	450,910
May 1, '20	...	60,809	9,031	3,074	12,105	181,292

		Gold— In Bank	Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circula-tion	Notes in Reserve	Total Deposits
RUSSIA.								
July 31, '14...		£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...		129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Gold	Cash— Silver	Total	Loans, &c.	Spanish 4%	Circula-tion	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
May 14, '21	...	99,366	24,177	124,543	84,619	13,779	170,403	47,544
May 21, '21	...	99,380	24,386	124,278	82,119	13,779	169,077	48,915
May 22, '20	...	88,105	24,827	12 ,932	85,518	13,779	155,271	46,001
May 24, '19	...	90,652	25,110	116,782	75,082	13,778	140,571	43,732

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circula-tion	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
May 14 '21	...	15,652	6,051	705	25,519	35,843	10,.06
May 21, '21	...	15,649	6,959	792	25,212	34,182	11,062
May 22, '20	...	14,500	4,065	2,524	34,491	37,139	14,597
May 24, '19	...	16,186	7,613	2,880	12,515	36,947	6,353

		Gold	Cash— Silver	Total	Discounts & Advances	Circula-tion	Deposits
SWITZER-LAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
May 7, '21	...	21,746	4,444	26,130	16,314	38,188	4,179
May 14, '21	...	21,746	4,414	26,190	15,299	36,861	4,678
May 15, '20	...	21,235	3,629	24,864	14,434	36,712	5,561
May 15, '19	...	17,228	2,663	19,896	21,216	36,086	5,267

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold— Held by Banks	With Agents	Total Cash	Bills Dis-count'd	Accept-ances	Deposits— Govt.	Total Net	Circula-tion
May 13, '21 ...	—£472 710—		£507 554	£407,072	£15 328	£2,580	£328,321	£580 998
May 20, '21 ...	—475.782—		509.828	363,510	16,331	3,126	325.474	553.484
May 24, '20 ..	—387.944—		415.903	500.079	83.474	4.974	359 876	617 040
May 24, '19 ..	183,980	251.788	449,586	337.774	39,538	20,0'0	359,052	500,850

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	7	Sept. 3.'20
Berlin ...	5	Dec. 23,'14	Madrid	6	Nov 4.'20
Berne ...	4½	Apr. 7,'21	Paris	6	Apr. 8.'20
Bombay ...	8	Mar. 3,'21	Petrograd ...	8	July 29.'14
Brussels ...	5	May 19,'21	Rome	6	May 12.'20
Calcutta ...	8	Mar. 3,'21	Stockholm ...	6½	May 4,'21
Christiania ...	7	June 25,'20	Tokio	8·03	Nov 18,'19
Copenhagen ...	6½	May 5,'21	Vienna	6	Apr. 14'21

III.—FOREIGN EXCHANGES.

LONDON ON—		May 27, '21	May 20, '21	May 12, '21	May 6, '21
Berlin	Cable	242m.	241m.	241m	258m
Brussels	Cheques	46fr. 45c.	45fr 70c	47fr 75c	49fr. 80c.
Denmark	Cable	21kr. 97	21kr 95	22kr 00	21kr. 90
Holland	do.	11d 22⅛c	11d 11⅝c	11d. 18c	11d 25c
Italy	do.	73lr. 00	72lr. 00	75·50lr	73lr 87
Lisbon and Oporto	do.	8d	8⅛d	5½d	5 d.
New York	do.	$3·91⅞	$4 00⅜	$3 99⅛	$3 98⅛
—	Cheques	$3·92⅛	$4 01⅛	$4 00⅛	$3 97⅝
Norway	Cable	25kr 80	24kr 87	24kr 12	25kr 85
Paris	3 mos.	47fr 20 .	46fr. 45c	48fr 50c	49fr. 52c
—	Cable	46fr. 45c	45fr 70c	47fr 75c	48fr. 77c
Spain (Bank places)	3 mos.	39¼d.	39⅛d	40¾d	41¼d.
—	Cable	29c. 72	29c 62	29c 30	28c 49
Sweden	do.	16kr. 93	16kr. 87	16kr 87	17kr. 00
Switzerland	3 mos	22fr. 47c	22fr. 65	22fr 75c	22fr. 77c.
—	Cable	22fr. 07	22fr 25c	23fr 35c	22fr. 37c.

ON LONDON—		May 27, '21	May 20, '21	May 12, '21	Par
Alexandria	Sight	97⅛pl.	97⅛pl.	97⅛pl.	97⅛pl.
Amsterdam	Cheques	11d. 22⅛	11d. 12c	11d. 17c.	12·1078.
Athens	Cable	70fr. 50	72fr. 12	63fr. 75	25fr. 22½
Bombay	Transfers	1s. 3⅛d	1s. 3⅛d	1s. 3⅛d.	2s.*
Brussels	Cheques	46f 67c.	45f. 72c	47f 80c.	25f. 22½c
Buenos Ayres	Transfers	45⅛d.	42⅞d.	42¼d.	47·58d
Calcutta	do.	1s. 3⅛d.	1s. 3⅛d.	1s. 3⅛d.	2s.*
Christiania	Sight	25kr. 59	24kr. 80	24kr 04	18·159kr.
Copenhagen	do.	21kr. 95	21kr. 95	21kr. 98	18·159kr.
Helsingfors	Cable	186m.	187m	132 m	25m. 22½
Hong Kong	Transfers	2s. 6d	2s. 5⅞d	2s. 6⅛d	—
Italy	Sight	73lr. 37c.	71lr. 87c	74lr. 75c	25lr. 22½c.
Lisbon	do.	6⅛d.	5⅞d.	5⅞d.	53½d.
Madras	do.	1s. 3⅛d.	1s. 3⅛d	1s. 3⅛d.	2s.*
Madrid	do.	29c. 72	29c. 62	29c. 38	25p. 22½
Montevideo	Transfers	43¼d.	41¼d.	43⅛d	51d
Montreal	Cable	$4 8⅛	$4 43	$4 46⅜	$4 86⅜
New York	Sight	$3 93⅛	$4 01	$3 99⅛	—
—	60 days	$3 91⅛	$3 93	$3 97⅛	—
—	Cable	$3 94	$4 01⅛	$3 99⅜	$4 86⅜
Paris	Cheques	46f 68c.	45f. 70c.	47f. 75c	25f. 22½c.
Rio de Janeiro	90 days	8⅝d.	8⅛d.	8⅜d.	16d.
Shanghai	Transfers	3s. 2d.	3s. 2⅛d	3s. 3⅛d.	—
Singapore	Sight	2s. 3⅞d	2s. 3⅝d	2s. 3⅞d.	—
Stockholm	do.	16kr. 93	16kr. 83	16kr. 86	18·159kr.
Switzerland	do.	22f. 06c.	22f. 21c	22f. 34c	25f. 22½c.
Valparaiso	90 days	—	33·10p.	34·50p.	13·33p.
Yokohama	Sight	2s. 5⅛d	2s. 4⅝d.	2s. 4⅞d.	2s. 0d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—	Rate of Exchange May 25, '21	May 13, '21	Par as to duty	Quoted	Rate June 3
Amsterdam, sight ...	39 15c.	39·93c.	40 20c.	for 1 guilder	40·25c.
Bombay, cheques ...	25·125c.	25·50c	48 66c.	for 1 rupee	33·00c.
Buenos Ayres, cheques...	132 00	143 00			
Christiania, cheques ...	15·39c.	15·94c.	26 80c.	for 1 kroner	
Copenhagen, cheques ...	17 90c.	18·16c.	26 80c.	for 1 kroner	26·85c.
Greece, cheques ...	5 48c.	5·84c.	19·295c.	for 1 drachma	
Hong Kong, cheques ...	50 0 c	50·25c	74·59c.	for Mex. $1	48·4c.
Italy, sight	5·53c.	5 545c.	19·30 cents	for 1 lire	
Lima, cheques ...	3·35c.	3 32d	4·8666 $	for 1 libra	
Manila, cheques ...	47·00c.	49 00c	50c.	for 1 peso	49·0c.
Montreal	10·625 %disc.	10 125% disc.	Premium per $100		Par
Paris, sight	11·89 c.	11 61c.	5·18¼	francs for $1	5·40c.
Rio de Janeiro, cheques	7·50mil.	—	3 082	milreis for $1	
Shanghai, cheques ...	85 75c.	85·00c.	52 66c.	for 1 tael	83·00c.
Singapore, cheques ...	42 00c.	42 00c.	56 ·7c.	for $1	57·12c.
Spain, cheques	13 23c.	13·72c.	19·30c.	for 1 peseta	
Stockholm, cheques ...	23 25c.	23 63c.	26·80c.	for 1 kroner	
Switzerland, cheques ...	5·02fr.	5 5 fr.	5·18¼	francs for $1	5·18¼ fr.
Valparaiso, cheques ...	13 00c.	13·00c.	20·61c.	for 1 peso	
Yokohama, cheques ..	48 25c.	48 25c	49·84c.	for 1 yen	49·0c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week 1921	Amount.	Inc. or Dec.*	1921 Agg.	Inc. or Dec.*
		[In £'s sterling, 000's omitted.]			%
BIRMINGHAM ...	May 21	£1,437 —	1·754	£58 831 —	£23.404 — 29·2
BRISTOL	,, 21	959 —	8·4	31.047 —	7·3 6 — 18·9
DUBLIN	,, 21	5.645 —	2.276	152.222 —	35 934 — 19·1
HULL	,, 21	764	—	17.941	— —
LEEDS	,, 21	752 —	1.003	23.92 —	13.257 — 35·6
LEICESTER	,, 21	456 —	761	18.822 —	12.449 — 42·7
LIVERPOOL ...	,, 21	6 453 —	3,640	200.913 —	183 283 — 44·8
MANCHESTER ...	,, 21	7.883 —	22.777	320.4 8 —	353 141 — 52·3
NEWCASTLE	,, 21	1.222 —	1,994	46 983 —	20 711 — 31·6
NOTTINGHAM ...	,, 21	434 —	462	15.233 —	9.515 — 37·7
SHEFFIELD	,, 21	763 —	468	27.233 —	6 084 — 19·3
LONDON—	1921				
TOWN	May 25	587.260 +	36,214	12,474.18 —	1,236 233 — 9·4
METROPOLITAN	,, 25	30.6.8 —	4.863	722 457 —	171 355 — 19·6
COUNTRY	,, 25	52,4.2 —	10,283	1,343 936 —	365 733 — 21·3
TOTAL	May 25	670,296 +	21.263	14,545 637 —	1,833.961 — 11·2

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1921 May 27	1921 May 20	1914 May 22
Alex. to U.K. ...	14/3 —	—	6/6
Aust. to U.K. ...	52/6	52/6	22/0
Bilbao to Cardiff...	—	—	—
Bombay to p.p. ...	20/0d.w.	20/0 d.w.	16/0
Burmah to U.K....	35/0	35/0 nom.	16 3
Calcutta to p.p.(jute)	—	—	—
Danube to U.K.	22 6	22/6	8·0
R. Plate to U.K....	56 3	55/0	—

Homewards.—	1921 May 27	1921 May 20	1914 May 22
U.S.Atl.Ports to U.K. (coal) ...	8/	8/	—
U.S. to U.K. (gr.)	6/9†	6/9	2/0
Gulf Ports to U.K. Cont (grain)	7 6	—	—
OUTWARDS.—Carried to			
Port Said ...	—	—	7/6
River Plate ...	—	—	14/6
St. Vincent ...	—	—	—

* Per ton. † Per qr.

Time Charter 6/3

VI.—WHOLESALE PRICES OF COMMODITIES.

	MAY 27, 1921	MAY 28, 1920	JUNE 30, 1914
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	136 0	£23 6	57/0
— Middlesbro' warrants ...ton	130 0	217 6	51/0
— Hematite warrants ...ton	160 0	260 0	61/0
— Staffordshire bars, London ton	£27 10	£28 10	£8 10
— Common bars ...ton	£23	£28	£6 16
Steel Rails ...ton	£15	£23	£6 2/6
Galvanised Sheets ...ton	£21	£52	£16 17/1
Copper—Standard ...ton	£74	£93 10	£66
Tin—English Ingots ...ton	£175—£176	£272 10	£142 15
— Straits ...ton	£181	£300 nom.	£139 10
Tinplates, I.C. Coke, S. Wales...box	26/0—28/0	74/0	11/10½—12/0
Lead—Soft Foreign ...ton	£23	£38 10—£39 10	£19
Spelter—Ord. Foreign ...ton	£28—£28 5	£43 15—£46	£21 7/9
Quicksilver—(75lb.) ...bottle	£11—£11 10	£20 nom.	£7
Aluminium ...ton	nom.	£165	£82
Antimony—Regulus Foreign ...ton	£25—£26	£59—£61 nom.	£27 10
— English ...ton	£37—£40	£60—£6[illegible] nom.	—
Coal—(best) Yorkshire ...ton	—	37/9—38/2	17/6
— Steam (best) Newcastle...ton	70/0	50/2—55/2	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	12/0	15/3	7/4
Soda—Crystals ex wharf ...ton	140 0	230/0—240 0	42 6—45/0
Copra—Malay and States ...ton	£29 10	£59 10 £23 15	£24 7/6
Gambier—Good marks...cwt	29/6	50/0	16/10½
Indigo—Bengal good to fine ...lb	10/0—11/6	13 0—18 6	3 2 3 8
Linseed Oil—Raw ...ton	£31 10	£99	£25 5
Linseed—Calcutta, spot ...ton	£18 10	£43 15	£13 16 9
— Cakes, U.K. made, ex mill ...ton	£18 10—£19	£22	£7 17/6—£8
Olive Oil—Spanish ...ton		—	£49 10
Palm Oil—Lagos ...ton	£34 10	£64 10	£31 10
Petroleum—American ...gallon	2 3½	2/3½	7½d
Rape Oil—Refined English ...ton	£62	£102	£32
Soya Oil—Refined ...ton	nom.	£105	£24 10
Tallow—Imported ...cwt	32/0—36/0	80 0—90 0	29/3—33/3
Turpentine—American ...cwt	100/0	200/0	33/7½
Rape Seed—Toria ...ton	£20 10	£46 10	£13 5
Rubber—Para, spot ...lb	9½d.	2/2 nom.	2/9½
— Fine plantation (stnd.crepe) lb	9d.	2/6½	2/2
— World's Production* Oct. tons	26 620	27 685	8,467
Shellac—T.N. Orange, fair ...cwt	415/0	590/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	8.63[illegible]	28.60d	7.53d.
— Egyptian good fair ...lb	16.50d	64.50d	8.75d.
— Pernambuco fair ...lb	2.98d	31.10d	7.73d.
— Middling Upl. New York ...lb	13.05c	40.00c	13.25c
— Stock, Liverpool (May 6) bales	985,690	1,204,770	934,600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	nom.	£59	£25 10
— Manilla fair ...ton	£38	£63	£26 10
Jute—First Marks ...ton	£65	£58	£26 15
— Red SCO ...ton	£24 10	£45	£24 15
Silk—Common, New Style ...lb	20 0 nom.	35/0	12/0—12/8
— No. 1-14 Japan ...lb	27/0 nom.	5/9	—
— 1st Order Italian ...lb	26 0 nom.	—	—
Wool—Pt. Philip unwashed av. lb	1 6	—	11½d.—1/0
— Lincoln Half Hogs ...lb	8½d.	2/3½	1/0½
Hides—Eng. Ox, best ...lb	9d.	18½d.—19d	7½d.
Leather—Dressing Hides ...lb	1 9—2/6	4/0—4/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	—	59,851,000	34,640,000
— Red, price, N.Y. 60lb....bushel	181½	370c.	67½c.
— English Gazette, aver. 480lb. qr.	87 6	72 10	34/3
Flour—G.R. ...280lb	68 0	63/6	28 6
Barley—Eng. Gaz., aver. 400lb. qr.	44 2	86 1	25 4
Oats—Eng. Gaz., aver. 312 lb. qr.	37 3	60/1	20/0
Maize—N.Y. (new bushel)....56lb.	79½	—	76½c.
— Amer. mixed, Liverpool...480lb.	39 0	nom.	32/4
— La Plata ...480lb. qr	40/6	77/6	25/9
Potatoes—Good English ...ton	190 0	†315/0	70/0—75/0
Rice—Basseln ...cwt	16/6—18 9	48/6	7/0—7/3
Tapioca—Pearl medium ...cwt	22 0	34/0	14/0—17/8
Hay—Clover, London ...ton	160/0—180/0	—	84 0
Hops—English ...cwt	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	8 10	6/8	3/8—3/10
— Scotch sides ...8lb.	9/4	10 0	4/6—5/0
— English ...8lb.	—	10 0	4/2—4/5
Mutton—Scotch wethers...8lb.	14/0	10 6	5/8—6/0
— English wethers ...8lb.	12/0	10/6	4/6—5/4
— New Zealand frozen ...8lb.	5 6	10/6	2/4—3/2
Pork—English and Irish ...8lb.	9 8	10 0—14/0	3/6—4/0
Bacon—Irish, delivered ...cwt.	160/0—172/0	†200/0	60/0—74/0
— Danish ...cwt.	165/0—172/0	†192 0	58/0—68/0
— Canadian, ex Port ...cwt.	110/0—140/0	†187 0	—
— American, ex Port ...cwt.	100/0—120 0	†187 0	72 0—74 0
Hams—Amer. long cut, ex Port cwt	120 0—144/0	†184 0	75 0—79 0
— — short cut, ex Port ...cwt.	131/0—136 0	†184 0	71 0—74 0
Lard—Amer. boxes, ex Port ...cwt.	67/0—69 0	†158/8	51/9—52/9
Butter—Danish ...cwt	215/0—220/0	303/4	117/0—120/0
French ...cwt	—	303/4	96/0—108/0
— Australian ...cwt	180/0—188/0	303/4	98/0—110/0
— New Zealand ...cwt	190 0—196 0	303/4	108/0—114/0
Cheese—Canadian ...cwt.	132/0—138 0	†145/0	66 0—68 0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt	116/0—188 0	†145/0	53 0—64 0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30...cwt	9,244,665	9,931,190	19,777,254
— Home consump'n to Apr. 30 cwt.	9,062,985	8,420,987	17,272,000
— In Bond Apr. 30 ...cwt	8,228,000	7,399,000	6,308,000
— Price, Java, 96° Pol. ...cwt	21 6	53 0	10 3
— Yellow crystals ...cwt	57 0	63 6	12/6—14 0
— — Tate's Cubes, No. 1...cwt	66 9	72 0	18 0
Coffee—Imports to Apr. 30 ...cwt	336,390	267,420	720,360
— Home consump'n to Apr. 30 cwt	101,853	102,648	141,410
— Exports to Apr. 30 ...cwt	146,397	163,476	340,260
— In Bond Apr. 30 ...cwt	737,000	713,000	484,000
— Price, Costa Rica gd. to fine cwt.	102/0—130/0	158/0—164/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	53 0—58 0	130 0—132 0	41 6
Tea—Imports to Apr. 30 ...lb	165,917,972	146,030,275	123,230,577
— Home consump'n to Apr. 30 lb.	134,924,96[illegible]	123,555,200	155,417,972
— Exports to Apr. 30 ...lb	8,155,776	15,662,706	26,561,765
— In Bond Apr. 30 ...lb	239,392,000	207,520,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	5[illegible]	1 5[illegible]	8½d.
— — Ceylon, Pek. Soug. gd. lb	5 1	1 6	8½
— — Common Congou ...lb	2[illegible]	1 3	5¾
Cocoa—In Bond Apr. 30 ...cwt.	1,271,000	1,085,000	309,000
— Grenada, good to fine ...cwt.	52 0—54 0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Mar	$14,706,000	— 1,010,000	$2,401,000	+ $493,000
	3 mos to Mar.	41,940,000	— 1,[illegible]0,000	3,906,000	+ 648,000
Grand Trunk	Mar.	£1,278,700	+ 195,900	£122,900	+ 168,400
	3 mos to Mar.	3,773,200	+ 583,200	Dr. 91,400	+ 306,500

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month	Miles Open	Gross Receipts	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Apr. 16	1,044	R1 79 200	— 13,500	2	4,09,010	— 24,549
Barsi Light ...	Apr. 23	118	29 200	+ 3 00	3	80,200	— 38 600
Bengal & N.W.	Apr. 23	2,067	5,38,400	+ 16,273	3	17,76,950	+ 1,13,270
Beng. Dooars	Apr 23	158	24 441	+ 2,770	3	6,[illegible]56	— 8 895
Beng. Nagpur	Apr. 16	2,695	12 44,000	— 12,000	2	28,41,000	— 2,540
Bomb. Baroda	May 14	2,871	21 66,000	+ 1,02,000	7	1,34,65,000	+ 5,96,000
Burma ...	Apr 16	1,342	8 07 886	+ 96 003	14	14,63 461	+ 68 802
Del.Um. Kalk	May 14	239	84 00[illegible]	— 360	6	6,[illegible]7 [illegible]	— 40,867
East Indian ...	May 14	2,772	29,88,000	+ 71,000	6	1,87,02,000	+ 5,71,000
Gt. Indian Pen	May 14	3,121[illegible]	28 13,000	— 67,400	7	1,81,85,700	+ 3,56,199
Madras & S.M.	Apr. 23	3,152	12,80,000	— 27,323	3	41,05,000	+ 38,575
Nizam's Guar.	Apr. 23	900	3,16,749	— 20,288	3	9,93,501	— 1,82,247
Rob. & Kumn.	Apr. 23	576	1,20,833	— 12,783	3	4,25,696	— 7,664
South Indian	Apr. 23	1,852[illegible]	8,26,761	+ 27,642	3	25,70,744	— 6,194
South Punjab	Jan.	716	8,00,305	— 61,691	4m	33,37,573	+ 2,25,551
COLONIAL							
Can. Northern	May 14	9,750	$1,173,900	— 47,900	19	23,276,600	+ 3,541,677
Can. Pacific ...	May 21	13,388	3,069,000	— 564,000	20	64,299,000	— 5,547,000
Grand Trunk	May 21	3,616	£278,[illegible]35	+ 6,598	20	5,724,098	+ 627,338
Mashonaland	Feb.	810	102,913	+ 40,476	5m	479,173	+ 132,247
Mid. W. Aust.	Mar.	277	13,727	— 14	9m	102,138	+ 2,948
New Cape Cent.	Apr. 30	205	2,559	— 58	18	47,315	— 7,286
Rhodesia Rlys	Feb.	1,397	134,193	+ 34,042	5m	612,080	+ 149,731
Temiscouata	Mar.	—	$42,975	+ 12,38[illegible]	3m	128,835	+ 43,964
FOREIGN.							
Argentine.							
Arg. N. East...	May 21	752	£ 11,400	— 2 000	47	546,100	— 7,200
Arg. Transand	May 21	111	£ 396	— 2,374	47	130,039	— 21,337
B.A. & Pacific	May 21	3,428	£ 119,000	— 70,000	47	8 10[illegible] 000	— 1,080,000
B.A.Gt. South	May 21	3,903	£ 163,000	— 29 000	47	7,808 000	— 712,000
Do.	May 21	Net	£ 21,000	— 35,000	47	1,351 000	— 1,570,000
B.A. Western	May 21	1,882	£ 79,000	— 37,000	47	3,705,000	— 1,012,000
Do.	May 21	Net	£ 6,000	— 35 000	47	475,000	— 1,122,000
B. A. Central	Apr.	190	£ 41 425	— 13 28[illegible]	11m	460,493	— 12,904
Cent. Argent.	May 21	3,305	£ 170 000	— 32,000	47	8 67[illegible].000	+ 123,000
Cord. Central	May 21	1,205	£ 52,000	— 5,500	47	2,443,300	— 333,400
Entre Rios ...	May 21	811	£ 22 700	— 2 700	47	1,075,600	— 37,800
Brazilian.							
Brazil Gt. South	Apr.	110	M 39,400	— 4,100	4m	154,650	— 51,350
Brazil Railway	Dec.	3,530	M4 859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	May 21	1,010	£ 13,100	— 6 200	21	308 600	— 214,800
Leopoldina ...	May 21	1,831	£ 32 942	— 21 233	21	654,176	— 439,077
San Paulo ...	May 22	153[illegible]	£ 3[illegible],440	— 17,349	20	600,834	— 330,338
S. of Bahia S.W	Apr.	52	M 41,000	— 80,000	4m	352,000	+ 65,000
Chilean and Peruvian.							
Antofagasta...	May 22	838	£ 18,665	— 13,275	21	563,405	— 493,303
Arauco ...	June	84[illegible]	£ 12,000	+ 5,000	6m	76,000	+ 10,700
Nitrate (2wks)	May 15	390	£ 24,117	— 14,362	18	258,039	— 149,789
Peruvian Corp.	Apr.	1,140	S 1,071,060	— 231,780	10m	11,496,360	— 491,454
Taltal ...	Apr.	180	£ 13,100	— 15,720	10m	256,600	+ 16 940
Cuban.							
Cuba Railroad	Jan.	—	$ 1,[illegible]06 385	+ 448,284	7m	8,497,481	+ 1,017,244
Havana Cent	May 14	70	£ 18,292	+ 1 47[illegible]	46	681,58	+ 149 873
U. of Havana	May 21	681	£ 142,681	+ 15 518	47	5,849,381	+ 716,252
Uruguayan.							
Cent. Uruguay	May 21	273	£ 25,830	— 288	47	1,140,052	+ 54,221
„ (E. Ext.	May 21	311	£ 5,538	— 1,314	47	266 704	— 21,493
„ (N. Ext.	May 21	185	£ 3,110	— 1,125	47	142,168	— 37 928
„ (W. Ext.	May 21	211	£ 2,084	— 753	47	118 3[illegible]8	— 15,180
Mid. Uruguay	Apr.	319	£ 14,468	— 4 6[illegible]2	10m	177,206	— 25,430
N.W. Uruguay	Apr.	113	$ 5,631	+ 104	10m	60,721	— 7,633
Urug. Northn.	Apr.	73	£ 1,596	— 326	10m	20,405	— 3,844
Miscellaneous							
Alcoy & Ganda	May 21	33	Ps. 10,500	— 1,500	21	341,400	+ 93,500
Bilbao ...	Apr.	15	£ 2,221	— 2,481	4m	9,098	— 6,622
Bolivar ...	Apr.	136	£ 12,929	+ 3,188	4m	38,220	— 6,296
Colomb. Natnl.	Apr.	86	£ 18 600	— 200	4m	76,080	+ 9,884
Costa Rica ...	Mar.	190	£ 32 676	+ 6,145	9m	228,241	— 3,146
Dorada Ext.	Apr.	70	£ 18 500	+ 500	4m	69,750	+ 16,250
Egyptian Delta	Apr. 30	559[illegible]	£ 120 608	— 1,592	4	30,069	— 5,646
Gt. S. of Spain	May 14	104	P's 36 6[illegible]6	— 49 5[illegible]5	19	1,154,974	— 444,247
Lautaro Nitrate Co.	Apr.	223	£ 10,030	— 3,910	4m	41,540	— 16 660
Ottoman Ry.	Mar.	379	£ 11,769	—	—	—	—
Paraguay Cent	May 14	274	£ 4,130	— 480	46	200,950	— 20,700
Puerto Cabello	Mar.	34	£ 4,500	— 2,500	3m	13,250	— 4,250
Salvador ...	May 21	100	£ 4,128	— 1,[illegible]88	47	173,678	— 39,398
Santa Fé Prov.							
French Rys.	Apr.	1,181	£ 129,360	— 49,05[illegible]	4m	521,240	— 127,287
S'm'na & S'ti'g'o	Apr.	80	£ 11,000	— 6,77[illegible]	4m	33,310	— 20 320
Zafra & Huelva	Apr.	112	£ 15,529	+ 4,935	4m	58,859	+ 7,667
TRAMS.							
Anglo-Argent.	May 29	400	£ 82,017	+ 2,700	20	1,611,804	+ 117,476
Bombay Elect.	Mar.	—	Rs. 8,76,44[illegible]	+ 74,3[illegible]9	3m	25,87,565	+ 2,85,729
Brazilian Trac.	Mar.	378[illegible]	M 13,10[illegible]00	+ 3,2[illegible]2,000	3m	37,918,000	+ 8,982,000
Brisbane Elec.	Apr.	40[illegible]	£ 47,750	+ 2,986	4m	183,[illegible]36	+ 8 785
Brit. Columbia	Mar.	334	$ 816,45[illegible]	+ 55,27	9m	7,1[illegible]6,9[illegible]3	+ 629,116
B. A. Lacroze	Apr.	51	£ 6[illegible]2 8	+ 6,809	10m	570,95[illegible]	+ 63 836
Calcutta ...	May 21	35[illegible]	R 82 68[illegible]	— 9 501	20	14,19,849	— 429,640
Carth. & Herr.	Apr.	9	£ 2,32[illegible]	— 3,15[illegible]	4m	11,27[illegible]	— 6,460
Chatham & Dist	Mar.	15	£ 1,458	— 76	19	30,892	+ 2,003
Havana Elect.	Feb.	86	$ 1,034,87[illegible]	+ 170 43	2m	2,123,947	+ 376,390
Isle of Thanet	May 18	20[illegible]	£ 1,14[illegible]	+ 2[illegible]6	34	20,714[illegible]	— 319
Kalgoorlie ...	Feb.	20[illegible]	£ [illegible]16	— 2,561	2m	2,734	— 2,516
Lanarkshire...	Dec. 31	28[illegible]	£ 5,467	+ 1,927	52	221,564	+ 27,728
Lima Light ...	Feb.	85	£ 60,71[illegible]	+ 4,556	2m	124,3 9	+ 9,593
London O.C....	May 25	141[illegible]	£ 10[illegible],576	+ 6,029	8	781,835	+ 120,110
Madrid 2wks.	May 15	15[illegible]	R 51,07[illegible]	— 3,401	8	2[illegible]5,952	— 140,074
Manila Electric	Mar.	55	$ 298,317	+ 34,6[illegible]7	3m	926,156	+ 106,553
Pernambuco...	May 22	59	£ 3,379	— 3,626	21	64,2 8	— 72 876
Provincial ...	May 7	21[illegible]	£ 3,19[illegible]	+ 1,4[illegible]	[illegible]	97 262	+ 58
Rangoon Elec.	Mar.	25	£ 158,1[illegible]	+ 27,6	3m	4[illegible],397	+ 43,927
Shanghai Elec.	Apr.	26[illegible]m	$ X.$157,50[illegible]	+ 15,[illegible]0	4m	625 738	+ 68 345
Singapore Elec.	Apr. 16	26[illegible]	$ 13 85[illegible]	— 9 3[illegible]3	16	198,0[illegible]4	— 155,[illegible]35
U. of Montevid.	Apr.	90[illegible]	£ 46,189	+ 4,01[illegible]	8m	286,877	+ 21,979

UNDERGROUND ELECTRIC RAILWAYS CO. OF LONDON, LTD

Metropolitan District Ry. London Electric Rly., City and South London Ry., Central London Rly., London General Omnibus Co.

Week to May 2[illegible], £3[illegible],034 Aggregate, Jan 1—May 21, £4,698,240.

Metropolitan Electric Trams, London United Trams, South Metropolitan Electric Trams, Trimways (M.E.T.) Omnibus Co., Tilling-Stevens Motor Omnibus.

Week to May 21, £61,748; Aggregate, Jan. 1—May 21, £1,053,288.

A Service of Information for Foreign Trade

IN the various Offices of the Guaranty Trust Company of New York there are established departments whose function it is to keep in touch with changing conditions in the chief overseas markets, and to supply customers and friends of the Company with the results of their researches.

This International Trade Service receives at frequent intervals information from our own Offices. Representatives and Correspondent Banks in all important trading centres. The information thus received is supplemented by further investigation carried on through the medium of correspondence and official and general publications from all parts of the world.

Guaranty Trust Company of New York

A Complete International Bank

LONDON OFFICES
32 Lombard Street, E.C.3
50 Pall Mall, London, S.W.1 29 Kingsway, W.C.2
LIVERPOOL OFFICES
27 Cotton Exchange Buildings 51 Castle Street
NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid-up Capital, Surplus and Undivided Profits (Feb. 28, 1921) - - - $62,727,273.77
Total Assets (Feb. 28, 1921) - - - $893,680,782.11

The Statist.

LONDON, SATURDAY, MAY 28, 1921.

THE COAL CONFERENCE.

A WAY OUT.

IT is probable that the ultimate settlement of the coal strike will be arrived at by reference to the ratio between profits and wages in the whole industry, and that, as an approximation to pre-War conditions in this respect is not indefensible, this ratio will be influenced, if not determined, by the relation that existed between profits and wages in the pre-War period.

The table across [illegible] based on Appendix 5 to the Coal Commission Report, may be taken as more or less accurately reflecting the relation of profits to wages in the pre-War period. The average pre-War ratio of profits to wages works out at 16.59 per cent.—say 16½ per cent. The wages figure per ton from 1904 to 1912 is not given in the table, but it is assumed that it remained the same as for the period 1909-1913, and [illegible] for 1912 it was the same as for 1913. Royalties for the period 1909-13 are given in Appendix I. of the Report as six millions on an output of 270 millions. On an output of 250 millions (1904-1908) the royalties would be 5½ millions.

Since, sooner or later, collieries will have to revert to conditions more normal than those under which they have been recently worked, the miners' wages (which are the chief determinant of the mineowners' profits) should, of course, be based on pre-War figures, as it would obviously be impossible first to fix the wages by reference to present conditions and then give the owners 16½ per cent. of those wages. It is doubtful whether the industry could pay wages alone based on present conditions, and this doubt is [illegible] the following [illegible] While the pre-War wages were £74 million (average 1904-1908, and 1909-1913) for 965,000 men, there are at present about 1,200,000 men in the industry, so that the above £74 million as a pre-War figure should be increased by about 25 per cent., or 18½ millions, bringing it up to 92½ millions. The present cost of living is 128 per cent. above the pre-War level, so that the present wages would be £213 million. Now the statistical summary of the Mines Department for the month of March, 1921, shows that the loss for that month, before charging interest and depreciation, was over £5 million, which would mean a loss of, say, £60 million a year. The wages for the month were £21,256,923, or say £255 million a year. If the miners' wages were based on present conditions, and put at approximately £211 million a year, there would still be a loss of £16 million in the industry.

As a temporary measure, the miners' wages might be based on the present cost of living, the Government making good any deficit caused thereby. When the industry settles down, the wages could be fixed by reference to pre-War conditions, and the owners could then get 16½ per cent. of these wages, any surplus remaining to be divided [illegible] and owners in the ratio of 100:16½.

It may be objected, of course, by the miners that the average of the ten years to 1913 is not a fair basis for a standard wage, on the ground that the pre-War wages did not allow of a proper standard of living. Taking the average of 1912 and 1913—£86.7 million for 1,200,000 men—the standard wage would be £86.7 plus one-tenth, or £95.4 million for 1,200,000 men. The owners' 16½ per cent. would then be too great. It would not, of course, be feasible to fix the miners' wages by reference to the pre-War price per ton, owing to the decrease in the number of working shifts per man.

When the industry settles down, the following [illegible] the effect of the above proposals:

	£
Loss for a year as above ...	60,000,000
Add wages ...	255,000,000
Profit before charging wages ..	195,000,000
Deduct standard wage	95,000,000
	100,000,000
Standard profit (16½ per cent. of £95,000,000)	16,000,000
Surplus	84,000,000

whereof miners get $\frac{100}{116\frac{1}{2}}$ = 72 and owners $\frac{16\frac{1}{2}}{116\frac{1}{2}}$ = 12.

Profits, Royalties and Wages, 1904-1913.

In Millions except where otherwise stated.

	Tonnage Raised	Profits and Royalties	Royalties	Net Profits	Wages Per Ton	Wages Millions	Profits to Wages	No. of Men
1904-8	249.8	17.2	5.5	11.7	5s. 6d.	68.6	17.05	881,800
1909	263.8	14.9	6.0	8.9	5s. 6d.	72.5	12.28	992,333
1910	264.4	15.9	6.0	9.9	5s. 6d.	72.7	13.62	1,027,339
1911	271.9	13.3	6.0	7.3	5s. 6d.	74.8	9.76	1,045,272
1912	260.4	21.2	6.0	15.2	6s. 4d.	82.4	18.45	1,068,751
1913	287.4	28.0	6.0	22.0	6s. 4d.	91.0	24.18	1,110,884
1909-13	269.6	18.7	6.0	12.7	5s. 10d.	78.7	16.14	
Average of periods 1904-8 and 1909-13 ...							16.59	

It would be impossible, of course, to adjust the profits and wages in the same period in which the conditions affecting the profits obtain. A subsequent period would be influenced by the results of a previous period. In the above instance, the miners' standard wage would be increased in a subsequent period by $\frac{72}{95}$.

The total owners' profit would be £28 million, subject to variation by different conditions (more or less men) in a subsequent period. In Table 12 to Appendix 54 of the Coal Industry Commission Report the capital in 1917 is shown as £154,500,000 (excluding, presumably, borrowed capital). In 1921 the capital may be taken to have increased by £20,000,000 to £174,500,000. The above profit of £28 million represents a return of about sixteen per cent. on capital. For excess profits duty the statutory percentage on pre-War capital was nine per cent., and twelve per cent. on new capital up to 1919, and fourteen per cent. for 1920. The owners would naturally have to pay interest on such capital as was borrowed.

It is assumed that the industry as a whole will at least be able to pay the standard wage and standard profit. The standard wage would be payable in any event, even if there were no return on capital. The owners' deficiency would be made good out of surplus in another period, and each individual colliery would carry forward its own deficiencies even if there is a surplus in the industry as a whole, so as not to be penalised in a good period; that is to say, even though the industry as a whole realised a surplus and the individual colliery also returned a surplus, no contribution from the latter would necessarily be forthcoming, inasmuch as it would have its previous deficiencies as a set-off. For example, a colliery that had been making ten per cent. of the standard wage, and which in a particular period made twenty per cent. of the standard wage, would not be liable to hand over to the general surplus the three-and-a-half per cent., even if the industry as a whole made more than sixteen-and-a-half per cent. Conversely, it might happen that the industry as a whole would show a deficiency, while some collieries made more than the standard profit. In this event these collieries would not be asked to give up their surplus. The result would be that, in a period when a surplus occurs, only those collieries would contribute whose average earnings were greater than 16½ per cent. of the standard wage, and they would contribute in proportion either to their average surplus, or to their total profits, or to their standard wage.

As regards the miners' portion of the surplus, a wages pool would be necessary, into which the collieries liable to contribute would pay, and from which collieries with a deficiency would draw the amount necessary to make up the surplus wage.

It will, of course, be observed that the fundamental principle of the foregoing scheme is that each colliery should be obliged to pay its own standard wage, but that the surplus wages would be levied from those collieries that created the surplus. If all collieries, including the poor collieries, had to pay surplus wages in proportion to their standard wage, the poor collieries would inevitably be compelled to close down. It would, obviously, be in the interests of the miners in a good district that the bad mines should shut down, or that their results should not be allowed to affect the general average. It might be agreed that mines making a loss should not come into the average.

The standard wage of a colliery would be its proportion of the total standard allocated according to the number of men employed. Alternatively each district would have its own standard wage, based on its own pre-War conditions and on the cost of living in the district, and the standard wage of a colliery would be its proportion of the standard wage of the district.

LEGISLATION AND TRADE COMBINATIONS.

SINCE May 19 the Profiteering (Amendment) Act, 1920, has ceased to be the law of the land, but it is understood that the Government will shortly introduce legislation for the purpose of setting up more permanent machinery to deal with trade monopolies. Complaint by the public of the existence of profiteering led originally to the passage of the Profiteering Act, 1919, much suspicion being aroused amongst the consuming interests by the growth of trade associations and combinations during the War. This growth, it may now be interesting to recall, was directly encouraged by the Government itself owing to the necessity imposed on various Departments of consulting the most informed opinion in a trade and sometimes rationing material through an organisation representative of a trade. Arising from this, unassociated firms, in order to have an opportunity of communicating with the Government, found it advisable to join existing associations or in some cases to form representative groups for the purpose of advising that body on matters connected with trade. Judging by figures recently published there seems no reason, however, to believe that profiteering has been practised on a very large scale, notwithstanding the fact that a large part of the period covered was marked by rising prices and keen demand for goods of all kinds. Thus the Central Committee established by the Act of 1919, whose duty it was to investigate specific complaints arising out of transactions or sales other than retail sales, had to deal in all with only 606 complaints. Of this total 431 were dismissed; profiteering was proved in only seventy-two cases, in regard to which prosecutions had been undertaken in twenty-six; the remainder await decision.

In foreign countries and in the Colonies the trade combine has been a favourite subject of legislation. Particularly in the United States there has long been waged a contest, exhibiting the most ingenious devices, between the Legislature and the trusts. The Federal Trade Commission Act of 1914 created a permanent Commission to investigate and report on the activities of corporations engaged in commerce, and the Clayton Anti-Trust Act of the same year is intended to render illegal combinations, arrangements or contracts which have the effect of substantially reducing competition or which tend to create monopolies. In addition to these Federal anti-trust laws there is an enormous mass of State legislation having for its object the regulation or prevention of trade associations or combinations framed to restrict competition or control prices.

Before the passing of the Profiteering Acts the position of the combine in English law may be stated in the words of the Committee on Trusts: "Combinations operating in restraint of trade are, though not criminal, unlawful if shown to be against public policy, as public policy is understood by the English Courts, where these words are construed in a somewhat narrow and technical sense" and not necessarily identical with the interests of the community. Through the operation of these Acts the Government has accumulated a large mass of material which will presumably form the basis of its future action. The Committee on Trusts, which undertook the investigation of the nature and development of trusts and trade combinations, and the Investigation of Prices Committee, which inquired into the cost of production of various articles in all stages of their manufacture, have already issued a large number of reports. Generally speaking, the conclusions seem to imply that the consumer has suffered no detriment from the operation of trade combinations, and in some cases he has probably benefited. To take the findings of the Committee that examined the tobacco industry: "We cannot but conclude, accordingly, that down to this date [the report was dated December 13, 1919] the

existence of the Imperial Tobacco Company, with its present policy, has not resulted in raising the price of tobacco or cigarettes to the consumer, but, on the contrary, has tended in the opposite direction. Nor have we discovered that the Imperial Tobacco Company has so far exercised any injurious influence on the trade. Our witnesses expressed the opinion that its activities, generally speaking, have been beneficial to the retailer and to the community, though the evidence with regard to the latter was less directly representative than with regard to the former. As the combination controls less than two-thirds of the trade, it has been compelled to maintain against its competitors high-quality goods at the lowest possible price. This has reacted upon the competitors themselves by forcing them also to purchase the best quality of raw material and to turn out finished goods which are not inferior to those of the Imperial Tobacco Company. While mutual competition has restrained the advance of prices on both sides, the extent of this restraint, so far as cheaper variety tobaccos are concerned, has been emphasised by certain manufacturers, who have laid before us figures showing that some of these varieties are being placed on the market at an actual loss, which is to be covered by the increased profit on higher price goods, especially upon special brands." The fear underlying many of the reports is, however, that this policy is liable to be changed to one directed towards the exploitation of the consumer; though they have not proved so up to the present, combines are always potentially dangerous.

Whatever form of legislative machinery the Government propose to establish, it is to be hoped that it will not be aimed towards preventing or obstructing the formation of combinations or associations. Experience has shown, in the first place, that no such interference can be made effective, and, secondly, that these steps in production and distribution undoubtedly tend towards greater efficiency, increased economy, and better organisation of industry. It must be borne in mind that many of these associations have been created as a result of severe depression, and that, in default of such action being taken, some trades were faced with all-round disaster. In the absence of some association for regulating prices, prices may be driven down to the lowest possible level and profits frequently reach a vanishing-point owing to the unrestricted competition of British manufacturers and importers. With the elimination of profit manufacturers are discouraged, if not absolutely prevented, from reorganising their plant, expending money upon improvements and introducing new methods; consequently there is a tendency for the cost of manufacture to rise. Another evil flowing from unrestricted competition is that manufacturers in the struggle for orders are tempted to supply commodities of the lowest and cheapest quality that consumers will accept. Superior goods are thus frequently driven off the market, the consumers being totally unable to discriminate between the relative values of the two varieties and often suffering as a result. With a higher level of price the manufacturer is encouraged to produce a high-class article and to expend money on the instalment of new machinery and new methods. From another point of view, restrictive legislation on the formation of combinations and associations would weaken our ability to meet foreign competition. These formations are characteristic of industry in Germany, where their growth is viewed with favour by the Government, and in the United States, so far as the export trade is concerned, they do not come within the scope of the anti-trust laws.

Home consumers' distrust of huge industrial aggregations is largely based on the lessons of American experience, but the full significance of the differing conditions in the United Kingdom and the United States is not quite realised. The industries of the latter are protected by heavy tariffs, while those of the former, still substantially a Free Trade country, are subject to external competition.

SERIOUS EXCHEQUER POSITION.

That the combined effects of the trade depression and the coal strike on revenue have at last, though somewhat tardily, forced the Government to consider seriously the question of revising the policy guiding the National Finances in the light of current economic conditions, is evidenced by a Treasury circular to the various Government Departments, just issued as a White Paper (Cmd. 1309). The policy pursued in framing the National Accounts for the present year, as well as for last year, has been to fix the amount of expenditure first and budget for revenue accordingly. As regards expenditure itself, the policy is to reduce debt as much as possible while the purchasing power of the currency remains low. The reduction of debt, however desirable an end, is only feasible when sufficient can be raised by taxation to do so without injuring trade. Discussing this subject last week we drew attention to the unfortunate shrinkage in revenue since the beginning of the present financial year, and pointed out that this forces the Government either to abandon their schemes of debt redemption or effect a drastic reduction in expenditure on Supply Services. The situation, as a matter of fact, is more pressing than this statement would indicate, for, at present, not alone are the Government not reducing debt, but, on the contrary, they are compelled to increase short-time indebtedness.

Clearly such a position cannot be maintained, and it is at any rate to the credit of the Government that they are facing the issue plainly, as shown by the circular already mentioned. Briefly stated, the paper, having emphasised the impossibility of increasing taxation, and having shown that the anticipated revenue for the financial year 1922-23 would be insufficient to provide for the Consolidated Fund Charges, Supply Services, and reduction of debt on their present scale, points out that the only alternative to reducing the latter forms of expenditure is fresh borrowing, which, in addition to increasing the charge for interest, would mean renewed inflation, with its attendant evils, including the depression of the £ sterling at home and abroad. Under these circumstances, obviously, the two forms of expenditure which are not fixed in amount—namely, expenditure on Supply Services and reduction of debt—compete with each other for the allocation of revenue, and in this regard the policy already adopted of reducing debt is to be adhered to. There remains in consequence only the expenditure on Supply Services, which can be cut down. As to details, the circular points out that next year a considerable item not included in this year's payment will have to be provided for—namely, the interest on our debt to the United States, which, at the par of exchange, amounts to over £40 million a year. In view of this fact, as well as the large items of debt reduction which are of a compulsory nature, it is considered that the amount available for debt redemption in 1922-23 out of ordinary revenue should be not less than £100 million. Interest payments and other Consolidated Fund Services amounting to £365 million must also be provided for, making a total of £465 million. Against this, the ordinary revenue in 1922-23, even if no taxation is remitted in that year, is estimated not to exceed £950 million. This leaves a balance of £485 million only for Supply Services. The estimate for these Services in the current year is £603 million, and next year, apart from automatic growth of grants to local authorities, there will be additional charges, *e.g.*, under the Agricultural Act, 1920. It is clear, therefore, that very drastic efforts must be taken to reduce expenditure on Supply Services in 1922-23, and the figure which the Departments are asked to aim at is £390 million.

The circular also lays down certain principles which are to guide the Departments in carrying out the reductions asked for. It is stated that Departments must be left [illegible]

posing the reduction or cessation of a service because its performance has hitherto been part of the policy of the Government, or because the service is necessitated by statute. It is recognised that a reduction of expenditure on the requisite scale can only be obtained by the sacrifice of services in themselves desirable. The Government undertake to review all questions of policy that may be raised by suggested reductions, and, if they approve, to obtain any Parliamentary sanction that may be required to carry them out. Provisional estimates of their probable expenditure in 1922-23 are to be submitted by Departments not later than July 31 next.

Whether the estimate of £950 million of revenue for next year is too optimistic time alone can determine. It is, at any rate, unquestionable, judging by the present trend of events, that taxation next year cannot be on as large a scale as this year, and it is earnestly to be hoped, therefore, that the recommendations enjoined by the Treasury will be carried out by the various Departments. In view, however, of the frequency of Government protestations of their intentions in this regard, and especially judging from the manner in which these intentions have been carried out for the present year, the public will not look too hopefully to the statement under discussion. It is unfortunate that the proposals there outlined have not been made to apply to the present year, in which interest is at present chiefly centred. The Government claim to have made considerable reductions in expenditure for the year 1921-22, but it is plain that the amount of these reductions is entirely inadequate. Indeed, the claim cannot justly be advanced if account is taken of the increased purchasing power of money as compared with last year. That these remarks are justified is unfortunately evidenced by the present showing made by revenue. The total revenue since the beginning of the financial year leaves a deficit of £11,903,273, which had to be made up in increasing the floating debt. Hence there has arisen the absurd position that, despite the reiterated statements of the Government that the reduction of short-term indebtedness formed one of their foremost considerations as regards the national finances, yet, as compared with last year, the floating debt shows not a decrease but an increase of £35,665,000. It is clear that if revenue continues on its present diminished scale the Government will have no choice but to apply to the current year also the principles laid down in the circular, unless the retrograde policy is to be adopted of fresh borrowing to cover deficits.

COPPER PRODUCTION IN AMERICA.

Like the rubber industry, copper mining is suffering from an over-production, but in this case stimulated by the War needs of the late belligerent Powers. The existence of a large stock of the metal on the signing of the Armistice rendered it necessary for the large American producers to reduce their output during 1919, and this policy has as a rule been continued during 1920; in some cases the reduction in 1920 has been still greater. The reports of some of the leading American producers for 1920 all complain of the depression in the industry during the year, and the steady relapse in price despite the reduced production. "So small had become the demand for copper during the latter part of the year," runs the report of Ray Consolidated, "that it was found necessary to curtail production further, and at the close of the year your Company's output was less than forty-five per cent. of normal. Coincident with the slackened demand, the price for the metal declined to a point where it was impossible to produce it except at a loss." According to the Copper Range Company, the price of copper, which varied between 18 and 19 cents per lb. during the first nine months, was sufficient to give a reasonable margin of profit, but after September copper was produced at a loss. The experience of the Anaconda Copper Mining Company was no different. Here also in the last quarter of the year "prices were reduced below cost of production, and metals were forced upon the markets without attracting buyers of any reasonable quantities."

A survey of the annual reports shows the extent to which the annual production of copper has fallen off since 1918.

Company.	Copper Output in Lb. 1918	1919	1920
Anaconda ..	293,603,726	144,112,285	155,339,575
Utah ..	188,092,405	105,088,740	101,897,758
Ray	83,599,160	46,011,371	47,062,030
Nevada	76,607,062	43,971,892	48,311,985
Chino	75,635,641	40,488,706	44,051,849
Miami	58,407,563	54,221,638	55,581,328
Copper Range ..	26,623,940	23,082,498	16,951,105

With two exceptions the 1920 output is greater than that of 1919, but in no case does the total compare favourably with that of 1918. With Utah the 1920 production is over 3,000,000 lb. less than that of 1919; whilst Copper Range records a decline of over 7,000,000 lb. Compared with 1916 the output of Anaconda is reduced by over fifty per cent.; whilst the 1920 production of Copper Range is less than forty-five per cent. of the output for 1916. According to an interesting circular issued by Messrs. Hayden, Stone and Company, the estimated production of copper in the United States for 1920 was 1,665,000,000 lb., as against 2,355,000,000 lb. in 1918, and 1,620,000,000 lb. in 1913. Between 1918 and 1920 the estimated consumption of copper in the United States dropped from 1,480,000,000 lb. to 1,245,000,000 lb., whilst the export of copper fell from 755,000,000 lb. to 485,000,000 lb. Thus the total consumption of copper amounted to 1,730,000,000 lb. in 1920, or 65,000,000 lb. greater than the output, whilst in 1918 it was 2,235,000,000 lb., or 120,000,000 lb. less than the output.

Generally speaking, the reduction in output as compared with 1918, and apparently increases in wages and in the price of stores and materials, are reflected in a growth in the cost of production, as the following table shows:—

Company	Sale Price of Copper per lb. in Cents. 1918	1919	1920	Cost of Production per lb. in Cents. 1918	1919	1920
Utah*	22·88	17·78	17·74	12·53	12·37	13·15
Ray*	22·94	17·91	17·50	15·62	14·94	15·57
Nevada* ..	21·05	18·67	17·77	15·69	16·14	17·28
Chino*	22·54	18·05	17·40	14·02	15·31	14·40
Miami* ..	24·65	18·66	17·77	14·83	15·81	11·90
Copper Range	24·76	18·67	17·14	14·46	15·02	17·77

* In these cases the cost is arrived at after deducting the receipts in respect of the small quantities of gold and silver produced as well as miscellaneous revenue other than dividends.

The reduction in the output of Utah coincides with a cost of 13.15 cents per lb. in 1920, as against 12.37 cents in 1919, which for some peculiar reason was less than the cost in 1918. The small increase in the quantity produced by Ray could not prevent the cost rising from 14.94 cents in 1919 to 15.57 cents in 1920. With Chino, however, the larger output has caused the cost to fall to 14.40 cents. Progressively the increase has been most pronounced in the case of Copper Range, the great decline in the output giving rise to the high cost of 17.77 cents in 1920. Miami occupies a rather unique position, producing copper in 1920 at the remarkably low cost of 11.90 cents per lb. The adoption of the caving method of mining brought a reduction in actual mining operations of 24 cents per ton of ore milled as compared with 1919. Economies in milling and in general administration yielded another decline of 15 cents per ton milled. The slump in the selling price stands out clearly, the highest average secured for 1920 being 17.77 cents, whilst Copper Range, with the highest cost, obtained the lowest average of 17.14 cents per lb., whereas in 1918 the average ranged from 21.05 to 24.76 cents. Throughout the United States as a whole it appears that between 1918 and 1920 the average price of

electrolytic copper per lb. fell from 21.63 cents to 17.46 cents, whilst the cost of production moved up from 15.47 cents to 15.50 cents.

It cannot be said that the outlook for copper producers in the United States is anything too bright for the current year. The slump in price has continued, and by the middle of April 1921 copper was not commanding more than 12.75 cents per lb. Of the six companies in our second table, only Miami could afford to produce at this level. Some producers, such as Anaconda, continued to reduce their output still further, but to no good. "The reduced rate of production," adds the report, "resulted in excessive costs, and rapidly accumulating stocks of unsold metals forced the closing of the mines in March and April." This policy was followed by all the leading producers. A more constructive step, however, was the formation in February of the Copper Export Association, to which was transferred out of surplus stocks 400,000,000 lb. of copper for export sale. Against this copper short-term notes to the extent of $40,000,000 were issued by the Association, thereby enabling the affiliated producers to finance their operations. Hitherto the necessity of carrying over these abnormal stocks had necessitated the borrowing of additional money. In well-informed circles the opinion is held that the closing down of the mines will be of comparatively short duration. The fact remains that the actual production of copper in 1920 was 35,000,000 lb. less than in 1913, whilst the total consumption was 90,000,000 lb. more than in 1913. Moreover, in so far as internal consumption is concerned, the quantity actually increased from 765,000,000 lb. in 1913 to 1,245,000,000 lb. in 1920. The slump was in the export trade, which fell from 875,000,000 lb. to 185,000,000 lb. At present the greatest barrier is that which prevails in the coal-mining industry in the United Kingdom—an excessive cost of production. The recovery of the sale price is assured, particularly as soon as Europe settles down. The reduction in cost is generally believed to be in sight. Labour in America, judging by recent reductions in railway earnings, is prompt to realise the necessity of reverting to a reasonable wage basis. Granted a similar atmosphere in the copper-mining industry, the return to normal prosperity is only a question of time. The outlook for 1921 may not be encouraging, but the future prosperity of the industry is beyond question.

RAILWAY FINANCES AND THE BILL.

The proposals contained in the White Paper (Cmd. 787) issued last year by the Minister of Transport have been so modified in the Railway Bill now passing through Parliament that criticism of the latter has been largely disarmed. Many railway companies have circularised their shareholders, giving *resumés* of the Bill, but criticism where put forward at all does not take very definite form. The grouping scheme has been recast on the lines suggested to the Minister by the Railway Companies Association and the various companies are free to put forward alternative schemes up to June 30, 1922. An important exception is, however, that the Scotch lines, instead of being linked to their English neighbours as they requested, will be formed into two separate groups. The inequity of the treatment proposed for the lines north of the Tweed is succinctly put by the Railway Transport Committee appointed by the four associations of Scottish coal masters. The latter has unanimously adopted resolutions that "the combined effect of the grouping scheme as applied to the Scottish railway companies, whereby they are isolated from the English systems; the standard revenue provisions in terms of which an artificial level of revenue on a permanent basis is established outside the natural flux of trade conditions; and the wages and conditions provisions in which a reconstituted Central Wages Board and National Wages Board, voluntary in principle, have been made compulsory, will have a disastrous effect on Scottish trade." They strongly urge that Scottish wages and conditions should be regulated by a Scottish board, and that if it is necessary that the Scottish railways should as regards management and finance be separated from the English railways, they should not be placed under the disadvantage of compulsory association with English railways as regards wage regulation, imposing conditions of employment not determined by purely Scottish considerations. If separation is to take place it should be complete.

Provision for the setting up of new rate-fixing machinery has been made on the broad lines of the Report of the Rates Advisory Committee. Rates are to be fixed so as to secure to the companies a standard revenue equivalent to the net receipts of 1913 plus allowances for recent capital expenditure, for unfructified capital, and also to cover whatever may have to be paid for interest on fresh capital. In addition, the formula for future adjustment of rates is so stated that if "and as working expenses fall, and granted improved trade conditions, the amalgamated companies will be enabled to attain by gradual steps a higher level of earning power. A memorandum (Cmd. 1292) accompanying the Bill explains that: "It is necessary to settle the basis on which undertakings are to be valued. Usually in such cases the method is to determine what the average net income of the Company in the past has been and the prospects of such income being maintained, increased or decreased, and from this to deduce the number of years purchase of the net income which should be allowed. Such a system is obviously inapplicable at present in the case of the railway companies owing to the abnormal conditions obtaining since the outbreak of War. The Bill, therefore, provides (in Clause 6) that they are to be valued on the basis that their charging powers would have been regulated on the principles contained in Clauses 52 and 53. Generally speaking, their charging powers would be such as to produce the 1913 net revenue. This principle has, *subject to proviso* (1) *contained in Clause* 6, been accepted by the railway companies." The inclusion of the proviso mentioned would preclude any system of pooling in order to maintain at the 1913 standard the ratio of net receipts between the constituent companies in each group, and for this reason it has been repudiated by Lord Claud Hamilton on behalf of the Great Eastern Railway. One of the consequences of group-forming is that some lines will hand over business to others which can handle it more economically, and naturally it is not to be expected that such revenue sources will be transferred without compensation. Hence the proposal for a pool of net receipts. Rigid maintenance of the ratio obtaining in 1913 does not, however, seem a just solution. It places a premium upon inefficiency, and for that reason alone Lord Claud Hamilton's protest cannot claim the unqualified approval of the public.

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In regard to finance, the Government refused to entertain the suggestion that the guarantee of the 1913 net receipts should be extended for a period beyond August 15 next, but they have agreed to place at the disposal of the companies in Great Britain a sum of £60,000,000 in settlement of the claims arising out of the control, and that sum will be allocated amongst the companies on a scheme of apportionment set forth in the Bill, and will be available for general requirements. This agreement, on which we commented in detail in a recent issue, eliminates the probability of expensive and long-drawn-out litigation and its acceptance by the railway interests has been a source of general satisfaction.

The provisions as to the future regulation of the railways, including the gradual standardisation of plant and equipment represent very substantial modifications of the original proposals of the Minister. The directors of the amalgamated lines will obtain office only through election by the shareholders. It will be remembered that the White Paper of last year suggested that labour and the trading community should have substantial voting powers on the directorate. The overwhelming criticism which greeted the proposal has had its full effect; but the sponsors of the idea are not yet silenced. Mr. Clynes, in moving the rejection of the Bill during the week, stated that "it not only fails to provide for the public ownership and control of the railways, but would prejudice the future acquisition of the railways by the State on a fair and economical basis, which provides for the payment to the railway companies of a sum far in excess of the amount due to them in consequence of temporary State control and which, by repealing the statutory limitation imposed upon railway rates, vests in a non-elected body the arbitrary power of fixing those rates." The problem of efficiency and economy in railway operation is too pressing, however, for the British public to tolerate any scheme of nationalisation. It is not easy to understand Mr. Clyne's objection to the method of rate-fixing. The new tribunal will, in effect, be as closely associated with the electorate as before, and in any case the railway companies have already admitted that existing rates are as high as the traffic will bear. The urgent necessity, both for the country and the railways, is that the latter should regain financial stability. Current railway share values amply demonstrate that the companies obtained no undue profits under war conditions.

The table below shows the total revenue and expenditure of the railways and the net Government liability over recent years. The Government guarantee was limited to net receipts for the year 1913 with the addition of four per cent. upon capital expenditure brought into use during the year in question. No sum was allowed for replacement of stock and materials, abnormal wear and tear and arrears of maintenance other than for permanent way and rolling stock. The figures are subject to audit, and as regards Government traffic the rates of charge are not finally agreed. As the Irish railways came under control on January 1, 1917, the figures are comparable throughout. Gross receipts rose progressively from 123 millions in 1913 to 170 millions in 1917, and 184 millions in 1918. In 1919, however, they relapsed to 181 millions, while expenditure in the same year at 171 millions recorded an expansion of twenty-five per cent. over the previous figure. Higher rates during the latter half of 1920 brought receipts for that year up to 244 millions, but, expenditure, at 238 millions, registered a heavily disproportionate increase. Current conditions may be judged by the fact that, during the first quarter of 1920, expenditure, at sixty-two millions, exceeded revenue by three millions. The gradual contraction of the margin of receipts over expenditure, culminating in its complete disappearance eventually has entailed, of course, a corresponding increase in the net Government liability. Official figures for the liability prior to April, 1919, are not available. After that date it pursued an irregular but upward course. The revenue deficit first appeared in the final quarter of 1919. It was replaced by an excess from March to September in the ensuing year, but the trade depression brought about a sharp reaction and a marked,

Year	Total Revenue	Total Expenditure	Revenue Excess or Deficit	Govt. Guarantee	Net Govt. Liability
1913	**123,406,576**	**78,057,044**	**+ 45,349,532**		
1917	**169,701,755**	**113,503,651**	**+ 56,198,104**	**48,325,000**	
1918	**183,775,294**	**137,136,814**	**+ 46,638,480**	**48,391,000**	..
1919—					
Jan.	13,783,823	12,522,534	+ 1,261,289	3,507,800	
Feb.	12,393,282	11,860,310	+ 532,972	3,209,800	—
Mar.	13,421,451	13,334,004	+ 87,447	3,599,800	..
3 Months	**39,598,556**	**37,716,848**	**+ 1,881,708**	**10,316,400**	
Apr.	15,359,233	13,406,533	+ 1,952,700	3,699,800	1,724,794
May	15,950,077	14,206,147	+ 1,743,930	3,865,900	2,102,106
June	16,191,782	14,342,323	+ 1,849,459	3,714,900	1,845,714
July	17,519,395	14,586,400	+ 2,932,995	4,895,000	1,956,363
Aug.	18,224,419	14,641,928	+ 3,582,491	5,051,000	1,413,689
Sept.	15,462,952	14,373,741	+ 1,089,211	4,606,000	3,509,590
Oct.	14,047,036	14,871,436	— 824,400	4,383,900	5,308,887
Nov.	13,970,116	15,317,951	— 1,347,835	3,873,900	5,313,286
Dec.	14,494,282	18,005,694	— 3,511,412	4,075,200	7,839,153
12 Months	**180,817,848**	**171,469,001**	**+ 9,348,847**	**48,482,000**	**31,013,502**
1920					
Jan.	16,115,554	16,447,693	— 332,139	3,506,000	3,896,111
Feb.	16,701,311	16,854,516	— 153,205	3,215,000	3,395,333
Mar.	19,371,806	18,764,851	+ 606,955	3,604,000	3,044,504
3 Months	**52 188.671**	**52 067,060**	**+ 121,611**	**10,325,000**	**10,335,948**
Apr.	18,773,869	18,531,236	+ 242,633	3,702,000	3,541,594
May	19,650,271	19,014,340	+ 635,931	3,868,000	3,351,579
June	19,526,042	19,653,726	— 127,684	3,715,000	4,033,587
July	23,228,447	20,793,962	+ 2,434,485	4,912,000	2,588,917
Aug.	22.988,050	19,969,908	+ 3,018,142	5,068,000	2,119,894
Sept.	25,405,067	20,622,402	+ 4,782,665	4,623,000	—
Oct.	20.936,641	21,389,175	— 452,534	4,368,000	4,936,906
Nov.	20,179,201	21,177,007	— 997,806	3,858,000	4,924,160
Dec.	21,581,187	24,344,312	— 2,763,125	4,060,000	7,024,246
12 Months	**244,457,446**	**237,563,128**	**— 6.894.318**	**38,174,000**	**32,520,883**
1921					
Jan.	19,856,896	20,143,091	— 286,195	3,490,000	3,797,904
Feb.	17,845,660	20,580,955	— 2,735,295	3,202,000	6,019,621
Mar.	20,876,200	21,221,494	— 345,294	3,588,000	4,102,023
3 Months	**58,578,756**	**61,945,540**	**3,366,784**	**10,280,000**	**13,919,548**

deficit has remained in evidence to date. As a consequence the Government liability for the initial three months of the present year as compared with the previous corresponding figure exhibits a rise of forty per cent. to £14,000,000. The rate of growth may possibly, if not probably, accelerate until the State guarantee lapses in August next. That the industrial depression will have completely disappeared by then would be an optimistic forecast, which would not gain support in authoritative quarters.

SOME ASPECTS OF THE IRISH PROBLEM.

The acceptance by Germany of her obligations under the Peace Treaty eliminates, for the time being, at any rate, a problem which made heavy demands on the energies of the Cabinet. We suggest that the time so saved should now be devoted towards the ascertainment of some means for putting an end to the present unhappy conflict in Ireland. It surely is not beyond the wit of man to arrange a satisfactory Irish settlement. The word "insolubility" so frequently used in that connection might often have been applied with more justice to the great issues that confronted us between 1914 and 1918.

The hope that the country would be conciliated by the Government of Ireland Act has not been realised. As a result of the recent elections Southern Ireland's contingent of members has, with four exceptions, pledged itself to refuse to work the machinery provided by the Act, and the tale of outrages, far from diminishing, is steadily increasing month by month. While anarchy is eating unchecked at the very heart of the Empire, the influence of its dangerous currents, which we were so quick to detect and provide against in the case of the Bolshevist upheaval, is ignored. Moreover—and this is an aspect of the matter which we too often ignore—this wave of unrest is allowed to spread with impunity through what is at heart the sanest and most conservative element of the population of the United Kingdom. In the light of present events it should be easy to grasp the measure of support that would be afforded to our social structure by the retention of the sympathy of a nation of peasants, strongly individualistic in character and averse to revolutionary change.

Our present Irish policy is largely based on the assumption that, economically and strategically, the grant of such concessions as would serve to gratify Irish sentiments would only operate to the detriment of the United Kingdom. From the trade standpoint, however, as we endeavoured to show last week, it is most unlikely that we shall incur any danger should we decide to trust Ireland with a measure of fiscal autonomy. If the Irish market represents one profitable outlet for our goods, entry to the British market is absolutely indispensable for Ireland, inasmuch as her sales to us exceed her purchases from us. Furthermore, we are practically the only market she possesses. From the military point of view it has often been argued that a relaxation of control over Ireland would, by imperilling the strategic unity of the United Kingdom, be fatal to our sense of security. The belief here is that an Ireland gifted with partial or full control of her own destinies would, at the first opportunity, throw her lot in with some foreign Power. Under what circumstances would she feel impelled to take this course? Not, surely, when a concord established between her and Great Britain would have brought about the destruction of political—for they cannot be termed racial—antipathies. For in this eventuality what object could Ireland obtain by consenting to an alliance, open or concealed, with a Continental or any other nation? Conquest would certainly not be in her mind; and as for trade, where her interests are inseparable from those of Great Britain, any harm to the latter, as Irish statesmen would soon perceive, could not be accomplished without doing irreparable injury to herself. Under prevailing conditions Ireland, it must be generally admitted, impairs, and will continue to impair, our military strength. History has clearly shown that in moments of stress we have never been able to rely on her full and unstinted support. The century intervening between the Napoleonic wars and the War with Germany has witnessed no improvement in this respect. The danger of this constant threat to our security would be better visualised if we could imagine the occurrence in 1914 of open warfare in Ireland and the profound modification of our foreign policy that it would in all likelihood have entailed. Is it not likely that at the very outset we would be seriously embarrassed in extending that moral and material assistance to France which she was entitled to claim? So long as the estrangement continues we must be prepared to see Ireland figure as a pawn in the calculations of our enemies, who will at all times perceive in it a symptom of weakness and seek to turn it to their own advantage. At the same time we shall be deprived of recourse to a reservoir of military strength especially needful to have when changes in methods of warfare may materially alter the strategic relation of these islands to the Continent. That protective isolation conferred on us by an all-surrounding sea may be seriously weakened by developments in the aërial branch.

In the realm of foreign and colonial policy must we continue to count indefinitely on the hostility of a large section of the Irish race scattered throughout the globe? An unwearied persistency marks its efforts to introduce friction into our relations with the United States, and surely there was never greater need than now of weeding out these disharmonious elements. Discussions on financial and other questions, if they are to pave the way for a solution satisfactory to all parties, must necessarily be conducted in a sane atmosphere.

While all these facts combine to indicate the desirability of once more attacking the Irish problem the prospects of arriving at a settlement do not seem, at first sight, to be particularly bright. The British Government and "Ulster," in the political meaning of that term, stand by the Government of Ireland Act, the Sinn Feiners demand a Republic. Ulster will, it states, tolerate no dictation from Dublin; the Sinn Feiners assert that in larger affairs the policy for the whole of Ireland must be determined by a central Government, though they are prepared, as Mr. De Valera recently stated, to entrust Ulster with the administration of purely local matters. It is reasonable, however, to conjecture that the Sinn Feiners would recede from their extreme demand of a Republic if they were offered something analogous to Dominion Home Rule. But in that case the problem is to find a machinery that could operate without hurting Ulster's pride and at the same time permit the central governing body to exercise a certain measure of control over the affairs of that province. The finding of this machinery is a matter for the three parties

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concerned, and it can only be found through the medium of discussions conducted under the belief that a settlement is imperatively necessary, and that failure to achieve it will bring within measurable distance the complete ruin of Ireland. A fatuous adherence to party principles is about the most certain way of bringing about this failure, and, though this is an ever-present source of danger, there seems to have been a realisation at the recent interview of Mr. De Valera and Sir James Craig that the national standpoint is the most important of all.

PERU.—I.

PROPAGANDA WORK.

We heartily congratulate the Government of Peru on a very important step it has taken for making the Republic and its resources known to Europeans, both to the capitalist who must primarily find the resources, and to the immigrant who will enable those resources to be developed. As we have pointed out upon several occasions, one of the most alarming discoveries the economist makes is the comparatively small area of the earth which is really fertile. Amongst the most fertile parts of the earth is the continent of South America. Hardly anything is known of South America in Europe. Even intelligent people who have travelled, and some of whom have actually crossed the Atlantic so far as visiting New York is concerned, have but the vaguest notion of where South America is situated and what the country is like. South America promises to be one of the most important sources of supply for food and raw materials in the coming years of the present century and for a long time after.

President Leguia's Government has taken the wise step of sending to this country, in the capacity of Consul-General in London, Señor Oscar Victor Salomon, a trained diplomatist and a trained economist, whose real mission is to make the country to which he is accredited familiar with the economic conditions which prevail in Peru, and the conditions under which it is possible to develop her enormous natural resources. Mr. Salomon has many advantages. He is young, enthusiastic, and comes of a family which has been settled in Peru for four or five generations. In his extreme youth he was sent to this country to study our conditions. He returned to his own to make himself thoroughly familiar with conditions as they exist in Peru. Having visited, and in a sense explored, the greater part of his own country, he travelled through all the populous districts lecturing on the importance of developing Peruvian resources. Having had this experience, he comes to England with a well-grounded knowledge of the conditions which exist here. During his extensive tour in the service of his Government, Mr. Salomon collected various specimens of the products of the Republic. Ultimately these were exhibited in one of the salons of the Presidential palace at Lima. Mr. Salomon has brought these specimens with him to London and hopes at no distant date to exhibit them in some convenient place which will give the investor, the trader, and those interested in Peru an opportunity of examining the actual products of the country. There can be no reasonable doubt that Peru, as she existed in the time of the Incas—from whom, by the way, Mr. Salomon claims descent—was far better cultivated and its resources were more highly developed than is the case at the present time. Mr. Salomon, in a lecture he delivered in Lima quite recently, estimated that on the coast alone, the cultivated area was fifty times greater then than it is now. This was on irrigated land between Tumbez and the Chilian frontier. Whether cane sugar was in those days grown on the coast lands we have no very convincing information. But certain it is that cotton and cocoa were produced in enormous quantities. It has to be remembered that the bulk of the population of Peru lived in the time of the Incas, and to a large extent live to-day, not on the coast but on the great central plateau of the interior.

Peru, it has to be remembered, is a country a little bigger than the combined area of France and Germany with a portion of Austria, as those countries existed before the outbreak of the recent European War. The country is divided into three parts. There is the coast land; there is the plateau of the centre, divided by two vast ranges of the Andes; and there is the forest land stretching down to the Amazon. If one can imagine the coast lands of France, Belgium, Holland, and Germany situated in the Tropics, a central plateau between 8,000 and 9,000 feet high running through Central Europe, and a forest region sloping down to the Mediterannean, one has a very fair picture of what Peru is like. It will be seen from what we have said, and the Peruvian exhibition, whenever it is opened, will conclusively demonstrate it, that the country is capable of producing almost every product known to the Tropics and to the Temperate Zone. Peru is one of the typical countries of South America, where altitude counts for much more than latitude. The whole country is situated within the area of the Tropics and the greater part of it almost on the Equator. But, as a matter of fact, a large part of Peru is exceedingly cold during the greater part of the year. Nearly every metal known to man is found in some part of the country. The wealth of Peru in petroleum, and the excellence of the oil drawn from her wells, has been conclusively proved by the operations of at least one English company. There seems little reason to doubt, however, that what has been done is a mere trifle to what it is possible to do in Peru. Peru, one may say without hesitation, is capable of producing enormous quantities of agricultural produce. She is capable of carrying vast herds of cattle and sheep upon her hills and pastures. She is capable of furnishing enormous quantities of minerals. It has been picturesquely said that where Peru does not float in a vast sea of oil she rests upon a solid bed of coal. Now, how are these vast resources to be obtained?

They can be obtained only by pursuing two methods: obtaining capital, and using it with enterprise. Peru requires capital and enterprise to as great an extent as any country in the world. Transportation facilities and immigration are the two crying needs of the country at the present time. Neither of these can be obtained until capital is invested, and invested without stint, in Peru. Recent experience has shown, if it were necessary to make the demonstration, that immigration preceding adequate preparation meets with the complete failure it richly deserves. Everyone really acquainted with economic conditions in South America will tell you that it is a continent for the capitalist. Everyone at all familiar with Peru knows that it is a country for the great capitalist, and the greater the capitalist the better. The coast lands, unless they are worked for petroleum, which is a notoriously expensive enterprise, require irrigation, which, in its turn, demands very large capital. As we have already said, the country is divided into coast lands, a great elevated plateau that can only be approached by climbing an almost precipitous range of mountains, and the forests of the far interior. It will be seen that only those who are in a position to make experiments, to take the risk of making mistakes and paying for them, have any reasonable chance of success. This does not mean that Peru is not, and never can be, a home for an Englishman without capital. It does mean, however, that he must have been preceded by his own countrymen who will have established a great organisation with full and ample resources capable of employing him to advantage when he goes out at the invitation of a corporation, and not on his own initiative, in the hope that fortunate circumstances in his case will enable him to tide over difficulties which have proved too great for others to overcome.

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Financial Notes.

British Debt to the United States.

FURTHER information on the course of negotiations between the Governments of the United Kingdom and the United States as to the settlement of our War debts to the United States was given by President Harding in a speech delivered in New York on the 23rd inst., in which he outlined a tentative scheme which, it is understood, is being submitted to the British Treasury. The new scheme has reference, not to measures for repaying our indebtedness, but to changing the form of our obligations with a view to making our creditors the general public of the United States instead of the U.S. Government. To secure this end it is suggested that the demand-notes now held by the U.S. Treasury be converted into bearer bonds which are to be distributed to the public in exchange for the Liberty bonds at present held. The principal and interest of these bearer bonds would be payable by the British Government in dollars, and would be guaranteed by the United States Government. Special terms would, of course, be given in order to ensure that the bonds would be accepted by the public in exchange for Liberty bonds. From the point of view of the U.S. Government the operation would be a favourable one, as, if successful, it would be tantamount to paying off a considerable portion of their unfunded indebtedness. From our point of view it would have the advantage of converting our obligations to the United States, amounting to nearly £1,000 million at the par of exchange, from an obligation payable on demand to a long-term debt, for the term of the bearer bonds proposed is thirty years. Against this, however, must be set the fact that our annual interest charge would have to be substantially increased in order to make the debt in its new form acceptable by United States investors, and this is an important consideration in view of the position of the New York exchange. The merit of the scheme from our point of view obviously depends on the extent of the increase in interest charges to our Government, but, considering that the proposed bearer bonds would have the guarantee of the United States Government, the operation could scarcely be more costly to us than if we sought to achieve the same end by floating a loan in the United States for the purpose of repaying our demand notes. It is understood that if an agreement can be arrived at as regards the scheme, it will be extended so as to cover the whole of the Allies' debt to the United States Government.

Austrian Financial Reforms.

The Report of the League of Nations Financial Mission to Austria just submitted to the Financial Committee of the League deals with an extended programme for the stabilisation of the currency, and the carrying out of much-needed financial reforms drawn up by the Austrian Government. The Report emphasises, at the outset, that the programme has been framed entirely independently of party politics and that, in fact, the various parties have pledged themselves to support it. The main scheme embodied in the programme is to establish a bank of issue. The proposed capital of the bank is 100,000,000 francs, half being subscribed abroad; it is designed to control the administration of new currency, and it is hoped that, in the restoration of confidence attendant on the stabilisation of the currency, the Government will be in a position to abolish subsidies, raise the transport rates, impose fresh taxes, and to issue fresh loans through the medium of the bank of issue. The bank must maintain the standard of the new currency, and must have at its disposal a sufficient quantity of [illegible] from abroad. In order to cover both normal circulation and security for foreign loans, it will have at its disposal customs revenue, the tobacco monopoly, and forests, and all private real estate in Austria will be charged with a legal mortgage of four per cent. on its behalf. The Treasury administration will be centralised; the gold balance and foreign currency will be deposited with the bank, and the restoration of credits will be administered by it. The flotation of a foreign loan in order to replace the issue of paper money, which is to be abandoned by the Government, will, it is hoped, become possible when the bank is established. In order to give effect to the programme of reform some reductions have been made in expenditure. At the same time new taxes are being introduced, and it is hoped to balance expenditure with revenue within two years. The Report adds that, in order to be successful, the Government scheme must be aided by credits from abroad, these to be administered by a Commission of Control appointed by the Financial Committee of the League of Nations.

The Flax Industry in Russia.

We understand from a Soviet Russian publication that owing to a diminished supply of the raw material, scarcity of fuel and difficulty of obtaining subsidiary materials, a very serious situation confronts the Russian flax industry. Up to the end of 1918 the industry remained on a prosperous footing, but since then it has gradually declined, and we learn that the adverse factors have become especially pronounced since the commencement of the current year. Since the end of last year there were available only 850,000 poods of flax material as against an anticipated amount of nearly five million poods, and even this was of a very low quality and mostly unmanufactured flax. Owing to the fall in prices the area under cultivation has been considerably reduced and may be less than 300,000 dessiatinas in 1921. As regards fuel, the mills could obtain only 88,000 cubic fathoms in 1919 and only 77,860 cubic fathoms last year, measured in wood. The extent of the deficit here may be judged when it is mentioned that the consumption by flax mills with one shift and an eight-hour working day amounts to 115,000 cubic fathoms. A similar situation exists as regards the supply of subsidiary materials which have now mostly to be imported from abroad. These conditions have resulted in a widespread curtailment of production. Many mills will be compelled to close down, some are already working part time and very few will be able to remain unaffected. The following figures provide a sufficient indication of the trend of the industry. The production of yarns in 1920 was only 806,000 poods as against a pre-War production of 3,325,000 poods. In 1919 the production was 947,000 poods; in 1918, 1,570,000; in 1917, 3,250,000; and in 1916, 4,165,000 poods.

Polish Industrial Credit Society.

A special obstacle for Poland on the way of obtaining English credit for the expansion of its business is provided by the fact that there are still outstanding many debts contracted in pre-War days which the debtors are not yet in a position to pay. Details of a new scheme involving the creation of

what is called a "Polish Industrial Credit Society" are contained in the May number of the *Polish Economic Bulletin*, and it is claimed that the scheme provides a solution for the difficulty above mentioned. The Industrial Credit Society is modelled on two existing institutions in Poland issuing mortgage bills; it is to fix the amount of the mortgage loans which will be raised on factories, factory real estate, machinery and plant. It is intended that the English manufacturer will take up these mortgage bills to cover pre-War debts, and that exporters will accept them in payment of commodities now being supplied to Poland, or eventually as security for credit which they are willing to grant after coming to an agreement with Polish manufacturers. As regards security, not alone will the manufacturer who contracts the debt be responsible with the mortgage on his factory and with the whole of his personal property outside the factory for the payment of interest and for the redemption of the loan by half-yearly instalments over a period of twenty-five years, but the institution itself will also be liable with its reserve capital, which from the first day of its existence will go to form a sinking fund; and, finally, the Polish Government will guarantee the interest on and redemption of the bonds at the expiration of the time limit by virtue of a resolution passed by the Polish Diet on November 25, 1920. The mortgage bills will be issued, according to demand, in sterling, French francs, or dollars, and the interest, which is to be at seven per cent. per annum, payable in half-yearly instalments and free of Polish taxes for the holders of the bonds, will be paid in the currency in which the loan was raised, so that the value of the bonds will be independent of foreign exchange fluctuations. The objects sought to be attained by the scheme are certainly of great interest to British manufacturers, for the new Poland is likely to become a market worth cultivating, but it is not at all clear that the scheme under discussion provides in its present form a hopeful solution to the problem. While the bonds may be accepted to cover pre-War debts owing to the present lack of security for these and the absence of interest payments, yet, in view of the instability of political conditions in Poland, it is doubtful whether these seven per cent. mortgage bills, despite their security, could be sold by the holders except at a discount. Neither would they form an acceptable security for a bank loan on account of their non-liquid character. Accordingly, they do not form a method of payment likely to appeal to the British exporter. Though this is unquestionably a weak point in the scheme, it is, however, one capable of adjustment, and the broad outlines of the plan are eminently worthy of attention.

Swedish Trade in 1920.

In a memorandum recently issued by the Department of Overseas Trade on the foreign trade of Sweden in 1920 some interesting figures are supplied as to the position occupied by the United Kingdom in the Swedish market. The provisional figures give the total imports into Sweden during 1920 at kr. 3,373,484,826 (£187,415,824), and the exports from Sweden at kr. 2,293,587,083 (£127,421,505), leaving a balance of imports amounting to kr. 1,079,897,743, or approximately £60 million at the par of exchange. The share of the United Kingdom in the import trade was well maintained at £39,332,000, supplies of cotton and woollen goods from this country exceeding those from all other countries put together. Coal imports from the United Kingdom were 1,372,478 tons, this being slightly in excess of imports from the United States. American competition, which was very marked in 1919 and the early part of 1920, seems now to be diminishing, except in particular branches such as motor vehicles and agricultural machinery, where the superior selling organisations of American firms has enabled them to maintain a firm hold. Although imports from Germany fell far short of the pre-War figure, there are indications that this country is making a determined effort to regain the Swedish market. Some of the principal items of the German imports consisted of manufactured and semi-manufactured metal goods, glass and pottery. With regard to machinery, Germany supplies about two-thirds and the United Kingdom one-sixth of Swedish requirements from abroad.

Finnish National Debt.

The Finnish Treasury has just published in *Finlands Allmänna Tidning* the following table showing the national indebtedness in Finnish marks in the period January-April of the present year:—

	1921-End of			
CONSOLIDATED DEBT—	Jan.	Feb.	Mar.	April
Foreign ...	316,068,669	536,618,669	540,393,866	543,143,869
Home ...	928,884,000	931,218,400	932,286,090	933,911,450
NON-CONSOLIDATED DEBT—				
Foreign ...	136,485,845	136,485,845	136,485,845	136,485,845
Home ...	584,757,995	549,032,895	534,047,995	516,709,695
Total Fmk.	1,949,197,049	2,143,355,749	2,143,513,449	2,130,553,599

The consolidated foreign debt exhibits the greatest increase. It increased by Fmk. 222,550,000 during February, by Fmk. 2,760,000 during April, or by a total of Fmk. 239,375,000 during the three months. The Scandinavian loan is, of course, responsible for this debit balance. The home consolidated debt has increased by a total of Fmk. 10,029,850, the increase being due to the issue of new bonds as compensation for damage done to property during the rising of 1918. The foreign non-consolidated debt has not altered. The home debt of this category has diminished during three months by a total of Fmk. 68,048,300.

Time Correlation Problem.

At a meeting of the Royal Statistical Society on the 24th inst. the President, Sir R. Henry Rew, K.C.B., in the chair, Mr. G. Udny Yule, M.A., read a paper on the "Time Correlation Problem, with Special Reference to the Variate-Difference Method." Mr. Yule expressed himself in agreement with the view of former writers on the subject, that the difficulty of the problem consists essentially in the isolation of oscillations of different durations from the general trend of the curve, in preference to the contrary view of recent writers on the method now known as the variate-difference method, who regard the problem as that of isolating random residuals, such that the residual in any one year is quite unrelated to that in any other. Tentatively it was concluded, in view of the obscurity of the results given by the difference method, that the isolation of oscillations from the trend by such a method as that used by Hooker is the better, as the oscillations are not greatly distorted. As regards the effect of differencing on a harmonic series, investigation showed that differencing *increases*, and does not decrease, the amplitude of all harmonic terms with a period of five intervals or less. Terms with a period of six intervals are unchanged in amplitude, and terms with a period of more than six intervals have their amplitude decreased. The ratio of increase is greatest for the term with a period of two intervals, and successively less for terms of three, four, and five intervals.

Grand Trunk Railway.

We are informed that at a Board meeting on Thursday the directors of the Grand Trunk Railway Co., of Canada resigned, under the terms of the agreement with the Canadian Government, approved by the stockholders at a special general meeting on May 12, and the nominees of the Government, viz. Sir Joseph Flavelle, Bart., Mr. J. N. Dupuis, Mr. Edmund L. Newcombe, Mr. Howard G. Kelley, and Mr. Alfred J. Mitchell were appointed directors in their stead.

American Topics.

A RIVAL RICHMOND IN THE FIELD.

Even before ex-President Wilson made his memorable trip to Europe it was evident from the composition of the Congress which had been elected before he sailed that a rival to his League of Nations would ultimately appear in the United States. It is one of the curiosities of the party system in all countries where that system obtains, as with ourselves and with the United States, that each party tries to provide a solution of the difficulties confronting its time with a remedy differing rather in degree than in kind. The party now in power in the United States regarded ex-President Wilson's scheme of a League of Nations as wholly chimerical. It recognised that its opponents made a powerful appeal to the sentiments of mankind in propounding such a scheme for the settlement of disputes between nations. Instead of treating the whole scheme with amused indifference, it would appear that a counter-proposal is to be submitted to the world which it is hoped will enable it to settle its disputes.

It is a remarkable fact that always after a prolonged and terrible war efforts are made whereby it is hoped to settle by the instrument of arbitration disputes between nations. Even the much-derided Holy Alliance, which came into existence after the great European War more than a century ago, aimed from a different standpoint at the same result. It was formed in the hope of checking the growth of what in those days was called Jacobinism, and which we in these days call Bolshevism, by maintaining internal order and preventing outbreaks of wars between the several States. As is well known, the principles against which this country and the Central Powers fought ultimately won, with the result that all through last century there was a series of revolutionary wars in different parts of the world, culminating in the great European War which has just closed, and which has resulted in anarchy over the greater part of Europe and the Balkanising of the remainder. So little influence has the League of Nations that even the small States which have been brought into existence as a result of the recent terrible War can only be kept in some sort of order by the forces at the disposal of the Great Powers. It is very greatly to be feared that while the struggle for life continues in the form that we know it each and every effort aiming at a settlement of the rivalries between nations by arbitration are doomed to failure. At any rate, it may be taken for granted that any nation which fails to keep itself prepared for war, so far as its resources will admit, will find the League of Nations, or any other association which may take its place, a very doubtful support in a period of trial.

MUTUALLY DESTRUCTIVE.

Are not the two proposals for dealing with Allied economic questions mutually destructive one of the other? There is one Bill before Congress known as the Emergency Tariff Act; and, as far as we can learn, financial opinion in New York seems to have no doubt that it will become law. This Act, if it passes in its present form and comes into operation, as is expected, immediately, aims at practically preventing the import into the United States of any kind of agricultural produce raised within the Union. The Act further provides that only under the most onerous conditions can manufactured goods be imported which are produced in the United States. This Act is only an emergency measure and its provisions extend only over a period of six months. A totally distinct measure, we learn, is either actually before Congress or about to be introduced whereby the United States Government proposes to authorise nations impoverished during the recent war to obtain loans in the United States provided the proceeds are spent within the United States. Stated these two measures [illegible] are mutually destructive the one of the other. Since the term "loan" is applied to the latter scheme, it is evident that the proposal is intended to rest upon some business basis, and not upon an Act of pure philanthropy. Impoverished nations would, no doubt, like to buy large quantities of commodities in the United States provided the Government of that country is willing to allow them to obtain loans for the purpose. If, however, they can export neither agricultural produce nor manufactured goods which are produced in the United States, the only possible means of payment which remains are such articles of export as raw silk, which at present is not produced in the United States. Of course, it is not necessary that a national creditor, in order to liquidate his debt as between one country and another, should export goods direct to the country from which the loan has been obtained. It is exceedingly doubtful, however, if the volume of imports of commodities which are not, and cannot be, produced in the United States is adequate even to meet the annual service of any considerable loans which the United States might be willing to advance to impoverished nations.

SOUTH AND CENTRAL AMERICA.

GUATEMALA.

THE PRESIDENT'S MESSAGE.

We are indebted to the Guatemalan Legation in London for a report of President Carlos Herrera's address to the National Legislative Assembly, which was opened about a month ago. Special attention, says the message, has been given by the Government to public health. Cases of yellow fever appeared in the districts of Puerto Barrios, one of the principal ports of the Republic, and Escuintla, and were immediately dealt with so successfully that the outbreak has been completely stamped out. The measures taken, adds the message, met with the high approval of Dr. White the eminent specialist of the Rockefeller Institute. This question of health in Central America is of the greatest importance. Guatemala, it will be remembered, is the most northerly of the Central American Republics, and has an area only a little less than that of England proper, exclusive of the Principality of Wales. The land surface is irregular, being generally mountainous, with high plateaux both in the centre and in the south. The coastal lands on the Atlantic and Pacific sea-boards are low-lying and, consequently, liable to swampy conditions which, as the reader is aware, produce both malaria and the yellow fever referred to in the President's message. These low-lying lands are covered for the most part with forests. There is naturally a wide range of climatic conditions between these low-lying forest-covered lands on the two coasts, and the comparatively high plateaux of the interior. Speaking generally, health conditions are good on the highlands, and malaria and yellow fever are only to be feared in the neighbourhood of swampy areas. Consequently [illegible] singularly free from yellow fever; but, for reasons into which we shall enter immediately, malaria is more or less prevalent in the coastal regions at various seasons of the year. We have said that the total area of the Republic is only a little less than that of England proper, excluding the Principality of Wales. This relatively large area of land has at present only a population of about two millions, of which it may be said that a million and a-half are native Indians, or descendants of the people found there at the time of its discovery by Columbus. The supply of labour is drawn almost exclusively from these Indians. It will readily be understood that a country comparatively large with such a sparse population is in reality only occupied to a partial extent. The President's Government, with the best intentions in the world, could not with the existing means at its disposal and [illegible] relatively small population, take such measures

earnestly as, no doubt, he would desire to do as would be taken in a densely populated country in Europe. It will readily be realised that, while certain areas are comparatively well-peopled, large parts of the country are more or less prairie or primeval forests. Such, in fact, is the case. About the capital there is a large population, and it is generally estimated that it is in that area and what we should call the capital and the home counties, that the bulk of the Guatemalan population is located. Economically, Guatemala lives on the production of coffee. Guatemalan coffee is amongst the most esteemed in the international markets of the world, and commands very high prices, both in Europe and in North America. Turning to finance, Don Herrera says that amongst the obligations contracted by the previous Administration the sum of half a million dollars gold, and 1,800,000 dollars national currency, the third and last instalment of a binding contract has been paid to the Central American Railway Company. The Government remitted to London the sum of £135,996 9*s.* 8*d.* to cover the amount of interest on the External Debt and the redemption of Guatemalan bonds. The national revenue has been increased by 41¼ million dollars national currency. The receipts do not suffice to meet expenditure, but the measures to be taken by the Assembly to increase general prosperity will, no doubt, bring about an improvement in the public finances. The yield of the revenue in 1920 was 168½ million dollars, as compared with 127¼ million dollars in the previous year. One of the first tasks of the new *régime* has been the appointment of a Financial Commission to study the situation and recommend the best measures to deal with the crisis which threatened, and the decrease in revenue caused by the depreciation of exportable products. It is unfortunate that the Republic, like other countries nearer home, is burdened with a very heavy floating debt. Readers will recollect that the region of the capital two years ago was visited by a very severe earthquake. At one time it was reported that nearly one-third of the capital itself had been destroyed, and that some of the richest coffee plantations had disappeared. These alarming reports, as is not infrequently the case, were greatly modified when the real facts came to be ascertained. Nevertheless, Guatemala did receive, through no fault of her own, a very severe check to her economic development. The Government was unavoidably compelled to incur heavy expenditure, which it is now endeavouring to meet, partly by taxation and partly by dealing with the floating debt. It will be remembered that so alarming was the situation that the United States sent warships and provision ships to assist the people in the devastated districts visited by earthquake.

It is exceedingly satisfactory to learn that a Ministry of Agriculture has been established, and is now occupied in studying the situation and the most efficacious means of furthering this important branch of the national life. The Government is preparing a plan with a view to supplying to persons engaged in land pursuits, not only information but also seeds, manures, and other elements required to develop existing, and create new, agricultural work by modern scientific methods. It is also proposed to take measures for encouraging the cattle breeding industry, for which the natural configuration of the country and its population afford every facility, but which, unfortunately, has been neglected to a very great extent in the past. As we have just said, economically Guatemala lives upon the production of coffee, and an exceedingly good coffee is produced in the area of the Republic devoted to its growth. It has to be remembered that there is a very extensive area of the earth in South and in Central America and in other countries suitable for the growth of coffee. In times of booming trade and expansion of commerce in the international markets of the world the growth of coffee is an exceedingly profitable industry. But naturally coffee, like all other industries, has to face periods of adversity as well as periods of prosperity. We do not, of course, mean to imply that Guatemala has no industry except the growth of coffee. But it is true that she depends to too great an extent upon the production of that one single crop. Neither Guatemala nor the five republics taken as a whole produce such a proportion of the world's total growth of coffee as would give them any prospect of exercising an effective control of the market. Even if they did, it would be most unfortunate and ill-advised to rely solely upon one crop. Guatemala, as we have said, is a country of considerable extent; and if the coast lands were thoroughly well drained, would be practically healthy throughout. As it is, she has extensive pastoral lands in the centre and the south, which could be developed for cattle-raising upon a very large scale. There seems no reasonable doubt that Guatemala could carry twelve or fifteen million head of cattle and, perhaps, a great deal more. In addition, the rich coast lands are eminently suitable for the growth of cane sugar, cotton, cocoa and other tropical products, which would give the country alternative means of obtaining revenue when the coffee crop failed to command the position in the international markets which it enjoys during periods of prosperity.

The Round Table. A Quarterly Review of the Politics of the British Commonwealth. **June 1921. Price 5*s*.** (London: Macmillan and Company, Limited.) The opening article deals exhaustively with Ireland, and concludes with a powerful plea for finality in handling the Irish question. The usual excellent correspondence from India, Canada, Australia, South Africa, and New Zealand is included.

Report of the Bombay Chamber of Commerce for the year 1919. Presented to the annual general meeting of the Chamber on March 24, 1920. (Bombay: "The Times" Press.)

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Insurance Notes.

WESLEYAN AND GENERAL ASSURANCE SOCIETY.

THIS Society, whose headquarters are in Birmingham, was one of the earliest in the country to transact industrial life business, which is still its main feature, although its ordinary life department is of considerable and increasing importance. The annual report for 1920 shows marked development in both sections.

In the course of last year the Society issued new ordinary life policies for £936,310. In 1919 the corresponding figure was £1,342,850; but that amount was quite exceptional and was due to temporary circumstances—namely, the issue of a great many policies in connection with subscriptions to Victory Bonds. Apart from this feature the ordinary new business in 1920 showed an advance of £170,410, and its amount was greater by about £580,000 than that reported for 1918, and was more than treble that reported for both 1916 and 1917. It is evident, therefore, that the ordinary life business is well on the up grade. The total ordinary life premium income, amounting to £357,773, shows an increase for the year of £43,573, and is in excess of the corresponding figure for 1918 by more than £100,000. The expense ratio in this section was about 17.7 per cent. of the premiums, and this cannot be considered excessive under the circumstances of rapid development and the unavoidable rise in salaries and other charges due to the increased costs of living. The mortality experience in this section in 1920 would seem to have been favourable, the death claims having amounted to £58,545, as compared with £73,696 in 1919. Through the year's operations the life assurance fund was increased by £208,823, amounting on December 31 last to £2,028,493.

The industrial life premium income in 1920, showing an increase of £106,058, amounted to £1,012,779. The expense ratio in this section was 51.4 per cent. of the premiums. That this is too high as a permanent condition the directors must themselves realise, and, notwithstanding the difficulties of the problem, we shall hope to see a gradual, and in the end a large, improvement in this respect. As in the ordinary section, a reduction in the amount of the death claims is noticeable. They fell from £355,394 in 1919 to £324,540 in 1920. During the year the industrial life fund was increased by £225,070 to £1,847,200. The annuity account for last year shows that £5,348 was received as consideration for new annuities, the annuity fund being increased by £4,713 to £13,725. In the sickness, funeral, and superannuation account the relative premiums are given as £1,593, and the fund at the close of the year amounted to £37,573.

The annual valuation was made at the close of the year on the same basis as formerly, with certain variations, amongst which was the raising of the rate of interest assumed for non-participating contracts from three to three and a-half per cent., the rate employed for participating policies remaining at three per cent. The Actuary submits that this alteration brings the valuation into closer relation with existing conditions. It is to be noted that the Society obtained a net yield of £4 1*s.* 3*d.* per cent. on its investments, as compared with £3 18*s.* 6*d.* per cent. in 1919. The result of the valuation shows a surplus of £51,703, of which £44,752 relates to the ordinary life assurance department. As was the case in the previous year, a bonus addition of 20*s.* to each £100 assured by participating policies is declared, subject to the bonus not vesting until a policy has been in force for two years. After provision for this bonus an unappropriated balance of £12,821 is carried forward in the life fund.

The balance sheet as at December 31, 1920, shows total assets of £4,073,568, of which £2,242,259 relates to British Government securities.

STATE ASSURANCE COMPANY, LIMITED.

Liverpool is one of the most important insurance centres in the British Empire, and the name and fame of its leading companies are well known all over the world, particularly in connection with fire business. Nowhere has the finance of such institutions been more conservatively treated, and the directors of the State Assurance Company, whose head offices are in the great seaport on the Mersey, have proved themselves apt disciples of the older Liverpool institutions in this respect. The Company was founded about thirty years ago, and working on modest lines it has managed throughout its existence, by strict adherence to these methods of finance, to give a good account of itself, notwithstanding the strain of occasional conflagrations and other adverse contingencies during its career which has brought many of its young contemporaries to an untimely end. Its resources were increased in the early part of 1920 through the issue of 30,000 new shares of £8 with £1 paid on each, at a premium of £5 per share, increasing the subscribed capital to £800,000 and the paid-up capital to £160,000. The amount of £150,000 received as premium on this issue was employed in raising the general reserve fund from £100,000 to £250,000.

The accounts for 1920 show a slight increase in the premium income, most of which is in the accident section. Though the trading profit is not proportionately large, it is unencroached upon for dividend purposes, and the interest earnings are slightly in excess of the amount required for the dividend distribution announced in respect of 1920. This is particularly gratifying, owing to the fact that the dividend is declared (less income tax) on the increased capital, and is at the rate of thirty-five per cent., as compared with the distribution of thirty per cent. in respect of 1919 on the old capital. The subscribers to the new shares obtain a yield of nearly six per cent., less income tax, on their subscriptions, which is an excellent return for the first year of the existence of their holdings.

The account for 1920 shows that the fire premiums increased as compared with 1919 by £[illegible] to £518,332. After payment of claims and expenses of management, provision for those outstanding, and adjustment of the reserve for unexpired risks on a forty per cent. of premiums basis, the fire surplus, transferred to profit and loss account, amounted to £17,841. Similarly treated, the accident and general account [illegible] a trading surplus, [illegible] profit and loss, of £8,118. The accident and general premium income, increased by £27,628, amounted to £105,871.

In the small [illegible] premiums [illegible] of £18 9*s.* 8*d.*, and the balance of [illegible]

the close of 1920 (inclusive of £669 brought forward from 1919) amounted to £5,945. It is stated in the report that this amount, which is carried forward, was sufficient to meet all outstanding liabilities, in view of the fact that acceptances of risks were limited to hazards of voyage, which have since run off.

The profit and loss account shows receipts of £25,864 from interest, dividends and rents, less tax deducted, and of £38 from transfer fees. On the other hand, the same account is debited with £5,000 for directors' fees (for 1919) and with other items, including income tax and excess profits duty, amounting to £14,294.

The total net profits made by the Company in 1920 seem to have amounted to £34,567, as shown hereunder:—

Account	Trading Profit	Net Interest Earnings
	£	£
Fire	17,841	—
Accident and general	8,118	—
Profit and loss	38	25,864
	25,997	
Less items charged to profit and loss	17,294	
	8,703	25,864
	£34,567	

Of this amount the sum of £24,500 is required for the distribution of the dividend at the rate stated, whilst the balance of £10,067 is added to profit and loss. The amount carried forward to 1921 in profit and loss account, after provision for dividend, is £26,080.

The balance sheet on December 31, 1920 shows assets of £874,730. Apart from capital, the marine fund, "investment fluctuation and contingency account" (amounting to £50,000) and superannuation fund (£10,000), the reserves at the close of 1920, after provision for dividend, appear to have been as follows:—

General reserve fund	£250,000
Fire fund...	207,333
Accident and general fund	42,348
Balance of profit and loss account	26,080
	525,761

This represents about 84.2 per cent. of the premium income in 1920 in the fire and accident and general departments, or more than twice the usual reserve for unexpired risks. Looking to the proportionately large amount of the paid-up and uncalled capital, the resources appear to have attained a highly satisfactory standard.

THE CONSOLIDATED ASSURANCE CO., LTD.

THE accounts for the year 1920 show a surplus of £487,406, out of which an interim dividend of £9,875 has been paid, and a sum of £25,945 written off for estimated loss on exchange, and the investment reserve increased by the sum of £27,332, as per profit and loss account. Of the available balance of £106,202 then remaining (after providing for the usual reserves in the fire and general and marine funds and various items amounting to £31,132), £14,812 was applied in payment of a final dividend at the rate of twelve per cent., making twenty per cent. for the year, and the sum of £6,172 as bonus dividend for the year at the rate of five per cent., leaving £85,218 unappropriated balance to carry forward. The net premiums received in the life department amounted to £45,312. The net premiums received in the fire and general department amounted to £1,338,050, and in the marine department to £697,990, or together £2,036,040, showing an increase of £712,142. The life assurance fund at December 31, 1920, after writing off £30,000 for premiums on policies lapsed by the War, amounted to £171,264, being an increase of £6,692 over the previous year. The amount of the fire and general and marine funds at December 31 was £1,064,849, being an increase of £286,920. The total funds of the Company increased during the year by £305,131, and now amount to £1,718,649.

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Rubber Topics.

THE depression in the rubber industry has become more acute during the week. The price of the commodity weakened steadily. Plantation crêpe, which stood at 9½*d.* on Monday, dropped persistently, until on Friday a new low record was established, with the quotation of 8¼*d.* Smoked sheet responded with a relapse from 8½*d.* to 7¼*d.* On the other hand, figures relative to London stocks were more encouraging. The effects of the restrictions in output are now beginning to manifest themselves in the imports, which fell to 991 tons for the week, whilst, despite the paralysis of industry as a result of the coal deadlock, deliveries to the trade amounted to 723 tons, thus adding less than 220 tons to existing stocks. Undoubtedly the settlement of this dispute would impart a much needed stimulus to the trade demand, especially in view of the abnormally low price. At present, for instance, some 5,000 hands are out of employment, owing to the closing down for lack of coal of the works of the North British Rubber Company. Whilst crêpe and sheet reacted during the week, para remained steady at 10¾*d.* But the depression has affected this branch of the rubber industry as well as the others. According to the Department of Overseas Trade, rubber exports from Para fell from 38,428 tons in 1919 to 28,804 tons in 1920. The decline was entirely due to decreased consumption in the United States exports to that quarter, amounting only to 18,084 tons, as compared with 27,093 tons in 1919, whilst exports to Europe were only reduced from 11,327 to 10,661 tons. Returns for the first two months of 1921 reveal a still further decline. Exports in January 1921 amounted only to 1,722 tons, as against 2,845 tons in 1920, the quantity destined for the United States falling from 2,845 to 951 tons, whilst 768 tons was poured into Europe, which received none in 1920. During February exports increased to 1,980 tons, but this total compares less favourably with the 3,702 tons exported in the corresponding month of 1920. The quantity despatched to the United States amounted to were poured into Europe, which received none in 1920. Thus the production of rubber in Brazil is seriously prejudiced by the existing depression, which, should it continue much longer, may force this area entirely out of the market.

The problem of the organisation of the Rubber industry from the point of view of selling is still unsolved, and, what is more, unattempted. So far, the example of the Nitrate Producers' Association and of the Copper Export Association in America has passed unheeded. But adversity is a good school for learning, and communications in the Press show that directors are at last waking up to the reality.

The share market was neglected, but many unfavourable price movements were registered. Rubber Trusts fell as low as 14*s.* 9*d.* The passing of the dividend—an experience hitherto not known to Linggis—caused the shares to react to 23*s.* 9*d.*, and Highlands and Lowlands were weak at the same level. Losses were also recorded in Anglo-Malay at 18*s.* 1½*d.*, and Anglo-Dutch at 25*s.* 6*d.*

DAMANSARA (SELANGOR).

Issued Capital: £315,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend Amt. %
1917 ...	2,466	2,000	861,150	430	2/1·1	/10¼	52,463	42,000	10
1918 ...	2,466	2,169	640,882	295	1/10¼	/10·6	32,589	29,400	28
1919 ...	2,565	2,295	718,955	322	1/10·61	/11·19	36,566	34,125	3·1
1920 ...	2,446	2,188	803,222	367	1/8·55	1/0·68	26,555	7,350	10

Results for Years to December 31

Price of Shares, 12/6. Market Capitalisation per planted acre, £79.

Owing to the reconstruction of this Company in March 1920 the accounts for the year ended December 31, 1920, have been presented in two parts. The first part relates to the operations for the three months ended March 31, and the report recently issued concerns itself with the operations of the Company for the nine months ended December 31, 1920. To preserve the continuity of the reports the results of both periods have been amalgamated, and the above table, therefore, contains figures appertaining to the operations of the year as a whole. The estimate anticipated a crop of 810,000 lb., whereas the total quantity of rubber harvested did not exceed 803,222 lb. Of this 200,963 lb. were secured in the first three months, which, allowing for the wintering of the trees, was a good return. The yield of 602,259 lb. for the remaining nine months would have been much larger were it not for the twenty-five per cent. restriction enforced during the last two months of the year. Despite the increase in the crop as compared with 1919 the "all-in" cost rose from 11.19*d.* per lb. to 1*s.* 0.68*d.* per lb., as a result of the increased cost of rice and higher wages. It is of interest to note that the increase was more pronounced in the last nine months, for the crop was secured in the first quarter at an "all-in" cost of 1*s.* 0.46*d.* per lb., as against 1*s.* 0.76*d.* per lb. in the last nine months of the year. It is very likely that the difference is in the main due to the reduced crop harvested in November and December. Side by side with this increased cost came a decline in the average price realised by the sale of the crop, which only reached 1*s.* 8.55*d.* per lb., instead of 1*s.* 10.61*d.* as in 1919. Here again the lower average is due to the sales during the last nine months. For the first quarter an average price of 1*s.* 10.3*d.* per lb. was secured. Subsequently an average of 1*s.* 9.29*d.* per lb. was obtained for 395,466 lb., whereas the 205,953 lb. were taken into stock at the end of the year at the apparently excessive price of 1*s.* 5½*d.* per lb.; but as the bulk of this has been sold forward under a satisfactory contract the adoption of such a high price is easily comprehensible. However, owing to the higher "all-in" cost and the lower average sale price, the aggregate net profit fell from £33,589 to £26,555. Of this total, the amount earned in the last nine months accounted for £18,530. The operations of the first quarter produced a net profit of £8,026, and out of this, in accordance with the terms of the reconstruction agreement, shareholders in the parent Company received a dividend of ten per cent., absorbing £7,350 net, the balance of £676 in conjunction with the £10,098 brought forward from 1919 being employed in the process of reconstruction. Out of the profit of £18,530 earned in the nine months ended December 31 no dividend was declared in view of the gloomy position of the rubber industry. After providing £8,289 for income tax, the balance of £10,241 was carried forward to the next accounts.

The reconstructed Company has an authorised and issued capital of £315,000 in shares of £1 each. Shareholders in the parent concern received three fully paid shares for each share originally held. The increase in the capital account from £105,000 to £315,000 is reflected in the increase in the estate account from £144,931 to £302,145, after allowing for reserves, share premiums and undistributed profits. Financially the position disclosed in the balance sheet dated December 31, 1920, is very strong. Liquid assets amount to £33,591, whereas current liabilities do not exceed £10,241. Thus the Company holds in a liquid form a considerable proportion of the necessary expenditure for the current year. Beyond the statement that the bulk of the stock on hand has been sold forward, no mention is made of forward contracts. The current crop is estimated at 675,000 lb. only, as the Company is participating in the twenty-five per cent. restriction. The return of 224,025 lb. for the four months ended April 30 indicates that, in the absence of more drastic restrictions, the estimate will be realised. Unless, however, economies in the cost of production are rigidly introduced this smaller crop will involve an increase in the "all-in" cost. However, this matter can safely be left in the hands of the administration. At present the outlook for the current year is discouraging and must remain so as long as rubber fails to rise above 9*d.*-10*d.* per lb. Accordingly in a depressed market the £1 shares have fallen to 12*s.* 6*d.*, corresponding to a market capitalisation of £79 per acre, which is high enough.

DJAPOERA (SUMATRA).

Issued Capital: £129,745, in Shares of 2s each.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All in" Cost per lb	Net Profit £	Dividend Amount £	Dividend Amount %
1916-17	2,168	2,653	380,646		2/1·6	1/2·52	18,041	–	
1917-18	2,168	—	339,060	—	1/10	1/2·84	7,418	11,241	10
1918-19	2,169	—	400,700	—	1/8	1/1·83	14,901	22,491	20
1919-20	2,169	—	470,308	—	1/8·98	1/3·23	12,374	—	—

* Approximate.

Results for Years to August 31

Price of Shares, 1/6. Market Capitalisation per planted acre, £5.

The report presented by Djapoera (Sumatra) Rubber Company for the year ended August 31, 1920, does not compare favourably with that of the previous year. The quantity of rubber harvested reached 470,308 lb., or nearly 70,000 lb. in excess of the crop for 1918-19, but nearly 30,000 lb. short of the estimate. Notwithstanding this growth in the crop the f.o.b. cost worked out at 11.35*d.* per lb., as against 10.28*d.* per lb. in 1918-19; whilst the "all-in" cost amounted to 1*s.* 3.23*d.*, as compared with 1*s.* 1.83*d.* per lb. Two factors, however, accounted for this adverse movement, and neither of them could have been regulated by the administration. The supply of rice to the native labour force involved a loss of £6,198 and an unfavourable exchange a loss of £2,398. Moreover, owing to the severe slump in the price of rubber during the latter half of 1920, the average price realised by the sale of the crop only increased from 1*s.* 8.25*d.* to 1*s.* 8.98*d.* per lb. And this average would have been lower still were it not for the forward contract under which 187,040 lb. were disposed of at 2*s.* 2.24*d.* per lb., for sales in London were at 1*s.* 6.88*d.* per lb. and in the East the average price secured was only 1*s.* 4.11*d.* per lb. Accordingly the net profit fell from £14,901 to £12,374. Including the balance of £2,265 brought forward from 1918-19, the amount available for distribution was £14,639. From this a sum of £1,148 was written off as depreciation and £619 was absorbed by extra remuneration to the directors. In view, however, of the mediocre results and the gloomy outlook for the current year no

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dividend was declared, the substantial balance of £12,872 being carried forward to the next accounts, subject to deduction in respect of income tax, corporation profits and Netherlands Indies taxes.

During the year the denomination of the shares has been changed from £1 to 2*s.*, with an equivalent alteration in the number of shares authorised and issued to 2,000,000 and 1,200,000 respectively. In December 1920 an issue of 100,000 shares of 2*s.* at 2*s.* 6*d.* per share was made successfully, all shares being allotted except the 2,554 reserved for shareholders in the East, for which no application was received. Consequently the issued capital now amounts to £129,745. For the current year the estimate under normal conditions would have been 560,000 lb. Allowing for the twenty-five per cent. restriction in force since November, the maximum crop is not likely to exceed 440,000 lb. For the six months ended February 28, 1921, the crop harvested is returned at 213,471 lb., and as a further reduction in output was being considered, it seems as if the total crop will be between 350,000 and 400,000 lb. In order to curtail expenditure, drastic economies have been introduced and the staff has been cut down as far as possible. Relief is expected from the improvement in the exchange situation and the fall in the price of rice. Forward sales only include the balance of the contract secured in the previous year, under which 13,440 lb. were sold monthly between September and December 1920 at 2*s.* 1*d.* per lb. ex-godown Singapore. Consequently, unless there is a marked recovery in the price of rubber within the next few months, the outlook for the current year is distinctly gloomy. Financially, however, the Company is in a good position to weather the storm. The balance sheet dated August 31, 1920, showed that liquid assets were available to a total of £21,212 to meet current liabilities not exceeding £6,988. Moreover, the position has been rendered much stronger by the receipt of over £12,000 in connection with the issue of 100,000 shares at 2*s.* 6*d.* At a Board meeting held prior to the general meeting on March 9, 1921, it was stated that the cash in hand reached £19,562. Thus the Company has adequate funds to meet all necessary expenditure without being compelled to realise its stocks at current unremunerative levels. In a depressed market the 2*s.* shares have fallen to 1*s.* 6*d.*, which corresponds to the low market capitalisation of £45 per acre.

HIGHLANDS AND LOWLANDS.

Issued Capital: £309,481 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Yield per Av. Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividends Amt. £	Dividends %
1917	4,505	3,566	1,428,343	400	2 4	–/11	10,600	54,159	17½
1918	4,752	3,521	1,123,709	322	2 1½	1 3	54,789	54,159	17½
1919	4,819	3,974	1,504,374	379	2 1	–/9 7½	99,057	92,841	30
1920	4,920	3,970	1,533,919	386	1 6·81	1/2·23	37,712	—	—

Price of Shares, 25/0. Market Capitalisation per planted acre £73, allowing for interest in Ayer Kuning Company.

The report issued by the Highlands and Lowlands Para Rubber Company for the year ended December 31, 1920, covers a period remarkable in the history of the rubber industry for the severe slump which took place in the price of the commodity. From the maximum price of 2*s.* 10¼*d.* per lb. in January the price of plantation crêpe dropped steadily throughout the year, until by the end of December the low level of 10*d.* per lb. was reached. Herein lies the key to the report: operations which, measured quantitatively, would have yielded satisfactory results, produce a mediocre report when translated into terms of £ *s.* *d.* The crop estimate had anticipated a total return of 1,510,000 lb.; the total harvested for the year reached 1,533,919 lb., and the excess would have been still more pronounced if the restriction of twenty-five per cent. had not taken place during the last two months; for the actual excess was secured before November 1. Approximately two-thirds of the crop came from the Midlands division, where the yield per acre was 439 lb., and in consequence the f.o.b. cost proved to be the lowest, 9.68*d.* per lb. On the Highlands and Lowlands division only was there an increase in the average yield, the figure of 396 lb. per acre comparing with 275 lb. per acre for 1919. In all three divisions the cost of production had risen as compared with the previous year. The Midlands, as just stated, had the lowest f.o.b. cost of 9.68*d.*, which was nevertheless over fifty per cent. in excess of the 1919 figure of 6.14*d.* For Batu Unjor the f.o.b. cost worked out at 12.96*d.*, as against 9.53*d.*; whilst with Highlands and Lowlands it rose from 9.65*d.* to 12·61*d.* Consequently for the whole estate there resulted an f.o.b. cost of 10.95*d.*, as against 7.52*d.* in 1919; whilst the "all-in" cost advanced from 9.79*d.* to 1*s.* 2.23*d.* per lb. This increase represented an addition of nearly £22,000 to the normal expenditure on the estate. In common with the bulk of producing companies, there was a loss of £6,500 incurred on the rice supplied to coolies below cost price. Increases in salaries absorbed £3,300, in wages £3,600, in immigration assessment £1,800, and in medical charges £3,500. At the same time, owing to the severe slump in the price of the commodity, the average gross price realised by the sale of the crop fell from 2*s.* 1*d.* to 1*s.* 6.81*d.* per lb., and even the latter figure would have been still lower were it not for the satisfactory forward contracts secured in advance. Thus, as against a profit per lb. of more than 1*s.* 3*d.* in 1919, there was earned in 1920 a profit per lb. of a little over 4½*d.* Accordingly, a satisfactory net profit of £99,057 gives way to the poor return of £37,712. Including the balance of £17,787 brought forward from 1919, and a refund of £10,942 under the Stevens *v.* Boustead income-tax decision, there remained a total of £66,441, from which £6,034 was deducted in respect of the balance of income tax for 1920. From the remainder £20,000 was set aside as a reserve for income tax and corporation profits tax. This was to meet future taxation, in view of the possibility of a loss in the current year, since, owing to the practice of assessing the tax on the three years' average, this liability would be incurred, despite a loss on the working operations of the year. For the first time in its history the Company has passed the dividend, in view of the uncertain outlook at the moment. The balance carried forward to the next accounts is therefore increased from £17,787 to £40,416.

Allowing for the twenty-five per cent. restriction now in force, the estimated crop for the current year does not exceed 1,220,000 lb. With rubber falling to 9½*d.* per lb. for crêpe and oscillating sluggishly between this level and 11*d.* per lb., it is gratifying to note that forward contracts at fair prices have been secured for the sale of 336,000 lb. Drastic economies are being introduced to keep the cost of production as low as possible. Tapping has been entirely suspended on the Highlands division, which produced 369,368 lb. in 1920, and, in addition, the factory on the division will be closed and operations reduced to the work necessary to keep this estate in good order and condition. By efficient administration it is hoped to turn out rubber on the Midlands division at a cost of less than 6*d.* per lb. On this branch an outlay of £8,000 out of the reserve has been made on laying down seven miles of a light railway with the necessary rolling-stock to facilitate the most efficient and economical collection and treatment of the rubber. Financially the position, as disclosed in the balance sheet dated December 31, 1920, is very strong. Current liabilities do not exceed £31,297, and are covered by cash and sundry debtors, which reach £37,635. In liquid assets the Company holds no less than £133,682, and as its holding in Government securities amounts to £57,988, it possesses in a readily liquid form a large proportion of the necessary expenditure on the estates during the current year. Thus its ability to weather the crisis is beyond question, and in a depressed market the £1 shares stand at 25*s.*, equivalent to a market capitalisation of £73.

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PRESENT POSITION.

AFTER passing through a period of depression without parallel in the history of the trade, the boot and shoe industry was slowly but surely emerging therefrom when the general upheaval caused by the coal strike almost completely checked production, with the result that the present position is one of real disappointment to all connected with the boot and allied trades. To give a practical illustration of the depression that had been experienced prior to the coal dispute, it may be mentioned that the National Union of Boot Operatives paid out in unemployment pay to its members between June 21, 1920, and February 26, 1921, £73,887. As showing the vast difference between the payments made during the above period and the normal out-of-work pay, the records show that from 1907, when the out-of-work pay scheme started, to June 1920—thirteen years—they paid for the whole of that period £86,468, as against £73,887 for the eight months June 1920 to February 1921.

The tremendous slump that occurred in the Leather market and reacted on the boot trade shook out entirely the confidence of buyers, who determined at all hazards to buy no fresh goods until their old stocks were cleared, or nearly so. The result was that the spring season's trade failed until March, when something approaching activity was experienced. Then the coal dispute and the threat of cessation of transport came along, and thoroughly prevented any further enterprise on the part of retailers. In addition to stopping the output of summer and sports goods, the heavy artisan trade of Bristol and Yorkshire has been reduced to the minimum by the fact that the coal dispute has seriously reduced the demand for working-class footwear in every trade to the limit of absolute necessity.

The period preceding Whitsuntide is invariably a busy one, as it marks, as a rule, the clearing up of the spring season's orders. Despite the effects of the coal dispute, there was experienced a fair demand for holiday footwear, especially white goods for ladies' wear and athletic purposes, as well as for patent glacé in colours and black and coloured calf. There is no doubt that the feminine demand has been stronger than that from the sterner sex, a fact that can be accounted for in various ways, but mainly due to the necessity nowadays of greater variety of ladies' footwear to suit ladies' fashions, and, of course, to the fact that the goods are lighter and less durable than men's footwear.

Present Tendencies in Home and Export Trades.—To mention but a few of the many tendencies of the present time as regards footwear, there is no question that, so far as quality and style are concerned, the tendency is [illegible] boots and shoes common sorts have fallen substantially—twenty-five to thirty per cent.—whilst best grade or "fine" footwear has declined to a much smaller extent. In ladies' wear the tendency is still for a very light shoe for outdoor use, such as were worn a few years back exclusively for indoor and dress occasions. The high heel seems to be a permanent feature in ladies' best shoes, its appearance counterbalancing any adverse physical effects it may have upon the wearers. American styles, which are ever changing, always include the Louis XV. heel; indeed, no other will be countenanced by American designers. Patent and suède leathers in various colours are having so great a vogue that the latter leathers are not produced in sufficient quantity to permit manufacturers to complete orders at once. Buyers have recently had to "wait delivery" from the factories in order of their receipt by the manufacturers. As a result of this preference for "fine" shoes many producers have had to slightly modify their methods, including their plant and machinery, to enable them to cater for current trade, whilst others who normally produced a common article have had to either make great changes in plant and *personnel* or suffer a declining trade, with its present unfortunate sequel.

As regards tendencies in connection with the overseas trade, these are much upon the same lines as those experienced in the home section. Unfortunately, the most obvious tendency has been for the trade to fall away, both in our Colonial and Foreign markets. The reasons for this unpleasant tendency are (1) that most of the foreign countries who previously bought large quantities are now much too poor to do so, and so long as the importation of the commodities—mostly food and raw materials—that they can supply is checked and hindered by legislative methods, so long will they remain in that unenviable position. Given free and unfettered imports, foreign countries—particularly Europe—will be able to pay their debts, improve the exchanges, and purchase from us our productions, to the benefit of all concerned. The second reason for the serious falling-off tendency in our footwear exports is owing to certain colonies now being in a position to produce large quantities of certain kinds of footwear for themselves, as a result of being left to fend for themselves during the War. Thus the Australian market, which was always regarded as one of the best, has not only dwindled down to small proportions, but is actually [illegible] practicability of exporting [illegible] markets. The South African market—positively the best up to a few years prior to the War—has now a very important boot-manufacturing industry, and is being fostered very assiduously by the Government, which has agreed to the free importation of fine-grade leathers and "grindery" as a form of protection. *Theoretically* it is believed that South Africa will very shortly be [illegible] per year, and not only be independent of imports, but be [illegible] all directions

Practically, this is not to be seriously anticipated in the near future, as it is still an industry that is in its infancy, and therefore not able to turn out the "fine" footwear that is being imported into South Africa (and Australasia) under very adverse fiscal conditions.

Reverting to the home trade, probably one of the most obvious tendencies among retailers is to lean more and more to the distribution of "branded" goods. The question as to whether it is in the best interests of retailers to take up largely "branded" goods is an involved one, and open to intelligent criticism. It is nevertheless a fact that well-known brands of footwear—through insistent publicity methods—are far easier to sell than ordinary kinds, and the public will willingly pay a higher price for a boot or shoe that is quite familiar to them. Although there are many practical objections that weigh with the retailer, it is undeniable that the tendency to push branded goods is increasing, and must therefore be accepted as a popular form of distribution.

The Outlook for Trade and Prices.—This highly important problem is one not easy of solution as things stand to-day, and the *rôle* of prophet was never more unsafe and unsatisfactory than it is to-day. Naturally the very first condition must be the immediate settlement of labour troubles, and the determination to produce every commodity at the minimum of cost. This is vital if we are to compete in straightforward fashion with Continental and American producers. Probably the stiffest fight is, and will be, with Germany, owing to its debased currency. The next important step must be in the direction of securing stability of values of raw material—sole and upper leathers—to enable footwear to be produced on marketable lines. This can be better explained by stating that sole bends show a disparity of value for similar substances and quality of 1*s.* per lb., *i.e.*, one tannage is quoted at 4*s.*, and a similar one at 3*s.* per lb. It is, of course, impossible in a natural production such as leather to secure identical quotations, such as are possible with textile goods, but prices should be nearer than 33⅓ per cent. Labour, although relatively high, probably too high for successful trade competition, is stabilised much more closely than material, so that there should not be great difficulties to be overcome in arriving at closer margins of cost. Given favourable quotations, the demand for footwear—particularly the heavy, army type for Central Europe and Russia—is such that the factories throughout the industry could be kept busy at full capacity, thereby reducing cost very materially and ensuring the trade for British firms. A practical feature of the productive side of the trade, and one that, in the main, has been, so far this year quite favourable to manufacturers, is the market value of raw material. Prices came down with a run from January 1 and reached zero by about the beginning of April, giving manufacturers the chances of a lifetime to secure, if desired, immense quantities of leather—sole and upper—at comparatively ridiculously low prices. During the month of May the market has made an upward move upon the important advances of raw hides and skins, and looks quite firm at slightly advanced prices. The outlook for the importation of American leathers is much brighter now that the exchange has improved to $4. So that our boot manufacturers are practically assured of an ample supply of fine-grade leathers at reasonably low prices, and should, therefore, be in the position to accept orders for bulk quantities at prices that should compare most favourably with those of any competitor. At the same time, the recent depression has brought down prices for footwear to the rock-bottom level, and in view of the improving tendency of leather values prices for reliable footwear are not likely to change in either direction.

Finally, the outlook is brighter all round, and the conditions favour genuine optimism. The severe shake-out of prices has left the trade healthier and more able to stand up against competition It is quite certain, too, that conditions in outside markets are, if anything, more severe than in our market, and with increased production and lower cost of same, together with reasonable labour views, the boot and shoe industry should enter upon a new and prosperous era for its home and export trade.

Industrial Companies.

ROYAL MAIL STEAM PACKET COMPANY.

Issued Capital: £6,800,000, in £900,000 5% Preference Stock, £900,000 6½% Cum. Pref. Stock, and £5,000,000 Ordinary Stock.

4½% Debenture Stock: £1,400,000.
5% Debenture Stock: £3,100,000.

Year to Dec. 31	Net Profit*	To Reserve Fund	Sundry Allocations	Int. on Deb. & Pref. Stocks	Dividend on Ordinary —Stock— Amount	%	Carried Forward
	£	£	£	£	£		£
1914 ...	98,232	200,000†	61,813	241,367	—	—	18,921
1915 ...	808,731	200,000	99,497	273,436	198,000	6	46,719
1916 ...	791,097	200,000	37,679	274,359	273,536	7	52,502
1917 ...	764,446	200,000	25,000	263,000	287,000	7	52,000
1918 ...	706,472	150,000	10,000	263,000	287,000	7	48,541
1919 ...	953,600	350,000	10,000	263,000	328,000	8	51 141
1920 ...	922,223	350,000‡	10,000	280,162	312,375	7	110,828

* Including dividends on shares in other companies and miscellaneous receipts and after allowing for depreciation and taxation.
† From reserve to profit and loss account.
‡ Including £90,000 from premium on shares issued during the year.

THE report of this Company for the year 1920 shows that after providing for depreciation and taxation a net profit has been obtained of £837,653, as compared with £774,905 for the previous year. Miscellaneous receipts have, however, fallen from £178,695 to £84,570, so that the available profit works out at £922,223, against £953,600. Still, having regard to the increased burden of taxation and the difficult trading conditions of the year the results disclosed may be considered very satisfactory. The reserve fund again receives £350,000, of which, however, £90,000 represents the premium received on stock issued during the year. Debenture interest remains unchanged at £218,000, but in consequence of the issue of additional capital the preference dividends absorb £62,162 against £45,000. Similarly, the Ordinary dividend, although reduced from 8 per cent. to 7 per cent., absorbs £312,375 against £328,000. It should be noted that the dividend on the stock issued during the year is calculated at the rate of 7 per cent. per annum from the dates of payment of the instalments. The pension fund again receives £10,000, leaving a balance to be carried forward of £110,828, as compared with £51,141 brought in.

The balance-sheet position at the end of each of the past three years is shown in the following table:—

	LIABILITIES.			ASSETS.			
Dec. 31	Issued Capital*	Sundry Liabilities†	Reserves & Carry-forward	Fixed Assets‡	Stocks	Sundry Investments	Debtors and Cash
	£	£	£	£	£	£	£
1918	9,500,000	3,958,148	1,199,665	9,487,488	208,204	194,491	5,047,930
1919	9,500,000	5,010,356	1,933,008	11,837,641	231,916	283,606	4,090,201
1920	11,300,000	7,884,598	2,560,481	16,859,610	313,559	373,959	4,197,951

* Including Debenture stocks.
† Including provision for taxation and dividend payments.
‡ Including investments in allied companies and war securities.

In June last the Company issued £900,000 6½ per cent. Preference stock at par, and £900,000 Ordinary stock at £110,000. Nevertheless, sundry creditors (which include provision for taxation and dividend payments) have been increased from £5,010,356 to £7,884,598. The reserve fund now amounts to £1,600,000 and the insurance account to £849,653 (against £631,867). The fixed assets (less depreciation), with which are included shipping investments and war securities, have been increased during the year from £11,837,641 to £16,859,610, stocks from £231,916 to £313,559, and sundry investments from £283,606 to £373,959. The auditors certify that the various investments held are valued at or under cost. Debtors have been reduced from £3,508,922 to £2,848,639, but cash balances, bills receivable, and accrued interest amount to £1,349,312, as compared

with £581,279 at December 31, 1919. Owing to the manner in which the accounts are presented it is not possible to form any accurate estimate of the liquidity of the Company's position. The fact that interest and discount contributed only £14,158 to revenue, as compared with £143,370 for the previous year, while "sundry investments" were increased from £283,606 to £373,959, suggests that war securities have been very considerably reduced. The general financial position as shown in the accounts is, however, satisfactory.

The report contains a list of the Company's fleet showing a tonnage (at May 20, 1921) of 342,730 tons, as compared with 331,825 tons a year ago. The fleets of the affiliated companies represent 1,692,622 tons (against 1,565,815 tons), which together make up a total of 2,035,352 tons, exclusive of vessels building, as compared with 1,897,640 tons. It is pointed out that the recurrence of strikes, labour troubles, and congestion, both at home and foreign ports, has frequently delayed the working of the Company's ships, with a consequent increase in expenses. These difficulties have become accentuated since the close of the financial year. Increased foreign competition occurring simultaneously with a curtailment of international trade has caused a heavy fall in earnings, rendering the outlook for the current year very uncertain. The Company's service between the United Kingdom and the West Indies has been suspended in view of the heavy losses involved. The passenger traffic to and from South America is still far from reaching its pre-war volume, and it is considered that, while lower fares might stimulate traffic, substantial reductions are not practicable until operating costs are reduced and until there is an improvement in the Brazilian and Portuguese exchanges. It will be noted that the Preference dividends in respect of the current year will absorb £103,500 as compared with £62,162 for 1920, while the maintenance of the Ordinary dividend at 7 per cent. would involve a distribution of £350,000 as against £312,375. The Ordinary stock is now quoted at 81 (ex dividend), yielding a return of 8.6 per cent. on the assumption of a dividend of 7 per cent. The 5 per cent. Preference stock, which, it should be noted, is non-cumulative, quoted at 72 (ex dividend) yields 7 per cent., while the 6½ per cent. Cumulative Preference stock at 89½ (ex dividend) affords a return of 7.3 per cent.

THE NITRATE PRODUCERS' STEAMSHIP COMPANY, LIMITED.

Issued Capital: £156,300, in 31,260 Ordinary shares of £5 each, fully-paid.

Year to Apr. 30	Profits*	To Taxation and Contingency Reserves	Depreciation	Dividend — Tax free —		Carried Forward
	£	£	£	£	%	£
1920 ...	276,802	187,569	75,000	23,445	15	10,973
1921 ...	312,822	289,749	—	23,445	15	—

* After providing for expenses, but before charging taxation and depreciation.

The report of this Company for the twelve months to April 30 last shows that the profit before charging taxation and depreciation amounted to £312,822, representing an increase of £36,020 as compared with the previous year. It is important to note, however, that the earnings for the past year include the estimated profits earned on pending voyages. As shown in the above table, a provision of £75,000 was made for depreciation in the previous year, but no further allowance is made in the present accounts. The dividend is maintained at 15 per cent., free of tax, absorbing £23,445. Income tax in respect of 1920-21, and excess profits duty and corporation tax to April 30, 1920, amount to £191,550, but the amount chargeable against the year's profit is reduced to £61,550 by the utilisation of a reserve of £130,000 provided in the previous year. In view of the present position of the shipping trade it is deemed advisable to place the sum of £237,749 to a special emergency reserve. Out of this reserve excess profits duty and corporation tax for the past year will have to be paid, while there is a liability for income tax, on the three years' average principle, of about £150,000, [illegible] Company's earnings.

The following table shows the balance sheet position:—

	LIABILITIES			ASSETS		
Apr. 30	Issued Capital	Reserves, Insurance Fund & Liabilities	Sundry Creditors	Investments, Fixed Assets, &c.	Debtors	Cash
	£	£	£	£	£	£
1920	156,300	549,999	59,164	940,237	51,501	26,791
1921	156,300	857,256	702,128	952,070	40,343	26,791

* Including provision for taxation, dividend payments, and contingencies.

The sundry liabilities as shown above include provision for taxation, dividend payments, and contingencies. The receipts (in respect of pending voyages) in excess of disbursements and estimated profit figure among the liabilities at £54,385, as compared with £148,846 at the date of the previous balance sheet. The capital reserve and insurance fund remain unaltered at £407,186 and £98,442 respectively. The fixed assets, which include Government and other investments, show an increase of £12,233 at £952,070, but debtors have been reduced by £14,158 to £40,343, and cash by £1,870 to £26,791. The manner in which the accounts are presented precludes any exact estimate of the liquidity of the Company's position, but it will be seen that debtors and cash reveal a deficiency of £290,142, as compared with current liabilities (including provision for taxation, dividend payments, and contingencies). Having regard to this stringency of liquid capital and the gravity of the outlook, the conservative policy adopted by the directorate is fully justified. The £5 Ordinary shares at a mean quotation of 16 (ex dividend) would yield at this price a return of 4.9 per cent. (tax free) on the assumption of a dividend of 15 per cent., tax free.

THE EAGLE OIL TRANSPORT CO., LTD.

Issued Capital: £3,000,000, in 400,000 Cum. 6% Participating Pref. £5 shares and 200,000 £5 Ordinary shares fully-paid.

Year Dec. 31	Profit	Addition to Reserves†	Issue Expenses written off	Pref. Div.	Profit for Ord.	Ord. Div.	%	Carry-Forward
	£	£	£	£	£	£		£
1914 ...	284,655	128,520	50,000	120,000	21,143	14,400	6	15,943
1915 ...	314,821	132,149	50,000	120,000	32,184	14,400	6	31,925
1916 ...	304,869	115,867	45,711	120,000	23,291	14,400	6	42,916
1917 ...	264,101	101,147	-	140,000	22,670	16,800	7	48,922
1918 ...	270,182	145,267	-	140,000		16,800	7	29,588
1919 ...	323,592	195,876		160,000	10,360	19,200	8	20,527
1920 ...	473,201	246,365	20,000	160,000	62,957	51,221	8	32,262

Excluding excess value over book cost on vessels lost, but after provision for depreciation.

† Includes excess insurance value on vessels, reserves of [illegible] £35,013 for 1914; £19,812 for 1915; £5,000 for 1917; £12,581 for 1918, £42,644 for 1919, and £16,119 for 1920; the balance being provision for depreciation and repairs.

A satisfactory showing is made by the report of this Company for the past year, the profit after charging taxation but subject to depreciation amounting to £473,301, as compared with £323,592 for the previous year. The directors state that the increased profit has been due to the completion of the new chartering agreement taking effect from January 1, 1920, and covering both the original fleet and tonnage ordered subsequently, but account must also be taken of the additional capital employed during the year. The allowance for depreciation is increased from £113,232 to £155,244, and for repairs from £40,000 to £75,000, while £20,000 is appropriated in writing off issue expenses incurred during the year. The Preference dividend absorbs £160,000, leaving a balance profit of £62,957, as compared with £10,360. The Ordinary dividend is maintained at eight per cent., but, being payable upon a much larger capital, absorbs £51,224, against £19,200. The balance carried forward is increased from £20,527 to £32,262, but this is, however, subject to corporation tax.

The following table shows the balance-sheet position:—

	LIABILITIES.			ASSETS.			
Dec. 31	Paid-up Capital	Sundry Liabilities*	Insurance & Carry-forward	Fixed Assets†	Debtors	Investments & Cash	
	£	£	£	£	£	£	
1919.	2,570,000	1,044,226	1,542,570	3,336,110	115,598	1,045,925	
1920.	4,000,000	1,605,243	2,559,116	6,385,325	436,439	333,925	

* Including insurance and carry-forward balances.
† Including trade investments.
‡ Including deposit of £1,000,000 on account of new issue of Ordinary shares.

During the year the paid-up Ordinary capital has been increased from £240,000 to £1,000,000, while in December last 400,000 Ordinary shares of £5 each were created, which have since been subscribed, and will be paid up in full during the current year. At December 31 last a deposit of £1,000,000 was received in advance of this issue. Despite the additional capital raised during 1920, sundry creditors and credit balances, which include provision for taxation and dividend payments, have been increased from £1,044,226 to £1,605,243. The depreciation reserve has been increased by this year's allocation to £736,611, and the replacement, insurance, and other reserve accounts to £781,573. The fixed assets, which include payments on account of new vessels and shares in a Mexican subsidiary company, figure at £6,385,325, as compared with £3,336,110 at December 31, 1919, but presumably payments on account are mainly responsible for this expansion, as the fleet in commission during the year was increased by only one vessel. Debtors and debit balances have been increased by £87,841 to £436,439, but cash and Government investments, which are shown in one total, have fallen by £727,943 to £333,925. The liquid assets reveal a deficiency of nearly £835,000 as compared with current liabilities at the date of the previous balance sheet, which existed to the extent of £366,000. This stringency of liquid capital will, however, be remedied by the receipt of the instalments of £1,000,000 payable on the recent issue of Ordinary shares. Besides, the directors have announced an issue of Seven per Cent. Seven-year Notes, which will be taken up by the charterers (the Mexican Eagle Oil Company) at par as required by the Company. The directors do not consider that a larger issue than £3,000,000 will be required. The contingent liability for vessels under construction and contracted for is not stated. Five tank steamers have been delivered, and one cargo vessel purchased, since the end of last year. It will be remembered that at the general meeting of the Company in December last it was stated that the total requirements of new tonnage (over and above the original fleet) to meet the needs of the charterers would entail the expenditure of about £10,000,000, but this huge building programme seems likely to be modified in view of the present trade outlook. The Preference shares, which are entitled to a cumulative dividend of six per cent. (guaranteed by the Mexican Eagle Oil Co.), and to participate up to a further two per cent. *pari passu* with the Ordinary shares, are now quoted at 5 11/32 ex dividend, yielding at this price a return of 9.9 per cent. on the basis of a dividend of 10 per cent. The Ordinary shares are held privately.

THE BURMAH OIL COMPANY, LIMITED.

While the accounts of this Company for the year to December 31, 1920, are not yet available, the directors consider that the profit, after providing for taxation, depreciation and reserves, will admit of a final dividend of 4s. per share free of tax, making, with the interim dividend paid in November last, a total dividend of thirty per cent., against fifty per cent. for 1919, free of tax in both cases. The dividend for 1920, however, absorbs £1,543,050 net as compared with £1,428,750, owing to the increase in the capital from £2,857,500 to £5,143,500 by the bonus issue out of the reserve of four new shares for every five held. The dividend is accordingly equivalent to fifty-four per cent. on the old capital. It is estimated that the liability for excess profits duty will amount to approximately £1,800,000, which suggests that the net profit has been much the same as for 1919, when the estimated liability amounted to £1,300,000. The net profit of £4,155,938 in that year represented an increase of over £1,340,000 as compared with 1918, due largely to the increased value of the rupee. Between the end of 1919 and the end of 1920, however, the movement of the exchange has been unfavourable for the Company, the rupee falling from about 2*s.* 5*d.* to below 1*s.* 6*d.*

At the present time there are issued 250,000 Six per Cent. Preference shares of £1 each and 75,000 Six per Cent. Second Preference shares of £10 each. It is now proposed to increase the dividend on both classes of shares from six per cent. to six and a-half per cent., and to divide the Second Preference into ten £1 Preference shares ranking *pari passu* with the First Preference shares. Holders of the existing First Preference shares will have a right, in the event of liquidation, to a preference of ten per cent. on the amount paid up, or a premium equal to the average premium above par at which they have been dealt in during the six months preceding liquidation, whichever may be the higher. Power is reserved to create an additional £1,000,000 First Preference shares ranking *pari passu* with the other 1,000,000 shares. It is also proposed to increase the authorised capital by the creation of £5,000,000 Eight per Cent. Second Preference shares, of which it is proposed to issue £3,000,000 at the immediate time.

THE BRITISH OIL AND CAKE MILLS, LIMITED.

Issued Share Capital: £3,243,103, in 743,103 Pref. and 2,500,000 Ord. Shares of £1 each.
Debenture Stock: £598,000 4¼% First Mortgage.

Year to Dec. 31	Deprec. and Write-off	Deb. Int. & Pref. Div.	Profit for the Year	Ord. Div.—		Added to Reserves, &c.	Amount of Carry-forward
	£	£	£	%		£	£
1913.	161,818	22,500	59,427	79,891	5	50,000	14,221
1914.	160,980	25,000	59,427	76,553	43,330	7	33,327	14,127
1915.	300,387	31,000	59,427	209,960	92,850	15	116,500	14,737
1916.	266,588	50,000	62,125	154,163	130,482	15	22,500	16,218
1917.	365,000	50,000	66,285	248,720	149,299	15	90,000	15,639
1918.	347,423	50,000	66,285	231,138	174,766	15	35,000	17,570
1919.	630,148	66,286	490,940	122,500	25	180,000	22,010
1920.	472,409	66,286	352,823	372,809	15	300,000	22,706

* After providing £1,000,000 for Excess Profits Duty.
† Including £50,000 transferred to Reserves.
‡ Including £1,000,000 premium on shares.

The report of this Company for the twelve months to December 31, 1920, shows that the profit, after providing for taxation and contingencies, but subject to depreciation, amounted to £472,409, representing a reduction of £157,739 as compared with the previous year. The allowance for depreciation of the fixed assets is increased from £20,000 to £22,500, but no provision is made for investment depreciation, which amounted to £225,000 for the previous year. As shown in the above table, Debenture interest and Preference dividends remain unaltered at £25,415 and £40,871 respectively. The Ordinary dividend is reduced from twenty-five per cent. to fifteen per cent., which, owing to the additional capital now ranking for dividend, amounts to £372,809, as compared with £312,500. In connection with the reduced dividend the directors state that the sudden fall in prices affected the position severely during the last two months of the year, and it consequently became necessary to conserve the Company's resources by making provision for the continued depreciation of stocks. The reserve receives £25,000 (£19,970 being premium on shares), as compared with £170,000 a year ago, and the pension fund £5,000 against £100,000, leaving a balance to be carried forward of £22,706, as compared with £22,010 brought in.

The following table shows the changes which have taken place during recent years in the balance sheet position:—

	LIABILITIES.			ASSETS.				
19..	Paid-up Capital*	Sundry Liabilities†	Reserves and carry forward	Fixed Assets‡	Stocks	Investments	Debtors and cash
31	£	£	£	£	£	£	£
1918	2,583,282	1,930,429	717,570	1,658,188	1,695,371	691,875	1,305,847
1919	3,771,254	3,612,147	922,019	1,681,002	2,700,462	777,330	3,146,617
1920	3,841,103	1,527,696	947,706	1,903,226	1,347,931	951,819	2,113,529

* Including Debenture stock.
† Including provision for taxation and final dividend payments.
‡ Including goodwill.

During the year under review the issued Ordinary capital has been increased from £2,473,224 to £2,500,000, while the calls in arrear, amounting to £43,073 at December 31, 1919, have also been paid up. The remarkable change which has taken place in trading conditions is evidenced by the reduction from £3,612,147 to £1,527,696 in sundry liabilities, which include provision for taxation, dividend payments and contingencies. It may be remarked that secured loans now figure at £26,000, as compared with £506,586 at the date of the previous balance sheet. The reserve account with this year's allocation is increased to £925,000. The fixed assets, which include goodwill, show net additions for the year of £244,724, but allowing for depreciation the actual increase does not exceed £222,224. Stocks (at market prices or under) and stores (at cost or under) have fallen from £2,700,462 to £1,347,931, the actual quantitative reduction being obviously still greater. Debtors have been reduced from £2,663,486 to £2,039,607, and cash holdings from £483,131 to £73,922, but Government investments, at cost or under, have been increased from £726,085 to £751,085, and sundry investments from £51,245 to £200,734. It may be pointed out that debtors include sums due by allied companies on capital and current account amounting to £1,277,516. Excluding this item, sundry investments, and stocks, the liquid assets reveal a surplus of £59,402 over current liabilities (including provision for taxation, final dividends and contingencies), whereas the previous balance sheet revealed a deficiency of over £1,020,000.

The report states that the lower range of prices ruling since the beginning of the present year has restored some degree of confidence to markets, and it has been possible to transact considerable business at remunerative margins. Towards the end of 1920 a substantial interest was acquired in Behrend and Company, of London and Alexandria, the largest shippers of Egyptian cotton-seed. Rumours have recently been circulated that a fresh issue of capital is to be made, but this is officially denied. The Ordinary shares of the Company are now quoted at 27*s.* 6*d.*, ex dividend, yielding at this price a return of 8.7 per cent. on the basis of a dividend of 12 per cent. The Five and a-Half per Cent. Cumulative Preference shares, quoted at 16*s.* 7½*d.* ex dividend, afford a yield of 6.6 per cent.

CROSSES AND WINKWORTH CONSOLIDATED MILLS, LIMITED.

The first annual report of this Company for the period to March 31 last shows that the profit, after providing for depreciation, taxation and writing down of stocks, amounted to £677,743. From this must be deducted the proportion of profits to date of incorporation, amounting to £255,537, which not being distributable is employed in providing £150,000 for taxation and £105,537 for depreciation. There is no profit and loss account, but the balance sheet shows that £225,000 had been already set aside for taxation, and £50,000 for depreciation, the total provisions being accordingly £375,200 and £155,537 respectively. Besides, £10,000 has been written off formation and preliminary expenses leaving £52,000 still in suspense. The interim dividend on the Ten per Cent. Cumulative Participating Preference shares and five per cent. on the Ordinary paid in October last absorbed £250,000, and after payment of the final dividend on the Preference shares there remains a balance of £22,206 which is carried forward. In the balance sheet stocks figure at £1,126,700 in connection with which the auditors point out that since incorporation there has been wide fluctuation in the value of cotton and yarn, but that the directors assure them the amount of stock on hand as shown in the balance sheet does not exceed market value as at March 31 last. The report, on the whole, may be considered rather satisfactory. The 1*s.* Ordinary shares are now quoted at 9*d.*, while the Ten per Cent. Cumulative Participating Preference shares are priced as low as 14*s.* 10½*d.*

New Issues.

CITY OF SYDNEY.

Offer of £1,000,000 Six and a-Half per Cent. Ten-Year Bearer Debentures at ninety-nine per cent. Flat yield, £6 11*s.* 5*d.* per cent. per annum. Yield, including redemption, £6 12*s.* 10*d.* per cent. per annum.

Australia in general and New South Wales in particular are frequent customers of the London Capital market, but Sydney has not made an issue here since 1912. The present loan is required for the municipal electricity undertaking, and is secured on the rates and revenues of the city. The estimated population is 857,100, and the revenue last year amounted to £1,749,020, against expenditure, including sinking funds, of £1,752,818. The unimproved capital value of lands is £35,638,383, and the average annual value £4,750,328. The Municipal Council has power to levy a rate up to 2*s.* in the £ on the average annual value, and 3*d.* in £ on the unimproved capital value; or, alternatively, the rate may be 6*d.* in the £ on the whole unimproved capital value, the present rate being 5*d.* per £. The yield on the emission is practically the same as that on the Melbourne Board of Works loan, the success of which is a favourable index as to the reception which the Sydney loan will meet. The lists close on Tuesday, May 31.

MELBOURNE AND METROPOLITAN BOARD OF WORKS.

Offer of £1,140,000 Six and a-Half per Cent. Inscribed stock, 1932, at ninety-nine per cent. Flat yield, £6 11*s.* 5*d.* per cent. per annum. Yield, including redemption, £6 12*s.* 8*d.* per cent. per annum.

Following close on the successful issue made by the Melbourne Harbour Trust Commissioners comes an emission by Melbourne and Metropolitan Board of Works. The latter was created in 1890 to take over control of the waterworks supplying the metropolitan area of Melbourne. The population supplied with water in June 1920 was estimated at over 780,000. The Board is empowered to levy a rate of 8*d.* in the £ for water and 1*s.* 2*d.* in the £ for sewerage, but the present charges are only 6*d.* and 11*d.* respectively. The current emission is secured on the Metropolitan General Fund and upon all the rates, tolls, and rents receivable by the Board. The latter enjoys the unique distinction amongst Australian bodies of being able to meet the heavy increases in interest charges, wages, and cost of materials on a taxation basis fifteen per cent. below pre-War rates. The present loan is raised to meet Debentures of an equivalent amount maturing on October 1 next. Holders of these Debentures will obtain on conversion a cash payment of one per cent., and will, of course, receive preferential allotment. The attractive yield offered resulted in an early closing of the list for cash subscriptions. The conversion list will, however, remain open till Wednesday, June 1.

BELFAST CORPORATION.

Offer at par of Six and a Half per Cent. Mortgages, repayable at par at the end of ten, fifteen, or twenty years or longer periods, at the option of applicants.

In commenting recently on the above emission, which is still on tap, we drew attention to the fact that its attractiveness was reduced by the absence of a Stock Exchange quotation. In the interval the Belfast Stock Exchange has listed the security. The mortgages are transferable by deed, and to facilitate transactions a form of transfer is printed in the fold. The special provisions for the benefit of holders desiring to realise their investments before maturity date lend special attraction to a security which offers a higher rate of interest than is generally to be obtained in its class. The financial status of the city, which compares very favourably with that of other British municipalities, should make the present issue appeal to discerning investors who do not insist on a London [illegible]

MEETINGS
OF PUBLIC COMPANIES.

National Bank of Greece.

Satisfactory Results—Increasing Business—Prospects of the Future.

THE ordinary general meeting of the shareholders of the National Bank of Greece was held, on April 11, at the head office of the Bank, Athens, Greece.

The Governor, Mr. D. Maximos, read, on behalf of the board of directors of the Bank, the report for 1920, the chief points of which are given below.

He thanked, firstly, the shareholders for having elected him Governor of the Bank, and assured them that he fully realises the heavy task and the responsibilities which he assumes; he added that, with the aid of his colleagues in the directorate and of the staff of the Bank, he hopes the Bank will continue to be of service to the country and the society.

General Review.

After this introduction he proceeded to a review of the events of last year and the operations of the Bank during that period. He said :—

"The last year is the second one following the termination of the great War. Despite the good intentions and the adoption of measures for repairing the great losses, one cannot contend that a substantial progress has been made towards returning to a normal course of things.

"New problems emerge every day, the solution of which is extremely difficult, and which prolong the abnormal international situation."

He then went on describing the evolution of international economic affairs during the last year and the crisis in shipping, industry, and trade that has arisen during the year.

"Greek shipping," he said, "that precious economical and national factor, is, as regards ourselves, the mostly affected victim of the present critical international situation. Let us hope that the Greek shipping will be able to endure the crisis with the power of resistance that has been its characteristic from old times, and to occupy again in the shipping world the prominent place that has always belonged to it.

"Happily, the effect of the international crisis on the other branches of industry and trade has not been great in our country. The stocks of goods and raw materials have been purchased mostly at advantageous rates of exchange, and can therefore be disposed of at such prices as to avoid losses of any magnitude as a consequence of the great price reductions in foreign markets. However, all banks must pay a close and unfailing attention to the situation."

The Governor spoke afterwards of the International Financial Conference that was held at Brussels during the last year (in which the National Bank of Greece was also represented by one of its co-governors), and of the resolutions submitted by the various committees and adopted by the conference.

He further said :—

"During the year under review we see the fulfilment, to a very large extent, of our national secular dreams. We stand before the portals of Constantinople. Unfortunately, in order to secure application of the treaty signed at Sèvres in August 1920 we are obliged to undergo great sacrifices of blood and money. A few days ago the Government of the country saw itself obliged to reinforce the army by calling under the colours three classes of reservists. The whole nation is willingly submitting itself to every sacrifice for obtaining sanction of and respect for the rights of Hellenism which have been acquired by our Great Allies.

Public Finances.

"The financial effect appears from the balance sheet itself of our institution. Government debts on December 31, 1920, amount to Drs.1,369,299,743.87, as against Drs.653,036,179.37 on December 31, 1919. We have consequently lent to the State during the year Drs.716,263,564.50, amount utilised chiefly for maintaining the campaign in Asia Minor.

"To understand the intrinsic value of our loans to the State, note should be taken of the fact that—the public debt of Greece amounting on December 31, 1920, as it is known, to Drs.4,200 millions—the proportion of debt per head of population is small as compared with that of the presently strongest ex-belligerent European States. The proportion is the following :—

Greece	Drs.840 per capita.
Great Britain ...	Drs.4,112 per capita.
French ...	Drs.6,490 per capita.
Belgium	Drs.3,250 per capita.
Italy	Drs.2,651 per capita.

As regards Greece, the estimate is based on the population of the territories possessed at the beginning of the world war (5,000,000)."

In connection with the foregoing figures Mr. Maximos reminded his audience of the great distance which separates Greece, from the point of view of national wealth, from the States with which he has compared its public debt; also of the expenditures on a large scale that have to be borne in the future for the execution of public works, by means of which only the productive exploitation of the great resources of greater Greece will become possible.

He then continued as follows :—

"On April last the Government issued an internal lottery loan of Drs.300 millions, for the success of which the National Bank of Greece exercised all its influence through the head office and its branches."

Circulation.

The circulation of bank notes in Greece during the last five years was as follows :—

(In Thousands of Drachmæ.)

	1916	1917	1918	1919	1920
Bank notes for account of the State	56,952	54,952	52,952	50,952	48,952
For account of the Bank	116,000	116,000	146,000	156,105	763,405
Against the Law IXMB	390,000	690,000	1,170,071	1,193,941	1,097,281
Maximum limit of circulation	562,952	890,952	1,369,023	1,401,298	1,909,638
Total actual circulation	554,388	848,127	1,257,825	1,375,247	1,508,366
Proportion of increase of the circulation ...	1	1·53	2·27	2·48	2·72

"It follows that banknotes in circulation have nearly trebled. This proportion is lowered, however, by taking into consideration that in 1916 there were in circulation also banknotes of the Ionian Bank and the Bank of Crete; the privilege of issue of both of them has now passed to this Bank.

"The cover of the notes issued against the Law IXMB (Drs.1,097,281.09 on December 31, 1920, as above) was composed at the end of December 1920 of the following items :—

(1) Funds blockaded in the Central Powers—

	Francs.
£180,000, 20,200,000 francs, 83,000,000 marks, say	102,008,000
(2) Allied credits and advances—646,964,966 francs, £7,734,385, 3,750,000 roubles, $33,239,267, say	1,024,288,666
Total	1,126,296,666

Converting into pounds sterling the cover of the notes of the Law IXMB, on the basis of the rates of exchange in London on April 6, 1921 (the roubles not counting), we find that the circulation of Drs.1,097,281,095 on December 31, 1920, had a cover of £28,825,945, or Drs.38.065 per pound; that is, at the par of exchange (25.225), a cover of 66.27 per cent.

"The *per capita* circulation of Greece, compared to that of other countries, is the following:

	£	s.	d.	Drachmas.
Greece	12	0	0	302.70
England	11	4	7	283.25
United States	10	0	10	253.28
France	36	1	11	910.50
Germany	76	17	0	1,938.54
Roumania	32	1	0	808.46
Belgium	31	15	9	801.83

"As is shown in the above table, the circulation in Greece is far from being large, inasmuch as the use of cheques is very restricted and the clearing houses are unknown in our country.

Foreign Exchanges.

"The rates of exchange on London and New York during the past year were as follows:

	London.	New York.
January	26.55	7.57
February	30.45	8.97
March	33.83	9.17
April	34.69	9.07
May	34.09	8.87
June	31.77	8.06
July	30.81	8.18
August	31.52	8.96
September	33.89	9.72
October	35.55	10.37
November	40.91	12.34
December	46.86	13.31

"It follows from the above table that the purchasing power of the drachma has gradually diminished in the course of the last year. The diminution went on in the current year with great fluctuations. Though the amount of the circulation, as I previously said, relatively considered, cannot be considered as excessive, and though its cover is important, yet the impossibility of utilising the cover deposited with the Treasuries of England, United States, and France renders difficult, especially under the present exceptional circumstances, the control of the rates of exchange and the prevention of fluctuations, which are due chiefly to speculative causes. The psychological factor plays a most important *rôle* in the question of exchanges under circumstances like those we are facing. If the cover of the circulation, instead of consisting of credits, was available in ready cash, as it is stipulated in the Law IXMB, it would be possible to keep the rate of the drachma within limits corresponding to the intrinsic value of the cover and the present state of our economic balance sheet, both of which exercise a most important influence on the whole economic organism of the country. Our efforts will tend to render liquid, as far as possible, the cover of the notes and, in agreement with the Government, to restrict the fluctuations of the exchanges, which are highly detrimental to the interests of the public.

Food Ministry.

"The Bank continued during the past year to give its services for the provision of foodstuffs for the needs of the country. The funds employed in this line on December 21, 1920, amounted to Drs.182,978,276.61, including a sum of Drs.25,285,812.34 due to the Bank by the Supreme Direction of Transports.

Loan to the Kingdom of Serbs, Croates, and Slovenes.

"On May 1920, on the recommendation of the Government, we have entered into an agreement with the Government of the Kingdom of Serbs, Croates, and Slovenes, by virtue of which we have granted them a loan of Drs.15,000,000, at 6 per cent. interest.

"This advance may be utilised by partial payments per annum, not exceeding Drs.2,000,000 monthly, within a maximum period of two years from signing the contract.

"The amount advanced against that credit up to the end of December 1920 was Drs.4,950,000.

Increasing Business.

"On December 31, 1920, the following lines show an increase of business as compared with the corresponding date of the previous year:

	Drachmas.		Drachmas.
Discounts increased by	58,485,563.51	to	72,150,565.50
Agrarian loans increased by	32,935,473.71	,,	63,537,109.97
Advances on securities increased by	31,834,724.08	,,	59,595,318.15
Advances on goods increased by	56,173,478.32	,,	176,500,796.64
Total increase	179,427,979.4		

Public Finances.

"The great increase of deposits during the last year is of special importance:—

Deposits	241,811,[illegible]	to	455,[illegible]
Savings Bank [illegible]	3,[illegible]	,,	15,[illegible]
Deposits [illegible]	247,[illegible]	,,	565,[illegible]

"The total increase in these three classes of deposits of Drs.461,491,054.55 in all should be attributed to a large extent to remittances for America representing savings of Greeks in that country. In fact, the remittances during 1920 of Greeks settled in the United States effected through this Bank reached the sum of about Drs.840,000,000.

"In the course of the last 9½ years deposits of the above three classes have increased from Drs.185,904,000 in 1911 to Drs.1,191,258,000 in 1920—Drs.1,005,354,000, total increase during the last decade.

Participation of New Companies.

"During the past year we have lent our support to the development of credit by participating in the capital of the following companies:

(1) New Cassandra Mining Company, by 1,000,000f.

(2) First Building Company of Saloniki by Drs.200,000.

(3) Greek General Building Company by Drs.1,000,000.

"On the recommendation of the Government, we have also participated:—

(1) By Drs.200,000 in the Greek-Italian Syndicate, whose chief purpose is the planning and possible construction of a joining railway line between Rome and Athens viâ Avlona.

(2) By 32 per cent. in the capital of Drs.500,000 of the Greek Syndicate for hydro-electric plans and installations in West Macedonia and Continental Greece.

New Branches.

"During 1920 we have opened branches of the Bank at Adrianople, Rodosto, and Soufli, and have decided to open branches at Kirki-Lissé, Gallipoli, and Magnesia. Our branches at Smyrna, Dédéagatch, Xanthi, and Gimuljina have been opened during the same year. We have not yet opened a branch at Cydonia, though decision to do so has been taken since 1919.

Satisfactory Results.

"The results of the past year have been very satisfactory. It has been possible to reinforce our special reserve fund by Drs.14,500,000, and to declare a dividend for the second half-year of Drs.240 by share. This dividend is the greatest one paid since our Bank was established. Our reserve funds are now more than double the share capital of the Bank."

The Governor then announced to the shareholders that during the past year the National Bank of Greece had lamented the death of its late Governor, Stephen Streit, who during a life devoted entirely to the Bank was able to render excellent services to it, having particularly succeeded, after many toils, to obtain for the Bank the exclusive privilege of the issue of banknotes in Greece.

At the same period died also the most amiable late co-Governor of the Bank, George Christaki Zographo, whose great gifts will never be forgotten by all those who had the happiness of co-working with him.

In concluding his report the Governor spoke as follows:—

"The items of the balance sheet which I have the honour to submit to you indicate the vitality of our country and the great confidence which our institution enjoys. We should not forget, not even for a moment, that we must be worthy of the people's reliance on us, and to furnish them with the services which we owe to them. Relying on the economic forces of greater Greece, on the exceptional qualities of our great people, let us face the future with absolute confidence and courage. Let us hope that the sacrifices in blood and money we are undergoing now will be the last ones, and that, thanks to them, the much-desired peace will soon be settled, in order that the Greek people might apply themselves undisturbed to the exploitation of the great wealth of the country. Both the State and the people must concentrate all their efforts to bring to a normal course our economic organism, which has been seriously disturbed by the War. Let us increase our efforts to heal, as soon as possible, the wounds of the War.

"Our generation is particularly happy to see approach the fulfilment of a large part of the ideals for which our race has fought for centuries. We all are highly responsible to God and the nation. Let us not spare any sacrifice to show ourselves worthy of our mission. Let us not forget for a moment that we shall have to carry out a great task on a new field, the economic, and that we must win the victory also there, predominating economically in the Near East. Bearing in mind that we shall only accomplish this by steady work, economy, internal concord, and mutual confidence, let us apply ourselves to our task with [illegible] faith."

The report was [illegible]

Alliance Assurance Company, Ltd.

Record New Life Business.

THE annual general court of this Company was held on May 25 at the head office in London, Mr. C. E. Barnett presiding.

The Chairman, in moving the adoption of the report and accounts, first dealt with the life and annuity accounts, and stated that the net new business of the past year exceeded £2,600,000, nearly £300,000 more than in the year 1919. (Hear, hear.) This was the largest volume of new life business which the directors had been able to report. A rapid extension in the new business of the life department could, however, only be achieved at the cost of a heavy increase in expenditure. The claims had been comparatively favourable, and this, it appeared, had been the general experience of life assurance offices. Apart from the depreciation in the investments, the general position in this account was quite satisfactory. The quinquennial valuation of one of the life funds (the Imperial) fell to be made on January 31, 1921. The shareholders' proportion of the divisible surplus (£10,000) would be brought into the Alliance profit and loss account for this year. The combined life accounts produced a premium income, after deduction of premiums paid for reassurances, of £1,168,513, and the life and annuity funds at the end of the year amounted to £18,177,743, being an increase of £199,710 on the figures of the preceding year.

Fire and Marine Accounts.

The premium income in the fire account showed an increase of all but £250,000. This was not due to any exceptional extension of operations, but to the gradual growth of the business through the Company's ordinary agencies. The claims experience had been satisfactory, but they had again to face a considerable increase in expenses. There had been a considerable number of claims in respect of fires in Ireland, for which the ultimate responsibility had yet to be determined, but ample provision had been made in the accounts to meet all such claims. The sum of £348,170 had been transferred to profit and loss account, and the fire fund at the end of the year stood at £2,278,445.

The marine account showed the year's trading on a cash basis. Separate underwriting accounts were kept for each year's premiums, and the claims, whenever they occurred, were debited to the current year's underwriting account. They had now closed the underwriting account for 1918 by setting aside £100,000 to meet the further liability in respect of that year, leaving a profit of £375,000. Of this amount £250,000 was transferred in 1919 to profit and loss account, leaving £125,000, which, together with the interest, had been transferred to profit and loss account for 1920. They would not be dealing with the underwriting account for 1919 until the end of 1921, and, while the directors anticipated a moderate profit, they felt that they could not expect to reap in the future anything approaching the exceptional profits of 1917 and 1918. They must anticipate some lean years for marine business.

Progress of the Accident Business.

The accident business had progressed in a healthy manner, and the figures for the past year showed a satisfactory growth in premiums and profit. The results in the employers' liability section had been favourable. This was due to the prosperous condition of trade during the latter part of 1919 and the early part of 1920, which was reflected in substantial excess premiums falling to be paid at renewal in 1920. He was not sanguine that present conditions and the outlook for the immediate future augured well for a continuance of such a favourable outcome of this section of the business, but the offices would, he was sure, be ready to bear their part in tiding the country over its difficulties, and might be relied on to assist the trading community by providing security and service in connection with workmen's compensation on fair and equitable terms. Burglary business had continued to present more numerous and heavier losses than formerly, and, although there were signs that in the Metropolitan district burglars and housebreakers were being held more in check, the experience in the provinces had got rather worse. One result was that burglary policies were being taken out in parts of the country where such protection was not deemed necessary a year or two ago, and in the long run this spreading of risks would prove beneficial to the business [illegible].

Motor-car business had increased in volume, but accidents had been numerous, and the cost of repairs had continued to rise. It had been necessary for the offices to adjust the rates of premium, and they had every reason to look for more satisfactory results in the future. There had been a considerable increase of business in the trustee department.

The securities in the shareholders' accounts, valued at December 31 last, showed a considerable depreciation, and it was necessary to write off £94,316. In addition, a sum of £250,000 had been carried to an investment reserve account. Since December 31 prices had risen considerably, with the result that the value of the securities in the shareholders' accounts was now some £160,000 more than at the close of the year.

The report was unanimously adopted, and a dividend of [illegible] free of income tax was declared.

British Equitable Assurance Company, Limited.

Considerable Mortality Profit.

THE sixty-sixth annual general meeting of this Company was held at the Cannon Street Hotel, London, E.C., on May 26, Mr. Alfred Condor, F.R.I.B.A. (Chairman of the board of directors), presiding.

The Chairman said: Before moving its adoption, I propose to offer a few remarks upon some of the chief points.

The first to be mentioned is the life department. The new business there shows an increase of £27,000 over that of the year before, notwithstanding that depression in the business of the country generally was beginning to appear during the closing months of the year. When we remember how largely the new life business of two previous years had leaped ahead, the continued advance is a very satisfactory feature of the year. We congratulate our Agency Manager, Mr. Wallace, upon this result.

The number of life policies issued is a greater increase relatively than the sums assured, so that the average new policy is slightly smaller than in the year before. Therefore, as the business comes from a larger number of people, the individual risk is lower.

Continued Progress of New Life Business.

I am pleased to say that since our last year closed we have so far transacted practically the same amount of new life business as in the corresponding period of 1920, in spite of the trade depression which now prevails. The result of the continued progress in the life department is that the premium income of the last two years has shown an annual improvement of £10,000. The favourable "claim" and "lapse" ratios have also contributed to this improvement, as there has been a smaller amount of lapsed business than usual.

Owing to the careful selection of lives in the past the Company has made a considerable mortality profit consequent on the favourable claim experience. The ratio of claims by death to that expected under the tables of mortality used in our valuation has been only slightly over seventy per cent. You may be interested to hear that our Actuary and Manager finds that for ages under sixty the ratio has been less than fifty per cent.

Now I come to the fire department, which has made a very material advance. That increase is more than fifty per cent. on the premium income of a year ago. Mr. Gledstone, who devotes his attention to this department, is to be congratulated upon the result of his efforts in that direction. Including all ascertained and outstanding claims, the loss-ratio on the fire business has been only 52.7 per cent.

Next in order we come to the accident and general department, also the employers' liability department. These also show a very considerable premium increase, accompanied by a claim-ratio which is extremely favourable. It is 28.9 per cent. for the former and 37.1 per cent. for the latter, which proves that the business obtained has been of a desirable nature.

Marine Department: Satisfactory Results.

We come next to the marine department. The past year was only the second one since the Company undertook marine business. The results have been satisfactory, for which our thanks are due to the underwriters. The business obtained has resulted in a very considerable annual premium income.

Now, in turn, I come to the subject of expenses, which should not be forgotten. I may say, as to this, that notwithstanding the increased cost of everything, the percentage of costs to income during the year remains at about the same figure as it was a year ago. I have confidence that if we can maintain the income of the several departments on the rising scale of the past few years, as we have every hope of doing, we may expect to see the expense ratio gradually moving downwards.

The average rate of interest earned upon the life funds, after deducting income tax, has been £3 16s. 6d. per cent. net. Income tax remains at six per cent. at present, and, in addition, there is another tax—namely, the corporation profits tax—for which we are now liable.

Mention should at this meeting be made of the ever-watchful and efficient supervision given by the Manager, Mr. Basil May, to all the Company's affairs. We congratulate him upon the great success of the year. We would also express appreciation of the loyal support which he has received from the heads of each department and the members of the staff generally. To the assistant managers and branch managers, as well as to the agents of the Company, our thanks are also due.

The articles of association, which were alluded to in the report for 1920, have been further considered by the directors. It is our opinion that they should be amended to bring them up to the present requirements of the Company with its enlarged powers and position. Revised articles of association have therefore been drawn up, which we propose shortly to submit to the shareholders for approval. Before doing so it has been necessary that they should be submitted to counsel and also to the Committee of the Stock Exchange. This has occupied much more time than was anticipated,

and consequently the subject cannot be brought forward at this meeting. But the intention is to call a special meeting before the end of the year for that purpose alone.

The resolution which I now have pleasure in moving is: "That the report and accounts now presented be and are hereby approved and adopted."

The Vice-Chairman, Mr. Arnold Pye-Smith, J.P., seconded the resolution, which was carried unanimously.

Consolidated Assurance Company, Limited.

Satisfactory Increase in the Fire Department.

PRESIDING at the annual general meeting of this Company, held on May 25, at 9 Fleet Street, E.C., Mr. E. A. Colquhoun, in moving the adoption of the report, said that in the fire and general revenue account, in which the fire business largely predominated, the net premiums at £1,338,050 compared with £703,948 in 1919. The increase was due to a considerable extent to the Company having entered the United States in the early part of the year, but he was glad to add that the business in other fields had shown marked development, notably through the extension of the Company's relations with leading British fire offices.

The claims paid, with full provision for those outstanding, amounted to £594,367, the ratio being 44.5 per cent., or nearly ten points lower than the previous year. The commission paid worked out at 51.1 per cent., which was nearly two points higher than in 1919. The surplus on the year's trading was £304,646, or 22.78 per cent. of the premium income, against £102,981, or 14.62 per cent., in 1919. The sum of £51,004 had been transferred to the profit and loss account, against £28,581 a year ago. In the marine revenue account the net premiums amounted to £697,990, against £619,950 in 1919.

The claims paid and outstanding absorbed £565,686, or eighty-one per cent. The trading surplus was £53,279, and £20,000 had been transferred to the profit and loss account, while the balance had been added to the marine fund, thus bringing it up to £487,969, or practically seventy per cent. of the premium income. In the life department, the new business for 1920 had shown a very considerable expansion, and had gone far to replace the lapsed business. This expansion was further evident in the current year. The life assurance fund now amounted to £171,264. The balance of the profit and loss account was £106,202, out of which the directors proposed to pay a final dividend of twelve per cent., making twenty per cent. for the year, and a bonus of five per cent. for the year.

The report and accounts were unanimously adopted.

London and Edinburgh Re-Insurance Company, Limited.

THE second ordinary general meeting of this Company was held at Cannon Street Hotel on May 25, Mr. William Orr Workman presiding.

The Secretary, Mr. W. A. Curtis, F.I.A., having read the notice convening the meeting,

The Chairman said: Before moving the adoption of the directors' report and accounts, I would like to give a few explanations about them. As you will remember, this Company was registered on November 25, 1919, but owing to the necessity of changing its name there was some delay in getting started to business, with the result that the proportion of expenses to premium income has been considerably higher than would otherwise have been the case.

In the fire department we have been unfortunate in two special instances. A considerable proportion of the amount of the claims paid and outstanding is accounted for by losses on the London Hop Exchange fire, and the Liverpool and Manchester warehouses destroyed by incendiaries. It is, however, some small satisfaction to know that but for the conservative policy of our board in limiting the amount of risk in any one case to a comparatively small sum the loss might have been much greater. We have opened accounts with practically all the tariff offices, and the business is well spread throughout the civilised world. The policy of the board is to build up the premium income on small limits, and, although it may be a slow method, your directors are convinced that it is the safer one. The accident department has shown good results, and does not call for any special comment. The past year has been a most unfavourable one for marine insurers. Claims for theft and pilferage have been appalling. Taking the figures quoted in the *Commerce Journal* for December 10, 1920, in *Lloyd's* Bureau alone the claims passed for theft and pilferage for the period from September 27, 1919, to November 6, 1920, amounted to the astounding figure of £973,150, equal to £9 7s. per ton. This can only result from the complete breakdown of the sense of right and wrong on the part of a large number of those who have access to the docks. Efforts are being made by merchants, shipowners, and the Government to remedy this evil, and there appears to be a falling off in the number of claims under this head. Other claims have also been unduly heavy, partly owing to the bad condition of a number of vessels where overhauls and repairs have been delayed, and partly owing to the very high cost of repairs. Although the future is not so bright as one could wish, nevertheless with a careful policy of selection your directors hope to make this a very remunerative section of your business.

Your directors regret that they cannot recommend any transfer from any of the departments to the profit and loss account, as they consider that the whole balances of the [illegible] increased premium income, and correspondingly reduced ratio of expenses, and your directors hope that the results at the end of this year will justify considerable sums being carried to the credit of profit and loss account.

The directors regret that two of their number, Mr. C. H. Waller and Major P. D. Thomas have had to sever their connection with the board as they could not find the time necessary to attend to the affairs of the Company, but the directors do not propose meantime to fill their vacancies.

Lieut.-Colonel Douglas Maclagan seconded the resolution, which was unanimously adopted.

Western Alliance Reinsurance Company, Limited.

THE first annual general meeting of this Company was held on May 26 at the Institute of Chartered Accountants, Moorgate Place, E.C., Mr. E. A. Colquhoun (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the net premiums in the fire and general account amounted to the substantial figure of £386,851. The claims paid and outstanding had absorbed £93,712, the ratio being 24.23 per cent. The commission paid represented 32.28 per cent. Management expenses, on the other hand, worked out at 2.39 per cent., which was certainly low at this stage of the Company's operations. The surplus on the year's trading was £158,962. In the marine revenue account the net premiums amounted to £150,467, and might easily have exceeded this figure but for the fact that the utmost caution had been exercised in this department. The claims paid, with full provision for those outstanding, had not required more than £32,147, representing the low ratio of 21.36 per cent. The commissions paid worked out at 10.77 per cent., and the management expenses at 4.19 per cent. The surplus on trading was £95,808, constituting a marine fund equal to 63.67 per cent. of the premium income. Combining the figures of the two departments, a total net premium income of £537,318 was arrived at, and a total trading surplus of £254,790, which was carried forward intact in the respective accounts. These figures showed that the Western Alliance had obtained a gratifying amount of support from the leading insurance companies.

This recognition was due in a great measure to their association with the Consolidated Assurance Co., Ltd. As to the item in the balance sheet, "Loans fully secured, £77,500," these had since been repaid. Interest and dividends received amounted to £15,742. The total balance to the credit of the profit and loss account, £23,582, was carried to the balance sheet. Taking into consideration that no part of the trading surplus in either the fire and general account or the marine revenue account was carried to the profit and loss account, that all preliminary and organisation expenses had been written off, and that no depreciation had occurred in the investments, the directors carefully considered the policy of paying a dividend out of the interest earned upon the funds subscribed, and consulted some of the larger shareholders on the question. The directors accordingly proposed to pay a dividend of five per cent., less tax, absorbing £10,500.

Lord Ampthill seconded the motion, which was carried unanimously.

A. B. C. Coupler, Limited.

Strong Financial Position.

THE sixteenth ordinary general meeting of the A. B. C. Coupler, Ltd., was held at the registered offices of the Company, 11 Angel Court, E.C., on May 24, Mr. Smelter J. Young, M.Inst.C.E. (Chairman of the Company), presided.

The Chairman said: The amount of work which has been involved during the last year in clearing up the outstanding [illegible] you do not wish me to go into details about it, you will take it from me that your managing director and the staff have worked exceedingly hard, and have been successful in [illegible]

[illegible] sheet, and I think you will agree that it justifies our having asked you for the further capital which you subscribed. It represents financially a very strong position, which is a great thing to be able to say in these days of financial stringency and [illegible] necessitating a sinking fund being set aside out of profits. [illegible]

plant beyond what we could reasonably hope to keep employed, and which would have necessitated so much larger capital expenditure than we have laid out, the position to-day would have been a very different one. The works are thoroughly well equipped, and the plant is kept in the most efficient state, and we are in a position to-day to take quite large contracts for our ordinary railway work without asking you for further financial assistance. We have a good name for all our products, and, with the competent staff we have, we think there is little doubt that, if there is any trade to be got in this country for such work as we do, we shall be able to secure a good share of it, and give a good account to you, and show good results in the management of the Company. As regards dividends, in the difficult times we are going through, when no one can foresee even the near industrial future, it is wise to be as cautious as possible and to retain ample cash reserves. Your directors, however, are pleased to be able to recommend you to sanction a dividend at the rate of seven and a-half per cent. per annum on the Ordinary shares, and I have very little doubt that you will consider this a good return on your capital for the first year, especially in view of the prevailing conconditions.

The Right Hon. Lord Queenborough seconded the resolution, which was carried unanimously.

Anglo-Chilian Nitrate and Railway Company, Limited.

The Future of the Nitrate Industry.

THE thirty-third ordinary general meeting of this Company was held on May 24 at Winchester House, Old Broad Street, E.C., Mr. Alfred Naylor (Chairman of the Company) presiding.

The Chairman said: During the past year the oficinas "Coya" and "Santa Isabel" worked practically all through the year, and they are still producing, but at a very reduced rate, in view of the undesirability of increasing the present large stock of nitrate on the coast. Oficina "Peregrina" was closed last May, and has not been re-started since then. This was done because our quota of the sales made by the Asociacion was not sufficient to warrant continuing to produce there also. San Andres Nitrate Grounds—This was an outlying property not large enough to erect a maquina upon at present prices of machinery, but contiguous to the oficina "Santa Fé," whose owners, the Tarapaca and Tocopilla Nitrate Company, Limited, made us an offer for it at the satisfactory price of £200,000, as reported to you in our circular of December 16 last, before the present stagnation in the nitrate market set in. Of this sum we have already received £70,000, and a further amount of £50,000 is due on June 30 next. The final payment was originally agreed to be made on December 31 this year, but, owing to the present abnormal conditions, we have agreed to extend this period for a year, we meanwhile retaining possession of the property.

Association of Nitrate Producers.

During the year the German producers agreed to join the Asociacion, which now embraces ninety-seven and a-half per cent. of the producers, only the American-owned oficinas, which are debarered by the Sherman Law from joining, remaining outside. The Asociacion has consequently been definitely prolonged until January 1924. Labour has during the past year been a source of trouble and anxiety. Demands for higher wages have been frequent and strikes are indulged in on a bare pretext.

Turning now to the profit and loss account, you will see that our trading profits reach the very satisfactory figure of £567,748 15*s.* 7*d.*, against only £157,968 in the previous year. Interest on investments is much less, owing to the sale of our War Loan and some of our other investments in the early part of the year. Interest and discount, however, is considerably more, as the new moneys coming in were invested in Treasury bills. On the other side we have an increase of £500 in administration expenses, due entirely to higher salaries.

In our balance sheet, property account has been reduced by the sinking fund of the bonds and the sale price of the San Andres grounds to £969,880. The working stocks are £41,000 less than in the previous year, due to smaller stocks of petroleum, pulperia, &c. The trading stocks are not very different from their usual figures.

Depreciation and general reserve, which we have had to neglect during the last three years, now stands at £400,000, by the addition of £150,000 out of this year's profits. The fire insurance account has been increased by the usual £2,000. Renewals.—All machinery is now so expensive that we have deemed it prudent to add £25,000 to this account.

Position of the Industry.

The immediate future of the industry is indeed causing as great concern. You are probably aware that last year the Nitrate Association made large sales for delivery up to about the present time at very remunerative prices—too high, in fact, in the opinion of many. Unfortunately, the agricultural season, now nearly over, has been most disappointing, partly from the high prices, but more from the absence of buying power in Europe and the competition from synthetic nitrogen in various forms. Hence a large proportion of the stocks will have to be carried over to next season, and until these are absorbed it appears improbable that fresh sales of any appreciable quantity can be made. Various schemes are being studied to bring relief to the market, but so far none have materialised, and until some daylight can be seen it will be necessary to proceed with great caution.

You no doubt wish me to say something about the prospects of the Company for the current year. This, owing to the present deadlock, is more difficult than usual, and much depends on when a resumption of sales and shipments begins. As I have already mentioned, sales at high prices for delivery in the first four months of this year were made last year, and we shall reap the benefit of these sales in the present year's accounts. I now beg to move: "That the report of the directors and the statement of accounts for the year ended December 31, 1920, presented to this meeting, be and they are hereby received and adopted."

Mr. George Nicholson seconded the motion, which was carried unanimously.

An extraordinary general meeting of the Company was then held for the purpose of considering resolutions providing for the subdivision of each of the £5 shares into five shares of £1 each, and for permitting of the payment to the directors of travelling and other reasonable expenses of and incident to attending and returning from board, committee, and general meetings.

Mr. George Nicholson seconded the motion, which was carried unanimously.

Consolidated Mines Selection Company, Limited.

Labour's Threat to Industry.

THE twenty-fifth ordinary general meeting of this Company was held on May 24 at Winchester House, Mr. Walter McDermott, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said that on the year's business a profit was shown of £124,921, *plus* the carry-over from last year, which brought up the total available profit on the balance sheet to £130,842. The question of the disposal of this profit had given the directors a good deal of thought before it was decided to recommend the payment of a dividend. The depreciation in market value of the Company's holdings had prevented the realisation of some of their assets towards the end of the fiscal year, which in normal periods they counted on for strengthening the cash position. Against such depreciation there was the reserve of £215,000. In all the circumstances the directors would have preferred to follow the ultra-conservative policy of paying no dividend, and of taking from profits rather than from reserve the sum of £47,316, which it was proposed to apply in writing down sundry investments to market quotations. It was felt, however, that the shareholders would not be satisfied to forgo a dividend in these times when the accounts justified the payment of one

The General Position.

Reviewing the general position of the Company, shareholders could take it that the Company was mainly dependent on the development of the East Rand for its success or failure. Looking back over their history it was seen that, including the present proposed payment, there had been fifteen years of dividends, which had aggregated £1,223,114, and nine years without returns to the shareholders. It was a history which illustrated the vicissitudes of mining, and which proved the importance for all Governments that mining should be encouraged and that no restrictions should be placed on the occasional earning of large profits, which were the prizes tempting capital to incur the serious risks of great losses.

Continuing, he said:—The increased cost of operating the mines is now a vital question threatening the whole industry. Taking Brakpan as an illustration, the working costs per ton of ore mined and crushed, which in 1915 were 18*s.* per ton, have risen year by year to the excessive figure of 29*s.* 5*d.* in 1920. This means that great quantities of lower-grade ore must be left untouched; and that if the premium on gold runs off the profit on mining would disappear.

An Element of Primary Importance.

In considering the future of our African mining interests, there is one element of primary importance, and that is the policy of the leaders of Labour. This is not merely an African question; it is a British question affecting every industry, and this is my reason for now putting before you some plain general facts which need facing with greater frankness than has prevailed for six years past. Those who have appropriated the title of "Labour" consist of three classes, which have been well defined as White, Yellow, and Red. The White class includes the majority of reasonable working men who are of the same average character as the men of all other classes, but who are generally voiceless in their unions and in public, owing to the control exercised over them through the machinery of the politically run unions. This White labour will in general follow their

leaders until these meet a reverse in their so far uninterrupted successes of six years past; either through the operation of economic laws producing suffering; or through the long overdue resistance of the majority of the nation to the continued domination of a privileged class.

The Control of Trades Unions.

The "Yellow" Labourites are the Socialists and politicians who run the Parliamentary Labour Party, and the Independent Labour Party, who, jointly with the Reds, control the machinery of many politically corrupted trade unions. They are remarkably well organised; control large funds; carry on a vast propaganda effort; manipulate many of the newspapers; are working openly for internationalism in place of patriotism, and for destruction of existing capitalistic industries as a preparation for a new world which they think they can design. During the War, with some honourable exceptions, these people were at best Pacifists, and in a number of cases traitors; some served periods in prisons for too obvious a sympathy with our enemies; and since the Armistice they have worked to create discontent and unemployment as a definite move in their policy. They staunchly admired Bolshevism for three years; but lately the majority have repudiated Moscow methods, because the ghastly destruction and terrorism in Russia could no longer be concealed; and they have transferred their allegiance to the Yellow Internationals; while a minority, with the Red Labourites, are still loyal to the Moscow Internationale.

The Press and Labour.

The public have been badly served by many of the newspapers, through the confusion of mind which has been created about every labour question. In every strike some papers cry for peace on any terms with the Yellow Socialists, because White labour lived a hard life fifty years ago. The employer class have been also to blame, not for the vices generally attributed to them, but for their meekness and silence, and lack of unity. If capitalists were half as smart, and one quarter as unscrupulous, as Yellow Labourites, they would inform the newspaper directors, who are allowing themselves to be used in the policy of destruction of industry, that the times are favourable for a sweeping economy in advertisements. It is futile for Press and public to attempt to judge of the rights and wrongs of each individual strike; for they are all mere moves in a settled succession, and the mass of figures and mis-statements put about are red herrings across the course. I will take the experience of our Company to show the success of the attacks on this country's industries, and which are indicated by the loss of over 70 millions of days' work since the Armistice through unnecessary strikes. In the War our shareholders bought out all the enemy holdings; and I feel safe in saying that all our members would strongly desire to see orders for our mines executed by the White labour of Britain. Yet, from our group, in the last year, over £38,000 worth of machinery has been ordered in Germany, because Yellow and Red labour in England made it impossible to get either a fixed price or a limit in time named by manufacturers here, although promised a considerable preference in price. In Germany and Belgium long hours and honest work are being given, and the ravages of war will in that way be made good. In Britain, short hours and dishonest output have been firmly established. It is a wonder that there are such great numbers of White labour left, for the poisonous doctrine of unlimited rights, without any corresponding duties, has been preached at them for years; and plain truths as to their shortcomings are no longer uttered. We have an extremely small interest, indirectly, in certain mining work in Idaho, U.S. On January 1 the miners accepted a reduction of $1 per day and unskilled mine workers $1.25 per day; and since the reduction they have given a better day's work than before. They recognised the supremacy of economic laws. At home we have the Yellow and Red Labourites informing the nation that a standard of pay, or of living, once secured by any means for a single privileged class must never be reduced, however the other classes may suffer from economic laws.

South African Labour Position.

To come back to African mining, what I have been leading up to is this: we have our white, yellow, and red labour there, and in addition the black, which last is not allowed to do the more skilled work of the whites, but has proved itself quite capable of doing much of it. In one mine, during a strike of white miners, the work was kept going very satisfactorily indeed for a month with native workers. White labour is particularly favoured in Africa. A fine climate, high pay, comfortable accommodation, reasonable living costs, and black assistants to do the hard work: yet the Yellows and the Reds have been promoting such increased demands, accompanied by reduced efficiency, that the future of gold mining is threatened in the way I have already mentioned when speaking of cost of operations. The activity of Yellow Labourites extended at one time to the stirring up of difficulties among the black labourers. There are some signs (including an increased efficiency and some active hostility to certain Reds) that White labour is recognising the narrow margin on which they have been presuming, under their leaders; but if this recognition does not bear more actual good fruit, it is considered by the mining groups that a closing down of the mines would be the lesser of two evils; and I may add that your directors have instructed their representatives that, if such choice of action comes up for consideration, they have full authority to vote for stoppage in preference to submission to the continued exactions of a small body of Labour leaders, who are guilty of constant breaches of agreements they enter into. Of course, we hope that no such necessity will arise, and everything possible will be done to avoid it; but these are times when plain speaking is particularly desirable for all who are interested in the industries of the Empire. The Union Government has recognised in its Budget the necessity for all classes to meet changed economic conditions by sacrifices and economies, accompanied by increased efficiency. In case you should be interested in hearing further details of the true inwardness of one kind of "labour" the world is afflicted with, you will be offered, on leaving this meeting, a copy of the Duke of Northumberland's address on the "Truth about the Coal Strike," and a leaflet on the same subject. Any shareholders not present to-day, but who may read the verbatim report of our meeting, can obtain copies by sending me a postcard. I kept a scrapbook throughout the War of important Labour movements, and of the actions of many Yellow and Red leaders who are very prominent in our troubles of to-day.

Our Managing Director, Mr. Wetzlar, is now in Johannesburg with Sir Ernest Oppenheimer; and they have important questions to settle as to the financial requirements of the several mines, which still have heavy outlays ahead for equipment and development. We have to acknowledge, and our thanks are due for, the good work done in South Africa by our directors, Consulting Engineer, and the managers and staffs of the different mines.

Mr. Louis Oppenheimer seconded the resolution.

Shelford Rubber Estate, Limited.

The Rubber Position.

THE fifteenth annual general meeting of shareholders was held in the registered office of the Company, 102 Hope Street, Glasgow, on Wednesday, May 25, 1921, at twelve o'clock noon, Sir John Ure Primrose, Bart., LL.D., presiding.

Mr. Macdonald, for the Secretaries, read the notice calling the meeting and the auditors' docquet.

The Chairman, in moving the adoption of the directors' report and accounts, said:

Gentlemen,—You have had the report and accounts before you for some time, and I presume we may, as usual, take these as read.

The condition of both Shelford and Sungei Bruas Estates remains very satisfactory, and every effort is being made to reduce expenditure to a minimum. This, however, is not an easy matter in view of the restrictions of output, with which it was felt that we had to agree.

During 1920 a considerable loss was incurred in the supplying of rice to coolies, but I understand that this is now at an end.

The profits for the year amounted to £4,986, and, had normal conditions prevailed, your directors would have recommended the payment of a dividend, especially looking to the fact that we have slightly over £12,000 at the credit of profit and loss account, which sum at the date of the balance sheet was more than represented by the sum lying at our credit on deposit receipt. Conditions just now, however, are very far from normal. The world is suffering from the aftermath of the boom which was experienced after the War. This boom was not warranted by actual conditions, and the consequence was that a vast amount of over-trading took place. Stocks accumulated to an extraordinary extent. When this was realised efforts to dispose of these stocks caused the present slump in values. Rubber happened to be one of the few commodities which did not have an extraordinary rise. Nevertheless, in times of peace the rubber industry, being dependent to a very large extent on the motor industry, has had to bear its full share of the general fall in prices. It must be remembered that America consumes normally about two-thirds of the world's output. When trade began to fall away, not only did America fail to take what was expected of her, but she appeared on the London market as a seller, the consequence of which is that stocks in London to-day stand at over 69,000 tons.

While I am absolutely confident as to the future of the industry, I do not believe that there is likely to be any immediate rise in values so long as conditions remain as they are. We have to hope for the revival of trade in America and to the more normal conditions of business in this country and the Continent.

While I regret that we cannot recommend the payment of a dividend, I think you will agree that the course we propose to adopt is prudent.

I now beg to move that the report and accounts be adopted.

The adoption of the report and accounts was seconded by Mr. Dougal, and unanimously agreed to.

Sir John Ure Primrose, Bart., LL.D., and Mr. Wm. W. MacLellan were unanimously re-elected directors.

The auditors, Messrs. Gibson and Anderson, C.A., were also unanimously re-appointed.

Commercial Union Assurance Company, Ltd.

Continued Progress.

Mr. E. Roger Owen, presiding at the annual general meeting held at the offices, in Cornhill, London, E.C., on May 24, said that the Company was established sixty years ago, and they might fairly claim that no similar company in the world's history had made such progress as they had made during so comparatively short a period of time. They had an annual income for the Commercial Union and its associated offices of over £16,750,000, in addition to over £1,000,000 from the various closed life funds which they had to administer. Moreover, these were net figures, after allowing for reinsurances effected and for taxes deducted at their source. The reinsurance premiums for the fire, marine, and accident departments amounted approximately to £6,500,000. The record for the past year had been good, but not so good, comparatively, as that of the preceding two or three years, which were abnormally favourable years for insurance business. They could not expect that experience to continue, due as it was to exceptional circumstances connected with the War, and the second half of 1920 gave them some indication of what they had to pass through before the state of trade and commerce resumed its normal condition.

In the fire department the premium income showed an increase of £675,000, being about 6¾ per cent. over that of 1919. The fall in values of all merchandise and commodities undoubtedly affected this branch of the business unfavourably during the second half of the year. The loss ratio at the end of June looked very promising, but at the end of December it was 49.9 per cent., as compared with 42.8 per cent. in 1919. The increase in losses during the second half of the year served as a further warning of what they were to expect for some time to come. The fire department showed a surplus of £759,277, and a net profit of £489,136, after providing the usual reserves for increased liability.

Marine and Accident Departments.

In the marine department they had had a very good year, considering all the difficulties with which they had had to contend. The premium income showed an increase of £131,925 over that of 1919, and the year's account a surplus of over £243,000. Owing to the great falling off in trade and depression in shipping the premiums this year would show a very large reduction, whereas the claims continued to occur without any diminution, and must so continue for some time; consequently they must look forward to an unfavourable result on the present year's showing in this department.

In the accident department there was nothing exceptional to report unless it was its continued prosperity, which was in itself exceptional. For the first time the premiums of this department, which showed an increase over those of 1919 of £1,554,863, had passed those of the fire department, and seeing the number and variety of the classes of business embraced under this heading, there was every reason to suppose that the department would be able to maintain and probably to increase that lead. In this department there was a surplus of £1,118,911, of which the sum of £668,911, or about forty-three per cent. of the increase in premiums, had been added to the departmental fund to meet the increased liabilities.

In the life department the new business placed on the books amounted to £4,525,000 gross and £4,227,000 net. Both figures were in excess of any previously reported. The directors were justified in hoping that before the next quinquennial valuation at the end of 1922 there might be some improvement in the value of British Government and other high-class securities, in which case they might expect a fairly reasonable surplus.

In further remarks the Chairman called attention to the heavy taxation to which insurance companies were subjected, and to the extreme necessity for economy in the administration of the nation's affairs if the benefit of the taxes on the foreign business of insurance, which he showed to be very heavy, were not to be lost to the country by the companies registering abroad for such business.

The report and accounts were unanimously adopted.

City and West End Properties, Ltd.

The annual general meeting of this Company was held at the Cannon Street Hotel, E.C., on May 26, Mr. A. Creer (the Chairman) presiding.

The Chairman said that the first item on the assets side of the balance sheet—leasehold properties—showed a further reduction of £5,785, equivalent to the Debenture stock that had been cancelled during the past year. The total of cancelled Debentures since the scheme for this purpose was approved in 1919, amounted to £146,350. The reserve fund, taking the investments at cost, with the proposed allocation of £6,359, was raised to £81,183, and the redemption fund for the Preference share capital now amounted to £2,470. The item "other investments," £40,346, with the reserve and redemption funds, amounted to £117,642.

Revenue Account.

The revenue account showed gross rentals of £192,361, after providing for bad and doubtful debts, an increase of £8,914. Outgoings had increased. Rates, taxes, insurance, and housekeeping £115,251, were £14,440 higher, while cost of upkeep of properties, painting, and decorating for tenancies amounted to £22,319, an increase of £1,327. For the past two years this item had been abnormal owing to the advance in prices of labour and material; it had now probably reached high-water mark. The result was a balance profit of £49,242, which, together with interest and dividends and transfer fees, made a total of £53,779. Against this they must set interest on Debenture stock paid and accrued, £17,608, and the amount placed to Preference share capital redemption fund £1,200. The provision for Corporation profits tax was for a period of twelve months, and was approximate to 1s. per share, or nearly twenty-five per cent. on the dividend to be paid. The reserve for loss in connection with the rating of their property built on land reclaimed from the river Thames, £1,200, was only an instalment. The Company were now well established in their undertaking, with good financial reserves, improved properties, well started on the arrangement for the purchase and cancellation of Debenture stock, and in every respect better prepared to withstand a period of bad times should it come. In conclusion, he moved the adoption of the report and accounts.

Sacredness of Contracts.

Mr. J. H. Podmore (managing director), in seconding the resolution, said: The reserve fund to provide for the losses under the Corporation of London (Rating of Reclaimed Lands) Bill shows that the Bill passed the House of Commons, and that I was wrong in thinking it would not pass. The Corporation, a body which, above all others in the City, I expected to see upholding the sacredness of contracts, first tries in the Courts of Law to set aside an agreement, and, failing, it then promotes a Bill and obtains an Act of Parliament authorising it to do what the law would not sanction. The transaction seemed inconceivable. When in 1910 the attempt was made to set aside the exemption, the owners of the land united, under an agreement, to provide costs. A committee was formed and the vote of a majority was to bind all. When the Corporation brought in the new Bill, owners came together again on similar terms. As the result of the House of Lords passing the Bill, our counsel advised an attempt to compromise. The Corporation would only agree to defer the date to 1926, and this was proposed as a settlement. I did not receive any support when objecting. The proposal was accepted and counsel instructed to settle. I had been busy working up opposition for the House of Commons, and had secured many supporters, but it was generally thought "that no argument based on abstract justice or custom of law could prevail against a concrete compromise entered into by those concerned," and the only thing left was to try for compensation, or to promote a Bill between now and 1926 to amend that of 1926.

Our position is that we purchased property on a legal contract. We had paid cash and agreed to pay rent for certain rights which this new Act of Parliament had taken from us. It has left the vendors with the purchase money, and the freeholders entitled to the rents for that which has ceased to exist. The benefits we purchased are confiscated without compensation, because we had enjoyed them "long enough," and because they were more beneficial than the vendors expected at the time of contract. These were the reasons given, but it is doubtful if the members of the Corporation would endorse them. They might quote the "compromise" as an excuse, but against that I say—the Bill had already passed the House of Lords, and the revolutionary claims expressed in the name of the Corporation had placed the weak-hearted in the position of a drowning man. Had a compromise been agreed before the Bill had passed the House of Lords it would be different, but after the principle of confiscation without compensation had passed the Lords it is no evidence of a just settlement.

The Next Step.

That is how the Bill came to pass, and it seems to me the next step is to find out exactly what the members of the Corporation really think about it. (1) Is it right that we should have our property confiscated without compensation? (2) Is it right for the Corporation to continue to demand the rent—whatever the figure may be—for property which the Corporation has, by special Act of Parliament, taken from us? Thinking it impossible, I wrote to the Town Clerk asking if the Corporation would extend our lease for twenty-five years on the existing rent, giving us without any actual outlay to the Corporation something we could call a "consideration," but the reply came, "not prepared to take any action."

It does not sound hopeful, but I do not accept that reply as the decision of the Corporation. The Bill was not liked, and I do not believe the method of taking no action would be approved by the members.

Sir Frederick Banbury, M.P. for the City, "refused to allow his name to be put on the back of the Bill," is a statement made to me. A member of the Estates Committee told me he had not heard of my application or of the

decision to do nothing. I think I have given the points as clearly as a brief statement allows. (I am preparing a more detailed statement of the whole position.) I am only expressing the views of others when I say I find it impossible to imagine the Corporation declaring an intention to bind us by the lease contract, when, after securing the leases for ninety years, it has found it desirable to get a special Act of Parliament to take from us what we purchased from them in faith—taken from us, not as a national requirement, but to benefit other city ratepayers. The right to confiscate our property without compensation was claimed by the Corporation representatives in this way: "I venture to suggest that it is right and fair that those who have enjoyed what has turned out to be a very large exemption, such as never could have been contemplated, for so long a period have now enjoyed it long enough." . . "but Parliament did it, and, having done it, Parliament ought to be tied to it for ever." "But why?" Surely that is not what Parliament does—"it is making changes every day and bringing matters up to date." Then, to the claim that the present position of rates did not justify the Bill, the answer was: "If Parliament, when they gave this exemption, had in mind that the annual value was to become like this I agree—otherwise, No."

This expresses the claim clearly. A Parliamentary bargain is only to be binding if the results do not benefit the acceptor more than Parliament anticipated at the time, and if the bargain is more beneficial to the acceptor than was anticipated it is just and fair to confiscate all the benefits arising from the bargain, but to leave any liabilities to run according to existing contracts and to make no return for actual payments made in faith of a contract, however recent the transaction.

A Matter of Public Justice.

Perhaps I might call your attention to the fact that, although we have made a reserve of only £1,200, that is only the beginning of what will be necessary if we have to provide the whole amount required to make good the loss. We have five years in which to make good the loss.

The resolution was carried unanimously.

A vote of thanks to the Chairman, directors, and staff concluded the proceedings.

Fine Cotton Spinners' and Doublers' Association, Ltd.

Cotton Industry's Collapse.

THE twenty-fourth ordinary general meeting of the shareholders of the Fine Cotton Spinners' and Doublers' Association, Limited, was held on May 27 at the Memorial Hall, Albert Square, Manchester. Mr. John W. McConnel, the Chairman, presided, and there were on the platform Mr. W. Eckersley and Col. R. W. D. Phillips Brocklehurst, Vice-Chairmen; Messrs. W. Lee, Managing Director; Vernon Bellhouse and William Howarth, of the Executive Board; Messrs. W. Adam, R. W. Bennett, A. W. Bramall, Archibald E. Dixon, Capt. H. M. Harwood, John I. Higson, H. Ross Marsden, Ernest Mather, E. Lomas, Oliver Edwin, Oliver James Taylor, John A. Wanklyn, Phillip B. Whitehead, directors; and Claude H. Blair, Secretary.

The Chairman: I will ask the Secretary to read the notice convening the meeting.

Mr. Claude H. Blair, the Secretary, read the notice convening the meeting.

The Chairman: I will now ask the Secretary to read the apologies for non-attendance.

The Secretary: I have two apologies; the first is from Mr. Peter Eckersley, who has been seriously ill, but who, I am glad to say, is slowly recovering. He will not be able to be at business for some time, and it is quite impossible for him to be here to-day. I have also a letter from Mr. P. B. Whitehead, who has also had a rather serious illness. He is at present in bed and unable to be here.

The Chairman: The next business is to ask the auditor to read his report and certificate.

The auditor's report was read.

The Chairman: Ladies and Gentlemen,—I presume it will be your pleasure to follow the ordinary practice, and to take the directors' report and accounts as read.

The meeting agreed to the adoption of this course.

The Chairman: I propose, ladies and gentlemen, on this occasion, partly because it is my first appearance in the chair, and partly because there are such a large number of points which it has been thought advisable I should touch upon, and I found it was easier to do it by preparing a written statement than to address you on the inspiration of the moment. I propose, therefore, to read to you what would take the form of the Chairman's address. The Chairman then gave his address, which was as follows:—

The Chairman's Speech.

The Chairman said: Gentlemen, My first duty to-day is a sad one. Since we last met we have lost four of our colleagues. Now that our Association has been in existence for over twenty years it is inevitable that the changes in our board should be more marked than they were at first. But to lose four of our members in one year is a heavy blow. Mr. John R. Oliver and Mr. Louis Rivett were directors from the beginning of our Association. Mr. Rivett was for many years a valued member of the Executive Board. Col. Herbert E. Musgrave joined the board in its second year of life. All these three gentlemen did good service to the Association, and their deaths are deeply regretted by all their colleagues.

Of our loss in the death of Sir Herbert Dixon I can hardly find the words for appropriate speech. He was, both as to the original idea and also as to the original organisation of this great Association, essentially the founder. You will remember that of these combines of manufacturing firms the Fine Spinners' Association was almost the first, and I think it may be said that it has been one of the most successful. Sir Herbert Dixon from the first was Chairman of the Executive Board and in practice the Managing Director. Its methods of work were designed and elaborated by him, and in certainly twenty-one out of the twenty-three years of his connection with it his whole life was spent in its service. In 1917 he became Chairman of the Association, and in the closing years of his life public duties called for much of his time and thought, so that when he died his loss was felt to be almost irreparable, not only by this Association, but by the whole cotton industry of the world and by the Government of this country. This is not the time or the place appropriate for attempting to appreciate his many great gifts, but I cannot refrain from remarking on three, which were conspicuous—viz.: his personal integrity, his power of rapid and sound realisation of the essential factors in any problem, and his readiness to recognise the value of the services of his colleagues and assistants. It may truly be said of him that he fulfilled the purpose of his life. He has passed from us not only with the regret of ourselves, but of the whole community.

Now turning to the business before us, I desire in the first instance to draw your attention to one of the closing paragraphs of the report in which you will see that the board recommend the election of five new directors. A resolution in regard to this will be moved later on by Mr. Lee, and all that I desire to do now is to say a very few words on the general reasons for the change that is involved in this proposal.

From the beginning of this Association it was one of our principles that the directors should all be men equipped with personal knowledge and experience of our business. For many years the directors were men who had separately owned the businesses now associated. The recruits to our board were vendors of businesses afterwards acquired. Later on we modified our practice by asking you to appoint sons and relatives of former directors, they also being qualified by personal knowledge of the business. Then we moved a step further and asked you to elect several of our most experienced departmental managers. The five gentlemen we now recommend to you have not, except in one case, been previously engaged in our own business, but they are all men who will bring to your service special knowledge which it will be of great advantage to our board to possess. I will merely add that this change does not mean the abandonment of our practice of recommending for election as directors men who have grown to maturity in our own service. It means that we have supplied our organisation with a new source of strength, and that we shall hope in future, in addition to giving a well-earned honour to the most distinguished men on our own staff, to be able to add to our board occasionally men whose special experience is likely to advance the interests of the Association.

The Balance Sheet.

In considering the figures of the balance sheet, you will please remember that we are dealing with a period of absolute convulsion. There are items in our balance sheet which differ from those of last year by millions of pounds. The fact is that the changes of the year under review are far greater than anything that occurred during the War. To take the price of cotton alone as an instance. The price of one of our standard marks was at its highest 108*d*., and at its lowest 11¾*d*.; that is, just about 2*s*. 2*d*. against the previous pound. Even as between March 31, 1920, and March, 31, 1921, the change in the market price is from 91*d*. to 17¼*d*.; that is equal to a change from 20*s*. to 3*s*. 9*d*. I refer here only to market prices, not to prices at which we actually bought cotton, or on which we took stock. On the other side of the matter we have passed from a time of unprecedented demand for our yarns to a time of equally unprecedented stagnation in our trade. In the first months of the year under review there was no practical limit to the prices that people were willing to pay, and delivery was demanded to an extent far beyond our capacity to meet. Suddenly there came a change. It was not only that no new orders were placed: what mattered more was that even our most friendly and trustworthy customers found themselves unable to take further deliveries of orders on our books. Herein lies the answer to a criticism that may have formed itself in some minds: "Why did you not take advantage of the great demand in the summer to place orders which would have tided you over the subsequent period of depression?" The answer is that those who direct our commercial policy, foreseeing to some extent the deflation that lay ahead, deliberately discouraged buying at extravagant prices quantities

of yarns which they were convinced could not be consumed. Even as it is, there have been in all our markets very great difficulties in regard to orders on the books. Both those customers who honourably fulfil all engagements and those who try to meet their own private difficulties by questionable means have been unable to take full delivery, and there must be many firms who now realise the wisdom of the cautious policy of the Fine Spinners' Association.

I do not intend to-day to argue the question of wages now under discussion, but it is, I think, right to tell you that the increase of seventy per cent. which was agreed to during the year would cost our Association somewhere about £900,000 per annum on full-time running.

Balance Sheet Items.

Taking the details of the balance sheet and first on the asset side, the additions to properties, £242,307, consist of about £83,000 for buildings and £159,000 for machinery. In the buildings the principal single item—viz., £52,000—is for the purchase of the building adjoining our central offices in St. James's Square. We already rented many rooms there, and now that we own it we shall be able to make much-needed remodelling and extensions. The rest is spent as to £15,000 on housing our research department and on various smaller matters. The machinery almost entirely consists of the completion of filling an empty mill which we have long owned at Bollington, and the equipment of which was ordered before the War and inevitably postponed until its termination. This has now been completed at a reasonable price. It is of the latest and best construction, electrically driven in the most up-to-date manner, and ready to earn good dividends as soon as trade returns. These additions increase the total to £6,084,760, against which we have the operation of the depreciation fund. It has always been our practice to fix the annual appropriation in September, when we are comparatively free from thought about our final dividend. For many years we appropriated £140,000. It must be remembered that we are only dealing here with what we call our associated concerns. Our subsidiary companies and companies in which we have money invested deduct their own depreciation. The £140,000 proved sufficient, as will be seen from the fact that in March 1914 we had a balance of £211,452 unexpended. During the War it has naturally been impossible to spend our depreciation money. We have, however, from time to time raised our annual appropriation. Thus in each of the three years ending in 1918, 1919, and 1920 we appropriated £180,000, and in this year we have put aside £220,000 to cover, in addition to the ordinary depreciation, the extra wear-and-tear consequent on our not being able, during the War, to keep our machinery up to concert pitch. As the price of machinery goes down we may very well be able to reduce this provision. During this year we have spent almost exactly the same amount viz., £223,367—and the unexpended balance now stands at £759,513. I should mention that, in addition, we have spent and charged direct to our mill costs the sum of £218,094 for repairs. I am informed that our mills and machinery are all in first-class working order, and that, though the £759,000 will no doubt be gradually diminished by judiciously conred outlay, yet there is now very little urgent need for expenditure, and we shall be able to wait for the fall in prices which may be expected in the coming years. The total value of our principal assets after these additions and deductions stands at £5,325,221, an increase of about £243,000. I ought, perhaps, to remind you that this value is a pre-War one, nothing having been written up. As an indication of to-day's increase of value the firm of valuers who are responsible for keeping our figures right insist on insuring for something like three times the amount in order to make ourselves safe from the average clause.

Investments.

The sundry investments, &c., stand at £3,988,087, and show an increase of over a million sterling. This very large figure is really made up of items which are largely matters of account. A considerable sum arises from the payment for the mills of Messrs. Brabant, the purchase of which was mentioned to you (though not by name) last year by Sir Herbert Dixon. Another and larger sum is due to the restarting of the mills of the Société Cotonnière d'Hellemmes, being partly for reinstatement and partly for cotton to work with. Another large sum is an apparent increase in the investment in Mississippi, but the greater part of this is really on account of the whole of the crop which is still in our hands as agents for its sale at the proper time. On the other side there are some decreases, a small part of which is caused by repayment of the Gold Bond debt of the Mississippi Company. This repayment is now being made by annual drawings, and the amounts will increase each year. The greater part of the decrease, however, I regret to say, represents the reduced amount of undistributed profits in the hands of the subsidiary concerns.

Last year we had investments in British and French War Loans amounting to £1,275,000, and these have been sold. Unfortunately our patriotic effort has cost us about £76,000.

Stock-in-trade shows a decrease of £1,403,000. This is the balance resulting from an increase in yarn stocks and a larger decrease in stocks of cotton. Yarns are taken, as always, on a very conservative basis, and prices of various important qualities show decreases from the previous stock-taking varying from fifty per cent. to seventy-four per cent. Cotton, as shown in this item, is not the whole of our cotton stock, for we always have other amounts for cotton in transit to us or cotton specially held as security for advances. The average price on stocktaking is much less than half of the average price a year ago.

Trade and other debtors, where there is a reduction of £1,500,000, simply reflect the change from a state of very active trade at high prices to stagnation with a falling market.

Increase of Ordinary Share Capital.

On the other side of the account the first change to notice is the increase of Ordinary share capital from £2,450,000 to £3,675,000, which is, of course, the result of the new issue of shares made last year.

I feel it to be a matter for great congratulation to the Association that those who were in authority in the spring of last year decided to make this new issue of shares. It has materially helped us to meet the difficulties of the present time. It is also, I think, a matter for congratulation to the shareholders that it was thought well to offer the new shares at a price far below the prices at which the shares were then selling. The premium has added to our reserves, but the investment is not one which any shareholder has cause to regret.

The next three figures which relate to the Debentures are unaltered. The general reserve is increased by £812,000, and stands at £1,693,000. Of the increase, £612,500 is derived from the premium on the new issue, and £200,000 is the amount which you decided last year to appropriate out of the profits then available.

The insurance fund shows an increase of £17,000, the natural growth in a year in which the normal expectation of losses has happily not been reached. It was intended to take advantage of this growing reserve and to be our own insurers to a slightly larger extent, but the great increase in mill values and the high cost of replacement has made it necessary for us at present to be content with the same percentage as before.

The pension fund shows an apparent decrease of about £25,000. We have now had the pleasure of appropriating pensions to ninety-two of our old friends and employees—that is, forty-two men and fifty women. As we award definite pensions, we appropriate from the general fund and invest in the names of trustees definite sums of money which are calculated to be sufficient to secure the payment of these pensions. The balance shown on the balance sheet is the amount available for future grants. The number of pensions will naturally increase year by year until the time comes when the surrenders by death are equal in number to the fresh qualifications for pension. When that time comes we hope to be able to put the fund on a permanent and self-supporting basis.

The research fund remains unaltered at £35,000. We have, it is true, spent, as I have said, £15,000 on providing suitable premises for this department at Bollington, but as this expenditure is at present incomplete the expenditure is temporarily shown as an increase of our general assets. The work that is being carried on by Dr. Lawrence Balls and his able and increasing staff is of great interest. There is no doubt that fresh light is beginning to be thrown on many of the problems involved in the use of cotton, but time alone can show whether results can be obtained which will directly repay to us the outlay on this interesting experiment. The issues involved are so great that one comparatively small practical success would amply reward us for the effort we have made.

The superannuation fund pursues its normal course.

Loans are merely matters of account between us and some of our subsidiary companies.

The figure of £1,064,800 for sundry creditors, &c., compares with £5,377,000 in the previous year. Of this great difference—viz., £4,312,000—more than half is accounted for by reductions in the amounts due to trade creditors and due for cotton, and the remainder is the settlement of the Inland Revenue account, large sums having been paid to the Government during the year, and the balance having, for reasons which I will explain directly, ceased to be a liability.

The amount owing to bankers needs no comment, except that I can assure you that our relations with our bankers remain, as they have always been, of the most friendly character.

Profit and Loss Account.

This brings me to the balance of profit and loss, and as regards this, if you will turn to the account at the head of the sheet you will see that we brought forward from last year £358,900, that we have transferred back to profit and loss the £100,000 that we placed two years ago to reserve for contingencies, and £291,000 that we had as a reserve against depreciation of investments. At least, we have £260,000 from this source and a balance of £31,000, which is profit on the sale of some of our investments. The special depreciation and contingencies for which these reserves were created have now been liquidated, and the provision made can again be brought into account. In this connection I can assure you that the present value of our investments as a whole is ample justification for the figure at which they stand in the

balance sheet. Then we have a profit on the year's working of £122,815. These figures together give a total of £872,765. and from this you will see on the other side deductions of £110,000, as usual, for Debenture interest and £12,358, the balance of the expenses of the new issue of shares, which, according to our usual practice, we wipe off the slate. There is left a balance of £750,406.

If you will turn to the front page of the printed report you will find this figure in the seventh line, and following after that you will see there are deductions of £319,000 to be made for the dividends already paid, and that we have £431,406 13*s.* 10*d.* balance of profit for consideration now. The recommendation which the board make is that the usual dividends at the rate of five per cent. per annum should be paid on the Preference and the Preferred Ordinary shares, and that a final dividend at the rate of eight per cent. per annum be paid on the Ordinary shares, making, with the interim dividend, a total distribution of ten per cent. for the year. This will leave a balance of £185,906 13*s.* 10*d.* at credit of profit and loss to be carried forward. This balance is very considerably smaller than that which came to us from last year, but it is much larger than any other carry-forward in the last six years.

The French Mills.

There are two or three of our investments on which I feel sure you will desire me to say a few words.

Our French mills are held in two different categories. The mills of the firm Delebart Mallet Fils and two others are French companies. These have been almost entirely reinstated, and the damage they suffered, both on capital account and by the German appropriation or destruction of their stocks-in-trade, have been or are being recouped to the companies by the French Government. They are, of course, suffering, as we are, from the stagnation of trade, but otherwise are as fit or even more fit than they ever were, and may be depended on to earn good profits in the future. Our other very large concern, the Société Cotonnière d'Hellemmes, which is registered as an English company, is in rather a different position. It suffered much greater injury, and is not yet nearly restored. Then, again, the reparation of our losses in connection with it falls to the British instead of the French Government. The British Government have agreed to the claim for reparation being made out by French experts on the lines approved in other cases by the French Government. But the actual payment apparently is to depend on recovery of War damages from Germany. The amount is very large, and some portion of it being for stocks-in-trade, which we have already written off out of profits, may be considered as a real, though at present indefinite, reserve. In any case, this claim stands to be taken in connection with our past assessments for excess profits duty. And from one or the other source we expect to recover a substantial sum. We are, of course, proceeding with the reinstatements of these bills.

The Mississippi Estates.

The Mississippi estates, I regret to say, have had a bad year. The season was not a good one, but under normal conditions the estates should have done well enough. As it was, the crop was made on the basis of enormously inflated cost, and when the crop was ready for market prices were nearly as low as they were before the War. To a certain extent it is sometimes possible to minimise losses of this kind by what is called "selling futures." This, however, is in times of such violent changes a very partial protection. It is also so much a matter where it is possible for the best judgment to be wrong that it partakes of the nature of a gamble. Those responsible in the matter did in this case secure some relief in this way, but the final result of the year's work was to show a loss after payment of interest on the Gold Bonds and other loans. The loss, though considerable, still leaves a balance, also considerable, to the credit of profit and loss, but it was considered by the American directors inadvisable to declare any dividend. In all other respects the working of these estates is now most satisfactory. The present costs of working have been drastically cut down and now approach the pre-War level. I may mention that the old danger of overflows from the Mississippi specially is believed to be entirely removed. Really gigantic operations have been undertaken by the United States Government (it was reported to you some years ago at one of these meetings that this would be the case). Then, again, the boll weevil, which has now covered almost the whole length and breadth of the cotton area of the United States, is actually considered by our managers to be of the nature of an asset to the companies in which we are interested. The reason for this is that while a partial remedy has now been successfully worked out by the American Government on our plantations and in collaboration with our staff, yet it is so expensive and requires so much care and supervision that it is only likely to be of real value in large, well-managed estates, of which there are few in existence except our own.

Our colliery has now been released to us by the Government, and I am informed that while, like all collieries in this country, it can only afford the same measure of employment as it used to do when the miners return to habits of productive activity, yet, at any rate so far as our deep pit is concerned (sunk in the time of the Association), we can hold our own with the great majority of British collieries.

Result of Year's Working.

Gentlemen, I have now concluded my examination of the balance sheet. The year's results are not pleasing. They are far and away the worst that it has ever been the lot of a Chairman of the Fine Cotton Spinners' Association to put before you. They are, indeed, in a sense worse than they appear, for if it had not been for the working of the excess profits duty we should have had not only no profit on the year, but a heavy loss. As it is, a very considerable sum which had been placed on one side last year as owing or probably owing to the Government, now falls to come into account again in our favour in consequence of the disastrous results of this year's trading. There still remains, as I have already explained, a claim for return of duty in the improbable event of our claim for reparation in connection with the Hellemmes property not being fully met.

I hardly think many people connected with the cotton trade will be surprised at the result of the year's working. I suppose there never was in any industry so sudden a collapse as that which occurred last autumn. As I said earlier, we passed from the extreme passion of demand into absolute dearth of trade. Practically no market for fine yarns remained. In a business such as ours some supply of cotton has always to be secured, and even the small purchases that were made last summer, when the prices of cotton had fallen about thirty per cent. from the top, made a bad showing when it proved that none of the usual autumn orders were to be placed and that many existing orders had to be in some way compromised. The statement of accounts which is before you puts the whole case fairly and squarely. Cotton stocks and yarn stocks alike are at prices which were fair on the day of stocktaking. What changes there have been since have been upward. Any uncertainties that exist are of the nature of possibilities of things being a little better than they are stated.

Effects of the War.

If I am not detaining you too long, it will, I am sure, be of interest to you if I take this opportunity of saying something about the general effect the War has had on our business. It seems a suitable time to do this, since the special risks we had to encounter are now all practically closed and done with. All parts of the cotton trade suffered at the beginning of the War, and to most of them there came recovery and prosperity, only limited by the shortage of labour and the necessary rationing of cotton. Finally there was the short period of unexampled profit-making, to be followed by the present equally unexampled period of no demand and very short time.

Apart, however, from these matters our Association found itself at the beginning of the War facing other and special difficulties. **In the first place,** largely owing to special information which I had personally obtained in Egypt of the coming injury to Egyptian cotton from the ravages of the pink worm, we had bought much more cotton than was our usual practice. Our wisdom in this matter became a cause of injury.

Then our business happened to have been directly or indirectly to a very large extent conducted with what became enemy countries. Lord Rotherham told you once that the War meant the cutting off of half our trade. During the War we had to find, and we did in fact find, new markets to take the place of those we had just lost.

Again we had considerable sums owing to us by customers in enemy countries. Some of these have been since repaid, but there is a large balance still unliquidated which is all written off, so that anything subsequently recovered will be so much to the good. Also we had consigned stocks which have inevitably been lost and written off, so here again anything recovered will be to the good. The Russian *débâcle* also found us with money deposited in Russian banks for our account. This also is written off, though may be recovered if Russia is brought to acknowledge her trade debts.

Our French mills have always been spoken of both to you and at our board meetings with such brave confidence that we have perhaps hardly realised what has been the irrecoverable loss which the War has brought us in this connection. I pass by the internal losses of the companies registered in France, because they are borne on their own accounts, and we have, on the face of our accounts, only lost the dividends which we should ordinarily have received, but in real fact we, as the holders of the great bulk of the shares, must be losers by the annual losses of maintaining these mills while closed down. On the English Company of Hellemmes we have not only received no dividends but have had, in addition, to write off all the losses incident to restarting, as well as those incurred during the period the mills were closed down. We have lost during the war period other amounts from the realisation of our investments in War Loans. Again, the differences in exchange have hurt us badly. During the war period our business in France largely replaced our old business in Germany and Austria, and when the exchange began to fall from parity to half or less than half of its value it was inevitable that heavy losses should be incurred. There are many of these things which cannot be clearly valued in cash, but apart from them our accountant has supplied me with definite figures showing collective losses over the last seven years under the heads named amounting to over £2,000,000. During these seven years we

have managed to pay dividends averaging just over seven per cent. per annum. We have added to our reserves at the rate of a further three and one-third per cent. per annum, and this has been achieved in the face of war losses as described, special to ourselves, exceeding by several thousand pounds the dividends we have actually paid. I venture to think this statement should confirm the confidence that I am sure many of you feel, not in me, who am necessarily somewhat of an onlooker, but in your managing director, his colleagues on the Executive Board, the directors of the Association, the heads of the different departments at our Central Office, and the managers of our mills.

Future Prospects.

As regards our prospects in the future, it is difficult to speak. The near future is full of gloom, for our mills are still working little more than half-time. It is true that some improvement was visible before the coal strike, but before we can expect any permanent recovery there will have to be real peace in Europe, some solution of the difficulties caused by fluctuations in foreign exchanges, and a general return to economic working at home. This is even more important in the interests of the wage-earners than it is to the 44,000 so-called capitalists among whom the holding of our shares is divided.

I am one of those who are convinced that the real payment for the War has yet to be made, and that it can only be made, first, by persistent economy both in the public services and in the private expenditure of all classes; secondly, by increased production and consequent lower costs. At present, notwithstanding the frequent insistence on these principles by most of the leading men in the commercial world, we seem far removed from practically accepting them as our national rule of life.

In the cotton trade, however, and particularly in our own business, there are some encouraging features. In the first place, so far as our raw material is concerned, deflation has already practically been completed and paid for. Cotton has returned more nearly to pre-War prices than has almost any other commodity. Secondly, we have our mills and all their equipment in practically perfect order, and standing in our books at prices really low even on the pre-War scale, and now replaceable only at many times their book value. Thirdly, cotton goods must undoubtedly be short in supply throughout the world. This is a matter on which I have recently elaborated my views in the *Manchester Guardian Commercial*. Finally, the relations between employers and employed in the cotton trade are generally friendly. There will no doubt be strongly expressed divergence of views as to the time for making the reductions of wages which are inevitable, and as to the rate at which such reductions should come about. But underlying these differences of opinion I believe and trust that mutual respect and confidence will be maintained. At any rate we are free in our industry from that terrible bane known as the "ca' canny" policy. It is a happy feature that the cotton operatives are in no way slackers, and have always been ready, when the wage of the day has been agreed upon, to give in return the best service of which they are capable.

For these and other reasons I manage to persuade myself, in face of many gloomy clouds, to maintain the spirit of optimistic confidence in the future of our Association by which my predecessors in the chair and our two managing directors have always been conspicuous.

He moved the adoption of the report and balance sheet.

Mr. W. Eckersley: Mr. Chairman, Ladies and Gentlemen,—This is the first time Mr. McConnel has occupied the chair. You had several distinguished men in that position before him, and we all regret, I am sure, that the last Chairman has been lost to us and has not remained with us in the chair. However, he has passed away, and I am sure you all agree that Mr. McConnel is a very worthy Chairman to follow those who have preceded him to-day. He has given a very able and exhaustive statement, and we judge from what I have heard I think you will be very well satisfied with it. Mr. McConnel has the most complete knowledge of the affairs of the Association. He understood it in happier times, and he understands it now when it has fallen upon evil times. On this occasion the balance sheet is not so good as it has been, but we have got to consider this, that we have had to face unprecedented bad times, for trade at this time, and indeed during a considerable period of the last year, nobody could possibly have made money; it was out of the question under the circumstances and the conditions through which we have had to pass. However, we hope that these things will improve, and in any case I am certain that, as far as the mills and management are concerned, everything is going exceedingly well. In face of the fact that no trade is coming in, no profit can be made. In a bad time like this, trade is really stranded. When the coal strike is finished it will improve our position. But at all events I am sure in this time of stress and difficulty you will have confidence in the Chairman you have elected. I have very great pleasure in seconding the resolution.

The Chairman: Before I put that resolution to the meeting, it is open to any shareholders to ask any question or make any remarks he wishes to do.

Mr. Charles Ogden asked what is the result of the year's trading without the receipts from enemy debts and the E.P.D.

The Chairman: I will deal with questions altogether.

Mr. Ogden: Then what commission have the directors received over and above remuneration?

The Chairman: They have not received anything at all, sir.

Mr. Ogden: Well, then, what is the dividend prospect for current year, and could you give me some idea of the amount of the weekly loss?

Mr. Stuttard said: There are one or two items I do not quite follow with regard to stock in trade. I think you quoted two instances of the highest point at which cotton had been 91*d.* and 17½*d.*—and roughly it is one-fifth of the value, I take it, between the two marks. So that if the present stocktaking to-day stood at the same value as it was last year you would have a stocktaking of really five times the present amount, or roughly, £20,000,000. Egyptian cotton on March 31, 1919, was somewhere about 74*d.*, and to-day it is somewhere about 15*d.*, or one-fifth of the value, and therefore if it is only one-fifth of the value, if you could revert to a year ago, what to-day is worth £3,808,000 would be worth five times that amount; and then in another statement you said the average prices for the cotton for the stocks was about half the previous year's. Is the stocktaking very much written down, or is it about the normal value? It seems a very large increase really in the bulk of the stock, although it is not in the value. Is there not a strong possibility of that stocktaking being very much higher in value in the course of the next twelve months?

Mr. F. E. Tomlinson said: I should like to congratulate you, Mr. Chairman, on the balance sheet, which does reflect the present state of trade. It is very disastrous and very disappointing, because a lot of shareholders paid a great deal more for their shares than they are valued at to-day, but we as shareholders ought to have more information in regard to the value of the assets. We will take the capital account. The shareholders would like to have some details from which they could form their own idea of values. We do not know quite how it is divided between the capital account and the investment account. In giving particulars of the investment account you only mentioned three things—the French mills, the American estates, and the colliery. I had an idea it included Richard Harwood's, Leach's, and W. C. Jones's. Has there been any realisation of investments besides the item of War Loans? I do not know whether I am entitled to ask these questions; for I have gone carefully through the articles of association, and according to these it is quite within your power not to answer them. I hope the articles of association will be taken into account, and that you will ask some of the shareholders to assist you in drawing up articles of association which will be more equitable, for the present articles are antiquated and do not give the shareholders any practical control.

Mr. Walmsley: I simply want to raise the question I gave notice to your secretary three days ago. There is one important omission in the directors' report, and in view of my letter I am sorry you have not given us the information without our asking for it. First, what is the total amount of remuneration which is allowed for in the accounts to the directors? (Hear, hear.) Secondly, how long have the directors received that remuneration? Thirdly, the amount of bonuses to the managers which is also set out as having been provided, and the total number of recipients? I need scarcely say in times like these, when there is a great slump, it is most unfortunate the directors did not take the shareholders into their confidence and let them know how much those who were their servants were receiving.

The Chairman: Is that all the questions? Then I will deal with the last one first. It is quite true that Mr. Walmsley was kind enough to send a letter before the meeting, and I intended to answer it in connection with the other questions. The total amount of directors' fees is regulated by the articles. As I explained in my speech, the system in this Company has been for the directors primarily to be interested in the working of the business. As time has gone on some of the older men had no other functions than that of directors. Practically speaking, our directors received a salary in addition to their directors' fees as managers, and some of them, or most of them, received bonuses on the businesses from which they were principally responsible. As to the directors' fees, the question is simply answered. They are regulated by the articles. Each director draws £50 per annum. There are twenty-two of them. Owing to some small differences of period of office the total amount paid is £3,112. The total amount of bonuses paid to the manager class is unfortunately this year extremely small. Managers receive bonuses on the profits of their branches from each half-year separately, and there is a sum of, I think, about £28,600 shares between sixty-one men from the first half-year. In the second half of the year the total of bonuses payable to mills was a little more than £2,000, again shared by the sixty-one men. The executive board unfortunately received nothing at all. I hope they will be more fortunate this year. A question was asked about the excess profits duty and the enemy debts. I do not think it is in the interest of the Association to give any further particulars than we have already given on that. (Hear, hear.) Mr. Ogden also asked a question about the

directors which, I think, were practically answered in connection with Mr. Walmsley's questions. As regards the trade prospects for the coming year, I have done my best to tell you what signs of hope there are, but I do remind you, as Mr. Eckersley told you, that as long as there are no orders coming in, and we are not able to work our mills in the short period of the shortened week which is now obtaining under agreement, there are no profits. How soon that will change everybody can form their own opinion. I have told you as far as I could what I think myself as regards the question about the stocks. Of course the figures—the first set of figures—were illustrative of what took place during the year. They were not figures connected with our own business in any way. It is perfectly true that if we had bought all our cotton at the bottom of the market—if the inconceivable had been possible—and had sold yarn at the top of the market we should have made millions of money even this year. It is also true if we had bought when everybody thought cotton was rising we should have made enormous losses. As far as I can judge we pursued very much the same policy we always pursue, particularly on speculating in cotton. It does not mean that we have a hard-and-fast line in never buying any cotton, except what we have actually taken for orders. It does mean, practically speaking, that we keep in mind the amount of cotton we should buy. I think that is a policy that, as a whole, enabled us to worry through this year of danger without any serious trouble. We should not value our stocks at five times their present value. I suppose if we could value them at as high a price as last year they certainly would be worth five times as much; their value as I have told you was taken at prices which we considered fair. We cannot take stock below a certain point, otherwise we should have the taxing people on our heels. We have to recognise a fair value, but we always have to take stock at a fair value when it is high. We take special precautions to represent what seems to be a fair and legitimate value, and that should help us in this disastrous year. Our present stocks are taken at prices which are safe. If they are not falling now they are a little bit higher than they were. They may be lower or they may be much higher, but that is the sort of thing one has to judge for oneself. I am obliged for the congratulatory remarks of Mr. Tomlinson and his recognition that the result represents the state of trade. I do not think myself it is very desirable that we should give more information about the valuation of our separate assets. He is certainly entitled to ask the question, but he must realise that what he terms the waste business has come into the accounts this year, and was one of the items that made up that odd £30,000. That is the only substantial change in our investments since last year. As regards the articles, personally, although I am a barrister, I always look on articles as things I go to talk to a solicitor about. I do not regard Mr. Tomlinson's remarks as being at all unfriendly, but if he will let us have a note of what he thinks, in what way he thinks they are defective, we will consider it quietly and see what advantages are likely to result, and see what can be done. I am, however, bound to say, in reference to what he must have in mind, that there is only one way of conducting a company, that is by either trusting the directors or changing them. You cannot go fiddling about with committees of shareholders and that sort of thing without doing harm. When the time comes that you do not find the board of directors ready to listen to reasonable suggestions made by responsible shareholders the time will have come to put somebody else in office. In the meantime, you must trust us. We are all interested in the business; many of us have put the best of our lives into the work. To most of us it is more than an affair of mere finance, it is more than money. You must trust us; if you cannot do that you must find somebody else. (Hear, hear.) The resolution was carried unanimously.

The Chairman: I now move that the following dividends be declared: A dividend for the half-year ended March 31, 1921, at the rate of five per cent. per annum on the £3,000,000 Preference shares, numbered 1 to 3,000,000 inclusive; a dividend for the half-year ended March 31, 1921, at the rate of five per cent. per annum on the £40,000 Preferred Ordinary shares, numbered 1 to 940,000 inclusive; a dividend for the half-year ended March 31, 1921, at the rate of eight per cent. per annum on the £3,675,000 Ordinary shares, numbered 1 to 3,675,000 inclusive. I call upon Colonel Brocklehurst to second the resolution. In doing so I take the opportunity of congratulating him on his becoming Vice-Chairman of the Association. (Hear, hear.)

Colonel R. W. D. Phillips Brocklehurst: Mr. Chairman, Ladies and Gentlemen,—I have been asked to second this resolution. Before I do so I should like, as a new broom, to say a word if you would allow me. When my fellow directors did me the honour of selecting me for the post of Vice-Chairman of this great Association I believe there was one comment. It was, "It is a pity he is so old." Well, ladies and gentlemen, in the first place I cannot help it; in the second place, I do not feel it; in the third place, I doubt very much whether it is altogether a bad thing. With age comes experience. We have had a bad year. I have had bad years before, and I know that as a young man they had a depressing effect; in fact, one year I remember I almost despaired of the future of the industry. To-day I am full of confidence, because I know that the foundations are firm. (Hear, hear.) Speaking as a humble mill manager, I know the firms which are under my control never were in such good fettle, never so able to produce the very highest quality of yarn. I think that is owing to the foresight, the energy—shall I say the prodigality of effort of Mr. Bellhouse with your money? The other mill managers would tell you the same. We are absolutely prepared, eager, and straining at the leash. All we want is the demand, and experience tells us that although that demand seems long delayed it must come (Hear, hear.) Turning to the resolution, I fully concur in the dividends suggested in it. I know that it hurts badly to interfere with reserve funds, even when they are of a more or less temporary nature, to set aside what are regarded as precautionary funds to meet the contingencies arising, but we feel we have a duty to our shareholders. Ladies and gentlemen, I have great pleasure in seconding the resolution. (Applause.) The resolution was carried unanimously.

Mr. Vernon Bellhouse: Mr. Chairman, Ladies and Gentlemen,—It gives me great pleasure to move that Messrs. Robert Wharton, Archibald Ernest Dixon, James Marsden, Percy Musgrave, Edmund Lomas Oliver, Colonel R. W. D. Phillips Brocklehurst, and Mr. John A. Wanklyn be and they are hereby re-elected directors of the Association.

Mr. William Howard: Mr. Chairman, Ladies and Gentlemen, I have great pleasure in seconding the resolution.

Carried unanimously.

Mr. H. W. Lee: Mr. Chairman, Ladies and Gentlemen,—I move that Messrs. Percy Ashworth, John Graham Peel, Alfred Edwin Rahr, John Lincoln Tattersall, and John Baird Walker be and they are hereby elected directors of the Association. This is a new departure for us. Our Chairman has already informed you in much detail the reasons the board has for making it. I feel I should be wrong in taking up your time in simply repeating his words, but I should like to assure you that the board, in making this recommendation, is absolutely unanimous. The board was most desirous of having these gentlemen as members. With them we believe that their brains, their energy, the new views that they may possibly be able to give us, will be of very great advantage to the Association and to the directors in the work they have to do. If you know these gentlemen whom we are putting up you will see that each one has very great qualifications for the post we are proposing to give him. For instance, Mr. Percy Ashworth is widely known as a fine-cotton spinner, and everyone who deals in fine yarn in the world knows him. He has been a competitor of this Association to my knowledge for twenty years, and we shall have great pleasure in having him working for us instead of, as formerly, competing against us. Up to two years ago we could not have asked Mr. Ashworth to join this board, because we naturally could not elect anybody concerned in working against our mills. But Mr. Ashworth now is free, and can give us fully of his services. Mr. Peel is known everywhere as a great expert in cotton. Mr. Peel's father was a member of this board until the day of his death. He was one of its most prominent members, and I really do not know why at that time, when we lost the father, we did not then put the son on. At any rate, we have induced him to come on the board now that we are making up the members, and we expect to benefit very greatly from his experience in raw material, particularly in reference to raw cotton, which so strongly affects our profits and general results. Mr. Rahr was practically with the Fine Spinners from the start. He left the Fine Spinners when he became the manager of the great Lever Company, a concern which you own, and which is, of course, included in our investments. At that time it was considered better that, as manager practically of the great Lever Company, he should not be also included in the Fine Spinners, but those reasons do not now operate to the same extent, and we want to have Mr. Rahr on the board so that we can get the benefit of his knowledge and experience. Mr. Tattersall is another gentleman who has been for many years a very serious competitor. For the last year or so he has been out of business, and we propose to avail ourselves of the fact that he is willing to give his unrivalled knowledge of spinning, and doubling to help us in our work Then I come to Mr. Walker. And I think most of you know him; but if any of you do not I may say that he probably knows more about cotton agency and the yarn trade than any agent in the country. He has been our unofficial adviser for a very considerable period, and we wish to make him our adviser in an official capacity. I am sure you will consider these names have not been selected haphazard, but with great care, and you are very fortunate in having induced these gentlemen to become members of your board.

Mr. Vernon Bellhouse: I second the resolution. I do not think I need add anything. If you elect these gentlemen we as a board will give them a most hearty reception.

A Shareholder: Would you mind telling us what the new directors will receive?

The Chairman: I cannot yet tell you. We hope they will not want very large sums in these hard times.

The Shareholder: I don't ask in any querulous spirit: I know them very well, and I think you have made a very good choice.

The Chairman: I am sure we shall not quarrel about the matter.

The resolution was carried.

Mr. G. St. Clair Robertson moved that Messrs. Edwin

Guthrie and Company, chartered accountants, of 71 King Street, Manchester, be, and they are hereby appointed, auditors of the Association until the next ordinary general meeting of the Association, and that they be paid the sum of £1,500 as remuneration for their services, inclusive of out-of-pocket travelling and hotel expenses.

Mr. Edward Blackburn seconded the motion, which was carried.

Mr. J. Linney Arnold moved that the thanks of this meeting are due, and are hereby tendered, to Mr. John W. McConnel for the ability and courtesy with which he has presided over this meeting. He said, in moving this resolution, I think I am justified in saying that Mr. McConnel has the sympathy of all the shareholders, in that he was called upon to accept this very responsible position in the Association at a time of unprecedented difficulty. When Mr. McConnel became Chairman he knew that there was trouble ahead in the spinning trade which no company could avoid. That trouble has come with full force, and is reflected in the balance sheet which our Chairman has presented to you. It shows in full measure the difficulties with which he has had to contend since he accepted the office. We have his assurance to-day that he has fully faced the position, and we sincerely hope that when he presides over the next annual meeting of shareholders he will have a pleasanter task than he has had to-day. I should like to thank him very sincerely for the plain and frank statements which he has made to-day. He has answered questions well and fully, and I should like to assure him that shareholders appreciate the confidence of the directors as a thing very much to be desired. Mr. McConnel has been very plain and straightforward in all he has told us, and we appreciate it. Finally, I should like to express to him, and in this I think I am voicing the feeling of all the shareholders, our sincere thanks that, in this the first year of his office, he has departed from the old policy of the board, and has invited five new directors to take office who are neither vendors nor employees of the Association; and I think the board is to be congratulated on having secured the services of five gentlemen of such ability as our new directors. The move is entirely in the right direction, and one which I am sure will have very happy results. I have much pleasure in moving the resolution.

Mr. J. B. Walker seconded the resolution. I would like, he said, before saying anything further, to associate myself with the remarks that have fallen from the Chairman on the death of Sir Herbert Dixon. When I say I have been a friend of his for thirty years, you will know what my feelings are in speaking upon the subject. I had some talk with Mr. Blair before coming to this meeting, and I discussed with him whether it was competent for me to speak. Mr. Blair, although this meeting only knows him as a Lancashire man, is a fellow countryman of mine; and, when it comes to things of this kind, we attach great importance to subjects for argument. Mr. Blair said I did not become a director until the end of this meeting, whereas I thought I should be a director when the resolution which you have been good enough to support was passed. However, the point was this, that it was an excellent subject for argument. It was once said, if you put the simple proposition to a Scotsman that two and two make four, he will not admit it, but he is quite prepared to discuss it later.

I must thank you for having placed me in a position of responsibility on the board of the Fine Spinners. I have no fear for the result, nor for the prospects or the future of the Fine Spinners' Association. I feel quite satisfied that if you will only get the mill going again we shall be able to show you some good results in the future. I was pleased to hear what Mr. McConnel said about the "ca' canny" method having no place in the spinning industry. Unfortunately it has become deeply rooted among many of the labouring class. Certain Socialists express the view that we should lose wealth to produce wealth. As a matter of fact, wages are a mere secondary consideration. If people will do the best that is in them and realise that the world cannot be richer by being poorer, it does not matter what proportion goes to capital or what to labour. We are quite prepared to sit down and discuss with you the proportion you should have. Some of us are prepared to say that in the past labour did not have a fair proportion, but at any rate we will ask them this, if they only produce sixty per cent. of the total possible of labour wealth-producing capacity, there is only going to be sixty per cent. to be divided between labour and capital. I believe capital does receive a far smaller proportion than they have any idea of. At any rate, we ask labour to realise the economic fact that if you do not produce you cannot divide. I have great pleasure in seconding the resolution. We have always been fortunate in the Fine Spinners' Association in having excellent men within our own ranks, and in having very excellent Chairmen in the past, and we are going to be very fortunate in having Mr. John McConnel to dominate and preside over us in the future. (Hear, hear.)

The resolution was carried.

The Chairman: I thank you very much, but I take exception to one word used by Mr. Walker. I am not going to dominate anybody—(laughter)—except the shareholders. I have to dominate you. But for the directors I am their humble servant. (Laughter.) I am very much obliged for the kind words used towards me. I started very early in the Fine Spinners, and I will do my best as long as I can.

The meeting then terminated.

Nitrate Producers' Steamship Company, Limited.

Collapse of Shipping Trade.

The annual general meeting of this Company was held on May 27 at 20 Billiter Buildings, E.C., Sir John Latta, Bart., the Chairman, presiding.

The Chairman said that since their last meeting a calamitous change had overtaken the shipping trade. From a state of great prosperity it had suddenly been reduced to a condition of abject collapse. All their ships were idle, and, unfortunately, there was no source from which they could claim a standard or any kind of living, there being no buffer between them and economic laws. On the other hand, expenses generally were excessively high; in fact, steamers cost almost as much laid up as operating them had done in pre-war days. The volume of trade being much below that of pre-war days, and the quantity of the world's tonnage being something like 10,000,000 greater, immediate prospects were very disconcerting.

The satisfactory results shown were due to their having made contracts a long way ahead at favourable rates. The £130,000 put aside last year to meet taxation had fallen short of what was required by £61,000, the total being £191,000, or over 120 per cent. on their capital, which exemplified the onerous burdens inflicted on commerce. The directors proposed to pay the same dividend as last year, relegating the whole of the balance to an emergency account, as, unless prospects materially improved, they were likely next year to have an adverse balance. In addition to heavy laying-up charges, they would have to meet excess profits duty, corporation profits tax, and a future liability approximating £150,000 for income tax under the three-years' average principle, irrespective of the Company's earnings.

The Commercial Outlook.

The commercial outlook was black, but not hopeless. The Government had practically withdrawn from trading, and were gradually being converted to the fact that if they did not control expenditure expenditure would control them, while the sheer weight of inevitable circumstances was steadily driving Labour Unions up against economic laws. Those were encouraging tendencies. During Government control they were living under artificial conditions. When control existed there was apparent prosperity, but, when money panned out, as in the case of coal control, the inevitable crash followed. Senseless strikes and the defiance of the Government by Labour Unions, as well as the latter's indifference to the interests of the community, had undoubtedly created a deep feeling of indignation. The inveterate antagonism of Labour Unions to employers of labour had gone too far. The terror of the strike had been broken. Bullying the innocent and helpless had failed. Even a conduct of Trade Union affairs required an intelligent and business-like knowledge of economics. Ships were laid up when trading was unprofitable. In a measure the same law applied to the coal trade. Coal had recently been mined at a loss of shillings per ton, and manufacturers could import their goods cheaper than they could make them. Obviously the greatest losers by the strike were the miners themselves. Labour Unions should recognise that even under Socialism established credit would be their greatest asset, and to destroy it could not yield them a penny-piece. The Miners' Executives and leaders believed that a complete cessation of mining for even a fortnight would bring the community to its knees.

The report and accounts were unanimously adopted.

The Rhodesia Gold Mining and Investment Co., Ltd.

Reduction of Capital Proposed.

The eleventh ordinary general meeting of this Company was held on May 27 at 34 Bishopsgate, E.C. Mr. C. F. Rowsell, who presided, said that the accounts showed a very material change from those of the previous year; they reflected what the board regarded as the intrinsic values of the Company's assets, wiping off the loss on profit and loss account which had been sustained. The first property which caused the heavy loss they had to meet was the Sabi Gold Mining Company, which, despite unanimously favourable reports at the beginning, had, in common with so many Rhodesian mines, proved a complete failure. The Sabi Company had been placed in liquidation, and this Company had acquired its assets for £5,000. The loss in that connection was reflected in the loss on investments, amounting altogether to £148,709. Allowing for the balance in the profit and loss account, there was a loss of £150,000 to carry to the balance sheet, equal to fifty per cent. of the issued capital of the Company. Their board had dealt very drastically with the position, but he

felt confident that the assets were now fully worth the balance of £150,000 capital which they represented. Properties, &c., including the Huntsman Mine, would now stand at £51,227. The Huntsman Mine's development and crushing operations had been steadily maintained during the year. A net profit of £1,029 had been realised, and the board thought, judging from the results in depth, that the Huntsman Mine might turn out a good payable proposition, and, having regard to the other assets included, the valuation of £51,000 was very moderate. As to the item "shares in other companies at cost," as against £46,534 at which they stood in the Company's books the market value was £63,810. The total assets showed a margin in favour of the Company of £167,276, so that when the capital had been reduced to £150,000 they should be in a thoroughly sound position. In making proposals for the reduction of capital the board had had in mind the possibility of paying dividends. He would be very disappointed if the profits for the year which they were now entering were not sufficient to commence paying dividends on the shares, and he thought they might reasonably look forward to a sufficiently large profit to enable the declaration of a dividend of, say, ten per cent. per annum. As to their shareholdings, the Lonely Mine had declared an interim dividend of fifteen per cent. this year, and the latest developments were of a very satisfactory nature. As to the Cam and Motor, there seemed a fair prospect that success would attend it now that crushing had again commenced.

The report was adopted.

Whiteaway, Laidlaw & Co., Ltd.

Record Sales.

The thirteenth annual general meeting of this Company was held on May 27 at 5 Cripplegate Buildings, London, E.C.

Mr. Mence Wilkinson (Chairman and Managing Director) said that the period covered by the accounts had been an exceptionally difficult one, but the figures now submitted, although not so good as last year's, were yet in advance of all the records of previous years. A year ago he called attention to the effect the favourable India and China exchanges had had upon the Company's profits. This year they had not had any such good fortune, but quite the contrary. Moreover, the depression which last summer suddenly arrested the flow of trade, which had been booming until then, was felt in the East, as indeed almost all over the world, and made it harder than ever for them to keep up their returns. In spite of these and all other difficulties, however, the sales had exceeded those of the previous year, which were then much the best on record—an achievement which, creditable as it was to their staff, was a tribute to the solidity of their business in the East. Since the last meeting he had visited all the principal branches and a good number of the smaller ones, and it afforded him considerable pleasure to be able to say that he had come back more assured than ever of the stability of the Company's position and more confident than ever of its future. Wherever the business was established, its reputation stood high. They had not lost ground either in the large cities or in the smaller stations, but, on the contrary, had a stronger hold on public estimation than before. Referring to the balance sheet, he said that freehold and leasehold premises in the East stood at £545,258, and constituted a most valuable asset. The fact that they had the best stores in the best business positions in practically every place where they were established put them in a strong position with the shopping public, and, being their own landlords, they were saved the very heavy rents which now prevailed. Stock-in-trade stood at £1,186,552, having been written down to current market values. Profit on trading, rents, &c., after making provision for commissions due, amounted to £266,579, and the directors recommended a final dividend of seven and a-half per cent., making twelve and a-half per cent. per annum, free of tax, on the Ordinary shares. They were placing £66,276 to reserve account, making it £300,000, and carrying forward £23,637, subject to corporation profits tax and, if any, excess profits duty. They had made quite a promising beginning in Java, and were confidently looking forward to Whiteaway Laidlaw (Java) Stores developing into a lucrative concern.

The report was unanimously adopted.

City of Santos Improvement Co., Ltd.

The fortieth annual general meeting of the shareholders of the City of Santos Improvements Company, Limited, was held at the offices, Salisbury House, London Wall, E.C., on May 27, Mr. F. Henderson presiding.

The Chairman, in moving the adoption of the report and accounts, said he had just returned from a visit to the Company's property, and found it in first-class condition. When the difficulties of the past year were taken into consideration he saw no reason for dissatisfaction with the year's results. The net revenue for the twelve months amounted to £107,125, compared with £106,260 in 1919, and, although the expenditure, due entirely to higher taxation, was increased by about £5,350, this was practically met by additional interest earned during the twelve months. The allocations to reserve account, renewals account, and pension fund were similar to those of last year, and the recommendation of a final dividend of five per cent., making seven per cent., less tax, for the year was identical with the appropriation of the profit in 1919, while they carried forward to next year £13,431, a figure slightly higher than the amount brought in. The prosperity of Brazil during 1919 had not, unfortunately, been maintained. If, however, the immediate future of the country was somewhat clouded there was no reason to anticipate its inability to recover, and even to add, to its pre-War rate of development. In the Company's gas undertaking he regretted to record a loss on the year's working of £7,000, apart from renewals and depreciation. This loss was entirely due to the fact that they had not been able to obtain coal from abroad. The quantity of gas used for lighting showed a relatively small decrease of three per cent., while that for cooking showed an increase of twenty-four per cent.—a satisfactory result in view of the encouragement the Company had always given to gas-cookers. The number of houses supplied with water showed a substantial increase over the figures for 1919, further straining the additional supply provided in 1914. In addition, water supplied for shipping and industrial purposes showed an appreciable advance in quantity. He had but little to add to the information already given with regard to the proposed acquisition of the water undertaking by the State Government of Sao Paulo. It was a matter of satisfaction, however, that the Court upheld the Company's contention that the amount deposited with the Public Trustee in bills on London was not equivalent to a cash payment of the sum awarded in gold within the meaning of the award and the terms of the concession. The tramways showed further expansion, and there was a satisfactory increase in the number of passengers carried during the year, a number which reached nearly 23,000,000.

Mr. Norman B. Dickson seconded the resolution, which was unanimously adopted.

National Bank of Greece.—From May of last year this Bank has enjoyed the exclusive privilege of note issue in Greece—a monopoly more or less in keeping with its semi-official status. During the previous twelvemonth the institution became charged with the duty of regulating the official rate of discount in the Greek capital. The added responsibilities which have of late attached to the Bank at an exacting period in the national fortunes have been accompanied by an appreciable growth of business—though at a time, be it remembered, of shifting currency values—discounts of Dr. 72 million on December 31 last comparing with Dr. 38 million a year earlier, agrarian loans of Dr. 63 million with about Dr. 33 million, advances of Dr. 170 million on goods with Dr. 76 million, and advances of over Dr. 501 million on securities with nearly Dr. 32 million. On the other hand, deposits of Dr. 1,191 register an increase of over sixty per cent., and it is of interest to learn that the Dr. 461 million which this percentage represents was largely attributable to the savings of Greeks settled in the United States, whose remittances home, effected through the National Bank during 1920, totalled nearly Dr. 840,000,000, which at the par of exchange would have equalled in sterling £33,600,000. The actual note circulation of the Bank at the end of last year was Dr. 1,508 million; its gold, and balances abroad approximated to Dr. 1,503 million, and Government debts had risen from Dr. 653 million on December 31, 1919, to Dr. 1,369 million. The dividend declared for the second half-year was at the rate of Dr. 240 per Dr. 1,000 fully paid share, a record distribution, continuous advance in this respect having been registered during and since the War.

The Functions of Money. By William F. Spalding. Price 7*s.* 6*d.* net. (London: Sir Isaac Pitman and Sons.) Mr. Spalding, who is well known as an expert on currency and exchange matters, explains in this volume the various functions and services of money, and describes the origin, development, and special attributes of the many forms of credit instruments in existence. The author's historical knowledge is considerable, and the accounts he gives of the evolution of the instruments of trade are both interesting and instructive.

Annual Report of the Chamber of Shipping of the United Kingdom. Profusely illustrated with diagrams and statistics. Published by Witherby and Company, London.

BANK OF MONTREAL

Established in 1817.
Paid-up Capital, $22,000,000.
Rest, $22,000,000.
Undivided Profits, $1,251,850.
Total Assets (30th Oct., 1920), $560,150,812.

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Reserve Fund	£266,000
Reserved Liability of Shareholders ..	£1,000,000

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Reserve Fund	3,350,000
Reserve Liability of Proprietors	4,931,100
	£13,212,200
Aggregate Assets, 30th Sept., 1920	£72,467,795

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers, Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM,
Acting Manager.

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AUTHORISED CAPITAL ...	£3,000,000
SUBSCRIBED CAPITAL ...	3,000,000
PAID-UP CAPITAL	1,000,000
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ARTHUR WILLIS,
Secretary & London Manager.

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Head Office: 15 Gracechurch St., London, E.C.3

Capital Authorised...	£3,000,000
Capital Paid up	1,050,000
Reserve Fund & Undivided Profits	1,227,638

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The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and transacts Banking and Agency Business in connection with the East on terms to be had on application.

Fixed Deposit Rates will be quoted upon application.

On current accounts interest is allowed at - per cent. per annum on daily balances.

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Paid-up Capital.....	£625,000
Reserve Fund	620,000
	£1,245,000
Reserve Liability of Shareholders	625,000
	£1,870,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.
Sydney Office: 105 PITT STREET.
Melbourne Office: 267 COLLINS STREET.
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Reserve Fund $10,000,000
Total Assets $240,000,000

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Cawnpore	Aden and	Kisumu	
Lahore	Aden Point		
Amritsar	Colombo	Entebbe	
Delhi	Kandy	Kampala	Uganda
Tuticorin	Newera Eliya	Jinja	
Dar-es-Salaam, Tanga		Tanganyika Territory.	

SUBSCRIBED CAPITAL	£3,000,000
PAID-UP CAPITAL	£2,000,000
RESERVE FUNDS	£2,500,000

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The Bank conducts every description of Eastern Banking business.

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Total Resources	$560,000,000

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Chief Office: OXFORD STREET, MANCHESTER.

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Assets Exceed - - - - £19,000,000
Claims Paid Exceed - - - £32,000,000

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All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

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The Statist.

LONDON, SATURDAY, JUNE 4, 1921.

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The Money Market.

Friday, June 3, 1921.

	Current Rate — % Fixed	Previous Rate — % Fixed
Bank of England Rate	6½ (Apr. 28, '21)	7 (Apr 15, '20)
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	4½ (Apr. 28, '21)	5† (Apr. 15, '20)
Discount Houses (Notice)	4¾ (Apr. 28, '21)	5¼ (Apr. 15, '20)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates :—	60 Days	3 Mos.	4 Mos.	6 Mos.	12 Mos.
	%	%	%	%	%
Bank Bills ...	5½–[illegible]	5[illegible]–½	5½	5½	—
Trade Bills ...	—	6½–¾	6¾	7	—

THE CONVERSION LOAN RESULT.

THOUGH it had been expected that only a small proportion of the outstanding National War Bonds would be converted into the new loan, yet the actual figure falls below the general estimate. Out of total maturities of over £632,000,000, the conversion rights were exercised in respect of only £148,000,000, or 23.4 per cent. In view of the unquestionable attractiveness of the terms offered, it is difficult to suggest an explanation of this comparative failure. The poorness of the results may partly be attributed to the manner in which the War Bonds were held. A large part appears to have been acquired by banking and insurance houses, as well as by large industrial companies to which a long-dated security would not appeal, though it might be contended on the other hand that such holdings could have been converted and the new stock realised subsequently in the markets. This contention is strengthened by consideration of the exceptionally favourable nature of the terms of the new loan for the genuine investor: it is not likely to suffer from the competition of existing gilt-edged descriptions, and

possesses, moreover, the advantage of being supported by a sinking fund. Already the market seems to be preparing for a favourable reception of the loan on Monday next, when dealings will commence. Again, it must be remembered that these War Bonds were very extensively advertised when they were originally on issue, and undoubtedly a large proportion of them was subscribed for by the small investor. These small holders would not be likely to interest themselves in an alternative investment, and, besides, they would be prejudiced against the new loan, remembering the severe depreciation of previous Government issues. We cannot help thinking that the results would have been less disappointing if a vigorous effort had been made to combat this attitude and if these holders were allowed more time to appreciate the generosity of the conversion terms. It is probable also that a substantial percentage of the War Bonds had passed into the hands of companies who wanted them for the purpose of paying excess profits duty, and these would naturally be disinclined to part with their holdings. Finally, though the terms were announced at an auspicious time, in so far as gilt-edged issues were then in keen demand and the Bank rate was reduced on the day after the terms were known, yet on the other hand the announcement was unreasonably premature in view of the fact that a great strike was then in progress and that the general industrial outlook was of the darkest description. It was not to be expected that these conditions would do otherwise than impair confidence in Government securities, at all events to the extent that investors would be unwilling to change from a short-dated into a long-dated loan.

But whatever may be the causes, it remains that this latest attempt at funding has met with the same fate as the issue of Five and Three-quarters per Cent. Exchequer Bonds in January of last year, made with a similar object, and the Treasury Bonds offered for the purpose of funding the Floating Debt, and the Government has still to face the problem created by the maturing War Bonds. Though the taxpayer may be relieved to some extent at the smallness of the amount converted, as the operation would have entailed greatly increased expense if all the War Bonds had been converted, yet the outlook for the national finances next year, when the Bonds will begin to mature, is distinctly unpromising. If the obligations cannot be replaced by a new loan a position will arise the seriousness of which it is unnecessary to emphasise: it is out of the question to expect that the maturities can be met from revenue alone, and, accordingly, they could only have the effect of swelling the volume of Treasury bills and Ways and Means Advances. Needless to say, the question of funding these, which on Saturday last amounted to £1,314,591,000, is now indefinitely postponed.

Though there was again a keen demand for loans in the Money market in the early part of the week, yet supplies of floating credits appear to have been increased, so that the end-of-the-month firmness was not unduly pronounced. The market was able to repay the moderate amount owed to the Bank. Conditions became markedly easier after the turn of the month, following the Government distribution on Wednesday last of over £52 million, chiefly interest on the Five per Cent. War Loan. The Bank return indicates that the payment involved considerable borrowing on Ways and Means, and this should contribute towards further ease in the market. The full effect of these, however, will not be felt until next week. That the market looks for more comfortable conditions then is evidenced by a general easing in discount rates towards the end of the week. Day-to-day loans were quoted as high as 5½ per cent. before the end of the month, but the rate declined latterly, and overnight accommodation could be had at 4 per cent. to-day. Discussion of Bank-rate possibilities seem now to be in abeyance, and it seems that the authorities do not contemplate any further reduction.

Treasury Bill Tenders.

The inquiry for to-day's offer of £55,000,000 Treasury bills for sale by tender was not so keen as on the preceding two weeks. The average rate works out at £5 12*s*. 1.06*d*. per cent., as against £5 13*s*. 1.83*d*. per cent. on the 27th ult. The total amount applied for was £84,775,000.

Foreign Exchanges.

This week was again one of feverish movements in the Foreign Exchange market; fluctuations in nearly all rates were unusually marked, and it is difficult to discern among the changes a definite trend in values. A remarkable feature was a reaction yesterday and to-day from the recent improvement in the value of francs and lire. Taking the week's movements as a whole, however, these currencies again show an increased value as compared with sterling. The Paris rate, which had declined to 47.22½ on Wednesday, was quoted around 47.65 to-day, and to-day's rates on Brussels and Rome, which are respectively 46.90 and 74¼, compare with 47.27½ and 73⅜ respectively on the 1st inst. During the last three days the Belgian franc was cheaper than the French franc. The New York rate was subject to rather wide fluctuations; after rising from 3.86¾ on Monday to 3.90¼ on Wednesday, it declined to 3.88½ yesterday, and was again fractionally higher to-day at 3.88¾. The German mark disimproved from a quotation of 243¾ on Tuesday to 249 to-day. The changes in the "neutral" group were irregular; while the Dutch rate rose steadily, Madrid moved adversely, as did Christiania and Copenhagen, and after wide fluctuations the rates on Berne and Stockholm closed in our favour. The latter showed a remarkable rise to-day from 16.93½ to 17.22½. Among other changes, the consistent cheapening of the Argentine peso from 45¾ to 44⅜ was a feature. The Eastern group maintained its usual steadiness, with the Shanghai tael at 3*s*. 3*d*. and the Indian rupee being 1*s*. 3 5/16*d*.

Income and Expenditure.

The unsatisfactory nature of the present position of the national finances, due to the combined influences of the coal strike and the trade depression, is again reflected in the latest return of public income and expenditure. Revenue last week was only £11,095,517, as against £17,466,500 for the preceding week—a fall of £6,370,983. There was, moreover, a deficit of £3,758,937, for expenditure stood at £14,854,454. This, however, did not entail any fresh borrowing on Ways and Means, which, on the contrary, owing to large surplus receipts for Treasury bills, were reduced by £12,815,000 to £163,054,000. Advances by the Bank stood at £7¼ million on the 28th ult., a reduction on the week of £4 million, and Advances by Public Departments were £8,815,000 lower at £155,804,000. Receipts for Treasury bills reached the remarkable total of £104,996,000, though maturities were only £86,635,000—a movement that throws strong light on last week's stringency in the Money market. The total of Treasury bills and outstanding Ways and Means Advances rose during the week by £5,725,000 to £1,314,591,000. This represents an increase of £39,261,000 since the commencement of the fiscal year and of £30,952,000 as compared with a year previously. A similar unfavourable turn in the position may be expected this week in view of Wednesday's payment of about £50 million in respect of interest on the Five per Cent. War Loan.

Currency Notes.

It is significant of the extent of the dulness of trading due to unemployment that the latest currency-notes return shows another substantial contraction in the circulation, though the statement covers the last week of the month. It may be, however, that next week's statement will show an increase in the notes outstanding on account of Wednesday's interest distribution and the consequent borrowing on Ways and Means. The net decline during the week was £2,150,851, making a fall of

£6,972,920 during the last fortnight of May. The latest total of notes and certificates outstanding is £328,921,629, as compared with £351,051,439 on June 2, 1920—a decrease of £22,129,810.

Bank of England.

In the Bank return a fall of £2,287,000 in the note circulation is recorded, in contrast to the movement in the Treasury-note issue commented on above. This expansion nearly offsets the contraction of the three preceding weeks and leaves the present total at £129,095,000. "Other" deposits were again increased, as is usually the case at the end of a month, the rise during the week being £21,109,000. An expansion of £30,480,000 in Government securities indicates that the payment of the War Loan interest on the 1st inst. involved heavy borrowing on Ways and Means. The repayment of the market's indebtedness to the Bank is reflected in a drop of £7,881,000 in "other" securities. Naturally, on account of the increase in liabilities and the fall in the Reserve, which is £1,273,000 lower on the week, due to the increase in the circulation, the reserve ratio fell from 14.8 per cent. to 11.8 per cent., the lowest since the commencement of February last.

Bullion.

All the gold available was again purchased by the United States. The Silver market was considerably more active during the current week, and quotations fluctuated within wider limits. At first India bought briskly, and under this influence the price was carried to 34½*d.* on Monday last. A reaction ensued subsequently, however, due to increased sales by the United States as well as the Continent. India continued buying spot silver in moderate amounts, but was selling forward. The undertone was weak at the close, and still lower quotations are anticipated. The prices since the 27th ult. are as follows:—

Silver (per oz. std. ·925 fine):—	May 28	May 30	May 31	June 1	June 2	June 3	Average
Cash ...	34*d.*	34⅛*d.*	33⅞*d.*	33½*d.*	33½*d.*	33⅞*d.*	33·78*d.*
Forward ...	33⅞*d.*	33⅛*d.*	33⅛*d.*	33⅛*d.*	33⅛*d.*	33⅝*d.*	33·11*d.*
Gold (per oz. fine)	—	106/1	106/4	105/9	105/5	106/0	105/11

NEW YORK.

The average statement of the New York Clearing Banks covering last week records a moderate reaction from the recent weakening of the reserve position, the aggregate reserve rising by $940,000 to $497,510,000. The improvement was more marked in the excess reserve, which is $1,290,000 higher at $12,650,000, for net demand deposits declined further by $8,360,000 to $3,634,170,000. Loans, discounts, and investments again fell by $37,240,000 to $4,602,230,000. How the position of these banks compares with that ruling a year previously is shown in the following table:—

New York City Banks and Trust Companies Associated with the New York Clearing House.

(In thousands of dollars.)

	Week ending May 29, 1920	Week ending May 28, 1921	Increase or Decrease	Change per cent.
Aggregate Reserve ...	577,140	497,510	— 79,630	—15·8%
Excess Reserve ...	22,370	12,650	— 9,720	—43·5%
Net demand deposits ...	4,188,600	3,634,170	—554,430	—13·2%
Net time deposits ...	251,200	338,550	+ 87,350	+34·8%
Loans, discounts, investments, &c.	5,125,260	4,602,230	—523,030	—10·2%

Except for the reduction in net demand deposits and in loans, discounts, and investments, the present position of the New York Clearing Banks does not reflect the financial restriction that has been in force during the past twelve months, for the aggregate reserve has fallen by nearly 14 per cent., and, despite the decline in liabilities, the excess over legal requirements shows a remarkable fall of 43½ per cent. to a level that is not far above the lowest on record. Broadly speaking, this is due to the shifting of funds to the interior and the West. A consequence of this movement has been the strengthening of the Federal Reserve Banks' position, which contrasts strikingly with that of the above banks, as may be seen in the following comparative statement:—

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Twelve U.S. Federal Reserve Banks.

(In thousands of dollars.)

	May 29, 1920	May 27, 1921	Increase or Decrease	Change per cent.
Total gold reserves ...	1,953,100	2,392,950	+439,850	+22·6%
Total reserves ...	2,092,490	2,558,240	+465,750	+22·3%
Rediscounts ...	2,519,430	1,870,260	—649,170	—25·8%
Total bills held ...	2,935 530	1,957,400	—978,130	—33·3%
Net deposits	1,794,140	1,688,430	105,810	5·9%
F.R. note circulation ...	3,107,020	2,734,800	—372,220	—12·0%
Reserve ratio* ...	42·7%	57·6%	+ 14·9	—

* Ratio of total reserves to the net deposit and Federal Reserve note liabilities combined.

In the case of the Federal Reserve Banks one of the main factors contributing to the present strength has been the large purchases of South African gold here, the bulk of which has been acquired by the banks. As a result of these imports both the total gold holdings and the total reserves are now the highest ever reported. Besides these, however, the movements in other directions are more striking than in the case of the New York banks, for re-discounts have fallen by one-fourth and the total bill holdings by one-third. The contraction in the note circulation has been slower, the decline being only 12 per cent.; but the movement here is likely to be much more pronounced between this and next autumn, when the seasonal demand for credit in connection with the annual movement of crops will require to be met. The liquidation of the credit position is reflected in the reserve ratio, which is now well above legal requirements at a level of 57.6 per cent.

The rate for call money in New York was maintained at 7 per cent. Prime commercial paper was quoted at 6¾ to 7 per cent.

Stock Exchange.

Though prospects of a coal settlement had become more hopeful during the past week, business on the Stock Exchange showed little sign of improvement. Following the lead set by the Gilt-edge section quotations in every department of the House displayed consistent weakness. The Financial Secretary to the Treasury announced on Tuesday the disappointing news that only £148,000,000 War Bonds out of a possible 638,000,000 had been exchanged into Conversion Loan. Dealings in the latter will commence on Monday, but the market will not be as broad as had originally been anticipated. The failure to fund this heavy mass of early-maturing debt had an adverse effect on market sentiment. Declining probabilities of an early reduction in the Bank rate and a consequence in realisations of Government stocks [illegible] whose attention was largely diverted by the speculative attractions of Epsom helped further to undermine the strength of investment quotations, and as a conse-

quence Gilt-edge values eased consistently during the week.

Liquidation of Victory Bond holdings assumed specially large proportions, and the price, opening at 79¼, fell eventually to 78. This movement is all the more surprising in view of the fact that drawings for redemption of the bonds at par on September 1 will take place this month. Explanations of the break are numerous and conflicting. Large blocks are held by industrial firms against excess profits tax liability, for which the bonds are tenderable at par if held for six months previously. It is not improbable that houses who had made excess provision in this manner decided to liquidate their surplus holdings. War Bonds also receded, as might be expected, on shedding their convertibility rights. War Fours and Fives, Consols, and Funding Loan pursued a similar trend. The premium on India Seven per Cents receded to 3⅜. County and Corporation stocks attracted only moderate attention, but what few movements occurred favoured holders. The joint municipal loan of £3,000,000 in Six per Cent stock at 95½ per cent., redeemable between 1940 and 1960, met with a favourable reception. The lists for Derby, Gateshead, and Reading, accounting for £1,900,000 in all, were quickly oversubscribed, and the Newport and Wallasey portions were reported to be progressing favourably.

Business in Colonial Government issues remained quiet. The City of Sydney issue of £1,000,000 Six and a-Half per Cent Ten-Year Bearer Debentures at 99 was over-subscribed, but as the result was mainly due to "stag" operations the opening premium on the Stock Exchange gave place almost immediately to a discount. An issue of £3,000,000 in Six per Cents at 97 will be made during the coming week.

Among Foreign Bonds Norwegian Six per Cent scrip continued at a slight discount, which eventually disappeared, and at the close the quotation stood at ¼ above issue price. German Threes again weakened after an initial rally. Japanese varieties exhibited an uncertain tendency.

Freight prospects in general, and the coal crux in particular, helped to keep Home Rail quotations depressed. Downward movements were not numerous, however, and a steadier tendency came in evidence towards the close. The removal of the embargo on foreign coal failed to impart any buoyancy to values.

The volume of business in Foreign Rails was hardly sufficient to test quotations. Argentine descriptions registered several minor declines. United of the Havana stocks recovered from their previous weakness, but finished below the best. Elsewhere no movements of note occurred.

The outstanding characteristic of the Industrial section was stagnancy. Quotations on the whole did not reveal any substantial alterations, but the steadiness resulted solely from absence of selling pressure. The coal stoppage has lasted over two months, and irretrievable damage has already been wrought to industry. Even with an early cessation to the dispute the cost to manufacturing concerns will be considerable. The strength of share values is, on this account alone, surprising, and forms a tribute to both the inherent stability of British industry and the level-headedness of the investing public. Iron and Steel, Shipping, and Textile issues displayed little alteration, save for a recession in Dorman Longs and Courtaulds. Brewery shares attracted less attention than usual, excepting Watney Combe Deferred, which reacted on selling pressure. Bank varieties continued inactive but steady.

The Oil-share market opened weak, and derived little benefit from the increasing reports of industrial transfers from coal to oil fuel. The satisfactory half-yearly report of the Mexican Eagle Company tended, however, to restore optimism, and the leaders all concluded better on balance. Mexican Eagles and Shells closed easy, but Royal Dutch exhibited a hardening tendency.

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Mining Topics.

ACTIVITY in the Mining market was again largely confined this week to Russian descriptions. At first interest appeared to slacken, with the result that a reactionary tendency was in evidence. Yet support was always forthcoming for Russo-Asiatics at or around 10*s*. Thus on Monday a bout of profit-taking forced the price down to 10*s*. 1½*d*.; but now buyers stepped in, and the shares closed firm at 10*s*. 6*d*. Again, on Wednesday realisations caused a reaction to 10*s*. 3*d*., but inquiries at this level prevented any further decline. Thursday, however, witnessed a marked outburst of activity, and it is said that as many as 50,000 shares changed hands during the day. Rumour was busy to the effect that the agreement with the Bolsheviks had been signed, and this gave the shares such an impetus that the price rose to 11*s*. 3*d*. and closed steady at this level.

There was a market for Esperanzas at 7*s*. 8*d*., despite the somewhat colourless development report for the quarter ended March 31, 1921. Only at the fifth level were any payable values disclosed. For fifty feet raise No. 8 revealed the Descubridora vein, the ore assaying 5.62 ounces of gold and 151.57 ounces of silver per ton over a width of nineteen inches. Winze No. 8 opened up ore of 1.40 ounces gold and 43.25 ounces silver over a width of seventeen inches for a distance of sixteen feet. Winze No. 6 was sunk a further twenty-six feet. For the first eleven feet ore assaying 0.59 ounce gold and 25.97 ounces of silver was exposed over a width of nineteen inches. The next seven feet contained ore averaging 0.20 ounce gold and 10.58 ounces silver for a width of thirteen inches.

WITBANK COLLIERY.

ANOTHER satisfactory report has emanated from the Witbank Colliery for the year ended August 31, 1920. The abnormally high price of export coal in the United Kingdom, accentuated by freight charges, gave rise to an increased demand for coal from other quarters, and this demand was reflected in the expansion of coal-mining activities in South Africa. To meet this new demand two fresh districts at Uitspan were opened up by the Witbank Colliery, and in addition an afternoon shift was introduced at Uitspan in

order to counterbalance the reduction of working hours to forty-eight hours per week. How these operations influenced the output and the financial results can be seen from the following table:—

	Years ended August 31				
	1920	1919	1918	1917	1916
Coal despatched	Tons 995,589	Tons 867,855	Tons 907,738	Tons 887,331	Tons 850,848
	£	£	£	£	£
Working profit	96,751	86,261	99,371	84,492	66,912
Sundry revenue	—	—	—	—	2,079
Total	96,751	86,261	99,371	84,492	68,991
Allocation:—					
Capital expend. written off ...	35,562	12,154	1,247	40,620*	2,827
Taxes	8,074	7,284	7,839	11,329	6,326
Directors' extra	—	—	—	—	1,500
Dividends	61,250 (22½%)	63,000 (30%)	57,750 (27½%)	52,500 (25%)	52,500 (25%)
Total	104,886	82,438	66,886	104,449	63,153
Balance profit	Def. 8,755	3,823	32,485	Def. 19,957	5,838
Brought forward	105,886	102,064	69,579	89,536	83,698
Carried forward	97,751	105,886	102,064	69,579	89,536

* Special provision for writing down value of property [illegible]

The quantity of coal despatched reached the record total of 995,589 tons. Moreover, this increase over the results of 1918-19 would have been greater still were not operations retarded by the inadequate supply of trucks furnished by the South African railways and a similar deficiency in the facilities supplied at Delagoa Bay for handling the cargoes. The shortage of trucks alone is estimated to have reduced the quantity by 100,000 tons. Whilst outside South Africa export coal commanded high prices, it appears that the prices secured by the Witbank Colliery were only a little above those of the previous year. It is stated that the Transvaal Coal Owners' Association, of which the Witbank Colliery is a member, had entered into commitments at a time when the prosperity of the export trade had not been so attractive. Moreover, they were unable to cater for the export trade before meeting the needs of home consumption. On the other hand, working costs increased more rapidly, especially in so far as wages and the cost of stores was concerned. Consequently, despite the great increase in the tonnage despatched, the working profit, only advanced from £86,261 to £96,751, whereas in 1917-18 it had reached £99,371. The increase in the capital expenditure, from £12,154 to £35,562, was explained by the substantial additions to plant to enable the Company to increase its output, and thus to compensate for the reduction in the length of the working week. Shareholders received an interim dividend of twelve and a-half per cent. and a final dividend of ten per cent; but whilst the interim dividend was declared on the old capital of £210,000, the final dividend was declared on the new capital of £350,000. This addition of £140,000 represented the distribution to shareholders of a bonus of two shares for every three held. Making allowance for this fact, the final dividend of ten per cent. is equivalent to a rate of sixteen and two-thirds per cent. on the old capital. Consequently, the total dividend amounted to twenty-nine and a-third per cent., as compared with thirty per cent. in 1918-19, and in conjunction with the share bonus represented a very generous distribution. The balance carried forward to the next accounts is reduced from £105,886 to £97,751.

For the current year's outlook is encouraging still. The present coal strike in the United Kingdom gives to South Africa considerable scope in the markets of the world. The additions to plant enable the Witbank Colliery to produce under favourable conditions as much as 120,000 tons a month. But for this there is required an adequate supply of native labour and an efficient transport service. To facilitate the export trade the railways should provide adequate trucks. It is stated that at Delagoa Bay the Portuguese authorities are installing an additional coaling plant. On the other hand, judging by the 1920 report of the Transvaal Chamber of Mines, the policy of the railways in increasing unduly freight rates on export and bunker coal is placing a serious barrier in the way of the development of the South African coal trade. Between May 1920 and February 1921 rates on export coal to Delagoa Bay rose from 7*s.* 3*d.* to 9*s.* 3*d.* Between June 1916 and July 1920 rates on bunker coal to Delagoa Bay advanced from 12*s.* 1*d.* to 36*s.* 1*d.* and were as high as 27*s.* 2*d.* in March 1921. During the same period rates on bunker coal to Capetown advanced from 20*s.* to 44*s.*, and had not fallen below 35*s.* 1*d.* in March 1921. It appears that considerable pressure had to be brought to bear before any reduction was effected in bunker rates, and this coincided with the reprehensible policy of adding 2*s.* per ton to the export rate. "The demand for South African coal"—to quote the report of the Transvaal Chamber of Mines for 1920—"has fallen away very considerably, and unless drastic reductions are made in the transport rates our hope for a great expansion of our shipment trade is doomed to disappointment." In so far as Witbank Colliery is concerned, it is difficult to see to what extent this difficulty is operating, unless it is reflected in the reduction in the output from the record total of 108,227 tons for December 1920 to 82,852 tons for April 1921. Financially, the operations of the first five months were good enough to warrant the satisfactory interim dividend of seventeen and a-half per cent. The position as disclosed in the balance sheet dated August 31, 1920, is financially strong. Liquid assets in the form of cash, sundry debtors, and Treasury bills amounted to £126,855, whereas current liabilities did not exceed £64,123. Quoted in the market at 45*s.*, the £1 shares afford a return of ten per cent. on the basis of a final dividend of twenty-two and a-half per cent.

MODDER DEEP.

Issued Capital: £500,000 in 5*s.* shares.

	Ore Milled	Gold Yield	Working Costs	Working Profit		Net Profit*	Dividend	
	Tons	per Ton	per Ton	£	Per Ton	£	£	%
1915 ...	390,000	34 5	17 1	338,430	17 4	283,506	175,000	35
1916 ...	454,000	37 10	16 4	436,963	21 6	420,852	337,500	67½
1917 ...	494,400	39 0	16 4	561,176	22 8	490,250	425,000	85
1918 ...	506,100	40 11	17 5	595,851	23 6	519,761	487,500	97½
1919 ...	507,200	43 10	18 5	644,561†	25 5†	664,461‡	575,000	115
1920 ...	507,700	44 10	22 8	566,074	22 2	727,842‡	725,000	145

* After deduction of taxes.

† Excluding gold premium amounting in 1919 to £113,003, or 4*s.* 5*d.* per ton, and in 1920 to £327,004, or 12*s.* 11*d.* per ton.

‡ Including gold premium.

A REPORT which in every respect reflects credit on the Company has been issued by Modderfontein Deep Levels for the year ended December 31, 1920. Working for 98.96 per cent. of the possible time, an efficient and adequate labour supply enabled the quantity of ore crushed to reach 507,700 tons. Moreover, there was an improvement in the grade of the ore treated, for, working on the basis of the par value of gold in order to maintain an effective comparison, the yield per ton increased from 43*s.* 10*d.* to 44*s.* 10*d.* But this increase was more than counterbalanced by the growth in the working costs per ton from 18*s.* 5*d.* to 22*s.* 8*d.* This increase does not detract from the efficiency of the administration, since it was produced by factors largely outside their control. The higher prices of stores involved a greater outlay, as well as the increases both in European and native wages necessitated by the rise in the cost of living. Thus it was stated that the allowance to European employees in this respect amounted to £34,077, or over 1*s.* 4*d.* per ton milled. Again, there must also be considered the increased burden under the miners' phthisis legis- [illegible] £22,618, or 10.69*d.* per ton, as compared with £10,591, or 5.01*d.* per ton, in 1919. In so far as actual working operations were concerned the cost of mining reached 11*s.* 1.18*d.* per ton, as against 9*s.* 6.20*d.* per ton, and milling added 2*s.* 1.31*d.* per ton to the cost, instead of 1*s.* 9.83*d.* Furthermore, the cost included a sum of £18,574, which could have justifiably been added to the capital account as capital expenditure. However, with this rise in working costs exceeding the improvement in the grade of the ore, the working profit per [illegible]

of gold—fell from 25*s.* 5*d.* to 22*s.* 2*d.*, and in the aggregate from £644,530 to £563,674. Adding to this, however, the substantial premium of 28.5 per cent. realised by the sale of the gold throughout the whole year, as compared with an average premium of 22.6 per cent. for some five months only in 1919, the working profit amounted to £891,308, as compared with £757,543. This addition of the substantial sum of £327,634 raised the yield per ton to the record figure of 57*s.* 9*d.*, and the working profit per ton to the record figure of 35*s.* 1*d.* Consequently there was returned the record net profit of £727,842, which enabled the Company to signalise its sixth year of production by the highest dividend yet declared—of 145 per cent. At the same time the balance carried forward to the next accounts is increased from £161,623 to £163,464.

Scarcely less satisfactory were the development results. The total footage of 7,688 represented an increase of 554 feet on the previous year. In the words of the Consulting Engineer, "the values disclosed were very satisfactory, and well above the average of the mine." In particular, as the following table shows, both in quantity and value excellent results were secured in the December quarter:—

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
March qr. ...	900	610	69·3	49	4,395
June qr. ...	1,280	900	67·1	48	2,992
September qr.	1,445	1,285	68·0	57	3,876
December qr. ...	3,050	1,000	87·5	47	4,194

Ore Reserves at December 31.

	Tons	Average Value	Average Width In.	Shilling-Inches
1915	2,670,000	35·3	75	2,573
1916	3,320,000	35/8	78	2,780
1917	3,320,000	36·11	78	2,878
1918	3,450,000	37·4	78	2,910
1919	3,775,000	38·8	77	2,977
1920 ...	[illegible]	39/11	77	3,073

NOTE.—In addition, ore on surface dump, 175,600 tons, taken into balance sheet at 1*s.* 6*d.* per ton.

The increase in the ore reserves is the logical sequence of the progress in development. There is now sufficient ore in reserve to keep the mill fully supplied for eight years. Financially the Company is in a very strong position. The balance sheet dated December 31, 1920, shows that current liabilities, amounting to £612,654, are covered by the cash and gold alone to a total of £694,008. The outlook for the current year is again encouraging. Whilst the gold premium is not likely to reach the same high level as in 1920, it is none the less likely to continue. During the first four months the output has been valued at a price of 105*s.* in January and 103*s.* 9*d.* for the other three months. At present the tendency is to expect a lower price for May, but after that a recovery should take place, especially during the autumn. Returns for the first four months show that 167,300 tons have been treated for an estimated profit of £281,151, and if this rate was maintained the working profit would be in the neighbourhood of £850,000. Development results continue to be good. In the first four months 1,299 feet out of 1,460 feet sampled proved payable with ore of 79*s.* 6*d.* per ton for forty-four inches width. Quoted in the market at 45*s.* 7½*d.*, the 5*s.* shares afford a return of eleven per cent., approximately, on the basis of a dividend of 100 per cent.

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FRED. C. SALTER, European Traffic Manager

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 1, 1921.

Issue Department.

Notes Issued	£144,993,235	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,543,235
	£144,993,235		£144,993,235

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£68 556,122
Rest	3,205,780	Other Securities	81,759,378
Public Deposits	16,596,446	Notes	15,897,955
Other Deposits	133,169,634	Gold and Silver Coin	1,820,154
Seven-day and other Bills	8,749		
	£167,533,609		£167,533,609

Comparison with Previous Four Weeks [00,000's omitted].

Date 1921.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months Bills
	£	£	£	£	£	£	£	%	%	%
June 1	129.1	128.3	16.6	133.1	68.5	81.2	17.7	11·8	6½	5½
May 25	127.8	128.3	16.4	112.1	38.1	89.1	19.0	14·8	6½	5½
May 18	128.2	128.3	16.5	105.3	39.9	81.0	18.8	15·3	6½	5½
May 11	128.7	128.3	14.8	113.5	49.1	78.9	18.0	14·0	6½	5½
May 4	129.5	128.3	15.4	125.3	61.6	79.5	17.2	12·3	6½	5½
July 22, '14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%; April 28, 1921, 6½%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	June 1	June 2	June 4	June 5	May 31
Bank of England (in £'s sterling, 00,000's omitted):	1921	1920	1919	1918	1911
Circulation	£129,1	£113,3	£78,2	£51,9	£28,6
Public Deposits	16,6	21,2	21,4	38,7	14.4
Other Deposits	133,1	127,3	127,5	131.9	41,3
Government Securities	68,5	66.1	58,7	56.4	15 0
Other Securities	81.2	80.5	80.8	101.6	29.5
Reserve	17.7	19,0	27,2	30,4	28,9
Ratio to Liabilities	11·8%	12·9%	18·25%	17·82%	51·91%
Coin and Bullion	128,3	114.4	85.9	63.8	39,1
Money:					
Bank of England Rate	6½%	7%	5%	5%	3%
Bank of France Rate	6%	8%	5%	5%	3%
Rate 3 months' Bills London	5⅝%	6⅛%	3½-⅝%	3½%	2⅛%
Exchanges:					
Paris Cheque	46 68	51·10	30·08	27·16½	25·29½
New York 60 days	3·88½	3·91¼	4·60	4·72½	4·84½
Bombay Telegraphic Transfers	1/3¼	2/1	1/7½	1/6½	1/3½
Prices:					
Consols 2½% Cash	46⅜	47½	54⅛xd	56xd	80⅝xd
French Rentes 3% Money	57·20	60·00	61·50	60·00	86·17
Silver, London spot oz.	33⅜d.	56⅜d.	53½d.	48⅝d.	24⅝d.
Wheat, *Gazette* average qr.	88/4	72/10	73/3	73/3	32/8
Cotton, Mid Upland lb.	8·51d.	29·94d.	19·85d.	21·54d.	8·28d.
Iron, Scotch pig ton	136/0	223/6	166/0	101/0	52/3

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
May 25, '21	5,096,538	9,918,607	331,072,480	28,500,000	19,450,000	14·3
June 1, '21	6,101,222	8,252,074	328,921,628	28,500,000	19,450,000	14·4
June 2, '20	10,263,087	7,527,894	351,051,439	28,500,000	3,850,000	10·6
June 4, '19	8,004,071	5,939,827	346,276,975	28,500,000	—	8·2
June 5, '18	5,143,612	4,929,016	248,005,057	28,500,000	—	11·5
June 6, '17	4,517,935	4,792,392	158,828,315	28,500,000	—	17·9

Balance Sheet, June 1, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	260,382,583	Other Bankers	—
Ten Shilling	41,109,046	Currency Note Redemption A/c—	
Certificates outstanding ...	27,430,000	Gold Coin and Bullion ...	28,500,000
		Silver Coin ...	3,000,000
Total	328,921,629	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,076,533	Government Securities ...	295,553,312
Investments Reserve A/c ...	15,661,755	Balance at Bank of England	156,605
Total	346,659,917	Total	346,659,917

PUBLIC INCOME AND EXPENDITURE [000's omitted].

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
May 28,'21...	£11,396	£14,854	£3,758	£128,981	£125,311	£3,724
May 21,'21...	17,466	11,794	[illegible]‡	77,843	82,836	3,812
May 14,'21...	10,559	16,750	6,191	103,974	97,971	3,183
58 dys. '21-22	143,564	159,227	15,663	983,545	970,957	—2,570
59 dys. '20-21	223,032	186,326	[illegible]‡	800,610	846,685	—5,437
Yr. '21-22*	1,216,650	1,039,728	176,922‡	—	—	—
Yr. '20-21	1,425,985	1,195,428	230,557‡	5,710,142	5,920,699	8,294
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	8,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,363	12,798

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
May 28,'21...	£3,985	£2,720	£1,330	£3,660	£2,720	£46	£12,089
May 21,'21...	11,114	2,856	1,160	2,336	2,914	30	8,850
May 14,'21...	3,401	2,717	1,5 0	2,911	2,038	576	14,134
58 days '21-22	46,125	50,662	14,950	31,827	58,308	1,357	99,562
59 days '20-21	45,431	44,658	37,644	95,299	49,760	1,760	134,506
Yr. '21-22*	323,000	410,500	120,000	111,000	345,000	26,272	688,458
Yr. '20-21	333,785	394,146	219,181	478,873	349,593	28,488	817,381
Yr. '19 20	283,023	359,099	290,045	407,404	332 034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
May 28, 1921 ...	£1,151,537	£163,054	£1,3.4,591	—
May 21, 1921 ...	1,13?,997	175,869	1,503,866	—
May 14, 1921 ...	1,127,082	182,9 9	1,310,061	—
May 7, 1921 ...	1,104,142	197,419	1,301,561	—
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 14, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
May 19, '21	...	10,682	1,500	12,183	26,489	246,230	43,324
May 26, '21	...	10,682	1,501	12,183	27,677	245,613	41,625

		Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
ZECHO-LOVAKIA.*							
Apr. 30, '21	...	£397,001	£57,974	£56,345	£81,524	£455,357	£26,595
May 7, '21	...	397,004	57,640	54,134	83,031	453,663	25,784
May 15, '21	...	397,006	56,812	54,623	81,855	441,920	31,991

		Cash			Discounts	Balance Abroad	Circulation	Deposits
DENMARK.		Gold	Silver	Total				
July 31, '14	...	£4,100	£341	£4,441	£8,197	£786	£8,693	£47
Mar. 31, '21	...	12,843	165	12,808	15,807	1,157	28,725	3,412
Apr. 30, '21	...	12,643	177	12,820	14,992	429	29,561	3,213
Apr. 30, '20	...	12,588	164	12,752	17,531	981	28,982	1,542
Apr. 30, '19	...	10,374	136	10,510	3,325	3,977	24,115	1,026

		Gold		Total Cash			Circula-	Deposits	
FRANCE.		In Bank	Abroad	Incl'g Silver	Bills	Advances	tion	Public	Private
July 30, '14	...	£165,854		£190,687	£97,788		£267,327	£15,302	£37,903
May 26, '21	...	142,805	77,934	231,632	103,991	1,529,328	904	120,748	
June 2, '21	...	142,825	77,934	931,693	114,187	1,535,680	1,810	114,845	
June 3, '20	...	144,362	79,131	233,108	83 705	1,526,920	1,975	149.161	
June 5, '19	...	142,870	79,131	235,064	37,657	1,374,235	1,142	149,122	

		Gold	Cash Silver	Total	Treasury & Other Notes	Loans & Discounts	Circula-tion	De-posits
GERMANY.								
July 23, '14	...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
May 15, '21	...	64,577	434	55,061	1,026,345	2,832,991	3,541,709	649,937
May 23, '21	...	64,577	468	65,036	837,612	2,715,323	3,496,221	577,699
May 21, '20	...	64,582	182	54,764	780,444	2,051,916	2,468,377	819,618
May 23, '19	...	76,324	1,026	77,350	386,643	1,284,264	1,364,324	423,436

		Gold	Cash Silver	Total	Dis-counts	Ad-vances	Circula-tion	De-posits
HOLLAND.								
Aug. 1, '14		£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
May 23, '21	...	50,495	1,095	51,590	25,499	15,073	85,590	7,043
May 30, '21	...	50,497	1,089	51,586	22,812	16,452	85,993	4,918
May 29, '20	...	52,984	1,054	54,038	18,378	25,821	85,293	12,737
May 31, '19	...	55,164	661	55,825	12,079	19,512	85,497	6,829

		Gold	Cash Silver	Total	Other Cash	Loans & Discounts	Circula-tion	Deposits
ITALY.								
July 31, '14	...	—	—	—£48,456—		£25,017	£89,204	£8,887
Mar. 20, '21	...	£32,892	£3,000	35,892	15,647	214,005	574,100	72,809
Mar. 31, '21	...	32,892	2,999	35,891	17,616	£20,268	579,338	82,811
Mar. 31, '20	...	32,190	3,006	35,196	24,666	161,664	481,801	74,222
Mar. 31, '19	...	32,716	2,940	35,656	16,192	59,315	366,482	59,921

		Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.							
Aug. 1, '14	...	£31,867	£1,829	£7,863	£32,722	£13,818	£1,521
Apr. 23, '21	...	101,824	4,304	7,961	103,212	107,079	14,545
Apr. 30, '21	...	108,320	4,166	8,208	114,738	108,039	3,791
May 1, '20	...	91,659	52,660	37,706	137,862	118,047	9,328
May 3, '19	...	70,642	4,330	37,493	83,730	108,780	4,797

		Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits Demand	Net Deposits Time	Net Deposits Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14...		—	£89,888	£411,238	—	—	£887,165	£1,720
May 21, '21...		£15,658†	99,314	927,894	£728,506	£82,614	808,278	2,272
May 28, '21...		15,978†	99,502	920,446	726,834	67,706	808,672	2,530
May 29, '20...		19,466†	115,428	1,025,052	837,720	50,240	896,932	4,474
May 31, '19...		19,170†	115,138	978,086	823,672	30,044	875,516	8,034

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circula-tion	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,878	£493	£4,868	£6,752	£793
May 15, '21	...	8,115	2,240	501	23,160	23,044	5,313
May 23, '21	...	8,115	2,175	501	23,031	22,623	5,443
May 22, '20	...	8,121	3,731	579	21,779	23,666	6,385

		Gold	Silver	Total	Discounts & Advances	Note Circu-lation	Deposits
PORTUGAL.							
Apr. 27, '21	...	£1,906	£3,924	£5,830	£27,761	£141,408	£10,443
May 4, '21	...	1,906	3,924	5,830	27,604	143,712	9,120
Apr. 7, '20	...	1,906	3,921	5,827	17,496	91,128	5,864
May 7, '19	...	1,905	3,925	5,830	8,151	64,868	2,996

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Apr. 23, '21	...	£150,469	£24,550	£5,734	£30,284	£450,525
Apr. 30, '21	...	154,469	22,905	6,146	29,051	450,910
May 8, '21	...	154,389	23,017	6,610	29,627	449,216
May 8, '20	...	61,208	9,479	2,710	12,189	182,138

		Gold	Abroad	Total Cash Incl'g Silver	Loans & Disc'ts	Circula-tion	Notes in Reserve	Total Deposits
RUSSIA.		In Bank						
July 21, '14...		£160,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,911
Oct. 29, '17...		129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Gold	Cash Silver	Total	Loans, &c.	Spanish 4%	Circula-tion	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
May 21, '21	...	99,890	24,386	124,276	92,119	13,779	169,077	48,915
May 28, '21	...	99,402	24,523	123,925	91,947	13,779	168,090	49,431
May 29, '20	...	88,103	24,912	123,015	84,637	13,779	154,705	45,391
May 31, '19	...	90,852	26,216	116,868	75,968	13,778	140,635	42,740

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circula-tion	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
May 21, '21	...	15,849	6,969	792	25,312	34,152	11,062
May 28, '21		15,848	6,613	780	24,735	33,788	10,464
May 29, '20	...	14,500	4,340	2,524	34,832	37,943	14,163
May 31, '19	...	16,111	8,060	2,880	19,237	39,031	6,653

		Gold	Cash Silver	Total	Discounts & Advances	Circula-tion	Deposits
SWITZER-LAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
May 14, '21	...	21,746	4,444	26,190	15,299	36,861	4,678
May 23, '21	...	21,749	4,444	26,193	16,052	36,170	5,498
May 22, '20	...	21,237	3,659	24,896	15,228	36,560	6,351
May 23, '19	...	17,232	2,689	19,921	20,972	35,509	5,497

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.		Gold Held by Banks	Gold With Agents	Total Cash	Bills Dis-counted	Accept-ances	Deposits Govt.	Deposits Net	Circula-tion
May 20, '21	...	—$475,732—		$5,0[illegible]	$368,510	$16,[illegible]	$3,[illegible]	$[illegible]	$[illegible]
May 27, '21	...	—473,090—		5,1[illegible]	374,052	17,[illegible]	3,464	341,290	5[illegible]
May 31, '20	...	—3[illegible]		412,[illegible]	503,[illegible]	83,[illegible]	7,[illegible]	352,[illegible]	6,1[illegible]
May 31, '19	...	186,[illegible]	250,[illegible]	45[illegible]	337,[illegible]	36,[illegible]	28,296	366,184	503,858

II.—CURRENT BANK RATES OF DISCOUNT.

		%	Date Fixed.			%	Date Fixed.
Amsterdam	...	4½	July 1,'15	Lisbon	...	7	Sept. 3,'20
Berlin	...	5	Dec. 23,'14	Madrid	...	6	Nov. 4,'20
Berne	...	4½	Apr. 7,'21	Paris	...	6	Apr. 8,'20
Bombay	...	6	Mar. 3,'21	Petrograd	...	6	July 29,'14
Brussels	...	5	May 19,'21	Rome	...	6	May 12,'20
Calcutta	...	6	Mar. 3,'21	Stockholm	...	6	Mar. 4,'21
Christiania	...	7	June 25,'20	Tokio	...	8·03	Nov. 18,'19
Copenhagen	...	6½	Mar. 5,'21	Vienna	...	6	Apr. 14,'21

III.—FOREIGN EXCHANGES.

LONDON ON—		June 3, '21	May 27, '21	May 20, '21	May 12, '21
Berlin	Cable	249m.	242m.	241m.	244m.
Brussels	Cheques	45fr. 90c.	46fr. 45c.	45fr. 70c.	45fr. 75c.
Denmark	Cable	21kr. 87	21kr. 87	21kr. 95	22kr. 00
Holland	do.	11fl. 31½	11fl. 22½c.	11fl. 11¼c.	11fl. 1[illegible]
Italy	do.	74lr. 25	73lr. 00	72lr. 00	75·50lr.
Lisbon and Oporto	do.	6[illegible]	6[illegible]	5[illegible]	5[illegible]
New York	do.	$3 98[illegible]	$3 99[illegible]	$4 00[illegible]	$3 [illegible]
—	Cheques	$3 9[illegible]	$3 9[illegible]	$4 01[illegible]	$4 00[illegible]
Norway	Cable	25kr. 47	25kr. 60	24kr. 87	24kr. 12
Paris	3 mos.	47fr. 85c.	47fr. 20c.	46fr. 45c.	48fr. 50c.
—	Cable	46fr. 90c.	46fr. 45c.	45fr. 70c.	47fr. 75c.
Spain (Bank places)	3 mos.	39[illegible]	3[illegible]	3[illegible]	40[illegible]
—	Cable	29p. 67	29p. 72	29p. 62	29p. 30
Sweden	do.	16kr. 92	16kr. 93	16kr. 87	16kr. 87
Switzerland	3 mos	22fr. 60c.	22fr. 47c.	22fr. 65c.	22fr. 75c.
—	Cable	22fr. 20c.	22fr. 07c.	22fr. 25c.	23fr. 35c.

ON LONDON—		June 3, '21	May 27, '21	May 20, '21	Par.
Alexandria	Sight	97[illegible]pl.	97[illegible]pl.	97[illegible]pl.	97[illegible]pl.
Amsterdam	Cheques	11fl. 31[illegible]c.	11fl. 22½c.	11fl. 12c.	12·107fl.
Athens	Cable	62dr. 75	70dr. 50	72dr. 12	25fr. 22½
Bombay	Transfers	1s. 3[illegible]d.	1s. 3[illegible]d.	1s. 3[illegible]d.	2s.*
Brussels	Cheques	46f. 77c.	46f. 67c.	45f. 72c.	25f. 22½c.
Buenos Ayres	Transfers	44[illegible]d.	45[illegible]d.	42[illegible]d.	47·58d.
Calcutta	do.	1s. 3[illegible]d.	1s. 3[illegible]d.	1s. 3[illegible]d.	2s.*
Christiania	Sight	25kr. 47	25kr. 59	24kr. 80	18·159kr.
Copenhagen	do.	21kr. 88	21kr. 95	21kr. 95	18·159kr.
Helsingfors	Cable	201m.	188m.	187m.	25m. 22½
Hong Kong	Transfer	2s. 5[illegible]d.	2s. 6d.	2s. 5[illegible]d.	—
Italy	Sight	74lr. 50c	73lr. 37c.	71lr. 87c.	25lr. 22½c.
Lisbon	do.	6[illegible]d.	6[illegible]d.	5[illegible]d.	53[illegible]d.
Madras	do.	1s. 3[illegible]d.	1s. 3[illegible]d.	1s. 3[illegible]d.	2s.*
Madrid	do.	29p. 67	29p. 72	29p. 62	25p. 22½
Montevideo	Transfers	42[illegible]d.	43[illegible]d.	41[illegible]d.	51d.
Montreal	Cable	$4 35[illegible]	$4 38[illegible]	$4 46	$4 86⅔
New York	Sight	$3 90[illegible]	$3 93[illegible]	$4 00	—
—	60 days	$3 83[illegible]	$3 91[illegible]	$3 98	—
—	Cable	$3 91	$3 94	$4 03[illegible]	$4 86[illegible]
Paris	Cheques	46f. 90c.	46f. 68c.	45f. 70c.	25f. 22½c.
Rio de Janeiro	90 days	8[illegible]d.	8[illegible]d.	8[illegible]d.	16d.
Shanghai	Transfers	3s. 3[illegible]d.	3s. 2d.	3s. 2[illegible]d.	—
Singapore	Sight	2s. 3[illegible]d.	2s. 3[illegible]d.	2s. 3[illegible]d.	—
Stockholm	do.	16kr. 91	16kr. 93	16kr. 88	18·159kr.
Switzerland	do.	22f. 22c.	22f. 06c.	22f. 23c.	25f. 22½c.
Valparaiso	90 days	35.00p.	—	33·33p.	13·33p.
Yokohama	Sight	2s. 5[illegible]d.	2s. 5[illegible]d.	2s. 4[illegible]d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—		Rate Current* June 1, '21	Rate Current* May 25, '21	Par as to Money Quoted	Rate July 3
Amsterdam, sight	...	39·45c.	39·15c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	...	25·00c.	25·12½c.	48·66c. for 1 rupee	33·00c.
Buenos Ayres, cheques	...	136·00	132·00		
Christiania, cheques	...	15·35c.	15·35c.	26·80c. for 1 kroner	
Copenhagen, cheques	...	17·85c.	17·90c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	...	5·73c.	5·48c.	19.295c. for 1 drachma	
Hong Kong, cheques	...	49·25c.	50·00c.	74·59c. for Mex. $1	48·4c.
Italy, sight	...	5·285c.	5·335c.	19·30 cents for 1 lire	
Lima, cheques	...	3·39c.	3·36c.	4·8665 $ for 1 libra	
Manila, cheques	...	47·00c.	47·00c.	50c. for 1 peso	49·8c.
Montreal	...	10·75% disc.	10·625% disc.	Premium per $100	Par
Paris, sight	...	11·92fr.	11·89fr.	5·18½ francs for $1	5·10fr.
Rio de Janeiro, cheques		7·04mil.	7·00 mil.	3 032 milreis for $1	
Shanghai, cheques	...	65·25c.	65·75c.	52·96c. for 1 tael	83·00c.
Singapore, cheques	...	42·00c.	42·00c.	56·77c. for $1	57·12c.
Spain, cheques	...	13·18c.	13·23c.	19·30c. for 1 peseta	
Stockholm, cheques	...	23·05c.	23·25c.	26·80c. for 1 kroner	
Switzerland, cheques	...	5·68fr.	5·63fr.	5 13½ francs for $1	5·18½fr.
Valparaiso, cheques	...	13·00c.	13·00c.	20·61c. for 1 peso	
Yokohama, cheques	...	47·70c.	48·45c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1921 Agg.	Inc. or Dec.*
	1921	[In £'s sterling, 000's omitted.]			%
BIRMINGHAM ...	May 28	£1,824	— 433	£58 455	— £23,837 — 28·0
BRISTOL	,, 28	1,226	+ 144	32,273	— 7,242 — 18·3
DUBLIN	,, 28	5,868	— 1,155	158,090	— 37,089 — 19·5
HULL	,, 28	798	—	18,739	— —
LEEDS	,, 28	1,177	— 494	25,102	— 13,751 — 35·1
LEICESTER	,, 29	603	— 18	17,225	— 12,447 — 41·9
LIVERPOOL ...	,, 28	7,478	— 5,080	208,461	— 168,354 — 44·7
MANCHESTER ...	,, 28	10,224	— 8,512	331,842	— 361,653 — 52·2
NEWCASTLE	,, 28	1,310	— 1,696	45,508	— 22,407 — 31·7
NOTTINGHAM ...	,, 28	595	— 161	15,468	— 9,676 — 37·4
SHEFFIELD	,, 28	783	— 179	23,066	— 6,753 — 13·4
LONDON—	1921				
TOWN	1	659,654	— 36,684	13,133,838	— 1,332,947 — 9·3
METROPOLITAN	,, 1	29,159	— 10,262	751,[illegible]	— 185,227 — 19·9
COUNTRY	,, 1	49,226	— 13,752	1,398,[illegible]	— 384,485 — 21·5
TOTAL	1	798,039	— 65,693	15,283,676	— 1,902,659 — 11·8

* Comparison with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Anger & Co., Ltd.

HOMEWARDS.	1921	1921	1914
	June 3	May 27	May 29
Alex. to U.K. ...	—	14/6	6/6
Aust. to U.K. ...	53/6	53/6	32/6
Bilbao to Cardiff...	—	—	—
Bombay to p.p. ...	20/6	20/0[illegible]	15/6
Burmah to U.K. ...	33/9	3[illegible]	1[illegible]
Calcutta to p.p.(rate)	—	—	—
ainute to U.K.	[illegible]	[illegible]	7/9
R. Plate to U.K....	[illegible]	[illegible]	[illegible]

Homewards.			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
U.S. to U.K. (gr.)	—	6 9†	2 0
[illegible]	[illegible]	[illegible]	[illegible]
OUTWARDS.—Carried to			
[illegible]	—	—	7 4½
River Plate	—	—	14 3
St. Vincent	—	—	—

VI.—WHOLESALE PRICES OF COMMODITIES.

	JUNE 3, 1921	JUNE 4, 1920	JUNE 30, 1914
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	136/0	223/6	57/0
— Middlesbro' warrants .....ton	130/0	217/6	51/0
— Hematite warrants .....ton	160/0	260/0	61/0
— Staffordshire bars, London ton	£27 10	£35 10	£8 10
— Common bars .....ton	£19	£30	£6 16
Steel Rails .....ton	£15	£23	£6 2 6
Galvanised Sheets .....ton	£21	£52	£16 17/1
Copper—Standard .....ton	£72 12/6	£91 5	£66
Tin—English Ingots .....ton	£168—£169	£253	£142 15
— Straits .....ton	£173	£265-£270nom.	£139 10
Tinplates, I.C. Coke, S. Wales...box	26/0—28/0	74/0	11/10½—12/0
Lead—Soft Foreign .....ton	£22—£22 2/6	£37—£38	£19
Spelter—Ord. Foreign .....ton	£26 12/6-27 12/6	£42 10—£44 10	£21 7/9
Quicksilver—(75lb.) .....bottle	£11—£11 10	£17 10—£18	£7
Aluminium .....ton	nom.	£165	£82
Antimony—Regulus Foreign ...ton	£25—£28	£50—£55nom.	£27 10
— English .....ton	£37—£42	£60 nom	—
Coal—(best) Yorkshire .....ton	—	37/9—38/2	17/6
— Steam (best) Newcastle.....ton	70/0	50/2—55/2	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	12/0	15 6	7/4
Soda—Crystals ex wharf .....ton	140/0	230/0—240/0	42/6—45/0
Copra—Malay and States .....ton	£28	£56 10	£23 15-£24 7/6
Gambier—Good marks.....cwt	30/0	50/0	16/10½
Indigo—Bengal good to fine ....lb.	10/0—11/6	13/0—16/6	3/2—3/8
Linseed Oil—Raw .....ton	£32 5	£93	£25 5
Linseed—Calcutta, spot .....ton	£18 15	£42	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£18 10—£19	£22	£7 17/6—£8
Olive Oil—Spanish .....ton	—	—	£49 10
Palm Oil—Lagos .....ton	£34 10	£64 10	£31 10
Petroleum—American .....gallon	1 9½	2/1½	7½d.
Rape Oil—Refined English .....ton	£62	£106	£32
Soya Oil—Refined .....ton	nom.	£105	£24 10
Tallow—Imported .....cwt	32/0—36/0	80/0—90/0	29/3—33/3
Turpentine—American .....cwt.	85/0	180/0	33/7½
Rape Seed—Toria .....ton	£20	£39	£13 5
Rubber—Para, spot .....lb.	10½d.	2/1½	2/9½
— Fine plantation (stnd.crepe) lb.	8¾d.	2 0¾	2/2
— World's Production* Oct. tons	26,620	27,850	8,467
Shellac—T.N. Orange, fair ...cwt.	395/0—400/0	590/0—600/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland .....lb	8 51d.	29·94d.	7 53d.
— Egyptian good fair .....lb.	10·50d.	63·00d	8 75d.
— Pernambuco fair .....lb.	7 86d.	31·94d	7 73d.
— Middling Upl. New York ...lb.	12·85c.	40 00c	13 25c.
— Stock, Liverpool (May 27) bales	1,001,410	1,171,030	934,600
Flax—Petrograd, Yarapol .....ton	—	—	£28
Hemp—New Zealand .....ton	£42 10	£59	£25 10
— Manila fair .....ton	£38	£61	£26 10
Jute—First Marks .....ton	£30—£31	£56	£26 15
— Red SCO .....ton	£25	£44	£24 15
Silk—Common, New Style .....lb.	21/0	32/0	12/0—12/6
— No. 1-1½ Japan .....lb.	27/0	—	—
— 1st Order Italian.....lb	26/0nom.	—	—
Wool—Pt. Philip unwashed av. lb	18½	5/9	11½d.—1/0
— Lincoln Half Hogs .....lb.	7½d.	2/3½	1/0½
Hides—Eng. Ox, best .....lb.	8d.	13½d.	7½d.
Leather—Dressing Hides .....lb.	1/9—2/6	4/0—4/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	—	58,633,000	34,640,000
— Red, price, N.Y. 60lb....bushel	188c.	320c.	67½c.
— English Gazette, aver. 480lb. qr.	88 4	72 10	34/3
Flour—G.R. .....280lb.	68/0	63/6	28/6
Barley—Eng Gaz., aver. 400lb. qr.	44 9	39 3	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	38 3	63 0	20/0
Maize—N.Y. (new bushel)....56lb.	83c.	—	76½c.
— Amer. mixed, Liverpool...480lb.	38/6	nom.	32/4
— La Plata .....480lb. qr	40/6	77 0	25/9
Potatoes—Good English .....ton	200/0	†315/0	70/0—75/0
Rice—Basseln .....cwt.	16/6—16/9	48/6	7/0—7/3
Tapioca—Pearl, medium .....cwt.	22/0	34/0	14/0—17 8
Hay—Clover, London .....ton	160/0—180/0	—	84 0
Hops—English.....cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	6/8	6/8	3/8—3/10
— Scotch sides .....8lb.	11/4	10/0	4/6—5/0
— English .....8lb.	11/0	10.0	4/2—4/5
Mutton—Scotch wethers.....8lb.	13/0	10/6	5/8—6/0
— English wethers .....8lb.	12/0	10/6	4/6—5/4
— New Zealand frozen .....8lb.	5/8	10/6	2/4—3/2
Pork—English and Irish .....8lb.	9/8	10/0—13/4	3 6—4/0
Bacon—Irish, delivered .....cwt.	160/0—177 0	†220/0	60 0—74 0
— Danish .....cwt.	168/0—172/0	†192/0	58/0—68/0
— Canadian, ex Port .....cwt.	100/0—125/0	†187/0	—
— American, ex Port .....cwt.	95/0—105/0	†187/0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	118/0—130/0	†184/0	75/0—79/0
— — short cut, ex Port .....cwt.	122/0—130/0	†184/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	67/0—71/3	†158/6	51/9—52/9
Butter—Danish .....cwt.	£10/0—216/0	303/4	117/0—120/0
French .....cwt.	—	303/4	96/0—108/0
— Australian .....cwt.	178/0—196/0	303/4	98/0—110/0
— New Zealand .....cwt.	194/0—200/0	303/4	108/0—114/0
Cheese—Canadian .....cwt.	130 0—132/0	†145/0	66 0—68 0
— United States .....cwt.	—	†145/0	—
— Dutch .....cwt.	136/0—150/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30...cwt.	9,244,665	9,931,190	19,777,254
— Home consump'n.to Apr.30 cwt.	9,062,895	8,420,887	17,272,000
— In Bond Apr. 30 .....cwt	8,228,000	7,399,000	6,308,000
— Price, Java, 96° Pol. .....cwt.	21/9	53/0	10/3
— Yellow crystals .....cwt.	57/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1.....cwt	66/9	72/0	18/0
Coffee—Imports to Apr 30 ...cwt	336,890	267,439	720,360
— Home consumpt'n to Apr.30cwt.	101,913	102,646	141,410
— Exports to Apr. 30 .....cwt	146,391	169,476	340,250
— In Bond Apr. 30 .....cwt	737,000	713,000	484,000
— Price, Costa Rica gd. to fine cwt.	102/0—130/0	158/0—164/0	80/0—93/0
— Brazil (Santos) good ...cwt	53/0—58/0	130/0—132/0	41 6
Tea—Imports to Apr. 30.....lb	162,927,972	146,030,275	123,230,277
— Home consump'n.to Apr.30 lb.	134,924,963	123,556,201	155,447,972
— Exports to Apr. 30.....lb.	8,155,716	15,602,706	26,561,765
— In Bond Apr. 30 .....lb.	239,392,000	267,520,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	51d.	1 5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	5½d.	1/6	8½d.
— — Common Congou .....lb.	2½nom.	1/3	5¾d.
Cocoa—In Bond Apr. 30 .....cwt.	1,271,000	1,086,000	309,000
— Grenada, good to fine .....cwt.	53/0—56/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Apr.	$13,762,000	—2,167,000	$2 646,000	+ $304,000
	4 *mos.* to Apr.	55,702,000	—3,45 5,000	6,552,000	+ 953,000
Grand Trunk	Mar.	£1,278,700	+ £95,900	£122,900	+ £68,400
	3 *mos.* to Mar.	3,772,200	+ 593,200	Dr. 91,400	+ 306,500

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August* 5 1914, *the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January* 1, 1917.

INDIAN.	Week or Month	Miles Open	Gross Receipts	+ or — on Year Ago	No. Wks.	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Apr. 30	1,044	R1,92,359	— 8,454	4	7.86.476	— 51.350
Barsi Light ...	May 7	118	21.900	— 6 900	5	1,20.300	— 58.300
Bengal & N.W.	Apr. 30	2.067	5.56.490	— 26.026	4	23.33.340	+ 87.244
Beng. Dooars	Apr. 30	158	24.822	— 127	4	92,383	— 9 022
Beng. Nagpur	Apr. 30	2,695	13.45.000	— 85.000	4	55,04,000	— 38.022
Bomb. Baroda	May 21	2.871	21.31.000	+ 68.000	8	1.55.36 000	+ 6.84.000
Burma	Apr. 30	1,342	8 86.351	+ 1,01.087	4	28.23.086	+ 1,56.321
Del.Um. Kalk.	May 2.	239	83 000	— 3.047	7	7,10.715	— 43.914
East Indian ...	May 21	2.772	29.13.000	+ 73.000	7	2,16.15,000	+ 6.44 000
Gt. Indian Pen	May 21	3.121½	27.94.800	+ 63.500	8	2.09.83,500	+ 3.93,399
Madras & S.M.	Apr. 30	3.152	13.20.000	+ 5.129	4	54.25.000	+ 43,704
Nizam's Guar.	May 7	900	3.38.919	+ 16.822	5	18.44.090	— 2,66.083
Rob. & Kumn.	Apr. 30	576	1.36 730	+ 4 646	4	5 62.426	— 2.418
South Indian	May 7	1,852½	8.32,094	— 17 486	5	42.25.983	+ 342
South Punjab	Feb.	716	6.83 752	— 94.252	5m	40,21,325	+ 1,31,300
COLONIAL							
Can. Northern	May 21	9,750	$1.163.700	+ 66 100	20	24.440.300	+ 3.607.777
Can. Pacific ...	May 21	13,388	3.069.000	— 564.000	20	64.299.000	— 5,647.000
Grand Trunk	May 21	3.616	£278.135	+ 6.598	20	5.724.096	+ 627.338
Mashonaland	Feb.	810	102.913	+ 40.476	5m	479.173	+ 132,247
Mid. W. Aust.	Mar.	277	13.727	— 14	9m	102.138	+ 2.948
NewCapeCent.	May 7	205	2.429	— 158	19	49.743	— 7.444
RhodesiaRlys	Feb.	1,397	134.193	+ 34.042	5m	612.080	+ 149,731
Temiscouata...	Mar.	—	$42,975	+ 12.389	3m	128,836	+ 43,954
FOREIGN.							
Argentine.							
Arg. N. East..	May 28	752	£ 11.600	— 3.500	48	557.700	— 10.700
Arg. Transand	May 28	111	£ 595	— 2.065	48	130.629	— 23.402
B.A. & Pacific	May 28	3.428	£ 106.000	— 82.000	48	6 207.000	— 1,162.000
B.A.Gt. South	May 28	3.903	£ 162.000	— 25 000	48	7.970.000	— 737.000
Do.	May 28	Net	£ 20.000	— 31.000	48	1,371.000	— 1,501.000
B.A. Western	May 28	1.882	£ 72.000	— 35.000	48	3.777.000	— 1.047.000
Do.	May 28	Net	£ —	— 32 000	48	475.000	— 1,154.000
B. A. Central	Apr.	190	£ 41 425	— 13.281	11m	460.493	— 12.904
Cent. Argent.	May 28	3.305	£ 165.000	— 20.000	48	8.843.000	+ 103.000
Cord. Central	May 28	1.205	£ 54.000	— 5.000	48	2.497.300	— 338.400
Entre Rios ...	May 28	811	£ 21.200	— 2 100	48	1.097.000	— 39.900
Brazilian.							
BrazilGt.South	Apr.	110	M 39.400	— 4.100	4m	154,650	— 51.350
Brazil Railway	Dec.	3.530	M4.859.000	— 141.271	12m	57.772.000	+ 7.619.243
Gt. W. Brazil	May 28	1.010	£ 12.500	— 7.900	22	321.100	— 222.700
Leopoldina ...	May 21	1.831	£ 32.942	— 21 233	21	654.178	— 439.077
San Paulo ...	May 29	153¼	£ 28.369	— 17.990	22	629.203	— 348.322
S.ofBahiaS.W	Apr.	52	M 41.000	— 80.000	4m	352.000	+ 65,000
Chilean and Peruvian.							
Antofagasta...	May 29	838	£ 17 620	— 20.100	22	580,085	— 513,405
Arauco	June	84¼	£ 12.000	+ 500	5m	76.000	+ 10,700
Nitrate(2wks)	May 31	390	£ 21.225	— 20.446	20	277.264	— 176,235
PeruvianCorp.	Apr.	1,140	S 1,071.060	— 231.760	10m	11.496.360	— 491.454
Taltal	Apr.	180	£ 13.100	— 15,720	10m	256,600	+ 18.940
Cuban.							
Cuba Railroad	Jan.	—	$ 1,606 385	+ 448.284	7m	8.497.481	+ 1,017.244
Havana Cent	May 21	70	£ 16.826	+ 1.824	47	698.207	+ 151.697
U. of Havana	May 28	681	£ 140.122	+ 12.783	48	5.965.503	+ 728.655
Uruguayan.							
Cent. Uruguay	May 28	273	£ 26.238	+ 1.390	48	1.168.290	+ 55.611
,, (E. Ext.)	May 28	311	£ 5.203	— 949	48	271.807	— 32.442
,, (N. Ext.)	May 28	185	£ 3.408	— 1.836	48	145.576	— 39.784
,, (W.Ext.)	May 28	211	£ 2.153	— 250	48	120.511	— 15.430
Mid. Uruguay	Apr.	319	£ 14.468	— 4 632	10m	177.206	— 25.430
N.W. Uruguay	Apr.	113	$ 5.531	+ 104	10m	60.721	— 7.633
Urug. Northn.	Apr.	73	£ 1.596	— 326	10m	20,405	— 3.844
Miscellaneous							
Alcoy & Gandia	May 28	33	Ps. 8.000	— 8,000	22	349.400	+ 91.500
Bilbao	Apr.	15	£ 2.221	— 2,481	4m	9,098	— 6,622
Bolivar	Apr.	136	£ 12.929	+ 3,189	4m	38,220	— 6,298
Colomb.Natnl.	Apr.	86	£ 18 600	— 200	4m	76,080	+ 9,984
Costa Rica ...	Mar.	190	£ 32.656	+ 5.145	9m	228.241	— 3,146
Dorada Ext.	Apr.	70	£ 18.500	+ 560	4m	69.750	+ 16.250
EgyptianDelta	May 10	559½	£ 10.600	— 1.696	6	40,669	— 7.342
Gt. S. of Spain	May 21	104	Ps. 37.383	— 66.368	20	1,192,357	— 510.615
LaGuaira&Ca.	Apr.	22¾	£ 10.030	— 3,910	4m	41,540	— 16.680
Ottoman Ry..	May 21	379	£ 11.521	— —	—	—	—
Paraguay Cent	May 21	274	£ 4.140	— 540	47	205.090	— 21.240
Puerto Cabello	Apr.	34	£ 5.000	— 500	4m	18,250	— 4.750
Salvador	May 28	100	£ 2.605	— 2,545	48	176 280	— 41.943
Santa Fé Prov.							
French Rys.	Apr	1,181	£ 129.360	— 49,053	4m	521,241	— 127.297
S'm'na&S'tl'go	Apr.	80	£ 10.000	— 6,774	4m	33.310	— 20.320
Zafra & Huelva	Apr.	112	£ 15,629	+ 4,935	4m	58,859	+ 7,687
TRAMS.							
Anglo-Argent	May 27	400	£ 83.290	+ 5,236	21	1,695.094	+ 122,712
Bombay Elect.	Mar.	—	Rs.8.76.443	+ 74.369	3m	25,87.585	+ 2,65,779
Brazilian Trac.	Apr.	378½	M13,562000	+ 3.317.000	4m	51,480.000	+ 12,299,000
Brisbane Elec.	Apr.	40½	£ 47,750	+ 2,860	4m	183,535	+ 6.785
Brit. Columbia	Mar.	334	$ 816.452	+ 55.27	9m	7,186.953	+ 629.116
B. A. Lacroze	Apr.	51	£ 60.238	+ 6.839	10m	570.952	+ 63 836
Calcutta	May 21	35½	R 82.685	— 9 301	20	14,19.849	— 429.640
Carth. & Herr.	May	9	£ 1.602	— 3,711	5m	12.873	— 10.171
Chatham&Dist	May 19	15	£ 1.816	+ 109	20	32,708	+ 2.211
Havana Elect.	Feb	86	$ 1,034.871	+ 170.432	2m	2.123.947	+ 376,390
Isle of Thanet	May 28	20½	£ 910	— 773	35	21,624	— 1,097
Kalgoorlie ...	Feb.	20½	£ 318	— 2,361	2m	2,734	— 2,516
Lanarkshire...	Dec.	28½	£ 5,467	+ 1,927	52	221.584	+ 27.728
Lima Light ...	Feb.	85	£ 60.718	+ 4,556	2m	124.329	+ 9.583
London O.C....	June	141½	£ 99.337	+ 14.560	9	881.316	+ 134.814
Madras(2wks.)	May 15	15½	R 51.072	— 3.401	18	295.952	— 140,074
ManilaElectric	Mar.	55	$ 298.317	+ 54.627	3m	926,156	+ 106.653
Pernambuco...	May 29	59	£ 3.403	— 3.258	22	87.611	— 76.134
Provincial ...	May 21	21½	£ 4.155	+ 637	33	104.727	+ 576
Rangoon Elec.	Mar	25	£ 158.121	+ 27,651	3m	401,397	+ 43.927
Shanghai Elec.	Apr	26¾	M. $157,500	+ 15.500	4m	625.739	+ 68 345
SingaporeElec.	Apr. 23	26½	$ 12.658	— 9.834	17	210.712	— 164.869
U.of Montevid.	Apr.	90½	£ 46,189	+ 4.016	6m	286,877	+ 21.979

UNDERGROUND ELECTRIC RAILWAYS CO. OF LONDON, LTD.

Metropolitan District Ry. London Electric Rly., City and South London Rly., Central London Rly., London General Omnibus Co.

Week to May 28, £253,923; Aggregate, Jan. 1—May 28, £4,942,166.

Metropolitan Electric Trams, London United Trams, South Metropolitan Electric Trams, Tramways (M.E.T.) Omnibus Co., Gearless Motor Omnibus.

Week to May 28, £16,737; Aggregate, Jan. 1—May 28, £1,110,025.

The Statist.

LONDON, SATURDAY, JUNE 4, 1921.

THE COAL NEGOTIATIONS.

The meetings of the Mining Association on Thursday and the Miners' Federation yesterday, though they have made no obvious contribution to a permanent solution of the coal dispute, have served again to bring into relief the main points at issue between the contending parties. At the outset of the dispute it was apparently taken for granted by both parties that capitulation by one side or other was inevitable after the lapse of some little time. This hope has been falsified, and its falsification should now furnish the greatest incentive to a settlement. As far as tenacity is concerned, both sides, if they are prepared to face discomforts, financial and otherwise, are capable of holding out for some time longer; but in the meantime the nation will suffer irretrievable loss. The long lines of ships idle in our ports; the bunkering abroad—for the first time in history—of outward-bound British vessels; the falling-off in visible exports, as shown by the trade returns, and in invisible exports, as a result of the decreased earnings of the mercantile marine; the cessation of coal production, and the consequent curtailment of output in practically every branch of industrial and manufacturing activity; the undue depreciation thereby entailed in factories, plant, machinery, and shipping, and the destruction of perishable goods, are all portents that call for an end of this suicidal struggle. The unemployment which it has already brought in its train has meant a loss of practically twelve million pounds per week in wages, and the loss in profits has been on a corresponding scale. Moreover, the disruption threatens to become general. The proposed wage reductions in engineering and allied trades are apparently not to be made without trouble. The Federation of Engineering and Shipbuilding Trades, the National Federation of General Workers, the Union of Foundry Workers, and the Amalgamated Engineering Union have resisted the proposal of the Engineering and the National Employers' Federations for a reduction of 6*s.* per week on time-workers' wages and fifteen per cent. on piece-workers' rates, and also for the removal of the War advances of twelve and a-half per cent. on total earnings to time-workers and of seven and a-half per cent. to piece-workers. The Ministry of Labour has intervened in the matter, but so far without success.

The expiration of the May 1920 agreement in both the spinning and weaving sections of the cotton industry has brought the question of the revision of operatives' wages to the fore. Some abortive exchanges of view have taken place, and it is to be hoped that a solution will be found without a stoppage in the industry, which, including immediately associated trades, employs upwards of 600,000 hands.

The suggestions for the settlement of the coal dispute which we made last Saturday, as a result of careful inquiry into mining costs and the relation between profits and wages, still hold good in the light of such information as has come to hand during the current week. We suggested that the miners' wages should be based on the present cost of living, as a temporary measure, and that the Government should make good an deficit thereby incurred. When conditions become more normal and a revival of markets is accompanied by a revival in output, the wages could be fixed by reference to pre-War conditions, and the owners could then receive sixteen and a-half per cent. of these wages, any surplus remaining to be divided between miners and owners in the ratio of 100 to 16½. The miners' objection to the Government scheme is that when the proposed subsidy of £10,000,000 is exhausted there is no guarantee against an immediate and very heavy fall in wages. The South Wales Miners' Federation, at a meeting in Cardiff, have rejected the Government terms, the Chairman—Mr. Winstone—stating that the partial salvation of the coalfields could be secured only by conducting the industry in the interests of the community as one national unit. Other miners' federations have unanimously rejected the Government proposals, and it appears that the present prospects of a settlement are bound up with an interchange of views directly as between the two parties to the dispute—the miners and the mine-owners. A concise statement from each side as to its minimum requirements would do much to clarify the situation, as the danger from confused thinking on the subject is not yet past. Thus the Mining Association recently made a proposal as regards a standard wage which was interpreted by Mr. Hodges to mean the actual wages in June 1914. The incorrectness of this interpretation was pointed out, but not before the wrong view had gained some currency and had doubtless influenced a number of decisions. According to the Mining Association, the irreducible standard wage which they proposed would, on a normal basis of output, be on the average thirty per cent. above the actual wages of 1914. This, of course, would not help to make up for the increase in the cost of living in the interval, amounting, according to the Ministry of Labour, on April 30 last to one hundred and twenty-eight per cent. above the level of July, 1914. That standard wage does not, however, comprise the total wages, as very substantial additions have been offered by the mine-owners, while over and above there is the Government grant of ten millions to be divided amongst the different districts so as to enable a wage related in some way or other to the increased cost of living to be paid. While the owners, however, insist that the question of output cannot be dissociated from that of wages, the miners are, and always have been, loth to permit any linking of the two, and there is here manifest a line of cleavage which may help to keep the parties at variance when other points in dispute have been settled. A reduction in the wages cost per ton of coal is essential if the industry is to be placed once more on a sound working basis. The wages cost per ton, on the official returns of the Mines Department, has been as follows in different periods:—1921: March, 27*s.* 9.61*d.*; February, 29*s.* 3.63*d.*; January, 31*s.* 7.01*d.* 1920: October-December, 29*s.* 6.06*d.*; July-September, 26*s.* 3.06*d.*; April-June, 25*s.* 5.72*d.* The highest figure, it will be observed, was reached in January, and the decline in the average wages per ton paid during March was nearly 4*s.* A further decrease is necessary in the interests of the industry, but that the owners' idea of a standard wage does not meet with the approval of the various miners' bodies is evident from the tenor of the resolutions that the latter have passed. Future discussion will in the main centre round this standard, and from the tone of the meeting of the Miners' Executive held late yesterday afternoon it appears that the submission by the owners of an improved standard wage would be welcomed and might prove acceptable to the men's leaders. It is unlikely at the moment that the owners will directly approach the Miners' Executive with a view to holding a joint conference on the subject, especially as the Central Committee of the Mining Association, which sat yesterday, issued no statement on its adjournment. We are convinced that some such allocation of the proceeds of the industry between wages and profits as we suggested last week will eventually be found necessary, and any scheme devised on these lines should receive the careful attention not only of the colliery companies and the miners, but also of the Government. The latter has been severely hit by the decline in revenue and the increase in expenditure entailed by the coal stoppage, and the citizens look to it to insist on an early settlement of the dispute.

TRADE RESTRICTIONS AND TARIFF REVISIONS.

The [illegible] is strongly motived by the desire to secure increased protection for home industries. Taken in conjunction with the other restrictions in force since the Armistice there seems little reason to anticipate a return of the international trade current to its old-time comparative facility of movement. Restrictions such as those aimed at limiting the importation and consumption of luxury and other articles, still in favour in countries owning heavily depreciated currencies, are designed to combat and adjust persistently adverse trade balances. The attractions offered by the export trade are, in some cases, curbed by a system of export duties calculated to prevent the diversion abroad of commodities needed for home consumption and to divert to the national exchequer a part of the profits accruing to the merchant from the rate of exchange. The continuance of these restrictions is doubtless to be expected until a more regular proportion is established between imports and exports and until the productive equipment of the countries concerned is completely reorganised. Tariff laws stand in a somewhat different category, and, whether imposed for the purpose of protecting home industries or raising revenue, Customs duties will long continue to furnish barriers to the development of commerce.

The policy of intensified protection now pursued by some Governments draws, in some measure, its support from the desire to facilitate the growth of industries initiated during the War. In many cases those industries are totally unfitted to bear the brunt of foreign competition, and, from an economic standpoint, their establishment is indefensible, as what they are engaged in producing could be more cheaply obtained elsewhere. The bearing, however, of other factors on this question cannot, unfortunately, be ignored. During the War inability to reckon upon supplies from the usual sources caused much suffering; and, furthermore, great difficulty was experienced in waging warfare in the absence of certain essential industries. Resulting from these conditions has been the recent introduction of financial resolutions into our own House of Commons upon which it is proposed to found a Bill with the object of safeguarding such industries as are deemed to be absolutely necessary for national defence. Making due allowance, however, for claims of military exigency, it remains substantially true that the impossible ideal of a "self-supporting" nation has seized strongly upon the imagination of tariff-reformers everywhere, and can only have the effect of throwing a heavy burden on industries more in tune with the national aptitude. While their output must continue to represent national purchasing power in external markets, the costs of producing that output are likely to ascend by the maintenance of an artificial scale of prices for the products of less favourably situated industries.

Amongst other factors operating to bring about an increase in Customs duties, the most important are the reduction in the purchasing power of money and the resulting ineffectiveness of the present rates of duty; and the low rates of exchange ruling for the currencies of certain nations and the competitive advantages gained thereby. Taking Sweden as an example, the flood of imports from countries owning depreciated currencies, or countries anxious to dispose of surplus stocks, had serious consequences, because the corrective influence of expanded, or even normal, exports could not be supplied, owing to, in the first place, the curtailment of the market for Swedish products as a result of import restrictions and other causes, and, secondly, the enhancement of costs of production arising from the high price of imported coal.

The legislation contemplated not only in Sweden, but in the United States and the United Kingdom, shows very clearly the serious view taken of the competition of certain European countries. The Bill introduced into the United States House of Representatives on April 12 deals with depreciated currency liquidation and designs to equalise foreign exchange values for Customs purposes. Under the existing law all duties are liquidated on the basis of the currency of the invoice or appraised value. If that currency is found to be depreciated, the duties are assessed on the exchange value of such depreciated currency as found on the date of exportation. The exchange value of the currency of certain foreign countries importing goods into the States is in some instances so low that the amount of duty collected is very small. To remedy this the Bill proposes to limit currency depreciation to sixty-six and two-thirds per cent. in estimating and liquidating duties. Another section of the Bill proposes the levying of an anti-dumping duty equal to the difference between the "foreign home value" of the goods and the actual "sale price." The proposals recently discussed in the House of Commons provided, as a remedy against dumping which may result from the concerted action of producers, for the charging of an import tax of thirty-three and one-third per cent., in addition to any other duties already in existence. Thus the differing circumstances of two groups of nations have led to the suggestion or adoption of measures which must seriously affect their inter-trading relations. The exchange in itself operates unfavourably against imports into countries with depreciated currencies; but this is further strengthened by Government restrictions and by the levying of import duties in gold. Yet these countries cannot re-establish a sound equilibrium unless they have facilities for exporting freely, and this privilege will be denied them if the anti-dumping and other proposals are effective. This denial will, of course, be most severely felt by Germany, which has to discharge her liabilities coming under the head of reparations.

Tariff revisions have a peculiar significance for us seeing that we still follow substantially our Free Trade policy. Judging by some recent examples, there seems to be a tendency to forget that our pursuit of this policy justifiably entitles us to concessions which other nations may not be entitled to claim. The new Customs tariff of Spain, which comes into force on May 31, hits this country very hard on account of its treatment of certain imports. On motor-cars, for example, the new duties range from twenty-five to thirty-five per cent. *ad valorem* for pleasure cars, and fifteen per cent. for commercial cars. Since there is no attempt made in the tariff to discriminate between countries whose currencies have undergone comparatively negligible or heavy depreciation, there is a strong likelihood that the United Kingdom will be practically cut off from the Spanish market by the inrush of goods from other countries. Considering that our purchases from Spain are to sales thereto as two to one, and that practically all British goods are taxed on entry into Spain, while the contrary is largely the case here with Spanish goods, the policy of the Spanish Government is difficult to understand. That the door is still open to negotiations is indicated by the statement of the Spanish Minister of Public Works, that the new tariff was only provisional and was open to further modification according to the requirements of national interests. It is to be hoped that these modifications will secure to Great Britain that treatment to which her trading relations with Spain entitles her. The use of tariffs for retaliatory purposes is not unknown, and there is no doubt that a tariff, or the threat of one, forms a useful leverage in diplomacy to win trade and other concessions, and also to prevent penalisation of the goods of a particular national. The financial resolutions for the safeguarding of British industries were not, however, drawn up with such a motive. As Mr. Baldwin pointed out, the support given in the Bill is limited to five years, while the time limit for the duty proposed to check exchange dumping is to be three

INDEX-NUMBERS OF THE FOREIGN EXCHANGE VALUES OF THE £ STERLING.

Our Foreign Exchange index-numbers, based on the average of the daily cable rates on twenty eight centres abroad, record another recession in the value of the £ during May. The index-number for last month is 119.1, this comparing with 120 for the previous month and 123 for March—the highest on record. It is the lowest in the current year, but exceeds the index-number for any month previous to 1921, and compares with 107.5 in the corresponding month of 1920. The series of monthly Foreign Exchange index-numbers since the Armistice is shown in the following table:—

Index-numbers of Foreign Exchange Values of the £ sterling.

	1918	1919	1920	1921
Jan.	—	98·9	98·5	122·4
Feb.	—	99·1	94·9	120·9
Mar.	—	99·2	102·9	123·0
April	—	100·3	109·7	120·0
May	—	101·2	107·5	119·1
June	—	100·4	106·3	—
July	—	101·7	100·2	—
Aug.	—	101·6	100·1	—
Sept.	—	100·7	100·2	—
Oct.	—	100·3	108·7	—
Nov.	98·7	100·2	111·2	—
Dec.	98·7	98·3	114·5	—

A detailed analysis of the movements during May is contained in the subjoined table. The outstanding changes are the appreciation of the French and Belgian franc and the Italian lira. Especially pronounced was the movement in the latter, the average rate on Rome falling from 85.52 in April to 75.45 last month. This improvement in the lira is undoubtedly a reflection of a change for the better, both in the actual position and in the immediate outlook for Italy. Perhaps one of the chief contributing factors is the large volume of Italy's "invisible" exports at the present time: besides substantial remittances from Italian emigrants in North and South America, the number of tourists and travellers at present spending money in Italy has been estimated at 250,000. As regards the national finances of Italy, too, though much has yet to be done, substantial progress is now being made towards reducing the volume of floating indebtedness, cutting down expenditure, and increasing taxation. The movement in francs is probably chiefly due to the satisfactory settlement of the Reparations question, [illegible] by the ubiquitous speculator, though recent foreign trade returns of both France and Belgium show that a technical improvement has also taken place in the exchange position of the franc. Sterling again appreciated in New York, Montreal and Yokohama; but, judging by present movements in the market, next month should show a considerable appreciation of the dollar as compared with sterling. Movements were irregular in the neutral group, for, while the Scandinavian exchanges went in our favour, sterling depreciated in Amsterdam and Berne. South American currencies became cheaper, the movement being most marked in the case of the Chilian peso. The changes in other directions call for little comment.

A more general review of the movements during the month leads one to the conclusion that the position of sterling in the Foreign Exchange markets is likely to undergo further disimprovement during the coming months. Whether the movement [illegible] during last month was actually influenced by the coal strike it is difficult to say, but, at any rate, this is bound to diminish our exports, already depleted by the depression in trade, and also, perhaps, to increase the proportion of imports as well as reduce considerably our important "invisible" exports in the shape of shipping services to foreign countries. Such developments would obviously lead to a recession in the value of sterling, and already speculators in foreign exchange are beginning to operate in anticipation of such an event. But independently of this factor it must be remembered that we are now approaching the annual buying season for dollars in order to finance our imports from the United States, and, accordingly, between this and the middle of the autumn we must be prepared for a substantial decline in the New York exchange, this being, of course, the most important [illegible] point of view.

Foreign Exchange Values of the £ Sterling.

Country.	Method of Quoting.	Par.	May, 1921 Average Rate.	May, 1921 % of Par.	April 1921 Average Rate.	April 1921 % of Par.	May, 1920 Average Rate.	May, 1920 % of Par.	Total Trade Jan.-Mar. 1921 in Millions of £'s	Weighting used for Index-Numbers Apr.-June 1921
United States ...	Dollars to £	4·867	3·96¼	81·6	3·93	80·8	3·85⅞	79·2	130·23	2·05
France	Francs to £	25·225	47·50	188·3	54·33	215·4	57·03	226·1	43·93	·70
India	Pence to Rupee	16†	15 7/16	103·6	15 1/16	102·0	25⅝	62·3	69·67	1·09
Africa	—	—	—	100·8	—	101·2	—	91·8	41·65	·65
Netherlands ...	Florins to £	12·107	11·19½	92·4	11·30½	93·2	10·58	87·4	32·09	·50
Australia ...	—	—	—	101·5	—	101·5	—	100·2	45·84	·72
Argentina ...	Pence to Peso	47·58	43½	110·4	44⅜	106·3	60¼	79·1	37·60	·60
Canada	Dollars to £	4·867	4·42⅞	90·8	4·41⅜	90·7	4·38½	87·9	25·32	·40
Germany ...	Marks to £	20·43	246	1,178·0	250·2	1,197·0	184.2	881·1	20·10	·32
Belgium ...	Francs to £	25·225	47·61	188·8	52·83	209·4	55·49	220·0	21·95	·34
Sweden	Kronen to £	18·159	16·93	93·2	16·71	92·0	18·17	100·1	9·35	·15
Egypt	Piastres to £	97½	97½	100·0	97½	100·0	97½	100·0	14·69	·23
China	Pence to Tael	32½*	39½	82·8	39½	82·8	71	45·2	14·74	·23
Spain	Pesetas to £	25·225	29·38	116·5	28·21	111·9	23·31	92·4	17·39	·27
New Zealand ...	—	—	—	101·3	—	101·3		100·4	21·20	·33
Japan	Pence to Yen	24·58	29	84·8	29 7/16	83·2	32	76·8	10·97	·17
Italy	Lire to £	25·225	75·45	299·1	85·52	339·0	74·47	295·3	12·98	·20
Denmark ...	Kronen to £	18·159	22·05	121·4	21·76	119·9	23·04	126·9	12·46	·20
Norway	Kronen to £	18·159	25·18	138·4	24·73	136·1	20·89	115·0	8·46	·13
Turkey	Piastres to £	111	518¾	466·8	569	512·6	439	396·3	3·50	·6
Brazil	Pence to Milreis	16	8 3/16	186·7	8	184·2	16	96·6	7·74	12
Switzerland ...	Francs to £	25·225	22·28	88·3	22·64	89·8	21·79	86·4	7·59	12
Strts.Settlements	Pence to Dollar	28	27¾	100·9	27 1/16	100·2	27¾	100·9	7·95	12
Chile	Pence to Peso‡	18	33·94⅜	254·6	7	234·1	12	149·2	1·49	7
Greece	Drachmas to £	25·225	71·41	283·1	57·71	228·9	33·86	134·3	2·68	4
Portugal ...	Pence to Escudo	53⅓	5[illegible]	946·6	5[illegible]	990·6	12[illegible]	433·6	4·47	7
Hong-Kong ...	Pence to Dol.	23·81*	30½	78·7	30 7/16	79·3	51	46·7	3·09	5
Uruguay ...	Pence to Peso	51	41½	122·9	42½	120·7	42½	82·0	2·93	5
Index-numbers (Weighted Geometric Average)				119·1		120·0		107·5	636·60	1.000

* For Shanghai and Hong-Kong the par value has been taken as the average [illegible] during the year 1913.
† The official monthly rate of Rs. 10 to £1 has been taken for India prior to the new rate of Rs. 10 to the sovereign.
‡ Pesos to £.

CAPITAL ISSUES IN MAY.

DESPITE the continuance of the trade depression, the Capital market exhibited, superficially at any rate, a decided recovery during May. The greater bulk of the emissions offered were over-subscribed, and the lists had in many cases to be closed within a few hours of opening. Dulness on the Stock Exchange proper has diverted the energies of operators to other sources of income, and, with anticipations of a further reduction of the Bank rate when the coal dispute is settled, the desire to participate in underwriting [illegible] increasingly come in evidence. The sphere of underwriting, or even sub-underwriting, is not easily accessible to the outsider, however, and as an alternative the process of "stagging" first-class new issues has become very popular. The premium quickly established by the India Loan in April demonstrated the facility with which the "stag" can make profits; and during the past month the whole "House" and a large body of the public literally rushed to secure allotments. This circumstance alone explains the rapidity of the over-subscriptions. The following list illustrates the condition of the market during the month:—

Issues Over-subscribed during May.

	Issue	Nominal	Cash
		£	£
Norwegian [illegible]	6% Loan at 88	4,000,000	3,520,000
City of Sydney ...	6½ Debentures at 99	1,000,000	990,000
Nestlé & Anglo-Swiss Condensed Milk	8% Preference Stock	2,000,000	2,000,000
Lawson Paterson	10% " "	250,000	250,000
Brunner Mond ...	7½ " "	2,500,000	2,500,000
Joseph Nathan & Co.	8% Preferred Ord.	500,000	500,000
Cape Explosives	7½ 1st Mort. Deb. Stock at 95	1,000,000	950,000
M. P. Foster & Sons	Ordinary Shares	50,000	50,000
Metropolitan Electric	7½ Deb. Stk. at 95	500,000	475,000
Ceylon Gas ...	7½ Red. Pref. Shs. at 96	120,000	115,200
Melbourne Harbour Trust Works	6½ Inscr. Stk. at 99	1,140,000	1,036,000
		12,860,000	12,166,200

The issues over-subscribed involved net cash commitments of £12,166,200. Including purchases of Government securities "on tap," the total comes to £13,827,000, or seventy-five per cent. of the new money asked during the month. The outstanding loan, the Norwegian Six per Cent., provided the first example since pre-War days of extensive "stagging." Quotations opened on the Stock Exchange at a modest premium, which quickly disappeared on heavy realisations, and was replaced later by a discount. A similar movement was recorded among other items in the list, and "stag" profits on balance reached very meagre dimensions. The investing public proper will no doubt absorb the issues with ease and values above par be again established.

Notwithstanding the apparent activity in new issues, offers as a whole showed no distinct advance on previous months. The grand total, at 19 millions, is practically the same as in April and lower than in March or January. The following *vidimus* shows comparative figures from 1907 to date, analysed according to the type of issue and geographical destination:—

Capital Issues of the United Kingdom.

(000's omitted.)

	Government and Municipal	Private Enterprise	Total	Home	Colonial	Foreign
	£	£	£	£	£	£
1907	36,176	85,320	131,436	42,029	28,481	60,926
1908...	61,963	142,705	204,668	58,789	60,596	85,283
1909...	79,870	134,229	213,099	30,690	84,996	97,412
1910...	58,653	173,490	232,143	43,089	83,407	105,646
1911...	45,845	150,371	196,216	32,244	60,932	103,040
1912...	47,519	163,818	211,337	51,294	64,407	96,635
1913...	85,281	162,956	248,237	50,709	99,569	97,958
1914...	198,620	109,960	308,580	153,580	85,000	70,000
1915...	926,263	18,680	944,943	869,943	75,000	
1916...	578,889	10,216	589,005	564,005	25,000	
1917...	1,296,364	13,195	1,309,559	1,292,715	14,927	1,917
1918...	1,185,457	29,081	1,214,538	1,201,891	9,895	2,752
1919						
Ja. ...	222,616	7,494	230,110	227,025	3,085	—
Fb. ...	37,816	10,323	43,139	43,799	3,891	449
Mr. ...	21,501	9,062	30,563	28,987	429	1,147
Ap. ...	27,477	7,644	35,121	35,005	21	95
My. ...	23,794	12,663	36,457	34,111	1,149	1,197
5 Mos.	**333,204**	**47,186**	**380,390**	**368,927**	**8,575**	**2,888**
Je. ...	14,506	15,170	29,676	26,537	2,016	1,123
Jy ...	394,636	10,149	404,785	402,526	1,458	801
Ag. ...	20,311	14,046	34,357	33,988	85	284
Sp. ...	26,875	6,643	33,518	31,616	652	1,250
Oc. ...	21,158	18,818	39,976	26,818	7,423	5,735
Nv. ...	15,075	35,745	50,820	45,439	2,347	3,034
Dc. ...	22,570	36,041	58,611	41,400	6,229	10,982
12 Mos.	**848,335**	**183,798**	**1,032,133**	**977,251**	**28,785**	**26,097**
1920						
Ja. ...	23,309	39,651	62,960	52,674	9,187	1,099
Fb. ...	56,834	38,606	95,440	90,817	2,454	2,169
Mr. ...	23,864	55,964	79,828	75,380	3,039	1,409
Ap. ...	13,198	17,882	31,080	28,323	2,505	252
My. ...	11,951	28,057	40,008	37,370	2,188	450
5 Mos.	**129,156**	**180,160**	**309,316**	**284,564**	**19,373**	**5,379**
Je. ...	9,818	29,804	39,622	21,521	5,896	12,205
Jy. ...	5,127	18,266	23,393	22,975	293	125
Ag. ...	2,743	4,461	7,204	5,536	993	675
Sp. ...	6,596	14,286	20,882	15,755	4,434	693
Oc. ...	10,176	17,746	27,922	24,520	1,306	2,096
Nv. ...	11,317	27,472	38,789	28,698	8,641	1,450
Dc. ...	6,193	7,877	14,070	9,993	2,607	1,470
12 Mos.	**181,126**	**300,072**	**481,198**	**413,562**	**43,543**	**24,093**
1921						
Ja. ...	11,755	9,620	21,375	14,897	363	6,115
Fb.	11,614	2,566	14,180	9,080	5,050	50
Mr. ...	13,046	15,556	28,602	19,707	3,315	5,580
Apr.	9,315	9,683	18,998	6,690	9,573	2,735
May	6,341	12,719	19,060	10,511	4,212	4,337
5 Mos.	**52,071**	**50,155**	**102,226**	**60,895**	**22,513**	**18,818**

	May				First Five Months			
	1921	1920	1919	1913	1921	1920	1919	1913
	£	£	£	£	£	£	£	£
Banks ...	—	2,531,250	500,000		754,000	12,745,518	8,514,273	2,292,000
Breweries ...		71,000			400,000	669,270	100,000	40,000
Coal, iron, steel, and engineering ...	329,000	910,302	1,227,250	781,564	1,454,322	21,820,803	10,725,035	2,274,794
Commercial and industrial ...	7,068,670	19,244,861	7,161,293	7,095,832	21,813,063	96,835,286	16,245,472	15,280,237
Electric light	633,750	—	200,000		2,322,956	1,720,107	1,548,433	2,099,295
Financial, land and investment	292,500	901,000	1,715,656	753,000	1,540,000	6,843,157	2,115,656	6,834,156
Gas and water	1,336,000	152,700	36,000	892,410	2,197,486	628,200	67,500	1,489,410
Harbour and docks	—	—			441,000	—	—	—
Insurance ...	1,298,000	—	250,000	128,000	1,298,000	2,179,841	250,000	233,000
Mines	100,000	68,250	498,429	125,000	420,200	2,331,159	1,362,962	6,112,893
Motors		857,500		80,000	626,695	6,024,262	4,587,786	174,736
Nitrate			—		—	100,000	149,250	—
Oil ...	1,020,300	250,000	100,000	180,000	12,457,211	4,785,901	159,346	1,402,500
Rubber ...	144,915	1,538,912	374,700	61,500	743,631	4,880,690	499,574	2,162,782
Railways ...	496,000	—	—	4,798,750	546,000	1,116,000	—	37,607,264
Shipping ...		1,531,250	—	1,427,993	3,082,260	14,210,635	260,000	1,927,993
Tea and coffee		—	—	3,500	57,790	196,720	—	436,500
Telegraph and telephone ...		—	600,000	297,000	—	3,039,650	600,000	828,919
Tramways ...		—	—	2,055,000	—	34,300	—	3,721,663
Total ...	12,719,135	28,057,025	12,663,328	18,679,549	50,154,614	180,161,493	47,185,287	84,918,142
Municipal ...	1,160,517	6,876,144	—	2,429,532	11,671,313	30,050,243	—	6,460,859
Government	5,180,876	5,075,000	23,793,940	17,345,012	40,399,940	99,106,208	333,284,978	32,373,264
Grand total ...	19,060,528	40,008,169	36,457,268	38,454,093	102,225,867	309,317,944	380,470,265	123,752,265

It will be noted that the issues of the month of May just ended, at 19 millions, are only half the corresponding amounts in 1920 and 1919. The figure for private enterprise in May of the latter year tallies closely with the present level of 12½ millions, which falls short, however, of the 1920 figure by more than fifty per cent. During the month the Colonies and foreign countries each took from the Capital market 4 millions, making an aggregate of 8 millions. The latter compares favourably with the previous returns in the current year, and is more than double the monthly average for the early part of 1920 and 1919. Home requirements accounted for 10½ millions in May, a sharp increase on the previous month but rather less than the average for the first three months. With retrenchment in British Government borrowing the figure, as might be expected, exhibits a marked shrinkage as compared with that of the corresponding periods of 1919 and 1920. Aggregate results for the initial five months reveal similar trends—a decided contraction under the heads of both State and private appeals, accompanied by a notable expansion in the accommodation afforded to Colonial and foreign interests.

At the foot of the opposite page will be found a comparative tabular statement detailing the allocation of new capital among the various types of undertakings. The only items registering an increase as compared with previous years are Gas and Water, Oil, and Electrical Light and Power undertakings. The Employers' Liability Assurance issue of 300,000 £1 shares (credited 5*s.* paid) at £4 was responsible for the greater part of the £1,298,000 appearing under the head of Insurance. This amount compares with *nil* in May of the preceding year, but the figure for the whole five months represents a sharp decrease, similar to that occurring under Bank issues. Commercial and Industrial flotations amounted to 7 millions, against 19 millions in May 1920 and 7 millions in May 1913.

Net Cash Issues of Foreign Countries.

(000's omitted.)

	U.S.* $	Holland† Fl.	Switzerland‡ Frs.	Germany§ Mks.
1916	—	469,448	-	—
1917	—	466,523	-	--
1918	—	635,211	-	-
1919				
Jan.	202,454	-	—	
Feb.	177,736	—	-	—
March	134,130	—	—	—
April	—	-	—	--
12 mts.	—	1,182,108	618,000	—
1920				
Jan.	396,943	—	—	767,000
Feb.	257,007	—	—	807,000
March	346,670	—	—	820,000
April	-	—	--	1,085,000
12 mts.	—	1,168,873	563,000	11,514,000
1921				
Jan.	339,008	-	—	1,551,000
Feb.	254,930		—	2,393,000
March	169,629	-	-	809,000
April	--	—	—	[2,834,000

* *Commercial and Financial Chronicle* of New York.
† *Rotterdamsche Bankvereeniging.*
‡ *Swiss Bank Corporation.*
§ *Stenger, Hoffman & Co., Berlin.*

New flotations in the United States for the first two months of the year showed little reduction from the boom level of 1920, but the month of March recorded a sharp break, mainly due to the congestion of the preceding months. Current figures for Holland and Switzerland are not to hand. It is interesting to note that for both these countries the 1920 totals are slightly below the previous figures, the explanation in the latter case being the lower standard of Government borrowing. The trend of the German Capital market provides an interesting comparison with that in Allied countries. The monthly average in the early part of 1920 came to 800 million marks, but, instead of shrinking, grew to 2,000 millions by the end of the year, at which level it has been maintained in the present year, the tendency being, if anything, to rise.

THE GOLD STANDARD.

The question of the possibility of an ultimate return to a gold standard for currency forms one of the most controversial topics at the present day, and it is one, moreover, which must in time be considered by all those countries that depend now on a purely fiduciary paper money. In this connection the remarks of the Chairman of the Crown Mines at the annual meeting of the Company on [illegible] May 26 will be of interest, as coming from one who has had a long experience of the function of gold as a basis both for currency and for industrial purposes. The Chairman expressed the opinion that bitter experience of the evil effects of paper money would eventually force the world back to the gold standard: "A state of equitable equilibrium between industries was unachievable without sound money and without a measure of value, and no contrivance of man, however ingenious, would enable sound money to be made out of paper." Naturally, for gold-mining companies the question is of paramount interest, for the abolition of gold as a monetary commodity would obviously bring about a great fall in its value. But though for most countries the difficulties in the way of restoring the gold standard are very great, yet no country that possessed a gold standard before the War has yet resigned itself to the prospect of a perpetual banishment of the metal from the financial system. In view, however, of the enormous difficulties in the way of reverting to a gold basis, few countries, with the exception of the United Kingdom and, of course, those nations where convertibility of the paper currency has been maintained, have so far made any conscious effort towards that end. The policy agreed upon, however, at the International Financial Conference at Brussels, embracing as it did the gradual reduction of paper currency, implied as its object the ultimate restoration of the gold standard. This is sufficient to account for the fact that no attempt has been made by the League of Nations to formulate an alternative currency system. Many economists, however, despairing of ever reverting to the pre-War position, have put forward various schemes for achieving a stable currency without the use of gold, but these schemes are not likely to meet with general approval; indeed they could not operate successfully until financial organisation has attained a much more advanced stage of development.

The progress of international banking and the evolution of the credit system will, perhaps, ultimately make it possible to dispense with the imperfect gold standard, but until that time comes gold will be retained in its traditional function—the standard of value and the regulator of international price-levels. At present, however, it is apparent that even the most advanced countries are unable to maintain stability of values in the absence of a gold convertibility for the currency, and are forced to experience the alternative of violent fluctuations in commodity prices and foreign exchanges. Accordingly, conditions in all Continental countries have been characterised by a series of alternate periods of inflation and deflation, entailing results even more disastrous than they formerly produced in the most backward of the South American Republics.

But, however desirable may be the re-establishment of the gold standard, the difficulties in the way are enormous and, in the case of some countries, almost insurmountable. If it is ever to be restored it can only be done as the result of many years of gradual recession in price-levels, accompanied by free movement of commodities internationally until the exchanges again return to the old parities. At the moment we are experiencing some of these difficulties, for the present world-wide economic crisis was precipitated partly by an attempt on the part of some countries to reach out after a gold currency. In this matter we see between the Scylla of inconvertible paper currency, with all its attendant evils, and the Charybdis of [illegible] trade, and at the moment are in danger of being engulfed in the latter. It cannot be ignored

that, though the financial position is now inherently sounder than it was twelve months ago, and the gold standard brought nearer to realisation, yet this has been done at a cost to industry—of which finance is, after all, but the handmaiden—that is obviously too great. A slackening of production is always undesirable; it involves either a lessening of the national wealth or a diminution of national savings, with its corollary of a reduced rate for the creation of fresh capital. If very pronounced, it affects profoundly the general development of the country: it lowers the standard of living, hinders the spread of education, impairs national efficiency, and retards the growth of population. National progress must wait on the production of wealth, and when the output of commodities and the accumulation of capital are seriously curtailed in a great crisis, such as the present, instead of advancement there is a retrogression, whose effects are not merely temporary but cumulative. It is this latter aspect that is peculiarly disquieting at the present time. Were deflation gradual it would be accompanied by a more even distribution of wealth, and the consequent increase in the consuming power of the community as a whole would in time more than compensate for the set-back to industry. The most cursory survey of the existing situation, however, will make it plain that industry has suffered so severely from the fall in prices that production has been greatly restricted and that unemployment has become so prevalent that the general consuming power of the community has diminished instead of increasing.

If any future attempt at deflation comes to be made it should only be embarked upon with the greatest caution, and must be guided by the experience of the past twelve months, which has shown that, while the financial authorities can readily initiate a policy of deflation, once the movement is started it passes beyond their control, and if the fall in prices develops too great a rapidity they are powerless to impose a check; it is also much easier to disturb existing value-ratios than to control the subsequent readjustment about a lower price-level. In this connection, however, it is important to recognise that the control of finance during the fall in prices under discussion was weakened by the fact that a very powerful factor in that recession has been a diminished buying capacity both at home and in the impoverished nations abroad. No remedial financial measures, had they been adopted, would have prevailed against the influence of this factor. It is clear, at any rate, that the power of finance is not great enough to control a campaign of deflation at all stages. To be carried out under ideal conditions a campaign of deflation should be undertaken by all countries at the same time and should be subject to international direction; it would involve absolute freedom of trade and something like an international pool of credits. In the international sphere the object should be to make price-levels in all countries decline simultaneously, and as nearly as possible at the same rate, until the exchange of each country's currency reached the parity with the United States dollar. As regards internal conditions in each country, an ideal system of deflation would demand that the prices of all commodities should decline simultaneously and at the same rate. Wholesale prices would naturally be the first to be affected, but the periods between the initial fall in wholesale prices and retail prices, and, subsequently, costs of production, should be shortened as much as possible. Such circumstances would ensure the minimum of disturbance to the domestic and foreign trade of each country. Above all, it should be recognised that the period of deflation must be spread over a period of several years.

The financial situation of the United States at the present day illustrates strikingly one of the incidental difficulties to a recovery of the gold standard. The United States has at no time really departed from the gold standard, though the free gold market in New York had to be suspended for a time. The country has, moreover, become the creditor of almost all other nations to a vast extent. The result is that a large part of the world's stock of gold has gravitated to the United States. Practically since the commencement of the War, with the exception of a period of nine months after the removal of the embargo on export of the metal in June 1919, the country has been steadily importing gold, and the inflow is more pronounced at present than it was at any time previously. The total imports from July 1, 1914, to March 31, 1921, amounted to $2,528,036,000, and the total exports to $1,545,600,000, making a surplus of $982,436,000 in favour of imports. If we add to this the production of gold during the period in the United States—$504,278,000—we get a total of $1,486,714,000, representing the net increase in the stock of gold between the beginning of July 1914 and the end of last March. The stock of gold in the country at the commencement of the War was $1,268,398,000, and, accordingly, the stock at the end of March last should be approximately $2,755,112,000—an increase of 117 per cent. The redistribution of this increase would mean that other countries should export more commodities to the United States than they imported from that country. Besides the remoteness of such a possibility, and the probability that, even if feasible, the United States itself would try to check the movement by the imposition of import tariffs, there is also the great disturbance it would involve in the financial position of the United States. The bulk of the imported gold has been absorbed by the banking system, with the result that the total gold reserves of the twelve Federal Reserve Banks at present stand at $2,392,950,000. If a large portion of this gold had to be re-exported, obviously the credit superstructure of which it forms the basis would have to be reduced substantially, and this could hardly be accomplished without severe restriction to trade.

AMERICAN RAILROAD EARNINGS.

The gross earnings of American railroads that file returns with the Interstate Commerce Commission amounted in March last to $456,979,000, of which operating expenses absorbed $398,440,000, or 87.2 per cent., leaving net earnings at $58,539,000, or 12.8 per cent. Comparative figures for preceding months are set out in the following table:—

Monthly Operating Results

(000's omitted.)

	Gross Earnings $	Operating Expenses $	% of Gross	Net Revenue $	% of Gross
1921					
Mar.	456,979	398,440	87·2	58,539	12·8
Feb.	405,001	384,230	94·9	20,772	5·1
Jan.	469,785	441,333	94·0	28,542	6·0
1920					
Total for Year†	**6,204,875**	**5,742,952**	**92·6**	**461,923**	**7·4**
Dec.	539,198	487,875	90·5	51,323	9·5
Nov.	592,278	506,499	85·5	85,779	14·5
Oct.	633,853	515,854	81·4	117,999	18·6
Sept.	594,192	491,863	82·8	102,329	17·2
Aug.	441,423	513,277	116·2	71,854*	—
July	467,352	448,524	96.0	18,828	4.0
June	430,931	406,784	94·4	24,147	5·6
May	387,330	358,646	92·6	28,684	7·4
April	385,681	373,883	97·0	11,798	3·0
Mar.	458,462	418,580	91·3	39,882	8·7
Feb.	424,172	414,937	97·9	9,235	2·1
Jan.	494,706	408,797	82·7	85,909	17·3
1919					
Total for Year†	**5,178,639**	**4,412,763**	**85·2**	**765,876**	**14·8**
Dec.	443,124	405,606	91·6	37,518	8·4
Nov.	438,038	389,793	89·0	48,245	11·0
Oct.	503,282	400,219	79·6	103,063	20·4
Sept.	480,409	386,985	80·6	93,424	19·4
Aug.	367,866	278,447	75·7	89,419	24·3
July	401,376	313,427	78·2	87,949	21·8
June	369,226	304,800	82·6	64,426	17·4
May	348,701	297,645	85·4	51,056	14·6
April	372,828	331,190	88·9	41,638	11·1
Mar.	347,090	319,887	92·2	27,203	7·8
Feb.	348,750	321,632	92·3	27,118	7·7
Jan.	392,927	356,828	90·9	36,099	9·1

* Deficiency. † Revised figures.

It will be observed that gross earnings in March actually fell short by $1,483,000 of those in the corresponding month of 1920, despite the increase in freight rates of forty per cent. allowed in the interval to Eastern railroads, thirty-five per cent. to Western railroad, and twenty-five per cent. to Southern and Mountain Pacific railroads. These increases, together with an advance in Pullman rates of fifty per cent., and in passenger rates, excess baggage, and milk rates of twenty per cent. came into force at the close of last August and were expected to yield an addition to gross railroad revenues of $1,500,000,000 per annum, or $125,000,000 per month. That the calculation has proved so hopelessly out of accord with the facts is due solely to the business depression in the United States and the consequent diminution in railroad traffic of practically all kinds. The decreased volume of traffic was handled by a smaller labour force and naturally permitted a reduction in almost all classes of expenditure. Hence the unusual result that the smaller gross revenue in March 1921 yielded a higher net revenue than did the large gross earnings of March 1920. The increase is considerable, amounting, as may be seen from our first table, to practically $20,000,000.

The working result of thirty of the leading railroads in March are given below. They display the same features as the aggregate figures, a decline in revenue being more than offset by a contraction in expenses, thus leaving an addition to the surplus. The quarter's returns are not, however, very cheerful. If we take the figures for the thirty railroads given below we find that [illegible] to $983,889,830, as compared with $1,033,979,191 in the corresponding period of 1920, a decline of 4.8 per cent., while expenditure declined by only 2.6 per cent., from $928,434,279 to $904,236,329, thereby causing a reduction in surplus from $105,544,912 to $79,653,501. These poor returns have doubtless been responsible for the general quietness of railroad stocks in the New York market in recent weeks. Such trading as has taken place has been chiefly on professional account, and the various price movements are, therefore, but a slight indication as to the lack of confidence or otherwise of the investing public in railroad stocks. Prior to a revival in trade, traffics will be light, gross earnings small, and the amount available for dividends will be curtailed, unless in the interim there is a drastic cut in operating expenses. The outstanding difficulty is, of course, connected with the labour problem, and until the various questions at issue with different classes of railroad workers are cleared up, it is difficult to anticipate any marked revival in railroad stocks, especially as the end of the business depression either in the United States or throughout the world is not yet in sight, though many [illegible] more cheerful undertone in a number of the markets for primary and other commodities. The announcement of the Railway Labour Board that wages will be reduced by 12 per cent. affords a tardy measure of relief to the companies, and a saving of $400,000,000 per annum is anticipated in the wages bill. The delay in making the wage reductions effective is, however, causing disappointment.

RETURNS FOR MARCH 1921 AND 1920.

Railroad	Revenue in March		Expenditure in March		Surplus of Revenue in March	
	1921	1920	1921	1920	1921	1920
	$	$	$	$	$	$
New York Central*	[illegible]	46,615,385	36,824,374	41,649,955	+ 7,333,979	+ 4,965,430
Southern Pacific†	[illegible]	21,370,822	18,180,391	18,147,887	- 1,794,470	[illegible]
Atchison, Topeka & Santa Fe†	18,316,172	18,828,378	15,390,228	15,570,854	- [illegible]	[illegible]
Baltimore & Ohio	[illegible]	16,762,298	13,280,154	16,393,789	+ 2,937,244	- [illegible]
Union Pacific*	[illegible]	15,336,370	10,021,990	[illegible]	+ 3,751,693	- [illegible]
Chicago, Milwaukee & St. Paul	[illegible]	12,769,763	11,119,500	11,186,439	- [illegible]	+ 1,583,324
Chicago & N. Western	12,353,734	11,853,273	11,076,639	10,910,009	+ 1,277,095	- [illegible]
Illinois Central	[illegible]	11,062,241	9,080,637	9,355,897	+ 2,298,124	+ 1,706,344
Chicago, Rock Island & Pacific	[illegible]	[illegible]	8,863,912	8,691,795	+ 2,397,847	+ 1,179,679
Louisville & Nashville	[illegible]	10,566,042	[illegible]	8,771,558	- 471,[illegible]	[illegible]
New York, N.H. & Hartford	9,831,936	9,050,871	9,376,680	9,373,773	- [illegible]	[illegible]
Great Northern	7,089,733	7,720,070	6,701,356	[illegible]	+ [illegible]	— [illegible]
Missouri Pacific	8,958,854	8,535,721	8,371,452	[illegible]	+ [illegible]	- [illegible]
Erie*	[illegible]	9,547,301	9,749,534	9,565,087	- [illegible]	— 17,786
St. Louis & San Francisco†	7,232,621	7,551,495	5,690,374	5,810,755	- 1,542,247	[illegible]
Philadelphia & Reading	6,655,922	[illegible]	6,141,751	6,361,853	+ 514,171	[illegible]
Chesapeake & Ohio	[illegible]	6,716,231	5,294,285	[illegible]	+ 1,073,058	+ 813,426
Boston & Maine	[illegible]	[illegible]	[illegible]	[illegible]	- [illegible]	— [illegible]
Wabash	5,189,751	4,484,526	4,487,941	[illegible]	- [illegible]	[illegible]
Minneapolis, St. Paul & S.S.M.	[illegible]	3,247,248	3,336,877	3,124,814	- 14,[illegible]	[illegible]
Delaware & Hudson	[illegible]	3,054,340	3,444,118	3,047,433	+ 188,787	+ 6,907
New York, Chicago & St. Louis	2,277,947	[illegible]	1,835,800	1,778,356	- 441,247	+ 528,179
Alabama Great Southern	790,759	823,405	747,380	642,910	- 43,379	- [illegible]
Union RR. (of Penn.)	789,243	[illegible]	[illegible]	[illegible]	- 17,[illegible]	[illegible]
Pennsylvania Co.†	[illegible]	41,114,740	37,820,771	42,011,985	+ 4,349,[illegible]	- [illegible]
Chicago, Burlington & Quincy	13,753,278	13,895,875	10,075,797	12,274,216	+ 3,677,480	+ 1,621,658
Southern Railway‡	11,153,007	11,879,409	9,915,252	9,571,017	+ 1,237,754	- [illegible]
Northern Pacific System*	7,018,556	8,247,855	6,305,191	7,155,163	+ 713,[illegible]	[illegible]
Pittsburgh, Cincinnati, Chicago & St. Louis‡	[illegible]	9,012,516	7,577,076	8,730,681	+ 1,797,265	- [illegible]
Norfolk & Western	6,149,710	[illegible]	[illegible]	[illegible]	- [illegible]	[illegible]
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	-47,[illegible]	[illegible]

* Including extensions and subsidiary lines. † Part of the Pennsylvania System. ‡ Part of Southern Railway System.

RETURNS FOR 1921 AND 1920.

Railroad	January 1 to March 31, 1921			January 1 to March 31, 1920		
	Revenue	Expenses	Surplus or Deficit	Revenue	Expenses	Surplus
	$	$	$	$	$	$
New York Central	129,112,950	116,403,866	+12,709,084	139,935,920	121,337,410	18,598,510
Southern Pacific*	64,421,550	53,031,198	+11,390,352	62,987,815	53,163,046	9,824,769
Atchison, Topeka & Santa Fe*	53,482,973	48,570,634	+ 4,912,329	61,623,541	[illegible]	17,868,255
Baltimore & Ohio	48,238,909	43,474,119	+ 5,764,790	48,711,998	47,742,267	[illegible]
Union Pacific*	38,359,125	31,590,895	+ 6,768,230	[illegible]	32,347,115	- 16,977,928
Chicago, Milwaukee & St. Paul	32,733,382	33,071,340	- [illegible]	38,888,509	37,629,208	1,259,300
Chicago & N. Western	34,800,027	33,551,572	+ 1,248,454	[illegible]	34,029,785	[illegible]
Illinois Central	35,044,192	28,054,954	+ 6,989,237	[illegible]	28,517,626	[illegible]
Chicago, Rock Island & Pacific	31,097,327	26,773,946	+ 4,323,381	31,957,236	27,086,395	- 4,870,840
Louisville & Nashville	28,690,064	29,285,115	— 595,051	[illegible]	20,935,125	[illegible]
New York, N.H. & Hartford	26,465,787	28,453,163	- 1,[illegible]	[illegible]	27,151,076	871,167
Great Northern	19,213,454	19,486,963	— 273,509	[illegible]	23,919,417	1,205,405
Missouri Pacific	26,867,837	[illegible]	+ 1,692,397	[illegible]	24,300,379	1,173,499
Erie*	27,919,819	28,273,410	— 353,591	[illegible]	28,226,775	[illegible]
St. Louis & San Francisco†	21,536,465	16,926,027	+ 4,610,438	[illegible]	18,379,158	[illegible]
Philadelphia & Reading	21,122,999	19,509,899	- [illegible]	20,577,025	19,867,488	689,537
Chesapeake & Ohio	18,764,532	17,078,976	+ 1,685,556	19,373,122	16,614,113	2,759,010
Boston and Maine	[illegible]	20,544,615	— 2,250,777	[illegible]	20,225,511	[illegible]
Wabash	[illegible]	12,969,186	+ 1,368,386	[illegible]	[illegible]	[illegible]
Minneapolis, St. Paul & S.S.M.	[illegible]	10,453,026	— 862,154	[illegible]	[illegible]	877,159
Delaware & Hudson	11,309,524	10,740,078	- [illegible]	[illegible]	8,813,239	[illegible]
New York, Chicago & St. Louis	6,187,747	5,238,095	+ 1,249,652	[illegible]	5,274,797	1,305,318
Alabama Great Southern	2,474,788	2,354,155	— [illegible]	[illegible]	2,047,558	[illegible]
Union RR. (of Penn.)	[illegible]	[illegible]	— [illegible]	[illegible]	[illegible]	[illegible]
Pennsylvania Co.	[illegible]	118,675,112	- [illegible]	[illegible]	[illegible]	[illegible]
Chicago, Burlington & Quincy	39,879,750	31,384,483	[illegible]	[illegible]	[illegible]	[illegible]
Southern Railway	31,641,265	30,264,348	+ 1,379,916	[illegible]	[illegible]	[illegible]
Northern Pacific System*	19,248,807	18,525,493	- [illegible]	25,821,402	[illegible]	[illegible]
Pittsburgh, Cincinnati, Chicago & St. Louis	25,217,673	[illegible]	+ 507,361	[illegible]	[illegible]	[illegible]
Norfolk & Western	19,246,947	17,237,679	- [illegible]	19,756,291	[illegible]	[illegible]
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* I[illegible] † [illegible] ‡ Part of the Southern Railway System.

PERU.—II.

A NECESSARY PRELIMINARY.

THOSE who have the real interests of South America at heart, and the particular interests of each of the ten Republics, should carefully consider what is the most practicable way of developing the enormous resources contained in that vast continent. South America, as we have explained upon various occasions, is perhaps, taken altogether, the most fertile and naturally the richest of all the continents. The greater part of the vast continent of Asia is infertile to a remarkable degree. Nearly half of Africa is desert or semi-desert. Europe, because it has been cultivated and inhabited by a highly intelligent race of human beings for such a prolonged period, is relatively fertile. It is fertile, however, because it has been so carefully cultivated, and with the knowledge so far at our disposal means have been taken to obtain, in a sense, the best results which the soil is capable of affording. Naturally, if Europe were in the wild state that the greater part of the continent of South America is in it would be relatively an infertile continent. South America, on the contrary, possesses a natural degree of fertility which, as we have explained upon various occasions, is found nowhere else upon the earth's surface. Consequently, we have devoted an immense amount of space to discussing the economic prospects and potentialities of the continent of South America, because we regard that area of the earth as capable of affording in a larger measure than is the case elsewhere supplies of food and raw materials for several generations. It will be necessary, however, as we began this article by saying, if South America is to be properly developed, to carefully consider the methods whereby that end can be attained with a reasonable prospect of success. There is very little of South America where it would be practicable for a small band of enterprising men with little or no resources to achieve any considerable measure of success.

Peru is a country which peculiarly demands careful consideration for its practical economic development. It is easy to say, and it is perfectly true, that the great need of Peru is immigration and improved transportation facilities. Immigration, as recent events have amply demonstrated, is impracticable, and will always remain, with our present knowledge, impracticable unless means are taken whereby the immigrant will find conditions prepared ready for his reception. In other words, before any appreciable growth in the Peruvian population will be practicable, vast sums of money will require to be spent to employ the energies of the immigrant to any real advantage. For convenience the country may be divided into three great zones. There is the coastal area, which now grows, and is capable of growing to a much greater extent than at present, sugar and cotton, which demand irrigation upon a very extensive scale. Until the coastal lands are thoroughly irrigated, which would mean the expenditure of a very large capital, nothing can be expected to grow in these arid regions. It has been proved, however, beyond dispute that when these coast lands are once irrigated the percentage yield per unit is so great that the return on capital invested is very much in excess of what could be expected from the employment of capital upon lands subject to varying climatic conditions. Above the coastal area is the great central plateau. But this central plateau can only be reached by scaling exceedingly high mountains. Railways have been built, and more railways will require to be built, to enable the traveller to reach the plateau from the Pacific coast. Naturally, the building of railways in such a region is exceedingly costly, and the upkeep of the lines even when they are built is itself a very expensive enterprise. Part of this plateau region is so elevated that it is of very little value except for the rearing of sheep. An appreciable proportion, however, is situated at an elevation which would enable it, were it carefully cultivated, to produce many of the cereals and plants with which we are acquainted in the temperate regions of the earth. There is, then, the third, or Montana, region, as it is called. This slopes comparatively gently down to the various rivers which form tributaries of the Amazon. In a sense, it may truly be said that Eastern Peru is more accessible than the Pacific coast region. At present, however, it is almost wholly forest-clad, and would require opening up by means of roads and railways before it could be made really accessible from the eastern side. Eastern Peru, however, possesses a port actually at the head-waters of the Amazon, the port of Iquitos. This port is capable of being developed to a very great extent. The Amazon at Iquitos is two miles broad, and the port itself is capable of receiving vessels of 10,000 tons. Consequently, it will be seen that if Eastern Peru were opened up there is no insuperable difficulty in building up a great trade, which could be diverted to the Amazon port instead of requiring goods to be carried over the mountains and shipped from some port on the Pacific littoral. The region of Eastern Peru is, as the reader will doubtless have appreciated, subtropical in its higher elevation, becoming wholly tropical as it approaches the great tributaries of the Amazon River. At present it is mainly valuable as a source of supply of raw rubber. Peru is the second largest source of supply of raw rubber on the South American continent. As this region is gradually opened up for cultivation, it should be capable of growing all the rich products which we are accustomed to associate with the tropical and sub-tropical regions of the earth. All competent authorities who have visited this region of Peru are agreed that it is naturally one of the most fertile portions, not merely of Peru, but of any part of the continent of South America. It would require, however, before it was really opened up in the sense which we are contemplating, to be made thoroughly healthy, because it will readily be appreciated that in a forest-clad region situated in the tropics malaria is always more or less present wherever there is swampy ground. Provided capital were forthcoming whereby roads and railways could be built upon a sufficiently extensive scale to open up the whole country, Peru itself is capable of affording ample resources to justify such an expenditure. Not merely in the coast regions and in the Andes, but nearly all over Peru, indications of the existence of petroleum and coal are found. Consequently, provided sufficient supplies of foreign capital could be obtained to open up these extensive regions there would be no lack of fuel, either oil or coal. Peru, as she exists at present, is considerably larger than France and Germany combined, as those two countries existed in the early part of 1914. Her total population at the present time is about four millions of human beings, many of them in a very backward stage of civilisation; although the Indian portion, which accounts for some sixty per cent. of the whole, are descended from the most intelligent and most highly

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civilised races found in South America at the time of the discovery of the continent, now some four centuries ago.

At present Peru lives mainly upon three products—sugar, cotton, and rubber. We have endeavoured to show that she is capable of producing enormous quantities of agricultural produce, and we have also endeavoured to show that she has rich lands suitable for the herding of cattle and for the breeding of sheep. From an agricultural point of view, therefore, the opening up of Peru should well repay its cost directly and indirectly. Directly because it should, if the enterprise were undertaken with care and upon business lines, yield a very great return upon the capital actually expended; indirectly the results should be even more satisfactory, because, per unit of expenditure, the return both in raw materials and in food supplies should be very great. At present the most advanced countries of the world are urgently in need of increased supplies of food and raw materials. It may occur to the mind of the reader that although this has been said many times the fact remains that the storehouses of most countries are full at present of raw produce and of manufactured goods for which it is exceedingly difficult to find a market. To this contention we would reply that this difficulty of finding a market does not imply that there is any lack of real demand. All it amounts to is that those who are responsible for the production of these raw materials and these manufactured goods produce them upon such an extravagant basis of values that the prices they are now demanding for their sale are beyond the purchasing power of prospective customers. Economically it is not true, and never has been true, that there is a great demand for supplies either of food, raw materials, or manufactured goods which have been produced utterly without regard to cost. Every new market which has been opened up in any part of the world at any time has been brought into existence by supplying commodities upon a basis which the economic resources of the people to whom they are offered will admit. Sooner or later the present accumulation of supplies, which has been collected at such an extravagant cost, will gradually be dispersed, no doubt at a considerable sacrifice to a large number of individuals. When that time comes there will be a greater demand than ever for fresh supplies of food and raw materials, and even for manufactures. But if the demand is to be an effective one the goods must be produced within the purchasing power of the prospective customers. Peru, if she is opened up with reasonable care and foresight, is capable of supplying a large proportion of the world's needs of food and raw materials, and an immense variety of minerals, upon a basis which the prospective customers will be able to pay.

London Joint City and Midland Bank.—Such variations as are shown in the May average balance sheet of the London Joint City and Midland Bank when compared with that for April are practically confined as regards assets to the items of (1) cash and Bank of England balances, which at £54,746,000 represent 15.2 per cent. of the deposit liabilities of £360,430,000 (following £53,032,000, or 14.9 per cent. of £355,537,000); and (2) bills discounted, where £50,975,000 succeeds £47,675,000, the proportion rising from 13.4 to 14.1 per cent. The increase in the latter item may, of course, be due to larger holdings of Treasury bills. The total of acceptances and engagements on account of customers, in its decline by one million pounds to £19,610,000, carries a stage further the continuous contraction from the £26,004,000 of January. Advances register very little change, and the growth in deposits already indicated suggests that with reduced trade activity customers are carrying larger balances.

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Financial Notes.

East African Currency Modification.

Apparently, the Colonial Office is not yet prepared to alter its inequitable and ill-timed decision of April 20, 1920, when the rupee in British East Africa was replaced by a new local currency unit with a value equal to one-tenth of the £ sterling. The latest enactment, announced by Mr. Churchill in the House of Commons on Monday last, constitutes merely a modification of detail, and leaves untouched the main issues raised by the previous currency alteration. The latest ruling, made on the recommendation of the Currency Committee appointed in Kenya in February last, is to the effect that the existing florin will be replaced by a shilling, and that rupee contracts, instead of being construed at the rate of one florin to one rupee, will be construed at the rate of two shillings to one rupee. This will apply to Kenya and Uganda, and will be extended to the Tanganyika Territory as soon as possible. Such a modification does not even attempt to compromise between conflicting interests in the present situation, for the fundamental currency position of these countries remains as before. There can be no doubt that the fixing of the rupee at 2*s.* on April of last year had the effect of withholding from the producer interest the benefit of a fall in the exchange value of British East African currency, which, in the absence of Government intervention, would have fallen with that of the Indian rupee. This consideration must also weaken the argument of those who are now opposed to a de-stabilisation of the currency on the ground that the subsequent drop in exchange would necessitate heavy writing down of funds held in British East Africa: such a loss has after all to be prepared for by all companies with capital in foreign countries whose value depends on exchange fluctuations. On the other hand, we are well aware that many contracts were entered into on the basis of 2*s.* for the rupee on the expectation that the Colonial Office would keep permanently to its undertaking to maintain the British East African currency unit at an exchange of 2*s.* sterling. To find an equitable ruling for the settlement of contracts of this nature under a new currency scheme forms one of the main difficulties in the way of a solution to the problem. Above all, the position

has been enormously complicated by the world-wide depression in trade, for it is doubtful if the colonies could now be reconstructed, even if the sterling equivalent of the florin or rupee was reduced, unless costs of production, measured in the local currency, were reduced in addition by a very substantial amount. It is true to say that time can dissolve the troubles of the colonies, for economic pressure must in the long run inevitably force values to re-group themselves in relation to the new currency. Such a solution, however, is not likely to be awaited calmly by the producers, especially in view of the very low educational standard of the native population, which would unduly protract the period of readjustment. We are convinced that though the situation bristles with difficulties, yet a solution by legislative enactment is not impossible if the Government is brought to recognise that it was itself originally responsible for many of these difficulties, and if, accordingly, it would be willing to provide compensation in the event of a decontrol of the currency in proven cases of losses which would not have arisen if the currency unit were not originally fixed at 2*s*. sterling.

The P. & O. Banking Corporation, Ltd.

As a result of the operations of the nine months to March 31 last, the P. & O. Banking Corporation—launched under influential auspices a year ago—finds itself in a position to extinguish the balance of £26,430 preliminary expenses incurred beyond those covered by the £31,250 premium on the share issue, to propose a dividend at the rate of five per cent. per annum and carry forward a sum of £6,846. Of the total preliminary expenses, £50,000 had to be paid to the Government for taxation on the capital, which consists of an authorised amount of £5,000,000, of which half, in 250,000 fully paid £10 shares, is paid up. Current, deposit, and other accounts represent £2,662,391 of the total liabilities of £6,139,842, and commitments under acceptances, endorsements, &c., £712,960. Cash at bankers and in hand (£430,776) and money at call and short notice (£1,095,000) together account for nearly one-fourth of the total assets, and bills discounted, including Treasury bills, for a slightly higher proportion, advances to customers for £740,056, and investments for £644,957, of which £583,916 consists of the Corporation's holding, at cost, in the Allahabad Bank. The acquisition of this controlling interest in the Indian institution was principally effected by cash payment, but the option to secure an interest in the new undertaking was exercised to the extent of 9,416 shares, which have been allotted out of the capital unissued at the close of the accounts.

German Reparation Payment.

A New York report states that the German Government, through the agency of four New York banks, has transferred $45,733,000 to the New York Federal Reserve Bank in respect of the first instalment of its liability to the Allies under the Reparations agreement. This payment, it is understood, was not made in gold, and, accordingly, it throws some light on the movements in the dollar exchange during the week. The matter of further payments by Germany in this connection should be kept in mind as a future influence on exchange movements, for the sum mentioned above forms only a small part of the total amount for which Germany was liable to the Reparations Commission before June 1. Under the agreement this was to be one milliard gold marks, which would be equivalent to £47,850,000 (gold), or 232,800,000 United States dollars.

Bank of Barcelona.

We understand that the measures for preventing the total failure of the Bank of Barcelona having proved unsuccessful, its affairs are to be wound up. It will be recalled that this institution, which is one of the oldest banking houses in Spain, suspended payment towards the end of December last owing to losses in exchange operations and to difficulty in calling in loans on account of the fall in commodity prices. This latest development is especially disappointing, as it was believed in January last that the Bank would be reconstructed, it being understood that the assets exceeded the liabilities by over 65 million pesetas, and that the Government was taking action to prevent total failure. It now appears, however, that the assets were not wholly recoverable, and it is thought the deposits cannot be paid in full. The news is of little concern for London, as the Bank has no branches here, and the amount of its paper held here at the time of suspension was negligible. Of more importance is the news that the Mercantile Bank of the Americas has secured from the banks and trust companies that figure amongst its stockholders $20,000,000 in return for a future issue of stock. The Bank's financial resources have been strained by the fall in commodity prices and the erratic movements in the exchanges, and this accounts for the present call.

The Nitrate Industry.

The Chilean President's opening Message was read in Parliament on Tuesday last. The President said the Government was engaged in stabilising the exchange and meeting the deficit. It was contracting a loan for 100,000,000 pesos paper and 50,000,000 pesos gold, according to a Reuter message received here. In order to cope with the nitrate crisis, he proposed joint action by the State and producers so that they might sell their produce more cheaply and thus be better able to face competition. Among other measures to improve the state of things the Message foreshadows the nationalisation of industries, banks, insurance companies and some other concerns. The total value of the foreign trade of Chile in 1920 amounted to 1,247,000,000 pesos gold. The external debt was £28,000,000. The steps here outlined are of a very drastic character, but to what extent they will be given legislative effect is at the moment uncertain.

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American Topics.

ARMAMENTS.

While the United States Senate took the precaution to vote four times the amount the country was accustomed to spend upon the Navy in pre-War years, two features, to some extent, mitigate the alarm which such action might arouse. Before the vote of Congress was taken the Secretary of the Treasury warned the House that any reduction in taxation would be impossible if Congress was determined to spend upon armaments the immense sums which were being discussed. That even the United States is feeling the effects of its heavy naval and military expenditure more than two years after the conclusion of the European War is, of course, evident. In the pre-War period the United States was not accustomed to spend any considerable sums, in the sense that that term is understood in Europe, either upon the Army or the Navy. The warning of the Secretary of the Treasury, however, serious as it was, could not be expected to influence the vote of Congress, or, indeed, of any popular Assembly anywhere, provided the members of that Assembly felt that the expenditure was necessary, or even desirable in the interests or for the safety of the country. Is there, however, any real reason why the United States should spend these vast sums in converting herself into a great naval and military Power? It would appear that Congress has very grave doubts of the necessity, or even desirability, of such action.

We have just said that there are two factors which are reassuring in spite of the heavy vote of Congress for naval expenditure. We have already referred to the warning of the Secretary of the Treasury of the inevitable effect upon taxation of such lavish unproductive expenditure. This warning, however, being constantly uttered by Finance Ministers in every country, tends to fall upon deaf ears if the Chamber of that country, or the dominant faction leading it, are of opinion that such expenditure is desirable. On the day, however, preceding this enormous vote, the Senate unanimously agreed to a resolution authorising the President to call a Conference of the principal World Powers with a view to a general agreement for the reduction of armaments. That the President is quite willing to do so is generally believed. From what the President has said in public, as well as certain speeches which are believed to echo his sentiments made by those in close touch with the White House, it is believed that if the other Powers agree to a reduction of armaments the United States Government will be quite willing to fall into line. As a matter of fact, nearly all the Great Powers in the world are perforce restricting their expenditure on armaments. In this country we have laid the keel of no important ship for war purposes since the conclusion of the Armistice. Practically the same remark may be made of all the other Great Powers. There is, of course, the controversy as to the type of warship likely to be useful in the event of another war, and the effect of the probable developments of the aeroplane and the submarine. None of these discussions, however, is the dominant factor in the situation. If the world were in a position to wage war, and wanted to do so, it would build ships now even if they were likely to be obsolete within a few months after they were completed. The real fact dominating the situation is that all the countries of the world are exhausted after the effects of the recent war. It may be taken as reasonably certain that no first-class Power will start a war in the immediate future. Industry all over the world has received a staggering blow from the effects of the War under which it is still reeling. Unemployment is general in all the countries that were regarded as the most progressive before the War. Money is scarce, and credit is dear and difficult to obtain. The whole world requires breathing space to allow it to heal its wounds and refurbish its armour. None of the Powers is in a position to go to war even if it desired to. All the Powers are more or less bankrupt. Of course, we know that a people in a belligerent frame of mind will make war whether they are or are not in a position to do so; but the peoples of the world have had enough of war for the present.

The United States has come out of the recent war in a sounder economic position than most countries, and the world is looking to her to assist in the task of reconstruction. If, as the United States Secretary of the Treasury told Congress last week, she proposes to maintain war taxation and spend it on armaments, it is evident that she will lack the means to adequately finance her own needs and will be quite unable to assist other countries.

SOUTH AND CENTRAL AMERICA.

With reference to various statements which have appeared in the Press of the acquisition by the Anglo-South American Bank of a banking establishment at Antwerp, it may be said at once that the Anglo-South American Bank has acquired effective control of the institution in question. The name of the Bank acquired is the Banque Générale Belge. It was not thought desirable to open a branch in Antwerp of the English institution for reasons into which we may enter at a later date. We hope shortly to deal with the question fully in a leading article, because it has considerable significance regarding British banking and British trade at the present time that does not appear upon the surface. The new President of the Antwerp Bank will be Mr. Edward Bunge, who is regarded in the City as a man of exceptional ability and one of the leading financiers of Belgium. Mr. Bunge has been for some years a director of the Anglo-South American Bank. The Vice-President of the Antwerp institution is Mr. Robert Hose, Chairman of the Anglo-South American Bank, whose services to that institution are too well known in the City and too highly appreciated to require notice here.

We regret that pressure upon our space compels us to hold over our usual article under the above heading.—Ed.

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Rubber Topics.

THE Commodity market has again developed weakness, plantation crêpe changing hands at the low record price of 8*d.* per lb. on Wednesday. The general belief is that speculators are being forced to realise. This is all the more convincing in the light of the improved position in stocks. For the first time since a year ago London stocks record a decline on the week. Landings were returned at 1,142 tons, whereas actual trade deliveries reached 1,229 tons, thereby reducing existing stocks by 87 tons, a small amount, it is true, but any relief must be welcomed in such a depression. It is satisfactory to learn that the situation has been taken advantage of in at least one direction. On the Carey Island Estate packing-chests of compressed low-grade rubber are ousting the costly Momi chests. It is to be hoped that this new use for rubber will be extensively adopted. It is of interest also to note that in the height of the depression the fifth International Rubber Exhibition is to be held. To-day witnesses the opening ceremony at the Agricultural Hall, Islington. A visit to the Exhibition will go far to convince pessimists of the stability of the industry, as well as enabling shareholders to see for themselves the nature of the industry in which they are interested, and the steps that have been taken, especially since the War, to combat the diseases to which the Hevea Brasiliensis is heir.

AYER KUNING (F.M.S.).

Issued Capital: £140,000 in £1 Shares.

	Results for Years to December 31—								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend— Amt. £	%
1916 ...	1,996	1,856	724,457	390	2/8½	1/0·3	61,095	38,817	30
1917 ...	1,905	1,901	825,083	434	2/4½	1/0·38	57,008	25,878	20
1918 ...	2,322	—	609,360	—	2/4	1/3½	33,184	19,109	15
1919 ...	2,322	1,931	960,175	497	2/0¾	-/9·29	58,385	38,817	30
1920 ...	2,497	1,869	943,803	505	1/7	1 2·58	20,873	10,500	7½

Price of Shares, 27/3. Market Capitalisation per planted acre, £76.

CONSIDERING the adverse circumstances of the year as a whole, the report presented by Ayer Kuning (F.M.S.) Rubber Company for the year ended December 31, 1920, is distinctly satisfactory. Against an estimate of 1,000,000 lb., the crop finally harvested amounted to 943,803 lb., the deficiency being entirely due to the restriction of twenty-five per cent. adopted during the last two months of the year. Of the total the portion contributed by the Bukit Jelutong division reached 486,274 lb., or 522 lb. per acre; whilst on the Rasak division the yield was the same as in 1919. That in spite of the restriction the average for the whole estate worked out at 505 lb. furnishes perhaps the best proof of the excellent condition of the trees. However, although the crop shows a comparatively small decline as compared with that of 1919, there was a disproportionate increase in the cost of production. On Bukit Jelutong the f.o.b cost amounted to 12.45*d.* per lb., or nearly double that of 1919; on the Rasak division the increase was from 8.15*d.* to 11.34*d.* per lb.; whilst for the whole estate the f.o.b. cost reached 11.91*d.* per lb., as against 7.17*d* per lb. in 1919. Similarly the "all-in" cost moved up from 9.29*d.* to 1*s.* 2.58*d.* per lb. It is stated that the bulk of this increase is attributable to non-recurrent expenditure. Specifically it appears that the loss on rice during the year increased to £4,000, and that larger expenditure was necessary on medical charges, on the upkeep of buildings and machinery, on immigration assessment, and on higher salaries and wages. Moreover, owing to an accident to Europeans by a tree falling on their motor-car during some clearing operations, compensation to the extent of over £2,000 had to be paid by the Company. In all such extra expenditure amounted to £16,000, and accounted for this expansion in the "all-in" cost. At the same time, owing to the severe slump in the price of rubber, in the autumn of the year especially, the average gross price realised by the sale of the crop fell from 2*s.* 0¾*d.* to 1*s.* 7*d.* per lb., and would have been lower still were it not for the existence of good forward contracts. This sharp reduction in the profit per lb. to a little over one-third that of 1919 was offset, but only to a minor extent, by an expansion in sundry revenue from £504 to £1,917. It is worthy of note that whereas the realisation of Government securities in 1919 involved a loss of £65, they were realised in 1920 at a profit of £452. But this slight compensation could not appreciably improve the situation, with the result that the aggregate net profit fell from £58,385 to £20,873. The amount available for distribution was increased to £38,126 by the addition of £13,414 brought forward from 1919, and £3,839 representing the excess of the refund of income tax under the Stevens *v.* Boustead decision over the balance due for 1920. From this total a sum of £5,000 was allocated to the income tax reserve and of £10,000 to the general reserve, thereby raising the total to £35,000. Shareholders received a dividend of seven and a-half per cent. as compared with thirty per cent. in 1919, but which must be regarded as a generous distribution in these days when the passing of dividends in the light of the depression constitutes the rule. There is carried forward to the next accounts a balance of £12,626, which is liable to be increased by a refund of excess profits duty owing to the mediocre results of the year.

The balance sheet shows that the estate account for the year has increased from £159,243 to £173,023. Capital expenditure was rather heavy during the year, reaching a total of £16,259. Of this, expenditure on the maintenance and development of the estates absorbed £3,427; whilst the balance of £12,832 was expended on buildings, machinery and furniture. The outlay represented work hitherto unavoidably held over during the War. The water schemes for both divisions were successfully completed; the Rasak factory was equipped; and a manager's bungalow and two sets of permanent coolie lines were erected.

At the moment the outlook for the current year is depressing. In view of the twenty-five per cent. restriction, the estimate does not anticipate a crop of more than 772,350 lb. Despite this reduction in the size of the crop, it is hoped to secure the output at a lower cost. In particular the loss on rice will be considerably less. The administration places the f.o.b. cost as low as 6¾*d.* per lb., and that this is not merely a pious hope may be seen from the fact that the f.o.b. cost of the March crop did not exceed 5¾*d.* per lb. The total crop secured for the four months ended April 30 amounted to 296,191 lb. This reduction in the cost, if maintained, is a very promising feature, as it would obviate, at least, any loss on the crop granted even a slight recovery in the price of rubber. The situation is further improved by the existence of satisfactory forward contracts under which 336,000 lb. of the current crop have been disposed of at the pleasing average price of over 2*s.* per lb. London terms. These were doubtless the facts to which shareholders owe the dividend of seven and a-half per cent. for the year under review, as they placed the prospects for 1921 on a somewhat less gloomy plane. Financially, too,

the Company is in a strong position, ample supplied with liquid capital to meet the necessary outlay in the current year. The balance sheet dated December 31, 1920, shows cash and National War Bonds to a total of £12,882. Including the dividend of seven and a-half per cent. current liabilities did not exceed £24,783, and were more than amply covered by liquid assets available to a total of £55,456. In a depressed market the £1 shares are quoted at 27*s.* 3*d.*, and in view of the past history of the Company and its present strong position possess attractions for those who are prepared to wait for a year or two until the rubber industry has again come into its own.

ANGLO-MALAY RUBBER COMPANY.

The report issued by the Anglo-Malay Rubber Company for the year ended December 31, 1920, is the first to appear since its reconstruction on a larger capital basis. It so happens that the report covers a period of much tribulation in the history of the rubber industry. Consequently the defects it reveals must be interpreted in the light of this fact, and cannot, by any stretch of the imagination, be translated into a reflection on the wisdom of the policy of reconstruction. Thus the reduction in the crop from 1,662,991 lb. in 1919 to 1,430,807 lb. in 1920 is the consequence of the heavy slump in the price of rubber, particularly in the second half of the year. Once the administration realised that this fall was no mere temporary phenomenon, but the forerunner of an acute depression, they presented a revised and reduced estimate. Alternate daily tapping was instituted after August 1, and the restriction of twenty-five per cent. advocated by the Rubber Growers' Association was adopted after November 1. The financial results of these operations reflect in part the outcome of the reduced crop, and in part the outcome of the lower price commanded by rubber in a depressed market. The contrast they present with the results of previous years can be seen from the following table:—

	1920	1919	1918	1917	1916
	Acres	Acres	Acres	Acres	Acres
Planted area	4,598	4,470	4,476	4,452	4,450
Uncultivated area	1,957	2,085	2,090	2,114	2,128
Average acreage tapped	—	4,106	—	3,785	3,580
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output	1,430,807	1,662,991	1,386,264	1,720,247	1,762,480
Yield per acre tapped	358	405	—	455	492
Gross price realised per lb.	1/8·80	2/1	1 10·6	2 5¾	2 5·47
"All-in" cost per lb.	1/2·05	- 11½	1 2	1 0·85	- 11·23
Profit per lb.	- 6·75	1/1½	- 8·6	1 4·9	1 6·24
	£	£	£	£	£
Value of rubber	124,807	173,289	130,554	204,907	211,619
Total expenditure	83,744	29,560	80,251	80,233	76,926
Net rubber profit	40,263	93,729	50,303	124,674	134,693
Sundry receipts	4,354	4,287	5,386	5,673	5,176
Brought forward	24,169(b)	30,307	56,447	30,491*	24,512
Total available	68,786	128,323	112,136	160,838	164,381
Allocations—					
Capital expenditure written off	—	4,260(a)	4,329	6,365	5,865
Placed to reserve	21,000‡	1,708	10,000‡	—	—
Dividends paid	-	90,000	67,500	97,500	127,500
	(Nil)	(60%)	(45%)	(65%)	(85%)
Carry-forward	17,786	32,355	30,307	56,973	31,016
	68,786	128,323	112,136	160,838	164,381
Net capital expenditure	74,149	Nil†	Nil†	Nil†	Nil†
Issued capital (£1 shares)	375,007	150,000	150,000	150,000	150,000
Surplus liquid assets	74,148	42,714	40,630	66,970	42,365

* After providing donations to war charities.
† Capital expenditure written off out of revenue. ‡ For income tax.
(a) Including £1,722 for replanting expenditure.
(b) Net balance taken over from old Company on reconstruction.

Present Price of £1 Shares, 19/9. Market Capitalisation per planted acre, £81.

The gross price realised per lb. fell, on an average, from 2*s.* 1*d.* to 1*s.* 8·80*d.*, a reduction which appears, on the whole, rather small when it is recollected that during the last three months of the year the best plantation crêpe did not command a higher price than 1*s.* 6*d.* per lb., and was on offer at the close of the year at a price as low as 10*d.* per lb. Consequently, in the absence of forward contracts a much lower average must have ensued. The cost of production was increased: the f.o.b. cost advanced from 8.82*d.* per lb. to 11.07*d.* per lb.; whilst, including the £2,007 written off in respect of replanting expenditure, which might have been added to the estate account, the "all-in" cost worked out at 1 2·05*d.*, as against 1*s.* per lb. in 1919. After allowing for the reduction in the crop, the heavy charge of £4,000 for medical purposes, and the loss of nearly 1*d.* per lb. on rice supplied to the native labour force, it is evident that the crop was produced at a low price in view of the conditions of the period. However, the material fact remains that the profit per lb. fell from 1*s.* 10*d.* in 1919 to 6¾*d.* in the year under review, the aggregate net profit on crop declining from £93,729 to £40,263. The aggregate available for distribution, with the inclusion of sundry receipts and the net balance transferred from the parent concern, after reconstruction, was £68,786. It will be observed that the balance carried forward from the last accounts reached £32,355, which, with the surplus of the income-tax reserve account, after meeting the tax on the final dividend of forty-five per cent. for 1919, gave a total of £51,467. The addition of £1,401 in respect of the under-valuation of the remainder of the 1919 crop gave a total of £52,868. From this were deducted £26,000 as a reserve for income tax for 1920, plus the balance of the reserve included above, and £2,699 in respect of the expenses incurred to date in the liquidation of the parent concern, thereby leaving a net balance of £24,169, which is included in the above accounts. From the aggregate of £68,786 available for the year under review a sum of £21,000 is transferred to the income-tax reserve to meet the estimated liability for 1921. This step reflects the wise policy of the administration in providing for a liability in a year in which the financial results are at best very uncertain. Moreover, realising the uncertain outlook, no dividend was declared, and the substantial balance of £47,786 was carried forward to the next accounts.

As a result of the reconstruction which took place during 1920, the authorised capital of the Company is now £500,000 in shares of £1 each, instead of £150,000 in shares of 2*s.* each, and the issued capital amounts to £375,007, as against £150,000. The estate account stands at £366,650, as compared with £150,000, after deducting the reserve account of £12,500 and depreciation allowances of £3,800 approximately, and including capital expenditure for the year of nearly £8,000. In view of the restriction of twenty-five per cent., the estimated crop is returned at 985,000 lb., and of this there have been collected within the first four months a total of 296,191 lb., thereby indicating that the estimate is not likely to be exceeded. Rigid economies are being introduced, so that, despite the reduction in the size of the crop, it is hoped to secure it at the f.o.b. cost of a little over 9*d.* per lb., as compared with 11.07*d.* per lb. in the year under review. Yet at the existing low price of rubber even this reduction is not enough to prevent a loss on the crop in the absence of a marked recovery before the close of the year, and as only a small quantity of rubber has been sold forward, no relief can be expected from forward contracts. However, the recognised efficiency of the administration is a guarantee that the loss, if any, will be kept within narrow limits. It is satisfactory to note that financially the Company is in a strong position, and well able to weather the storm. According to the balance sheet dated December 31, 1920, current liabilities, including the taxation reserves of £3,464, did not exceed £29,873, whereas liquid assets were available to a total of £101,021. Against this there is £20,000 in Bonds of Falls—and cash alone exceeds £78,638. Thus the Company is well provided with funds to meet the essential expenditure on the estate without being forced to dispose of its stocks of rubber at current knock-out prices. At present, in view of the depression, the £1 shares have fallen to 19*s.* 9*d.*, which corresponds to the moderate market capitalisation of £81 per acre.

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Insurance Notes.

ATLAS ASSURANCE COMPANY, LIMITED.

A FEATURE of the recent history of this Company is the rapid development of the life assurance section of its business. The new assurances reported in this department as having been effected in 1920 far and away exceed any previous record of the kind in the Company's history. They amounted to £1,972,269, after deduction of reassurances of £103,510, as compared with £1,540,775 in 1919, £802,585 in 1918, £645,594 in 1917, and £455,902 in 1916. The result is the more gratifying, seeing that following the quinquennial life valuation as at December 31, 1919, owing to difficulties with which all life offices have had recently to contend, such as heavy depreciation of securities, increased taxation, and war claims, no general distribution of profits to participating policyholders was made on that occasion. It is clear from the support given in 1920, as evidenced by the increased new business, that the public look upon this as a merely temporary condition, and that full confidence is felt in the ability of the Company to make good profits for its policyholders in the future, in the more normal circumstances under which it is hoped life assurance companies will conduct their business. Previously the Company's bonus record in its life department was consistently good over a long series of years. The total net life premium income in 1920, showing an increase of £31,285, amounted to £347,891, apart from a sum of £86,241 received as consideration for new annuities granted. After making a suitable allowance for the cost of the annuity business, expenses of management, inclusive of commission, absorbed little more than ten per cent. of the life premiums, which is a very moderate proportion in a commission-paying office, especially considering the large proportion of new business and the improvement of salaries and working costs necessitated by post-War circumstances. The mortality experience of 1920 seems to have been favourable, as the claims by death, amounting to £127,711, were less by £15,647 than those of the preceding year. Endowment assurances for £46,411 matured by survivance; and surrenders amounting to £16,805, and annuities of £17,801 were paid. Through the year's operations the life assurance and annuity funds were increased by £283,862 to £2,961,700. From the application of the ordinary formula to the life revenue account, the net interest yield on the life and annuity fund during the year would appear to have been about £4 3*s.* 5*d.* per cent., after deduction of income tax, as compared with the rate of three per cent. assumed for valuation purposes. In all ordinary respects, therefore, bearing upon the compilation of profits, the results of the first year of the now current quinquennial period seem to have been auspicious. It is customary in this Company to assign to the proprietors, in lieu of a share of the quinquennial life profits, a small annual sum, which in 1920 amounted to £10,028, or to less than three per cent. of the year's premiums. The proprietary nature of the constitution is therefore but little burdensome, and the burden must be more than counterbalanced by the advantages brought by its connections.

The bulk of the profits in this Company is derived from its fire department. The fire premium income in 1920 showed considerable expansion, having risen from £1,910,159 (in 1919) to £2,339,762. After payment of claims, expenses, and foreign taxes, provision for outstanding claims, and after the adjustment of the reserves for unexpired risks, on the basis as assumed in this Company of forty per cent. of each year's premiums, the year's estimated trading profit in the fire account amounted to £206,882, or to about 8.9 per cent. of the premiums. This sum, together with interest earnings on the fire fund amounting to £90,450, was transferred to profit and loss.

The account for 1920 relating to the employers' liability and general insurance section shows a premium income (increased by £78,127) of £236,475. The trading profit in this department appears to have amounted to £17,841 (about 7.5 per cent. of the premiums), while interest earnings on the relative fund aggregated £4,385. A transfer in this section to profit and loss was accordingly made of £22,226. The sinking fund and capital redemption premiums amounted to £17,645, and the relative fund at the close of the year to £106,503. No transfer from the sinking fund account was made in 1920 to profit and loss.

To the profits departmentally transferred to profit and loss account have to be added £119 received as transfer fees, and net interest earnings (after deduction of £3,635 received as interest on Debenture stock) amounting to £18,780. On the other hand there have to be deducted the heavy items of £102,082, representing income tax and excess profits duty, and of £394 written off leaseholds.

Putting the figures together the net result of the

Company's operations in 1920 appears to be as follows:—

Department or Account	Profits from Underwriting	Net Interest and Rents
	£	£
Life Assurance	10,028	
Fire Insurance	206,882	90,450
Employers' Liability, &c.	17,841	4,385
Profit and Loss	119	18,780
	234,870	
Less items carried to profit and loss	102,476	
	132,394	113,615

Total net profit for year = £246,009

* The interest earned on the life fund are, as is always the case, dealt with, credited to the life department.

The subscribed capital amounts to £2,200,000 in 220,000 shares of £10, with £1 4s. paid on each. In respect of the operations in 1920 a dividend is declared of 12s. per share, free of income tax, this rate being the same as was declared for both 1918 and 1919. The distribution of this amount requires £132,000, which it will be seen exceeds the net interest earnings treated as profit by only £18,385. Thus much the greater part of the trading profits was available for strengthening the Company's reserves. Of the dividend declared for 1920, £55,000, representing 5s. per share, was paid in interim form in October last. The balance carried forward in profit and loss account to 1921 amounts to £115,634, after provision for the full year's dividend in respect of 1920, and transfer of £128,160 to the fire insurance fund. It is stated, however, that the balance referred to is subject to payment of excess profits duty and corporation tax for 1920.

The total assets as shown in the Company's balance sheet as at December 31, 1920, amounted to £7,221,181, and the directors certify that in their belief these assets, having regard to certain indicated standards, were in the aggregate fully of the value stated, less the amount (£131,956) of the investment reserve fund.

Apart from capital and Debenture stock (£90,474), life and annuity funds, sinking and capital redemption fund, and investment reserve fund, the reserves carried forward to 1921, after provision for the full dividend in respect of 1920, appear to have been as follows:

		£
Fire insurance fund		2,200,000
Employers' liability, accident and general fund	£171,148	
Less carried forward in this fund as provision for estimated liability in respect of outstanding claims	37,475	
		133,673
Contingency fund		22,526
Balance of profit and loss account		115,634
		£2,471,833

This is only short by about two per cent. of the premium income in 1920 in the fire and employers' liability departments, and exceeds the reserves for unexpired risks in these sections (forty per cent. of the year's premiums) by £1,441,339. That sum would therefore appear to be the Company's reserve against conflagrations and other adverse contingencies, and the result proves the Company to be in a strong position as compared with its commitments. It is pointed out in the report for 1920 that policyholders have the additional security of the Company's large paid-up and uncalled capital.

The Company was founded as long ago as 1808. That was in the reign of George III., and an interesting table appended to the annual report for 1920 shows the amount of the premuim income and funds at the accession of five succeeding British monarchs. In the ten years which followed the accession of his present Majesty the progress of the Company has been at a far more rapid rate than theretofore, the funds having been nearly, and the income more than, doubled.

The "South Africa" Map of Central and South Africa, 1921. Published by "South Africa," 83 Bishopsgate E.C. 2. Obtainable at the following post free prices, 1s. 8d., 3s. 4d., and 14s.; also on rollers at 15s. 6d.

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Commercial.

THE WOOL TRADE.

THE PROSPECTS OF REVIVAL.

In the midst of the chaotic condition of industry, caused directly or indirectly by the miners' strike, it is very pleasing to be able to note distinct signs of a certain measure of revival in the wool textile industries. It is true that at the time of writing probably not a single mill in the country is running full time, whilst a large number are closed entirely on account of lack of fuel or orders. It is also true that the wages agreement with the Yorkshire operatives expired on May 31 and that the negotiations for the coming year are still far from the settlement stage. In spite, however, of the blackness of the existing conditions, there is considerable comfort to be drawn from certain broad aspects of the position.

In the first place, there is no doubt that the liquidation of the stocks of finished goods has been proceeding steadily both in this country and in certain markets abroad, and there is a distinct feeling in trade circles that a fair volume of business is waiting to be placed when one or two outstanding difficulties have been removed. It appears that the popular demand will again be centred upon the soft-handling merino goods —although the [illegible] sale in industrial districts—and a preference is being shown for worsted as against woollen materials.

It is fortunate that the reduction of stocks of finished goods has proceeded so far by this time, when there are better prospects of stability in the raw wool markets. In our last article we foreshadowed a hardening of raw material prices; and this has since matured, for merino wools are now seven and a-half per cent. to fifteen per cent., fine crossbreds about ten per cent., and mediums about seven and a-half per cent. higher than the April levels. Some controversy is taking place as to whether these advances are due to the [illegible] the British-Australian Wool Realisation Association and the Australian Government, [illegible] factors [illegible]

wealth Government have, in effect, forced all wool growers to conform to the policy of the Realisation Association by prohibiting for six months the export of wool except under guarantees that the Association's reserve prices have been paid or will be adopted as reserves at sales made outside Australia. These reserves produce an average of 8*d*. per lb. for the whole clip, and variations between classes of material are made on the lines established by the Government Purchase Scheme and actually range from 2*d*. to 40*d*. per lb. It has already been related in these columns how a substantial part of the surplus of Cape wool has passed under the control of the same Realisation Association, through the British Government purchase, on terms which are very advantageous to the South African farmers. A similar private organisation is now being set up in the Argentine for marketing "B.A." wools in Central Europe, and particularly in Germany, the largest pre-War user of such materials. These indications of solidarity on the part of wool growers proved quite ineffective during the period of acute stagnation in the manufacturing centres, but they must produce at least a certain moral effect upon the market now that business tends to revive.

In our recent articles on "Wool Trade Costs" it was shown that employers' profits have already been reduced to the lowest possible level, and in very many cases actually to vanishing-point, and that the only item in which a substantial reduction of costs is now possible is that of labour. As stated above, the wages agreements with the West Riding operatives expired on May 31, and negotiations are in progress for a new agreement for the ensuing year. The employers are proposing to reduce the basic wages by 5 1/2 per cent., thus cancelling the advance of August 1, 1920, and to pay "cost of living" wages on the assumption that the index-figure is now 90, and to continue on this basis until the figure actually reaches 80 or lower. The general effect of these proposals is indicated by the following examples:

Time Workers	Pre-War Wages	Present Wages	Proposed Wages
	s. d.	*s. d.*	*s. d.*
Male adult	28 11	78 11	60 5
Female adult	17 0	45 11	35 7

The gross earnings of all classes of operatives would be reduced by about twenty per cent. to twenty-two per cent.; but it must not be overlooked that the resultant wages are more than double the pre-War wages and that working hours have been reduced from 55½ to 48 per week. It is perhaps unfortunate that the pioneers of the "cost of living" system of wages adjustment should be amongst the first to propose such a drastic alteration of the scheme, but it is useless to ignore the outstanding facts—(1) that much new business is being hampered by the prospect of continual monthly wages reductions of uncertain amounts, due to the fall in the cost of living, and (2) that the only remaining factor under the control of the industry, which will very materially assist the return to full-time working, is the stabilising of wages costs over a long period. It is only natural that strong opposition should be shown by the unions concerned; but the wool trade has the reputation of being able to adjust such matters without resorting to extreme measures, and there is little doubt that the earnings of the workpeople would be higher under the suggested scale than they have been for many months under the old agreement. In plain language, the slump in the wool trade simply means that the community at large is not prepared to pay either such high profits to employers or such big wages to workpeople. The employers have long ago sacrificed their profits, and the operatives must bear their share by giving up a part of their high scale of wages. In both cases a bad time has been experienced by heavy losses on the one hand and very short time and small wages on the other, and it is as futile for the operatives to expect a full week's work on the old wages as it would be for the employers to anticipate a return of the profits of 1919-20.

The first essentials to the revival of the wool textile trade are, naturally, an ample supply of fuel and the removal of transport congestion. So far as raw wool is concerned we feel little hesitation in saying that, in our opinion, the curve of wool prices has already touched the bottom; that no serious advances need be expected in view of the large stocks available; and that fluctuations in the near future will probably be due entirely to conditions normally affecting markets. As soon, therefore, as a satisfactory agreement is made, fixing wages on a sound basis for the coming year, we feel that circumstances will be far more favourable for the placing of forward contracts than they have been for more than a year past.

CAMPHOR.—I.

Partly, no doubt, because the Imperial Institute has never quite realised the expectations with which it was founded, it has never obtained adequate recognition for the really valuable services which it renders.

Traders who deal in comparatively few articles and who deal in them in enormous quantities have, of course, adequate facilities for obtaining full and complete information regarding the sources of supply and the methods of distribution of the commodities in which they are interested. There are, however, in every progressive trading country doing a large business with different parts of the world many merchants and others who deal in small amounts in a vast number of articles, and they have not the facilities which great traders can command for obtaining information regarding the commodities in which they deal. The Department of Overseas Trade especially lays itself out to deal with a certain aspect of the question. It is, however, a very big question; and the Department is probably well advised to concentrate on performing those functions which it is able to fulfil to the satisfaction of its clients, without endeavouring to achieve too much. The Imperial Institute lays itself out primarily to afford information regarding the products of the British Empire. It collects samples of various British products; and it also distributes information regarding those products by means of its *Bulletin* and various other publications issued from South Kensington.

Where any important industry is interested in a particular commodity not produced to any large extent within the British Empire, the Imperial Institute on occasion affords valuable information, of which the trader might with advantage avail himself.

The growth in recent years of the film industry has created an unprecedented demand for celluloid, an important constituent of which is camphor. Formerly camphor was only used to a small extent in certain industries connected with the chemical trade. To-day the demand is so great as to threaten the exhaustion of existing sources of supply. Formerly the demand was so small that its cultivation was hardly practicable, and was regarded as unnecessary. Very much what has happened during the past twenty years with regard to rubber is apparently about to be witnessed in the Camphor market. Those whose memories go back a quarter of a century will recollect that the demand for rubber was quite small. That demand was more than supplied from the forest products of the Amazon region of Brazil. The coming of the motor-car completely changed the position of the raw rubber industry. Rubber has come to be one of the most important constituents in the making of tyres. It has been found necessary to cultivate rubber when it was increasingly difficult to obtain it from the distant forests of the upper reaches and tributaries of the Amazon River. Apparently the film industry is having an equally revolutionary influence upon the demand for camphor. It appears to be evident that unless some means of cultivating camphor upon an adequate scale are discovered there will in the near future be a very serious shortage of supply. One of the difficulties of growing rubber in the early stages of the

industry was that it takes some years to grow a rubber tree. It is not possible to plant a rubber tree in the spring and secure a harvest in the autumn. Relatively long as it takes a rubber tree to grow, we believe we are right in stating that it takes very much longer before one can hope for a harvest from the camphor tree. Experiments have been made to obtain the extract from the leaves; but, if we are rightly informed, these have only met with a partial measure of success. The method of extracting the essence in the past has been a most destructive one, generally involving, or at any rate often involving, the total destruction of the tree, which may have taken thirty or forty years to grow. It is difficult to obtain an accurate estimate of the total supply available in any one year on the market. The best estimate we have been able to obtain is something between 12,000,000 and 15,000,000 lb.

The camphor tree can bear cold well. It requires, however, a sandy soil and about twice the annual rainfall generally registered in these islands. At present the sources of supply are almost wholly in Japanese territory.

MITSUBISHI BANK, LIMITED. From an illustrated brochure with which we have been favoured, providing an outline of the Mitsubishi enterprises, we gather that this Tokyo banking institution, which was incorporated in Japan in 1919, when it acquired the business of the banking department of the Mitsubishi Goshi Kwaisha, is associated with a number of other companies concerned in the diverse activities of shipbuilding, iron and steel production, mining, warehousing, marine and fire insurance, under a common control. It was in the 'eighties of the last century that the foundations were laid of what is now one of the principal banks in Japan, possessing branches in London and New York. Out of a subscribed capital of Yen 50 million, Yen 30 million is paid up, and from the profits since the recent incorporation reserves of Yen 5,650,000 have been created.

Apart from the liability of shareholders for uncalled capital, the assets of Yen 320,945,977 on December 31 last were larger by upwards of Yen 28 million than a year before, and the percentage represented by cash on hand and in banks had risen from 4.8 to 7.1, corresponding to an increase in amount from Yen 14 million to nearly Yen 23 million. The figures of the intermediate balance sheet as at June 30 last were, however, of greater magnitude, and the following comparative table of some of the principal items marks the reaction, first to increased, and then to slackening trade demands. Only the mid-year statement indicates a resort to re-discounting, and at the end of the twelvemonth the item of Government bonds, which had shown but a moderate increase in the first six months, was swollen to Yen 35,908,692, in which sum, it may be surmised, Treasury bills formed the predominant element.

(000's omitted)

LIABILITIES TO PUBLIC—	Dec. 31, 1919 Yen	June 30, 1920 Yen	Dec. 31, 1920 Yen
Deposits	252,541	270,100	264,550
Acceptances and guarantees	21,051	13,726	11,435
Bills re-discounted	—	7,010	—
ASSETS—			
Cash on hand and in banks	14,180	26,064	22,973
Due from other banks	7,202	452	320
Call loans	2,400	6,357	19,490
Government bonds	13,796	15,070	35,909*
Other bonds and securities	12,957	14,044	17,234
Bills discounted	27,582	10,563	27,463
Foreign bills bought and interest-bearing foreign bills	10,798	17,711	6,557
Advances	166,956	178,664	165,204

* Including Treasury bills.

From January to June a net profit of Yen 4,333,621 was realised, from July to December one of Yen 4,545,430. Half-yearly dividends at the rate of 8 per cent. per annum were paid (following a rate of 6 per cent.), and appropriations of Yen 5,250,000 were made to reserves, Yen 600,000 being for pension reserve fund, while an undivided profit balance of Yen 1,050,601 succeeds that of Yen 121,549, with which the year opened.

Industrial Companies.

PEASE AND PARTNERS, LIMITED.

Issued Share Capital: £2,186,399 in £1 Ordinary Shares, fully paid. Debenture Stocks: £400,000 4% and £250,000 5%.

April	Profits			Allo-	Subject		Carried
	£			£	£	%	
1915	248,216		22,775		130,000	10	
1916	[illegible]		24,750	115,000	[illegible]	[illegible]	83,242
1917	[illegible]	76,301	24,750	150,000	[illegible]	[illegible]	[illegible]
1918	[illegible]	62,055	24,750	[illegible]	[illegible]	[illegible]	104,547
1919	[illegible]	65,618	[illegible]	[illegible]	[illegible]	[illegible]	106,192
1920	[illegible]	[illegible]	24,750	[illegible]	15,000	393,429	252	125,175
1921	715,959	[illegible]	23,267	100,000	10,000	[illegible]	[illegible]	145,226

[illegible] allowances.

IN view of the present position in the coal and iron industries special interest attaches to the report of this Company for the twelve months to April 30 last. The accounts show that the profit (including receipts on account of coal award), after providing for taxation and contingencies, but subject to depreciation, amounted to £460,394, as compared with £501,051 for the previous year, but interest and other receipts have grown from £78,936 to £124,373, so that the profit from all sources works out at £584,767 against £579,987. The provision which has been made for taxation and contingencies is not indicated, and consequently comparisons must necessarily be rather superficial. It may be pointed out that income tax on dividends in the past three financial years is included in the annual provision for taxation. To provide a more suitable basis for comparison, however, the amount of the tax (£81,964 in 1918-19; £118,029 in 1919-20; and £131,184 in 1920-21) has been written back in each year and the dividends are accordingly stated, subject to tax, as in the preceding years. The adjusted figures show that, without making any allowances for the increased burden of other taxation (the amount of which is not shown in the accounts), the expansion in the profit during the past three years has been remarkably large. The provision made for depreciation of the fixed assets in respect of the past year amounts to £56,187 against £61,604 in 1919-20, but no allowance is made for investment depreciation for which £50,000 was provided a year ago. The amount provided to meet special expenditure is, however, increased from £34,250 to £69,166. Debenture interest is slightly reduced to £23,267, leaving a balance profit of £567,330, as compared with £527,412. No allocation is now made to the reserve for equalisation of dividends, which received £100,000 a year ago, but a similar amount is transferred instead to a reserve for the reinstatement of the collieries, mines, and other works, while £10,000 (against £15,000) is transferred to an employees' benefit fund. The Ordinary dividend, free of tax, is reduced from eighteen per cent. to fourteen per cent., which, expressed subject to tax, is equivalent to twenty per cent. against twenty-five and five-sevenths per cent., but owing to the additional capital ranking for dividend the gross amount absorbed is £437,280, as compared with £393,429. The balance carried forward is increased from £125,175 to £145,226.

The following table shows the alterations which have taken place during recent years in the balance-sheet position:—

	LIABILITIES			ASSETS			
April 30	Ordinary Capital*	[illegible]	[illegible]	[illegible] Assets	Stocks, Stores, &c.	[illegible]	Investments
	£	£	£	£	£	£	£
1919	2,105,000	1,037,600	1,407,840	2,605,501	[illegible]	[illegible]	1,152,603
1920	2,257,082	1,528,824	1,547,122	2,627,278	647,966	[illegible]	1,152,603
1921	2,713,604	1,180,389	1,713,706	2,790,601	574,334	391,254	1,851,519

* [illegible] † [illegible]

Towards the end of 1919 the issued Ordinary capital was increased to £2,186,399 by the issue of £306,000 shares to existing shareholders to provide

cash for portion of the purchase price of the shares of Henry Stobart and Company and the North Bitchburn Coal Company. That part of the purchase consideration payable in shares has presumably been almost entirely responsible for the increase in the issued capital during the past financial year from £1,836,000 to £2,186,399. The 306,000 shares issued for cash were approximately 10*s.* paid up at April 30, 1920, but are now fully paid. It should be noted that the earnings of the above companies have contributed to the profits of the past year. During the period under review the Second Mortgage Debenture stock was reduced by redemption from £175,000 to £127,205. The sundry liabilities, which include provision for taxation and final dividend payments, show a contraction of £348,435 at £1,180,389, due in part to the elimination of a loan of £100,000. The general reserve, dividend equalisation fund, and reserve for renewals and improvements remain unaltered at £250,000, £200,000, and £275,000 respectively, while the damaged land, insurance and pensions funds have been increased from £145,975 to £183,844. The depreciation reserve stands at £525,256, representing the amount by which depreciation and renewals written off since the formation of the Company to April 30, 1919, exceeded the income-tax allowances. The fixed assets, as shown in the balance sheet at that date, were written up by the amount of this surplus. With this year's allocation from revenue there is now a fund for the reinstatement of properties amounting to £100,000. Excluding pension funds the reserves for benefit of employees amount to £34,380. The fixed assets show additions (excluding special expenditure) of £224,089, but, allowing for depreciation and amounts written off, the actual increase for the year does not exceed £163,323. Special expenditure on the properties during the year amounted to £69,166, which as already indicated is written off out of profits. Stocks of saleable products have been reduced from £302,882 to £165,105, but stores have been increased from £345,085 to £409,229. Shares in subsidiary companies (including loans), which did not appear in the previous balance sheet, now figure at the large total of £1,383,491, but shares in other companies have been reduced from £591,277 to £204,913, Government and railway investments from £321,972 to £195,233, debtors from £905,181 to £391,254, and cash holdings from £239,354 to £67,873. Excluding shares in and loans to subsidiary companies, the liquid assets reveal a deficiency of £321,116 as compared with current liabilities (including provision for taxation and final dividend payments). Apart from this stringency of liquid capital the financial position as shown in the balance sheet is very satisfactory. It may be mentioned that the Company has purchased the share capital—1,400 shares of £5 each—of the Whitton Fire Brick Company, but the report does not state when or on what terms the purchase was made.

The directors point out that the profit for the past financial year include substantial receipts on account of coal award, but large claims still remain unsettled. It is well to bear in mind that a considerable part of the receipts will be returnable to the Government in the form of excess profits duty and income tax. It is stated that during the first half of the period under review the results were the best in the Company's history, but during the later months, owing to the sudden fall in prices and reduced demand, losses have been incurred in nearly all departments. The whole business of the Company has been practically at a standstill since April 1, and it is feared that some of the pits have been severely damaged. The directors anticipate that the settlement of the present dispute will not be sufficient to justify the restarting of some of the collieries and coke ovens, and, unless higher prices can be obtained for pig iron or more drastic reductions in costs can be effected than appear possible at present, it is probable that work will not be resumed at the blast-furnaces, ironstone mines, or limestone quarries on any considerable scale. The Company is not largely engaged in the export trade, its coal output being mainly utilised in its own works, and failure to recapture foreign markets should not, therefore, unduly affect the Company's prospects. It will be noted that a dividend equalisation fund of £200,000 has been accumulated, which should materially assist the Company in tiding over the present crisis. The Ordinary shares are now quoted at 27*s.* ex dividend, yielding a return of 5.9 per cent., tax-free (or 8.4 per cent., subject to tax), on the assumption of a dividend of eight, free of tax. The Four per Cent. Perpetual Debenture stock is quoted at 60, at which price a yield of nearly 6.7 per cent. is obtained.

BRUNNER MOND AND CO., LIMITED.

Issued Capital: £11,077,843, in 150,000 7% Preference shares of £10 each, and £9,577,843 Ordinary shares of £1 each, fully paid.

Year to March 31	Profit*	To Depreciation Reserve	To Suspense Account†	To Reserve	Preference Dividend	Ordinary Dividend	Carried Forward
	£	£	£	£	£	s.	£
1915	794,822	—	50,000	244,000‡	105,000	640,584	25	107,658
1916	1,007,090	—	150,000	244,000‡	105,000	738,202	27½	121,547
1917	1,112,556	-	100,000	244,000‡	105,000	814,372	27½	214,151
1918	1,109,848	-	—	250,000§	105,000	851,967	12	117,072
1919	1,009,936	—	100,000	211,359§	105,000	785 753	10	156,515
1920	1,276,612	150,000	50,000	2,100,000§	105,000	984,224(a)	11¼	123,703
1921	1,368,242	129,725	50,000	—	105,000	765,911	8	141,308

* Before charging depreciation. † Includes provision for depreciation and E.P.D. ‡ From share premium account. § From surplus realised on sale of investments. (a) Including £87,556 provided for distribution in respect of shares allotted since March 31 for purchase of shares of the Castner-Kellner Alkali Co. and Electro Bleach and By-Products Co.

The report of this Company for the twelve months to March 31 last shows a gross profit of £922,890 and investment and other revenue of £689,106, amounting together to £1,611,996. For the previous year the gross profit, including investment and other revenue of £493,414, did not exceed £1,469,389; but the expansion now shown is offset by an increase in administrative and general expenses from £190,239 to £243,755, and in the allowance for depreciation (which includes £264,725 for writing down of stocks) from £150,000 to £429,725, so that the net profit, at £938,517, actually shows a reduction of £190,633 as compared with the previous year. No information is furnished as to what provision, if any, has been made for excess profits duty, but presumably this liability has been provided for before showing the gross profit. It may be pointed out that up to 1919 the transfer to suspense account included provision for depreciation, but it has since been decided to keep a separate account for this item. No allocation is now made to the other reserves, which last year were strengthened by a transfer of £2,100,000, representing a capital profit realised on the sale of investments. The Preference dividend remains unchanged at £105,000, but the Ordinary dividend is reduced from eleven and a-quarter to eight per cent., which absorbs £765,911, leaving a balance to be carried forward of £141,308, as compared with £123,703 brought in.

The following table shows the changes which have taken place during recent years in the balance-sheet position:—

	LIABILITIES			ASSETS.			
March 31	Issued Capital	Sundry Liabilities*	Reserves and Carry Forward	Fixed Assets	Stocks	Investments	Debtors and Cash
	£	£	£	£	£	£	£
1919	9,440,643	2,009,880	865,497	4,634,854	1,604,056	5,623,842	559,230
1920	9,477,382	2,632,189	2,970,359	5,081,144	2,454,665	3,599,822	4,043,295
1921	11,077,843	4,744,631	3,254,438	5,831,769	2,666,127	7,015,711	3,563,304

* Including provision for taxation and final dividends.

During the past financial year the Ordinary capital has been increased to £11,077,843 by the issue of 1,607,461 £1 Ordinary shares in part payment for the acquisition of the bulk of the share capital of the Castner-Kellner Alkali Company and the Electro-Bleach and By-Products Company. The outstanding change among the liabilities is the expansion in sundry creditors (including dividends payable) during the year from £2,632,189 to the huge total of £4,744,631, due

partly to the creation of a bank overdraft of £820,703. The depreciation account is increased by this year's allocation to £815,000, and the suspense account, from which £54,526 was written off during the year, is now raised to £80,450; but the general reserve and investment surplus reserve remain unaltered at £617,680 and £1,600,000 respectively. In this connection it may be recalled that the Company in 1919 sold the Ordinary shares held in Joseph Crosfield and Sons and William Gossage and Sons to Lever Brothers for the sum of £4,000,000, leaving a capital profit in the books of £2,100,000. This profit was placed to an investment surplus reserve, from which £500,000 was transferred a year ago to the depreciation account, leaving a balance, as already stated, of £1,600,000. The fixed assets have been increased during the year by £750,625 to £5,831,769, sundry stocks (of which the basis of valuation is not disclosed) by £211,462 to £2,666,127, and investments by £3,415,889 to the large total of £7,015,711. These investments are entirely represented by shares in associated and other companies, and the expansion is explained by the acquisition of a controlling interest in the two subsidiaries mentioned above. It will be noted that the investments held on March 31, 1920, showed a reduction of £2,024,020 as compared with the previous year, due to the sale of Government investments and the Crosfield and Gossage shares. The amount due by the purchaser in respect of these shares explained the increase in debtors from £550,494 to £3,775,742 at March 31, 1920, but debtors have since been only reduced to £3,558,561, while the cash balance has fallen from £267,554 to £4,743, and, as already stated, a bank overdraft exists of £820,703. A summary of the position shows that at March 31 last the current liabilities, including provision for taxation and final dividend payments, exceeded the liquid assets, excluding stocks and investments, by £1,181,327, whereas at the date of the previous balance sheet the liquid assets showed a surplus of £1,411,106. The liquidity of the position has, however, been restored by the issue last month of £2,500,000 Seven and a-half per Cent. Cumulative Preference shares at par, ranking *pari passu* with the existing Preference shares. In respect of the current financial year, the new shares will rank for dividend as to 10*s.* per share from May 1, 1921, and as fully paid from October 1, 1921, and accordingly the Preference dividends for the year will be increased by £131,250 to £236,250. The repayment of bank loans will, however, involve a substantial reduction in interest charges. The outlook for the current year is uncertain, but it is rather reassuring to learn that the value of stocks as at March 31 last has been arrived at after providing £204,725 for depreciation. The Ordinary shares are now quoted at 25*s.* 1*d.* ex dividend, at which price a return of eight per cent. is obtained on the basis of a dividend of ten per cent. The Seven and a-Half per Cent. Cumulative Preference shares quoted at 20*s.* 10½*d.* ex dividend afford a yield of nearly 7.2 per cent.

IRVINE'S SHIPBUILDING AND DRY DOCKS COMPANY, LIMITED.

The first annual report of this Company for the twelve months to December 31 last shows that the profit after providing for income tax but before charging excess profits duty, corporation tax and depreciation amounted to £206,084. A sum of £85,000 is set aside for excess profits duty and corporation tax and £10,314 for depreciation, leaving a balance of £110,770. The Company was wound up in July last, the Preference shareholders receiving under the reconstruction scheme one fully-paid £1 Preference share for each £1 Preference share held, and Ordinary shareholders one fully-paid £1 Ordinary share for each 1*s.* Ordinary share held. Shareholders also received in June 1920 dividends in respect of the year to December 31, 1919, and the six months to June 30, 1920 [illegible] to 24½ per cent. actual on the Ordinary shares, and twenty-seven per cent. actual on the Preference shares. The profit from January 1, 1920, to the date of incorporation of the new Company amounted to £55,082, which has been applied in paying the half-year's dividend mentioned above and in writing off reconstruction expenses and goodwill amounting to £12,202. The Preference shareholders now receive a dividend of nine per cent., and the Ordinary shareholders 3.4 per cent. actual, absorbing £27,000 and £15,000 respectively, and leaving a balance to be carried forward of £13,688.

The following table shows the balance sheet position at December 31 last:

	LIABILITIES				ASSETS			
Dec. 31	Subscribed Capital	Sundry Creditors	Current Liabilities	Fixed Assets	Investments	Sundry Debtors	Cash	Current Assets
	£	£	£	£	£	£	£	£
1920	740,000	219,622	15,687	515,187	3,600,120	2,711,[illegible]	[illegible]	[illegible]

Including provision for taxation, and [illegible] dividend payments.

The sundry creditors include provision of £85,000 for taxation and final dividend payments. The stocks and work in progress, of which the basis of valuation is not stated, are shown after deducting instalments received on account of new steamers building. Debtors include a loan against security of £150,000. The investments which are valued at cost figure at £49,510 and cash at £46,930. A summary of the position as at December 31 last shows that the liquid assets excluding stocks and work in progress exceed current liabilities including dividend payable and estimated liability for taxation by £147,880. It will be noted that apart from the provision for taxation no reserves have been accumulated by the Company. The present depression renders the outlook very gloomy for an enterprise of this nature, and having regard to all the circumstances it is not surprising that the Company's £1 Ordinary shares should be now quoted as low as 4*s.* 9*d.* The Eight per Cent. Cumulative Participating Preference shares yield a return of 8*s.* 8*d.* per cent. at their present quotation of 18*s.* 3*d.*

THE ELECTRIC CONSTRUCTION CO., LTD.

Issued Share Capital: £362,780, in 62,780 7% Cumulative Preference Shares and 300,000 Ordinary Shares of £1 each fully paid. 4% Perpetual 1st Mortgage Debenture Stock, £153,510.

Year to Mar. 31	Gross Profit	Expenses, Depreciation and Deb. Int.	Net Profit	Excess Profits Duty	Preference Dividend	Ordinary Div.		To Reserve	Carried Forward
	£	£	£	£	£	£		£	£
1915	74,292	38,725	35,567	3,501	4,395	13,452	6	17,403	1,170
1916	91,381	49,140	43,241	-	4,395	16,815	7½	12,664	15,538
1917	105,967	54,463	51,504	30,240*	4,395	16,815	7½	12,389	1,262
1918	118,211	51,385	66,826	22,819	4,395	22,420	10	9,326	9,068
1919	127,561	58,881	68,680	20,000	4,395	22,420	10	12,264	18,669
1920	128,859	62,690	66,169	15,148†	4,395	30,000	10	10,663	24,633
1921	169,977	86,867	83,110	—‡	4,395	30,000	10	19,851	53,498§

* Including duty for 1915-16. † Including balance for 1918-19.
‡ Liability not ascertained. § Subject to E.P.D.

Shareholders of this Company have ample reason to congratulate themselves upon the satisfactory report presented for the twelve months to March 31 last. As shown in the above table, the gross profit, including miscellaneous income, amounted to £169,977, against £128,859 for the previous year. General expenses, however, have increased from £46,210 to £70,727, so that after making the usual provision of £10,000 for depreciation and £6,140 for Debenture interest, the net profit (subject to excess profits duty) at £83,110 represents an increase of not more than £16,941 as compared with the previous year. The liability for excess profits duty has not been ascertained, but this is likely to be substantially larger than in 1919-20, when the liability, including the balance in respect of 1918-19, amounted to £15,148. The Preference dividend absorbs £4,395, and the Ordinary distribution, which is maintained at ten per cent., £30,000. The allocation to general reserve fund is increased from £10,663 to £19,851, leaving [illegible] to be carried forward, subject to excess profits duty, as compared with £24,633 [illegible].

The following table shows the balance-sheet position:

	LIABILITIES.			ASSETS.			
Mar. 31	Subscribed Capital*	Sundry Creditors†	Reserves and Carry forward	Fixed assets and Goodwill	Stocks	Debtors	Investments and Cash
	£	£	£	£	£	£	£
1920	510,670	118,113	124,655	352,735	197,580	104,559	101,542
1921	516,290	124,585	173,498	344,753	275,253	93,830	90,825

* Including Debenture stock. † Including provision for taxation and interim payments.

The share capital remains unaltered at £362,780, to which it was increased in March 1919 by the issue of 75,800 £1 Ordinary shares at a premium of 1*s.* 6*d.* per share. The sundry creditors include provision of £36,400 for excess profits duty to March 31, 1920, and income tax and corporation tax to March 31, 1921. The general reserve, with the allocation now made, is increased to £120,000. The fixed assets, which include patents and goodwill, show additions for the year of £12,018, but allowing for depreciation the actual increase does not exceed £2,028. Stocks and work in progress, valued at cost or under, have been increased by £77,673 to £275,253, while debtors (less reserves) have fallen by £10,729 to £93,830, and investments at market value by £37,626 to £38,651. Cash and bills, however, have been increased by £23,921 to £52,179. A summary of the position as at March 31 last shows that the liquid assets, excluding stocks and work in progress, exceed current liabilities (including part provision for taxation and final dividends payable) by £57,082, as compared with £90,988 at March 31, 1920. Allowance, however, must be made for the outstanding liability for excess profits duty in respect of the past financial year. The report states that orders have recently been rather difficult to obtain, in consequence of the unsettled industrial conditions which prevail. It may be pointed out the Company will not be liable for excess profits duty in respect of the profits for the current year. On the assumption of a dividend of seven per cent. the Ordinary shares, which are now quoted at 16*s.* 2*d.* (ex dividend) afford a return of 8.6 per cent. The Seven per Cent. Cumulative Preference shares at a quotation of 15*s.* 8*d.* (ex dividend) yield a return of 8.9 per cent., while the Four per Cent. Perpetual First Mortgage Debenture stock at 48 yields 8.3 per cent.

DENNY, MOTT & DICKSON, LIMITED.

Issued Capital: £800,000, in 200,000 6% Cumulative Preference shares of £1 each, 40,000 Preferred Ordinary £10 shares, and 20,000 Ordinary £10 shares.

Year to Mar. 31	Net Profit*	6% Pref. Div.	Preferred Div.		Ord. Div.		To Reserve	Carry-forward
	£	£	£	%	£	%	£	£
1915	61,307		20,000	10	14,000	14	25,000	2,988
1916	66,389		22,000	11	16,000	16	25,000	6,378
1917	117,443		36,000	18	50,000	30	25,000	30,821
1918	56,819		20,000	10	14,000	14		51,640
1919	54,044		24,000	12	18,000	18	50,000	11,684
1920	209,347	12,000	26,000	13	20,000	20	50,000	†105,159
1921	93,071	12,000	32,000	8	20,000	10		30,916

* After providing for taxation. † Reduced to £5,159 by capitalisation.

Striking evidence of the effects of the recent industrial depression is afforded by the report of this firm of timber merchants for the twelve months to March 31 last. The net profit, including a claim for the repayment of excess profits duty, amounted to £93,071, whereas for the previous year the profit, after providing fully for taxation, amounted to £209,347. As shown in the above table, the Preference dividend absorbs £12,000, while the Preferred Ordinary dividend is reduced from thirteen per cent. to eight per cent., and the Ordinary dividend from twenty per cent. to ten per cent. It should be noted, however, that in July 1920 £100,000 of the undivided profits was capitalised and appropriated in equal proportions to the Preferred Ordinary and Ordinary shareholders, the Preferred holders having 20,000 £10 Preferred Ordinary shares allotted to them, with £2 10*s.* per share paid up, and the Ordinary holders 10,000 £10 Ordinary shares, with £5 paid up. The issued capital was thereby increased from £500,000 to £800,000, the actual cash received amounting to £200,000. Allowing for the bonus capitalisation, the Preferred dividend now paid is equivalent to ten per cent. and the Ordinary dividend to fifteen per cent. on the old capital, while, in addition, allowance must be made for the fact that the new shares rank for a full year's dividend, although not fully paid until July 31 last. No allocation is made to the reserve, which received £50,000 a year ago, but the carry-forward, which was reduced to £5,159 under the bonus capitalisation scheme, now stands at £30,916.

In the balance sheet the reserve fund remains unchanged at £150,000, but the reserve against debts has been reduced from £10,743 to £6,740. Prevailing trade conditions are reflected in the reduction of sundry creditors from £600,522 to £108,357, but it should be noted that no provision is now included for taxation. It would appear, in fact, that debtors, which have been increased from £429,659 to £464,750, include a claim for refund under this heading. Although a bank loan is still included in creditors, cash holdings have been increased from £4,659 to £135,448. The stocks and other assets of the Company are, as usual, shown in one total, which has fallen from £975,306 to £538,315. The valuation of the stocks is based on the market conditions ruling at the date of the balance sheet (March 31 last). A summary of the position as at that date shows that the liquid assets represented by debtors, cash, and bills exceed current liabilities (including final dividends payable) by £313,893, whereas a deficiency of £209,404 was shown a year ago. On the whole, stocks being valued on a conservative basis, it seems likely that the Company's profits for the current financial year will show a substantial recovery. On the assumption of a dividend of twelve per cent., the Ordinary shares, quoted at £14 11*s.* ex dividend, yield a return of 8.4 per cent., while the Preferred Ordinary, assuming a dividend of nine per cent., would yield eight per cent., at the present quotation of £11 0*s.* 3*d.* ex dividend. The Six per Cent. Cumulative Preference shares at 15*s.* 7½*d.*, ex dividend, give a return of 7.7 per cent.

BRITISH CELLULOSE AND CHEMICAL MANUFACTURING COMPANY, LTD.

As generally anticipated, the interim report of this Company shows that there has been no material improvement in the general position since December 31 last. The original development programme, which involved large plant and stock commitments, has been considerably modified, in consequence of changed industrial conditions and the shortage of liquid resources. The present output of artificial silk is stated to be approximately 9 cwt. per day, and, as the minimum required to show a profit is one ton per day, the Company is still working at a loss. The directors anticipate that a ton per day will be produced by the end of August, as the plant to complete such an output "is being finished off." It is stated that to permit of this output it has been necessary to arrange for a bank overdraft and extended credit from machinery suppliers, together totalling £278,000, secured by a debenture. This is all the more remarkable in view of the fact that at the date of the last accounts (June 30, 1920) the liquid assets amounted to £885,136, whereas current liabilities did not exceed £162,348. It is pointed out that the decision to restrict operations was made too late to limit expenditure to the present programme, and further cash will be required if the output is to exceed one ton per day. Shareholders will note with misgiving that, according to revised estimates, a "satisfactory" profit cannot be obtained on a smaller output than three tons per day. Early in the present year foreign competition compelled the closing-down of the carbide and other chemical departments, from which the meagre revenue of the Company had been largely derived. Goodwill, patents, and patent rights figured in the last balance sheet at £1,884,678—an unduly high estimate, in the light of achievements since the incorporation of the Company—while preliminary expenses amounted to £304,815.

New Issues.

FIVE TOWNS LOAN.

Joint offer aggregating £3,000,000 in Six per Cent. Redeemable stock, 1940-60, at 95½. Flat yield, £6 5*s.* 8*d.* per cent per annum; minimum yield, with redemption, £6 6*s.* 1*d.* per cent. per annum.

Since the last corporation loan was floated the Bank rate has been lowered from seven to six and a half per cent.; and despite the coal crisis the general tone of the capital market, as far as high-class issues are concerned, has considerably improved. It has come as a matter of surprise in many quarters, therefore, that the present emission should be made on terms identical with its predecessors. The participants and the respective amounts are: Derby, £750,000; Gateshead, £650,000; Newport (Mon.), £600,000; Reading, £500,000; and Wallasey, £600,000. The prospectus has defects in that it omits all information about rates, the income (if any) from municipal enterprises, and their capital values. The following table, compiled from official sources (including the prospectus) shows the comparative financial position of the individual corporations.

	s.	d.	s.	d.				
Derby	8	0	18	—	82	[illegible]	[illegible]	[illegible]
Gateshead	7	3	11	6	57	[illegible]	[illegible]	[illegible]
Newport	8	5	17	1	78	[illegible]	[illegible]	[illegible]
Reading	8	2	15	4	77	[illegible]	[illegible]	[illegible]
Wallasey	6	11	17	2	67	[illegible]	[illegible]	[illegible]

Gateshead, it will be noticed, possesses the lowest rates per head, 57*s.*, and debt per head, £3. Derby has the highest *per capita* rates, 82*s.*, and is followed closely by Newport, which has, in addition, the highest debt per head, £18. The status of the various municipalities is, of course, beyond question, and the yield of over six and a-quarter per cent. is decidedly attractive. The Derby, Gateshead, and Reading portions were quickly taken up. The lists for the remaining two will be closed on or before Monday, June 6.

METROPOLITAN ELECTRIC SUPPLY CO., LIMITED.

Offer at ninety-five of £500,000 Seven and a-Half per Cent. Extension Debenture stock. Flat yield, £7 17*s.* 11*d.* per cent. per annum. Minimum yield, including redemption, £8 per cent. per annum.

The Metropolitan Electric Supply Company supplies electricity in the western portion of the County of London, and owns practically all the issued share capital of the Uxbridge and Brentford Electric Supply Companies. The issued capital of the Company itself is £1,380,605—£1,000,000 in Ordinary and the remainder in Preference shares. The present emission is required to finance the installation of further plant at the Company's main generating-station at Willesden and for trunk mains to Uxbridge. The stock will be redeemed at par by December 31, 1941, through the operation of an annual cumulative sinking fund, commencing in 1922. It is secured as a general floating charge on the undertaking and properties, subject to charges in favour of £824,300 existing Debenture stocks. Net assets on December 31 last stood in the books at £2,050,118, deduction being made for the existing Debenture stocks. Distributable profits amounted to £75,269 in 1914, after which they rose progressively till a level of £177,200 was reached in 1920. The total annual Debenture interest of £76,717 is therefore amply assured. The lists were quickly over-subscribed.

THE GENERAL ELECTRIC COMPANY, LIMITED.

Issue of £3,500,000 Seven per Cent. Mortgage Debenture stock at 92½. Flat yield £7 11*s.* 3*d.* per cent. per annum; minimum yield with redemption £7 11*s.* 10*d.* per cent. per annum.

The General Electric Company, registered in 1900, carries on the business of general electrical contractors and manufacturers. It possesses factories and trading centres throughout the United Kingdom and controls numerous subsidiary undertakings in various parts of the world. The issued share capital is £5,390,656, of which £2,111,975 is in Ordinary shares. In addition there is outstanding £200,000 Debenture stock which will be exchanged at par into this issue. The objects of the present emission are to repay bankers' loans and to provide further working capital. The stock is specifically secured on the main part of the Company's properties and plant, valued in the books at £1,284,482, and as a floating charge on all the assets, valued at £6,213,680. The assets specifically charged cover only one-third of the emission, but the floating charge leaves an ample margin of security. Net profits are shown from 1915, since when they have increased from £125,223 to £637,295 in 1920. The annual Debenture interest of £245,000 thus seems satisfactorily assured, but the investing public is not inclined to put a favourable interpretation upon the omission of pre-War results. The status of the undertaking is sufficient, however, to place the stock now offered in a high-class category. The lists close on or before Wednesday, June 8.

CAPE EXPLOSIVES WORKS, LIMITED.

Offer for sale of £1,000,000 Seven and a-Half per Cent. First Mortgage Debenture stock at 95. Flat yield £7 17*s.* 10*d.* per cent. per annum; minimum yield with redemption £7 18*s.* 6*d.* per cent. per annum.

The Company manufactures commercial explosives, fertilisers, cattle dips, and insecticides in South Africa, where it owns about 5,000 acres of freehold land. The issued capital stands at £500,000, all of which is held by De Beers Consolidated Mines, Limited. The proceeds of the present issue will be used to repay advances by the parent Company and to extend operations. The mortgage stock is secured as a fixed charge on the Company's freehold land and properties and fixed plant, valued in the books at £441,477, and a floating charge on all the assets, valued at £2,139,539. The specific capital security is meagre. The unconditional guarantee as to principal and interest given by De Beers Consolidated Mines, Limited, constitutes the emission a first-class security. The lists were over-subscribed within a few hours of opening.

TOTTENHAM DISTRICT LIGHT, HEAT AND POWER COMPANY.

Issue at par of £91,650 Seven and a-Half per Cent. Registered Mortgages redeemable at par on July 1, 1936.

The authorised stock capital is £1,461,529 and loan capital £487,176, of which £432,466 and £235,831 respectively are not yet issued. The present offer will appeal to investors not requiring an active market. The lists close Friday, June 17.

SOUTHGATE AND DISTRICT GAS COMPANY.

Offer at par of £30,000 Seven and a-Half per Cent. Debenture stock, redeemable at par on July 1, 1931.

The stock offers first-class security and a high rate of interest, but lacks marketability.

SOUTHAMPTON GAS LIGHT AND COKE COMPANY.

Offer at par of £50,000 Seven per Cent. Debenture stock, redeemable at par on June 30, 1931.

The stock is attractive as a lock-up investment.

BALDWINS, LIMITED.

Offer for sale by the B.S.T. of £2,250,000 Seven and a-Half per Cent. Mortgage Debenture stock, repayable at par by December 31, 1950. Flat yield £7 17*s.* 10*d.* per cent. per annum; minimum yield with redemption £7 18*s.* 11*d.* per cent. per annum.

Baldwins, Limited, was incorporated in 1902 to carry on the businesses of iron and steel and tinplate manufacturers, colliery and iron-ore proprietors. In addition to numerous works throughout the United Kingdom the Company controls a large number of subsidiaries operating at home and in Canada. The present issued share capital is £5,719,689, and the Debenture stock outstanding amounts to £500,000. The stock now offered is specifically secured, subject to the existing Debenture charge, on the Margam Works, the whole of the share capital of the Port Talbot Steel Company, the Cribbwr Fawr Collieries, Taylor's Steam Navigation Collieries, and on the Company's shareholdings in the British Mannesmann Tube Company and the Brymbo Steel Company. There is also a floating charge on the general undertaking. The exact value of the specific charge is not disclosed. In any case shareholdings do not provide a suitable specific charge without the guarantee that the subsidiaries will not themselves create Debenture charges. The net assets on which the floating charge exists stand in the books at £9,194,008, thus leaving a substantial margin of security for the current emission. Net profits rose sharply from £191,310 in 1913 to £804,636 in 1920. The annual Debenture interest of £191,250 seems, therefore, amply assured. With the high financial status of the enterprise a ready welcome to the present issue may be anticipated. The lists will close on or before Monday, June 13.

JOSEPH NATHAN AND CO., LIMITED.

Issue at par of 300,000 Eight per Cent. Cumulative Preferred Ordinary shares of £1 each, participating up to twelve per cent.

The present Company was formed in 1899 to acquire a private firm of colonial merchants, manufacturers, and produce brokers. In 1908 the Company placed on the market a patent food, "Glaxo," which achieved remarkable success, its sales mounting from £14,000 in 1911 to £1,400,000 in 1920. The Company also does a large business in New Zealand dairy produce and general merchandise. The present issued capital is £468,290; £250,000 in Seven per Cent. Preference, £100,000 in Preferred Ordinary, and £118,290 in Ordinary shares. The shares now offered rank for dividend and capital after the Preference, and *pari passu* with the existing Preferred Ordinary. They rank equally with the Ordinary shares for dividend exceeding eight per cent., subject to a maximum of twelve per cent. Profits are shown for the last five years only, during which period they rose from £34,982 to £136,356. A Preferred Ordinary dividend of twelve per cent. would necessitate £79,696. Considering the enterprising and progressive nature of the business, the shares appear attractive, subject to general trade fluctuations. The issue was quickly over-subscribed.

SOCIETE GENERALE DES HUILES DE PETROLE.

In compliance with Stock Exchange regulations, the Société Générale des Huiles de Petrole has issued a public statement of its constitution. The Company was incorporated in conformity with French law to exploit oil concessions on French territory. The Société Navale de l'Ouest and the Anglo-Persian Oil Company have transferred to the Company the results of preliminary work done by them in the previous eighteen months, and consequently the Company possesses sites in the principal French ports, options on lands, bulk storage tanks of large capacity, and important material enabling it to instal storage depôts at Dunkerque, Le Havre, Rouen, St. Nazaire, Bordeaux, Marseilles, Bizerte, Algiers, Oran, and Dakar. The instaliations at Le Havre and Marseilles are actually in operation, the first having already received several cargoes of oil. The Company will also undertake the refining in France of imported or indigenous crude petroleum, and, for this purpose, one or more refineries will be established. Under an arrangement with the Anglo-Persian Oil Company, Limited, the Company has secured for a period of twenty years the supply of large quantities of oil on favourable terms. The capital of the Company is Frs. 100,000,000, divided into 200,000 shares of Frs. 500 each. There have been created in addition 100,000 Deferred Shares ("parts bénéficiaires") without nominal value. A French Syndicate (embodying, amongst others, the Société Navale de l'Ouest, and called Syndicat Général des Huiles de Pétrole) and the Anglo-Persian Oil Company, Ltd., have received, in consideration of the transfer of the properties and rights and the services rendered by them in the preliminary work done and steps taken with a view to its formation, 20,000 shares in the Company credited as fully paid, the whole of the Deferred shares and the sum of Frs. 18,392,900 in cash. The cash payment represents repayment with interest at eight per cent., together with five per cent. thereon for expenses of management, of the sums disbursed by the various vendors in connection with the business. The remaining 180,000 shares have been entirely subscribed in cash at par under the guarantee as to fifty-five per cent. of the French Syndicate above-mentioned and as to forty-five per cent. of the Anglo-Persian Oil Company, Limited. The consideration for this guarantee was the payment by the Company of a commission of five per cent. in cash on the nominal value of the shares guaranteed. In respect of the said 180,000 shares, seventy-five per cent., i.e., Frs. 375 per share, has been called up and paid. The balance is payable as and when calls are made by the Company. The details revealed do not provide a basis for estimating the market value of the shares, but the connection of the Anglo-Persian Oil interests with the venture is a favourable indication.

ISSUES TO SHAREHOLDERS.

Banca Commerciale Italiana.—One new share of 500 lire for every four held.

Hongkong and Shanghai Banking Corporation.—40,000 new shares of $125 each at £70 per share, in the proportion of one to every three held.

Kampong Kuantan Rubber Company.—50,000 2*s.* shares at 5*s.* each, in the proportion of one new share for every seven held.

Lancashire and Cheshire Insurance.—98,000 Ordinary £1 shares at par *pro rata* to holdings.

PENDING ISSUES.

Burmah Oil.—£3,000,000 8% Preference shares.

Canada Steamship Lines.—£1,000,000 Eight per Cent. Debentures.

Government of Ceylon.—£3,000,000 in Six per Cents at 97.

South Metropolitan Gas.—An increase of £1,350,000 new capital was recently sanctioned and will form the basis of a issue to be made shortly.

Banca Commerciale Italiana.—Expressed in lire, the balance-sheet totals of the Banca Commerciale Italiana—after exclusion of the items relating to valuables deposited for safe custody—have more than doubled in the last two years, the increase registered in 1920 being from 5,050 to 6,877 million lire. In their report of the past year's operations the directors state that, although the diminished value of money must be taken into account, yet the enlarged turnover marks a very considerable increase of business. The Bank has, indeed, largely by means of its auxiliaries and associated institutions, been breaking new ground, especially in countries where the lira is at a premium; which countries, it is pointed out, happen to be those best fitted to supply Italy's requirements in raw materials. In this connection Austria, Roumania, and Bulgaria are instanced; but, in addition to its branches throughout Italy, as well as in London, New York, and Constantinople, the following list of institutions which the Bank either controls or is directly interested in will show how widely its net is now cast:—Banque Française et Italienne pour l'Amérique du Sud, Banca Commerciale Italiana (France), Banca della Svizzera Italiana, Banca Commerciale Italiana e Romana, Banca Commerciale Italiana e Bulgara, Banca Ungaro-Italiana, Società Italiana di Credito Commerciale, Banco Italiano (of Lima), Banco Frances de Chile, Banco Frances e Italiano de Colombia, Lincoln Trust Company (of New York), and Italian-American Bank. Thus we find the asset of "participations in other banks" scheduled at nearly 82 million lire on December 31 last, as against 50 million lire a year earlier.

For the second successive year the paid-up capital received an accession of 52 million lire, raising it to 312 millions, while the reserve funds have been increased to half that amount. In March last it was decided to offer for subscription by existing shareholders the remaining 88 millions of capital authorised. Liabilities to the public show the following, amongst other changes:

	December 31, 1919 Lire	December 31, 192[illegible] Lire
Deposits on current account ...	3,975,582,044	5,168,724,000
Bills payable ...	341,269,000	396,569,000
Acceptances against debts due to customers	139,456,000	169,586,000
Other debts ...	125,873,000	213,962,000

—a total movement of about Lire 1,694 million, against which the principal increases in assets are as follows:

	December 31, 1919 Lire	December 31, 192[illegible] Lire
Bills receivable (including Treasury bills)	2,713,476,000	3,261,035,000
Loans and advances	198,162,000	684,189,000
Investments (including participations in other banks and syndicates)	191,171,000	562,823,000
Current accounts...	1,334,276,000	1,904,035,000

At Lire 276,173,940 the proportion of total assets represented by cash in hand has declined from 7.4 to 4.0 per cent.—an outcome of the keen demand on the Bank as lender. The resultant profit has allowed of the transfer of Lire 20 million to reserve, as against a previous Lire 14,043,750, a total distribution to shareholders of fourteen per cent., following ten and two-thirds per cent., and a carry-forward of Lire 856,150, compared with Lire 791,741 brought in.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. — %	Ord. Div. — £	Placed to Reserve £	Ord. Shares Issued £	Current Year — Amt. or Dec.(—) £	Current Year — Inc.(+) or Dec.(—) £	Previous Year — Net Profit £	Previous Year — Ord. Div. %
Railways—Foreign:											
Bolivar Railway	31/12/20	11,080	1,600								
Great Southern of Spain	31/12/20	Dr. 8,955									
Leopoldina Railway	31/12/20	146,489	156,193								
Breweries and Distilleries:											
Lovibond (John)	30/9/20	5,159	2,118	7½	3,750						
Marston, Thompson & Evershed	31/3/21	65,743	11,990	15	17,985						
Canals and Docks:											
Shrapnel New Dock and Construction Co.											
Birmingham Navigation	31/12/20	6,017	2,475	—	—	—					
Commercial and Industrial:											
Ayrshire (Sir Elkanah)	31/3/21	16,471		15	37,500					50	
British Oil and Cake Mills	31/12/20	111,161	1,838	12	54,585	25,000					
Brown (Thomas)	31/12/20	10,566	1,125	5	6,750					27,384	5
Chatham Empire Theatre of Varieties	31/3/21	3,362		10	2,784			27,005		16,619	
Clay (Henry) and Bock	31/12/20	59,087	13,560	50	79,950	—		[illegible]	—34,423		
Cope Brothers	31/3/21	30,810		10	26,250	5,000		[illegible]	— 440		
Folkestone Pier and Laft	1/2/21	Dr. 65						Dr. 1,163			
Forder (R. J.)	31/12/20	30,211	5,400	8	9,600			[illegible]			
Le Gerant Harbour	31/12/20	2,098						2,098		43	
Marrices, Buckerton, and Day	31/3/21	Dr. 9,782	5,750					Dr. 5,651			
New London Borneo Tobacco	31/12/20	8,600						[illegible]			
Owen (Thomas)	31/3/21	95,113	12,000	12½	18,750			[illegible]		52,932	
Pearson (C. Arthur) (10 months)	31/3/21	29,110	11,458	10½	11,484	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shaw (John) and Sons	30/6/20	28,559		15	25,200			28,457	[illegible]	20,006	
Electric Light and Power:											
Kalgoorlie Elect. Power & Lighting	31/12/20	108		—	—	—		108			
Financial, Land and Investment:											
Calgary and Edmonton Land	31/12/20	8,250		250	10,566			19,347	— 2,316	1,250	250
Central Mining & Investment	31/12/20	310,137		5½	255,000	100,000		100,396	14,865		
City of London Real Property	12/1/21	187,833	17,438	10†	170,000			15,161	394	134,781	
Eastern Mortgage & Agency	31/12/20	475						Dr. 19,849	475	51	
Land & Mortgage Co. of Egypt	31/3/21	9,099		6	9,000			11,650	— 99	12,022	
South Australian Land Mortgage	31/12/20	11,763		7½	10,433			6,238	— 4,550		
Trust & Loan Co. of Canada	31/3/21	96,013		6½	87,750			13,915	+ 8,263		
Van Diemen's Land Co.	31/12/20	3,883						4,155	+ 3,883	4,200	
Financial Trusts:											
Melbourne City Properties	31/12/20	9,430		7½	9,492			2,842	— 62	4,998	5
Gas:											
Montevideo Gas & Dry Dock	31/12/20	34,494		6‡	32,515			20,275	+ 1,979		
Iron, Coal and Steel:											
Anderston Foundry	31/3/21	35,540		15	18,900	10,000		11,165	+ 6,640	34,357	15
Park Gate Iron & Steel	31/3/21	122,542		7½	121,875			12,200	667	124,082	7½
Perse & Partners	30/4/21	456,117		11§	306,096	100,000	150,000	115,226	+ 20,051	109,383	18
Witbank Colliery	31/8/20	53,114		22½	61,250			97,751	— 8,136		
Nitrate:											
Alianza Co.	31/12/20	779,665		75	375,000			691,402	+104,665		
Lagunas	31/12/20	17,177		4	36,000			11,177			
Lautaro	31/12/20	5,334						71,922	5,334	23,222	16†
Solar del Carmen	31/12/20	49,936		20	30,800	10,000		8,615	+ 136		
Shipping:											
Eagle Oil Transport	31/12/20	222,958	160,000	8	51,224			32,261	+ 11,734	170,360	8
India General Navigation & Rly.	31/12/20	42,248	12,201	6§	29,501	—	—	26,159	546		
Tea, Coffee and Rubber:											
Alor Pongsu Rubber	31/12/20	5,695		10	6,555			5,695	2,862		
Bah Lias Tobacco & Rubber	31/10/20	40,256						79,697	40,256		
Carnarvon (Selangor) Rubber	31/12/20	5,136						6,541	5,136	5,599	15
Ederapolla Tea Co. of Ceylon	31/12/20	Dr. 1,562	—			Dr. 2,000		539	2,562		
Kapar Para Rubber	31/12/20	28,333		7½	11,250			36,137	+ 17,083	61,072	4
Kelani Valley Rubber	31/12/20	Dr. 6,551	420			Dr. 5,000		390	1,971		
Langkat Sumatra Rubber	31/12/20	577						5,252	577	19,827	2
Lower Perak Rubber	31/12/20	2,950						11,323	3,950	8,569	20
Mahawale Rubber & Tea (1st year)	31/12/20	186						186			
Mayfield (Dimbula) Tea	31/12/20	Dr. 7,277	990					Dr. 6,597	8,267		
Shawlands Estates Co. of Ceylon	31/12/20	Dr. 6,671	—					6,154	6,671	3,175	5
Ulu Rantau Rubber	31/12/20	12,543		5	3,293			14,077	+ 9,249	18,000	25
United Sua Betong Rubber	31/12/20	18,040		12½	20,604			26,718	2,564	48,977	27½
Telegraphs and Telphones:											
Direct Spanish Telegraph	31/12/20	19,311	3,000	10‡	6,465‡	5,000		25,173	+ 4,845	Dr. 1,000	10‡
Tramways and Omnibus:											
Anglo-Argentine Tramways	31/12/20	593,875	753,500					15,885	[illegible]	92,167	
Shanghai Electric Construction	31/12/20	114,637		20	64,000	45,000		9,116	+ 5,637	[illegible]	20
Water:											
Province of Buenos Ayres Waterworks	31/12/20	Dr. 7,811						[illegible]	[illegible]		
Mining:											
Idris Hydraulic Tin	31/12/20	21,648		15	18,000			4,294	[illegible]		

* After providing for all Government taxation, prior charges, &c. † Tax free. ‡ Half-year.

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

Books Received.

Holland's Import and Export Trader. May 1921. Monthly Supplement of "In en Uitvoer," a weekly of Commerce and Economics. Published at 286 N.Z. Voorburgwal, Amsterdam.

British Chamber of Commerce Journal. The Journal of the Associated Chambers of Commerce in China and Hongkong, Shanghai. April 1921. Single copy 50 cents.

London and River Plate Bank. Monthly Review of Business and Trade Conditions in South America. May 1921.

The National Bank of Turkey. Monthly Market Review. April 1921.

International Banking Directory. Price £2. (New York: Bankers' Publishing Company, 253 Broadway.) This book, the first of its kind published in the United States, gives particulars of all the banks of the United States interested in international business, and, in addition, contains an exhaustive list of the banks of Great Britain and of the world in general.

The Directory of Shipowners, Shipbuilders, and Marine Engineers, 1921. Price 20s. net. (London: The Directory Publishing Company.) Some idea of the scope of this work may be gathered from the fact that in the indexes there are more than 20,000 entries, of which 8,000 relate to ships and 7,000 to directors, officials, and others connected with the industries.

The Petroleum Year Book, 1921. Edited by Sydney H. North. Price 10s. 6d. net. (London: St. James's Press, Limited, 15 Henrietta Street, W.C. 2.) An invaluable work of reference to all associated with the oil industry. Statistics of production of the world's oilfields are given. Of special interest in this [illegible] article by Mr. E. H. Cunningham-Craig dealing with the home production of oil. The [illegible] is a full collection of statistical data comprising the chemical analyses of crude oils, specifications of motor oils and low temperature distillation oils.

A World in Travail. By F. W. Pascoe Rutter, director and general Manager of the London and Lancashire Insurance Company, Limited. A series of vivid and interesting impressions of different countries, written as a result of a recent business tour round the world. Printed for private circulation, but a limited number of copies will be available for purchase, bound in parchment paper, 7*s.* 6*d.*, and in cloth 11*s.* 6*d.* The whole of the proceeds, without any deduction, will be handed over to the Insurance Clerks' Orphanage. An eminently readable volume, with short though acute analyses of the national characteristics and temperament of the various races visited in the course of the tour.

The Nineteenth Century and After. June 1921. (London: Constable and Company.) Price 4*s.* A more than usually interesting number, containing a further series of Carlyle's unpublished letters to Miss Wilson and an account of the election of the first Labour M.P. The Right Hon. Lord Askwith contributes an article, "The International Labour Office," and the Right Hon. W. Ormsby Gore handles the question of our foreign policy.

Oil and Petroleum Manual for 1921. Twelfth annual issue. By Walter R. Skinner. This year's issue covers 416 pages, and contains particulars relating to 620 companies. Such particulars include the directors and other officials, date of establishment, location of property, purchase consideration, number of wells sunk, oil production, and description of work in progress, capital, if offered to the public, calls, dividends, and financial position as disclosed by accounts, also latest price of shares. Other useful features include tables showing monthly production of principal producing companies for thirteen months ended with April last; the annual production since 1912 of the world's producing countries; a glossary of oil terms; and a directory of manufacturers and exporters of oilfield equipment. The book is published at 11 Clement's Lane, E.C. 4, at the price of 7*s.* 6*d.* net.

Deutsche Not (Berliner Kinder aus verschiedenen deutschen Gauen, Hamburg. By Dr. Robert Drill. Published by the *Frankfürter Zeitung.* Price Mk. 2.

East European Problems, No. 12. Hungary and the World War—a Secret Document. (London: Low, W. Dawson and Sons.)

"Broadsheets" on National Finance. By Sir Oswald Stoll. Price 1*s.* 6*d.* (London: William J. Roberts, 10 Charing Cross Road.) Most of the chapters comprised in this work have appeared in the Press during the past eighteen months. The "Broadsheets" are quite interesting, and afford food for reflection by all those who desire to see the speedy economic rehabilitation of the country.

A Comparison of Pre War and Post-War Production Costs in Engineering. By R. J. A. Pearson, M.Sc., M.I.C.E., M.I.M.E. A reprint of a paper read before the Statistical Society on April 19, 1921. Price 2*s.*

Heaton's Canadian Export Book, 1921. An Encyclopædia of Canadian export products and Directory of Canadian firms who fill export orders. Published annually. Price, cloth, five dollars. The Public Information Department, Canadian National Railways, Orient House, New Broad Street, E.C. 2.

Manchester Guardian Commercial Year-Book, 1921. Published at Guardian Building, Manchester. A comprehensive and reliable guide to the trade and industry of Manchester.

Wages Board Gazette. Prepared and edited at the offices of the Agricultural Wages Board, 80 Pall Mall, S.W. 1. Published monthly. Price 2*d.*, by post 2½*d.*

Wm. P. Mahaddie and Company's Flax Market Report. Prior to the present issue the last printed Flax Report of the company was dated August 7, 1914. Its fortnightly issue has now been recommenced, the first number being devoted chiefly to the effect on the flax situation of the break-up of the Russian Empire.

Monthly Summary of the Foreign Trade of Egypt. Compiled by the Statistical Department, Ministry of Finance, Egyptian Customs Administration. No. 3. March 1921. (Cairo: Government Press.) Price 50 mill.

Tropical Life. May 1921. 1s. 6d. From a variety of articles may be selected for special mention one on "The Future of Tropical Development and the Need of Real Workers," and another on "Trade, Politics, and Finance."

Redemption Profits. A concise table showing how much a private investor may spend of his ultimate gains as income, if he has capital available. F. C. Mathieson and Sons, London. Price 6*d.*

COMPANY MEETINGS.

Centrifugal Separators, Limited.

THE first annual general meeting of this Company was held on June 3 at Winchester House, E.C.

Commander Sir Arthur Trevor Dawson, Bart., R.N., who presided, said that the accounts, which covered a period of eighteen months from the incorporation of the Company in October 1919, to March 31 last, showed an adverse balance of £5,935. It was the opinion of the directors that had there not been such extreme depression in trade during the latter part of the period the financial result would have been quite otherwise. At the beginning of such an undertaking a great deal of demonstration, educational, and experimental work was necessary, and it was a matter of great disappointment that, when the pioneering work had been done—with extremely gratifying success in certain cases and general encouragement in pretty well all directions—the expected orders for machines were delayed owing to a very natural reluctance on the part of manufacturers to embark on new capital expenditure during the trade depression. Having referred to the expenditure which had been incurred in demonstrating the value of the Company's separator in dealing, for instance, with the effluent water from paper mills and distilleries, and in the clarification of sugar juice, he said that their experimental works at Peckham had been fully employed in testing samples of many different materials, very often in conjunction with customers' experts, and there were many matters which were completely worked out, where orders would certainly come when the present depression came to an end. The mechanical and chemical laboratories at Peckham had proved very valuable, and, as a result of the work done, certain new patents for improvements and developments were in contemplation which would add to the value of the separator and extend its uses.

With regard to the foreign rights, pourparlers had taken place with various countries, and an agreement had been arrived at with the Sharples Specialty Company to work the United States patents under license from this Company on a royalty basis. The Sharples Specialty Company, who were thorough experts in centrifugal matters, had, as a preliminary, purchased four machines from the Company, and provision had been made for a full and free interchange of technical information and experience between the two undertakings. It was the definite opinion of the directors that, as soon as the present depression in trade was over, the Company would do very well, and that their belief in the value of the patents would be amply justified.

The report was then unanimously adopted.

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MEETINGS
OF PUBLIC COMPANIES.

Royal Insurance Company, Limited.

General Financial Conditions: Expansion in Premiums.

THE seventy-sixth annual general meeting of shareholders in the Royal Insurance Company, Limited, was held on Monday, May 30, 1921, in the board-room of the Company's Head Office Building, No. 1 North John Street, Liverpool, at 12 o'clock noon.

Mr. Thomas Woodsend (Chairman of the Company) presided over a large attendance of directors and shareholders.

The Chairman: Ladies and Gentlemen, it is a matter of deep regret to the Board, as I am sure it will be to you, that our general manager, Mr. Chappell, is not with us to-day, owing to a breakdown in health, and although I am glad to say that he is steadily improving, his condition was not such as to justify his medical advisers in allowing him to journey from Switzerland in order to be present at this meeting. This decision was a great disappointment to Mr. Chappell, as he was looking forward with pleasurable anticipation to seeing you all here to-day; but I am sure I shall have your unanimous approval of a message being sent to him conveying the sincere regrets of this large and influential body of shareholders at his absence, coupled with the earnest hope of his speedy recovery and resumption of the great and important duties of his post. (Approved by acclamation.)

The Fusion with the Liverpool and London and Globe.

Before I proceed to deal with our accounts in detail, I think it will interest you to be informed as to the position in regard to our fusion with the "Liverpool and London and Globe" which had become effective prior to our meeting a year ago. We have now secured the transfer of all the shares of the "Globe," except in respect of one case in which there are certain legal formalities necessary, and this no doubt you will consider in every way satisfactory. (Hear, hear.) It has not been found practicable this year to issue the accounts of the two companies in combined form, but, as was done last year, we have sent each of our shareholders a copy of the accounts of the "Globe" with a summarised statement showing the income of the combined companies, and the joint financial position. You will find in these figures ample justification for the claims we have previously made as to the magnitude of our operations and the great financial strength of our organisation. At this juncture it may not be inappropriate if I refer to the spirit of loyal co-operation evinced in the early days of our joint existence and which has been intensified and developed in the months which have intervened. We have found many ways in which we can be of mutual service, and we are gradually developing the process of welding our activities in such ways as best to serve the joint interests. Of course in business of such vast extent and of world-wide scope it takes time before opportunities can be made for giving effect to all the co-operative measures which we desire to see consummated. But in the spirit with which all are working in the joint cause, and the loyalty of all the officials of the "Globe" from the general manager downwards, there is every reason to anticipate that we shall continue to develop in a beneficial way the business of the two companies. (Hear, hear.) I may say that it is our deliberate intention to develop our businesses on independent lines, rather than to seek to consolidate the two, as we are fully convinced that by means of two parallel organisations each developing in accordance with its own individuality but inspired by a common ideal, and governed by a spirit of mutual helpfulness, we shall best attain the maximum of benefit to be derived from the powerful combination which we possess. (Hear, hear.)

Fire Department.

Turning now to the accounts of the "Royal" proper I feel certain that you will have been impressed by the very large increase shown in our nett fire premiums, viz.: £985,659, which brings our total income in that department to £7,074,557. This I need scarcely say is an extraordinary increase brought about by abnormal conditions. You are all aware of the enormous increase in values all over the world in all kinds of produce, manufactured goods, buildings, and plant generally, which culminated in the first half of last year, creating a demand for fire insurance in quite an unparalleled degree, in which we, with our extended organisation, reaped our full share. You are all equally aware of the sudden drop in prices which has been in operation since the middle of the year, and which, though it had its effect in slowing up our increases, did not operate to such an extent as to affect materially the very large increases of the earlier months, with the result, as I have stated, that we show a very remarkable increase in our figures. When we turn to the other side of the account we find the same factors operating, but in an opposite direction. The claims paid and outstanding, amounting to £3,414,491, show an increase over 1919 both in amount and in percentage to premiums, being 48.3 per cent. as compared with 44.4 per cent. It is self-evident that even with a normal number of fires the actual cost must be greatly enhanced by the increased value of property, but in addition we were faced, particularly in the United States, with a largely increased number of fires during the closing months of the year.

Increase in Number of Fires.

There has been nothing in the nature of a conflagration, nor many individual fires of very large dimensions, but a steady increase in the number of fires of moderate extent, a feature which experience has shown to be an invariable accompaniment of any serious slump in trade. It is not easy to explain why it should be so, and I should have great hesitancy in suggesting that any other than natural and accidental causes were operative, but the fact remains, and we have felt, and are feeling, the effects. The amounts which we, in common with other interested companies, thought fit to pay for fire damage consequent upon the Sinn Fein incendiary fires in Liverpool in November last have also helped to swell the total of the year's losses.

It will cause you no surprise to observe that there has been a very large increase in our commission and expenses, viz.: 1.66 per cent. In this we are but suffering the common lot of all businesses, but as prices drop and the cost of living diminishes, we shall doubtless share in the relief which these altered conditions will bring about.

The surplus transferred to profit and loss account amounts to £904,058, which, while less than the amounts so transferred for each of the two preceding years, is yet very largely in excess of any year before 1917, and substantially exceeds the average of the past five years. We have transferred from profit and loss account to the fire account the sum of £400,000 in order to provide for the increased liability arising from the augmented premium income, so that our fire fund now amounts to £5,400,000, including an additional reserve of £2,570,177 over and above the forty per cent. of the year's premiums, which is generally recognised as sufficiently providing for the normal unexpired liability on fire business, and together with the general reserve fund and the balance of profit and loss account afford abundant security for our policyholders. The actual net profit of the fire account amounts to £509,795, which, while it is materially less than that realised in 1918 and 1919 respectively, is nevertheless, under the circumstances of the times, a very satisfactory result.

Life Department.

In the life department we record a very large and gratifying increase in the amount of new sums insured, which reached a total of £5,109,441, being £806,000 in excess of 1919, although the latter had constituted a record for this Company. While this is no doubt largely due to the general demand for life insurance which has developed since the War, mainly, I think, because of the realisation by the public of the fact that, while the value of most high-grade investments has been tumbling down, money invested in life insurance has not depreciated in any way. Still, I also think we may not unreasonably take credit to ourselves from the fact that we were able to maintain our bonus at the end of our last quinquennial period twelve months ago, which has been and will continue to be a factor in popularising "Royal" life policies and will abundantly justify the course of action which your directors then decided to follow in declaring the "bonus as usual." (Hear, hear.)

Accident Departments.

The personal accident account produces its usual interest, and this year has realised a profit of over £11,000.

The employers' liability account has shown considerable expansion in premiums, and notwithstanding increased expenses has produced a profit of £76,892. You may possibly be aware that a Departmental Committee, [illegible] the chairmanship of Mr. Holman Gregory, K.C., M.P., made a close examination into the operation of the Workmen's Compensation Acts. We were greatly gratified that this Committee, after hearing evidence from the workers and from the employers, as well as from the companies, had come to the conclusion that the attitude of the companies in connection with workmen's compensation had been fair and

equitable. Consequently the final report was not in any way inimical to us. The Government have announced that they are unable in the meantime to introduce legislation to carry out the findings of the Committee, but there is no reason to anticipate that the companies will be prejudiced in any steps which may be taken.

In the general insurances account also a large increase in premium is shown. This account comprises business of classes other than those shown in the individual accounts. In some of these sections, such as burglary and motor-car business, the results have been disappointing, but we are confident that the causes which have operated to prevent our realising any profit in these sections are of a passing nature, and that in due time when rates of premium have been adjusted, and when conditions generally have settled down into normality, these sections will resume their former prosperity. The bulk of the premiums in this account are obtained through the operations of our associated Company, the Royal Indemnity Company of New York, and it is largely through the success which has attended their business during the past year that we are enabled to transfer to profit and loss the sum of £50,000. You may have observed that this is the first time we have transferred anything from this account, and it is worthy of comment that it coincides with the completion of the tenth anniversary of the foundation of the Royal Indemnity Company. As you can readily understand, it is no light undertaking to start a new Company in a country like the United States, where all branches of insurance are already catered for by large numbers of companies, both American and foreign, and we are glad to think that the initial difficulties have been successfully surmounted and that the business has reached a state of development whence we may reasonably anticipate a continuous contribution to the profits of the "Royal." It will no doubt be as interesting to you as it was gratifying to us to learn that the advent of the tenth anniversary of the foundation of the Royal Indemnity Company was made the occasion by its representatives throughout the United States and Canada of a spontaneous demonstration of loyalty and goodwill towards the Company and its officers, which testifies to the excellent relations existing on the other side and augurs well for the future well-being of the business. (Hear, hear.)

Amongst the many branches of insurance which we now transact I should like to refer specially to that which is designated as engineering insurance. As you are aware, the British Engine, Boiler, and Electrical Insurance Company, Limited, of Manchester, is one of our associated companies, and thus we are able to place at the disposal of our clients the services of skilled specialist engineers in connection with boilers and engines of all classes and electrical plant. I am pleased to say that these facilities are leading to a satisfactory flow of business of this special class.

Marine Department.

You will be particularly interested in the figures of our marine department, which nowadays bulk so largely in our operations, thanks to our close association with the "British and Foreign." Our premiums for 1920, amounting to £1,874,670, show a reduction of £27,317. It had been anticipated that there would be a further shrinkage in our figures in this department, as the fleeting prosperity of trade in the earlier months of last year was not sufficient to carry the reduced premiums of the latter part, and it is to be feared that in subsequent periods marine insurance companies generally will have difficulty in maintaining their income until such time as trade resumes its former activity. The claims paid and outstanding on 1920 operations also show an increase which is not unexpected owing to the enormously increased cost of repairs of all kinds, and also, I am sorry to say, owing to largely increased claims arising from theft and pilferage. Steps have been taken to improve insurance conditions in this latter respect, which will in time, we hope, render the burden on the companies less onerous.

The chief interest in our marine account centres in the operations of the year 1919 which have now been closed. The losses in running off the account have been heavy, and the final result has been a profit of £158,915. Our prognostications in regard to reduced profits in this respect have unfortunately been fulfilled, but at the same time I think there is every cause to be satisfied with the result which, while it compares unfavourably with the profits realised in the War years when we were running large risks and earning correspondingly large profits, is a very substantial advance on the normal profits of the pre-War period.

Profit and Loss Account.

I will now deal with the profit and loss account, the testing place of the whole of the accounts from the shareholders' point of view. You will observe that the amount of interest is £807,191, which is a marked increase on the £452,405 which we earned in 1919. I ought to explain that while there is a natural and substantial increase in our interest earnings arising out of the normal growth of our invested funds and increased rates of interest, the great bulk of the increase now shown is derived from the dividends on shares of the "Liverpool and London and Globe" which are now held by the "Royal." On the other side, following the provision of the necessary amounts for dividend (to which I will refer later) and Debenture stock, you will observe that we are still under the necessity of providing the substantial amount of £250,000 for income tax and for the new corporation profits tax. You will have observed the omission of any provision for excess profits duty, and I may say that we shall not be liable for any payment under that heading for 1920. The Government having decided to abandon the tax for the future, we may conclude, thankfully, that the necessity for providing for that impost has gone for ever. (Hear, hear.)

A special item appears this year—viz., £101,113 paid to the staff in celebration of the seventy-fifth anniversary of the Company's foundation. You will no doubt remember that when we met a year ago we were congratulating ourselves on the fact that the Company had been in existence three-quarters of a century, and your directors thought it fitting that the staff at home and abroad should receive some tangible recognition of the event. Coming at a time when the cost of living was rapidly on the increase, the gift was doubly appreciated by the recipients, and we are confident that in the enhanced spirit of willing service so engendered the shareholders will be amply compensated for the outlay.

It is with no little regret that I have to draw attention to the transfer of £300,000 to the general contingencies fund. This, as you will no doubt have understood, has been necessary in order to provide for the further depreciation which took place during 1920 in the securities held by the Company. The circumstance will have occasioned you no surprise, as it is common knowledge that during the course of last year Stock Exchange securities generally underwent a further heavy fall, both in this country and in the United States, where we necessarily have large investments in compliance with the insurance laws of that country. In this matter we are but suffering the common lot of investors, and much as we deplore the fact, we are powerless to obviate this outcome of the general financial position. We have now a total of £1,800,000 in the general contingencies fund; which we consider ample for its purpose.

The balance of the profit and loss account carried forward amounts to £549,741, which is in excess of the £536,742 brought into the account from last year.

Dividend.

It was very pleasing to the directors to be able to increase the interim dividend by 1*s.* per share, followed by a similar addition of 1*s.* per share to the final dividend, which, if you to-day approve, will make a total payment for the year of 22*s.* per share. You are aware of the policy which guides us in the matter of dividends, how that we seek to make these more or less approximate to the amount of interest earned by the funds—other than the life funds. By this means we are able to ensure stability in respect of dividends independently of the fluctuations of the actual business operations from year to year.

Heavy Taxation.

It cannot have escaped your observation in considering the accounts which have been presented to you during the past few years, how large an influence upon the position of our Company is exerted by general financial conditions as distinct from its ordinary underwriting transactions. Time was when your Chairman, in making his annual resumé, having told you of the profits safely garnered from the various fields into the storehouse of the profit and loss account, had nothing more to do than tell you how it was proposed to deal with these as seemed best in the interests of the shareholders. Nowadays, however, the charges upon the profits at this final stage are both numerous and extensive. I have in previous years alluded to the very largely increased amount which we have to pay in taxation in one form or another, in practically all the countries where we operate, more particularly special forms of taxation which are more or less the outcome of the War. Unfortunately, there has been no appreciable diminution of taxation, and it may prove somewhat startling to you to know that over the whole year 1920, and in all countries, the total amount for which we are liable in respect of taxation, including amounts dealt with in general expenses as well as those carried direct to profit and loss account, amounts to £987,300. This is equivalent to 7.3 per cent. of the total premiums of the year, and as a matter of fact amounts to more than the entire profit earned by our various underwriting departments. We are, of course, in no way different from the ordinary commercial trader in respect to liability for taxation, but there is no doubt that the incidence of taxation generally has operated very hardly upon insurance companies. In another direction also we have suffered severely through outside conditions which we cannot control—viz., by the fall in value of our securities. The continuous provision which it has been necessary to make from year to year in this respect has in the aggregate amounted to a very large sum indeed. These two factors, taxation and depreciation, have been much in the minds of your directors of recent years, and it is only fitting that on an occasion like the present I should endeavour to make you understand just how important these matters are for you as shareholders.

Need for Government Economy.

As regards taxation, we have, as you know seen the end of the excess profits tax, but it has left in its wake a new successor in the shape of the corporation profits tax, which, while not at the moment a serious amount, yet contains a direct menace for the future unless means are found to reduce the enormous demands which the nation has to face, as indicated in the Budget introduced this year by the Chancellor of the Exchequer. It is manifest that vast economies are urgently necessary in public expenditure if we are to get down to a Budget within the pacity of the nation, and this can only be brought about by the persistent force of public opinion acting on the Government in the direction of cutting down all expenditure—(hear, hear)—whether in the nature of unprofitable administrative charges or in the shape of well-intentioned social experiments which, though laudable in theory in times of prosperity, are too costly in practice to justify their creation in times of national adversity like the present. (Hear, hear.) I have no desire to plead that the "Royal" in particular or insurance companies in general should be exempt from a full participation in the heavy charges which we recognise are necessary for the discharge of this country's War obligations, a full participation in which we will shoulder as willingly as we did the many other burdens which patriotism necessitated our bearing in the past few years; but we think we are justified in joining others in setting forth the crippling effect of unduly heavy taxation upon industry, so that those responsible for the government of the country may appreciate the necessity of economy in all such matters in order that British organisations like ourselves, who seek their revenues in many lands and who depend for their success upon their financial strength, may not find themselves crippled in comparison with their competitors of other nationalities. (Hear, hear.)

Depreciation of Securities.

As regards the question of depreciation in the value of securities, he would be a bold—perhaps I should say a foolhardy—man who would venture to predict in any definite way what is likely to be the course of the market in the near future. The elements which have contributed to the present depreciated values are so numerous and so complex that it is impossible to forecast with any hope of success the effects of the action or reaction of any set of circumstances which may seem imminent. Social unrest at home, political instability in many places abroad, industrial depression all over the world, are all factors in the general distress of the moment. Taking a long view, these adverse conditions are bound to disappear, but whether we have yet reached the turning point or whether we must face yet further deeps it is not possible to judge, nor can it be determined what are the remedies likely to bring about improved conditions. I do not think that there are any short cuts to a resettlement of the world's equilibrium, but that just as our present condition is the outcome of a long series of years of war and upheaval, so will it require a long period of gradual uplifting to restore the prosperity of the world; but that we are gradually, though perhaps imperceptibly, gaining on the sullen floods of distress which cover the world's horizon I am thoroughly confident. During the years of War the great fundamental economic laws have perforce been ignored and ambitions have been fostered which are incapable of being fulfilled now that these laws begin to assume their sway. The result has been the creation of feelings of suspicion and unrest arising from disappointment and disillusionment which only time and stern necessity will remove, but that we shall ultimately get back to prosperity there is no room for doubt.

Until that time comes you must be content to see your securities stand depreciated as they are to-day, and even be prepared to see them drop below their present level, though the indication at the moment is happily in the direction of an improvement—but I am certain that the time will come when the amount which you have been forced to set aside to cover the apparent loss will be no longer necessary, and will be set free to augment the general resources of the Company.

"An Excellent Showing."

On the whole, I think you will agree with me that we have great reason to be satisfied with the accounts which have been put before you. The general result is excellent, though here and there there may be items less satisfactory than in the preceding year; and in these times, when general trade conditions are so abnormal, we have every reason to congratulate ourselves upon an excellent showing. (Hear, hear.)

I am afraid that the indications of the present year are not very favourable, but our feeling may well be defined as one of emphatic optimism.

Before sitting down there is one more pleasurable duty I have to perform, and this is to leave on record the full appreciation by my colleagues and myself of the excellent work done by the managers, the heads of departments, and their staffs. (Hear, hear.) In this connection I should like to mention the name of Mr. Atkinson, our Deputy Manager, on whose shoulders has fallen a large share of the work of the General Manager during Mr. Chappell's extended absence. (Applause.)

I have now pleasure in moving the first resolution, which is as follows:—

"That the report of the directors be approved and adopted, and that a dividend of 11*s.* per share, less income tax, be payable on or after Tuesday, the 31st instant, making, with the interim dividend paid in November last, 22*s.* per share, less income tax, for the year 1920."

Mr. W. R. Glazebrook (Deputy Chairman) seconded, and the motion was carried unanimously.

The following directors, who retired by rotation, were re-elected directors of the Company—namely, Messrs. Charles Alcock, J. Cyril Cunningham, W. S. Crichton, W. R. Glazebrook, M. H. Maxwell, and Edward Paul; and Messrs. Harmood Banner and Son were appointed auditors for the ensuing year.

On the motion of Alderman Richard Dart, seconded by Mr. T. Gillison, the thanks of the meeting were presented to the directors of the Company and to the London board, also to the members of the Company's local boards, and to its officers and agents at home and abroad, and to the boards of directors and officials of allied companies for their valuable services during the past year.

The proceedings terminated with a cordial vote of thanks to the Chairman, which, on the proposition of Mr. John Temple, C.B., was carried with hearty applause.

Leopoldina Railway Co., Limited.

Mr. Oliver R. H. Bury, presiding on May 30 at River Plate House, E.C., at the ordinary general meeting of this Company, said the receipts in Brazilian currency showed an increase of 6,218 contos of reis and in sterling an increase of £337,745, while the expenditure amounted to £2,068,259, as compared with £1,663,362 in the previous year, leaving as net receipts £553,622.

As to the contract with the Federal Government in regard to the exemption of import duties on certain materials, the board had entered a strong protest against the claim of the National Treasury for restitution by the Company of Customs duties on certain materials imported without payment of such dues. As the outcome of the strike on the railway, the Brazilian Government appointed a Commission to inquire into the affairs of the Company, but, notwithstanding the conclusions reached by that Commission, the Company had received no relief, and the board had therefore sent out General Sir Crofton Atkins, C.B.E., to carry on negotiations on the spot with the Government. Since his arrival in Rio General Crofton Atkins had been in constant touch with the Federal and State Governments, and had presented a memorandum setting forth the Company's case.

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The Royal Mail Steam Packet Company.

Satisfactory Result of the Year's Operations.—Company's Financial Position Strengthened.

THE annual general meeting of the Royal Mail Steam Packet Company was held at the Cannon Street Hotel, London, E.C., on June 1. Sir Owen Philipps, G.C.M.G., M.P., the Chairman of the Company, presiding.

The Secretary (Mr. D. I. Conradi) having read the notice convening the meeting and the report of the auditor,

The Chairman said: Gentlemen, this is the eighty-second annual meeting of the proprietors, and for nearly a quarter of that period I have had the honour to be Chairman of this old chartered Company. During the last twenty years the business of the Company has been not only maintained but steadily extended to meet changes and developments in the world's trade, and the ever-increasing requirements of our regular supporters. Concurrently, the financial position of the Company has been greatly strengthened, and all assets have been well written down out of profits. Our Ordinary, Preference, and Debenture capital and reserves now amount to over £13,500,000 sterling. The Company directly owns over 340,000 tons gross register of steamers, whilst the total fleets of this Company and the other shipping companies closely affiliated to the Royal Mail Steam Packet Company aggregate more than 2,000,000 tons gross register, or no less than one-ninth of the entire mercantile marine of the United Kingdom. (Applause.)

Results of Year's Working.

The results of the past year's operations were very satisfactory; but as the world generally is at present passing through a period of severe trade depression, the court of directors recommend that the dividend on the Ordinary stock for last year be at the rate of seven per cent., which is the same rate as was paid for the years 1917 and 1918, although one per cent. less than was paid last year.

Reserves.

Out of the profits of the year we have been able to add £260,000 to the reserve fund, which, with the £90,000 premium obtained on the last issue of Ordinary stock, makes an increase this year of £350,000—the same as for the previous year—thus bringing our reserve fund up to a total of £1,600,000.

Valuation of Steamers.

Ever since I became Chairman of this Company it has been our invariable practice to write off every year for depreciation not less than five per cent. on the first cost of the steamers, so that all our older vessels stand at very low figures in the Company's books. The newer ships, and those that were either built or acquired during or since the War, have had additional sums written off their book value as special depreciation. As a result, the fleet of this Company, taken as a whole, stands in our books at very moderate figures.

Associated Companies.

The results for the past year of the various shipping companies in which we are interested have all been satisfactory. For the year 1920 the average dividend received on our holdings was about six per cent., but the associated Companies were also able considerably to strengthen their individual financial position by adding to reserves, besides writing off the usual full depreciation of five per cent. on the cost of their steamers, as well as additional special depreciation on vessels acquired during or since the War.

New York Service.

As mentioned in the annual report, the passenger service which we maintained for many years between Southampton and New York by way of the West Indies has come to an end, but we have substituted a direct service between the Continent, Southampton, and New York. This is being conducted in harmony with other Lines engaged in the North Atlantic trade. For this service we have allocated three fine new passenger ships, each of about 15,000 tons gross register, viz. *Orbita*, *Orduna*, and *Oropesa*, the two first-named having been built by Harland and Wolff and the latter by Cammell, Laird and Company.

Representation at New York.

The Company has been efficiently represented in New York for many years by the old-established firm of Messrs. Sanderson and Son, who will continue to act as our agents there, but will now be more closely associated with us than in the past. I am pleased to be able to say that our old friend, Mr. Lloyd Bowen Sanderson, of Messrs. Sanderson and Son, has joined us as local director in New York. Our interests in that great city could not be in better hands.

Hamburg Berthing Accommodation.

We have entered into a satisfactory agreement with the Hamburg Port Authorities for a long lease of a quay berth in Hamburg, suitable for our requirements. When the necessary sheds, &c., have been completed we shall possess excellent facilities for handling our vessels at that port.

West Indies Mail Service.

This Company was originally formed to carry on a mail service with the British West Indies, which service we conducted for over three-quarters of a century, and I believe we did so to the general satisfaction of these old Colonies. Your directors have always been actuated by a keen desire to maintain the Company's historic connection with the West Indies and to do their utmost to meet the needs of these Colonies in respect of steamship communication with the Mother Country. For many years past, however, the volume of passenger trade has not really justified the maintenance of a modern mail service, which is very expensive to keep up. For twenty years we carried on this service at an annual loss to the Company of about £50,000, and the court of directors were reluctantly obliged to discontinue it.

The full details of this loss have been published as an appendix to the report of the Government West Indies Shipping Committee. It will thus be seen that the proprietors of this Company have not only done their share, but more than their share, to maintain the old-established connection between the West Indian Colonies and the Mother Country.

Canada-West Indies Service.

The mail service between Canada and the West Indies is being continued for the present. Although the contract with the Canadian Government has expired, that Government is still paying to the Company the same subsidy as was received under the last contract.

South American Mail Service.

Our passenger services between Southampton and Liverpool and Brazil and the River Plate have been maintained, but the volume of passenger traffic to and from South America is still much smaller than it was prior to the War. I hope, however, that when the labour troubles and strikes which are interfering so much with business in South American ports—and which are as great as, or perhaps greater, in extent than here—have been settled, the passenger traffic to and from South America will resume at least pre-War proportions.

High Cost of Coal.

Shipowners are to-day faced with great difficulties in endeavouring to run their vessels at a profit, more especially by reason of the high cost of coal. I am here referring to the period just prior to the strike. I have recently been looking into the question of the actual cost of coal to this Company at the time when first I became Chairman. I find that in the year 1902 the average cost of all coal consumed by the Company's steamers in all the ports we serve, including rail carriage and freight, was exactly 22*s.* a ton. In the following year (1903) the average price had increased to 22*s.* 3*d.*, whilst ten years later, viz.: in the year 1913, the average cost, including railage and freight, had increased to 22*s.* 11*d.*, which latter figure in those days we considered a very high average price. Last year the average cost per ton of all coal consumed by our steamers, including railage and freight, was 120*s.* 1*d.*, as against the 1913 price of 22*s.* 11*d.* The average price of coal, including railage and freight, has now dropped considerably, but those who believe that it will be possible to continue to sell coal at over £1 a ton will, I fear, have a very rude awakening in the near future, and that applies to the views of both masters and men in the present dispute. The high cost of coal in recent years has led to our coal-export trade being reduced from about seventy million tons per annum to less than twenty-five million tons. If we are to regain our trade supremacy and secure employment for the large number of steamers now laid up, it is absolutely essential that the price of coal should come down to its pre-War level, or possibly even lower, as it is always difficult to regain markets that have once been lost. (Hear, hear.)

Taxation.

During the War everyone willingly bore the weight of taxation that was necessary to enable the struggle to be carried to a successful conclusion, but to-day, over two-and-a-half years after the end of the War, the trade and commerce of the country is languishing owing to the heavy burden of taxation still imposed upon it. (Hear, hear.) I cannot help feeling that if much of the public attention that has been directed to the solution of problems connected with overseas commerce, such as the exchange, trade with Bolshevist Russia, and other matters of an international character, was devoted to the far simpler task of cutting down unnecessary expenditure at home, we would be nearer a revival of trade. (Hear, hear.) Not only is high taxation enormously increasing all costs of production, but it is causing very large numbers of persons to be kept out of employment. In order to encourage trade and industry to revive, in my view it may be necessary to postpone all idea of reducing the deadweight debt of the country for, say, three years. It is folly to pay off debt, and at the same time be obliged to provide many millions of money each year for doles to people who are out of employment—(hear, hear)—because heavy taxation is retarding a revival of trade and thus preventing these people from obtaining work. If, during the next three years, this country is enabled to keep all its people employed and still just pay its way and obviate the necessity of giving doles, the deferment of the policy of reducing the amount of our national debt for three years would have been proved to be a sound and wise course for the country to adopt. In my opinion it is absolutely essential in the future that the taxation of this country should be reduced. Otherwise it will not be possible to find employment for the fifty millions of our population. Unless we can provide employment for all by getting back our international trade, the country will have to face the only possible alternative, and that is for many millions of our fellow-countrymen to emigrate, which is a contingency which no one can contemplate with equanimity.

Government Fleets.

At the end of the Great War the British Government found themselves owners of a large fleet of mercantile steamers, partly built during the War and partly ex-German vessels. The Government have wisely adopted the policy of selling these boats with all reasonable despatch. Other governments, on the contrary, adopted a different policy—namely, those of the United States of America, France, and Australia, who, so far, have retained the majority of the vessels either built or acquired as ex-enemy tonnage. There is only one sea in which the ships of all the world compete for cargoes, and shipowners are now for the first time brought into direct competition with State-owned mercantile vessels. British shipowners have never sought for any Government assistance or subsidy. They have only asked for a "fair field and no favour," and are prepared to compete on even terms in the world's markets. This modern development of Government-owned fleets is a new factor, and brings British shipowners face to face with a new element of competition. In bad times the taxpayers of the countries concerned will be called upon to make good losses made by these State-owned steamers.

Shipping Outlook.

Last February, when addressing the Chamber of Shipping of the United Kingdom upon my appointment as President for the year, I pointed out that the total world's tonnage at that time exceeded by ten million tons the amount afloat just prior to the War. The actual tonnage of the world in the water to-day is some eleven million tons more than in July 1914, or an increase over pre-War figures of about twenty-four per cent. The amount of tonnage of all nations which is at the present time lying idle in the ports of the world may, I think, be assumed to be not much less than eight million tons gross register, and probably more. All over the world the ports are full of vessels for which no employment is available. Owing to the severe slump in trade, the actual volume of the world's overseas commerce at the moment is less than it was in July 1914, so that there are still more than sufficient vessels not laid up to carry all the cargo offering. In times like these it is necessary to face facts, and, in view of the situation I have mentioned, it might, at first sight, appear as if many years must elapse before shipping again resumes its normal activity and prosperity. Fortunately, however, a ship has a comparatively short life, and after a certain date, although it may continue to be seaworthy, provided sufficient money is expended upon it, it becomes an uneconomic asset and unable to compete in the world's markets with a modern vessel, fitted with the latest and most up-to-date machinery and equipment. Anyone who carefully examines a list of the vessels that now compose the world's fleets cannot help being struck with the fact that at present there is a much larger proportion of old vessels in service than is normally the case. Many vessels are still afloat which, had it not been for the duration of the Great War, would long since have been relegated to the scrap heap. It may be some consolation to shareholders in well-managed shipping companies to know that a very large number of the steamers which now make up the tonnage of the world is considerably more than twenty years of age, and many of these are quite obsolete. It will never pay anyone to keep in repair and commission a large proportion of these old obsolete vessels, and therefore, although they swell the present total tonnage of the world, they may, for all practical purposes, be left out of account. In the case of the older vessels which well-managed steamship companies may still retain in their fleets, these are always written down to break-up prices in their books. The surplus, or excess, of effective shipping tonnage of the world is nothing like so great as it would appear to be from the figures I have mentioned.

Superannuation.

We again recommend that, in addition to the Company's ordinary contributions, the sum of £10,000 be allocated out of the profits of the past year to the superannuation fund. Although this fund is still in its infancy, it is being built upon sound lines, and I look forward to its being of great benefit to the Company's employees. (Hear, hear.)

Staff.

The scope of this Company's business is continually expanding, and you will realise that this—together with the fact that conditions have been, and are, so far from normal—involves upon our management and staff a great deal of hard work in connection with organisation and administration. On behalf of the court of directors, I wish to take this opportunity of expressing our appreciation of their efforts to the General Manager (our friend Mr. Clark), the Assistant Managers, officials, and staff at home, abroad, and afloat. Since last we met Mr. Nash, who has been in the service of the Company for fifty-six years, has retired. In the course of this long period Mr. Nash has rendered great service to the Company. For thirty-six years he was our Chief Accountant, and he became one of the General Managers in 1912. Whilst we miss his daily association with the affairs of the Company, I am sure you will join with me in wishing him many years of health and strength in which to enjoy his well-earned leisure. (Hear, hear.)

Future.

As to the future, as you know, I never prophesy. We are passing through difficult and abnormal times. When the present labour troubles are adjusted, the dark clouds will in due course pass away, markets and prices become more stable, and trade will again resume its normal channels. For many years past our business has been conducted on sound and conservative lines. Our satisfactory financial position, together with a modern fleet and an efficient organisation, enables us to face the future with confidence. Our ocean services link together many distant parts of the world, and I venture to think we are carrying on a great national service which, in the further development of the British Empire and of the world, will, I feel sure, continue to be a factor of great and ever-increasing importance in the future prosperity of the countries we serve. (Applause.) I now beg to move: "That the report of the directors and the accounts and balance sheet for the year ended December 31, 1920, submitted to this meeting, be and the same are hereby received and adopted; that the dividends paid on the Preference stocks of the Company as shown therein be and the same are hereby declared, and the payment thereof approved; and that a balance dividend of four and a-half per cent., less income tax, making, with the interim dividend, seven per cent. for the year, be and the same is hereby declared on the Ordinary stock; the dividend on the Ordinary stock issued in June 1920 to be calculated at the rate of seven per cent. per annum from the dates of payment of the instalments."

Mr. A. Nevile Lubbock seconded the resolution, which was carried unanimously.

The Chairman next moved: "That His Grace the Duke of Abercorn be and he is hereby re-elected a director of the Company."

Mr. James Cameron Head seconded the motion, which was unanimously agreed to.

The Chairman also proposed: "That Mr. H. E. Wright be and he is hereby re-elected a director of the Company."

This was seconded by Mr. Edward Norton and passed unanimously.

On the motion of Mr. F. C. Thomas, seconded by Mr. D. W. Allport, the auditor, Mr. Harold John Morland, F.C.A. (of Messrs. Price, Waterhouse and Company), was re-appointed.

Mr. H. H. Matthews proposed a cordial vote of thanks to the Chairman, directors, and managers, and also to the staff both on shore and afloat. In doing so he remarked that the report which had been presented need no commendation from him; it was a wonderful record of energy, success, and business enterprise.

Mr. C. Hickman seconded the motion.

The vote was unanimously accorded, and after a brief acknowledgment from the Chairman the proceedings terminated.

The City Equitable Fire Insurance Company, Limited.

A Stormy Year : Increased Dividends.

THE twelfth annual general meeting of the City Equitable Fire Insurance Company, Limited, was held on June 2 at Winchester House, Old Broad Street, London, E.C., Mr. Gerard Lee Bevan (Chairman of the Company) presiding.

The Secretary (Mr. F. J. Witts) having read the notice convening the meeting and the report of the auditors,

The Chairman said : Gentlemen,—I suppose you will take the report and accounts as read. ("Agreed.") During the year under review, I am sorry to say, we have lost one of our most valuable colleagues, Mr. C. T. Barclay, who died only a few weeks ago. Bearing a name held in universal esteem, his singular charm and simplicity of manner, wedded to his high integrity, endeared him to everyone with whom he came in contact. Enemies he had none; of friends, a multitude. We shall all miss his wise counsel and experience, while for myself I am deprived of a friendship dating back to earliest boyhood, and which had only grown stronger with the passing years.

As I am on the subject of the Company's personnel, I should like to take this opportunity of bearing testimony once more to the efficiency of our management, and, on behalf both of the directors and yourselves, to thank Mr. Mansell and all the members of his staff for their unwearying efforts in promoting the success of the Company. (Applause.)

The Marine Section.

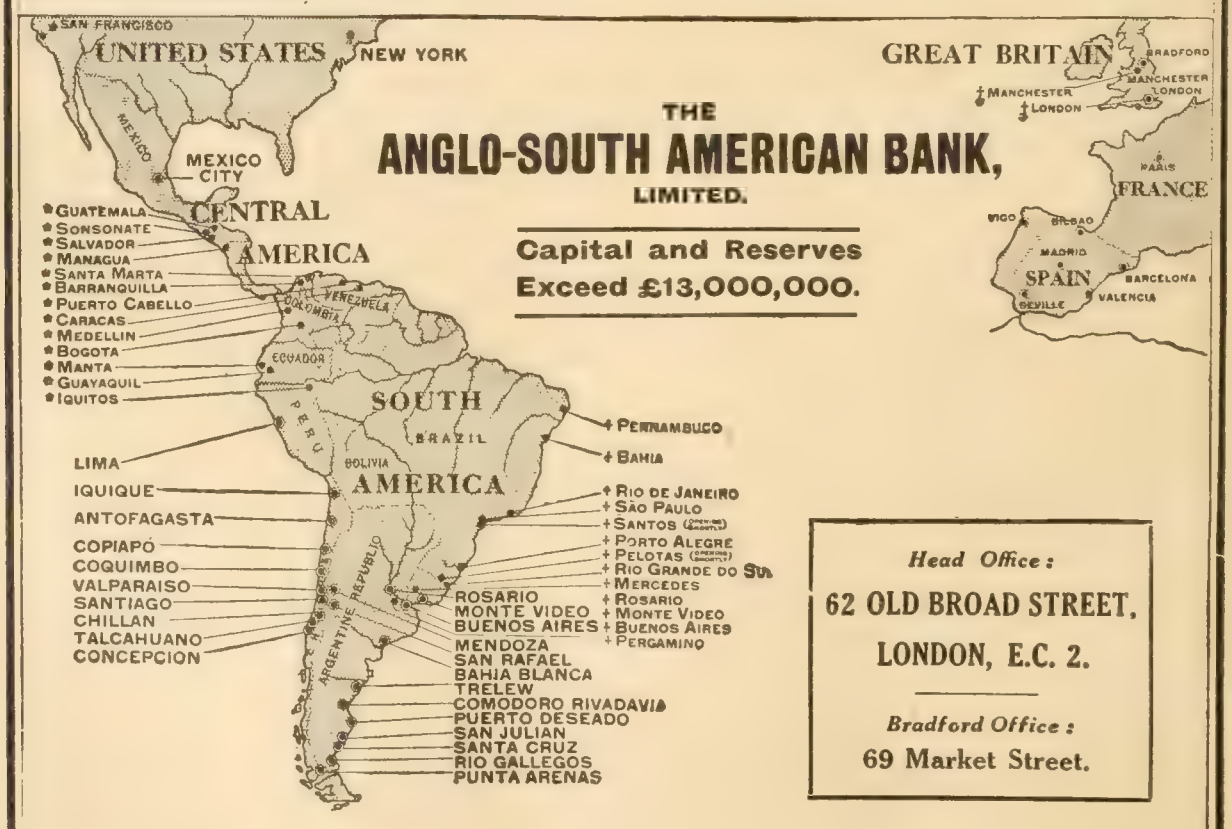
Now, to come to our accounts, I will begin with the marine section of the business. Our premium income shows little change. The year has been marked by three distinguishing features. The first is the unusual number of total losses. The great majority of these occurred in the latter part of the year. During the War, as you will remember, mine-laying played an important rôle in the operations of the Navy, but no less remarkable than the science with which those mines were dotted about the world's trade routes was the skill and rapidity with which the sea was cleared of them after the declaration of the Armistice. They seemed, indeed, to have completely disappeared. Then a strange thing happened. Vessel after vessel, sailing, I am happy to say, under a foreign flag, set out gaily in quest of adventure, and such was their genius for discovery that within a few days, or even hours, of weighing anchor they lit upon one of these long-lost mines. The epidemic now seems to be on the wane, and I hope we shall not hear much more of them.

The second feature to which attention has frequently been called is the extraordinary increase of pilferage. In some places it would hardly be too much to say that a regular toll has been taken of all goods leaving or entering port. When you come to think of it, this is not altogether unnatural. In the autumn of 1914 the reign of reason made way for a reign of violence, and possession became the right of the strongest. Habits thus acquired are not easily shaken off. One of the after-effects of the War has been to throw up to the surface the more turbulent and extremist elements of society, and it is only with time that these will sink back to their proper level again. But in the long run public opinion governs, and the dominant characteristic which we possess, in common with the greatest of ancient empires—I mean the respect for law—will surely and gradually re-assert itself. (Applause.)

Lastly, we have to note excessive competition. During the War period the intensive movement of a slowly vanishing mercantile marine, coupled with the stupendous rise in the value of hulls and cargoes, created an altogether exceptional demand for underwriting. The tide has now set in the opposite direction. Supply has outrun demand, and a great deal of business has been written at unprofitable rates. Could some check be put on this by closer co-operation? In fire business, a committee composed of representatives of the leading offices meets at regular intervals to discuss tariffs and other matters, and I ask myself whether a similar body might not be constituted for the handling of the marine side

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of their business. It is a complex question, but it is worth consideration.

The Fire Account.

We now come to our fire account. This, of course, is the mainstay of our business, and I am sure you will all agree with me that we have every reason to be proud of the way in which our premium income has grown. (Applause.) This year it has taken another big stride forward. For the first time it passes the £2,000,000 mark—the actual figure is £2,071,000—and this has been achieved, let me emphasise, without any departure from our usual practice, viz., to confine ourselves exclusively to treaties with companies of the highest standing. From now on declining values may lessen the volume of some of our treaties, but as against this you have to bear in mind that it was only last year that we embarked on American business—that it cuts a very small figure in this year's accounts, but is bound to expand, and largely expand, in future years. It is the knowledge of this fact which has led us to take certain steps to safeguard and assist us in the extension of our operations. In recent years a number of new companies have been created to transact reinsurance business, in most cases with a comparatively small paid-up capital. Acting separately it will be very up-hill work for them to obtain good business, but pulling together, and, in conjunction with a well-established concern like our own, there is no reason why they should not be able to build up a sound, well-spread premium income. It is the old story of the faggots: a single twig is easily snapped, but several of them bound together may become a really powerful weapon.

A Holding Company.

We have given long and earnest consideration as to how to carry out our ideas, and we finally came to the conclusion that the only method of doing so would be to form a holding company. We have, therefore, registered an independent company under the title of the City Equitable Associated, Limited, with an authorised capital of 1,000,000 eight per cent. Participating Preference shares of £1 each, and 100,000 Ordinary shares of £1 each, or £1,100,000 in all. As regards the latter, the great majority of them will be retained by the City Equitable itself. The Preference shares will be entitled in the first place to a fixed dividend of eight per cent., which will be guaranteed by our own Company, the City Equitable. After payment of this dividend the Ordinary shares will rank next for an amount equal to the amount distributed in any one year to meet the fixed dividend on the Preference shares, while any surplus that may eventually be distributed in excess of this figure will be divided in equal moieties between the Preference and Ordinary shares. The Preference shares are being offered to the shareholders in certain other companies in lieu of their existing holdings, and I may say that the exchange is based upon the value of the free assets of the said companies. These assets, of course, are mainly invested in interest-bearing securities, and the companies which in this manner fall under the ægis of the City Equitable will be conducted on lines identical with those which have hitherto guided us, viz., to put back to reserves the bulk of any underwriting profits which the companies may make, and to distribute by way of dividend a sum, roughly speaking, equivalent to the interest received from invested funds. This interest, therefore, will be paid out in dividends by the operating companies, and the holding company will receive them and will utilise them in the first instance for the payment of the fixed dividend of eight per cent. on the Participating Preference shares. No surplus is likely to be available for the Ordinary shares in the first two or three years of the holding company's existence, but you will readily appreciate that the City Equitable possesses in them a very valuable reversion.

The Balance Sheet.

Turning to the balance sheet, there are only two or three points that call for comment. As regards the "Reserve for Income and Corporation Profits Taxes, and Excess Profits Duty," we have set aside fairly liberal amounts in previous years. We have, therefore, been advised that we need add only £25,000 to this fund for the past year. We have also provided £30,000 for "depreciation of funds." This amount, I may mention, is in addition to any losses actually realised on the sale of investments, which have been deducted from our dividend account.

On the assets side of the balance sheet two new items appear under the heading of "Investments"—viz. "U.S.A. Government, Municipal, and Railway Securities" and "Insurance Companies' Shares." I need say no more about the insurance companies' shares, because they have been acquired in pursuance of the policy I have already outlined to you. As to our holdings in America, these almost, if not all of them, consist of short-dated Government and municipal securities, and they represent the beginnings of a fund deposited as a reserve against our business on the other side of the water, and destined to assume much larger proportions in future years.

As regards "Loans," they are for the most part terminable at call. We like to utilise a certain portion of our funds in this way, but, if the figure is exceptionally high this year, this is due solely to the expectation of having to make heavy remittances to America in the near future, and next year you will undoubtedly see a reduction under the heading of "Loans" and a corresponding increase in "American Investments."

Summary of Year's Results.

Summing up the year's results, we transfer to profit and loss account:—

From the Fire Account	...	...	£76,992
From the Marine Account	...	...	£130,079
From the Investmenst Account	...	...	£73,507

making, with last year's carry-forward of £6,118, a grand total of £286,754 to deal with.

After making the necessary deductions for taxation and allowing for depreciation of funds and directors' fees, the resultant balance is £228,333. We have increased our dividend by 6*d.* a share on the Preference shares and 2*s.* a share on the Ordinary shares, making 2*s.* 6*d.* on the Preference and 10*s.* per share on the Ordinary shares for the year. These dividends absorb £52,500. We remain with a sum in hand of £175,833. Practically all of this your directors have decided to employ in strengthening the fire reserve, so they have transferred £172,000 to this fund, leaving £3,833 to be carried forward.

The Future.

Gentlemen, what of the future? Let us face it without vanity and without fear. It has been a year of storm and stress, of fluctuations and upheavals such as no man has ever seen, and even the most experienced pilot has sometimes lost his bearings. But it is not a time to give way to pessimism. The old trading instinct so deeply ingrained in the British character still retains all its potency, and if only those in authority will eschew mandates of adventure, will cease from meddling with industry (hear, hear), and will recognise the necessity—the paramount, the imperative necessity—of readjusting burdens of taxation, not to the demands, not even to the needs, pressing as many of them are, but rather to the actual abilities of the nation to bear them, then I feel convinced that that same spirit which carried us so triumphantly through the War will also enable us to surmount the many difficulties it has left in its train. (Applause.)

Banking and insurance are the twin bastions of modern finance—the two main forts that guard that mysterious citadel called "credit." Of their permanence there can be no question, because they render services indispensable to any civilised community, and, inasmuch as we are privileged to belong to one of these groups, it is our duty, as it will be our fixed and constant endeavour, to play our part, relatively small though it may be, in a manner not unworthy of the traditions of this great city. (Applause.)

Gentlemen, I would now move the adoption of the report and accounts. I will call upon Sir Douglas Dawson to second the resolution, but before putting it to the meeting I should be pleased to answer any questions which you may care to ask.

Brigadier-General Sir Douglas Dawson, G.C.V.O., C.B., C.M.G., seconded the resolution, and, no questions being asked, it was put to the meeting and carried unanimously.

The Chairman: I now have pleasure in moving that the retiring directors—namely, the Right Hon. Lord Ribblesdale, P.C., J.P., and Brig.-Gen. Sir Douglas Dawson—be re-elected. I need hardly say that I have worked with these gentlemen for many years now and that I much appreciate them as colleagues. Both of them take a great interest in the business, and I hope they will continue to render assistance to the City Equitable for many years to come.

Mr. Henry R. Grenside seconded the motion, which was unanimously adopted, and Lord Ribblesdale and Sir Douglas Dawson briefly thanked the shareholders for this expression of their confidence.

On the proposition of Mr. G. Barnard, seconded by Mr. E. H. Tootal, Messrs. Langton and Lepine were reappointed auditors of the Company for the ensuing year.

Mr. Fisher Rowe said he would like to propose a vote of thanks to the Chairman and directors, and to congratulate Mr. Bevan on his very lucid statement of the position of the Company. He also wished to take the opportunity of thanking the Chairman for the very hard work which he had put into the business on behalf of the shareholders. (Applause.)

Mr. Alex. J. Monro, in seconding the proposition, said that the excellent progress which the Company had made was very gratifying to the shareholders, who, he thought he might say, greatly appreciated the action of the directors in forming the City Equitable Associated, Limited. That matter had involved a great deal of negotiation, care, and thought, and he had not the least doubt that, in the able hands of the gentlemen who were dealing with it, it would be an entire success. (Applause.)

The vote was unanimously accorded.

The Chairman, in acknowledging the compliment, said that the resolution just passed would prove a great encouragement to his colleagues and himself. They had a great deal of work before them in connection with contemplated extensions, which would require their close and unremitting attention, and they intended to do everything in their power to ensure the continued success of the Company. (Applause.)

The proceedings then terminated.

The Motor Union Insurance Company, Limited.

Fifty per Cent. Dividend.

THE fourteenth ordinary general meeting of this Company was held on May 31 at the head offices, 10 St. James's Street, London, S.W., Mr. C. H. Dodd, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said that as to the fire account, a further considerable increase over 1920 was shown in the premium income, which amounted to £506,878, as against £423,346. The claims ratio had been 44.22 per cent., and commission and expenses had been 40.44 per cent. Reserve for unexpired risks had been reduced from fifty per cent. to forty per cent., the directors considering that that could safely be done, especially in view of the strong position of the general reserve. The amount transferred to profit and loss was £86,634, as against £31,414. As to the personal accident account, the premiums showed an increase at £18,504, against £15,210, but the claims ratio was higher at 49.10 per cent. The expense ratio was 34.69 per cent. The sum of £1,680 was transferred to profit and loss, as against £3,415 last year. In the employers' liability account there was a considerably increased premium income, and the working of the account showed very satisfactory results, the transfer to profit and loss amounting to £9,433, as against £2,207. They then came to what must be considered the most important account in their business—the general insurance account. Not only was the premium income larger than in any other account, but it consisted almost entirely of premiums received in connection with motor-car insurance, which had always been the basis of the Company's business. Doubtless shareholders had read the reports of other insurance companies, and had read the speeches of the Chairmen at the general meetings, and they would have seen that without exception they had all referred to the unsatisfactory nature of motor-car insurance during the past year. Accordingly, this Company was not alone in its experience, and the position was easily accounted for. During the war it had been quite realised that the first year's business after war would not be profitable so far as motor insurance was concerned, as they would be receiving pre-War rates of premium, but would be carrying post-War risks in the shape of the additional costs of repairs and accidents generally. Results for 1919, while the pre-War rates were in force, had been very much as anticipated, there being really no profit on that account at all, but with the raising of the rates in the 1920 prospects, he was glad to say, were very much brighter. With motor-cycle insurance especially they were looking forward to much better results. Shareholders must not regard the amount of £113,875 placed to the debit of profit and loss account as a loss. It was nothing of the sort; that was necessitated by the enormously increased premium income, which meant that they had to set aside the very heavy proportion of forty per cent. as a reserve for unexpired risks. When he told them that the premium income had risen from £468,833 to £949,101 they would appreciate the position. On those figures they might claim to have the largest motor insurance account of any company in this country—probably in the world.

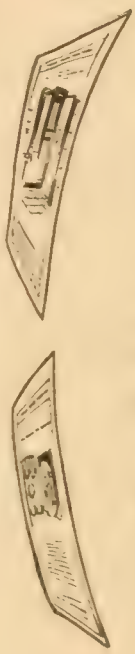
The Marine and Life Accounts.

The marine insurance account continued to operate satisfactorily. The premiums amounted to £713,031, against £595,000 for 1919, in spite of the fact that increasing caution was being exercised in the selection of risks. They were transferring to profit and loss account £40,000. The life insurance account showed a steady growth, the premium income being more than double that of last year at £14,783. Rapid progress was not looked for, but the Company was building up a carefully selected life account which should prove of the greatest value in the future. In the profit and loss account the only figure he need mention was the amount of £123,861 received for interest, dividends, &c., as compared with £93,270 last year. An interim dividend of 6*s.* per share had already been paid, and a final dividend of 4*s.* per share was now recommended. The board would have liked to propose a final dividend equal in amount to the interim dividend, and they could easily have done that without encroaching on trading profits, but they felt that in view of the troubled times and the ever-increasing expenses the true interests of shareholders were best served by keeping the finances of the Company as strong as possible. As to the balance sheet, he would point out that the investments totalled £1,543,569, as against £1,528,671, but including short-dated Treasury bills, which had been treated practically as cash, the investments really amounted to £1,978,972. As to the investments, they had adopted the bold policy of writing out entirely Preference and Ordinary shares of railway and industrial undertakings held by the Company, transferring from investment reserve a sum sufficient for that purpose, but the amount so utilised was certainly not total loss. As far as the other investments were concerned there was no need to make further provision for depreciation. He might add that the total premium income of the Company had risen from £1,540,121 to £2,250,024.

Mr. W. Rees Jeffreys seconded the resolution, which was carried unanimously.



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THE CHATWOOD SAFE CO., LIMITED
SANKERS' ENGINEERS
Head Offices and Works : BOLTON, ENGLAND.
Branches:
LONDON 56 Gracechurch St. MANCHESTER Royal Exchange GLASGOW 2 Greenlodge Ter. Greenhead

Eagle Oil Transport Co., Limited.

Large Increase in Trading Profits.

THE tenth ordinary general meeting of this Company was held on May 30 at Winchester House, E.C., the Hon. B. C. Pearson (the Chairman) presiding.

The Chairman said: The trading profits of £530,804 show an increase of nearly £200,000 over those of last year. The net profit for the year, before adding the balance brought forward from last year, amounts to £473,201. After deducting the transfer of £155,243 to depreciation reserve, which has been calculated on the same basis as in previous years, there is a balance of some £318,000, an increase, compared with the corresponding figure for last year, of some £108,000. After adding the amount brought in there is a total divisible profit of £338,485. A dividend of six per cent. has already been paid on the Preference shares, leaving for disposal the sum of £218,485. You will remember that in the previous two years a sum of £40,000 per annum was placed to the credit of repair reserve. The cost of repairs, although showing a welcome tendency to fall, is still abnormal, and the directors have considered it advisable to transfer this year the sum of £75,000 to this account in order to build up a substantial reserve to cover the cost of exceptional repairs, in particular of classification surveys.

It is proposed to pay a further two per cent. on the Preference shares, making eight per cent. for the year. In December last the rights of the Preference shareholders were varied, and they are now entitled to receive eight per cent. before the Ordinary shareholders receive more than two per cent. No interim dividend has been paid on the Ordinary shares, and, the Preference shareholders now receiving their maximum dividend, it is proposed to pay a dividend on the Ordinary share capital also at the rate of eight per cent. per annum. After the payment of these dividends there will remain a sum of £52,261, out of which it is proposed to write off the cost of the stamp duty on the new Ordinary shares, leaving £32,261 to be carried forward, subject to any liability for corporation profits tax.

The Balance Sheet.

Turning to the balance sheet, you will note that the original Ordinary shares are now paid up in full. There appears a fresh item under the heading of deposit received in advance of issue of Ordinary shares of £1,000,000; this was paid up by the Ordinary shareholders in advance of the issue of the 400,000 new shares of £5 each created in December last, which shares will all be paid u pin full before the end of the year. The depreciation reserve now stands at £736,611. Replacement and other reserves show a net increase compared with last year of some £16,000 before crediting thereto the transfer to repair reserve of the £75,000 to which I have already referred. Bills payable to shipbuilders show an increase of £72.000. Sundry creditors are up by nearly £460,000. This is very largely accounted for by the increase in amounts due to shipbuilders consequent upon the progress of our building programme. On the credit side of the balance sheet cost of steamers, &c., appears at £6,374,000. Debtors, &c., show an increase of some £88.000. Cash at bankers, &c., shows a decrease of £728.000, brought about by our capital expenditure.

The progress of our building programme accounts for the large increase under the heading in the balance sheet of cost of steamers, &c., of £3,047,000. Owing to our charterers' needs for prompt tonnage, orders for four vessels have been placed with American builders since we last met, making a total of eight vessels ordered from United States yards. Six of the eight vessels have been delivered, and the other two should be delivered very shortly.

Compared with the year under review, when our tonnage in commission was 229.000 deadweight tons, to-day our tonnage is 298,000 tons. When all the vessels on order are delivered your fleet will consist of thirty-nine vessels, with a total deadweight capacity of approximately 450.000 tons. The total cargo capacity of this fleet may be considered as some 2,500,000 tons per annum—a very large figure, but only equal to what our charterers, the Mexican Eagle Oil Company, have actually exported from Mexico during the twelve months ended December last.

Finance.

With regard to the financing of our tonnage programme, this was fully dealt with at our meeting on December 6 last, and I need only repeat that, in addition to increasing the Ordinary share capital by £2,000,000, as already referred to, the directors have authorised an issue of a maximum of £5,000,000 Seven per Cent. Seven-Year notes, which the charterers have agreed to take up at par and of which it is anticipated only £3,000,000 will be required. These notes will be paid off out of the depreciation earned, and the whole should be redeemed by 1930. In conclusion, it is my pleasure to express your board's high appreciation of the management ashore, and your captains, officers, engineers, and the whole of your staff afloat, of the good service consistently rendered to the Company. I have pleasure in moving: "That the report of the directors, together with the accounts of the Company for the year ended December 31, 1920, be received and adopted."

Mr. John Purdy seconded the resolution, which was carried unanimously.

La Guaira Harbour Corporation, Limited.

Plans for Improved Facilities.

THE ordinary general meeting of this Corporation was held on May 31, at Winchester House, E.C.

Mr. J. G. B. Stone, Chairman of the Company, presided.

The Chairman said: I will first draw your attention to the revenue account. The figures show that we earned £50,014 last year, as against £44.778 in 1919—an increase of £5,236. From this amount we have had to debit £28,912 interest on the Second Debenture stock, to write off the unearned balance of the cumulative interest for 1917 and 1918. amounting to £1,799, to provide £2,000 as reserve for bad and doubtful debts, and we are left with £2.098 to carry to the balance sheet. The receipts for the last two years indicate the increasing trade of the port, and encourages the view that, when the present world-wide depression of trade passes away, the revenue will be maintained, if not materially increased. There is an item in the revenue account which calls for comment, and that is the figure of £30,134 for wages. against £20,184 for the previous year. Part of this arises from the employment of more day labour to handle the increased tonnage, and part to higher wages we have had to pay our employees. If you will refer to the net revenue account you will observe the sum we have written off as a reserve against bad and doubtful debts is £2,000.

Expenditure on Construction.

Referring to the balance sheet, our capital expenditure on construction account for the year totals £5,668, the amounts having been expended for the completion of renewing the office balcony and car shed, £2,387 8*s*. 6*d*.; building the new protecting wall, £1,135 6*s*. 11*d*.; building the basin jetty warehouse, £642 3*s*. 11*d*.; slipway cradle, £71 3*s*. 10*d*.; building the co-operative room, £619 14*s*. 6*d*.; extension to Bajo Seco warehouse (not yet completed), £1,476 5*s*. 5*d*., a total of £6,332 8*s*. 1*d*., less expenses in 1919 for new launch transferred to plant account, £663 13*s*. 5*d*., leaving £5,668 14*s*. 3*d*. The General Manager refers in detail to this work in his report, and I will ask him, later on, to address the meeting. It has been absolutely necessary to carry out this work under the concession, to meet the requirements of the increasing trade of the port. We have spent a sum of £6,742 on account of plant—namely, the two boilers referred to last year—costing £2,704 15*s*. 11*d*.; new launch. £1,345 13*s*. 4*d*.; slipway cradle. £891 0*s*. 10*d*.; twenty-four tarpaulins, £669 19*s*. 3*d*.; new locomotive, £265 1*s*. 10*d*.; motor-car (since sold), £374 4*s*. 7*d*.; diving dresses and sundries; £491 13*s*. 2d., a total of £6,742 3*s*. 11*d*.

It has been customary to utilise the income of the first few months of the year to provide the cash for the interest payable to the Second Mortgage bondholders, but, owing to the sudden severe falling off in receipts this year, it is necessary that we should keep all the income we may receive for expenditure on the upkeep and betterment of the harbour. We must, therefore, ask the Second Debenture holders to forgo their interest until such time as we have the requisite funds in hand. We need not say we are anxious to see the Second Debenture holders in regular receipt of the full five per cent., but, in times such as we are passing through, it is to their interest that we should pursue a very cautious policy so as not to endanger their position; therefore, for the present we must use our income for maintenance and improvement of the property.

An Independent Report.

The board, in order to thoroughly satisfy themselves as to the condition of the works, plant, &c., more especially the breakwater, which is, of course, the keystone of

BARCLAYS BANK LIMITED

Head Office:

54 LOMBARD STREET, LONDON, E.C. 3.

And over 1,500 Branches in England and Wales.

AUTHORISED CAPITAL	£20,000,000
ISSUED AND PAID-UP CAPITAL	£15,592,372
RESERVE FUND	£8,250 000
DEPOSITS (31st December, 1920)	£327,788,370

Every Description of British and Foreign Banking Business Transacted.

Executorships and Trusteeships Undertaken.

AFFILIATED BANKS:

THE BRITISH LINEN BANK .	*Head Office:* .	Edinburgh
THE UNION BANK OF MANCHESTER LIMITED .	*Head Office:* .	Manchester
THE ANGLO-EGYPTIAN BANK, LIMITED	*Head Office:*	27 Clements Lane, London, E.C.4.

business, decided to get an independent report, and instructed Messrs. J. G. White and Co., Limited, who had experience in similar work in South America, to send one of their representatives to go thoroughly into the position, and make a report to us, with their recommendations. This report has now been received. It confirms the importance of the harbour to Venezuela, and its favourable geographical situation for dealing with the trade of the central division of the country. Messrs. White urge, however, that additional capital should be spent, in order to bring the property into first-class condition, and to provide the necessary facilities for the trade of the port. Of the £64,000, which is the total amount of expenditure suggested, £30,200 is the amount which they consider must be provided as soon as possible for the security of the works. Of the remainder, they indicate that for an expenditure of £23,800 considerable economies would be effected in the working costs. The remaining £9.850, they suggest, should be expended for the extension of existing equipment, such as new lighters, &c. When these recommendations are carried out they estimate an additional revenue of £10,000 to £12,000 will accrue to the Corporation, so that the expenditure should be remunerative, apart from putting our property into first-class condition.

I am glad to tell you that a matter which has been a sore point for many years—namely, the collection of dues by measurement—has been satisfactorily settled, and will, our General Manager advises, materially add to our revenue. I now propose: "That the directors' report and accounts to December 31, 1920, as submitted to this meeting, be passed and adopted."

Mr. E. W. Fradgley seconded the resolution.

Harrods (Buenos Aires), Limited.

BRITISH ENTERPRISE.

A Network of Stores in the Argentine.—A Luxury-Loving Population.

Sir Alfred Newton, Bart., the Chairman of Harrods (Buenos Aires), said, at the extraordinary general meeting, held on May 18, when resolutions were passed sanctioning the creation of £1,750,000 new Eight per Cent. Preference shares: I would like you to remember that we are now the holders of over ninety-five per cent. of the share capital of the South American Stores (Gath and Chaves), Limited, a business established in 1883, and covering a very large trade at popular prices, so that in our joint activities we cater, we may say, for all the spending classes.

"Gath and Chaves."

The South American Stores (Gath and Chaves), Limited, has large stores in Buenos Aires and in the leading cities in Argentina—viz., in

Rosario,	La Plata,
Bahia Blanca,	Cordoba,
Mendoza,	Parana,
Tucuman,	Mercedes,

and Mar del Plata.

The South American Stores (Gath and Chaves), Limited, also own the whole of the share capital in the Chilian Stores (Gath and Chaves), Limited, Santiago, the largest store in Chili.

As to the future, to which every living business such as ours must constantly look, you should bear in mind the rate at which not only Buenos Aires, but these other cities, are increasing in population and prosperity. We have there a large and luxury-loving population in a country which is still young and full of hope and vigour, and whose spending power is immense. It is a country in which, to quote the official report I have before me, prepared by one of our Government Departments, "apart from social or political disturbance, only a succession of poor crops can detract from an assured material prosperity."

Fusion of Interests.

This control of the South American Stores was only effected last year, and the full results have not yet shown themselves, but the fusion of interests is being steadily developed. Our buying organisations in London, Paris, and New York have been combined, the control of our rapidly expanding workshops and manufactories amalgamated. Our advertising and accountancy have been put under one control, and other working arrangements co-ordinated which will enable both companies not only to give still better service to their customers, but also secure, under normal conditions, improved trading results.

We, a purely English Company, have thus, as you see, the most complete retail selling organisation in Argentina and Chili.

With the exception of certain factory premises, the leases of which shortly expire, the Company owns the freeholds of all its premises in Buenos Aires, subject to outstanding mortgages of less than £70,000.

£6,000,000 Excess of Assets.

According to the certificate of our auditors, the balance of net assets of the Company over the liabilities as at August 31, 1920, stood at £4,589.248, and, if we add the proceeds of the proposed issue, will exceed £6,000,000.

Our extensions now nearing completion, and which, when completed, will, we believe, enable us to close our capital account for many years to come, will place the Company in an unassailable position of superiority for securing the lion's share of the trade in that great country of wonderful possibilities.

New 8 per Cent. Preference Shares—The £300,000 Reserve Fund—£6,000,000 Excess of Assets.

An extraordinary general meeting and separate class meetings of the shareholders of Harrods (Buenos Aires), Limited, were held on June 3 in the Assembly Room of Harrods, Limited, Brompton Road, London.

Sir Alfred Newton, Bart. (the Chairman), in the course of the proceedings, said: Our issue to be made in the next few days will consist of £1,750,000 of Eight per Cent. Cumulative Preference shares, and should represent the completion of our capital requirements. There are no Debentures or Debenture stock, and these shares and the existing Preference shares represent a security behind which there is an excess of assets over liabilities of, roughly, £6,000,000.

In the prospectus to be issued you will see that the dividend requirements for the old and new Preference shares are £188,000 for a full year, and that the average total profits for the last four years, based on the present holding of the Company of the shares of the South American Stores (Gath and Chaves), Limited, covers the dividend more than two and a-half times over, and for the last year more than three and a-half times.

Coming after these new shares, ten per cent. of the profits have to be placed to reserve until the reserve fund amounts to £300,000; then there are practically £4,000,000 Ordinary shares of £1 each, after which, again, there are some 240,000 Deferred shares.

The Network of Stores.

Our network of stores in the Argentine, our wonderful premises, the value to us of our holding of South American Stores (Gath and Chaves), Limited, and our belief in the Argentine you already know, and I feel I need hardly enlarge upon them.

But there is another aspect upon which I should like to touch. Though possibly delayed by the coal strike, the general feeling in the City is that a period is at hand when money will be cheaper; in other words, fixed interest-bearing securities of the best class will improve in value. I do not think we can always remain on a basis where securities of the class of Harrods (Buenos Aires), Limited, Preference shares will be offered to yield eight per cent., and one attraction, to my mind, in this issue is that, subject, of course, to the continued prosperity of the Company, an annual return of eight per cent. should look very sweet in a few years to come.

Main Points Summarised.

Finally, I would summarise the main points of our new issue as follows:

1. A net excess of assets over liabilities, including the proceeds of the proposed new issue, of £6,000,000.
2. A past record of profits.
3. No Debentures or Debenture stock.
4. A fixed preferential dividend of eight per cent., ranking before all other outstanding obligations of the Company.

After a few questions had been answered by the Chairman, the resolutions submitted to the various meetings were carried by the requisite majorities on a show of hands.

Banque Générale Belge (Société Anonyme).—The Anglo-South American Bank, Limited, and the Société Anonyme Bunge, of Antwerp, have entered into an agreement for the acquisition, as from July 1 next, of a half-interest in the Banque Générale Belge (Société Anonyme). The capital of that concern is being increased from 25,000,000 francs to 50,000,000 francs by the issue of 50,000 new shares of 500 francs each, half of which will be subscribed by the Anglo-South American Bank and half by the Société Anonyme Bunge, at the price of 650 francs each. The present capital of the Banque Générale Belge is fully paid. The reserve funds amount to 10,450,162 francs, and the balance sheet for December 31 last shows current and deposit accounts of 205,069,681 francs, cash in hand and at the Banque Nationale 33,249,548 francs, and bills receivable 30,513,281 francs. Mr. Edward Bunge, the new President of the Banque Générale Belge, is prominently connected with a group of companies interested in Belgian and Argentine business, and he has for some twenty years been a member of the Board of the Anglo-South American Bank, Limited.

BANK OF SCOTLAND.

CONSTITUTED BY ACT OF PARLIAMENT, 1695.

AUTHORISED CAPITAL	£1,500,000
PAID-UP CAPITAL and RESERVE FUND	£1,875,000
DEPOSITS and CREDIT BALANCES ...	£57,000,000

Governor: The Right Hon. LORD BALFOUR OF BURLEIGH, K.T., G.C.M.G., G.C.V.O.

Head Office: THE MOUND, EDINBURGH.

GLASGOW, Chief Office: 2 St. Vincent Place.
W. G. Leggat, Manager.
LONDON Office: 30 Bishopsgate, E.C. 2.
J. W. Johnston, Manager.

140 Branches and Sub-Branches in Edinburgh, Glasgow, and throughout Scotland. Every Description of British and Foreign Banking Business transacted. GEORGE J. SCOTT, Treasurer.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1920,

Annual Income Exceeds - - £6,300,000
Assets Exceed - - - - £19,000,000
Claims Paid Exceed - - - £32,000,000

Subscription to "The Statist," to include all Special Numbers.

Payable in advance.

Inland (Post Free):

One Year (52 weeks)	£1	12	0
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One Year (52 weeks)	£1	17	4
Half-Year (26 weeks)		18	8

Offices: 51 CANNON STREET, LONDON, E.C. 4.

The Statist.

LONDON, SATURDAY, JUNE 11, 1921.

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The Money Market.

Friday, June 10, 1921.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate	6½	(Apr. 28, '21)	7	(Apr. 15, '20)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	4½	(Apr. 28, '21)	5†	(Apr. 15, '20)
Discount Houses (Notice)	4¾	(Apr. 28, '21)	5¼	(Apr. 15, '20)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days	3 Mos.	4 Mos.	6 Mos.	12 Mos.
	%	%	%	%	%
Bank Bills ...	5 7/8	5 7/8 - 3/4	5	5 1/8	—
Trade Bills ...	—	6½ - ¼	6¼	7	—

THE MONEY OUTLOOK.

Those interested in the course of the Stock markets in the near future would be well advised not to build too confidently on the hope that the present plethora of credits in the Money market is of a lasting nature or the outcome of fundamental conditions, and that it is likely to lead to a further reduction in the Bank rate. Last week we expressed the opinion that the expectation of a lowering in the Bank rate in the near future was likely to be disappointed. This week there were the usual crop of rumours that the official discount rate would be reduced to 6 per cent. when the coal strike is settled, but, without siding for or against those who desire such a movement, we see no reason to alter our previous conclusion, that the rate is likely to be maintained at its present level for a considerable time. Apart altogether from the uncertainty attending a settlement of the coal strike, it must be observed that fresh strikes have recently broken out among other sections of the workers, while the general industrial situation is none too promising, and that in the sphere of the Money market the present tendency is in the direction of renewed inflation, due to the exigencies of Exchequer financing. We should imagine that these circumstances will rather confirm the authorities in that attitude of caution they displayed when making the last change in the Bank rate than lead them to initiate an era of cheaper money.

As regards the prospects for money rates, it need not be emphasised that the market is tending towards cheaper money. While there is undoubtedly a large amount of commercial "frozen" credits outstanding, at the same time the general slackening of trade activities, intensified by the recent outbreak of strikes, is more than sufficient to counteract this influence. This unfortunately becomes only too clear on reference to the overseas trade returns for May, which are commented on in a later column. It is not easy to discern at present a general trend towards easier conditions in the Money market, but this may be ascribed to the fact that the fundamental factors at work are obscured by influences of a temporary nature. The system of sales of Treasury bills by tender seems to have imparted a certain "peculiarness" to market conditions, a feature that is intensified by the action of issuing monthly balance sheets based on the average figures on a selected day in each week. Besides, a large part of the [illegible] surplus of funds in the Money market has been absorbed into Treasury bills as well as being employed in heavy [illegible] for the current month. The extent of the former movement is considerable: the total of Treasury bills outstanding has grown from £1,001,105,000 to £1,172,817,000 during the six weeks April 23 to June 4. This increase, moreover, has been at an accelerating rate. During the first two weeks the rise was £12,734,000, during the second two weeks £28,855,000, and during the fortnight to June 4 £39,820,000, making a total increase during the six weeks of £81,409,000. The present abundance of floating credits in the market is due, of course, to the huge Government disbursements on the first of the month, with their accompanying borrowings on Ways

and Means. It is probable that a considerable portion of the surplus will go again to swell the volume of Treasury bills outstanding, but, while the market seems to be well provided with current maturities, it is likely that a large portion will be retained in the market in a form available for meeting end-of-the-month requirements. Quotations may harden as the turn of the month approaches, but in view of the circumstances outlined above the market seems unlikely to experience the stringency that usually attends the end of the half-year.

In the Money market funds were in abundant supply all during the week; in fact, on occasions early in the week it might be said that money was superabundant, for it was often not readily lendable at as low as 3½ per cent. The general range of rates for day-to-day money was 4½ to 3½ per cent., with weekly fixtures at 5 per cent. Despite the remarkable ease in the short-loan market, discounts did not show an easier tendency, for it was recognised that the plethora of credits is of a temporary nature, and the severe fall in the dollar rate was calculated to inspire caution. Thus, though there was little quotable change in rates, the general tendency in discounts became firmer as the week progressed. The range of rates for all maturities was 5½ to 5⅝ per cent. Business, however, was exceedingly restricted owing to the poor supply of bills and the market's reluctance to buy. Special dates in Treasury bills were wanted by the banks, the most significant inquiry being for June maturities, dealings in which were reported on a 4½ per cent. basis. July bills were purchased at 5⅞ to 5½ per cent., August paper changed hands at 5½ to 5⅝ per cent., and September maturities were dealt in at the same rates. The volume of buying, however, was not very large.

Treasury Bill Tenders.

The general estimate of 5¾ per cent. for the average rate of allotment of to-day's offer of £40,000,000 Treasury bills came very near the actual result—£5 12*s.* 2.28*d.* The rate is accordingly fractionally higher than last week's average rate. Applications were £43,975,000 above the amount offered, at £83,975,000. Tenders for bills dated from Monday to Friday at £98 11*s.* 7*d.* will receive about thirty-seven per cent., and above in full, and tenders for bills dated from Saturday at £98 11*s.* 11*d.* and above will be allotted in full.

Date 1921	Offered £	Tendered for £	Average Rate % £ *s.* *d.*
April 21 ...	... 50,000,000	51,930,000	5 19 3·95
April 28 ...	... 50,000,000	76,735,000	5 14 6·54
May 5 ...	... 50,000,000	94,620,000	5 12 11·18
May 13 ...	... 45,000,000	93,350,000	5 11 2·81
May 20 ...	... 45,000,000	65,565,000	5 14 11·02
May 27 ...	... 55,000,000	72,490,000	5 13 1·83
June 3 ...	... 55,000,000	84,775,000	5 12 1·06
June 10 ...	... 40,000,000	83,975,000	5 12 2·28

Foreign Exchanges.

The outstanding feature of the Foreign Exchange market was a remarkably rapid fall in the New York exchange. The quotations fluctuated within wide limits, but the general level declined day by day. To-day's rate is 3.71½, as compared with 3.80½ on Monday last, and at one time yesterday business was reported at a quotation as low as 3.67. The rapidity of the movement compares with that which began in June of last year, when, it will be remembered, the dollar also commenced a very rapid appreciation that continued until November, the fall being heaviest during the months of June, July, and August. The suddenness of the decline this year again may be attributed to the influence of speculators, who are naturally anxious to take advantage of the customary autumn fall in the dollar rate now that the recent improvement has definitely come to an end, and it is probable also that those who have to import from the United States later on are already covering themselves. Among Continental exchanges the rates on Paris, Brussels, and Italy showed a reactionary tendency, and all three have gone to higher levels as a result of the week's dealings. They recorded an improvement to-day, however, the French rate rising from 47.51½ to 47.35, and the Belgian rate from 47.57½ to 47.40. The lira was quoted at 77.87, as against 78.62½ yesterday. A feature was provided yesterday by a sharp fall in the Spanish rate from 29.40 to 29.18. The downward trend in this rate continued all during the week, and there was a further relapse to-day to 29.10. Other Continental exchanges generally moved in favour of this country, the improvement being especially marked in the Dutch rate, which rose to 11.36. In the Scandinavian group Christiania and Copenhagen moved favourably, but there was very little change in the Stockholm rate. Movements were irregular in the South American exchanges, for while the Brazil rate fell to 8 1/16*d.*, the currencies of Argentina and Chile became dearer. Eastern rates displayed their wonted dulness, except for the rupee, which had risen yesterday to 1*s.* 3 5/8*d.* To-day, however, there was a reaction to the old level of 1*s.* 3½*d.* The Indian Bank rate was reduced from 6 per cent. to 5 per cent. on the 2nd inst.

Income and Expenditure.

On account of the disbursement of nearly £44,000,000 on the 1st inst. in respect of interest the week to June 4 was a particularly unfavourable one for the Exchequer. Practically the whole amount of the interest payments had to be borrowed on Ways and Means from the Bank, as revenue made its usual poor showing. The expenditure during the week amounted to £64,139,814, making a deficit of £52,331,265, revenue being only £11,808,549, or slightly in excess of the previous week's receipts. The deficit was covered to some extent by net receipts in respect of Treasury bills, the sales of these being £84,806,000 or £21,226,000 above maturities during the week. The Bank was called upon to advance £42,250,000, bringing the outstanding liability to £493 million. The net increase in the Ways and Means Advances outstanding, however, was only £31,551,000 for Advances by Public Departments were reduced by £10,699,000 to £145,105,000. The total floating debt rose accordingly by £52,831,000—the largest increase in the year. The total on Saturday last, at £1,367,422,000, shows an expansion of £92,092,000 since the commencement of the financial year and of £61,568,000 as compared with June 5 of last year. Last week's increase in advances by the Bank of England is likely to be reduced before the end of the month, as much of the money disbursed will probably drift back into Treasury bills. After the turn of the month the improvement should be more pronounced, for income-tax receipts are usually heavier in July.

Currency Notes.

Last week's borrowing on Ways and Means did not result in an increase in the Treasury note circulation, but the rate of decline was considerably checked. Fresh issues of notes during the week to Wednesday last amounted to £6,447,069, the largest for four weeks. The total outstanding on the 8th inst. of notes and certificates was £913,212 under that of a week previously, at £328,008,417. This compares with £353,496,534 on June 9 of last year—a contraction of £25,488,117—and with the high record of £365,505,247 on December 22 last, a fall of £37,496,830.

Bank of England.

Following last week's increase of £1,287,000 in the Bank-note circulation, the return issued on the 8th inst. records a contraction of £815,000 during the week to that date. This leaves the total outstanding at £128,280,000, or £6,300,000 below the high record. This movement, combined with a small increase in the coin and bullion, was responsible for raising the reserve by £821,000 to £18,539,000, and as there was only a minor increase in deposit liabilities, the reserve ratio improved from 11.8 per cent. to 12.3 per cent. A significant feature in the return is a

further rise of only £4,720,000 in Government securities. This brings the total expansion in this item during the fortnight ending on Wednesday last to a little over £35 million, whereas the Exchequer return shows an expansion in Ways and Means Advances last week of £42½ million. The difference may be due to the fact that since last Saturday some of the borrowings up to that date have already been repaid. Should this be the case, it would, in all probability, be due to further heavy buying of Treasury bills.

Bullion.

Following the downward movement in the New York rate, gold rose to a quotation of 111*s.* per ounce to-day. All supplies were again sent to the United States. The fall in the dollar exchange was also the dominant factor in Silver-market quotations. Possibly control of the market has now passed to New York; at any rate, quotations ascended steadily here during the week, though there was very little buying, and no reaction from the recent sluggishness of the market was apparent. The Indian bazaars ceased their slight buying of last week, being evidently deterred by the rise in quotations, but some speculative orders arrived from China. Quotations since a week ago are as follows:—

	June 4	June 6	June 7	June 8	June 9	June 10	Average
Silver (per oz. std. ·925 fine):—							
Cash ...	33⅝*d.*	34*d.*	34⅝*d.*	34¼*d.*	35*d.*	35¼*d.*	34·69*d.*
Forward ...	33⅝*d.*	33⅝*d.*	34⅛*d.*	34¼*d.*	34⅜*d.*	35⅛*d.*	34·44*d.*
Gold (per oz. fine)	—	107/7	109/3	107/11	110/4	111/-	109·2·6

NEW YORK.

It is satisfactory to note another increase in both the aggregate reserve and the excess reserve of the New York Clearing Banks, according to the latest average weekly statement. This constitutes the second successive improvement in the case of the former and the third in succession in the latter case. The aggregate reserve rose during the week ending on Saturday last by $8,430,000 to $505,940,000, and an increase of $3,680,000 to $16,330,000 is recorded in the average excess over legal requirements. The smaller movement in this case was due to an increase in deposit liabilities, net demand deposits being $47,290,000 higher on the week at $3,681,460,000. At the totals here given the aggregate and the excess reserves show declines of $75,010,000 and $6,130,000 respectively as compared with a year previously. Loans, discounts, and investments again fell by $28,090,000; this item has declined steadily ever since the commencement of the year, and last Saturday's total, at $4,574,140,000, is $687,830,000 below that of December 31 last. The actual excess reserve on Saturday last was at the remarkably strong figure of $25,000,000.

The Federal Reserve Banks' statement shows a change from the tenor of previous reports. Though the gold reserves were carried by another inflow of $15,700,000 to the new high record total of $2,403,650,000, yet the reserve ratio declined from 57.6 per cent. to 57.4 per cent. The movement is, of course, a small one, but the fall occurs after an increase in ten successive weeks. It was due to an expansion of $16,500,000 to $2,751,300,000 in the Federal Reserve note circulation, which had previously been declining steadily since the end of February last. The cause of the new movement is not far to seek, for the return shows an expansion of $55,970,000 in rediscounts for member banks. This is the second upward movement in succession for rediscounts, and makes a total increase of $83,680,000 during the fortnight. Previously to that the item had been declining steadily practically since October last. Possibly this fresh development may be the first sign of the more liberal credit policy recently announced by the Federal Reserve Board.

Call money declined to 6½ per cent. on the 8th inst. in the New York Money market. Prime commercial paper was quoted at 6¾ to 7 per cent.

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Stock Exchange.

The Stock Exchange has recently exhibited trends, the analysis of which presents unusual difficulties. It is easy to understand the transference of funds from semi-speculative to Gilt-edge employment, but in the latter sphere the behaviour of investors does not always seem discriminating. The market in new issues has recently displayed an activity which contrasts strongly with that of even the busiest sections of the "House." Within the past week emissions totalling £10,000,000 were rapidly over-subscribed. These include Ceylon (£3,000,000), Glasgow (£2,500,000), Sheffield (£2,000,000), Derby (750,000), Gateshead (£650,000), Reading (£500,000), and Wallasey (£500,000). The character of all the loans was of the highest; but great difficulty would not have been experienced in picking out investments similar in category and cheaper in price on the Stock Exchange. It may be argued that the over-subscriptions are largely artificial owing to the extent of "stag" operations. The activities of "stags" are based, however, on the presumed existence of an investment demand proper, and they would quickly cease if such presumptions were unwarranted. Purchase of stock through the medium of a prospectus application form is simpler and more expeditious than buying on the market, and does not involve brokers' charges. This might appear a plausible explanation of the popularity of the new issue market at the moment, but for the fact that when the issues are quoted on the Exchange they still attract the bulk of the business in their particular department. An important factor as far as Corporation loans are concerned is the strength of local patriotism. Without substantial support from the individual municipalities the Glasgow and Sheffield flotations, totalling £4,500,000 in Five and a-Half per Cents. at 92, could hardly have been over-subscribed in a few hours. Among issues made last week by the five towns Reading and Derby stocks are being purchased around 1 premium, though Newport scrip is obtainable at a slight discount. The yield obtainable on all five is in the neighbourhood of £6 5*s.* per cent., while the Glasgow and Sheffield issues, so eagerly absorbed, offer only £5 19*s.* 8*d.* per cent. Such anomalies could exist only in a stagnant market, and even then only with local patriotism at a much higher level than is usually realised.

The outstanding feature in the Gilt-edge market during the week was the Three and a-Half per Cent. Conversion Loan, dealings in which commenced on Monday. The volume of inquiry on opening was disappointingly low. The previous weakness of Gilt-edge prices no doubt deterred investors from buying till a more certain trend of values was established. Lack

or tendency on the part of the public with the details of the emission, as explained in our Money columns of last week, reacted against a broadening of the market. Stag realisations, though only moderate in amount, caused prices to recede the first day from their opening level of 62¾ to 62⅝. On Tuesday quotations eased to 62½, but support was forthcoming on Wednesday, and values rose again to 62⅝, reacting again to 62½ on Thursday. The trend on Friday was downward, the mean 2 o'clock quotation being 62⅜. The yield at this price is 5.6 per cent., against 5.5 per cent. on Consols at 45⅜ and 5.7 per cent. on Five per Cent. War Loan at 87¾. The latter finished lower, despite a mid-week rally. Consols also concluded easier on balance. Victory bonds again receded, closing at 77⅝. At this price the bonds are much cheaper than the various other Government issues which are tenderable at par in payment of death duties.

County and Corporation Stocks formed an inactive market except for Five Town scrip. Reading and Derby established a premium of 1, Gateshead ½, and Wallasey ⅜. Newport stock, sixty per cent. of which was left with the underwriters, fell to a discount of ¼.

Little business passed in Colonial issues. The Ceylon loan of £3,000,000 in Six per Cents. at 97 was taken up on Monday in a few hours, and commanded a premium of 1 on the market.

Australia will approach the London market for two new loans in the near future. Underwriting has been arranged for a £3,000,000 emission on behalf of South Australia and one of £2,000,000 for Tasmania. The stock will take the form of Six-and-a-Half per Cent. at par, redeemable between 1930 and 1940.

Among Foreign Government bonds Japanese varieties fluctuated with the dollar exchange, but all finished at higher levels. Chinese descriptions moved similarly, but without much net alteration. Norwegian scrip, though fairly active, maintained a position around par.

Home Rails attracted few inquiries. The brighter prospects in the labour situation led, however, to a revival in sentiment, and values appreciated nominally.

The volume of transactions in Foreign Rails continued small, but compared favourably with that recorded in previous weeks. More satisfactory news relating to conditions at the Argentine ports levered up quotations of the leading Argentine stocks. Brazilian descriptions were also somewhat firmer. Elsewhere Antofagasta and United of the Havana constituted the most buoyant items.

For the week the Industrial market was again characterised by extreme apathy on the part of the public. The improved prospects of a coal settlement helped to strengthen sentiment towards the close, but business continued as stagnant as before. In the absence of liquidation, quotations moved within very narrow limits. The outstanding feature was provided by Lyons' shares, which proved attractive on the unexpected dividend and bonus announcements. Iron and Steel, Shipping and Textile securities exhibited no movements of interest. Bank and Brewery issues remained firm, but rather less active than usual.

The demand for new issues has not spread to those made by industrial interests. The General Electric emission, though possessing substantial attractions, showed disappointing results. Of the £3,500,000 Seven per Cent. Debentures only £2,000,000 were taken by the public, leaving 43 per cent. to be nursed by the underwriters. It is interesting to recall that the underwriting was carried out under keen competition.

With business practically confined to professional operators, the Oil-share market displayed an easy tendency. The rumour of a pending increase in Mexican oil export taxes adversely affected Mexican Eagle prices, while Shells suffered similarly under persistent but unconfirmed reports as to a Preference share issue. The leaders all concluded lower on balance. Elsewhere no features of interest occurred.

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Mining Topics.

THE outstanding feature of the Mining market during the week was the failure of the Kaffir Circus to respond to the pronounced improvement in the price of gold. Monday witnessed a sharp rise of 1*s.* 7*d.* to 107*s.* 7*d.* A further relapse in the New York exchange on Tuesday was followed by an advance to 109*s.* 3*d.* There was almost as quick a recovery on Wednesday, with gold receding to 107*s.* 11*d.* Friday, however, saw the price mount to 111*s.*, which is above the high level of 110*s.* 6*d.* for the current year, which was reached in January. Nevertheless, this all-round improvement in the price of gold failed to stimulate the Share market, where, although a firm tone was maintained, activity was retarded, on the one hand, by the news that the joint executives of trade-union representatives in South Africa had refused to accept the reduction in wages proposed by the Chamber of Mines, and, on the other hand, by uncertain industrial outlook, with the coal deadlock unsettled and a crisis in the engineering and cotton industries at hand.

Elsewhere the market was also lethargic. Transactions in Russo-Asiatics were on a reduced scale though the price was firm at 11*s.* 6*d.* The report of a rich new chute struck by Akoko Main Reef imparted a slight resilience to the Jungle, the shares changing hands freely at 2*s.* 9*d.* El Oros registered an advance to 10*s.* 3*d.* on news of the bonus distribution of the shares held in the investment company on the basis of one share in the investment company for every twenty-five shares in El Oro Mining.

IVANHOE GOLD CORPORATION.

Year to Dec. 31	Ore Treated Tons (2,000 lb.	Gold Revenue per Ton Milled	Working Costs, Development and Plant per Ton Milled	—Working Profit— Amount £	Per Ton Milled	Net Profit £	—Dividend— Amount £	
1917	156,719	33 2 69	22 3 97	121,443	1s 4·72	106,092	105,000	1s
1918	148,425	35 2 05	25 7 99	78,217	7 6·06	79,419	75,000	7s
1919	146,228	33 9·44*	5 0·51	27,870*	3 8·05*	71,410†	75,000	7s
1920	154,920	31 6·19	32 6·17	7,740(a)	1 11·95*	65,725†	65,000	6s

* Exchange premium on gold being equivalent in 1919 to 5*s.* 7½*d.* per ton milled, and in 1920 to 12*s.* 9*d.* per ton milled.

† Including, in 1919, £41,241 in connection with the gold premium, and £98,849 in 1920. (*a*) Loss.

WERE it not for the existence of the substantial premium on gold, the report issued by the Ivanhoe Gold Corporation for the year ended December 31, 1920, would have recorded a net loss of over £33,000, and this undesirable result would mainly have been due to the abnormally high working costs which the industry has had to bear as the result of the awards of the West Australian Court of Arbitration. The quantity of ore treated increased slightly to 154,920 tons, but yet was considerably below the working capacity of the plant. This in itself made for a higher cost, and the result was accentuated in part by the rise in the price of stores, and in part by the actual increases in wages approved of by the Arbitration Court. It was not so much a question of shortage of labour as of inefficient labour working a reduced number of hours at a higher wage per hour. As regards two of the major operations the result is thus reflected:—Cost of extracting ore in 1919, £89,273, in 1920, £114,728; cost of reducing ore in 1919, £80,525; in 1920, £94,193. The total result is embodied in a working cost of 32*s.* 6.17*d.* per ton, as against 30*s.* 0.51*d.* per ton in the previous year. Working on the basis of the par value of gold so as to maintain an effective comparison, it will be seen that there was a decline in the grade of the ore treated, the revenue per ton falling from 33*s.* 9.44*d.* to 31*s.* 6.19*d.*

Consequently, with gold at 85*s.* per ounce there would have been an actual working loss of £7,740, or 11.98*d.* per ton milled. Fortunately, with gold at a substantial premium for the year, there was secured an additional revenue of £98,849, corresponding to an additional yield per ton of 12*s.* 9*d.* Accordingly there was obtained a working profit of £91,109, or over 11*s.* 9*d.* per ton. After charging administrative expenses, providing a reserve of £15,500 for taxation in the United Kingdom and in Australia, and of £16,000 to meet the depreciation of investments, a net profit of £65,725 was left. Out of this shareholders received a dividend of six and a-half per cent., as against seven and a-half per cent. in 1919, leaving to be carried forward to the next accounts a balance of £9,412.

The maintenance of the plant during the year called for a considerable amount of repair work, one consequence of which was the limitation of development work, the total amounting only to 1,157 feet, as compared with 2,507 feet in 1919. Neither were the ore disclosures so satisfactory. At the 300-foot level ore averaging 34*s.* per ton was opened up by a winze between 66 and 122 feet. A winze at the 500-foot level exposed from thirty-two to seventy-five feet ore averaging 50*s.* 1*d.* per ton, for a width of four feet. An intermediate north drive on East Lode at the 1,203-foot level revealed for forty feet ore averaging 58*s.* 2*d.* per ton over a width of six feet. North and south drives at the 2,870-foot level showed the East Lode to be well defined, although the values so far disclosed were unpayable. The position of the ore reserves in contrast with previous years is as follows:—

Dec. 31	Tons	Value
1916	1,002,096	36/3
1917	1,035,874	34/7
1918	1,000,209	34/0
1919	972,487	33/9
1920	861,786	34/4

The decline in tonnage is mainly the outcome of the reduction in development work, but is also due, as is the increased value, to the elimination of ore which in view of the increased cost of working has ceased to be payable.

For the current year the outlook is distinctly gloomy and the determining factor is the unsatisfactory labour situation. The further advances in wages and the reductions in hours granted by the Court of Arbitration as from the beginning of the year placed another heavy burden on the Company. At the general meeting the Chairman, Mr. Govett, estimated that this decision would increase the working cost by 4*s.* per ton. With a total working cost of 36*s.* 6*d.* per ton and a loss of nearly 5*s.* per ton in residues, this means that it will not pay to treat ore of less than 42*s.* per ton with gold at 85*s.* per ounce, whereas the average of the ore reserves is only 34*s.* 4*d.* per ton. There is no reason for believing that the gold premium in 1921 will be as satisfactory as it was in 1920. Consequently higher-grade ore must be worked to compensate first for the decline in the premium per ton as compared with 1920, and secondly for the great increase in working costs. This restriction of working operations to high-grade ore is not only prejudicial to the Company itself, but also to the general body of workers, as the exclusion of low-grade areas lessens correspondingly the demand for labour. Signs are not wanting that this era of high wages is on the wane on the Rand. Already negotiations are on foot between the Transvaal Chamber of Mines and the Industrial Federation to reduce wages in South Africa. Unless the Australian workers are prepared for similar reductions, it is evident that more than one of the producers in that region will be compelled to close down in the interests of the shareholders. The cost of living is now on the downward trend, and, if production is to continue profitably in any industry, its working costs must move with the price of the commodity turned out, whether it be coal or gold. Granted efficient labour at reasonable wages, the ability of the Ivanhoe Gold Corporation to work profitably for a reasonable period cannot be gainsaid. Financially it is in a very strong position. The balance sheet dated December 31, 1920, shows that, including the final dividend, absorbing £20,000, current liabilities did not exceed £39,141, whereas liquid assets were available to a total of £241,704. At present, in view of the existing situation as regards working costs, the £5 shares have fallen to 15*s.*

GOPENG CONSOLIDATED.

Some of the difficulties experienced by tin producers in the Straits Settlements are reflected in the report issued by Gopeng Consolidated for the year ended September 30, 1920. The quantity of ground treated again declined from 1,423,283 to 1,115,196 cubic yards, due, it is stated, partially to the cessation of sluicing operations but also to the pronounced drought, which was one of the severest in record. Shortage of water hampered operations in March, but to a still greater extent in each of the last three months of the year under review. Fortunately there was an improvement in the grade of the ground, the recovery per cubic yard increasing from 1.32 to 1.48 lb. This helped to mitigate the effects, especially on working costs, of the falling off in the area treated. The actual results as compared with those of previous years can be seen from the following table:—

Yr. to Sept. 30	Black Tin Output Tons	Value	Value Per Ton of Tin	Working Costs	Working Costs Per Ton of Tin	Working Profit—Tin	Working Profit—Rubber
		£	£	£	£	£	£
1917 ...	1,019	120,065	117 13/20	39,569	38 9/20	80,946	6,901
1918 ...	937¼	161,181	171 9/20	32,760	35 1/20	128,421	1,643
1919 ...	836¼	117,762	140 9/20	42,359	51¼	75,403	3,687
1920 ...	733½	133,745	182 2/20	42,867	58 8/20	90,878	1,938

	Years ended September 30— 1920	1919	1918	1917
	£	£	£	£
Working profit	90,878	75,403	128,421	80,496
Sundry revenue	6,808	7,233	7,446	3,603
Rubber revenue	1,938	3,687	1,643	6,901
	99,624	86,323	137,510	91,000
Office, &c., charges . .	2,224	2,544	2,499	2,004
Net profit	97,400	83,779	135,011	88,996
Brought forward	51,743	54,618	17,237	16,993
Total available	149,143	138,397	152,248	105,989
Allocations:—				
Depreciation	7,500	7,500	21,775	9,403
Reserve	—	—	—	—
Income tax . .	36,605†	—	—	10,000*
Dividends paid .	59,365 (15%)	79,154 (20%)	75,855 (19 1/2%)	69,259 (17 1/2%)
Carried forward	45,673	51,743	54,618	17,237
	149,143	138,397	152,243	105,989
Issued capital	395,768	395,768	395,768	395,768
Surplus liquid assets	103,342	107,977	102,739	54,253
Capital expenditure	6,488	268	670	35

* Special reserve for income tax.
† Excess profits duty paid up to September 30, 1919.

The decline in the output of tin ore from 836¼ to 733½ tons is the outcome of the reduction in the yardage treated. On the other hand, owing to the high price which tin commanded for the year under review—tin rising to as much as £420 in February and not falling below £255 before the end of September 1920—the average price obtained per ton of ore increased from £140 16*s.* 6*d.* to £182 6*s.* 9*d.* The higher wages which had to be paid to the coolies as a result of the high price of rice, and the heavier outlay involved by the increased price of stores and materials, made for a higher working cost, the effect being accentuated by the decline in the area treated and in the output in tin ore. Thus the cost per cubic yard worked out at 9.41*d.*, as against 7.25*d.*, but with the high price of tin and the richer ground the recovery per cubic yard was worth 28.78*d.* instead of 19.75*d.* Similarly with reference to the output, the cost per ton increased from £51 13*s.* 4*d.* to £59 12*s.* 5*d.*, but was more than counterbalanced by the improvement in the sale price. Accordingly, the working profit per ton reached £122 14*s.* 4*d.*, as against £89 3*s.* 2*d.*, and despite the reduced output the aggregate working profit was returned at £90,878, as compared with £75,403 in 1918-19. Two factors explain the slight decline in the sundry revenue from £7,233 to £6,808. An adverse exchange involved a loss of £274 instead of a profit of £332, whilst water rent is only credited with £14 instead of £431. However, these losses are in part offset by the net profit on Ulu Gopeng, the tributes from which brought in £638, whereas expenses only amounted to £265; whilst in the previous year there

had been a loss on this property of £412. In view of the less favourable price commanded by rubber, it is not surprising to learn that the revenue therefrom is only £1,938, as against £3,687. After deducting office expenses and including the balance carried forward from 1918-19, the amount available for distribution is returned at £149,143. As in 1918-19 the depreciation of pipeline and mine equipment calls for £7,500. Excess profits duty up to September 30, 1919, absorbs £36,605, and in view of this large deduction the dividends paid to shareholders aggregate only fifteen per cent., as compared with twenty per cent. in the previous year, leaving to be carried forward to the next accounts a balance of £45,673, which is, however, liable to deduction in respect of excess profits duty and corporation profits tax.

Writing in December 1920, the general managers state in their report: "Unless anything unforeseen occurs to the price of tin, the prospects for the current year are most encouraging." At the same time every effort was being made to reduce expenditure and to increase efficiency. It is also asserted that the prospects of the Ulu Gopeng property were intimately bound up with the price of tin. Whilst the price of tin had receded steadily since February 1920 it had not dropped below £200 until the beginning of 1921. Since that date there has been a still further relapse to £160, with a recovery recently to £180. It is doubtful whether such a decline was in the minds of the general managers when they expressed the above opinion on the outlook for 1920-21. At the same time it is well to recognise the downward trend in the price of stores and materials as well as of rice. These factors should help to reduce the cost of working and thus compensate in part for the low price of tin. Working operations for the seven months ended April 30, 1921, show that 497 tons of tin ore have been won at a working profit of £22,000 approximately. So far costs appear to be higher, whilst the price is much below the average for the year under review. Unless, therefore, there is a greater improvement in the price in the immediate future, the outlook cannot be described as "most encouraging." The same fact is likely to operate against are revenue in the form of tributes from Ulu Gopeng. The rubber estate, which is now entirely in the hands of the Company, turned out its crop at an all-in cost of 15.32*d.* per lb. in the year under review, the rubber being disposed of at an average price of 17.20*d.* per lb. It is difficult to conceive how a loss on the working of the estate can be avoided in the current year in view of the severe slump in the price of rubber, plantation crêpe having been quoted as low as 8*d.* per lb. Financially, a strong position is disclosed in the balance sheet dated September 30, 1920. Current liabilities did not exceed £38,001, whereas liquid assets were available to a total of £141,843. Already two dividends of ninepence per share each have been declared in respect of the current year, making a total to date of seven and a-half per cent. We do not consider it wise to count upon a higher dividend than ten per cent. for the year as a whole. Quoted in the market at 32*s.* the £1 shares afford, upon the basis of an annual dividend of ten per cent., a return of over six and one-third per cent.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 8, 1921.

Issue Department.

Notes Issued	£144,995,430	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	126,545,430
	£144,995,430		£144,995,430

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£73,276,122
Rest	3,2 6, 36	Other Securities	76,909,666
Public Deposits	17,653,862	Notes	16,715 295
Other Deposits	133,286,981	Gold and Silver Coin	1,824,124
Seven-day and other Bills	10,248		
	£168,725,207		£168,725,207

Comparison with Previous Four Weeks [00,000's omitted].

Date 1921.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months Bills
	£	£	£	£	£	£	£	%	%	%
June 8	128,3	128,4	17,6	133,3	73,3	76,9	18,5	12·3	6½	5⅝
June 1	129,1	128,3	16,6	133,1	68,5	81,2	17,7	11·8	6½	5⅝
May 25	127,8	128,3	16,4	112,1	38,1	89,1	19,0	14·8	6½	6½
May 18	128,2	128,3	16,5	105,3	39,9	81,0	18,8	15·3	6½	5⅝-¾
May 11	128,7	128,3	14,8	113,5	49,1	78,9	18,0	14·0	6½	5⅝
Jly.22,'14	29,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%; April 28, 1921, 6½%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'sterling, 00,000's omitted):	June 8 1921	June 9 1920	June 11 1919	June 12 1918	June 7 1911
Circulation	£128,3	£114,3	£78,0	£52,0	£28 3
Public Deposits	17,6	19,4	20,3	43,0	13.9
Other Deposits	133,3	136,8	130,8	126,6	41,2
Government Securities	73,3	74,4	61,5	56,1	15 0
Other Securities	76,9	78,7	79,9	100,9	28 9
Reserve	18,5	20,7	27,5	30,3	29.0
Ratio to Liabilities	12·3%	13·3%	18·18%	17·87%	52·55%
Coin and Bullion	128,4	116,7	87,0	63,9	38.8
Money:					
Bank of England Rate	6½%	7%	5%	5%	3%
Bank of France Rate	6%	8%	5%	5%	3%
Rate 3 months' Bills London	5⅝%	6⅝%	3⅝-½%	3⅝-½%	2⅝%
Exchanges:					
Paris Cheque	47·27	52·50	29·75	27·16¼	25·30
New York 60 days	3·74	3·90	4·60	4·72⅜	4·84
Bombay Telegraphic Transfers	1 5⅛	2/0½	1/7⅜	1/8⅜	1/3½
Prices:					
Consols 2½% Cash	45⅞	47½	53⅛	56	80
French Rentes 3% Money	57·20	59·00	62·50	60·00	96·20
Silver, London spot ...os.	35½d.	1 5⅛d.	54d.	48⅜d.	24½d.
Wheat, *Gazette* average ...qr.	89/4	72/9	73/2	73/11	32/5
Cotton, Mid Upland ...lb.	8·73d	30·16	19·87d.	21·93d.	8·31d.
Iron, Scotch pig ...ton	136/0	223/6	166/0	101/0	52'0

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes to Gold %
June 8, '21	6,527,069	7,440,281	328,008,417	28,500,000	19,450,000	14·4
June 1, '21	6,101,222	8,252,074	328,921,629	28,500,000	19,450,000	14 4
June 9, '20	9,565,952	7,120,858	353,496,534	28,500,000	10,050,000	10 9
June 11, '19	5,832,694	4,689,037	347,120,632	28,500,000	—	8 2
June 12, '18	5,337,414	4,116,639	249,220,802	28,500,000	—	11·4
June 13, '17	5,656,674	3,961,916	165,523,073	28,500,000	—	17·7

Balance Sheet, June 8, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	261,069,074	Other Bankers	—
Ten Shilling	41,288,926	Currency Note Redemption A/c—	
Certificates outstanding ...	26,650,000	Gold Coin and Bullion ...	11,500,000
		Silver Coin ...	3,000,000
Total	328,008,417	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,062,353	Government Securities ...	294,050,665
Investments Reserve A/c ...	15,172,840	Balance at Bank of England	243,545
Total	345,243,610	Total	345,243,610

PUBLIC INCOME AND EXPENDITURE [000's omitted].

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
June 4,'21...	£11,809	£64,140	£52,331	£130,068	£79,004	£2,456
May 28,'21...	11,096	14,854	3,758	128,981	125,3.1	3,724
May 21,'21...	17,466	11,794	5,672‡	77,843	82,886	3,812
65 dys. '21-22	155,373	223,366	67,993	1,113,613	1,048,694	—3,8·8
66 dys. '20 21	258,167	240,990	17,176‡	904,608	929.164	—6,480
Yr. '21-22*	1,216,650	1,039,728	176,922‡	—	—	—
Yr. '20-21	1,425,985	1,195,428	230,557‡	5,710,142	5,920,699	6,294
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	5,006
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
June 4,'21...	£2,579	£4,295	£1,052	£3,882	£43,997	£578	£19,565
May 28,'21...	3,985	2,120	1,330	3,669	2,720	46	12,083
May 21,'21...	11,114	2,856	1,160	2,336	2,914	30	8,850
65 days '21-22	48,704	54,957	16,002	35,710	102,313	926	119,127
66 days '20-21	48,447	46,993	42,331	118,356	96,357	1,880	142,763
Yr. '21-22*	323,000	410,500	120,000	111,000	345,000	26,272	668,456
Yr. '20-21	333,785	393,146	219,181	478,873	349,599	23,488	817,381
Yr. '19 20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
June 4, 1921 ...	£1,172,817	£194,605	£1,367,422	—
May 28, 1921 ...	1,151,537	163,054	1,314,591	—
May 21, 1921 ...	1,132,997	175,869	1,308,866	—
May 14, 1921 ...	1,127,082	182,969	1,310,051	—
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 14, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
May 26, '21	...	10,662	1,501	12,163	27,677	245,643	44,425
June 2, '21	...	10,662	1,507	12,169	26,239	246,422	41,740

		Claim on Austro-Hung. Bank	Contingent Liabr. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
May 7, '21	...	£397,004	£57,640	£54,134	£83,031	£453,683	£25,784
May 15, '21	...	397,006	56,814	54,823	81,855	441,920	31,991
May 23, '21	...	397,010	58,706	50,544	79,652	438,232	35,133

		Cash—Gold	Cash—Silver	Cash—Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4,100	£341	£4,441	£8,197	£786	£8,893	£47
Apr. 30, '21	...	12,843	177	13,020	14,992	479	29,581	3,213
May 31, '21	...	12,642	205	12,847	12,830	867	27,594	3,328
May 31, '20	...	12,638	154	12,792	15,486	1,933	28,647	2,113
May 31, '19	...	10,355	138	10,493	4,399	3,563	24,109	950

		Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits—Public	Deposits—Private
FRANCE.								
July 30, '14	...	£165,854		£190,687	£97,768	£267,327	£15,302	£37,903
June 2, '21	...	142,825	77,934	231,633	114,187	1,535,630	1,810	114,845
June 9, '21	...	142,912	77,934	231,395	103,230	1,535,010	1,031	107,416
June 10, '20	...	144,665	78,131	233,113	71,161	1,526,277	2,353	139,497
June 12, '19	...	142,881	79,131	234,241	34,237	1,377,941	2,626	137,702

		Cash—Gold	Cash—Silver	Cash—Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£87,843	£16,727	£84,570	£5,279	£40,055	£91,545	£47,198
May 16, '21	...	54,577	434	55,061	1,026,345	2,832,991	3,541,709	649,837
May 23, '21	...	54,577	469	55,036	837,612	2,715,523	3,486,221	577,839
May 21, '20	...	54,582	182	54,764	780,444	2,051,916	2,458,377	819,618
May 23, '19	...	76,324	1,026	77,350	386,643	1,294,254	1,364,324	423,436

		Cash—Gold	Cash—Silver	Cash—Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14		£13,498	£249	£13,745	£13,422	£19,332	£35,660	£1,437
May 30, '21	...	50,497	1,089	51,586	23,912	16,452	85,943	4,818
June 6, '21	...	50,497	1,055	51,552	24,473	15,588	85,721	5,746
June 7, '20	...	52,984	1,074	54,058	18,768	24,996	85,575	12,114
June 7, '19	...	55,164	681	55,845	12,175	18,003	84,638	6,435

		Cash—Gold	Cash—Silver	Cash—Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.					£49,456			
July 31, '14	...	—	—	—		£25,017	£69,204	£8,837
Mar. 20, '21	...	£32,892	£3,000	35,892	15,647	214,005	574,100	72,909
Mar. 31, '21	...	32,892	2,999	35,891	17,816	220,268	579,333	82,811
Mar. 31, '20	...	32,190	3,006	35,196	24,666	161,861	481,801	74,222
Mar. 31, '19	...	32,716	2,940	35,656	16,192	59,305	366,482	59,921

		Gold	Discounts	Advances	Notes	Deposits—Public	Deposits—Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Apr. 23, '21	...	101,824	4,304	7,961	103,212	107,079	14,545
Apr. 30, '21	...	108,320	4,166	8,208	114,738	108,039	3,791
May 1, '20	...	91,659	52,660	37,706	137,962	118,047	9,328
May 3, '19	...	70,642	4,330	37,493	83,730	108,760	4,797

		Cash	Own Vaults	Aggregate Reserve	Loans, Discts, Invest. &c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
NEW YORK BANKS & TRUSTS.									
Aug. 1, '14...		—	£89,888	£411,238	—	—	—	£887,165	£1,720
May 28, '21...		£15,978†	99,502	914,446	£726,634	£37,706	806,672	2,530	
June 4, '21...		15,582†	101,188	914,828	736,292	58,568	800,540	3,266	
June 5, '20...		19,104†	116,190	1,027,074	843,642	49,926	899,280	4,492	
June 7, '19...		19,866†	117,902	1,010,546	82[illegible]66	29,993	910,890	8,358	

		Gold	Balance Abroad	Norw.& For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,900	£1,878	£493	£4,868	£6,752	£793
May 15, '21	...	8,115	2,240	501	23,160	23,044	5,313
May 23, '21	...	8,116	2,175	501	23,031	22,623	5,443
May 22, '20	...	8,121	3,731	579	21,779	23,660	6,385

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
Apr. 27, '21	...	£1,908	£3,924	£5,830	£27,761	£141,408	£10,443
May 4, '21	...	1,906	3,924	5,830	27,604	143,712	9,120
Apr. 7, '20	...	1,906	3,921	5,827	17,496	91,129	5,864
May 7, '19	...	1,905	3,925	5,830	8,151	64,868	2,956

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
May 8, '21	...	£154,389	£23,047	£6,610	£29,657	£449,216
May 14, '21	...	154,389	23,733	6,732	30,465	446,990
May 21, '21	...	154,389	23,023	6,433	29,461	444,509
May 22, '20	...	62,009	13,177	3,420	16,597	184,479

		Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14...		£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...		129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Cash—Gold	Cash—Silver	Cash—Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
May 28, '21	...	99,402	24,523	124,925	9[illegible]967	13,779	158,791	49,131
June 4, '21	...	99,425	24,434	123,859	91,879	13,779	159,892	43,907
June 5, '20	...	86,101	24,743	12[illegible]844	85,432	13,779	152,925	45,281
June 7, '19	...	90,852	25,348	116,600	70,200	13,778	141,940	42,353

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
May 28, '21	...	15,648	6,618	780	24,735	33,188	10,454
June 4, '21	...	15,651	6,638	992	26,107	36,755	9,760
June 5, '20	...	14,500	4,993	2,522	35,763	39,002	14,349
June 7, '19	...	16,103	7,356	2,880	20,057	38,703	6,356

		Cash—Gold	Cash—Silver	Cash—Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
May 23, '21	...	21,749	4,444	26,193	16,562	36,170	5,438
May 31, '21	...	21,754	4,444	26,198	16,394	37,783	4,811
May 31, '20	...	21,258	3,647	24,885	15,256	38,156	5,015
May 31, '19	...	18,349	2,794	21,044	21,194	36,824	5,393

* Converted at 24 crowns to £1.
† Net reserve. ‡ Currencies converted at par rate of exchange approximately.

U.S. STATES FED. RES. BANKS.

		Gold—Held by Banks	Gold—With Agents	Total Cash	Bills Discount'd	Bills Accept-ances	Deposits—Govt.	Deposits—Net	Deposits—Total	Circulation
May 27, '21	...	—£473,590—		£611,646	£374,062	£17,428	£3,464	£331,100	£348,980	
June 3, '21	...	—481,730—		513,754	385,246	15,414	6,470	344,078	350,267	
June 7, '20	...	—392,170—		419,788	517,852	82,133	7,422	361,434	395,458	
June 7, '19		187,204	253,166	451,063	362,721	39,632	5,212	342,464	502,603	

II.—CURRENT BANK RATES OF DISCOUNT.

		%	Date Fixed			%	Date Fixed
Amsterdam	...	4½	July 1,'15	Lisbon	...	7	Sept. 3,'20
Berlin	...	5	Dec. 23,'14	Madrid	...	5	Nov. 4,'20
Berne	...	4½	Apr. 7,'21	Paris	...	6	Apr. 8,'20
Bombay	...	5	June 3,'21	Petrograd	...	6	July 29,'14
Brussels	...	5	May 19,'21	Rome	...	6	May 12,'20
Calcutta	...	5	June 3,'21	Stockholm	...	6½	May 4,'21
Christiania	...	7	June 25,'20	Tokio	...	8·03	Nov. 18,'19
Copenhagen	...	6½	May 5,'21	Vienna	...	6	Apr. 14,'21

III.—FOREIGN EXCHANGES.

LONDON ON—		June 10, '21	June 3, '21	May 27, '21	May 20, '21
Berlin	Cable	252m.	243m.	242m.	241m.
Brussels	Cheques	47fr. 50c.	46fr. 90c.	46fr. 45c.	45fr. 70c.
Denmark	Cable	21kr. 90	21kr. 87	21kr. 97	21kr. 95
Holland	do.	11fl. 38c.	11fl. 32c.	11fl. 22½c.	11fl. 11½c.
Italy	do.	77 87lr.	74lr. 25	73lr. 00	72lr. 00
Lisbon and Oporto	do.	74d.	69d.	61d.	59d.
New York	do.	$3 71½	$3 68½	$3 91½	$4 01½
—	Cheques	$3 72½	$3 69½	$3 92c.	$4 01½
Norway	Cable	25kr 80	25kr 47	25kr 80	24kr 87
Paris	3 mos.	47fr 75c.	47fr. 85c.	47fr 20c.	46fr. 45c.
—	Cable	47fr 35c	46fr. 90c	46fr. 45c.	45fr. 70c.
Spain (Bank places)	3 mos.	40½d.	39½d.	38½d.	38½d.
—	Cable	29p. 10	29p 67	29p. 72	29p. 62
Sweden	do.	16kr. 90	16kr. 92	16kr. 93	16kr. 87
Switzerland	3 mos	22fr 60c	22fr. 62c.	22fr. 47c.	22fr. 65c.
—	Cable	22fr. 70c.	22fr. 20c.	22fr. 07c.	22fr. 25c.

ON LONDON—		June 10, '21	June 3, '21	May 27, '21	Par.
Alexandria	Sight	97½pl.	97½pl.	97½pl.	97½pl.
Amsterdam	Cheques	11fl. 3½c.	11fl. 3½c.	11fl. 2½c.	12·107fl.
Athens	Cable	62dr. 00	62dr. 75	70dr. 50	25dr. 22½
Bombay	Transfers	1s. 3½d.	1s. 3½d.	1s. 3½d.	2s.*
Brussels	Cheques	47f 32c.	46f 77c.	46f 67c.	25f. 22½c.
Buenos Ayres	Transfers	45d.	44½d.	45½d.	47·58d.
Calcutta	do.	1s. 3½d.	1s. 3½d.	1s. 3½d.	2s.*
Christiania	Sight	25kr. 53	25kr. 47	25kr. 59	18·159kr.
Copenhagen	do.	21kr. 91	21kr. 88	21kr. 95	18·159kr.
Helsingfors	Cable	215m.	201m.	188m.	25m. 22½
Hong Kong	Transfers	2s. 7½d.	2s. 5½d.	2s. 6d.	—
Italy	Sight	77lr. 75c.	74lr. 50c	73lr. 37c.	25lr. 22½c.
Lisbon	do.	81d.	69½d.	61d.	53½d.
Madras	do.	1s. 3½d.	1s. 3½d.	1s. 3½d.	2s.*
Madrid	do.	29p. 08	29p. 67	29p. 72	25p. 22½
Montevideo	Transfers	42½d.	42½d.	43½d.	51d.
Montreal	Cable	$4 16½	$4 35½	$4 38½	$4 86⅔
New York	Sight	$3 76	$3 93⅝	$3 93½	—
—	60 days	$3 74	$3 83⅝	$3 91½	—
—	Cable	$3 76½	$3 94	$3 94	$4 86⅔
Paris	Cheques	47f 27c	46·90c.	46 68c.	25f. 22½c.
Rio de Janeiro	90 days	8⅝d.	8⅝d.	8⅝d.	16d.
Shanghai	Transfers	3s. 4½d.	3s. 3s 1.	3s. 2d.	—
Singapore	Sight	2s. 3½d.	2s. 3½d.	2s. 3½d.	—
Stockholm	do.	16kr. 99	16kr. 91	16kr. 93	18·159kr.
Switzerland	do.	22f. 22c	22f. 22c.	22f. 05c.	25f. 22½c.
Valparaiso	90 days	34·50p.	35.50p.	—	13·35p.
Yokohama	Sight	2s. 6¾d.	2s. 5½d.	2s. 5d.	24·5cd.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—		Rate Current* June 8, '21	Rate Current* June 1, '21	Par as to Duty Quoted	Rate July 3
Amsterdam, sight	...	39 10c.	39 45c.	40 20c for 1 guilder	40·25c.
Bombay, cheques	...	24 15c.	25 00c.	48 66c. for 1 rupee	33·00c.
Buenos Ayres, cheques	...	140·00	136 00		
Christiania, cheques	...	14·75c.	15 35c.	26 80c. for 1 kroner	
Copenhagen, cheques	...	17·30c.	17 35c.	26 80c. for 1 kroner	26·85c.
Greece, cheques	...	6·13c.	5·73c.	19·295c. for 1 drachma	
Hong Kong, cheques	...	49 75c	49 25c.	74·59c. for Mex. $1	46·4c.
Italy, sight	...	4 755c.	5 235c.	19·30 cents for 1 lire	
Lima, cheques	...	3 65c.	3 39c.	4 8665 $ for 1 libra	
Manila, cheques	...	46 50c.	47 00c.	50c. for 1 peso	49·8c.
Montreal	...	10 75% disc.	10·75% disc.	Premium per $100	Par
Paris, sight	...	12·68c.	11 94c.	5·18 francs for $1	5·16fr.
Rio de Janeiro, cheques		7·41mil.	7 04 mil.	3 032 milreis for $1	
Shanghai, cheques	...	65 75c.	65 25c.	52·38c. for 1 tael	83·00c
Singapore, cheques	...	42 00c.	42 00c.	56 70c. for $1	57·12c.
Spain, cheques	...	12 84c.	13 18c.	19 30c. for 1 peseta	
Stockholm, cheques	...	22 30c.	23 00c.	26 80c. for 1 kroner	
Switzerland, cheques	...	5 90c.	5·63c.	5 18 francs for $1	5·18½c.
Valparaiso, cheques	...	13 50c.	13 00c.	20·61c. for 1 peso	
Yokohama, cheques	...	47 00c.	47 00c.	49·85c. for 1 yen	49·90c.

* According to Foreign Trade Committee of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week	Amount.	Inc. or Dec.*	1921 Aggr.	Inc. or Dec.*
	1921	[In £'s sterling, 000's omitted.]			
BIRMINGHAM	June 4	£2,817	— 2·72	£81·2	— £26·109 — 31·3
BRISTOL	,, 4	1,353	— 447	33·633	— 7·689 — 18·6
DUBLIN	,, 4	6,146	— 2,449	164·233	— 39·533 — 19·4
HULL	,, 4	979	—	18·716	— —
LEEDS	,, 4	1,261	— 692	23·353	— 14·413 — 37·6
LEICESTER	,, 4	751	— 449	17·976	— 12·853 — 41·5
LIVERPOOL	,, 4	7·653	— 8,754	216·114	— 177·148 — 45·4
MANCHESTER	,, 4	13,314	— 15,271	344·536	— 276·923 — 52·1
NEWCASTLE	,, 4	1,337	— 1,993	49·575	— 24·319 — 37·0
NOTTINGHAM	,, 4	636	— 331	13·8 4	— 10,107 — 37·3
SHEFFIELD	,, 4	1,302	— 1,434	33·263	— 8·227 — 21·3
LONDON—	1921				
TOWN	June 8	538 084	— 85,632	13,681,932	— 1,4 3 614 — 9·7
METROPOLITAN	,, 8	32,586	— 9,331	7[illegible]2,212	— 1,[illegible]38 — 19·9
COUNTRY	,, 8	57 043	— 28,933	1,4[illegible]0 515	— 413,471 — 30·1
TOTAL	June 8	628,761	— 124,111	15,[illegible]0,413	— 2,0[illegible]6,613 — 11·3

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Anger & Co., Ltd.

HOMEWARDS.	1921 June 10	1921 June 3	1914 June 5
Alex. to U.K.	—	—	30/
Aust. to U.K.	52/6	52/6	20/6
Bilbao to Cardiff	—	—	—
Bombay to p.p.	2[illegible]/6	22/6	15/6
Burmah to U.K.	3[illegible]/6	43/9	—
Calcutta to p.p. (late)	[illegible] nom.	—	—
Danube to U.K.	2[illegible]/6	—	7/9
R. Plate to U.K.	57/6	57/6	13/6

Homewards.	1921 June 10	1921 June 3	1914 June 5
[illegible] to U.K.	—	—	30/
U.S.A. to U.K.	[illegible]/3	32/6	—
U.S. to U.K. (grain)	[illegible]/6	—	20/
Gulf Ports to U.K. Cont.	[illegible]/3	7/6	—

OUTWARDS.—Cardiff to			
Port Said	—	—	7/6
River Plate	—	—	13/9
St. Vincent	—	—	—

* Per ton. † Per quarter. Time Charter, 6/0. ‡ Dead weight.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JUNE 10, 1921	JUNE 11, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	136 0	223/6	57/0
— Middlesbro' warrants .....ton	130/0	217/6	51/0
— Hematite warrants .....ton	160/0	260/0	61/0
— Staffordshire bars, London ton	£27 10	£33 10	£8 10
— Common bars .....ton	£19	£30	£6 18
Steel Rails .....ton	£15	£23	£6 2/6
Galvanised Sheets .....ton	£21	£54	£16 17/1
Copper—Standard .....ton	£72	£89	£66
Tin—English Ingots .....ton	£164	£243	£142 15
— Straits .....ton	£167	£270nom.	£139 10
Tinplates. I.C. Coke, S. Wales...box	26/0—27/0	73/0 .. 11/10½—12/0	
Lead—Soft Foreign .....ton	£22 12/6 £23 9/6	£35 10—£37 5	£19
Spelter—Ord. Foreign .....ton	£27 -£27 17/6	£41 5—£43	£21 7/9
Quicksilver—(75lb.) .....bottle	£11—£11 10	£21—£21 10	£7
Aluminium .....ton	nom.	£165	£89
Antimony—Regulus Foreign ...ton	£25—£26	£50—£55nom.	£27 10
— English .....ton	£37—£42	£60—£63nom	—
Coal—(best) Yorkshire .....ton	—	37/9—38/2	17/6
— Steam (best) Newcastle.....ton	70/0	50/2—55/9	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	9 6	15 6	7/4
Soda—Crystals ex wharf .....ton	140/0	230/0—240 0	42 6—45/0
Copra—Malay and States .....ton	£27 15	£57	£23 15 £24 7/6
Gambier—Good marks.....cwt	30/0	49 0	16/10½
Indigo—Bengal good to fine ....lb.	10/0—11/6	13/0—16 6	3 2—3/8
Linseed Oil—Raw	£35	£84	£25 5
Linseed—Calcutta, spot .....ton	£18 15	£39 15	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£18 10—£19	£22	£7 17/6—£8
Olive Oil—Spanish .....ton			£49 10
Palm Oil—Lagos .....ton	£34 10	£55 10	£31 10
Petroleum—American .....gallon	1/8½	2/1½	7½d.
Rape Oil—Refined English .....ton	£63	£100	£32
Soya Oil—Refined .....ton	nom.	£105	£24 10
Tallow—Imported .....cwt.	32/0—38/0	82/0—90/0	29/3—33/3
Turpentine—American .....cwt.	82/0	170/0	33/7½
Rape Seed—Toria .....ton	£90	£39	£13 5
Rubber—Para, spot .....lb.	11d.	2/1½nom.	2/9½
— Fine plantation (stnd.crepe) lb.	8¾d.	2/0¾	2/2
— World's Production* Oct. tons	28,620	27,850	8,467
Shellac—T.N. Orange, fair ...cwt.	385/0	600/0—610/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland .....lb	8 78d.	30 16d.	7·53d.
— Egyptian good fair .....lb.	10·50d.	61·00d.	8 75d.
— Pernambuco fair .....lb.	8·13d.	32·16d.	7·73d.
— Middling Upl. New York ...lb.	19·70c.	40 00c.	13 25c.
— Stock, Liverpool (June 3) bales	1,010,140	1,149,660	934,600
Flax—Petrograd, Yarapol .....ton	—	—	£28
Hemp—New Zealand .....ton	£42	£58	£25 10
— Manila fair .....ton	£28	£60	£26 10
Jute—First Marks .....ton	£30—£31	£57	£26 15
— Red SOO .....ton	£24 10	£44	£24 15
Silk—Common, New Style .....lb.	21 0	32/0	12/0—12/6
— No. 1-1½ Japan .....lb.	27/0	—	—
— 1st Order Italian.....lb	26/0	—	—
Wool—Ft. Philip unwashed av. lb.	1·8½	5/9 .. 11½d.—1/0	
— Lincoln Half Hogs .....lb.	7¼d.	2/3½	1/0½
Hides—Eng. Ox. best .....lb.	8d.	13½d	7½d.
Leather—Dressing Hides .....lb.	1/9—2/6	4/0—4/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. .. bus.	27,286,000	58,512,000	34,640,000
— Red, price, N.Y. 60lb....bushel	18⅞c.	310c.	67½c.
— English Gazette, aver. 480lb. qr.	89 4	72/9	34/3
Flour—G.R. .....280lb.	68/0	63/6	28/8
Barley—Eng. Gaz., aver. 400lb. qr.	43/4	90 8	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	39/0	63/4	20/0
Maize—N.Y. (new bushel)....56lb.	78½c.	nom.	76½c.
— Amer. mixed, Liverpool...480lb.	38/8	90/0	32/4
— La Plata .....480lb. qr.	41/6	74/0	25/9
Potatoes—Good English .....ton	200/0	†608/0	70/0—75/0
Rice—Basseln .....cwt.	16/6—16/9	48/6	7/0—7/3
Tapioca—Pearl, medium .....cwt.	22 0	34/0	14/0—17/8
Hay—Clover, London .....ton	160/0—180/0	—	84/0
Hops—English.....cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	6/6	6/8	3/8—3/10
— Scotch sides .....8lb.	9/10	10/0	4/6—5/0
— English .....8lb.	10/0	10/0	4/2—4/5
Mutton—Scotch wethers.....8lb.	13/0	10/6	5/8—6/0
— English wethers .....8lb.	10/4	10/6	4/8—5/4
— New Zealand frozen .....8lb.	5/10	10/8	2/4—3/2
Pork—English and Irish .....8lb.	10/2	12/0—15/4	3/6—4/0
Bacon—Irish, delivered .....cwt.	160/0—177/0	1220/0	60/0—74/0
— Danish .....cwt.	168/0—172/0	†192/0	58/0—68/0
— Canadian, ex Port .....cwt.	100/0—125/0	†187/0	—
— American, ex Port .....cwt.	95/0—105/0	†187 0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	118/0—130/0	†184/0	75/0—79/0
— — short cut, ex Port .....cwt.	122/0—130/0	†184/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	67/0—71/3	†158/6	51/9—52/8
Butter—Danish .....cwt.	210/0—218/0	303/4	117/0—120/0
French .....cwt	—	303/4	96 0—108/0
— Australian .....cwt.	178/0—190/0	303/4	98/0—110/0
— New Zealand .....cwt.	194/0—200/0	303/4	108/0—114/0
Cheese—Canadian .....cwt.	130/0—132/0	†145/0	66/0—68/0
— United States .....cwt.	—	†145/0	—
— Dutch .....cwt.	136/0—160/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to May 31...cwt.	11,258,800	13,584,656	19,777,254
— Home consump'n.toMay31 cwt.	10,742,917	10,523,561	17,272,000
— In Bond May 31 .....cwt.	8,071,000	8,925,000	6,308,000
— Price, Java, 96° Pol. .....cwt	21/9	53/0	10/3
— — Yellow crystals .....cwt.	57/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1.....cwt.	66/9	72/0	18/0
Coffee—Imports to May 31 ...cwt	424,182	396,982	720,360
— Home consumpt'n toMay31 cwt.	126,136	123,650	141,410
— Exports to May 31 .....cwt.	183,842	187,576	340,250
— In Bond May 31 .....cwt.	760,000	800,000	484,000
— Price, Costa Rica gd. to fine cwt.	106/0—135/0	158/0—164/0	80/0—93/0
— Brazil (Santos) good ...cwt.	54/0—59/0	130/0—132/0	41/6
Tea—Imports to May 31 .....lb	183,849,674	180,586,941	123,230,277
— Home consump'n.to May 31 lb.	168,152,674	152,173,279	155,447,972
— Exports to May 31.....lb.	10,736,246	18,768,377	26,561,765
— In Bond Ma 31 .....lb.	234,001,000	212,152,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	5½d.	1/5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	5½d.	1/6	8½d.
— — Common Congou .....lb.	2½nom.	1/3	5½d.
Cocoa—In Bond May 31 .....cwt.	1,224,000	1,250,000	309,000
— Grenada, good to fine .....cwt.	53/0—56/0	85/0	52/6—56/0

* Estimated † Controlled. ‡ Decontrolled : Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Apr.	$13,762 000	—2,167,000	$2,646,000	+ $304,000
	4 *mos* to Apr.	55,702,000	—3,415,000	6,552,000	+ 953,000
Grand Trunk	Mar.	£1,278 700	+ £95,900	£122,500	+ £68 400
	3 *mos* to Mar.	3,772,200	+ 593,200	Dr. 91,400	+ 306,500

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act* 1871. *The Irish railways, similarly, were taken over as from January 1, 1917*

INDIAN.	Week or Month	Miles Open	Gross Receipts	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Apr. 30	1,044	R1,92,359	— 8,454	4	7,86,476	— 51,350
Barsi Light	May 14	118	15,200	— 11,20	6	1,35,500	— 69,500
Bengal & N.W.	May 7	2,067	5,59,980	— 48,279	5	28,93,320	+ 38,965
Beng. Dooars	May 7	158	22,455	— 7,520	5	1,14,838	— 16 542
Beng. Nagpur	May 7	2,695	12,66,000	— 63,000	5	6,70,000	— 1,01,227
Bomb. Baroda	May 28	2,871	21,88,000	+ 1,24,000	9	1,77,22,000	+ 7,88,000
Burma	May 7	1,342	3,15,592	— 1,98 103	5	31,39 398	— 41,782
Del.Um. Kalk	May 28	239	86,000	— 7,117	8	7,96,718	— 51,031
East Indian ..	May 21	2,772	29,13,000	+ 73,000	7	2,16,76,000	+ 6,44 000
Gt. Indian Pen	May 28	3,121½	26,70,500	— 1,72,900	9	2,36,54,000	+ 2,41,514
Madras & S.M.	May 7	3,152	13,20,000	— 2,921	5	67 45,000	+ 40,883
Nizam's Guar.	May 7	900	3,38,919	+ 16,872	5	18,44,090	— 2,86,093
Rob. & Kumn.	May 7	576	1,21,767	— 4,861	5	6,94,196	— 7,279
South Indian	May 7	1,852½	8,32,094	— 17,486	5	42,25,983	+ 342
South Punjab	Feb.	716	6,83,752	— 94,252	5m	40,21,325	+ 1,31,300
COLONIAL							
Can. Northern	May 31	9,750	$1,334,700	— 79 600	21	25,775,000	+ 3,528,177
Can. Pacific ...	May 31	13,388	4,542,000	— 896,000	21	69,192,000	— 6,385 000
Grand Trunk	May 21	3,616	£278,135	+ 6,598	20	5,724,096	+ 827,338
Mashonaland	Mar.	810	111,625	+ 67,360	6m	590,788	+ 199,607
Mid. W. Aust.	Mar.	277	13,727	— 14	9m	102,138	+ 2,948
New Zealand Cent.	May 14	205	2,271	— 910	20	57,015	— 8,354
Rhodesia Rlys	Mar.	1,397	137,704	+ 50,777	6m	779,784	+ 200,508
Temiscouata...	Mar.	—	$42,975	+ 12,389	3m	128,836	+ 43,954
FOREIGN.							
Argentine.							
Arg. N. East...	June 4	752	£ 14,000	+ 100	49	571,700	— 10,600
Arg. Transand	June 4	111	£ 992	— 368	49	131,621	— 23,770
B.A. & Pacific	June 4	3,428	£ 124,000	— 62,000	49	8 331 000	— 1,224 000
B.A.Gt. South	June 4	3,903	£ 155,000	— 34,000	49	8,125,000	— 771 000
Do.	June 4	Net	£ 13,000	— 37,000	49	1,384 000	— 1,638 000
B.A. Western	June 4	1,882	£ 70,000	— 30,000	49	3,847,000	— 1,077,000
Do.	June 4	Net	£ —	— 30 000	49	475,000	— 1,184,000
B. A. Central	Apr.	190	£ 41 425	— 13,261	11m	460,493	— 12,904
Cent. Argent.	June 4	3,305	£ 175,000	— 21,000	49	9 018,000	+ 62,000
Cord. Central	June 4	1,205	£ 66,000	+ 6,000	49	2,583,300	— 332,400
Entre Rios ...	June 4	811	£ 19 600	— 6 000	49	1,116,600	— 45,900
Brazilian.							
Brazil Gt. South	Apr.	110	M 39,400	— 4,100	4m	154,850	— 51,350
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,618,243
Gt. W. Brazil	June 4	1,010	£ 11,100	— 5,600	23	332,200	— 228 300
Leopoldina ...	June 4	1,831	£ 35 917	— 16,413	23	721,325	— 478,284
San Paulo ...	June 5	153½	£ 32,663	— 14,289	22	661,886	— 362,611
S.of Bahia S.W.	May	52	M 41,000	— 37,000	5m	393,000	+ 28,000
Chilean and Peruvian.							
Antofagasta...	June 5	838	£ 15,750	— 17,335	23	595 775	— 530,740
Arauco	June	84½	£ 12,000	+ 500	8m	76,000	+ 10,700
Nitrate (2wks)	May 31	390	£ 21 225	— 20,446	20	277,264	— 170,235
Peruvian Corp.	May	1,140	S 1,236,750	— 50,320	11m	13,070,110	— 204,774
Taltal	May	180	£ 13,613	— 13,432	11m	270,213	+ 5,508
Cuban.							
Cuba Railroad	Jan.	—	$ 1,606,385	+ 448,284	7m	8,497,481	+ 1,017,344
Havana Cent.	May 21	70	£ 16,826	+ 1,824	47	698,207	+ 151,897
U. of Havana	June 4	681	£ 114,701	— 8 546	49	6,104,204	+ 721,089
Uruguayan.							
Cent. Uruguay	June 4	273	£ 26,662	+ 4,268	49	1,193,352	+ 59,879
,, (E. Ext.)	June 4	311	£ 5,225	— 761	49	277,132	— 33,203
,, (N. Ext.)	June 4	185	£ 3 538	+ 431	49	148,114	— 39,333
,, (W.Ext.)	June 4	211	£ 2,316	— 749	49	122,827	— 18,179
Mid. Uruguay	Apr.	319	£ 14,468	— 6,632	10m	177,206	— 25,430
N.W. Uruguay	Apr.	113	$ 5,631	+ 104	10m	60,721	— 7,833
Urug. Northn.	Apr.	73	£ 1,596	— 328	10m	20,405	— 3,844
Miscellaneous							
Alcoy & Gandia	May 28	33	Ps. 8,000	— 8,000	22	349,400	+ 91,500
Bilbao	May	15	£ 1,894	— 297	5m	10,915	— 5,395
Bolivar	May	136	£ 11,715	— 649	5m	50,013	— 6,867
Colomb. Natnl.	Apr.	86	£ 18,600	— 200	4m	76,080	+ 9,884
Costa Rica ...	Mar.	190	£ 32,656	+ 5,145	9m	228,241	— 3,146
Dorada Ext.	Apr.	70	£ 18,500	+ 500	4m	69,750	+ 16,250
Egyptian Delta	May 20	559½	£ 8,063	— 4,319	7	48,732	— 11,861
Gt. S. of Spain	May 28	104	Ps. 26,457	— 87,145	21	1,218,814	— 597,760
LaGuaira & Ca.	Apr.	22¾	£ 10,030	— 3,910	4m	41,540	— 16,660
Ottoman Ry..	May 28	379	£ 10,273	— —	—	—	—
Paraguay Cent	May 28	274	£ 4,160	+ 10	48	209,250	— 21,230
Puerto Cabello	Apr.	34	£ 5,000	— 500	4m	18,250	— 4,750
Salvador	June 4	100	£ 1,952	— 3,048	49	178,256	— 94,891
Santa Fé Prov.							
French Rys.	Apr.	1,181	£ 129,360	— 49,053	4m	521,241	— 127,297
S'm'na & S'ti'go	Apr.	80	£ 10,000	— 6,774	4m	33,310	— 20,320
Zafra & Huelva	Apr.	112	£ 15,529	+ 4,935	4m	58,859	+ 7,687
TRAMS.							
Anglo-Argent.	June 3	400	£ 81,776	+ 7,021	22	1,776,870	+ 129,733
Bombay Elect.	Mar.	—	Rs. 8,76,443	+ 74,369	3m	25,87,585	+ 2,85,779
Brazilian Trac.	Apr.	378½	M 13,562000	+ 3,317,000	4m	51,480,000	+ 12,298,000
Brisbane Elec.	Apr.	40½	£ 47,750	+ 2,860	4m	183,635	+ 6,785
Brit. Columbia	Mar.	334	$ 816,452	+ 55,827	9m	7,186,903	+ 629,116
B. A. Lacroze	May	51	£ 58,492	+ 3,929	11m	629,444	+ 67,765
Calcutta	May 28	35½	R 77,837	— 12,133	21	14,97,786	— 441,773
Carth. & Herr.	May	9	£ 1,602	— 3,711	5m	12,873	— 10,171
Chatham & Dist	May 26	15	£ 1,560	— 713	21	34,258	+ 1,398
Havana Elect.	Feb.	86	$ 1,034,87	+ 170,432	2m	2,123,947	+ 376 309
Isle of Thanet	June 1	20½	£ 902	— 336	36	22,526	— 1,432
Kalgoorlie ...	Feb.	20½	£ 316	— 2,361	2m	2,734	— 2,516
Lanarkshire...	Dec. 31	28½	£ 5,467	+ 1,927	52	221,564	+ 27,729
Lima Light ...	Mar.	85	£ 63,986	+ 3,763	3m	188, 69	+ 13,309
London O.O...	June 8	141½	£ 101 627	+ 16,805	10	992,883	+ 151,553
Madras (2wks.)	May 31	15½	R 50 343	+ 842	20	346,295	— 139,352
Manila Electric	Apr.	55	$ 279,535	+ 25,432	4m	1,205,691	+ 132,280
Pernambuco...	June 5	69	£ 3,629	— 2,920	23	91,240	— 79,054
Provincial ...	May 28	21½	£ 3,262	— 1,133	34	107,989	— 716
Rangoon Elec.	Mar.	25	£ 158,121	+ 27,655	3m	401,397	+ 43,927
Shanghai Elec.	Apr.	28¾	M X. $157,500	+ 15,500	4m	625,738	+ 58,345
Singapore Elec.	Apr. 30	26½	$ 12,005	— 10,488	18	222,717	— 176,357
U. of Montevid.	May	90½	£ 46,579	— 4,178	7m	333,456	+ 28,167

UNDERGROUND ELECTRIC RAILWAYS CO. OF LONDON, LTD.

Metropolitan District Ry. London Electric Rly., City and South London Rly., Central London Rly., London General Omnibus Co.

Week to June 4, £244,289; Aggregate, Jan. 1—June 4, £5,186,455.

Metropolitan Electric Trams, London United Tram, South Metropolitan Electric Trams, Tramways (M.E.T.) Omnibus Co., Cearles Motor Omnibus.

Week to June 4, £55,582; Aggregate, Jan. 1—June 4, £1,166,017.

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Its chief functions and facilities are:

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Dealing generally in foreign exchange and collecting foreign bills.
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Supplying credit information to responsible firms and companies.
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NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid-up Capital, Surplus and Undivided Profits (Feb. 28, 1921) - - - - $62,727,273.77
Total Assets (Feb. 28, 1921) - - - $893,680,782.11

The Statist.

LONDON, SATURDAY, JUNE 11, 1921.

EXPORT CREDITS PROPOSALS.

DURING the week an opportunity was given to Sir Drummond Fraser to explain his export credits scheme to a representative gathering of City men. It is unfortunate that at the moment the City is somewhat preoccupied with industrial disputes at home, and that, pending the settlement of these disputes, we should to a large extent be living in the most wasteful manner possible—that is, on our accumulated capital, thereby crippling our permanent resources. Conditions on the Continent are, however, much more disconcerting. Despite the attempts made at reconstruction since the Armistice, many countries in Europe remain economically prostrate, and trade will not recover here or elsewhere while they continue in their present impoverished state. Their inability to purchase is one of the gravest impediments to the resumption of our export trade. It is easy to prescribe academic remedies, such as the equilibration of budgets and the keeping of public expenditure within the bounds of tax revenue, so as to avoid the raising of short- or long-term loans, and prevent Government inflation of the currency. The curtailment of paper currency is, of course, desirable, and, other things being equal, will have the effect of gradually stabilising the exchanges; but the latter result is dependent on political as well as economic factors, stability of government being in particular an essential preliminary. While these are the ideals at which financial reform must aim, their achievement is a matter of more difficulty, and the practical question is the immediate reopening of the avenues of international trade. The minimum interference with existing channels of trade is, of course, required, but the handling of much of this European trade is an unknown problem, as the markets which we are now invited to enter were catered for by Germany hitherto. At the same time, financing by means of long-term external loans must be avoided. Sir Drummond Fraser emphasised the fact that trade must be gradually stimulated, and the flow of imports and exports increased jointly; but to give the needed stimulus the pre-War short-term credit must be converted into the post-War long-term credit.

The success of the scheme adopted by the League of Nations for the economic resuscitation of Austria will prove the vital test of the new system of export credits. The Austrian Government has pledged the Customs revenue, the tobacco monopoly, and the revenue from forests, aggregating $11,000,000 per annum, while, in addition, a mortgage has been given on real property within the country, valued at $140,000,000. These assets are intended to command the confidence of potential lenders, who may be induced to purchase or otherwise make advances against ter Meulen bonds. It is satisfactory to note that the Financial Section of the League of Nations is entrusted with complete control and management of the assets. The scheme is a noteworthy departure, as it is the first instance of a truly international system of credits, though its working has yet to be tested. It has the outstanding advantage that, despite the desperate condition of Austria, it will operate, not as an aggravation, but as a check to currency inflation, and it is this feature which renders it applicable to many other countries which, though more fortunately circumstanced, are still in need of external credits. The debtor half of Europe is crying out for goods, and the creditor half, with its machinery of production still practically intact, is clamouring for full employment. But exporters of creditor countries cannot trust the importers of debtor countries to meet their obligations, and thus the fundamental need of the moment is credit. The ter Meulen bonds scheme provides the remedy. While leaving the ordinary channels of trade intact, it gives the exporter a guarantee that inspires him with confidence. The scheme involves the appointment of an International Commission by the League of Nations, but, pending the establishment of the Commission, a committee is empowered to act. The issue of ter Meulen bonds is confined to nationals in respect of approved imports, and the bonds have a varying currency of five or ten years or otherwise. The machinery of the scheme provides for (1) the granting of credit in return for adequate national security; (2) the use of such credit in importing countries, either by the Government or by its duly-accredited nationals; and (3) for really liquid securities. The securities must, in other words, yield a regular and, if possible, a fortnightly or monthly revenue; at any rate, they must be continuously revenue-producing, and the pledged assets must have a definite gold value assigned to them by the League of Nations. The revenue from the various hypothecated services will naturally go to meet interest and sinking fund payments, to pay off maturing bonds, and to purchase bonds in the event of default by the immediate debtor—that is, by the importer. Liability in respect of the last item is expected to be small, because the native Government will see to it that importers are reliable.

A point of importance is, naturally, the character of the goods for which bonds may be issued. The question is one ultimately for the International Commission to decide, but it will refuse credit for non-essentials, confining itself to stimulating the economic life of the borrowing country. It will also refuse credit for sufficiently stocked essentials, or for essentials of which there is a world shortage or for which too long credit is required. In some cases, such as transport

and food production, the credit will unavoidably be long, and here exception may be made.

As regards actual procedure, the importer secures the permission of the International Commission to import the goods, then obtains bonds from his Government, to whom he gives such collateral as they may demand. These bonds he hands over to the exporter as a guarantee of payment, and receives the goods. When the goods have been disposed of he pays the exporter with the proceeds and receives back the bonds, which are returned to the Government and thus become again available. Trading of this kind naturally leads to a reduction of inflation and to the improvement of the rate of exchange.

From the point of view of the exporter, his exports to countries which are, or will come, under the operation of the scheme are backed, to the extent of eighty-five per cent. in England and of eighty per cent. in France, by the British and French Governments. Holding companies may, of course, be established to hold bonds, but, if not, the exporter may comfort himself by the fact that he possesses his customer's bond, backed by the customer's Government and by specifically assigned revenue, with the imprimatur of the League of Nations. Interest payments are met and redemption of bonds is effected through a sinking fund. In the event of ultimate loss he has the guarantee of his Government to fall back upon in the case of England and France.

Reverting to the case of Austria, it may be explained that an external loan is necessary. This will be floated in a few months, but will be of moderate amount, ter Meulen bonds being used to finance imports of cereals and other necessaries. Much depends on the success or failure of this scheme, and, pending actual working results, City opinion is, on the whole, somewhat sceptical of the advantages to be derived from the new machinery proposed by the League. Its scepticism is due largely to the failure of the Board of Trade efforts in this direction. The Overseas Trade (Credit and Insurance) Act is, however, at present undergoing further amendment. Out of the £26,000,000 authorised under the original Act, business to the extent of only £2,500,000 has been sanctioned, while the advances actually made have been but £826,000. Under the new Bill the Overseas Trade Department may proceed by way of guarantee as well as by way of advance, and may extend the operation of the principal Act to the British Empire, though it is not at present proposed to put it in force as regards India or British possessions in the Far East. The main difficulty of all the schemes, which the elaborators seem to overlook or cannot provide for, is that the element of good in them is overlain by innumerable rules and regulations, and that the exporter here neither knows the importers in the distressed countries, as our trade with them has never been on a large scale, nor is conversant with their exact requirements. Before sending their travellers abroad British exporters must at least be able to instruct them as to what lines to offer and to whom to go. It is precisely on these points that information is lacking, and the provision of this information would be the best possible feature in any export credits scheme.

RUSSIA'S INDUSTRIAL COLLAPSE.

While convinced that for the economic equilibrium of the world exports from Russia are a most important factor in the European market, the report of the Committee appointed to collect information on that country clearly indicates that Russia will not be in a position to make any substantial contribution towards the relief of Europe for a considerable time to come. In particular, there can be no question of the resumption of the export of cereals in the immediate future. Before this can be effected the area of the land under cultivation must be largely increased and the shortage in agricultural machinery and fertilisers made good. More important still, there must be given to the peasant an adequate incentive to agricultural production, and this cannot be furnished until, by the restoration of industrial production generally, he is in a position to receive from the town the manufactured goods and articles of common necessity which he needs.

The ruin of industry following its nationalisation is set out in a report delivered in 1920 by the President of the Supreme Council of People's Economy to the Moscow Congress. "The nationalisation of industry has been carried out pretty fully. In 1918, 1,125 factories and works were nationalised, and by the end of 1919 the number was about 4,000. This means that nearly all industry had passed into the hands of the State (Soviet) organs, while private industry had been destroyed, as former statistics show that there were up to 10,000 industrial undertakings, including cottage industries. These latter are not subject to nationalisation, and the 4,000 nationalised factories and works include not only the larger concerns, but likewise the bulk of the average industrial concerns of Soviet Russia. Of these 4,000 undertakings, about 2,000 are working at present. All the rest have been closed. The number of operatives is estimated approximately at 1,000,000, which is between one-third and one-fifth of the numbers of the proletariat in 1914. Both as regards the number of hands and the number of undertakings in operation Russian manufacturing industry is undergoing a crisis." This wholesale nationalisation of industry would, in any event, have operated to its detriment, but the Soviet Government, in a situation calling for the exercise of the utmost discrimination and care, carried out the policy of nationalisation in haste, without taking account of the disorder already prevailing in Russia, of the complex structure of modern industry, of the absence of expert technical knowledge, or of the disabilities resulting from the lack of knowledge and experience under which they themselves laboured. Nevertheless, in spite of the efforts of the Soviet Government, non-nationalised industry still survives among a number of the smaller factories. In the words of Lenin, "to destroy classes means not only to banish the landowners and capitalists—this we did rather easily—it means also to destroy the small manufacturers; but it is impossible to banish them, it is impossible to suppress them, it is necessary to tolerate them; they can (and must) be reformed, re-educated only by a very long, slow, careful process of organising work. They surround the proletariat on all sides with petty *bourgeois* influence, they foster these influences, calling forth continually among the proletariat manifestations of petty *bourgeois* lack of backbone. It is a thousand times easier to conquer the powerful centralised *bourgeoisie* than "to conquer" millions and millions of petty proprietors who, by their daily humdrum, unseen, intangible, destructive activity achieve those very results which are necessary for the *bourgeoisie*, which are, in effect, restoring the *bourgeoisie*."

Under any circumstances the closing down of a large number of industrial establishments could not fail to have a serious influence on Russia's aggregate industrial output. The decline experienced under this head has been added to, however, by the lower all-round production per workman. According to a report of the Petrograd Statistical Department of Labour—based on figures received from Petrograd, Moscow and other districts—the hourly production of the workman in 1919 was only sixty-seven per cent. of the normal pre-War production. To bring production in the manufacturing industries up to the level of 1913, when 1,700,000 workers sufficed, there should have been employed in 1920 4,250,000 workers; similarly, to enable the railways to function efficiently 4,000,000 workers would have been required, as against 700,000. Malnutrition is one of the explanations proffered for the decline in the productive ability of the workmen.

The normal daily nourishment of an adult town workman, according to the Budget investigations of 1908-16, was in Russia equal to 3,820 calories. Towards the beginning of 1919 this standard had fallen to 2,680 calories, or by thirty per cent. An improvement to 2,980 calories was registered for 1920 so far as the workers in twenty-three towns were concerned, but this cannot be considered sufficient for normal work.

The remedies proposed by the Bolsheviks for the admitted industrial collapse include moral suasion of the worker by propaganda, payment of the worker according to work done, and, finally, conscription and militarisation of labour. The first and third have certainly been applied, but not with very successful results. Absence of a sufficiency of food would in any case have helped to defeat them. To encourage the peasants to cultivate more land Lenin was recently obliged to promise them immunity from the "forced labour" ordinance. Unless, as a result of this and certain "free trade" concessions, he gains the support of the peasants, he will have little to offer the town workers should he prevail on them to increase the industrial output. Precisely the same consideration applies to the remedy of paying the worker in accordance with the amount of work done, a remedy which is, in any event, a departure from "Communistic" principles. The introduction of foreign capital—the necessity for this step has already been recognised by the Soviet Government—may do much to rehabilitate Russian industry, but it is self-evident that capitalists, before lending their assistance for this task, will insist on the abolition of Communism so far as it affects the concerns with whose fortunes they may feel impelled to identify themselves.

THE RAILWAYS BILL.

RATES AND EFFICIENCY.

The excessive powers vested by the Railways Bill in the Ministry of Transport and the Rates Tribunal in regard to the fixing of rates are certain to arouse strong opposition from the general business community. Hitherto the latter have been protected by the maxima fixed by Parliament and also by the proviso that the raising of rates required the sanction of the Railway and Canal Commission. This body has now been superseded by the Tribunal above referred to, which is to determine charges on the basis of an adequate return on railway capital. The amount available for dividends will, however, in effect be the surplus over operating expenses and other charges, subject to reserve and other allocations, and will depend, therefore, on the efficiency of the particular railway management. But as matters stand under the Bill there is no final criterion of efficiency. The test for an ordinary commercial company is the ability to earn a profit; but the profit is to be assured to railway companies, and the only test applicable will be that based on statistics collected by the Ministry of Transport. The statistics so far published are, however, altogether too incomplete, especially as regards the analysis of working costs, to furnish definite indications one way or the other, particularly as detailed information for the pre-War period will be lacking. If the Tribunal fixes rates so as to yield a standard profit, it obviously cannot do so without reference to wage movements, strength of labour force employed, and other items of cost; yet it is denied essential powers in reference to these matters.

Inefficiency on the part of managements may also be encouraged by the fact that the old stimulus of competition is removed under the new amalgamation proposals, especially as the Amalgamations Tribunal is not representative of industrial and commercial interests. Despite a number of provisoes, there is no real safeguard against undue inflation of its capital by a company, which will in turn give rise to a demand for increased rates and for raising the "standard revenue" so as to permit the payment of interest on the additional capital. Strong criticism may be levelled against the powers given to the Rates Tribunal as regards exceptional rates, and on this point the Federation of British Industries and the National Federation of Iron and Steel Manufacturers voice the opinion of the business community. The former considers "that the powers conferred upon the Tribunal and the Ministry are excessive in regard to exceptional rates," while the latter "views with great misgiving the administrative provisions of the Bill, which contemplate a great extension of control in the details of railway working." Exceptional rates may be said to be one of the foundations on which British industry has been built, and the great bulk of the traffic of the country is carried at such rates. It would be in the highest degree unwise now to insist on uniformity, as local conditions are so different, and a large degree of elasticity is required in order to meet the changing needs of industry. Of course, undue preference must be avoided; but it will be easy to guard against this, while at the same time allowing the companies their old power of granting exceptional rates without undue interference by any outside body.

The necessity of doing everything to encourage traffics is emphasised by the poor working results for April. The Government liability is claimed to be £9,544,460, being far greater than in any previous month of control. The stoppage in the coal mines, added to the depression in trade, has had a most disastrous effect upon railway receipts; while in Ireland the companies have suffered severely from the disturbed state of the country. The results for the United Kingdom may be set out as follows:—

Controlled Railways—U.K.
Financial Results, April, 1921.

	£
Railway working Receipts	14,696,150
,, ,, Expenditure	20,191,128
Deficit	5,494,978
Loss on other businesses	363,482
Total deficit...	5,858,460
Government guarantee	3,686,000
Net Government liability (as claimed)	9,544,460

The net Government liability as claimed includes the full net profits earned by the companies in April 1913 and expenditure charged during April 1921, including the liquidation of liabilities arising prior to the month. A sum of £1,300,000 is also included in respect of maintenance work performed in excess of the 1913 standard and of arrears of maintenance overtaken.

The importance of transport to industry is well brought out by the National Federation of Iron and Steel Manufacturers, who, in a recently issued statement, estimate that out of the 182 million tons of coal carried on British railways in 1920 over thirty million tons were carried for the iron and steel industry. Out of 137 million tons of goods other than coal carried in that year, nearly forty-one million—or thirty per cent.—consisted of either materials for or the product of the iron and steel industry. According to the Federation's estimate, from eight to ten tons of material are required to produce one ton of finished steel, and transport, therefore, has always played a leading part in determining the localisation of the iron and steel industry. The United States Steel Corporation has built up its position upon the large-scale transport of ore to Pittsburg, while the problem of conveyance of Westphalian coke to Lorraine ore is the key of industrial politics in Europe to-day. One of the factors enabling Belgium to undersell British steel is that the Belgian Government is using its position as owner of the railways to give specially low rates for the ore which it transports. We cannot do less to encourage our own iron and steel industry, though uneconomic rates which are not likely to lead to the development of profitable traffic cannot, of course, be permanently tolerated.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

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THE rate of decline in commodity prices shows a slight increase during May as compared with the previous month, according to our index-numbers based on the wholesale prices of forty-five commodities. The general average for last month is 162.2 the lowest since January 1917; it shows a recession of 4.5 per cent. as compared with April; of 37.6 per cent. as compared with the figure for May of last year; and of seventeen per cent. as compared with November 1918. The latest decline reduces the percentage above the 1913 average to 90.8 per cent. The following table affords a comparison of the group and final index-numbers for May with previous selected dates:—

	May 31, 1921	Apr. 30, 1921	May 31, 1920	June 30, 1914	+ or — % May 1921 on Apr. 1921	+ or — % May 1921 on May 1920	+ or — % May 1921 on June 1914
Veg. food ...	146·6	147·1	243·4	66·5	— ·3	—39·7	+120·4
Animal food ...	222·3	247·9	212·9	97·5	—10·3	— 8·1	+128·0
Sugar, coffee and tea	84·4	96·5	253·3	51·8	— 1·3	—66·6	+ 62·8
Foodstuffs ...	**161·4**	**173·6**	**245·3**	**74·8**	**— 7·0**	**—38·2**	**+115·8**
Minerals	195·3	194·4	301·3	96·7	+ ·5	—35·1	+102·0
Textiles	137·7	144·9	258·8	80·6	— 4·9	—46·9	+ 70·8
Sundries	160·2	165·9	260·6	82·5	— 3·4	—38·4	+ 94·2
Materials ...	**162·8**	**167·1**	**270·7**	**85·7**	**— 2·6**	**—39·8**	**+ 90·0**
Totals	**162·2**	**169·8**	**269·0**	**81·2**	**—4·5**	**—37·6**	**+ 99·7**

A more detailed analysis of the movements during the month reveals again in a more marked form the existence of a tendency towards an equalisation of the recession among the different commodities. As yet this trend is not very pronounced as among the group index-numbers, though last month it will be noted that the decline was severest in the case of animal foods. On the other hand, groceries continue to fall, though this group has already suffered heaviest. Again, on looking at the movements in the individual commodities, one cannot fail to observe that increa though small in extent, are becoming more numerous, whereas some months ago an advance in price was of very rare occurrence. This feature was more pronounced last month in the minerals group, and was also shared in to a less extent by textiles. Among the former, bar iron, which remained stationary in April, fell substantially last month, but Scotch pig iron, Cleveland iron, copper, tin, lead, and coal for export record increases. The downward movement in textiles was due mainly to a fall in flax and jute, but in this group hemp, raw cotton, and Australian wool advanced moderately. Among sundry materials a rise in hides and linseed was overshadowed by a substantial decline in petroleum and indigo.

The tendency noted in the foregoing paragraph is not likely to become pronounced while the general movement of commodities continues in the direction

International Wholesale Prices.

Published Index-Numbers.

	U.K. ("Statist")	America (Bradstreet's)	Canada (Dept. of Labour)	Japan (Bank of Japan)	France (Stat. Gen.)	Italy (Prof. Bachi)	Sweden (Svensk Handelstidning)	Norway‖ (Okonomisk Revue)	Denmark (Finanstidende)	Holland (Bur. de Stat.)	Shanghai¶ (Official)
1913 ...	85·0	$9·2115	135·5	132·2	115·6	126·0	—	—	—	114	—
1914 ...	83·0	8·9034	136·1	126·3	117·9	119·8	116	115‡	134‡	121	—
1915 ...	108·0	9·8530	148·0	127·8	161·6	167·2	145	159‡	149‡	168	—
1916 ...	136·0	11·8237	182·0	154·9	217·6	253·5	185	233‡	206‡	261	—
1917 ...	175·0	15·6385	237·0	196·4	302·4	376·8	244	341‡	284‡	335	—
1918 ...	192·0	18·7117	278·3	259·0	392·1	515·5	339	345‡	292‡	456	—
1919 ...	206·0	18·6683	293·2	316·6	411·8	460·9	331	322‡	340‡	349	—
1920 ...	251·0	18·1679	333·7	341·2	588·8	786·7	347	377‡	341‡	330	105·5
1920											
Jan. ...	245·3	20·8690	338·4	397·9	562·7	639·2	319	333	—	336	98·8
Feb. ...	260·4	20·7950	343·5	413·8	603·3	701·2	342	342	—	331	102·1
Mar. ...	261·8	20·7124	349·0	425·0	641·0	758·5	354	351	-	335	106·5
April ...	266·1	20·7341	353·1	396·6	679·2	836·3	354	354	—	342	106·9
May ...	260·0	19·8752	356·6	328·0	635·9	831·8	361	368	—	343	107·9
June ...	255·7	19·3528	349·3	337·0	569·6	796·0	366	382	383	344	109·9
July ...	254·6	18·8273	346·8	317·0	572·9	761·3	363	409	385	347	108·3
Aug. ...	253·5	17·9746	330·2	311·0	579·5	787·8	365	417	394	337	106·2
Sept. ...	248·7	16·9094	326·6	305·0	607·7	825·9	362	425	398	334	105·5
Oct. ...	239·9	15·6750	317·6	298·5	580·0	829·8	346	419	403	330	104·2
Nov. ...	223·8	13·6263	304·2	292·7	532·6	844·4	331	403	374	305	104·6
Dec. ...	207·2	12·6631	290·5	272·0	502·6	825·8	299	377	341	274	104·8
1921											
Jan. ...	197·2	12·3689	281·3	265·8	470·0	809·5	267	344	290	249	103·9
Feb. ...	183·0	11·8650	270·1	257·9	436 3	772·8	250	319	280	231	106·9
Mar. ...	177·2	11·3749	263·1	252 5	416·0	760·5	237	312	270	220	—
April ...	169·8	10·8208	—	251·1	401·3	735·7	229	—	257	207	—
May ...	162·2	—	—	252·4	379·5*	689·1	218	—	—	—	—

Expressed as a Percentage of 1913.

	United Kingdom	United States	Canada	Japan	France	Italy	Sweden†	Norway§	Denmark‖	Holland	
1913 ...	100·0	100·0	100·0	100·0	100·0	100·0	—	—	—	100	—
1914 ...	100·0	96·7	100·4	95·5	102·0	95·1	116	115‡	134‡	106	—
1915 ...	127·1	107·0	109·2	96·7	139·8	132·6	145	159‡	149‡	147	—
1916 ...	160·0	128·4	134·4	117·2	187·0	201·2	185	233‡	206‡	229	—
1917 ...	205·9	170·0	174·9	148·5	261·6	299·0	244	341‡	284‡	294	—
1918 ...	225·9	203·2	205·4	195·9	339·2	409·1	339	345‡	292‡	400	—
1919 ...	242·4	202·7	216·4	239·5	355·6	365·8	331	322‡	340‡	306	—
1920 ...	295·3	197·2	246·2	257·9	509·3	624 3	347	377‡	341‡	289	-
1920											
Jan. ...	288·6	226·6	249·7	301·0	486·8	507·2	319	333	—	295	—
Feb. ...	306·4	225·8	253·5	313·0	521·8	556·5	342	342	—	290	-
Mar. ...	308·0	224·9	257·5	321·5	554·5	602·0	354	351	—	294	-
April ...	313·1	225·1	260·6	300·0	587·5	663·7	354	354	—	300	—
May ...	305·9	215·8	263·1	248·1	550·1	660·1	361	368	—	301	-
June ...	300·8	210·1	257·8	254·9	492·7	631·7	366	382	383	302	—
July ...	299·5	204·4	256·0	239·8	495·6	604·2	363	409	385	304	—
Aug. ...	298·2	195·1	243·7	235·3	501·3	625·2	365	417	394	296	—
Sept. ...	292·6	183·6	241·0	230·7	525·7	655·5	362	425	398	293	—
Oct. ...	282·2	170·2	234·4	225·8	501·7	658·6	346	419	403	289	—
Nov. ...	263·3	147·9	224·6	221·4	460·7	670·1	331	403	374	268	—
Dec. ...	243·8	137·5	214·4	205·7	434·8	655·4	299	377	341	240	—
1921											
Jan. ...	230·0	134·3	207·6	201·1	406·5	642·4	267	344	290	218	—
Feb. ...	215·3	128·8	199·3	195·1	375·7	613·3	250	319	280	203	—
Mar. ...	208·5	123·5	194·2	191·0	359·9	603·6	237	312	270	193	—
April ...	199·8	117.5	—	189·9	347·0	583·9	229	—	257	182	—
May ...	190·8	—	—	190·6	328·2*	546·9	218	—	—	—	—

* Provisional. † Average for twelve months ending June 1914 = 100. ‡ Year-end Index-Number.
§ Average for six months ending June 1914 = 100. ‖ July 1, 1912—June 30, 1914 = 100. ¶ Average for September 1919 = 100.

of lower prices, but its appearance may indicate that this movement is losing force. Already we find that forward positions command premiums in many commodity markets, the premiums being substantial in the case of twelve months' deliveries; but this indicates that speculators are of opinion that the decline has been overdone in certain commodities rather than that a general reaction in prices is expected.

TRADE OF THE UNITED KINGDOM IN MAY.

Much has been said and more has been written of the disastrous effects of the coal strike on the trade and industry of the United Kingdom. The continued growth in unemployment as factory after factory closed down or worked only short time for lack of fuel furnished some faint measure of the injury inflicted on the nation. Evidence of a still more striking character is now furnished in the dismal returns issued by the Board of Trade dealing with the foreign trade of the United Kingdom during May:—

Course of Foreign Trade.
(000's omitted.)

	May 1921	Inc. or Dec. on		5 Mos. to May 1921.	Inc. or Dec. on	
	Amount	1920	1913	Amount	1920	1913
	£	£	£	£	£	£
Imports ...	86,308	—80,166	+ 25,029	483,584	—379,518	+163,131
Re-exports ...	7,232	—13,028	— 2,137	42,603	— 73,164	— 7,908
Net imports	79,076	—67,078	+ 27,166	440,981	—306,554	+171,039
Exports ...	43,088	—76,231	— 771	330,743	—190,372	+116,520
Exc. of imports	35,988	+ 9,153	+ 27,937	110,238	—115,982	+ 54,519

The low record of £89,995,000 for the total imports in April is replaced by the still lower total of £86,308,000. Turning to the three classes into which the commodities are divided in the official returns, it appears that this reduction of over £3,600,000 represents the cumulative result of a drop in Class I. and Class III., offset to a trifling extent by a nominal increase in Class II. The imports of food, drink, and tobacco amounted to £50,094,000, as compared with £52,908,000. There was a slight increase in the imports of grain and flour, of non-dutiable food and drink, and of tobacco; but these were more than counterbalanced by the decline in the import of dutiable food and drink, which fell from £12,044,000 in April to £7,820,000 in May. Imports in Class III. amounted to £19,282,000, instead of £20,374,000. With the exception of unimportant increases in the imports of machinery, cotton goods, apparel, paper and rubber manufactures, declines were recorded in every other section in this class. Imports in Class II. register a slight increase, from £16,547,000 to £16,711,000. The salient feature of the group is the import of 450,162 tons of coal, valued at £1,533,459, largely from Belgium, on behalf of the Government to enable it to supply the essential industries of the country. The import in April did not exceed 2,818 tons, valued at £8,190. Despite the slackening of industrial activities, Lancashire purchased £3,756,100 worth of raw cotton, as compared with £3,018,004 in April. The increase was mainly in American cotton, the purchase price showing a further decline, partly in consequence of the improvement in the New York exchange during the month. In April 345,467 bales of cotton were imported from America at a cost of £1,578,503: in May we received 607,225 bales for £2,424,844. On the other hand, Yorkshire's purchase of wool declined from £3,554,639 to £2,389,419, notably owing to the decline in the Australian wool from 272,636 to 172,829 bales, and in the Argentine wool from 65,660 to 17,908 bales. The import of oil-seeds, nuts, oils, fats, and resins has again increased, from £2,785,993 to £3,376,310. On the other hand, the import of iron ore and scrap is returned at £89,278, as against £300,008, and of wood and timber at £1,428,732, as compared with £1,705,368.

A survey of the export trade reveals in no unmistakable light the economic repercussion of the coal deadlock. The value of the total exports of the United Kingdom in May was only £50,320,254, a loss of over £18,000,000 as compared with April, and representing less than fifty per cent. of the exports in January. The full significance of this decline may be the more clearly perceived if it is recollected that the lowest return for exports in 1913 was £49,277,877. Thus in May 1921 the export trade of the United Kingdom was barely above the low level for 1913, although in the interval price levels had risen, according to our index-number, from 85 to 162. Interpreted in the terms of 1913 price levels, our export trade in May was only just above half that of the worst month in 1913. This decline of over £18,000,000 as compared with April 1921 was almost entirely due to the drop in the trade in British produce and manufactures from £59,867,585 to £43,088,418, though our re-exports also fell from £8,523,662 to £7,231,836.

All three classes contribute in different degrees to this loss of over £16,750,000 in the trade in British produce and manufactures. A decline in the export of grain and flour, tobacco, and "other food and drink" is reflected in the total of £2,100,587 for Class I., instead of £3,729,132. The export of raw materials is returned at £1,436,572, as against £2,935,716. The coal dispute explains the coal export of 14,066 tons, worth £32,861, as compared with 606,548 tons, valued at £1,309,817 in April; whilst bunker coal is reduced from 661,800 to 183,708 tons. Metallic ores of all descriptions record a decline, the export of non-ferrous ores dwindling from £156,088 to £5,654. A small improvement in the export of raw cotton is dwarfed by the relapse in the export of wool, from £442,976 to £294,331. But, as might have been foretold by the growth in unemployment statistics, it is the export of general manufactured goods that has suffered most. Exports in Class III. have dropped sharply from £52,018,563 to £38,662,212. This class embraces twenty different categories of exports, and in only one case is there an improvement recorded as compared with April. The export of electrical goods and apparatus has increased from £1,436,109 to £1,783,579. But what is this meagre improvement in contrast with the severe relapse recorded in all branches of our manufactures? Even this movement does not conceal the decreasing activities of the engineering trade. It is swallowed up many times in the drop in the export of iron and steel manufactures from £6,922,687 to £4,050,010, and in the export of machinery from £7,784,302 to £6,293,072. The idleness in the shipbuilding industry is reflected in the decreased export of ships not registered as British, as embodied in the export of vehicles, the value of which has declined from £4,163,926 to £3,196,338. The textile industries have fared no better. Lancashire's

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LONDON CORRESPONDENTS:
London Joint City and Midland Bank, Ltd.
London County Westminster and Parr's Bank, Ltd.
Barclays Bank Ltd.

cotton trade exported only £9,863,375, as against £13,389,016 in April. Yorkshire only claims credit for an export of £3,839,291, as compared with £5,569,714. There is a loss of over £500,000 in the export of apparel and other textile materials. The chemical industry registers an export of £1,080,417, instead of £1,648,195.

External Trade of the U.K. since 1914.

(000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1921	£	£	£	£	£
May ...	86,308	7,232	79,076	43,088	35,988
Apr. ..	89,995	8,624	81,371	59,368	22,003
Mar. ...	93,743	8,888	84,854	66,809	18,045
Feb. ...	96,974	8,004	88,970	68,222	20,748
Jan. ...	117,051	9,555	107,496	92,756	14,740
1920					
Dec. ...	142,785	12,699	130,086	96,631	33,455
Nov. ...	144,260	13,115	131,145	119,365	11,780
Oct. ...	149,889	16,134	133,755	112,295	21,460
Sept. ...	152,692	13,350	139,342	117,456	21,886
Aug. ...	153,255	13,368	139,887	114,903	24,984
July ...	163,342	17,848	145,494	137,452	8,042
June ...	170,491	20,124	150,367	116,352	34,015
May ...	166,334	20,260	146,074	119,319	26,755
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	85,964	61,946
Year					
1920 ...	1,936,742	222,406	1,714,336	1,335,569	378,767
1919 ...	1,626,156	164,749	1,461,407	798,635	662,772
1918 ...	1,316,151	30,945	1,285,206	501,419	783,787
1917 ...	1,064,165	69,677	994,488	527,080	467,408
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,894	99,062	752,832	384,868	367,964
1914 ...	696 635	95,474	601,161	430,721	170,440

The return of an adverse trade balance of £35,988,000 for the month of May—the worst return for 1921 to date—is but the logical sequence of this marked falling-off in our export trade. It is useless to conceal the fact that the return for June is scarcely likely to be anything more favourable. We are now near the middle of the month, and the coal deadlock yet remains unsolved. Moreover, whilst the solution of the difficulty does appear to be nearer during these last few days, it is obviously useless to expect any immediate recovery in the near future. Apart from the period that must elapse after the settlement before industry can again count upon a normal supply of fuel, we are now in the throes of a dispute in the cotton industry and in the engineering trade which threatens to hold up the progress of these two vital sections of our manufactures. The fundamental difficulty appears to be that labour as a whole is not yet reconciled to the fact that a reduction in the cost of production is a *sine qua non* if we are to retain our hold on the markets of the world, particularly as this reduction involves a decline in wages. At the same time, there is reason for suspecting, as the course of the negotiations in the coal dispute have shown, that the employers are utilising this fact to demand wage reductions of an indefensible character. Where this is the case it is clearly the duty of the community to bring such pressure to bear on the employers as will force them to offer such a wage as will take into account the discrepancy in price levels between 1914 and to-day, and the standard of comfort which workers in that class are entitled in reason to claim.

Excess of Imports into United Kingdom.

Month	1921	1920	1919	1918	1917
	£	£	£	£	£
Jan. ...	14,740,000	52,154,000	82,615,000	54,202,000	35,301,000
Feb. ...	20,748,000	61,946,000	55,039,000	57,214,000	24,668,000
Mar. ...	18,045,000	45,918,000	43,715,000	68,042,000	29,465,000
April ...	21,603,000	40,495,000	40,382,000	77,621,000	40,244,000
May ...	35,988,000	26,755,000	59,318,000	77,516,000	37,852,000
June ...	—	34,015,000	46,420,000	64,176,000	35,999,000
July ...	—	8,042,000	76,068,000	63,525,000	35,703,000
Aug. ...	—	24,984,000	58,748,000	64,435,000	46,220,000
Sept. ...	—	21,886,000	66,376,000	56,094,000	39,870,000
Oct. ...	—	21,460,000	54,783,000	72,768,000	39,405,000
Nov. ...	—	11,780,000	36,188,000	70,732,000	62,621,000
Dec. ...	—	33,455,000	52,717,000	74,797,000	44,450,000
Corrected Total	—	378,767,000	662,772,000	783,787,000	467,408,000

Solvency or Downfall: Squandermania and its Story. By Lord Rothermere. Price 2*s*. (London: Longmans, Green and Company.) A useful work. It is a patriotic endeavour to arouse the nation and the Government to a perception of the economic calamities which must ensue if the present spendthrift policy of the Government is persisted in.

COUNTY AND CORPORATION STOCKS.

Business has steadily declined throughout all departments of the Stock Exchange during the past year, but the heaviest losses have fallen to the speculative and semi-speculative markets. The gambling aspect which characterised the Stock markets of twelve months ago disappeared gradually with the advent of the trade depression, and now, with safety rather than yield the prime consideration, the bulk of the new money available finds its way into the Gilt-edge and allied sections. The recent reduction of the Bank rate from seven to six and a-half per cent., with the possibilities of a further recession when the coal dispute is settled, has drawn increased attention to the scope for capital appreciation in Gilt-edge securities. County and municipal emissions, though for all practical purposes as sound as Government issues, offer a higher yield and naturally have benefited from the recent upward trend of investment values. Most of the corporation loans floated since last summer have been six per cents., issued at 95½, giving a flat yield of £6 5*s*. 8*d*. per cent. Reference to the following table will show that all stand at a premium now. The price shown is the current middle quotation. In calculating the flat yield allowance has been made for accrued interest:—

Recent County and Corporation Issues.

	Issue	Amount	Price	Yield
		£		£ *s*. *d*.
L.C.C. ...	5% 1940-60	6,776,368	88	5 14 3
,, ...	5¾% 1930	2,705,300	98	5 18 2
London Corp. ...	5½% 1928	1,038,800	101	5 10 6
,, ,, ...	5% 1945-65	2,854,992	89	5 14 3
Birkenhead ...	6% 1936-51	1,000,000	99½	6 1 11
Birmingham ...	6% 1936-46	4,500,000	100	6 0 0
,, ,, ...	5½% 1941-61	3,000,000	93½	5 18 3
Bootle ...	6% 1938-50	500,000	97	6 3 9
Bournemouth ...	6% 1938-50	650,000	100	6 0 0
Bradford ...	6% 1936-46	2,000,000	99	6 1 3
Brighton ...	6% 1940-50	500,000	101	6 0 0
Bristol ...	6% 1940-50	1,500,000	101	6 0 0
Cardiff ...	6% 1936-46	1,500,000	98	6 2 6
Coventry ...	6% 1938-48	1,000,000	97	6 3 9
Croydon ...	6% 1936-46	1,000,000	99	6 1 3
Derby ...	6% 1940-60	750,000	96	6 5 0
Essex ...	6% 1940-60	1,500,000	101	5 18 9
Gateshead ...	6% 1940-60	650,000	96	6 5 0
Herts. ...	6% 1940-60	1,995,814	102	6 0 0
Kent ...	6% 1940-60	1,500,000	101	5 18 9
Lincoln ...	6% 1938-48	750,000	98	6 2 6
Liverpool ...	6% 1930-50	4,000,000	103	5 17 7
,, ...	5½% 1941-61	3,500,000	93½	5 18 3
Middlesbrough ...	6% 1938-48	1,250,000	97	6 3 9
Middlesex ...	6% 1940-60	2,000,000	101	5 18 9
Newcastle ...	6% 1936-51	1,000,000	99	6 2 6
Newport ...	6% 1940-60	600,000	95	6 6 4
Plymouth ...	6% 1940-50	1,000,000	100	6 1 3
Portsmouth ...	6% 1940-50	1,000,000	100	6 1 3
Reading ...	6% 1940-60	500,000	96½	6 4 5
Rotherham ...	6% 1938-50	750,000	96½	6 4 5
Salford ...	6% 1936-51	750,000	99	6 2 6
Sheffield ...	6% 1930-40	2,000,000	100	6 1 3
South Shields ...	6% 1938-48	1,000,000	96	6 5 0
Stoke ...	6% 1938-50	900,000	96½	6 4 4
Swansea ...	6% 1940-50	1,000,000	97	6 5 0
Wolverhampton ...	6% 1938-50	500,000	99	6 1 3
Wallasey ...	6% 1940-60	600,000	96	6 5 0

The yields of London stocks are, of course, the lowest; but, apart from these, surprising disparities exist. Rotherham scrip offers a return of £6 4*s*. 5*d*. per cent. at 96½, against £5 17*s*. 7*d*. on Liverpool Sixes at 103 (which includes eight weeks' interest). Scrutiny of the list should reveal opportunities for the execution of profitable "straddles" by holders. The joint corporation Six per Cent. Loan at 95½ floated last week is probably the last to be secured on such favourable terms. The latest municipalities to approach the market are Glasgow and Sheffield, with an issue of £4,500,000 in Six per Cents. at 92, which was quickly oversubscribed. The flat yield at the price of issue works out at £5 19*s*. 7*d*. per cent., and the minimum yield, including redemption, at £6 1*s*. 8*d*. per cent. per annum

SOUTHERN BRAZIL.

RIPE FOR DEVELOPMENT.

However much opinions may differ as to the appropriate time for the opening up of the great Amazonian region, which will one day enrich the resources of the world in the production of food, of raw materials, of minerals, and of medicinal plants in a way that even few who have some pretensions to economic knowledge appreciate, there is no difference of opinion that Southern Brazil is ripe for opening up to the fullest extent of the capacity of that rich area of the Republic. Southern Brazil offers extraordinary potentialities for its successful opening up at the present time. In a sense, Brazil is fortunate in having the opportunity of reforming her industries during the prevailing unrest, which is a feature of the economic condition of all industries throughout the greater part of the world at the present time. Until within the memory of those who are still comparatively young, Brazil was content to base her economic prosperity on the collection of raw rubber and upon the production of coffee. In the growth of the latter, which she has developed until it has become a great industry, she is still by far the most important factor in the world's coffee markets. In the collection of raw rubber, which has never been properly developed as an industry at all, Brazil is rapidly losing ground. The ease and facility with which rubber is produced as a real industry in the plantations of the East handicaps Brazil to an extraordinary extent, when it is necessary for expeditions to be organised either at Para or Manaos for the purpose of going up into a country which has neither roads nor railways. It is admitted, even by those deeply interested in the plantation industry of the Far East, that the rubber of the Amazonian Valley is superior to anything which is grown on the plantations. When it is available, what is called Hard Para always commands a higher price than the rubber derived from the plantations. The fact remains, however, that the growing of rubber on the plantations is an industry as distinct from collecting rubber in forests where there are neither roads, nor railways, nor facilities for its collection. Sooner or later, those responsible for the collection of raw rubber in the forests of the Amazon and on the banks of the Tapajoz rivers will have to organise this business as a real industry; and until they do so it will never be prosperous in the sense that it was prosperous in the period that preceded the initiation of the plantation industry.

We have been led somewhat into a digression in this matter of rubber. What we really intended to say was, that until recently Brazil has depended almost entirely upon two sources of revenue for her economic welfare. For some time before the War the Government, financial, trading and stock-owning classes in Brazil had come to realise the unsatisfactory position in which the country was from this source. It was difficult, however, at that time to develop new industries which the actual resources at their command made practicable at the time. The War, however, gave Brazil a remarkable opportunity. There was a demand—in fact, a phenomenal demand such as has not been witnessed in the lifetime of anyone now living—between 1914 and some time after the Armistice for food and raw materials in a form in which Brazil was ready to supply them. Hence an opportunity presented itself for the development of a country of great extent, highly productive, but having a very small population and having its transportation facilities very inadequately developed. With commendable promptitude the classes above referred to seized the opportunity which presented itself, and developed the meat industry, the working of the manganese ore deposits, the trade in hides, and certain of the extractive trades, for the products of which there was a demand in Europe. This was excellent so far as it went. But in the nature of the case these industries were developed, not as industries are ordinarily developed in times of peace, but under the exceptional conditions of fulfilling war orders and meeting war demands. In other words, the several industries grew up under wholly abnormal conditions. It was desirable that the industries should grow up and should be developed. But like everything that grows up under abnormal conditions, those industries have got to pass through a period during which they will not be in a position to compete with any reasonable prospect of success with the relatively highly-developed industries of adjacent and more distant countries. Our Brazilian friends will not mistake what we mean when we say that the Brazilian meat industry so far has not been developed on the lines which will enable it to face a fierce and keen competition from other sources of supply. As we have just said, Brazil has an opportunity of putting her house in order while the whole world is in a state more or less of economic chaos. Most of the principal countries of the world are more or less bankrupt. Trade in every country is disorganised; and, consequently, Brazil has before her the prospect of an exceptionally long period when she can prepare herself for taking advantage of the great boom in trade which may be expected with reasonable certainty, provided always that peace is maintained.

Now what do we mean by Southern Brazil? All that country which extends south of the twentieth parallel, and includes southern Minas Geraes, Sao Paulo, Parana, Santa Catarina and Rio Grande do Sul, which, of course, including the Federal District, is so far the most populous and highly developed of the Republic. We have indicated, no doubt, sufficiently clearly for those interested, the causes which so far have prevented the development of the meat industry. Similar remarks apply to other industries, to which those sufficiently interested will be able to apply them. Nor is there any natural reason why the region we have indicated should not be one of the great sources of supply, first, of cattle, and then of wheat, as well as various mineral products upon the discussion of which we have not space this week to enter? Part of this region is, of course, highly mountainous and, since it includes part of the State of Minas Geraes, is already the greatest mining area of the Republic. A very large part of this area, moreover, outside Minas Geraes is known to be highly mineralised; but, as we have said, we have not space to go into the question of minerals. We will confine ourselves to the industries which are actually developed, or are in process of development. Speaking generally, this country, apart from the mountainous regions, is a plain very like its southern neighbours. In fact, those visiting some of the southern States of Brazil can see no real distinction between the aspect of that country and Uruguay. It was purely a political accident and rivalry between racial factions that determined the fact that Uruguay should not form part of Brazil. There is absolutely no reason, so far as we are aware, why those States which we have enumerated should not produce the finest cattle in the world, suitable for the freezing-houses. It would, of course, be necessary to improve the breed in a great many instances. But those interested in the cattle industry in Brazil are well aware of this, and they are ably and generously supported by their Government. One of the most important agricultural shows for the very purpose of promoting prize bulls is held each year under the auspices of the Government in Rio de Janeiro, and it is one of the most important held upon the South American continent. Experience has shown in neighbouring Republics that it is necessary to vary the breed to enable the animals to adapt themselves to climatic and other conditions of their environment. But experience has proved that there is no reason why these districts should not produce some of the finest cattle produced anywhere in the world. We speak of the cattle industry because that industry is the one that is most developed; and, [illegible] and financial [illegible] should be developed for the purpose of feeding the congested areas of the world

which have no means of feeding themselves. Moreover, the sparseness of the population as yet does not admit of a highly developed agricultural system in those States. With, however, a real development of the cattle industry the opportunity will come for a further development in agriculture. Now these States are almost throughout highly fertile. They are capable, provided that farmers, and still more labourers, were available, of growing enough wheat to feed not only the whole Brazilian population, but to export enormous quantities of this much-needed cereal to Europe. Nevertheless, the fact remains that this enormous region, fertile to a degree and enjoying one of the finest climates in the world, far from producing wheat for export does not raise enough to feed itself.

IRISH WATER-POWER RESOURCES.

The Report of the Water-Power Resources of Ireland Sub-Committee contains several very encouraging features. Investigating the power available in the larger rivers of Ireland, and using this as the basis of their calculations, they estimate that about 500,000 w.h.p. continuously can ultimately be economically developed for the whole country. With the necessary storage this continuous power is equivalent to 1,750,000 w.h.p., operating for eight hours per day for six days per week. The consumption of coal in Ireland for the year 1911 was 4,155,495 tons. It is estimated that the consumption of peat fuel reached 7,000,000 tons, equivalent to 3,500,000 tons of coal. Hence, the total coal equivalent was about 7½ million tons. According to recent estimates the amount of coal used in Ireland for industrial power purposes, and for electric lighting and electric traction, is about 1,500,000 tons per annum. In the Coal Conservation Sub-Committee's Report it is stated that the average consumption of coal per h.p. hour for the United Kingdom is not less than 5 lb. If it is assumed that the average consumption in Ireland is represented by this figure, it is found that 1½ million tons of coal can produce about 77,000 h.p. for 8,760 hours, *i.e.*, continuously throughout the year. Thus the estimated available energy from water in the country is at least five times that at present developed from imported coal, and may be more. If the money value of power is estimated at the low figure of 1*d.* per B.O.T. unit, the value of 500,000 w.h.p. continuously, is about £10,000,000 per annum. At the time of the Sub-Committee's investigations power could not be obtained in the most favourably situated parts of Ireland for bulk supply at prices below 2*d.* per unit, and in the majority of cases the charges were much higher. Using the most economical steam turbo-generators in large power stations, and at unity load factor, the corresponding coal consumption would be about 1¾ million tons per annum, costing £3,500,000 to £5,250,000 for fuel alone at 40*s.* to 60*s.* per ton respectively. If, on the other hand, this amount of power were developed from engines such as are at present in use throughout the country, the cost of fuel on the basis of a consumption of 5 lb. of coal per h.p. hour is not less than four times these figures—viz, £14,000,000 to £21,000,000.

In view of the foregoing estimate it is easy to understand the contention of the Sub-Committee, that the development on a large and comprehensive scale of Ireland's water-power resources can be fully justified on economic grounds. On the necessity of conserving our coal resources they observe that it is unnecessary to enlarge. The application of power to manufacturing processes is admittedly of vital importance, for industrial progress over a large area of Ireland has been retarded owing to the cost of fuel for power purposes. This handicap has increased during recent years and shows no sign of abatement. Its extent can be gauged from the fact that, according to the Census of Production (1907) report, the horse-power per industrial worker in Ireland is scarcely more than half that in the rest of the United Kingdom. A supply of water-power at a sufficiently low cost might be employed (*a*) to replace existing steam plant, (*b*) to develop existing industries, and (*c*) to start new industries. Where large plants of high efficiency are already installed the replacement of steam by electrical power may be slow; but the use of such plants in Ireland is very restricted, and over the larger part of the country, where the industries are small, the steam plant, in addition to being somewhat antiquated, is usually on a comparatively small scale, and has a coal consumption, which in most cases probably exceeds 5 lb. per h.p. hour. In such cases the offer of cheap electrical power developed from water would unquestionably lead to its rapid adoption, and this would in turn enormously aid the development of Irish industries and increase the demand for power. Where the source of power is adjacent to a large industrial centre—the Liffey and Dublin—the power will naturally be used for domestic and industrial purposes in that centre, but where it is sought to develop a power remote from an industrial centre the question of utilisation near the power site will arise. It will be a question whether the power should be utilised by direct transmission to an existing industrial centre, or by feeding into a collecting main, or by an industry in the neighbourhood of the power site. The position attained by electro-chemical industries, especially that concerned with nitrogen fixation, indicates the great importance of this aspect of the question, especially in relation to the staple industry of the country, agriculture.

The Sub Committee point out that the examples of water-power developed in Ireland are chiefly connected with flour milling and textile factories. In almost every case this power has been obtained by abstracting or diverting water from the river channel proper, through a head race leading to the mill or factory, at a site further down the river where the required fall could be obtained. Proposals have been made from time to time to utilise for power purposes the waters of the rivers Shannon and Erne on a large scale, but inasmuch as the works contemplated invariably involved the diversion of water from the channel proper, intense opposition was excited from fishery, navigation and other interests. To meet this opposition the Committee thought it desirable to investigate the possibility of retaining the river flow in its natural channel and to obtain power at several points along its course by means of barrages, sluices and hydro-electric stations. The advantages of adopting such a course are that fishery and navigation interests will be protected and that it will be unnecessary to construct costly head races or inlet canals. It is claimed also that as a rule a greater percentage of the total fall can be utilised by a series of barrages and hydro-electric stations along the river course than by concentrating the head at one power station. A further advantage is that the power can be gradually developed as the need arises. On these lines the investigations undertaken by practical engineers, at the request of the Sub-Committee, into the possibilities of the Shannon, Erne, Lower Bann, and Liffey proved very satisfactory. Concerning the Shannon "the result has been a complete vindication of the proposal to develop power by barrages and power stations erected along the course of the river. Mr. Stevens proposes to erect four hydro-electric power stations on the River Shannon between Killaloe and Limerick, with an installed electrical horse-power of 65,900, at a total cost at current prices of £2,834,000, or at the rate of £43 per installed e.h.p. The average annual output obtainable would be 52,500 e.h.p. at a capital cost of £54 per average e.h.p. The works are designed to preserve and improve the fisheries, retain all water in the natural channel, and develop more power, and at cheaper rates than could be done by diverting the water."

The Frederick Hotels Limited.—The transfer books of the Four per Cent. Perpetual First Mortgage Debenture stock of this Company will be closed from June 17 to 30, 1921, both days inclusive, for the preparation of interest warrants.

POLAND.

WHILE scattered over the German, Austrian, and Russian Empires the Poles obtained little experience in the art of government, and their liberation at the close of 1918 found them totally unprepared to undertake the guidance of their own affairs. Surrounded by hostile neighbours and unsettled by the revolutionary atmosphere of Eastern Europe, the nation could not be expected to make great strides towards industrial reconstruction during 1919. The following year opened with bright prospects which failed, however, to materialise, and the financial position of the country has weakened consistently ever since. The following table shows the extraordinary depreciation in the Polish mark in terms of sterling over the past two years:—

Value of £ Sterling in Polish Marks.

1919		1919		1920		1920		1921	
Jan.	44	July	92	Jan.	520	July	757	Jan.	3,050
Feb.	41	Aug.	106	Feb.	532	Aug.	840	Feb.	3,400
Mar.	59	Sept.	164	Mar.	635	Sept.	970	Mar.	3,273
April	68	Oct.	151	April	779	Oct.	1,125	April	3,250
May	71	Nov.	305	May	739	Nov.	1,840	May	3,900
June	76	Dec.	445	June	610	Dec.	2,150	June	4,750

Commencing in January 1919 at 44 marks to the £ the sterling value of the mark fell consistently till a level of 445 was reached at the close of the year. By the end of 1920 it touched 2,150, and is now fluctuating in the neighbourhood of 5,000, establishing a new low record during the current week. With an exchange of such instability foreign trade became, of course, unusually difficult, and there is little in present indications to engender hope of any substantial recovery. It is satisfactory, however, to note that the Department of Overseas Trade in its recently issued report on Polish conditions expresses faith in the ability of the country to readjust her economic life.

The source of Poland's financial weakness is the currency inflation by which the Government has met expenditure. The revenue and expenditure during the first three Budget periods were:—

The First Three Polish Budget Periods.

	(000's omitted) Jan. to June 1919 P. Mks.	July 1919 to Mar. 1920 P. Mks.	April to Dec. 1920 P. Mks.
Revenue ...	563,361	3,127,625	7,254,015
Expenditure ...	2,593,510	15,189,679	47,556,245
Deficit	2,030,149	12,062,054	40,302,230

Though nominal revenue exhibited a substantial increase in the later periods, the deficit of 2 thousand millions in June 1919 had grown to 40 thousand millions by the close of 1920. An overstaffed administration, loss on railway operation, and, above all, extravagant war expenditure left the Exchequer no alternative other than the extensive use of the printing-press. The internal value of the mark declined proportionately, but its external value was further depressed by the absence of production for export and by the necessity for large scale purchases from abroad of munitions and food. Currency issues during 1920 alone expanded by nine hundred per cent. from 4,846,110,999 to 49,351,485,440 Polish marks. Commercial relations with other countries were additionally restricted by State attempts to control the Foreign Exchange market and to build tariff barriers on the frontiers. A more reasonable attitude in these respects has been recently exhibited by the Government, but a definite policy has not yet been evolved.

Poland is essentially an agricultural country, and her future export trade must largely depend on the policy adopted by the State towards agricultural development. According to the latest news to hand a credit of 3 milliard marks has been created for the granting of agricultural loans. The law will undoubtedly develop the trade in machinery, seeds, and fertilisers, and it is to be hoped that British interests will benefit by the opportunities provided.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Taihan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

A Coal Mines Ballot.

THE decision of the miners' delegates yesterday to hold a ballot of their constituents on the question of the new proposals made by the owners will be received with a feeling of relief throughout the country. The question of the national pool will also be specifically put to the vote, and it may be that the natural unwillingness on the part of the miners to sacrifice a principle for which they have been contending with great hardship for over two months will be abandoned. Details of the owners' proposals have now become available. Their latest offer embraces a new standard minimum wage, made up of existing base rates and percentages paid on them in 1914, or their equivalent, together with the percentages given to piece-workers in 1919 at the time when hours were reduced, an addition of twenty per cent. being made on the basis of the actual output in March 1921. It is proposed that this twenty per cent. on the standard wage should last for at least twelve months. In the event of these suggestions being unacceptable, the National Wages Board, or arbitrators to be decided upon, may be called on to propose a new standard. So much for wages. As regards profits, the owners are willing, for a period of three months dating from the resumption of work, to surrender profits proportionate to the amount of the assistance received by districts to maintain wages at the agreed figure. When these temporary arrangements come to an end it is provided that day labourers in receipt of a wage below subsistence level are to be granted extra allowances. One of the most vital features in the new proposal is the establishment of a National Wages Board which shall decide the proportion of standard profits to standard wages, the standard wages for each district, and the ratio of profits to wages under the permanent scheme. Suggestions in regard to the last point are understood to correspond closely to the scheme put forward a fortnight ago in our columns.

Monthly Bank Statements.

Full particulars are published in a subsequent page of the weekly average figures of the London Clearing Banks for May. Perhaps the most striking feature is an increase of £19,000,000 in deposits compared with March, the decline up to the latter month being continuous. This decline was accompanied by a decrease in cash holdings, and an obvious explanation is the transference of funds during the first quarter to Government account in respect of tax payments, this necessarily causing a fall in deposits and in cash at the Bank of England. There was at the same time a reduction in the accommodation afforded to customers, as witnessed by the item "money at call and at short notice," and more particularly by "bills discounted," the natural effect of both movements being to further reduce deposits. The marked rise in bills discounted in January last as compared with December is, on examining the returns for recent months, an outstanding feature. Large lines of Treasury bills were apparently laid in in January by the banks, despite the expectation of

April maturities. Otherwise there was no expansion in trade activity during the month to account for the movement, and the probability of the rise being due to accommodation bills and foreign bills is very remote. The increased deposits in May are ascribable to the increase in discounts and in short-term loans, though advances to customers and other accounts showed a heavy decline. Acceptances and endorsements on account of customers, which had been continuously declining during the four previous months of the year, showed in May a further slight drop from £63,585,000 to £63,511,000, though two of the larger banks registered higher figures; advances, following a reduction of over £10 million for April as compared with March, fell by nearly £13 million to £857,207,000: while the expansion of over £29,000,000 to £307,686,000 in bills discounted probably reflects an increased holding of Government, not of trade, paper, and to this extent increases the liquidity of the position.

May Averages.
(000's omitted)

	Current, Deposit & other Accts.	Cash in Hand & with Bank of Eng.*	Bills Discounted*	Advances*
	£	£	£	£
Bank of Liverpool & Martins	75,932	8,084	7,975	41,866
		(10·6)	(10·5)	(54·5)
Barclays Bank	323,992	36,125	59,913	155,592
		(11·2)	(18·5)	(48·0)
Coutts and Co.	18,553	1,439	3,559	7,479
		(7·7)	(19·2)	(40·3)
Glyn, Mills, Currie and Co....	22,152	2,658	1,019	7,588
		(12·0)	(4·6)	(34·2)
Lloyds Bank	330,419	34,640	74,799	142,974
		(10·5)	(22·6)	(43·3)
London County Westminster and Parr's...	304,635	30,676	70,261	135,225
		(10·1)	(23·1)	(44·4)
London Joint City and Midland	360,130	54,746	50,975	191,698
		(15·2)	(14·1)	(53·2)
National Bank	41,705	5,174	3,709	17,322
		(12·4)	(8·9)	(41·5)
National Provincial and Union	259,015	29,403	33,376	137,351
		(11·3)	(12·9)	(53·0)
Williams Deacon's	33,947	4,173	2,109	20,612
		(12·3)	(6·2)	(60·7)
Total, 10 Banks... ...	1,770,808	207,118	307,686	857,207
		(11·7)	(17·4)	(48·4)

* The figures given below the tabulated assets represent percentages of the current, deposit and other accounts.

Cash in hand and at the Bank of England was fully maintained in proportion to deposits at the 11.7 per cent. of April. Money at call and short notice was up by more than £4,000,000, the percentage of 5.9 following one of 5.7, while the cash assets as a whole, at 20.3 per cent. of the deposits, compare with 20.2 per cent. in April and 19.3 per cent. for March. Investments have declined from £322,784,000 (18.4 per cent.) to £320,247,000 (18.1 per cent.).

British Railway Traffics.

The traffic returns of British controlled railways for March repeat the tale of declining trade previously emphasised by the Board of Trade figures. The total tonnage conveyed during the month declined by approximately 8½ million tons, or 27.44 per cent., as compared with March 1920:—

Description of Freight	Tons — March 1921	Decrease — Number	Decrease — %
General merchandise (incl. live stock) ...	5,163,095	1,857,420	26·46
Coal, coke and patent fuel	13,471,303	4,760,690	26·11
Other minerals	4,148,797	1,995,927	32·48
Total freight ...	22,783,195	8,614,037	27·44

As regards ton-miles worked, a greater decrease, amounting to 29.72 per cent., was shown, the details being as follows:—

	Ton-Miles — March 1921	Decrease — Number	Decrease — %
General merchandise ...	451,459,364	184,843,716	29·05
Coal, coke and patent fuel	636,555,742	229,833,276	26·53
Other minerals	184,858,293	123,675,715	40·08
	1,272,873,399	538,352,707	29·72

The heavy falling-off in traffic has adversely affected operating results, the average wagon and train loads being 5.23 tons and 123.52 tons respectively, as against 5.49 tons and 136.06 tons in March 1920. The output of rolling-stock has been fully maintained, 52 locomotives, 111 coaches, and 3,267 wagons being completed and put into commission during the month. Monthly passenger statistics were introduced only in July 1920, but the quarterly figures available in respect of sixteen of the principal companies show that the number of passengers conveyed (excluding season-ticket holders) during the first three months of the current year was thirty millions (or twelve per cent.) less than in the corresponding period of last year, although still sixteen per cent. in excess of the number conveyed during the first quarter of 1913. The average receipt per passenger journey in March was 14.06*d.*, as compared with 11.52*d.* in February, and the number of journeys made by passengers at excursion fares 852,274, as compared with 8,311, the increase in both cases being mainly due to Easter holiday traffic.

Colonial Government Investments.

The Colonial market seems to have been neglected in the recent revival in gilt-edged stocks, but at current prices many attractive yields are offered to the investor. Owing to the inactivity of this section of the House, and the absence of keen buying, existing quotations not infrequently show anomalies in values. The following table shows the yields, subject to tax, on a representative selection of Colonial Government issues. All the stocks quoted are redeemable at par, and in all cases the yield on redemption is calculated as at the latest date:—

Name of Security	Present Amount	Current Price	Flat Yield per cent £	s.	d.	Yield with Redemption £	s.	d.
	£							
Australia (Comm. of) 5½% Debs., 1920-22	1,406,580	99½	5	5	6	5	15	6
Do. 5½% Debs. 1922-27	3,162,050	94⅛xd	5	17	0	6	15	3
New South Wales 4% 10-year Debs., 1922	4,400,000	96⅝	4	2	10	7	10	4
Do. 4½% Debs., 1922-27	2,087,900	87½	5	3	1	7	5	6
Do 5½% Loan, 1922-27	1,612,500	95⅝xd	5	17	9	6	18	1
Australia (Comm. of) 5½% Regd. Stk., 1922-27	9,287,970	94⅞	5	15	10	6	11	4
Australia (Comm. of) 6% Regd. Stk., 1951-71	5,000,000	99⅞	6	0	4	6	0	5
Canada (Dominion of) 3% Regd. Stk., 1938	7,517,572	65½	4	11	6	6	15	8
Canada (Dominion of) 2½% Insc. Stk., 1917	1,004,122	53½	4	13	10	6	9	9
Canada (Dominion of) 4% Stk., 1940-60	19,500,000	76½	5	4	6	5	9	7
Cape of Good Hope 4% Insc. Stk., 1923	3,400,306	94	4	5	1	7	7	6
Ceylon 4% Insc. Stk., 1934 ...	1,076,100	79	5	1	5	6	11	2
Do. 3% Insc. Stk., 1940	2,850,000	63½	4	14	1	6	12	5
Jamaica 4% Insc. Stk., 1934	1,099,048	79¼	5	0	1	6	10	5
Natal 4% Cons. Insc. Stk., 1937 ...	2,869,511	78	5	2	7	6	6	1
New South Wales 3½% Insc. Stk., 1924 ...	16,427,315	89¼	3	18	3	7	13	6
Do. 3% Insc. Stk., 1935 ...	12,435,628	67⅛	4	9	0	7	0	5
Do. 4½% Insc. Stk., 1922-27	2,911,600	86⅛	5	4	1	7	9	9
Do 5½% Insc. Stk., 1922-32	11,968,622	96⅛	5	19	8	6	5	0
Queensland 4% Insc. Stk., 1924 ...	7,959,000	88¼	4	10	3	8	11	2
Do. 3½% Insc. Stk., 1924 ...	4,764,734	87¼	4	0	2	8	14	0
Do. 5½% Insc. Stk., 1930 ...	5,781,700	74⅛	4	15	8	7	16	1
Union of S. Africa 4% Cons. Insc. Stk., 1943-63	8,000,000	74⅛	5	7	0	5	12	0
Union of S. Africa 4½% Insc. Stk., 1920-25	2,082,500	91⅛xd	4	18	6	7	2	6
Victoria 3½% Insc. Stk., 1925	6,978,700	92	3	16	1	8	1	7
Do. 5% Cons. Insc. Stk., 1924-34	2,850,400	93⅝	5	17	6	6	4	8
Western Australia 3% Insc. Stk., 1927 ...	2,500,000	82⅜	3	12	9	6	17	4
Do 3½% Insc. Stk., 1927-47	2,000,000	64⅝	5	7	11	6	7	9
Do. 5½% Insc. Stk., 1930-40	1,500,000	97½	5	18	3	6	0	0

Most of the stocks given are old issues, with a low nominal rate of interest, whose price is, accordingly, determined mainly by the date of redemption. In some cases the loans are maturing within a few years, and these, though affording only a small flat rate of interest, offer a substantial premium on redemption. Prominent in this category are the New South Wales Three and a-Half per Cent. Inscribed stock, 1924, and the Four per Cent. Debentures redeemable next year, Cape of Good Hope Four per Cent. Inscribed stock, 1923, Queensland Four per Cent. Inscribed stock, 1924, and the Three and a-Half per Cent. stock of 1924, and, finally, Victoria Three and a-Half per Cent. Inscribed stock, 1923. The latter, especially, ought to appeal to the discriminating investor. In all these cases the investor should also consider the possibility of the loans being converted at maturity on terms favourable to the holders. Besides the premium on redemption over the current price, which constitutes the chief attraction of the majority of the securities selected, there are also included some recent long-term issues, with yields worthy the attention of the investor. Among these may be mentioned the Australian Six per Cent Registered stock, 1931-41, yielding £6 0*s.* 4*d.* per cent., the New South Wales Five and Three-quarters

per Cent. Inscribed stock, 1922-32, offered £5 19s. 8d. per cent., and the Western Australian Five and Three-quarters per Cent. Inscribed stock, with a return of £5 18s. 3d. per cent.

Italian Public Debt.

The following figures, extracted from official sources and supplied by the Department of Overseas Trade, show the growth in the leading items composing the national debt of Italy since June 30, 1920. Most of the items have been corrected to March 31 last, but it should be noted in making comparisons that some important figures refer to previous dates. If it is permissible to compare the figures in bulk while ignoring the discrepancy in dates, the latest total may be taken as nearly 100 milliards of lire, representing an increase of five and a-half milliards since June 30, 1920. It may be assumed that the country's indebtedness has not yet reached the peak, for the Budget deficit has not yet been wiped out. Substantial progress is being made in this direction, however, and, with the promise of a good harvest this season, this year's accounts should show a further improvement.

ITALIAN PUBLIC DEBT.

(In Millions of Lire)

	Amount June 30, 1920	Amount Mar. 31, 1921	Increase or Decrease
Redeemable 3½% Loan (1906)	8,097·7	8,097·7	—
Other pre-War Loans	5,382·2	5,304·2	− 78·0
1st, 2nd and 3rd National War Loans	1,498·7	1,498·8	− 0·1
4th, 5th and 6th National War Loans (Consolidated 5% 1919)	33,352·7	34,531·3	+1,178·6
Treasury Bills, long-dated	4,280·8	5,299·4	+1,018·6
Treasury Bills, short-dated (total outstanding less Bills tendered as subscription on 6th Loan)	8,730·8	10,980·4	−2,250·4
Treasury Notes in circulation	2,155·0	*2,145·3	− 9·7
Foreign Debt at par of exchange	20,266·0	20,578·0	+ 312·0
Bank note circulation guaranteed by State	10,351·1	†10,940·2	+ 609·1
Debt to Savings Banks	529·0	*567·0	+ 38·0
Total	94,545·6	99,952·1	+5,406·5

* November 30, 1920. † October 31, 1920.

The form of the debt is eloquent of the exigencies of war-time finance, and indicates the great handicap to be overcome by the country before the national finances are brought to a satisfactory position. Taking the figures in the second column of the table above, it will be seen that out of a total of 99,552 million lire 24,076 million represent short-dated obligations and 20,578 million debt owed abroad. The latter is shown in the table at the par of exchange, and obviously the actual extent of the liability is at present much greater, though it has been substantially diminished as a result of the recent improvement in the lira. Of the figure here given for the foreign debt 8,400 million lire are payable in United States currency and 11,800 million lire in sterling, the remainder being owed to Sweden and Holland. These would amount to 30,830 million lire and 35,300 million respectively if conversion is made at the average lira rates for May, which are 19.01 lire to the $ and 75.45 lire to the £. Converted on the same basis the total foreign debt of Italy on March 31 last amounts to 66,328,000,000 lire, or approximately 45 per cent of the total public debt.

Anglo-Argentine Tramways.

Shareholders of the Anglo-Argentine Tramways Company have reason to congratulate themselves that, despite many adverse circumstances, the Company has been able to place itself in a substantially more advantageous position as a result of last year's working. Increased charges, especially in respect of wages and fuel, brought the operating expenses to the high record figure of £3,198,028, but, on the other hand, traffic receipts were also increased by £886,981 to £4,014,765—an expansion of 28.36 per cent. The rise here was due to the increase in the tariff from ten cents to twelve cents, which was in force for 226 days of the year, being introduced on April 10, 1920. The total receipts from all sources amounted to the record figure of £4,413,164. These included profits due to the high exchange and an excess in income-tax reserve over the actual assessment, the latter amounting to £129,972, which are of course windfalls that must be left out of account in estimating the future position of the Company. These exceptional receipts were not used to strengthen the reserves, but to pay off some of the dividend arrears. Accordingly, three and a-half years' dividends on the First Preference shares were paid off during the year, this payment wiping out the whole of the arrears on these shares. In addition, one year's dividend is being paid on the Second Preference shares, leaving these still four years in arrears. Whether last year's success can be repeated this year it is very difficult to say owing to the uncertainties of the present situation. On the whole the outlook cannot be regarded as promising, though, on the other hand, a too pessimistic attitude is unwarranted. Certain factors in the Company's favour are to be noted. In the first place, the increased tariff, which bore fruit abundantly last year, will in all probability be in force during the whole of the current year. Also, from May onwards the Company will reap the benefit of a new contract entered into by the Company supplying electrical energy for the supply of American coal at 11.65 United States dollars per ton, c.i.f. Buenos Ayres. This should result in a substantial reduction in fuel costs, on which is based the cost of electrical energy. Under the new contract the cost of fuel for the supply Company works out at 60*s.* per ton, calculated according to the average cable rate on New York during the first five months of the year. This compares with an average cost of 116*s.* per ton, delivered at the power stations, for last year. The growing traffic requirements of an ever-increasing population like that of Buenos Ayres offer many opportunities to the Company, of which it is at present unable to take advantage owing to the very high cost of additional construction and the onerous terms under which fresh capital has to be raised at present, but this is a point which should be remembered as regards the more remote outlook. On the other hand, the fall in the Argentine exchange constitutes an adverse factor in the current year. Labour unrest, also, in Argentina as elsewhere is assuming increasing proportions. In this regard, however, the Company did not suffer last year and has hitherto managed to keep on good terms with the employees.

Stock Exchange Reserves.

An extraordinary general meeting of the proprietors has been called for June 14 by the Trustees and Managers of the Stock Exchange for the purpose of sanctioning the capitalisation of £240,000 of the Company's reserves. The paid-up value of the 20,000 shares will by this means be raised from £13 to £25 each, or from £260,000 to £500,000 in all. The accounts debited by the transfer will be: Reserve, £200,000; profit on cancelled Debentures, £11,184; and income account, £28,816. Total capital expenditure to date out of revenue stands at £352,587. A balance of £112,587, not yet credited to capital account, will, therefore, remain after the present scheme is carried through.

NATIONAL BANK OF TURKEY

(Affiliated to the British Trade Corporation)

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American Topics.

A PERIOD OF UNCERTAINTY.

No doubt the reader will have observed in the columns of our daily contemporaries that the reports of stagnation of trade and inactivity on the New York Stock Exchange argue a very unsatisfactory state of things. From private sources and from those who are in close touch with Anglo-American and European-American trade, we learn that conditions are, so far as actual trade is concerned, as unfavourable in the United States as they are with us. Those who are familiar with the United States compare the existing state of things with that which prevailed for some period succeeding the panic of 1907. The panic of 1907, however, was due mainly to the defective banking system which at that time existed in the United States, and was, of course, not aggravated by a world-wide crisis. The difficulties at present, on the contrary, are due to causes which affect practically every country in the world, civilised or otherwise. The real difficulty is that there is no market, either at home or abroad, for the accumulated stocks which have been produced in the United States, as elsewhere, without due regard to the purchasing power of the prospective consumers. In view of the experience nearly every country has gone through, with one or two exceptions, of which the United States itself is the most notable, we are none of us likely to make little of a depreciated currency. The importance of a currency resting upon economic as distinct from printing-press values has been forced upon the attention of the least observant either in Europe or elsewhere. Nevertheless, the possession of a great gold reserve is not in itself a panacea for all the economic ills from which the United States and the rest of the world is suffering at the present time. While we are content in this country with a ratio, as the Bank return shows, to its liabilities of well under twelve per cent., the Federal Reserve Banks enjoy a ratio very closely approaching sixty per cent. It would appear that the United States was in a most enviable position for financing international trade, and for lending capital upon a scale rarely hitherto attempted by any country. The difficulty, however, is that a lender, if he is to lend upon an economic basis, must find substantial borrowers. A mere spendthrift can drive through a village and scatter golden sovereigns with a reckless hand. But if he does so, he will very soon cease to be in a position to give away anything. There are plenty of countries in the world, in their present embarrassed position, which would be quite willing to accept any amount of credit from the United States, or from any other country which was willing to offer it. But the difficulty is to see what security the United States would have for such credit, and when and how such credit could ultimately be liquidated.

The most promising way in which the United States could assist the impoverished countries of the world is to purchase their produce. Unfortunately, the United States, like ourselves, has an enormous number of people unemployed. She has accumulated in the vaults of her great State banks an unprecedented gold reserve, for which there is practically no demand. The traditional policy of the Party in power is to protect home industries. It is, of course, difficult for the leaders to explain to the public, or to get the public to understand, that the conditions under which Protectionist ideas grew up in the United States have been not merely modified, but completely changed, by the economic results of the recent European War. Things being as they are, the United States Government has just passed a Bill which presumably will receive the signature of the President. Assuming this to be the case, the law of the land will for a specified period protect the country from the inflow of food and raw materials other than those not produced in the United States, as well as manufactured goods. As the United States has ceased to be a debtor, and has now become a creditor, country, it is difficult to see how trade can be expected to revive, the conditions being such as we have endeavoured to place before the reader.

SOUTH AND CENTRAL AMERICA.

TRADE OF SANTOS.

In pursuit of the very satisfactory work which it is doing, the Department of Overseas Trade continues to issue from time to time reports on the condition of trade in general, and of British trade in particular, at the various centres where we have representatives accredited. It will be remembered that under the old *régime* our Consular officials in various parts of the world sent us reports, sometimes exceedingly valuable reports, on the condition of trade, the openings for British capital, and even the climatic, geographical, and ethnological conditions prevailing. Even now, if anyone is sufficiently curious, and sufficiently industrious, to look into some of these reports, they may find information that is still of value. From the trade point of view, however, they were of hardly any use, because they were usually published in London so long after they were written that the actual conditions of trade had completely changed in the prolonged interval. The Department of Overseas Trade is wisely confining itself to reporting upon the conditions of trade in the particular locality selected, with special reference to the conditions of the trade of that locality with the United Kingdom.

Although we think the Department is doing exceedingly good work, and we are satisfied that it is well advised to confine itself to fulfilling to the best of its ability the functions which it is discharging satisfactorily, the information afforded from the point of view of the banker, the trader and the economist, is very far from being sufficient. We said in a recent article dealing with quite a different subject that the Imperial Institute was to some extent, and might be still more, acting as complementary and supplementary to the efforts of the Department of Overseas Trade. Far from urging the Department to endeavour to cover a more extensive field than it is pursuing in the various countries of the world at present, we would, so far as may be convenient, urge it not to attempt the *rôle* of universal provider. On the other hand, as we say, the kind of work the Department of Overseas Trade is doing is exceedingly useful, but its value would be greatly increased if the Imperial Institute, or some other existing Department, could throw an illuminating light on conditions vitally affecting trade and economic questions, but distinct from the purely import and export figures as they exist in any given district. What we mean is we want information giving the banker, the merchant, and the trader as clear a

picture as possible of the actual conditions that prevail, say, in the State of Sao Paulo, of which Santos, the trade figures of which we are about to give below, is the principal port. Now the State of Sao Paulo, with the exception of the Federal district of Rio de Janeiro itself, is by far the most highly developed, the most uniformly prosperous, and, with the exception given, the most thickly-peopled of all the States of Brazil. Quite recently the State made an appeal, and a highly successful appeal, too, to the investing classes of this country for a loan for the purposes of the State's development. Now it would be exceedingly useful to bankers, stockbrokers, and traders interested in the State of Sao Paulo, who are not themselves sufficiently wealthy to have agents all over the State who can afford them information by cable at any moment, regardless of cost, if they could get such information as would give them a clear conception of the country in which they themselves or their clients were investing money. In a sense, the books of reference do give a certain picture of the conditions prevailing in various countries; and, to be perfectly fair, it is remarkable how clear a picture to anyone who knows the district many of the books of reference do give. The books of reference, however, are published either annually, or sometimes not every year, and they must be produced at such a price that they command a reasonable sale. A book of reference, even if it was published every month, which would give the kind of information we have in mind would require to be as large as a Post Office Directory, and the cost of its production would be absolutely prohibitive, and would restrict its sale to a class of purchasers who already have the information they require afforded them from other sources.

Santos, which in recent years has become a great city, is the port of the State of Sao Paulo. Mr. Seccombe, our Vice-Consul there, has furnished the Department with the figures of the imports and exports passing through the port during the year 1920. The value of the exports was 860½ million dollars, as compared with 1,087½ million dollars in 1919, the fall being almost entirely due to the decline in the price of coffee. We might add that, while Sao Paulo is not entirely dependent upon coffee, coffee is the great predominant product of the State. Until quite recently, it formed practically ninety-five per cent. of the exports of the State. With the building up of the meat industry, and certain other industries in the State, the proportion has fallen well below ninety per cent., but it is still, as the reader will appreciate, out of all proportion the most important industry of Sao Paulo. The value of the imports rose from 381 million dollars to 613½ million dollars. Various European countries contributed to this increase, but the greatest proportionate increase is in the imports from Germany and Belgium. There have been large increases in the imports of raw and manufactured cotton, iron and steel goods, machinery, wheat, wines and foodstuffs. The principal decrease has been in raw jute for making gunny bags for the coffee. Otherwise there is no important feature to record. The following table is furnished to us by the Department:—

Imports of Principal Articles.

	$
Cotton, raw and manufactured	46,761,260
Iron and steel, worked and unworked	87,154,749
Factory machinery	9,462,441
Agricultural machinery	3,204,545
Other machinery, &c.	50,057,523
Chemical products, drugs, &c.	15,767,524
Skins and leather, prepared, cured and manufactured	12,557,9 4
Jute and hemp for weaving	4,257,722
Jute and hemp, raw	14,189,650
Coal	8,745,930
Kerosene	2,425,039
Codfish	6,182,363
Wheaten flour	19,285,876
Grain (wheat)	38,883,574
Wines (assorted)	22,793,020
Foodstuffs	32,087,722

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Rubber Topics.

IT was difficult to detect much vitality in the share market during the week. The Commodity market was in much the same state, the price of crêpe remaining sluggishly in the neighbourhood of 8½*d*. Whilst the figures relative to London stocks do not show up in the same favourable light as last week, yet the fact remains that the return of 1,527 tons for deliveries to the trade is the highest recorded since a year ago. Nevertheless, as imports jumped up to 2,052 tons, stocks increased by 525 tons. That the Rubber Growers' Association are not remaining passive in the crisis is evidenced in the resolution carried at the recent meeting to the effect "That this Council, whilst agreeing with the conclusions arrived at by the Output Control Committee, namely, that the only method of dealing with the present situation is a combination for selling coupled with a drastic restriction of crops by the whole or a sufficient proportion to exercise a control of the whole of the plantation interests of the world, request the Output Control Committee to take into account the suggestions and criticisms made at to-day's meeting and to report to a future meeting." We suggest to the Association the issue of a further circular embodying the general nature of the above criticisms and suggestions.

K.M.S. (MALAY STATES).

Issued Capital: £85,000 in £1 Shares.

	Results for Years to June 30—								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Div. Amt. £	Div. %
1916–17...	1,396	750	196,295	261*	2 9 83	1 7 45	15,049	8,500	10
1917–18...	1,345	—	225,512	—	2 2¼	1 5	9,162	1,275	1½
1918–19...	1,369	—	212,784	—	1 10 13	1 4 10	5,671	6,375	7
1919–20...	1,393	—	300,598	—	2 0 55	1 2 81	12,703	8,500	10

* Estimated.

Price of Shares, 10/0. Market Capitalisation per planted acre, £31.

THE report of K.M.S. (Malay States) Rubber Plantations for the year ended June 30, 1920, shows that, on the whole, the results answered expectations. The estimate anticipated a crop of 300,000 lb., and the total quantity of rubber harvested just amounted to 300,598 lb. Making due allowance for the fact that the shortage of rice prevented the manager from hiring as much labour as he desired, this crop reflects credit on the administration, exceeding that of the previous year by over 87,000 lb. Side by side with this gratifying increase in the size of the crop came an equally satisfactory decline in the working costs. The estate expenditure worked out at 10.73*d*. per lb., as against 11.70*d*. in the previous year: the f.o.b. cost fell from 1*s*. 0.54*d*. to 11.33*d*. per lb.; whilst the "all-in" cost was reduced from 1*s*. 4.1*d*. to 1*s*. 2.81*d*. per lb. Moreover, this reduction coincided with an advance in the average price realised by the sale of the crop from 1*s*. 10.13*d*. to 2*s*. 0.55*d*. per lb. Thus there was earned a profit per lb. of 9¾*d*. approximately, as compared with 6*d*. in 1918-19. With the larger crop harvested this profit gave an aggregate of £12,703, as against £5,671 in the previous year. Accordingly the dividend to shareholders is increased from

seven and a-half per cent. to ten per cent., leaving to be carried forward to the next accounts, but subject to deduction in respect of the corporation tax, the manager's commission, and bonus to staff, a balance of £7,404, as against £3,262 brought forward from the previous year.

At the general meeting in the autumn of 1920 the chairman wisely pointed out how, in the absence of any appreciable improvement in the price of the commodity, "there can be no question that the profits for the current year will show a very considerable reduction." At the date in question plantation crêpe had not fallen below 1*s.* 4*d.* Since then it has dropped to the record low level of 9*d.*, and the price so far shows no tendency of rising above 1*s.* per lb. Accordingly shareholders must even be prepared to face a loss on the crop of the current year. Some relief may be afforded by forward contracts for the sale over 1921 of 67,200 lb. at the average price of 2*s.* 6¾*d.* per lb. London terms. As the Company is participating in the twenty-five per cent. restriction in operation since November, it does not anticipate a larger crop than 260,000 lb. However, the return for the first eight months records a total of 198,043 lb., which would indicate that the estimate will be exceeded, unless a more drastic curtailment takes place within the remaining quarter. In any case, the crop will fall short of that of the year under review, and this implies a higher "all-in" cost, unless offset by economies. In one direction a reduction is expected owing to the fall in the price of rice. Financially, the position of the Company, as seen in the balance sheet dated June 30, 1920, is sound. Liquid assets were available to a total of £20,385 to meet current liabilities which, with the addition of the dividend of ten per cent., did not exceed £14,787. The absence of any dividend for the current year appears to be, however, a foregone conclusion, the market expressing its opinion in the quotation of 10*s.* for the £1 shares, which is equivalent to the very low capitalisation of £31 per acre.

GEDONG (PERAK).

Issued Capital: £57,300 in £1 Shares.

	Results for Years to October 31							
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1917	1,026	735	277,508	377	2 4·8	1 0·6	18,608	8,595	15
1918	1,026	954	219,661	230	1 4·½	1 11	8,679	5,730	10
1919	1,076	974	287,332	295	2 0·½	1 1½	12,720	8,595	15
1920	1,076	1,026	402,603	392	1 6·56	1 2·43	7,135	2,865	5

Price of Shares, 43/1½. Market Capitalisation per planted acre, £114.

Financially the report of Gedong (Perak) Rubber Estate for the year ended October 31, 1920, does not compare favourably with that of the previous year. Whilst the quantity of rubber harvested reached 402,603 lb., as against 287,332 lb. in 1918-19, the crop nevertheless fell short of the estimate by 17,397 lb. According to the report this deficiency is due to unfavourable weather and a change in the tapping system. Notwithstanding this considerable increase in the size of the crop the f.o.b. cost rose from 11.67*d.* per lb. to 1*s.* 0.25*d.* per lb., whilst the "all-in" cost worked out at 1*s.* 2.43*d.* per lb., as against 1*s.* 1.73*d.* per lb. This increase under such circumstances can only be attributed to the higher prices of stores, the loss on rice supplied to the native labour force, and the increase in wages. But the most unsatisfactory feature of the report is the drop in the average gross price realised by the sale of the crop from 2*s.* 0.30*d.* per lb. to 1*s.* 6.56*d.* per lb., as a result of the steady relapse in the price of rubber since the beginning of 1920. Accordingly, instead of a profit of over 11*d.* per lb. as in 1918-19, there was obtained only a profit of 4.13*d.* per lb. Consequently, despite the larger crop harvested, the net profit fell from £12,720 to £7,135, or to an amount below the return for the adverse year 1917-18. The amount available for distribution was increased to £7,339 by the addition of £204, the net balance brought forward from the previous year after meeting the liability of £2,923 for excess profits duty. Out of this a sum of £500 is set aside to meet depreciation of machinery and buildings. In view, however, of the mediocre results of the year and the uncertain outlook for the immediate future, shareholders had to be contented with the interim dividend of 5 per cent., no final dividend being declared. There is carried forward to the next accounts a balance of £3,974, which is subject to deduction in respect of corporation profits tax and excess profits duty. However, as the liability for excess profits duty in respect of 1917-18 did not exceed £415, the charge for 1919-20 is not likely to be very serious.

Considerable delay was experienced in completing the formalities for the transfer of the 600 acres of land, the purchase of which was being negotiated at the date of the previous report. The transfer has now been effected. The transaction involves an issue to the vendors of 3,500 shares of £1 each. As the unissued portion of the authorised capital is only 2,700 shares, it has been necessary to increase the authorised capital from £60,000 to £75,000. This will give the board the means of securing additional working capital as and when required, but it is specifically stated that no new issue is contemplated at present. The estimate for the current year, based upon participation in the twenty-five per cent. restriction now in force, is 330,000 lb. Returns for the first six months give a total crop of 160,708 lb., thereby indicating that, in the absence of any more drastic curtailment, the estimate will be realised. In the absence of forward contracts it is not likely that any profit can be expected in view of the existing unremunerative price of the commodity. The financial position of the Company as seen in the balance sheet dated October 31, 1920, is sound. Including the taxation reserve of £4,357, current liabilities did not exceed £7,801, whereas liquid assets were available to a total of £10,792. No transaction is recorded in the shares since September 30, 1920, at which date they stood at the high level of 43*s.* 1½*d.*, corresponding to a market capitalisation of £114 per acre, which is certainly too high in the face of the current depression.

REMBIA (MALACCA).

Issued Capital: £80,000, in 15,000 Ordinary Shares of £1 each and 65,000 6% Cumulative Participating Preference Shares of £1 each.

	Results for Years to September 30							
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit‡ £	Dividend Amt. £	Dividend %
1916-17	1,558½	1,394·	400,384	278	2 3½	1 3½	24,533	8,000	10(c)
1917-18	1,560	1,452·	338,607	—	1 6·3	1 4†	6,259	4,800	6(c)
1918-19	1,560	1,464·	417,064	—	1 8½	1 4½†	15,640	16,000	20
1919-20	1,560	1,186	470,262	396	1 4·24	1 3·52†	251	—	—

* Considerable area in partial bearing. † Excluding selling charges, freight &c. ‡ Before deduction of income tax. (c) Free of income tax.

Price of Shares, 15/9. Market Capitalisation per planted acre, £40.

The report presented by the Rembia Rubber Estates, Limited, for the year ended September 30, 1920, is by no means of an encouraging nature. Whilst the crop harvested reached 470,262 lb., or over 53,000 lb. in excess of the crop of the previous year, it fell short of the original estimate by nearly 35,000 lb. Normally speaking, such an increase in the crop as compared with that of the previous year would be reflected in the reduction of the cost of production per lb. But the conditions of the year under review were far from normal. Price levels moved upwards until after March, thus influencing adversely the cost of stores; whilst, in addition, a heavy loss was incurred on the foodstuffs supplied to the native labour force. A measure of this loss is provided by the increase in the f.o.b. cost per lb. from 1*s.* 0.1*d.* in 1918-19 to 1*s.* 2.89*d.* in 1919-20, and in the expansion in the "all-in" cost from 1*s.* 0½*d.* to 1*s.* 3.52*d.* per lb. Unfortunately such an increase coincided with a still more

serious decline in the average net price realised by the sale of the crop, which worked out only at 1*s*. 4.24*d*. per lb. as compared with 1*s*. 8.25*d*. per lb. in the previous year. This low level would indicate that not much of the crop was disposed of by forward contracts, with the result that sales had to be effected in a continually falling market. However, the fact remains that instead of a profit of 7¾*d*. per lb. as in 1918-19, there was earned for the year under review a profit of less than ¾*d*. per lb. Consequently the net profit of £15,640 is replaced by the nominal return of £251. The addition of the net balance of £10,344 brought forward from the last accounts and of a refund of £2,492 in respect of income tax under the Stevens *v.* Boustead decision, brought the total available for distribution to £13,088. Shareholders, who received a dividend of twenty per cent. in 1918-19, had, however, to submit to the passing of the dividend for the year under review in consequence of the poor results. Accordingly there is carried forward to the next accounts a balance of £13,088.

It is unfortunate that just as the whole planted area had come into bearing the estates should witness such a depression in the rubber industry as is indicated by the heavy slump in the price of the commodity since the autumn of 1920. The Company is participating in the restriction of twenty-five per cent. now in force, and the crop harvested for the first seven months of the current year only amounts to 208,473 lb., as against 262,241 lb. for the corresponding period of 1919-20. Thus the total crop is not likely to exceed the reduced output of 1917-18. Consequently, unless drastic economies are introduced, the cost of production may even exceed that of the year under review. Some relief should, however, be experienced by the fall in the price of rice. In the absence of forward contracts the sale price in force since the opening of the current year would not allow of any margin of profit; indeed, it is difficult to see how a loss on the crop can be readily avoided in the absence of a pronounced recovery. Thus the outlook for the current year is very gloomy. Financially a satisfactory position is disclosed in the balance sheet dated September 30, 1920. Current liabilities did not exceed £20,916, whereas liquid assets were available to a total of £36,576. In view of the existing depression it is not surprising to learn that no issue has yet been made of the additional 70,000 six per cent. Cumulative Participating Preference shares recently created. In the market there has been no transaction recorded in the Ordinary shares since last July. The Cumulative Participating Preference shares of £1 each have, however, recently changed hands at 15*s*. 9*d*., and, assuming a similar price for the Ordinary shares, the market capitalisation would be as low as £40 per acre.

SENDAYAN (NEGRI SEMBILAN).

Issued Capital: £70,000 in £1 Shares.

Results for Years to September 30—

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1917 ...	1,502	1,044	416,707	400	2·53	1 1·56	27,625	10,481	17½
1918 ...	1,432	—	363,562	—	1/11·4	1/5·8	8,923	4,192	7½
1919 ...	1,153	1,132	523,912	366	1/11·1	1/1·1	21,604	10,500	15
1920 ...	1,153	1,132	583,687	407	1/7·04	1/3·68	9,183	7,000	10

Price of Shares, 38/9. Market Capitalisation per acre, £93.

For the year ended September 30, 1920, the Sendayan (F.M.S.) Rubber Company harvested its record crop of 583,687 lb., corresponding to the satisfactory yield of 407 lb. per bearing acre. That the crop should have exceeded the original estimate of 568,000 lb., despite the difficulty experienced in maintaining an adequate supply of labour, speaks well for the efficiency of the administration. However, although the crop harvested exceeded that of the previous year by nearly 60,000 lb., the customary reduction in the cost of production was not recorded. On the contrary, the estate cost worked out at 1*s*. 0.31*d*. per lb., as against 9.79*d*. per lb., whilst the "all-in" cost reached 1*s*. 3.68*d*., as compared with 1*s*. 1.43*d*. per lb. In the main, as the growth in the estate expenditure testifies, this increase was due to the rise in wages, the loss on rice supplied to the native workers, and to the higher prices of stores and materials in conjunction with the increased cost of transport. In part, however, the addition represents expenditure incurred on improvement works during the year. The unfortunate fact is that this rise in the "all-in" cost coincides with a decline in the average price realised by the sale of the crop which fell from 1*s*. 11.11*d*. per lb. in 1918-19 to 1*s*. 7.04*d*. Had not over forty per cent. of the crop been sold forward at an average of 2*s*. 1*d*. per lb., it is evident that a still lower level would have been recorded owing to the slump in the price of rubber during the period under review. The final result was that the profit per lb. was only a little more than one-third of that secured in 1918-19. Consequently, despite the growth in the crop, the aggregate net profit dropped from £21,604 to £9,183, or almost as low as the profit of the adverse year 1917-18. Including the balance of £17,477 brought forward from the previous year, the total available for distribution reached £26,660. Out of this the directors declared a dividend of ten per cent., which compares with fifteen per cent. in 1918-19, but which must be regarded as generous in view of the difficulties of the year. There is carried forward to the next accounts the balance of £19,660, subject however to deduction in respect of the corporation profits tax and excess profits duty. A refund of £1,936 under the Stevens *v.* Boustead decision has been placed to the credit of the income-tax suspense account.

The marked and persistent decline in the price of rubber since September 1920, culminating in the recent low record of 8*d*. per lb. for plantation crêpe, makes the outlook for the current year gloomy. The estimated crop has been reduced to 460,000 lb. in accordance with the restriction of twenty-five per cent. now in operation. The return of 268,548 lb. for the first seven months indicates that in the absence of a more drastic restriction this estimate will be realised. The reduction in the crop foreshadows an increase in the "all-in" cost, against which must be placed the economies to be effected by a careful supervision, a drastic curtailment of unnecessary expenditure, and the recent fall in the price of rice, of stores, and in wages. On the whole, it is hoped to produce this smaller crop at a lower "all-in" cost. A more satisfactory feature is the disposal by forward contract of 268,800 lb., or more than half the estimated crop for delivery over 1921, at the average price of 2*s*. 7¾*d*. per lb., equivalent landed terms. This, in conjunction with the reduced "all-in" cost, should the latter materialise, would obviate any loss on the current crop. Financially the Company is in a strong position, well equipped to weather the present storm. According to the balance sheet dated September 30, 1920, current liabilities, including the dividend of ten per cent., did not exceed £15,967, whereas liquid assets were available to a total of £48,057. Cash and National War Bonds alone exceeded £36,400, thereby supplying the Company with the bulk of its essential expenditure for the current year. In the market the £1 shares are quoted at 38*s*. 9*d*., corresponding to a market capitalisation of £93 per acre.

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STANDARD LIFE ASSURANCE COMPANY.

ANNUAL REPORT AND QUINQUENNIAL VALUATION.

THE results announced in this important Company's annual report for the financial year ended November 15, 1920, and in the quinquennial valuation statement as at that date cannot fail to be gratifying alike to its policyholders and shareholders. The Company, whose headquarters are in Edinburgh, is one of the oldest and best known joint stock life offices before the public. In another four years it will celebrate its centenary. While it has always transacted a large business in the United Kingdom, it is well represented in many other places. It was one of the first amongst British life offices to cultivate a Colonial business, and has always been popular, especially amongst the mercantile and official classes, in the East and West Indies, and in further Asia. It has an important branch in Canada. In all these places as well as at home it enjoys an excellent reputation.

The competition of the large composite companies which transact other classes of insurance (such as fire, accident, and marine), and which can therefore rely on the undivided allegiance of their agents, places an office which confines its commitments to life assurance at a certain disadvantage in its efforts to develop its new business. But, despite this handicap, the Standard is holding its own well in this respect. Only during one year of its last quinquennium, and that was the middle year of the War, did its volume of new assurances fall below one million sterling. In the financial year ended November 15, 1920, new life policies were issued by it for £2,695,386, whereof £184,589 was reassured, the net retention at the Company's sole risk thus amounting to £2,510,797, as compared with £1,959,833 in the immediately preceding financial year. The total net life premium income for last year amounted to £954,591 (showing an increase of £35,046), apart from a sum of £72,937 received as consideration for new annuities. The death claims, amounting to £665,406, were slightly less than in the previous year. Policies for £314,833 matured by survivance. The net interest yield on the life and annuity funds during the year seems to have been about £4 15*s.* per cent., after deduction of income tax, which is considerably higher than was the case in this Company for many years preceding the quinquennium completed in 1920. This is the more gratifying seeing that taxation had greatly increased. A less favourable feature, but one which was evidently within the Company's power to face with comparative equanimity, was the depreciation which had to be dealt with at the close of the quinquennium. A sum of £867,416 is debited to the life revenue account for this reason. Thereafter the life assurance fund on November 15, 1920, amounted to £13,311,119.

The assets of the Company, as shown in the balance sheet on November 15, 1920, amounted to £13,865,570, and these the directors certify were in their belief fully of the value stated. The Stock Exchange securities were valued according to the lowest market quotations ruling on the valuation date, or at their ledger values if lower than their market prices. Other securities were conservatively valued by the directors. For example, feu duties and ground rents were taken at 16⅔ years' purchase.

The valuation of the life assurance liabilities was made by the $O^{M(5)}$ table of mortality in combination with O^{M} net premiums, and for annuity liabilities the British offices select annuity tables O^{A} were employed, in both cases the assumed rate of interest being three per cent. The result was to show a surplus of £944,956 in the life assurance fund. As the sum of £218,562 had been distributed during the quinquennium in the form of intermediate bonuses to participating policyholders, and of dividends to shareholders on account of their share of profits for the quinquennium, the total surplus for the period was £1,163,518, of which £1,121,313 was declared as divisible, whilst £42,205 was carried forward to the new current quinquennium.

A first charge upon the divisible surplus is a sum of £25,899, representing interest on shareholders' capital and funds during the quinquennium. The balance of £1,095,413 is apportioned between participating policyholders, who are entitled to £985,872, or nine-tenths thereof, and shareholders, who get the remaining one-tenth, amounting to £109,541.

On the occasion of the last previous quinquennial investigation, which fell to be made during the War, on November 15, 1915, it was decided under the unique and unprecedented circumstances then prevailing, and in view of heavy war losses from mortality and other causes, to postpone any general distribution of bonus. Provisions, however, were then made (1) that participating policies of not less than five years' standing which became claims before November 15, 1920, should receive an interim bonus (which has been in fact 20*s.* per cent. on the sum assured) for each full year's premium due and paid after November 15, 1910, and (2) that on November 15, 1920, participating policies then existing and which had been in force on November 15, 1915, should share in any divisible profits then allotted in respect of each full year's premium due and paid after November 15, 1910. In accordance with this arrangement bonuses were allotted to ordinary participating Standard policies as at November 15, 1920, on the following scale as the result to them of the quinquennial appropriation:—

	Full Years in Force					
	1 to 5	6	7	8	9	10
Rate of bonus per cent. per annum ...	20/-	24/-	28	32/-	36 -	40/-

The effect of this scale is to provide bonuses to policyholders for the period of ten years at two-thirds of the rate declared on the pre-War quinquennial occasion on November 15, 1910. Looking to the severe strain of the War this must be considered very satisfactory. Interim bonuses are declared in respect of policies becoming claims during the new current valuation period at the rate of 20*s.* per cent. per annum on ordinary policies, and 30*s.* per cent. per annum on endowment assurances entitled to participate.

After the transfer of their share of quinquennial profits the balance standing to the credit of shareholders as at November 15, 1920, amounted to £122,255. Of

this the sum of £55,000 is applied to reducing the uncalled capital by 22*s.* per share. At the valuation date the subscribed capital amounted to £500,000, of which £120,000 was paid up, in 50,000 shares of £10, with £2 8*s.* paid on each. The adjustment referred to raises the paid-up capital to £175,000, and the amount paid on each share to £3 10*s.* A dividend of 10*s.* 6*d.* per share, subject to income tax, is declared as payable by half-yearly instalments during 1921, and it may be presumed that similar dividends will be declared during the current quinquennium. This compares with annual dividends of about 4*s.* 9*d.* per share, less tax, payable during the last quinquennium. The effect of this decision is materially to increase the intrinsic value of the shares.

It was stated by the Chairman at the annual meeting held on April 12 last that the directors had decided to cease to seek for new business on the Continent of Europe, and were taking, on the other hand, steps for development thereof within the British Empire.

A notable decision is announced in regard to the incidence of actuarial valuation for profit-distributing purposes, which in future will be triennially made. The directors explain that the large amount of labour attendant on such an investigation has been the chief reason against their having previously adopted a shorter interval than five years for the investigation period; but as modern methods have largely overcome the diffi-difficulties referred to, they have decided upon a change, and consequently the next valuation of the kind will be made as at November 15, 1923. This is contemporaneous with a concession as to the date of vesting of declared bonuses which will be welcomed by the Company's existing policyholders, and which, along with the attraction of triennial distributions, should increase its popularity with intending life assurants. Under the rules of the Company up to November 15, 1920, bonuses did not vest until policies had been in force for five years, but in future the bonuses declared on all ordinary participating policies are to be made free from this restriction.

THE STANDARD BANK OF SOUTH AFRICA, LIMITED.—The directors of the Standard Bank of South Africa, Limited, have resolved subject to audit, to recommend to the shareholders, at the general meeting to be held on July 27 next, a dividend for the three months ended March 31 of 3*s.* 6*d.* per share, final for the fifteen months ended on that date, with a bonus for the fifteen months of 3*s.* 1½*d.* per share, being at the rate of 2*s.* 6*d.* per share per annum (making with the interim dividends a total distribution at the rate of sixteen and a-half per cent. per annum), subject to income tax; to appropriate £50.000 to the writing down of bank premises; to add £100,000 to the officers' pension fund, and to carry forward a balance of about £206,724. The Bank's investments stand in the books at the market value as at March 31 last, and all other usual and necessary provisions have been made.

Financial Report. Address to the Italian Chamber of Deputies on December 1920. By Filippo Meda, Minister of the Treasury.

The World in Revolt: A Psychological Study of Our Times. By Gustave le Bon. Price 12*s.* 6*d.* (London: T. Fisher Unwin.)

The Journal of the Indian Economic Society for March contains an exhaustive review of the Indian Budget for 1921-22. The Budget estimates the expenditure chargeable to central revenues at 129 crores of rupees, against a revenue on the basis of existing taxation, and including the provincial contribution of 983 lacs, of 110½ crores. Of the total expenditure no less than half is to be devoted to military matters. A table compiled by the *Journal* shows that the growth in the military expenditure from 1837-38 to 1921-22 has been more than sixfold, while it is nearly three and a-half times that expended in the year to March 1914.

A POLICY IN THE
SCOTTISH PROVIDENT INSTITUTION,
owing to the very MODERATE RATE OF PREMIUM, is the ideal method of providing for
DEATH DUTIES
OR
DEPRECIATION ON INVESTMENTS,
particularly in view of the **Abatement of Income Tax** allowed in respect of PREMIUMS PAID.

Example: Age 40 next Birthday.

	£	s.	d.
The Annual Premium, limited to 25 payments, to assure £2,500, payable at death, to provide Estate Duty of that amount would be	82	7	11
Less rebate of Income Tax (at 3s. per £)...	12	7	2
Making Net Annual Outlay	£70	0	9

MAXIMUM Amount of Premiums Payable, £1,751.
MINIMUM Sum Assured Payable, £2,500.
HEAD OFFICE: 6 St. Andrew Square, Edinburgh.
LONDON: 3 Lombard Street, E.C. 3.
WEST END: 17 Pall Mall, S.W. 1
Accumulated Funds ... ... £16,500,000.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.
Authorised Capital £1,000,000
Paid-up Capital £176,334
Total Funds now exceed £1,400,000.
FOR REINSURANCE BUSINESS.
FIRE. ACCIDENT. MARINE.
Fire & General Dept. & Marine Department.
37/41 GRACECHURCH ST., LONDON, E.C.3
Registered Office and Life Department.
9 FLEET STREET, LONDON, E.C. 4.
General Manager: J. HERBERT E. LANE.
Actuary and Secretary: CHAS. WINDLETT.

Commercial.

CAMPHOR.—II.

WE discussed last week the causes which during the past ten or twelve years have created an extraordinary demand for camphor. They were, as we explained, almost wholly due to the development of the celluloid and cinematograph industries. It is difficult to estimate either the production or consumption as no official figures are furnished in the countries of origin. By far the greatest consumer known to the international markets, as would not unnaturally be expected, is the United States of America. The United States consumes anything between thirty-three and one-third and fifty per cent. of the world's total production, according as we assume that production to amount to either twelve or fifteen million pounds. There is, however, as we have said, no reliable information, either official or otherwise, that would admit of our estimating the total production. Japan [illegible] refining of camphor produced within the Japanese Empire. She does not disclose what that production is. All anyone has to rely upon who desires to estimate with any approximate degree of accuracy the world's total production of camphor is to add an arbitrary sum for [illegible] to the countries of origin to the amounts exported from, and imported into, the world's international markets.

For an immense length of time, particularly in the East, and later, as Eastern products became known in Europe, camphor has been in demand for medicine. The camphor with which we are here concerned, and for which there is now an enormous demand, is the cinnamum camphor; but there are other varieties far more prized for medicinal purposes, which, in fact, command prices many times higher than that obtained by the cinnamum variety. For medicinal purposes, and for a comparatively restricted market for which there was formerly a demand, it was found sufficient that

collectors should go out into the forests and obtain the necessary supplies, which, as we have already said, for the choicest products commanded very high values. It was, in fact, provided the material was obtained, which, as we have endeavoured to show was only required in small quantities, more or less immaterial the price demanded in the market. With the development, however, of the celluloid and cinema industries the position has naturally completely changed. Quantities out of all proportion to what was required formerly are now required to feed, in the form of raw material, a great and expanding industry. Moreover, when the demand reaches the proportions to which the celluloid industry and its allied trades have attained, the question of the cost of production can no longer be ignored. In other words, it is eminently desirable, and probably from the experience we have obtained in other industries will become essential, that the supply should be forthcoming upon a real industrial basis. Very much the experience which has been witnessed with regard to rubber appears about to be witnessed in connection with the camphor trade. The rubber tree, as the reader is aware, takes three or four years to grow to any size from which it is possible to obtain the milk, or latex, for which it is famous, and which constitutes the demand for this product. The camphor tree is a still more difficult proposition. It should, under favouring conditions, attain a height of about thirty feet some eighteen or twenty years after it is planted. Trees exist in various parts of the Japanese Empire, and notably in the neighbourhood of Tokio itself, which are believed to be as much as 150, or even 200, years old. It is manifest that no industry dependent upon trees which take this immense length of time to grow could exist with any prospect of commercial success. It seems equally clear that the industry cannot continue to exist on a satisfactory basis, at any rate, if it is dependent upon camphor collected in the forests of Formosa and the remote provinces of China. The tree can grow, and does grow, even when subjected to ten, fifteen, or even twenty degrees of frost. But it requires an ample supply of moisture. Competent authorities seem to be agreed that the camphor tree cannot be grown in a locality which has less than fifty inches of rain during the year, and it is desirable that it should have at least ten inches more. Some of the best camphor trees are grown, if our information is correct, in localities where as much as ninety inches —which is a tropical average—fall during a period of twelve months. Recently, experiments have been made in planting camphor in Canada, in the United States, in the highlands of the Federated Malay States, and elsewhere. After the trees had been planted about three years attempts were made to obtain the essential oil from the crushing of the leaves. At first these experiments met with very poor results. More recently, we are informed upon excellent authority, the return obtainable has been such as to well repay the outlay expended upon the plantations. Experiments have not gone far enough yet to determine the question, but it is argued, and perhaps not unnaturally, that if the oil is extracted from the leaves in the early period of its growth there will be comparatively little oil remaining in the stem to be extracted at a later period. However, this is a question upon which we do not pretend to be in any way competent to speak; and those who have had actual experience of camphor-tree planting inform us that their experiments so far have not gone far enough to warrant them in forming a very confident opinion on the subject. Up to the present the bulk of the camphor known to the international markets has been obtained from the Island of Formosa and in certain provinces of China. It grows wild over a very extensive area of the Far East. With the exception of Formosa, however, it is found in single trees, and often at considerable distances the one from the other. So recently as the beginning of the present century the camphor tree, and particularly the variety now so much in demand, was so little valued that it was used in boat-building and even for firewood. It is evident now that if it is developed as a plantation industry it will come to be a purely extractive one.

FUEL CONSUMPTION IN IRELAND.

Having regard to the present shortage of coal, Ireland is fortunate in possessing in peat a substitute, the consumption of which in urban districts has been growing in favour for some months past. This adds some interest to the particulars of the normal annual consumption of both commodities which are given in the recently issued Report of the Irish Peat Committee. The average annual import of coal into Ireland during the period of three years 1912 to 1914 was 4,650,000 tons, the average annual output of native coal mined and used in the country being 88,000 tons. The total coal consumed in Ireland for all purposes thus amounts to 1.08 tons per head per year, the lowness of this figure compared with that given for the United Kingdom—3.97 tons per head—being explained by the greater industrial development of Great Britain and the large quantities of peat employed in Ireland. What this peat consumption actually amounts to does not lend itself easily to definite ascertainment, but it is reckoned that the estimate of a quantity of about seven million tons of air-dried peat won and used annually is sufficiently accurate to prove the important part peat at present plays in Irish economic life. Taking as a basis of comparison that two tons of peat fuel are equal in calorific power to one ton of coal, the total coal equivalent of this estimate is 3,500,000 tons. Adding this to the coal actually consumed—4,650,000 tons—it will be found that peat in 1914 supplied forty-two per cent. of the total fuel requirements of the country. As might be expected, peat is in great demand amongst the peasants of the Western and North-Western districts of Ireland, the people over large portions of this area being entirely dependent on it for fuel supply. Connaught's peat consumption is estimated at 2,300,000 tons per annum; Ulster comes next with 2,025,000 tons, and Munster and Leinster follow with figures of 1,625,000 tons and 1,050,000 tons respectively. This feature of the peat problem has to be kept constantly in mind no matter how desirable the utilisation of peat is for industrial purposes, for the importance of being able to fall back upon a cheap and alternative domestic fuel is, in the circumstances of the moment, thoroughly realised in Ireland. In his evidence before the Peat Committee Sir Henry Doran rightly emphasised the fact that large areas of bog under the control of the Congested Districts Board must continue to be reserved for the supply of fuel to the small owners of land in the district under the Board's jurisdiction. As it was, he feared that with the exhaustion of the local peat deposits in certain densely populated districts, mainly occupied by small landholders, many families may have to leave unless provision be made for the supply of fuel.

Peat possesses the advantage that in many cases in the West of Ireland it has only to be brought a distance of half-a-mile to a mile, and that it can be won in the farmer's spare time with only the expenditure of his labour. The high consumption of peat in these districts is, consequently, somewhat akin to the consumption of coal in the villages of England and Wales near the coal pits. Nevertheless, the increasing prosperity of the peasant proprietors throughout the country has led to a reduction in the quantity of peat fuel used by them. Kitchen ranges for coal consumption have to some extent replaced the open peat fires. A possible explanation of this may be that the farmer has found his time more profitably employed in the cultivation of the land, which has now become his own property, than in the cutting of peat. The increase in the cost of, and the scarcity of, labour, due to the extension of tillage in the country, is also a contributory factor. Then, too, in some districts, owing to the cutting away of small bogs, the haulage of peat

from distances has become a serious matter and has materially increased the cost of the material.

All over the country the tendency to commence cutting the fuel too late in the season is responsible for delaying its transportation until late in the year, when it sustains considerable damage as a result of wet weather. Considerable improvement, it is stated, could be made in the production of peat fuel, and this would be followed by its more general use, a result much to be desired. One factor hindering development in this respect is the lack of co-operation amongst the owners of adjoining turbary banks in keeping the cutting faces clear of water. To deal with this the Committee recommend that a statutory regulation be made to compel all persons enjoying turbary rights to attend efficiently to the drainage of their banks. The Congested Districts Board, it seems, insert clauses to this effect in all transfers of turbary rights they make to their landholders, but the machinery for enforcing them might be improved.

At present the greater portion of the Irish peat output is cut with a wing slane by the peasants for their own use. As under the conditions—shortness of season, &c.—which govern this hand winning it is an arduous task to increase the output, the Committee recommend the use of automatic machines. They observe that it would be difficult to obtain in any one bog area the necessary labour for hand-winning peat on a scale of 300 to 500 tons of air-dried peat per day, and that the cost of transport becomes heavy if the peat has to be won in different districts and brought to a central station. By using automatic machines instead of resorting to hand winning the number of men required would be reduced to one-fourth, although the number of women and children would be slightly increased. It is also possible that a longer season could be worked with peat machines than without, as the men working the machines would probably be protected from the weather. Climatic conditions might not, therefore, occasion such a loss of working time. With automatic machines work might proceed by night as well as by day, should cheap electric light be obtainable. Furthermore, machine peat dries more regularly than slane-cut peat, is less affected by rain, and recovers more rapidly from its effects; it also shrinks more than slane-cut peat, with a resulting increase in density, and hence less volume is required for equal calorific value. Finally, peat machines can cut for the whole depth of a deep bog, and hence a more uniform material, of great importance for gas-producing or steam-raising, can be obtained.

Industrial Companies.

ANGLO-CHILIAN NITRATE AND RAILWAY COMPANY, LIMITED.

Issued Capital: £900,000, in 70,000 7% Cumulative and Participating Preference Shares of £5 each and 110,000 Ordinary Shares of £5 each. 4½% Consolidated Mortgage Bonds, £234,500.

Year to Dec. 31	Sales Quintals	Net Profit* £	Sundry Reserves £	Pref. Div.‡ £	Pref. Div.‡ %	Ord. Div.‡ £	Ord. Div.‡ %	Carried Forward £
1913	2,625,460	311,550	20,000	105,000	30	165,000	30	101,765
1914	2,650,800	284,917	—	87,500	25	137,500	25	161,652
1915	2,495,900	256,775	10,000	87,500	25	137,500	25	163,425
1916	2,750,000†	480,285	160,000	105,000	30	165,000	30	213,710
1917	2,589,650†	332,567	—	87,500	25	137,500	25	321,277
1918	2,275,700†	31,864	—	52,500	15	82,500	15	218,387
1919	1,555,350†	70,085	—	52,500	15	82,500	15	153,471
1920	1,745,000†	457,152	175,000	87,500	25	137,500	25	210,624

* After providing for depreciation, income tax, &c. † Outputs. ‡ Free of tax

Thanks to the high prices ruling for nitrate and an increase in output from 1,555,350 quintals to 1,745,000 quintals, the trading profit of this Company (including miscellaneous income), after allowing for difference in exchange, amounted to £574,576 for 1920, against £170,937 for the previous year. The service of the Mortgage bonds absorbs £31,749, income tax £61,057, investment depreciation £10,000, and administration charges £14,618, leaving a balance profit of £457,152 against £70,085. The extent to which earnings of the railway have contributed to the net revenue is not disclosed, but the following table shows the remarkable improvement which has taken place in freight and passenger traffic. It should be noted, however, that operating costs have also increased considerably.

Year to Dec. 31	Gross Earnings £	Passengers Carried
1913	165,[illegible]	48,814
1914	[illegible]	49,118
1915	[illegible]	49,887
1916	420,305	33,102
1917	[illegible]	28,825
1918	245,641	27,411
1919	165,203	20,341
1920	[illegible]	39,298

The increased profit permits of a transfer of £25,000 to renewals reserve and £150,000 to the depreciation and general reserve, while the Preference and Ordinary dividends, free of tax, are both raised from fifteen per cent. to twenty-five per cent., leaving a balance of £210,624 to be carried forward (subject to corporation profits tax), as compared with £153,472 brought in. It may be pointed out excess profits duty (paid on account of 1916) amounting to £62,567 was recovered in 1919, and it has, therefore, been necessary in the table of profits shown above to adjust the net profit in 1916 and the balances carried forward in subsequent years accordingly.

The changes which have taken place in the balance sheet during the past year are shown in the following table:—

	LIABILITIES.			ASSETS.			
Dec. 31	Issued Capital	Sundry Liabilities†	Reserves and Carry forward	Fixed Assets	Stocks, &c.	Investments	Debtors and Cash
1919	1,191,600	410,498	545,268	1,243,384	396,051	231,143	276,788
1920	1,134,500	418,404	776,132	1,015,386	355,552	124,177	833,921

* Including Debentures. † Including final dividends payable.

The share capital is unchanged at £900,000, but the Mortgage bonds have been further reduced by £57,100 to £234,500. Sundry creditors show little alteration, but the depreciation and general reserve now stands at £400,000 (against £250,000) and the renewals account at £114,911 (against £93,200), while the fire insurance account has been slightly increased to £50,597. The fixed assets have been reduced by £227,998 to £1,015,386, due to the operation of the sinking fund of the bonds, and the sale of one of the Company's properties for £200,000. Working stocks shows a reduction of £42,318 at £178,151, but trading stocks are slightly higher at £177,401. As pointed out by the Chairman at the general meeting, the stocks of nitrate are valued not, as in the case of some other companies, at the net selling price, but at actual cost, as the profit is not realised until the nitrate is actually shipped. Bills receivable have been increased from £102,907 to £461,876, but other trade debtors have fallen from £124,641 to £49,321, and investments, at or under cost, from £231,143 to £124,177. Cash, however, has been increased from £50,050 to £192,724. In connection with the sale of nitrate properties it should be noted that £130,000 is still due by the purchaser, but an instalment of £50,000 is payable shortly. Excluding this item and stocks, the liquid assets exceed current liabilities (including final dividends payable) by £409,000, as compared with £97,433 at December 31, 1919. A severe strain however, is likely to be placed on the liquid resources of the Company during the current year. At the annual meeting on May 25 last the Chairman stated that, in consequence of the condition of the Nitrate market, production has been reduced to the lowest possible figure compatible with due economy. Last year the Nitrate Association made large sales for delivery up to about the present time at very remunerative prices and the Company as a member of the Association will correspondingly benefit during the first half of the current year. But as this season's demand has been very disappointing, due chiefly to the absence of buying power in Europe and the competition of synthetic nitrogen, heavy stocks [illegible] for forward

delivery will have to be carried over to next season, rendering fresh sales correspondingly difficult. Reduced shipments will naturally affect the traffic on the Company's railway, but it is reassuring to note that, following a fifteen per cent. increase in tariffs as from January 1, 1920, the Chilean Government has authorised a further increase of twelve per cent. as from March 31, 1920, which should materially offset the continued advance in operating costs. On the basis of a dividend of ten per cent., free of tax, both classes of shares, now quoted at £10 ex-dividend, afford a return of five per cent., free of tax, equivalent to 7⅐ per cent., subject to tax. The Preference shares are entitled to a cumulative dividend of seven per cent., and, after payment of a non-cumulative dividend of seven per cent. on the Ordinary shares, to rank *pari passu* with the latter shares in surplus profits remaining. It may be pointed out that it was decided recently to change the denomination of both classes of shares from £5 to £1.

ELDER DEMPSTER AND CO., LIMITED.

Issued Share Capital: £6,135,000, in 425,000 5½% Cumulative Preference shares, 3,000,000 6% Cumulative Preference shares, 1,500,000 6½% "A" Cumulative Preference shares, 1,200,000 Ordinary shares, and 10,000 Management shares of £1 each, fully paid.

Debenture Stocks: £2,000,000.

Year	'Net' Profits*	Deb. Int. and Preference Dividends	Ordinary Div.		Division Management Shares	To Reserves	Other Allocations	Carried forward.
	£	£	£	%	£	£	£	£
1914	326,121	150,932	90,000	8	—	50,000	20,470	52,809
1915	349,444	153,375	108,000	9	12,000	120 50,000	5,000	73,878
1916	358,176	153,375	120,000	10	24,000	240 50,000	10,000	74,679
1917	366,901	153,950	120,000	10	24,000	240 50,000	10,000	83,630
1918	408,530	168,375	120,000	10	24,000	240 50,000	10,000	119,785
1919	523,031	216,224	120,000	10	24,000	240 100,000	20,000	162,592
1920	671,191	367,731	120,000	10	24,000	240 100,000	10,000	212,351

* After provision for taxation and depreciation.

The report of this Company for the twelve months to December 31 last shows that a net profit has been obtained of £671,491, which is a record in the history of the undertaking and compares with £523,031 in 1919. The provision which has been made for taxation and depreciation is not disclosed, but this has probably been much greater than in the previous year. It is clear that the remarkable expansion in the profit has been mainly due to the employment of additional capital, £1,000,000 Six per Cent. Preference shares being issued towards the end of 1919, followed by the issue of £500,000 Six and a-Half per Cent. and £1,500,000 Six per Cent. Preference shares during 1920. Although the new shares do not rank fully in respect of the past year, the dividend absorbs £267,731, as compared with £116,224 in the previous year, while Debenture interest remains unchanged at £100,000. The Ordinary dividend is maintained at ten per cent., and the management dividend at 240 per cent., absorbing £120,000 and £24,000 respectively. The general reserve is again allotted £100,000, but the annual donation under the Pension scheme is reduced from £20,000 to £10,000 leaving a balance to be carried forward of £212,351, as compared with £162,592 brought in.

The following table shows the changes which have taken place during recent years in the balance sheet position:—

	LIABILITIES.				ASSETS.			
Dec. 31	Issued Capital	Debenture Stocks	Sundry Creditors*	Reserves and Carry-forward	Fixed Assets and Goodwill	Invests.	Debtors.	Cash.
	£	£	£	£	£	£	£	£
1918	3,135,000	2,000,000	2,309,156	1,169,785	6,778,389	1,250,224	583,328
1919	4,135,000	2,000,000	4,013,106	1,312,592	9,123,581	1,574,762	762,355
1920	6,135,000	2,000,000	3,465,720	1,462,352	10,815,191	1,772,352	475,529

* Including provision for taxation and final dividend payments.

As already indicated the expansion in the capital since 1918 has been entirely due to the issue of new Preference shares. During the past year sundry creditors (including provision for taxation and dividend payments) have been reduced by £547,386 to £3,465,720, while the reserves are increased by the allocation now made to £1,250,000. On the assets side the freehold and leasehold properties show additions (less depreciation) of £200,231 at £705,292, while the other fixed assets, which include shipping, industrial, and general investments, show net additions for the year of £1,491,380 at £10,109,899. Sundry debtors have also been increased by £197,590 to £1,772,352, but cash has fallen by £286,826 to £475,529. The manner in which the investments are stated precludes any effective comparison between liquid assets and current liabilities, but it will be noted that debtors and cash alone show a deficiency of £1,217,839, as compared with £1,675,989 at December 31, 1919.

A brief reference is made in the report to the trade depression, which has naturally affected some of the Company's activities. The firm is mainly engaged in the West African trade and last year its services between the Continent and West Africa were resumed, while additional sailings from Canada were inaugurated. The current year will have to bear the full force of the depression—the evils of which are aggravated by the coal dispute—but reduced earnings should be largely offset by the removal of the excess profits duty.

The prices and yields of the different shares of the Company, other than the Ordinary, which are held privately are embodied in the following table:—

	5% Deb. Stock	5% "A" Deb. Stock	5½% Cum. Pref.	6% Cum. Pref
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Price	75 0 0	72 10 0	15 0	0 15 0
Yield	6·7%*	6·9%*	7·3%	8·0%

* Flat yield.

DE\TREY AND COMPANY, LIMITED.

Issued Capital: £1,187,011, in 100,000 7% Cumulative Preference Shares and 1,087,011 Ordinary Shares of £1 each, fully paid.

Year	Net Profit	To General Reserve	Sundry Reserves	Pref. Dividend	Ordinary Dividend		Directors' Extra Remuneration	Carried Forward
	£	£	£	£	£	%	£	£
1914	23,971	2,388	—	2,625	13,500	5	—	6,634
1915	31,207	3,436	3,186	5,250	21,000	7	—	4,969
1916	83,086	8,911	20,000	5,250	30,000	10	11,198	13,595
1917	97,931	9,896	25,000	5,250	45,000	15	15,657	10,723
1918	115,608	9,875	31,333	5,250	52,966	17½	15,920	10,988
1919	192,320	16,105	48,019	6,137	87,786	22½	28,958	15,703
1920	168,023	14,113		7,000	135,000	12½	—	27,613

After charging depreciation and taxation other than income tax on dividends.

The accounts of this Company for the twelve months to December 31 last show a net profit, after charging depreciation and taxation, of £125,423, which compares with £164,554 for the previous year. It is important to bear in mind, however, that the provision now made for depreciation includes the writing down of stocks. Besides, it should be noted that the unusual and rather misleading practice is followed of charging the income tax payable on the Preference and Ordinary dividends before showing the net profit. To provide a more suitable basis for comparison it is accordingly necessary to write back the amount of the tax so deducted (£42,600 in 1920, against £28,266 in 1919), and the above table shows that with this adjustment the actual decline in the net profit does not exceed £24,297. The allocation to general reserve is reduced from £16,405 to £14,113, while no transfer is made to the contingency reserve and pension fund, which received £38,019 and £10,000 respectively a year ago. The Ordinary dividend is reduced from twenty-two and a-half to twelve and a-half per cent., but as a much larger capital ranks for dividend the amount absorbed is £135,000, as compared with £87,786. The balance carried forward is, however, increased from £15,703 to £27,613.

The following table shows the changes which have taken place during recent years in the balance sheet position:—

	LIABILITIES.			ASSETS.			
Dec. 31	Issued Capital	Sundry Creditors*	Reserves and Carry-forward	Fixed Assets and Goodwill	Stocks	Investments	Debtors and Cash
	£	£	£	£	£	£	£
1918	377,666	287,233	159,854	51,720	364,460	192,665	216,908
1919	490,166	514,712	253,124	91,449	498,788	206,462	461,303
1920	1,187,011	360,206	191,675	142,355	434,467	342,108	819,962

* Including provision for taxation and dividend payments and contribution to pension fund.

During the past year 325,000 £1 Ordinary shares were issued at a premium of 15*s.* per share, the directors receiving 48,000 shares at this price in commutation of their rights to additional remuneration. The premium received was utilised in paying a capitalised bonus of thirty-three and one-third per cent., due account of which must be taken in comparing the dividends paid during the past two years. Sundry creditors, including provision for excess profits duty and final dividend payments, have been reduced by £154,506 to £360,206, but in this connection it should be remembered that the taxation reserve at December 31, 1919, represented two years' provision for excess profits duty. The general reserve has been increased by the allocation now made to £71,384, while the special reserve against goodwill is unchanged at £26,000, but the contingency reserve (including share premium) has been reduced to £66,679. The fixed assets show additions for the year of £50,906, the expansion being almost entirely in leasehold premises. Goodwill is unchanged at £26,000, against which there is a corresponding reserve. Stocks (at cost or under) have fallen by £64,321 to £434,467, but having regard to the lower level upon which the valuation is based there has probably been no material reduction in quantity. The expansion of £135,646 in investments at £342,108 is presumably due to the acquisition of a controlling interest in a Swiss subsidiary. Sundry debtors have been increased by £386,519 to £779,507, but cash has been reduced by £27,859 to £40,455. A summary of the position as at December 31 last shows that the liquid assets, excluding both stocks and investments, exceed current liabilities, including provision for taxation and final dividends, by £459,756, whereas the previous balance sheet revealed a deficiency of £53,409. The directors point out that the Company has had to traverse a very difficult period marked by a very heavy fall in prices. Apart from the general trade depression, political and industrial unrest and disorganised exchanges naturally militate against the Company's business. Some difficulty should be experienced, therefore, in maintaining last year's dividend of twelve and a-half per cent. On a ten per cent. dividend basis the Ordinary shares, now quoted at 19*s.* 6*d.*, ex dividend, afford a return of over 10.2 per cent., while the Seven per Cent. Cumulative Preference shares at 17*s.* 6*d.*, ex dividend, yield eight per cent.

J. LYONS AND CO., LTD.

Issued Share Capital: £4,034,975, in 647,065 5% Preference shares; 1,000,000 7% Preference shares; 1,000,000 8% Preference shares; 400,000 6% Preferred Ordinary shares; 400,000 Ordinary shares; 87,910 "A" Ordinary shares; and 500,000 Proportional Profit shares of £1 each, fully paid. Debenture capital, £552,952. Mortgages, £442,352.

Year to Mar. 31	Net Profit*	Preference and Preferred Ordinary Dividends	Ordinary Dividend — Rate	Ordinary Dividend — Amount	Dividend on Proportional Profit Shares — Rate	Dividend on Proportional Profit Shares — Amount	To Reserve	Carried Forward
	£	£	%	£	%	£	£	£
1915	145,685	49,000	121,071	32½			7,062	28,456
1916	148,524	49,000	99,323	25				28,657
1917	141,843	49,000	100,000	25				21,500
1918	174,303	49,000	100,000	25			10,000	6,803
1919	258,077	51,447	168,123	35			240,000‡	45,310
1920	396,684	99,790	204,174	42½	42,500	8½	60,000	35,509
1921	503,323	176,490	297,362	42½	42,500	8½	100,000	12,480

* After providing for taxation, all interest charges, depreciation and contingencies. ‡ From share premium account.

The report of this well-known catering Company for the twelve months ended March 31 last shows that the net profit, after deducting depreciation, taxation, and all interest charges and providing for contingencies, amounted to £503,323, representing an increase of £106,639 as compared with the previous year. Apart from the fact that no information is furnished as to the extent of the various provisions which have been made before arriving at the net profit, it is difficult to draw any exact comparisons, owing to the changes which have taken place in the capital during recent years. That the growth in the profit has been entirely due to the employment of additional capital may be seen from the fact that in each of the past two years the percentage of net profit to the total capital (including reserves) has remained practically unaltered at about nine per cent. It must be pointed out, however, that of the £1,500,000 capital raised during 1919, about one-third was not utilised in that year, and that approximately only one-half of the issue of £1,000,000 in June last could have been fully employed during the past financial year. As shown in the above table, the dividends on the Preference and Preferred Ordinary shares absorb £176,490, as compared with £99,790, owing to the fact that the shares created in 1919 now rank fully for dividend, while the new Preference shares issued in June last call for £50,137, or £29,863 less than a full year's dividend. The Ordinary dividend is maintained at forty-two and a-half per cent. and the Proportional-profit distribution at eight and a-half per cent., absorbing £207,362 and £42,500 respectively. The transfer to reserve is increased from £60,000 to £100,000, but the balance carried forward has fallen from £35,509 to £12,480. It is now proposed to capitalise £587,910 of the reserve, and to issue as bonus one new "A" share for each Ordinary share, one new "A" share for each "A" Ordinary share, and one new "A" share for every five Proportional-profit shares.

The balance-sheet position is shown in the following comparative statement:—

	LIABILITIES				ASSETS.			
Mar. 31	Issued Capital	Sundry Creditors‡	Reserves and Carry-Forward	Total Assets	Stocks	Investments	Debtors and Cash	
	£	£	£	£	£	£	£	
1918	1,799,260	734,351	606,803	1,940,384	945,848	69,752	184,365	
1919	2,024,819	1,716,607	885,310	2,312,291	1,341,629	518,723	454,032	
1920	3,523,276	1,981,405	935,509	2,759,883	2,042,552	868,567	829,177	
1921	4,587,927	1,550,614	1,012,480	3,565,687	1,522,352	872,882	1,170,087	

* Including debenture capital.
‡ Including sundry reserves and final dividends payable.

As already indicated, the growth in the share-capital during the past financial year has been due almost entirely to the issue of 1,000,000 Eight per Cent. £1 Preference shares. The Debenture capital has also been increased to £552,952 by the issue of £59,000 Six per Cent. Third Mortgage Debenture stock. Sundry mortgages, which are included in the above table among creditors, have been increased from £389,271 to £442,352, but trade and other creditors, credit balances and reserves (shown in one total), have fallen from £1,386,124 to £898,460. The actual nature and extent of these reserves is not disclosed, but it is clear that they do not include provisions for depreciation and contingencies, which, instead, are deducted, as in previous years, from the fixed assets. The ordinary reserve is increased by the allocation now made to £1,000,000, but under the proposed capitalisation scheme will be reduced to £412,090. The fixed assets, after providing for estimated depreciation and contingencies, show net additions for the year of £805,804 at £3,565,687, while stocks, at or under cost, have fallen by £520,200 to £1,522,352, but the actual reduction in quantity has presumably been much smaller. Investments (mainly represented by holdings in associated companies), less depreciation, have been increased by £64,315 to £872,882, debtors (less reserves) by £24,454 to £457,350, and cash holdings by £336,461 to £732,737. The manner in which the accounts are presented precludes any accurate comparison between liquid assets and current liabilities. It will be noted, however, that debtors and cash alone exceed current liabilities, including sundry reserves and final dividend payments, by £81,825, whereas the previous balance sheet showed an apparent deficiency (calculated on the same basis) of over £762,900.

The report states that the business done during the year under review has been "eminently satisfactory," and arrangements have been completed for the acquisition of additional properties. The necessity to provide for the writing down of the heavy stocks carried has naturally affected the profits of the past year, but a business of this nature is, to a large extent, immune from the evils arising from the prevailing trade depression. The outlook may accordingly be considered satisfactory, and the removal of the excess profits duty should prove to be of material advantage. In view of

the proposed bonus capitalisation, however, the maintenance of the dividend cannot be anticipated. A dividend of twenty-five per cent. on the new Ordinary capital will absorb £243,950, or £36,588 more than the dividend of forty-two and a-half per cent. on the old capital, and although the dividend on the Proportional-profit shares would accordingly be reduced to five per cent. (absorbing £30,000, against £42,000), the new Preference shares created last year will call for £80,000, against £50,137. Therefore, assuming that the reserve allocations and carry-forward remain the same, the above dividends can only be paid by an increase of £53,951 in the net profit.

The prices and yields of the different shares are set out below,

	Ordinary	Deferred	"A" Preferred	6% Cum. Pref.	7% Cum. Pref.	8% Cum. Pref.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Price	2 3 8*	2 1 0*	1 1 0	15 0	0 14 1½	0 19 6	1 1 6
Yield	11·4%†	12·2%‡	7·0%	8·0%	7·1%	7·2%	7·4

* Ex-dividend and bonus. † On basis of 25 dividend.

CALLENDER'S CABLE AND CONSTRUCTION COMPANY, LIMITED.

Issued Capital: £1,300,000, in 400,000 6½% Cum. Pref. £1 shares, 400,000 "B" 7½% Preference shares of £1 each, and 500,000 Ordinary shares of £1 each.

Debenture Stock: £300,000 4½%.

Year to Dec. 31	Profit	Depreciation	Reserve	Debenture and Pref. Int.	Ord. Div.	Carried Forward	Stocks & Work in Prog. less Res.	Surplus Liquid Assets§
	£	£	£	£	£	£	£	£
1914	98,295	24,569		25,500	26,250 15	163,169	218,282	345,780
1915	113,043	10,535		25,500	35,000 20	207,347	348,190	245,205
1916	117,360	17,000	150,000	25,500	35,000 20	99,207	364,077	259,559
1917	121,552	17,000	25,000	25,500	43,750 25	111,509	425,779	196,521
1918	134,705	37,000	25,000	25,143	44,292 12½	114,779	617,961	501,515
1919	161,525	38,000	35,000	9,560	60,000 15	105,893	791,150	491,150
1920	182,920	43,625‡	7,500	34,500	75,000 15	108,101	931,679	915,175

Excluding stocks, but including investments.
† After charging expenses, but subject to depreciation and war taxation.
‡ Deficiency.
§ Including issue expenses, £17,125, written off.

Having regard to the difficult trading conditions of the year, the report of this Company for the twelve months to December 31 last may be considered very satisfactory. The profit, subject to depreciation, taxation, and Debenture interest, amounted to £182,920, which is a record in the Company's history, and compares with £161,525 for the previous year. The provision for depreciation is reduced from £38,000 to £30,500, and for special taxation from £33,000 to £7,500, but a sum of £13,123 is applied in writing off new-issue expenses. Debenture interest again absorbs £13,500, leaving a balance profit of £131,797, as compared with £90,525 for the previous year. Owing to the creation of additional capital the Preference dividends absorb £41,000, against £26,000, and the Ordinary dividend, which is maintained at 15 per cent., £75,000, against £60,000, leaving a balance of £108,101 to be carried forward, as compared with £105,803 brought in. A year ago the Company increased its capital from £800,000 to £1,300,000 by the issue of £400,000 7½ per cent. "B" Preference shares at par and 100,000 £1 Ordinary shares at a premium of 2*s.* per share. It should be noted that the additional Preference shares rank for dividend as from July 1 last, while the new Ordinary rank fully, and in view of the very favourable price at which the latter were issued, shareholders have ample reason to congratulate themselves upon the maintenance of the dividend. Despite the large receipts on capital account during the year the sundry creditors, which include loans of £224,000, have been increased from £1,169,955 to £1,466,849, this expansion being largely due to the greater volume of business. It should be noted that the creditors do not now include the liability for excess profits duty, the provision of £7,500 charged to revenue covering the liability for corporation tax only. The reserve remains unaltered at £125,000, the share premium of £10,000 received during the year being deducted from the new-issue expenses. The properties and machinery at £543,312 show additions of £165,103, against £61,996 for the previous year, but, allowing for depreciation, the net increase does not exceed £135,103. Sundry fixed assets have also been increased by £32,280 to £112,634. Stocks of manufactured goods have grown from £289,944, and raw materials from £250,080 to £399,271, but work in progress has been reduced from £251,686 to £191,827. Investments, which include shares in associated and other companies, remain practically unchanged at £515,057. It may be pointed out that the basis upon which the stocks and investments are valued is not disclosed. Sundry debtors have been increased from £559,163 to the large total of £1,100,073, bills receivable from £9,300 to £60,015, and cash holdings from £52,128 to £87,179. It will be seen that the liquid assets, excluding stocks and work in progress, exceed current liabilities (including final dividends payable and advances of £224,000 received against certain of the investments) by £245,475, whereas the previous balance sheet showed a deficiency of £94,470, but allowance must be made for the fact that the securities are largely represented by trade investments which are not readily realisable.

The report states that high costs of production have rendered it difficult to compete in several markets abroad, but it is hoped that the lower prices of raw materials now current and the completion of satisfactory arrangements with regard to labour will enable the Company to restore its foreign trade connections. The coal deadlock, however, has rendered it impossible to obtain fresh supplies of fuel, and manufacturing operations have consequently been rather seriously affected. With the completion of new workshops, satisfactory progress is being made with the manufacture of super-tension cables, for which, it is stated, important orders have already been received. The reorganisation of the Picardy works for the manufacture of telephone cables has also been completed, and large contracts have been secured. Assuming an early settlement of the present coal dispute, the prospects for the current year may be considered promising in view of the nature of the Company's business and the details supplied in the report.

The prices and yields of the different shares are set out, the return on the Ordinary being calculated on the basis of a dividend of 15 per cent.

	Price*	Yield
	£ s. d.	
Ordinary shares	1 8 7	10·5
6½% Cum. Pref.	0 17 6	7·4
7½% "B" Cum. Pref.	0 19 4½	7·8
4½% 1st Mortgage	67 10 0	6·6

* Ex dividend.

RUSTON AND HORNSBY, LIMITED.

Year to March 31	Profit†	Depreciation	Debenture Interest	Preference Dividends	Ordinary Div.—	%	To Reserve	Carried Forward
	£	£	£	£	£		£	£
1919	222,551	10,697	21,750	23,500	78,194	8	40,000	11,961
1920	165,397	11,175	26,437	23,500	77,040	5		27,244
1921	108,683	53,003	25,500	25,500	-		—	13,920

† After providing for taxation, but before charging depreciation and Debenture interest.

The preliminary report of this engineering firm for the twelve months to March 31 last shows that operations have been severely affected by the trade depression, the profit, after charging taxation, but subject to depreciation and Debenture interest, amounting to £108,683, as compared with £165,397 for the previous year and £222,231 for 1918-19. In view of the uncertainty of the outlook, and the small balance available after providing for prior charges the directors consider it inadvisable to recommend any dividend on the Ordinary shares, and the balance of £43,920 is accordingly carried forward. It will be remembered that the Company acquired all the Ordinary shares of Ransomes Sims and Jefferies, Limited, in 1919, on the basis of an exchange of shares, but though the issued capital was increased during that year from £1,624,432 to £2,500,000 the profits for the financial year to March 31, 1920, showed a reduction of £56,834. The reserves, which at that date stood at £599,000, were represented by a capital reserve of £209,000 and a general reserve of £390,000.

New Issues.

GOVERNMENT OF INDIA RUPEE LOAN, 1921.

Issue at par of Six per Cent. Five- and Ten-Year bonds of Rs. 100 each to an unlimited amount.

The eager welcome accorded to the recent sterling loan testifies to the high financial status of India in the London market. The present emission, which is being floated in India, differs substantially in nature from its predecessor, however, and the result attained will be awaited with interest. London applications will be accepted in sterling at the current telegraphic transfer rate. The loan takes the form of five-year bonds repayable at par on September 15, 1926, and ten-year bonds repayable on September 15, 1926. Interest will be free of Indian income tax throughout the currency of the bonds; but it will be taken into account in determining the rate at which the tax will be levied on other income, and will be liable to India super-tax. Subscriptions will be received in cash, India War bonds, 1921 (amount outstanding fifteen crores), and 1922 (amount outstanding eleven crores), and in India Treasury bills (amount outstanding sixty crores). The emission will appeal in particular to those holding rupee balances. The closing dates are: For cash and Treasury bills, July 30; for India War bonds, 1921, October 29; India War bonds, 1922, September 15.

CEYLON GOVERNMENT.

Issue of £3,000,000 Six per Cent. Inscribed stock, 1936-51, at ninety-seven. Flat yield, £6 3*s.* 9*d.* per cent. per annum. Minimum yield, with redemption, £6 4*s.* 5*d.* per cent. per annum.

Few Governments can point to as satisfactory a financial position as that of the Colony of Ceylon. With minor exceptions revenue has exceeded expenditure every year during the past decade, and the export trade, recently affected, no doubt, by the tea-trade slump, has been maintained at a very satisfactory level.

Revenue, Expenditure, and Trade of Ceylon.

(000's omitted).

	Revenue Rs.	Expenditure Rs.	Imports Rs.	Exports Rs.
1909 ...	39,333	33,883	125,442	146,900
1910–11 ... (18 mos.)	65,613	54,702	150,196	166,472
1911–12 ...	47,246	39,518	156,986	180,527
1912–13 ...	51,173	43,237	175,323	198,955
1913–14 ... (15 mos.)	67,222	69,367	186,073	232,987
1914–15 ...	51,545	50,148	172,318	218,364
1915–16 ...	66,013	56,104	163,638	273,376
1916–17 ...	66,982	64,336	211,501	297,506
1917–18 ...	63,934	64,945	184,124	304,160
1918–19 ...	70,071	70,844	177,717	211,325
1919–20 ... (9 mos.)	61,237	55,985	239,324	367,055

The public debt amounts to only £6,623,600 issued in London, and Rs. 3,000,000 issued in the Colony. The current loan, which is a trustee issue, is required to meet railway and drainage expenditure. It is secured on the general revenue and assets of the Government. Repayment at par on July 1, 1951, will be effected through the operation of a sinking fund of one and four-fifths per cent. to be formed in this country under the management of the Crown agents, but the Government of Ceylon retains the option of redemption at par on or after July 1, 1936, subject to six months' notice. The loan was quickly over-subscribed.

GLASGOW CORPORATION.

Offer of £2,500,000 Five and a-Half per Cent. Redeemable stock, 1935-50, at 92. Flat yield, £5 19*s.* 8*d.* per cent. per annum; minimum yield, including redemption, £6 1*s.* 9*d.* per cent. per annum.

The eager reception accorded to the Five Towns loan of last week predicated a reduction of the terms at which future municipal loans would be offered. The new Glasgow stock offers a flat yield of only £5 19*s.* 8*d.* per cent., against £6 5*s.* 4*d.* per cent. hitherto obtainable on corporation new issues. In view of the yields obtainable on Stock Exchange purchases, however, the return cannot be considered low. Another consideration of importance to large investors is that the premium on redemption, which is tax free, is eight per cent., instead of the four-and a-half per cent. previously obtainable. The broad market which the stock will command, the high standard of local patriotism existing in Glasgow, and the fact that £900,000 of the present issue is for conversion purposes, point to a ready absorption of the current emission. The estimated population of the city is 1,115,000, and the total debt outstanding amounts to £17,690,000, of which £10,100,000 is in respect of remunerative undertakings. The proceeds of the stock now offered are required to provide for additional waterworks, gas and electricity works, and housing schemes, and also to pay off mortgages, temporary loans, and promissory notes, £900,000 of which were issued in connection with the Three per Cent. stock. The emission constitutes an attractive trustee security. The issue was quickly subscribed in a few hours.

SHEFFIELD CORPORATION.

Offer at £2 6*s.* 6*d.* per £100 of Five and Half per Cent. Redeemable Debenture stock, 1941-51, at 92. Flat yield, £5 19*s.* 8*d.* per cent. per annum; minimum yield with redemption, £6 1*s.* 7*d.* per cent. per annum.

Excepting for a slightly longer currency the present issue is identical in terms with the previous loan. The rateable value of the city is £2,203,000, and the net loan debt £11,557,839, against which reproductive undertakings represent a capital value of £10,541,429. Housing and other schemes will absorb the proceeds of the present issue which, as to the products, also constitutes a full trustee security. The emission was quickly subscribed.

JOHNSON AND PHILLIPS, LIMITED.

Offer for sale of £350,000 Eight per Cent. First Mortgage Debenture stock at 96 (repayable at par by twenty-three equal annual drawings between 1923 and 1945). Flat yield, £8 7*s.* per cent.; yield, including redemption, £8 10*s.* 6*d.* per cent. per annum.

Johnson and Phillips is an old-established company manufacturing telegraph, telephone, and cable equipment. The issued capital is at present £437,500 in Ordinary shares; in addition to which there are outstanding Debentures of £119,954. The latter will be redeemed out of the proceeds of the present issue, the balance of which is required to pay off bankers' loans and to provide further working capital. The stock now offered will be specifically secured as a first mortgage on the freehold land, buildings, and plant, and a floating charge on the other assets of the Company. The properties specifically charged are valued in the books at £313,841, a figure which the Chairman states to be very conservative. Total net assets stand at £627,303. The capital security behind the present issue seems, therefore, substantial. The undertaking has shared the general prosperity of the electrical industry. Profits registered a steady rise from £21,917 in 1913 to £84,078 in 1920. At this level the annual Debenture interest of £28,000 appears satisfactorily assured. The high but well-secured yield will appeal to investors. The lists will close on or before Saturday, June 18.

HARRODS (BUENOS AIRES), LIMITED.

Offer of 1,750,000 Eight per Cent. Cumulative Preference shares of £1 each at par.

Harrods (Buenos Aires), an offspring of the London house, was formed in 1913 to carry on a high-class drapery business in the Argentine capital. Since incorporation the undertaking has progressed satisfactorily. A controlling interest was obtained last year in Gath and Chaves, Limited, which has branches throughout the Argentine and Chile. The present capital is

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Deferred [illegible]	[illegible]	[illegible]
	[illegible]	£[illegible]

Net assets, including shareholdings in Gath and Chaves, at £3,140,838, stood in the books on August 31 last at £4,589,248, showing ample capital security for the shares now offered. Distributable profits, proportionate adjustment being made for the Gath and Chaves holdings, fell from £283,924 in 1913 to £46,108 in 1914, but have since steadily risen till £703,817 was reached in 1919-20. The physical turnover has been maintained in the current year, but, with reduced prices, profits must show a falling-off. As the total Preference dividend will amount, however, to only £188,000, it appears satisfactorily assured. The present offer, the object of which is to repay bankers' loans and to provide [illegible] working capital, should appeal to investors. The lists closed on Friday, June 10.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Breweries and Distilleries:											
Halifax Breweries	31/5/21	Dr. 853	—					Dr. 6,045	— 853	Dr. 816	-
Canals and Docks:											
Grand Junction Canal	31/12/20	16,606	5,622	3½	42,375	-		4,439	— 1,301	—	-
Commercial and Industrial:											
Burton (Joseph) ...	9/4/21	15,236	9,875	5	2,500	2,500		11,217	+ 361	14,812	5
Craig & Rose	31/3/21	13,046	5,000	8‡	8,000			5,335	+ 46	-	-
De Trey	31/12/20	125,123	4,900	12½	94,500	14,113		27,613	+11,910	164,054	22½
Electric Construction ...	31/3/21	66,160	4,395	10	30,000	10,663	-	39,781	+21,111	-	- -
Havana Cigar & Tobacco	31/12/20	112,243	18,900	40‡	100,000	9,554		41,757	—15,991	-	- -
Hazell, Watson & Viney	31/3/21	47,657	4,200	10‡	17,160			42,096	+26,277	10,208	10
Holbrooks	31/3/21	59,908	2,450	15†	50,000			17,953	+ 7,458	16,336	17½†
Inchs	30/4/21	21,908	1,890	15	16,902	5,000	2,000	9,866	— 3,794	26,749	15
Meters	31/3/21	27,414	7,218	10	13,361	5,000	2,000	8,825	+ 1,836	25,160	10
Metropolitan Assn. for Improved Dwellings of the Industrial Classes	31/3/21	7,100	—	5	6,727			157	+ 373	-	-
New Transvaal Chemical ...	30/6/20	67,883	24,000	17½	43,150		-	7,874	— 733	62,901	20
Newnes (George)	31/3/21	50,012	18,750	12½	22,500		5,250	37,793	+ 3,512	-	-
North British Cold Storage & Ice	30/4/21	8,959	—	10	2,100	500		10,612	+ 6,370	5,911	8
Short's	31/3/21	42,311	8,000	6 Pref Ord. 15 Def. Ord.	7,500 18,750	5,000		5,203	+ 3,061	—	
Virol	31/3/21	28,702	2,626	15	11,250	10,000		28,485	+ 1,826	—	
Electric Light and Power:											
Banbury and District E. ...	31/12/20	295	-	2	500			338	— 205	574	2
Sheerness & District E. Power & Traction	31/12/20	303	-					Dr. 1,554	— 303	—	- -
Financial, Land and Investment:											
Transvaal Estates & Development	31/12/20	26,725	-	2½	21,611			6,121	+ 2,084	-	-
Financial Trusts:											
General Investors & Trustees	31/1/21	41,510	9,450	7	14,700	15,000	1,000	13,780	+ 1,360	41,080	7
Investment Trust	1/5/21	105,450	33,600	14	78,400			82,282	+23,450	117,107	14
Trust Union	1/5/21	28,653	9,450	7	14,700	-		20,733	+ 4,503	34,202	7
Gas:											
Bahia Blanca G.	31/12/20	Dr. 6,925	-	-	—			Dr. 42,857	+ 6,925		
Iron, Coal and Steel:											
Niddrie & Benhar Coal ...	31/3/21	3,921	—	-	10,000			2,875	— 1,079	20,939	10
Mining:											
Le Roi No. 2	31/12/20	Dr. 12,181						3,576	—12,181	- -	-
Rhodesia Copper & General Explor.	31/3/21	20,559		12½	22,001		—	4,803	— 1,442	- -	-
Railways—Indian and Colonial:											
Demerara Rly.	31/12/20‡	10,095	10,275	1‡	565‡			2,255	— 713	13,962	1½
Railways—Foreign:											
Samana & Santiago	31/12/20	51,197	7,200	3	14,400	17,300		14,290	+11,691		-
Shipping:											
Booth Steamship	31/3/21	61,111	16,500	5	50,000			82,227	— 5,086	—	—
Elder Dempster	31/12/20	571,491	267,751	10	141,000	100,000	10,000	212,352	+49,760	—	—
Tea, Coffee and Rubber:											
Bradwell (F.M.S.) Rubber ...	31/12/20	3,861	-	-	- -	3,000		8,511	+ 861	28,163	20
Chota Rubber	31/12/20	Dr. 650	-	-	-	-		3,081	— 650	14,851	16‡
Jhanzie Tea	31/12/20	Dr. 1,950	-	6	6,000			25,205	- 7,950	- -	15
Kimanis Rubber	31/12/20	7,207	- -	-	-	-	24,000	2,574	—14,092	22,849	12½
Kuala Selangor Rubber ...	31/12/20	17,357	-	25	19,375	-		8,981	— 2,018	—	- -
Lower Segamba Rubber ... (Limited)	31/12/20	Dr. 7,386	-	-	-	-		Dr. 7,386	- -	- -	
Pelmadulla Rubber	31/12/20	9,750	—	10	11,520	-		5,436	— 1,790	62,250	35
Selangor Rubber	31/12/20	15,611	-	10½	12,500			7,901	+ 3,111	64,790	50
Telegraphs and Telephones:											
Direct United States Cable ...	31/3/21	38,262	-	4	33,997			4,265	—	—	
Oriental Telephone & Electric	31/12/20	49,728	3,000	12†	34,728	10,000	2,000	10,492	— 521	-	
United River Plate Telephone ...	31/12/20	192,267	10,000	8†	129,600	50,000		38,367	+ 2,667	-	- -
Tramways and Omnibus:											
Cork Electric Tramways & Lighting	31/12/20	3,191	-	-				5,703	+ 3,191	5,027	—
Waterworks:											
Rickmansworth & Uxbridge Valley	31/3/21	3,592	-	2½	3,911	- -		153	— 349	- -	

* After providing for all Government taxation, prior charges, &c. † Tax free. ‡ Half-year.

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

London Clearing Banks: Weekly Averages for May.

(000's omitted.)

	Liabilities. Paid-up Capital and Reserve Fund.	Current, Deposit and other Accounts.	Acceptances, Endorsements, &c.	Other Liabilities.	Total Liabilities or Assets	Assets. Coin, Bank & Currency Notes and Balances with Bank of England.	Balances with and Cheques in course of collection on other Banks in U.K.	Money at Call and Short Notice.	Bills Discounted.	Investments.	Advances to Customers and other Accounts.	Other Assets.
	£	£	£	£	£	£	£	£	£	£	£	£
Bank of L'pool & Martins, Ltd. ...	3,749	75,932	4,398	-	**84,079**	8,084	2,139	7,294	7,975	11,547	41,366	5,674
Barclays Bank, Ltd.	23,842	323,992	7,842	- -	**355,676**	36,125	7,665	21,011	59,913	55,020	155,592	20,350
Coutts & Co. ...	1,600	18,553	420	-	**20,573**	1,439	400	2,241	3,559	4,695	7,479	760
Glyn, Mills, Currie & Co.	1,500	22,152	1,264	149	**25,065**	2,658	1,174	4,976	1,019	6,016	7,588	1,634
Lloyds Bank, Ltd....	24,373	330,419	9,761	—	**364,553**	34,640	9,058	14,590	74,799	66,230	142,974	22,262
London Joint City & Midland Bank, Ltd.	21,720	360,430	19,610	-	**401,760**	54,746	11,629	14,271	50,975	51,690	191,698	26,751
London County Westminster & Parr's Bank, Ltd. ...	18,008	304,635	14,612	17	**337,272**	30,676	8,431	17,104	70,261	54,089	135,225	21,486
National Provincial & Union Bank of England, Ltd. ...	18,187	259,045	3,813	—	**281,045**	29,403	6,816	12,890	33,376	51,330	137,351	9,879
National Bank, Ltd.	2,480	41,703	554	3,511	**48,248**	5,174	137	7,457	3,700	13,471	17,322	987
Williams Deacon's Bank, Ltd.	2,875	33,947	1,237	—	**38,059**	4,173	1,056	2,109	2,109	6,159	20,612	1,841
Total, 10 Banks...	118.334	1,770,808	63,511	3,677	**1,956,330**	207,118	48,505	103,943	307,686	320,247	857,207	111,624

MEETINGS
OF PUBLIC COMPANIES.

London, Brighton and South Coast Railway Co.

The Railways Bill—Proposals of the Government Criticised—Bureaucratic Control Condemned.

An extraordinary or special general meeting of the proprietors of the London, Brighton, and South Coast Railway Company was held yesterday at the London Bridge terminus "to consider the provisions of the Railways Bill introduced into Parliament by the Government, and also to consider, and, if thought fit, to pass, such resolutions as may be then submitted confirming the steps hitherto taken by the board in relation to that Bill, and authorising it to take and to concur with other companies in taking such further action upon or in relation thereto as may be deemed expedient."

Mr. C. C. Macrae (the Chairman of the Company) presided, and there was a large attendance of the proprietors.

The Secretary (Mr. J. J. Brewer) having read the notice convening the meeting,

The Chairman said: Gentlemen,—You will remember that in the course of my address to you at the ordinary meeting in February last I referred to the general position of railway companies as it then presented itself, and commented upon the proposals of the Government as foreshadowed by the White Paper, the substance of which it was then anticipated would be embodied in due course in a Bill for submission to Parliament.

The Railways Bill is now before the House of Commons, and the board decided to call you together so that its provisions may be explained to you, and that you may resolve upon the course to be followed with regard to it so far as your rights and interests are concerned.

In the first place I ought to explain that it was only after a meeting of the Railway Companies' Association at the beginning of last month that the boards of the individual companies had an opportunity to consider the actual provisions of the Bill, as although the Association had been in close communication for some time past with the Ministry of Transport upon the Government proposals generally, the text of the Bill was not previously available, so that, having regard to the statutory requirements as to notice of this meeting, it has not been possible to call you together earlier, and particularly to do so before the Bill was read a second time, as we should have preferred.

I do not propose to trouble you with the clauses of the Bill in detail. Its main provisions were outlined in the letter with notice of the meeting, and it is obvious that this is not an appropriate place to discuss details, important though many of them are. They will, I trust, receive the diligent attention of our representatives at the sittings of the Committee of the Railway Companies' Association, to which they have been referred. I shall take the broad lines of the matter and submit to you my view of it in its wider aspect.

Position Before the War.

Before I enter upon my explanation of the Bill it may be useful if I recall to your minds very briefly what was our position before the War and the events which have brought us to our present position, so that you may have the Government proposals before you in their true perspective.

I think it must be admitted that, notwithstanding the onerous and restrictive conditions under which the railways of this country were built and the high cost of their construction as compared with those in other countries of later growth and development, they had been brought to such a state of efficiency as had not only made them the best in the world, but that they had become a great industry upon which the national prosperity very largely depended, and that they had gained a financial position which afforded means of investment of a character and security as high as any to be found elsewhere. (Hear, hear.)

Upon the outbreak of War the national necessity obliged the Government to enter into possession of the railways, and it does not appear unreasonable to suppose that in doing so the Government recognised how seriously such a step would interrupt their progress, and how inevitable it was that their future would be prejudicially affected. The companies were entitled to expect, therefore, that they would be dealt with on especially favourable, if not generous, terms.

The Question of Compensation.

So far as strict law goes the State became liable under an Act of 1871, when entering into possession, to pay to the companies full compensation for any loss or injury they sustained, and the Transport Act provides, in addition, that where the value of an undertaking on a revenue-earning basis was shown to be reduced by the exercise of the powers conferred upon the Ministry of Transport the companies are entitled to be recouped the amount of the reduction.

As you know, soon after possession was taken an agreement was made that the companies should be paid any deficiency between the aggregate net receipts from railway working in 1913 and the net receipts from the same source during the control period, and this agreement was followed by others under which the companies were to receive payments towards the cost of deferred maintenance, the cost of replacing stores taken over when possession of the railways was taken, and interest on the capital cost of works brought into use after a specified date.

Broadly speaking, it is upon these Acts and agreements that claims for compensation were to be based, and although no definite claim has been formulated there can be no doubt, notwithstanding the Report of the Colwyn Committee and apart from the moral as distinguished from the legal point of view, that in respect of deferred maintenance, of stores, and of increase of pay and alteration of conditions of service as acts of the Government during control, not to mention other matters, the companies could substantiate their title to considerable compensation. (Hear, hear.)

Instead of accepting the position and recognising the responsibilities as I have endeavoured to state them, and apparently without regard to the enormous value to the nation of the railway services during the War—rendered upon terms much more onerous and considerably less profitable to the companies than if the railways had been left in their hands—the attitude of the Government, certainly since the establishment of the Ministry of Transport, has been to insist upon the full rights of the State and to enforce strictly the obligations upon the companies under the Acts and agreements I have mentioned, as those rights and obligations have been construed by the Ministry, with which construction we in many essential points differ.

Condition of Insolvency.

Now, what was the problem with which the Minister of Transport was confronted? In the seven years which have elapsed since the railways were brought under Government control they have gradually been brought into a condition of insolvency. How has this come about? Unquestionably by the immense concessions made from time to time by the Government to the claims put forward by labour for higher wages and shorter hours of service under threat of strikes at the most critical moments of the War. (Hear, hear.)

You may have noticed a recent statement by Sir Herbert Walker, the very capable and efficient manager of the London and South-Western Railway, that "perhaps the most wicked thing that had ever been perpetrated on the community was the introduction by the Government of the eight-hour day" (hear, hear), which increased the wages bill by twenty-five per cent. and increased the *personnel* by 76,000, involving (together with other concessions made to the demands of the labour unions from time to time) an increase of the wages bill from £47,000,000 before the war to £173,000,000 at the present time. ("Shame.") Under such a burden no industry can live, and economically the railways are ruined.

What, then, was the problem before the Minister? Clearly, to restore the economic position as best can be done and bring about the former state of financial equilibrium. Obviously the only real way is to reduce the wages bill. (Hear, hear.) But the Minister deliberately shirks this solution, and leaves the odium of carrying it out to the railway companies. He proposes the alternative of authorising the companies, if and so far as they are permitted by a tribunal which his Bill proposes to constitute, to increase their rates and fares to such a point as to enable them to earn the net revenue [illegible] a little more than that. This, however, is a wholly ineffectual remedy, inasmuch as rates and charges are already as high as the traffic [illegible] traffic by increased services on the roads), and I will even go further and say the solution of the Minister is one which evades his [illegible] dare to [illegible] solution of the problem, because he fears the probable difficulties with the labour unions. (Hear, hear.) In this view,

you may ask me why we have assented, in principle, to the Bill. I reply, because we recognise that it is useless to expect to defeat the Government in a Bill introduced by them into the House as a Government measure, and that it is wiser for us to accept so much as we can get, and endeavour to make the best of it, rather than to lose all and be left in chaos. There are, indeed, certain features of the Bill, to which I shall refer later, which are of distinct advantage, and which to some extent compensate us for not endeavouring to throw out, on the Second Reading, a Bill which we cannot but feel fails to do us adequate justice. (Hear, hear.)

Leading Principles of the Bill.

With this short reminder of the circumstances in which the companies find themselves, I will tell you what are the leading principles of the Bill.

They are (1) the reorganisation of the railway system by the grouping of railways and the amalgamation of the owning companies; (2) the regulation of railways by affording means to establish services, facilities, and conveniences, and standardisation of equipment; (3) the fixing and regulation of rates, fares, and charges; (4) the fixing and regulation of wages and conditions of service of the staff of the companies.

I shall take the four heads I have mentioned in order, commenting upon them as I go, and first grouping.

The railways are to be formed into the groups specified in the Act, and the owning companies are to be amalgamated or absorbed.

This Company's railways are grouped with the railways of the London and South-Western and the South-Eastern and London, Chatham, and Dover Railway Companies, and those four companies will be amalgamated into a new company with an appropriate name, whilst the railways of sixteen other small companies will be brought into the group, and the owning companies of these last-mentioned railways, called subsidiary companies, will be absorbed by the amalgamated company.

Schemes to carry this out may be agreed between the companies, but agreement must be reached before June 30, 1922, or they will be settled by a special tribunal, and they are to come into operation on January 1, 1923, or such later date as the tribunal, with the consent of the Minister, may fix.

As a general principle, grouping and, to some extent, amalgamation have commended themselves to railway companies for some time past, amongst other reasons to eliminate wasteful competition and obtain economy of working so far as is possible without rendering public services less efficient.

As a matter of fact, a very important step in that direction was taken by this Company under the chairmanship of the late Mr. Samuel Laing as long ago as 1868, when he, in concert with Mr. J. S. Forbes and Sir Edward Watkin, promoted a Bill in Parliament for the amalgamation of the Brighton, the South-Eastern, and the Chatham Railways. That Bill would have become law, and the three railways would be now working as one but for a difficulty raised practically at the last moment by Sir Edward Watkin upon the manner in which certain receipts should be dealt with.

Beyond that, as you know, there are many cases in which we have entered into comprehensive agreements with our neighbours for the pooling of certain traffic, so it cannot be said, so far at any rate as this Company is concerned, that we are inimical to the principle.

Objectionable Features of Government Proposal.

The objectionable features of the Government proposal are that on failure of the constituent companies to agree terms a scheme will be forced upon them, and that the periods within which agreement has to be reached and schemes brought into operation are too short.

I think I am right in saying that every case of amalgamation or grouping in the past has been a matter of voluntary agreement between the companies concerned, even although agreement may have required subsequent Parliamentary sanction, and we see no justification, even from the point of view of the Government, for the introduction of the element of compulsion, save as a final resort, and much longer time should be allowed for agreement before compulsion is applied. (Hear, hear.)

It is quite obvious that the limitation of time for settling and bringing into operation schemes which must be necessarily of a very complicated character is much too short, and we propose to do what we can in concert with other companies to amend the Bill on these two points.

£60,000,000 for Compensation.

Arising out of the question of amalgamation is the agreement by the Government to pay to the companies a sum of £60,000,000 in satisfaction of all their claims for compensation in respect of Government control, except those which have accrued under the existing agreements up to August 15 next, when that control will end.

The Government agreed to make this payment on the understanding that it would be accepted as part of a general agreement to accept also the principles of the Bill, and the only alternative appears to be that the companies would be face to face with the practical certainty of a protracted and expensive contest with the State to establish their claims, during which time they would undoubtedly experience considerable difficulty in paying their way, and would still be left to obtain from Parliament powers to enable them to regain a position at all equal to that which they held before the War.

I will not go into the details of how this sum is to be allocated to and dealt with by the companies, but, so far as it is possible to estimate, it is hoped our share will be sufficient to help the Company to some extent in paying its way during the period which must elapse before it reaches anything like a normal position.

In connection with this sum of £60,000,000 I must, in passing, say a word on what I can only term the audacity of Sir Eric Geddes—(hear, hear)—who, in introducing his Bill in the House of Commons, claimed to have saved the nation £90,000,000 by reducing the railway companies' claim from £150,000,000 to £60,000,000. (Laughter.) In face of this assertion, you may be surprised to learn that the railway companies never put forward such a claim, or anything like it. The only justification for Sir Eric Geddes's statement is a purely hypothetical estimate of what the companies' claim might amount to made by his own Departmental Committee, the Colwyn Committee. (Hear, hear.)

The Directorate.

The Bill provides that each amalgamated company shall have a board of twenty-one directors, to be elected, contrary to the original proposal of the Government, by the proprietors. The total number of directors of the four constituent companies in our Southern Group at present is thirty-four, so that thirteen will be discharged, and without any compensation, they being the only class of persons connected with the management and working of the railways who are to be treated in this manner, as the Bill provides that all officers and servants of the companies who will have to retire by reason of their not being required by the amalgamated company are to receive full compensation. In addition to the thirty-four, there are, of course, the directors of the sixteen subsidiary companies who will disappear entirely. Incidentally, I may mention, as it is a matter frequently misrepresented, that the saving to be effected by the abolition of so many directors is really trifling, inasmuch as the total fees of all the directors of the railway companies of the kingdom, according to the Ministry's return for 1919—the latest available—amount to only £173,000 a year, out of a total expenditure of £179,000,000 a year, or .09 per cent. of the whole.

I am almost ashamed to mention it, but, in passing, I may say that one of our shareholders, in answer to our last circular, has written to state that he objects to the course the directors have hitherto taken, because he considers they were only actuated in so doing by the desire to retain their fees without any consideration for the interests of the shareholders. ("Shame!") I hope, after what I have just shown, he will feel ashamed of himself. (Hear, hear.)

(2) The provisions relating to the regulation of railways seem to us to be quite an unnecessary extension of the powers already existing whereunder railway facilities can be secured, and, moreover, they tend to impose conditions upon railway companies which would interfere unduly with their power to manage their business in their own way, and might very well saddle them with burdens they ought not to be called upon to bear.

This part of the Bill is an example of the policy to extend bureaucratic control, and it should be eliminated. (Hear, hear.)

Rates and Charges.

(3) The provisions with regard to rates and charges are to some extent another example of this policy, but, on the other hand, they present advantages which it would be well for the companies to secure.

Rates and charges and the conditions of carriage are to be settled by another special tribunal on the basis of their being such as will, so far as practicable, yield an annual net income equivalent to the aggregate net revenues of the grouped companies in 1913, with an addition of interest on certain capital expenditure, and that income—called the standard revenue—is subject to addition or reduction as may appear proper on review by the tribunal of working results over specified periods.

It is true that at the present moment railway companies are subject to the jurisdiction of the Railway and Canal Commissioners with regard to rates and charges, but the powers of the new tribunal will be much more extensive than those of the Commissioners, and the freedom of a company to alter rates and charges when they are once fixed will be much less.

Another point of objection is that the proposals appear to be based upon the assumption that an increase of the charging powers of the companies is the only thing necessary to restore them to a state of financial equilibrium, but personally I have no doubt, and I believe my view is shared by many others, at one time including even the Minister himself, that such an assumption is altogether fallacious—(hear, hear)—and that, on the contrary, the limit of rates and charges, if business is to be retained, is already reached on many railways, including this railway. (Hear, hear.)

Then it may be objected, first, that it is unfair to place

at any time a limit upon the profits of an industry by fixing a standard revenue, and, secondly, to provide that if better trade and good management enable additional revenue to be earned those who earn it are to be content with only twenty per cent. of the increase.

On the other hand, the provisions relieve the companies from several hampering obligations now resting upon them when desiring to alter rates and charges, and more especially they confer a certain amount of elasticity in charging power which presents advantages as compared with the present law, under which that power is limited by a maximum.

How far it may be possible by amendment of the Bill to obtain better terms for the companies on these points I do not know, and I can only say that we will do our best in that direction. (Hear, hear.)

Rates of Pay and Conditions of Service.

(4) The last head relates to the rates of pay and conditions of service in the staffs of the companies. This part of the Bill comprises to a large extent the terms arrived at by conferences between a committee of the railway managers and the leaders of the men's unions, and I may note that the proposal of the Government that representatives of the men should have seats on the boards of the companies has, with their consent, been abandoned in consideration of the adoption of the proposals to deal with matters affecting the staffs for which this part of the Bill provides.

Put shortly, these proposals are that such matters shall be referred to the Central and National Wages Boards until notice by either side, not to be given before January 1 next, that it requires another mode of procedure, and that in the meantime councils consisting of officers and representatives of the men are to be established on the lines of those recommended by what is known as the Whitley Report, which will deal, amongst other things, with questions as to securing to workmen a greater share in the determination of their working conditions and the settlement of general principles governing conditions of employment, including methods of fixing pay and readjusting wages.

I think I am right in saying that most of the companies had come to recognise the advisability of amending and extending the principle of the conciliation boards established before the War, so that employer and employed might be brought closer together in relation to the business in which both are interested, but the War prevented steps being taken in that direction. If the suggested councils are set up with a clearly defined constitution, and the members of them approach the questions referred to them in a spirit of mutual recognition and appreciation of the rights and duties of the respective parties, I see no reason why valuable work should not be done and the relations between the Company and its staff made closer and more cordial. (Hear, hear.)

There is one matter in the general clauses of the Bill to which I may call your attention, and that is a proposal to continue during this and the next five years the compilation of the elaborate statistics and returns now being prepared periodically by the companies and rendered to the Minister by his direction.

From this Company's point of view the practical value of these documents is negligible, and it is admitted that the cost of their preparation is very considerable. (Hear, hear.) On the other hand, the Minister contends they are necessary to enable it to be ascertained whether the railways are being worked efficiently and economically, and, moreover, that the information they supply is valuable to the proprietors, the traders, and the public. (Laughter.) I take leave to doubt whether, with the possible exception of a few financial experts, any trader or member of the public consults them regularly or that the large majority is even aware of their existence. (Hear, hear.) But if Parliament decides upon their continuance it is some consolation to know that the compilation is to continue for a limited period.

The Principle of Bureaucratic Control.

Summing up, I would say that the main fault of the Bill is the principle of bureaucratic control which predominates it from beginning to end. (Hear, hear.) At every point it seeks to make all independent management of the railway companies subject to interference by, and reference to, official tribunals, with the Minister of Transport the supreme authority, without whose approval few matters of administration can be effected. This has been called nationalisation under another name. I prefer to call it nationalisation with a difference, the difference being that it avoids ownership, with the result that, while it retains full Government control, it escapes all the liabilities of ownership and leaves to the railway companies the burden of financing the railways and endeavouring to make them pay. (Hear, hear, and "Shame!")

I call this a vicious and most unfair principle (hear, hear)—and it is one which we shall use all means in our power to have eliminated from the Bill as well as to cause the intended measures of bureaucratic control to be reduced to their proper limits. It might be a different thing if the independent management by the companies had been a failure and that of the Government a success. But the very reverse is the fact. (Hear, hear.) Under independent management the railways were prosperous. Under Government control they have for the time being been arrested. (Hear, hear.)

Although it is difficult to explain at a general meeting the provisions of so complicated a Bill as this, I hope I have succeeded in making its main principles and terms clear to you, and I shall now tell you what we have done upon it so far.

Provisions Requiring Amendment.

At the meeting of the Railway Companies' Association last month, to which I have already referred, the provisions of the Bill with the amendments which, as I have said, had been already accepted by the Government were considered, and the majority of the companies represented there agreed to the Minister being informed that, subject to its being clearly understood that there are other provisions in the Bill requiring amendment, and that the position of the companies is not prejudiced in that respect, they would offer no opposition to Second Reading. The decision was subject also to the settlement of a satisfactory lump sum payment by way of compensation, to the preservation of the rights of each company, whether statutory or otherwise, and to a provision that directors should be qualified proprietors elected by the proprietors.

The meeting approved also by a majority the proposals of which I have told you with regard to pay and conditions of service.

I represented the Company at this meeting and, with the assent of my colleagues, voted with the majority on both these decisions.

We ask you to approve and ratify our action, and, following the same policy, we ask also for your authority to take such further steps as we may find expedient and possible.

In all the circumstances, we consider the course we suggest by the resolution I shall now submit and ask you to pass is the wisest that can be taken, and I hope to find by your vote that you agree.

We have embodied in the resolution an authority to proceed with the settlement of a scheme, because if the Bill becomes law as it stands the time available for the purpose will be short, and will scarcely permit us to call you together again before it is necessary for us to enter upon the task.

I now beg to propose: "That the proprietors, having considered the Railways Bill now submitted, as introduced by the Government into Parliament and read a second time in the House of Commons, hereby approves and confirms the steps hitherto taken by the board in relation thereto, and authorises and empowers it (*a*) to take steps to obtain, either alone or in conjunction with other companies, through the Railway Companies' Association or otherwise, such amendments of the Bill as it may deem advisable and may find expedient; (*b*) if and when the Bill becomes law, containing its present or modified provisions for amalgamation and absorption, to enter into negotiation with the other companies in the Southern group with the view to settle a scheme or schemes of amalgamation and the absorption of the undertakings of those companies." (Cheers.)

Lord Henry Nevill (Deputy-Chairman) seconded the resolution.

Mr. G. H. Hargreaves congratulated the Chairman on the address which he had delivered, and proceeded to read the resolutions passed at meetings held all over the country under the auspices of the Railway Shareholders' Protection Association, strongly objecting to the Railways Bill as framed, and demanding amendments in various respects. He pointed out that under the Bill railways only would have to pay duty for carrying passengers, while charsabancs and other motor conveyances would not be subject to any duty.

"Socialism 'Sub Rosa.'"

Mr. Francis Roxburgh said that, in his opinion, the Bill warranted the definition, "Socialism *sub rosa*." The clause which pressed most harshly on railway investors was 52. There they found the real scope of the Bill, which was to make provision for the inordinate wages granted by the Government to the employees in defiance of all economic laws, labour votes being more important. For this purpose the property and plant of the proprietors were to be used without payment of any rent or remuneration to them. The companies were to be mere "collecting boxes," for they were practically prohibited from earning a brass farthing more income on the fully developed revenue-earning capital as it existed in 1913 than they did in that year. As the law now stood, immediately "control" ceased the railway companies would become liable to railway passenger duty at the rate of something like £5,000,000 a year, and when the clock had finished striking twelve midnight on December 31 next they would become liable for £2,000,000, or more, in respect of corporation profits tax.

Sir William Fry, speaking in support of the resolution which the Chairman had submitted, suggested that every proprietor should take the opportunity of communicating his views to his representative in Parliament and insist on the Government observing the promises made by their predecessors. They ought also to call upon their members of Parliament to vote in the House of Commons in support of the amendments which would be put forward by the Association of British Railways. If there was one thing certain, it

was that in the interests of British railway shareholders they should have no more of the blighting hand of Government interference, from which they had suffered too long. (Hear, hear.)

Compulsory Amalgamation Deprecated.

Mr. E. M. Rodocanachi said he had seldom listened to a more illuminating statement than that which had been delivered by the Chairman, and he wished to endorse and support the views which that gentleman had expressed. In his (the speaker's) opinion, amalgamation should be voluntary. It was an open secret that negotiations were proceeding at one time with the South Eastern and Chatham Railway for amalgamation with the "Brighton." The latter competed at a great many points with the former railway, but why should they be forced to amalgamate with the South Western? He also strongly objected to Government interference as soon as the Government subsidy ceased. Sir Eric Geddes had stated that the Ministry of Transport must have a say in the protection of the interests of the public. He (the speaker) was quite sure that the public would be delighted to get rid of all Government interference. (Hear, hear.) They were quite satisfied to be protected by the companies themselves. They were told that the Government must protect the trader and traveller from extortionate fares. He humbly suggested that their business was no longer a monopoly, because they had the competition of motors, charsabancs, &c. Nobody wanted bureaucratic control; they had had a great deal too much of it. What had just happened in St. George's, Westminster, was a sign of the times. (Hear, hear.)

Mr. W. F. Dingwall pointed out that a satisfactory grouping of the railways had already been carried out on a voluntary basis. As to the £60,000,000 compensation to be given by the Government to the railways, it appeared to be a very large sum, but when the various deductions which were possible had been made the amount which would come eventually to the railways to be divided among them would be very small. Further, the salaries under bureaucratic control would, he felt sure, swallow up all the economies which had been foreshadowed by the Government.

Mr. Hyslop agreed with Mr. Rodocanachi that no possible good could come to the Brighton Railway through being included in a group along with the South Western.

The Chairman's Reply.

The Chairman, in reply, said that the speeches to which they had listened were a complete justification of the policy of the directors in convening the meeting. (Cheers.) Sir William Fry had made a very practical suggestion, and Mr. Hargreaves, on behalf of the Railway Shareholders' Protection Association, had also viewed the matter under discussion in a practical light. No good purpose would be served by airing their many grievances among themselves, and he would strongly urge the stockholders to adopt the advice of Sir William Fry and Mr. Hargreaves and bring all possible pressure to bear upon members of Parliament to support the views of the railway companies during the passage of the Bill, and to see that justice was done to the proprietors. The discussion had revealed the salient point that the rooted objection to the Bill was to be found in the bureaucratic control and official management to be established under it. He agreed with one of the speakers that under such control there would be a vast amount of wastefulness, with numerous departments, overpaid officials, and a huge staff. Railway managers in this country had been the pride of the world. They were all picked and trained men, and it was preposterous that any Government official should be brought in to interfere with and control these men at every step. As one with a long and varied experience in railway matters, he strongly protested against the insidious attempts which had been made, and were being made, to foster bureaucracy in this country. As an Englishman, he loved liberty and freedom, and this was worth struggling for. (Cheers.) Mr. Roxburgh had rightly pointed out the iniquitous burden upon railway companies of the passenger duty and the corporation profits tax. As Mr. Rodocanachi had shown, the railway companies no longer held a monopoly, and, whilst they were liable to these special duties, charsabancs and motor cars of every kind, which were daily extracting traffic from the railways, could conduct their transport along the roads free of any charge or duty. As to the corporation profits tax, he would not particularly object to paying that if they were making profits, but he could not at the moment see where profits would come from during the next year or two.

The resolution was then put to the meeting and carried unanimously.

Sir William Fry proposed a hearty vote of thanks to the Chairman, and thanked the board for having called the proprietors together.

The Chairman, in reply, said that everything possible was being done to get the Bill amended. The endeavour of the directors was to bring the property of the proprietors of the railways back to a state of financial equilibrium, and to see that their interests, which had been so seriously impaired, were protected and adequately guarded. That was their guiding principle; and, further, they desired to be left to manage their own business in their own way. (Hear, hear.)

P. and O. Banking Corporation, Ltd.

Complaint against the Chancellor of the Exchequer.

THE first ordinary meeting of this Corporation was held on June 8 at 122 Leadenhall Street, E.C., the Right Hon. Lord Inchcape, G.C.M.G., K.C.S.I., K.C.I.E., presiding.

The Chairman said: I hope you will consider the results of our operations for a commencement as not altogether unsatisfactory. We have written off all preliminary expenses, which, owing to a change in the law for capital duty on issues, were increased by £37,500. We feel very sore about this. We delayed the issue, at the urgent request of the Chancellor of the Exchequer, till the Government bonds were out of the way, as we publicly intimated in the Press on January 28 in the following words: "The prospectus of the P. and O. Banking Corporation, Limited, of which Lord Inchcape will be Chairman, would have appeared this week but for the request of the Chancellor of the Exchequer that new issues should be held over until the Government bonds are out of the way. It will accordingly not appear until April." Then a Bill was introduced raising the duty from 5*s.* to 20*s.* per cent., and this, despite our protest, we had to pay. ("Shame!") The procedure is not in accordance with the ethics as understood between honourable men in the City. (Hear, hear.) I observe that notice of an amendment to the Finance Act to put us right, and the one or two others who did as the Chancellor of the Exchequer asked them to do, has been given, and I have sufficient confidence in the fairness of the House of Commons to feel that the amendment will be accepted. Many issues were made between January and May last year regardless of the request of the Chancellor of the Exchequer, and all these got off with the 5*s.* duty, and it would be manifestly unfair to penalise those who patriotically carried out the request of the Chancellor. (Hear, hear.)

We have been fortunate in securing Mr. M. M. S. Gubbay as General Manager of the Bank. Mr. Gubbay has had a lifelong experience of Indian finance. His capacity, his industry, and his qualifications are well known, and I am satisfied that in his hands the business of the Bank will be conducted on safe lines. At any rate, we shall do what we can to make the Bank a success, but our first efforts, as stated in the prospectus, will be to build up a reserve. We have been going slowly and on conservative lines, and though the accounts to March 31 are for nine months, we have been really only in active business for something like six. We had to get a staff and premises, and generally to make a start. Since March 31 the results of our operations have been fairly successful, and if all goes well we hope to be able to submit to you a decent account for the full year twelve months hence. Our purchase of the Allahabad Bank will, I believe, turn out well. It is a live and going concern, and gives us a footing in the interior of India which it would have taken years to work up.

The report was unanimously adopted.

Friends' Provident and Century Life Office.

Strong Financial Position.

The annual meeting of the Friends' Provident and Century Life Office was held on June 8 at the Holborn Restaurant, London. Mr. Alfred Holmes (Chairman of the board of directors) presided.

The Chairman, in moving the adoption of the annual report and accounts, said: After the remarkable advance in new business from a quarter of a million in 1917 to three-quarters of a million in 1918, and further, to one and a-half millions in 1919, it was perhaps not surprising that there was a slight decrease in 1920, though the large total of £1,331,000 showed that the enormous increase in 1919 was not due to exceptional circumstances, but marked the entrance of the office upon a new era, and placed it in the ranks of the larger offices.

A feature of the new business figures was the returning popularity of the with profit assurance. One million pounds had been effected under with profit tables, and only one-third of a million under without profit tables. There could be no doubt that this tendency to return to participating assurances was justified in the case of policies issued by those offices which had fully provided for the depreciation of securities arising during the last seven years. The insuring public would do well to scrutinise with great care the certificates which were attached to the balance sheets of life offices and to effect assurances with those companies which had valued their assets and liabilities on the most stringent basis.

The outstanding feature of the past year's experience had been the favourable mortality experience. During 1920 the claims paid amounted to only forty-nine per cent. of the sum for which provision had been made in the reserves, according to the mortality tables upon which the valuation of the liabilities of the office was based. Needless to say, a large profit had accrued from this light mortality experience.

The matter of expenditure was one which had given the directors anxiety, and their experience in this respect, judging from a perusal of the reports of other companies, was a general one. It was to be hoped, however, that the highest

point had now been reached, although no doubt this problem would be a real one for some time to come.

The care of the invested funds had given the board anxiety during 1920. First-class securities of trustee type diminished in value by from ten per cent. to fifteen per cent., and other classes of Stock Exchange securities even more. By means of judicious changes from long dated to short dated securities and other adjustments, the desirability of which became evident from time to time the depreciation in the value of their investments amounted to only £82,000, which was equivalent to about twenty two per cent. of the funds. The board had foreseen the likelihood of severe depreciation at the time that the bonus declaration was made a year ago, and largely on that account there was carried forward an undivided surplus of £87,000.

The members would no doubt be interested in having a short review of the progress which had been achieved since a policy of expansion was commenced about three years ago. Since 1917 the premium income had increased from £197,000 to £325,000 by steady accretions of over £40,000 per annum. During the previous ten years the premium income increased by only £17,000. Disregarding depreciation, the funds had been augmented during the past three years by £407,000, or an average of, say, £135,000 per annum, while in the previous ten years the total advance was only £426,000, or an average of, say, £43,000 per annum.

We were living in times when changes were so frequent in the political and financial outlook that there was laid upon those whose duty it was to conduct the affairs of a large business such as theirs a severe strain and heavy responsibility. The board was glad to feel, however, that, with the strong financial position attained, and the ever-strengthening organisation, and with the loyal backing of their numerous members, they were well fitted to deal successfully with their problem and maintain a high degree of success.

The report and accounts were unanimously adopted.

Investment Trust Corporation, Ltd.

An Increased Dividend.

THE thirty-third annual general meeting of this Corporation was held at the offices of the Corporation, Gresham House, 24 Old Broad Street, E.C., on June 6, Mr. Robert Fleming (Chairman of the Company) presiding.

The Chairman, in the course of moving the adoption of the report and accounts, said: Our revenue has increased during the year sufficiently to enable us to raise the dividend to fourteen per cent. and to have over from the year £23,450, which we add to our carry-forward, which now amounts to £82,282. This, however, is subject to corporation profits tax for the past year. We have charged to our income account the sum which the Government claimed from us in respect of the period to May 1, 1920, although that claim is still under consideration by the Court. To carry any part of this £82,282 of carry-forward to reserve we think inopportune, so long as the reserve fund is not represented in its integrity by market values, which values you will, without surprise, see are five per cent. lower than a year ago.

In present extraordinary conditions I confess I approached the question of an increase in dividend with hesitation, but a trust company like ours, having no current obligations, is justified in looking at the question of dividend from a point of view altogether different from that of an industrial concern.

Need for Cheap Coal.

The condition of our industries is very serious indeed. It is clear that we cannot exist as the leading manufacturing country of the world unless we get cheap coal. That is fundamental. The miners are, I hope, beginning to realise that the artificial war plane cannot be maintained. This plane is already somewhat lowered. What it has till lately been was very strikingly stated by Sir Owen Philipps at the Royal Mail meeting last week. He said I quote his words—"In 1913 the average cost of all the coal consumed by the company's steamers in all the ports we serve, including rail carriage and freight, was 22*s.* 11*d.*, which in those days we considered a very high average price. Last year the average cost of all coal consumed by our steamers, including railage and freight, was 120*s.* 1*d.*—the result, no doubt, of a combination of increased wages, decreased production, and strikes. He proceeded to say: "The high cost of coal in recent years has led to our coal export trade being reduced from about 70,000,000 tons to about 25,000,000 tons. If we are to regain our trade supremacy and secure employment for the large number of steamers now laid up it is absolutely essential that the price of coal should come down to its pre-War level, or possibly lower, as it is always difficult to regain markets that have once been lost."

Labour and Taxation.

Labour, I think, begins to see that its programme of constant production decrease and wage increase through the depletion of some supposed but illusory great fund of profits which is to be transferred to the worker won't work with human nature as it is on this planet, of whose surface we only form a very tiny part. In London we hear leading bankers declare that if the commerce of the country is to be kept alive taxation has reached its extreme limit, but Mr. J. H. Thomas, in his book, "When Labour Rules," suggests that one great improvement, from an economic point of view, "when Labour rules," will be that taxation on capital will be greatly increased. Economists have demonstrated how slight the advantage this levelling down would bring to each member of the community, even if we could retain under such a system our present national income. Common sense tells us that the destruction of the capitalist and the incentive to "get on" would greatly reduce that income. Call it the acquisitive spirit, the passion for accumulation, if you like, but, in the case of our own country, without its results piled up all over the world through many generations, without these also being included in our great sacrifice, even the heroism of our sons would not have availed to win the War. Capital and the capitalist are not indissolubly linked together. Thanks to our law of entail, which cannot long survive our present scale of taxation, one stem of some ancient family may here and there continue in seeming affluence, but for every such one a hundred have been swallowed up in the common ruck, and for them, as for the great bulk of humanity, merit or demerit, and that fickle jade Fortune—who does not distribute her buffets and rewards with equal favour—have fixed their fate.

It is undeniable that capitalistic activities in their very nature involve risk. Thousands of enterprises, from inception through a precarious life to liquidation, yield no return to those who have put their money in them, while during their existence the capital invested in them finds its way into the hands of workers of all sorts. Before the War I was often struck with the number of our home industrial shares selling at big discounts. Here and there big premiums and high dividends caught the eye, but many showed loss, or the wrecks had disappeared or been absorbed at salvage prices by other companies whose success could be traced to exceptional individual management. One may point to high dividends here and there, but forget that these high dividends are in most cases, as in our own case, on only the fringe of the total capital involved.

The report and accounts were unanimously adopted, and the usual formal business transacted.

City of London Real Property Company, Limited.

THE fifty-sévénth annual general meeting of this Company was held on June 6 at the Cannon Street Hotel, Mr. W. E. R. Innes (Chairman of the Company) presiding.

The Secretary (Mr. Sydney Walker) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—I have no doubt you will wish me to follow the usual custom and take the accounts as read. (Agreed.)

It is with great pleasure that we can present to you such an excellent report and balance sheet. You will see that the net profit for the year amounts to £222,832, as compared with £149,781 for the previous year, or an increase of £73.051, and the directors propose to pay the final half of the year's ten per cent. dividend free of tax, which will absorb £100,000; to place £35,000 to depreciation of buildings; to add £9,352 3*s.* to the sinking fund for replacing capital paid for leasehold premises; and to carry forward £43,160—practically the same figure as last year.

Since its inception in the year 1864, this Company has always maintained every increase in dividend, and, from a small beginning, has continued to expand until it has attained the very satisfactory position in which it now stands. Unless the directors felt quite confident that they could continue to pay the dividend free of tax they would not have recommended it.

A dividend of ten per cent. free of tax works out at the very convenient figure of 2*s.* a year net per share; the directors therefore propose in future to pay the dividend quarterly at the rate of 6*d.* per share, which they feel sure will be popular with the shareholders, and, with the income tax standing at 6*s.* in the £, amounts to a dividend of [illegible] fourteen per cent. gross.

We have all heard a great deal about the profits derived from City properties in consequence of the want of accommodation caused by the War, but I particularly want to draw attention to the fact that the increase in our earnings is not of an ephemeral nature, and that the results we have achieved have been in spite of the War, and not in consequence of it. I think the figures I am going to give you will show this beyond question. At first sight they may appear a little complicated, but I have tried to make them as clear as I can, and I hope with a very little study they will be found quite easy to follow.

In the year 1914 the Ordinary capital stood at £666,040, and the net income available for dividend, after paying the Preference dividend, amounted to £133,000, or about twenty per cent. on the Ordinary capital.

As you will remember, in the year 1919 the directors deemed it a wise course to bring the capital [illegible] with the value of the assets, and doubled the Ordinary share capital by a transfer of £666,040 from the reserve fund and at the same time brought in the capital of the London Offices Company, which amounted to £267,000, and was earning on a rather higher percentage basis than the City of London Real Property Company, Limited, after the latter's capital had been doubled. Therefore [illegible]

centage of earnings in 1914 on account of the alteration of capital, we get a fair standard for comparison and a figure of ten per cent.

It was about eighteen months ago that the rise in rents commenced, and the percentage return on our Ordinary capital worked out on the same basis as the 1914 standard, is the same as it was in that year.

Since 1914 to date about £400,000 (which does not all show in the present balance sheet because of the capitalisation which took place in 1919) has been set aside to reserves out of the earnings of the Company, so that the return might justly be expected to be higher than in 1914.

Reserves Invested in Properties.

The sum of £400,000 has from time to time been invested in the Company's properties, in new buildings, alterations and improvements, and has resulted in bringing in an additional income of about £40,000. If we add £133,000 (the earnings in 1914), £35,000 (the earnings of the London Offices Company), and £40,000 (money earned on reserves), the total comes to £208,000, or approximately our earnings for this year.

In looking at these calculations on the return on the capital of the Company, shareholders must not be misled into thinking that we average this high percentage on the money we have invested in the business, and the distinction must be kept clearly in mind between the capital of the Company and the cost of its properties; because, though the earnings of the Company on its capital are high, it is due to a large extent to the very large sums of money that have been set aside over a long period of years, and the very careful way in which it has been invested. In 1914 the income was £133,000 on a cost of properties of £2,980,000, or a return of four and a-half per cent., while for the year under review the return is just under five per cent. To arrive at these figures I have deducted the Preference dividend as before, and in the case of the 1921 calculation allowed for corporation profits tax at five per cent., a somewhat lower figure than it may really work out at.

Our income suffered very acutely from the War, because not only were our rentals lower, but during all that time our site in Leadenhall Street, from which we had been deriving a large revenue, remained vacant, as it had just been pulled down for the purpose of rebuilding; and we were unable to complete our building in Finsbury Circus, and also expenses of every kind kept rapidly increasing. On the other hand, during the same period manufacturers and merchants were reaping an enormous harvest. Our increase in rents, when it came, had not only to catch up with the increase in expenses, which had been constantly growing over a period of five years, but to make up for the loss of income which had been going on.

I think I have now shown that, contrary to what people have been led to believe, the position of the Company is not due to abnormal rents, but to the sound conservative policy pursued by the board for the last fifty-seven years, and that we have not benefited from the War. Had there been no war, we can confidently say we should have been in a far better position to-day. For instance, take into consideration the cost of building. Though the rents from our new buildings which are approaching completion will amount to a very large sum, and will for a portion of the year come into the current year's account, the cost of building has been enormously enhanced over what it would have been in 1914, and we should very much prefer to have built on the standard cost of that period and receive the rents we could have earned then. In other words, the increased rents do not compensate for the increased cost.

Mr. W. J. M. Burton (Managing Director) seconded the motion, which was carried unanimously.

Anglo-Argentine Tramways Company, Limited.

Considerable Reduction in Fuel Costs.

The twenty-seventh ordinary general meeting of the shareholders of this Company was held on June 7 at Winchester House, Old Broad Street, E.C., Sir George A. Touche, Bart., (the Chairman), presiding.

The Chairman said: I will invite your attention to the results of the year's operations, and I am glad to say we are able to submit more cheering figures than those of twelve months ago. You are aware that the increased tariff of 12 cents, established by the new Ordinance, came into force on April 10, 1920. For 100 days of the year under review the old tariff of 10 cents remained, and the benefit of the twenty per cent. increase accrued for the remaining 266 days. Some fears were entertained that the new tariff might cause confusion at first owing to the shortage of small change, but this difficulty was got over by the issue of sets of coupons, with which the public and the Company's employees quickly became familiar, and the new method is working smoothly.

Receipts.

The increased tariff is reflected in the traffic receipts, which rose from £3,127,784 in 1919 to £4,014,765 in 1920, an increase of 28.36 per cent. Advertisements, tolls, rents, and sundries increased the amount to £4,071,630. The credit to revenue, representing the total traffic and other receipts, includes also the difference between the rate of exchange for cable remittances, which was 58.89*d.* per gold dollar, and the par rate of 47.58*d.* There was likewise a large credit on income-tax account. This arises from the fact that arrears on the First Preference dividends, together with the dividend for the current year, amounted to no less than £616,000. In paying interest and dividends to stock and share holders entitled to a fixed rate income tax has to be deducted. The amount so deducted exceeded the assessment for the year by £129,972, and revenue benefited to this extent.

After including credits of every sort, our gross receipts reached the record figure of £4,413,164. (Applause.) The special additions to revenue to which I have alluded may be regarded as windfalls, as they are unlikely to recur to any such extent in the near future. Had times been normal we should have preferred to use them to strengthen our reserves. The temptation to apply them in this way was considerable, but we felt we had a duty to the shareholders. Owing to the War, there were heavy accumulations of arrears of dividend. The shareholders had waited for them long and patiently, and we thought it only just that their patience should be taxed no longer than was necessary.

The shortage of revenue in past years arose from exceptional causes, and after careful consideration we came to the conclusion that revenue accruing from exceptional causes should be applied towards the satisfaction of arrears accumulated in the lean years. During the year, therefore, we have paid away three and a-half years' dividends on the Five and a-Half per Cent. First Preference shares—that is, the dividends from July 1, 1917, to December 31, 1920. All arrears on these shares are therefore wiped out, and we hope the dividends on them will never fall into arrear again.

Operating Expenses.

We now come to the working expenses, which are also at a record figure, and total £3,198,028. A summary of these is set forth in the revenue account, but reference should be made to some of the items. First come traffic expenses. These amounted to £1,158,265, an increase of £332,291 over last year. Salaries and wages (chiefly wages) account for £325,000 of this increase.

In every country of the world labour has demanded a larger share of the fruits of industry, sometimes with a shortsighted disregard of the claims of capital, on a reasonable partnership with which the continuation of employment depends. Our policy has always been to pay wages in proportion to the measure of our prosperity, in order that we may have a responsible and contented body of men, and the advances of the past year were justified by the cost of living.

Traction cost £812,693, including a special payment of £64,047 in connection with the settlement of claims under the old supply contract and a reduction of the future price of current, to which reference will be made later. The cost of electric energy, which, as you are aware, is based upon the price of fuel, showed a decrease of £107,840.

Our troubles during the period of the War were almost entirely due to the difficulty in obtaining fuel and to the abnormal prices which had to be paid for it. In 1919, the first year of peace, the decrease in the cost of current was £24,934. Now we have a further decrease of £107,840. It is a matter for satisfaction to watch these decreases. They are a refreshing change from the disquieting increase in cost in nearly every other direction. The average cost of fuel used by the Supply Company during 1920 was 118*s.* per ton, delivered at the power-stations. Since the end of the year a new contract has been entered into by the Supply Company for one year's supply of American coal at the price of $11.65 American gold, or a little over 60*s.* per ton c.i.f. Buenos Ayres. We get the benefit of this cheaper coal only as from May of this year, by which time the stocks of dear coal were practically exhausted.

Maintenance cost £345,064—that is, £68,182 in excess of the previous year. Rolling-stock maintenance, owing to increased wages and the larger number of cars, is responsible for £35,944 of this increase. General rates and taxes were £415,889. One penalty of the new tariff is that it has increased considerably the taxes we have to pay to the municipality under the terms of our concession. As many of you are aware, we pay six per cent. of our gross receipts, plus twelve per cent. additional where our receipts exceed $50,000 per kilometre of track. Naturally, with an extra twenty per cent. fare the receipts per kilometre have risen considerably. £561,345 was our liability for six per cent. and twelve per cent. municipal tax, against only £208,545 in 1919, an increase of £152,800. A reserve has also been made in case of liability for that illegitimate offspring of last year's Budget, the corporation profits tax. Under the head of paving we have expended £75,350, or £31,239 over 1919, and in view of the increased cost of materials and labour we have allocated to renewals reserve £133,172, against £97,000 last year.

Profit and Loss Account.

The net profit of the year, after making the transfer of £133,172 to renewals reserve and meeting the "City" annuity and interest on the three classes of Debenture stocks,

together with sinking funds for the whole of the Debenture and Share capital, is £795,674. The amount brought forward from 1919 was £175,502, making a total of £970,176. After clearing up the arrears of dividend on the First Preference shares and paying the current dividend, thus placing these shares on a pre-War footing, in so far as dividends are concerned, there remains an available balance of £153,554.

The dividend on the Five and a-Half per Cent. Second Preference shares has not been paid since December 31, 1915. We recommend the payment of a year's dividend. Would any other course be reasonable or fair? It is true it absorbs £137,500, leaving a balance of only £15,884. But it is desirable that we should, if we can, present the arrears on the Second Preference series from increasing. Hear, hear! By paying a year's dividend we do this and no more. They will still remain, as they were last year, four years in arrear.

A superficial observer might think there was a heavy falling off in the carry-forward as compared with last year, but this is not so. A year ago we carried forward nearly £176,000, but this was all earmarked for the payment of a year's dividend on the First Preference shares, which with income tax was just £176,000. From a cash point of view the actual carry-forward is considerably more than £15,884, as the income tax on the dividend, amounting to £41,250, will fall to be deducted. This will go to the credit of the income-tax account. So we really carry forward £57,134.

You are no doubt anxious to know whether the current dividend on the Second Preference shares is likely to be earned. I prefer to make no promise. Any estimates made now on cabled figures cannot be regarded as final. Moreover, they might be upset during the rest of the year. In these times one cannot set much value on forecasts. Fuel costs should show a considerable reduction, but the course of exchange is an uncertain factor. The trade balance for the present is unfavourable to the Argentine, and the whole outlook is clouded by labour unrest and disturbances. The general prospect is not so good as it was some months ago, and we have had to revise our earlier expectations, although the hope of their realisation is not entirely abandoned. I should be failing in frankness if I said that the payment of another six months' dividend on the Second Preference shares by September 30 next, when the audited accounts for the half-year should be before us, is beyond doubt.

The Current Contract.

Mention has been made of a special payment in connection with the settlement of claims under the supply contract. Two years ago Mr. W. F. Hamilton, who presided owing to the illness of my predecessor in the chair, told you how the contract with the Supply Company for current governed the situation and hampered us with high costs during the War. This was unavoidable. The contract was made in 1904 and rearranged in 1909, and was for the life of the concession. The price was based on an estimate of the cost of fuel per unit, which improved methods have since diminished.

We have been anxious to revise the terms of the contract, but this was not easy. In addition to the obligation to pay for electric energy on the basis mentioned, we were under guarantee to take a certain quantity of K.W.H. per annum, or to pay for the deficit not taken. In consideration of this guarantee the Supply Company had expended large sums on the construction of new sub-stations to meet our increasing demands. Unfortunately, calculations, which seemed reasonable enough in 1909, were completely upset by the War. The difference in the amount of units taken was considerable, and at the termination of the War there were claims and counter-claims for large amounts.

I need not trouble you with the history of a complicated business, as I am glad to say we have been able to negotiate a settlement of these claims through the good offices of our Brussels friends, the Compagnie Générale. This settlement further provided for a modification of the terms of the contract for the supply of electric energy, which is expected to result in a saving to this Company of from £20,000 to £30,000 per annum. In connection with this settlement the payment to the Compagnie Générale of the sum to which I have referred was involved. The arrangement is regarded as a beneficial one for this Company, and we are indebted to the Compagnie Générale, and especially to our colleague, Mr. Dannie Heineman, for bringing it about. (Hear, hear.)

Capital Expenditure.

The balance sheet does not call for any special comment. It will be observed that our concessions and other property, construction and equipment stand at £20,282,532. This represents an increase during the year of £567,333. These are not times when large capital expenditure is desirable. (Hear, hear.) Costs of construction are high, and new capital can be raised only on onerous terms. But a city whose population has increased seventy per cent. in the last ten years requires constantly increasing tramway facilities if we are to keep pace with the traffic requirements of the population, and a certain expenditure is inevitable.

We have already received and reconstructed a large amount of rolling stock, but the ever-increasing passenger requirements make it necessary to accelerate the yearly programme already decided upon. Other works are also inevitable, including the construction of a central depot on an excellent site which has been acquired. The War delayed the municipal paving programme, and there are large arrears. This means an accumulated liability for the reorganisation of our permanent way when the arrears are dealt with. It would be a costly plan not to do the work simultaneously.

It has been decided to amortise deferred revenue expenditure for paying by instalments equal to the average life of the paving. £7,149 has been thus dealt with during the year under review. Another balance-sheet item which has to be amortised is discounts and commissions on issues of Debenture stocks. These have been written down during the year by £76,446.

Labour Troubles.

Labour in Buenos Aires is settling down after the unrest caused by the War. There, as here, the trouble is largely caused by the coercion of willing men, but our men have shown a refreshing spirit of independence and loyalty. Here last September it seemed as if the unrest would culminate in a general strike, but the evil was avoided on that occasion through the good sense of the workers. There was a taxi-cab drivers' strike, which really benefited our takings. The taxi-cab drivers came out in sympathy with a workmen's strike in another industry with which they had nothing to do. Attempts were made to induce our men to support this strike. Happily, they remained steadfast. Efforts have been made also by professional agitators, mostly of alien race, for their own purposes, which are subversive of law and order and good government everywhere, to induce our men to join a union. It is significant that the higher grades were to be eliminated, so that the more stable and restraining elements might be absent, the men more easily duped, and coercion more easily applied, but the effort failed.

We appreciate the loyalty of our men, and I think the Company has merited it. (Hear, hear.) It is our general manager's constant study to cultivate a feeling of good fellowship in all ranks, but there is a very definite limit to what we can do, and it is possible to pay too much for peace. (Hear, hear.)

There are two things which the professional agitator never mentions:—(1) That there is no inexhaustible fund from which higher wages can be drawn; (2) that there can be no permanence of employment in a business where the wages are forced beyond the economic limit. (Hear, hear.) Security of employment is what the best men desire. They are quite able to understand that with a restricted source of revenue

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there is necessarily a wage boundary beyond which the industry cannot go. While it is alluring the younger and less-experienced men that the hired agitator looks for his dupes, I am glad to say that in our younger ranks also we have many men in whose loyalty we have unshaken confidence, for they have been tested and proved.

The Government are awake to the peril which threatens the industry and prosperity of the country, and are taking steps to exclude revolutionary agents who would work havoc upon the community. I wish our Government would follow a similar course. Business in every quarter of the globe is beset with unusual difficulties to-day. The Argentine Republic is no exception to this rule. Yet it is far more happily situated than many countries financially, politically, and industrially. It is faced with problems which exist everywhere, and it will solve them in its own way, and, I believe, in a satisfactory way.

I have pleasure in moving: "That the report of the board of directors and the audited accounts for the year to December 31, 1920, now presented to the meeting, be and are hereby received and adopted, and that a dividend be and is hereby declared payable on June 15, 1921, on the Five and a-Half per Cent. Cumulative Second Preference shares at the rate of 5*s.* 6*d.* per share, less income tax, at 6*s.* in the £, in satisfaction of the arrears for the twelve months to December 31, 1916.

Mr. W. F. Hamilton, K.C., seconded the resolution.

The Central Mining and Investment Corporation, Limited.

Sir Lionel Phillips on the Economic Situation.

The sixteenth ordinary general meeting of this Corporation was held on June 8 at 1 London Wall Buildings, London, E.C., Sir Lionel Phillips, Bart., presiding.

The Chairman, in the course of his speech in moving the adoption of the report and accounts and the declaration of the dividend recommended, said: At our annual meeting last year I reviewed the general economic position at some length and ventured to utter a grave warning. The situation has developed quicker than I, or probably most other people, expected. Prodigal expenditure, entailed by the exigencies of war, has left behind an accumulation of debt, and a condition of disorganisation in trade and industry, that can only be disposed of by careful expenditure on the one hand and a high output on the other. No ingenious stratagems can overcome immutable economic laws. Transgression of those laws was inevitable during the war period, but the penalty has to be paid. And what is the penalty? A period of anxiety and retrenchment. The excitement following upon victory heralded a moment of aberration obscuring the real conditions. We should not to-day blame anyone for promising a new heaven upon earth, recollecting the general relief and enthusiasm of the time. This country can be made fit for heroes to live in if—and there is the rub—the heroes will make it so. It rests with us all, be we heroes or not, to do our bit in the giant work. None of the "isms"—individual, social, or communal—can help a jot. Thrift, intelligence, and hard work are the only specifics. Are they being applied? Are we all doing our best, or even striving to educate those with other views or less well informed than ourselves? For instance, are those common expressions "the living wage" or "the standard wage" fully understood by those most concerned? A living wage, strictly interpreted, means enough to support life; a standard wage means bare subsistence, with a certain defined degree of comfort added. A living wage, scientifically fixed, would constitute a very inferior degree of comfort. Now, the standard of comfort must be fixed by the surplus arising from the disposal of commodities after paying the cost of their production. I am not for the moment considering the fair division of that surplus—an extremely complex and debatable question—but the matter of securing a surplus to pay our way and sustain life. Without that surplus, even a living wage cannot be paid, and that surplus is not being earned to-day. It will not be earned until settled conditions prevail. In fact, the biblical writing on the wall stands out in luminous characters.

Change of Spirit Essential.

Unless a change of spirit can be brought about, there will inevitably follow starvation, emigration, and untold misery in this greatly favoured land. No other area of equal size on the globe is probably so favoured in climate, in minerals, and in surface soil; it is splendidly placed geographically, and inhabited by a virile people. If these sea-girt islands were self-contained, the nominal level of wages and prices would matter little or nothing. But we live in a competitive world, and that involves selling our products as cheaply as they can be obtained elsewhere. Having to compete with external trade, we are forced, if we want to succeed, to compete internally, because the resulting clash of brains and energy is the only school of efficiency. Sentimental considerations should not enter into this aspect of the matter, because economic laws are inexorable, and, like natural laws, permit only the survival of the fittest.

Turning to the other aspect of the subject, we arrive at an internal problem, viz., the division of the surplus. Here is the direction in which reform is essential. For the reasons already advanced—viz., unavoidable competition—any form of national control is likely to be fatal, because the incentive for the best output of brains and muscles would disappear, apart from the obvious and acknowledged ineptitude of bureaucratic management. Powers of taxation are quite enough to regulate the division of the surplus, but they must be used with discretion in order to leave the rewards of effort—mental and physical—sufficiently great as prizes. The point to remember is that a high output economically secured is essential to produce a large surplus.

Trade Unionism.

It appears to me that reform in labour organisation presents the most hopeful field. The nineteenth century saw the great rise of the Trades Union movement, which received a very considerable stimulus from the introduction of machinery, the spread of piece-work, and the want of foresight and generosity on the part of employers. Trades Unions rendered unquestionable service to the working classes in those days, but the movement has now assumed mammoth proportions and is becoming a veritable tyranny to those who serve under its banner, as well as to those who do not. Unions have extended from one class to another until they are gradually absorbing clerical and professional classes, and, with their strikes, sympathetic strikes, boycotts, blockades, and the like, are becoming a national danger. The fact is that Trades Unionism, like most other organisations, has grown out of all recognition, and now usurps (by various methods) functions outside its proper sphere. If national ruin is to be averted, some means of getting back to steady work and discipline must be found. An investigation would show, I think, that there are far more persons employed and paid in furthering what is called the labour movement than is good for it, for the State, for the cause of industrial peace and progress, or for the welfare of the masses concerned. Too many people to-day depend for their livelihood upon finding points of difference between the employers and employed. The 1906 Trades Disputes Act concedes to certain classes rights and privileges beyond those enjoyed by the public at large. Capital and Labour have both learned a great deal in the last hundred years, and it is quite conceivable, if employers and employed were exempted for a few years from all, or a great deal of, legislative or Governmental interference, and were allowed to settle their own legitimate affairs, a new and better era for all might result. The great days of this country were built upon well-ordered continuity and honesty in work, pride upon the part of craftsmen in the amount and quality of their output, liberty of the individual to work when, how and for what recompense he liked, and, while it is true that there was a time when his skill and energy were not duly rewarded, public opinion is too enlightened in these days to permit unfair exploitation of any class. Anyway, the reform of organisations originally created to secure justice for wage-earners is vitally necessary if disaster is to be averted.

The Year's Operations.

I shall now turn to your immediate concerns. Last year, in reviewing a period of great prosperity, I felt impelled to indicate the probability of less profitable normal results. I am glad I did so, though the operations of the past year have been satisfactory, and signally so in the circumstances. The actual difference in gross earnings was less than would appear from the accounts, but we have adopted, in accordance with past practice, a conservative policy in valuing assets, and thereby made an inroad on profits carried to profit and loss account. As a result, in the balance sheet, as well as at to-day's prices, there is a very substantial margin on the amount at which they stand in the books. You can, therefore, I think, look forward to the future with confidence. After again adding £100,000 to the reserve fund (making it up to £750,000) and providing for a number of serious extra items of taxation, some new (absorbing about £150,000), we are able to recommend you to sanction a final dividend of 6*s.* for the year. The directors do not consider it prudent to recommend the payment of a bonus for the past year. We carry forward £100,396.

The Balance Sheet.

Turning to the balance sheet, you will see on the debit side that the amount owing has fallen by about £180,000. On the credit side, in loans and cash, there is an increase of £90,000. The total investments are shown as £45,000 less. Our holding in Government securities, railway stocks, &c., figures at £1,210,000 less than last year, but is made up for by greatly increased investments in what are best described as trading undertakings.

We have £690,000 more in the gold and diamond industries. The chief item in this connection is an increased holding in diamonds, due to the slackness in that trade. A similar falling off in the demand has occurred many times in the past. It has been invariably followed by an active revival, and we are confident, therefore, that, with the return of profit-earning times, our stocks will speedily melt away. We deplore the temporary effect upon the prosperity of South Africa which the practical stoppage of production must involve, but its wisdom is incontestable. To reduce the selling price of diamonds would not be an

effective remedy. The proper course, which is being followed, is to wait until the world again wants them. When we remember that as gems they are unique, that entire failure has attended all efforts to imitate them, and that they represent a trifling sum in the world's expenditure upon indulgences, we can hold on with patient equanimity.

In gold mines our holding has increased, principally in those of the Eastern Rand. Comparing the results obtained by mines with which we are associated with those obtained during 1919, an additional 740,000 tons were passed through the mills, the value of which, based on the standard price of gold, fell by 1.79 shillings. The working costs, on the other hand, increased by 2.14 shillings. Our working profit for the year, however, rose by 1.68 shillings. It is naturally a very disquieting point for the gold mines of the Rand and for the prosperity of the Union, as well as in regard to capital invested, that the question of the ability to pay dividends should appear to be dependent upon a fluctuating rate of exchange, such as we have witnessed since the middle of 1919. Though it is possible that the disparity in the exchange value of currencies may continue for a considerable period, and probably on the scale to which we have now become accustomed, it is, of course, an abnormal feature in the finances of the world, and some day is bound to disappear.

While the profits, on the whole, permitted the distribution of higher dividends than in the previous year, actual operations were so far less successful in that lower grade was treated and the working costs were higher. Naturally, as the gold mines have always paid good salaries and wages, which were increased as commodities advanced in price, there would be no hardship in lowering the scale as the normal cost of living is re-established. I look, however, for decreased costs not alone in this direction, but from a considerable reduction in the price of materials, &c.

Criticism of Mining Regulations.

Apart from any possible decrease in the wages bill, or in the cost of stores, there is one respect in which much greater efficiency and economy could be secured. Everyone, not only upon grounds of sentiment, but as sound economic practice as well, must be in favour of mining regulations for the preservation of health and the protection of life and limb, but some of the regulations in the Transvaal, which have been passed more for political reasons than to achieve the objects just referred to, seriously interfere with good work and are the direct cause of wasting a respectable portion of the working day. Holding in view the enormous disparity in numbers between the white and coloured population of the country, it is easy for everyone to recognise the anxiety of the authorities to stimulate the employment of white persons and to attract as many as possible to the country, with the object of lessening that disparity. But while we may applaud the object, we are also obliged to consider how far its attainment can best be promoted, and I say, without the least hesitation, that the policy which has been pursued in regard to the mining industry, so far from ultimately increasing the number of white persons directly or indirectly sustained by it, has had the reverse effect. The regulations which have from time to time been passed in the Transvaal, and which are continually being piled up (to such an extent that it is almost impossible for mine managers to keep track of them) are in conflict with the constitution of the Union, and are entirely at variance with common practice in the Cape and Natal Provinces. They are, moreover, extremely unjust to the natives, because they stand in the path of their performing work of a semi-skilled character, for which a number of them have been entirely fitted by their training in the mines. The argument used, of course, is that by insisting upon the employment of a superfluous number of white men, in the mines a greater amount of money is distributed in wages, to the benefit of the trading community as a whole. There is, however, another side to the picture, which is entirely ignored. Several mines have already had to cease working because the operating costs are higher than the yield of gold, and millions of tons of ore have had to be left in the mines, and will probably now never be worked, because they could not be extracted at a profit.

Native Population an Important Asset.

The native population there, which is, on the whole, well behaved and industrious, is an asset of immense value to the country, and its services should be employed to the best possible advantage, irrespective of any question of the relative number of white to coloured men employed in any specific industry. What is needed in South Africa is to develop every source of wealth as actively and as speedily as possible, and by every legitimate means. That is the way to bring about general prosperity and the successful establishment of the greatest possible European population. The extremely liberal franchise introduced at the time of the Union has placed voting power in the hands of a considerable section of the people, who look at the immediate effect of any line of action, rather than at its bearing upon the permanent welfare of the country. The trading community of the Witwatersrand, I fear, also lays too much stress upon current volume of business, without perhaps appreciating the ruinous ultimate consequences of uneconomic practice in the mines, which are quite obvious to those who are in a better position to assess the effects. Unless some change is speedily made, there can be no question but that the falling off in trade will be great, while, on the other hand, if the mining companies were allowed to work their properties as economically as possible, the volume of trade might be somewhat lower at first, but would probably be much greater over the prolonged life of the industry.

The Company's Holdings.

The principal mines with which we are associated, such as the City Deep, Crown Mines, and the New Modderfontein Company, are entirely fulfilling expectations. The area of unpayable ground in the middle of the Modder B Company, the existence of which has been known and referred to by us in the past, has not so far shown any sign of improvement, but this area has not by any means been fully exploited. The highly payable ground on the western side and the indications in the drive put in from Geduld on the south-eastern section justify our confidence in this property.

With regard to the Modderfontein East Mine, I had an opportunity during my recent visit to South Africa of studying the situation very carefully on the spot, and I consider the outlook at the mine generally justifies the opinion we have always held that this venture is a fair mining risk. The development of the mine is being pushed on as fast as circumstances permit, and I hope by the time I address you next year the position in regard to development may have been so advanced, and the Money market conditions so eased, that we shall feel able to sanction the raising of the sum required for working upon the contemplated larger scale.

Our technical staff in the Transvaal has made a very full investigation into the value of the coal deposits there. The calorific value of the beds in different areas varies very considerably indeed. We have secured for the Corporation properties containing hundreds of millions of tons of coal of the best class.

The Transvaal Consolidated Land and Exploration Company, Limited, which we administer, also had good fortune in striking a valuable deposit of coal upon one of its farms. Its financial position is strong, and I think the Company can look forward to a successful career.

Pretoria Cement Company.

The Pretoria Cement Company, whose operations we assist in directing, is in a flourishing condition. It has recently acquired a considerable interest in a new lime deposit in the Cape Province, for the working of which a Company has been formed, the subscription for shares in which has been strongly supported in South Africa. The new undertaking is well placed to meet the oversea competition in the coastal trade.

The prospects for the Hume Pipe undertaking, which is under our administration, are also satisfactory, and this will doubtless become an increasingly important South African industry.

The operations of the Premier Hydraulic Tin Mines of Nigeria are proceeding satisfactorily. The first section of the hydraulicing plant will shortly be in commission and should enable the output to be substantially increased at low cost.

In spite of the great fall in the value of lead, the Rhodesia Broken Hill Company is continuing its operations, and is at present making fair profits

Trinidad Leaseholds.

With regard to Trinidad Leaseholds, Limited, when the extensions to the refinery, now nearing completion, are in commission, the Company will be in a position to treat not only a largely increased production from its own fields, but also such quantities of oil as may be delivered under contracts arranged with neighbouring companies. Although development has been slower than anticipated, there is every reason to regard the future of this enterprise with confidence.

On the property of the North Venezuelan Petroleum Company, Limited, the first test well has not yet been sunk, but its location will be decided upon after further geological investigation, which is proceeding.

In base metals we have an additional £150,000 invested, £80,000 of which consists of calls by the British Metal Corporation. Notwithstanding the violent fluctuation in the price of metals, and the disturbance created by it, this Company not only itself successfully came through a difficult period, but proved also of great assistance to metal traders in this country. Our predominant holding in Williams, Foster and Company and Pascoe, Grenfell and Sons, Limited, is a possession with which we are very satisfied.

I should perhaps mention in passing, the paragraph in the report before you dealing with the Chilian Electric Tramway and Light Company, Limited. I consider the arrangements made eminently satisfactory, but I do not anticipate that the considerable appreciation of this investment will appear in our accounts for some time yet.

Cape Explosives.

In concluding my review I may perhaps mention a successful business that was carried through by us recently in the purchase from the Cape Explosives Company of their Debenture issue. The underwriting was immediately placed, and the subsequent subscriptions by the public for the loan

were greatly in excess of the amount offered. As you are no doubt aware, this issue was guaranteed by the De Beers Consolidated Mines, Limited, but I feel assured that, on its own merits, it is a satisfactory investment. The Explosives Works constitute in themselves a good business, to which has been added that of producing fertilisers, which will no doubt be a source of profit to the Company, as well as of benefit to South African agriculture.

We have, naturally, in the course of the year, considered many propositions, because we are always studying directions in which shareholders' interests may be promoted. As you are aware, it has been our practice in the past, and it is one which we hope to see pursued in the future, to follow a somewhat cautious policy in our transactions, and this practice is particularly called for in times like those through which we are passing. We can look back upon what has been done during the past year with satisfaction, particularly as we have been exceedingly careful in our disposition of the profits of last year, and, speaking with the reservation which is only prudent in the present situation, I see no reason to doubt our continued prosperity.

The Gold Premium.

Sir R. Sothern Holland, Bart., in seconding the motion, said that Sir Lionel had given the shareholders a valuable contribution to a debate which was being carried on throughout this country at the present time dealing with our domestic and economic difficulties, and it could only be hoped that, by the repetition of them, economic truths will in course of time be brought home to those responsible for shaping the misguided and, if he might use a stronger word, in some cases unpatriotic policy of labour at the present time. Proceeding, he said : In comments on the report of our Consulting Engineer undue prominence has been given to the fact that in many instances gold mines are to-day dependent almost wholely for their profits on the so-called premium, and false conclusions are liable to be drawn from what has been said on the point. The position is not at all what it has been represented to be. In this connection it should be borne in mind that when one talks of a premium one must remember that gold cannot vary in the terms of gold, but only in terms of currency and commodities. When the difference in exchange disappears the buying value of currency will be correspondingly increased, and in all probability increased in greater ratio than the difference in exchange, due to various economic causes, such as the reduction in the price of commodities, &c. In other words, currency will gradually increase in purchasing power. We will step by step work towards the standard value of gold, but when that time arrives, and the price of commodities has fallen, the cost of working our mines will automatically have decreased. The position therefore will then not be materially altered. I am one of those who look with equanimity to the time when the premium disappears, though I believe that that time is still far distant.

Position of the Native Worker.

I am far more attracted by the possibility of bringing about an adjustment of the Government regulations under which the native works in the industry to-day. To use an old South African phrase, these regulations act as a perfect "Reim Schoon" on the mining industry. They are not suited to present conditions, and, having in view the existing financial and economic position of South Africa, one would expect the Government to become our active ally in bringing about the necessary adjustment. Indeed, they should take the initiative in the matter. Imagine a Government regulation which results in willing workers being restricted in their operations to a five-hour day, whereas an eight-hour day may be generally taken as the recognised standard for a working day. It is a monstrous position for any industry to be placed in. The native, by reason of his long association with the mines, has become more and more skilled, and is able to-day to do work which he may not have been competent to do at the time the regulations were framed. A large number of these men are on piecework, and, by a modification of the regulations, they would be enabled to earn considerably higher wages, both in this and in other directions. The Government and the industry would be well advised to provide such opportunities for the native workers. It is in the interest of the native himself, as well as of the gold-mining industry and the country generally, that these regulations should be modified. If one takes the native strength of the industry as a whole at, say, 190,000 boys and assumes, roughly, that of these 130,000 are underground workers, it will be seen that even the addition of two hours a day would result in an increase of 260,000 working hours a day—in other words, a forty per cent. increase in the capacity of the underground mining strength without any addition to the standing charges. Think what that would mean for the industry.

You may be sure that the directors of this Corporation will do all in their power to bring about a modification of the existing regulations at as early a date as possible. If it can be brought about I look to the future with great confidence. We have a commodity which is always realisable; the demand for it is unlimited, and even under present conditions it can be won at a considerable profit—a profit which, as I have said, will not be materially affected by a rise in the value of our currency. What other industry to-day occupies the same position of solid strength? Look at the deplorable state of almost all other industries to-day in this country. It requires but little imagination to realise its pre-eminent strength. In my judgment, many of the mines of the Witwatersrand offer attractive investments at to-day's prices. It may be that the apathy shown to South African gold-mining shares of recent times is due to the enemy holding which is overhanging the market. In this connection you may rest assured that the position will be properly nursed when the time comes, not only in the interests of the Government of South Africa, who would feel the repercussion of the effect of mishandling this holding, but also in the interests of the shareholders in the various companies, who are, of course, greatly affected and who, it must be remembered, are largely South African as well as European.

As regards our own Corporation, you have been told by our Chairman that we have again pursued a very conservative policy in the valuation of our assets, and our book values show a fair margin of profit at to-day's prices in spite of the heavy fall that has overtaken all forms of securities. Gentlemen, I feel we can face the future with great confidence.

The resolution was carried unanimously, and the retiring directors and the auditors having been re-elected, a cordial vote of thanks to the Chairman concluded the proceedings.

Electric Construction Co., Ltd.

THE twenty-eighth annual general meeting was held on June 9 at Winchester House, Old Broad Street, E.C., Mr. Philip E. Beachcroft (Chairman of the Company) presiding.

The Chairman said : I am very pleased that we are able to submit to-day accounts which surpass those of any previous period. The gross profit on manufacturing and contracting for the year under review shows an increase of £44,502 on the previous year. The income from interest and dividends, &c., is £3,384 less. The credit side of the profit and loss account amounts to £169,977, being £41,118 greater than last year. The expenditure aggregates £86,867, being an increase of £24,177.

The net profit for 1920-21 is £83,110, compared with £66,169, being an increase of £16,941. The balance brought forward from last year, after paying the balance of excess profits duty for the year ended March 31, 1919, and making provision for the year ended March 31, 1920, is £24,633 7*s.* 4*d.*, which, added to the net profit of £83,110 3*s.* 8*d.*, makes a total of £107,743 11*s.* From this has to be deducted the interim dividends paid on the Preference and Ordinary shares

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on November 30 last, £11,197 6s., leaving a balance of £96,546 5s. Your directors recommend that this balance be appropriated as follows: (1) Final dividend at the rate of seven per cent. per annum on the Preference shares, £2,197 6s.; (2) final dividend at the rate of nine per cent. per annum on the Ordinary shares (making a dividend of seven and a half per cent. for the year), £13,500; (3) bonus of two and a half per cent. on the Ordinary shares, £7,500 (all under deduction of income tax); (4) transfer to general reserve fund, £19,851 0s. 9d.; leaving to be carried forward to next year £53,497 18s. 3d., subject to excess profits duty for the year ended March 31 last.

The Outlook.

Now, as regards the outlook for the new financial year, the statement in the report that recently orders have been difficult to obtain will not have caused surprise, as the industrial conditions throughout the country, in consequence of the coal dispute, are deplorable. I do not consider that this dispute is altogether to be laid at the door of the miners, and I venture to think that, had the coalowners and miners been left to themselves to settle their own differences without the intervention of the Government, the matter would have been settled sooner. As it is, about 3,000,000 (of whom over 1,000,000 are miners) are now unemployed, and their ranks are being increased daily, and unless a speedy peace is attained there is grave risk that many industries in the country, as well as the mines themselves, will to a great extent be irremediably destroyed. Coal has been regarded as the life-blood of industry, but the present stoppage of supply has to some extent found its remedy in the use of alternative heating energy. The mine leaders should take cognisance of this fact, and the miners themselves realise that it is more than possible that their source of employment is endangered by the use of oil gases for many, if not all, industrial purposes. Even if the coal dispute were settled there can be no immediate recovery, because manufacturers of pig iron, steel, and other staple articles of consumption will be reluctant to resume operations until they are satisfied that they can produce at prices which will compete with foreign manufacturers. Before the country can recapture its export business or meet foreign competition in the home markets lower costs of production are essential, and these can only be brought about by a lower standard of wages and salaries and a lower margin of profit, and by increased output. We must, however, also have a complete cessation of the prodigal spending of public money by bureaucratic departments that came into existence during the War, each of which is so obsessed by the furtherance of its own pet scheme that the fact is lost sight of that trade is almost strangled by the burdens created.

I now move: "That the accounts and the report, with the recommendations therein contained, now submitted by the directors, be approved and adopted," and I will ask Mr. Gray to second the resolution, which was unanimously carried.

South Wanarajah Tea Estates, Ltd.

A Brighter Outlook.

THE twenty-fourth annual ordinary general meeting of the South Wanarajah Tea Estates, Limited, was held on June 8 at No. 30 Mincing Lane, E.C., under the presidency of Mr. Oswald C. Magniac, the Chairman of the Company.

The Chairman said: In common with most tea-planting companies in Ceylon, this Company reduced its output, and but for this general reduction the result would have been far worse than it is. Our tea crop was 857,899 lb., being about 89,000 lb. below that of the previous year

The unsatisfactory course of affairs towards the end of last year made it desirable that a member of the board should visit the Company's estates in Ceylon, and the Company is much indebted to Colonel Shuttleworth, who acceded to the wish of his colleagues and undertook this duty. He conferred on many occasions with Mr. White, the Company's General Manager in Ceylon, and discussed with him the general conduct of the Company's business there. I can assure you that Colonel Shuttleworth's visit has been of great value to the Company's interest, as, through his practical knowledge as a tea planter, he was able to deal with all details connected with cultivation, such as plucking, withering and manufacture of the leaf.

In connection with the reduction in output, I would mention that the Manager's estimate of tea crop for the present year is 758,000 lb., and I would add that this is a deliberate reduction, in accordance with the scheme of the Ceylon Association, which recommended its members to make a reduction of twenty per cent. for the current year. The Company's estates could, of course, give a much larger yield than that I have mentioned, but in the common interest we had no hesitation in joining in the scheme for smaller yields. The plantations and buildings have been maintained in good condition, and moderate amounts were spent on manuring, the average outlay for this purpose being 2.50 cents per pound, equal, at an average exchange, to 0.67*d.* per pound.

Turning to the profit and loss account, it will be seen that we are putting in a claim for a return of excess profits duty to the extent of £5,851, this amount being added to the balance of £7,477 brought forward from the previous season, making a total of £13,328, from which we debit the Preference share dividend and the deficit for the year 1920, leaving a balance of £2,396 to be carried forward to the next account. I have already expressed the regret of the board at this disappointing result, but I am glad to say that our prospects for the new year are in every way brighter.

I now beg to propose that the report and accounts for the year 1920, now submitted, be received and adopted.

Lieut.-Col. E. Shuttleworth seconded the resolution, and it was carried unanimously.

Calgary and Edmonton Land Co., Limited.

Increase in Prices from Sales.

THE ordinary general meeting of this Company was held at 8 Princes Street, E.C., on June 9, Mr. Ernest Chaplin (the Chairman) presiding.

The Chairman, having reviewed the accounts, said: During the year we disposed of 4,694 acres of ordinary land at an average price of $12.86 per acre. This is a decrease in acreage as compared with 1919, but you will have been more or less prepared for the reduction by our previous report, wherein we warned you that the heavy losses suffered by farmers and ranchers in 1919 might have the effect of curtailing sales for 1920. Bearing this point in mind, however, and also the fact that the land now remaining to the Company is reduced to a comparatively small area, and is, in addition, not advantageously placed as regards railway communication, I think we should be quite satisfied with the past year's sales, more especially if we take into account the price realised, which shows a satisfactory increase of 1.42 per acre over the price obtained in 1919. We also sold during the year coal rights on twenty acres at $25 per acre, plus the usual royalty of 10 cents per ton. No sales of town sites were made, and in this connection I might say that in consequence of the existing high rate of taxation now ruling on town-sites property we are using every possible effort to dispose of all our town sites in order to rid ourselves of the liability for this onerous tax. Up to the present time, however, our efforts have not met with success, as there is little or no demand for such property, but we hope the demand may improve before long, and thus enable us to make the desired clearance. During 1920 we received £12,000 in cash from Winnipeg, which enabled us to pay during the year two dividends, amounting together to 1*s.* 3*d* per share. Since the closing of the accounts we have also paid a dividend of 9*d.* per share on account of the current year. As regards the prospects of land sales for 1921, our agents advise that the crops for last year were only fair, which, coupled with the fall that has taken place in prices for both cattle and grains, has left the farmers and ranchers with little surplus cash for the purchase of land. Our agents nevertheless consider the outlook for the present year fairly good, as a large number of new settlers are expected to proceed to Canada, both from this country and from the United States. If these expectations are realised, we trust we shall participate for our due proportion in any sales of land that may be made to the new-comers.

Petroleum Leases.

There were no leases of petroleum rights made during the year. You will remember that at our last meeting I informed you of an arrangement that had been entered into with an important Oil Company whereby we, in conjunction with other very large and influential land-owning interests in Alberta, had agreed to reserve for the Company in question the petroleum rights on certain areas of land in consideration of their undertaking a thorough and systematic investigation of such land with the view of ascertaining its oil-bearing possibilities. The time limit fixed for this arrangement was October 1 last. In pursuance of this understanding, the Oil Company at once inaugurated an extensive and energetic programme of drilling tests, but, in consequence of the extreme difficulty of carrying on their operations, owing to various causes beyond their control, they were unable to complete the desired tests by the stipulated date. It has, therefore, been agreed by all the parties concerned to extend the time for which the specified petroleum rights are to be reserved until September 1 next, by which date, if the Oil Company have then completed the tests to their satisfaction, they are to indicate the particular rights which they wish to lease on the conditions indicated to you last year, viz., a rental [illegible] and a substantial royalty on the oil produced. We understand the Oil Company are carrying out their tests in a most thorough and efficient manner, and I think you will appreciate to some extent the work they are doing when I tell you that they have at the present time no less than ten oil rigs out in the districts south of Edmonton, all vigorously engaged in drilling operations, and involving the expenditure of a very considerable sum of money. It is satisfactory to learn that a fair proportion of these rigs is operating on or in the near vicinity of our lands. You will doubtless be interested to hear that the Oil Company appear to be sanguine of ultimately discovering the existence of oil in paying quantities. I can only hope their optimism will prove to be justified, and that the oil, if and when discovered, will be found on [illegible] lands

to the corresponding benefit of our shareholders. In accordance with my usual custom, I give you the following particulars showing the present financial position of the Company: Unpaid instalments, cash, securities, &c., are £126,000. Approximately 47,000 acres of land, sundry townsite lots, and the mineral rights (coal, oil, gas, &c.), on approximately 1,200,000 acres. The Chairman concluded by moving the adoption of the report and accounts.

Mr. G. Grinnell-Milne seconded the resolution, which was carried unanimously.

General Investors and Trustees, Limited.

Dislocation of Foreign Exchanges.

THE fourteenth ordinary general meeting of General Investors and Trustees, Limited, was held on June 9 at Winchester House, Old Broad Street, E.C., Sir J. S. Harmood Banner, M.P. (the Chairman of the Company), presiding.

The Chairman said: If you will turn to the balance sheet I will briefly run through the figures. Share and Debenture capital remains unchanged. Deposits and loans against securities are £1,000 higher at £34,361. Sundry creditors and credit balances are £1,000 lower at £11,183. The staff provident fund stands at £3,595, as compared with £2,170 twelve months ago, while the reserve account stands at £85,000, against £70,000, and if you approve the allocation we propose this year it will be brought up to the round figure of £100,000. On the other side of the account investments are some £28,000 higher at £914,265; stocks sold, not yet delivered, are £9,576, against £10,298. Sundry debtors and debit balances are £11,595, against £7,100. Loans against security show a decrease of £12,000, and cash at £9,000 a decrease of £2,900. The profit and loss figures, taking the credit side first, show an increase of gross revenue, at £59,563, of approximately £1,600. The expenses show, as you will naturally expect, some slight increase, and the final result is that the balance of net revenue is £41,509, against £41,080. Adding this to the sum brought forward, £12,420, there is a total available of £53,930. We propose, as you will see, to pay the same dividend on the Ordinary stock as we did last year, namely, seven per cent.; to carry to reserve account £15,000, bringing up this reserve figure to £100,000; to carry to staff provident fund £1,000, and to carry forward £13,780.

These are the figures, ladies and gentlemen, and I think you will agree they are not unsatisfactory. We have had, and still have, the blight of dear money, and with the enormous demands for capital I confess it is difficult to forecast when we are going to see that blight removed. Then we have had, and still have, the dislocation of the foreign exchanges, which adds to the difficulties with which our captains of industry are faced. We have gone through and, in my opinion, are still going through, a time when caution is the policy we prefer to see adopted. That, ladies and gentlemen, is the policy your directors propose to follow in the future as they have in the past. These times are very anxious, and they impose a very serious burden upon our staff, and I should like to express my obligation to them for their unceasing efforts to give us that information and those figures with which alone we are able capably to deal with the securities of the Company.

Mr. Gerald T. Moody seconded the resolution.

Salar del Carmen Nitrate Syndicate, Limited.

The Nitrate Position.

THE twenty-fourth annual general meeting of this Syndicate was held on June 9 at Winchester House, Old Broad Street, E.C., Mr. H. W. Sillem (the Chairman) presiding.

The Chairman said: Gentlemen,—The Company's oficina was in operation for ten months, March to December 1920, and during that period the net profit earned amounted to £45,936, as compared with £9,183 for the seven working months of 1919. To our net earnings we have to add £8,479 brought in from the previous account, thus making a total of £54,415 at credit of profit and loss account. After providing for the five per cent. interim dividend paid in July last year, the remaining balance is £46,715, which the directors recommend should be dealt with as follows: (1) The payment of a final dividend of fifteen per cent., less tax, which, with the interim distribution of five per cent., will make twenty per cent. for the year; (2) the transfer of £10,000 to reserve, so increasing that account to £40,000; (3) the allocation of £5,000 to reduction of plant and machinery account. This will leave £8,615 to be carried forward to 1921.

With regard to the balance sheet, there is only one item which I think calls for explanation. I refer to the stock of nitrate on hand at December 31 last valued at £23,462; 120,250 quintals, valued at £23,462, works out as nearly as possible at 3*s.* 10¾*d.* per quintal, but it must be borne in mind that at the date of the balance sheet the nitrate was merely on the drying floors of the oficina.

With regard to the nitrate business in general, it is now clear that consumption for the year to June 30 will fall considerably short of expectations; consequently dealers find themselves with substantial stocks on hand, while demand, on the other hand, is limited. In these circumstances, and in the absence of sales for forward delivery, many important producers have either closed down or have reduced output to the lowest point compatible with economy. This Company's oficina has for some time past been producing on quite a small scale, but we shall no doubt close down when sufficient nitrate has been made to fill all compromises and a fair stock has been accumulated. In course of time stocks in dealers' hands will pass into consumption, although at a lower price than that ruling last season. Meanwhile the industry is in one of its periodical difficulties, and it may take some time and ingenuity to extricate it from its troubles. Personally, I think the position should be normal by this time next year.

Mr. A. Naylor seconded the resolution, which was carried unanimously.

India General Navigation and Railway Company, Limited.

Protest Against the Surcharge Tax.

THE annual ordinary general meeting of this Company was held on June 10 at Orient House, New Broad Street, E.C., Mr. C. C. Kilburn (the Chairman) presiding.

The Chairman first referred to the severe loss the Company had sustained by the death of the late Chairman, Mr. Alfred Simson, under whose wise guidance, he said, the Company had achieved steady progress. He added that, as a result of his conservative policy, the Company now possessed reserves totalling £544,675, without which it would have been impossible to have entered upon their present heavy programme of not merely replacing vessels taken from them during the War, but of independently adding to their tonnage in order to keep abreast of normal development of trade in the provinces served by the Company. Proceeding, the Chairman said: Turning to the profit and loss account, you will have seen with regret, though possibly without surprise, the great shrinkage in net profit on the year's working. This untoward result is attributable to the heavy increase in costs of every description, unaccompanied by corresponding increase of earnings, involving, for the time being, complete dislocation of the Company's profitable working. Your directors took the earliest possible steps in the direction of a general rearrangement of rates of freight to meet the altered conditions, and this process of readjustment is being continued.

Heavy Expenditure Unavoidable.

The general freight earnings show a diminution of approximately Rs. 7 lakhs, as compared with the previous year; in addition to which we miss the Rs. 4½ lakhs earned last year by the Mymensingh Jagannathganj Railway, taken over by the Government of India. Against the entry of Rs. 1,06,537 for salvage expenses, consequent on the cyclone previously reported, we have to congratulate ourselves on the recovery of three steamers and four flats. In the balance sheet you will observe the very large addition of £372,319 to block account. In regarding these figures and the additions yet to be made, you will bear in mind that what we have to be prepared for is a full resumption of traffic, with hoped-for trade expansion when conditions revert to the normal. The necessity for such extraordinary expenditure is peculiarly unfortunate at a time like the present; but it is, in such matters, imperative to take a long view. In order that we may see things in proportion, I may, perhaps, usefully remind you that in our 1914 balance sheet the block figured at £1,204,672, against the present figure of £1,322,189, and in such comparison you must take into account the now enormously enhanced cost of shipbuilding. What your directors have undertaken, heavy though the programme is, is no more than due provision for the necessities of our carriage under fair or good trade conditions; and this is essential.

The large amount appearing in the balance sheet under the head of stocks and stores, £404,102, largely represents constructional material for additions to the fleet.

With regard to the current year, I must quite frankly tell you that prospects, if measured by our working to date, are bad. During the months already passed, world trade conditions have gone from bad to worse, and we have in consequence carried and earned considerably less than we did during the same period last year. When the present depression lifts, our prospects will, in sympathy, alter for the better. If it does not lift very shortly we shall quite obviously have to face an exceptionally bad year. Before the ill-conceived and unnecessary coal strike in this country there were distinct signs of some improvement in India. But India's prosperity, with which our interests are bound up, necessarily has relation to the world's recovery, and there I must leave it.

Indian Government and the Surcharge Tax.

It strikes us as very extraordinary, and has moved us to considerable indignation, that the Government of India have chosen this particular time of stress to impose a surcharge tax on river borne traffic by our steamers, exempting our

competitors, the country boats, in order to recoup loss in revenue of the Indian railways occasioned by their increased costs; ignoring the patent fact that we equally are hard hit by heavily increased working expenses. The excuse is that as the rail traffic is to be taxed, we, as competing with the railways (which you will bear in mind are subsidised) must be taxed also. Anything more monstrously unjust I cannot conceive. In plain language it is confiscation. We sent representatives to Delhi most strongly to protest, the Bengal Chamber of Commerce supported us, and we took various other steps to counter this extraordinary proposition, which affects our ability to readjust our freights to meet our own largely increased expenditure. Finally, the Government of India, evidently conscious of the immorality of such procedure, agreed to reduce the surcharge on our traffic to one-half of that on the rail traffic, viz., 1¼ annas per rupee in lieu of the 2½ annas imposed on the rail. The flagrantly unjust principle of this iniquitous tax remains as before, and we trust therefore that we shall yet obtain its abolition.

Meantime your directors are alive to the urgency of cutting down all expenditure to the lowest limit compatible with efficiency, and the management is doing everything possible in the way of drastic economy, even to the point of temporarily suspending completion of certain vessels on our building stocks in Calcutta, in view of the diminished carriage at the present time. We have also laid up, for the time being, sundry vessels of our running fleet. Bad though the immediate outlook unquestionably is, we should clearly bear in mind that our own troubles are not due to diversion or extinction of our trade. All is ready for resumption of our former profitable and useful activities, and I am perfectly confident that we have as fair a future before us as in the past.

The report was unanimously adopted.

NEW ISSUES.

(*Continued from page* 1109.).

CARDIFF GAS LIGHT AND COKE COMPANY.

Issue at par of £237.860 Seven and a-Half per Cent. Ten-Year Debenture stock, redeemable at par on July 1, 1931.

The Company supplies gas in and around the city of Cardiff. The authorised stock capital is £859.172, of which there has been issued £598.270, and the issued loan capital amounts to £71,600, in irredeemable Debenture stocks. The Company has paid the maximum authorised Ordinary dividend for the past fifty years, and, with the powers granted under the Gas Regulation Act, 1920, is in an exceptionally strong position at present. Bankers' loans, obtained to finance plant extension, will be repaid out of the proceeds of the current emission. For investors who do not insist upon a broad market the stock offers a very attractive yield. The lists will close on Wednesday, June 15.

PENDING ISSUES.

JOHNSON AND PHILLIPS.—£350,000 Eight per Cent. First Mortgage Debenture stock at 96.

RESULTS.

The Ceylon, Derby, Reading, Gateshead, Wallasey, Glasgow, and Sheffield issues were over-subscribed. The public applied for less than forty per cent. of the Newport emission. Underwriters of the General Electric issue have been left with forty-three per cent.

Books Received.

Barron's, The National Financial Weekly. Price 20 cents. May 23, 1921. (New York: 44 Broad Street.)

Wertschwankungen und Bilanz. By Fritz Naphthali. Published by the Frankfürter Zeitung. Price 220 marks.

Pocket Year-Book of Western Australia, 1921. By S. Bennett, F.L.A., Government Statistician. (Perth: F. W. Simpson.)

Manual of Argentine Railways for 1921. By Stephen H. M. Killik. Price 5*s.* (London: Effingham Wilson.) We welcome the sixteenth annual issue of Mr. Killik's well-known work. It is of exceptional value to all holders of Argentine securities in this country. In a short review of the past year, Mr. Killik points to the decreased demand for commodities by the Allied countries and the continued impotence of the Central Powers as purchasing forces. This has been reflected in the railway traffics for the past year, which show decreases, except in the case of the Central Argentine, where a continued demand for maize exceptionally assisted the receipts for the first half of the current financial year. Signs are not wanting that the commercial position is improving. The results so far leave no doubt that the present year will be a poor one, but the future is more encouraging, while it is hoped that the companies may be permitted to charge slightly higher tariffs.

The Importers' and Exporters' Journal of Australasia. Issued weekly. Price 9*d.* 121-125 Queen Street, Melbourne, Victoria.

Rivista Bancaria—Bollettino Bancario Italiano. May 1921. (Direzione Presso L'A.B.I., Via Victor Hugo, Milano.)

Hull Trade and Transit. Monthly Journal of Commerce and Shipping of the Port of Hull, 6*d.*; annually, 6*s.* (13 Bishop Lane, Hull.)

Port of Hull Annual and Humberside Record, 1921. Price 3*s.* 6*d.* net. Post free to all parts, 3*s.* 10d. Foreword by the President of the Hull Incorporated Chamber of Commerce and Shipping. Contains articles on the port and its industries, dealing particularly with the coal export trade, the fuel and vegetable oils trade, margarine manufacture, and the various staple products handled at this great Eastern port. (Published at the office of *Hull Trade and Transit*, 13 Bishop Lane, Hull.)

Annuaire International de Statistique, 1921. Published at the permanent office of the International Institute of Statistics, The Hague, W. P. Van Stockum et Fils. Containing statistics as to public finances, industrial production, and movements of foreign exchanges for different countries.

Bureau Central de Statistique des Pays Bas. An illustrated history of the Bureau from the time of its foundation, in a modest way, in 1899 up to the present day, when it employs almost 250 officials.

Rotterdamsche Bankvereeniging. Monthly Review. May 1921.

Local Government Service. The official organ of the National Association of Local Government Officers. June 1921.

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Agriculture Nationale et Coloniale. A Review of Agricultural Production and Agricultural Industries, appearing the second and fourth Saturdays of each month. Directeur: Jean L. Libert, 54 Boulevard Ornano, Paris, 18e. Subscription: six months, 7 frs.; twelve months, 12 frs. Number 1 contains, amongst other interesting articles, "Les produits de la terre et la vague de baisse," "La crise du vin," and a forecast of the course of the Corn market.

Vade-mecum des Bourses de Zurich, Bâle et Genève. 1921 edition. Compiled by the Crédit Suisse, Zurich. analysed. The publication will be of value to financial position of the companies quoted on the three bourses. The Swiss Government and municipal finances are analysed. The publication will be of value to financial institutions and the investing public. Price 20fr. (Swiss).

We have received a copy of the first number of the *Carpet, Linoleum, and Allied Trades' Record.* The industries enumerated in the title have so far been without a publication exclusively their own, and the publishers profess every confidence of filling the want which has existed for so long. We wish our new contemporary every success. The *Record* is to be published monthly at the price of 1*s.*

The June *Monthly Review* of Barclays Bank Limited begins with an appeal, signed by twenty-six eminent banking gentlemen, against the present weight of taxation, which is more than the commercial community can bear, and more than the nation need be asked to sustain. The regulations of the Government regulating and controlling trade have in many cases had unfortunate results. British trade needs nothing so much for its recovery as freedom to deal with its own difficulties. All expedients to control or hamper imports into this country can only retard improvement in the Continental exchanges and prevent the natural recovery of trade. It cannot fail to check our output and to increase the costs of production.

The current issue of the *Monthly Review* published by the London Joint City and Midland Bank, Limited, gives some interesting particulars concerning the overseas trade of France for the first four months of the present year. In 1919 imports amounted to seventy-five per cent. and exports to twenty-five per cent. of the total; and in 1920 the proportions were sixty-one and thirty-nine per cent. respectively. In the first four months of 1920 imports equalled sixty-seven per cent. and exports thirty-three per cent.; but for the corresponding period of the present year imports accounted for forty-nine per cent. and exports for fifty-one per cent.

The directors of the Argentine North-Eastern Railway Company announce that, owing to the heavy increased cost of labour and the falling off in traffic, the net earnings of the railway in the current year are not sufficient to meet the half-year's interest due on July 1 on the "B" Debentures and "B" Debenture stock. Proposals to meet the situation will shortly be issued and a meeting of the holders convened.

The North-Western of Uruguay Railway Company notifies that the Government of Uruguay has announced that the Company's guarantee came to an end on February 7 last. The directors, however, consider that the guaranteed period extends for a further five years, and they have taken the necessary steps to protect the Company's interests in this matter.

The Bengal and North-Western Railway Company, Limited.—The Board at their meeting on June 9, after placing as usual £35,000 to sinking fund, declared an interim dividend for the half-year ending March 31, 1921, of four per cent., together with a bonus of one per cent., or five per cent. in all, on the Ordinary stock. The dividend and bonus will be paid less income tax, at the rate of 3*s.* 9*d.* in the pound, and will be payable on July 25, 1921.

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The Statist.

LONDON, SATURDAY, JUNE 18, 1921.

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The Money Market.

Friday, June 17, 1921.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate	6½ (Apr. 28, '21)	7 (Apr 15, '20)
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	4½ (Apr. 28, '21)	5† (Apr. 15, '20)
Discount Houses (Notice)	4¾ (Apr. 28, '21)	5¼ (Apr. 15, '20)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Bank Bills ...	5 9/16	5 9/16	5 9/16 - 5/8	5 9/16 - 5/8	—
Trade Bills ...	—	6½ - ¾	6¾	7	—

ALLIES DEBTS TO U.S. GOVERNMENT.

A recent New York message contains details of another tentative proposal on the question of the Allies' debts, which, it is reported, is being advanced as the result of an agreement reached after a series of conferences in New York. The new suggestion is merely an extension of the plan adopted in May 1919. It will be remembered that for three years from that date—or until May, 1922—it was agreed to fund the interest on the Allies' debts to the United States. The proposal under discussion contains no suggestion as regards the principal of the debt, but is to the effect that payment of interest is to be deferred for another fifteen years. In connection with the proposal the following tables will be of interest as showing the details of the Allies' obligations to the United States Government, under various heads, outstanding on March 31 last

OUTSTANDING MARCH 31, 1921.
U.S. Loans to Allies—Total, $3,441,673,829.

	$		$
Belgium	317,091,566	Italy ...	1,648,034,051
Czecho-Slovakia	61,256,207	Roumania ...	23,205,820
France	2,950,762,948	Russia ...	187,729,750
Great Britain ...	4,196,818,358	Serbia ...	26,175,139

Sales of Surplus War Supplies—Total, $563,041,825.

	$		$
Belgium ...	27,588,581	Lithuania ...	4,159,492
Czecho-Slovakia	20,621,995	Poland ...	57,629,732
Esthonia	12,213,378	Roumania ...	12,922,675
France	400,000,000	Russia ...	406,082
Latvia ...	2,521,869	Serbs, Croats and Slovenes	24,978,021

Reliefs Granted—$78,332,261.

	$		$
Czecho-Slovakia	6,428,089	Lithuania ..	822,136
Esthonia .	1,785,768	Poland ..	53,938,459
Finland ..	8,281,926	Russia ..	4,465,465
Latvia	2,610,418		

Grand total	$10,083,047,915
Add accrued interest . .	875,620,000
Total	$10,958,667,915

The total indebtedness of the Allies, including cash advances, sales of surplus war supplies, and reliefs granted, amounted to $10,083,047,915 on March 31 last, equivalent to approximately £2,017 million at the par of exchange. Of this sum Great Britain owed $4,196,818,358, exclusive of accrued interest. Taking a rate of $3.80 to the £, this sum would represent approximately £1,104,000,000 sterling. Interest on the total Allies' debt may be put approximately at $470,000,000 per annum. The interest due on March 31 last amounted to $875,620,000, which brings the total obligations of the Allies to $10,958,667,915 on that date. If the new proposal is carried into effect, the amount at the end of the fifteen years would be, assuming that no repayments of principal or fresh borrowings were made in the meantime, in the neighbourhood of $18,459,000,000—approximately £3,692,000,000 at the par of exchange. The scheme is of greatest interest to this country, as we are the largest debtor of the United States Government; the funding of interest would afford substantial relief to the Exchequer, especially in view of the poor revenue expected next year. What is of more immediate interest to us, however, is an arrangement as regards the principal of our debt, the bulk of which is in the form of demand notes.

The continued drifting of funds into Treasury Bills, the repayment of Ways and Means Advances, and a rather stronger demand, were effective in imparting a less easy tone to the Money Market this week. On Monday these influences were not very marked, and 4½-3½ per cent. was the range of rates for day-to-day money. Later on 5-4 per cent. became more general, and most business was transacted nearer the higher quotation yesterday, when some of the banks were calling in money, probably for balance-sheet purposes. To-day conditions became easier again with the removal of this influence, more than 4½ per cent. being rarely asked for over-night accommodation. The discount market was exceedingly quiet, but the tone remained firm with the rates for all maturities ranging from 5½ per cent. to 5⅝ per cent. The market was much given to canvassing the prospects of a reduction in the Bank rate, following the reduction in the New York Reserve Bank's rate to 6 per cent., but the result of the miners' ballot should effectively dispel any hopes that were entertained of a change.

Treasury Bill Tenders.

The average rate of allotment for to-day's sale of £40,000,000 Treasury Bills—namely, £5 10*s.* 1.06*d.* per cent.—compares with the general market estimate of 5⅛ per cent. Of tenders for Bills dated from Monday to Friday next at £98 12*s.* 2*d.* about 84 per cent. were allotted and above in full. Tenderers for Saturday bills at £98 12*s.* 6*d.* and above receive in full. The following table affords a comparison of to-day's results with those of previous dates since the tender system was re-introduced:—

Date 1921	Offered £	Tendered for £	Average Rate % £ *s.* *d.*
April 21 . .	... 50,000,000	51,930,000	5 19 3·95
April 28 ...	... 50,000,000	76,735,000	5 14 6·54
May 5 ...	... 50,000,000	94,620,000	5 12 11·18
May 13 ...	... 45,000,000	93,350,000	5 11 2·81
May 20 ...	... 45,000,000	65,565,000	5 14 11·02
May 27 ...	... 55,000,000	72,490,000	5 13 1 83
June 3 . .	... 55,000,000	84,775,000	5 12 1·06
June 10 ...	... 40,000,000	83,975,000	5 12 2·28
June 17 ..	... 40,000,000	82,670,000	5 10 1·06

Foreign Exchanges.

Whatever effects to-day's strike decision may have on the New York rate next week, this week at any rate there was a welcome reaction from the recent weakness, the cable rate rising from 3.74 on Monday last to 3.79½ to-day. The result of the miners' ballot was announced too late this afternoon to affect the market, but even without this influence it was noticeable that sterling was less firm at the close. The upward movement this week was probably connected with the proposal made in New York for funding interest on the Allies' debt for fifteen years, as commented on in a previous column, while it was helped also by the cessation of dollar purchases in connection with reparations. A striking feature of the week's movements was a divergence in the Paris rate from that of Brussels and Rome; the former steadily improved to 46.25, but the Belgian franc and the lira showed a weaker tendency, the respective quotations this afternoon being 47.27 and 75. The higher value for the French franc is accounted for by the recent favourable French foreign trade returns. The German mark improved moderately to 262½, but the Austrian crown and the Polish mark depreciated further, the Warsaw rate being 4,900 to-day. Among other Continental exchanges the tendency was irregular, for, while sterling appreciated in the Scandanavian group, the Spanish and Swiss rates moved

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FRANCIS SHIPTON, *London Manager.*

against this country. In South American exchanges the Rio and Valparaiso rates moved in our favour, but the Argentine peso became dearer at 44½. Of Easterns the Shanghai rate was more active than for some time past. It rose on Tuesday to 3*s.* 6½*d.* but fell away subsequently, and was quoted at 3*s.* 3*d.* to-day. The Indian rupee after moderate fluctuations shows little change at to-day's quotation of 1*s.* 3⅝*d.*

Income and Expenditure.

Though expenditure was at the comparatively low figure of £14,909,023 last week, yet there was again a deficit, this time amounting to £2,718,242. Revenue showed an advance of £382,232, due chiefly to increased sales of assets. Treasury bill maturities were rather small at £54,395,000, but sales were again substantially in excess at £77,087,000, making a surplus of £22,692,000. This enabled a net repayment in Ways and Means Advances, amounting to £17,710,000, to be made; advances by the Bank being reduced by £13,000,000 to £36,500,000, and advances by Public Departments being £4,710,000 lower at £140,395,000. The movement in the total floating debt was an advance of £4,885,000 to £1,372,307,000. This total is £71,287,000 above that recorded on June 12, 1920.

It may be observed that the revenue deficit noted for last week is the sixth recorded during the ten weeks since the commencement of the financial year. The total revenue up to date, at £167,563,751, is £104,908,379 below receipts for the corresponding period of last year. This year there is a deficit of £70,711,717, as against a surplus of £20,555,555 during the period April 1 to June 12, 1920. The result is seen in an expansion of £96,977,000 in the floating debt since the commencement of the financial year.

Currency Notes.

Increased returns from circulation and diminished fresh issues brought about another contraction in the currency note issue during the week to the 15th inst. The decline was £2,378,311, as compared with a fall of £913,212 last week and of £2,150,851 on the previous week. The latest total recorded is £325,630,106, this being the lowest since February 25, 1920. It is £28,465,821 below the total of a year ago and £39,875,141 below that of December 22 last, the latter being the highest on record.

Bank of England.

The Bank's statement shows a fall of £2,157,000 in private balances—the first in four weeks—and a further recession in Government securities. As might be expected, however, from the revenue position, the extent of the latter movement, which indicates a continued repayment of Ways and Means Advances, is not very extensive, being only £4,846,000. As may be seen above, the statement of Public Income and Expenditure shows a contraction of £13 million last week in Ways and Means Advances by the Bank. Helped by another contraction in the note issue, the decline in deposit liabilities brought about an increase in the reserve ratio from 12.3 per cent. to 13.1 per cent. This compares with 14.3 per cent. on June 16, 1920. The fall in the note circulation was £789,000, making a total decline of £1,604,000 during the fortnight, and bringing the total outstanding down to £127,491,000, or £7,091,000 below the high record of December 22 last.

Bullion.

The parity price of gold dropped steadily in accordance with the improvement in the New York exchange. All available supplies were purchased by the United States. Quietness was again the characteristic of the Silver market. Last week's trend of quotations, however, was reversed, for the cash price, having remained at 35⅝*d.* on Saturday and Monday, reacted to 35*d.* by Wednesday, and further recessions have since been recorded. The movement was probably for the most part a nominal one, due to the reaction in the American exchange, but it was helped by sales from the Continent and some Indian selling. India, however, was operating both ways, and China also bought small parcels. The attention of the market is now being turned to the progress of the Indian monsoon, for India is expected to make further heavy purchases if the agricultural season proves favourable. Quotations since a week ago are as follows. It will be noted that the forward discount disappeared on Wednesday.

Silver (per oz. std. ·925 fine) :—	June 11	June 13	June 14	June 15	June 16	June 17	Average
Cash ...	35⅝*d.*	35⅝*d.*	35⅝*d.*	35*d.*	34⅞*d.*	34⅞*d.*	35·27*d.*
Forward ...	35⅛*d.*	35⅛*d.*	35⅛*d.*	35*d.*	34⅞*d.*	34⅞*d.*	35·17*d.*
Gold (per oz. fine)	—	110/5	110/0	109/2	108/7	108/2	109/3·2

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NEW YORK.

It is satisfactory to note another increase in the reserve of the New York clearing banks according to the latest statement. The aggregate reserve rose by $12,510,000 last week, making a total expansion of $21,880,000 during the three weeks, and leaving the latest total at $518,450,000. The excess reserve also shared in the improvement, though to a less extent, the movement here being an expansion of $7,360,000 to $23,690,000. Loans, discounts and investments fell again by $53,040,000 to $4,521,100,000, and net demand deposits record a further expansion of $52,720,000 to $3,734,180,000. The actual excess reserve on Saturday last was at the remarkably strong figure of $48,290,000.

The inflow of gold into the Federal Reserve Banks shows no signs of slackening. On the contrary, the latest statement, issued on the 10th inst., shows another increase of $22,020,000, bringing the total gold reserves to the new high record of $2,430,670,000. Other features in the statement are equally interesting: Rediscounts for member banks, which rose substantially during the previous two weeks, again receded by $29,870,000 to $1,896,360,000; net deposits advanced by $26,760,000 to $1,714,800,000, and the note circulation contracted by $40,580,000 to $2,710,720,000, this latter total being $401,490,000 below that of the corresponding date last year. The net result of these movements on the reserve position was an increase in the reserve ratio from 57.4 per cent. to 58.3 per cent.

A New York message reports a reduction in the discount rate of the New York Federal Reserve Bank on the 16th inst. from six and a-half per cent. to six per cent. The New York Reserve Bank has shared fully in the improvement in the reserve position of the system as a whole, for its gold reserves have been greatly increased, while deposit and note liabilities, especially the latter, have consistently declined. The latest statement shows the gold reserves at $363,560,000 and a ratio of total reserves to the combined net deposit and Federal Reserve note liabilities of 64.5 per cent.

Stock Exchange.

THE apparent hopelessness of the coal dispute and the labour difficulties threatening in the engineering, cotton, and wool industries contributed towards making the dulness of the Stock Exchange during the past week more pronounced even than in previous months. One may, however, easily overrate the ill-effects of the current labour troubles. The public is apt to forget that business in the House before the coal dispute developed was not very much above its present level. It is by no means certain that a revival would have occurred even if the trade unions had made amicable arrangements with capital and the Bank Rate had come down to six per cent. The real barrier in front of trade and share values is the weakness of international markets. The composing of our own internal difficulties would, of course, brighten the outlook, but the restoration of world-trade channels constitutes the fundamental problem, the solution of which is not facilitated by the bellicose atmosphere existing in Southern and Eastern Europe.

The Giltedge market continued depressed, partly by the general apathy and partly by the competition of recent Corporation and Colonial issues. Price movements were narrow, however, and a firmer tendency eventually became evident. The Conversion Loan closed slightly higher, though not attracting great attention. Five per Cent. War Loan finish above the worst but showed lower on balance. Consols concluded without net alteration. National War Bonds recovered eventually to opening levels, but Victory Bonds continued their downward trend. The second drawing for redemption of Victory Bonds at par will take place on June 23. A list of the drawn bonds will be published as soon afterwards as possible, and in any case not later than July 1, as a special supplement to the *London Gazette*. Corporation issues developed very little activity. The Glasgow and Sheffield loans opened in the neighbourhood of par. Colonials also were quiet. The South Australian and Tasmanian lists did not receive as ready a welcome as was anticipated, and underwriters expect to be left with a proportion of both.

Among Foreign bonds Mexican varieties provided a strong feature on the announcement that interest payments would be resumed on July 1. The matter is treated in detail elsewhere in this issue. Brazilian issues eased consistently, and Japanese and Chinese descriptions also followed a downward trend.

The general pessimism reflected itself most clearly in the Home Rail section. A long string of declines was registered each day. Foreign Rails proved equally uninterested. Outside a few minor losses among Argentine varieties, no movements of interest occurred.

Nothing occurred to dispel the dulness of the industrial share department. Business in most cases was hardly sufficient to test quotations and movements were mainly nominal. Iron and Steel securities were comparatively strong despite the engineering dispute. Textile issues benefited from the settlement of the cotton dispute. Shipping shares continued inactive. Bank and Brewery emissions were quieter than usual.

Among Oil shares all the leaders drooped to lower levels. Unconfirmed statements as to the small oil reserves of Mexico caused a relapse in Wall Street quotations which quickly reflected itself in Mexican Eagle prices on this side. Royal Dutch failed to recover initial losses but closed firmer. Shells concluded at lower levels, despite a sharp mid-week rally. The report of the latter Company, issued during the week, reveals a financial position of remarkable liquidity, surplus liquid assets on December 31 last being nearly £12,000,000. A meeting of the shareholders will be held on July 4 to sanction a further increase in capital, but the directors have no intention at the moment of making an issue.

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Mining Topics.

RAND GOLD OUTPUT FOR MAY.

ACCORDING to the Transvaal Chamber of Mines, the Rand output of gold for May amounted to 687,776 oz., representing an increase of 6,394 oz. on the April total of 681,382 oz., which had hitherto constituted the record for the current year. Were it not for the Whitsun recess, the increase would have been still more pronounced. It will be remembered that the April output was estimated at an average of 103*s*. 3*d*. to 103*s*. 9*d*. per oz. At the outset the rapid improvement in the New York rate, with the resultant relapse in the price of gold, seemed to render this basis of valuation excessive. However, during the month of May the price of gold varied from 102*s*. 8*d*. to 106*s*. 1*d*., the latter quotation being in force at the end of the month. Consequently the April valuation was fully justified, and may in more than one case prove conservative. Availing themselves of the experience of these variations, the mines have again been cautious in valuing the May output. Rand Mines and East Rand Proprietary have adopted the lower level of 103*s*. Brakpan and Springs value their gold at 103*s*. 3*d*., whilst the others, including the "Johnnies" group, work on a price of 103*s*. 9*d*. Elsewhere the standard adopted has been more in keeping with the actual market values. Thus Abosso and Taquah base their valuation on a price of 107*s*., whilst that celebrated Rhodesian producer, Lonely Reef, estimates the value of its output at 107*s*. 6*d*. per oz. Undoubtedly the rapid appreciation in the price of gold since the beginning of June bids fair to justify these latter averages, for the price has risen steadily to 111*s*. on June 10, and although there has been a setback since then, the price had not fallen below 108*s*. 7*d*. on June 16.

With the same basis of valuation as in April, the estimated profit of the "Johnnies" group has declined from £261,506 to £250,900. The explanation is mainly furnished by the decline in the tonnage crushed from 465,100 to 449,300 tons as a result of the Whitsuntide holiday. With the exception of Langlaagte Estate, which added 100 tons with a total of 38,500 tons, all mines in this group treated less ore than in April. The decline was most pronounced in the case

of Randfontein Central, with its total of 121,000 tons, as compared with 128,500 tons in the previous month. Higher grade ore was treated by four mines. The improvement in the grade was most conspicuous with Randfontein Central, the estimated revenue per ton being returned at 30*s.* 4*d.*, as against 28*s.* 7*d.* in April. Consequently despite the reduction in the quantity of ore crushed and the resultant rise in working costs from 27*s.* 2*d.* to 28*s.* 5*d.* per ton, the estimated profit has actually risen from £10,308 to £13,102. The falling off in the total profit is more than explained by the returns for Government Areas and Van Ryn Deep. Both treated less ore and of a lower grade at a higher cost. Accordingly the estimated profit of Government Areas reaches £133,900 instead of £142,781, and that of Van Ryn Deep amounts only to £69,014, as compared with £73,050.

In the Rand Mines coterie the gold is estimated at 103*s.*, as compared with 103*s.* 3*d.* in April, and it is stated that costs proved higher owing to the holiday. The quantity of ore treated by nine of the mines has declined as compared with April. No change is recorded in two cases—that of Consolidated Main Reef and Modder B—whilst four mines crushed a greater quantity of ore. The reduction is most pronounced with New Modder, which only crushed 88,000 tons, as compared with 96,000 tons in April; whilst Crown Mines registers a fall of 4,000 tons, with its total of 188,000 tons. The most marked increase is that of City Deep with a total of 86,000 tons, or 6,000 tons more than the previous month. Despite the smaller tonnage treated, the lower unit of value adopted and the higher costs reported, ten mines show an increase in the estimated profit, and the loss of Geldenhuis Deep is reduced from £3,044 to £1,660; whilst only in four cases is a lower profit recorded. Crown Mines possesses the undesirable distinction of ranking first in the last division, its estimated profit of £36,144 comparing unfavourably with the return of £40,639 for April. There was only a comparatively minor reduction in the grade of the ore treated, and consequently the explanation must be looked for in some undue expansion in working costs. It must be confessed that shareholders have good reason for being dissatisfied with the returns of this producer since the beginning of the year, and it is to be hoped that the administration will exercise a more rigid supervision in order to secure better results for the remainder of the year. New Modder registers a profit of £111,617 in contrast with £113,706 for April, the reduction representing the increased cost of treating a lesser quantity of ore, for the grade of the ore was higher, the total yield being 43,689 ounces of gold, as against 43,561 ounces in April. Despite a slight increase in the tonnage crushed the estimated profit of Knight Central fell from £4,296 to £3,213, as a result of a reduction in the grade of the ore. Wolhuter earned a profit of £3,599, or £118 less than in April. The increase in the profit characterised Modder B especially, the April total of £85,080 being replaced by £95,153. As the tonnage treated remained unchanged and costs were accentuated by the holiday, it is evident that ore of a better grade was crushed. Despite a slight reduction in the grade of the ore, City Deep with its increased tonnage earned a profit of £65,535, as against £56,774 in the previous month.

The results achieved by the mines controlled by the General Mining and Finance Corporation were, on the whole, more favourable than those of the previous month. Higher grade ore, with working costs practically unchanged, explain the profit of Meyer and Charlton, which has risen from £23,013 to £24,053, notwithstanding a slight decline in the quantity of ore treated. With Van Ryn Gold Mines the grade of the ore deteriorated, the yield per ton falling from 31*s.* 2*d.* to 29*s.* 10*d.*; but as the working costs fell from 26*s.* 4*d.* to 25*s.* 2*d.*, and the tonnage treated rose from 31,520 to 32,500 tons, the profit reached £8,055, as compared with £8,024 in April.

Modder Deep records a reduction in the tonnage treated from 42,600 to 41,300 tons, but as the grade of the ore improved the estimated profit has advanced from £72,270 to £73,000. An increase of 2,000 tons in the quantity of ore treated coinciding with a better grade of ore is reflected in the return by Geduld of a profit of £26,118 for May, as against £24,437 for April. With a slight decrease in the quantity of ore treated Brakpan returns the higher profit of £40,051 owing to milling higher grade ore. Springs Mines treated 43,900 tons, as against 42,000 tons, and its profit has risen from £31,000 to £36,656. Working on the high price of 107*s.* 6*d.* per ounce, Lonely Reef registers a profit of £15,725, whilst with gold at 84*s.* an ounce, a profit of £6,206 is earned by Globe and Phœnix.

The efflux of labour from the Rand so characteristic of this time of the year has continued during May, and at the end of the month the number of natives employed on the gold mines had fallen to 170,595, as compared with 172,286. Under such conditions the outlook for June, in so far as the quantity of the output is concerned, does not look very promising. Seeing that the value of the output is dependent upon the course of the price of gold during July, it is not easy at this date to discern clearly the movements of the New York exchange which influences this price.

GEDULD PROPRIETARY.

Issued Capital: £1,171,229 in £1 Shares.

	Ore Milled Tons	Gold Yield per Ton	Working Costs per Ton	Working Profit* £	Working Profit* Per Ton	Net Profit* £	Dividend £	Dividend %
1915...	303,440	30 11	21 7	141,411	9 4	151,509	97,000	10
1916...	322,980	31 3	21 7	155,651	9 8	150,317	97,000	10
1917...	425,550	29 8	19 8	212,838	10 0	187,113	97,000	10
1918...	513,200	29 2	20 0	234,242	9 2	220,086	120,198	11½
1919 -	516,000	30 1†	20/7	244,322†	9 6†	267,553‡	187,397	16
1920...	526,700	30 2†	24 1	159,415†	6 1†	311,992‡	205,296	17½

* After deduction of taxes and inclusion of sundry revenue.
† Excluding premium on gold, estimated at £77,757 or 3*s.* per ton in 1919, and at £229,259 or 8*s.* 8*d.* per ton in 1920.
‡ Including premium on gold.

For Geduld Proprietary the year ended December 31, 1920, has been a period of genuine prosperity. Possessing an adequate supply of native labour, this Company was able to increase the quantity of ore milled from 516,000 to 526,700 tons. Working on the basis of the par value of gold so as to preserve an effective comparison, it will be noted that there was little change in the grade of the ore, the revenue per ton working out at 30*s.* 2*d.*, as compared with 30*s.* 1*d.* in 1919. Despite, however, the larger quantity of ore treated, working costs recorded a marked expansion. The return of 24*s.* 1*d.* per ton represented an increase of no less than 3*s.* 6*d.* as compared with 1919. This was almost entirely due to the higher level of prices, which necessitated a larger outlay on stores and materials, and involved increases in wages both to native and European employees. A measure of these increases is provided by the expansion in the cost of mining from 9*s.* 9*d.* to over 11*s.* 10*d.* per ton and in the cost of milling from 1*s.* 11½*d.* to 2*s.* 3½*d.* per ton. The liability under the new Miners' Phthisis Act worked out at 7.39*d.* per ton, as against 3.72*d.* per ton in 1919. Accordingly, the working profit fell from £244,322, or 9*s.* 6*d.* per ton, to £159,415, or 6*s.* 1*d.* per ton. But, as a result of the substantial premium on gold, the financial results were favourably transformed. Instead of an average premium of 22 6 per cent. for a little over seven months, as in 1919, the mine enjoyed the benefits of an average premium of 28.75 per cent. for the whole year, thus securing an additional revenue of £229,259, as against £77,757 in the previous year. Taking this into account, the actual yield per ton reaches 38*s.* 10*d.*, as compared with 33*s.* 1*d.*, and the working profit per ton increased from 12*s.* 6*d.* to 14*s.* 9*d.* Accordingly, the actual working profit was returned at £388,674, as compared with £322,079 in 1919. Including sundry revenue to the extent of £17,342 and deducting sundry charges,

including £37,577 in respect of excess development expenditure and £50,994 for Government taxation, there remained the record net profit of £311,992. Capital expenditure proved again heavy, absorbing, exclusive of the charge for excess development, £131,759. Of this £81,759 was debited to the working capital account, and the balance of £50,000 was written off the net profit. In view, however, of the substantial profit secured, the dividend paid to shareholders was increased from sixteen per cent. to seventeen and a-half per cent. At the same time the balance carried forward to the next accounts was increased considerably from £[illegible] to £[illegible].

The increase in the quantity of ore milled was not accomplished at the expense of the development work. Including vertical shaft sinking, the total for the year reached 18,639 feet, or only 59 feet less than in 1919. The salient feature of the work was undoubtedly the high-grade ore opened up on the 7th level from the bottom of No. 3 main incline. At the end of the year the 7th level East drive attained 2,330 feet, the grade continuing to be very satisfactory. In the last quarter alone out of a total of 852 feet sunk, driven, or raised 550 feet were sampled and of this no less than seventy-two per cent. proved payable, the ore averaging 71*s.* 10*d.* per ton over a stoping width of 66 inches. As a result of the exposure of this rich ore chute the ore reserves at the end of the year had increased substantially in quantity and value, as can be seen from the following table:—

Ore Reserves at December 31.

	Tons	Aver. Value	Aver. Width	Shillings-inches
1915	2,100,000	32·9	59·5	1,948
1916	2,150,000	31·5	60·0	1,884
1917	2,200,000	31/10	61·0	1,949
1918	2,510,000	31/10	61·0	1,946
1919	2,5[illegible],000	[illegible]·5	61·0	1,916
1920	[illegible]	34·0	61·0	2,074

The outlook for the current year is again encouraging. Returns for the first five months show that 220,000 tons of ore have been treated for an estimated working profit of £129,059. This compares with 217,500 tons, and a working profit of £139,030 for the corresponding period of 1920, when, however, the gold premium reached much higher levels. Moreover, the profit of £129,059 is a minimum, as the value of the output has been estimated on a conservative basis. Allowing for a more favourable premium in the latter half of the year, there is every reason for believing that the final results will compare favourably with those of 1920, though the net profit may not be so large. At the same time it is well to remember that capital expenditure mainly in connection with No. 7 shaft sinking and equipment is again expected to be heavy. The necessity of providing for this expenditure may, in conjunction with a lower average for the gold premium, necessitate a slight reduction in the dividend unless ore of a higher grade is treated in the second half of the year. We do not believe that the dividend will fall below fifteen per cent. Financially the Company is in a strong position. According to the balance sheet dated December 31, 1920, current liabilities, including Government taxation, did not exceed £241,784; whereas liquid assets in the form of cash, gold, and sundry debtors were available to a total of £369,526. Quoted in the market at 52*s.*, the £1 shares afford a return of nearly six per cent. on the basis of a dividend of fifteen per cent.

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FRED. C. SALTER, European Traffic Manager

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 15, 1921.

Issue Department.

Notes Issued	£144,997,440	Government Debt	£11 015,100
		Other Securities	7 434.900
		Gold Coin and Bullion	126 547.440
	£144.997 440		£144 997 440

Banking Department.

Proprietors' Capital	£14,553.000	Government Securities	£68 430.246
Rest	3,[illegible]8 515	Other Securities	77 057 769
Public Deposits	15.899 506	Notes	17.506.245
Other Deposits	131,130.388	Gold and Silver Coin	1,827.686
Seven-day and other Bills	10 517		
	£164.821.946		£164 821 946

Comparison with Previous Four Weeks [00,000's omitted].

Date 1921.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months Bills
	£	£	£	£	£	£	£	%	%	%
June 15	127.5	128.4	15.9	131.1	68.4	77.0	19.3	13·1	6½	5⅛
June 8	128.3	128.4	17.6	133.3	73.3	76.9	18.5	12·3	6½	5⅛
June 1	129.1	128.3	16.6	133.1	68.5	81.2	17.7	11·8	6½	5⅛
May 25	127.8	128.3	16.4	112.1	38.1	89.1	19.0	14·8	6½	5⅛
May 18	128.2	128.3	16.5	105.3	39.9	81.0	18.8	15·3	6½	5⅛-⅜
July 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅛

• July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%; April 28, 1921, 6½%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	June 15 1921	June 18 1920	June 18 1919	June 19 1918	June 14 1911
Bank of England (in £'s sterling, 00,000's omitted):					
Circulation	£127 5	£114.1	£77.7	£52.4	£28 7
Public Deposits	15.9	21.2	20.1	36.1	13.8
Other Deposits	131.1	132.5	124.3	125.2	41.6
Government Securities	68 4	70.8	53.2	53.7	15 0
Other Securities	77 0	78.8	80.4	95.0	29.0
Reserve	19 3	21.9	28.4	30.3	29.2
Ratio to Liabilities	13·1%	14·3%	19·71%	18·77%	52·62%
Coin and Bullion	128.4	117.6	87.7	64.2	39.5
Money:					
Bank of England Rate	6½%	7%	5%	5%	3%
Bank of France Rate	6%	6%	5%	5%	3%
Rate 3 months' Bills London	5⅛%	6⅝%	3⅝-3⅜%	3½%	2½%
Exchanges:					
Paris Cheque	45·27	52·50	29·98	27·15½	25·30½
New York 60 days	3 73⅛	3 90	4·60	4·72⅜	4·83 60
Bombay Telegraphic Transfers	1 33	1 9⅜	1/7⅜	1/5⅜	1/4
Prices:					
Consols 2½% Cash	45⅞	47½	53½	56	79⅛
French Rentes 3% Money	50·00	50·80	61·30	59·45	88 35
Silver, London spot	34⅜d.	40½d.	54½d.	48⅝d.	24½d.
Wheat, *Gazette* average qr.	89 3	73 0	73 3	74 3	32 4
Cotton, Mid Upland lb.	8 7 d.	29·50d.	19·45d.	22·41d.	8·30d.
Iron, Scotch pig ton	136 0	223 6	168 0	101·0	52 0

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank England Notes & Gold to Notes %
June 15, '21	5,492.706	7,871.017	325.630 106	28.500 000	19.450 000	14·7
June 8, '21	6,527 069	7,440.281	328 008,417	28,500 000	19 450,000	14·4
June 16, '20	8,297 248	7 697 855	354.095.927	28,500 000	10 400.000	11 0
June 18, '19	5 618.244	7 959 983	344 778 893	28.500 000	—	8·2
June 19, '18	6 306 305	5,464.621	250 067 486	28 500 000	—	11·4
June 20, '17	4.315.123	4,286.366	160,551,830	28 500.000	—	17·7

Balance Sheet, June 15, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	258 036 938	Other Bankers	—
Ten Shilling	41.013 168	Currency Note Redemption A/c—	
Certificates outstanding ...	26,580 000	Gold Coin and Bullion ...	28.500 000
		Silver Coin ...	3.000.000
Total	325.630.106	Bank of England Notes...	19 450 000
Notes called in but not yet cancelled	2.049.787	Government Securities ...	291,503,256
Investments Reserve A/c ...	14.946 113	Balance at Bank of England	172 750
Total	342.626.006	Total	342 626.006

PUBLIC INCOME AND EXPENDITURE [000's omitted].

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
June 11,'21...	£12,191	£14,909	£2,178	£86,587	£[illegible],680	£2,645
June 4,'21...	11,809	64,140	52,331	130.068	79,004	2,456
May 28,'21...	11,096	14,854	3,758	128,961	125,311	3,724
72 dys. '21-22	167,584	238,275	70,711	1,200,[illegible]0	1,132,563	—3,648
73 dys. '20-21	272,472	251,916	[illegible]	938,003	987,928	—6,278
Yr. '21-22•	1,216,650	1,039,728	176,928‡	—	—	—
Yr. '20-21	1,425,985	1,195,428	[illegible]‡	5,710,142	5,920,689	6,294
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,708	5,768,507	5,500
Yr. '18 19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	[illegible],782

Principal Items of Revenue and Expenditure.

	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profit Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services
Week to							
June 11,'21...	£4,313	£1,954	£691	£5,233	£6,264	£509	£8,136
June 4,'21...	2,579	4,[illegible]95	1,052	3,[illegible]82	4[illegible],897	578	19,565
May 28,'21...	3,985	2,[illegible]20	1,330	3,660	2,720	46	12,089
72 days '21-22	53,017	58,911	16,693	40,842	108,577	2,425	127,263
73 days '20-21	43,563	48,203	46,478	134,243	100,063	2,175	249,673
Yr. '21-22•	323,000	410,500	120,000	111,000	345,000	26,272	668,458
Yr. '20-21	333,785	394,146	219,131	478,873	349,599	28,488	817,381
Yr. '19-20	283,023	359,099	290,045	407,404	332 034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,954	11,380	2,297,958

FLOATING DEBT. [000's omitted]		Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
June 11, 1921	...	£1,195,412	£176,895	£1,372,307	—
June 4, 1921	...	1,[illegible]317	194 805	1,367.422	—
May 28, 1921	...	1,151,537	163,054	1,3.4.591	—
May 21, 1921.	...	1,13[illegible],997	175,969	1,503,866	—
June 30, 1919	...	796,150	774,237	1,570.387†	—

• Highest rates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

		Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 14, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£8,263
June 2, '21	...	10,662	1,507	12,169	26,239	246,422	41,740
June 9, '21	...	10,662	1,511	12,173	25,893	245,268	42,310

		Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
May 7, '21	...	£397,004	£57,640	£54,134	£83,031	£453,663	£25,784
May 15, '21	...	397,006	56,812	54,623	81,855	441,920	31,991
May 23, '21	...	397,010	58,706	50,544	79,852	438,232	35,133

		Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4,100	£341	£4,441	£6,197	£786	£8,893	£47
Apr. 30, '21	...	12,643	177	12,820	14,982	429	29,581	3,213
May 31, '21	...	12,642	205	12,847	12,830	867	27,594	3,328
May 31, '20	...	12,838	154	12,742	15,466	1,933	28,647	2,113
May 31, '19	...	10,355	138	10,493	4,399	3,563	24,109	950

		In Bank	Abroad	Total Cash incl'g Silver	Bills	Circulation	Public	Private
FRANCE.								
July 30, '14	...	£165,654		£190,887	£97,768	£267,327	£15,302	£37,903
June 9, '21	...	142,812	77,934	231,695	103,230	1,535,010	1,031	107,416
June 16, '21	...	142,856	77,934	231,742	97,758	1,518,886	1,037	109,291
June 17, '20	...	144,371	79,131	233,125	69,076	1,513,701	2,006	139,276
June 19, '19	...	142,894	79,131	234,214	34,332	1,377,982	2,445	132,060

		Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
May 15, '21	...	54,577	434	55,001	1,026,345	2,832,991	3,541,709	649,937
May 23, '21	...	54,577	469	55,036	837,812	2,715,323	3,496,221	577,899
May 21, '20	...	54,582	182	54,764	780,444	2,051,916	2,458,377	819,618
May 23, '19	...	76,324	1,026	77,350	386,643	1,294,254	1,364,324	423,436

		Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 11, '14		£13,498	£249	£13,745	£13,422	£10,332	£35,680	£1,437
June 6, '21	...	50,497	1,055	51,552	24,473	15,588	85,721	5,786
June 13, '21	...	50,580	1,044	51,624	23,855	14,322	84,521	4,903
June 14, '20	...	53,002	1,104	54,106	16,126	25,820	84,173	12,585
June 14, '19	...	55,164	708	55,872	10,807	16,975	84,116	5,298

		Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	—	£48,456	£25,017	£89,204	£8,887
Mar. 20, '21	...	£32,892	£3,000	35,892	15,647	214,005	574,100	72,809
Mar. 31, '21	...	32,892	2,999	35,891	17,616	220,268	579,338	82,811
Mar. 31, '20	...	32,190	3,006	35,196	24,666	181,664	481,801	74,222
Mar. 31, '19	...	32,716	2,940	35,656	16,192	59,315	366,482	59,921

		Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Apr. 30, '21	...	108,320	4,166	8,208	114,738	108,039	3,791
May 7, '21	...	108,274	3,534	9,164	103,387	108,941	10,237
May 8, '20	...	91,695	42,063	36,971	123,152	118,766	12,114
May 10, '19	...	70,595	2,782	40,175	79,146	115,903	4,041

		Cash Vaults	Own Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits Demand	Net Deposits Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89,888	£411,238	—	—	£887,165	£1,720
June 4, '21	...	£15,588†	101,188	914,828	£736,232	£58,566	800,540	3,266
June 11, '21	...	16,362†	103,690	904,220	746,836	47,594	797,044	4,738
June 12, '20	...	19,906†	114,822	1,024,394	831,078	50,038	885,694	4,764
June 14, '19	...	19,886†	114,494	1,022,618	823,588	30,116	929,250	1,412

		Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,980	£1,678	£493	£4,868	£6,752	£793
May 31, '21	...	8,115	2,317	501	23,549	22,930	5,812
June 7, '21	...	8,115	2,198	501	23,139	22,534	5,646
June 7, '20	...	8,121	3,701	579	22,889	23,397	7,567

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
Apr. 27, '21	...	£1,906	£3,924	£5,830	£27,761	£141,408	£10,443
May 4, '21	...	1,906	3,924	5,830	27,604	143,712	9,120
Apr. 7, '20	...	1,906	3,921	5,827	17,496	91,129	5,864
May 7, '19	...	1,905	3,925	5,830	8,151	64,868	2,996

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
May 8, '21	...	£154,389	£23,017	£6,810	£29,827	£449,216
May 14, '21	...	154,389	23,733	6,732	30,465	446,990
May 21, '21	...	154,389	23,023	6,438	29,461	444,509
May 22, '20	...	62,009	13,177	3,420	16,597	184,479

		In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 31, '14	...	£160,114	£14,395	£181,892	£78,081	£163,411	£6,589	£109,911
Oct. 29, '17	...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
June 4, '21	...	99,425	24,494	123,919	91,879	13,779	169,692	48,907
June 11, '21	...	99,463	24,570	124,033	91,476	13,779	169,059	49,629
June 12, '20	...	98,101	24,649	122,750	85,255	13,779	156,023	45,298
June 14, '19	...	90,850	25,940	116,590	77,962	13,778	141,732	42,389

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
June 4, '21	...	15,671	6,658	992	26,107	36,755	8,760
June 11, '21	...	15,639	6,589	979	24,371	34,978	9,421
June 12, '20	...	14,499	4,548	2,522	35,418	38,127	15,011
June 14, '19	...	16,091	7,896	2,923	17,364	37,704	6,007

		Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
May 31, '21	...	21,754	4,444	26,198	16,394	37,783	4,811
June 7, '21	...	21,754	4,432	26,186	13,347	36,552	2,958
June 7, '20	...	21,238	3,480	24,698	14,907	37,110	5,228
June 7, '19	...	18,288	2,724	21,012	19,900	36,084	3,416

*Converted at 24 crowns to £1.
† Net reserve. ‡ Currencies converted at par [illegible] exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discounted	Bills Acceptances	Deposits Govt.	Deposits Total. Net	Circulation
June 3, '21 ...	£481,730		£513,756	£385,246	£15,414	£6,470	£244,078	£550,260
June 10, '21 ...	486,134		518,503	379,272	13,900	4,052	347,012	542,144
June 14, '20 ..	393,012		420,518	504,590	80,730	4,366	356,026	620,442
June 14, '19 ..	187,688	251,086	452,893	375,631	46,908	49,050	358,954	499,856

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	7	Sept. 3,'20
Berlin	5	Dec. 23,'14	Madrid	6	Nov. 4,'20
Berne	4½	Apr. 7,'21	Paris	6	Apr. 8,'20
Bombay	5	June 2,'21	Petrograd ...	6	July 29,'14
Brussels	5	May 19,'21	Rome	6	May 12,'20
Calcutta	5	June 2,'21	Stockholm ...	6½	May 4,'21
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen ...	6½	May 5,'21	Vienna	6	Apr. 14,'21

III.—FOREIGN EXCHANGES.

LONDON ON—		June 17, '21	June 10, '21	June 3, '21	Mar. 27, '21
Berlin	Cable	262m.	253m.	249m	242m.
Brussels	Cheques	47fr. 27c.	47fr. 50c.	46fr. 90c.	46fr. 45c.
Denmark	Cable	22kr.07	21kr. 90	21kr. 87	21kr. 97
Holland	do.	11d. 40⅛c.	11d. 38c.	11d. 32c	11d. 22½c.
Italy	do.	75lr. 00	77·87lr.	74lr. 25	73lr. 00
Lisbon and Oporto	do.	8⅛ mom.	7⅞	8⅛d.	6d.
New York	do.	$3 79½	$3 71½	$3 93⅛	$3·91⅛
—	Cheques	$3 80⅛	$3 72½	$3 85⅛	$3·80⅛
Norway	Cable	26kr. 35	25kr. 60	25kr. 47	25kr. 60
Paris	3 mos.	47fr. 00c	47fr 75c	47fr. 85c.	47fr. 20c.
—	Cable	46fr. 25c	47fr. 35c.	46fr. 90c	46fr. 45c.
Spain (Bank places)	3 mos.	41⅛.	40⅝d.	39⅝d.	39⅛d.
—	Cable	28p. 65	28p. 10	29p 67	29p. 72
Sweden	do.	16kr. 90	16kr. 90	16kr. 92	16kr. 93
Switzerland	3 mos.	22fr. 70c.	22fr 60c	22fr. 60c.	22fr. 47c.
—	Cable	22fr. 30c	22fr. 20c.	22fr. 20c.	22fr. 07c.

ON LONDON—		June 17, '21	June 10, '21	June 3, '21	Par.
Alexandria	Sight	97½pl.	97½pl.	97½pl.	97½pl.
Amsterdam	Cheques	11d. 39½c.	11d. 35½c.	11d. 31½c.	12·107d.
Athens	Cable	60dr. 12	62dr. 00	62dr. 75	25dr. 22½
Bombay	Transfers	1s. 3⅝d.	1s. 3⅞d.	1s. 3⅞d.	2s.
Brussels	Cheques	47f. 22c.	47f. 32c.	46f. 77c.	25f. 22½c.
Buenos Ayres	Transfers	44⅛d.	45⅛d.	44⅛d.	47·58d.
Calcutta	do.	1s. 3⅝d.	1s. 3⅞d.	1s. 3⅞d.	2s.
Christiania	Sight	26kr. 31	25kr. 58	25kr. 47	18·159kr.
Copenhagen	do.	22kr. 07	21kr. 91	21kr. 88	18·159kr.
Helsingfors	Cable	248m.	215m.	201m.	25m. 22½
Hong Kong	Transfers	2s. 4d.	2s. 7⅛d.	2s. 5⅞d.	—
Italy	Sight	75lr. 00c.	77lr. 75c.	74lr. 50c.	25lr. 22½c.
Lisbon	do.	8⅛d.	8⅛.	6⅛d.	53½d.
Madras	do.	1s. 3⅝d.	1s. 3⅞d.	1s. 3⅞d.	2s.
Madrid	do.	28p. 82	29p. 08	29p. 67	25p. 22½
Montevideo	Transfers	41⅛d.	42⅛d.	42⅛d.	51d.
Montreal	Cable	$4 26	$4 16⅛	$4 35⅛	$4 86⅔
New York	Sight	$3 77⅝	$3 76	$3 91⅝	—
—	60 days	$3 75⅛	$3 74	$3 83⅝	—
—	Cable	$3 78⅛	$3 76⅛	$3 91	$4 86⅔
Paris	Cheques	46f. 27c.	47f. 27c.	46f. 90c.	25f. 22½c.
Rio de Janeiro	90 days	7⅞d.	8⅛d.	8⅞d.	16d.
Shanghai	Transfers	3s. 4⅛d.	3s. 4⅛d.	3s. 3⅛d.	—
Singapore	Sight	2s. 3⅛d.	2s. 3⅛d.	2s. 3⅛d.	—
Stockholm	do.	16kr. 90	16kr. 89	16kr. 91	18·159kr.
Switzerland	do.	22f. 22c.	22f. 22c.	22f. 22c.	25f. 22½c.
Valparaiso	90 days	—	34·81p.	35.00p.	13·33p.
Yokohama	Sight	2s. 6⅛d.	2s. 6⅛d.	2s. 5⅛d.	24·56d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—		Rate Current* June 15, '21	Rate Current* June 8, '21	Par as usually Quoted	Par July 3
Amsterdam, sight	...	39·10c.	39.10c.	40.20c for 1 guilder	40·25c.
Bombay, cheques	...	24·50c	24·75c.	48.66c. for 1 rupee	33·00c.
Buenos Ayres, cheques	...	143·00	140·00		
Christiania, cheques	...	14·48c.	14·75c.	26·80c. for 1 kroner	
Copenhagen, cheques	...	17·05c.	17·30c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	...	6·16c.	6·13c.	19.295c. for 1 drachma	
Hong Kong, cheques	...	49·75c	49·72c.	74·59c. for Mex. $1	46·4c.
Italy, sight	...	5·085c.	4·755c.	19.30 cents for 1 lire	
Lima, cheques	...	3·75f.	3·65f.	4·8665 $ for 1 libra	
Manila, cheques	...	46·50c.	46·50c.	50c. for 1 peso	49·8c.
Montreal	...	10·75% disc.	10·75% disc.	Premium per $100	Par
Paris, sight	...	12·39fr.	12·63fr.	5·18¾ francs for $1	5·16fr.
Rio de Janeiro, cheques		8·33mil.	7 41mil.	3 0·32 milreis for $1	
Shanghai, cheques	...	66·00c.	65·75c.	52·98c. for 1 tael	83·00c.
Singapore, cheques	...	42·00c.	42 00c.	56 77c. for $1	57·12c.
Spain, cheques	...	13 12c.	12·84c.	19·30c. for 1 peseta	
Stockholm, cheques	...	22 40c.	22·30c.	26 80c. for 1 krones	
Switzerland, cheques	...	5 93fr.	5·90fr.	5 18¾ francs for $1	5 18fr.
Valparaiso, cheques	...	11 00c.	13 50c.	20·61c. for 1 peso	
Yokohama, cheques	...	47 75c.	47·40c.	49.85c. for 1 yen	49·96c.

* According to the Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1921 Aggr.	Inc. or Dec.*	%
	1921	[to £'s sterling, 000's omitted.]				
BIRMINGHAM ...	June 11	£2,200	— 1,111	£83,472	— £27,220	— 30·0
BRISTOL	,, 11	1,188	— 447	34,821	— 9,136	— 18·9
DUBLIN	,, 11	7,321	— 1,468	171,557	— 41,006	— 19·3
HULL	,, 11	1,002	—	20,720	—	—
LEEDS	,, 11	917	— 599	27,230	— 15,042	— 35·5
LEICESTER	,, 11	797	— 602	18,773	— 13,493	— 41·8
LIVERPOOL ...	,, 11	6,809	— 8,116	222,923	— 185,264	— 45·3
MANCHESTER ...	,, 11	11,730	— 13,921	357,308	— 335,344	— 32·6
NEWCASTLE	,, 11	1,053	— 1,846	50,693	— 28,258	— 34·1
NOTTINGHAM ...	,, 11	599	— 907	17,423	— 10,914	— 38·5
SHEFFIELD	,, 11	806	— 404	30,074	— 8,631	— 22·3
LONDON—	1921					
TOWN	June 15	503,570	— 107,920	14,173,492	— 1,528,559	— 9·8
METROPOLITAN	,, 15	29,912	— 9,176	814,114	— 203,734	— 20·0
COUNTRY	,, 15	52,381	— 26,420	1,507,696	— 433,931	— 22·6
TOTAL	June 15	585,863	— 143,516	16,495,302	— 2,170,214	— 11·6

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1921 June 17	1921 June 12	1914 June 13
Alex. to U.K. ...	—	—	8/1
Aust. to U.K. ...	52/6	52/6	17/6
Bilbao to Cardiff...	—	—	—
Bombay to p.p. ...	35/3	30/0	15/6
Burmah to U.K....	35/0	40/0	—
Calcutta to p.p.(jute)	—	40/3nom.	—
Danube to U.K. ...	33/9	35/0	—
R. Plate to U.K....	50/0	57/6	12/0

Homewards.	1921 June 17	1921 June 10	1914 June 13
U.S. Atl. Ports to U.K. (prompt)	35/0	30/6	—
U.S. to U.K. (grain)	50	50	2/101
Gulf Ports to U.K. Cont. (grain)	7/7½	7/6	—
OUTWARDS.—Cardiff to			
Port Said ...	—	—	7/0
River Plate ...	—	—	13/3
St. Vincent, ...	—	—	7/6

* Per quarter. † Per ton. ‡ Dead weight.
Time Charter, 6/3.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JUNE 17, 1921	JUNE 18, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	136 0	223/6	57/0
— Middlesbro' warrants ...ton	130/0	217/6	51/0
— Hematite warrants ...ton	160/0	260/0	61/0
— Staffordshire bars, London ton	£27 10	£33 10	£8 10
Common bars ...ton	£19	£30	£6 16
Steel Rails ...ton	£15	£23 5 £24 5	£6 2/6
Galvanised Sheets ...ton	£21	£54	£16 17/1
Copper—Standard ...ton	£72	£82 15	£66
Tin—English Ingots ...ton	£166	£244	£142 15
— Straits ...ton	£169	£260—£270nom.	£139 10
Tinplates, I.C. Coke, S. Wales...box	26/0—27/0	72/6	11/10½—12/0
Lead—Soft Foreign ...ton	£22—£22 2/6	£31 15—£33 5	£19
Spelter—Ord. Foreign ...ton	£26 15—£27 7/6	£38 5—£40	£21 7/9
Quicksilver—(75lb.) ...bottle	£11—£11 10	£21—£21 10	£7
Aluminium ...ton	nom.	£165	£82
Antimony—Regulus Foreign ...ton	£24 10—£25	£50	£27 10
— English ...ton	£37—£42	£60	—
Coal—(best) Yorkshire ...ton	—	37/2—38/2	17/6
— Steam (best) Newcastle...ton	70/0	50/2—55/2	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	9/6	15/6	7/4
Soda—Crystals ex wharf ...ton	140/0	230/0—240/0	42/6—45/0
Copra—Malay and States ...ton	£28	£45 10—£46	£23 15-£24 7/6
Gambier—Good marks ...cwt.	31/0	49 0	16/10½
Indigo—Bengal good to fine ...lb.	10'0—11 6	13 0—16 6	3/2—3/8
Linseed Oil—Raw ...ton	£34 10	£77	£25 5
Linseed—Calcutta, spot ...ton	£20 10	£37	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£18 10—£19	£22	£7 17/6—£8
Olive Oil—Spanish ...ton	—	—	£49 10
Palm Oil—Lagos ...ton	£32 10	£56	£31 10
Petroleum—American ...gallon	1 9d.	2/1½	7½d.
Rape Oil—Refined English ...ton	£62	£100	£32
Soya Oil—Refined ...ton	nom.	£105	£24 10
Tallow—Imported ...cwt.	32/0—38/0	80/0—88/0	29/3—33/3
Turpentine—American ...cwt.	78/0	175/0	33/7½
Rape Seed—Toria ...ton	£20	£36 10	£13 5
Rubber—Para, spot ...lb.	11d.	2/1	2/9½
— Fine plantation (std. crepe) lb.	8¾d.	2 0¾	2/2
World's Production* Oct. tons	26.620	27.850	8,467
Shellac—T.N. Orange, fair ...cwt.	375/0	620/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	8 70d	29·50d.	7·53d.
— Egyptian good fair ...lb.	10·50d	57·00d.	8 75d.
— Pernambuco fair ...lb.	8 05d.	31·50d.	7·73d.
— Middling Upl. New York ...lb.	11·85c.	39 25c.	13·25c.
— Stock, Liverpool (June 10)bales	1,019,130	1,135,730	934,600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	nom.	£58	£25 10
— Manilla fair ...ton	£37	£58	£26 10
Jute—First Marks ...ton	£30—£31	£55	£26 15
— Red SCO ...ton	£25	£43	£24 15
Silk—Common, New Style ...lb.	22/0	32/0	12/0—12/6
— No. 1-1½ Japan ...lb.	28/6	—	—
— 1st Order Italian ...lb	27/0	—	—
Wool—Pt. Philip unwashed av. lb.	1/8½	5/9	11½d.—1/0
— Lincoln Half Hogs ...lb.	7¼d.	2/3½	1/0½
Hides—Eng. Ox. best ...lb.	8½d.	13½d.	7½d.
Leather—Dressing Hides ...lb.	1/9—2/6	4/0—4/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	25,770.000	36,162.000	34,640.000
— Red, price, N.Y. 60lb. ...bushel	162c.	315c.	67½c.
— English Gazette, aver. 480lb. qr.	89/3	73/0	34/3
Flour—G.R. ...280lb.	68 0	63/6	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	43/1	92/7	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	38/9	63/10	20/0
Maize—N.Y. (new bushel)...56lb.	78½c.	—	76½c.
— Amer. mixed, Liverpool...480lb.	42/0	nom.	32/4
— La Plata ...480lb. qr.	41/3	71/3	25/9
Potatoes—Good English ...ton	£560/0—580/0	†600/0—700/0	70/0—75/0
Rice—Basseln ...cwt.	16/6—16/9	48/6	7/0—7/3
Tapioca—Pearl, medium ...cwt.	22/0	33/0	14/0—17/8
Hay—Clover, London ...ton	160/0—180/0	—	84'0
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	7/0	6/8	3/8—3/10
— Scotch sides ...8lb.	10/10	10/0	4/6—5/0
— English ...8lb.	10'0	10/0	4/2—4/5
Mutton—Scotch wethers...8lb.	11/8	10/6	5/8—6/0
— English wethers ...8lb.	9/4	10/6	4/6—5/4
— New Zealand frozen ...8lb.	5/2	10/6	2/4—3/2
Pork—English and Irish ...8lb.	9/8	10/0—16/0	3/6—4/0
Bacon—Irish, delivered ...cwt.	160/0—177/0	†220/0	60/0—74/0
— Danish ...cwt.	167/0—172/0	†192/0	58/0—68/0
— Canadian, ex Port ...cwt.	90/0—140/0	†187/0	—
— American, ex Port ...cwt.	85/0—105/0	†187/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	—	†184/0	75/0—79/0
— — short cut, ex Port ...cwt.	158/0	†184/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	74/6—78/6	†158/6	51/9—52/9
Butter—Danish ...cwt.	202/0—206/0	303/4	117/0—120/0
— French ...cwt.	—	303/4	96/0—108/0
— Australian ...cwt.	172/0—178/0	303/4	98/0—110/0
— New Zealand ...cwt.	194/0—198/0	303/4	108/0—114/0
Cheese—Canadian ...cwt.	98/0—100/0	†145/0	66/0—68/0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt.	116/0—150/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to May 31...cwt.	11,258,800	13,584,656	19,777,254
— Home consump'n. to May 31 cwt.	10,742,917	10,523,551	17,272,000
— In Bond May 31 ...cwt.	8,071,000	8,925,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	20/0	53'0	10/3
— — Yellow crystals ...cwt.	57/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1...cwt.	63/6	72/0	18/0
Coffee—Imports to May 31 ...cwt	424,182	396,982	720,360
— Home consumpt'n to May 31 cwt.	125,136	123,650	141,410
— Exports to May 31 ...cwt.	183,842	187,576	340,250
— In Bond May 31 ...cwt.	760,000	800,000	484,000
— Price, Costa Rica gd. to fine cwt.	106/0—136/0	158/0—164/0	80/0—93/0
— Brazil (Santos) good ...cwt.	54/0—58/0	130/0—132/0	41/6
Tea—Imports to May 31 ...lb.	193,849,674	180,586,941	123,236,277
— Home consump'n to May 31 lb.	168,152,074	152,173,279	155,447,972
— Exports to May 31 ...lb.	10,738,246	18,758,377	26,561,765
— In Bond May 31 ...lb.	234,001,000	212,152,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	5½d.	1/5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	5½d.	1/6	8½d.
— — Common Congou ...lb.	2½nom.	1/3	5½d.
Cocoa—In Bond May 31 ...cwt.	1,224,000	1,250,000	309,000
Grenada, good to fine ...cwt.	53/0—55.0	85/0	52/6—56'0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory. § New.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Apr.	$13,762,000	—2,167,000	$2,646,000	+ $304,000
	4 *mos.* to Apr.	55,702,000	—3,415,000	6,552,000	+ 953,000
Grand Trunk ...	Mar.	£1,278,700	+ £95,900	£122,900	+ £68,400
	3 *mos.* to Mar.	3,772,200	+ 593,200	Dr. 91,400	+ 306,500

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under a grant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish Railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month	Miles Open	Gross Receipts	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	May 7	1,044	£1,87,511	— 8,091	5	9,73,937	— 59,441
Barsi Light ...	May 21	118	21,100	— 3,500	7	1,56,600	— 73,000
Bengal & N.W.	May 14	2,067	5,91,630	+ 38,328	6	34,84,950	+ 77,293
Beng. Dooars	May 21	158	19,177	— 6,068	7	1,53,459	— 31,118
Beng. Nagpur	May 14	2,695	12,67,000	— 39,000	6	80,37,000	— 1,39,815
Bomb. Baroda	June 4	2,871	20,87,000	+ 1,88,000	10	1,83,09,000	+ 9,76,000
Burma ...	May §14	1,342	3,54,951	— 2,08,998	6	34,94,349	— 2,50,780
Del. Um. Kalk.	June 4	239	87,000	— 11,642	9	8,83,715	— 82,673
East Indian ...	June 4	2,772	28,49,000	— 5,000	10	2,72,42,000	+ 6,03,000
Gt. Indian Pen	June 4	3,121½	25,35,500	— 19,300	10	2,61,89,500	+ 3,74,784
Madras & S.M.	May 21	3,152	14,00,000	+ 82,008	7	95,15,000	+ 1,73,525
Nizam's Guar.	May 7	900	3,38,919	+ 16,822	5	16,44,090	— 2,66,093
Roh. & Kumn.	May 14	576	1,32,115	— 2,170	6	8,26,301	— 9,451
South Indian	May 21	1,852½	8,31,819	— 31,222	7	58,77,581	— 79,809
South Punjab	Feb.	716	6,83,752	— 94,252	5m	40,21,325	+ 1,31,300
COLONIAL							
Can. Northern	June 7	9,750	$1,069,700	+ 45,300	22	26,844,700	+ 3,573,477
Can. Pacific ...	June 7	13,388	2,991,000	— 628,000	22	72,183,000	— 7,013,000
Grand Trunk	May 21	3,616	£278,135	+ 6,598	20	5,724,096	+ 627,338
Mashonaland	Mar.	810	111,825	+ 67,360	6m	590,798	+ 199,607
Mid. W. Aust.	Apr.	277	11,221	+ 257	10m	113,359	+ 3,205
New Cape Cent.	May 21	205	2,388	— 250	21	54,403	— 8,604
Rhodesia Rlys	Mar.	1,397	137,704	+ 60,777	6m	779,784	+ 200,508
Temiscouata...	Mar.	—	$42,975	+ 12,389	3m	128,836	+ 43,954
FOREIGN.							
Argentine.							
Arg. N. East...	June 4	752	£ 14,000	+ 100	49	571,700	— 10,600
Arg. Transand	June 11	111	£ 992	+ 102	50	132,613	— 23,668
B.A. & Pacific	June 11	3,428	£ 120,000	— 45,000	50	6,461,000	— 1,269 000
B.A.Gt. South	June 11	3,903	£ 164,000	— 23,000	50	8,299,000	— 794,000
Do.	June 11	Net	£ 16,000	— 27,000	50	1,400,000	— 1,665,000
B.A. Western	June 11	1,882	£ 73,000	— 25,000	50	3,820,000	— 1,102,000
Do.	June 11	Net	£ —	— 29,000	50	475,000	— 1,213,000
B. A. Central	Apr.	190	£ 41,425	— 13,281	11m	460,493	— 12,904
Cent. Argent.	June 11	3,305	£ 195,000	— 15,000	50	9,213,000	+ 67,000
Cord. Central	June 11	1,205	£ 72,000	+ 7,500	50	2,835,300	— 334,900
Entre Rios ...	June 4	811	£ 19,600	— 6,000	49	1,116,600	— 45,900
Brazilian.							
Brazil Gt. South	Apr.	110	M 39,400	— 4,100	4m	154,650	— 51,350
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,819,243
Gt. W. Brazil	June 4	1,010	£ 11,100	— 5,600	23	332,200	— 228,300
Leopoldina ...	June 11	1,831	£ 33,667	— 19,780	24	764,992	— 498,064
San Paulo ...	June 12	153½	£ 31,402	— 17,250	23	693,268	— 379,861
S. of Bahia S.W	May	52	M 41,000	— 37,000	5m	393,000	+ 28,000
Chilean and Peruvian.							
Antofagasta...	June 12	838	£ 18,870	— 22,430	24	614,645	— 553,170
Arauco ...	June	84½	£ 12,000	+ 500	6m	76,000	+ 10,700
Nitrate (2wks)	May 31	390	£ 21,225	— 20,448	20	277,264	— 170,235
Peruvian Corp.	May	1,140	S 1,236,750	— 50,320	11m	13,070,110	— 204,774
Taltal ...	May	180	£ 13,613	— 13,432	11m	270,213	+ 5,508
Cuban.							
Cuba Railroad	Jan.	—	$ 1,606,385	+ 448,284	7m	8,497,481	+ 1,017,244
Havana Cent.	June 11	70	£ 12,872	— 2,773	50	740,504	+ 147,873
U. of Havana	June 11	681	£ 98,034	— 23,502	50	6,200,238	+ 697,587
Uruguayan.							
Cent. Uruguay	June 11	273	£ 23,380	— 894	50	1,215,712	+ 59,185
„ (E. Ext.)	June 11	311	£ 4,685	— 2,444	50	281,797	— 35,647
„ (N. Ext.)	June 11	185	£ 3,547	— 941	50	152,661	— 40,274
„ (W. Ext.)	June 11	211	£ 1,834	— 1,022	50	124,661	— 17,201
Mid. Uruguay	May	319	£ 14,255	— 7,324	11m	191,583	— 32,650
N.W. Uruguay	May	113	$ 5,319	— 1,39,	11m	68,304	— 8,785
Urug. Northn.	May	73	£ 1,489	— 417	11m	22,012	— 4,143
Miscellaneous							
Alcoy & Gandia	May 28	33	Ps. 8,000	— 8,000	22	349,400	+ 91,500
Bilbao ...	May	15	£ 1,894	— 287	5m	10,915	— 6,998
Bolivar ...	May	136	£ 11,715	— 649	5m	50,015	— 6,887
Colomb. Natnl.	Apr.	86	£ 18,600	— 200	4m	76,080	+ 3,884
Costa Rica ...	Mar.	190	£ 32,656	+ 5,145	9m	228,241	— 3,149
Dorada Ext.	Apr.	70	£ 18,500	+ 500	4m	69,750	+ 18,250
Egyptian Delta	May 20	559½	£ 8,063	— 4,319	7	48,732	— 11,881
Gt. S. of Spain	June 4	104	Ps. 35,549	— 39,190	22	1,264,563	— 636,950
La Guaira & Ca.	May	22¾	£ 8,570	— 5,060	5m	50,110	— 21,720
Ottoman Ry..	June 4	379	£ 9,067	—	—	—	—
Paraguay Cent	June 4	274	£ 4,170	— 240	49	213,420	— 21,470
Puerto Cabello	May	34	£ 4,500	— 500	5m	22,750	— 5,250
Salvador ...	June 11	100	£ 2,357	— 2,363	50	180,592	— 47,354
Santa Fé Prov.							
French Rys.	Apr.	1,181	£ 129,360	— 49,053	4m	521,241	— 127,297
S'm'na & S'ti'go	Apr.	80	£ 10,000	— 6,774	4m	33,310	— 20,320
Zafra & Huelva	Apr.	112	£ 15,529	+ 4,933	4m	58,859	+ 7,667
TRAMS.							
Anglo-Argent.	June 10	400	£ 79,776	+ 816	23	1,856,648	+ 130,549
Bombay Elect.	Apr.	—	Rs. 9,18,850	+ 1,03,913	4m	36,06,435	+ 3,89,692
Brazilian Trac.	Apr.	378½	M 13,562000	+ 3,317,000	4m	51,480,000	+ 12,298,000
Brisbane Elec.	May	40½	£ 47,910	+ 1,360	5m	231,445	+ 8,145
Brit. Columbia	Apr.	334	$ 791,688	+ 42,607	10m	7,978,641	+ 671,723
B. A. Lacroze	May	51	£ 58,492	+ 3,929	11m	649,444	+ 67,765
Calcutta ...	June 4	35½	R 81,355	— 14,402	22	15,79,141	— 456,175
Carth. & Herr.	May	9	£ 1,802	— 3,711	5m	12,873	— 10,171
Chatham & Dist	June 2	15	£ 1,486	— 378	22	35,744	+ 1,019
Havana Elect.	Feb	86	$ 1,034,871	+ 170,432	2m	2,123,947	+ 376,309
Isle of Thanet	June 8	20½	£ 1,072	— 179	37	23,598	— 1,611
Kalgoorlie ...	Mar.	20½	£ 2,485	— 667	3m	5,219	— 3,173
Lanarkshire...	Dec. 31	28½	£ 5,467	+ 1,927	52	221,584	+ 27,729
Lima Light ...	Mar.	85	£ 63,986	+ 3,763	3m	188,489	+ 13,309
London O.C....	June 15	141½	£ 102,52	+ 16,649	11	1,085,405	+ 170,207
Madras (2wks.)	May 31	16½	R 50,343	+ 842	20	346,295	— 139,332
Manila Electric	Apr.	55	$ 279,535	+ 25,437	4m	1,205,691	+ 132,280
Pernambuco...	June 12	59	£ 3,438	— 3,110	24	94,678	— 82,164
Provincial ...	June 4	21½	£ 3,248	— 371	35	111,238	— 919
Rangoon Elec.	Mar.	25	£ 158,121	+ 27,651	3m	401,397	+ 43,827
Shanghai Elec.	Apr.	26⅔	M. X. $157,500	+ 15,500	4m	625,739	+ 68,345
Singapore Elec.	May 7	26½	$ 12,598	— 11,994	19	235,305	— 187,351
U. of Montevid.	May	90½	£ 46,579	— 4,178	7m	333,456	+ 26,157

UNDERGROUND ELECTRIC RAILWAYS CO. OF LONDON, LTD.

Metropolitan District Rly., London Electric Rly., City and South London Rly., Central London Rly., London General Omnibus Co.

Week to June 11, £251,689; Aggregate, Jan. 1—June 11, £5,438,114.

Metropolitan Electric Trams, London United Trams, South Metropolitan Electric Trams, Tramways (M.E.T.) Omnibus Co., Gearless Motor Omnibus.

Week to June 11, £58,519; Aggregate, Jan. 1—June 11, £1,224,536

The Statist.

LONDON, SATURDAY, JUNE 18, 1921.

THE DEBTS OF THE NATIONS.

From the position of principal debtor nation in the world prior to the War, the United States has come to occupy that of principal creditor. The violent play of economic forces that brought about this change is familiar to all, and to cope with the situation thereby created may require measures, if not equally drastic, at any rate almost equally abnormal. Briefly, the position is that the United States, while desiring payment of the sums owed to her, is unwilling to face the consequences which such payments entail—namely, the receipt of European goods on a vast scale. This attitude, though condemned in many quarters in Europe, is to a large extent misunderstood. The American manufacturer fears the competition of foreign goods produced under conditions of low cost by workers with a standard of comfort inferior to that of the United States, and artificially favoured by the present position of the exchanges and the premium on dollar currency in every country in the world. He does not like to visualise the unemployment and the social disorder that are likely to follow. The condemnation of this attitude by Europeans is scarcely logical, since European countries are taking measures to protect themselves from a similar danger by tariffs and restrictive legislation directed more or less against one another. In another sense also the United States is but following European example. The Allied reparations bill against Germany totals £6,750 million. How to receive this without injury to ourselves is a big problem for us, and the United States is in an equally awkward dilemma as regards her foreign creditors. It will be remembered that after the War it was proposed to employ German labour on a large scale to reconstruct the devastated areas in France and Belgium, but the scheme fell through because unemployment and strong trade-union opposition were feared. The Treaty provided an alternative means of ensuring reparation by giving the Allies an option on German machinery and reconstruction materials of every kind for approximately two years. This clause was for various reasons not availed of. Again, in the case of ships, neither our own nor the French markets were able to absorb all the surrendered vessels, and the consequent depression in price enabled very cheap purchases of tonnage to be made. Owners of newly acquired vessels had, of course, a tremendous advantage over those who had purchased shipping on the basis of inflated values, and their competition was responsible for the laying up of a large amount of tonnage. We might further instance the case of coal, the supplies of which from Germany have deprived us of the normal Continental outlets for our coal, and have been a contributory factor in the shipping depression. The Spa agreement ensured payment in gold by France for German coal on British pressure, and

From the foregoing details it will be seen that the use of German labour outside Germany has been rejected by the Allies, as well as the products of German labour working within the country. The fault may lie in the fact that the products which the latter supplied have been competitive, and not complementary. In a remarkable speech, which has received much attention in the Press and throughout the country, the Right Hon. Reginald McKenna, of the London Joint City and Midland Bank, outlined this week a system of reparation payments by means of non-competitive products. The scheme has been well thought out, but, if it were adopted, more difficulty than is anticipated might be experienced in changing the factories and plant from one form of industry to another, even if it were possible to train the labour force to new methods. Industrial capital is not liquid or mobile to the extent that many believe, because the work of acquiring the necessary skill in a new branch of industry, and of building up the necessary administrative, technical, and sales organisation is often a matter of years, and sometimes of generations. Moreover, the principle, if adopted, would be subversive of the root idea on which international trade is based—namely, that countries should produce the articles for which they are naturally and otherwise best adapted, and exchange with other countries whose production is similarly determined by local conditions, both countries thus enjoying the maximum advantage from the exchange. Accordingly, to fly in the face of economic fundamentals would be courting damage, if not disaster. Moreover, we could not prevent capital in Germany from again flowing into the old channels, and, on account of the natural premium which exists on its employment in those channels, it would the more readily be attracted thereto, and we should have to commence our task of diverting it all over again. It can be said, however, for Mr. McKenna's scheme that it is the only one possible, within limits, that has so far been put forward, and his contribution to the reparations problem is therefore of the utmost value.

In view of the interest attaching to the question of international indebtedness, we append a table showing the pre-War gross debt of twenty-three of the leading countries in 1913 and at the beginning of last year, the latter figure being subdivided into internal and external. The foreign debt of most European countries is owed to us and the major portion of our external debt is owed to the United States. An enormous rise since 1913 is everywhere noticeable. These changes further complicate the reparations problem, and prevent triangular arrangements for offsetting losses.

	Unit of Currency	Debt in 1913	Gross Debt at beginning of 1920		
			Internal	External	Total
Argentine	Peso paper	1,238·0	644·8	626·1	1,270·9
Australia	£	19·2	222·9	102·9	325·8
Belgium	Franc	1,626·6	19,891·7	2,606.6	22,498·3
Bulgaria	Leva	900·5	2,990·5	1,025·3	4,015·8
Canada	$	544·4	2,556·7	486·9	3,043·6
Denmark	Krone	362·0	671·9	254·3	926·2
Finland	F. Mark	173·0	1,497·4	352·0	1,849·4
France	Franc	33,637·0	185,728·0	33,660·0	219,388·0
Germany	Mark	5,199·0	196,428·0	3,149·0	199,577·0
Greece	Drachma	1,216·5	1,025·6	2,257·3	3,282·9
Holland	Gulden	1,161·6	2,764·1		2,764·1
India	£	307·7	217·3	193·7	411·0
Italy	Lira	15,069·9	73,063·0	20,265·0	93,928·6
Japan	Yen	2,719·4	2,215·9	1,311·1	3,527·0
New Zealand	£	99·7	102·1	99·1	201·2
Norway	Krone	360·1	687·0	329·9	1,016·9
Portugal	Milreis	650·8	927·1	316·6	1,243·7
South Africa	£	126·3	50·2	123·7	173·9
Spain	Peseta	9,502·3	11,477·7	917·5	12,395·2
Sweden	Krone	648·0	1,022·8	533·8	1,556·1
Switzerland	Franc	1,710·3	3,700·2		3,700·2
United Kingdom	£	706·0	6,596·9	1,278·7	7,875·6
United States	$	1,189·8	24,087·4		24,087·4

ECONOMIC POLICY OF SUCCESSION STATES.

THE CONDITION OF HUNGARY.

The disturbed affairs of Russia and the newly-formed States of Central Europe constitute a serious hindrance to the economic recovery of the Continent. For Russia, which is persevering in its attempt to establish a Communistic organisation on a gigantic scale, there can at present be no hope of a return to the previous régime, though it is significant to observe the modifications of the original Communistic programme recently announced by Lenin and the attempts to win the support of foreign capitalists and capitalistic countries. Whether the Soviet Government will elect to make further concessions in this direction or will eventually be overthrown by another revolution, even the wisest political prophet cannot foretell. As regards Central Europe the *malaise* from which it is suffering follows from the severance of the economic ties that bound the component parts of the old Austro-Hungarian Empire. A peace treaty that took cognisance only of political entities and substantially ignored other considerations was bound to lead to a certain amount of confusion. Racial antipathies became for the first time free to operate through the medium of established governments and to find expression, if not in military activities against neighbouring States, at any rate in measures designed to hamper the resumption of trading relations. In this way industries in one nation were practically deprived of the raw materials they were wont to obtain from the territory of another. What has been stated at the Brussels Financial Conference that "if Hungary is to re-establish herself, and if she is expected to maintain her position in economic life and among the civilised nations, and unless the capital invested in her industries is to be entirely wasted, resort must be had to radical measures to grant her absolute freedom in obtaining raw materials and to guarantee an outlet for her manufactures" held good also in regard to the remaining States of Central Europe. During the present year, however, the conviction of the futility of internecine strife has been steadily growing and the negotiation of a number of commercial and political arrangements has been the result. True, these arrangements cover only comparatively short periods, but they have been animated by a genuine desire to render possible the import and export of such goods as are procurable and mark a step on the road towards a more general and permanent understanding. It is to be hoped that the Conference representative of the Succession States and the Great Powers at Porta Rosa on July 3 will be guided by a clear comprehension of the fact that the individual prosperity of each depends on the collective prosperity of all. A quarrelsome disposition on the part of the smaller nations will scarcely be to the taste of the Powers that have interested themselves in the financial rehabilitation of Austria, and to bring the latter about, have consented to forego their just claims for a term of years. For the future prosperity of Austria's neighbours credit and capital are essential; but outside financiers and traders will be slow to grant them unless a strong effort is made to enlist their confidence.

An interesting analysis of the commercial and industrial situation of Hungary appears in a Report recently issued by the Department of Overseas Trade. The economic outlook of the country is, it is stated, serious but by no means hopeless, and a certain amount of sympathetic help would prevent the country from slipping over the brink of bankruptcy on which it hovers. Amongst other factors the recent outbreak of Bolshevism has had a very weakening effect, but it is believed that, in spite of the financial difficulties now confronting Hungary, a good season would turn the scale in her favour. She has an excellent soil, an industrious peasantry, a favourable geographical position on a water highway between west and east, and administrators of unusual ability. A few good harvests, together with sound financial economy should, it is observed, place Hungary in a fair way to recover her balance, always provided that the essential factors of internal as well as external peace are assured, and an unrestricted market with the neighbouring States is mutually arranged.

The state of the public finances is somewhat disquieting although the necessary remedy is being sought through the imposition of drastic taxation. Recent Hungarian budgetary history is a tale of vicissitudes. In September, 1920 a Budget was introduced, but almost before preliminary discussion could take place, the Minister resigned and the financial proposals contained therein are still in abeyance. According to the Memorandum of the Bill the Károlyi Government (October 30, 1918, to March 21, 1919) spent 4,800 million Korona and received in revenue 400 million Korona. The Bolshevik Government spent 4,889 million Korona in five months and obtained 473 millions. The public debt of Hungary at the end of July 1914 was 8,287.8 million Korona. Debts contracted during the War, 32,631 millions, and debts contracted after the War 13,524.1 millions, bring the total debt up to nearly 60 milliards of Korona, equal to about 7,500 Korona per head of the population. The September Budget made no provision for reparations but, as Earl Curzon stated recently, on moving the second reading of the Treaty of Peace (Hungary) Bill, there would be little reason for complaint if the Reparations Commission treated Hungary in the same spirit as they treated Austria. In spite of this uncertainty as to the amount to be exacted under reparations, the current year has witnessed a remarkable improvement in the value of Hungarian currency. The rate for the first quarter of 1921 remained fairly stable at K. 2,000; on March 31 the Korona had appreciated to K. 1,250 to the pound sterling, and at the present date the rate is K.900-1,000. The explanation of this appreciation appears to lie in the comparative freedom recently from internal and external troubles, the restriction of currency due to the cessation of printing of banknotes, the increase of taxation, the fact that the worst economic period of the year has been passed and that the prospects of this year's crops and harvests are good. Of great weight also is the confidence reposed in the present Minister of Finance. The fact that Hungarian merchants are now frequently quoting Korona prices for export transactions and the reversal of the official policy that Hungarian exports must be prepaid in foreign currency is taken as an indication that the authorities and the public are regaining the confidence they had hitherto lacked in their own currency.

It is justly observed in the Report, that of all the schemes suggested to assist Central Europe to better their currency, the only one that will achieve any permanent good is that designed to increase production for export. As far as Hungary is concerned this can best be done by helping her to develop her own natural resources, and for this end fertilisers and agricultural machinery are the principal requirements. Tempted by the removal of the official maximum prices it is anticipated that the coming harvest will reveal the efforts made by the agrarian classes to bring about a large agricultural output. As Hungary is now in the main a purely agricultural country, a bountiful harvest would place at her disposal an exportable surplus which would operate beneficially on the exchange and increase her capacity to import foreign goods.

Lord Curzon's visit to Paris yesterday will, we hope, be instrumental in unifying the policy of the Entente in the Near East. Divergences of opinion between France and ourselves have been lamentably frequent in Upper Silesia, in Greece, and in Asia Minor, including Armenia and Angora. If we make concessions in favour of the Poles and France, in favour of the Greeks and of the Emir Feisul, a composition should be effected. There is little likelihood of Great Britain relinquishing her rôle of neutrality in the Straits, but events may force us into a position where we would have to face the more disagreeable alternative.

THE NITRATE POSITION.

When the final results are available there seems no doubt that the eighteen months from the beginning of 1920 to the middle of 1921 will prove to be one of the most prosperous periods in the history of the Chilian nitrate industry, but the general cataclysm in trade has not left the nitrate-producing interests untouched, and the gravity of the present outlook is unprecedented. During the year and a-half referred to nitrate prices throughout ruled exceptionally high, and though costs of production had also advanced the companies were able to reap exceptional profits. From the end of the present month onwards the position will be changed completely, for no sales have been arranged by any of the Chilian companies for delivery later than the end of June, with the exception of the German companies, which did not join the Producers' Association until December last. Thus events have falsified the optimistic forecasts of a year ago made by leading authorities in the industry. The strength of the demand for the commodity especially was underestimated. It was thought after the Armistice that the great agricultural areas of the world, induced by the high prices and growing demand for foodstuffs, would begin making up for the enforced war-time neglect in the use of fertilisers, but the collapse in commodity prices, due to under-consumption and world-wide financial restriction and the disappointing agricultural season made the extensive use of fertilisers unprofitable at the prices asked for them by producers. The strength of the competition of other fertilisers, such as sulphate of ammonia, was also generally underestimated. The actual consumption of Chilian nitrate during the year ending June 30, 1921, will probably not be greater than 31 to 32 million quintals. This compares with an estimated consumption of approximately 60 million quintals, and with an actual consumption in the last pre-War nitrate year of 59,099,828 quintals. Production during the period July 1, 1920, to May 31, 1921, was 45,018,474 quintals, or about 13¼ million quintals in excess of consumption. The result of the disappointing consumption is that dealers are now left with very large stocks, and there seems little prospect of working them off except at a substantial loss. The available stocks at the end of May were 50¼ million quintals, so that even if no further slackening in consumption takes place there are sufficient supplies on hand to last for nineteen months to come.

In view of the circumstances detailed above, the gravity of the present situation need hardly be emphasised. The oficinas have had to close down, but the Companies themselves, thanks to their recent prosperity, are now on the whole in a financially strong position, and have little to fear directly from an enforced period of inactivity. Unfortunately, the evil effects of the present situation are much more widespread. The nitrate industry is of supreme importance to Chili, and a stoppage of production of the commodity will mean extensive unemployment, a diminished demand for the products of the agricultural areas; seriously reduced earnings for railway companies like the Nitrate, the Antofagasta, Taltal, and Anglo-Chilian, which are chiefly engaged in the transport of nitrate; and—most important of all—it will directly curtail the revenue of the Chilian Government in the shape of export duties. In fact, if the stoppage is prolonged, it will involve a very difficult financial position for the Government, and on this account the authorities are making very strenuous efforts to induce the Association to resume production and shipments, but hitherto their proposals have not been favourably received, as they embraced a reduction in selling price. At present the Producers' Association is negotiating with the owners of nitrate stocks in London with a view to deciding on joint action, and it has been agreed to continue the negotiations until June 30. The problem is so difficult, however, that little hope is entertained of a satisfactory solution, which obviously depends ultimately on a revival in the demand for fertilisers, and it seems inevitable that any line of action decided upon must include a substantial reduction in prices, with consequent loss to those holding stocks. It is certain, at any rate, that the Government will strain every effort to force a resumption of production—already they have reduced the export duty by 12*s.* 6*d.* a ton—and if resisted may go so far as to break up the Association, a step which may possibly lead to a reduction in prices to as low as 7*s.* per quintal.

Sufficient has been said in the foregoing paragraphs to show that the immediate outlook for the nitrate industry is of the gloomiest description. As regards the more remote future, it is hardly necessary to point out that the present is a period of general readjustment of values and price-levels which cannot continue indefinitely, and sooner or later production in all industries must revive. The nitrate industry is no exception, and if the companies can ride safely through the present crisis investors may look with confidence to the future. In this connection, however, it is of the utmost importance to examine the changes in the demand for Chilian nitrate brought about by the War. In the first place, the normal pre-War growth in the demand for fertilisers was interrupted; in the second place, the geographical distribution of nitrate consumed underwent a vital change; and, finally, the production of competing products was greatly developed. Producers of Chilian nitrate were accustomed before the War to reckon on a growth in consumption at the rate of approximately two and a-half million quintals per annum. During the War the available production was wanted for making explosives, so that agriculture had to be stinted. It was thought that after the Armistice the agricultural demand, left unsatisfied during the War, would come on the market with accumulated force, but depressed Continental exchanges, high freights, and the high prices asked for nitrate postponed the realisation of this hope. Again, Germany was before the War the largest consumer of nitrate, on account of its extensive beet crop, importing about one-third of the total production; but, with the exception of a few parcels bought for delivery last autumn and this spring, the German demand did not revive after the Armistice, partly on account of the collapse of the mark and partly on account of development in the manufacture of competing products in Germany, as will be explained later. The premier consumer of nitrate last year was the United States, which took about three times its pre-War supply, while Japan, and to a lesser extent Australia, also developed an extensive demand; but European countries, with the exception, perhaps, of Holland and Spain, were not demanding anything like their pre-War supplies. Continental countries, however, may be reckoned upon to increase their purchases on the appreciation of their currencies.

It is necessary here to comment on the influence of fertilisers other than Chilian nitrate. As already stated, the strength of the competition of these was greatly underestimated last year, but it is now generally recognised that they provide a formidable problem for Chilian nitrate producers. The competing products are many, but by far the most important is synthetic sulphate of ammonia, which is the only one that need be mentioned here. It was known that during the War the manufacture of synthetic sulphate of ammonia by the method known as the "Haber process" was greatly developed in Germany, and it is understood that the process has now been perfected, while further improvements in this direction are promised by the experiments of the French chemist, M. Claude. It has been stated on good authority that the Germans are in a position to sell synthetic sulphate of ammonia at £10 10*s.* per ton. If this is true, Chilian nitrate, in order to compete successfully with the synthetic product, would have to be sold at a much lower price than that fixed by the Association for delivery after this month, namely, 14*s.* per quintal (£15 18*s.* 6*d.* per ton). Germany is now manufacturing all its own fertilisers, and may even soon be in a

position to export synthetic nitrogenous products. It will be instructive to note that the ratio of the output of Chilian nitrate to the total output of all fertilisers fell from sixty-five per cent. in the year ended June 30, 1914, to fifty-three per cent. in the year ended June 30, 1920, and there can be little doubt that the figures for this year will show a further loss of ground.

The development of competing substances will, in fact, force a drastic revision in the policy of the Associated Chilian Nitrate Producers. The Association now controls ninety-seven and a-half per cent. of the total output of Chilian nitrate as a result of the accession of the German companies in December last, the other two and a-half per cent. being comprised by the American companies which could not join on account of the Sherman Law, and the combine has been definitely extended until the beginning of 1924. The Association may justly be criticised for fixing prices too high last year. The demand for fertilisers is an *indirect* or *derived* demand proceeding from the demand for agricultural products. Consequently, the price at which fertilisers can be sold in any agricultural area is subject to certain ascertainable limits. It depends on the excess of the selling price of the crop over the sum of the supply prices of all the commodities used in its production, including labour. Also the selling price of the resulting agricultural product to be taken into account is not that ruling at the time the crop is planted, but that expected when the crop comes to be sold, and in the present period of violently fluctuating prices the uncertainty of forecasting quotations some months ahead, especially after the lesson of last year, is bound to inspire agriculturists with great caution in the matter of making expenses. Another factor in determining the price of Chilian nitrate, as already indicated, is provided by the prices at which competing fertilisers are sold. In an article on this subject last August in THE STATIST the opinion was expressed that Chilian nitrate interests did not accurately estimate the position of the synthetic products. As already indicated events have justified this opinion, and now it may be repeated that Chilian interests may very easily again underestimate the future position of sulphate of ammonia. These fundamental considerations should incline the Association to a more cautious policy than that which it displayed last year.

In conclusion, it is fitting to draw attention to one direction in which the Association might profitably extend its activities and lay the foundation of a more solid position when demand revives. We refer to the unexploited field of propaganda. Much has already been done in this direction, but it is notorious that fertilisers are not used to anything like as great an extent as it would pay to use them. Agriculture is peculiarly subject to the economic law of *decreasing returns*, and on this account it may be assumed that the industry will continue to resist the centralising tendency operative in some spheres of economic activity, and will in the future, as in the past, be characterised by the prevalence of small holdings. This holds true especially in the thickly populated areas where cultivation is more intensive, and it is in these areas where fertilisers may most profitably be used. Producers of fertilisers therefore have to reckon to a large extent on a demand from small farmers, among whom the standard of scientific education is low. Accordingly a special educative campaign on the use of fertilisers is called for on the part of the Association. It is claimed that Chilian nitrate is more suitable than sulphate of ammonia. Its action is more swift and sure, as, on being put into the ground, the nitrogen is immediately liberated and absorbed by the plants, whereas in the case of sulphate of ammonia the nitrogen has to be set free by a bacteriological process the action of which, besides taking more time, obviously depends on the quality of the soil. Also sulphate of ammonia often contains injurious substances such as cyanides and sulphuric acid. Despite these drawbacks, however, sulphate of ammonia is a popular fertiliser. In the United Kingdom, for instance, it is probably more extensively used than Chilian nitrate. A great part of its popularity is undoubtedly the result of propaganda work. If both interests combined in a vigorous publicity campaign the antagonism between them would be greatly lessened. In any event, the Chilian Association cannot maintain indefinitely its present policy of aloofness; it is far from holding a monopoly, even if the market for fertilisers were not now a buyers' market, and it will probably never again wield the power it held last year. Finally, when the present position is cleared Chilian nitrate interests would be well advised to try and sell their output, not at the highest, but at the lowest possible price for a few years. There is no doubt that the consumption of Chilian nitrate would thereby be enormously extended.

THE NON-FERROUS METAL MARKETS.

I.—TIN.

FOR the non-ferrous metals it will be recollected that 1920 was a year of disappointment. At the outset, despite the note of warning sounded in a few influential quarters, the belief prevailed that the industrial boom of 1919 would continue. Accordingly, inquiries were frequent, and the demand for the metals became so pronounced that record prices were soon reached. The spring of the year had not waned before the first signs of the industrial depression were evident. Then, as the policy of currency deflation inaugurated in the United States and the United Kingdom began to make itself felt, industrial activities were restricted. A trade depression almost world-wide in its scope set in, and wholesale prices began to drop, in some cases with alarming rapidity. Everywhere the purchasing power of the community declined, and stocks had to be heavily marked down to find a market. The general experience of the non-ferrous Metal markets was in keeping with the common tendency. The demand slackened as the year wore on, and, despite the lower price levels, transactions were reduced to a low ebb. At the close of the year the markets had relapsed into the flat condition characteristic of the depression. The drastic nature of the transformation thus effected within the short period of the year may be seen from the violent movements in price levels. The variation was most pronounced in the case of spelter, quotations ranging from a maximum price of £62½ to a minimum of £22½. For lead the apex was reached at £52⅜, whilst the lowest quotation was £21½. Tin reached the high-water mark of £419½, only to recede to the low level of £195, whilst the price of copper oscillated between £70 and £122¼.

In so far as tin was concerned the opening quarter of 1921 brought no relief. On the contrary, it falsified the expectations of many, the price dropping to levels not recorded since 1915. Early in January Straits tin still commanded over £225 a ton, whilst English tin was quoted around £206. Thenceforward the price dropped steadily, and before the middle of March English tin was quoted as low as £149½ for cash, with Straits tin at £163. Dealers on all sides complained of the dearth of trade demands. For the greater part of the time the market was in the hands of professional operators, with the result that price movements were irregular and, to some extent, misleading. At home the industrial depression stifled the demands of the tinplate industry, many of the works, particularly in South Wales, struggling along on short time. The improvement in the New York exchange, so advantageous a factor from the point of view of our purchases in that country, was responsible for reducing the American demand for tin here to a low ebb. According to the Board of Trade returns, exports of tin to the United States fell in quantity from 1,595 tons in the first quarter of 1920 to 235 tons in the first quarter of 1921, and in value from £568,070 to £40,263. The total export of tin fell from 4,001 tons, valued at £1,364,786, to 2,674 tons, valued

at £505,594. This stagnation in trade, with the resultant low price of tin, reacted on the producers. The gradual closing down of the Cornish tin mines and their failure to secure financial assistance from the State is too recent history to need repetition. That the situation was equally grave in so far as the Straits producers were concerned is evidenced in the action taken as early as December 1920 by the Government of the Federated Malay States. At that date the Government fixed the price of Straits tin at $110 per picul, and agreed to purchase all tin produced within its borders at this price. A few days later the price was raised to $115 per picul, equivalent to £236 a ton, approximately. However, as the decline in the world demand for tin continued and the price dropped still lower, the price guaranteed by the F.M.S. Government was reduced to $100 per picul, or £205 per ton, by the middle of February. Meanwhile producers in this region were able to dispose of all their surplus production to the Government. It soon became evident that the market price of tin displayed no tendency to rise, and as February was drawing to a close even the F.M.S. Government had to refrain from its paternal policy and remove the peg. As soon as this guarantee had vanished a flood of selling ensued on the London market, and gradually the premium of £20 a ton which Straits tin hitherto commanded disappeared. In the interval, however, during which the peg had been in force it is calculated that the F.M.S. Government had accumulated up to 10,000 tons of tin. The locking up of such an amount of tin cannot but influence the future course of the Tin market. The official return of the output of tin in the Federated Malay States for 1920 was 34,928 tons. Thus, in addition to the visible supply, which, according to Messrs. Ricard and Freiwald, reached 15,764 tons on March 31, 1921, the market has to reckon not only with future production, but also with a reserve equivalent to over twenty-eight per cent. of the F.M.S. output for 1920. So far production in the F.M.S. does not appear to exhibit any marked decline, despite the slump in the price of the metal. Judging by official cables from Kuala Lumpur, the export of tin for the first five months of the current year amounted to 14,175 tons, as compared with 15,396 tons in the corresponding period of 1920. Recently it was announced that an agreement had been reached between the F.M.S. Government and Dutch interests, by which the surplus stocks of tin would not be placed on the market for another three months at least. This has helped to strengthen the market and prevented any undue slump in price. Yet until these surplus stocks have been successfully placed it is obvious that producers can hope for little stability in price movements.

It is not only Cornish and F.M.S. producers that have suffered from this severe relapse in the price of tin. The Nigerian tin-mining industry has been face to face with an equally acute crisis, and in more than one case operations have been suspended pending a more remunerative price or a decline in the cost of production. In this case the precedent of the F.M.S. Government in pegging the metal at a fixed price was not followed. Eventually the Nigerian Government was induced to take action, and conceded to producers a number of important concessions with a view to reducing the working costs. Many burdensome conditions attached to mining leases were temporarily waived, including labour obligations, which will not be reimposed without three months' notice. Rentals on areas worked and not worked were considerably reduced. A more tangible concession still was the substitution of a new scale of royalties which took into account the present low price of tin. Under this new scale when the London price of tin is below £180 a ton a royalty of only two per cent. will be charged, whereas the rate was six and a-half per cent. under the old scale.

Since April the Tin market has been under the cloud of the coal deadlock, the lack of fuel forcing many tin-smelters to close down. Dealers comment on the comparative slackness of American inquiries, which is connected in some measure with the [illegible] production of tinplates in the United States. At the same time small shipments to the Continent and to Germany have been taking place. It is generally felt, however, that an essential condition of a revival in the demand is a satisfactory solution of the coal deadlock. In the anticipation of orders from abroad for tinplates South Wales could afford to resume operations on a large scale once an adequate supply of cheap fuel was forthcoming. This optimism is reflected in the firmer tone in the Tin market and in the improvement in the price of tin to £170 by the end of May. According to the Board of Trade, the imports of tin into the United Kingdom during the five months ended May 31, 1921, only amounted to 6,341 tons, or exactly fifty per cent. of the quantity received in the corresponding period of 1920. The fall in the price is excellently reflected in the drop in value from £4,556,887 in 1920 to £1,169,306 in 1921. Exports of tin for the same period have fallen from 6,139 tons, valued at £2,127,086, to 4,736 tons, valued at £841,436. Messrs. Ricard and Freiwald report that the total visible supply of tin amounted to 17,528 tons on May 31,1921, as compared with 18,439 tons on December 31, 1920. This comparatively slight decline shows that, despite the reduction in the output of tin—the arrivals of Bolivian tin ore in Europe in the first five months of 1921 are said to be less than half of those for the corresponding period of 1920—the trade demand is yet at a low ebb. We feel confident, however, that until some method of disposing of the surplus stocks in the hands of Dutch interests and of the F.M.S. Government has been discovered which will not necessitate the flooding of the market at the first favourable opportunity no permanent recovery in the price of tin can be expected. The transference of these stocks to one central organisation on the lines of the Copper Export Association in the United States, on the understanding that no sales would be effected until a certain agreed price had been reached and that such sales would be discontinued as soon as the price dropped below another agreed level, would go far to solve the difficulty.

FINLAND'S NATIONAL DEBT.—On May 31 the Consolidated Foreign Debt of the Finnish State amounted to Fmk. 545,078,609, and the Consolidated Home Debt to Fmk. 934,599,550. The Non-Consolidated Foreign Debt at the same time amounted to Fmk. 136,485,845, and the Non-Consolidated Home Debt to Fmk. 459,880,195. The total State Debt therefore amounted to Fmk. 2,076,044,199. On April 30 the total State Debt amounted to Fm. 2,130,553,599. The State Debt was therefore reduced by Fmk. 54,509,400 during May.

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MEXICAN BONDS.

THE mild revival of public interest in Mexican securities during recent months has been accentuated by the announcement during the week that payment of the foreign debt will be resumed on July 1. The acting Secretary of the Treasury states that the National Budget will be increased by 20,000,000 pesos (£2,500,000) to that end. The debt went into default at the close of 1914, and the various bonds, as a consequence, now carry between twenty-five and thirty-five per cent. accrued interest. The discredit of the securities, resulting on the lack of responsible government in Mexico, has brought their market valuation to a very low level. Investors possessing confidence in the present *régime* in that country will find many bargains of unusual cheapness in the following list. The figures are taken from the forty-seventh report of the Corporation of Foreign Bondholders. It will be noticed that in most cases a further coupon has gone into arrears since the date quoted:—

THE EXTERNAL DEBT OF MEXICO.

DIRECT EXTERNAL LOANS.

	Amount £	Total £	Current Price
5% External Consolidated Gold loan of 1899	9,957,260		63
Coupons in arrear July 1, 1914, to Jan. 1, 1921	3,360,576		--
		13,317,836	
4% External Gold Loan, 1904...	7,620,773		48½
Coupons in arrear June 1, 1914, to Dec. 1, 1920	2,133,817		--
		9,754,590	
4% External Gold loan, 1910 ...	10,563,780		—
Coupons in arrear July 1, 1914, to Jan. 1, 1921	2,957,858		—
		13,521,638	
*6% 10-year Treasury bonds, 1913	6,000,000		56½
Coupons in arrear Jan. 1, 1915, to Jan. 1, 1921	2,340,000		
		8,340,000	

GOVERNMENT GUARANTEED ISSUES.

	£	£	
City of Mexico 5% Sterling loan, 1889	1,385,500		47½
Coupons in arrear April 1, 1914, to Jan. 1, 1921	484,925		—
		1,870,425	
"Caja de Prestamos, &c.," 35-years 4½% Sinking Fund Gold bonds	5,143,958		42½
Coupons in arrear May 1, 1914, to Nov. 1, 1920	1,620,346		—
		(*a*) 6,764,304	
Mexican National Packing Co., 6% Gold Bonds	600,000		31
Coupons in arrear July 1, 1914, to Jan. 1, 1921	252,000		-
		(*b*) 852,000	
6% 2nd Mort. Gold bonds ...	300,000		-
Coupons in arrear July 1, 1914, to Jan. 1, 1921	126,000		—
		(*b*)426,000	
5% Internal Consolidated Silver loan, 1894	9,093,360		19½
Coupons in arrear April 1, 1914, to Oct. 1, 1920	3,182,676		
		(*c*)12,276,036	
3% Internal Debt, 1886 ...	4,291,582		12¼
Coupons in arrear June 30, 1914, to Dec. 30, 1920 ...	901,231		—
		(*c*) 5,192,813	
Total		£72,315,642	

(*a*) At 49·382*d*. per dol. (*b*) At 4*s*. per dol. (*c*) At 2*s*. per dol.
* In 1914 a further issue of these bonds for £700,000 was made in London by Reuter's Bank, Limited.

Five per Cent. External Consolidated Gold Loan, 1899.—Secured by special hypothecation of sixty-two per cent. of the import and export duties. Principal and interest payable in gold in London, Berlin, Frankfort, Amsterdam, or New York. Redeemable not later than January 1, 1945, by a cumulative sinking fund of £128,000.

Four per Cent. External Gold Loan, 1904.—Redeemable by 1954 by payment of 2.325 per cent. of whole loan. Principal and interest payable in New York in United States gold coin, or in London at $4.86 per £.

Four per Cent. External Gold Loan, 1910.—Redeemable 1925-45. Secured on duties previously assigned to 1899 loan, in conversion of which it was issued.

Six per Cent. Treasury Bonds.—Redeemable on July 1, 1923. Principal and interest payable in London, France, Germany, United States, Holland, Belgium, Switzerland, or Mexico. Secured on thirty-two per cent. of export and import duties.

City of Mexico Five per Cent. Sterling Loan, 1899.—Redeemable at par by means of sinking fund of one per cent. per annum.

Caja de Prestamos, &c., Bonds.—Redeemable at par by November 1, 1943.

Mexican National Packing Company.—The Company holds livestock concessions from the Government. First Mortgage bonds mature on January 27, 1931.

Mexican Five per Cent. Internal Silver Loan, 1894.—Redeemable through sinking fund of a quarter per cent. per annum by half-yearly drawings, commenced September 1896.

Cons. Three per Cent. Internal Debt.—No redemption provisions made by Government, except that bonds may be surrendered on payment of concessions, lands, &c.

It will be noticed that the six per cent. Treasury bonds are redeemable at par in two years' time. The bonds contain thirty-nine per cent. interest arrears, and a redemption premium in two years' time of about sixty per cent. at the present price. How the Mexican Government intends to approach the problem of paying off arrears of interest is not yet quite clear. It is to be presumed that the arrears will be funded in a new debt and future interest liabilities met in cash.

FRENCH AND ITALIAN TRADE AND FINANCE.

THE foreign trade returns of France so far in the current year afford an encouraging indication of the extent to which reconstruction has proceeded. The decline in imports and the increase in exports are proof that a higher degree of self-sufficiency is being reached, and as the wounds of war are further healed the export position will doubtless become more satisfactory. Appended is a detailed statement of the trade of the first quarter in 1921 and the two preceding years; the figures being based on the 1919 values:—

	—January-March—		
	1921	1920	1919
	(thousands of francs)		
Imports—			
Food	1,188	2,571	1,814
Raw Materials	2,691	4,292	2,696
Manufactured Goods ...	1,460	2,514	1,833
Total	**5,339**	**9,377**	**6,343**
Exports -			
Food	524	416	119
Raw Materials	1,294	1,072	165
Manufactured Goods ...	3,341	2,797	782
Parcel Post	309	221	115
Total	**5,468**	**4,506**	**1,181**
Excess or Deficiency of Exports	**+129**	**—4,871**	**—5,162**

The excess of exports from January to March last amounted to 129,000 francs, a sum small in itself, but valuable as showing the change of trend. During April the position improved further, exports increasing by 149 million francs as compared with the corresponding month in 1920, while imports declined by no less than 1,682 million francs. For the first four months of 1921 the reduction in imports amounted to 5,720 million francs, thereby converting the markedly adverse balance in 1920 into a favourable balance of more than 282 million francs. A heavy deficit, of course, survives from former trading periods, as may be seen from the following table, particulars of which have

appeared in the *Journal Officiel* and the statistical publications of the Customs Administration, no account being taken of re-exports or of movements of coin and bullion:—

Period.	Imports	Exports	Excess or Deficiency of Exports
Jan. Apl. 1921	7,118,396	7,400,756	282,360
,, ,, 1920	12,838,485	6,288,816	- 6,549,669
1920, 12 mths.	35,405,000	22,435,000	12,970,000
1919, 12 mths.	35,799,000	11,880,000	-23,919,000
1918, 12 mths.	22,301,000	4,723,000	- 17,578,000
1917	27,554,000	6,013,000	-21,541,000
1916	20,640,000	6,215,000	- 14,425,000
1915	11,036,000	3,937,000	— 7,099,000
1914	6,402,000	4,869,000	- 1,533,000
1913	8,421,000	6,880,000	- 1,541,000

In respect of 1919 and 1920 figures for Alsace-Lorraine have been included. The recent betterment is due to the falling off in the imports of food and raw materials, and while the former change is eminently satisfactory, as being a contributory proof, *inter alia*, of the revival of French agriculture, the latter is to some extent caused by the incomplete revival of manufacturing industry, though, of course, greater supplies of raw material are now being drawn from home sources for the use of French manufacturers.

While the French domestic debt continues exceedingly heavy the use of reparation receipts towards its repayment might do much to alleviate the burden. A favourable feature in recent months is the reduction in the external debt, mainly through repayments to the British Government and to British and United States nationals. The sums owed on the dates mentioned are set out herewith:—

French External Debt.

(in millions of francs)

	1920 Sept. 30	1921 Mar. 31
United States Government ...	16,500	16,500
British Government	13,195	11,980
United States	2,108	1,102
Great Britain	2,020	1,895
Japan	336	344
Argentina	145	107
Holland	115	115
Norway	59	—
Spain	564	504
Sweden	70	39
Switzerland	136	57
Uruguay	80	80
	35,328	32,723

The reduction in the six months between September 30, 1920, and March 31, 1921, has been very material, amounting to 2,605 million francs.

The progress made by Italy towards recovery is somewhat disappointing, though retarded naturally by the social and economic disturbances which have recently marred the history of the country. Imports for the first quarter of the current year are returned at 3,989,163,025 lire and exports at 1,637,548,926 lire, leaving an export deficit of over 2,351 million lire. The shipments of motor-cars, boots and shoes, leather, woollen piece goods, and wine and citrous fruits show an increase, but those of silk and silk manufactures and raw hemp show a decline. As regards imports, cereals, raw cotton, coal, oil-seeds, vegetable oils, phosphates, glassware, iron sheets and tools rose, but meat, raw tobacco, and cotton declined. Despite the unfavourable course of trade the latest official returns of the Italian Treasury continue to show a considerable increase in State revenue. According to the Italian Commercial Delegation in London, the receipts for the ten months ended April 30 last reached 8,900 million lire, as compared with 5,800 million lire for the corresponding period in the previous year. The total receipts for the twelve months ending on the 30th inst. are expected to aggregate 11,000 million lire. The increase in the national debt since last year is, of course, a factor that indicates not only the necessity for increased taxation, in order to meet the debt service, but also the wide gap still prevailing between State revenue and expenditure. As pointed out last week, if we ignore a slight discrepancy in dates, the Italian public debt on March 31 last amounted to 99,952.1 million lire, an increase of 5,408.5 million lire in the nine months from June 30, 1920. The large proportion which short-dated obligations and debt due abroad constitute of the total is an embarrassing feature, especially when added to the long tale of visible trade deficits in previous years, particulars of which may be set out as follows:

(in millions of lire)

Period	Imports	Exports	Deficiency of Exports
Jan.–April, 1921 ...	3,989·1	1,637·5	2,351·6
1920 ...	15,862·1	7,803·7	8,058·4
1919 ...	16,623·3	6,065·7	10,557·6
1918	16,038·6	3,344·7	13,693·9
1917	13,990·2	3,308·5	10,681·7
1916	8,390·2	3,088·2	5,302·0
1915	4,703·5	2,533·4	2,170·1
1914	2,923·3	2,210·4	712·9
1913	3,645·6	2,511·6	1,134·0

Figures relating to the precious metals are excluded from the calculations, which take account only of special commerce, that is, of imports for home consumption and exports of domestic and nationalised products. The deficit for the first quarter is greater than the average quarterly deficit in 1920.

BRAZIL.

SLOW RECUPERATION.

Senor Arturo da Silva Bernardes and Senor Urbano da Costa Araujo have been nominated by the National Convention as President and Vice-President respectively of the United States of Brazil for the election which will take place in March next. There seems no reasonable doubt that Senor Barnardes will be elected. Consequently, he will take office on November 15, 1922. This will mean that President Epitacio Pessoa will be in office during the period of the centennial celebrations which mark the period of a hundred years since the Declaration of Independence on September 7, 1822. It does not seem three years since we congratulated Brazil on the prospect of the election to the high office of President of the Republic of the late Dr. Rodriguez Alves. It will be remembered that Dr. Alves, who was President in the early years of the present century, powerfully supported the late Dr. Oswaldo Cruz in his gallant fight against yellow fever, the result of which was to free all the principal States of Brazil from this terrible scourge. Dr. Alves had been so successful in his former Presidency that public men and the public in general in Brazil and those in Europe who are sufficiently well-informed to take an intelligent interest in the affairs of the great southern Republic at the other side of the Atlantic were looking forward to a brilliant period of office under this distinguished President. As the reader is aware, Dr. Alves died before his inauguration. The duties of President were fulfilled for a time by the then Vice-President of the Republic until the election came to be held which

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resulted in the return of Dr. Epitacio Pessoa as President of the Republic. The Presidential term of office comes to an end, however, as from the election of the late Dr. Alves. Dr. Pessoa, who has had an exceedingly trying period in which Brazil, like nearly every country of the world, has been passing through a severe economic crisis, is to be congratulated in that he will be the President during the period, as we have just said, when the centenary of Independence will be celebrated throughout the country. Assuming, as we think we may safely do, that Senor Bernardes will be elected to the Presidency the new President is a Minas Geraes man and is President of that State at the present time. He is a lawyer by profession, and has, of course, held high office in the Federal Government at various times.

There can be very little reasonable doubt that Senor Bernardes, when he assumes office as President of the Republic, will find abundant questions awaiting solution, which will fully occupy his time and demand the whole of his attention. Very much what we said last week in writing of Southern Brazil is true of the United States of Brazil taken as a whole, north and south. It will be true to a great extent and in a more acute form when Senor Bernardes finds himself faced with the difficult problems which Chiefs of States are called upon from time to time to find solutions for. To anyone accustomed to speak or write there is nothing easier than to define in broad general lines what a country like Brazil requires her Government to do. On broad principles, there is no dispute that Brazil, in order to develop her extraordinarily rich aggregation of valuable assets, needs, and particularly at present, increased population and improved transportation facilities. "Surely," says the writer or the platform speaker, "a country so richly endowed by Nature should not be left half empty; neither should the means be denied whereby the rich gifts of Nature can be distributed over the country or to different parts of the world, by affording reasonable transport facilities." Stated in these simple terms, native or foreigner, all colours and all creeds are agreed. It is, however, when the President and his Government are called upon to apply these simple principles, apparently so readily soluble, that the real difficulty arises. It has often been said that Brazil requires immigrants—requires, in fact, to enormously increase her population—to enable that richly favoured country to develop her natural resources. It has been said so often and has been so generally admitted that the statement has become a platitude. While, however, nobody disputes that every reasonable effort should be made to attract suitable immigrants to Brazil, when one comes to apply the principle the question is surrounded by very serious difficulties. Even if the Brazilian Government were prepared to pay the passage-money of those people from Europe, or from whatever country they were selected, what would that Government do with them when they arrived? While it is true that immigrants of the right type are desirable in a country the greater part of which is still unoccupied, it is equally true that nothing but disaster can be expected from inviting immigrants and, still more, actually bringing them over, to a country which has not made adequate preparation for their reception. A wealthy private individual, or a great corporation, having started some great industry and finding himself or itself short of labour, can with advantage collect a large number of immigrants from abroad and import them. This is only possible, however, because the individual or the corporation has already created an industry demanding the labour of those incoming people—demanding their labour, moreover, upon a basis which would yield a handsome economic return which would cover the payment of the employees, the discharge of what liabilities have been incurred in connection with their arrival, and also give a reasonable profit in return for the trouble. Precisely the reverse occurs when any body of men, whether a Government or otherwise, attract immigrants into their country without having previously made suitable arrangements, not merely for their reception, but for their profitable employment on arrival. Are you about to build a railway? Then you may safely attract such immigrants as are accustomed to work under gangers, and to construct the roadbed. A mere proposal to build a railway is of no use. The actual means must already be assured whereby the railway can be built with a reasonable prospect that it is required and will pay its expenses.

We have endeavoured to show the difficulties which anyone interested in the immigration question in Brazil is faced with, whether it be a Government, public speakers, or the President. Now the question of affording transportation facilities is equally great. No one who has any even superficial knowledge of Brazil will deny that the building of roads is one of the most urgent problems. Stated as a proposition, applause would deservedly greet any public man in Rio, Santos, or elsewhere, who would urge the importance of constructing great main roads in various parts of Brazil. If such a proposal were made in an after-dinner speech at either of the great cities mentioned, as we have said, it would receive deserved applause; and as an academic question, would be unanswerable. When one comes to apply the principle, however, the difficulty at once presents iself: To what extent is the Federal Government, the State Government, or a municipality justified in charging a sparsely peopled district with the expense of constructing and maintaining a great main road that may, or may not, in the future attract settlers and, in the sequel, benefit the district and enable the cost of the road to be borne with ease by the population who will eventually in the course of a generation or so settle in the district? Probably nearly all Brazilians, and most foreigners at all acquainted with Brazil, would admit in the abstract that the construction of a great railway connecting the Amazon Valley with the capital would be of extraordinary benefit to Brazil, and could hardly fail in conferring great economic advantages upon the people of the Republic. Had this proposal been carried out before the great European War it is quite possible that it really would have conferred the benefits that it was expected would be derived from it because it was possible in those days to raise large quantities of capital upon relatively easy terms. Now the greater part of the world is heavily in debt. Credit is exceedingly scarce; and, consequently, very dear. It is difficult to raise money even for the most urgently-needed objects. That it will continue to be difficult for a considerable time to come there can be very little reasonable doubt. This is no reason why efforts should not be made to raise capital in this country with the deliberate object of increasing our supplies of food and raw materials. We have said again and again that unless this effort is made, we have very little hope, so far as our opinion goes, that any appreciable reduction will be made in the debt in the lifetime of the present generation. Nevertheless, the fact remains that it is likely to be very difficult to raise capital for a long time to come. Now too many of the railways in Brazil are, for reasons for which they are in no way responsible, burning timber. It would be nothing short of disastrous for a great system running from the Amazon to the capital to be run at the expense of destroying some of the finest forests that exist in any part of the world. The proper way to open up this district will be by means of the application of hydro-electric power. But the installation of adequate machinery for that purpose would be an exceedingly costly process. If the investing public here is prepared to find the money the process is to be commended, and is well worthy of consideration. But to build a railway which is to depend for fuel upon the destruction of the comparatively few remaining forests which exist in the world would be a misfortune of the first magnitude.

We hope to return to this subject again at no distant date, but we have said enough to show that while

Senor Bernardes may reasonably expect to be asked to do what seems so simple and so reasonable, when he comes to examine the practical application of the principles which his mentors will point out to him. however reasonable the projects may be, it will become increasingly apparent that their solution is far from simple.

THE NEW SPANISH TARIFF.

CALCULATION OF IMPORT DUTIES.

MODERN Spanish tariff legislation may be said to date from 1912, when a tariff was introduced that formed a basis for the adjustment of commercial relations with quite a number of countries. The commercial treaties concluded by Spain on the basis of this and previously existing tariffs are about to be terminated, and, convinced of the inadequacy of the 1912 legislation as a ground for negotiating fresh treaties on terms favourable to Spain, and of the need of protecting the home market from what is not very correctly called "dumping" by countries with depreciated exchanges, the Spanish Government have enforced a new provisional customs tariff as from the 21st ultimo, pending arrangements of a more permanent character to be made subsequently. It will be remembered that as recently as November last the duty payable on many articles of import was increased, as a help to producing interests within the country. The new tariff does not represent a further all-round increase as compared with November. On some classes the duty has been so lessened that the new figures represent a rise of from 50 to 100 per cent. as compared with 1912; on others it has been increased, and on others, again—such as chassis, motor-cars and motor-lorries—the high specific duties imposed last November have been replaced by *ad valorem* duties. While the tariff in this form, as we pointed out in our issue of the 4th instant, would have penalised British exporters to Spain, from which country our purchases are to sales as two to one, modifications have been introduced with a view to offsetting the special advantages for export which countries with depreciated currencies possess. The new system is somewhat difficult to explain, as the tariff is divided into thirteen classes, each class being sub-divided into groups, and many groups being further sub-divided. For each group or sub-group there is a "co-efficient," and these co-efficients range from ten per cent. in the case of raw materials and unmanufactured products to seventy per cent. in the case of manufactured goods. Their use lies in the fact that they will be made the basis of a further charge on goods, in addition to the existing customs duty. In respect of each month official figures will be published in *La Gaceta de Madrid*," showing the average quotations for various foreign currencies. The difference between this figure and 100 is taken, and the co-efficient percentage of this difference is ascertained. The ordinary duty is then taken, and an addition made to it equivalent to the percentage increase represented by the figure arrived at as the result of the first calculation.

An example may be given to illustrate the method of calculation. Thus Class 11, Group 2, Tariff No. 538, comprises dynamos, electro-motors, induction coils, resistance boxes, transformers and regulators weighing up to 100 kilogrammes, inclusive of component parts of the same. The duty charged is 150 pesetas per 100 kilogrammes, tare allowance being, of course, made when packed in boxes or crates as prescribed in Disposition V. of the Tariff. Taking the case of a French exporter, let us suppose the average exchange quotation in any given month to be 59 pesetas per 100 francs. The difference between the two is forty-one. Now the "co-efficient" for this group is seventy per cent., and seventy per cent. of forty-one is 28.7. This is itself treated as a percentage, and the method of calculation is:—If 28.7 be charged on 100, how much will be charged on the tariff—*i.e.*, on 150 pesetas? The answer is 43.05 pesetas, making the duty plus surcharge equal to 193.05 pesetas. To estimate the duty it is thus necessary to know in each case (1) the ordinary duty leviable (2), the average official quotation of the foreign currency in question in the preceding month; and (3), the "co-efficient" of the particular group of goods. The additional charge varies directly as the depreciation of the currency, and accordingly affords that degree of protection to home manufacturers which it is the desire of the Spanish Government to give. In effect the regulations improve the position of the British exporter, sterling being at a premium in Madrid, where, instead of the par rate of 25.22½, the pound sterling commands 29 pesetas.

CAPITAL ISSUES IN THE UNITED STATES.

OWING to the magnitude of the offerings during January and February the American investment market had become somewhat congested with new issues, and as a result the March figures, compiled by the *Commercial and Financial Chronicle* of New York, recorded a striking diminution. In April, however, the forward movement was resumed. Altogether the new financing, exclusive of refunding operations, on behalf of industrial and other corporations and on account of states and municipalities and for foreign Governments aggregated no less than $296,210,844, against only $169,629,335 in March, and comparing with $254,930,015 in February, and $339,007,587 in January. There was a decrease as compared with April 1920 and 1919, when the aggregate of the new flotations were $390,423,609 and $313,773,742 respectively. The trend in the United States capital markets, therefore, is somewhat similar to that characterising the London market, but the ratio of decline has been much more notable on this side. The following table shows net cash subscriptions:—

New Capital Subscriptions in the U.S.

(000's omitted.)

April	Corporate	For. Govt.	Fed. Land Bank	War Fin. Corp.	Municipal	Total
	$	$	$	$	$	
1921	173,075	—	40,000	—	83,136	296,211
1920	324,485	—	—	—	65,939	390,424
1919	52,384	—	—	200,000	61,390	313,774
4 Mths.						
1921	687,233	79,000	40,000	—	276,020	1,082,253
1920	1,106,351	50,000	—	—	237,626	1,393,978
1919	465,706	—	—	200,000	162,388	828,094

For the four months to April 30, total new capital appeals, though of large dimensions, show much lower than the exceptionally high corresponding figures of last year. The strictly new demands upon the investment markets for the four months of 1921 were no more than $1,082,252,684, against $1,393,978,188 for the four months of 1920, and $828,093,656 in the corresponding period of 1919. In the case of Commercial and Industrial ("Corporate") financing the falling off in emissions was an outstanding feature, the amount for the four months being $687,233,000, against no less than $1,106,351,000 in the four months of 1920, and $465,705,763 in the four months of 1919. On the other hand, borrowing by municipalities established itself at a higher level, reaching $276,020,108 in 1921, against $237,626,000 in 1920, $162,387,893 in 1919, while the foreign Government loans placed in New York amounted to 79 million dollars, against 50 millions for 1920, and nil in 1919.

As an index of the close similarity of the industrial outlook in London and New York, it is of interest to note that not alone have the changes in turnover preserved the same proportions in the two capital markets, but the variations in character of new financing have

also corresponded, as may be seen from the following table:—

Industrial and Other Corporate Issues.

(000's omitted.)

April	Bonds $	Notes $	Stocks $	Total $
1921 ...	131,772	8,825	32,478	**173,075**
1920 ...	89,616	175,583	59,286	**324,485**
1919 ...	16,510	8,640	27,234	**52,384**
4 Mths.				
1921 ...	427,905 (62%)	138,518 (20%)	120,809 (18%)	**687,232**
1920 ...	308,437 (28%)	312,673 (28%)	485,241 (44%)	**1,106,351**
1919 ...	186,582 (40%)	129,914 (26%)	149,210 (34%)	**465,706**

During the boom period of 1920 Ordinary stocks represented forty-four per cent. of the total industrial emission, while bonds formed only twenty-eight per cent. In the current figures, however, Ordinary stocks represent but eighteen per cent. of a shrunken total, and bonds are responsible for sixty-two per cent. of the whole. The reaction from speculative commitments is, of course, the result, almost solely, of the collapse of international commodity markets.

ROYAL STATISTICAL SOCIETY.—At a meeting of the Society to be held on the 21st inst., Mrs. W. J. Barton, M.A., will read a paper entitled "Women's Minimum Wages." A comparison will be instituted between women's wage rates, fixed by trade boards and by voluntary agreements, in distributive trades, sewing trades, sugar, confectionery and fruit preserving, paper and printing, and metal trades. This will lead up to a suggestion for the gradual creation of a standard minimum rate for the unskilled work of women and girls. The meeting will take place at the Surveyors' Institution, 12 Great George Street, S.W. 1, at 5.15 P.M.

BANK OF TAIWAN, LIMITED.—The statement of the Bank of Taiwan for the half-year ended December 31 last discloses a net profit of Yen 3,100,325 in succession to one of Yen 2,974,942 for the six months to June 30, 1920—a sum sufficient to maintain the total dividend distribution for the year at the usual ten per cent., to provide for an addition of 700,000 yen to the reserve fund (thus closely approximating to the similar allocation from profits alone on the last occasion), and to leave an undivided balance of Yen 1,440,488, or slightly more than the amount brought forward. In the earlier period the account had benefited by a premium of Yen 1,246,915 derived from a new issue of capital, which, towards the end of 1919, doubled the amount subscribed to sixty million yen, opportunity being taken to raise the reserve funds from Yen 7,730,000 on June 30 to Yen 9,680,000 at the end of December. It is rather in the variations of the balance-sheet items than in the profit record that the inevitable effect of the instability of world economic conditions—conditions to which the Bank had, of course, to adjust itself—is seen. Thus by December, as compared with June, the balance-sheet totals had shrunk from Yen 860,389,472 to Yen 699,279,394, and at a time when the capital and reserves of the institution were at a maximum the effect of the stagnation of trade was reflected in a decline in the composite item of bills discounted, loans, advances, and other sums due to the Bank from 723 to 562 million yen. Among the liabilities the decrease was distributed between deposit and current accounts (passing from 342 to 243 million yen) and bills payable, acceptances, &c. (from 403 to 342 million yen). The note circulation also declined from 43 to 40 million yen. Investments represented 49 million yen, as against a previous 59 millions. Cash in hand and at bankers together reached nearly 45 million yen, following 40 millions, and bullion and foreign money, at Yen 19,454,248, showed a rise of Yen 2,700,000. The volume of foreign exchange transactions for the second half of 1920 was 1,038 million yen, against 1,269 million yen in the earlier half.

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Capital Paid-up ...	$10,500,000	Reserve Fund and Undivided Profits ...	$9,743,375
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Financial Notes.

Finances of the Middle East.

The Middle East Department of the Colonial Office, which was recently constituted, has presented estimates covering both military and civil charges in Mesopotamia and Palestine for 1921-22. In the estimates presented for the current year provision had already been made by the War Office for this outlay, and to make the necessary adjustment a refund will be needed from the Middle East Department, which will thus become an appropriation-in-aid of army votes. The cash demands chargeable to Army funds, according to the original estimates, were £118,915,000. Deducting various receipts, the net total was £110,365,000, and of this sum the supplementary estimate for Middle Eastern services will provide for repayment by the Colonial Office of £24,221,000. The new Estimate is therefore largely a matter of bookkeeping, but its amount is unreasonably high in view of the benefits now accruing, or likely to accrue in the near future, from either Mesopotamia or Palestine, despite Mr. Churchill's visions of a new Zion arising in the East. The results of his recent visit to Cairo, however, have not been altogether unsatisfactory. The gross saving estimated from the decisions reached at the Cairo Conference, and the reduction in garrisons which they permitted, was £6,595,000; but this sum must be reduced by nearly £2,000,000 in order to provide for (1) certain expenditure on the Air Force, on native levies, and on Arab subsidies, through which alternative agencies the large reduction in regular troops is being effected; (2) certain charges in connection with refugees and Mesopotamian railways, for which no provision has yet been made in the estimates of any Department in the current year, although they constitute obligations which are unavoidable. The net saving effected is put by the Colonial Office at £4,750,000; but as over £4,371,000 had already been anticipated by the War Office the final net saving is but £379,000. The saving is insignificant compared with the urgent need that exists for reduced Government expenditure in every direction and lighter taxation. The Chairman of the Sound Currency Association, Mr. D. M. Mason, recently pointed out that present trade depression is partly attributable to the waste, extravagance, and bad finance of the Government. "Bad policy in Ireland and abroad meant

increased expenditure." We have often urged that the remedy for depression does not lie with the Safeguarding of Industries Bill, which, as Mr. Mason remarks, is based upon a fallacy. The advantages which countries suffering from depreciated currencies possess in regard to exports are more imaginary than real, since the lack of credit abroad, which the depreciated currency entails, and the expense of financing imports constitute a heavy burden. In the absence of a large import trade, the permanent development of exports on a big scale is an economic impossibility to any country without drawing to a fatal extent upon its capital.

Miners' Ballot Figures.

The most striking feature in the ballot, of which the result was announced yesterday evening, was the number of abstentions. This seems to indicate that many miners are willing through sheer indifference to lose the offer of £10,000,000 made by the Government, though it also shows that they consider the Executive should take the responsibility of deciding whether the work stoppage ought to continue or not. The two-thirds majority required for a continuance of the strike has been realised, and the voting shows that the extremist element is greater in the rank and file than was generally believed, and is certainly more powerful than in the Executive. The total votes cast were 616,338, of which 183,827 were for accepting the Government's and owners' terms and 432,511 for continuing the fight. In other words, 70.17 per cent. voted against acceptance, and 29.83 per cent. for acceptance. A two-thirds majority is theoretically necessary for a continuance of the stoppage, and two-thirds of the total votes is 410,892. The actual vote cast is 432,511, or 21,619 in excess of the required quota. Some doubt has been cast on the interpretation to be placed on the two-thirds majority, whether it refers simply to the votes cast or to the total membership of the Association. In the former case, the result is a foregone conclusion; in the latter, the interesting result emerges that the total votes cast fall short of the requisite two-thirds by 22,069. As regards actual voting, in only three cases were there majorities for acceptance, whereas substantial majorities were recorded in favour of the principles in defence of which the stoppage originated. South Wales registered a majority of 69,707, Durham of 40,247, Scotland of 37,073, and Yorkshire of 24,785, these being the outstanding majorities.

Trade of Czechoslovakia.

At the general meeting of the Czechoslovak Import and Export Company, Dr. Mraz, the director of the Czechoslovak Statistical Office, supplied the following details regarding the foreign trade of Czechoslovakia. In 1919 the goods imported into Czechoslovakia amounted to 18.378 million metric quintals, while the exports amounted to 56.645 million metric quintals. In 1920 the corresponding figures were 39.040 and 69.022 respectively. The value of the imports for 1919 may be approximately estimated at 6.428 milliards of Czechoslovak crowns, the value of the exports being 5.686 milliards. In 1920 the corresponding figures are 11,394 milliards and 9.584 milliards respectively. The goods which resulted in a debit account for Czechoslovakia were mainly: flour and cereals (829 millions); cotton (669 millions); fats (376 millions), together with kitchen salt, tobacco, chemical products and petrol. Those which resulted in a credit balance were mainly: timber and coal (840 millions); sugar (787 millions); glass (531 millions), as well as iron, paper, woollen goods and ready-made clothing.

Iron and Steel Production.

Owing to the continuance of the coal stoppage the production of pig iron and steel in May was negligible, amounting only to 13,600 tons of pig iron, and 5,600 tons of steel. Of the pig iron produced 2,800 tons were hematite, 3,400 tons basic, 6,900 foundry and 500 tons forge. The following table gives the production of pig iron and steel in each month from January 1919.

	Pig Iron		
	1919	1920	1921
Jan. ...	661,000	665,000	642,100
Feb. ...	626,000	645,000	463,600
Mar. ...	691,000	699,000	386,000
April ...	647,000	671,000	60,300
May ...	671,000	739,000	13,600
June ...	658,000	726,000	—
July ...	641,000	750,600	—
Aug. ...	721,000	752,400	—
Sept. ...	781,000	741,000	—
Oct. ...	445,000	533,200	—
Nov. ...	624,000	403,200	—
Dec. ...	632,000	682,500	—
Total	7,398,000	8,007,900	—

	Steel Ingots and Castings		
	1919	1920	1921
Jan. ...	718,000	754,000	493,400
Feb. ...	734,000	798,000	483,500
Mar. ...	758,000	840,000	359,100
April ...	668,000	794,000	70,600
May ...	755,000	846,000	5,600
June ...	631,000	845,000	—
July ...	618,000	789,900	—
Aug. ...	474,000	709,200	—
Sept. ...	718,000	884,700	—
Oct. ...	433,000	544,300	—
Nov. ...	695,000	505,100	—
Dec. ...	692,000	746,600	—
Total ...	7,894,000	9,056,800	—

Industry in Bavaria.

The British Consul at Munich has transmitted a digest of a recent article in the *Muenchener Neueste Nachrichten*, relative to the industrial position in Bavaria, a copy of which has been kindly forwarded by the Department of Overseas Trade. It appears that the general situation has not improved. Though firms are no longer suffering from a lack of coal and of raw materials, the depression abroad has had a bad effect, while the "sanctions" have closed considerable markets, and the new Customs frontier has threatened with extinction commercial intercourse with the Rhineland. Some firms have attempted to direct their activities towards the East and South-East, but have made little headway owing to the commercial and political conditions in those countries. The Fair at Frankfort proved by its indifferent success the truth of the reports as to depression from the various Bavarian centres of industry. In the machine industry, for example, large contracts, especially from Western Germany, have been cancelled owing to the "sanctions," though fuel and raw materials are plentiful. The situation in the locomotive and railway carriage industry is more favourable, as they are still employed on old contracts. In the metal industry the number of contracts has diminished. Some works are short of certain qualities of high-grade coal, but generally the lack of employment is due to the absence of home and foreign orders. The "sanctions" have completely stopped all business in the toy trade with the United Kingdom, France, and Belgium, and the orders booked at the Leipzig and Frankfort Fairs have not been executed. The fine-mechanical and optical industries are doing very badly. The cancelling of large orders from Entente countries and the small home demand have led to the renewed curtailment of work. In the chemical trades the blasting-powder section is comparatively well employed. The colour and lacquer industries of Schweinfurt and Wurzburg have suffered through the set-back in the metal, wood, and machine industries, on whose demand they depend to a large extent. Some works are, however, still able to produce without curtailment because they are able to export. In the electrical and electrotechnical industries there is no demand for high-power installations, but the demand for low-voltage installations from foreign countries is brisk. The pottery and earthenware manufactures in the Upper Palatinate and in Upper Franconia have again suffered a set-back.

The home demand is very small, and the export business has ceased almost completely. Business with France and Belgium, the most important customers, was reviving some months ago, but has now been killed by the "sanctions." Owing to an increase in wages prices had to be increased by ten per cent. The labour situation has now become steady, and it has to be noted that much piece-work is being done.

Cereal Crop Prospects.

The Statistical Bulletin for May just issued by the International Institute of Agriculture contains a definite forecast of the yield of winter wheat in the United States at 17.119 thousand metric tons, being nine per cent. over last year's result, and ten per cent. over the five years' average. In British India the yield is 6.887 thousand metric tons, being thirty-one per cent. below last year, and twenty-seven per cent. below the average. Definite estimates of area under wheat and rye are also available as regards Western and Central Europe and North Africa; this group of countries, representing sixteen per cent. of the world's average yield of wheat, has an area of 49.003 thousand acres, or 103 per cent. of last year's area, while the area under rye is 15.213 thousand acres, or ninety-eight per cent. of that in 1920. The cereal crop condition in this group of countries is generally good, so far as information is to hand. Ocean rates of freight from South America have advanced considerably owing to fuel difficulties.

Increases of Company Capital.

The Banking Section of the Department of Overseas Trade has prepared the following tables, which include every notice of increase of nominal capital filed at Somerset House during May 1921. In the period May 1 to 31, 142 companies increased their nominal capital by £4,953,746 in all, an average of £34,886 per company, or £198,150 per diem (exclusive of non-business days). The figures for the five months January to May 1921, are as follows:—

Month	Number of Companies	Total Increase of Capital £	Average per Company £	Average per Business Day £
January	198	10,790,418	54,497	415,016
February	159	13,407,996	85,401	558,667
March	149	5,397,286	36,223	215,890
April	139	5,657,856	40,704	226,314
May	142	4,953,746	34,886	198,150
Five months	787	40,207,302	—	—

Australian Banking.

Though not one of the larger Australian banking institutions, the Western Australian Bank, Limited, has been so identified with the development of the country where it has now nearly sixty branches and sub-branches, that it has come to be regarded as approximating in character to a national bank. By 1920 it had accumulated a reserve fund equal to three times its capital of £250,000, an increase of which latter, indeed, the directors had in contemplation some six months ago. At the half-yearly meeting held last month the Chairman explained that, in view of the unsettled state of financial and commercial affairs, the Board had decided to stay their hands in this respect. These circumstances, however, have not prevented the Bank from showing a gross profit for the half-year to March 28 last of £87,030 (following £84,889 for the previous six months), enabling the dividend to be maintained on the familiar scale of twenty per cent. per annum, and the reserve fund to be increased from £700,000 to £725,000, and still leaving a profit balance of £53,369 against £70,562 brought forward. While deposits, at £3,308,825, register a decrease of £39,000, bills receivable and other advances are higher by £93,000. Specie, bullion, Australian notes, with excess of balances owing by, beyond those due to, other banks, represent about 21.6 per cent. of the total assets of £4,619,862.

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American Topics.

AN EXPERIMENT IN ECONOMICS.

All the world, whether it participated or not in the late War, is passing through a period of reconstruction, and the United States of America, although in a sense it suffered little and benefited much from the War, is no exception to the rule. The United States, no doubt, has come out of the War in a far more satisfactory condition than most of the belligerents and than many neutrals. Nevertheless, she has grave difficulties in front of her which seem likely to test to the full the statesmanlike qualities of President Harding and of his advisers. Nothing would be easier than to precipitate a grave economic crisis in the United States. And it will require care and vigilance if that country is to escape from her difficulties and sail into smooth waters as though the recent European War had never occurred. An Act of Congress awaits the signature of the President which to a large extent will tie his hands for a period of several months. As the period during which the Act will operate is so strictly limited, it would appear that wise heads foresee the difficulties into which popular feeling and the traditions of the party in power have forced the executive very largely against its will. No government in the world is more amenable to the advice of the leaders of the great business interests of the country than is the Government of the United States. No one who knows the shrewd American business man of the higher classes can have any doubt that he sees the difficulties with which the country is faced, and that he has taken measures to keep the Administration well informed of those difficulties.

While it is true that the American banker can pay, if reasonable time is given him, sixty cents in the dollar, while the banks of most countries would find it difficult to realise their assets at all, this does not alter the fact that the producer of raw commodities, the trader and manufacturer are faced with very serious obstacles and are likely to be faced with even greater difficulties in the future in the conduct of their business. The remarkable assets collected by the banks are merely another way of saying that the United States came very well out of the War, and enjoys a higher credit than, perhaps, any other country existing in the world at the present time. Credit has been

truly said to be the very life of trade as it is carried on in the modern world. Without it no commercial country could hope to prosper. Other things being equal, a country in very high credit, such as the United States enjoys at present, has an extraordinary advantage in dealing with poor countries which may, or may not, be in a position to meet any obligations into which they enter. Naturally, traders all over the world would rather deal with a country that is sure to meet its obligations than with one, however well intentioned, which may not be able to do so for an indefinite period. While such a remarkably good credit as the United States enjoys gives it an extraordinary advantage, other things being equal, it remains to inquire, Are other things equal, or are the drawbacks so great that they are to a large extent nullifying the extraordinary advantage which the United States enjoys from the very great credit in which she stands at present? Even yet the population is trifling, having regard to the area of the country, if we are to measure populations by the standard to which we are accustomed in the congested areas of the world. As a necessary corollary, the standard of living is exceedingly high, or, expressed in other terms, the labourer is paid exceptional wages for his labour. We have just experienced in this country what an extraordinary rise in prices and wages takes place by simply withdrawing the most energetic and physically fit part of the population. We, of course, over-did it. We tried to be supreme on land and sea, and to munition and finance the Allies in addition, while we withdrew from production the very element which might have made such a scheme at all feasible. Naturally, we broke down. But the extraordinary rise in prices and wages that took place showed the effect of withdrawing from productive enterprise some six millions of the young and active men of our population. Now the United States more or less always experiences a great shortage of labour for the amount of work which has to be done. She has a population only a little more than twice ours, and she has an area, if we include only the industrial and populous parts of these islands, more than twenty times our extent. Even so, population is growing in the United States. A period has been reached when a very large proportion of the population no longer lives upon the land, and no longer directly draws its means of livelihood from the land. Practically, already the United States has reached a position when something like half her population have already become divorced from the land, in the sense that the population of England is, for example. Here, of course, with our dense population and restricted area, conditions have been carried to a point at which those directly dependent upon the land form only some twenty per cent. of the population. In the United States, still roughly, half are directly dependent upon the land; the other half, however, are dependent upon what may be called for convenience town industries. They are traders, manufacturers, transportation workers, or those engaged in some industry other than the actual production of the primary necessaries of life. Now it is estimated on very reliable authority that about sixty-six and two-thirds per cent. of the total production of the United States is consumed by the people within the various States of the Union. In other words, about thirty-three and one-third per cent. has to, if it can, find a market abroad. Therefore, if production in the United States is to be maintained upon its present basis, and there is not to be a further inflation in the cost of commodities, about one-third of the whole production—manufacturing, agricultural, and otherwise—raised annually in the United States must find a market overseas. The people of the United States, therefore, have long passed the stage when everybody is a farmer or a farmer's assistant, and where his labour directly feeds himself, and if there is any surplus he can dispose of it to obtain luxuries, while if there is none he will suffer no privation except the necessity of going without those luxuries. As the United States, unlike ourselves, produces more than it consumes, both in manufactured goods and in raw produce, it could, if it liked, reduce its production to the level of its consumption. This, however, could only be done at the expense of the consumers. As the producer will, in all countries and in all times, naturally take measures either to recoup himself or, if the Government says "No," "Very well," says he, "we will enjoy more leisure." Consequently, directly or indirectly, the consumer has got to pay for all restrictions imposed by the Government either for the imagined benefit of the producer or for purposes of coercing him. The Protectionist theory, as interpreted in the United States, is an example of the one, and the excess profits duty as exemplified in the wisdom of our Parliament during the War is an example of the other.

Even if the United States decided, without regard to the effect on the cost of living at home, to dispense with foreign trade altogether, her difficulties would be far from being overcome. Certain imports she must have; and these would naturally be extravagantly costly, if she pursued a policy designed to restrict foreign trade as far as possible. In addition, the United States during the War lent the outside world a sum of money, which is estimated to considerably exceed two thousands millions sterling in value. How she is to get that money back without encouraging imports of commodities upon an immense scale from abroad it is exceedingly difficult to see. On the other hand, she contends that, if she accepted imported commodities in unrestricted quantities from abroad, many of her own industries would disappear. This is probably true, and for the reasons we have just explained above. It is the same reason that has brought about the difficulties of the Shipping Board. As we have said, the United States is more than twenty times the size of the industrial and populous part of Great

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Britain. That is, in fact, the island of Great Britain itself. But she has a population only a little over twice that of the population of the United Kingdom as counted ten years ago. We are on Sunday to take another Census, but it is hardly probable that our population will much exceed that of the last. It follows that with such a relatively large area and relatively small population, very many industries in the United States can only exist provided they are assisted to produce on a relatively high basis of values. Now, in addition to the heavy debt which Europe in particular owes to the United States, the United States has herself incurred a debt of about 900 millions sterling for the construction of the ships now owned by the Shipping Board. Opinion in the United States itself is by no means unanimous as to what to do with these ships. If it is necessary to protect very many industries in the country owing to the smallness of the population and the great size of the territory, what cost would it be necessary to incur if this vast mercantile marine is to be maintained? Men do not, or, at any rate, have not in the past, thrown up well-paid positions upon land in order to go to sea and double Cape Horn in a "wind-jammer." Consequently, it is evident if this great fleet, so recently and so expensively constructed, is to keep the seas it can only do so at the expense of the taxpayer of the United States. Already that taxpayer is crying out at the burdens imposed by the Federal Government. Congress got alarmed and reduced the personnel of the Army. Congress again got alarmed, and reduced, as we commented quite recently, the estimated expenditure upon the Navy. It has to be remembered that there are forty-eight States in the Union, each one with a separate and highly expensive Government of its own. The Federal Government has only restricted means of obtaining revenue. And, consequently, when it imposes taxes beyond a certain limit the American citizen naturally begins to kick. We are feeling in this country the disadvantage of being the most highly taxed country in the world. But, unfortunately, our Government made so many blunders during the War, and has incurred such enormous expenditure since the Armistice, that it is exceedingly difficult to reduce expenditure without inflicting hardships upon large classes of the community, which were led to expect that they were to enjoy the time of their lives at the public expense. It is highly improbable that the American taxpayers will be willing to find the means for subsidising a great fleet, which can only attract its necessary personnel by denuding industries earnestly requiring the men on shore.

THE CHESAPEAKE AND OHIO RAILWAY.

Corporate Income Statement of the Chesapeake and Ohio Ry.

000's omitted.

	1920 $	1919 $	1918 $	1917 $	1916 $	1915 $
Operating income ...	14,259	14,066	12,733	14,700	15,487	13,120
Other income	1,902	1,216	1,118	1,169	1,641	834
Interest and rentals ...	10,174	9,508	9,014	8,804	9,460	8,862
Net income ...	5,986	5,774	4,838	7,066	7,667	5,092
Dividends ...	2,511	2,511	2,511	2,511	1,255	—
Balance ...	3,475	3,263	2,327	4,555	6,412	5,092

On February 29, 1920, the United States Government restored to the Chesapeake and Ohio Railway Company its properties, which had been operated by the Director-General of Railroads since December 28, 1917. Though the undertaking, like the other railroads of the United States, was returned to its owners in a condition of lowered efficiency, it is satisfactory to note that net income for the year shows an increase over the previous figure. The net operating income, including State compensation for the first two months and less $580,000 Federal income-tax accruals, amounted to $14,259,188, against $14,066,531 in 1919 and $12,733,000 in 1918. This growth is due to the increased rates granted by the Inter-State Commerce Commission shortly before the close of the guaranty period. The average increase in freight charges for the Chesapeake and Ohio Railway amounted to thirty-three per cent. and in passenger rates to substantially the full twenty per cent. plus the authorised surcharge. The bulk of the increment in gross receipts was, however, absorbed by the increased wages granted by the Labour Board and to high costs of fuel and materials. Including an increase of fifty per cent. over the previous year in other income, the gross income at $16,160,722 shows an increase of nearly $1,000,000 over 1919. Higher interest charges left net income, at $5,986,458, only $100,000 higher than the previous level. The dividend, paid in two equal half-yearly instalments, has been maintained at four per cent., leaving a surplus of $3,475,194 for the improvement of physical and other assets. The balance to the credit of profit and loss is now $15,341,106.

Settlement with the Director-General for compensation arising out of Federal Control has not yet been effected owing to the complication of the accounts and the necessity of a joint check. The directors hope to fund, under the provisions of the Transportation Act, all, or at any rate the greater part, of the charges for additions or betterments during the period of control, estimated at $10,363,458. Under Section 210 of the Transportation Act, which provides for loans to carriers for necessary additions and betterments and equipment and to meet maturing obligations, the Company has secured from the Government during the current year a ten-year six per cent. loan of $3,759,000 for new equipment. The remainder of the cost has been provided by the sale of $4,500,000 six and a-half per cent. Equipment Trust Notes. In addition, a State loan of $5,338,000 has been obtained towards betterments. The prevailing high interest rates and the general business depression precludes any new financing during 1921, unless Money market conditions improve considerably, but the Company is fortunate in having no considerable funded debt maturities to meet in the near future.

The volume of business has shrunk in a marked fashion during the present year, and revenue will, without doubt, be adversely affected. Economy in administration will contribute towards a maintenance of the profit margin; but the problem of wages, the predominating item in expenses, still remains to be solved. Negotiations with the employees as to pay and working conditions have pursued a satisfactory trend, subject to the final decision of the Railroad Labour Board. The Company stands in a sound financial position, and should continue to show favourable results when business has returned to more stable levels. The recent decisions, affecting 104 companies, of the Labour Board to cancel national working agreements and to order a wage reduction averaging twelve per cent. will involve a contraction of about seventeen per cent. in operating costs. Even a moderate recovery in traffics should, on this basis, improve the present earning capacity of the railways.

SOUTH AND CENTRAL AMERICA.

According to the Agencia Americana, it is reported that an important agricultural bank will shortly be established in Mexico City for the benefit of German colonists, whose numbers increase daily. The colonists promoting this project state that they have at their disposal 160,000,000 pesos for its establishment. They further intend acquiring vast tracts of land in the Jalisco and Guanajuato districts.

We regret that pressure upon our space compels us to hold over our usual article under the above heading.—Ed.

Poland.—The Economic Committee of the Council of Ministers has decided to abolish the Government's office for imports and exports.

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Rubber Topics.

A SOMEWHAT firmer tone has been in evidence in the Commodity market during the week. The price of standard crêpe advanced on Wednesday to 8¾*d.* smoked sheet, responding with a rise to 7¾*d.*, and para with an improvement to 11*d.* The position as regards London stocks continues to improve. Deliveries exceeded the record of the previous week, rising by nearly 250 tons to 1,770 tons, whilst imports dropped sharply from 2,052 to 928 tons. Accordingly, there was the satisfactory reduction of 842 tons in the stocks held here. Judging by the crop returns for May, there is a wide divergence of opinion amongst the producers as to the extent to which it is advisable to curtail production. Substantial reductions are recorded, for instance, by Langen (Java), the total of 37,000 lb. comparing with 77,602 lb. for the corresponding month of 1920; by Djasinga, whose crop amounts only to 48,972 lb., as against 90,211 lb.; and by Pullangode Rubber, with a total of 13,733 lb., as compared with 26,216 lb. At the extreme end of the scale stand companies whose crops for May 1921 exceed those harvested in May 1920. F.M.S. rubber planters report a total of 78,600 lb., as compared with 68,400 lb., and Taiping a crop of 55,000 lb., as against 52,253 lb. As previously stated, some of these discrepancies may be explained by an increase in the bearing areas as compared with 1920. At the same time, however, the variations are wide enough to show that no coherent plan seems to be followed. Rubber producers have not apparently yet learned the lesson of mutual co-operation from the crisis.

Business in the Share market remained at a low ebb. The improvement in the stocks kept the tone firm; but the adverse report issued in the second half of the week by Malayalam Rubber and Produce Company destroyed this initial confidence and engendered weakness towards the close. The report, with its adverse balance of £68,927 on the operations of 1920, as against a net profit of £85,728 in 1919 and of £50,973 in 1918, reveals a most unusual transformation. It appears that the Company was very severely hit by the wild fluctuations of the rupee, its loss on exchange reaching the abnormal total of £118,458 for the year. To redress its financial position—the balance sheet showing a mortgage of £50,000, bills payable of £169,500, and overdrafts of £24,500—the Company proposes to go into liquidation. In the reconstructed Company, shareholders will receive three shares of £1 each in respect of every two shares of £1 already held; but the new shares will only be credited with 13*s.* 4*d.* paid up, leaving a liability of 6*s.* 8*d.* per share to be paid up in monthly instalments not exceeding 1*s.* The effect of the change will be to impose a liability of 10*s.* per share on each share now held on the shareholders, who will receive an additional share at par in exchange. The Company will obtain £250,000 in cash, which will enable it to repay the loans it has raised to finance its operations and to provide for the estimated capital expenditure of £50,000 in the current year. As since 1915 the Company has paid dividends not less than eight per cent. and as high as twelve and a-half per cent. in 1919, shareholders will do well to approve of the reconstruction. The improvement in the exchange situation, the decline in the price of rice and of stores and materials, should materially alter the outlook in this respect for the current year. In the market the report caused the shares to drop wildly from 15*s.* 6*d.* to 5*s.*, whilst Rubber Trusts, being a holder of these shares, reacted to 15*s.* 9*d.* At the same time it is well to point out that such a heavy loss on exchange is not likely to be the fate of rubber companies operating outside of India and Ceylon.

PATALING.

MORE than ordinary interest is attached to the report presented by this celebrated rubber producer for the year ended December 31, 1920. It is the first report of the reconstructed company, and it covers a period characterised by more than usual difficulty. It will be recollected that in March it was decided that the parent Company should go into voluntary liquidation, and that a new company should be formed with an authorised capital of £500,000 in shares of £1 each, instead of £30,000 in shares of 2*s.* each. In this concern shareholders received one fully paid share of £1 for each 2*s.* share in the parent Company, thus securing a tenfold increase in the capital value of their holding. Thus the Pataling Rubber Estates of to-day has an issued capital of £225,007 in shares of £1, instead of £22,500 in shares of 2*s.* It is with the fortunes of the reconstructed Company that the present report deals. The results, as compared with those of previous years, can be seen from the following table: —

	Years ended December 31				
	1920	1919	1918	1917	1916
	Acres	Acres	Acres	Acres	Acres
Planted area†	1,792	1,792	1,803	1,835	1,821
Average acreage tapped	1,575‡	—	—	1,500‡	1,422½
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output ...	761,538	725,278	507,813	730,456	720,400
Yield per acre tapped	483‡	—	—	486‡	506
Gross price realised per lb.	1/10.09	2/0.67	1/9.07	2/6.18	2/7.15
"All-in" cost per lb. ...	-/9.18	-/9.69	-/11.35	1/0.14	-/10.13
Profit per lb.	1/0.91	1/2.98	-/9.72	1/6.04	1/9.02
	£	£	£	£	£
Value of rubber ...	70,107	75,763	51,521	87,267	94,057
Total revenue expenditure	31,170	29,377	24,037	32,045	29,252
Rubber profit	38,937	46,486	27,484	55,222	64,805
Sundry receipts ...	892	1,738	3,743	2,620	1,616
Brought forward ...	—	12,221*	20,264	18,772*	20,501*
Total available ...	39,829	60,445	51,491	76,514	86,922
Allocations—					
Inc. Tax Reserve ...	15,000	—	5,000	—	—
Dividends paid ...	11,250 (5%)	56,250 (250%)	33,750 (150%)	56,250 (250%)	67,500 (300%)
Carry-forward	13,579	4,195	12,741	20,264	19,422
Net capital expenditure	739	958	nil	nil	1,522
Issued capital(£1 shares)	225,007	22,500	22,500	22,500	22,500
Surplus liquid assets ...	27,770	4,000	17,905	21,126	18,891

* After payment of directors' extra remuneration.
† Including planted reserve. ‡ Estimated.

Present Price of Shares, 17/6. Market Capitalisation per planted acre, £110.

Against an estimate of 700,000 lb. there was harvested a crop of 761,538 lb., an increase of over 36,000 lb. over the crop of 1919, and the crop would have been larger still were it not for the restriction of twenty-five per cent. adopted after November 1. When it is remembered that the average price of smoked short dropped from 2*s.* 0½*d.* per lb. for the first nine months of the year to 1*s.* 2*d.* per lb. for the last three months, the fall in the average gross price realised by the sale of the crop from 2*s.* 0.67*d.* to 1*s.* 10.09*d.* is very moderate, and speaks well for the selling organisation of the Company. A more striking and more important tribute to its efficiency is reflected in the very low f.o.b. cost of 7.02*d.* per lb., and even this included a loss of £1,650 on the supply of foodstuffs to the native labour force. The "all-in" cost records a further decline to 9.18*d.* per lb., as compared with 9.69*d.* per lb. in 1919. However, owing to the

drop in the sale price the profit per lb. is reduced from 1*s.* 2.98*d.* to 1*s.* 0.91*d.*, the total profit on the crop falling from £46,486 to £38,937. Owing to a decline in receipts from interest, sundry revenue is returned at £892 only as against £1,738 in 1919. As a result of the reconstruction there is no balance brought forward. Consequently the amount available for distribution is £39,829, instead of £60,445 in 1919. An interim dividend of five per cent. in October absorbed £11,250, and in view of the depression in the Rubber market the directors refrained from declaring any final dividend. The dividend of five per cent. being paid, however, on the capital increased tenfold by the bonus issue is equivalent to fifty per cent., as compared with the rate of two hundred and fifty per cent. in 1919. Realising the necessity of providing for the income tax for 1921, which will have to be met whether a loss or profit is incurred on current operations, a sum of £15,000 was transferred to the income-tax reserve account, and the balance of £13,579 was carried forward to the next accounts.

With rubber quoted as low as 8*d.* per lb. for plantation crêpe, the outlook for the current year is none too promising. Participating in the twenty-five per cent. restriction, the estimated crop does not exceed 562,500 lb. Of this there has been harvested in the first four months a total of 179,284 lb., thereby indicating that the estimate is a maximum. The restriction in the crop makes for a higher "all-in" cost. But as the Company is already producing at a very low cost, such an increase is not likely to be formidable. Moreover, the Company is determined to reduce its expenditure to the lowest level consistent with efficiency and the maintenance of the property in its first-class condition. The labour force has already been reduced by twenty per cent. The loss on rice should disappear, or at least be of very moderate dimensions. However, in the absence of forward contracts—and no reference was made thereto either in the report or at the general meeting—the profit outlook is at present obscure. Neither is it likely that much revenue will accrue during the current year from the royalty of ten per cent. on the gross value of the tin won by the subsidiary, Pataling Tin, Limited, formed to exploit 433 acres of tin-bearing land under a sub-lease of twenty-one years. This land is part of the 496 acres of the reserve and waste land of the Pataling Rubber Estates, and is reported to be rich in tin. However, tin, like rubber, commands a very unremunerative price at present. Yet there is little reason for doubting that, in the future, when tin will have recovered to £200 a ton, that the Company may receive a considerable revenue from this proposition. Financially, the position of Pataling Rubber Estates, as disclosed in the balance sheet dated December 31, 1920, is sound. Liquid assets to a total of £27,770 are available to meet current liabilities not exceeding £14,955. In a depressed market the £1 shares have fallen to 7*s.* 6*d.*, and in view of the possibilities of the tin proposition, as well as the future outlook of the parent concern, possess attractions for the investor who is prepared to lock up his money for a year or two until conditions in both the rubber and tin industries have become more normal.

TAIPING (PERAK).

Issued Capital : £291,064 in Shares of 2s. each.

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amount	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1916-17	2,590	1,990•	675,197	340	2/8·83	1/11†	52,363	35,835(*a*)	20
1917-18	2,790	—	590,615	—	1/7·9	1/0½‡	15,451	7,572(*a*)	5
1918-19	2,839	—	581,552	—	1/3·9	1/0½‡	20,343	14,623(*a*)	10
1919-20	2,839	—	641,913	—	1/7·35	1/1·48	15,708	—	—

(*a*) After deduction of income tax. • Six years old and over.
† Including selling charges. ‡ Excluding selling charges.

Price of Shares, 1/4. Market Capitalisation per planted acre, £68.

The report of Taiping Rubber Plantations for the year ended September 30, 1920, shows that the crop harvested reached 641,913 lb., as compared with an estimate of 650,000 lb. and a yield of 581,552 lb. for the previous year. Despite this increase in the quantity of rubber handled, the "all-in" cost worked out at 1*s.* 1.48*d.* per lb., as against 1*s.* 0.20*d.* per lb. in 1918-19. Allowing for the difficulties of the year under review, the increase is by no means so serious: its moderation, indeed, speaks well for the administration. Prices of stores ruled higher and wages had to be increased to keep pace with the cost of living; whilst the supplying of rice below cost price to the native labour force called for an additional outlay. Moreover, the exchange situation continued adverse, resulting in a loss of £456, as against £324 in 1918-19. The unfortunate fact, however, is that this rise in the "all-in" cost coincided with a decline in the average price realised by the sale of the crop. About one-fourth of the crop was sold in London at an average gross price of 2*s.* 1.77*d.* per lb., as compared with 1*s.* 9.78*d.* per lb. for London sales in 1918-19; but the bulk of the crop was disposed of in the East, yielding only 1*s.* 7.80*d.* per lb., as against 1*s.* 8.24*d.* in the previous year. For the whole crop the average worked out at 1*s.* 7.35*d.* per lb., as compared with 1*s.* 8.9*d.* per lb. in 1918-19, a decline which is not at all remarkable in view of the severe slump in the price of rubber, especially in the latter half of 1920. The joint result of this higher "all-in" cost and lower average sale price is a profit of less than 6*d.* per lb., as against nearly 8¾*d.* in 1918-19. Accordingly the net profit is reduced from £20,343 to £15,708. Adding to this the net balance of £12,820 brought forward from the previous year, and the sum of £6,120 in respect of income tax recorded, there remained available for distribution £34,649. From this there was set aside a sum of £7,059 for income tax for the year under review, leaving a balance of £27,590 to be carried forward to the next accounts. In view of the depressed condition of the rubber industry, the directors wisely refrained from declaring any dividend, realising the necessity of conserving the liquid resources of the Company.

As a result of the capitalisation scheme approved of at the general meeting in February 1920, the authorised capital was increased from £210,000 to £300,000. The bonus issue of one share for every five held called for an issue of 417,780 shares; whilst the offer to shareholders *pro rata* of a further 417,780 shares of 2*s.* each at par resulted in an issue of 403,956 shares. The total effect was to increase the issued capital to £291,064. The expenses involved in this increase in capital and in the new issues amounted to £423, and were written off out of the profits of the year. For the current year the original estimate foreshadowed a crop of 700,000 lb. But as the Company is joining in the twenty-five per cent. restriction, the revised estimate is in the neighbourhood of 525,000 lb. The return for the first seven months gives a total of 296,440 lb. With rubber as low as 8¼*d.* per lb., the financial outlook is poor. In the absence of forward sales a loss on the current crop seems inevitable. The fall in the price of tin and difficulties regarding water rights have held up the development of the sixty acres over which a mining lease had been secured. Thus the possibility of a dividend is very remote, unless a pronounced recovery in the price of rubber should take place in the next few months. Financially, however, the Company possesses ample liquid capital to defray the more vital expenditure on the estates. The balance sheet dated September 30, 1920, shows that, including the income tax reserve of £3,404, current liabilities did not exceed £8,260, whereas liquid assets were available to a total of £34,848. Cash and Treasury bills accounted for over £21,000. Accordingly there should be little need of sacrificing stocks at existing unremunerative levels. The discouraging nature of the outlook is, however, reflected in the quotation of 1*s.* 4*d.* for the 2*s.* shares, which corresponds to the low market capitalisation of £68 per acre.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.
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ACCUMULATED FUNDS exceed - - £1,629,000
SUBSCRIBED CAPITAL - - - - £300,000
PAID-UP CAPITAL - - - - - £34,500
The Company transacts the following classes of business: –
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Insurance Notes.

LONDON LIFE ASSOCIATION, LIMITED, AND CLERGY MUTUAL ASSURANCE SOCIETY.

THE report of the London Life Association for the year ended December 31, 1920, deals with the direct business of that Society, and also with that of the Clergy Mutual life office, which it controls and manages under an arrangement entered into in 1918. The new business of the Clergy Mutual is restricted to re-assurances of a certain proportion of London Life risks.

Both Societies were founded on mutual and non-commission-paying principles, of which there are now only two other exponents in this country. This method is designed to give the greatest possible advantages to participating policyholders; but any office which is conducted in this manner has to rely mainly on the disinterested efforts of its own members for development purposes, and cannot expect to transact as large an amount of new business as it could hope to do if it employed agents. As a matter of fact, very few individuals assure their lives on their own initiative, and a life office which dispenses with the assistance of middlemen is undoubtedly handicapped in competition for new proposals. Under these circumstances the amount of the new business transacted by the London Life during the last few years must be considered remarkably satisfactory. The Society has shown an increasing rate of progress, and its popularity is attested by a new business which in amount has assumed much larger proportions than formerly. This has been achieved in spite of obvious difficulties. The Society can point to great achievements in the way of the production of profits for its existing members, and it would not be easy to find a life office which is inherently more attractive to new entrants. But unless the merits of such an institution are personally explained by an agent to possible clients there are not many people sufficiently interested about life assurance to discover them for themselves and appreciate them. It is evident, therefore, from the marked increase in the Society's business that it has recently been able to find a great many voluntary helpers from amongst its own connections to take the place of agents in acting as its advocates and propagandists, and that it has very ably supervised their efforts and kindled their enthusiasm in the work of obtaining new recruits for the institution.

During the four years from 1915 to 1918, both years inclusive, the net amount of the annual new business of the London Life Association averaged about £750,000 in sums assured, and the highest point reached was in 1917, when it amounted to £905,428. A great advance was made in 1919, when it rose to £1,515,312. The arrangement with the Clergy Mutual was entered into in 1918, so that during the whole of 1919 the Society had the benefit arising from the business connections of that institution, and the amount reassured with the Clergy Mutual is not deducted from the figure given. Moreover, 1919 was a year in which life offices benefited from the fact that the number of applicants for new life assurances was greatly increased through the return to peaceful avocations of thousands of men who had been debarred from assuring their lives by reason of their having been subject to military hazards, and the majority of such institutions showed largely increased new business records. Still, the advance referred to was very remarkable in the case of a non-commission-paying office. A further and very considerable advance is shown in the annual report of the London Life for 1920. The total net new business (after deducting reassurances with other institutions than the Clergy Mutual) was £1,926,323, showing an increase of £411,011. The amount thereof reassured with the Clergy Mutual was £472,119.

An analysis of the new life business in 1920 is given in the annual report, from which it appears that out of the £1,926,323 of assurances £746,503, or 38.8 per cent., was effected under non-participating tables; £506,367, or 26.2 per cent., under the reduction of premiums system; and £673,453, or thirty-five per cent., under the reversionary bonus and part profits systems. Comparing these percentages with those obtaining in 1919, there appears little change in the proportion of business effected under the reduction of premiums system, but there is a marked reduction in the proportion of non-participating business and a corresponding increase in the reversionary bonus and part-profit proportion. This is a rather interesting feature. It seems clear that greater confidence is felt in the capacity of the London Life to continue to declare handsome bonuses. It has a splendid record in this respect; but, on the other hand, its non-participating rates are very attractive. The increasing popularity of its reversionary bonus system is also to be noted; and this is not to be wondered at, for rates are lower than the average for this class, and bonuses have been declared at the extraordinarily high standard, in these circumstances, of 35*s.* per cent. per annum on the compound principle ever since this scheme was introduced in 1914.

The original reduction of premiums scheme, in accordance with which up to 1914 all participating policies were effected, still retains its full merits. Under this system the premiums at the outset are somewhat above those usually charged, but after seven years' payments they are subject to reductions by allocations of profits, and the reductions announced in 1920 ranged from fifty-one per cent. for the youngest series of policies to 126 per cent. for the oldest series; in the latter case no payment being made by the assured, but the equivalent of twenty-six per cent. of the premium being accumulated at compound interest as an addition to the sum assured. It is announced in the annual report for 1920 that these rates of reduction have been increased by one per cent. for the year beginning July 1, 1921, so that they now range from fifty-one to 127 per cent. of the premiums.

The total net life premium income of the London Life amounted in 1920 to £625,183, showing an increase of £76,274 as compared with 1919, apart from a sum of £140,805 received as consideration for new

annuities granted. The expense ratio was about 6.4 per cent. of the premiums. Although this shows a slight increase in consequence of advances in the remuneration of the staff and in the cost of materials, it is still lower than is the case in any other active and uncontrolled British life office. The mortality experience was very favourable, the amount of the death claims, £225,122, being only about fifty-three per cent. of that actuarially anticipated. Claims by survivance amounted to £21,371, surrenders to £43,440, annuities paid to £53,147, and allowances in respect of reduction of premiums to £206,708. Through the year's operations and adjustments the life assurance and annuity funds were increased by £244,587 to £6,284,886.

The "endowment certain" account for 1920, relating to sinking-fund and similar descriptions of assurance, shows a premium income of £31,604, and a relative fund at the close of the year amounting to £185,263.

The net interest yield for the year on the total London Life funds, after deduction of income tax, is reported as having been £4 0*s.* 11*d.* per cent. This shows an increase of 3*s.* 9*d.* per cent. as compared with 1919.

The principal figures in the Clergy Mutual Assurance account for 1920 are as follows:—Premium income (increased by £8,922), £273,844; consideration received for new annuities granted, £46,935; claims by death, described as "well within the amount expected," £247,852; claims by maturity, £17,271; surrenders paid, £28,942; annuities paid £32,828; expenses of management, £15,366; life assurance fund at close of year (increased by £102,087), £4,387,128; net interest yield, after deduction of income tax, four per cent.

A valuation of the Clergy Mutual section shows a surplus of £298,506, whereof £293,287 is assigned to the declaration of reversionary bonus additions to Clergy Mutual participating policies at varying rates, ranging from 25*s.* to 68*s.* 9*d.* per cent. of the sum assured on whole-of-life policies, and amounting to 28*s.* per cent. in the case of endowment assurances, for each annual premium paid after May 31, 1921, during the currency of the policies concerned.

The total assets as shown in the balance sheets of the two Societies as at the close of 1920 were as follows:—London Life Association, £6,528,551; Clergy Mutual Assurance Society, £4,488,817.

Banking and Negotiable Instruments: A Manual of Practical Law. By France Tillyard, M.A. Price 10*s.* 6*d.* net. (London: Adam and Charles Black.) The sixth edition of Mr. Tillyard's book has now been published. The work has been revised and brought up to date. Owing to the fact that, through amalgamation, the last of the private banks of issue has lost its right of issuing bank notes, the pages which have formerly been devoted to issuing banks, other than the Bank of England and their bank notes, have been cut out, though the information which forms part of the historical treatment of the subject has been left intact.

Statistischer Atlas zum Welthandel. A collection of official statistics showing for fifty-eight individual countries the imports from, exports to, and trade balances with all other countries. Illustrated by seventy-eight large charts. The volume covers the period 1909-13, both inclusive. Compiled by S. Zuckermann. Published by Otto Elsner, Berlin. Price, Mk. 1,200.

The Resources of Rhodesia. Some of the principal shareholders in Rhodesia Consolidated, Limited, have issued an interesting brochure entitled *The Resources of Rhodesia.* While it is intended mainly to emphasise the value of the assets of that concern and its associated companies—the Falcon Mines, Limited, and Mashonaland Consolidated, Limited—it brings out some salient points regarding Rhodesian progress and the prosperity of the country in recent years. Copies of this brochure, which is profusely illustrated, may be obtained on application to South African Commercial Company, Limited, 316 Winchester House, London, E.C. 2.

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COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.
Head Office.
24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£44,399,515.

Commercial.

RUSSIAN WHEAT.

We publish below a short table showing the proportion of our imports of Russian wheat to the total wheat imports of this country in the five years preceding the outbreak of the great European War. It will be observed that the proportion varies.

In the first year of our table, which was the year 1910, it was comparatively high, but the tendency throughout the period was to decline. We need not really include the year 1914, because the harvest period was wholly interrupted by the outbreak of the War. In 1911 it was still comparatively high, but in the two years immediately preceding the War it fell respectively to eight and a-half and four and a-half per cent. of our total wheat imports. We give the figures of the sterling cost of these imports rather as a matter of curiosity for the purpose of showing upon what a low relative basis of values we were accustomed to obtain this important article of diet in the pre-War years. The real object of the table, however, is to show what a relatively small part of our wheat supply was derived from Russia. Since the rise in price of the 4-lb. loaf there has been a popular, although, as the table shows, an erroneous, impression that it was due to a far greater extent than was the fact to the cessation of Russian supplies. In reality the great increase in the price of bread, as in the price of everything else, was brought about by totally different causes. It was due primarily to the withdrawal of an undue proportion of the population from productive to destructive occupations. This cause underlay the cost of production of every consumable commodity. Everything that was produced during the War and since the conclusion of the Armistice has been produced under conditions of shortage of capital and labour as well as of the necessary facilities of production.

While it is true as a broad general statement to say that if Europe fails to feed herself she will have to go hungry, we should guard against reading into the statement more than it really signifies. What is true is that the greater part of Europe as well as of the other continents derives its means of subsistence by

the production of food and raw materials. It is not true, however, to say that certain specified countries of Europe must produce adequate quantities of food for the consumption of its people or fail to obtain them. The reason why it is true to say that countries which mainly produce food and raw materials must rely upon themselves for such supplies is evident because they have no other means of rendering equivalent economic values in order to obtain such supplies. More than two-thirds of the total population of Europe is in that position, and, consequently, they are under the necessity of raising adequate supplies of food for their own consumption. It does not in the least follow, however, that the same dictum applies to England. In fact, in the case of this country it is not true, and has not been true for more than a century and a-half. Far from living by the production of food and raw materials, we do not produce quite a third of the food that we consume; and, with the exception of coal, we have no surplus whatever of raw materials. Consequently, we are, and have been for generations, entirely dependent upon overseas sources for the bulk of our supplies of food and for the raw materials which nourish our manufactures. We live by the sale of our surplus manufactured products, out of interest on invested capital, and by rendering various services—shipping, banking, and insurance being amongst the most important. If we were dependent upon ourselves alone for our supplies of food and raw materials we could only hope to maintain a very small part of our present population, and even that population would, as in the past, be subject to recurring periods of scarcity whenever these islands were visited by a wet summer. It is hoped and expected that the forthcoming harvest in the Northern Hemisphere, which supplies some eighty-five per cent. of the total quantity of cereals known to the international markets, will be a bountiful one. If these hopes are realised there should be a handsome surplus of grain for the world's consumption, which, by reducing the cost of food, should materially assist in the world's economic recovery, which we are all anxiously longing for.

Provided that we recover the trade which we lost during the War and are able to resume our activities upon the scale which we were accustomed to perform them in the period before the War there should be no difficulty in our obtaining adequate supplies of food and raw materials in the measure to which we had until recently become accustomed.

Imports of Russian Wheat.

	£	Per Cent. Russian to Total Wheat Imports into United Kingdom
1910	12,014,810	27·27
1911	7,028,705	18.14
1912	3,936,363	8·50
1913	1,983,710	4·54
1914	2,823,901	6·35

Industrial Companies.

BLEACHERS' ASSOCIATION, LIMITED.

Issued Share Capital: £4,843,586, in 2,472,500 Preference shares and 2,371,086 Ordinary shares of £1 each, fully paid. 4½% 1st Mortgage Debenture Stock: £2,250,000.

Year to Mar. 31	Trading Profits*	Repairs, Maintenance, and Depreciation	Debentureand other Interest Charges	Net Profit	Preference Dividend	Ordinary Div.	%	To Reserve	Carried Forward
	£	£	£	£	£	£		£	£
1914	841,492	285,865	132,211	423,416	131,455	138,306	6	65,000	175,957
1915	556,250	227,684	130,711	197,835	134,983	70,077	3	50,000	116,731
1916	809,151	256,428	136,529	416,394	135,987	141,006	6	65,700	190,532
1917	950,871	304,415	130,875	515,583	135,987	176,257	7½	130,000	263,681
1918	1,010,837	346,890	136,292	527,655	135,987	176,257	7½	130,000	349,091
1919	982,437	357,825	140,099	475,513	135,987	235,009	10	161,718	288,889
1920	1,603,525	646,284‡	143,661	813,580	135,987	470,019	20	175,000	321,462
1921	1,406,545	702,394	189,616	514,535	135,987	237,109	10	125,010	337,891

* After providing for taxation. † Including £100,000 provided for investment depreciation and contingencies.

FURTHER evidence of the severity of the recent depression in the textile industry is afforded by the report of this Company for the twelve months to March 31 last. The extent of the decline in the prosperity of the Association can best be measured by comparing the trading profits for the first and second half of the financial year. The results are set out in the following table:—

	1918-19		1919-20		1920-21	
	April-Sept.	Oct.-March	April-Sept.	Oct.-March	April-Sept.	Oct.-March
	£	£	£	£	£	£
Trading Profits	528,396	454,041	757,457	846,068	930,818	475,727

The trading profit, after charging taxation for the first six months, reached the record total of £930,818, but fell to £475,727 for the second half of the financial year, and if the results were shown by the Company before provision for taxation, the decline would obviously be still more pronounced. The table at the foot of last column shows how the full year's profits and allocations compare with those of previous years. The cost of repairs and maintenance has been increased from £401,284 to £507,394, and the allowance for depreciation from £130,000 to £180,000, while a sum of £15,000 is again written off properties, but no provision is shown for investment depreciation and contingencies, to cover which £100,000 was set aside a year ago. This is rather difficult to understand, as the half-yearly report published in November last specifically stated that £25,000 had been transferred to a contingencies fund from the profit for the first months. Debenture interest remains unchanged at £101,250, but other interest charges have been increased from £42,411 to £88,366, leaving a net profit of £514,535, as compared with the record of £813,580 reached in the previous year. The Preference dividend absorbs £135,987, the same as in each of the five preceding years, but the Ordinary distribution is reduced from twenty per cent. to ten per cent., absorbing £237,109, against £470,019. The contribution to the superannuation fund is maintained at £25,000, and although the transfer to general reserve is reduced from £150,000 to £100,010, the balance carried forward is £16,429 the larger at £337,891. The directors point out that the profits, after deducting all charges prior to Debenture stock interest and Preference dividend, are equivalent to 7.12 per cent. (against 10.88 per cent.) on the capital employed, *i.e.*, the share and loan capital, reserve fund, and amount brought forward as at March 31, 1920.

The changes which have taken place during recent years in the balance sheet position are shown below:—

	LIABILITIES.			ASSETS.			
Mar. 31	Issued Capital*	Sundry Creditors†	Reserves and Carry Forward	Fixed Assets‡	Stocks, etc.	Investments	Debtors and Cash
	£	£	£	£	£	£	£
1919	7,072,596	1,136,801	1,763,889	8,266,811	746,615	273,451	686,409
1920	7,072,596	2,118,168	2,084,170	8,238,132	872,124	501,506	1,655,360
1921	7,093,586	2,111,279	2,224,551	9,471,655	1,065,264	344,882	880,445

* Including debenture stock £2,250,000. † Including provision for taxation and final dividend payments. ‡ Including goodwill.

During the past year 20,990 £1 Ordinary shares were issued, but the report does not state to whom or on what terms the issue was made. It is of interest to note that while a bank overdraft of £628,947 has been created, and loan account increased from £153,105 to £182,252, the mortgage account has been reduced from £467,120 to £388,034, and trading and other accounts from £1,074,303 to £1,064,375. The general reserve, with the allocation now made, is increased to £1,325,000, the superannuation fund to £68,386, and the fire insurance fund to £263,074. The reserve for equalisation of dividends and the investments contingency fund are unchanged at £180,000 and £50,000 respectively, but the contingency fund, which amounted to £50,000 at March 31, 1920, has been eliminated. The fixed assets, which include goodwill, show additions (less sales) for the year of £1,428,223, but, allowing for depreciation and the amount written off, the net increase does not exceed £1,233,223. During the year the Company purchased the businesses of the Chorley Bleaching Company, the Tenterhouse Bleaching and Dyeing Company, and the Greenfield Bleaching Company, these acquisitions presumably being mainly responsible for the remarkable [illegible]

work in progress have grown by £193,110 to £1,065,234, but investments have been reduced by £156,624 to £344,882, debtors (less reserves) by £395,664 to £851,020, and cash and bills by £377,250 to £29,425. The basis upon which the stocks and investments are valued is not indicated, but it will be noted that there is an investment reserve of £50,000 among the liabilities. The heavy outlay on the fixed assets and stocks is reflected in an acute stringency of liquid capital, the deficiency as compared with current liabilities (excluding creditors on mortgage but including final dividends payable) amounting to £880,918 at March 31 last, whereas the previous balance sheet showed a surplus of over £453,800. The position can scarcely have been materially improved since the date of the accounts, and the creation of additional capital in the near future would accordingly appear to be necessary. The outlook for the current financial year is rendered very uncertain by the disturbed industrial conditions prevailing both at home and abroad, but the textile industry has apparently passed the most acute stages of the trade depression. The following table shows the prices and yields of the different shares of the Association, the yield on the Ordinary being based on the assumption of a dividend of twelve per cent. :—

	Ordinary	5% Cum. Preference	4½% 1st Mortgage
	£ s. d.	£ s. d.	£ s. d.
Price*	1 9 5	9 17 4	71 10 0
Yield	8·2 %	6·3 %	6·2† %

* Ex-dividend. † Flat yield.

THE "SHELL" TRANSPORT AND TRADING COMPANY, LIMITED.

Yr. to Dec. 31	Divs. from Investments, &c.	Total Income	Net Profit	Profit for Ord.	Div. on Ord. —Tax Free—	Reserve Account	Carried Forward
	£	£	£	£	%	£	£
1914	1,553,484	1,657,416	1,619,084	1,519,684	35	1,427,251	—	456,795
1915	1,647,234	1,727,901	1,672,523	1,572,523	35	1,429,016	60,000	420,302
1916	1,613,725	1,607,047	1,559,099	1,459,099	35	1,429,016	—	450,395
1917	2,655,536	2,678,760	2,628,058	2,528,058	35	1,749,411	—	1,229,042
1918	2,771,903	2,893,603	2,852,944	2,752,944	35	2,813,927	41,172	1,136,877*
1919	4,573,341	4,762,724	4,713,369	4,613,369	35	4,507,625	—	1,242,622*
1920	7,182,203	7,668,642	7,627,420	7,527,420	35	6,762,454	—	2,007,589

* Subject to excess profits duty.

The report of this Company for the twelve months to December 31 last shows that the total income amounted to £7,668,642, from which have to be deducted administrative expenses of not more than £25,535 and issue expenses of £15,687, leaving a net profit, subject to excess profits duty, of £7,627,420, as compared with £4,713,369 for the previous year. This remarkable expansion has been largely due to the employment of additional funds, the issued capital being increased from £14,857,641 to £21,321,296 by the issue of 6,463,655 Ordinary shares at par to shareholders in June 1920, while the large receipts on capital account in 1919 were fully available during the past year. The amount required to meet the Preference dividend remains unchanged at £100,000, but the Ordinary dividend, which is maintained at thirty-five per cent., free of tax, absorbs £6,762,454 (net), as compared with £4,507,625 (net) for the previous year. It is important to note that the payment of the tax-free dividend has involved an income-tax charge of £2,898,195 against the Company's profits for the past year, whereas the charge for the previous year did not exceed £1,931,839 in consequence of the smaller amount distributed. The improvement in the actual profits has accordingly been much greater than is indicated by the relative figures shown in the accounts. As in the previous year no allocation from revenue is made to reserve, but the balance carried forward, subject to excess profits duty, is substantially increased from £1,242,622 to £2,007,589. It is stated that ample provision for depreciation has been made by the various undertakings in which the Company is interested. Its profits depend on the dividends declared by these concerns, and it is on this basis that the accounts are presented. Accordingly, the income of the Company does not necessarily furnish an exact index of the prosperity enjoyed in each year by the different associated concerns.

The remarkable changes which have taken place during recent years in the balance-sheet position are indicated in the following table:—

	LIABILITIES			ASSETS		
	Issued Capital†	Reserves and Carry-forward	Total	Property Account*	Surplus of Liquid Assets over Current Liabilities‡	Total
	£	£	£	£	£	£
1914	6,082,902	4,336,796	10,419,698	8,380,486	2,039,212	10,419,697
1915	6,082,902	4,480,303	10,563,205	10,453,017	20,188	10,563,303
1916	6,082,902	4,510,385	10,593,287	10,666,026	72, 39(def.)	10,593,287
1917	6,997,561	5,299,032	12,296,593	9,510,859	2,785,734	12,296,593
1918	10,039,791	2,196,877	12,236,668	11,019,820	1,216,848	12,236,668
1919	14,857,641	6,242,622	21,100,263	12,036,905	9,063,358	21,100,263
1920	21,321,296	7,007,589	28,328,885	16,588,462	11,740,423	28,328,885

* Shares in Royal Dutch and other Allied Companies.
† £5,000,000 from Reserves and the balance in Ordinary Shares.
‡ Including Ordinary dividends payable.

The reserve stands at £5,000,000, to which it was increased in 1919 by the allocation of £4,000,000 from share premium account. The balance of the premium (amounting to £390,625) was utilised in writing down investments. The expansion in creditors, as shown in the above table, is entirely due to the fact that Ordinary dividends payable call for £6,762,454, as compared with £4,507,625 at December 31, 1919. The property account, which is entirely represented by holdings in sundry companies valued at cost or under, shows additions of £4,551,556 at £16,588,462, but the greater part of the additional capital raised during 1920 has been invested in Government and other securities, which now figure at £13,812,051, against £8,112,506 at December 31, 1919. These investments are valued at market prices or under at the date of the balance sheet, and include Treasury bills £7,375,592 (against £1,488,305), War bonds £4,057,505 (against £3,551,184), and Exchequer and Victory bonds amounting to £1,463,600 and £698,130 respectively. Cash has, however, been reduced from £660,923 to £22,713. The financial position is extremely satisfactory, the liquid assets, excluding shares in other companies, exceeding current liabilities (mainly represented by dividends payable) by over £11,740,000. It should, of course, be understood that the nature and distribution of the investments have altered materially since the date of the balance sheet, and that this estimate of surplus liquid assets does not take into account the liability for excess profits duty and Corporation tax. The report, as usual, contains little reference to future prospects, but the directors state that the advices received from the associated and other companies enable them to assure the shareholders of "the continued prosperity of the business." A full review of the position may be anticipated at the annual meeting to be held on July 4 next. The Ordinary shares are now quoted at 5⅜, ex dividend, at which price a yield of 6.5 per cent., free of tax (equivalent to 9.3 per cent., subject to tax), is obtained on the basis of a dividend of 35 per cent., free of tax. The Five per Cent. Cumulative £10 Preference shares at 8½, ex dividend, yield a return of 5.9 per cent.

JOHN BROWN AND COMPANY, LIMITED.

Issued Share Capital: £4,187,500, in 175,000 Preference shares of £10 each, fully paid; 1,500,000 £1 Ordinary shares, fully paid; and 1,250,000 Ordinary shares, 15s. paid. Debenture Loans: 1st Mortgage, £810,123; 2nd Mortgage, £687,100.

Year to March 31	Profit	Deb. Int., Pref. Dividend	Ordinary Dividend	To Contingencies Reserve	Other Reserves	Carried Forward
	£	£	£	£	£	£
1914	167,584	117,856	182,500	10	100,000	97,428
1915	220,245	382,706	212,875	12½	100,000	122,562
1916	274,753	155,482	212,875	12½	150,000	—	117,796
1917	366,710	148,100	227,875	12½	150,000	—	157,431
1918	364,129	148,100	227,875	12½	150,000	—	241,574
1919	362,190	112,019	261,758	12½	100,000	—	192,568
1920	405,754	177,036	261,087	12½	—	—	175,632
1921	418,836	174,415	243,750	10	—	—	174,289

* After providing for taxation and depreciation.

Having regard to the difficulties which beset the iron and steel trades during the past year, the report of this Company for the twelve months to March 31 last may be considered very satisfactory. The net profit, after providing for taxation and depreciation, amounted to £418,836, representing, as compared with the results of the previous year, a decline of £49,868, which may be largely explained by the increase in the excess profits duty and the imposition of the new corporation tax. The directors state that a serious stoppage, due

to labour troubles, occurred at the collieries last autumn, adversely affecting this part of the Company's business. With the exception of the armour-plate department, the Atlas Works were fairly employed over a considerable period of the financial year, but in the late autumn a considerable diminution of orders was noticeable. Having regard to the uncertainty of the outlook, it is not surprising that the directors should deem it advisable to reduce the dividend on the Ordinary shares from twelve and a-half to ten per cent., involving a corresponding diminution from £304,687 to £243,750 in the amount absorbed. No transfer is made to reserve fund, and the balance carried forward is practically unaltered at £179,599.

The changes which have taken place during the year in the balance-sheet position are shown in the following table:—

	LIABILITIES.			ASSETS.			
March 31	Paid-up Capital*	Sundry Creditors†	Reserves and Carry-forward	Fixed Assets‡	Stocks	Debtors	Investments and Cash
	£	£	£	£	£	£	£
1920	6,824,882	2,075,012	1,028,929	6,321,146	1,271,646	1,073,327	259,101
1921	5,684,723	2,131,141	1,029,599	6,855,482	908,775	1,039,248	41,958

* Including debentures. † Including final dividends payable.
‡ Including investments in other companies.

The share capital remains unchanged, but the Debenture loans have been reduced by £140,159 to £1,497,223. Sundry creditors, which include provision for taxation and final dividend payments, have been increased by £56,129 to £2,131,141, while the reserve and contingency accounts remain unaltered at £300,000 and £550,000 respectively. The fixed assets, with which are included investments in other companies, shown additions, less depreciation, of £534,036, while work in progress and stocks, of which the basis of valuation is not indicated, have fallen by £365,871 to £908,775. Debtors (less reserves) have been reduced by £34,079 to £1,039,248, and, although cash holdings are slightly the larger at £41,958, it has been necessary to realise War Loan investments of £220,000. A summary of the position reveals a stringency of liquid capital, which is apparently acute, the liquid assets, excluding investments in other companies and stocks, being exceeded to the extent of £1,049,935 (against £743,281) by current liabilities, including provision for taxation and final dividend payments. The auditors point out that the actual war taxation liability has not yet been ascertained, but it is considered that ample reserves have been made to meet any claims.

The report states that the decline in new business, which became evident towards the end of last autumn, has been greatly accentuated in the first three months of the current year. With the termination of Government control all work ceased at the collieries on March 31 last, and accordingly the current financial year will have to bear the full losses arising from the present deadlock. The construction of several of the vessels on hand at Clydebank has been suspended, and shipbuilding prospects are, in the opinion of the directors, very discouraging. It is stated that the financial results shown by the allied and subsidiary companies have been fairly satisfactory, but "nearly all these are suffering from the universal trade depression." In view of the foregoing facts and the financial stringency which exists, the distribution to shareholders in respect of the past financial year must be regarded as distinctly generous. The fully-paid Ordinary shares are now quoted at 19*s.* 2*d.* ex div.

New Issues.

GOVERNMENTS OF SOUTH AUSTRALIA AND TASMANIA.

Offer at par of £3,000,000 Government of South Australia Six and a-Half per Cent. Registered Stock, 1930-40, and £2,000,000 Government of Tasmania Six-and-a-Half per Cent. Registered Stock, 1930-40.

Of the plentiful fare placed before trustee investors in recent weeks the latest Australian loans are perhaps the most attractive. The objects of the emissions are to finance the construction of public works and for the settlement of discharged soldiers. The stocks are secured on the revenues of the respective States, and will be registered and transferable by deed free of stamp duty. The interest is, of course, not subject to any taxes, duties, or levies in South Australia or Tasmania, except for holders domiciled in those States. The subscription list closed on Thursday, June 16.

CITY OF LEEDS.

Offer at par of Six per Cent. Mortgages for periods of five, seven, and ten years.

In order to meet expenditure on housing and other municipal enterprise Leeds Corporation is prepared to receive six per cent. Loans on Mortgage repayable at par in five, seven, or ten years' time, conditional on six months' notice being given on either side. The Mortgages are secured on all the revenues of the city, and rank *pari passu* with all other emissions made by the municipality. An interesting feature of the loan is that bonds will be accepted at par in the purchase of houses erected by the Corporation under the Housing Acts. The issue lacks marketability, but the Leeds Finance Committee will be prepared to consider applications for early repayment on as fair a basis as possible. The loan, which constitutes a trustee security, will appeal in particular to local investors.

LONDONDERRY CORPORATION.

Offer at par of £150,000 Six and a-Half per Cent. Mortgages, redeemable at par on July 1, 1926.

The City of Londonderry, with a population of 48,000, has a comparatively low debt of £365,144, against which a sinking fund of £100,513 exists. Of the total debt £166,050 has been applied to remunerative undertakings. The Mortgages now offered are intended to finance the construction of the Banagher Glens Waterworks, and are secured against the revenues of the Municipality. Despite local political conditions, the financial status of the city is beyond reproach, and the yield offered is higher than that to be obtained on English corporation stocks, which are, however, for a much longer term than five years. The absence of indication as to a future Stock Exchange quotation will lessen the appeal of the emission to English investors. Official details are available on p. vi.

AMALGAMATED HOUSING INDUSTRIES, LIMITED.

Offer at par of 300,000 Ten per Cent. Cumulative Participating Preference shares of £1 each and 252,750 Ordinary shares of £1 each. The participation rights amount to twenty-five per cent. of the divisible profits left after a distribution of ten per cent. on both Preference and Ordinary shares.

The Company has obtained purchase options on various undertakings manufacturing bricks, cement, plaster, concrete, and slates. In the event of the present issue not being fully subscribed certain of the options will be allowed to lapse. It is proposed to double the present output of the constituent enterprises by the installation of extra plant, and the directors expect, with the economies of large-scale production, to be in a position to build houses at a moderate cost. The organisation of the enterprise is of the highest class on the technical side, but the details provided in the prospectus as to the financial outlook are not so satisfactory. Estimated profits point to a minimum dividend of twelve and a-half per cent. on the Preference shares, but no information is proffered as to the basis of this estimate. The shortage of houses is undoubted, but the high rents necessitated by present costs of production have narrowed the market. The Company hopes, however, to reduce costs materially. The experiences of many building companies during the current period of shrinking prices has not been fortunate, but there is certainly an effective demand for houses waiting to be satisfied. It is not clear whether the Company intend to operate independently of official housing schemes or to undertake speculative building, or judiciously combine both. Of the £248,000 purchase consideration, £190,750 will be taken in cash. The purchase price is lower than the total valuations by £115,642, but this fact would have been more convincing were all the valuations obtained from independent sources. For those confident that the technical excellence of the enterprise will be accompanied by financial stability the return promised is generous. Further particulars are available on pp. ii. and iii.

(Continued on page 1161.)

CHESAPEAKE AND OHIO RAILWAY.

FORTY-THIRD ANNUAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 1920.

RICHMOND, VA., April 19, 1921.

To the Stockholders:

The forty-third annual report of the board of directors for the fiscal year ended December 31, 1920, is herewith submitted.

The average mileage operated during the year was 2,519.2 miles, an increase over the previous year of 13.2 miles. The mileage at the end of the year was 2,539.1 miles, an increase of 22.3 miles over mileage on December 31, 1919. See schedule on page 11 (pamphlet report).

RESULTS FOR THE YEAR.

	$
Compensation under Contract, with Director-General of Railroads for months of January and February, 1920, and Net Income from Operations March 1, 1920, to December 31, 1920, exclusive of Taxes	16,877,289 26
(Increase $2,490,758.91, or 17.31%)	
Taxes Accrued	2,618,100 00
(Increase $2,298,101.59, or 718.16%)	
Net Income	14,259,189 26
(Increase $192,657.41, or 1.37%)	
Miscellaneous Income	1,901,583 24
(Increase $685,753.40, or 56.40%)	
Total Corporate Income	16,160,772 50
Rentals and Other Payments	220,907 60
(Decrease $513,441.98, or 69.92%)	
Income for the year available for interest	15,939,864 90
(Increase $1,591,852.79, or 9.57%)	
Interest (62.44% of amount available)	9,953,106 69
(Increase $1,179,563.29, or 13.44%)	
Net Income for the year, equivalent to 9.55% on capital stock outstanding	5,986,158 21
(Increase $212,289.50, or 3.68%)	
Dividends paid during year: Two dividends of 2% each ...	2,511,264 00
Remainder, devoted to improvement of physical and other assets	3,475,194 21

RETURN ON PROPERTY.

The following table shows the amount of return to your Company, including subsidiary companies, from transportation operations only, upon its investment in road and equipment at the termination of each year of the five-year period ended December 31, 1920, and the average for the five years :—

Year ended	Property Investment.	Total Operating Income.	Percentage of Return.
	$	$	%
†December 31, 1920 ...	291,179,583 14	14,410,821 80	1 95
†December 31, 1919 ...	287,864,838 63	13,725,866 83	4·77
†December 31, 1918 ...	269,914,419 76	12,871,539 79	1 77
December 31, 1917 ...	263,397,068 67	14,871,459 45	5 64
December 31, 1916 ...	250,247,098 33	15,359,715 04	6·14
Yearly average for five years ended December 31, 1920	272,520,601 71	14,247,880 58	5·23

† The road having been operated in 1918 and 1919 and during January and February 1920, by the United States Railroad Administration, the compensation payable during the period mentioned has been used in lieu of operating and other items making up the return from transportation operations. In these computations, interest payable by way of compensation for additions and betterments completed during Federal control has been excluded.

FINANCIAL.

The annual report for 1919 referred to the arrangements made during 1920 with the Director-General of Railroads to fund the indebtedness of your Company to the United States Government for equipment acquired during Federal control. The Six per Cent. Equipment Trust Notes, Series 13 and 13A, issued during the year for this purpose, amounted to $11,205,000. The amount of the additional notes to be given under the trusts referred to has not yet been finally determined, but is not expected to exceed the sum of $213,200.

Under Section 210 of the Transportation Act the provision is made for loans to carriers for necessary additions and betterments and equipment and to meet maturing obligations. Under this provision your Company since January 1, 1921, secured from the United States Government, for new equipment, a loan of $3,759,000 for ten years, with interest at six per cent., secured by pledge of $3,759,000 face amount, of your First Lien and Improvement Bonds, and $1,000,000, face amount, of United States Government 4½ per cent. Fourth Liberty Loan Bonds. The proceeds of this loan are being applied toward paying approximately forty-five per cent. of the cost of the following equipment :—

20 mallet articulated compound freight locomotives;
5 heavy switching locomotives;
1,000 one-hundred ton steel coal-cars.

The remainder of the cost of this equipment has been provided by the issue and sale by your Company, with the approval of the Inter-States Commerce Commission, of $4,500,000 Six and a-Half per Cent. Equipment Trust Notes, Series S, maturing in equal annual instalments over a period of fifteen years, beginning December 1, 1921. Of the locomotives covered by this trust thirteen were delivered during the year 1920, and the remainder have since been delivered. Delivery of the coal-cars is in progress at the date of the issuance of this report.

Your Company applied for a loan of $5,338,000, under the provisions of the Transportation Act above referred to, to be applied toward its additions and betterments programme for 1920 and 1921. Negotiations with the Inter-State Commerce Commission with respect to this loan have been completed at the date of the issuance of this report. Apart from the consummation of this loan your Company, by reason of the prevailing high interest rates and the general business depression, does not at present contemplate any new financing during the year 1921. Should conditions change materially some further financing may be advisable. Your Company is fortunate in having no considerable funded debt maturities to meet in the near future.

The changes in funded debt in the hands of the public during the year were as follows :—

	Retired. $
4 per cent. Big Sandy Ry. First Mortgage Bonds	66,000 00
4 per cent. Coal River Railway First Mortgage Bonds	76,000 00
4 per cent. Greenbrier Railway First Mortgage Bonds	23,000 00
5 per cent. Kanawha Bridge and Terminal Co. First Mortgage Bonds	7,000 00
4 per cent. Raleigh & Southwestern Ry. First Mortgage Bonds ...	4,000 00
Equipment Trust Obligations	1,114,000 00
Decrease	1,290,000 00

Other changes in obligation shown under funded debt on balance sheet of December 31, 1920, were as follows :—

	Increase. $
First Lien & Improvement 5 per cent. Mtge. Bonds	2,588,000 00
6 per cent. Equipment Trust Certificates Series "13"	9,535,500 00
6 per cent. Equipment Trust Certificates Series "13A"	1,669,500 00
6½ per cent. Equipment Trust Certificates Series "S"	4,500,000 00
Net Increase	18,293,000 00

During the past twelve years your Company's increase in capital liabilities in hands of the public, its principal acquisitions of stock and bonds of other companies, and its expenditures for equipment, branch-line construction, second track and other additions and betterments, have been as follows :—

	Par Value. $	$
Capital Obligations Issued or Assumed :		
General Mortgage 4½% Bonds	4,793,000 00	
General Funding and Improvement Mtge. 5% Bonds	11,000,000 00	
First Consolidated Mortgage 5% Bonds	2,000,000 00	
Convertible 4½% Bonds	31,390,000 00	
Three-Year 4½% Collateral Trust Notes ...	25,000,000 00	
One Year 5% Collateral Trust Notes	3,500,000 00	
Five-Year 5% Collateral Trust Notes	33,000,000 00	
Convertible 5% Secured Gold Bonds	40,180,000 00	
Coal River Railway Co. First Mortgage 4% Bonds	3,000,000 00	
Raleigh and S.-W. Ry. Co. First Mtge. 4% Bonds	860,000 00	
Big Sandy Ry. Co. First Mortgage 4% Bonds ...	229,000 00	
Virginia Air Line Ry. Co. First Mtge. 5% Bonds	900,000 00	
Kanawha Bridge and Terminal Co. 5% Bonds ...	476,000 00	
Equipment Trust Certificates Series "N" ...	1,700,000 00	
Equipment Trust Certificates Series "O" ...	3,160,000 00	
Equipment Trust Certificates Series "P" ...	2,500,000 00	
Equipment Trust Certificates Series "R" ...	3,780,000 00	
Equipment Trust Certificates Series "S" ...	4,500,000 00	
Equipment Trust Certificates Series "13" ...	9,535,500 00	
Equipment Trust Certificates Series "13A" ...	1,669,500 00	
Equipment Contracts, Various	4,809,390 00	
	187,982,390 00	
Realising		179,110,314 49
Less Capital Obligations Paid or Purchased :		
Six per cent. Collateral Gold Notes	5,000,000 00	
Collateral Gold 6% Notes	2,500,000 00	
Peninsula Division First Mortgage 6% Bonds matured January 1, 1911	2,000,000 00	
Greenbrier and New River Railroad Co. First Mortgage 5% Bonds redeemed Feb. 1, 1911	339,000 00	
General Funding and Improvement Mtge. 5% Bonds	7,302,000 00	
Greenbrier Railway Co. First Mortgage 4% Bonds retired Nov. 1, 1911	2,000 00	
Three-Year 4½% Collateral Trust Notes	25,000,000 00	
One Year 5% Collateral Trust Notes	3,500,000 00	
Five-Year 5% Secured Gold Notes	33,000,000 00	
Kimeon Coal Co. First Mortgage 5% Bonds ...	200,000 00	
Equipment Trust Payments	13,407,000 00	
Through Sinking Funds :		
Big Sandy Railway Co. First Mortgage 4% Bonds	678,000 00	
Coal River Railway Co. First Mortgage 4% Bonds	373,000 00	
Greenbrier Railway Co. First Mortgage 4% Bonds	241,000 00	
Kanawha Bridge & Terminal Co. 1st Mtge. 5% Bonds	12,000 00	
Raleigh & S.-Western Ry. Co. 1st Mtge 4% Bonds	74,000 00	
	93,628,000 00	
Costing		94,232,218 34
		84,878,096 15
Acquisitions—Stocks of:		
The C. & O. Railway Co. of Indiana	5,998,800 00	
The Hocking Valley Railway Co.	7,671,900 00	
Cincinnati Inter-Terminal Railroad Co.	56,000 00	
The Silver Grove Land and Building Co. ...	200,000 00	
White Sulphur Springs, Incorporated	2,600,000 00	
First National Bank Building Corp. (Richmond, Va.)	180,000 00	
The Chesapeake and Ohio Northern Railway Co.	4,026,500 00	
Western Pocahontas Fuel Co.	1,000,000 00	
Miscellaneous	133,200 00	
	21,866,400 00	
Costing		23,481,341 89
	$	
Bonds and Notes of :		
The C.&O. Railway Co. of Indiana First Mtge. 5%	7,711,000 00	
Western Pocahontas Fuel Co. Coupon Notes 5%	1,500,000 00	
Miscellaneous	401,500 00	
	9,612,500 00	
Costing		8,999,976 74

	Par Value.	$
Brought forward		31,191,318 63
Properties of:	$	
Coal River Railway Co.	2,304,359 88	
Raleigh and Southwestern Railway Co.	816,562 12	
Virginia Air Line Railway Co.	1,071,947 12	
Pond Fork Railway Co.	329,668 06	
Gauley and Meadow River Railroad Co.	116,767 98	
Kanawha Bridge and Terminal Co.	629,512 41	
Logan and Southern Railway Co.	306,105 73	
Elkhorn and Beaver Val. Ry. Co.	1,078,997 79	
Piney River and Paint Creek Railroad Co.	270,000 00	
	6,923,921 39	
Costing		6,923,921 39
Construction of:		
Extension of Branch Lines, costing	3,537,181 04	
Second Track (229·45 miles) and Additions and Betterments, costing	32,317,781 08	
(Excluding $2,983,159·95 expended on Chicago Line to May 31, 1919, for which securities have been acquired.)		35,854,962 12
Equipment:		
Additional equipment acquired (less retirals)		41,739,390 48
(Excluding $23,803·37 included in Statement of Expenditures on Chicago Line to May 31, 1919, for which securities have been acquired.)		
Costing		119,009,592 62

GENERAL REMARKS.

Branch line extensions during the year have been as follows :—

Minn, W. Va., to Gilbert, W. Va.	7·20 Miles
Pond Fork Branch—Madison, W. Va., to Mouth of West Fork, W. Va.	11·60 Miles
Toney Fork Branch—Lorado, W. Va., to End of Line	2·03 Miles
Indian Creek Branch—Coal River District—Myrtle, W. Va., to Vass, W. Va.	1·50 Miles
making total increase in Branch Lines put into operation during the year	22·33 Miles

Second track put into operation during the year is as follows :—

Logan, W. Va., to Stollings, W. Va.	1·27 Miles
Pecks Mill, W. Va., to Peach Creek, W. Va.	·31 Miles
making total increase in second track	1·58 Miles

Additional third track mileage put into operation during the year is as follows :—

Big Sandy Junction, Ky., to Russell, Ky., between M. P. 514 and M. P. 516	1·76 Miles

The equipment inventory as of December 31, 1920, was as follows :—

		Inc. or Dec.
Locomotives owned	665	—
Locomotives leased	271	+ 13
Total	936	+ 13
Passenger-train cars owned	341	+ 8
Passenger-train cars leased	62	—
Total	403	+ 8
Freight-train and miscellaneous cars owned	33,557	— 767
Freight-train cars leased	18,000	—
Total	51,557	— 767

The changes during the year in the accrued depreciation of equipment account were as follows :—

Balance to credit of account, December 31, 1919		$10,518,096 82
Amount credited during year ended December 31, 1920, by charges to		
U.S. Government	$369,263 34	
Operating Expenses	1,728,517 27	
	$2,097,780 61	
Charges to account, for:		
Accrued depreciation on equipment retired during year—		
815 freight-train and work cars	$184,823 89	
		1,912,956 72
Balance to credit of account, December 31, 1920		$12,430,963 54

In the annual report for the years 1918 and 1919 reference was made to the operation of your property by the United States Railroad Administration through the Director-General of Railroads. The operation under Federal control continued during the months of January and February 1920, and at midnight on February 29, 1920, the property was returned to the Company. The operating and traffic statistics contained in this report relate to the operation of your property by the Director-General for the months of January and February 1920, and by your Company from March 1 to December 31, 1920.

	1920.	1919.	Increase.
Operating revenues were	$90,524,184 65	$71,475,015 88	$19,049,168 77
Net operating revenues were	10,665,087 68	10,596,494 29	68,593 39
Operating ratio	88·2%	85·2%	3·0%
Tons of revenue freight carried one mile	11,720,030,889	9,633,548,642	2,086,482,247
Revenue train loads, tons	1,131	1,091	40
Revenue tons per loaded car	39·1	37·7	1·4

The revenue coal and coke tonnage was 29,353,213, an increase of 15.2 per cent.; other freight tonnage was 11,484,903, an increase of 13.4 per cent. Total revenue tonnage was 40,838,116, an increase of 14.7 per cent. Freight revenue was $72,774,680, an increase of 37.1 per cent. Freight train mileage was 10,359,986 miles, an increase of 17.3 per cent. Revenue ton miles were 11,720,030,889, an increase of 21.7 per cent. Ton mile revenue was 6.21 miles, an increase of 12.7 per cent. Revenue per freight train mile was $7.025, an increase of 16.9 per cent. Revenue tonnage per train mile was 1,131, an increase of 3.7 per cent.; including Company's freight, the tonnage per train mile was 1,197, an increase of 4.0 per cent. Tonnage per locomotive, including Company's freight, was 1,046, an increase of 4.3 per cent. Revenue tonnage per loaded car was 39.1, an increase of 3.7 per cent. Tons of revenue freight carried one mile per mile of road were 4,651,175, an increase of 21.0 per cent.

There were 8,767,811 passengers carried, an increase of 1.2 per cent. The number carried one mile was 384,045,169, a decrease of 23.4 per cent. Passenger revenue was $11,776,038.48, a decrease of 16.8 per cent. Revenue per passenger per mile was 3.066 cents, an increase of 8.6 per cent. Number of passengers carried one mile per mile of road was 152,411, a decrease of 23.9 per cent. Passenger train mileage was 5,185,021, a decrease of 5.9 per cent. Passenger revenue per train mile was $2.271, a decrease of 11.7 per cent. Including mail and express it was $2.679, a decrease of 4.7 per cent. Passenger service train revenue per train mile was $2.725, a decrease of 4.3 per cent.

There were 12,813.7 tons of new rail (952.1 tons 130 lb., 10,607.1 tons 100 lb., 1,245.4 tons 90 lb., 9.1 tons 67½ lb.) equal to eighty-one miles of track used in renewal of existing track.

There were 1,052,369 cross ties used in maintaining existing tracks, a decrease of 43,258.

There were 891,058 yards of ballast (525,662 yards stone) used in maintaining existing tracks, a decrease of 19,524 yards.

The average amount expended for repairs per locomotive was $7,427.05, per passenger train car $1,971.68, per freight train car $274.42.

At midnight February 29, 1920, the United States Government restored to your Company its properties which had been operated by the Director-General of Railroads since December 28, 1917. The corporate income figures in this report for the months of January and February are based upon the compensation under the contract with the Director-General of Railroads, the main details of which were given in the annual report for 1919. Since the date of the return of your property the income figures represent the actual results of operation. Settlement with the Director-General, for the balance of compensation due your Company and for other matters arising out of Federal control has not yet been effected, due to the complicated state of the accounts and the necessity of a joint check thereof. A tentative statement of the accounts appears at page 20 (pamphlet report). Your directors hope to fund, as provided by the Transportation Act, all, or at least the greater part, of the charges for additions and betterments during Federal control, estimated at $10,363,458.69. The statement of account does not include any estimate of amounts due to your Company in respect of under-maintenance of its properties by the Director-General, or amounts due on account of difference in quantities of materials and supplies on hand at the beginning and end of Federal control. These items are yet to be determined.

As explained in the previous annual report, your directors voted to accept the guaranty provided by the Transportation Act, for the six months March 1 to September 1, 1920. On account of this guaranty your Company received during the year the sum of $2,700,000, which is included in the corporate income account and which was approximately the amount of the retroactive wage award of the Railroad Labour Board for increased wages during the period May 1 to August 31, 1921. No accrual has been made for the balance payable on account of the guaranty for the reason that it has not been practicable at the time this report is issued to finally compute and agree with the Inter-State Commerce Commission upon the amount still due.

Shortly before the close of the guaranty period increased rates granted by the Inter-State Commerce Commission became effective. The average increase in freight rates for your Company and its affiliated companies amounted to approximately thirty-three per cent. The increase in passenger rates amounted to substantially the full twenty per cent. *plus* the surcharge authorised by the Inter-State Commerce Commission. During the last four months of the fiscal year the volume of business handled by your Company was large, and with the increased rates its earnings were gratifying, notwithstanding the large increase in operating expenses due to the increased wages granted by the Labour Board and to high cost of fuel and other materials and supplies. Since January 1, 1921, the volume of business has fallen off very substantially, and this will be reflected in an unsatisfactory showing for the year 1921. Your directors and officers are making every effort to meet the resulting loss of revenue by administering your property with the utmost economy consistent with safety and reasonably adequate service. Negotiations have been instituted with your employees looking to a readjustment of existing rates of pay and working conditions, but it is probable that in many cases these questions must be submitted to the Railroad Labour Board for final decision. The attitude of the Inter-State Commerce Commission and of the public authorities generally who are charged with the administration of the provisions of the Transportation Act, has been helpful, and your directors are hopeful that with the revival of business, which is certain

to come sooner or later, your property will again show satisfactory results.

Your directors regret to announce the death on July 12, 1920, of Frank Trumbull, Chairman of your board for many years, President of your Company from July 1, 1918, to December 31, 1919, and a director at the time of his death. Your directors also regret to report the death, on November 3, 1920, of George W. Stevens, President, and a director of your Company since 1900, except during the period of Federal control. Appropriate resolutions of regret and appreciation were adopted by your directors with reference to the deaths of these two invaluable officers.

Effective December 7, 1920, W. J Harahan was elected President and a director of your Company. Effective July 16, 1920, Robert Gibson was elected a director to succeed Mr. Trumbull. Effective December 17, 1920, Henry T. Wickham, Vice-President and General Counsel of your Company, was elected a director to succeed Frederick H. Rawson, resigned.

Your directors acknowledge with appreciation the faithful and efficient service of officers and employees.

By order of the board of directors,

W. J. HARAHAN, *President.*

H. E. HUNTINGTON, *Chairman.*

GENERAL BALANCE SHEET, DECEMBER 31, 1920.

(Excluding Stocks and Bonds owned of the C. & O. Ry. Co. of Indiana and of the C. & O. Equipment Corporation.)

ASSETS.

Property Investment—			
Cost of Road		$198,502,923 56	
Cost of Equipment		82,061,163 59	
			$280,564,087 15
Securities of Proprietary, Affiliated and Controlled Companies—Pledged—			
Stocks—See Schedule, page 18 (pamphlet report)	$15,240,498 44		
Bonds—See Schedule, page 18 (pamphlet report)	3,579,408 01		
	$18,819,906 45		
Other Investments—Pledged—			
Bonds—See Schedule, page 18 (pamphlet report)	385,000 00		
Securities—Issued or Assumed—Pledged—			
Bonds—See Schedule, page 18 (pamphlet report)	54,248,001 00		
		$73,452,907 45	
(Includes First Lien and Improvement 5% Mortgage Bonds $54,248,000 00, See Contra.)			
Miscellaneous Investments—			
Physical Property		455,196 29	
Special Funds, and Funded Debt Issued and Reserved—			
R. & S. W. Ry. Co. First Mtge. Bonds—Reserved for Construction	$40,000 00		
Potts Creek Branch—Cash	51,561 84		
		91,561 84	
			73,999,665 58
			$354,363,752 73
Working Assets—			
Cash in Treasury	$3,921,113 67		
Cash in Transit	1,715,933 19		
	$5,637,046 86		
Cash Deposit—Insurance Collection Account	5,586 10		
Cash Deposits to pay Interest and Dividends	1,366,284 75		
Cash Deposit to pay Equipment Trust Principal	4,500,000 00		
Miscellaneous Cash Deposits	12,287 50		
Loans and Bills Receivable	409,440 39		
Traffic Balances	1,546,377 35		
Agents and Conductors	2,538,994 49		
Miscellaneous Accounts Receivable	3,441,655 51		
United States Government—Compensation unpaid See Schedule, page 20 (pamphlet report)	8,532,460 57		
Other Working Assets	93,643 04		
		$28,083,776 56	
Materials and Supplies		11,913,006 94	
Securities in Treasury—Unpledged			
Stocks—See Schedule, page 17 (pamphlet report)	$4,924,723 45		
Bonds—See Schedule, page 17 (pamphlet report)	3,927,455 50		
		8,852,178 95	
Deferred Assets—			
Accounts with United States Government See Schedule, page 20 (pamphlet report	$13,669,325 29		
United States Government—Materials and Supplies See Schedule, page 20 (pamphlet report)	6,131,266 54		
Unmatured Interest, Dividends and Rents	865,289 41		
Advances to Proprietary, Affiliated and Controlled Companies	574,718 42		
Advances, Working Funds (Fast Freight Lines, &c.)	12,202 80		
Special Deposits with Trustees, Various Mortgage Funds	536,551 10		
Special Deposit, Cash and Securities Account Liberty Loan	148,382 38		
Cash and Securities in Sinking Funds	129,624 85		
Cash and Securities in Insurance Reserve Fund	83,059 10		
Sundry Accounts	2,099,596 04		
		24,250,015 93	
			73,098,978 38
Total			$427,462,730 91

LIABILITIES.

Capital Stock			
Common	$62,792,600 00		
First Preferred	3,000 00		
Second Preferred	200 00		
	$62,795,800 00		
Common The Chesapeake & Ohio Railway Co of Indiana	1,200 00		
		$62,797,000 00	
Funded Debt			
First Mortgage, Terminal, &c., 6% Bonds, 1922	$142,000 00		
General Funding and Improvement 5% Bonds, 1929	3,698,000 00		
Convertible 4½% Bonds, 1930	31,390,000 00		
First Mortgage, R. & S. W. Railway, 4% Bonds, 1936	826,000 00		
First Consolidated Mortgage 5% Bonds, 1939	29,858,000 00		
First Mortgage, Craig Valley Branch, 5% Bonds, 1940	650,000 00		
First Mortgage, Greenbrier Railway, 4% Bonds, 1940	1,678,000 00		
First Mortgage, Warm Springs Branch, 5% Bonds, 1941	400,000 00		
First Mortgage, Big Sandy Railway, 4% Bonds, 1944	4,322,000 00		
First Mortgage, Paint Creek Branch, 4% Bonds, 1945	539,000 00		
First Mortgage, Coal River Railway, 4% Bonds, 1945	2,627,000 00		
Convertible 5% Secured Gold Bonds, 1946	40,180,000 00		
First Mortgage, Potts Creek Branch, 4% Bonds, 1946	600,000 00		
First Mortgage, Kanawha Bridge & Terminal Co. 5% Bonds, 1948	464,000 00		
First Mortgage, Va. Air Line Railway, 5% Bonds, 1952	900,000 00		
First Mortgage, R. & A. Division, 4% Bonds, 1989	6,000,000 00		
Second Mortgage, R. & A. Division, 4% Bonds, 1989	1,000,000 00		
General Mortgage, 4½% Bonds, 1992	48,616,000 00		
	$173,890,000 00		
Equipment Trust Obligations and Contracts	21,995,000 00		
		195,885,000 00	
		$258,682,000 00	
First Lien and Improvement 5% Mortgage Bonds not in hands of public (see Contra), 1930			55,801,000 00
Working Liabilities—			
Loans and Bills Payable	$6,805,000 00		
Audited Vouchers and Pay Rolls	12,792,225 98		
Unpaid Wages	23,070 29		
Miscellaneous Accounts Payable	589,039 75		
Matured Interest and Dividends Unpaid	1,444,833 40		
Matured Mortgage and Secured Debt Unpaid	11,174 17		
Other Working Liabilities	135,792 23		
	$21,801,135 80		
Deferred Liabilities—			
Accounts with U.S. Government See Schedule, Page 20 (pamphlet report)	$22,000,456 35		
United States Government—Materials and Supplies See Schedule, page 20 (pamphlet report)	9,321,669 58		
Unmatured Interest and Rents	2,895,422 03		
Employees' Payments on Liberty Loan Bonds	28,826 70		
Taxes Accrued	1,263,254 12		
Accrued Depreciation—Equipment	12,450,963 54		
Sundry Accounts	3,870,151 97		
	$51,810,744 29		
		73,611,880 09	
Appropriated Surplus—			
Additions to Property through Income and Surplus	$23,859,636 38		
Reserve invested in Sinking Funds	84,049 01		
Reserve invested in Insurance Fund	83,059 10		
	$24,026,744 49		
Profit and Loss—Balance	15,341,106 33		
		39,367,850 82	
Total			$427,462,730 91

This Company is also liable as a guarantor of the following securities: Western Pocahontas Fuel Co. Coupon 5% Notes, due 1919 and 1921 ($500,000 each year), owned by this Company, $1,000,000; The Chesapeake & Ohio Grain Elevator Co., First Mortgage 4% Bonds due 1938, $820,000; Richmond-Washington Co. Collateral Trust Mortgage (C. & O. proportion 1-6) 4% Bonds due 1943, $10,000,000; The Chesapeake & Ohio Northern Railway Co., First Mortgage 5% Gold Bonds due 1945, $1,000,000; Louisville & Jeffersonville Bridge Co. Mortgage (C. & O. proportion 1-5) 4% Bonds due 1945, $1,500,000; Western Pocahontas Corporation, First Mortgage 4½% Bonds due 1945, $750,000; Western Pocahontas Corporation, Extension Mortgage No. 1, 4½% Bonds due 1945, $97,000; Western Pocahontas Corporation Extension Mortgage No. 2, 4½% Bonds due 1946, $51,000; Norfolk Terminal & Transportation Co., First Mortgage 5% Bonds due 1948, $500,000.

GENERAL INCOME ACCOUNT (CORPORATE).

For year ended December 31, 1920, and comparison with year ended December 31, 1919.

	1920	1919	Increase.	Decrease.
	£	£	£	£
† Net Income, including compensation under Clause with Directors' [illegible] for Calendar year [illegible], plus Net Income [illegible] to December 1920, [illegible]	[illegible]	[illegible]	[illegible]	—
* General Expenses (Corporate)	[illegible]	[illegible]	[illegible]	[illegible]
Federal Income Tax Accruals	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	192,657 41	—
Income from other Sources—				
Interest from Investments and Accounts	[illegible]	1,067,567 98	[illegible]	—
Miscellaneous	[illegible]	[illegible]	[illegible]	6,167 28
	1,901,583 24	1,215,829 84	685,753 40	—
Gross Income	16,160,772 50	15,282,361 69	[illegible]	—
Deductions from Gross Income—				
Interest on Debt	[illegible]	[illegible]	[illegible]	—
Rental Leased Roads and Misc. Rents	98,471 60	98,172 08	299 52	—
Loss on C. & C. Grain Elevator	[illegible]	20,866 23	234 31	[illegible]
Miscellaneous	101,335 46	615,311 27	[illegible]	513 [illegible]
Total Deductions	[illegible]	[illegible]	666,121 31	—
Net Income	5,986,458 21	5,774,168 71	[illegible]	—
Amount to Credit of Profit and Loss December 31, 1919	[illegible]	[illegible]	[illegible]	[illegible]
Amount of Net Income for year ended December 31, 1920, transferred to Profit and Loss	[illegible]	[illegible]	$5,986,458 21	
Sundry Adjustments	[illegible]	[illegible]	[illegible]	
				[illegible]
				17,864,370 33
Deduct—				
Dividend 40 Paid June 30, 1920	[illegible]	[illegible]	$1,[illegible]	
Dividend 41 Paid December 31, 1920	[illegible]	[illegible]	1,[illegible]	
				[illegible]
				$15,353,106 33
Appropriation of Surplus to Sinking and Other Reserve Funds	[illegible]	[illegible]	[illegible]	[illegible]
Balance to Credit of Profit and Loss December 31, 1920	[illegible]	[illegible]	[illegible]	$15,941,[illegible]

† Includes $2,700,000 amount received from the United States Government [illegible] tion Act, 1920.

* General Expenses 1920 refer to months January and February only.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Commercial and Industrial:											
Alldays & Onions	31/7/20	12,999	—	—	—	—	—	5,248	—12,999	—	—
Bleachers' Association	31/3/21	514,535	135,987	10	237,109	100,000	25,000	337,891	+16,429	—	—
Callender's Cable & Construction	31/12/20	118,298	41,000	15	75,000	—	—	108,101	+ 2,298	77,025	15
Consolidated London Properties	25/3/21	15,759	—	5	11,000	5,000	—	3,684	— 241	15,152	4½
Johnson (Richard), Clapham & Morris	12/3/21	33,338	2,598	15	15,432	17,660	—	31,848	— 352	84,384	20
Lyons (J.)	31/3/21	503,323	176,490	42½	249,862	100,000	—	12,480	—23,029	396,684	42½
Venesta	30/6/20	104,121	15,000	5	12,500	—	—	232,857	+76,621	106,184	20
Victoria Dwellings Association	30/4/21	423	—	1	564	—	—	868	— 141	846	1
Waygood-Otis	31/3/21	83,069	9,000	9	25,535	30,000	5,000	27,980	+13,534	—	—
Yorkshire Dyeware & Chemical	31/3/21	16,058	—	15	15,750	—	—	8,764	+ 288	25,525	20
Financial Trusts:											
Globe Telegraph & Trust	31/5/21	287,772	76,073	10	220,927	Dr. 10,000	—	2,181	+ 802	263,950	10†
Lake View Investment Trust	31/3/21	15,933	—	5	14,438	—	—	1,495	—	—	—
Gas:											
Bombay Gas	31/12/20	22,461	—	8	22,400	—	—	25,713	— 61	25,893	8
Iron, Coal, and Steel:											
Howard & Bullough	31/5/21	148,749	15,000	10	100,000	40,000	—	50,956	— 6,251	—	—
Ruston & Hornsby	31/3/21	30,180	23,500	—	—	—	—	43,920	+ 6,680	97,784	5
Mining:											
British Broken Hill Proprietary	31/12/20	Dr. 47,758	—	—	—	—	—	122,903	—47,758	21,125	—
Buena Tierra Mining	31/12/20	Dr. 34,620	—	—	—	—	—	Dr. 39,347	+34,620	Dr. 11,507	—
Gold Fields of Mysore & Gen. Explor.	31/12/20	Dr. 5,078	—	—	—	—	—	Dr. 10,149	+ 5,078	—	—
Mysore Gold	31/12/20	172,906	—	25	146,175	15,000	—	18,322	+11,731	76,811	20
Robinson Deep	31/12/20	62,927	—	200	50,000	—	—	156,580	+12,027	121,331	—
Nitrate:											
Angela	31/12/20	19,049	—	20	14,000	5,000	—	2,223	+ 49	Dr. 1,489	10
Barrenechea	31/12/20	33,090	—	50	22,500	—	—	12,984	+10,590	Dr. 9,943	15
Railways Home:											
Mansfield Rly.	31/12/20	28,986	10,000	4	8,000	—	—	13,068	+10,986	—	—
Railways—Indian and Colonial:											
Mashonaland Rly.	30/9/20	Dr. 36,409	—	—	—	—	—	Dr. 1,675,227	+36,409	Dr. 93,976	—
New Cape Central Rly.	31/12/20	23,074	—	4	20,867	2,000	—	4,453	+ 2,207	—	—
Rhodesia Rlys.	30/9/20	21,995	—	—	—	—	—	210,886	+ 11,995	58,532	—
Tea, Coffee, and Rubber:											
Baru (Java) Estates	31/12/20	94	—	—	—	—	—	9,879	— 94	—	—
Central Travancore Rubber	31/12/20	Dr. 15,246	—	—	—	Dr. 8,000	—	990	— 7,247	—	—
Consolidated Malay Rubber	31/12/20	75	—	12½	9,375	Dr. 6,000	—	1,013	— 3,301	36,517	37½
Darjeeling Consolidated Tea	31/12/20	1,077	3,000	5	3,000	—	—	16	— 4,923	17,205	8
Jugra Estate	31/3/21	21,800	—	25	18,750	—	—	4,790	+ 3,050	35,216	100
Lochnagar (Ceylon) Produce	31/12/20	Dr. 1,658	—	—	—	—	—	3,973	— 1,658	14,102	15
Malayalam Rubber & Produce	31/12/20	Dr. 67,120	—	—	—	Dr. 47,538	—	1,807	—19,582	—	—
Parambe Rubber & Tea Co. of Ceylon	31/12/20	2,157	—	—	—	—	—	9,410	+ 2,157	[illegible]	—
Selangor River Rubber	(1st yr.) 31/12/20	20,752	—	—	—	—	—	20,752	—	—	—
Seremban Rubber	(1st yr.) 31/12/20	18,377	—	—	—	—	—	18,377	—	—	—
Simo Rubber	31/12/20	Dr. 1,257	—	—	—	—	—	5,749	— 1,257	—	—
Sungei Krui Rubber	31/12/20	10,293	—	—	—	—	—	12,698	+10,293	20,676	—
Woodend (Kelani Valley, Ceylon) Rubber & Tea	(1st yr.) 31/12/20	1,709	—	—	—	—	—	1,709	—	—	—
Tramways and Omnibus:											
British Electric Traction	31/[illegible]/21	165,661	42,765	4	53,050	12,349	—	177,319	+[illegible]	[illegible]	[illegible]
Gravesend & Northfleet Elect. Tramways	31/12/20	5,457	86	3	2,357	1,000	—	1,344	— 14	—	—

* After providing for all Government taxation, prior charges, &c. † Tax free. ‡ Half-year.

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

The Economic Journal. Quarterly Journal of the Royal Economic Society, June 1921. Price 6*s.* net. (Macmillan & Co., St. Martin's Street, W.C. 2.) A more than usually interesting issue, which contains contributions by Professor A. L. Bowley on "An Index of the Physical Volume of Production," by H. F. Howard on "The Imperial Bank of India," and by Sir Henry Strakosch on "The South African Reserve Bank."

Municipal Accounts. By John [illegible]. Third edition. Price 11*s.* 6*d.* (London: Gee and Co.) This work forms the twenty-first volume of a series called "The Accountants' Library." The whole series is to comprise fifty-one volumes dealing with practically every class of accounts, and illustrating the application of the theory of [illegible] as described in general [illegible] bookkeeping.

MEETINGS
OF PUBLIC COMPANIES.

Western Australian Bank.

THE one hundred and fifty-ninth half-yearly meeting of the shareholders of this Bank was held on May 4 at the Banking House, St. George's Terrace. Sir E. H. Wittenoom, Chairman of the Directors, presiding.

The Chairman, in moving the adoption of the report and balance sheet, said he felt sure the shareholders would be gratified to find that in spite of the unsettled position of the world commercially and industrially, the directors were still able to present them with the usual dividend of £1 per share free of dividend duty. They would note that in addition to the dividend of £1 per share, a sum of over £28,000 was carried forward—a substantial sum under the circumstances. The deposits, which might be taken as an evidence of the confidence of the public in the institution, amounted to the gratifying sum of £3,308,825.

Referring to agriculture, he said this was, fortunately, in a better position than other industries at the present time. The whole business was in the hands of a wheat pool. At present the price of wheat was satisfactory, though indications were not wanting that a fall must be expected shortly. The pastoral industry was in a most unfortunate position. Some 3,000,000 bales of old wool, together with last season's clip, was on hand in London and Australia, and sales were only effected with the greatest difficulty. Referring to pearl shell, he said that here again they were confronted with a stagnant market. The gold industry was also in an unsatisfactory position. The cost of production having become excessive, several mines had been compelled to stop work. The position in regard to fruit was like a ray of sunshine out of the accumulated clouds. It was a matter of great regret that there was a dangerous delay in providing the necessary shipping space.

The report was adopted.

Gresham Fire and Accident Insurance Society, Ltd.

Steady Growth of the Business—Reserves Strengthened.

THE eleventh annual general meeting of the Gresham Fire and Accident Insurance Society, Limited, was held on the 16th inst. at the head office, St. Mildred's House, Poultry, E.C., Sir Reginald Macleod, K.C.B. (Deputy-Chairman), presiding.

The Chairman said: I feel sure you will learn with regret that our Chairman, Sir Charles Hanson, is unable to be with us to-day. After a long period of overwork—work the benefit of which this Company has fully enjoyed—his health gave way, and a long period of rest became absolutely necessary. He is now at his Cornish home, and I am glad to be able to tell you that the accounts of his progress are satisfactory, and we look forward to his return in renewed vigour. (Hear, hear.)

Fire and Accident Departments.

Dealing first with the fire department, our premium income stands at £197,376, representing an increase on the previous year of £35,237, or 21.7 per cent. This growth is not phenomenal, but it is steady, and I believe represents a fair and full average of the growth in income by the soundest companies in this country. Our claims, on the other hand, require £97,332, a ratio of 49.3 per cent., as compared with £72,787, a ratio of 44.9 per cent. This increase is to be regretted, but, having regard to the generally adverse character of the fire year, it should be regarded as satisfactory, especially when it is remembered that an appreciable amount of the increase is due to fires which were unquestionably incendiary, especially those at Liverpool. In the accident department there has been an increase from £79,872 to £107,751, that is, £27,879, or 34.9 per cent. The accident claims have amounted to £50,627, against £33,876, a ratio of forty-seven per cent., as against 42.4 in 1919. In certain branches, especially motor and burglary, conditions have been adverse, and rates have not been high enough to meet the growing weight of claims. We certainly have not suffered more severely than other companies, but neither this nor any other business can be carried on at a permanent loss, and steps have been taken to protect your interests.

As shown in the report, our total income amounts to £314,172, as compared with £249,695, and our total outgoings to £275,811, as compared with £201,959, the percentage of claims paid and outstanding being 48.49, as against 44.07, and that of expenses of management and commissions 39.71, as against 39.39. You will see that practically there has been no increase in the cost of management and commissions.

The Year's Income.

Turning to the profit and loss account, our net income from investments was £8,512, transferred from the fire department £6,157; and at this point I ought to draw your particular attention to the sum placed to reserve for unexpired risks, £69,081 for fire and £37,713 for accident. Hitherto the percentage so placed to the reserve was thirty-three and one-third per cent., and this has, in our experience, been fully sufficient to meet our liabilities. The directors have, however, decided that a proportion of the profits of the year should be employed in strengthening this reserve, and they are convinced that this policy—which they hope to continue as conditions allow—will meet your approval. The sum so applied amounts to over £5,000, and, had it not been so applied, it is obvious that that sum would have been available for other purposes. From the accident department there has been transferred to profit and loss £4,217, and these three sums, together with a small sum on account of transfer fees and the balance from last year of £4,916, make up the total of £23,830. On the other side of the account income tax has absorbed £4,147, in addition to the sums of £1,349, and £216 deducted from interest and dividends. We have had to provide £2,529 for loss on exchange, as against a slight profit on this head in 1919. To provide for depreciation £3,163 has been carried to investments reserve, as against £10,269 which was required in the previous year. I can venture on no forecast, but since we hold so large a portion of our money in Government securities repayable at an early date, it is reasonable to hope that we shall not have to face further serious depreciation. (Hear, hear.) We have deemed it necessary to provide £870 for corporation profits tax, an amount involving more than enough to add a-half per cent. to the shareholders' dividend. We all admit the necessity of heavy taxation, but it does seem an outrage that, after an income tax of 6*s.* in the £, and a huge increase in the stamp duty on policies from 1*d.*, to 6*d.*, costing us a good many hundreds, the particular class of investors who encourage enterprise by placing their money, not in protected forms, but in Ordinary shares, should be subjected to this new deduction from their income. (Hear, hear.) The taxpayer ought to be more alive to the necessity of protecting himself when a new and unequal burden, amounting practically to a fresh income tax on a particular class of investor, is imposed. It does seem to me, gentlemen, that we are far too long-suffering, and too ready to bear any burden that is placed upon our shoulders. After all, we are all electors, and all have a member of Parliament representing us, and if, when we find that a new tax is imposed with his consent, we make our protest, we may in the end suffer less. (Hear, hear.) I merely suggest that for your consideration.

Dividend Maintained.

After meeting these charges we have a balance of £13,119, which permits payment of a dividend of five per cent., less income tax. This will absorb £7,000, which is fully provided from income from investments, and we carry forward £6,119, as compared with £4,916 on the last occasion. I do not think I need detain you by reference to any particular items in the balance sheet, but I shall be glad to reply to any point you may raise by question. In regard to the current year now nearly half spent, the business of insurance must suffer from the general collapse of business, consequent on the coal strike and other labour troubles. We are powerless; all we can do is to conserve our resources and to exercise all possible economy, and I think I am justified in assuring you that our position is absolutely sound, and that we look forward to the future with confidence.

I cannot conclude without emphatically referring to the appreciation by the directors of the work of the management and staff. The General Manager, Mr. Brand Miller, is a tower of strength. He, with the Assistant Manager, Mr. Richley, devote themselves with the utmost loyalty to advance the interests of the Society, and, together, with the Assistant Secretary, Mr. Rider, deserve our best thanks. I cannot refer to others by name, but I wish to speak warmly of the excellent work done by our field-men, by our foreign agencies, by our home branches, and by our head office staff, who are always ready to respond to the call made upon them in times of pressure and difficulty. I beg to move: "That the directors' and auditors' reports be approved and adopted, and that a dividend at the rate of five per cent., less income tax, be paid upon the paid-up capital of the Society."

Mr. Courtenay C. S. Fooks seconded the resolution, and it was carried unanimously.

Election of Directors.

The Chairman then proposed: "That the Right Hon. Lord Southborough, G.C.B., G.C.M.G., be appointed a

director of the Society." His Lordship had occupied the very highest positions in the public service in different parts of the world, and he did not think that there was any man better qualified than he was to strengthen the board and to be of service to the shareholders. (Hear, hear.)

Mr. H. Hoare seconded the resolution, and it was carried unanimously.

The retiring directors were re-elected, and a vote of thanks to the Chairman terminated the proceedings.

Brunner, Mond and Co., Limited.

Reduction of Wages Essential.

THE annual ordinary general meeting of Messrs. Brunner, Mond and Company, Limited, was held at the Exchange Station Hotel, Liverpool, on Wednesday, June 15.

Mr. Roscoe Brunner (Chairman of Directors) presided over a large attendance.

After dealing with the balance sheet, which showed a balance of assets over liabilities of £14,000,000, excluding cash derived from the new issue, the Chairman spoke substantially as follows :—

The story told by our profit and loss account differs only in degree from that of other companies whose meetings have been held during this year. The trade depression began eight or nine months ago, and probably no staple trade has been working at a profit since, at latest, the end of last year. Companies whose years ended last September, generally speaking, had very good years. Companies whose years ended in December had some months of declining trade. Our subsidiary Companies' years end in September and December, and therefore investment revenue is good. Our year ending in March bears four months' bad trade, and therefore our trading profit is bad.

Our policy has always been one of the highest possible production, coupled with a relatively small margin of profit, so that when costs rise, as they have done, profits naturally tend to diminish. When production falls off, as it did during the trade depression, profits naturally disappear altogether.

Speaking this time last year, I said that all employers should refuse all further advances in wages. Unfortunately this advice, which would have stopped the rise in prices and tended to alleviate the trade depression, was not followed. In January of this year I suggested by letters to *The Times* that the only way in which we could recover our trade was by making immediate substantial reductions in wages, the only fund out of which large reductions in cost could be obtained. I took specifically the case of coal, which I showed had gone up since 1914 by three and a-half times, and showed that if all the remaining items in the cost of coal were eliminated entirely the cost price of coal would not be reduced by more than a few shillings. Every Labour leader was at that time saying that all reductions in wages should be resisted to the death. The hard logic of events has shown that their attitude was wrong, though they continue to resist not an attack by employers upon wages, as they suggest, but an attack by economic laws upon wages.

Severest Trade Slump on Record.

The trade of the country has suffered the severest slump it has ever known, and recovery from this must necessarily be slow. The coal stoppage, which has already lasted for two and a-half months, has accentuated that slump to a degree which no man may estimate.

During the War the world turned from productive work to the manufacture of agents for destruction, which themselves were used in the destruction of wealth. If the world is to recover the former level of trade that wealth must be replaced. The only way by which it can be replaced is by hard work and saving. Those savings, in the usual course of events, will be applied in the production of wealth to take the place of that destroyed, but in order that the people shall be able to live and to save they must be enabled to buy in greater quantities at a lesser cost. The only way by which they can do this is that the cost must be reduced by reducing wages, since in the cost of production of every article wages is by far the largest item, averaging at least seventy per cent.

The reduction in wages which have already taken place are not nearly enough, and have not indeed kept pace with the reduction in the cost of living.

Reduction in wages must be accompanied by a reduction in salaries. Every class in the country must accustom itself to the idea that their increased standard of comfort is not permanent, but may have to suffer a decrease in the standard even below that of pre-War. A reduction in the pre-War standard of living can only be avoided first by regaining our export markets and thereafter by harder work and increased efficiency.

Incidentally the Government must help us by decreasing the cost of government. Taxation is now so heavy that most people are living upon capital, and it absorbs so great a proportion of the profits of industry and the income of the individual that savings are rendered almost impossible. Every Government service which is not of vital necessity must be scrapped because we cannot afford it.

Generally the Government's efforts to replace economic laws have resulted to the taxpayer in losses amounting to many millions.

Successful Issue of New Capital.

When we met you in April last we announced that we were about to issue two and a-half millions of new capital. (The issue was highly successful, and the list was closed early on the second day.) It was then our intention to continue the erection of the Wallerscote Works and the Synthetic Ammonia Works at Billingham. We recognised then all the difficulties and doubts attendant upon the slump in trade, but since then the coal stoppage has accentuated those difficulties and doubts. Who can prophesy the trend of trade for the next six or twelve months? Whatever may be the opportunity of recovery, it is being steadily destroyed by the constant succession of strikes which the Labour leaders must know are entirely fatal to Labour most of all.

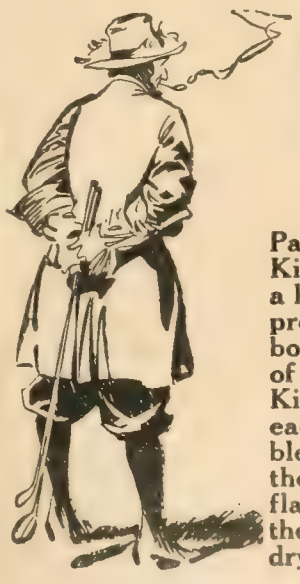
So great are our doubts as to what the demand for our products will be within the next few months that we have revised our old policy and have postponed and delayed the whole building programme until [illegible] trade shows a distinct sign of revival, but the labour situation shows some signs of settled conditions.

Trade in the immediate future will, I suggest, show a series of rather violent fluctations up and down, with an upward tendency, but which I am afraid will only be gradual. The country should not be deceived by the boom which may follow the settlement of the coal stoppage into thinking that good times have necessarily returned.

Synthetic Ammonia and Nitrates, Limited.

Our new company, Synthetic Ammonia and Nitrates, Limited, has erected at the works of Castner Kellner a semi-large scale plant of the Haber type, but with improvements of their own, which has now been running for some weeks, producing NH_3 at the rate of one ton per day, soon to be raised to two tons. The designing and starting of this, the most complicated plant we have ever tackled, with very few of the troubles one always expects on starting a new plant, reflect great credit on the technical directors of that company and their staff. The experience which will be gained with this small plant, which is yet on a commercial scale, will render much easier their task of designing and running the large plant to be erected at Billingham. The technical results confirm our expectation that with any reasonable cost of construction and at any selling price which appears probable, that business will be a profitable one.

The picture may be black, but our trade has a great power of recuperation, and because we make necessities it recovers as soon as any other trade begins to recover.



KING'S HEAD
Tobacco

Pack your pipe with King's Head Tobacco—a little at a time, gently pressed down into the bowl: the little circles of tobacco into which King's Head is cut are, each one, a perfect blend of the leaves. So they smoke evenly in flavour, burn evenly in the pipe, to the last dry ashes.

THREE NUNS
a similar blend—but milder

Both are sold everywhere in the following packings only

Packets: 1-oz. 1 2, 2-oz. 2 4. Tins: 2-oz. 2/5, 4-oz. 4 8

"THREE NUNS" CIGARETTES

	10's	20's	50's	100's
MEDIUM	6d	1/-	2/5	4/8
HAND MADE	8d	1/4	3/4	6 8

Stephen Mitchell & Son, [illegible] of the Largest [illegible] Great Britain and [illegible] Limited, 24 St. Andrew Square, [illegible]

The Chairman concluded by moving the adoption of the directors' report and statement of accounts and the payments of dividends to the holders of Preference shares at the rate of seven per cent. per annum and to the holders of Ordinary shares at the rate of eight per cent. per annum, less income tax and less the interim dividend paid in December last.

The Right Hon. G. W. Balfour seconded, and, after a number of questions had been replied to by the Chairman, the resolution was unanimously carried.

On the motion of the Chairman, seconded by Sir John Brunner, Mr. Arthur Colegate was re-elected a director of the Company; while, on the proposition of Mr. J. I. Watts, seconded by Mr. Harper, the six members of the board of directors retiring under the articles of association—namely: Sir John Brunner, Bart., Mr. Henry Glendinning, C.B.E., Mr. J. H. Gold, Mr. C. F. Peele, Mr. Louis Solvay, and Mr. A. W. Tangye, C.B.E., were also re-elected directors of the Company.

Mr. F. G. Rose moved, Mr. Isaac A. Mack seconded, and it was resolved, that the directors, other than those under written agreement, each be paid at the rate of £500 per annum for services rendered during the year ended March 31, 1921.

The auditors, Messrs. Edmund D. White and Sons, of Liverpool, were reappointed at the sum of £900 for auditing the accounts for the year ending March 31, 1922.

Sir John Brunner moved, Mr. Watts seconded, and hearty thanks were passed to the officials, staff, and workmen of the Company for their excellent work during the past year; also to the staff and workmen of Synthetic Ammonia and Nitrates, Limited. Both speakers referred in eulogistic terms to the splendid way in which all concerned had worked under trying conditions, the Chairman remarking that depression in trade brought more anxieties and increased the work of the technical staffs.

The meeting concluded with thanks to the Chairman.

Elder Dempster and Co., Limited.

Strong Financial Position.

THE eleventh general meeting of Elder Dempster and Company, Limited, was held on June 15 at 23 Billiter Street, London, E.C., Sir Owen Philipps, G.C.M.G., M.P., the Chairman of the Company, presiding.

The Secretary (Mr. Picton H. Jones) having read the notice convening the meeting and the report of the auditors, the Chairman said this old-established business was founded fifty-two years ago. After the death of Sir Alfred Jones, the late senior partner, the business was incorporated as a limited company. The great work which Sir Alfred Jones accomplished in developing the trade of West Africa was well known, and the aim of the directors had always been to carry on that work and gradually to expand the business of the Company to meet the ever-growing requirements of the British Colonies in West Africa. They had also taken a prominent part in the development of the trades between Canada and South Africa, between West Africa and the United States, and in other parts of the world. The paid-up share capital, Debenture capital and reserves now amounted to considerably over nine millions sterling, compared with less than three millions sterling in 1910, when the Company was incorporated. During those eleven years the assets had been well written down. The directors had always been fully alive to the fact that the shipping trade was liable to considerable fluctuations, and it had been their policy to take advantage of good times to set aside ample reserves. That policy had placed the Company in a strong position.

West African Trade.

The results of last year's operations were satisfactory, and called for no special comment. Their principal interest had always been, and would continue to be, the development of trade to and from the West Coast of Africa. The reputation which the products of West Africa had deservedly secured in the world's markets could not but ensure a prosperous future for those countries. The ultimate outlook was undoubtedly promising, although there was bound to be severe competition from similar produce originating in other parts of the world. The Colonial Government would, he hoped, do all in their power, by suspension or reduction of export duties and otherwise, to cheapen the cost of putting the products of West Africa on the home market.

With regard to the scheme for a deep-water harbour on the Gold Coast, some Chambers of Commerce in this country held the view that the trade of the Gold Coast did not yet justify the expenditure contemplated, but in his opinion facilities should be in advance of trade, and in a country so rich in resources as the Gold Coast the provision of a deep-water harbour, with all it meant in the expeditious handling of ships and merchandise, should help to promote and augment both export and import trade.

For the convenience of their shippers, the Company had erected in Liverpool new warehouses for the handling and storage of cocoa and other bagged produce from West Africa. Those warehouses, which had been opened this month and had been inspected by merchants and traders, were equipped with the most modern electrically-driven appliances for the expeditious handling of goods and produce. Six new cargo steamers had been delivered by the builders during the year. There had been delay in the delivery of the first of their new West African express passenger steamers, but the vessel would be completed as promptly as possible. The service between this country and West Africa had, in the difficult circumstances prevailing, been well maintained, and they had resumed their services to and from Continental ports and the West African coast.

Valuation of Fleet.

It had been their regular practice since the formation of the Company to write off each year not less than five per cent. on the first cost of each of the steamers of the fleet until they were written down practically to break-up prices, and in addition to write special depreciation off all the steamers acquired during or since the War. They kept the ships of the fleet insured, but for many years past they had had an insurance department which took certain underwritings risks. The insurance business had now been transferred to a separate company called Elders Insurance Company, Limited, with a capital of £500,000, of which £200,000 was paid up. He looked forward to that company having a prosperous future. The times through which they had been passing were very difficult, and he would like to express the board's appreciation of the care and attention that had been devoted to the interests of the Company by the Liverpool managing directors, their officials and staffs, at home, abroad, and at sea. As to the future, the Company had large interests in the shipping trade of many parts of the world, and when the present depression had passed away their business would no doubt continue to expand. British shipping in future might be faced with keener competition on the part of foreign nations than it had ever experienced, but he was confident that it would continue to hold its own.

The Chairman concluded by moving the adoption of the report and accounts, and the payment of a final dividend on the Ordinary shares of six per cent., making ten per cent. for the year, and a dividend on the management shares in accordance with the articles of association.

Lord Pirrie, K.P., P.C., seconded the motion, which was carried unanimously.

De Trey and Company, Limited.

The Effects of the Industrial Crisis on the Dental Industry.

THE ninth annual general meeting of the shareholders of this Company was held on June 14 at the offices of the Company, 13-14 Denman Street, Piccadilly Circus, London, W., Mr. C. De Trey (Chairman and Managing Director) presiding.

Mr. Geo. Dawson (one of the joint secretaries) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—You have all received the report of the directors and the auditors' statement, and with your permission I shall consider the same as read. (Agreed.)

In reading over our report of last year you will be struck by the great change which in less than a year has taken place, and which has so adversely affected the financial and industrial world. I have frequently in the past referred to the fact that while now and again during the last twenty-five years trade and finance in Europe have received a set-back, through various political and economic causes, the dental trade has always been less affected by these crises than almost any other business. This has resulted from the fact that the progress of dentistry, year in and year out, has been pursuing its rapid course as general education has brought home to the multitude the fact that proper dental treatment is an all-essential factor in the health of a nation.

The Industrial Crisis and the Dental Trade.

For the dental trade in general to have been affected to the extent it has been during the last ten months shows how severe the present crisis must have been and is still, for it is the first time that the progress of dentistry has suffered, if not a set-back, a decided check. This state of affairs is caused mainly by the fact that loss of capital has so greatly affected the public purse and the spending power, that the majority of people, ignorant of the fact that the care of the teeth should be given a leading place in life, do not reserve out of their very much reduced incomes the amount which is necessary for that purpose.

That the reaction, when it comes, will be very marked is obvious; the decay of teeth goes on unchecked, people delaying dental treatment to the last possible moment, and the consequent havoc can hardly be estimated. The progress of dentistry, especially among the working classes, is for the present being seriously arrested, and I am afraid that the reaction for the better may take longer than was first anticipated, owing to increased unemployment, continuous strikes, and the present industrial demoralisation. We must not lose sight of the fact that the progress of the dental trade depends mainly on the development of dentistry among the masses.

Dentists in general do not appear to be very busy; even those who are kept busy find it a serious problem to get in their fees. Thus not only is the consumption of dental goods considerably reduced for the time being, but the money available to finance that reduced consumption falls considerably short of what is required, for most people in these times delay payment of their dentists' or doctors' accounts, just as, in the first place, they put off seeking the necessary advice and treatment. The dental trade, which, as far as one can recollect, has hardly ever known the meaning of a set-back, is to-day suffering from the present world crisis, as are most industrial and manufacturing undertakings.

The Dentists Bill.

You will have noticed from the Press that the Dentists Bill passed its third reading last night in the House of Commons. I do not propose to enter into the controversy which is bound to surround a Bill of this description, but note with satisfaction that the Press is urging upon the public the necessity of educating all classes to the benefits to be derived from the proper care of the teeth. I cannot urge too strongly that the proper care of the teeth constitutes the keynote of good health.

However, in spite of the present difficulties, we should have every reason to be satisfied, and I do not want any of you to be under the impression that we take too gloomy a view of the future. We are really optimistic as to the ultimate development of the dental trade, for, as I have said, the reaction is bound to come, and when it comes it should be in proportion to the set-back which has taken place. The dental schools throughout Europe are full of students, and the number of dental practitioners is increasing rapidly.

Contrary to what was expected, there are still large territories in Europe which are not freely accessible to us. In these territories we reckon there are over 30,000 fully educated dentists, and I refer particularly to the former Central Empires, territories in which the dental profession is clamouring for our goods, and where we would otherwise be doing a very large business were it not for the fact that there is a prohibition against the importation of all dental goods into Germany, intended for the protection of German manufacturers, who, on the other hand, are free to export their goods to our territories.

A year ago we entertained the warmest hopes that our trading in Russia could have been resumed. To-day, however, we are no further advanced than we were then. Nevertheless, we are more optimistic than ever as to the world-wide possibilities for our trade, for the time will come, and is indeed not far off, when we shall again be able to build up a large business in those territories from which we have been cut off for so many years.

The American Company.

In respect of the trading of our New York sister company, the largest dental concern in America, I am glad to report that, in spite of the crisis prevailing there, the Dentists Supply Company can be considered as having done very well; as you are aware, we have a one-third interest in that organisation, and to-day we have the pleasure of having its President, Mr. George Whiteley, present at our meeting. (Applause.) Mr. Whiteley, one of the founders of the Dentists Supply Company, has been one of our life-long collaborators, and it is to him, as unquestionably the most learned and experienced man in all matters pertaining to the manufacture of artificial teeth, that prosthetic dentistry owes a great deal of its progress during the last twenty years.

I should like to point out that, while we are continuing to keep a close watch on expenditure, we are obliged to maintain our staff of competent assistants for the countries which are either partially or wholly closed to us at present, and this in order to be able to take full advantage of the first possibility of resumption of trade in these territories.

Under present conditions I should not care to predict when we may look for a decided change for the better, for that change can only take place together with the improvement of finance and industry.

I am glad to inform you that our Neasden works, in spite of the present difficult conditions, are giving us every satisfaction, and we can truthfully say that we have every reason to be proud of what we have accomplished, for it is the first time that dental chairs and other similar lines have been produced in Europe which compare favourably, both in price and quality, with any goods manufactured abroad.

Dividends.

Our Company has now been in existence for over nine years (though it existed, of course, under different ownership for over twelve years previously), and it is gratifying to note that in that time we have paid dividends on the Ordinary share capital amounting to a total of 111½ per cent. The average dividend paid on the Ordinary shares for the first nine years has therefore been 12.4 per cent.

Since our issue early last year of 325,000 Ordinary shares for cash, and later 267,722 Ordinary shares as bonus shares, your board has issued 56,123 Ordinary shares to acquire certain subsidiary interests. The total issued capital to date, including 100,000 Seven per Cent. Cumulative Preference shares, amounts to 1,187,011 shares.



The Man Who Stopped The Clock !

THE man who buys a safe because the price appears cheap may be likened to the man who stopped the clock in order to save time.

Of the many things in this world which ought to be selected by reason of their established reputation are a Doctor, a Lawyer, and a Safe, for in each case their value lies in the degree of service rendered in time of need.

No prudent man would accept the services of a Surgeon or a Lawyer without establishing to his own satisfaction that their previous training and ability merited his confidence. Likewise, a wise man takes no chances when installing a safe—he realises that there are few things in this world so costly as what may have appeared a "cheap" safe, because should it fail under a real test, by fire, fall or burglary, the loss may be irreplaceable.

THE CHATWOOD SAFE is not offered on a price competitive basis, but to those who desire to have the greatest degree of security it is possible to obtain. It is constructed to a definite standard of excellence and is accepted by the Banker and all those who have valuables to protect with contented confidence.

Since **THE CHATWOOD SAFE** *1878.*

¶ THE CHATWOOD SAFE BOOK should be in the possession of every intending purchaser of a Safe or Strong Room. Send for a complimentary copy to-day.

A 2

THE CHATWOOD SAFE CO., LIMITED
BANKERS' ENGINEERS
Head Offices and Works : BOLTON, ENGLAND.
Branches
LONDON 56 Gracechurch St. MANCHESTER Royal Exchange GLASGOW 2 Greenlodge Ter. Greenhead

We must be thankful that, in spite of the world crisis, it has not been necessary for our Company to issue any Debenture stock or notes, and to-day the only charge standing in front of the Ordinary share capital is the 100,000 Seven per Cent. Cumulative Preference shares.

Turning to the accounts, you will find, if you confirm the final dividend, that the general reserves will stand at £71,383 12*s.* 7*d.*, and the contingency reserves at £66,679 3*s.* Your directors have not proposed to carry any sum to contingency reserve this year, as it was considered more advisable to make suitable depreciation for all stocks.

The amount of £779,506 13*s.* 9*d.* for sundry debtors and bills receivable shows an appreciable increase over last year, and includes amounts due to us by allied concerns and subsidiary companies.

In conclusion, I beg to move: "That the directors' report and the audited statement of accounts at December 31, 1920, be received and adopted, and that the appropriation to reserve be approved."

Mr. G. H. Whiteley seconded the motion.

In reply to Mr. Erskine, M.P., the Chairman said that when the directors decided to pay an interim dividend of seven and a-half per cent. the Company was in the position of having earned the money, and as it possessed substantial reserves they felt thoroughly justified in making the payment. At that time no one realised the extent to which, owing to the general depression in industry, it would be necessary to write down stocks.

The motion was carried unanimously.

The Chairman next moved: "That the interim dividend of seven and a-half per cent. (less income tax) paid on November 1, 1920, be approved and confirmed, and that a final dividend of five per cent. (less income tax) on the Ordinary share capital be declared payable on June 30, 1920, to the holders of shares on the register on June 6, 1921, in respect of the year ended December 31, 1920."

Mr. X. Castelli seconded the motion, which was unanimously adopted.

On the proposition of the Chairman, seconded by Mr. C. F. Clapham, M.C., Mr. R. de Gautard and Mr. T. H. Jones, O.B.E., were re-elected directors; and on the motion of the Chairman, seconded by Mr. C. A. Barbezat, the election of Mr. H. L. Quick as a director was confirmed.

The reappointment of Messrs. Toy, Campbell and Co. as auditors was proposed by Mr. Fenton, seconded by Mr. Flower, and unanimously agreed to.

Vote of Thanks.

Mr. Fenton proposed a hearty vote of thanks to the Chairman and the other directors, and also to Mr. Whiteley, the President of the American Company, remarking that he was thoroughly satisfied that De Trey and Co. was one of the best industrial companies in England.

The vote was seconded by Mr. Pearson and unanimously accorded.

Mr. Whiteley, in a brief acknowledgment, said that De Trey and Co. were holding their position in the dental world as well as, if not better than, most other establishments. The American Company was in a specially favourable position in that it particularly manufactured one line of goods. They probably made seventy-five per cent. of all the teeth that were manufactured in the United States, and that represented sometimes half a million teeth per day. De Trey and Co. had the sale of this product throughout Europe and the British Empire, as well as in China and Japan. The prospects, as far as he could see, were reasonably bright.

The Chairman also thanked the shareholders for the vote, and the proceedings then terminated.

Zinc Corporation, Ltd.

Appeal to Labour.

THE tenth ordinary general meeting of the Zinc Corporation, Limited, was held on June 15 at River Plate House, E.C., Mr. F. A. Govett (Chairman and Managing Director) presiding.

The Chairman, in moving the adoption of the report and accounts, said he feared the shareholders would have to recognise the unpleasant fact that, with the present working costs and working hours, together with present metal prices, their mine was no longer payable, and that the continued profitable existence of the Company—as, indeed, of Broken Hill—depended on general conditions other than the development of the mine. Until quite recently all operations had been suspended for a period of nineteen months, and it followed that there was not much to tell about the actual working. The mine itself was still shut down, for with lead under £26 per ton it would be working at a loss, and there would be no sense in using up the Company's resources unless some reasonable profit could be made. They were just working the remainder of their original zinc tailings and a small accumulation of their own zinc middlings to produce zinc concentrates, which they would not be able to sell if it were not for the Government contract. They had still about two and a-half years' supply of those tailings, and as long as those held out they could pay their way and make some profit. At first it looked rather doubtful if there would be any profit, but since they got to work it seemed to have settled down at about £25,000 a year, in addition to the value of the by-product—the lead concentrates produced in the zinc concentrator. That, with lead at present prices, would increase that amount by £30,000, so that it looked as though the Preference dividend was now being earned, and would be earned so long as the tailings lasted and present prices were maintained. Any rise in the price of lead would, of course, improve the position, and there should be plenty of time for demonstration of the results of impossible remuneration of "go slow" labour.

The Financial Position.

As regarded the financial position, there had not been much change. The increase in property and investment account included a further subscription of £50,000 to the Electrolytic Zinc. That was necessary in order to maintain their position with their partners in that enterprise, which had now been provided with sufficient capital to enlarge the capacity of the works to 100 tons per day, and construction was proceeding. They had also taken an interest of £15,000 in a combine called the British-Australian Lead Manufacturers to make subsidiary lead products, and they had shared in a combine to supply themselves with timber, taking over a going concern, now known as the Broken Hill Globe Timber Company. Those three subsidiary investments the board regarded as being obligatory, but under normal or reasonable conditions they should pay well. The reorganisation plan of the Granville business in the North-West Corporation had been carried through, and during this season they should have one dredge at work, which the board trusted would confirm the estimate of values on which that enterprise was based. As regarded the general position, the prosperity of the Company depended on two main factors—namely, the price at which they could produce their concentrates of lead and zinc, and the price at which the resultant lead and spelter could be sold. The former was practically entirely a question of the cost of labour, for the cost of material which they used also depended on the cost of labour; the price at which the metals could be sold was mainly, if not altogether, a question of consumption and demand throughout the world, which, of course, depended largely on the price, and that conversely depended on the cost of production—the cost of labour. The cost of labour was the vital factor throughout. If the men would really work sufficiently on the forty-four hour basis the Company could carry on mining operations profitably with lead at a considerably lower price. The difficulties in regard to labour were possibly more accentuated in Australia than elsewhere, but on broad lines the problem was the same throughout the world, and the position of their industry at Broken Hill was typical of what must be the inevitable result of impossibly high wages. It had been shown in America that high wages were not impossible if men would really work. The two things now necessary were that the buying power of the world should be recreated, and the cost of production reduced, which would mean a gradual return to a lower cost of living and to an economic wage.

Mr. P. Lyttelton Gell seconded the resolution, which was unanimously agreed to.

Callender's Cable and Construction Company, Ltd.

Dividend Maintained.

THE twenty-fifth ordinary general meeting of this Company was held on June 16 at 2 and 4 Tudor Street, E.C., Sir J. Fortescue Flannery, Bart., M.P., M.Inst.C.E. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said that the past year had been one of exceptional pressure and difficulty. The volume of business had been very large and had taxed the resources of the Company to the utmost. The new workshops for the manufacture of super-tension cable had been completed, and were already turning out this type of cable, which would be very largely employed in future for electrical power distribution. Further, they had taken over the workshops erected on the Company's and for the purpose of manufacturing war material. The Picardy works had now been completely converted for the purpose of manufacturing ordinary telephone cable, and had been actively employed all the year, and the other shops would also be utilised for more peaceful operations. The new capital raised was not received until the latter half of the year, and its useful employment in the business was only felt towards the last month or two.

The year's profit was sufficient to maintain the dividend at the previous year's rate of fifteen per cent., to deal effectively with the requirements as to depreciation, and to add several thousand pounds to the amount carried forward. Towards the end of the year they began to feel the competition of other nations whose currency had become depreciated and whose workpeople had recognised the necessity to work hard so as to restore the commercial and industrial prosperity of their country. This competition was still severe, but, as the trade of those countries improved and their exports increased, the advantage they at present enjoyed in a depreciated currency would tend to disappear. The relations between the Company and its employees were excellent.

The output of the factories during the earlier months of the current year had exceeded the output for the corresponding period of last year, but there had been very grave and serious dislocation within the last few weeks. As a result of the dispute in the coal industry they had found themselves at Erith faced with the alternative of exhausting their stocks of fuel without any possibility of replenishing them or else closing the works. After giving the matter full consideration they decided that the better course was to close the factory.

The motion was carried unanimously.

Brakpan Mines, Ltd.

(Incorporated in the Transvaal.)

MINUTES of the proceedings of the eighteenth ordinary general meeting of shareholders, held in Johannesburg on Tuesday, May 17, 1921 :—

The Chairman (Mr. F. R. Lynch) addressed the meeting as follows :

Gentlemen,—The tonnage crushed during the year, amounting to 596,500 tons, shows an increase of 52,300 tons over the previous year. The cost per ton was 29*s.* 6.63*d.*, and the revenue per ton amounted to 36*s.* 5.60*d.*, calculated at the standard price of gold. The working costs again show an advance, being 2*s.* 11*d.* per ton higher than in 1919. The yield, on the other hand, shows a decrease of 1*s.* 9*d.* per ton, but the yield in 1919 was higher than was called for by the ore reserves, whereas the results for last year closely approximated the ore reserve value.

The development footage for the year totalled 17,336 feet, of which 12,397 feet were on reef, averaging 9.80 dwt. over 35.31 inches. Of the footage sampled, 6,330 feet, or 51.4 per cent., was payable, and averaged 15.16 dwt. over 37.36 inches. The average reef width shows a decrease, but the value is greater, being 574 inch-dwt., as against 561 inch-dwt. for 1919. The ore reserve was increased by about 42,000 tons to 2,526,517 tons. The value was increased to 8.88 dwt. over 70.08 inches, or 622 inch-dwt., as compared with 8.74 dwt. over 69.96 inches, or 611 inch-dwt. in 1919. Sinking is proceeding in the No. 3 shaft, and it is estimated that the reef will be intersected at between 4,400 and 4,500 feet. The linear development accomplished during the first quarter of this year amounted to 5,075 feet, of which 3,514 feet were on reef. Of the footage sampled, 1,510 feet, or 43 per cent., were payable, and averaged 15.02 dwt. over 35.35 inches.

You will observe from the financial statements that the working profit for the year, reckoning gold at the standard price, was £206,220, to which must be added, for the premium on gold, £343,072. After deducting £6,908, the realised loss on stores purchased during the War period, there remains a total working profit of £542,385. This shows an increase of £120,000 as compared with the results for 1919. The working profit has been increased to £549,893 by certain items enumerated in the general revenue and expenditure account, to which must be added £133,363 carried forward from 1919, making a total balance to the credit of the appropriation account at the end of the year of £683,256.

The balance of £549,893 to the credit of the general expenditure and revenue account is a record for the Company, and, although the dividend percentage of forty-five per cent. has been exceeded on one occasion, the actual amount of cash distributed in dividend is also a record. Forty-seven and a-half per cent. dividend was declared in 1917, and is the highest percentage paid by the Company, but it absorbed only £367,525, as against last year's record of £380,190, because in the former case the capital was not then fully issued.

The £500,000 provided for capital expenditure by the issue of 100,000 new shares at £5 each for the exploitation of the lease area having become almost exhausted, and as it was necessary to provide additional funds for further shaft sinking, equipment, and development work, your directors decided that it was in the best interests of the Company to provide a portion of such additional money out of profits. £125,000 was therefore appropriated for this purpose. In addition, £25,000 was appropriated for the reorganisation of plant and machinery. This is rather an unusual item, and is to meet certain expenditure on plant, &c., in the old area which is necessary in connection with operations in the new lease area. Such special expenditure cannot reasonably be allocated to capital account, nor can it be fairly included in working costs, and it has therefore been provided for in the appropriation account.

The report was adopted.

Springs Mines, Ltd.

(Incorporated in the Transvaal.)

MINUTES of the proceedings of the twelfth ordinary general meeting of shareholders, held in Johannesburg on Tuesday, May 17, 1921.

The Chairman (Mr. F. R. Lynch) addressed the meeting as follows : Gentlemen,—Turning to the mining aspect of the Company's affairs, you will observe that during the year 465,800 tons of ore were crushed, which shows an increase of some 31,000 tons on the previous year. The development footage accomplished during the period under review amounted to 18,408 feet, of which 12,461 feet were on reef averaging 17.13 dwt. over 21.46 inches; 7,170 feet, or fifty-seven per cent. of this reef footage was payable, averaging 22.50 dwt. over 25.82 inches. The percentage of payability for the year showed a decrease of 4.9 per cent. compared with the 1919 results, but the value increased from 525 inch-dwt. to 581 inch-dwt.

The large development programme carried out during the year has been of considerable benefit to the ore reserve. At December 31, 1919, the ore reserve was estimated at 2,417,298 tons, averaging 8.74 dwt. over 62.92 inches. At June 30, 1920, the ore reserve had increased to 2,569,207 tons, valued at 8.75 dwt. over 63.16 inches, and at December 31 last it was estimated at 2,726,178 tons, averaging 8.76 dwt. over 63.48 inches. During the year, therefore, there was an increase of 308,880 tons, and the value and width remained practically unchanged. The increase in the ore reserve is very gratifying, especially as your Consulting Engineer reports that a general survey of the position indicates that there will probably be a further increase as at June 30 next.

The quarterly report issued to shareholders on April 22 contain full details of the work accomplished to March 31. About 111,200 tons of ore were crushed at a cost of 31*s.* 3*d.* per ton, yielding a net profit of £77,673, including the gold premium. The yield was 36*s.* 10*d.*, calculated at the standard price of gold. In addition, the amount actually realised on account of gold premium for the three months ending February 28 was £1,590 in excess of the estimated premium, and this sum must therefore be added to the profit, which is thereby increased to £79,263. The yield shows a decrease of 1*s.* per ton as compared with the average for last year, and costs an increase of 7*d.* per ton.

The development for the quarter amounted to 4,443 feet, of which 3,598 feet were on reef averaging 23.80 dwt. over 16.39 inches. 1,975 feet, or 56.8 per cent., of the footage on the reef were payable, and averaged 30.10 dwt. over 20.93 inches, or 630 inch-dwt. These results proved to be considerably higher than the value of the ore reserve as estimated by your Consulting Engineer at the end of the year.

The balance of the working expenditure and revenue account for the year amounted to £438,488, after deducting the realised loss on certain stores purchased during the War period. This sum was reduced to £435,124 by making provision for certain payments set out in the general expenditure and revenue account. The unappropriated balance carried forward from 1919 amounted to £48,574, making a total unappropriated profit of £483,698 at December 31 last.

The programme of development which is being carried out is very large, and naturally absorbs a considerable sum of money. A fixed charge of 5*s.* per ton for development is included in working costs. This charge amounted to £116,450 for the year, but the total expenditure on development was £212,804, leaving a balance of £95,635, which had to be provided. The increase of the ore reserve at June 30 by 150,000 tons brought the reserve back to the figure at which it stood when the Government lease was secured, and the cost of this increase was provided out of profits.

The report was adopted.

Lake View Investment Trust, Ltd.

Explanation of Low Dividend.

THE first ordinary general meeting of this Company was held on June 17 at River Plate House, Finsbury Circus, London, E.C., Mr. F. A. Govett (Chairman and Managing Director) presiding.

The Chairman said that the Company still had the equivalent of their old 70,000 shares in the Burma Mines, which, for reasons explained last year, had been transferred to the Phœnix Trust, of which they held very nearly the entire share capital. At a recent meeting of the Corporation the Chairman said that dividends would be paid for 1921, and this was of importance, for the ability of the Lake View Company to pay dividends of any magnitude depended mainly on what dividends Burma might be able to pay, or the price at which the Trust might ultimately be able to realise their holding and convert it into dividend-paying investments, and so carry out the idea with which the Company was formed. Proceeding to deal with the actual position as regarded revenue, he said that before the War their dividends were mainly earned by dividends from their holdings in Zinc Corporation shares and the Lake View and Star. The latter ceased to pay, and the interest was sold, while the former, after the Company had been shut down by strikes for nineteen months, without some considerable change in the labour position plainly could not resume dividends on its Ordinary shares with the present price of metals and the present working costs. The revenue of the Trust depended almost entirely for the present on the investments made with the proceeds of the 30,000 Burma shares which they sold last year, and the other investments they held. In other words, they had to rely on the revenue from only about £400,000 of dividend-paying holdings to pay dividends on their 800,000 shares, which was sufficient explanation of the meagreness of their dividend; and this in spite of the fact that, even with the present depreciated prices of the holdings after the slump which had taken place, the value of the assets held at current prices was [illegible] per

share. From the bulk of these holdings it was true they received no revenue. When last autumn the board promised the shareholders a dividend early in the present year, it was on the belief that before that time a first dividend on Burma would be paid; but the fall in the price of metals knocked that hope "sky high," and for the moment they had to reconcile themselves to the fact that for a time their revenue must be limited. It amounted, in fact, to something over five per cent., which was what they proposed to pay the shareholders now. Frankly, that was not the satisfactory position which he had hoped to lay before them, and although in this respect—namely, that of dividends—there was nothing which he could have done which would have altered this position, he might candidly admit that for a long time past he had been kicking himself for their not having profited by his foresight of the trouble looming in the distance. What they should have done was not to invest a shilling, but to sell everything that could be sold, and bank the money. They did not do it, and then came the crash, and, of course, there was depreciation on what they had invested, just the same as with all the other short-sighted optimistic companies and people.

The Company's Holdings.

The Company's main interests were Burma, which he had already dealt with, and their holding in Zinc Corporation, which did not look too happy, for Broken Hill could not produce as cheaply as Burma, that field being confronted with labour problems of the most accentuated kind, and in fact it could not hope yet to make a profit on its lead, except at abnormally high prices. He had dealt on many occasions with their interest in the Granville Mining Company. This was an enterprise in which they embarked on the initiative of two American engineers of great repute. It was another story of miscalculation of money and of time involved. Last year, however, they succeeded in raising enough money to give the business a new start off, after clearing up initial difficulties. This year they had one dredge at work, and towards the end of the season they hoped to be able to try out the two diggers which were sent out some years ago, and which it had never yet been possible to operate. This was the crucial year, in which they hoped to get some confirmatory results which would go to show that their oft-expressed belief that the basis of this enterprise was sound and good was correct. No doubt over-sanguine views were held at first, but as they had written down their holding in the first mortgage to ten per cent. and the prior lien to sixty per cent. there was a good margin for reductions on those original estimates, and he hoped it might be possible later on to recover the losses written off. With regard to their holdings in the National Mining and Mexican Corporations, so far these companies had not done much to justify the expectations held on their formation, for the former ran up against a disastrous fall in silver and metals generally, which absolutely destroyed the basis of all calculations, while since the latter came into existence it was plain that conditions had not been favourable. Still, the business undertaken by the Mexican Corporation was regarded as sound, and, except for the depreciation in the holdings which the National Mining had acquired—which depreciation was shared in common with most other companies—no great damage had been done, while certain very promising interests had been taken up in oil, which perhaps was now the most promising scope for enterprise.

The report was unanimously adopted.

NEW ISSUES.

(*Continued from p.* 1133.)

THE BURMAH OIL COMPANY, LIMITED.

Offer at par of 3,000,000 Eight per Cent. Cumulative Preference shares of £1 each.

The Burmah Oil Company holds fifty five square miles on mining lease and 150 square miles on prospecting licence from the Government of India, owns perpetual drilling rights over 500 acres of fee-simple land of Assam, and, in addition, controls the Assam Oil Company. Possessing its own pipelines, refineries, storage plants and tankers, and operating on such a large scale the Company has pursued a very profitable career. The present capital, in order of priority, is:—

Authorised		Issued
£		£
250,000 6% Cum. Pref. shares of £1	... ...	250,000
750,000 6% Cum. Second Pref. shares of £10	...	750,000
3,000,000 8% Cum. Pref. shares of £1	... ...	-
6,000,000 Ordinary shares of £1	... ...	5,150,804
10,000,000		6,150,804

The shares now offered rank between the Six per Cent. Preference and Ordinary shares for both capital and interest. Holders are entitled on a winding-up to repayment at a premium of fifteen per cent., or at the average premium for the previous six months on the Glasgow Stock Exchange, whichever is the higher. Net profits subject to excess profits duty, rose from £1,276,584 in 1916 to £4,155,937 in 1919. For 1920 they approximated to £3,750,000 after writing off £1,150,000 for depreciation and oilfields expenditure. The Ordinary dividend for 1920, amounting to thirty per cent., tax free, was paid on over £5,000,000 capital. On this basis the total annual Preference dividend of £300,000 appears amply assured. An index of the security of the shares now offered is afforded by the fact that the Ordinary shares, before which they rank, are quoted on the Stock Exchange at a premium of nearly 600 per cent. The emission, therefore, constitutes a highly attractive security. Further details are available on pp. iv and v.

NORTH MIDDLESEX GAS COMPANY.

Issue at par of £30,000 Seven and a-Half per Cent. Ten-Year Debenture Stock, redeemable at par on July 1, 1931.

The Company supplies gas in the London suburban districts of Finchley, Mill Hill, Hendon, and Golders Green. Output was last year nearly 450 cubic feet, against 284 millions in 1913, and the number of consumers at present exceeds 12,000. The new capital is required to meet the cost of plant extension, rendered necessary by the increasing demand for gas. The authorised loan capital is £100,000, of which £31,050 has been issued. Net revenue for the year ended December 31, 1920, reached £17,020. The total annual loan interest, which will amount to only £3,624, seems, therefore, amply assured. For investors to whom an active market is not essential, the rate of interest is attractive. The lists close on Thursday, June 23.

THE JOREHAUT TEA COMPANY, LIMITED.

Offer of 40,000 £1 shares at 30*s.* each.

The Jorehaut Tea Company has been a consistent dividend-payer since 1860. The present capital is £200,000 in fully-paid £1 shares. Four neighbouring gardens in Assam have been recently taken over for a purchase consideration of £101,500 in fully-paid shares. The present emission is intended to provide further working capital in connection with the newly-acquired properties. The current Stock Exchange quotation for the shares is 36*s.* The shares now offered will appeal in particular to present shareholders. The lists will close on or before Thursday, June 23.

PERNAMBUCO TRAMWAYS AND POWER CO., LTD.

Offer at 96 of £500,000 Eight per Cent. Prior Lien Bearer Debentures, redeemable by January 1, 1953, by means of a cumulative sinking fund of one per cent. per annum, by drawings at par or purchase under par, commencing in 1924. Flat yield £8 6*s.* 8*d.* per cent. per annum. Minimum yield with redemption £8 7*s.* 2*d.* per cent. per annum.

The Company, formed in 1913, operates electric tramways and supplies light and power in and around Recife, the capital and port of Pernambuco. The issued share capital is £1,219,035, in addition to which £1,008,930 is Five per Cent. Debentures, and £200,000 in Eight per Cent. Notes are outstanding. The Debentures now offered will be secured by trust deed as a first specific charge on the Company's tramway, electric lighting, and power and gas undertaking, and a floating charge on the other assets. As the prospectus omits, however, all reference to balance-sheet values, it is not possible to estimate the value of either the specific or the floating charge. The absence of a profits statement precludes one from judging whether the Company will be in a position to meet its prior charges. Without more definite information the prospectus can hardly be considered a satisfactory document. The lists close on Friday, June 24.

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GLASGOW, Chief Office: 2 ST. VINCENT PLACE.
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Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1920,

Annual Income Exceeds - - £6,300,000
Assets Exceed - - - - £19,000,000
Claims Paid Exceed - - - £32,000,000

The Statist.

LONDON, SATURDAY, JUNE 25, 1921.

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The Money Market.

Friday, June 24, 1921.

	CURRENT RATE % FIXED	PREVIOUS RATE % FIXED
Bank of England Rate	6 (June 23, '21)	6½ (Apr 28, '21)
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	4 (June 23, '21)	4½† (Apr. 28, '21)
Discount Houses (Notice)	4¼ (June 23, '21)	4¾ (Apr 28, '21)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year.

Discount Rates:—	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Bank Bills ...	5⅛	5⅛–	5¾–	5½	—
Trade Bills ...	—	6–6¼	6¼	6½	—

EFFECTS OF NEW BANK RATE.

THOUGH for some time past the City had been keeping in mind the possibility of a further reduction in the Bank rate, yet the opinion that met with most general acceptance was that no change would be made pending a settlement of the coal strike. Thus, when the result of the miners' ballot on Friday last became known, the question of the Bank rate was thrust temporarily into the background, especially in view of the cautious attitude shown by the authorities in reducing the rate on April 28 last by only ½ per cent. It is no exaggeration to say, therefore, that Thursday's decision to lower the rate by another ½ per cent. to 6 per cent. took the markets completely by surprise. The reasons that induced the authorities to depart from their previous attitude were probably less connected with actual banking conditions here than with the state of trade, and especially with the recent reduction in the discount rate of the New York Federal Reserve Bank from 6½ per cent. to 6 per cent. In regard to the latter, it has frequently been pointed out by THE STATIST that a comparison of the monetary policies pursued here and by the Federal Reserve Board in the United States since the end of 1919 suggests that they have been decided on as a result of mutual agreement.

The question of dear or cheap money does not affect the interests of the banks to the same extent as it touches the Stock Exchange and the business community. Accordingly, having made some more or less automatic adjustments in money rates, the bankers lose immediate interest in the change except in so far as it will affect general trade conditions and, through these, the demand for loans and the position of the national finances. To the Stock Exchange and the business community the reduction in the rate will be as welcome as it was unexpected by them.

In the Stock Exchange the effect will be to reduce the yield obtainable on fixed-interest-bearing securities, and accordingly to induce an advance in quotations for these descriptions. The strong demand that sprang up in the Consol market on Thursday last immediately on the announcement of the Bank-rate decision indicates how unexpected the event was. It contrasts strikingly with the apparent apathy with which the previous change in April last was regarded, when its effects had already been discounted in anticipation.

The most important aspect of the change is its possible influence on general trade conditions. In this regard the first point that calls for emphasis is that, while anything tending to re-establish confidence is to be welcomed, yet it would be unwise to expect too much from a reduction in the Bank rate of merely ½ per cent. Cheaper money has so long been awaited by business interests that there is a danger lest this latest step by the Bank directors may be acclaimed in some quarters as the herald of a general trade revival. Unfortunately, the causes of the present depression lie far deeper than the question of the level of money rates, and, conversely, the remedy cannot be furnished solely by the scaling down of money rates. Incidentally, it is well to note that the terms "dear" and "cheap" money have too frequently been used very loosely. In this connection

it need only be pointed out that the scale of money rates imposed by a 7 per cent. Bank rate in April of last year, when trade was at the climax of a boom, could not justly be described as "dear," while, on the other hand, it is a very debatable point whether a 6 per cent. rate at the present time should not be regarded as constituting "dear" money. The reduction in the Bank rate, however, taken in conjunction with the present comparative plenitude of funds, will make it easier for traders to carry over stocks of commodities that cannot safely be marketed at present Companies, also, will be able to borrow in open market on less onerous terms. The question of speculation is one that hardly arises under existing conditions—at any rate, speculation of the feverish kind that characterised the close of 1919 and the commencement of 1920. If, however, the lowering of money rates should give rise to a healthy speculation in intelligent anticipation of a revival in trade, a much needed feeling of confidence will be engendered. Again, we may expect a readier flow of capital abroad now that the official discount rate here has followed further the trend of bank rates all over the world. Thus foreign and colonial borrowers will have a greater incentive to seek funds in our Capital market, and this should provide a stimulus to our export trade. The reduction in the Bank rate will also to some extent divert money into industrial issues in preference to purely investment securities or to leaving it on deposit. Speaking more generally, the present period of readjustment is a quite exceptional one, and it is highly desirable that good companies which have been hard hit by the depression, even if this was partly due to a lack of caution when trade was booming, should be enabled to tide over the crisis on the best terms possible, and one of the chief considerations in this connection is the price that has to be paid for financial accommodation.

While making the above observations it must also be mentioned that the effects in any of the directions indicated will probably be small. Again, on the other hand, the full effects of the coal strike, even if it were terminated immediately, have yet to be felt, and this, combined with the reduction in consuming power at home, due to widespread unemployment, the economic *malaise* on the Continent, the chaotic condition of the foreign exchanges, and the hindering of the free flow of commodities between the nations by the erection of tariff barriers, so dominate the present situation as to overshadow any possible effects of a lower Bank rate or even of the present inflationary finance of the Government.

In another direction a not inconsiderable effect of the change will be to reduce the cost to the Exchequer of renewing the floating debt—at present amounting to £1,363,822,000. The saving here will be at the rate of approximately £7,000,000 a year.

Finally, as regards the future, it seems very unlikely that any further reduction in the Bank rate will shortly be made, even if the coal strike is settled, unless a very marked change takes place in monetary conditions during the coming months or unless any further general reduction is made in the rediscount rates of the United States Federal Reserve Board. In fact, judging by the present outlook the balance of probability lies rather in the direction of a higher Bank rate than in that of a renewed decline.

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ASSETS EXCEED £13,800,000.

The outstanding feature in the Money market was, of course, the change in the Bank Rate. Following the announcement of this on Thursday, the bankers' deposit rate was reduced to 4 per cent. and the rate of discount bonuses for deposits at call and at short notice were reduced to 4 per cent. and 4¼ per cent. respectively. In the early part of the week the usual plenitude of funds was in evidence, but to-day preparations were active for the turn of the half-year, and, as a result, the market was driven to borrow a moderate amount for a week from the Bank at 6½ per cent. Day-to-day money was quoted 4½-4 per cent., but weekly fixtures were maintained at 5 per cent. Discount rates were reduced to-day, and bill operations were carried out more freely. September paper was quoted 5⅜-⅞ per cent., and two months' maturities ranged from 5⅜ per cent. to 5½ per cent.

Treasury Bill Tenders.

The results of to-day's tendering for Treasury Bills were awaited with the keenest interest in view of the reduction in the official discount rate. Tenders for bills dated from Monday to Friday at £98 12*s*. 10*d*. receive about 27½ per cent. and above in full. Tenderers for bills dated from Saturday at £98 13*s*. 2*d*. and above receive in full. The average rate works out at £5 6*s*. 8.89*d*. The amount applied for was the highest in any week since the system of sales by tender was reintroduced. This is explained by the accumulation of funds in the market as well as by the fact that the three months' bill now forms the favoured end-of-September maturity. The results of recent sales of Treasury Bills are as follows:—

Date 1921	Offered £	Tendered for £	Average Rate % £ s. d
April 21 ...	... 50,000,000	51,930,000	5 19 3·95
April 28 ...	... 50,000,000	76,735,000	5 14 6·54
May 5 ...	... 50,000,000	94,620,000	5 12 11·18
May 13 ...	... 45,000,000	93,350,000	5 11 2·81
May 20 ...	... 45,000,000	65,565,000	5 14 11·02
May 27 ...	... 55,000,000	72,490,000	5 13 1 83
June 3 ...	... 55,000,000	84,775,000	5 12 1·06
June 10 ...	... 40,000,000	83,975,000	5 12 2·28
June 17 ...	... 40,000,000	82,670,000	5 10 1·06
June 24 ...	... 55,000,000	96,485,000	5 6 8·89

Foreign Exchanges.

The dominant movement in the Foreign Exchange market was a reaction in the New York exchange from last week's improvement. The fall was very steady, however, and to-day's average cable rate of 3.73¼ compares with 3.78⅜ on Monday last. The cause of the reaction is probably the effect on speculative sentiment of last Friday's strike decision, and it is probable that the movement would have been more pronounced but for the reduction in the New York Federal Reserve Bank's rate from six and a-half per cent. to six per cent. last week. In other directions the position of sterling generally improved. Features were provided by the movements in the Dutch and the Brazilian rates. The former dropped from 11.35¼ to 11.29⅓ on Tuesday on account of Dutch unloading of oil and other shares on our market. A recovery set in later, however, and to-day the quotation was 11.33⅓. The Rio rate showed a marked fall on Wednesday from 7¼*d*. to 6¾*d*., but recovered yesterday to 7⅛*d*. Eastern rates were weak, but movements were not very pronounced. In the Scandinavian group the Copenhagen and Christiania rates went in our favour, but the Swedish rate declined. A notable development was a relapse in the value of francs and of the lira. The latter was especially weak, the Rome rate falling from 74⅜ on Monday to 78½ to-day.

Income and Expenditure.

The outstanding feature of the latest return of public income and expenditure is the very low expenditure for last week—only £7,315,055, or less than half that of the preceding week. Revenue

on the other hand rose by £6,239,995 to £18,430,776, so that there was a welcome surplus of £11,115,721, as against a deficit of £2,718,242 on the previous week. The surplus was increased by £10,135,000 from excess sales of Treasury bills, sales being £55,335,000 and maturities amounting to only £45,200,000. In consequence of this favourable position £18,600,000 of outstanding Ways and Means Advances were repaid on balance. Advances by the Bank were reduced by £7,750,000, and the liability to Public Departments is £10,850,000 lower at £140,395,000. The total of Treasury bills and Ways and Means Advances stands £8,485,000 lower at £1,363,822,000. This total compares with £1,291,314,000 on June 19, 1920—an increase of £72,508,000—and, with £1,275,330,000 on March 31, 1921, an expansion of £88,492,000.

Currency Notes.

It is not usual to find the note circulation declining towards the end of the half-year, but this year conditions have become so changed that we find a steady contraction taking place, the net decline since June 1 being £6,011,906. Moreover, the fall last week was the heaviest in any of the three weeks, being as great as £2,720,383. Since May 18 the decline has been unbroken week by week, the total fall since that date down to Wednesday last being £12,984,826. This movement is by no means a puzzling one, for, apart altogether from the general conditions of trade making for a contraction in currency notes, the period mentioned, except for the week including June 1, has been characterised by the drifting of surplus funds into Treasury bills and the repayment of Ways and Means Advances. The total of currency notes and certificates outstanding on Wednesday last was £322,909,723, representing a decline of £31,102,676 as compared with a year previously.

Bank of England.

A slight decline in the circulation, a further repayment of temporary advances to the Government, and another and more substantial withdrawal of balances during the week to Wednesday last are indicated in the latest statement of the Bank of England. Despite the contraction in the circulation, the reserve fell by £5,000 to £19,328,000, for the gold holdings lost £18,000, whereas the movement in the note issue was only £13,000, the present total of the latter being £127,478,000. The reserve ratio, however, on account of the fall in deposit liabilities, rose from 13.1 per cent. to 13.9 per cent. The withdrawal of private deposits during the week was £9,138,000, making a total reduction of £11,295,000 for the fortnight. Government securities fell by £9,935,000, this movement comparing with a reduction of £7,750,000 in Ways and Means Advances by the Bank during the week to Saturday last, as shown in the income and expenditure return. The market's securities are £1,847,000 higher.

Bullion.

All arrivals in the Gold market were again taken by the United States. The Silver market was unusually quiet. At first prices advanced, but the movement was almost a nominal one, for there was no pressure either to buy or to sell, and was probably due mainly to the reaction in the New York exchange. Latterly the trend of quotations was again downward, and the undertone at the close was weak. Some re-sales by the Indian bazaars were reported, but China sent moderate buying orders, chiefly for forward delivery, and in consequence the discount on forward silver disappeared on Tuesday. Quotations for gold and silver since a week ago were as follows:—

Silver (per oz. std. ·925 fine):—	June 18	June 20	June 21	June 22	June 23	June 24	Average
Cash ...	35⅛d.	35⅛d.	35⅝d.	35⅛d.	35⅛d.	35d.	35·05d.
Forward ...	35⅛d.	35⅛d.	35⅛d.	35⅛d.	35⅛d.	35d.	35·05d.
Gold (per oz. fine)	—	108/1	109/1	109/7	109/9	110/6	109/4·6.

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NEW YORK.

The reserve position of the New York Clearing Banks appears to be now definitely on the recovery from its long-standing weakness. During last week another improvement was recorded—for the fifth week in succession—the aggregate reserve gaining $19,930,000 at $538,380,000, and the average excess over legal requirements rising by $17,800,000 to $41,490,000. Moreover, a further betterment of the position is promised by an actual excess reserve on Saturday last of $46,180,000. The improvement in the excess reserve was despite an expansion of $16,880,000 in net demand deposits. Other features in the return are an increase of $99 million in Government deposits and of $17,480,000 in loans, discounts, and investments.

The return of the Federal Reserve Banks show the remarkable decline of $188,700,000 in re-discounts for member banks. On the other hand, net deposits rose by $199,830,000 to $1,914,630,000, and this movement was sufficient to depress the reserve ratio from 58.3 per cent. to 56.8 per cent. The other factors affecting the ratio were of a favourable nature, for the gold reserves rose by $14,900,000 to $2,445,570,000, and the note circulation declined by $36,280,000 to $2,674,440,000.

The reserve ratio of the New York Federal Reserve Bank is 60.7 per cent. Following last week's reduction in the discount rate of this bank the rate for call money declined to 5 per cent. in the New York market.

Stock Exchange.

To the surprise of the Stock markets as a whole and the discomfiture of "bear" operators the Bank-rate was reduced on Thursday from 6½ to 6 per cent. Beyond an automatic marking-up of Gilt-edge quotations by jobbers the immediate effects were negligible. Business remained at the same restricted levels as before, and there is little reason to presume that, beyond professional operations, it will register a substantial increase in the near future. The direct results of the lower rate are a proportionate decrease in the rates which the banks will pay for deposits and charge for accommodation. The lower return on deposits will tend to deflect funds into the Gilt-edge market, but it is doubtful if such a movement can in the circumstances be very strong. The easier rates for short loans will enable Stock Exchange operators to carry stocks on a cheaper basis, and to this extent will encourage them to increase their commitments. Both tendencies will, no doubt, strengthen Gilt-edge values, but will not reflect themselves very clearly in other sections of the House. Industrial undertakings will be in a position to carry at less expense stocks which cannot be sold at a profit, but even here the

alteration is hardly great enough to make a vital difference. For it must be remembered that the Bank-rate is itself a result rather than a cause. It is only an incidental, not a fundamental. It can up to a point control the direction in which trade is moving, but it cannot supply the motive power which propels trade. To restore the values of industrial securities we must restore markets. This cannot be achieved by manipulation of the Bank-rate while Europe preserves an atmosphere of war and the industrial world is unsettled. The most important effects of the new rate will be indirect. That the reduction should be effected while a national coal stoppage still exists is testimony from high quarters that the trade position is fundamentally stable. Though Stock Exchange business may not record a strong recovery, the undertone, at any rate, should become brighter.,

The Gilt-edge department, though brisk, in comparison with other sections of the House attracted a comparatively small volume of business during the week. Stagnancy in the earlier days of the week induced an easy trend to quotations, but the rally consequent on the reduction in the Bank-rate brought prices back to opening levels. The outstanding movement was a rally of $\frac{5}{8}$ in Five per Cent. War Loan on Thursday, after a previous net decline of $\frac{3}{16}$. Three and a-Half per Cent. Conversion Loan and Consols and Funding Loan showed slightly better on balance. Victory Bonds exhibited no net alteration. Drawings in respect of 8,000 Victory Bonds took place at the Bank of England on Wednesday and another on the same day at the Post Office Savings Bank, Kensington, for Post Office issues. The lucky numbers will not be revealed to the public till published in a special supplement of the *London Gazette*. In the interval any bonds purchased, which afterwards proved to have been drawn for redemption, will have to be returned to the original owner against replacement by undrawn bonds. The price is therefore quoted "ex drawings."

County and Corporation stock formed an inactive market. The recently issued Five Town loans and the Glasgow and Sheffield emissions improved their position, and all now stand at a premium. Colonial issues attracted little attention, and movements, though few, were downwards. The poor response to the recent South Australian and Tasmanian loans caused the quotations to open at a discount, which was maintained throughout the week.

Among Foreign bonds Mexican issues reacted on lack of confirmation of the recent report that interest repayments were to be resumed. A partial recovery was recorded later. Chinese and Japanese varieties appreciated all round. Norwegian Sixes eased under liquidation by "stale stags," anxious to get out before the next call becomes due. At one time the price went as low as $1\frac{3}{4}$ discount, but improved later to about $\frac{7}{8}$ discount.

Business in Home Railway stocks remained at a minimum, though price movement favoured buyers. Foreign Rails proved equally stagnant. The trade position in South America deprived Argentine and Brazilian issues of any interest, and most movements were downward.

The Industrial share market was naturally depressed by the ballot decision of the miners to continue the fight. A slight recrudescence of liquidation helped to force values to lower levels, and the Bank Rate announcement had little, if any, effect in brightening the outlook. Textile and Shipping securities continued weak, and Iron and Steel shares receded on selling pressure. Bank and Brewery shares lost some of their previous strength.

Business in Oil shares remained at a relatively low standard during the week. Opening prices relapsed on Amsterdam liquidation. A gradual recovery took plate later, however, and the leaders all finished better on balance. The Burmah offer of £3,000,000 Eight per Cent. Preference shares was largely oversubscribed, and the Ordinary shares improved as a consequence.

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Mining Topics.

THERE was no great display of activity in the Mining market during the week. Despite the steady improvement in the price of gold to 109*s*. 9*d*., the Kaffir Circus was heavy, and shares displayed a reactionary tendency on the interim dividends, which are criticised elsewhere. At one time Crown Mines were down to $1\frac{5}{8}$ and Rand Mines to $1\frac{15}{16}$, but the prices subsequently recovered to $1\frac{11}{16}$ and 2 respectively. City Deep, on the other hand, moved up on its satisfactory dividend to $2\frac{3}{16}$, and Johnnies recovered sharply to 24*s*. on Thursday. As anticipated, Geduld announces that shaft No. 7 has struck the reef at 2,450 feet. The low value of 0.6 dwt. over 36 inches calls for no comment, as an extensive area of very high-grade ore has been proved in close proximity to the shaft. Springs Mines reports the decision to acquire additional equipment in order to increase the crushing capacity of the plant from 40,000 to 50,000 tons monthly, so as to deal with the extra tonnage available owing to the satisfactory position of the ore reserve. It is officially declared that the proposed deal between the Burma Corporation and the Associated Land Manufacturers, to which so much opposition was offered, has been abandoned. The market awaits with interest the publication of the Russo-Asiatic report next week.

BRAKPAN MINES.

A GENERAL improvement is recorded in the report of Brakpan Mines for the year ended December 31, 1920, as can be perceived from the following table, in which the results are tabulated in contrast with those of previous years:—

	1920	1919	1918	1917	1916
Ore milled (tons)	596,500	544,200	617,100	677,500	709,300
Gold yield (per ton)... ...	36/4	38/2½	35/4	34/6	30/11
Working costs (per ton) ...	29/6½	26/7½	23/6	20/3	19/3
Working profit (per ton) ...	6/11	11/6¾	11/10	14/3	11/8
	£	£	£	£	£
Working profit	206,221§	314,535	366,010	482,120	413,226
Sundry revenue	353,287‡	112,682‡	4,363	6,222	8,019
	559,508	427,217	370,373	488,342	421,245
War charges*	6,908	—	10,213	10,948	10,318
Sundry expenses	2,707	2,971	2,883	2,963	1,289
Net profit	549,893	424,246	357,277	474,431	409,718
Deduct—					
Taxes	76,795	49,829	49,371	62,736	53,788
Government participation ...	28,557	21,706	16,724	28,130	—
Excess development ...	13,625	46,215	18,338	—	—
Appropriation for capital exp.	150,000	—	—	—	78,373†
Dividends	380,190	224,365	257,107	367,525	339,750
	(45%)	(27½%)	(32½%)	(47½%)	(45%)
	649,167	342,115	341,440	458,391	471,911
Surplus profit ...	Def. 99,274	82,131	15,837	16,040	Def. 62,193
Brought forward	133,363	51,232	35,395	19,355	81,648
Carried forward	34,089	133,363	51,232	35,395	19,355
Issued capital	850,000	823,600	791,000	786,100	760,000
Price of £1 shares at end of year	3	3¾	3⅛	5⅞	4¼

* Gold realisation charges.

† After allowing for £21,627 written back from development suspense and capital expenditure accounts.

‡ Including in 1919 £98,774 from gold premium, and £9,682 written back from reserve for gold realisation war charges, and in 1920 £343,072 from gold premium.

§ Including £15,641 from gold reserve account.

An increase in the supply of native labour and a reduction in the proportion of that labour employed on non-productive work, improved mining conditions in the lower section of the mine; an increase in breaking

efficiency; and an increased tonnage from the upper levels served by No. 1 shaft—these factors are reflected in and account for the expansion in the quantity of ore crushed to 596,500 tons, as compared with 544,200 tons in 1919. Working on the basis of the par value of gold so as to present an effective comparison, it will be noted that there was an appreciable decline in the grade of the ore treated, the yield per ton working out at 36*s.* 5½*d.*, as against 38*s.* 2½*d.* in 1919. This represents merely a reversion to the original policy of treating ore on an average in agreement with the average value of the ore-reserves. It will be recalled that in 1919 there was over-mining in the eastern section of the mine, which was responsible for the high average yield. Side by side with this reduction in the yield came a further marked rise in working costs to 29*s.* 6½*d.* per ton, instead of 26*s.* 7½*d.* in the previous year. Four factors account for this. The higher wages and allowances paid to employees represented an increase of 1*s.* 6*d.* per ton milled. Increased development expenses involved an outlay of over 9*d.* per ton. The heavier burden under the Miners' phthisis legislation worked out at nearly 3½*d.* per ton extra; whilst higher prices caused the expenditure on stores to rise by over 3*d.* per ton. In consequence, however, the working profit per ton on the basis of the standard price of gold fell from 11*s.* 6¾*d.* to 6*s.* 11*d.* The total working profit only amounted to £206,221, as compared with £314,535; and even this smaller total included £15,641 representing the gold reserve of 3,274 ounces which had been set aside in 1919 to offset in part the over-mining. But during 1920 the price of gold was maintained at a substantial premium, which brought in an additional revenue of £358,636, equivalent to an increase yield and working profit per ton of 12*s.* 2*d.* Including this, the actual revenue per ton reaches 48*s.* 5½*d.*, as against 41*s.* 9¾*d.* in 1919, and the working profit per ton 18*s.* 11*d.*, as compared with 14*s.* 2¼*d.* in 1919. From this £358,636 was deducted the exchange on remittances and insurance amounting to £15,564, thereby leaving the net sum of £343,072 to be included under sundry revenue. The war charges of £6,908 represent the share of the Company in the realised loss on the joint purchase of stores by the mining industry during the War. Deducting this and sundry expenses there remained a net profit of £549,893, as against £424,246 in 1919. Government taxes absorbed £76,795, as compared with £49,829. The Government share of the profits increased from £21,706 to £28,557. On the other hand, the amount written off in respect of excess development fell from £46,215 to £13,625. To meet capital expenditure on the leased area and Schapenrust claims a sum of £125,000 was set aside, whilst £25,000 was provided to assist in the re-organisation of plant and equipment in the old area, necessitated by the opening up of the leased area. At the same time, in view of the great prosperity experienced, dividends paid to shareholders were increased from twenty-seven and a-half per cent. to forty-five per cent. Owing, however, to the large appropriation for capital expenditure, the balance carried forward to the next accounts is reduced from £133,363 to £34,089.

The underground operations during the year are summarised in the following table:—

Payable Ore Reserves.

	Tons	Value	Stoping Width Inches	Shilling-Inches Value
1915	3,017,000	33/5	62	2,070
1916	3,054,000	39/1	62	2,420
1917	3,268,000	39·1	68	2,650
1918	2,718,000	36,10	68	2,500
1919	2,484,000	37/1	70	2,596
1920	2,526,517	37·9	70	2,642

Development Disclosures.

	Total Footage on Reef	Payable Footage on Reef	Percentage of Total	Payable Showings—— Average Width Inches	Average Value s. d.	Shilling-Inches
1915 ...	17,500	8,540	49	32·1	96 5	3,090
1916 ...	15,300	8,255	54	38·0	84 2	3,190
1917 ...	13,565	7,155	53	47·7	58 2	2,770
1918 ...	9,846	5,065	51	41·0	61 10	2,530
1919 ...	13,568	6,920	51·3	40·6	58 7	2,379
1920 ...	12,397	6,330	51·4	37·9	64 4	2,428

	Ore Mined Tons	Waste Sorted Tons	Ore Mined Tons	Claims Extended	Ore Mined per Claim Tons	Ore Mined per Claim Tons	Value of Ore Before Crushing	Av. Value of Ore Re-serves
1915...	821,525	96,257	725,168	24·67	33,230	29,400	[illegible]	[illegible]
1916...	808,619	101,119	709,300	25·43	31,800	27,900	7·68	9·2
1917...	793,089	115,[illegible]2	677,[illegible]	24·54	[illegible]·19	27,600	8·49	9·2
1918...	712,9[illegible]0	96,187	617,1[illegible]	21·95	32,[illegible]·1	28,140	8·69	8·7
1919...	655,2[illegible]0	91,200	5[illegible]·2[illegible]	19·17	[illegible],157	28,5[illegible]7	9·4	8·74
1920...	609,019	101,369	59[illegible]	[illegible]·41	[illegible],[illegible]4	28,761	[illegible]·85	8·88

Ave[illegible] [illegible]d [illegible] [illegible] [illegible]

THARSIS SULPHUR AND COPPER CO.

Year	Ore Raised Tons	Refined Copper Production Tons	Working Profit £	Net Profit £	Dividend Amount £	Dividend %	Carried Forward £
1917	402,097	4,066	240,762	158,078	156,250	12½	27,740
1918	328,592	3,246	243,216	126,295	125,000	10	29,035
1919	260,801	—	236,660	103,797	109,375	12½*	23,457
1920	313,918	—	264,022	134,950	131,250	15*	27,156

* Less tax.

DESPITE a year characterised by many adverse circumstances, a distinctly satisfactory report is presented by the Tharsis Sulphur and Copper Company for the year ended December 31, 1920. In accordance with anticipations the quantity of ore raised has increased from 260,801 to 313,918 tons. It is to be regretted, however, that the policy of disclosing the production of refined copper has been discontinued. As in 1919, the only information available is that the quantity of ore treated by the metal works for the extraction of copper has only been twice succeeded in the history of the Company, and that large quantities of the residual product "our high-grade iron oxides, purple ore and purple ore briquettes" were disposed of at satisfactory prices. The revival of the pyrites market, with satisfactory financial results, is also chronicled. On the other hand, as regards the actual sales of copper, the Company experienced the same fate as the bulk of producers; it had to witness a steady relapse in the sale price, despite a high cost of production. Generally speaking, however, the exchange proved more favourable than in 1919. Accordingly, notwithstanding the unsatisfactory situation of copper, the output of pyrites and of iron ores and sulphur resulted in a working profit of £264,022, as against £230,660 in 1919, and in a net profit of £134,950, as against £103,797. Hence the dividend paid to shareholders is increased from ten per cent. subject to tax, to fifteen per cent. subject to tax, leaving to be carried forward to the next accounts a balance of £27,156, as compared with a balance of £23,457 brought forward from 1919.

Discussing the outlook for the current year at the general meeting, the Chairman said:—"All I can say is, that we are entirely at the mercy of the markets, and at present these are very bad, probably worse than they have ever been before. Not only have prices fallen, but there is an almost complete stagnation of buying." Accordingly, expenditure is being kept as low as is consistent with efficiency. Some good factors are, however, in evidence. Notably the rise in the Spanish exchange, the average for May being as high as 29.38 pesetas for £1, must be reflected in a reduction in the working costs expressed in sterling. Again the satisfactory development of the Sierra Bullones mine should enable the Company to respond readily to any revival in the demand. In 1920 the ore extracted from the Sierra Bullones open-cast amounted to no less than 59,821 tons, as against 5,498 tons in 1919, thus accounting for the great increase in the total extraction from ore, for the contribution from the Calanas mine dropped slightly from 253,661 tons to 251,620 tons. Developments in the North Lode also point to the fact that this is capable of being of a large producing mine in the future. At the same time the closing down of the bulk of the big American copper producers indicates that copper is not likely to be a contributor to revenue in any great degree in the current year unless a marked rise in price takes place. According to the balance sheet dated December 31, 1920, current liabilities, including the dividend of fifteen per cent. absorbing £131,250 did not exceed £856,474. Liquid assets, in the form of cash investments and sundry debtors amounted to £726,807, thereby showing a deficiency of £129,667, against which there were available stocks to the value of £1,058,678. Thus the position was financially sound. Quoted in the market at 58*s.* 9*d.* the £2 shares afford on the basis of a dividend of ten per cent., a return of nearly seven per cent.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 22, 1921.

Issue Department.

Notes Issued	£144,998,220	Government Debt	£11 015.100
		Other Securities	7 434.900
		Gold Coin and Bullion	126.548.220
	£144,998,220		£144.998,220

Banking Department.

Proprietors' Capital	£14,553.000	Government Securities	£58 495.246
Rest	3.938.362	Other Securities	78 905 209
Public Deposits	16.936 570	Notes	17.520 225
Other Deposits	121,992.120	Gold and Silver Coin	1,808.925
Seven-day and other Bills	9.553		
	£156,729.605		£156.729 605

Comparison with Previous Four Weeks [00,000's omitted].

Date 1921.	Circulation £	Coin and Bullion £	Deposits Public £	Deposits Other £	Securities Govt. £	Securities Other £	Reserve £	Ratio Reserve to Liabilities %	Bank Rate %	Three Months Bills %
June 22	127.4	128.4	16.9	121,9	58,5	78,9	19,3	13·9	6	5⅛
June 15	127,5	128,4	15.9	131,1	68,4	77.0	19.3	13·1	6½	5⅛
June 8	128.3	128.4	17,6	133,3	73.3	76,9	18.5	12·3	6½	5⅛
June 1	129,1	128.3	16.6	133,1	68,5	81,2	17,7	11·8	6½	5⅛
May 25	127,8	128.3	16,4	112,1	38,1	89,1	19,0	14·8	6½	5½
July.22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%; April 28, 1921, 6½%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'sterling, 00,000's omitted):	June 22 1921	June 23 1920	June 25 1919	June 26 1918	June 21 1911
Circulation	£127.4	£115.2	£78.3	£53.7	£29.0
Public Deposits	16.9	17.8	20.0	35.8	14.7
Other Deposits	121.9	118,4	137,7	128.8	41.0
Government Securities	58,5	53.0	86.8	51.8	14.9
Other Securities	78.9	80,1	80.8	100.8	29.2
Reserve	19.3	20,9	27,9	30,0	29.3
Ratio to Liabilities	13·9%	15·4%	17·71%	18·23%	52·49%
Coin and Bullion	128.4	117.8	87.8	65.2	39.8
Money:					
Bank of England Rate	6%	7%	5%	5%	3%
Bank of France Rate	6%	8%	5%	5%	3%
Rate 3 months' Bills London	5⅛%	6⅜-⅝%	3⅛-⅜%	3½-3⅝%	2½%
Exchanges:					
Paris Cheque	46·80	47·75	29·81	27·15	25·30½
New York 60 days	3·73	3·94	4·57	4·72½	4·83 60
Bombay Telegraphic Transfers	1/3½	1/10	1/7½	1/5½	1/4
Prices:					
Consols 2½% Cash	46⅛	48⅛	53½	58	79⅛
French Rentes 3% Money	57·60	57·35	62·75	60·75	98 35
Silver, London spot oz.	35d.	50½d.	53½d.	48½d.	24½d.
Wheat, *Gazette* average qr.	89 4	73/2	73/3	74/4	32/4
Cotton, Mid Upland lb.	8·06d.	28·93d.	20·32d.	22·59d.	8·30d.
Iron, Scotch pig ton	136·0	223/6	166/0	101/0	52/6

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
June 22, '21	5 630 841	8,381,224	322 909 723	28,500.000	19 450 000	14·8
June 15, '21	5.422,706	7,871,017	325,630 106	28,500.000	19.450 000	14·7
June 23, '20	7 092 631	7,176,159	354.012 399	28,500 000	10 400.000	11·0
June 25, '19	6 079.237	8.548,330	342 309.770	28,500 000	—	8·3
June 26, '18	6,810 001	3.965,043	252 912 444	28,500 000	—	11·3
June 27, '17	5.735 570	4,613.724	161.673.676	28.500.000	—	17·6

Balance Sheet, June 22, 1921.

	£		£
Notes outstanding—		Advances—	
One Pound	255 968.569	Other Bankers	—
Ten Shilling	40 831.154	Currency Note Redemption A/c—	
Certificates outstanding ...	26,110.000	Gold Coin and Bullion ...	28.500 000
		Silver Coin ...	3.000.000
Total	322,909,723	Bank of England Notes...	19 450 000
Notes called in but not yet cancelled	2,038,947	Government Securities ...	288.397 268
Investments Reserve A/c ...	14,618,588	Balance at Bank of England	219.990
Total	339,567,253	Total	339.567.258

PUBLIC INCOME AND EXPENDITURE [000's omitted].

Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
June 18,'21...	£18,431	£7,315	£11 116‡	£63,655	£73,429	£3,987
June 11,'21...	12,191	14,909	2,178	86,587	83,88J	2,645
June 4,'21...	11,809	64,140	52,331	130,068	79,004	2,456
79 dys. '21-22	185,994	245,590	59,596	1,263,855	1,207,334	—2,307
80 dys. '20-21	292,090	260,033	32,057‡	1,011,351	1.053.777	—6,278
Yr. '21-22*	1,216,650	1,039,728	176,922‡	—	—	—
Yr. '20-21	1,425,985	1,195,428	230,557‡	5,710,142	5,920,699	6.294
Yr. '19-20	1,339,571	1,665,773	326,202	6.092,709	5,766,507	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,788

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
Week to	Customs & Excise	Income Tax, &c.	Excess Profit Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services
June 18,'21...	£12,642	£1,742	£211	£3,835	£1,914	£1	£5,400
June 11,'21...	4,313	1,954	691	5,233	8,264	509	8,136
June 4,'21...	2,579	4,295	1,052	3,882	43,997	578	19,565
79 days 21-22	65,659	58,653	16,804	44,778	110,491	2,436	132,663
80 days '20-21	64,660	49,268	50,795	127,387	102,625	2,235	155,173
Yr. '21-22*	323,000	410,500	120,000	111,000	345,000	28,272	668,456
Yr. '20-21	333,785	394,146	219,181	478,873	349,599	28,488	817,381
Yr. '19 20	283,023	359,099	290,045	407,404	332.034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
June 18, 1921 ...	£1,205,627	£158,295	£1,363,822	—
June 11, 1921 ...	1,195,412	176,895	1,372,307	—
June 4, 1921 ...	1,172,817	194.605	1,367,422	—
May 28, 1921 ...	1,151,537	163,054	1,314,591	—
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡

[In £'s Sterling—000's omitted.]

	Gold	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 14, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
June 9, '21 ...	10,662	1,511	12,173	25,893	245,268	42,310
June 16, '21 ...	10,662	1,515	12,177	25,779	244,032	43,010

	Claim on Austro-Hung. Bank	Contingent Liaby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*						
May 15, '21 ...	£397,006	£56,812	£54,623	£81,855	£441,920	£31,991
May 23, '21 ...	397,010	56,706	50,544	79,652	438 232	35,133
June 7, '21 ...	397,014	55,058	44,547	83,510	449,199	31,183

	Cash—Gold	Cash—Silver	Cash—Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.							
July 31, '14 ...	£4,100	£341	£4,441	£8,197	£786	£8,893	£47
Apr. 30, '21 ...	12,643	177	12,820	14,982	429	29,581	3,213
May 31, '21 ...	12,642	205	12,847	12,830	867	27,594	3,328
May 31, '20 ...	12,638	154	12,792	15,486	1,933	28,647	2,113
May 31, '19 ...	10,355	138	10,493	4,399	3,563	24,109	950

	Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits—Public	Deposits—Private
FRANCE.							
July 30, '14 ...	£165,654		£190,867	£97,768	£287,327	£15,302	£37,903
June 9, '21 ...	142,812	77,934	231,695	103,230	1,535,010	1,031	107,416
June 16, '21 ...	142,856	77,934	231,742	97,758	1,518,886	1,037	109,291
June 17, '20 ...	144,371	79,131	233,125	69,076	1,513,701	2,008	138,276
June 19, '19 ...	142,894	79,131	234,214	34,332	1,377,982	2,445	132,060

	Cash—Gold	Cash—Silver	Cash—Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.							
July 23, '14 ...	£87,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
May 16, '21 ...	54,577	434	55,001	1,026,345	2,832,991	3,541,709	649,937
May 23, '21 ...	54,577	469	55,036	837,612	2,715,323	3,486,221	577,889
May 21, '20 ...	54,582	182	54,764	780,444	2,051,916	2,466,377	819,618
May 23, '19 ...	76,324	1,026	77,350	386,643	1,294,254	1,364,324	423,436

	Cash—Gold	Cash—Silver	Cash—Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
June 13, '21 ...	50,580	1,044	51,624	23,855	14,322	84,521	4,903
June 20, '21 ...	50,580	1,043	51,623	23,174	13,595	83,049	4,843
June 21, '20 ...	53,002	1,124	54,126	15,326	25,803	83,148	13,123
June 21, '19 ...	55,216	725	55,941	11,257	16,905	83,196	6,639

	Gold	Cash—Silver	Cash—Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.							
July 31, '14 ...	—	—	£48,466		£25,017	£89,204	£8,887
Apr. 30, '21 ...	£32,975	£2,993	35,973	18,510	207,049	559,628	86,461
Apr. 30, '21 ...	33,048	3,000	36,048	19,753	218,268	581,168	77,161
Apr. 30, '20 ...	32,190	3,003	35,193	19,652	180,782	501,813	74,704
Apr. 30, '19 ...	32,716	2,955	35,671	26,792	59,928	375,564	59,792

	Gold	Discounts	Advances	Notes	Deposits—Public	Deposits—Private
JAPAN.						
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Apr. 30, '21 ...	108,320	4,166	8,203	114,738	106,039	3,791
May 7, '21 ...	108,274	3,534	9,164	103,387	108,911	10,237
May 8, '20 ...	91,695	42,063	36,971	123,152	118,766	12,114
May 10, '19 ...	70,595	2,782	40,175	79,146	115,903	4,041

	Cash	Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14...	—		£89,888	£411,238	—	—	£887,165	£1,720
June 11, '21...	£16,362†	103,690	904,220	£746,836	£47,591	747,044		4,738
June 18, '21...	15,718†	106,676	907,716	750,212	47,734	820,408		8,238
June 19, '20...	19,200†	118,686	1,026,486	816,468	50,878	913,260		6,750
June 21, '19...	19,560†	116,370	1,001,674	816,318	31,376	919,364		8,190

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2,960	£1,878	£493	£4,868	£8,752	£793
June 7, '21 ...	8,115	2,198	501	23,139	22,534	5,646
June 15, '21 ...	8,115	1,972	501	23,047	22,172	5,583
June 15, '20 ...	8,120	3,575	579	22,991	23,328	7,756

	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.						
May 11, '21 ...	£1,906	£3,924	£5,830	£27,748	£143,349	£9,980
May 18, '21 ...	1,906	3,924	5,830	27,586	142,568	10,194
May 19, '20 ...	1,906	3,921	5,827	19,336	82,542	5,310
May 19, '19 ...	1,905	3,937	5,842	8,192	63,766	3,731

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
May 8, '21	£154,389	£23,017	£6,610	£29,627	£449,216
May 14, '21 ...	154,389	23,733	6,732	30,465	446,990
May 21, '21 ...	154,389	25,023	6,438	29,461	444,509
May 22, '20 ...	62,009	13,177	3,420	16,597	184,479

	Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,911
Oct. 29, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

	Cash—Gold	Cash—Silver	Cash—Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
June 11, '21 ...	99,483	24,570	124,033	91,476	13,779	169,059	49,629
June 18, '21 ...	99,490	24,708	124,198	90,381	13,779	167,957	50,005
June 19, '20 ...	98,101	24,703	122,804	84,594	13,779	155,286	45,540
June 21, '19 ...	90,648	25,112	116,760	126,832	13,778	139,884	35,092

	Gold	Balance Swed. & For. Abroad	Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
June 11, '21 ...	15,639	6,589	979	24,371	34,978	9,421
June 18, '21 ...	15,637	6,802	951	24,884	35,064	10,146
June 19, '20 ...	14,498	4,832	2,519	37,776	38,600	17,716
June 21, '19 ...	16,077	7,339	2,921	20,332	33,450	6,747

	Cash—Gold	Cash—Silver	Cash—Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
June 7, '21 ...	21,754	4,432	26,186	13,347	36,552	2,958
June 15, '21 ...	21,756	4,431	26,187	13,038	35,404	4 203
June 15, '20 ...	21,327	3,453	24,780	13,002	35,838	5,047
June 14, '19 ...	18,348	2,740	21,088	17,802	35,236	4,482

* Converted at 24 crowns to £1.
† Net reserve. ‡ Currencies converted at par rate of exchange approximately.

	Gold—Held by Banks	Gold—With Agents	Total Cash	Bills Discount'd	Bills Acceptances	Deposits—Govt.	Deposits—Total. Net	Circulation
U. STATES FED. RES. BANKS.								
June 10, '21...	£486.134		£518.508	£379.272	£13.900	£4.052	£347.012	£542.144
June 17, '21 ...	489.114		523.126	341,532	10.840	2 920	385 816	534 888
June 21, '20 ..	392.464		420.180	459.228	79.718	11.272	323 592	620.962
June 21, '19 ..	182,782	250 384	446.892	367.488	54.948	33,300	354,286	497,650

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon ...	7	Sept. 3,'20
Berlin ...	5	Dec. 23,'14	Madrid ...	6	Nov 4,'20
Berne ...	4½	Apr 7,'21	Paris ...	‖	Apr. 9,'20
Bombay ...	5	June 2,'21	Petrograd	8	July 29,'14
Brussels ...	5	May 19,'21	Rome ...	6	May 12,'20
Calcutta ...	5	June 2,'21	Stockholm	6½	May 4,'21
Christiania	7	June 25,'20	Tokio ...	8·03	Nov. 18,'19
Copenhagen	6½	May 5,'21	Vienna ...	6	Apr. 14,'21

III.—FOREIGN EXCHANGES.

LONDON ON—		June 24, '21	June 17, '21	June 10, '21	June 3, '21
Berlin	Cable	289m.	282m.	253m.	249m.
Brussels	Cheques	46fr. 97c.	47fr. 27c.	47fr. 50c.	46fr. 90c.
Denmark	Cable	22kr. 10	22kr.07	21kr. 90	21kr. 87
Holland	do.	11fl. 33⅛c.	11fl. 10⅝c.	11fl. 38c.	11fl. 32c.
Italy	do.	78lr. 50	75lr. 00	77·87lr.	74lr. 25
Lisbon and Oporto	do.	8⅛d.	8⅛ nom.	7⅞d.	6⅛d.
New York	do.	$3·73¼	$3 79⅛	$3 71⅛	$3 98⅛
—	Cheques	$3 74⅛	$3 80⅛	$3 72⅛	$3 89⅛
Norway	Cable	26kr. 12	26kr 35	25kr. 80	25kr. 47
Paris	3 mos.	47fr. 00c.	47fr. 00c.	47fr. 75c.	47fr. 85c.
—	Cable	46fr. 85c.	46fr. 25c.	47fr. 35c.	46fr. 90c
Spain (Bank places)	3 mos.	42½d.	41⅛d.	40⅝d.	39⅛
—	Cable	28p. 42	28p. 65	28p. 10	28p. 67
Sweden	do.	16kr. 75	16kr. 90	16kr. 90	16kr. 92
Switzerland	3 mos.	22fr. 60c.	22fr. 70c.	22fr. 60c.	22fr. 60c.
—	Cable	22fr. 20c.	22fr. 30c.	22fr. 20c.	22fr. 20c.

ON LONDON—		June 24, '21	June 17, '21	June 10, '21	Par.
Alexandria	Sight	97⅛pl.	97⅛pl.	97⅛pl.	97⅛pl.
Amsterdam	Cheques	11fl. 32c.	11fl. 39½c.	11fl. 35½c.	12·107fl.
Athens	Cable	61dr. 50	60 dr. 12	62 dr. 00	25dr. 22½
Bombay	Transfers	s 3⅛d.	1s. 2⅞d.	1s. 3⅛d.	2s.
Brussels	Cheques	46f. 92c.	47f. 22c.	47f. 32c.	25f. 22½c.
Buenos Ayres	Transfers	44⅛d.	44⅛d.	45d.	47·59d.
Calcutta	do.	1s. 3⅛d.	1s. 3⅛d.	1s. 3⅛d.	2s.
Christiania	Sight	26kr. 11	26kr. 31	25kr. 58	18·159kr.
Copenhagen	do.	22kr. 08	22kr. 07	21kr. 91	18·159kr.
Helsingfors	Cable	227m.	246m.	215m.	25m. 22½
Hong Kong	Transfers	2s. 7⅛d.	2s. 4d.	2s. 7⅛d.	—
Italy	Sight	78lr. 87c	75lr. 00c.	77lr. 75c.	25lr. 22½c.
Lisbon	do.	8⅛d.	8⅛d.	8d.	6⅜d.
Madras	do.	1s. 3⅛d.	1s. 3⅛d.	1s. 3⅛d.	2s.
Madrid	do.	28p. 44	28p. 62	29p. 08	25p. 22½
Montevideo	Transfers	41⅛d.	41⅛d.	42⅛d.	51d.
Montreal	Cable	$4 25	$4 26	$4 16⅛	$4 86⅔
New York	Sight	$3 75	$3 77⅛	$3 76	—
—	60 days	$3 73	$3 75⅛	$3 74	—
—	Cable	$3 73⅛	$3 78⅛	$3 76⅛	$4 86⅔
Paris	Cheques	46f. 80c	46f. 27c.	47f. 27c.	25f. 22½c.
Rio de Janeiro	90 days	7⅞d.	7⅞d.	8⅛d.	16d.
Shanghai	Transfers	3s. 5⅞d.	3s. 4⅛d.	3s. 4⅛d.	—
Singapore	Sight	2s. 3⅛d.	2s. 3⅛d.	2s. 3⅛d.	—
Stockholm	do.	16kr. 79	16kr. 90	16kr. 89	18·159kr.
Switzerland	do.	22f. 19c.	22f. 29c.	22f. 21c.	25f. 22½c.
Valparaiso	90 days	35.90p.	—	34·30p.	13·33p.
Yokohama	Sight	2s. 6⅛d.	2s. 6⅛d.	2s. 6⅛d.	24·56d.

* Fixed at Rs. 10 to the gold sovereign, September 8, 1920.

NEW YORK ON—	Rate Current* June 22, '21	Rate Current* June 15, '21	Par as Officially Quoted	Rate July 3
Amsterdam, sight ...	39·15c.	39 10c.	40·20c for 1 guilder	40·25c.
Bombay, cheques ...	24·37½c.	24 50c	48 66c. for 1 rupee	33·00c.
Buenos Ayres, cheques...	145·00	143 00		
Christiania, cheques ...	14·33c.	14 48c.	26 80c. for 1 krouer	
Copenhagen, cheques ...	17·02c.	17·05c.	26 80c. for 1 krouer	26 85c.
Greece, cheques ...	6·15c.	6 16c.	19·295c. for 1 drachma	
Hong Kong, cheques ...	50 50c	49·75c.	74·59c. for Mex. $1	48·4c.
Italy, sight	4 95c.	5 085c.	19·3) cents for 1 lire	
Lima, cheques ...	3 70⅞	3 75¼	4 8665 for 1 libra	
Manila, cheques ...	46 50c.	46 50c.	50c. for 1 peso	49·8c.
Montreal	12·25% disc.	10·75% disc.	Premium per $100	Par
Paris, sight	12 44fr.	12·39fr.	5·18⅛ francs for $1	5·16fr.
Rio de Janeiro, cheques	9 13mil.	8·33mil.	3 032 milreis for $1	
Shanghai, cheques ...	66 75c.	66·00c.	52·96 c. for 1 tael	83·00c.
Singapore, cheques ...	42·00c.	42 00c.	56 77c. for $1	57·12c.
Spain, cheques	13 30c.	13·12c.	19 30c. for 1 peseta	
Stockholm, cheques ...	22 30c.	22 40c.	26 80c. for 1 krouer	
Switzerland, cheques ...	5 92fr.	5·93 r.	5 13½ francs for $1	5·18½ r.
Valparaiso, cheques ...	11 00c.	11 00c.	20·61c. for 1 peso	
Yokohama, cheques ...	47 80c.	47 75c.	49·84c. for 1 yen	49·90c.

* According to the Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1921 Aver.	Inc or Dec.*
	1921	In £'s sterling, 000's omitted.			%
BIRMINGHAM ...	June 18	£2,246	— 1,097	£85,718	— £28,317 — 30·1
BRISTOL	,, 18	1,561	— 165	36,332	— 8,301 — 18·6
DUBLIN	,, 18	6,787	— 1,593	178,344	— 42,593 — 19·3
HULL	,, 18	1,311	—	22,031	— —
LEEDS	,, 18	1,065	— 393	28,345	— 15,435 — 35·2
LEICESTER	,, 18	808	— 293	19,531	— 13,796 — 41·3
LIVERPOOL ...	,, 18	7,421	— 7,372	230,344	— 192,638 — 45·5
MANCHESTER ...	,, 18	11,891	— 15,454	369,197	— 411,298 — 52·8
NEWCASTLE	,, 18	1,084	— 2,159	51,717	— 28,415 — 35·4
NOTTINGHAM ...	,, 18	693	— 424	18,026	— 11,333 — 33·6
SHEFFIELD	,, 18	916	— 401	30,990	— 9,032 — 22·5
LONDON—	1921				
TOWN	June 22	495,130	— 123,912	14,683,622	—1,650,471 — 10·1
METROPOLITAN	,, 22	29,575	— 8,502	843 689	— 212,286 — 20·1
COUNTRY	,, 22	50,321	— 21,500	1,553.017	— 461,391 — 22·8
TOTAL	June 22	575,026	—153,914	17,070,328	— 2,324,128 — 11·9

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1921 June 24	1921 June 17	1914 June 19	Homewards.	1921 June 24	1921 June 17	1914 June 19
Alex. to U.K. ...	—	—	6/0	U.S.A. Portsto U.K. (grain)	—	—	—
Aust. to U.K. ...	65/0	52/6	17/6	U.S. to U.K. (grain)	5	nom.	— 1 10½
Bilbao to Cardiff...	—	—	—	Gulf Ports to U.K. (Cot-			
Bombay to p.p. ...	27/6‡	25/0	15/6‡	ton)	7/5	7 7½	—
Burmah to U.K....	37/6	35 nom	16/3	OUTWARDS.—Cardiff to			
Calcutta to p.p.(jute)	—	—	15/0	Port Said ...	—	—	7/0
Danube to U.K.	25/0	23/9	7/3	River Plate ...	—	—	13/6
R. Plate to U.K....	47/6	50/0	11/6	St. Vincent ...	—	—	7/6

* Per ton. † Per quarter. ‡ Dead weight.
Time Charter, 6/3.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JUNE 24, 1921	JUNE 25, 1920	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	136 0	£23 6	57/0
— Middlesbro' warrants ...ton	130/0	217/6	51/0
— Hematite warrants ...ton	160/0	260/0	61/0
— Staffordshire bars, London ton	£27 10	£33 10	£8 10
— Common bars ...ton	£19	£30	£6 16
Steel Rails ...ton	£15	£23	£6 2/6
Galvanised Sheets ...ton	£21	£54	£16 17/1
Copper—Standard ...ton	£68 10	£83 5	£66
Tin—English Ingots ...ton	£165	£244 6	£142 15
— Straits ...ton	£167	£255—£265	£139 10
Tinplates, I.C. Coke, S. Wales...box	26/0—27/0	71/6	11/10½—12/0
Lead—Soft Foreign ...ton	£22 7/6—£22 10	£31—£32 10	£19
Spelter—Ord. Foreign ...ton	£26 12/6—£27 5	£39 5—£41 5	£21 7/9
Quicksilver—(75lb.) ...bottle	£11—£11 10	£21—£21 10	£7
Aluminium ...ton	nom	£165	£82
Antimony—Regulus Foreign ...ton	£25—£26	£50	£27 10
— English ...ton	£37—£42	£56—£58	—
Coal—(best) Yorkshire ...ton	—	37/2—38/2	17/6
— Steam (best) Newcastle...ton	70/0	50/2—55/2	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	9/6	15/6	7/4
Soda—Crystals ex wharf ...ton	140/0	110/0	42/6—45/0
Copra—Malay and States ...ton	£28 5	£44 10	£23 15-£24 7/6
Gambier—Good marks ...cwt	31/0	49/0	16/10½
Indigo—Bengal good to fine ...lb.	10/0—11/6	13/0—18/6	3/2—3/8
Linseed Oil—Raw ...ton	£34 15	£77 10	£25 5
Linseed—Calcutta, spot ...ton	£20 15	£39	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£18 10—£19	£20	£7 17/6—£8
Olive Oil—Spanish ...ton	—	—	£49 10
Palm Oil—Lagos ...ton	£33 10	£57	£31 10
Petroleum—American ...gallon	1/9½	2/1½	7½d.
Rape Oil—Refined English ...ton	£62	£88	£32
Soya Oil—Refined ...ton	—	£95	£24 10
Tallow—Imported ...cwt.	32/0—38/0	70/0—88/0	29/3—33/3
Turpentine—American ...cwt.	82/0	150/0	33/7½
Rape Seed—Toria ...ton	£90	£37	£13 5
Rubber—Para, spot ...lb.	10½d.	1/11½	2/9½
— Fine plantation (stnd.crepe) lb.	8¾d.	2 0¾	2/2
— World's Production* Oct. tons	28,620	27,850	8,467
Shellac—T.N. Orange, fair ...cwt.	350/0	640/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	8·06d	28·93d.	7·53d.
— Egyptian good fair ...lb.	9·50d	52·00d.	8 75d.
— Pernambuco fair ...lb.	7 46d	30·93d.	7·73d.
— Middling Upl. New York ...lb.	11·20c	37 75c	13·25c.
— Stock, Liverpool (June 17)bales	1,091,280	1,113,890	934,600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£41	£56	£25 10
— Manila fair ...ton	£36 10	£59	£26 10
Jute—First Marks ...ton	nom	£53	£28 15
— Red SOO ...ton	£25	£42	£24 15
Silk—Common, New Style ...lb.	24/0	32/0	12/0—12/6
— No. 1-1½ Japan ...lb.	28/0	—	—
— 1st Order Italian ...lb.	28/0	—	—
Wool—Pt. Philip unwashed av. lb.	1·8d	5/9	11½d.—1/0
— Lincoln Half Hogs ...lb.	7½d.	2/3½	1/0½
Hides—Eng. Ox. best ...lb.	8½d.	13½d	7½d.
Leather—Dressing Hides ...lb.	1/6—2/6	4/0—4/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	25,770,000	46,098,000	34,640,000
— Red, price, N.Y. 80lb...bushel	158c	310c	67½c.
— English Gazette, aver. 480lb. qr.	89/4	73/1	34/3
Flour—G.R. ...280lb.	68/0	83/6	28/6
Barley—Eng Gaz., aver. 400lb. qr.	43/1	95/6	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	39/4	65/1	20/0
Maize—N.Y. (new bushel)...56lb.	78½c	nom	76½c.
— Amer. mixed, Liverpool...480lb.	42/0	nom.	32/4
— La Plata ...480lb. qr.	42/0—43/6	73/0	25/9
Potatoes—Good English ...ton	$380/0—400/0	†420/0	70/0—75/0
Rice—Basseln ...cwt.	18/8	48/6	7/0—7/3
Tapioca—Pearl, medium ...cwt.	23/0	33/0	14/0—17/8
Hay—Clover, London ...ton	180/0—190/0	—	84/0
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	6/8	6/8	3/8—3/10
— Scotch sides ...8lb.	11/2	10/0	4/6—5/0
— English ...8lb.	9/6	10/0	4/2—4/5
Mutton—Scotch wethers...8lb.	11/8	10/6	5/8—6/0
— English wethers ...8lb.	9/4	10/6	4/6—5/4
— New Zealand frozen ...8lb.	5/2	10/8	2/4—3/2
Pork—English and Irish ...8lb.	10/0	10/0—15/4	3/6—4/0
Bacon—Irish, delivered ...cwt.	168/0—180/0	‡220/0	80/0—74/0
— Danish ...cwt.	186/0	†192/0	58/0—68/0
— Canadian, ex Port ...cwt.	190/0—150/0	†187/0	—
— American, ex Port ...cwt.	106/0—110/0	†187/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	163/0—165/0	†184/0	75/0—79/0
— — short cut, ex Port ...cwt.	163/0—165/0	†184/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	77/9—78/0	†158/6	51/9—52/9
Butter—Danish ...cwt.	206/0—208/0	303/4	117/0—120/0
— French ...cwt.	—	303/4	98/0—108/0
— Australian ...cwt.	160/0—174/0	303/4	98/0—110/0
— New Zealand ...cwt.	194/0—198/0	303/4	108/0—114/0
Cheese—Canadian ...cwt.	98/0—102/0	†145/0	66/0—68/0
— United States ...cwt.	—	†145/0	—
— Dutch ...cwt.	114/0—146/0	†145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to May 31...cwt.	11,258,800	13,584,656	19,777,264
— Home consump'n.to May31 cwt.	10,742,917	10,523,551	17,272,000
— In Bond May 31 ...cwt.	8,071,000	8,925,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	20/0	53/0	10/3
— — Yellow crystals ...cwt.	57/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	63/6	72/0	18/0
Coffee—Imports to May 31 ...cwt	424,182	396,982	720,360
— Home consumpt'n to May31 cwt.	126,136	123,850	141,410
— Exports to May 31 ...cwt	183,842	187,576	340,250
— In Bond May 31 ...cwt.	760,000	800,000	484,000
— Price, Costa Rica gd. to fine cwt.	112/0—140/0	158/0—164/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	54/0—58/0	130/0—132/0	41/6
Tea—Imports to May 31 ...lb.	183,849,674	180,586,841	123,230,277
— Home consump'n.to May 31 lb.	168,152,074	152,173,279	155,447,972
— Exports to May 31 ...lb.	10,738,246	18,768,377	26,561,765
— In Bond May 31 ...lb.	234,001,000	212,152,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	5d.	1/5½	8½d.
— — Ceylon, Pek. Soug. ord. lb.	5½d.	1/6	8½d.
— — Common Congou ...lb.	3d. nom.	1/3	5½d.
Cocoa—In Bond May 31 ...cwt.	1,224,000	1,250,000	309,000
— Grenada, good to fine ...cwt.	52/0—56/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price ex-Factory. § New.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Apr.	$13,762,000	—2,167,000	$2,846,000	+ $304,000
	4 *mos.* to Apr.	55,702,000	—3,415,000	6,552,000	+ 953,000
Grand Trunk	Mar.	£1,278,700	+ £95,900	£122,900	+ £88,400
	3 *mos.* to Mar.	3,772,200	+ 583,200	Dr. 91,400	+ 306,500

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under w rrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month	Miles Open	Gross Receipts	+ or — on Year Ago	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	May 7	1,044	R1,87,511	— 8,091	5	9,73,987	— 59,441
Barsi Light ...	May 21	118	21,100	— 3,500	7	1,58,600	— 73,000
Bengal & N.W.	May 14	2,087	5,91,630	+ 38,328	7	34,84,850	+ 77,293
Beng. Dooars	May 21	158	19,177	— 6,068	7	1,53,459	— 31,118
Beng. Nagpur	May 14	2,695	12,67,000	— 39,000	5	80,37,000	— 1,39,815
Bomb. Baroda	June 11	2,871	20,52,000	+ 2,75,000	11	2,18,61,000	+ 12,51,000
Burma	May 14	1,342	3,54,951	— 2,08,998	8	34,94,349	— 2,50,780
Del.Um. Kalk.	June 4	239	87,000	— 11,642	9	8,83,715	— 82,873
East Indian ...	June 11	2,772	28,45,000	— 1,000	11	3,00,87,000	— 6,02,000
Gt. Indian Pen	June 11	3,121½	25,20,600	— 38,600	11	2,87,10,100	+ 3,38,793
Madras & S.M.	May 21	3,152	14,00,000	+ 82,008	7	95,15,000	+ 1,73,525
Nizam's Guar.	May 7	900	3,38,919	+ 16,822	5	16,44,090	— 2,86,093
Rob. & Kumn.	May 14	576	1,32,115	— 2,170	6	8,26,301	— 9,461
South Indian	May 21	1,852½	8,31,819	— 31,222	7	58,77,581	— 79,809
South Punjab	Feb.	716	6,83,752	— 94,252	5m	40,21,325	+ 1,31,300
COLONIAL							
Can. Northern	June 14	9,750	$1,062,000	+ 40,800	23	27,906,700	+ 3,614,277
Can. Pacific ...	June 14	13,388	3,207,000	— 453,000	23	75,390,000	— 7,466,000
Grand Trunk	June 14	3,616	£285,582	— 17,824	23	6,648,218	+ 540,488
Mashonaland	Mar.	810	111,625	+ 67,360	6m	590,798	+ 199,607
Mid. W. Aust.	Apr.	277	11,221	+ 257	10m	113,359	+ 3,205
NewCapeCent.	May 28	205	2,310	— 314	22	56,712	— 8,918
RhodesiaRlys	Mar.	1,397	137,704	+ 50,777	6m	779,784	+ 200,508
Temiscouata...	Mar.	—	$42,975	+ 12,389	3m	128,835	+ 43,954
FOREIGN.							
Argentine.							
Arg.N. East...	June 18	752	£ 12,700	+ 300	51	594,900	— 12,400
Arg. Transand	June 18	111	£ 516	— 1,304	51	133,129	— 24,972
B.A. & Pacific	June 18	3,428	£ 116,000	— 59,000	51	8,577,000	— 1,328 000
B.A.Gt. South	June 18	3,903	£ 158,000	— 22,000	51	8,447,000	— 816 000
Do.	June 18	Net	£ 10,000	— 25,000	51	1,410 000	— 1,690 000
B.A. Western	June 18	1,882	£ 78,000	— 24,000	51	3,986,000	— 1,126,000
Do.	June 18	Net	£ 3,000	— 27,000	51	478,000	— 1,240,000
B. A. Central	Apr.	190	£ 41,425	— 13,261	11m	460,493	— 12,904
Cent. Argent.	June 18	3,305	£ 190,000	— 24,000	51	9,403,000	+ 43,000
Cord. Central	June 18	1,205	£ 69,500	+ 8,500	51	2,704,800	— 316,400
Entre Rios ...	June 18	811	£ 24,100	— 1,500	51	1,158,100	— 49,500
Brazilian.							
Brazil Gt.South	May	110	M 63,750	+ 17,250	5m	218,400	— 34,100
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,818,243
Gt. W. Brazil	June 18	1,010	£ 11,900	— 6 600	25	356 400	— 241,800
Leopoldina ...	June 11	1,831	£ 33,887	— 19,780	24	754,998	— 498,064
San Paulo ...	June 19	153½	£ 39,164	— 14,363	25	723,432	— 394,284
S.of Bahia S.W	May	52	M 41,000	— 37,000	5m	393,000	+ 28,000
Chilean and Peruvian.							
Antofagasta...	June 19	838	£ 18,015	— 20,885	25	632,660	— 574,055
Arauco	June	84½	£ 12,000	+ 500	6m	76,000	+ 10,700
Nitrate(2wks)	June 15	390	£ 20,964	— 5,773	22	298,228	— 176,008
Peruvian Corp.	May	1,140	$ 1,236,750	— 50,320	11m	13,070,110	— 204,774
Taltal	May	180	£ 13,613	— 13,432	11m	270,213	+ 5,508
Cuban.							
Cuba Railroad	Jan.	—	$ 1,606,385	+ 448,284	7m	8,497,481	+ 1,017,244
Havana Cent.	June 11	70	£ 12,972	— 2,773	50	740,504	+ 147,873
U. of Havana	June 18	681	£ 88,393	— 28,432	51	6,283,631	+ 669,155
Uruguayan.							
Cent. Uruguay	June 18	273	£ 28,169	+ 4,585	51	1,241,831	+ 83,750
,, (E. Ext.)	June 18	311	£ 5,012	— 1,447	51	286,809	— 37 094
,, (N. Ext.)	June 18	185	£ 4,088	+ 640	51	156,749	— 39 634
,, (W.Ext.)	June 19	211	£ 2,046	— 757	51	126,70	— 17,958
Mid. Uruguay	May	319	£ 14,255	— 7,324	11m	191,583	— 33,650
N.W. Uruguay	May	113	$ 5,319	— 1,397	11m	68,304	— 9,765
Urug. Northn.	May	73	£ 1,489	— 417	11m	22,012	— 4,143
Miscellaneous							
Alcoy & Gandia	June 16	33	Ps. 12,000	— 3,000	25	381,900	+ 80,000
Bilbao	May	15	£ 1,894	— 297	5m	10,915	— 6,996
Bolivar	May	136	£ 11,715	— 849	5m	50,013	— 6,867
Colomb. Natnl.	Apr.	86	£ 18,600	— 200	4m	78,080	+ 9,884
Costa Rica ...	Mar.	190	£ 32,656	+ 5,145	9m	228,241	— 3,146
Dorada Ext.	May	70	£ 19,500	— 4,428	5m	89,250	+ 11,822
Egyptian Delta	May 31	559½	£ 8,415	— 2,883	9	57,147	— 14,544
Gt. S. of Spain	June 11	104	Ps. 29,498	— 61,154	23	1,293,861	— 838,104
LaGuaira & Ca.	May	22¾	£ 8,570	— 5,060	5m	50,110	— 21,720
Ottoman Ry..	June 11	379	£ 10,308	—	—	—	—
Paraguay Cent	June 11	274	£ 4,170	— 470	50	217,590	— 21,940
Puerto Cabello	May	34	£ 4,500	— 500	5m	22,750	— 5,250
Salvador	June 18	100	£ 3,012	— 1,833	51	183,804	— 49,187
Santa Fé Prov. French Rys.	May	1,181	£ 129,976	— 39,282	5m	651,218	— 166,578
S'm'na & S'ti'go	May	80	£ 10,620	— 8,192	5m	43,930	— 28,512
Zafra & Huelva	May	112	£ 14,168	+ 4,108	5m	73,015	+ 11,775
TRAMS.							
Anglo-Argent.	June 17	400	£ 75,807	— 610	24	1,932,253	+ 129,939
Bombay Elect.	Apr.	—	Rs.9,18,800	+ 1,03,913	4m	35,06,436	+ 3,89,832
Brazilian Trac.	Apr.	378½	M13,562000	+ 3,317,000	4m	51,480,000	+ 12,298,000
Brisbane Elec.	May	40½	£ 47,910	+ 1,380	5m	231,445	+ 8,145
Brit. Columbia	Apr.	334	$ 791,888	+ 42,697	10m	7,978,641	+ 671,723
B. A. Lacroze	May	51	£ 68,492	+ 3,929	11m	629,444	+ 67,765
Calcutta	June 18	35½	R 83,513	— 10,170	24	17,52,980	— 467,935
Oarth. & Herr.	May	9	£ 1,602	— 3,711	5m	12,873	— 10,171
Chatham & Dist	June 9	15	£ 1,682	— 187	23	37,306	+ 833
Havana Elect.	Feb	86	$ 1,034,871	+ 170,432	2m	2,123,947	+ 376,309
Isle of Thanet	June 15	20½	£ 1,365	— 105	38	25,263	— 1,416
Kalgoorlie ...	Mar.	20½	£ 2,485	— 657	3m	5,218	— 3,173
Lanarkshire...	Dec. 31	28½	£ 6,467	+ 1,927	52	221,584	+ 27,728
Lima Light ...	Mar.	85	£ 63,386	+ 3,763	3m	188,789	+ 13,309
London O.C....	June 22	141½	£ 100,520	+ 17,284	12	1,185,955	+ 187,520
Madras (2wks.)	June 15	15½	R 47,756	+ 5,523	22	394,054	+ 133,809
Manila Electric	Apr.	55	$ 279,535	+ 25,432	4m	1,205,691	+ 132,260
Pernambuco...	June 19	59	£ 3,042	— 2,828	25	97,720	— 84,992
Provincial ...	June 11	21½	£ 3,425	+ 59	23	114,662	— 1,107
Rangoon Elec.	Apr.	25	£ 125,163	+ 7,303	4m	526,580	+ 51,230
Shanghai Elec.	May	28¾	M.$166,090	+ 9,490	5m	791,829	+ 77,835
Singapore Elec.	May 7	26½	$ 12,588	— 11,994	19	235,305	— 187,361
U. of Montevid.	May	90½	£ 46,579	— 4,178	7m	333,466	+ 28,157

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NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid-up Capital, Surplus and Undivided Profits (Feb. 28, 1921) - - - - $62,727,273.77
Total Assets (Feb. 28, 1921) - - - $893,680,782.11

The Statist.

LONDON, SATURDAY, JUNE 25, 1921.

GOVERNMENT POLICY IN IRELAND.

THE event of the week in the political world has been the opening of the Ulster Parliament. The magnificent reception accorded by Belfast to the King and Queen has only been in accordance with the spirit of loyalty so long cherished, and sometimes so ostentatiously displayed, in the North of Ireland. Few can read the message conveyed in the King's Speech without echoing his wish for "a satisfactory solution of the age-long Irish problems which for generations embarrassed our forefathers, as they now weigh heavily upon us," and for loyal co-operation between "the free communities on which the British Empire is based." The good effect of this appeal for a more conciliatory approach to existing Irish problems has, however, been largely neutralised by the debates that took place in both Houses of Parliament on the very day of the King's departure for Ireland. The moment was opportune for heralding changes and improvements in the Government of Ireland Act such as were foreshadowed in the speech of the Lord-Lieutenant at Belfast early in the present month. The Royal visit, after an interval of many years, might have been taken as an opportunity for announcing a new departure, especially since recent Government policy has not the sympathy of moderate opinion in Ireland and has alienated even those who were originally inclined to support it. This changed attitude is clearly shown in the manifesto issued during the week by nineteen elected members of the Southern Irish Senate. They declare that "the powers given under the present Act are insufficient to enable the government of Southern Ireland to be carried on with any prospect of success," and they state further: "We are ready to act in a Second Chamber with a Lower House sitting constitutionally as representing a majority of the electors, but we are not prepared to exercise functions in connection with any body nominated by the Lord-Lieutenant to replace an elected Lower House." The signatories to this manifesto are men whose loyalty is beyond question, as they have been elected solely by Peers and Privy Councillors. They include such well-known names as Lords Desart, De Freyne, Donoughmore, Dunraven, Holmpatrick, Inchiquin, Kenmare, Mayo, Midleton, Oranmore and Browne, Powerscourt, Rathdonnel, Sligo, Granard, and Wicklow, as well as Sir W. J. Goulding, Bart., Sir Thomas Stafford, Bart., and Sir Bryan Mahon. This declaration is tantamount to a refusal to work under any system of Crown Colony government. The latter is apparently what the present Cabinet has in mind, judging from the statements made during the week by the Marquis of Salisbury and the Lord Chancellor in the Upper House and by Sir L. Worthington Evans in the Lower House.

The futility of the policy of suppression has been amply demonstrated in the past, but while the Cabinet fill the King's mouth with appeals to "forgive and forget," they proceed to undo his efforts at improving the situation by announcing their resolve to send ten more battalions to Ireland. The mistakes of the past are to be covered over by errors still more egregious. The suppression of the Strickland Report, the stopping of fairs and markets, the compulsory closing of creameries without even allowing them to dispose of the heavy stocks of butter and cream on hand, and the general strangulation of the economic life of the country are, however, matters that cannot readily be consigned to oblivion, especially in view of the serious revelations made by General Crozier.

The Government's answer to the King's message of peace and goodwill is contained in Lord Birkenhead's utterance in the Lords: "If we should be forced to the melancholy conclusion that by force, and force alone, can these misdeeds be extirpated or prevented, it is a conclusion which . . . we shall not hesitate logically and completely to act upon." Martial law is apparently to be proclaimed all through Southern Ireland after the appointed day for the assembling of the Southern Parliament, which is July 12. Organised man-hunts, in the shape of military drives, involving the employment of large numbers of cavalry, are to be a feature of the new *régime*. The advice of Irishmen well versed in Irish affairs and full of sympathy with the English connection has throughout been ignored by the Government, and the result is seen in the chaotic condition of the country to-day. In the recent debate in the Lords to which we have referred, the Earl of Dunraven stated that though his memory went back to the Fenian Rising of 1867, the condition of affairs was never so appallingly bad as at present. His remedy is the immediate amendment of the present Act, on the ground that no justification exists for putting twenty-six counties under military dictatorship until every means has been tried of satisfying the Irish people within the limits of the security of the United Kingdom and the integrity of the British Empire. The trend of events in the Upper House may be gathered from the fact that the Government narrowly escaped defeat, their majority being only nine.

The Cabinet's decision to intensify repressive measures in Ireland has apparently been made despite strong internal opposition. Dr. Addison and Mr. Fisher are two supporters of conciliation, but the former is now gone from the Cabinet councils, and it is rumoured that the latter may go at any time. The wisdom of their opposition may some day be proved, since, though Lord Birkenhead reminds the Irish of the "stubborn and tenacious character of the people of this island," he seems to ignore the existence of the same qualities, in an even higher degree, on the other side of St. George's Channel.

INDUSTRIAL DEBENTURE ISSUES.

THE collapse of commodity markets during the last nine months has rendered the issue of Ordinary shares a very unpromising method of financing industrial operations. The public insists that advances to trading concerns must take the form of prior-charge obligations, either Preference shares or Debentures, the more recent trend being almost exclusively in favour of the latter. Though the investment public maintains a comparatively discerning attitude towards current emissions, there are, however, reasons to believe that it is influenced more by the status of the borrower than by the exact financial details of the emission. Such a policy is defensible, perhaps, but in the long run cannot be to the advantage of investors or of industry. A consideration of the essentials in such issues will, therefore, be of interest.

A typical Debenture prospectus should contain a general statement to the effect that the stock will be secured by a trust deed in favour of the trustees (specified), whereby it will be constituted a specific mortgage on the Company's freehold and leasehold properties, including fixed plant and machinery, a first charge upon the Company's shareholdings in subsidiary undertakings, and a floating charge on the other assets, present and future. Frequently the prospectus proceeds to show the certified value of total net assets at a recent date, states that they cover the Debenture issue many times over, and leaves it to be inferred that, this done, the investor has been placed in possession of all the necessary facts. More remarkable still is the silence of the financial Press regarding the inadequacy of such statements. The floating security, no matter how large, behind an emission is of little value because of the fact that it is not fixed. Assume that a company offers to the public £500,000 Debentures secured by a fixed charge on its land, buildings, and machinery, and a floating charge on the other assets, and that its assets stand as follows:—

Land, building, and machinery		£200,000
Other Assets:—		
Stocks	£500,000	
Debtors	500,000	
Goodwill and patents	200,000	
Cash	10,000	
Less Sundry creditors	310,000	
		900,000
Total net assets		£1,100,000

Here total net assets exceed the nominal value of the stock offered and would seem to afford ample covering as to capital. The specific mortgage assigned to the Debentures stands, however, at only £200,000, and no guarantee exists that the other assets will possess any value in case of liquidation. In such an eventuality current liabilities might conceivably exceed liquid assets, particularly if inadequate provision has been made for bad debts or if stocks have been overvalued. Though it is satisfactory to know that "other assets" possess a substantial value, the vital point to be examined is whether the property specifically charged covers the Debenture stock. In this connection the basis of valuation forms an important consideration. Sometimes the figure comes from the certificate of an independent valuer, but more generally it represents the balance of the plant and property accounts in the books of the undertaking. In either case it ought to be made clear whether the value represents cost, less depreciation, whether the unexpired cost has been adjusted to current price-levels, or whether the valuation has been made on a "going concern" basis. The latter case contains an estimated present value of future profits and is by that amount misleading.

The reliability of fixed asset values being established, the constitution of these assets next calls for attention. Building and machinery are wasting assets,

Recently Issued Industrial Debentures.

Issue	Total Authorised £	Specific Charge—Properties and Plant £	Specific Charge—Securities £	Total Net Assets £	Red. at £	Issue Price £	Current Mean Price £	Flat Yield % £ s. d.	Redemption Premium % £ s. d.
Baldwins ... £2,250,000 7½% Mort. Deb. Stock, 1923-50	4,000,000	*	2,473,600	9,194,609	100	95	92	8 3 0	8 13 10
Barcelona Traction £1,050,000 8% Debs., 1922-41	1,100,000	—	1,915,500	—	106	94	91½	8 14 0	16 17 0
Bolckow Vaughan £1,000,000 1st 8% Debs., 1925-35	2,000,000	—	—	5,705,879	100	100	103½	7 14 7	3 7 7
British Central Africa £200,000 8% 1st Mort. Debs., 1922-36	200,000	—	—	1,532,741	102½	95	88	9 1 10	16 9 6
British Oxygen ... £250,000 8% 1st Mort. Deb. Stock, 1922-46	500,000	304,344	17,601	878,475	100	96	101¼	7 18 0	1 4 8
Cape Explosives ... £1,000,000 7½% 1st Mort. Deb. Stock §	1,250,000	441,477	—	2,139,539	100	95	94	7 19 6	6 7 7
Cunard ... ... £4,000,000 7% Mort. Deb. Stock, 1926-41	*	*	—	8,011,706	100	90	101	6 18 7	— 0 19 9
Dunlop ... £3,000,000 8% 1st Mort. Deb. Stock, 1923-40	6,000,000	1,419,597	5,097,118	20,470,324	105	98	96	8 6 8	9 7 6
Falkirk Iron ... £200,000 8% 1st Mort. Conv. Debs., 1926-35	300,000	376,986	—	538,688	102	95	94	8 10 2	8 10 2
General Electric ... £3,500,000 7% Mort. Deb. Stock, 1922-53	3,500,000	1,234,482	—	6,213,680	100	92½	89	7 17 3	12 7 2
Leeds Forge ... £400,000 8% Conv. Deb. Stock, 1922-35	—	—	—	2,077,616	100	95	97	8 5 0	3 1 11
Lever Bros. ... £4,000,000 7% 1st Mort. Deb. Stock, 1931-41	15,000,000	5,991,141	—	50,734,770	100	92½	88	7 19 1	13 12 10
Metropolitan Electric £500,000 7½% Ext. Deb. Stock, 1922-41	500,000	—		2,050,118	100	95	98½	7 12 3	1 10 6
Mond Nickel ... £1,300,000 8% Mort. Deb. Stock, 1926-41	1,300,000	1,040,816		4,839,794	104	98	103	7 15 4	0 19 5
United Glass Bottle £600,000 7% (t.f.) 1st Mort. Deb. Stock, 1925-36	600,000	413,195†	87,527	1,107,420	103	100	93½	10 13 10	10 3 3
Sheffield Steel ... £750,000 8% 1st Mort. Deb. Stock, 1922-40	850,000	2,213,120	—	3,156,969	105	95	95	8 8 5	10 10 6
Westinghouse Brake £350,000 8% 1st Mort. Deb. Stock, 1927-44	500,000	282,942	—	1,101,110	100	95	99	8 1 7	1 0 2

* Total issue must not exceed 40% of value of ships mortgaged.
† Plus value of fixed plant (undisclosed).
‡ The Margam works (value not stated) are specifically mortgaged.
§ Unconditionally guaranteed by De Beers Consolidated Mines, Ltd.

and should therefore not be included in an "on tubs" item with land, which is not a wasting asset. Many prospectuses contain a clause exempting all future assets from the Debenture charge. Such a statement should be accompanied by an explanation of its relation to future repairs and renewals. If a replacement of obsolete plant will not be subject to the mortgage there is an obvious possibility that the capital security of the Debentures in this respect may be substantially reduced at future dates, and may eventually disappear.

A further complication often exists in the shape of pledged securities. A holding company may own little property of its own, and has perforce to back its Debentures by its shareholdings in subsidiary enterprises. The value of the shares may be based on cost or Stock Exchange prices. If acquired about a year ago their cost in all probability grossly exceeds their present worth. Market value may be an even less reliable guide when the company by its large holdings has deprived the market of supplies. If a very substantial margin exists, however, there is no reason why shares should not form a fit charge for Debentures, but the investor should first assure himself that the subsidiary companies have not the power to create prior charges within their own organisations.

The foregoing include the most important considerations, but do not exhaust the list. If the stock offered can be supplemented by *pari passu* emissions at a future date the conditions and limits of such additions require analysis. Current profits should afford ample assurance that the sinking fund charges will be met, and the prospectus should contain specific provisions as to the constitution and method of operation of the sinking fund itself. Naturally the investor will remember that the size of the issue as a whole and of the individual bonds have an important bearing on future marketability. The margin between price of issue and redemption may have a considerable influence on the yield afforded by the stock. For the redemption premium is tax-free, while the interest is subject to a thirty per cent. impost. Opposite will be found a list of the principal industrial Debenture issues made during the past year. The great majority are specifically mortgaged on property and plant. Where the value of this charge is omitted, the cause lies in inadequate prospectus statements.

BRITISH IRON AND STEEL INDUSTRY.

The effect of the coal stoppage on the iron and steel industry has been to reduce steel-ingot production to 5,600 tons in May, as compared with 884,700 tons last September, and pig-iron production to 13,600 tons, as compared with the high-water mark of 752,400 tons reached last August. At the end of May the employees in the industry numbered only fourteen per cent. of those engaged in the midsummer of 1920, and the men still at work were confined mainly to repairs and maintenance, and were, for the most part, on short time. The depression may, of course, be only temporary, since the fundamental factors which led to the elevation of our iron and steel industry to its pre-War level of importance still remain unchanged. We are the only steel-producing country with suitable coal supplies on the coast to which foreign ore can be brought by sea and from which the resulting products can be re-shipped. Ore and fuel lie some hundreds of miles apart on the Continent and, generally speaking, in the United States, and further long journeys to sea-ports are the rule in both cases. During the War, as pointed out in a memorandum recently submitted to the Premier by the National Federation of Iron and Steel Manufacturers (representing employers) and the Iron and Steel Trades Federation (representing workmen), numerous extensions took place in our own industry, and the numbers employed rose from the pre-War figure of 300,000 to 390,000 in 1920, while the production of home ore was stimulated owing to the dangers attendant on importation. The introduction of the eight-hour day early in 1919 was a contributory factor necessitating increased staffs.

The seriousness of the present depression arises from the fact that the metal industries (including engineering and shipbuilding), which almost all use iron and steel as their principal raw material, constitute by far the most important industrial group in the country, and give employment to no less than 1¾ millions, or twelve per cent. of the occupied male population. Further, the heavy iron and steel trades, excluding wrought-iron, galvanised sheets and tinplates, consume 28 million tons of coal, the cost of which may be put at £46½ million, of which at least £34 million represents miners' wages.

The iron and steel trades, before all others, are sensitive to a general depression, as their products enter into practically every branch of industry. The effect of the falling-off in the home demand for their products has been accentuated by the increased imports of both semi-manufactured and manufactured iron and steel materials. During the five months ended May 31 last our imports of forge and foundry iron amounted to 124,439 tons, as compared with 8,867 tons in the corresponding period of 1920 and 25,047 tons in the first five months of 1913. Basic-iron imports reached 57,949 tons, as against 9,658 tons in 1913. Similarly, steel sheet bars and tinplate bars imported rose from 12,994 tons in 1920 to 36,709 tons in 1921, and iron bars, rods, angles, shapes, and sections from 27,352 tons to 66,481 tons. The large supplies of battlefield scrap, which can be mixed with a small proportion of pig-iron, enable steel to be made in Belgium and France at a low cost. Continental manufacturers, particularly in Belgium, enjoy special railway facilities as regards the carriage of ore and coal. The heavy fall in the price of the Continental products brought about by these factors, as well as by the depreciated exchange and the low level of real wages, cannot be dissociated from the breakdown of the important producers' organisations consequent on the making of the three hitherto existing economic iron and steel areas into five, by the separation of Luxemburg and of the Sarre and the restoration of Lorraine to France. The increase in the number of producing areas has been accompanied by the collapse of price agreements, and the intensified competition has brought about severe price-cutting.

It is possible that when the exchanges of the various countries abroad adjust themselves to the internal price-levels, and other abnormal factors at present at work have disappeared, or operate with diminished influence, the competition which iron and steel manufacturers are at present undergoing will be substantially lessened. These changes will not, however, be sufficient to turn the scales in their favour, and they must be prepared to reduce their own costs. During the week North-East Coast steel producers lowered boiler plates by £5 per ton, ship plates by £4, and joists, sections and angles by £3 per ton. Such a reduction, following on others previously made, cannot, however, be permanent unless fuel costs to the industry are reduced and the direct or indirect aid accorded by the French, Belgian and German Governments to their own producers is brought to an end or counteracted by measures taken on this side. Our iron and steel industry is now practically shut down, and it is the opinion of competent observers that it cannot re-start unless fuel and other items of cost are reduced to a level not higher than from seventy-five to 100 per cent. above pre-War. An average pit-head price of 20*s.* per ton for coal is considered essential, this figure being nearly forty per cent. below the 33*s.* per ton realised at pit-head in March. Importance also attaches to railway rates, especially in regard to home ores, which are likely to be replaced by foreign ores unless there is a diminution in the cost of carriage, which in some cases to-day represents fifty per cent. of the price of the ore delivered at the works. A similar consideration applies, of course, to coal—and, in fact, to all the heavy tonnage of low-value material which iron and steel manufacturers receive in or despatch from their works.

THE NITRATE SHARE MARKET.

In sympathy with other departments of the Stock Exchange, the nitrate section is at present in a stagnant condition, though the reduction in the Bank rate may eventually help to impart some liveliness to it. It is apparent, however, that holders of nitrate shares fully realise that the present is a very exceptional period and are determined to hold on in the hope of a brighter outlook. Thus such selling as takes place is of a very spasmodic nature, and shares are not pressed for sale except, perhaps, where the holders are in urgent need of funds. At the same time, bargain-hunters are paying little attention to the Nitrate market. In this they are right, for while an eventual appreciation of share values is to be looked for, yet the present position of the nitrate industry itself is such as to preclude any hope of a revival in the near future. Present quotations, however, while they may reflect the existing position of the industry and its immediate prospects, are worth the attention of those who are watching for the turn of the tide in general trade conditions. The fall in share values from the peak point of February 1920 is unusually severe, as may be seen in the table given herewith comparing current quotations for the leading companies with the extreme limits of the fluctuations during 1919 and 1920.

Name of Company	Paid up per Share	—1919— High	Low	—1920— High	Low	Current Price
Aguas Blancas ...	5/–	25 7½	17 10½	46 9	20/–	16/–
Alianza	£5	17⅜	13½	25¼	15½	14
Anglo-Chilean ...	£5	17⅜	13⅜	20½	11	9⅝
Lagunas	£5	35 7½	20 –	45/–	22/–	20/9
Lagunas Syndicate ...	£1	6 9	4 6	10 6	5 3	4 –
Lautaro	£5	12¼	8	17½	9¼	5⅞
Liverpool	£5	81/3	62/6	5½	3⅜	55/6
London	£1	52 –	40 3	80/–	33/–	28/9
New Paccha and Jazpampa ...	£1	70/–	60/–	5⅜	2	17/6
New Tamarugal ...	£1	28/–	20/3	48	21/–	19 7½
Pan de Azucar ...	£1	10¼*	7½*	22½*	10*	45/–
Rosario	£1	8½*	6 3*	30/–	25/–	19 10½
Salar del Carmen ...	£1	55/6	40/–	77/–	38 9	26/3
San Sebastian ...	£1	15/6	10/–	18 6	7/1½	6/–
Santa Rita	£1	23 6	18/–	40/7½	20/3	26/–
Santiago	£4	37/6	26/3	77/6½	40/–	34/–
Tarapaca and Tocopilla	10/–	20/–	14/–	34 6	13/–	11 1½

* £5 share.

During the general appreciation of speculative securities towards the end of 1919 nitrate descriptions were neglected, and it was not until February of 1920 that the market realised that nitrate shares were undervalued. During the third week of that month sensational advances in quotations were recorded, and the nitrate section was one of the most active in the House. To indicate the nature of the movements at that time it will be instructive to quote a few instances. In the course of a few days Aguas Blancas rose 9*s.* 6*d.* to 45*s.* 6*d.*, Santa Catalinas advanced 7*s.* 6*d.* to 50*s.* 6*d.*, Salar del Carmen were marked up 9*s.* 6*d.* to 72*s.* 6*d.*, and Pan de Azucars gained 3¾ at 20¼. The end of the boom came definitely on February 23, 1920, and between that date and the end of the year the market gradually relapsed into its former dullness, while prices were consistently scaled down. The weakness was at first due to the factors affecting all branches of the Stock Exchange at the time, such as monetary stringency and Budget uncertainties. As the year progressed, however, the optimism as to trade prospects began to give way before falling commodity prices, shrinkage in demand, and financial restriction, and before long liquidation was carried out with a view to discounting a possible collapse in the nitrate trade. Now that the collapse has come about it seems that the scaling down of share values has, for the present at all events, come to an end, and though an advance in quotations in the near future is highly improbable, at the same time they are not likely to sink lower unless a further unfavourable development in the nitrate industry should arise, such as, for instance, a marked improvement in the process of manufacturing synthetic sulphate of ammonia in Germany. On glancing through the list of shares it will be seen that in the great majority of cases current prices are below even the low records for 1919, which was a very bad year for the industry. Referring to the table above, the column showing the upper limit of the fluctuations last year may be taken as representing the prices at which shares changed hands on February 23, 1920, with some unimportant exceptions, for, as previously stated, that date marked the height of the boom. On comparing with these prices the latest recorded quotations for bargains done, it will be found that the decline in values ranges from thirty-four per cent. in the case of Rosarios to as high as eighty-four per cent. in the case of New Paccha and Jazpampas. Among those showing the smallest decline are Santa Ritas, with a fall of thirty-seven per cent., and Alianzas, which show a reduction of forty-four per cent. Prominent among the shares showing the most marked weakness are Lautaros, which fell by sixty-nine per cent., and Tarapacá and Tocopillas and San Sebastians, each of which record declines of sixty-eight per cent. The average fall in the shares quoted in the table is fifty-eight per cent.

The future of the industry was discussed briefly in an article in The Statist of June 18, in which it was pointed out that, while there was no doubt as to the future of fertilisers, it was a matter of uncertainty as to how Chilean nitrate would stand in regard to the competing substances which have been so rapidly developed during and since the War. How soon the expected revival in demand will take place is also, of course, a matter of extreme uncertainty. As regards the near future, the reasons were stated why the immediate prospects gave no ground for optimism. This aspect of the question, however, it will be necessary to discuss here at greater length. In the first place, the accounts yet to be published for all the companies will include the half-year ending with the current month, up to which time sales have already been arranged at very favourable prices. Some of the companies make up their accounts for the year ending June 30; in the case of others they are made up to December 31, and for the New Tamarugal Company and the Rosario Company the financial year ends on July 31 and September 30 respectively. Thus the former group of companies will, in their next reports, cover the year ending June 30, 1921, which constitutes one of the best years in the history of the industry, and that the profits shown will be exceptionally high there can be little doubt, in view of the favourable reports already made by those companies whose financial year coincides with the calendar year. These latter companies have paid increased dividends, despite the gloomy outlook after June 30, and it may be assumed that the companies which have yet to report will follow the same course, for all the companies are in an exceptionally strong financial position.

This latter point affords some consolation to shareholders in view of the lean period ahead. It is not yet certain that production will be stopped after June 30, for the Chilean Government will leave no stone unturned to prevent a stoppage, and the Government has it in its power to bring very great pressure to bear on the Chilean companies. To make this more clear it must be said that the export tax on nitrate provides, roughly, one-third of the total revenue of the Chilean Government, and, therefore, a cessation of shipments of nitrate would involve a very grave financial position for the State. Besides the abrupt termination of export duty receipts it would also mean extensive unemployment and, consequently, a diminished demand for the products of the agricultural areas of Chile. In 1919 there was a Budget deficit of $77,326,532 and in 1920 a deficit of $50,973,576. The estimated figures for 1921 and 1922 are as follows:—

Paper Pesos.

Year	Revenue	Expenditure	Deficit
1921 ...	419,229,900	419,238,589	8,689
1922 ...	200,000,000	320,000,000	120,000,000

A large reduction in revenue is looked for next year, but this year's estimate of revenue is based on an export of 55 million quintals of nitrate. The actual shipments from the commencement of January last to the 15th inst. were only 13,900,000 quintals, as against 32,190,000 quintals and 23,460,000 quintals for the corresponding periods of 1920 and 1914 respectively, so that the estimate of 55,000,000 quintals for the whole of 1921 will have to be drastically revised.

In view of the figures given in the foregoing paragraphs, there is no need to emphasise the interest of the Chilean Government in the continued production and export of nitrate. On the other hand, in view of the heavy accumulation of stocks paid for when prices were high and the comparative absence of demand, it is exceedingly difficulty for the companies to go on producing, especially as they have guaranteed a minimum price of 17*s.* per quintal before the end of this month and 14*s.* per quintal after that date until the end of March 1922. The majority of the oficinas have already closed down, and it is expected that the rest will follow suit in the absence of any new development. Whatever new development is to come is looked for from the conference at present sitting in Rotterdam. At this meeting, which commenced on June 20, are represented the Chilean Producers' Association, the British Sulphate of Ammonia Federation, and the German Stickstoff Syndicate, and the object of the negotiations is presumed to be to find a way out of the present deadlock and also to prevent future competition between Chilean nitrate and sulphate of ammonia. Judging by the present position, however, it seems unlikely that the conference can find a permanent solution. The Stickstoff Syndicate has apparently offered not to extend its plant for the present, and to offer no nitrate or sulphate of ammonia for export, provided that the other nitrogen producers agree not to dump their products in Germany and decide to maintain prices at a profitable level. If these arrangements are come to, apparently Chilean nitrate may again find its way to the German market. Failing agreement, there is no alternative but to await a general revival in demand. Long-standing arrears of neglect in the use of fertilisers have to be made up, and in the event of a good agricultural season this may bring relief to holders of nitrate stocks, though in any case a reduction on present prices can hardly be avoided. If it should happen that the oficinas are able to resume working, they will be able to restart on a lower basis of costs. The severe fall in the Chilean exchange, for instance, will reduce the cancha costs, and the export duty on nitrate will be lower—39*s.* 1*d.* instead of 51*s.* 7*d.* per ton. Fuel also will be cheaper; but, on the other hand, these considerations are overshadowed by the possibility of labour troubles.

NON-FERROUS METAL MARKETS.—II.

COPPER, LEAD AND SPELTER.

At the opening of 1921 the primary obstacle in the copper market was undoubtedly the large stocks held by American producers. The Armistice found the belligerent Governments in possession of unduly large quantities of copper for which they had no longer any immediate use. Similarly, producers who had been counting upon this war demand had turned out more copper than the world, on its newly-formed peace basis, could readily absorb. Reductions in output in 1919 and 1920 had not been able to affect the situation appreciably. As we mentioned in our article on "Copper Production in America" in The Statist of May 28, the reports of the bulk of the producers in that region laid stress on the continued relapse in the price of copper despite the reduced production. The good trade demand for the first half of the year had promised to reduce the heavy stocks; but the stagnation that set in for the remainder of the year more than counterbalanced this demand. Consequently stocks at the beginning of 1921 still proved unduly cumbersome. The American experience was no exception. Spanish producers like Rio Tinto and Tharsis Sulphur and Copper Company, Rhodesian producers such as Falcon Mines, and Mount Morgan and Mount Lyell, to quote Australian examples, all dwelt on this marked decline in the price of copper coinciding with a high cost of production.

In America the gravity of the situation was promptly realised, and it was soon perceived that, unless some way was devised of removing the bulk of the surplus stocks, it was vain to hope for any permanent improvement in the price of copper. Accordingly in February the Copper Export Association was formed, and to it was transferred 400,000,000 lb. of copper for export sale, thus freeing the home market from this incubus. It was generally understood that no sales of this surplus would be effected below 13 cents per lb. Yet at that date transactions had been recorded much below this level. That such sales involved a loss seems highly probable. The cost of production of copper in 1920 was, as a rule, above this figure, and although the producers had announced their intention of introducing drastic economies, it is doubtful whether they could have afforded to sell profitably at this price in February. Subsequent news confirmed this belief, indicating that many of the sales represented forced liquidations by the banks in accordance with the policy of deflation rigorously observed in America. Further confirmation was forthcoming in the announced decision of producers to curtail output more drastically. In few cases was it intended to produce more than forty per cent. of the usual output. Meanwhile, despite wage reductions, many companies found it impossible to produce at a profit, and, as copper continued to remain as low as 13 cents, no less than sixteen of the American producers closed down. It was not only in America that production was being thus drastically curtailed. Spanish and Rhodesian mines were forced to adopt a similar policy, and later on it became known that failure to induce the workers to accept a reduction of twenty per cent. in the wages brought about the suspension of activities in the case of Mount Morgan and Mount Lyell.

Trade demands, both here and in America, were on a small scale. Early in the year the American market was buoyed up by rumours of large sales to Germany, which, however, were not confirmed. No appreciable demand was forthcoming from home consumers, and the situation continued unchanged in this respect until May, when tentative inquiries were recorded. This change in the atmosphere caused the price to rise to 13½ cents, and apparently frightened off buyers, but only temporarily. At the end of May the situation had so changed in this respect that the deliveries for home consumption and for export are reported to exceed the copper output for the month to the extent of 20,000,000 lb. The price, however, continued to remain at 13 cents. What this means may best be realised from the average price of 17.45 cents for 1920 and 18.69 cents for 1919. Of the export sales, Japan took rather large quantities after April, but Germany

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was the best customer. Thus in March exports to Germany reached 8,500 tons, whereas the total exports to all other countries did not exceed 7,900 tons. Again, in April, out of a total export of 18,000 tons, Germany took 7,000 tons. Meanwhile the curtailment of output became more drastic, and it was stated that for twenty-two representative American producers the current output would be only 120,000 tons, as compared with 550,000 tons in 1920. A recent report places the output for May as only a little over half that of April, and adds that a still greater reduction is expected for June.

Here the trade demand was, if anything, more stagnant. For a while the market seemed to be dominated more by the New York exchange than by the actual demand, and transactions were largely in the hands of dealers. At the end of March the price had not risen above £72¾ per ton—the 1920 minimum was £70—and was as low as £66. The bulk of transactions were in the three months position. After April the dismal influence of the coal deadlock restrained any recovery. Despite this, however, interest in forward quotations continued unabated, and by the end of May the price of three months standard copper had recovered to £75¾. The lack of fuel restricted home operations, but the Continent was inclined to purchase on the expectation of higher price levels as soon as the coal deadlock had terminated. The effect of the relapse in prices as compared with 1920 is reflected in the Board of Trade returns, according to which the imports of copper ore for the first five months of 1921 amounted to 13,365 tons, as against 11,484 tons for the corresponding period of 1920, but the value had declined from £808,453 to £507,437. The decline in exports is equally evident. The export of copper bars dropped from 6,390 tons, worth £767,684, to 4,192 tons, worth £376,891, and the position was no better in the case of copper manufactures, the total of 8,456 tons, valued at £1,428,393, contrasting with 10,264 tons, valued at £1,616,550. Returns from the Metal Exchange give the supplies of copper for the year ended May 31, 1921, as 125,058 tons. As the stock on hand on May 31 was 19,465 tons and the quantity exported amounted to 26,257 tons, the consumption of copper for the year must have been 79,336 tons. Yet both here and in America the belief is prevalent that copper has touched the bottom, and that under a more normal industrial atmosphere the revival of trade demands is only a question of time. Already consumers in America are making their demand felt; here the coal deadlock and the engineering dispute are the only formidable barriers in the way of recovery. It is pertinent to add that whilst wage adjustments are being satisfactorily accomplished in America, thereby enabling the anticipated decline in the cost of production to be realised, the labour unions elsewhere, and notably in Australia, are resisting these adjustments with all their power.

Whilst not so stagnant as the Copper market, activity in the Lead market was nevertheless restrained by the large accumulation of stocks. The interesting fact emerges that, despite the cessation of activities at the Broken Hill Mines and the consequent absence of supplies from this important source, stocks remained high. The United States output alone was 40,000 tons in excess of that for 1919. It is generally believed that, in view of the smaller domestic consumption, that this increased production took place merely because of the silver associated with the lead, which was able to be sold at remunerative prices to the United States Government. However, whatever the cause, the fact remains that stocks were large, and that, in keeping with the general tendency of wholesale prices, lead continued to decline. Even in January the price was as low as £23, which was not far removed from the 1920 minimum of £21½. By March even this low level had been exceeded, and the price touched £20, and before the end of the month it was quoted down to £18¼. The decline in the sterling value of the peseta encouraged exports from Spain. On the other hand, exports from Australia and Burmah declined, Japan and China providing a ready market for the reduced output from these regions. Inquiries from these countries for Broken Hill lead continued to arrive, but the Ministry of Munitions, it was said, refused to supply these demands from Government stocks. Although Spain was the chief source of supply for this market, the drop in the price to £18¼ reduced offers from this quarter. By April, however, there was a recovery to £20, and supplies again flowed in from Spain, which was also exporting lead to America. Meanwhile several of the Mexican mines closed down pending a better price for lead and silver. With this further narrowing down of the sources of supply came an increased demand for June delivery. This was explained by the large shipments of lead from Spain to the United States, which were being rushed in before the end of May so as to avoid the contemplated increase in the import duty. This shipment gave rise to the belief of a possible shortage here in June. With Spain shipping lead to the United States, and supplies from the same country for this market delayed in view of the coal deadlock, it is not surprising to witness a further appreciation in the price of lead to £24⅝ before the end of May. Thus although the demand is at present rather small owing to the unsatisfactory industrial situation, supplies are also small. Consumers' stocks are reduced to a low ebb, and any revival of trade will necessitate the acquisition of further supplies. Already Mexican producers have again resumed production, but no supplies from that region are expected before July. The outlook, therefore, favours a further improvement in price. According to the Board, imports of lead into the United Kingdom for the five months ended May 31, 1921, amounted to 59,017 tons, as against 53,090 tons for the corresponding period of 1920; but with the relapse in price, the value had dropped from £2,381,247 to £1,312,398. Spain supplied 31,368 tons, as compared with 11,671 tons in 1920; whilst Australia only furnished 4,853 tons, as against 24,738 tons. As a result of the Pittman Act, which enables silver to be sold profitably in America to the Government, lead is still being produced in large quantities. Any marked rise in the price here would encourage sales from that quarter. The Metal Exchange reports the supply of lead for the year ended May 31, 1921, at 202,336 tons, of which home consumption accounted for 148,328 tons, leaving for stocks and export 54,008 tons.

Spelter suffered also from over-production, which was reflected in a severe relapse in price. By the end of January it stood at £24, whereas the lowest quotation for 1920 was only £22½. Here, again, cost of production proved to be too high, and in many cases outputs were curtailed, and more than one producer temporarily suspended activities. Australian and American companies alike adopted these policies. Thus it was reported from Kansas City that, as compared with 200 zinc mills working in February 1920, only thirty-eight zinc mills were operating in February 1921, and in San Francisco production was reduced to less than forty-five per cent. of the capacity of the plants. Belgium, which at first was inclined to peg the price, finally fell back upon curtailment of output. Early in the year, whilst the demand here was rather slack, supplies poured in from Scandinavia, and Norway in particular placed high-grade spelter on the market. Despite large stocks in America, purchases were made from that quarter here in view of the low price and the favourable dollar exchange. On the cessation of these orders in February the price weakened to £23¾, but Germany alone pressed sales on the market helped by her depreciated exchange. It was generally held that these forced sales were intended to forestall the export duty subsequently imposed by the Allies. A cessation of supplies witnessed a rise in price to £25½ in March, but then profit-taking ensued and the price reacted to £23⅝. Early in April, despite the rush of German shipments to escape the

Reparation Bill, the price recovered to £25. Since April Germany has been accumulating her stocks of spelter, and sales from that quarter here have ceased, thus helping to sustain the market. A slight revival of the home demand was retarded by the coal deadlock. Yet though large supplies are held here, they are in strong hands, and consequently by April the price had risen to £26½. The American price is still higher than our level, and although production is only one-third that of 1920, stocks are double those of last year, yet owing to the discrepancy in price no sales from that quarter are likely for some time to come. By the end of May, with many sources of supply cut out, there was a small revival of trade demand here, and the price reached £28. There is no doubt that a further stimulus would be afforded by the settlement of the coal deadlock, which at present restrains purchasers. American production of zinc is said to be reduced to 200,000 tons per annum, or less than fifty per cent. of the output for the War period. Against this comes the large accumulation of spelter in Germany, which sooner or later must find an outlet. Some idea of the decrease in the supply is furnished by the Board of Trade returns, which show that for the five months ended May 31, 1921, the imports of zinc into the United Kingdom only amounted to 31,089 tons, as compared with 56,713 tons for the corresponding period of 1920. The severe relapse in price is reflected in the decline in the value of the import from £3,036,777 to £865,621. Exports have also diminished, but not in the same proportion, the total of 3,892 tons, valued at £126,108, for the first five months of 1921 comparing with 4,541 tons, valued at £267,420, for the corresponding period of 1920. According to the Metal Exchange, the consumption of spelter for the year ended May 31, 1921, amounted to 84,689 tons.

PRODUCTS OF BRAZIL.

INFLUENCES OF WIDE APPLICATION.

It was our good fortune to visit, at the invitation of a gentleman who was until lately responsible for the administration of the Brazilian Consul-General's Office in London, the Brazilian Section of the Rubber and Tropical Products Exhibition, held recently at Islington. Visiting the Exhibition under such favourable conditions it was possible to make an examination of the various articles displayed in a way that would not be likely to present itself to the casual visitor. The effect of the War in multiplying the variety of articles now produced, both manufactured and raw materials, in Brazil was striking in a very remarkable degree. Readers who are interested in Brazil will remember that for long the great economic defect of the country was that it relied to an alarming extent for its economic welfare upon the production of raw rubber and coffee. If the demand for either of these products fell off, Brazil suffered; and if, as sometimes happened, the demand for both fell off simultaneously owing to world-wide depression or other causes, Brazil at once became in an embarrassing economic position. The War has changed that to a most remarkable extent. No one who knew Brazil, say, in 1910 would recognise the large number of products of various kinds witnessed at the Exhibition as coming from that Republic. Ten years ago Brazil exported nothing but raw products, and imported practically every manufactured article, with the exception of the very roughest, which were consumed by any class of her population. We have not, of course, space, nor would it interest the reader, to enumerate the various exhibits witnessed. But one or two illustrations will, we hope, throw an illuminating light upon the change which has occurred during the past ten years. Ten years ago footwear of every kind was imported either from England or from the United States. To-day Brazil still imports boots and shoes from those two countries; but she makes within her own borders boots which, as regards appearance and apparent quality, leave nothing to be desired. Ten years ago Brazil exported what are known as salted hides. This is the raw material in its most primitive form from which leather is made. The manufacturer has as yet done nothing towards converting skins into leather. The boots and shoes we saw were not hand-made. They were made from Brazilian skins, with machinery imported from the United States. Every country which adopts a new industry adds something to the stock of knowledge, even if that something is only a short step in advance. Every national who has to wear boots knows what is required in his own country to an extent that is not possible for the foreigner adequately to appreciate. Now, as, no doubt, the reader is aware, Rio de Janeiro, the capital, and most of the principal cities of Brazil are very hot. But they are subject at certain seasons of the year to exceedingly heavy downpours of rain. Consequently, the boot suitable for Rio should be waterproof for its weight to an exceptional degree. Now this is precisely what the Brazilian bootmaker has achieved. By a certain process of compression a sole having great weather-resisting power is produced less than half the thickness of a similar sole claiming equal weather-resisting power as worn in this country. Many visitors to Rio seeing these boots would be inclined to put their own European boots back in the bag and buy a pair of native manufacture. We give this, as we have said, as an illustration of what Brazil is doing, and has been forced to do, as a result of the War because she could not obtain adequate supplies of manufactured goods from those countries which, in the past, had been accustomed to supply her.

Now there are two aspects of this question to consider. One is, Is it practicable or desirable for Brazil to become a manufacturing country? and the other, Is it practicable or desirable for those countries which formerly supplied Brazil with manufactured goods to regain their lost trade? It is evident from the experience gained during the War, that England, who, through her own deliberate act, threw away so many markets in the world, cannot expect to regain them without making extraordinary efforts and remarkable sacrifices. The experience of Brazil, it has to be remembered, was repeated in every neutral and in many belligerent countries. Those countries could not obtain supplies from here as they had been accustomed, and they had to endeavour to make substitutes.

We have just stated above that, as far as we are able to understand the subject without pretending to be experts in the boot trade, the boots exhibited appear to be more suitable for the requirements both of the native and of the visitor, say, at Rio de Janeiro, than the usual imported article. If this proves to be the case, it is evident that, even if they are more costly to produce, an appreciable proportion of purchasers will prefer the Rio-made boots to the imported foreign

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article because it better suits their requirements. It gives, in other words, the resisting power of the foreign article and is lighter.

Now we have to consider the question, Is it desirable that Brazil should turn herself into a manufacturing country? In the case we have specified, if it proves that the foreign manufacturer is unable to produce an article as satisfactory for the requirements of the people of Rio as that made at home, it is evident that an effort, and probably a successful effort, will be made to continue such manufactures. On the broad general principle, however, there can be no reasonable doubt that the manufacturers of the congested districts of the world will successfully compete with sparsely peopled countries like Brazil. It will not, speaking generally, be to Brazil's interest to manufacture upon any considerable scale, except, of course, to the extent that the foreigner either cannot, or will not, provide equally satisfactory articles. Brazil, it has to be remembered, is in extent of area about a quarter of a million square miles larger than the United States of America. She has a population of between 26 and 27 millions of people. Stated in that way, it is perfectly evident that Brazil has not, and cannot hope to have in the present generation, an adequate population which it can devote to manufacturing industries without neglecting the urgent and imperative necessity of developing the natural industries of Brazil itself. The natural goal of Brazil, with her enormous area, great fertility, and relatively small population, is to produce raw materials upon a great scale. Brazil possesses some of the finest mineral resources of any country in the world, while from an agricultural point of view few countries can compare with her, and she is, of course, excelled by none. As far as we are aware, there is no other part of the world of the same extent which enjoys equivalent uniform fertility. Consequently, the time has not arrived for Brazil to become a manufacturing country. She has not the population and cannot hope to have for generations. Brazil can do better work economically in the development of her own resources and increasing her transportation facilities than by attempting manufactures upon any considerable scale.

Now, the point arises as to the desirability and the practicability of great congested countries like our own regaining their trade with countries like Brazil. That it is desirable there can be no manner of doubt. It is as certain that we must regain our markets and increase our trade if we are to maintain our present population as it is desirable for countries like Brazil to develop their resources rather than devote the energies of their population to manufacturing pursuits. We have shown that in her present economic condition Brazil can only develop manufactures at the expense of neglecting her own proper business. With such enormous resources awaiting development it would not be sound business to devote her attention to manufacturing industries upon any considerable scale. While this is true, however, Brazil, like most new countries, has learnt something important during the War. Whereas she was content ten years ago to export, as we have said above, salted hides—that is to say raw produce in the very crudest form—she has learnt that it may be more sound economic policy to export those raw materials after the first, or elementary, process of manufacture has been performed. Usually, raw products exported in their crudest form require a larger measure of space for their conveyance than if they have been subjected even to the most preliminary process of manufacture. Now, on the present high basis of freights, the less space an article occupies the better. And, in any case, no good purpose is served in exporting raw produce in the very crudest form if it can be shown that it is more economical to export it after subjecting it to some preliminary process of manufacture. Moreover Brazil, in manufacturing things for herself, has obtained experience of what she really wants, and those who are going to regain her market in the future will find it essential that they should supply what the customer wants, not what they think is good for the customer to have. Brazil at present is producing excellent wine, excellent cigars, and tinned meats in great variety. The Exhibition to which we have referred was held to show what Brazil is capable of doing rather than with the object of advertising her products for sale. The Brazilian business man is too shrewd and too well-informed to believe that he can in his present economic condition sell manufactured products in competition with the rest of the world. The Exhibition, however, proved conclusively the ability of the Brazilian manufacturer to make goods for his own requirements. He knows, however, that for a long time he cannot make those goods in sufficient quantities. Nor does he desire to try. The Exhibition will have done good if it has attracted the attention of bankers, financiers, manufacturers, and traders to the enormous quantity and great variety of the products of Brazil. On the same table were exhibited monazite sands and iron ore, together with the products of the meat-packing house and the products of the vine.

SOURCES OF POWER IN IRELAND.

The primary essentials of power reduction in Ireland have undergone a fairly extensive investigation during the past few years and a considerable amount of information has been accumulated which will no doubt be of great assistance to those interested in the future industrial development of the country. Coal, peat, and water have been separately examined by committees whose findings deserve patient study, not only on account of the ability of the members composing these bodies, but also of the facilities granted to them for the pursuit of their inquiries. In the circumstances, a summary of the results of the inquiries made in these different directions may not be without interest. Attention will be directed to the existing resources of the country under the various heads and to the recommendations made by the committees for their utilisation.

In regard to coal the total Irish reserves are estimated at 228,436,000 metric tons. This includes an estimate of 180,506,000 metric tons of actual reserves, the calculation being based on actual thickness and extent of seams, and an estimate of 47,930,000 metric tons of probable reserves. On the suitability of this coal, mostly anthracite in character, for industrial purposes, the Committee state that it is specially adapted for the production of suction gas, an important point considering that this method of power production for engines of 200 h.p. or less is coming into great favour. For the production of steam-power, the evidence indicates that, with a forced draught, anthracite coal may be utilised with advantage. It has to be pointed out, however, that the great difficulty attending the future of Irish coal mining is the thinness of the seams to be operated on. This has the effect of enhancing costs of production and consequently, despite the fact that Irish coal may be perfectly suitable for his purpose, the manufacturer will not feel inclined to use it if the competitive advantage as to price should be in favour of imported coal. This question of price is, to our mind, the governing situation of the Irish coal problem. The proposal of the Committee "that the responsibility for seeing that the mineral resources of the country (including coal) are fully developed should be placed on the shoulders of some Irish State authority" carries without doubt a strong appeal to national sentiment and may be practicable provided there is a clear understanding that public funds shall not be diverted towards the support of an uneconomic industry. While recognising that such an authority, having regard to the comparative quietude of private enterprise in Ireland, could usefully perform certain functions, we have no sympathy with the policy

adumbrated in an addendum to the Report, a policy that contemplates national ownership and control and the abandonment of ordinary commercial standards of economy, and provides for the utilisation of Irish coal supplies for the public service, "any excess of cost of production over the price of imported coal" being borne by the National Exchequer.

Unlike coal, there is an abundance of peat in Ireland. The total content of all the Irish bogs is estimated at 4,000 million tons of air-dried peat, equivalent to about 2,000 million tons of coal. At the present rate of consumption it is estimated that the peat deposits would satisfy the fuel and power requirements of the country for more than 250 years. The amount of peat used at present for industrial purposes is, however, very limited. In different parts of the country it is used for lime burning, kiln drying of course, kelp burning, and for driving saw-mills, stone-crushers and threshing machines, and for the power required in peat moss litter works. During the War one or two provincial gas undertakings endeavoured to use it for lighting purposes. The largest user for power purposes is the Marconi Wireless Station, Clifden, Co. Galway, where over 6,500 tons per annum of air-dried peat fuel is burnt in steam boilers for the production of the necessary power and heat for running the station. At Portadown peat is used in two 240 b.h.p. producers, which supply three gas engines for running a factory. Before peat can be employed more generally, however, for industrial purposes it remains to be ascertained whether it can be won on such a large scale economically as to compete with coal as a fuel. This is the principal object of the Peat Committee's proposal that a large bog of at least 10,000 acres should be purchased by the State and scientifically drained. A portion would be devoted to agricultural experiments, while another section would be devoted to the winning and preparation of peat fuel. The winning of the peat would be carried out on strictly commercial lines and consignments sent to Dublin by canal, so that the actual cost of loading, transport and handling might be ascertained and the potentialities of the market explored. It is a matter of some significance that this proposal has met with the approval of the Fuel Research Board. Should such an experiment prove successful, more ambitious schemes connected with the utilisation of peat for the generation of electricity could be carried out.

It will be observed that the utilisation of peat for power purposes still calls for an extended course of investigation, while the future of Irish coal supplies is, to say the least, somewhat uncertain. In contrast, the Report of the Irish Water-Power Resources Sub-Committee strikes throughout a high note of optimism. They are satisfied that about 500,000 water-horse-power is available continuously and can be economically developed in Ireland. This water-power is equivalent to that generated in coal-fired stations by the annual consumption of more than 7,500,000 tons of coal, on the basis of 5 lb. of coal per h.p. per hour, which is the figure taken by the Coal Conservation Sub-Committee as the average result obtained in the United Kingdom. The value of the water-power, if developed, would be at least £10 million per annum. The development of these resources should, it is proposed, be secured through the establishment of a Service which would be entrusted with the duty of investigating proposed schemes and of formulating a policy for utilising in the best interests of the community all existing water-power resources.

Whether the project deals with coal, peat or water, the considered opinion of the various committees inclines towards the devolution to the State of the necessary pioneering work. It is unfortunate that the adoption of this course of action seems to be dictated by circumstances. The spirit of industrial enterprise in an agricultural country like Ireland is difficult to awaken, and individuals are disinclined to take up any project unless its main features are made reasonably clear from the business standpoint by preliminary ground work. Still, especially in connection with peat and water power, there seems to be justification for looking for a lead from the State, though it would seem desirable to limit its sphere of action and to repress any tendency towards the introduction of any widespread scheme for the nationalisation of industries.

EMPLOYMENT AND WAGES IN MAY.

During last month the coal strike led to a practical suspension of production in the pig-iron, iron and steel, tinplate, and pottery industries, while, according to the *Labour Gazette*, reports from nearly all the principal manufacturing areas were distinctly unfavourable. The percentage unemployed (excluding coal-miners) among members of trade unions rose from 17.6 at the end of April to 22.2 at the end of May, and the percentage unemployed among workpeople insured under the Unemployment Insurance Act rose from 15.0 at April 29 to 17.6 at May 27. The coal-mining industry is excluded in calculating the trade union percentages; the Unemployment Insurance percentage includes those coal-miners who were entitled to claim unemployment benefit under the Act, but not those who ceased work owing to the trade dispute. The total number of workpeople registered at the Employment Exchanges as unemployed at May 27 was approximately 2,122,000, of whom 1,469,000 were men, 497,000 were women, and the remainder were boys and girls. This total represents an increase of 268,000 on the figure for April 29. In addition to those unemployed, 607,000 males and 580,000 females were registered as working systematic short time at May 27 in such a manner as to entitle them to benefit under the Unemployment Insurance Act or the Out-of-Work Donation Scheme. The following table shows the variations in the percentage unemployed amongst the trade unions from which returns are received:—

Unemployment Among Trade Union Members.

End of	1919	1920	1921
	%	%	%
January	2·5	2·9	6·9
February	2·8	1·6	8·5
March	2·9	1·1	10·0
April	2·8	0·9	17·6
May	2·1	1·1	22·2
June	1·7	1·2	—
July	2·0	1·4	—
August	2·2	1·6	—
September	1·6	2·2	—
October	2·6	5·3	—
November	2·8	3·7	—
December	3·2	6·1	—

Changes in rates of wages reported as having come into operation in May affected about 1,570,000 workpeople, of whom about 1,335,000 sustained decreases amounting to over £400,000 for a full ordinary week, and 235,000 received increases amounting to about £55,000 a week. The principal groups of workpeople affected were workmen in the building trades in nearly all the principal centres, where rates of wages were reduced by 2*d.* an hour; men employed in the shipbuilding and repairing industry, who sustained reductions of 3*s.* a week on time rates and seven and a-half per cent. on piece rates; men in the merchant shipping service, whose rates of pay were reduced by 50*s.* a month, or 8*s.* 6*d.* a week; hosiery workers in the Midlands, whose "bonus" of 1*s.* 2*d.* on each shilling of earnings was reduced to [illegible] and men and women in the brickmaking industry, whose rates were reduced by 6*s.* and 3*s.* a week respectively. Since the beginning of 1921, changes in rates of wages reported to the Intelligence and Statistics Department of the Ministry of Labour have resulted in a reduction of over £1,300,000 in the full-time weekly wages of over 3,600,000 workpeople, and an increase of about £80,000 in the full-time weekly wages of nearly 340,000 workpeople.

The total number of workpeople involved in all

disputes in progress in May (including those thrown out of work at the establishments where the disputes occurred, though not themselves parties to the disputes) was about 1,152,000, as compared with 1,176,000 in the previous month and 138,000 in May 1920. The estimated aggregate duration of all disputes during the month was about 23,200,000 working days, as compared with 23,390,000 days in April 1921 and 1,170,000 days in May 1920. The exceptional magnitude of the figures for April and May 1921 is due, of course, to the dispute involving coal-miners throughout the country, which began on April 1 and was still in progress at the beginning of June.

On June 1 the average level of retail prices of all the commodities taken into account in the statistics prepared by the Ministry of Labour (including food, rent, clothing, fuel and light, and miscellaneous items) was 119 per cent. above that of July 1914, as compared with 128 per cent. on April 30. The decrease making the calculations, the changes in the prices of especially of butter and milk. The statistics are designed to indicate the average increase in the cost of maintaining unchanged the average pre-War standard of living of the working classes. Accordingly, in making the calculations, the changes in the prices of the various items included are combined in proportions corresponding with the relative importance of those items in pre-War working-class expenditure, no allowance being made for any changes in the standard of living.

YOKOHAMA SPECIE BANK, LIMITED.—The latter half of the year 1920 saw the process of capital augmentation on the part of this widely-known Bank—a process annually continuous since 1916—carried, by an addition of Yen 26,011,500, to the point where the paid-up capital at 100 million yen equals the amount subscribed, whilst another six million yen had raised the reserve fund to 50 millions. When the enhanced equipment which these changes represent reached its maximum, the reaction from trade activity to depression had left its mark alike on the external commerce and internal finances of Japan. The movement is reflected in the balance-sheet figures of the Yokohama institution, whose liabilities and assets (exclusive of capital subscribed but not paid) declined from 1,390 to 1,143 million yen between June and December. While liability on deposit and current accounts had grown from 564 to 577 million yen, that under bills payable, bills rediscounted, and acceptances, &c., had shrunk from 682½ to 386 millions, the major assets of bills receivable and other sums due from 812 to 439 millions, and bills discounted, loans, and advances from 300 to 267½ millions—changes of a magnitude suggestive of problems calling for no little vigilance. A significant increase, too, is that of the reserve for doubtful debts—from Yen 4,534,016 to Yen 8,849,914. The items of cash in hand and at bankers, and bullion and foreign money, moved in the aggregate from about 153 million yen, or 11.0 per cent. of total assets, to 153½ millions, or 13.4 per cent., investments rising simultaneously from 119 to 275 millions, or from 8.6 to 24.1 per cent. At Yen 9,093,128 net profits allowed of the distribution to shareholders of Yen 5,885,600, as against Yen 3,982,400 in respect of the previous half year, the usual rate of 12 per cent. on the old shares being maintained. A further sum of three million yen has been added to the reserve fund, and the carry-forward is increased from Yen 4,444,847 to Yen 4,652,375.

The Directory of Directors, 1921. Price 25*s*. (London: Thomas Skinner and Company, 330 Gresham House, E.C. 2). We welcome the forty-second issue of this useful handbook. There are now upwards of 27,000 names in the *Directory*, an increase of over 1,000. This, in spite of the fact that an exceptionally large number of directors have ceased to act owing to the many amalgamations and absorptions which have recently taken place.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 10,380,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Taihan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Our External Debt.

On March 31 last, according to an official return issued yesterday, we owed to foreign countries £1,161,563,000, a net reduction of £117,151,000 during the financial year 1920-21, as compared with a reduction of £86,136,000 in the previous financial year. The net decrease over the two years has thus been £203,287,000. Our chief creditor is, of course, the United States, where we are indebted to the extent of £972,704,000, Canada coming next with £53,339,000. Arrangements for meeting the latter sum have been to some extent completed, and a suggestion has been made by President Harding, in a message to Congress, in which he states that it is impossible for many countries to pay interest on their debts at the present time, and that insistence on payment might be disastrous. The financial position in the United States is one of undoubted strength, as the stock of gold increased during May by over 85 million dollars to more than 3,000 millions on June 1. The excess of gold imports to that date since the commencement of the year has been over 390 million dollars.

Allies' Debt to United States.

Recent messages from New York refer to a scheme for converting the demand obligations of the Allied Governments to the U.S. Government into a form available for distribution among the general public of the United States in exchange for existing internal obligations of the Government. This scheme seems to be the same as that outlined by President Harding in New York on May 23. It is proposed to convert the demand notes of the Allies at present held by the U.S. Government into long-term obligations in the form of bearer bonds which would be offered to holders of Liberty Bonds on favourable terms. Originally this plan was suggested as regards the British debt, but now it is extended to cover the whole of the Allies' indebtedness to the U.S. Government. The principal and interest of the new bonds would be guaranteed by the U.S. Government. If the operation is agreed to by the Allies' representatives it will have the advantage of converting the huge volume of demand indebtedness into a long-term obligation, though, on the other hand, the interest rate would have to be materially increased. It would be tantamount to the raising of a loan by the Allies in the United States in order to pay off the debt to the Government of that country, only that in the latter case the terms would probably be more onerous to the debtors. Obviously the scheme is a favourable one from the point of view of the United States Government themselves, as, if successful, it would enable them to pay off a considerable portion of their unfunded debt. The total debt of the Allies to the U.S. Government, including accrued interest, amounted to nearly $11,000,000,000 at the par of exchange, on March 31 last. It is understood that the scheme is to be put through as speedily as possible, and full powers are to be granted to the Secretary of the U.S. Treasury in regard to the arrangements.

Reparation Repayments.

In the approximate statement by the Reparation Commission of deliveries made by Germany on Reparation account, at March 31 last, the estimated value of the deliveries and cessions is given as somewhat more than six milliards of gold marks. Further deliveries have since been made, and Germany has also paid, partly in cash and partly in three-months' bills, the one milliard gold marks being the first two quarterly payments of the fixed sum of two milliards a year due under the schedule of payments fixed by the Reparation Commission. The total Reparation debt, it will be remembered, is 132 milliards of gold marks.

Distribution of Taxable Income among Taxpayers.

The latest report of the Commissioners of Inland Revenue contains some very interesting figures relating to the distribution of taxable income among taxpayers for the financial year 1918-19. The report is published as a White Paper (Cmd. 1083). The following table shows the number of incomes together with the total taxable income at the different stages:—

Income		Number of Incomes		
Exceeding £	Not Exceeding £	Total	Chargeable with Tax	Taxable Income £
130	160	2,665,000	920,000	373,113,100
160	200	1,280,000	915,000	223,700,000
200	250	545,000	470,000	119,848,601
250	300	300,000	285,000	80,970,000
300	400	300,000	300,000	102,000,000
400	500	165,000	165,000	72,550,000
500	600	94,000	94,000	50,700,000
600	700	65,400	65,400	41,830,000
700	800	50,960	50,960	37,704,400
800	900	38,700	38,700	32,506,774
900	1,000	32,340	32,340	30,339,600
1,000	1,500	85,000	85,000	101,846,577
1,500	2,000	37,200	37,200	64,000,940
2,000	2,500	24,200	24,200	53,547,804
Total 130	**2,500**	**5,682,800**	**3,482,800**	**1,384,717,796**
2,500	5,000	39,680	39,680	136,334,000
5,000	10,000	15,330	15,330	105,500,000
10,000	15,000	4,450	4,450	54,320,000
15,000	20,000	1,750	1,750	30,280,000
20,000	25,000	910	910	20,290,000
25,000	30,000	595	595	18,250,000
30,000	40,000	575	575	19,720,000
40,000	50,000	320	320	14,180,000
50, 00	75,000	305	305	18,300,000
75,000	100,000	135	135	11,680,000
100,000	—	150	150	30,000,000
Total 2,500	—	**64,200**	**64,200**	**456,854,000**
Grand Total ...	**...**	**5,747,000**	**3,547,000**	**2,071,571,796**

The total number of incomes chargeable with tax between £130 and £2,500 was 3,482,800, making up a total taxable income of £1,384,717,796. Of this latter total the net income paying tax was £605,624,171, abatements and personal allowances amounting to £779,093,625. The disparity between the total taxable income and the net income paying tax is naturally much less in the case of incomes above £2,500, for in these the only allowance is for life insurance premiums. Thus, out of a total taxable income of £456,854,000 made up of incomes exceeding £2,500 the abatements and personal allowances amount to only £5,200,000, leaving £451,650,000 as the net income paying tax. Also the number of incomes of more than £2,500 falls to 64,200 as against 5,682,000 incomes of between £130 and £2,500. A glance at the table will show that the fall is not uniform as the income ascends. For instance, the number of incomes between £1,000 and £1,500 is greater than the number between £600 and £700, or £700 and £800, or £800 and £1,000. It is more interesting, however, to compare the total number of incomes, not between different limits, but above the various levels. To illustrate this a very interesting logarithmic curve is appended to the report, based on the figures shown in the above table. The curve dips only very slightly as it progresses from the £250 mark to £100,000, thus showing that the number of incomes above the different levels falls almost in direct ratio as the income increases.

Rand Dividends.

The bulk of the gold producers and finance companies interested in the Rand have now announced their usual June dividends. How these compare with the dividends declared in June and December, 1920, may be seen from the following table:—

Company	Dividend per cent declared in June 1921	December 1920	June 1920
Anglo-American Corporation	5	5	5
Apex Mines	5	7½	5
Brakpan	15	30	15
City Deep	20	20	12½
Consolidated Langlaagte ...	5	7½	5
Consolidated Main Reef ...	3½	8	6½
Crown Mines	10	50	27½
Geduld Proprietary	7½	10	7½
Government Areas	25	30	20
Johannesburg Consolidated Investment Co. ...	10*	—	12½*
Langlaagte Estate	5	7½	2½
Meyer and Charlton ...	50	70	50
Modder B.	40	50	32½
Modder Deep	65	85	60
New Modder	42½	57½	45
New Primrose	5	5	—
New Unified Main Reef ...	5	10	5
Nourse Mines	2½	5	3½
Rand Mines	35	85	60
Rand Selection Corporation	15	17½	10
Robinson Gold Mining ...	1	2	1
Rose Deep	7½	17½	10
Springs Mines	7½	15	5
Van Ryn Deep	30	40	25
Van Ryn Gold Mines ...	7½*	7½*	7½*
Village Deep	3½	7½	2½
Witwatersrand Gold Mining	10	15	5

* Free of Tax.

On the whole the dividends compare very unfavourably with the declarations for December 1920. But then it is necessary to make allowance for the marked fall in the price of gold during the first half of the current year, as compared with the large premium earned in the second half of 1920. Moreover, many of the mines were handicapped by the February strike. It will be noted that in ten cases the dividends are higher than those declared in June 1920. City Deep provides the outstanding example, the December dividend of twenty per cent. being maintained. The result is the best justification the directors could have desired of the taking over of the City and Suburban labour supply. In the case of Government Areas the rate of twenty-five per cent. compares favourably with thirty per cent. for December 1920. Equally satisfactory are the dividends announced by Modder B, Modder Deep, Rand Selection, and Van Ryn Deep. In the case of seven mines the rate declared falls short of that for June 1920. Conspicuous in this respect is the poor return of ten per cent. on Crown Mines, as compared with fifty per cent. in December and twenty-seven and a-half per cent. in June 1920. It is to be hoped that greater supervision over working costs will be exercised in the second half of the year, and that the grade of the ore will not again be reduced. The cut in Rand Mines' declaration from sixty per cent. in June and eighty-five per cent. in December 1920 to thirty-five per cent. for June 1921, is the outcome of the poor showing of Crown Mines. The decline in New Modder from forty-five per cent. in June 1920 to forty-two and a-half per cent. in June 1921 is comparatively unimportant. The Johnnies' dividend has reference to the whole year and, in view of the lower profits of its constituent mines, is by no means serious. It will be noted that Meyer and Charlton maintains its 1920 declaration of fifty per cent. for June. The outlook for the December dividends is, on the whole, more favourable. The customary depreciation of the New York rate in the autumn should enable the price of gold to show a much better average than for the first

half of the year. To what extent, however, relief can be expected from lower working costs is yet problematical in view of the antagonistic attitude of the labour unions to wage reductions on the Rand.

The North British Railway.

It will be remembered that the final dividends for 1920 on North British Railway stocks were passed because a sum of £430,000 payable to the Company last December by the Ministry of Transport was withheld on account of alleged excess claims for repairs and renewals. It is satisfactory to note that the findings on the 22nd inst. of the Railway and Canal Commission, sitting in Edinburgh, were unreservedly in favour of the railway proprietors. The proceedings opened in March. After a vain attempt on the part of the Ministry of Transport to deny the jurisdiction of the Court, an interim order for immediate payment was granted, only to be withdrawn on May 20, pending the hearing of the appeal lodged by the Minister with the First Division of the Court of Appeal, which eventually remitted the case to the Railway and Canal Commission. Lord Mackenzie, the presiding Commissioner, reflected strongly on the failure of the Minister to state a case. The point at issue was not the abnormality of expenditure on repairs, but the abnormality of wear and tear, and the appellant failed to adduce evidence that wear and tear had not attained unusual proportions. It is to be hoped that Sir Eric Geddes will not insist on further expensive litigation, and that immediate payment of the amount in question will place the Company in a position to make good the interest payments passed last December. As a reflection on the Minister's ability to assess railway claims, the verdict may brighten the prospects of similar claims made on behalf of other companies.

Flax Prices.

The lack of animation which has characterised so many of the raw material markets for some considerable time past is evident also in the flax market. The amount of business passing has been small and prices have shown little tendency to move, as few transactions have been recorded. Messrs. Wigglesworth and Company, Limited, have kindly favoured us with data showing current and previous quotations per ton for leading varieties of flax. These data may be set out as follows:—

	June 30, 1914	June 21, 1920	June 21, 1921
	£	£	£
Livonian ZK ...	33	415	90
Dutch water-retted	65	570	155
Dutch dew-retted ...	–	500	120
Belgian water-retted	65	700	170
Belgian dew-retted	50	440	120

The remarkable collapse in prices since June 1920 is at once apparent, Livonian ZK having fallen by £325 per ton, Dutch water-retted by £415 per ton, Dutch dew-retted by £380, and Belgian water-retted, and dew-retted, by £530 and £320 respectively. At present the demand is distinctly poor, and the prospect of an early revival in prices is not at all bright, as the flax manufacturing industry itself is passing through a very trying period.

Cotton Trade Conditions.

In his cotton trade circular published last week Mr. Frederick W. Tattersall, of Manchester, gives an average of 175 as the current index-number for cotton, a fall of four points since a month ago, and comparing with 219 at the end of last year. On the month American cotton and Egyptian yarn are unchanged at 126 and 197 respectively. Declines of three points in cloth, five points in American yarn, and eleven points in Egyptian cotton have taken place, making the figures 186, 177, and 189 respectively. In each case the price ruling on July 31, 1914, is taken as a basis of 100. It is of interest to note that the lowest average since the outbreak of the European War was 76 on December 31, 1914, and the highest 693 on March 31, 1920, whereas, as mentioned above, the figure now is 175. An analysis of the quarterly stock-taking results declared by twenty-six Lancashire cotton-spinning firms during the past month shows that fourteen companies have not been in a position to make a distribution to shareholders, nine have paid a dividend of ten per cent. per annum, one twelve per cent., and two twenty per cent., the average dividend per company being five and a-half per cent. per annum, which compares with twelve and a-half per cent. per annum for the previous three months' trading for the same twenty-six companies. The total ordinary paid-up share capital of the 26 concerns is £3,500,000.

Polish Railways.

The Polish railways, which suffered heavily during the War owing to requisitions made by Germans and Russians and destruction in the course of military operations, have constantly been improved since they were taken over by the Polish Government. The Minister of Railways, M. Jasinski, has given some interesting information as to the working of the Polish railways. The rolling stock is being gradually improved and augmented, and large additions have been made, thanks to the decision of the Inter-Allied Commission in Berlin, which has recognised Poland's right to have 481 locomotives, taken by the Germans during their occupation of Poland, returned to her. Of these, 182 have already been incorporated into the Polish railway service. In consequence of this increase in the number of locomotives it has been possible to regularise the traffic between Germany and East Prussia, and to augment considerably the number of passenger trains on all the other lines as from June 1. The output of the railway repair workshops increased by fifteen per cent. in comparison with the figures of the last year, thus making it possible to increase considerably the total number of locomotives actually in use. In order to balance the railway budget the staffs have been greatly reduced, and the freights have been increased by some 150 per cent. on the average, as from June 1, which will mean an increase of revenue of some 8,000 millions. The passenger fares will be increased by fifty per cent. from July 1. Many of the station buildings and plants, which were totally or partially destroyed during the War, have been reconstructed and put into operation, while others are nearing completion.

Anglo-Baltic and Mediterranean Bank, Limited.

Registered in the late summer of 1919, with an authorised capital of £1,002,500, the Anglo-Baltic and Mediterranean Bank, which invited subscriptions from the public in the following March, has now issued its first report and accounts, covering operations from March 25, 1920, to April 30, 1921. The whole of the capital (in £5 shares) has been subscribed, and at the end of the financial period the sum paid up was £493,987, all but £20,500 (in fully-paid shares) having been called up to the extent of £2 10s. per share. The primary object of the undertaking was the financing of imports of raw materials from countries adjacent to the Baltic and Mediterranean Seas and elsewhere; and, accordingly, while affording a varied service to its clients, it partakes of the character of a trade bank rather than of a bank of deposit. Its liability on current, deposit, and other accounts on April 30 last stood at £103,619, while of the total assets of £687,186, loans, advances, and other accounts represented £361,315. Acceptances and endorsements figure at £61,227, bills receivable and collections at £134,466. The foregoing particulars, coupled with the facts that cash in hand and at other banks appears at £37,445 and the investments of £21,016 consist of holdings (at cost) in other banks, suggest that the Bank has been affording facilities to trade to the measure of its ability. The profit brought out is £43,143 gross, or £24,233 net. Preliminary and organisation expenses (of which £29,067 consists of underwriting commission and brokerage) are retained in the list of assets at £58,628, as are also £24,000 past-due bills, the subject of litigation. The net balance of the profit and loss account is accordingly carried forward.

American Topics.

AMICABLE RELATIONS.

Following so closely upon the speech of Admiral Sims in London, and while the gallant Admiral is believed to be returning home at the request of his Government, Mr. Hughes' speech before the Senate of the University at which he was trained is at once highly significant and exceedingly interesting. A speech by the Secretary of State for Foreign Affairs of the United States would be interesting at any time. It is especially significant at present, when it is notorious that there are various interests in the United States and outside which are deliberately working to bring about a war between the United States and the United Kingdom in the hope of promoting objects of their own.

In the case of ourselves and the United States of America the franker we are and the more clearly we understand one another the better. When the late ex-President Roosevelt visited Egypt and saw that we had in that country no fixed policy—that, in fact, we were sowing the seeds of the difficulties which still face us in Egypt—he warned us either to govern Egypt or to clear out. Unfortunately, we did not take President Roosevelt's advice. We are not taking it now, and we count with reasonable certainty on having to face many difficulties in the future from the policy we have pursued and are pursuing. We had, however, the good sense to accept Mr. Roosevelt's advice in the spirit in which it was meant. We realised, in addition, that we were pursuing a policy that could only lead to the difficulties we have had to encounter.

Whether we did or did not oppress the Thirteen Colonies towards the end of the eighteenth century, it is certain that for more than two generations now we have done everything that it was possible to do to obtain the good will of the Americans, a large proportion of whom are descended from the same race as we ourselves. They speak our language, they maintain many of our institutions, and have incorporated in their judicial system a very large proportion of our Common Law. From the very first we supported the Monroe Doctrine at a time when only England had a fleet, or could afford to have a fleet, capable of keeping the seas. When the industrial North secured, as a result of the Civil War, the control of the South and West, England supplied the means of opening those territories and made the expansion of the population which took place possible. Doubtless we were not wholly actuated by motives of philanthropy in opening up the prairies of the Centre and West of America. The real gain was rather indirect than direct in obtaining large supplies of food and raw material. Many of those who found the money for the opening up of the new territory found that they had burnt their fingers very badly, as the case of Richard Cobden, the celebrated free trader who ruined himself in investing in American railroads, amply proves.

There were three occasions when this country showed its good will to the United States in an unmistakable manner. The first was the recognition and hearty acceptance of the Monroe Doctrine. The second was the strict neutrality which we not only observed ourselves, but which we enforced on other countries during the American Civil War. Had England wavered in that neutrality the war could hardly have failed to have ended differently. Lastly, there was our self-abnegation in the manner we received the wholly unprovoked Venezuela Message. What inspired the late President Cleveland to send that message history may hereafter disclose, but it was certainly one of the most remarkable diplomatic documents ever penned. After a quarter of a century it seems as remarkable to-day as when it was written that the head of a friendly State, who had apparently no quarrel with England, should have addressed such a peremptory document about a subject in which the United States could hardly be said to have any legitimate concern at all. The British Government received the Venezuela Message with a humility that has rarely characterised any great Government at any period of history. There can be no reasonable doubt now that the way the Message was received by the British Administration of the day made an extraordinary impression upon the half-tutored, peasant mind of President Kruger, who was at that time head of the Transvaal Republic. Mr. Kruger came to the conclusion that England would agree to any terms provided her opponent assumed a sufficiently menacing attitude.

We have said enough to show that England has gone as far as any country has ever gone, and a great deal further than most countries, in endeavouring to maintain friendly relations between the two great branches of the Anglo-Saxon race. For reasons into which it is neither expedient nor necessary to go at present, a large proportion of the politicians of the United States have not reciprocated. An unfortunately large proportion even of those who are advocating closer and more friendly relations than exist at present between the two countries are apt to adopt, if not the manner at least something of the tone of the Venezuela Message. "Settle certain of your domestic questions upon the lines which we shall dictate and you may enjoy the benefits of our friendship" is too often the burden of many of their speeches. We accepted dictation upon that occasion, but it is an impossible attitude for those who advocate good relations between the two countries to take up to expect that we shall do so whenever the United States finds it convenient, for reasons of internal policy, to lecture this country upon the methods of government which should or should not be adopted here. It has to be remembered that in the Black Belt of the United States America has at least as menacing a problem as we have in the internal conditions of any part of the British Empire. If we made a point in a large section of our Press—not an occasional article in some obscure journal—and at nearly every election of discussing the conditions under which the blacks live in the Southern States, would it be likely to promote friendly relations between this country and America, or if we allowed such conduct in the elections and in the Press of those parts of the Empire in which our coloured fellow-subjects form the predominant part of the population? It is perfectly true that if the principles of self-determination are to be adopted no Empire can continue to exist. But that is as true of a Republic extending over the vast area of the United States of America and embracing various races as it is of the British Empire.

SOUTH AND CENTRAL AMERICA.

THE ANGLO-SOUTH AMERICAN BANK.

We reported in our issue of June 4 that the Anglo-South American Bank had acquired a controlling interest in the Banque Générale Belge. Mr. Edward Bunge, who has long been a director of the Anglo-South American Bank, has been appointed President of the Antwerp institution. The announcement is exceedingly interesting from three points of view. It is interesting to a large body of shareholders chiefly resident in this country who own the Anglo-South American Bank. It is interesting from the public point of view—those who have no financial interests either in the Bank or in South American trade, but are naturally interested in the expansion of Anglo-foreign banking and the development of our financial interests in various places abroad. It is, perhaps, still more interesting from a further public aspect of the question as to why the Anglo-South American Bank decided to buy a controlling interest in an institution already existing upon the Continent rather than open a branch

of its own. It is the third and last aspect of the question that we propose to discuss to-day. We are not responsible for the direction of the Anglo-South American Bank, nor do we pretend to be in the counsel of the directors. As, however, English financial interests are expanding abroad, and seem likely to expand abroad in the near future to a greater extent than has been the case in the past, it is eminently of public interest to inquire into certain aspects of the question, and to arrive, if we can, at the reason, or reasons, which have determined the action of the directors. The Anglo-South American Bank from its inception has been a remarkably successful institution, which implies that it has been managed with marked ability. Now one of the essentials of success is for those responsible for any act, whether in business or otherwise, to realise their own limitations. Those responsible for the management of the Anglo-South American Bank are too astute to be likely to adopt a policy which neither their knowledge nor their experience would be likely to fit them for achieving success. Methods of banking upon the Continent are entirely different from the methods of banking which hitherto have been practised by our own banks at home. The reasons for this are evident. At the time when modern banking came to be developed England was the great dominating factor in manufactures, in shipping, and in international trade. Consequently, London was, and in a sense still is, the world's Money market to an extent that was not the case in any other Money market, either in Europe or outside of that Continent. Consequently, our bankers found it more profitable to devote their interests to the development of the London Money market rather than to study the methods of countries which each in turn came to London for the purpose of obtaining financial assistance whenever they might require it. Consequently few English bankers have received the training, or have had the experience, which would be likely to fit them for the successful conduct of a bank organised for the transaction of banking business as that term is specifically understood upon the European Continent. As a result of the recent European War, London no longer occupies the same commanding and dominating position in the international Money markets of the world that she enjoyed prior to August 1914. As a result, it has become increasingly necessary for our bankers and financiers to acquaint themselves with methods of finance differing very materially from those practised in Lombard Street. English bankers are, in consequence, gradually getting the training, and equally gradually acquiring the experience, which will fit them for the conduct of Continental business if it proves desirable to extend our operations either upon the Continent or through the Continent elsewhere, upon methods differing materially from those in vogue when most of the men who are at present at the head of these institutions were trained. If it becomes necessary, as seems not improbable, to extend our operations and to materially modify our methods, will it in the near future be desirable, when our bankers shall have acquired the necessary experience, to open branches upon an extensive scale abroad, as foreign banks formerly found it desirable to open branches in London? The desirability, or otherwise, of this action will very largely depend upon the attitude which the British Treasury adopts towards banking and towards international trade.

Assuming that the Anglo-South American Bank, instead of buying a controlling interest in a foreign institution, had itself opened a branch in Belgium, it would be subject for the whole of its profits to the taxation authorities of the Treasury. As things are, it will only be subject to that authority in so far as it realises and distributes profits obtained from its Continental business in this country. Now the British Government, owing to its conduct of the recent European War, and the enormous expense which it has incurred during the past two and a-half years since the Armistice, has got itself into such a muddle that it is anxious to obtain the last penny it can screw out of the unfortunate taxpayer or the unfortunate trader and is checking enterprise in every direction. It may be argued that whatever our opinion may be, and even if it be admitted that such opinion is justified, of the methods by which the War was conducted and the enormous expenditure incurred, since these things are past the Government must meet its obligations, and in any case the money has got to be found somehow. This, however, is an exceedingly short-sighted way of looking at the matter. It was said when the War was in progress that nothing mattered but the War. We pointed out at the time that what really mattered was our ability to fight another war when such war came along. It is perfectly true that the Government must do what it can to meet its obligations, and must endeavour, as far as it is able, to raise the money to enable it to meet those obligations. All the more it has to be borne in mind that there is not in this country an inexhaustible mine of wealth that can be tapped indefinitely. All the Government really has to draw upon is the earning capacity of its subjects with a relatively small reserve which we are accustomed to call capital. One of the reasons why so much business came to the London Stock Exchange in the period that preceded the outbreak of the recent War was the heavy taxation to which Stock Exchange operations were subjected in some of the principal countries of the Continent. To-day we are the most heavily taxed of any country in the world. If this country is to be in a position to allow not merely of the Government of the day meeting its obligations on the night of March 31 next, but whatever Government should be in existence a generation to come to meet its obligations, it is essential that methods of taxation shall be so devised that they shall not check enterprise on the part of British bankers and traders, or so arrange their methods of collecting the revenue as will give an inducement to those either resident in this country or elsewhere to transfer their operations to some locality not under the authority of the British Treasury.

The Statesman's Pocket Year-Book of South Australia, 1921. Issued under the authority of the Hon. J. C. Bice, M.L.C., Chief Secretary. A compendium in handy form of statistical and other data relating to South Australia.

THE DORLAND AGENCY.—The Dorland Agency, Limited, announce the opening of their new City offices at 9 Old Broad Street, E.C., immediately facing the Stock Exchange. In future the whole of the financial publicity branch of the Agency will be conducted from this address. These new City offices are being connected by private wire with the Head Office in Regent Street, thus maintaining complete continuity between the two offices.

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Rubber Topics.

THIS has not been a good week for the Share market. The appearance of the Hayoep reconstruction scheme, necessitated, like that of Malayalam, by the loss on exchange gave rise to fears of similar proposals by other producers and the market developed a very weak tone. Peculiarly enough the one bright spot at the opening was provided by Malayalam as, on due consideration, it was perceived that an unduly pessimistic attitude had been adopted at first. The price recovered sharply from 3*s*. 3*d*. to 5*s*. 6*d*. Rubber Trusts, on the other hand, continued to react, losing 1*s*. 3*d*. at 13*s*. Whilst Malayalam did not maintain the full amount of the initial recovery, they were a good market at 5*s*. on Thursday on the approval of the reconstruction scheme and the better outlook as a result of the Chairman's speech. The reaction of Rubber Trusts continued, and on Wednesday they were quoted down to the low level of 10*s*. 3*d*., but then the "bears" found it necessary to cover, and on Thursday there was an improvement to 11*s*. 3*d*. Elsewhere transactions were few and the tendency reactionary. Anglo-Dutch relapsed steadily from 24*s*. 9*d*. to 22*s*. 9*d*.; whilst Anglo-Malay weakened to 18*s*. 1½*d*.

The Commodity market witnessed a slight addition to its stocks, as deliveries fell to 1,117 tons and imports rose to 1,550 tons. The decision of Seremban to curtail the output by as much as fifty per cent. sets an example which other producers would do well to follow. It seems clear now that a more drastic restriction than twenty-five per cent. is necessary if the price of plantation crêpe is to exceed 8*d*. per lb. permanently before the autumn.

SCOTTISH MALAY.

Issued Capital: £327,000 in £1 Shares.

Results for Years to December 31—

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Aver. Yield per Acre lb.	Price Realised per lb.	"All in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1917 ...	2,389	2,000*	643,850	307	2 1·27	– 10·13	29,985†	16,349‡	10
1918 ...	2,389	2,143	431,480	202	1 7½	1 1	13,353†	11,659‡	30
1919 ...	2,389	2,143	701,873	327	2 0·35	1 0·70	34,554†	24,798‡	65
1920 ...	2,404	2,132	691,722	325	1 4·87	– 11·96	14,825†	—	—

* Estimated. † Before payment of income tax. ‡ After deduction of income tax.

Price of Share, 20/6. Market Capitalisation per planted acre, £139.

THE report issued by Scottish Malay Rubber Company for the year ended December 31, 1920, is the first to be presented since its reconstruction. Early in 1920 this well-known producer adopted the policy then in vogue of re-organising its capital so as to bring it more in line with the actual value of the estate. Accordingly, the authorised capital was increased from £60,000 to £500,000, and the issued capital from £54,500 to £327,000, each shareholder receiving six fully-paid shares of £1 each for each share held in the parent concern. It is unfortunate that the first accounts of the new Company should cover a period of marked vicissitudes in the rubber industry. Otherwise there is little reason for doubting that the results would have amply justified the capitalisation. The original estimate of the Company anticipated a crop of 780,000 lb., but the necessity of restricting the output by twenty-five per cent. in the last two months of the year was primarily responsible for the reduction in the final crop to 691,722 lb., as compared with 701,873 lb. in 1919. That there was no deficiency in the standard of tapping is testified by the yield of 325 lb. per bearing acre, despite the twenty-five per cent. restriction, as against 327 lb. in the previous year. It is generally admitted that from the standpoint of working costs 1920 was a difficult year for rubber producers. Higher wages had to be paid to the coolies; stores and materials commanded higher prices; and the supply of rice to the native labour force below cost price involved a serious loss. All these difficulties operated against Scottish Malay; the loss on rice alone reached £4,200 or nearly 1½*d*. per lb. on the crop secured. Yet despite these handicaps and the restriction in the quantity of rubber harvested, the f.o.b. cost not only failed to increase, but actually dropped from 11.03*d*. to 10.28*d*. per lb.; whilst the "all-in" cost worked out at 11.96*d*., as against 1*s*. 0.70*d*. per lb. in 1919. No more eloquent tribute to the efficiency of the administration could be furnished. Unfortunately all the difficulties of the period were not such as could be influenced by a well-organised administration. The serious slump in the price of rubber, especially after the autumn of 1920, had its roots in world causes and hit alike the efficient and inefficient producer. With the latter it was generally translated into a serious working loss; with the former the loss was in many cases reduced to a minimum and not a few of the first-class producers returned an actual working profit. Scottish Malay falling within this category registered a net profit of £14,825 which, whilst it does not compare very favourably with the £34,554 of 1919, yet reflects great credit on a company whose average gross price fell from 2*s*. 0.35*d*. to 1*s*. 4.87*d*. As a matter of fact this low average represented the actual sale of fifteen tons monthly at Singapore at the satisfactory price of 2*s*. 1½*d*. per lb., and the inclusion of the stock of 304,197 lb. at the low price of 6¾*d*. per lb. Realising the uncertain outlook at the moment the directors wisely decided to declare no dividend, and carried forward this balance of £14,825 to the next accounts. It is subject to deduction in respect of income tax, but will be increased by a refund of excess profits duty; owing to the mediocre results of the year, the amount recoverable being estimated at £4,000.

As regards the current year, Scottish Malay is in the happy position of being able to anticipate a profit even at the present low prices of rubber. Aware of the necessity of reducing the output of rubber, this Company has decided to curtail its normal estimate of 810,000 lb. by forty per cent. to 500,000 lb. The return of 170,056 lb. for the first four months indicates that the revised estimate will be realised. Generally speaking such a reduction in the crop as compared with 1920 would occasion an increase in the "all-in" cost. However, in the interval the loss on rice has practically disappeared; prices of stores and materials have fallen; and drastic economies are being introduced, the labour force having been reduced to as small dimensions as are consistent with the efficient upkeep of the state. Consequently an f.o.b. cost as low as 7*d*. per lb. is visualised which would indicate a further substantial reduction in the "all-in" cost. Of equal importance is the forward contract under which ten tons of rubber per month have been sold for 1921 in Singapore at the excellent price of 2*s*. 4½*d*. per lb. This sale alone has disposed of over half the estimated crop at a very remunerative profit; so remunerative that even at the abnormally low prices now commanded by rubber, the sale of the remainder of the crop would still leave the Company a profit of over £15,000. This helps to explain the confidence with which Scottish Malay faces the future and its reluctance to sell its existing stocks until the market price has improved. Incidentally shareholders will note that the contemplated issue of 13,000 shares to complete the development and planting of the reserve land has been postponed until conditions become normal. The balance sheet dated December 31,

1920, reveals a strong financial position. Current liabilities did not exceed £9,742, whereas liquid assets were available to a total of £29,164. The latter included the large stock of rubber valued at the conservative price of 6¾*d.* per lb. No transaction in the shares has been recorded since July 1920 at which date the £1 shares were quoted at 20*s.* 6*d.* It is difficult to say to what extent this price represents a current valuation; but we venture to suggest that it is by no means exorbitant especially in the light of the Chairman's speech at the general meeting. "We have it in contemplation," he stated, "wherever the market shows definite signs of improvement and we have disposed at satisfactory prices of some of the unsold stock of rubber, to declare an interim dividend on account of the current year."

SOEMBER AJOE (JAVA).

Issued Capital: £77,470 in 2s. Shares.

Year ended Sept 30	Area under Rubber Acres	Area under Coffee Acres	Rubber and Coffee Acres	Rubber Output Lb	Coffee Output Cwt.	Net Profit* £	Dividend Amount £	Dividend %
1917 ...	330	759	40	148,941	1,016	4,823	4,638	6
1918 ...	449	640	85	194,825	748	108	—	—
1919 ...	500	559	147	272,888	423	6,364	5,810	7½
1920 ...	677	411	118	336,900	786	5,599	—	—

* After deducting reserves for depreciation income tax and excess profits duty.

Price of Shares, 1/3. Market Capitalisation per planted acre (excluding area under coffee only), £44.

Allowing for the difficulties that characterised the period, the report presented by Soember Ajoe Rubber Estates for the year ended September 30, 1920, is decidedly satisfactory. The crop of rubber harvested amounted to 336,900 lb., which, though over 38,000 lb. below the original estimate, was, nevertheless, 57,000 lb. in excess of the crop of the previous year. Harvested from 1,058 mature acres, this corresponds to the return of over 320 lb. per acre. The accounts do not differentiate between the expenditure on rubber and on coffee. Judging, however, from the increase in the aggregate estate expenditure from £13,843 in 1918-19 to £14,417 in the year under review, the crop was secured, allowing for the expansion in quantity of both rubber and coffee, at a cost which would compare favourably with that of the previous year. Thanks mainly to good forward contracts 184,758 lb. of the crop was sold in London at an average gross price of 2*s.* 0.24*d.* per lb. Sales in the East covered 25,040 lb., at an average of 1*s.* 6.96*d.* Owing, however, to the necessity of valuing the balance at the low prices current for rubber—according to the Chairman, the valuation placed on the stock varied from 6*d.* to 8*d.* per lb.—the average net price for the whole crop fell to 1*s.* 3.58*d.* per lb. The coffee crop more than answered expectations, the total collected reaching 786 cwt., as compared with 423 cwt. in the previous year, and an estimate of 600 cwt. The average net price was, however, considerably lower, amounting only to 46*s.* 1*d.* per cwt., as compared with 83*s.* 2*d.* per cwt. in the previous year. Owing to the increase in the crop, the net proceeds amounted to £1,810, as against £1,759. The expansion in interest and transfer fees is reflected in the growth in sundry revenue from £173 to £609. This, however, is more than offset by the severe loss on the adverse exchange, which is returned at £1,808 for the year in question, as compared with £323 in 1918-19. After writing off £1,000 as depreciation of buildings and machinery, there remained a net profit of £5,599, which contrasts very favourably with £6,364 in the previous year. However, in view of the depression in the rubber industry, the directors wisely refrained from declaring any dividend. Instead a sum of £2,000 was transferred to the reserve, thereby raising it to £4,000, and the balance of £6,417 was carried forward to the next accounts, as compared with £2,817 brought forward from the previous year.

With rubber falling as low as 8*d.* per lb. for plantation crêpe, the outlook for the current year is far from encouraging. Allowing for the twenty-five per cent. restriction, the estimated rubber crop does not exceed 285,000 lb., of which there have been collected in the first seven months 164,422 lb. The reduced crop tends to make for a higher cost per lb., but this may be offset by economies which an efficient administration can introduce. It is satisfactory to learn that 80,640 lb. have been sold forward at the excellent price of 2*s.* 5½*d.* per lb. London equivalent. The coffee crop is expected to reach 960 cwt. and to be disposed of at a reasonable price. The Chairman stated that, granted this realisation, and the disposal of the rubber not covered by forward contracts at prices not lower than 6*d.* to 8*d.* per lb., no loss is anticipated on the results of the current year. This is another good feature, for many a company must look forward to a loss in the current year. There is every reason for believing that the stock will be sold at better prices than these low levels. Another good point is that the exchange is far more favourable this year, averaging over 11.20, whereas in the year under review remittances were made to Java at rates as low as 9.90 to the £, as compared with the parity of 12.10. The estate, too, is reported to be in an excellent condition, thereby obviating further expenditure on improvement. Financially the Company is in a very sound position. The balance sheet, dated September 30, 1920, shows that liquid assets were available to a total of £21,636, whereas current liabilities did not exceed £1,116. There is no question, therefore, of a search for funds involving the payment of unduly heavy rates or the sacrifice of stocks at knock-out prices. Yet in a depressed market the 2*s.* shares have fallen to 1*s.* 3*d.*, which is equivalent to the low market capitalisation of £44 per acre.

PELMADULLA (CEYLON).

Issued Capital: £115,200 in £1 Shares.

		Results for Years to December 31 — Total Acres Planted	Output Lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1917	Rubber	2,340	843,197	2 3½	—	51,024	17,360	20
	Tea ...	1,138	705,966	51c.	—			
1918	Rubber	2,322	688,411	2/0½	—	33,609	23,760	27½
	Tea ...	1,134	803,912	45c.	—			
1919	Rubber	2,327	925,076	2/2	—	62,250	40,320	35
	Tea ...	1,240	811,779	64c.	—			
1920	Rubber	2,327	965,303	1/10¾	—	9,636	11,520	10
	Tea ...	1,259	829,048	34c.	—			

For Pelmadulla Rubber Company the year ended December 31, 1920, has been a period of exceptional difficulties. Whilst the crops of rubber and tea harvested exceeded those of the previous year, they both fell short of the original estimate of 981,000 lb. for rubber and 965,000 lb. for tea. The deficiency in rubber is more than explained by the restriction of twenty-five per cent. adopted after November 1, 1920. The shortage of tea, which was most pronounced on the Nilagama estate, was attributed partly to adverse weather conditions and partly to finer plucking. The outstanding feature of the year was, however, the serious slump both in the price of tea and rubber. Tea production proved indeed a most unprofitable task, and involved the Company in a very heavy loss, the average sale price falling from 64 cents per lb. in 1919 to 34 cents in 1920. The slump in rubber did not hit the Company so severely as a result of its far-seeing policy of forward contracts. Consequently, though rubber was quoted as low as 10*d.* per lb. by the end of the year, the average price obtained by Pelmadulla was as high as 1*s.* 10¾*d.* per lb., which, under the adverse circumstances of the year, does not compare unfavourably with the 1919 figure of 2*s.* 2*d.* per lb. But it was not only in the sale price of its tea, and, to a less extent, of its rubber that the Company suffered. Cost of production proved unduly high, partially as a result of the high prices of stores and materials, but more particularly owing to the loss on rice supplied below cost to the coolies, the loss being estimated at £7,200. In addition to these burdens, which handicapped also the bulk of other producers of rubber, Pelmadulla had, in common with companies operating in India and Ceylon, to suffer a severe loss owing to the high sterling value of the rupee during the year. As compared with

1919, this loss on exchange involved an additional burden of £19,200. Were it not, indeed, for the satisfactory forward contracts for rubber, an ultimate loss would have been registered. As it is, the loss on tea was more than offset, and the Company secured a net profit of £9,636, which, whilst providing a very unfavourable comparison with the £62,250 of 1919, still represents a rather satisfactory conclusion for a very difficult year. After including the net balance brought forward from 1919, the amount available for distribution reached £17,390. From this, a sum of £434 was written off as depreciation and an interim dividend of ten per cent. paid to the shareholders, which is a generous distribution in view of the mediocre results of the year, more than absorbing the total net profit and reducing the amount carried forward to £5,436. However, the claim for a refund of excess profits duty is expected to increase this total by £13,000.

The outlook for the current year is on the whole more encouraging. The loss on rice has now practically vanished; prices of stores and materials have fallen; and—what is still more important—the rupee exchange has dropped below 1*s.* 4*d.*, as compared with the 1920 average of 2*s.* $0\frac{31}{32}d.$ Consequently, the heavy loss on exchange will no longer be incurred. Again, whilst the position as regards the price of rubber has become worse, tea is now a paying crop, thus reversing the 1920 position. In both cases, however, the cost of production is expected to be much lower. The estimated tea crop amounts to 816,000 lb., and of this there has been collected within the first four months as much as 272,108 lb., thereby indicating that the estimate will be realised. On the other hand, against an estimate of 795,750 lb. for rubber in accordance with the restriction of twenty-five per cent., the harvest for the first four months is only returned at 196,189 lb., foreshadowing a final crop of less than 600,000 lb., unless better progress is made. The satisfactory nature of the tea crop is reflected in the sales of 195,000 lb. of tea of the current crop at an average price of 59 cents per lb. which compares very favourably with the 1919 average of 64 cents. With rubber oscillating sluggishly around 8*d.* per lb., it is gratifying to note that 439,724 lb. of the current crop have been sold forward in Colombo at the satisfactory average price of 2*s.* $0\frac{1}{2}d.$ per lb. Thus with the tea crop already more than paying its way and the prospects of a satisfactory profit on rubber which will not be encroached on by a heavy loss on exchange, the outlook is rather bright. Any improvement in the tea and rubber markets makes for a still better outlook. At the general meeting the chairman was confident enough to express the hope that an interim dividend for 1921 might yet be declared. Financially, the Company is in a very sound position. The balance sheet dated December 31, 1920, shows that current liabilities did not exceed £18,575, and were more than amply covered by liquid assets available to a total of £47,337. Quoted in a stagnant market at 23*s.* 9*d.* the £1 shares afford a return of nearly eight per cent. on the basis of a dividend of ten per cent.

JASIN (MALACCA).

Issued Capital: £55,300 in 2s. Shares.

	Results for Years to December 31									
	Total Planted Area	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All in" Cost	Net Profit	Div. Amt.	Div.
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1917	1,165	—	239,154	—	2*s.* 0·04	1/3·65	8,350	—	—
1918	1,205	—	276,172	—	1 7·18	1/2 10	5,854	4,014	7½
1919	1,205	—	325,000	—	1 10·95	-/11·87	15,017	13,825	25
1920	1,205	1,050	382,000	364	1 4·47	1/0 59	6,774	—	—

Price of Shares, 2/2½. Market Capitalisation per planted acre, £50.

The report issued by the Jasin (Malacca) Rubber Estates for the year ended December 31, 1920, reflects primarily the slump in the price of rubber during the year. The estimate foreshadowed a crop of 380,000 lb., and, although the restriction of twenty-five per cent. was adopted for the last two months of the year, the final crop harvested amounted to 382,000 lb., as compared with 325,000 lb. in 1919. This increase in the quantity of rubber handled did not coincide with the customary decline in the cost of production per unit. On the contrary, the f.o.b. cost rose from 11.16*d.* per lb. in 1919 to 11.98*d.* per lb. in 1920. High wages and high prices of stores and materials help to explain the increased expenditure on the cultivation of the crop, the general estate charges, and the upkeep and depreciation of buildings and furniture. Incidentally, the loss on rice fell from £718 to £616, and the loss on exchange from £41 to £34. London administration expenses show a drop from £1,112 to £981, corresponding to a cost of 0.61*d.* per lb. in 1920, as against 0.71*d.* per lb. in 1919. Combining the two, the "all-in" cost has risen from 11.87*d.* to 1*s.* 0.59*d.* per lb. Unfortunately, owing to the severe fall in the price of rubber, especially in the last quarter of the year, the average net price realised by the sale of the crop worked out only at 1*s.* 4.47*d.* per lb., as against 1*s.* 10.95*d.* per lb. in 1919. Accordingly the profit per lb. was 3.88*d.*, as compared with over 11*d.* in the previous year. Consequently the aggregate net profit fell from £15,017 to £6,774. In view of these mediocre results, and taking into consideration the unfavourable outlook for the current year, no dividend was declared, and this profit, with the addition of the £6,394 brought forward from 1919, making thus a total of £13,168, was carried forward to the next accounts.

Realising the severity of the depression, the Company has reduced its output drastically for the current year. The estimated crop does not exceed 183,000 lb., the quantity harvested for the first four months being returned at 64,500 lb. Accordingly the crop will not be much over fifty per cent. of that harvested in the year under review. This drastic restriction is being effected by resting entirely 153 acres and adopting alternate daily tapping on the remainder of the area. To counterbalance the natural tendency of this marked reduction in the output to increase the "all-in" cost, every possible economy is to be introduced. The native labour force has already been reduced by fifty per cent., and in view of the excellent condition of the estate, as reported by the visiting agent, weeding is confined to a three-monthly round. At the same time, in the absence of forward contracts—and no information is available on this point—it is difficult to see how a loss can be avoided on the current crop unless a remarkable recovery should set in before the close of the year. However, the Company is well provided with funds to enable it to carry out the essential work on the estate during the current year without being obliged to realise its stocks at the existing knock-out prices. The balance sheet dated December 31, 1920, shows that current liabilities did not exceed £5,862, whereas liquid assets were available to a total of £16,900. Cash and Treasury bills alone accounted for over £13,000. The gloomy dividend outlook is reflected in the quotation of 2*s.* $2\frac{1}{4}d.$ for the 2*s.* shares, which corresponds to the low market capitalisation of £50 per acre.

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Insurance Notes.

PHŒNIX ASSURANCE COMPANY, LIMITED, AND NORWICH UNION FIRE INSURANCE SOCIETY, LIMITED.

A FUSION of the above companies took effect as from January 1, 1920, on terms which were described in THE STATIST of December 27, 1919. The figures of the Norwich Union Fire Insurance Society for 1920 are accordingly incorporated in those of the Phœnix for that year, and the combined results are alluded to hereunder. On December 31, 1920, the subscribed capital of the Company amounted to £3,667,795, of which £880,000 was paid up, in 309,755 shares of £10 with £1 paid on each, 130,245 fully-paid (known as "Pelican") shares of £1 each, and 440,000 fully-paid (known as "Norwich Union Fire") shares of £1 each.

That part of the Phœnix report relating to life business is of greater interest than usual, as a quinquennial valuation in this section fell to be made at the close of the year. The net new life assurances issued by the Company in 1920 amounted to £2,739,361, of which £225,983 was reassured, the net retention at the Company's sole risk thus amounting to £2,513,378, as compared with £2,162,624 in 1919, and £1,420,418 in 1918. It is clear therefore that the Company has largely participated in the great revival of life assurance business which has taken place since the conclusion of the Great War. More than nine-tenths of the net new business was obtained in the United Kingdom. The total net life premium income, amounting to £856,334, shows an increase of £53,365. In addition a sum of £39,740 was received as consideration for new annuities granted. The expense ratio was about 17.6 per cent. of the premiums, as compared with about sixteen per cent. in 1919, and the slight increase herein is less than might have been expected under altered economic conditions. Claims by death amounted to £493,385, which sum is stated to have been "within the normal experience." After debiting the life revenue account with £330,625 representing depreciation on securities written down for valuation purposes, and with £30,867 representing shareholders' profits from the quinquennial valuation at the close of 1919 of the "Law Life" section of the business, the life assurance and annuity funds on December 30, 1920, amounted to £11,128,284. The average rate of interest realised on these funds during the year is reported as £4 3*s*. 6*d*. per cent., after deduction of income-tax.

The quinquennial life valuation was made on the same basis as on the last previous occasion, the rate of interest assumed being three per cent., and the O^M table of mortality being employed for assurances in combination with net premiums, and the O^A table being used for annuities. The Directors announce that owing to the heavy depreciation in the value of securities during the quinquennium, and to the payment in that period of claims due to War mortality amounting to £171,761, they are unable to declare a bonus under ordinary participating policies, or to transfer any sum to profit and loss account from the non-participating section. The balance carried forward in the life fund to the now current quinquennium amounts to £41,142. Interim bonuses are provided in the cases of ordinary participating policies becoming claims during that quinquennium at the rate of 20*s*. per £100 assured for each premium paid therein. The bonuses declared on the last previous quinquennial occasion, as at the close of 1915, were at the rate of 30*s*. per cent. per annum over the quinquennium, and for several preceding quinquenniums were at a slightly higher rate. In passing the bonus in respect of the last quinquennium, the greater part of which synchronises with the War, the Company is far from being exceptional, and there is every reason to hope that this is merely a temporary circumstance.

The fire account shows a premium income of £5,171,578 and a profit transferred to profit and loss account amounting to £328,321, or to about 6.3 per cent. of the premiums. The fire fund at the close of the year, after this adjustment, stood at £4,069,000. Accident (including employers' liability and miscellaneous insurance) premiums amounted to £1,565,909. In this section £61,162 was transferred to profit and loss, so that the estimated trading profit was about 3.9 per cent. of the relative premiums. A sum of £64,000 was transferred from profit and loss to the accident fund, which thereafter amounted to £1,150,000, of which, however, £339,000 represented estimated liability for outstanding claims, leaving a free fund of £811,000.

In the marine department the premiums amounted to £1,825,425. As the result of the year's operations £67,000 was transferred to profit and loss account, but on the other hand there is a cross-transfer of £118,348 from the profit and loss to the marine account. The marine fund, following these adjustments, at the close of the year amounted to £1,231,000, after deduction of £553,000 reserved for estimated liability under outstanding claims.

The sinking fund and capital redemption account shows a premium income of £28,265, and a fund at the close of the year amounting to £438,284, after transfer thereto from profit and loss account of £10,900 to meet securities written down.

The net profits taken into account in profit and loss from trading in all departments amounted to £352,187 (after deduction of £135,162 for taxes), to which have to be added fees of £1,015 and from which has to be deducted £737 debited to profit and loss account for bad debts. Interest earnings, after deduction of income tax and of £49,735 paid as net interest on Debenture stocks, produced a further sum of £307,511, so that the total profits from all sources seem to have amounted to £659,976. These profits are appropriated in the following manner:—

(1) A dividend of 12s. per share, less income tax, is declared payable in April and November 1921, this being at the same rate as in 1920, the distribution of which requires a sum of £[illegible]
(2) The total of the sum transferred to departmental funds (marine, accident, and sinking fund) of which particulars are given above is ... ... 19,[illegible]
(3) Office premises account is written down by 25,000
(4) Securities are written down by ... ... [illegible]
811,492

(5) Deduct amount of reduction shown in balance carried forward in profit and loss account (including in balance on January 1, 1920, £56,977 transferred from Norwich Union Fire Account after provision for dividends .. 151,5[illegible]
£659,97[illegible]

The total assets of the Company as shown in the balance sheet on December 31, 1920, amounted to £25,259,242. The directors and auditors certify that, in their belief, the assets comprised in the Fire, Accident, Marine, and Shareholders' Funds and the Phœnix Life Funds were, in the aggregate, fully of the value stated, and that Stock Exchange securities relating to these funds stood in the balance sheet at or under the middle market price at the close of the year, less accrued interest. No revision of values was made in the case of the other life funds (relating to acquired institutions), as quinquennial valuations respecting them did not occur.

Apart from capital, and from the funds relating to the life, sinking fund, and marine departments, on the assumption that these funds are adequate to the purposes assigned to them, the reserves of the Company carried forward to 1921, after provision for outstanding claims and for dividends payable in that year, were as follows:—

Fire insurance funds		£[illegible]
Accident insurance funds	£1,[illegible]	
Less estimated liability for outstanding claims	332,000	
		811,000
Balance of profit and loss account	580,635	
Less provision for dividends payable in 1921 ...	369,600	
		211,035
		£5,091,055

This represents about eighty-five per cent. of the premium income in 1920 in the fire and accident departments, and exceeds the reserves set aside for unexpired risks in these sections by £2,395,035, which may therefore be considered a further reserve against abnormal hazards, including risks of conflagration. The financial position, therefore, seems very strong. It will be seen that more than four-fifths of the amount required for the dividend distribution was provided out of interest earnings, and, looking to the enormous premium income of the Company (apart from that appertaining to the life section), it is clear that a small percentage of trading profits would be sufficient to maintain, and indeed to increase, dividends in future.

The City of London Insurance Company, Limited.—We understand that the scheme for the acquisition of the shares of this Company by the City Equitable Associated, Limited, a subsidiary of the City Equitable Fire Insurance Company, Limited, has met with acceptance by the shareholders, and that more than the seventy-five per cent. of shareholders which was stipulated for in the original purchase scheme have expressed their willingness to fall in with the arrangement. This development on the part of the City Equitable Fire Insurance Company, Limited, has thus met with the general approval of the shareholders of the proposed amalgamating Companies.

Barclays Bank Limited.—We are advised that the transfer books of the Company will be closed on July 1 next for that day only. Shareholders will be entitled to the interim dividend in respect of the shares registered in their names in the books of the Company at the close of business on the 30th inst.

Motor Coach A.B.C., June 1921. A new and handy monthly guide of motor-coach services, which should prove invaluable to holiday makers, and, indeed, to all who desire to get from place to place, whether for business or pleasure. Price 6*d*. (London: British Road Traffic Association.)

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

FOR REINSURANCE BUSINESS.

FIRE. ACCIDENT. MARINE.

Fire & General Dept. & Marine Department.
37/41 Gracechurch St., London, E.C.3

Registered office and Life Department.
9 Lime Street, London, E.C. 4.
Actuary and Secretary: Chas. Windett.

General Manager: J. Herbert E. Lane.

A POLICY IN THE
SCOTTISH PROVIDENT INSTITUTION,
owing to the very moderate rate of premium, is the ideal method of providing for
DEATH DUTIES
OR
DEPRECIATION ON INVESTMENTS,
particularly in view of the **Abatement of Income Tax** allowed in respect of premiums paid.

Example: Age 40 next Birthday.

The Annual Premium, limited to 25 payments, to assure £2,500, payable at death, to provide Estate Duty of that amount would be	£ 82	s. 7	d. 11
Less rebate of Income Tax (at 3s. per £)...	12	7	2
Making Net Annual Outlay	£70	0	9

Maximum Amount of Premiums Payable, £1,751.
Minimum Sum Assured Payable, £2,500.
Head Office: 6 St. Andrew Square, Edinburgh.
London: 3 Lombard Street, E.C. 3.
West End: 17 Pall Mall, S.W. 1
Accumulated Funds ... ... £16,500,000.

Commercial.

IRISH CROP PROSPECTS, EXPORTS AND PRICES.

A COMPARISON WITH 1920.

From the monthly reports issued by the Department of Agriculture we are enabled to compare agricultural conditions in Ireland as they existed on May 1, 1920, and on May 1, 1921. On the former date it was reported that "the temperature during April was below average, and the month was continuously wet except for a few days at the beginning. The rainfall was forty per cent. above normal. As a result April was very unfavourable for field work. On May 1 spring sowing was backward in many districts. In practically all parts of the country, except in very favourable areas, a fair amount of corn still remained to be sown. Winter wheat has lost colour in many districts, and is not quite as promising as a month ago; but on high, light land it came through the wet weather well. As with corn-sowing, potato-planting was much delayed by the wet. In some areas, especially in the south, the work was fairly well forward before the heavy rains, but work was held up during a great part of the month of April. Pastures were forward and more generally green and fairly full of grass, but they have, of course, been checked by rains and cold, and more sun is needed to improve the quality. Stock were in fairly good condition, although they were feeling the effects of the continued wet, cold weather. The supplies of hay and roots held out well, and the general health of stock is good. The lambing season has been a satisfactory one; the fall of lambs has been above the average, and losses have been light." The foregoing may be read in conjunction with the following extracts from the Department's statement of conditions on May 1, 1921: "The weather during the preceding month was comparatively dry, and as soil conditions proved favourable

throughout the grain crops were sown and potatoes planted without any check in operations. Winter wheat was looking well and vigorous; the crop improved considerably during the month. In many counties the early potato crop was badly burnt. Pastures also suffered in growth and were unusually bare; in the best grazing districts of the midlands the grass season was counted fully a fortnight later than in other years. Out-grazed cattle in consequence appeared thin and backward, and in some counties required to be hand-fed in order to maintain their condition. Feeding supplies of both roots and hay were adequate, but were small at the end of the month, especially in the case of turnips. The lambing season finished very satisfactorily, and losses both in ewes and lambs were small. The estimated return of lambs was put at from 120 to 150 per cent." This year's sowing, so far as the month of April is concerned, has, it will be observed, been carried out under more favourable conditions. The shortage of fodder, which must have some effect on the cattle trade, is due to the bad harvest of 1920.

The reasons which invest figures of the Irish export trade with peculiar significance are now well known. The following table, which facilitates a comparison between the exports of the first four months of 1921 with the corresponding period of 1920 and the average of the five years 1909-13, may consequently be of some interest:—

Irish Exports during January-April of the following years.

In tons unless otherwise stated.

	1909-13*	1920	1921	%inc. (+) or dec. (—) 1921 over 1920
Oats	21,455	38,188	9,982	—73
Stout, beer and porter	66,059	114,170	120,352	— 5
Home-made spirits(*a*)	8,778	10,396	9,292	—10
Potatoes	85,893	195,742	80,894	—58
Fruit	404	879	20	—97
Hay	6,874	17,546	1,800	—89
Grass seeds ...	11,469	9,659	9,550	— 1
Biscuits	5,397	4,392	3,269	—25
Cattle (No.) ...	253,220	263,575	138,111	—47
Milch cows (No.)	10,405	9,656	3,140	—67
Butter	3,415	825	1,823	+120
Cheese	80	2,713	512	—81
Margarine ...	1,140	1,839	696	—62
Condensed milk	3,350	3,202	2,037	—36
Sheep (No.) ...	69,425	48,661	35,378	—27
Wool	1,147	1,632	318	—80
Fat pigs (No.) ...	120,135	72,598	26,297	—63
Bacon and hams	18,032	11,336	16,689	+47
Lard	1,870	690	968	+40
Poultry	4,675	3,709	3,467	— 6
Eggs (gt. hundreds)	2,670,902	3,524,335	3,633,927	+ 3

* Average of five years. (*a*) Three months, January-March.

The *minus* sign is predominant. Of the twenty-one commodities mentioned there have, between 1920 and 1921, been increases only in five—eggs, bacon and hams, lard, butter, and stout, beer, and porter. Hay and cheese in particular reveal heavy decreases. So far as the nearly universal decline admits of a general explanation, last year's poor harvest and the pressure on the British market from foreign competitors are weighty factors. In addition, stress must be laid upon the widespread trade disturbance proceeding from political conditions, some of the manifestations of which take concrete shape in the stoppage of fairs and markets, and the many difficulties in the way of road transport. Referring to the figures given for the pre-War period, it will be seen that in comparison 1921 makes but a poor showing. It is thus plainly evident that, judged by any standard, the present state of the Irish export trade cannot be viewed with any optimism. Complete particulars of the import trade are not available, but in all probability the volume of Irish purchases in Great Britain has moved downwards in sympathy with the exports.

Falling exports between April 1920 and April 1921 have been accompanied by an all-round decline in prices at fairs and markets in Ireland. This decline is particularly noticeable in crops and crop products; the leading industry of the country, that connected with cattle, has, however, remained comparatively stable.

Average Prices of Agricultural Produce Sold at Fairs and Markets in Ireland.

	April 1920	April 1921	% Decrease 1921 on 1920
	s. d.	*s. d.*	
Oats, black, per cwt.	16 10	13 2	21
,, white ,, ,, ...	20 2	15 7	22
Potatoes ,, ,, ...	10 10	6 5	40
Grass seed, per cwt. (perennial) ...	21 5	13 10	35
Flax (per 14 lb.)	40 11	11 10	71
Hay (1st & 2nd years), per ton ...	185 0	130 0	29
,, (meadow), per ton	137 0	96 0	29
Oat straw ,, ...	113 6	77 6	31
Cattle, store, per cwt., live weight—			
One to two years, 1st class ...	78 0	77 0	1
Two to three years, 2nd class ...	82 0	79 0	3
Cattle, fat, per cwt., live weight—			
Heifers & bullocks, 1st class ...	89 6	85 0	5
,, ,, 2nd ,, ...	86 0	80 0	6
Cows and bulls	80 0	70 0	12
Cattle, fat, at Dublin Market—			
Heifers and bullocks, "very good," per cwt., live weight	94 3	87 9	6
Heifers and bullocks, "good," per cwt., live weight	90 6	82 0	9
Springers—Cows and heifers— 1st class, per head	900 6	825 3	8
Milch cows (down calved), 1st class, per head	842 9	758 9	9
Farmers' butter, per cwt.	353 6	295 6	16
Store sheep, per head*	111 3	89 0	20
Fat ,, ,, ,,*	137 0	120 6	12
Fat lambs, at Dublin Market, per cwt., live weight	138 0	134 6	2
Fat sheep, at Dublin Market, per cwt., live weight	124 0	104 3	15
Young pigs, 8 to 10 weeks old, per head	96 3	74 0	23
Pork, per cwt.	207 6	164 0	20
Poultry—			
Hens, per pair	12 9	9 6	25
Chickens, per pair	14 4	13 5	6
Eggs, per 120	21 11	15 0	31

* Excluding mountain type.

Industrial Companies.

THE FORESTAL LAND, TIMBER AND RAILWAYS COMPANY, LIMITED.

Issued Share Capital: £5,152,835 in 1,545,852 6% Cumulative Preference shares, and 3,606,983 Ordinary shares of £1 each, fully paid.

5% Mortgage Debentures, outstanding: £12,477.

Year	Profit*	To Taxation Reserve	Depre- ciation	Deb. Charges & Pref. Div.	Profit for Ord.	Ordinary Dividend £	Ordinary Dividend %	To Reserve	Carried Forward
	£	£	£	£	£	£		£	£
1914	482,957	3,562	117,569	242,254	92,982	92,751	6	26,513	31,388
1915	1,210,920	200,000	143,599	318,275	306,147	278,252	18	233,600	68,580
1916	1,897,738	600,000	139,005	375,512	504,111	417,379	27†	250,000	184,222
1917	1,094,349	200,000	127,266	330,189	284,733	278,253	18	150,000	192,863
1918	1,090,717	200,000	126,824	333,415	279,922	278,253	18	150,000	196,088
1919	1,372,150	100,000	133,974	238,547	899,629‡	378,625	18	150,000	378,625‡
1920	694,464	300,000	122,018	104,935	167,511	432,832	12	—	113,304

* After charging administration expenses, but subject to taxation, depreciation and debenture interest.

† Including bonus of 9%. ‡ Subject to excess profits duty.

A very severe set-back has been experienced by this Company in its trading operations for the twelve months to December 31 last. The profit from all sources, after charging administrative and general expenses, but subject to taxation, depreciation, and Debenture interest, amounted to £694,464, representing a reduction of almost £677,700, as compared with the previous year. Despite this remarkable decline, the charge for taxation, as shown in the above table, is increased from £100,000 to £300,000, presumably in consequence of the fact that no provision had been made for excess profits duty in respect of the earnings for the previous year. The allowance for depreciation, however, is reduced from £133,974 to £122,018, while Debenture charges, in consequence of redemption early in the year, absorb only £12,184, against £145,795,

leaving a net profit of £260,262. The Preference distribution is unchanged at £92,751, while the Ordinary dividend is reduced from eighteen per cent. to twelve per cent., but, owing to changes in capital, the amount absorbed is £432,832, as compared with £378,625. The balance, amounting to £113,304, which is carried forward compares with £378,625 brought in, subject to excess profits duty.

The following table shows the balance-sheet position at the end of the past two years:—

	LIABILITIES			ASSETS			
Dec. 31	Paid-up° Capital	Sundry Creditors, †	Reserves‡ & Carry-forward	Land, Rlys., Factories, &c.	Sundry Stocks & Stores	Investments	Debtors and Cash
	£	£	£	£	£	£	£
1919	6,955,987	2,390,325	2,663,742	4,662,429	2,125,873	2,577,617	2,644,135
1920	5,165,312	2,495,489	3,940,418	4,036,506	2,720,481	1,687,745	3,156,487

° Including debentures.
† Including final dividends payable and provision for taxation.
‡ Including depreciation reserve.

It will be remembered that in 1919 Preference shareholders surrendered their right to participation in surplus profits in exchange for 515,284 Ordinary shares paid up by the capitalisation of £515,284 of the reserve. In December 1919 1,545,850 Ordinary shares of £1 each were issued to shareholders at 30s. per share in the ratio of three new Ordinary shares for every four held. The receipts from this issue were mainly employed in the redemption of Debentures, of which the amount outstanding has been reduced from £2,233,900 to £12,477. The costs of redemption and rearrangement of capital, amounting together to £81,227, have been charged to share premium account, leaving a balance of £691,698 to be added to the reserve, which has thereby been increased to £1,849,338. The depreciation account with the allocation now made is raised to £1,053,265. In addition, there is now a capital reserve of £924,510 arising from the fact that sundry assets sold during the year realised £2,502,551, whereas the book-value, plus expenses of sale, did not exceed £1,578,041. This transaction is reflected in the reduction of the acreage of timber and pastoral land from 4,947,559 acres to 2,691,275 acres, and in the valuation, including railways, factories, &c., from £4,662,429 to £4,036,506. The value of live-stock has also fallen from £569,658 to £161,445, but stocks of extract and felled timber have grown from £983,210 to £1,895,963 and stores and materials from £573,005 to £663,073. It may be pointed out that the basis upon which the various stocks are valued is not indicated. War loans and bonds, at market value, figure at £596,437 against £843,024, while Treasury bills, which amounted to £762,945 at December 31, 1919, do not appear in the present balance sheet. Holdings in associated undertakings at cost and other investments now amount to £1,091,309, as compared with £971,647. In this connection it may be remarked that, although the Company disposed of £353,369 shares in a subsidiary during the year, a substantial interest has, on the other hand, been acquired in a Natal tanning extract firm. Debtors figure at £2,488,885 against £1,511,090, the expansion being entirely explained by the fact that a balance of £1,291,051 was due at December 31 last in respect of the assets sold during the year. This balance is represented by bills maturing during 1921. Cash has been reduced from £1,133,045 to £667,602. It will be seen that the financial position as shown in the balance sheet at December 31 last is very satisfactory, the liquid assets (excluding stocks and investments other than Government securities) exceeding current liabilities, including provision for taxation and dividend payments, by over £1,257,400, as compared with £1,859,800 at December 31, 1919.

In view of the absence of any material recovery in trade conditions since the close of the period under review, it is improbable that earnings during the current year will show any improvement. It is clear, however, that taxation will henceforward represent a much smaller charge against profits. The Company should not experience much difficulty in maintaining last year's dividend of twelve per cent., and on this basis the Ordinary shares, now quoted at 23s. ex-dividend, afford a yield of 10.4 per cent. The Six per Cent. Cumulative Preference shares at 14s. 6d. ex-dividend yield over 8¼ per cent.

THE GREAT NORTHERN TELEGRAPH CO., LTD.

Issued Capital: £1,500,000, in 150,000 £10 Shares fully paid.

Year	Receipts	Gross Profit before Exchange	Exchange	Net Profit	Dividend	Rate	Reserve and Renewal Fund	Carried forward
	£	£	£	£	£		£	£
1914	697,812	*[illegible]*‡	25,[illegible]	[illegible]	[illegible]	[illegible]	117,311	[illegible]
1915	366,225	*21,040*‡	57,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1916	994,000	[illegible]	45,[illegible]	[illegible]	360,000	24	[illegible]	24,722
1917	1,029,308	*91,529*‡	538,247	399,532	330,000	22	55,556	13,611
1918	900,221	148,271	617,473	431,019	330,000	22	100,000	16,389
1919	1,562,991	21,040	996,390	587,641	330,000	22	116,666	44,722
1920	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

° Exclusive of cable renewal reserve. † Including [illegible] ‡ Loss.

In the report of last year the directors of this Company expressed the opinion that the financial results of the year 1920 would not be so favourable as those of the twelve months to December 31, 1919. This forecast has proved wrong, for not only have traffic receipts and profit from participation in other telegraph companies been increased from £1,562,991 to £1,704,442, but the depreciation in the value of the Danish crown taken in relation to sterling, Mexican dollars, and yen, has resulted in an increase in the profit on exchange from £21,040 to £346,903, so that the total revenue for the year, at £2,051,345, has registered an expansion of £467,314. Expenses, including taxation, have, however, been increased by £414,281 to £1,410,671, leaving net receipts of £640,674, or £53,033 more than in the previous year. The dividend is raised from twenty-two per cent. to twenty-four per cent., absorbing £360,000, against £330,000. No allocation is now made to the renewal fund for cable steamers, to which £55,556 was credited a year ago, but the reserve and renewal fund receives £50,000, against £61,111, and the pension fund £83,333, against £41,667, while the balance carried forward is increased from £141,607 to £285,892.

The following table shows the balance sheet position at December 31 last:—

	LIABILITIES.			ASSETS			
Dec 31	Issued Capital	Sundry Creditors°	Reserves & Carry-forward	Fixed Assets.	Investments	Advances	Debtors and Cash
	£	£	£	£	£	£	£
1919	1,500,000	1,927,207	3,986,250	1,695,696	2,696,054	2,111,111	910,596
1920	1,500,000	2,211,329	4,238,549	1,978,221	2,547,035	2,388,889	1,035,734

° Including provision for taxation and dividend payments.

The expansion shown in creditors is largely due to the fact that the provision now made for special taxation amounts to £416,667, against £305,556 for the previous year, while final dividends payable call for £285,000, as compared with £255,000. The reserve and renewal fund has been credited with £50,000 from revenue and £158,975 in respect of interest and profit on drawn bonds, &c.; but the depreciation of investments has involved a debit of £101,286, leaving a net addition of £107,689 at £3,072,158. The renewal fund for cable steamers has, however, been reduced by £31,886 to £204,063, due to disbursements on account of new steamers. Interest on investments in respect of the dividend equalisation fund has increased that account by £322,211 to £676,437. The fixed assets show additions of £282,525, representing the year's expenditure on account of cables and new buildings, while the item "participation in other telegraph undertakings" (less amortisation for the year of £59,352) has been increased by £169,514 to £1,027,919, due to the inclusion under this heading of a loan to Finland of £222,222. Other investments, which are entirely in respect of the reserve and renewal fund, figure at £1,519,116, against £1,837,649, the reduction being due in part to depreciation written off amounting to £101,286. Advances (guaranteed by banks) have grown by £277,778 to the large total of £2,388,889, debtors by £11,988 to £724,118, and cash balances by £113,150 to £311,616. A summary of the position as at December 31 last shows that the liquid

assets (excluding interests in associated companies) exceed current liabilities, including provision for taxation and final dividend payments, by £185,375, as compared with £236,095 at the date of the previous balance sheet. It will be seen that, excluding the provision for taxation, the reserves and balance carried forward are now nearly three times as great as the issued capital.

The report states that while the Company's receipts on the traffic between Europe and the Far East has decreased considerably owing to the continued interruption of the Siberian line, the satisfactory development of the telegraphic correspondence in 1920, taken as a whole, has, however, to a certain extent acted as a set-off. The directors consider that there is no prospect of such compensation in the current year, and that, from the general nature and scope of its operations, the Company must feel the full effect of the world-wide stagnation of commerce, industry, and shipping. It is also pointed out that the proposed increase of the international telegraph rates has been postponed indefinitely, and, further, that no important reduction in expenses may be expected to take place until a general decrease in the cost of living has set in. The Company should, however, continue to benefit substantially from the exchange position. The shares are now quoted at 25⅜, at which price, allowing for the final dividend, a return of 8.2 per cent. is obtained on the basis of a dividend of 20 per cent.

THE BURMAH OIL COMPANY, LIMITED.

Issued Capital: £9,150,804 in 250,000 6% 1st Preference Shares of £1 each, 750,000 2nd Preference Shares of £10 each, 3,000,000 8% Preference Shares of £1 each (partly paid) and 5,150,804 Ordinary Shares of £1 each.

Year	Profits*	Excess Profits Duty, &c.	Income Tax	Total	Dividends	Carried Forward
	£	£	£	£	£	£
1914	1,881,552	104,613				
1915	1,415,171	500,000				
1916	1,869,297	592,713	210,167			
1917	2,770,908	171,858	1,215,111			
1918	3,505,678	491,021	1,575,734			
1919	4,654,794	498,856	1,330,293	1,311,000	42,000	1,428,750 50	206,702
1920	4,691,476	1,163,753	1,935,000†	215,000	42,000	1,545,241 30	207,184

* After allowing for expenses of management, income tax, &c.
† Estimated liability for E.P.D. and Corporation Profits Tax.
‡ After making full provision for E.P.D.

THE preliminary accounts of this Company for the twelve months to December 31 last show that, after allowing for expenses and income tax (including tax on the Preference and Ordinary dividends), the profit amounted to £4,891,476, compared with £4,654,794 for the previous year. This expansion is, however, more than offset by an increase in the allowance for depreciation from £498,856 to the huge total of £1,153,753, while the estimated liability for excess profits duty and corporation tax amounts to £1,935,000, as compared with £1,330,293 for the previous year, leaving a balance profit of £1,802,723, against £2,825,945. The transfer to general reserve is reduced from £1,291,000 to £195,000, but the insurance reserve again receives £20,000. As shown in the above table, the Ordinary dividend, free of tax, is reduced from fifty per cent. to thirty per cent., but the amount absorbed is £1,545,241, against £1,428,750. This is due to the increase in the capital from £2,857,500 to £5,150,804 by the bonus issue in June last of four new Ordinary shares for every five held, the dividend in respect of the past year being accordingly equivalent to fifty-four per cent., free of tax, on the old capital. Assuming the correctness of the estimated liability for excess profits duty and corporation tax, there will remain a surplus of £207,184 (against £206,702) to be brought into the accounts for the current year. The preliminary figures do not give any particulars regarding income-tax charges, but it may be pointed out that, apart from the ordinary liability in respect of profits, the tax on dividends for the past year, deducted before showing revenue, amounted to £680,246, as compared with £630,321.

No particulars of the balance sheet are available, but the position at the end of each of the six preceding years is shown in the following table:—

Dec.	LIABILITIES. Issued Capital	Reserves and Carry-forward	ASSETS. Value of Fixed and Permanent Assets	Value of Stocks	Investments	Excess of Debtors and Cash over Current Liabilities
31	£	£	£	£	£	£
1915...	2,905,000	2,564,176	2,592,348	1,558,669	1,123,459	224,791
1916...	2,905,000	2,933,660	2,507,760	1,561,470	1,582,324	197,106‖
1917...	2,905,000	3,378,221	2,458,432	2,064,113	2,122,536	361,860‡‡
1918...	3,857,500	2,787,508	2,255,010	1,981,073	2,870,043	461,066‡‡
1919...	3,857,500	4,352,716	2,242,064	2,729,721	3,294,394	44,113

Including refineries, oil wells, pipe lines, motor tanks, railway tank steamers, &c.
‡ Including stock of [illegible].
‖ Deficiency.

It should be noted that the capitalisation of £2,286,000 in June last has correspondingly reduced the reserves, and that the issued capital has recently been further increased by the issue of £3,000,000 eight per cent. Cumulative Preference shares.

On the whole the results disclosed for the past year may be considered rather satisfactory, especially when account is taken of the fact that the increased profits for the previous year were largely attributable to the advance in the value of the rupee, whereas for the past year the movement of the exchange has been unfavourable for the Company, the rupee falling from about 2*s*. .5*d*. at the end of 1919.. to below 1*s*. 6*d*. at the end of 1920. It is difficult to understand the action of the directors in placing £1,153,753 of the profits of the past year to depreciation account, in view of the fact that the assets were drastically written down in previous years, so that, as stated in the prospectus issued last week, "the book figures do not represent anything like real values." A detailed analysis of the position must, however, be postponed until the full report is issued. In connection with the Company's prospects it is of importance to note that the excess profits duty, which has placed an exceptionally heavy strain upon the Company's resources, will not be chargeable against the profits for the current year. The Ordinary shares are now quoted at 6$\frac{33}{32}$ (equivalent to 6$\frac{21}{40}$, ex dividend).

WAYGOOD-OTIS, LIMITED.

Issued Capital: £440,000 in 150,000 6% Cumulative Preference shares and 290,000 Ordinary shares of £1 each, fully paid.

Year to Mar. 31	Profits*	Depreciation, &c.	To Reserve	To Pension Fund	Preference Div.	Ordinary Div.	Carried Forward
	£	£	£	£	£	£	£
1915	6,412	[illegible]	—	—	7,112	—	1,736
1916	2,836	3,900	—	—	—	—	672
1917	16,163	4,213	—	—	4,[illegible]	—	8,122
1918	[illegible]	[illegible]	[illegible]	—	[illegible]	—	17,403
1919	[illegible]	[illegible]	6,000	—	[illegible]	6,250	[illegible]
1920	54,021	5,261	11,500	[illegible]	9,000	18,846	14,416
1921	92,068	8,000	30,000	5,000	9,[illegible]	25,535	27,950†

After making full provision for E.P.D. and Corporation Profits Tax.
† Subject to Corporation Profits Tax.

A FURTHER improvement in the position of this Company is shown by the report for the twelve months to March 31 last, the profit, subject to depreciation and corporation tax, amounting to £92,068, as compared with £54,021 for the previous year. As shown in the above table, the reserve allocations are increased from £11,500 to £30,000, and the contribution to pension fund from £3,000 to £5,000. The Preference dividend absorbs £9,000, and the Ordinary dividend, which is increased from seven and a-half per cent. to nine per cent., £25,535, against £18,846, leaving a balance of £27,950 to be carried forward (subject to Corporation profits tax), as compared with £14,446 brought in.

The following table shows the changes which have taken place during recent years in the balance-sheet position:—

Mar. 31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	£	£	£	£	£	£	£	£	£
1919	400,000	45,923	43,906	110,177	121,835	223,436	23,220	102,394
[illegible]	[illegible]	[illegible]	[illegible]	110,159	121,835	253,042	22,743	192,277
[illegible]	[illegible]	[illegible]	[illegible]	110,106	121,835	[illegible]	[illegible]	[illegible]

The paid-up capital has been increased during the past financial year by £29,946 to £440,000, the Ordinary shares being now fully paid. The sundry creditors (including pension fund and dividends payable) show an expansion of £45,466 at £152,012, due partly to the creation of a bank overdraft of £12,150. The reserves with the allocation now made are increased to £80,000. The fixed assets (less depreciation) at £110,106 show little alteration, but stocks and work in progress, of which the basis of valuation is not stated, have been further increased by £29,606 to £253,042, and debtors by £99,544 to £188,873. Investments and loans, however, have been slightly reduced to £22,743, and cash holdings by £9,661 to £3,403. It will be noted that debtors and cash alone exceed current liabilities (including dividends payable and contributions to pension fund) by £40,265, as compared with £18,848 at March 31, 1919. The valuation of goodwill and patents is still larger than that of the fixed assets, and as the Company appears to have definitely recovered from its unfortunate war-time experiences, a part of the profits should henceforth be devoted to the reduction of this item.

At the general meeting of the Company on the 22nd inst. the Chairman pointed out that the satisfactory result of the year's working was largely due to the number of contracts secured in the previous period and in the early part of the year under review. During the past twelve months increased production facilitated the completion of accumulated contracts. As a result of the trade depression new business showed a considerable decline during the second half of the financial year, but although production is at present restricted a large number of important contracts are still in hand. On the whole it seems likely that the Company will maintain last year's dividend of nine per cent. unless a still more conservative policy is adopted. On the basis of this dividend the Ordinary shares, now quoted at 16*s.* 3*d.*, ex dividend, yield a return of 11 per cent. The Six per Cent. Cumulative Preference shares at 14*s.* 1½*d.* yield 8.5 per cent.

COMPANY REPORTS ANALYSED.

Name of Company	Year ended	Net Profit.* £	Pref. Div. £	Ord. Div. %	Ord. Div. £	Placed to Reserve £	Other Allocations £	Carry-forward Amt. £	Carry-forward Inc.(+) or Dec.(−) £	Previous Year Net Profit £	Previous Year Ord. Div. %
Canals and Docks:											
Mountstuart Dry Docks	... 30/6/20	–	—	6Pf.Ord. 8 Df.Ord	12,000 16,000	—	—	28,295			
Commercial and Industrial:											
Bland (John)	... 31/5/21	1,081	—	5	5,000	—	—	9,248	2,480	13,047	5
Brownlee	... 31/3/21	11,542	3,500	5	15,748	—	—	7,421	7,706	60,724	
Burke (Edward & John)	... 30/4/21	23,670	13,050	7	15,225	—	—	12,218	1,665	18,977	5
Caamaño Tenguerengue	... 31/12/20	8,289	4,000	—	—	—	—	11,049	+ 4,289	17,906	4
Colonial Sugar Refining	... 31/3/21	155,297		4½	121,875	—	—	285,510	+ 25,122		
Cranston's Hotels	... 17/5/21	21,325	7,262	15	10,850		—	18,177	+ 4,214	18,198	15
Creighton (R. & S.)	... 31/3/21	5,113	990	7½	1,125	3,338	—	2,871	514	11,446	6a
Egyptian Hotels	... 30/4/21	52,131	5,750	25	31,250	15,000	—	9,482	+ 131	50,567	25
Hill (R. & J.)	... 31/3/21	12,233	4,750	5	6,548	—	—	7,488	+ 935	57,880	10
Lockharts	... 31/3/21	2,270	—	—	—	—	—	12,166	+ 2,270	19,650	
McArthur (W. & A.)	... 31/12/21	31,389	6,084	10	8,750	10,000	5,000	9,425	+ 1,550	54,917	10
Mint, Birmingham	... 31/3/21	44,636	2,160	45	36,000	—	—	20,892	+ 6,476	61,438	4
Miranda Estancia	... 31/12/20	Dr. 8,290						28,870	+ 8,290	Dr. 6,818	
Stanley Brothers	... 31/12/20	59,385	6,629	15	15,469	12,052	—	26,835	6,245	26,679	20†
Electric Light and Power:											
Edmundson's Electricity Corp.	... 31/3/21	16,053	12,000		—	—	—	14,111	1,054	7,724	
South Wales Electrical Power	... 31/12/20	3,745	—	—	—		—	1,417	+ 745		
Financial, Land and Investment:											
Argentine Northern Land	... 31/12/20	1,560	—	—	—		—	547	1,560	4,200	–
Ceylon Estates Investment	... 31/3/21	Dr. 1,220	—	—	—	–		Dr. 89	1,220	1,000	
Forestal Land, Timber & Rlys.	... 31/12/20	200,261	92,751	15	432,832	-	-	113,304	—265,322	992,381	18
Hyderabad (Deccan)	... 31/12/20	20,678	-	-	—	—		50,408	+ 20,678		
Java Investment, Loan & Agency	... 31/3/21	9,145	—	1	10,742	—	—	Dr. 592	1,500	43,565	3
Mortgage Co. of Egypt	... 31/3/21	80,310	50,000	12	30,000	10,000		45,240	+ 9,000	117,489	3
Financial Trust:											
Indian & General Invest. Trust	... 30/5/21	15,930	5,291	10	7,126	3,446	—	1,785	+ 67	16,505	3
Gas:											
Malta & Mediterranean Gas	... 31/3/21	2,006	3,003	—	—	–	—	214	— 90	1,211	
Iron, Coal and Steel:											
Brown (John)	... 31/3/21	331,921	87,500	10	243,750	-	—	179,609	+ 671	378,808	15
Ransomes, Sims & Jefferies	... 31/3/21	15,458	11,000	—	—		—	10,811	+ 4,447	10,625	
Richardsons, Westgarth	... 31/12/20	68,186	63,000b	—	—	—	—	12,928	5,186	109,925	
Mining:											
Amalgamated Zinc (De Bavay's)	... 31/12/20‡	Dr. 16,652	—	—	—	Dr. 9,565	–				
Esperanza	... 31/12/20	Dr. 5,149	—	—	–		—	1,492	— 5,149		
Ex-Lands Nigeria	... 31/12/20	5,788	—	5	6,745	–	-	1,146	- 943	28,218	20
Exploration Land & Mines	... 31/12/20	12,542	–	5	13,785	- -	- -	4,559	214		
Great Boulder Consolidated	... 31/12/20	256	—	–	–	- -	-	Dr. 450,017	256		
Lahat Mines	... 31/12/20	15,171	—	10	12,000	- -		6,658	+ 5,171	144	
Siberian Proprietary Mines	... 31/12/20‡	27,572	–	—	—	—		Dr. 67,667	27,572		
Sungei Besi Mines	... 31/12/20	12,615	–	15	16,711	- -		1,813	+ 10,802	10,625	10
Tronoh Mines	... 31/12/20	21,464		10	20,000			24,164	+ 1,464	–	
Oil:											
"Shell" Transport & Trading	... 31/12/20	7,627,420	100,000	35†	6,762,452			2,007,589	+764,967	4,713,369	
United Oil & Refinery	(Liquid.) 31/12/20	Dr. 5,322	—	—				Dr. 5,322			
Railways—Foreign:											
Antofagasta (Chile & P.)	... 31/12/20	702,545	100,000	—	380,420	—	—	280,777	+ 12,044		
Tea, Coffee and Rubber:											
Amalgamated Tea Estates	... 30/11/20	Dr. 10,502	21,000	—	—			24,150	21,502		
Anglo-American Direct Tea	... 30/11/20	Dr. 74,239	-	-	–		-	10,251,800	— 74,239		
Bagan Serai Rubber	(Liquid.) 31/12/20	8,408		5	5,750	—		1,418			
Consolidated Tea & Lands	... 30/11/20	Dr. 59,462	78,000	—	—	-		149,797	—117,462		
Kanan Devan Hills Produce	... 30/11/20	Dr. 35,536	35,000	—	—			10,750	1,000		
Mendaris (Sumatra) Rubber	... 31/12/20	Dr. 7,126	—	—	—			2,258	4,236	5,610	
North Borneo State Rubber	... 31/12/20	Dr. 4,236	—	—	—			Dr. 1,858	— 4,236	17,441	
Rubber Estates of Kedah	... 31/12/20	Dr. 5,638	—	—	—			933	— 2,942		
Scottish Assam Tea	... 31/12/20	Dr. 19,268	—	—	—			10,150	1,268		
Straits Rubber	(Liquid.) 31/12/20	56,955	—	4	42,000			11,955			
Sungei Krian Rubber	31/12/20	Dr. 889	—	—		5,000		11,111	5,889	51,967	
Sungei Matang Rubber	31/12/20	3,711	-	-				4,044	3,711	1,833	
Telegraphs and Telephones:											
Great Northern Telegraph	... 31/12/20	657,618	- -	24	360,000		83,333	285,892	+144,285		
West India & Panama Telegraph	... 31/12/20	50,944	—	—	—	—	—	10,000	944	18,581	
Tramways and Omnibus:											
Douglas Southern Elect. Tramway	... 31/12/20	2,636	1,818	5				1,000	636	4,012	
Imperial Tramways	... 31/12/20	14,425	8,400	4	- -			1,000	1,000	14,918	
Lisbon Elect. Tramways	... 31/12/20	Dr. 105,006	-	-	-			10,000			
New General Traction	... 31/3/21	10,984	–	4	10,489			495	495	11,971	
Norwich Elect. Tramway	... 31/12/20	10,149	–	–						9,361	

* After providing for all Government taxation, prior charges, &c. † Tax free. ‡ Half-year.

(*a*) Plus allocation of £3,000 to fully paid [illegible] Pref. shares, to be [illegible].
(*b*) Includes £12,000, two years' arrears.

NOTE.—Secretaries of public companies are respectfully requested to forward reports and accounts as they appear for inclusion in the above table.

THE MERCHANTS' BANK OF CANADA.

Proceedings of the Fifty-eighth Annual Meeting of the Shareholders on June 1st, 1921.

THE ANNUAL REPORT.

The President, Sir H. Montagu Allan, presenting the Annual Report, said:—The general depression in business which has been felt to a greater or lesser degree in every country in the world for some months past has affected the business of the Bank to some extent, but we hope the low point of the depression has been passed, and that there will soon be a change for the better. In the meantime, although we do not feel there is any cause for anxiety in regard to the future prosperity of this country, we feel called upon to advise our customers to be very cautious before undertaking new commitments. The coal strike in England, which will no doubt result in the loss of a great deal of trade, and the unrest and discontent which seems to prevail in nearly all the countries of Europe, give rise to serious financial problems, which have got to be reckoned with, but no man in this country who is strong and healthy can afford to be a pessimist for any length of time. The known and undeveloped resources are sufficient to ensure future prosperity.

LONDON AND NEW YORK OFFICES.

It is gratifying to be able to tell you that our London office, which was referred to last year as a new venture is now well established and is building up a valuable and profitable connection.

In New York we have acquired an excellent building in the heart of the financial district, No. 38 Wall Street, and our agency was established there on the 28th March last. The building has been remodelled to suit our requirements, and, as a result of the change, we anticipate increased business and added prestige for the Bank.

During the year we opened 12 new branches and established 11 sub-agencies on regular branch basis. Three branches were closed, while 12 sub-agencies were opened and eight closed. Our total number of branches is now 400.

As mentioned in last year's Report, a further issue of $2,100,000 of New Stock was made, making the paid-up Capital of the Bank $10,500,000, and by the transfer of the premium on the New Stock to the Rest Account, the Rest now stands at $9,450,000.

The Shareholders of the Bank now number 2,997, as against 2,622 in 1920, being an increase of 375 during the year.

The Directors have pleasure in stating that the members of the staff as a whole have performed their duties in a satisfactory manner, and they recognise that the success of the institution is largely due to their loyalty and co-operation.

All the various Offices of the Bank have been inspected as usual during the past twelve months.

On behalf of the Board of Directors. Signed H. MONTAGU ALLAN, President.

Statement of the Result of the Business of the Bank for the Year ended 30th April, 1921.

The Net Profits of the year, after payment of charges, rebate on discounts, interest on deposits, and making provision for bad and doubtful debts, have amounted to	$1,402,820 61
Premium on New Stock	1,050,000.00
The balance brought forward from 30th April, 1920, was	260,774.98
Making a total of	$2,713,595.59
This has been disposed of as follows:—	
Dividend at the rate of 12 per cent. per annum and Bonus 1 per cent.	$1,273,635.11
Government War Tax on Note Circulation	96,585.41
Transferred to Reserve Fund from Premium on New Stock	1,050,000.00
Balance carried forward	293,375.07
	$2,713,595.59

RESERVE FUND ACCOUNT.

Balance, 30th April, 1920	$8,400,000.00
Premium on New Stock	1,050,000.00
	$9,450,000.00

H. MONTAGU ALLAN, President. D. C. MACAROW, General Manager.

Statement of Liabilities and Assets at 30th April, 1921.

LIABILITIES.

	1921.	1920.
1. To the Shareholders.		
Capital Stock paid in	$10,500,000.00	$8,400,000.00
Rest or Reserve Fund	9,450,000.00	8,400,000.00
Dividends declared and unpaid	406,564.77	338,159.22
Balance of Profits as per Profit and Loss Account submitted herewith	293,375.07	260,774.98
	$20,649,939.84	$17,398,934.20
2. To the Public		
Notes of the Bank in Circulation	13,918,970.00	14,791,027.00
Deposits not bearing interest	28,733,831.75	45,368,876.69
Deposits bearing interest (including interest accrued to date of Statement)	120,904,549.56	114,132,176.79
Balances due to other Banks in Canada	4,766,000.82	2,747,402.86
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries	507,107.91	831,997.39
Bills payable	142,907.00	—
Acceptances under Letters of Credit	744,102.41	2,117,441.21
	$190,367,409.29	$197,387,855.14

ASSETS.

Current Coin		$4,198,128.86	$4,193,117.50
Deposit in the Central Gold Reserves		4,200,600.00	7,500,000.00
Dominion Notes		9,671,913.25	8,407,003.25
Notes of other Banks		1,242,754.00	1,170,482.00
Cheques on other Banks		8,604,047.32	11,093,195.77
Balances due by other Banks in Canada		6,625.83	9,400.50
Balances due by Banks in the United Kingdom		334,179 56	445,034.79
Balances due by Banks elsewhere than in Canada and the United Kingdom		1,783,398.56	1,561,157.87
Dominion and Provincial Government Securities, not exceeding market value		11,039,325.89	7,893,229.90
Railway and other Bonds, Stocks, not exceeding market value		5,020,059.08	4,507,688.10
Canadian Municipal Securities and British, Foreign, and Colonial Public Securities other than Canadian		13,153,757.77	13,239,204.59
Call Loans in Canada on Bonds, Debentures, and Stocks		7,009,031.38	6,471,494.31
Call Loans elsewhere than in Canada		3,164,158.67	6,206,537.78
		$69,427,380.17	$72,697,546.36
Current Loans and Discounts in Canada (less Rebate of Interest)	$109,183,592.80		
Loans to Cities, Towns, Municipalities and School Districts	3,085,602.90		
		112,269,195.70	116,786,405.59
Current Loans and Discounts elsewhere than in Canada (less Rebate)		1,449,019.15	1,117,268.51
Liabilities of Customers under Letters of Credit as per contra		744,102.41	2,117,441.21
Real Estate other than bank premises		612,923.39	604,325.33
Overdue Debts, estimated loss provided for		340,046.04	352,737.25
Bank Premises at not more than cost (less amounts written off and after crediting amount received in respect of Premises transferred to The Merchants Realty Corporation, Limited)		4,220,786.14	2,576,630.21
Deposit with the Minister for the purposes of the Circulation Fund		450,000.00	377,000.00
Other Assets not included in the foregoing		853,956.29	758,500.68
		$190,367,409.29	$197,387,855.14

H. MONTAGU ALLAN, President. D. C. MACAROW, General Manager.

THE MERCHANTS' BANK OF CANADA.—contd.

THE PRESIDENT'S ADDRESS.

In moving the adoption of the report Sir Montagu Allan said:

"I have very little to add to the report I have already presented. But I wish to add to it that during last autumn we found that it was advisable to make a new issue of notes of the Bank. In connection with this we communicated with his Royal Highness the Prince of Wales asking if he would permit us to put his portrait on our new five-dollar note issue. His Royal Highness very graciously permitted us to do so. It is considered an excellent likeness of the Prince, as well as an excellently devised note. The new issue will come out very shortly, and I hope that you will be pleased with them."

THE GENERAL MANAGER'S ADDRESS.

The General Manager, Mr. D. C. Macarow, in rising to make his annual address, was received with much applause by the Shareholders. He said:

"Following the President's concise yet comprehensive review of the situation, as reflected in the year's statements, there is little left for me to add beyond, perhaps, a word or two by way of amplification.

"It will be observed that in comparison with last year's figures our Total Assets show a shrinkage of about $7,000,000, or, roughly, 3½ per cent., which, in view of all the surrounding circumstances, must be regarded as a satisfactory showing, the liquid position being well maintained the while.

"The trend of our interest-bearing deposits for the same period has been steadily upward, an increase in that Department of about $7,000,000 being shown, but this gain has been more than offset by the decline in the total ordinary deposits. A year ago, however, under the heading of Demand Deposits, a sum of about $8,000,000 stood to the credit of the Government in connection with Victory Loan payments. This amount, which, of course, was of a purely temporary nature, was withdrawn during the year, so that, after making allowance for it, the Total Deposits and Total Assets about held their own, a satisfactory achievement, we have no doubt you will agree.

"Current Loans and Discounts, apart from loans to cities, towns, municipalities, and school districts, stand at $109,185,000, as against $113,198,000 last year, a reduction of $4,000,000 in the 12 months' period. It will be seen, therefore, that this Bank continues to extend its ample share of assistance to the industries of the country, including support, in full measure, to our largest individual source of production and wealth—agriculture.

"In this latter connection it may be said that the situation in Canada suffered severely by the disappointing outturn of last year's Western crops. Many of the farmers who suffered crop failure, or partial failure, were facing the adverse condition for the second and even, in numerous cases, the third year in succession, while those who reaped good yields saw their prospective profits largely swept away by the declining value of their products, with the result that 'carry-overs' have been many. Advances, however, for legitimate agricultural purposes are inherently safe, and in all deserving cases our support (as it properly should be) has been ungrudgingly continued to our large and growing clientele amongst the farming community.

"Crop conditions throughout the country are at the present moment exceptionally promising. That this year's actual results may measure up to present expectations is 'a consummation devoutly to be wished.' For much depends upon it.

"If I may say a word as to general conditions, it will be one of tempered optimism, having a due comprehension of the many difficulties which require to be met, but having, at the same time, a proper appreciation of the actual and potential riches of this country. At this particular stage in our development a certain optimism is, I venture to think, not only warrantable and desirable, but, indeed, essential, for it begets that stimulating measure of constructive effort, energy, and courage through the practical application of which the obstacles we have to face will, in due course, be the more surely and readily overcome.

"Reaction from the organised, or, rather, disorganised conditions of war, has, no doubt, created a wide and somewhat vexed business of thought and word and practice, but it may now be safely affirmed that the situation is steadying down, that the outlook is not without its hopeful and constructive signs, and that a number of basic business forces are actively at work, quietly but surely building up a sound economic and financial foundation for the years to come.

"There are indications that the monetary position, broadly speaking, is less stringent and that the general liquidity of credit now in evidence is continuing to develop further.

"Supply and prices are becoming broadly coordinated to demand, though it must be said that retail prices are not keeping step with wholesale in the downward movement. A levelling in this respect, it is obvious, must take place (as sooner or later it will) before the deadlock between buyer and seller can be effectively broken and activity in trade supplants stagnation.

"As these developments are fulfilled, as wages and labour are re-aligned to new conditions, and as business finally absorbs the varied losses of deflation, stabilisation on the new level will become an accomplished fact, and progress along sound and more enduring lines may be confidently looked for.

"Altogether, and in a word, it is not difficult to be an optimist as to the future of 'Canada Unlimited,' to borrow the apt expression recently used by an eminent Canadian."

MEETINGS
OF PUBLIC COMPANIES.

J. Lyons and Company, Limited.
A Record Year—Bonus Share Distribution.

THE twenty seventh ordinary general meeting of J. Lyons & Company, Limited, was held on June 20 at the Trocadero Restaurant, Piccadilly Circus, W., Mr. Montague Gluckstein (the Chairman) presiding.

The Secretary (Mr. George W. Booth) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—Before dealing with the accounts of the year now to be reviewed I would wish to refer to the sad death in December last of my dear brother Isidore. He and I, as many of you know, founded this now thriving business. I fear that, but for his wonderful brain and driving power, my conception of the enterprise could never have come to such a fruition as would have achieved anything approaching the proportions of its now well-established success. From that early day until within a few weeks of his death he remained, so to say, in harness, devoting his priceless talents to the interests of this Company. He was revered by the staff, his family, and his friends, and not least by myself, for we were inseparable in life and absolutely devoted to each other. His modesty was such that he preferred to be merely a director rather than Chairman, which latter office should have been his on pure merit alone. He was a great and good man, and those of us who knew his qualities will ever hallow his memory.

And now let me pass, ladies and gentlemen, to the business of this meeting, and give you an account of our stewardship for the year ended March 31 last. It has completed twenty-seven years of the Company's trading and is a record year. (Applause.)

The Complex Problem of Prices.

The business done has been of a very satisfactory character, and I am pleased to say that during the period we were able to make a beginning in the process of reducing prices. How far that process can be continued I am, of course, not able to say; there are so many factors in the complex problem of prices that he would be an extremely wise or a very foolish man who could venture to prophesy. The current economic position is full of anomalies, and with regard to the catering trade not the least remarkable of these is that during the year under review, while the index number of wholesale prices of raw produce has shown a fall, that based on retail prices of the finished article, so far from showing a fall, has shown a slight rise. From this bald statement of fact it would appear that an ever-greater margin has been developing between costs and selling prices, and the loose thinker would immediately seize upon this argument as a proof that the retail profit of the catering trade has considerably increased. That, however, is not the case. Whilst the manufacturer or dealer may have purchased his raw material cheaper, his expenses of manufacture and of distribution are much increased. Not only does he bear the burden of a high wage level, but he also suffers a crushing weight of taxation, particularly local taxation (rates), increased postal and telephone charges, additional cost of maintenance of plant and buildings, fixtures, and fittings, and a very substantial increase in cartage and transport charges. The net result is that any possible saving has been eaten up.

Increased Costs.

These increased costs themselves are directly the result of high wages, and by high wages I mean, of course, wages which outweigh the value of production. Wages are by far the greater part of all costs, for they enter into every stage of production. Cheap food and high wages are incompatible, and the worker must make up his mind for he is the

greatest consumer in the country whether he will have high wages and dear living or will be satisfied with more modest wages and cheaper living. (Hear, hear.) There are those who have told him he can maintain war-time wages and still have greatly reduced cost of living. That statement has no foundation in fact whilst production remains what it is, and the sooner that is recognised the better for all concerned. (Hear, hear.) The theory that you can export dear manufactures to import cheap food is humbug.

As regards our own policy, that has always been—and I hope will always continue to be—to give the public, by prudent buying and constant scrutiny of our expenses, the utmost benefit of any fall in prices which is compatible with safeguarding the interests of our shareholders and with keeping up our reputation as suppliers of the highest quality articles only. Since the beginning of our present financial year I am pleased to say that somewhat changing conditions have enabled us still further to reduce our tariffs, and I hope we may see this improvement continued.

The Year's Profit.

From our report and statement of accounts, with which you have doubtless made yourselves familiar, you will observe that, after making provision for depreciation and contingencies, the available profit amounts to £503,000, which is roughly £107,000 better than last year, the latter having been the record up to that period. This result has been achieved mainly by two factors: one by keeping down with an iron hand all avoidable expenses consistent with full efficiency; the other by giving the public such sterling value (a policy to which I have already alluded) as has resulted in our serving vastly more people than ever before, with the consequence that all former records have been surpassed. Out of this surplus of £107,000 there is to be provided £26,562 more for Seven per Cent. Preference dividend and £50,137 more for Eight per Cent. Preference dividend, so that we have earned, after meeting these charges, some £30,000 more. I told you last year that the £500,000 Proportional Profit share capital had not been fully employed, but I think we may assume that some portion of the £30,000 surplus has arisen from the full use of that capital during the year under review. The one million Eight per Cent. Preference share capital has not yet come into full productive power; some of it is still in liquid form and is mere investment, pending its more profitable utilisation in the development of various properties in hand. With reference to this eight per cent. capital, I am sure you will be interested to know that the issue which we made last July was largely over-subscribed at a time when so many industrial and other concerns were also before the public with large issues, in not a few cases offering higher rates of interest. That, you will agree, shows the confidence of the investing public in our management.

The Balance Sheet.

Dealing with the balance sheet, there are one or two items upon which you will doubtless expect some comment from me. Among the assets there is an increase in freehold and leasehold properties, plant, &c., of £805,804, which represents the outlay upon the Company's new property in buildings and plant throughout the year. Stock-in-trade is, I am pleased to say, reduced to one and half million pounds—£500,000 less than it was last year. You will agree with me, I am sure, that this is not a time to carry excessive stocks. Naturally, during the period of shortage and rising prices one did not hesitate to store substantial parcels, but in the present position, with a tendency for prices to fall, one wishes to cut the stock down to a minimum. Happily we were well in advance of the general slump which took place last year, so that by the time it reached its climax we fortunately were out of the wood and were able to replenish at lessened cost. Needless to say, the minimum stock in this business means a very large figure, the one and a-half millions only representing a few weeks' consumption. You will note that, as usual, it has been taken into stock at cost or under. Sundry debtors is some £24,454 in excess of last year. The figure on the books, which amounts to £457,350, is not large having in mind the business done with our Associated Companies. The value of investments, which have already been amply written down at £872,881, shows an increase of £64,314 and includes gilt-edged securities. The continually increasing business done by Associated Companies has enhanced the potential value of the investments in them. The amount of £732,000 of cash on current and deposit account and in hand is £336,461 more than it was last year, for the reason which I have already given you.

As to liabilities, the issued capital is now, in round figures, a million more than it was last year, the amount being made up of Eight per Cent. Preference shares, the small surplus over the million being in "A" Ordinary shares. The liabilities in Debentures and Mortgages are £111,392 more, these being in respect of specific properties acquired by the Company during the year. The amount of trade and other creditors, which now stands at £898,460, is a diminution of some £487,663. This will be found to correspond fairly closely with the amount of the reduction of stocks, as might be expected.

Important Acquisitions.

You will be interested to know that during the year we have purchased and paid for the freehold of the original site comprising the Trocadero Restaurant, and we have now the facility of linking up this property with the Arundell freehold property adjoining. You will remember that three years ago we purchased the latter estate of some 35,000 square feet for the purpose of extending the Trocadero on the one side and enlarging our Corner House, in Coventry Street, on the other. The former operation was commenced during the year under review, and as a first instalment we opened an extension to the grill room in January last. It was sorely needed. Indeed, still further space is required, and we shall provide it in due course. We hope also to be able to proceed this year with the building of the extension of the Corner House on that site. Incidentally, we were fortunate in being delayed in our programme, for the saving in the cost of steel construction alone will amount to some tens of thousands of pounds.

The Board, as you know, is always on the look out for commanding positions, with an eye to future developments, and we have just acquired a long lease of a site which we think may make the fullest claim to that quality. The property is situate in Oxford Street facing the Marble Arch, and has a frontage which runs from Edgware Road on the west to Great Cumberland Place on the east, with a large return frontage in the latter Place. Two large properties on the site are already in hand, but we shall not obtain vacant possession of the remainder for some few years. Meanwhile we are preparing schemes for the development of that portion which is in hand.

The Greenford Factory.

With regard to our Greenford Factory, about which you received some information last year, you will, I am sure, be interested to know that the first buildings, forming a very substantial portion of the site, are rapidly nearing completion. These will form the tea, cocoa, and chocolate factories, and will be opened within a couple of months. It is no exaggeration to say that we shall then have one of the largest one-floor factories of this kind in the country, equipped with the most up-to-date machinery and appliances, staff canteens, rest rooms, &c. The great congestion at Cadby Hall will, of course, be considerably relieved, and we shall be able to make much-needed extensions of our kitchens, bakeries, and offices.

In addition to its appointment to H.M. the King, the Company has also been appointed caterers to H.R.H. the Prince of Wales, thus being again honoured with the warrant which we formerly held from the present King and the late King Edward before they succeeded to the throne.

It was recently our privilege, as no doubt you are aware, to provide at short notice the largest banquet ever served in this country, the occasion being the *Daily Mail* twenty-fifth anniversary luncheon at Olympia. In this connection we were very much gratified by the receipt of a charming letter from Lord Northcliffe expressing appreciation of our efforts. The success, I should like to say, was largely the result of whole-hearted service on the part of a well-trained staff.

The Directorate.

I shall perhaps be pardoned if in my capacity as Chairman I make some reference to the personnel of your directorate. In the submission of new names for your consideration it has always been our policy to propose only those who had practical training in all branches and in whose sound judgment and business acumen we had the greatest confidence, and it has continually been a source of pleasure to me to receive in the daily course of business repeated proofs of the great ability and keenness of my fellow directors. In comparing the composition of your board with that of other companies, I have been impressed by the perfect balance which we have secured between varied talents, and between the prudence bred of a lengthy business experience and the enthusiasm which hotly pursues success. It is this combination of youth with experience, of boldness with prudence, which has in the past contributed in no small measure to the success of this Company, and the fact that there are young men of proven ability continually growing in experience ready to step into the places of the older men as these fall out makes me perfectly confident of its future.

It will be appropriate to mention here that we have repeated the privilege which we gave last year to our three managing directors, whose exertions and skill are so largely responsible for the Company's unrivalled position, of allowing each of them to apply for 1,000 "A" Ordinary shares at par. These have been allotted to them, and they will thus

participate in the further distribution of "A" Ordinary shares which is now to be made and to which I shall now refer.

Bonus Share Issue.

We are making an issue of what are commonly described as Bonus shares. The resolutions before you clearly state the scheme, which I might say, without being meticulously accurate, is simply to double your holdings in Ordinary and "A" Ordinary shares without cost to you, and to allot one "A" Ordinary share without cost for each five Proportional Profit shares. The Proportional Profit share ranks, as you are aware, for one-fifth of whatever profits accrue to the Ordinary share, and the holder is, of course, entitled to participate to a like extent in any distribution of shares by way of bonus. The entire operation involves the issue of 590,910 new "A" Ordinary shares, made up as follows :—

Existing Ordinary shares entitled to one Bonus share	400,000
Existing "A" Ordinary shares entitled to one Bonus share	90,910
Existing Proportional Profit shares 500,000 entitled to one in five	100,000
Total	590,910

The funds to provide for this distribution will come out of our reserve, which, at the moment, is standing at a million pounds, and will then be reduced to something in excess of £400,000.

As the division is one share for one share in the case of Ordinary and "A" Ordinary shares, it will have the effect straightway of dividing the percentage where the sum to be paid out in dividends remains the same. I do not mean to imply by this that the sum to be distributed will necessarily be an amount which will yield 21¼ per cent. instead of 42½ per cent.; on the other hand, I hope no one expects that because we have doubled the shares in number we therefore contemplate maintaining our present dividend of 42½ per cent. That would be absurd—indeed, impossible—but if the industrial atmosphere shortly clears, as we hope it will, we should find ourselves in a position to improve our dividend distribution.

The ever-growing turnover of this Company has now reached enormous proportions, but if the amount of it were known—and for obvious reasons I do not propose to disclose it—it would be seen, as I pointed out last year, that the actual profit earned is an infinitesimal amount in percentage on the turnover, an amount to which I do not think the keenest searcher after profiteering would take exception.

You are aware that the "A" Ordinary shares are identical in all rights with Ordinary shares, but with the one exception that the "A" Ordinaries have no vote. These "A" Ordinaries were created in 1918 for issue to vendors of businesses in satisfaction of purchase price. We took the precaution then, and we propose to adhere to it now, to conserve to our original Ordinary shareholders all the rights and privileges pertaining to the control of the business of the Lyons Company by withholding the vote from the "A" shares, thus preventing the possibility of a large holding of shares in one control, obtained merely by the sale of a business, wielding a detrimental power over the original Ordinary shareholder. That is why we are creating and issuing "A" Ordinary shares instead of Ordinary

Welfare of the Staff.

You will, I am sure, agree with me in thinking that the account I have given you of the Company's doings during the year cannot be complete without reference to the staff, in whose welfare I know you are as interested as we are. The spirit which permeates the staff is evidenced by the success which attends the activities of the Club to which I made reference last year and of which no less than eighty per cent. of our employees are members. Full use is made by them of the opportunities of obtaining fresh air, amusement, and recreation afforded by the Club and grounds at Sudbury which the Company has provided. Indeed, the activities of the Club and its organisation, which is the work of the members themselves, are widely known throughout London. Nor are its activities confined to sport. There is a library, a Choral Society, and a Debating Society, and frequent social functions are held throughout the year, such as concerts, dances, and whist drives, where members of the staff of all grades meet on the common ground of membership of the Club. Many further improvements have been made to the grounds, and still more are in contemplation, but already the members claim (we feel justly) that theirs is one of the finest institutions of its kind in the country. The members' subscriptions amount to no less a sum than £6,500 a year, but the scale of the Club's activities demands substantial subsidies from the Company—an outlay which is made with the greatest pleasure by the board.

In these times of constantly recurring labour troubles I feel great satisfaction in being able to refer to the members of the staff in terms of the highest praise. They know that the management of the Company is not in the hands of a board of directors sitting in solemn conclave remote from the business which they control. As you know, we work with our staff and we are in daily contact with them. For success in a concern which employs 20,000 workpeople of widely varying grades a spirit of co-operation and good feeling between management and worker is essential. We can confidently say that that spirit continues to exist with us, and we attribute no small measure of the success which has attended the Company's operations throughout its existence to the loyalty and devotion of our staff, from the departmental manager down to the most humble worker in factory and office. (Applause.)

I now beg to propose : "That the payment of an interim dividend of 2*s.* 6*d.* per share on the issued Ordinary and 'A' Ordinary share capital of the Company for the half-year ending September 30, 1920, be and it is hereby confirmed; that the report of the directors and the balance sheet submitted to this meeting be and it is hereby adopted; and that a dividend be paid for the half-year ending March 31, 1921, of 6*s.* per share on the issued Ordinary and 'A' Ordinary share capital of the Company." I will ask a shareholder to be kind enough to second that resolution, but before putting it to the meeting I shall be pleased to answer any questions which may be asked.

Mass Production and Mass Consumption.

Mr. John Balfour said it was his pleasure once again to second the adoption of the admirable report presented by the directors. In doing so he wished to express, on behalf of the shareholders, their great regret at the death of Mr. Isidore Gluckstein. (Hear, hear.) That gentleman had been a friend of his for very many years, and it was a friendship which he had greatly valued and esteemed, and the termination of which he deeply regretted. With regard to the report itself, he was very pleased that the directors were about to make a distribution of a large portion of the reserve, in the shape of Bonus shares, to the existing shareholders, holding as he did the opinion that they were entitled to the benefit of the profits which they had allowed to remain in the business rather than that such benefit should be handed on to a future generation. There was one point in connection with the business which had struck him very forcibly. Since the Armistice there had been a great deal said about mass production, which had become a sort of fetish in business circles and had been attended with rather sad results when not accompanied by mass consumption. Anybody, however, who went down to Cadby Hall and saw the manufacturing and distributing activities of Lyons' gigantic business was able to realise something of the mass production part of the undertaking; and if, also, they stood outside one of the Company's large Corner Houses in the middle of the day and saw what he thought he might very well describe as a human beehive, they got a very good illustration of what mass consumption meant. (Hear, hear.) He thought the shareholders had every reason to look forward with confidence to the continued prosperity of the Company. (Applause.)

In reply to Mr. H. W. Gollop,

The Chairman said it was quite correct that the Company had acquired the property known as the "Angel" at Islington, and if the owners of similar property in other parts of London made an offer to the Company on reasonable terms it was quite conceivable that the directors would be prepared to do business with them.

The motion was carried unanimously.

The Chairman next moved : "That the payment of an interim dividend of 6*d.* per share on the proportional profit share capital of the Company for the half-year ending September 30, 1920, be and is hereby confirmed; and that a dividend be paid for the half-year ending March 31, 1921, of 1*s.* 2.4*d.* per share on the proportional profit share capital of the Company."

The resolution was seconded by Mr. E. Woolf and unanimously adopted.

Major Isidore Salmon, C.B.E., D.L., proposed the re-election of Major M. Gluckstein, O.B.E., and Mr. J. Salmon as directors of the Company, which was also seconded by Mr. Woolf and unanimously agreed to.

On the proposition of Mr. Alfred Salmon, seconded by Mr. T. McDonald Rendle, Mr. G. W. Booth and Mr. C. W. Oatley were re-elected employee directors of the Company.

The auditors (Messrs. Turquand, Youngs and Co.) were reappointed, on the proposition of Mr. A. J. Wood seconded by Mr. Gaisford.

The Chairman then proposed the resolutions, of which notice had been given, increasing the capital of the Company to £5,100,000 by the creation of 600,000 additional "A" Ordinary shares of £1 each, and approving the transfer of £590,910 from the reserve account in connection with the proposed issue of Bonus shares.

Mr. Mansford seconded the resolutions, which were carried unanimously.

Mr. Septimus Ponder proposed a hearty vote of thanks to the Chairman and directors, as well as to the staff, which was seconded by Mr. [illegible]

The Chairman briefly acknowledged the compliment, and announced that the dividend warrants would be posted that evening.

The proceedings then terminated.

Anglo-American Corporation of South Africa, Limited.

Diamond Market Depression—Every Confidence for Prosperous Future.

THE fourth ordinary general meeting of shareholders of the Anglo-American Corporation of South Africa, Limited, was held at Johannesburg on Wednesday, May 18, 1921, Sir Ernest Oppenheimer, the Chairman of the Corporation, presiding.

The Chairman said: Gentlemen,—At our last annual meeting I gave you a full account of the Company's operations up to May. To-day we are assembled to review the affairs of the Company for the whole of last year, and I propose first to refresh your memories by outlining briefly the more important events of the early part of the year before discussing more fully the later events which are new to you. You will remember that the original subscribers of the Corporation's capital held a five years' option to take up a further 1,000,000 shares at par. In March last year the option-holders were persuaded to exercise their options, in view of the necessity of providing further funds to enable the Corporation to acquire an interest in the Consolidated Diamond Mines of South-West Africa, Limited, and the capital of the Corporation was increased to £2,000,000 by the issue to them of 1,000,000 shares.

Following on the increase of the authorised capital from £2,000,000 to £4,000,000, 1,320,000 £1 shares were created in order to provide the shares necessary to issue to Rand Selection Corporation shareholders if they decided to exchange their shares for shares in this Corporation on the basis of five for eleven in terms of the merger agreement. The registered capital of the Corporation was thus increased to £3,320,000. 542,740 Rand Selection shares were offered for exchange during the year, and 1,194,028 of our shares were accordingly issued, increasing the issued capital of the Corporation to £3,194,028. The issued capital of the Rand Selection Corporation is £600,000 in £1 shares, and therefore only 57,260 shares remained in circulation at the date of expiry of the exchange offer. We have since purchased a number of these shares, and now there remain only about 53,000 shares which do not belong to our Corporation.

Diamond Interests.

The interests of this Corporation in other companies are fully referred to in our annual report, and the annual meetings of these companies have only recently been held, so I do not think you will wish me to do more than refer very briefly to the more important features in the year's operations of these concerns. The greater part of this Corporation's interest in the Consolidated Diamond Mines of South-West Africa consists of Eight per Cent. Debentures, convertible into shares at par at any time prior to October 1, 1929. The diamond market is going through a period of acute depression, to which I shall refer at greater length presently, but the results of the operations of the Consolidated Company for last year must be considered very satisfactory. During the period from October 1, 1919, when the Company acquired its various properties, to December 31, 1920, a profit of £648,902 was earned. £128,366 of this sum was appropriated to capital reserve, and £270,563 was applied to Debenture interest and redemption trust account, and £249,973 was carried forward. It must not be forgotten that if the Debentures are converted into shares, the sums invested in the redemption trust account will become available for distributable profit. The amount of profit carried forward warranted the payment of a dividend, but the board —I think wisely—decided that, in view of the depression in the diamond market, it would be in the best interests of the Company not to make any distribution and to conserve the funds for contingencies until the outlook became brighter.

Although, as I have said, the profit earned was £648,902, it must not be thought that this is the full earning capacity of the Company. During the second half of the year there was a serious falling off in diamond sales, with the result that the Company was not called upon to supply its full quota under the agreement between the diamond-selling syndicate and the producers. At the end of the year the Company's stock of diamonds on hand amounted to 346,675 carats. It is an important feature in the accounts of the Company that diamonds on hand are taken into stock at cost price to the Company—that is, at thirty per cent. of the total cost. These unsold diamonds stand in the books at £124,862, and at the then basic selling price they are valued at well over £2,000,000, of which the Company's share amounts to thirty-four per cent.

Operations Suspended.

During the last few days the directors of the Diamond Company have notified shareholders of their intention temporarily to suspend mining operations. There are several good reasons for this decision, the chief of which are, firstly, that the Company has sufficient unsold diamonds on hand to provide its full quota for a considerable time, and the continuance of operations would serve to increase this unsold stock unduly; and, secondly, that it is advisable in the present restricted diamond market to conserve the Company's cash to meet fixed charges and current expenditure. The other diamond producers in South Africa have either restricted or ceased their mining operations, so that the Consolidated Company is not singular in its decision. The present policy serves to illustrate again the close co-operation existing between the producers and the diamond syndicate, which has the very desirable effect of avoiding the placing on the market of diamonds which cannot be absorbed. On February 18, 1920, the Chairman of the Diamond Company, the Hon. H. C. Hull, published a statement, and, in giving an account of a number of matters concerning the Company, referred to a report on the caratage of the fields made by Professor Kaiser, of Giessen University, a geologist of wide repute. The professor reported, after a most careful investigation, that he estimated the diamond contents of the fields to be between 14,000,000 and 16,500,000 carats. Towards the end of last year, Mr. Carl Davis, your Consulting Engineer, made a thorough examination of the fields, and, in reporting fully on the Company's operations and property, concurred in Dr. Kaiser's estimate of the caratage. Mr. Davis's report was sent to the board of the Diamond Company for its information, and it may interest you to learn that in the last annual report it is stated that "for the present it may be stated generally that Mr. Carl Davis's report is of a highly satisfactory nature, and completely confirms the value which the directors hold of the Company's fields and their equipment."

Brakpan and Springs.

Both Brakpan Mines and Springs Mines had a successful year—the former paid a dividend of forty-five per cent., amounting to £380,190, and the latter a dividend of twenty per cent., amounting to £251,372. Brakpan Mines had a balance of revenue over expenditure of £549,893, to which must be added £133,363 carried forward from the previous year, making a grand total of £683,256. From this sum the following amounts were appropriated: £105,000 for Government taxation and participation in profits, £163,600 for capital expenditure, £380,190 for dividends, leaving a balance of £34,000 to be carried forward into this year. These figures, I think you will agree, make a fine showing, but we hope for even better results when the Lease Area is opened up. The property of the Company, including the lease area, comprises 3,387 claims, of which the larger portion is still unexplored, and as development progresses we may expect an increase in the monthly output, which should result in larger profits. The ore reserve has been increased to 2,526,517 tons, of an average assay value of 8.88 dwt. over a stoping width of 70.08 inches.

Springs Mines is in much the same condition as Brakpan Mines and should be regarded as being still in the developing stage. The Company's property, including the lease area, covers 3,567 claims, of which even a larger proportion than in the case of Brakpan is still unexplored. The ore reserve has been increased by over 300,000 tons to 2,726,178 tons, of an average assay value of 8.76 dwt. over 63.48 inches, the value and width remaining practically unchanged. The No. 3 shaft in the lease area struck the reef at the end of last May, and the connection with the No. 2 shaft was completed by September. Development was also proceeded with in the virgin area to the south of No. 3 shaft, with excellent results. So far, for 75 feet, the reef has assayed 17.9 dwt. over 38.9 inches, or 696 inch-dwt., and it is hoped that a large new pay shoot has been encountered. I am informed this morning that this drive has been advanced another 20 feet and is still in good values. The total length of the drive to-day is 95 feet, and the assay values average 16.1 dwt. over 41.9 inches, or 674.59 inch-dwt.

As the development of the mine proceeds, there is every reason to look for further increases in the ore reserve, and upon this factor mainly depends an increase in the monthly tonnages and profits. The credit to the Company's appropriation account at the end of the year, including £48,574 carried forward from the previous year, amounted to £483,698. £62,000 was appropriated for Government taxation and participation in profits, £110,000 for excess development and reorganisation of plant, &c., and £251,372 for dividends, which left an unappropriated balance of £59,284

to be carried forward into the current year. Both companies have properties of great potential value, and the excellent results obtained so far give fair promise that our confident hopes for the future will be realised.

Valuable Property.

West Springs is still in the shaft-sinking stage, although there has been some development of the property from the Springs Mines boundary. No. 1 shaft intersected the reef at a depth of 3,890 feet towards the end of last March, and, although the assay values were disappointing, the reef was very wide, which is a gratifying feature. As soon as the requisite sump and main station have been completed, main haulage ways to connect with the No. 2 shaft and the east haulage from Springs Mines will be started. The development in the east haulage from Springs Mines has disclosed promising values, but this is only a fraction of the property, and until a considerable amount of further exploration has been accomplished it is impossible to form an accurate opinion of the future of the mine. We are quite satisfied with the progress that has been made since the lease of the property was secured from the Government, and I am still as confident as ever that we have very good chances of proving it to be a valuable property. The work of sinking the No. 2 shaft is being continued as rapidly as possible, but from the data available, we think the reef will be found at a somewhat greater depth than was at first anticipated.

Daggafontein Mines, I regret to say, is in process of being temporarily closed down. The available funds of the Company were almost exhausted, and, as it was found impossible to raise further money in these times of financial stringency, there was no alternative but to suspend operations. We all hope that the present general financial position will soon show an improvement, and it may then be possible to raise further funds for the resumption of the Company's mining operations.

Having formed the opinion that the coal industry in South Africa offers great possibility for successful business, your Board was fortunate enough to be able to acquire options over a number of coal farms favourably situated in the Middelburg and Bethal districts. Considerable prospecting work has been done by means of boreholes, and I am pleased to say that in this way a very large area of country has been proved to contain coal of excellent quality. Numbers of other coal farms in the vicinity of our properties have been taken up by other corporations, and I believe that a vast new coalfield has been discovered, which will some day prove of incalculable value to South Africa. But, unfortunately, the district is very badly served by railways, and before this key industry can be developed the Government must provide more railway facilities.

Rand Selection.

The interests of the Rand Selection Corporation are almost identical with those of this Corporation, and are therefore covered by a review of our own affairs without separate discussion, and I will therefore confine my remarks about this Company to a brief review of its financial operations. The balance of the profit and loss account amounted to £199,927, as compared to £146,141 for 1919, but the sum distributed by way of dividend shows a reduction from £190,720 in 1919 to £165,000 for last year. It must be borne in mind, however, that in 1919 the enemy shares were purchased from the Custodian of Enemy Property, and a large portion distributed as dividend. This transaction increased the sum distributed that year, but reduced the balance of unappropriated profit from £83,361 to £22,020. This unappropriated profit carried forward into 1920 was increased by £30,000 as the result of last year's operations, £52,776 being carried forward into this year.

No new interests except coal have been acquired during the year, although a number were submitted to the Corporation. Several of the propositions were not without merit, but it was thought wise, in view of the unsettled condition of the world, to restrict our activities for the time to those interests which could effectively be watched and controlled from the Johannesburg office of the Corporation. The considerably increased operations of the Corporation during the year are reflected in the financial statement before you. Dividends received have increased from £17,050 to £153,950, interest and commissions from £14,812 to £144,159, profits on shares from £67,071 to £87,769, and a new source of revenue, "fees received," produced £3,969, which makes a grand total of £389,847, as compared with £98,934 in 1919. Expenditure has of necessity also increased with the expansion of the Corporation's business. For example, the directors' and auditors' fees account shows an increase of £15,000, due to the directors' participation in profits on account of dividend distributions; the sundry general expenses account has increased by about £6,000 and an amount of £6,300 has been paid for stamp and share capital duty.

A Prosperous Year.

The net result of comparing the two years, however, is that last year a profit of £347,700 was earned, as against £88,828 in 1919, and if you add the balance of £131,904 carried forward from 1919 it shows that the total sum to the credit of the appropriation account amounted to £479,604. The original book cost of the Corporation's shares and interests in mining ventures amounted to a total of £3,984,480, but you will notice that the book cost at December 31 last was reduced to £3,163,586 by the writing off of £820,894. This sum represents the premium received by the Corporation from the exchange of its shares for Rand Selection shares, calculated at the then market price of the shares, it being practically a premium of 13*s.* 9*d.* per share on the par value of the issue of 1,194,028 shares. In view of the nature of the transaction, your directors thought it right that the Corporation's share account should benefit.

I think you will agree with me that notwithstanding the depressed condition of the financial world, the Corporation has had a very prosperous year, and, when it is remembered that several of our large interests are still non-productive, there is every reason to look forward to the future of the Corporation with confidence. In the past I have ventured to express an optimistic opinion as to our future, and I have no reason now to change that view. The gold mines in which we are largely interested are classed as "high grade" propositions. They have already proved very valuable, and, as the larger part of these areas is still unexplored, there is every reason to hope that further development will serve to increase the value of these properties. We have considerable investments in several properties which, although not yet productive, give promise of great potential value.

Future of the Diamond Trade.

I have already reviewed the position of the Consolidated Diamond Company, but, as we are so largely concerned in diamonds, a few remarks on the diamond trade and its future prospects may be of interest to you. It is generally known that America is the principal buyer of diamonds, and it is not surprising, therefore, that a severe trade depression in that country should be reflected in the position of the diamond-producing mines of this country. America, in common with other countries, has been passing through a most severe crisis, and the diamond trade has suffered in consequence. The American crisis is in itself a sufficient reason for the serious depression in the diamond trade, but the position has been accentuated by two other factors. Russia, Central Europe, Italy, Turkey, and other countries which were substantial purchasers of diamonds before the War, have not only suspended their buying for the time being, but have become sellers. This is especially so in the case of Russia. Many Russians who fled from their country carried with them their portable wealth in the form of precious stones, which they converted into cash as the necessity arose. In addition, the Bolshevist Government confiscated large quantities of diamonds during the revolution and sent them to Europe and America for disposal. These diamonds have been, and are still being, sold at low prices.

Revival Predicted.

The present crisis is, I think, the most severe that the diamond trade has ever had to face, but, in the light of previous experiences of a similar nature, I am confident that the storm will be safely weathered. The four big diamond producers and the diamond syndicate came to a satisfactory agreement at the conference recently held in Cape Town, which I attended, and my opinion that there will be, in the not too far distant future, a revival in the diamond trade has been strengthened. The conference confirmed the two cardinal principles of the diamond trade—firstly, that the sale of diamonds must be controlled, which means that each producer limits his sale to a fixed proportion of the total and avoids forcing diamonds on the market which cannot be absorbed; secondly, that the sale of diamonds must be carried out through one channel or organisation. It was by the firm adherence to these two principles that former depressions in the diamond trade were successfully overcome and diamond investments over a period were made so remunerative. Having in view the history of the diamond business, I regard our large holding in the Consolidated Company with the greatest confidence.

Visit to America.

I have just returned to Johannesburg after an absence of about seven months. I spent several months in America, and took the opportunity of discussing the affairs of our Corporation with your American directors and the members of the New York committee, in order to give them the latest position of our various interests and to discuss our future prospects. One result of my visit is that active steps are being taken to introduce our shares on the New York market. Having in mind the great possibilities in South Africa for successful business in the future, I visited many industrial and other concerns in America, in order to obtain knowledge which may be useful in considering new proposals for business that may be submitted to us. I only hope that I shall be given many opportunities of using the experience in these matters I gained in America.

The report and accounts were unanimously adopted

Bleachers' Association, Limited.

Satisfactory Year's Working.

SIR ALAN J. SYKES, Bart., M.P., presided at the twenty-second ordinary general meeting of the Company, held at the Memorial Hall, Manchester, on June 21, 1921.

The Chairman said: Ladies and Gentlemen,—I have great pleasure to rise as your Chairman to-day in order to submit the twenty-first annual report of Bleachers' Association, Limited. First, however, I wish to express the very deep regret of the directors in the great loss they have sustained by the death of their colleague, Mr. Henry Whitehead. Mr. Henry Whitehead was associated with the Company from its inception, and for a period, till his health began to give way, was our Chairman. I think it will be a point of interest to you to know that this meeting synchronises with the twenty-first birthday of our Association. Twenty-one years ago, on June 7, we received the certificate of incorporation of the Company. We have gone through transient periods of illness like growing children do, but we can claim to have reached our manhood, hale, hearty, and fully equipped to take our place, and to retain our share in the trade of the bleaching world.

Turning to the accounts, you will see that after charging £507,394, as compared with £401,284 a year ago, for repairs and maintenance, the gross profits for the year ending March 31, 1921, after making provision for excess profits duty, corporation profits tax, and income tax, and including dividends from investments, amount to £899,151. This total, as a consequence of the bad trade conditions existing during the latter part of the year, is considerably below the profits of the previous year, which were the highest yet earned by the Company. The profits, however, compare favourably with those of the year ending March 31, 1919. From the gross profits a sum of £180,000 is transferred to depreciation, as compared with £130,000 a year ago. This larger charge is due partly to the new businesses which we purchased at the beginning of the year, viz., the Chorley Bleaching Company, Limited, the Tenterhouse Bleaching Company, Limited, and the Greenfield Bleaching Company, and partly to the necessity of building up as large a fund as possible to meet the high prices of all commodities in connection with buildings and machinery.

Allocation of Profits.

The net profits available amount to £514,535, as compared with £813,579 for the previous year, and this, with the balance of £321,461 brought forward from the last account, makes a total available balance of £835,996. The directors recommend that, after paying the dividend on the Preference shares, a transfer of £100,010 be made to the general reserve fund, making the total of that fund £1,325,000, and that £25,000 be added to the superannuation fund.

They further recommend that a final dividend of twelve per cent. for the half-year be paid on the Ordinary shares, making, with the interim dividend paid in December 1920, ten per cent. for the year, and that £337,890 be carried forward to the next year's account. This balance is slightly—about £16,000—in excess of the balance brought into the accounts, and the ten per cent. dividend compares with a dividend of fifteen per cent. and a bonus of five per cent. for the previous year.

The directors hope that under the economic difficulties at present existing in this country, from which the cotton trade generally has been, and still is, so severe a sufferer, the shareholders will feel that the results of the year's working, and the dividend on the Ordinary shares now proposed, are highly satisfactory.

Housing.

Your directors have continued to give a good deal of consideration to the housing question, and in the case of our Pilsworth branch we are opening the garden village, consisting of twenty houses, on Saturday next. I would draw your attention, while on this question of building houses, to the very high cost which still obtains, which cannot but be a serious handicap to employers, like ourselves, who are anxious to see their workpeople better housed.

While on this question I should like to mention that I have instituted a bowling competition between our branches, and have given them a challenge cup for annual competition. This has created a friendly rivalry between our branches, and has had the effect of bringing the men working at the different branches closer together, and is establishing an excellent feeling of *esprit de corps* in the Association. The final was played off last Saturday, and resulted in a win for R. and A. Chambers, who beat Davies and Eckersley by a small margin.

Regarding the labour position, we may congratulate ourselves that, whilst other large industries throughout the country have been troubled with strikes, we have been able to secure adjustments of wages by mutual consent. This desirable result has been obtained very largely by the operation of the sliding-scale arrangements, by which a quarterly review takes place, and wages are altered according to an agreed method based upon the percentage increase or decrease in the cost of living over the 1914 basis, as published by the Board of Trade. This agreement has proved a valuable instrument in the preservation of peace in the trade, and is still in existence. On the whole, the relationship between the Managing Directors and our workpeople continues to be of the most cordial character.

Local Rating.

Your directors during the past year have given a considerable amount of attention to the question of local rating. In the opinion of your directors—an opinion which is shared by other large industrial occupiers—the burden of local rating has become a matter of very serious importance. Valuations have taken place in most of the Unions, and as these valuations are, in the opinion of the directors, most excessive, they intend taking all steps in their power to bring the figures down to a reasonable amount. Your directors cannot help but think that the Assessment Committee, in increasing the assessments two or three times, have valued the works at the cost of building when the wages and material were at their very highest, instead of adopting the true basis of the letting value of a particular works. In one Union the increase in rates of the Association's works on the new valuations would have resulted in an additional payment of £15,000 a year, and the directors are prepared to resist this new imposition to the full extent of their power.

In conclusion, I wish to express to the Managing Directors and Central Office staff, and to the Managers, staff, and employees of all our branches, and I include our engineering and transport branches, our hearty appreciation of their hard work and loyal co-operation, without which an Association such as ours cannot hope to succeed. We appreciate the fact that all of them have so co-operated, and we hereby tender them our hearty thanks.

The report and accounts having been adopted, the Chairman moved a resolution declaring a dividend at the rate of twelve per cent. per annum on the Ordinary shares for the half-year ending March 31, 1921, making with the interim dividend paid last December ten per cent. on the Ordinary shares for the year.

The resolution was seconded by Mr. Henry Allen, and carried unanimously.

The retiring directors were re-elected, on the motion of Mr. D. Q. Henriques, seconded by Mr. C. Scowcroft.

A resolution, moved by Mr. A. L. Arnold, seconded by Mr. J. Hall, reappointing the auditors, was carried.

The meeting closed with a vote of thanks to Sir Alan Sykes for presiding, proposed by Mr. Arthur K. Davies.

United British Insurance Co., Ltd.

Year's Dividend 16 per Cent.

The annual general meeting of this Company was held on June 21 at St. James's Vestry Hall, Piccadilly, London, W., Mr. C. H. Dodd (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that it was somewhat difficult to compare the figures appearing in the fire insurance account with those for last year owing to the adjustments which had been necessary in regard to the American branch, but what they called their home fire account had increased from £97,693 to over £293,000. This increase was satisfactory, showing the growth of the Company's business, but it had imposed upon them the necessity of having to transfer a sum of over £39,000 from profit and loss account so as properly to safeguard the account. The claims paid and outstanding and the commission and expenses amounted to a large sum this year, but they included figures in connection with the American business, and also all the known cost of the liquidator in connection with the winding up of that branch. He was sure the shareholders would agree with him that, as this was a young Company, it was sound finance to maintain their reserve at fifty per cent. Criticism had been made to the effect that they had lost some £47,000 on the American fire account. He could assure the shareholders that they had done nothing of the sort; the critic failed to take into account the proportion of the item of £105,000, which was held in reserve for American losses. The personal, accident, and employers' liability insurance accounts both showed good increases. The profit was small, but the accounts were growing, and the directors were looking forward to better results as the years went by. The employers' liability account showed ample reserves, amounting to nearly seventy-five per cent. of the premium income. With regard to the general insurance account the premium income had grown from £12,800 to £90,800, due almost entirely to the purchase of the business of the British Dreadnought Underwriters, Limited, but they had had to transfer £6,677 from profit and loss account in order to build up the reserve. He laid emphasis on that point because there was a tendency to confuse transfers to reserve with losses. Coming to the marine account, which was really the foundation of the Company's business, he thought there was scarcely a company in the country doing marine business which could show such a fine reserve and such a fine account as theirs. The premium income amounted to over £638,000, and they transferred to profit and loss account £30,000. The life account showed a good increase, the figures being more than double those of last year.

Result of Year's Trading.

With regard to the profit and loss account, the net result of the year's trading was a balance of £88,104, out of which an interim dividend of ten per cent., free of tax, had already been paid, and the directors now recommended the payment of a final dividend of six per cent., free of tax. In the balance sheet the investments at cost amounted to £1,371,678, and against this they had the investment reserve fund of £200,000. The directors had come to the conclusion that there was no need to write off any specific sum against the investments at the present moment, especially in view of the Company's ample liquid assets, which were nearly equal to the total issued capital. They were satisfied that the investments were thoroughly sound, and there was not one of them that was not returning a good rate of interest. Not one penny of the Company's money was invested in or lent on any industrial share in this country. The item of £460,000 standing under the heading of "Other stocks and shares" was in respect of the Company's holding in the various insurance companies comprising the group working under the same management. As to the winding up of the American branch, he could not say at the present time how soon they might be able to realise their securities there and bring home the proceeds, but they had made the fullest allowance for any possible loss. They had written off from the investment reserve the sum of £73,000, and had set aside £50,000 to meet any possible expenses that might be incurred in connection with the winding up. As to the purchase of the business of the British Dreadnought Underwriters, Limited, the board were naturally anxious to build up a motor insurance business, and the only way of doing so effectively was to acquire a motor insurance connection. The British Dreadnought Underwriters had what might be called a large agency business, the risks being underwritten at Lloyds. It was at that time a non-tariff office, with a premium income of about £150,000, the greater portion of which had since been maintained. He was certain that the result was going to justify the purchase. As showing the growth of the business during the past two years, he might mention that in 1919 they had 350 agencies in various parts of the kingdom; in 1920 this number had grown to 1,300, and to-day they had no fewer than 4,000 agencies in this country alone. He was sorry that the directors were not able to recommend a dividend of more than sixteen per cent. As a matter of fact, the shareholders were receiving nearly twenty-three per cent. on the capital gross, and they had, in addition, the satisfaction of having a thoroughly sound set of accounts.

Sir Laurence R. Philipps, Bart., seconded the resolution.

A discussion followed, in the course of which one or two shareholders criticised various items in the accounts.

The Chairman having replied to the various points raised, the report and accounts were adopted, with five dissentients.

Birmingham District Power and Traction Company, Limited.

Growth of Expenses causes Anxiety.

THE thirty-seventh ordinary general meeting of this Company was held on June 22 at the Electrical Federation Offices, 88 Kingsway, W.C., Mr. C. S. B. Hilton (Chairman and Managing Director) presiding.

The Chairman, in moving the adoption of the report and accounts, said that there was a small fallin-off in net receipts of £866. The gross traffic receipts were about £12,000 more than in the previous year, but dividends and interest on investments had fallen by almost a corresponding figure. The business of the Shropshire Power Company had been prejudicially affected by industrial unrest, and the result of that Company's operations for the year had not come up to expectations. The Birmingham and Midland Motor Omnibus Company had, however, steadily progressed and had again paid the substantial dividend of ten per cent.

Power and running expenses showed an increase of £10,000, but repairs and maintenance had cost £9,000 less, and the net result was that they had an available balance of £71,140, compared with £73,953 in 1919. They recommended the payment of a dividend on the Ordinary shares at the rate of six per cent.

The growth of expenses in all directions had been causing the directors very grave anxiety, as it appeared that in the immediate future, unless some considerable fall in the cost of operations took place, tramway undertakings would hardly be able to maintain the small margin of profit which they now earned. Whereas in 1914 the total wages bill was £57,946 for the four tramway companies composing the Birmingham and Midlands Tramways Joint Committee, in 1920 it amounted to no less than £205,716, and in addition the cost of power had risen from £24,386 to £60,579. In 1914 wages had constituted less than one-third of the traffic receipts, while to-day the wage-earners took more than half the revenue. An application to increase the statutory fare from 1*d.* to 1½*d.* having been refused by the Tramway Charges Advisory Committee, the Company had been forced to make a further revision in the fares.

The report and accounts were unanimously adopted and the formal business was duly transacted.

Waygood-Otis, Limited.

Important Contracts in Hand.

THE ordinary general meeting of Waygood-Otis, Limited, was held on June 22, at the Cannon Street Hotel, E.C., Mr. Henry C. Walker (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: I feel sure you will be satisfied with the position disclosed. The last year has had many difficulties owing to the general financial position, and to labour unrest, and by reason of the [illegible] we have had to exercise great care to maintain a suitable stock of materials for carrying out work in hand, without having an accumulation of stock at a time when prices are declining.

The satisfactory result is largely due to the number of contracts secured in the previous period, and in the early part of the year now under review, when business was exceedingly good. Owing to the difficulties caused by the foundry strike and other troubles, we were unable to obtain deliveries of necessary materials to complete some of the earlier contracts as rapidly as we should have wished, but during the past twelve months we were able to speed up production.

Unfortunately, during the second half of the year there has been a considerable falling-off in the placing of new contracts, owing to the unsettled position, so that at the present time we have been compelled to reduce the number employed in the works, and therefore the output is very much less than the capacity of the works. The still unsettled condition in all industries makes it exceedingly difficult to estimate the probable resumption of substantial building activities, although there are indications in some sections of the country that new construction will not be much longer delayed. We are glad to report that we have a number of important contracts in hand. We are fitting the new premises of Messrs. Selfridge and Company with twelve of our largest size electric passenger lifts. We are installing a number of electric hydraulic passenger lifts for Messrs. Harrods, Limited, Messrs. John Barker and Company, Messrs. Dickins and Jones, Messrs. Peter Robinson, Limited, and have just secured the contract for fitting electric passenger lifts in the new County Hall for the London County Council. We are also able to record a growing demand for the small hand-power lift for household and service purposes.

From the accounts you will see that the net profits for the year are £83,069, and we are paying nine per cent. on the Ordinary shares.

We are still faced with uncertainty in regard to labour conditions, but hope that the proposals which are being put forward at the present time will be accepted as a settlement, which will enable us to make good progress in the future.

The report was unanimously adopted.

Messrs. Richardsons, Westgarth and Company, Limited.

Strong Financial Position.

MR. D. B. MORISON, Chairman of Messrs. Richardsons, Westgarth and Company, Limited, of Hartlepool, Middlesbrough, and Sunderland, builders of the well-known "Richardsons" marine engines and of marine and land turbines, in moving the adoption of the directors' report at the annual meeting of the Company at Hartlepool on Tuesday, June 21, said that, notwithstanding the exceptional difficulties experienced during the year under review, due largely to the aftermath of the moulders' strike, the actual profits earned were considerably greater than in the previous year. Owing, however, to the excess profits duty being raised to sixty per cent., and to the addition of the corporation profits tax, the retainable profit of £155,635—shown in the accounts—is £80,000 less than it would have been had the duty remained at forty per cent., as in 1919.

At the last annual meeting he ventured to forecast a difficult future for the marine engineering industry, and, although his critics held otherwise, events had proved that the conservative policy which the board had adopted for several years past was eminently sound, and the result had been to place the Company in a strong position not only financially but in its ability to produce much more cheaply relatively than in the past.

"In 1914," he proceeded, "the assets of the Company admittedly did not justify the capital. Since that date some £300,000 has been expended on buildings, machinery, and plant; and, if this sum is reduced to a pre-War purchasing power of, say, £150,000, and referred back to 1914, the deficiency of assets at that date will be [illegible] in the matter of machinery and plant, whilst, on the financial side, the working capital of the Company has been increased and is at present sufficient for the requirements of our business.

Ships Engined and other Work.

"The number of ships engined by the Company during the year was thirty-eight, the aggregate marine horse-power of 96,300 being the highest in the kingdom. The machinery comprised geared turbines and the latest type of 'Richard-

sons' reciprocating engines, which embody improvements that are very favourably affecting the coal consumption and the upkeep costs.

Land Department.

"In the land department numerous turbines were supplied for the generation of electric power, whilst the number and size of Contraflo high-vacuum condensing plants and marine auxiliaries exceeded all previous records.

"The steelworks department was normally busy, noteworthy features being the building of rolling-mill engines of 20,000 horse-power for the Cargo Fleet Iron Co., and of many Nesdrum water-tube boilers, which continue to give great satisfaction in use.

"Considerable repairs are still necessary in order to bring our buildings, machinery, and plant into a condition of pre-War excellence; but when these are completed, the three works of the Company will be in first-class order."

The balance sheet was carried by 34 votes to 22.

Several shareholders deprecated writing off for depreciation of sums which they characterised as being excessive, and also criticised heavy capital expenditure. They considered the money would have been better distributed as dividends.

Mr. Morison, replying, maintained that the conservative policy adopted by the directors was amply justified, and if twelve per cent. could be paid on the Preference shares this year the Company would be entirely free from obligations of every kind. Since 1918 sixty-six per cent. had been paid on the Preference shares. Beyond this it was impossible to go and maintain the Company's finances in a satisfactory condition. Although Ordinary shareholders had received no dividend their properties had been continuously improved.

Mr. T. Westgarth moved that a further dividend of twelve per cent. be paid out of 1920 profits to Preference shareholders.

This was carried, and Mr. T. Westgarth and Mr. R. S. Middleton were re-elected directors.

Geldenhuis Deep, Limited.

(Incorporated in the Transvaal.)

Importance of the Maintenance of the Price of Gold above Standard (84s. per fine ounce).

THE twenty-sixth ordinary general meeting of shareholders was held in the board room, second floor, the Corner House, Johannesburg, on Wednesday, May 25, 1921, at 12 noon, Mr. M. Honnet presiding.

The Chairman said: Gentlemen,—Thanks to the fact that we were able again to sell gold at a figure considerably in excess of standard price, we emerged from the year 1920 with a fairly satisfactory profit, in spite of the higher working costs which prevailed throughout. The working results show that it cost £777,054 to recover 156,194 ounces of fine gold, or 99.5*s.* per fine ounce. The gold realised £861,945, or 110.4*s.* per fine ounce, leaving a profit of £84,891, or 10.9*s.* per fine ounce. The yield has remained at the same figure, namely, 5.6 dwt., for the last three years. The tonnage milled at 557,500 tons was practically the same as that of the previous year, and while working costs were 3*s.* 11*d.* per ton higher, as compared with those of 1919, the revenue per ton at the increased price of gold, fortunately for us, was 5*s* per ton higher. The figures I have quoted show how vitally dependent we are upon the maintenance of the price of gold at a level considerably above standard (84*s.* per fine ounce), and this fact is confirmed with unpleasant emphasis when we consider the results obtained since the close of the last financial year. For the first four months of the year 1921, although our gold production has been taken in at an average of 103*s.* 6*d.* net per fine ounce, operating costs have averaged 108*s.* 10*d.* per fine ounce, and for the four months in question a loss of £13,145 is shown, that is an average monthly loss of £3,286. Generally speaking, since no improvement in grade can be looked for, the results for the current year show very clearly that in the absence of a higher price for gold there is only one other direction in which we can look for a means of preventing working losses, and that is in the reduction of working expenditure. So far as the price of gold is concerned, it is generally agreed, I believe, that the inevitable trend is in the direction of a decline towards standard value.

Reduction of Working Costs Essential.

To keep this Company's mine going we are, therefore, driven to the alternative of reducing working costs and concurrently improving efficiency. Working costs per ton milled, which in 1914 were 22*s.* 10*d.*, had risen to 27*s.* 11*d.* for the year under review, and for the four months of the current financial year they have risen still higher to an average of 29*s.* 8*d.* With costs at this level, a gold price of even 103*s.*, as has been shown, is insufficient to meet the expenditure, and it is, therefore, apparent that unless a considerable reduction in costs can be brought about, working losses will continue, leading inevitably to the closing down of the mine. Last year you were informed that the position was precarious, and that with the co-operation of the white men on the property a limited amount of retrenchment and reorganisation had taken place, and that further efforts were being made to improve matters. Almost immediately after the last annual meeting the price of gold began to rise sharply. This advance afforded most welcome and timely relief, enabling fair profits to be earned instead of losses which were made during the first half of the year.

During the year under review the development footage, which for 1919 amounted to only 4,735 feet, was increased somewhat to 6,317 feet. We are able to undertake a little more development owing to the better profits earned during the latter half of the year. Of the 6,317 feet accomplished, about twenty-eight per cent. proved to be payable and developed 150,600 tons of payable ore. On re-estimation, the ore reserve at December 31 amounted to 1,467,100 tons, of a value of 6.1 dwt., showing an increase for the year of 91,900 tons in quantity and .2 dwt. in value. In addition to our existing ore reserve, the mine contains a large tonnage of reef, fully developed, which is classed as unpayable. The development of this ore has been paid for, and the great bulk is available for mining, but owing to the present high working costs we are obliged to leave it out of our calculation of payable ore reserve. Eliminating ore below a value of 4 dwt., we find that there is a developed tonnage of no less than 1,218,000 tons, valued at 4 dwt. and over, but below the present-day pay limit.

The Position of the Mine.

We are, therefore, confronted with the position that the mine, which has a payable reserve of practically one and a-half million tons of ore, valued at 6.1 dwt., a grade which even to-day should allow a reasonable margin of profit, is making losses owing to excessive working costs. This quantity of ore is sufficient to provide employment for our white and coloured workers for at least two years, provided costs can be reduced. In addition to the above reserve, as I have said, we have standing developed in the mine practically 1½ million tons of ore, which under normal conditions it should be possible to work without loss. And yet this Company, the pioneer of the Witwatersrand deep-level mines, which has spent for many years past something like £700,000 annually in this country, and which employs to-day over 500 white people and over 4,000 natives, stands in imminent danger of being compelled to close down owing to the prevailing high level of working costs. A very important point to be observed in connection with the large tonnage of low-grade ore referred to, is that the time for working it is now while the mine is still running, and while the low-grade ore can be treated in conjunction with the remaining tonnages of higher grades. It is useless to contemplate the extraction of this ore at some date in the distant future, for if once the mine is closed down, or such tonnage rendered unavailable by caving, the expense involved in re-opening the workings will be too great to undertake, in view of the low value of the ore, and the opportunity will be lost, possibly for ever.

Our immediate problem, of course, is to make our payable ore reserve of 1,467,100 tons of 6.1 dwt. yield profits. I am convinced that this can be done, without any very great sacrifice, and I am optimistic enough to believe that it will be done before long.

I now beg to move that the directors' report, balance sheet, and accounts for the year ended December 31, 1920, laid before the meeting, be received and adopted.

Comte F. de Ferrières seconded the motion.

The Chairman declared the subject open for discussion.

There being no questions, the motion was put to the meeting and carried unanimously.

Crown Mines, Limited.

Record Gross Revenue.

THE twenty-fifth ordinary general meeting of shareholders was held in the Board Room, Second Floor, The Corner House, Johannesburg, on Thursday, May 26, 1921, Mr. Samuel Evans presiding.

The Chairman said: Gentlemen,—You will observe that the working profit amounted to £1,093,335 18*s.* 1*d.*, or 9*s.* 11*d.* per ton milled, including £926,062 1*s.* 7*d.*, or 8*s.* 5*d.* per ton milled, derived from the premium on the sale of gold. Compared with 1919 there was an increase of 238,432 in the tons mined, of 32,302 fine ounces in the total yield, and of £352,540 in the amount distributed as dividends. The working profit and the dividends distributed were larger than in any previous year since 1915. Our gross revenue last year amounted to £3,864,652 19*s.* 11*d.*, which constitutes a record.

The yield per ton last year was lower than in 1919, but barely one per cent. below the grade of 1914 and 1915, when the working profit totalled well over one million pounds per annum. On the other hand, there has been a very great increase in working costs, as will be seen from the following comparison:—

	Per ton milled: Yield (dwt.)	Working Costs s.	Working Costs d.	Working profit Total £
1920	6.103	23	8.7	1,093,336
1919	6.574	23	0.6	750,423
1918	6.519	22	9.2	410,642
1917	6.161	19	3.6	673,966
1916	6.129	18	3.5	815,630
1915	6.112	16	1.9	1,146,552
1914	6.191	15	7.2	1,191,628

This table shows clearly that the disquieting feature of recent years is the enormous increase that has taken place in working costs.

The Rise in Costs.

As compared with 1914 the working costs last year show an increase of fifty one per cent. per ton mined, or fifty two per cent. per fine ounce, whilst the tonnage mined per European worker shows a decrease of 11.5 per cent., and the tonnage mined per native worker a decrease of 16.4 per cent. Development work is also much more expensive than in the past. Last year it cost 112*s.* 2*d.* per foot developed, as compared with 47*s.* 6*d.* in July, 1909, and 60*s.* 3*d.* in 1915. Although we had in our employ an average of 1,633, or fourteen per cent., more natives, and spent £827,079, or forty-six per cent., more in 1920 than in 1914, there was a decrease of 115,296 tons, or five per cent., in the quantity of ore mined. On the other hand, there was an increase of 9,443, or 31 per cent., in the footage developed and charged to working costs.

European labour cost the Crown Mines in 1920, £955,804, as against £513,874 in 1913, or an increase of eighty-six per cent., although a larger tonnage was mined in 1913 than in 1920, the figures being 2,483,622 tons in 1913 and 2,443,372 tons in 1920. Our total expenditure on Kaffir labour was £657,917 last year and £545,830 in 1913, or an increase of 20.5 per cent. in 1920. The expenditure on account of stores and other costs was in 1913 £703,346, and in 1920 £1,015,368, being an increase of 44.4 per cent. last year.

Ore Reserve Position.

Apart from the high costs and the inefficiency of labour, the prospects of the Company are encouraging. Our ore reserves totalled at the end of last year 8,131,700 tons, valued at 6.4 dwt. over a stoping width of 62 inches, as compared with 8,451,400 tons, valued at 6.3 dwt. over a stoping width of 63 inches at the end of 1919. During last year we developed 1,820,000 tons having an average value of 6.7 dwt. over 61 inches, as against 1,291,000 tons of ore having an assay value of 6.6 dwt. over 58 inches developed in 1919. The tonnage mined last year out of ore reserves totalled 1,547,200 tons, or 272,200 tons less than the quantity of ore added to the reserves. I may explain that the reduction in the reserves in spite of having developed more ore than mined was due to (1) a reduction of one inch in the stoping width, which accounts for 100,000 tons, and (2) the exclusion from the reserves of certain blocks on the upper levels which were found to be below the pay limit. Development work last year equalled 16.4 feet per 1,000 tons mined, as compared with 13.3 feet in July 1909 and 13.6 feet in 1913.

We are exposing very valuable ore in the lowest levels which have been opened up in the centre of the property. The following table brings up to the end of last month the information contained in Mr. Martin's report in regard to the development south of the South Rand Dyke :—

	Reef	Footage on reef.	Width (in.)	Value (dwt.)	Inch (dwt.)
1919	Main Reef Leader ...	580	23	21.7	499
	South Reef	330	22	11.6	255
	Total	910	23	17.9	411
1920	Main Reef Leader ...	1,470	26	24.6	639
	South Reef ...	1,290	35	9.0	314
	Total	2,760	30	16.2	487
1921 Jan. to April incl.	Main Reef Leader ..	490	29	26.4	767
	South Reef	330	39	10.0	390
	Total	820	33	18.7	616
Total	Main Reef Leader ...	2,540	26	24.3	632
Do.	South Reef ...	1,950	33	9.6	317
	Totals and Averages	4,490	29	17.1	495

I am sure shareholders will agree with me in considering that we have every reason to be satisfied with the above results. Before the end of this year we should be mining a few thousand tons per month from the reserves in the area south of the South Rand Dyke.

On the whole, we were better off for Kaffir labour in 1920 than has been the case for some years. The strength of our force fluctuated between 12,800 and 14,800 and averaged 13,156, as compared with an average of 12,447 in 1919. Since the stoppage of recruiting in tropical areas in 1913 our native labour force has been down to 9,600 and up to 17,600, fluctuations which are not conducive to economic working. It is greatly to be regretted that the Government has so far refused to permit the recruiting of tropical natives, notwithstanding the recommendations of the Low Grade Mines Commission and of the Unemployment Commission.

Mr. J. L. Jourdan seconded the motion.

Geduld Proprietary Mines, Limited.

The annual general meeting of shareholders of the Geduld Proprietary Mines, Limited, was held at Johannesburg on May 18, 1921. Mr. M. McCormack presided.

The Chairman moved the adoption of the directors' report, and in the course of his remarks said : Comparing the results of last year with this, you will have noticed that the quantity of ore milled has been increased by 10,700 tons, the total for 1920 being 526,700. The yield per ton, 7.1 dwt., is practically the same as that of 1919, but, owing to the higher price of gold, the realised value per ton milled was 32*s.* 1*d.* as compared with 31*s.* 1*d.* in the previous year. This rise in value represents the substantial amount of £170,547, making the total yield from gold £1,023,954. Against this, our working costs have risen by 3*s.* 6*d.* to 24*s.* 1*d.* a ton, this being due, principally, to an increase in the wages bill and the higher prices of stores, amounting to £103,953. The total profit for the year, including sundry revenue, £17,342, was £406,015 and, allowing for excess mine development, taxation, donations, &c., amounting to £94,024 a net balance of £311,991 remained for appropriation. Of this sum £205,296 was absorbed by dividends Nos. 11 and 12 of seven and a-half per cent. and ten per cent. respectively, £50,000 was appropriated for capital expenditure, and a balance of £55,547 has been carried forward to the current year. You will observe from the balance sheet that the total expenditure on capital account for the year was £131,759, of which £81,759 was debited to working capital account, and £50,000 appropriated, as already said, from profits. Of this capital expenditure £114,725 was spent on the sinking and equipment of the No. 7 vertical shaft. The sinking of the No. 7 shaft was delayed somewhat during the first half of the year, owing to the large quantity of water encountered. After this water difficulty was overcome much better progress was made. The total footage sunk for the year was 1,198, and, in addition, pump chambers and sumps were cut at depths of 600 feet and 1,400 feet. At the end of April last the shaft had reached a depth of 2,190 feet, and your consulting engineer now informs me that the reef should be intersected next month. The connection of the shaft with the cross-cut from the 7th level will be completed towards the end of July.

The chief feature of the year's development has been the disclosure of a block of very high-grade ore on the No. 7 level in the neighbourhood of the new No. 7 shaft. The total footage exposed in this area at the end of last month was 4,215 feet, of which sixty-six per cent. is payable, and averages 16.1 dwt. over an estimated stoping width of 66 inches. You will, therefore, realise that a very substantial body of high-grade ore has already been developed in that section of the mine. The limits of the chutes have not yet been determined, but there are good grounds for the expectation that, as development proceeds, a further large ore tonnage of high value will be disclosed. Owing principally, but not entirely, to the good development results in the No. 7 level area to which I have just referred, the ore reserves have been increased by 640,000 tons, making the total at December 31 last 3,220,000 tons. The value of these reserves has increased from 7.4 dwt. in 1919 to 8.0 dwt. in 1920, the stoping width remaining unchanged at sixty-one inches.

The report and accounts were adopted.

The Modderfontein Deep Levels, Limited.

The annual general meeting of shareholders of the Modderfontein Deep Levels, Limited, was held at Johannesburg on May 18, 1921. Mr. M. McCormack presided.

The Chairman moved the adoption of the directors' report, and in the course of his remarks said : The report and accounts now before you show that ever since 1915, when your Company started active operations, its progress, from every point of view, has been uninterrupted. The best results so far obtained were last year, when a total working profit of £891,308 was made on an issued capital of £500,000. The profit and loss account shows that the gross revenue for the year 1920, including premium on gold and sundry revenue, amounted to £1,477,452, which is in excess of the previous year's revenue by £246,185. That excess, as you will have observed, is due largely, almost entirely, to the higher price of gold. As against this, the working costs exceed those of the previous year by £108,446, due to increased wages (European and native), phthisis assessments, and the higher prices of stores. Adding to the working profit of £891,308 the amount of £10,857, interest, rents, &c., received, the total amount to credit of profit and loss account is brought to £902,165, or £137,739 in excess of the year 1919. Out of this £174,323 was required for taxation, donations, and depreciation, leaving £727,842 to the final credit of the account. The half-yearly dividends Nos. 11 and 12 of sixty per cent. and eighty-five per cent. respectively, absorbed £726,000, leaving unappropriated £1,842, which, added to the amount of £163,622 brought forward from the previous year, gives the amount of £165,464 shown in the accounts as carried forward to the current year.

Following the policy adopted in previous years, all capital expenditure incurred during the period under review was charged direct to working costs. Turning to the purely mining aspect of your Company, you will see from the consulting engineer's and the general manager's reports that the ore milled during the year, 507,700 tons, was practically the same quantity as in 1919; that the quantity mined was increased by 35,000 tons; and that surface sorting was increased from 15.56 per cent. to 20.08 per cent. The surface dump was reduced by 7,000 tons, leaving, however, the substantial quantity still unmilled of 175,600 tons. The realised value of gold won per ton milled was 57*s.* 9*d.*, the working costs 22*s.* 8*d.*, and the working profit 35*s.* 1*d.* per ton. The yield per ton was 10.55 dwt., a slight increase on that for the year 1919, which was 10.31 dwt.

The ore reserves, as calculated at December 31, 1920, amounted to 4,100,000 tons, having an assay value of 9.4 dwt. over an estimated stoping width of 77 inches. This is an increase of 325,000 tons and an increase of 0.3 dwt. in value with the same stoping width as last year, and represents about eight years' developed ore ahead of the mill on the present capacity of the reduction plant. The total footage developed between January 1 and April 30 last has been 2,367 feet, of which 1,460 feet have been sampled, eighty-nine per cent. of which is payable with an average assay value of 18.7 dwt. over 44 inches.

A comparison between the January to April periods of 1920 and 1921 shows the following position :—

The revenue per ton milled, taking gold at the standard price, during the 1921 period was 45*s.* 9*d.*, as against 45*s.* 4*d.* for 1920. Taking the gold premium into account, and also the higher exchange charges in 1920, the net revenue per ton milled to April 30, 1921, was 56*s.* 1*d.*, compared with 54*s.* 7*d.* for the corresponding period of 1920. You will see, therefore, that so far as the four months to April 30 last are concerned the gold revenue of your Company is higher than for the same period of 1920, the increase being approximately £9,000. The working costs, however, have risen by about £5,000, so that the profit for this period—namely, £280,540—is slightly higher than for the January-April period of the previous year.

The report and accounts were adopted.

Malayalam Rubber and Produce Company, Limited.

Results Affected by Heavy Exchange Losses.

The twelfth ordinary general meeting of this Company was held on June 23 at Cannon Street Hotel, E.C., Mr. H. J. Welch (the Chairman) presiding.

The Chairman said : The loss incurred during the year amounted to £67,120, and we therefore carry forward £1,897, to which we hope to add a refund of excess profits duty of £3,021.

You will observe that but for the loss on exchange alone we should have made a net profit of £26,000 for the year instead of a loss, and this in spite of payments of about £20,000 for interest on loans and discount on bills, a loss of £5,500 upon rice (owing to its abnormally high price), the high cost of freight and all materials, and the low prices ruling for our products. The total remittances made during the year to finance the estates amounted to over £348,000. This amount was, of course, much inflated by the high cost of the rupee. The cost of the rupee to the Company during the year ranged from 2*s.* 8½*d.* to 1*s.* 5*d.*, and the average rate of exchange at which our remittances were made was 2*s.* 0½*d.*, showing a loss of no less than 8¼*d.* per rupee, or £118,458 in all. Of this, £93,147 was chargeable to revenue account. This loss arose from the world-wide dislocation of trade and instability of exchange which have been among the disastrous effects of the War. Perhaps, as the large loss on exchange has been commented upon, you will allow me to point out that it arises from the magnitude of the Company's interests. The loss of 8¼*d.* per rupee purchased during 1920 compares favourably with any other company having plantations in India and Ceylon of which I have any knowledge.

Properties.

The addition of the new property purchased during the year brought our total cultivated area at December 31 up to 15,721 acres. Of the 11,000 acres of planted rubber about 2,000 acres may be regarded as immature, and of the 4,157 acres of tea about 500 acres are immature. The Company has in all sixteen estates, of which eight are rubber, five are partly rubber and partly tea, two are tea estates, and one is a cardamom estate. After deducting reserves, our capital cost amounted to £41 per cultivated acre, without making any allowance for the value of the 10,106 acres of unplanted land. The labour force at the end of the year numbered 12,629, sufficient for all normal requirements, and the health conditions were quite satisfactory. You will realise that the last twelve months has been a very anxious period for your directors. Not only have they been faced by the unprecedented loss on exchange, equally shared by all plantation companies producing in India and Ceylon, but also by general world-wide business depression, and by concurrent crises in rubber and tea of a depth and extent unequalled within the memory of any of us. The results for the year are very disappointing, but arise from conditions which, I am sure you must all appreciate, have been beyond the board's control.

Cessation of Tapping Recommended.

Personally I would cordially welcome a complete general cessation of tapping for, say, three months, provided a reasonable percentage of the British and Dutch producers could be induced to combine for the purpose. Possibly this, with the partial restrictions which would follow, and which would be brought about by the logic of events, would go far to resuscitate our industry and stop further losses. I believe it would be a wise and paying policy for the Governments of Malaya and Netherlands East Indies (in which countries the great bulk of plantation rubber is produced) to bear the greater part of maintaining labour upon the estates for such a period of voluntary restriction, because the rubber plantations and their labour forces are valuable national assets in those countries, and great potential sources of wealth to them. It would be beneficial generally to all rubber-producing companies, because any immediate loss from a general cessation of production for three months would probably be far more than compensated for by the reduction of stocks and the more rapid return of the industry to a paying basis. Up till now, however, any such general policy of complete cessation of tapping has not been feasible. Failing any further combined action, the immediate policy of the board of this Company is to reduce the future output considerably below the agreed twenty-five per cent. reduction and to produce this reduced output from the cheapest producing areas; further, it is to reduce the labour employed to the minimum required for the reasonable preservation of our properties, according to the varying estate conditions, and to retain the best tappers and recruiters as far as possible, using them if necessary for upkeep and other work, and giving in some cases part-time employment to coolies rather than discharging them. The board are also taking steps to reduce the cost of European supervision. They will from time to time carefully watch the stocks and the market developments and prospects, and will either maintain the restricted output or further gradually reduce or increase it as events and prospects may seem to justify. For a long time the agents and managers have been engaged upon effecting every economy possible, and the board believes it has their hearty and loyal co-operation in the efforts which are being made to meet the present crisis.

Tea.

With regard to tea, the whole of this year's crop up to June 30 has been sold forward at an average net price of 1*s.* 2.69*d.* per lb., which compares favourably with the average price realised last year of 9.65*d.* The estimated f.o.b. cost of our tea for this year is 6.45*d.* per lb., and the estimated difference between the net selling price and the f.o.b. cost which will be realised up to June 30 is £28,500. In view of the higher price now being obtained for better-class teas, the directors have arranged for finer plucking and better manufacture, which will improve the selling prices of our teas. Since about March last the average rupee exchange has remained at just below 1*s.* 4*d.*, and we have bought exchange forward at approximately 1*s.* 3⅞*d.* for one-half of our estimated remittances until December next. We hope, therefore, we shall not experience any appreciable loss on exchange account during this year. The cost of rice and freight rates have also fallen. Your directors are keeping in close touch with the ever-varying conditions of the rubber and tea industries, and will spare no efforts to secure the best results possible for the Company. Subject to this, we can only "hold on" through the storm, satisfied that when matters improve for tea and rubber, as improve they must, this Company, with its low capital cost per acre, should be able again to make a satisfactory return to the shareholders upon the capital invested in it.

Reconstruction Scheme Discussed.

At the extraordinary general meeting to follow this meeting it will be my duty to submit for your consideration the special resolutions of which you have had notice.

The scheme, when carried through, will provide £259,000 fresh capital. This is required to replace about £100,000 capital overspent at December 31 last, and £50,000 the estimated capital expenditure this year, and will then leave over £100,000 to provide for the expenses of reconstruction, working and other capital requirements and any losses sustained in working or maintaining the estates. The Malayalam Company has always had a low capital, and the new Company will take over the properties on the very low basis of less than £45 per planted acre. The fact that the 6*s.* 8*d.* payable per share upon the new shares is equal to about £15 per acre only may be some guide to the shareholders in deciding whether they should follow their money. To meet, as far as possible, the difficult times, the directors have made the instalments payable by easy amounts. This was done in the hope that it would facilitate the great majority of shareholders taking up their proportion of the shares. To provide, however, for the case of a shareholder who does not wish to be troubled by several small payments it was arranged that the Company should receive unpaid instalments in advance under discount. As every member's



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DUMFRIES

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H.L. Richardson, Esq.,
Messrs. The Dunlop Rubber Co.,
46, North Wallace Street,
G L A S G O W.

Dear Mr. Richardson,

A customer of ours, Mr.G.G. Coghill, 75/77, Colmore Row, Birmingham, writes under date the 17th inst., as follows:-

"Incidentally I would just like to "mention that I have four Dunlop "Magnum tyres fitted. I have done "over 7,000 miles and I have not "yet had a puncture. In fact the "tyres look good for a few thousand "miles yet."

The car Mr. Coghill is using is a 15.9 Arrol-Johnston type 'A', and I thought you would be interested in his remarks.

Yours faithfully,
For ARROL-JOHNSTON LIMITED

Punctures—no relation to Dunlop Magnums

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DUNLOP
TYRES OF THE
MAGNUM TYPE

holding is not a multiple of two, and consequently some shareholders might be entitled to a half-share, provision was made for the sale of shares representing such half-shares, and the distribution of the proceeds to those entitled. It is obvious, however, that this will not affect any one shareholder to an extent of more than one-half of a share. With regard to any minority of shareholders who cannot or will not exercise their rights in relation to the new shares, it is provided that such shares not taken up shall be sold by the liquidator for the best price obtainable and the proceeds divided among the shareholders entitled to them. In this connection it is proposed to permit shareholders to apply for excess shares by tender, and the liquidator will take steps to get the best price possible for the shares not taken up as rights.

The possibility that some shareholders, for private reasons, might not be able to take up their proportions of the shares was the subject of very anxious consideration by the board, but the hardship seemed unavoidable without sacrificing what the board considers to be the best and permanent interests of the Company as a whole.

In conclusion, the board has no hesitation in recommending the shareholders to pass the resolutions to be submitted.

Mr. E. L. Hamilton's Views.

Mr. E. L. Hamilton: Ladies and Gentlemen,—The Chairman, in his very lucid and exhaustive speech, has, I think, dealt with all the points of interest, and it is almost superfluous for me to attempt to add to his remarks, but I should like, in seconding the resolution, to lay stress on the fact that the unfortunate results of the year's working are due almost entirely to the unprecedented loss on exchange, which could not have been foreseen or provided for, and which has turned what would have been a small profit into a serious loss. Your Chairman has also told you that we have considered alternative schemes to that which has been submitted to you, but I have no hesitation in saying that the scheme before you is, in my judgment, the only feasible one. I am sincerely of opinion that, if the shareholders were not to pass the resolutions, they would be seriously damaging the Company, and incidentally, of course, their own interests. Unpleasant though it may be, I strongly recommend the shareholders to accept the scheme. I beg to second the resolution. (Applause.)

Mr. G. N. Thomson: Ladies and Gentlemen,—As I have just returned from a visit to the East, where I had an opportunity of thoroughly inspecting all the estates of the Company, perhaps you would like to know a few of the chief impressions left on my mind as the result of my visit. First, as regards our rubber estates. I attribute the low yields per acre hitherto to the slower growth of our trees than those in the Malay States, due to climatic conditions. However, I am now convinced that, although our rubber trees take longer to mature, the yields will eventually much improve, and enable us, with our cheap labour in South India, to produce at as low a cost per pound as in any other country. Regarding our tea estates, I was particularly well pleased with the development that has taken place since the formation of the Company, and especially with our high-range tea, which was the finest I saw during my visit in the East. I look upon our 4,157 acres of tea as a very valuable asset of the Company. Even with the present low market we should obtain a substantial profit this year from our tea.

The resolution was carried unanimously, and the retiring directors and auditors were re-elected.

At the extra-ordinary general meeting which followed, the resolutions for the reconstruction of the Company were unanimously agreed to, and the proceedings terminated with a hearty vote of thanks to the Chairman, directors, and staff.

British Electric Traction Co., Ltd.

Change in Nature of Company's Business.

The twenty-fifth ordinary general meeting of this Company was held at the Holborn Restaurant, W.C., on June 24, Mr. J. S. Austen, the Chairman, presiding.

The Chairman, in moving the adoption of the report and accounts, said that the nature of the Company's business had undergone a change; previously it had consisted of the construction of electrical undertakings, usually of a public-utility nature, with the object either of selling them at a profit or of running them at a profit. Now, however, it was doubtful whether any such undertaking could be constructed with any prospect either of selling it or of running it at a profit. Consequently that department of their business had, for the time being at any rate, gone, and their business might be said to consist of managing those undertakings of which they held the control and of financing them. Every company with which they had to do required more money to run its business to-day than it had done previously. The necessary stores for tramway companies cost more money than formerly, and, moreover, it was necessary to make extensions, the cost of which was probably double what it used to be; extensions to power companies were also rendered more necessary because there was distinct evidence that the use of electrical power was increasing. The coal strike had taught manufacturers the value of electrical power, and, further, they found that it was cheaper to buy their power from a central station than it was to erect an installation of their own.

As to their investment in the British Automobile Traction Company, Limited, before the War that company had earned a handsome rate of dividend, but during the War their omnibuses had been taken, and, although they had continued to pay dividends, they were not of an important character. Since then the business had revived in a remarkable manner, and returns were again extremely satisfactory. The business was carried on by means of a number of subsidiary companies, and Messrs. Tilling were associated with the management.

The results for the past year did not vary very much from those of the previous year. It was true that there was an increase, but it was not sufficient to justify an increase in the dividend. As to the current year, they could not get rid of the fact that they were in the middle of a coal strike, which had continued for a considerable number of weeks, and they did not know when it was going to end. It was not the strike which they feared so much as the possible results of the strike. The strike might last for three months, but the results might last for three years, or ten years, and that was the serious matter which confronted them. But for the strike it was quite likely that they would have shown an improvement upon the results of the previous year. He had been associated with trust companies for thirty years, and this Company might fairly be regarded as a trust company. If he was asked what his opinion of the Company was, he would say, "It is all right." He was convinced that some day or other it would be a really successful and prosperous concern.

Mr. Emile Garcke (Deputy-Chairman) seconded the resolution, which was carried unanimously.

Great Indian Peninsula Railway Company, Limited.

Coal Supply Difficulties.

The 143rd half-yearly general meeting of this Company was held at 48 Copthall Avenue, E.C., on June 24.

Sir Charles H. Armstrong presided, and in the course of his speech said: The year under review has not been as satisfactory as I had hoped, and, owing to a variety of circumstances, mostly adverse, we do not show the same steady progress as in the past. Our gross earnings have only increased by 1.48 per cent., and the improvement is mainly due to larger receipts under the head of sundries. Although the number of ordinary passengers carried was over 39½ millions, or about 3¾ millions in excess of the previous year, the receipts from trooping fell off considerably, and the net result in coaching was a decrease of nearly five lacs of rupees. Goods earnings, on the other hand, increased by about 6½ lacs, or .83 per cent., as compared with the previous year. Working expenses have, however, increased by over two crores of rupees, and the net result, after the inclusion of all interest charges, is a deficit on the three per cent. guaranteed by the Secretary of State of 13.99 lacs, equal to one-fifth per cent. on the capital expenditure of the line, which is now 72 crores of rupees. Only once before since the Company was incorporated, in 1900, has there been a deficit, and this was in 1908-09, and the shortage was then about ten lacs of rupees. From funds in hand the directors are, however, declaring a dividend of one per cent. in addition to the guaranteed interest of one and a-half per cent. for the six months, which makes a total for the year of four per cent., as against six per cent. and one per cent. bonus distributed a year ago.

Conditions in India.

The export trade of India has been greatly hampered during the twelve months by the inability of Continental markets to purchase raw materials, such as cotton and oil seeds, in which we are very largely interested. The import trade, which for a time was greatly stimulated by a high exchange, has also fallen off, and as Western India generally has been suffering during the last few months from the deficient rainfall of a year ago, trade generally has languished, and is hardly likely to improve materially at present. At the low exchange now ruling exports ought to be stimulated, but foreign buyers are scarce, and such business as offers is very often difficult to finance. Although in some directions the worst may have been passed, the balance of trade is still heavily against India, and this deficiency will only be adjusted gradually as the Continent and other consuming markets recover their powers of purchase. The monsoon broke in Bombay on the 10th inst., and if the rainfall is plentiful there may be some improvement in trade towards the end of the year.

Having compared the past year's results with those of the year immediately preceding the War, the Chairman proceeded: We have every reason to be well satisfied with the progress we have made during the past seven years, and if in the years to come we continue to progress to the same extent our position shortly ought to be very much improved.

We have had great difficulties during the year in connection with our coal supply. Political propaganda in the coal districts has interfered with the out-turn from the mines, and the increased cost of overseas purchases will

add very considerably to our working expenses during the current year. Our own collieries during the year have produced about 426,000 tons. I am hoping, however, that this quantity will be considerably increased in the near future. As regards the use of oil, we are pushing on with our storage arrangements and hope during the current year to be able to use this fuel more freely. The suburban electrification scheme has been under investigation during the year, and Mr. Dallas, our Managing Director, when in Bombay a few months ago, went into this matter very thoroughly with our electrical experts. Preliminary arrangements are now far advanced, and we hope to start the work as soon as funds can be arranged for.

The Current Year's Prospects.

As regards the current year, I cannot say anything very encouraging at the moment. Passenger fares have lately been increased more or less up to the limits allowed. The rate for coal has also been brought, I hope, on to a paying level. In other directions rates have been increased to some extent, but even with these advances our gross receipts do not so far show any material advance on the figures of a year ago. I am hoping, if the monsoon is favourable—and the progress of the rains is so far satisfactory—for a considerable improvement before the end of the year, but the higher cost of working and the greatly increased cost of our coal supplies will again affect our yearly accounts.

The Report of the Indian Railway Committee is likely to be issued during the summer, and its financial recommendations are being awaited with considerable interest. With the best will in the world it is impossible for an Indian railway to keep ahead of its traffic if funds for necessary improvements and extensions are not forthcoming. This has been the position for many years, and if a boom in trade was to set in the deficiency of the railways generally would be very marked. On the G.I.P. many useful improvements have been carried out in recent years, and we are able at the present time to handle a much larger traffic than we did in pre-War days, but the development of Indian industries calls for largely increased transport facilities, and for several years to come we could spend money freely and advantageously on extensions, rolling-stock, larger station yards, and improvements generally. I hope this question of an improved system of finance will form the main recommendation of the Indian Railway Committee, for without a sufficiency of funds no system of railway management can be really successful.

The report and accounts were unanimously adopted.

New Issues.

A. W. GAMAGE, LIMITED.

Offer of 150,000 Ordinary shares of £1 each at par.

From its earliest days the business of A. W. Gamage, Limited, has experienced continued prosperity. Keen attention to the demands of the public, and widespread but judicious advertising have combined to build up an undertaking of unusual stability. The issued capital is £500,000, divided into £175,000 Preference, and £325,000 in Ordinary shares, in addition to which there are £100,000 in Four-and-a-Half per Cent. Debentures. The shares now offered are intended to finance the erection of new buildings and the purchase of stock and equipment for new departments, it being intended to develop to the full the business of a general store. The pre-War standard for Ordinary dividend was ten per cent., which after a dip to six during the period of hostilities was reverted to during the past two years. Net profits for 1912, at £30,000, were exceeded during all the war years, and had risen to £90,000 in 1919. In 1920 they dropped to £64,000 as a result of the trade slump. Net assets, on January 31, 1921, amounted to £604,028, or 27*s.* per £1 Ordinary share then existing. The current quotation for the latter is around 21*s.* 6*d.*, which, presuming accrued interest at the rate of ten per cent. per annum, gives a net value of about 21*s.* The present issue will rank for dividend as from the dates of payment of the different instalments. Despite the coal strike sales for the current year are the largest on record, and in view of the drastic writing down of stocks at the end of the last financial year, the directors consider that the next Ordinary dividend will exceed ten per cent. Subject to the general uncertainties of trade, the present emission has attractions, and will appeal in particular to existing shareholders. Further details are available on pp. ii. and iii.

PLYMOUTH AND STONEHOUSE GAS LIGHT AND COKE COMPANY.

Offer at par of £69,835 Seven-and-a-Half per Cent. Ten-Year Debenture stock redeemable at par on March 31, 1931.

The Company supplies gas in Plymouth, Stonehouse, and adjacent districts to nearly 40,000 consumers. The proceeds of the stock now offered will be used to repay bankers' loans obtained to finance plant extensions. The authorised loan capital is £169,835, of which £85,000 has been issued. Net revenue for the year ended March 31, 1921, amounted to £22,667. As the annual interest on existing Debenture capital and that now being issued will amount to only £8,500, it is amply assured. For investors to whom an active market is not essential the stock offers an attractive return. The lists will close on or before Thursday, June 30.

PENDING ISSUES.

ESTATES CONTROL.—Fifty-eight £1 Six per Cent. Bovril Preference shares in exchange for each £50 Six per Cent. Five-Year Bovril Notes.

IMPERIAL TOBACCO (CANADA).—$6,500,000 Seven-and-a-Half per Cent. bonds at 90 to Preference and Ordinary shareholders.

RESULTS.

BURMAH OIL.—3,000,000 Eight per Cent. £1 Preference shares at par. Oversubscribed.

CARDIFF GAS LIGHT AND COKE.—£237,860 Seven-and-a-Half per Cent. Ten-Year Debenture stock at par. Oversubscribed.

HARRODS (B.A.).—£1,750,000 Eight per Cent. Cumulative Preference shares at par. Underwriters left with forty per cent.

JOHNSON AND PHILLIPS £350,000 Eight per Cent. First Mortgage stock at 96. Underwriters left with sixty per cent.

SOUTH AUSTRALIA.—£3,000,000 Six per Cent. stock. Underwriters left with seventy-three per cent.

TASMANIA.—£2,000,000 Six per Cent. stock. Underwriters left with fifty-seven per cent.

RMSP PSNC
TO SOUTH AMERICA
THE ROYAL MAIL STEAM PACKET CO
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THE PACIFIC STEAM NAVIGATION CO
GOREE, WATER ST., LIVERPOOL
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ARTHUR L. HUNT, F.S.S., F.C.I.I.,
General Manager.

BANK OF MONTREAL

Established in 1817.

Paid-up Capital, $[illegible].
Rest, $22,000,000.
Undivided Profits ... $1,[illegible]
Total Assets [illegible] April, 1921 ... $[illegible]

BOARD OF DIRECTORS

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C.B., H. R. [illegible], Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, C.M.G., M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., G. B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq., K.C., Hon. Sir Lomer Gouin, K.C.M.G., General Sir Arthur Currie, G.C.M.G., K.C.B., LL.D.

Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago, San Francisco and Spokane in the United States, and at Mexico City.

LONDON OFFICES:
47 Threadneedle Street, London, E.C.2.
9 Waterloo Place, Pall Mall, S.W.1.
PARIS AGENCY: BANK OF MONTREAL (FRANCE).
17 Place Vendome, Paris.
London Committee: [illegible], Sir Vincent Meredith, Bart., [illegible], Lt.-Col. H. R. S. Baillie.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

The Bank has [illegible] arrangements with leading banks covering [illegible] countries, and is, therefore, in a position to offer favourable [illegible] facilities for business [illegible] with Canada. With its numerous Branches [illegible] exceptional facilities for the transaction of a [illegible] business between Canada and Newfoundland, the United States, Mexico and France.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C.3

Authorised Capital	£2,000,000
Called-up Capital	£1,000,000
Reserve Fund	£266,000
Reserved Liability of Shareholders ..	£1,000,000

BRANCHES:

BOMBAY	CALCUTTA
COLOMBO	BAGDAD
BASRA	AMARA
BAHREIN	BASRA CITY
HILLAH	MOSUL

BOARD OF DIRECTORS.

Chairman.
The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T.
Deputy Chairman.
J. S. HASKELL, Esq.
SIR JAMES LEIGH WOOD, K.B.E., C.B., C.M.G.
G. PROMLEY-MARTIN, Esq.
JAMES H. BATTY, Esq. EMILE FRANCQUI, Esq.
MEYER SASSOON, Esq.

The Bank issues Drafts, Telegraphic Transfers, and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East. Deposits are received for one year at 6 per cent. per annum and for shorter periods at rates which can be ascertained on application. On Current Accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

BANQUE NATIONALE DE CRÉDIT.

CAPITAL	Frs. 500,000,000
RESERVE FUND	„ 92,000,000
DEPOSITS	„ 2,420,000,000

Head Office:

— PARIS. —

330 Branches in France.

4 Branches in the Rhenish Provinces.

GENERAL BANKING BUSINESS.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C.2.

Paid-up Capital	£4,931,100	
Reserve Fund	3,350,000	
Reserve Liability of Proprietors...	4,951,100	
	£13,212,200	
Aggregate Assets, 30th Sept., 1920	£72,[illegible]7,795	

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Money and Cable Transfers, Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM,
Acting Manager.

NATIONAL BANK OF NEW ZEALAND,

LIMITED.

HEAD OFFICE—17 Moorgate Street, E.C.2.

AUTHORISED CAPITAL	... £[illegible]
SUBSCRIBED CAPITAL	. [illegible]
PAID-UP CAPITAL	. [illegible]
RESERVE FUND	. [illegible]
UNCALLED CAPITAL	. [illegible]

Receives Deposits of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application.

Drafts, Letters of Credit and Wire Remittances granted, and Bills on New Zealand purchased or sent for collection.

ARTHUR WILLIS,
Secretary and London Manager.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869.

Paid-up Capital and Reserves	$40,000,000
Total Resources	$560,000,000

Head Office—MONTREAL.

Sir HERBERT S. HOLT, ... E. L. PEASE, *Vice-President and Managing Director.*
C. E. NEILL, *General Manager.*

730 Branches in Canada and Newfoundland; in Cuba, Porto Rico, Dominican Republic, Haiti, Guadeloupe, Martinique, Costa Rica, Venezuela, and Colombia.

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BRAZIL	Rio de Janeiro, Santos,
URUGUAY	Montevideo. SaoPaulo.
BARCELONA, SPAIN	Pla a de Cataluna 6.
NEW YORK AGENCY	68 William Street.
LONDON OFFICE	Princes Street, E.C.2.

FRENCH AUXILIARY.
THE ROYAL BANK OF CANADA (FRANCE), PARIS—58 Rue du Quatre Septembre.

THE BANK OF ADELAIDE,

Paid-up Capital.....	£625,000
Reserve Fund	620,000
	£1,245,000
Reserve Liability of Shareholders	625,000
	£1,870,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.
Sydney Office: 105 PITT STREET.
Melbourne Office: 267 COLLINS STREET.
Bills on Australasia purchased or collected.
Drafts issued and **Remittances** cabled.
Deposits received for fixed periods at rates to be ascertained on application.
London Office—11 LEADENHALL ST., E.C.3.

THE BANK OF NOVA SCOTIA.

Established 1832.

General Office: Toronto, Canada.

Capital	$9,700,000
Reserve Fund	$18,000,000
Total Assets	$240,000,000

Special facilities are available to the public through the Branches of this Bank for the transaction of business with Canada, Newfoundland, Cuba, Porto Rico, Dominican Republic, Jamaica, and the United States at Boston, Chicago and New York.

329 Branches in all.

LONDON BRANCH:
55 OLD BROAD STREET, E.C.2
E. C. MACLEOD, Manager.

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID	... $3,000,000.00
SHAREHOLDERS' LIABILITY	$3,000,000.00
SURPLUS AND PROFIT	... $8,200,000.00

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Bombay	Mombasa	Kenya
Madras	Nairobi	Colony.
Karachi	Nakuru	British
Chittagong	Kisumu	East Africa
Aden	Port Sudan	
Aden Crater	Entebbe	
Delhi	Kampala	Uganda.
Colombo	Jinja	
Talaimannar	Kandy	
Nuwara Eliya		
Dar-es-Salaam	Tanganyika Territory	
Tanga		

SUBSCRIBED CAPITAL ... . [illegible]
PAID-UP CAPITAL ... . [illegible]
RESERVE FUNDS . . [illegible]

LONDON BANKERS: Bank of England, National Provincial and Union Bank of England, Limited, National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be [illegible] on application. Interest payable [illegible] and remainder.

Current accounts are opened, and provided they do not fall below £[illegible] interest is allowed on the minimum monthly balance at the rate of [illegible] per cent. per annum.

THE MERCANTILE BANK OF INDIA, LTD.

Head Office: 15 Gracechurch St., London, E.C. 3.

Capital Authorised ...	... £3,000,000
Capital Paid up	. 1,050,000
Reserve Fund & Undivided Profits	1,227,638

Branches:
INDIA, BURMAH, CEYLON, STRAITS SETTLEMENTS, CHINA, AND PORT LOUIS, MAURITIUS.

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application.

Fixed Deposit Rates will be quoted upon application.

On current accounts interest is allowed at [illegible] per cent. per annum on daily balances.

BERGENS PRIVATBANK.

Bergen and Kristiania.

Established 1855.

Capital and Funds - Kr. 71,000,000

LONDON AGENTS:
London Joint City & Midland Bank, Ltd.
Hambro's Bank of Northern Commerce, Ltd.
Old Broad Street and Bishopsgate.
Barclays Bank Ltd.

Every description of Banking Business.

BANQUE GUYERZELLER

Societe Anonyme ZURICH. Established 1894.

Paid-up Capital - Frs. 6,000,000.

Every description of Banking business transacted.

BANK OF JUGOSLAVIA LTD.

Zagreb, Jugoslavia

Subscribed Capital ...	JK200,000,000
Reserve	50,000,000

NEW YORK AGENCY
25 Broadway New York
Cable Address "Jugobank"

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"The Statist"

HALF-YEAR (JULY-DECEMBER, 1920)

BANKING AND COMMERCIAL

REVIEW SECTION

Vol. XCVII. No. 2,243. SATURDAY, FEBRUARY 19, 1921. SPECIAL SECTION.

THE

ANGLO-SOUTH AMERICAN BANK

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BRADFORD OFFICE: 69 Market Street.

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BRITISH BANKING.

A CHANGEFUL YEAR.

Though abnormal conditions ruled throughout the banking world in 1920, the year witnessed the first really serious effort to win back to normal financial standards and to reverse the policy of inflation that had been the result—in part inevitable—of the Government's method of financing most of its war, and much of its subsequent peace expenditure. The economic consequences of the period of hostilities, as seen in the reduction of productive power through the loss of men, materials, and treasure, in the mental reaction after the prolonged strain and the physical exhaustion of most European countries, in the universal demand for reduced hours, increased wages and improved working conditions, and, finally, in the higher scale of taxation and the heavy burden of Government expenditure, are still with us. The United Kingdom has, however, more than any other belligerent country, with the exception of the United States, displayed a vitality and power of recuperation little short of marvellous; but we have not yet seen the end of our difficulties. The evils of the position here and abroad have been aggravated because credits were often granted to assist purely speculative operations, and thus fresh purchasing power was created without any corresponding increase in the production of consumable goods, a course that infallibly brings disaster. The purely productive side of industry has also, however, received a check, as the big premium, in the shape of enhanced profits, commanded by producers through the scarcity of goods has been checked by the rapid decrease in purchasing power abroad through the collapse of the foreign exchanges, by the consequent repletion of the commodity markets, and by the diminution in consumption at home, partly as a result of deliberate abstention and partly because economy was forced on consumers by high prices. To express the change in another fashion, we might say that production increased more rapidly than did the capacity of the markets to absorb the products, and the contraction in the outlets for commodities was hastened by the ever-increasing price levels, as both merchants and manufacturers, and, to a large extent, the consuming public, believed, or acted as if they believed, that production was not likely for many years to overtake consumption and that the effective demand was for the present illimitable. We have weathered a part of the consequent crisis, but unsound trade and financial conditions abroad are far from being remedied. There is a continued increase in Government borrowings for unproductive purposes. Speculative activities have not been widely stopped, since the banks do not or cannot check the misuse of credit. As the level of prices corresponds generally with the ratio of purchasing power to actual production, it follows that expansion in the first item of the ratio without increase in the second will raise prices. In Continental countries this currency expansion, leading to increases in the price and wage levels, continues. In the United Kingdom the imposition of a limit of £320,600,000 to the fiduciary issue of currency notes, the raising of the Bank rate to seven per cent. in April, and the subsequent understanding with the banks to contract all speculative and unnecessary credits marked the initiation of a policy that has been the subject of alternate praise and criticism. Too much has at times been made of the effects of the Government's endeavour to stop the rise in prices and the resulting increase in the cost of living, as well as of the consequences of raising the Bank rate by one per cent. People are apt to forget that the price of money plays but a small part in determining costs of production. In pre-War days, when the volume of purchasing power was more limited and the general rate of interest much lower, the effect of an increase of one per cent. in the Bank rate was considerable; but to-day there has been a big expansion in the national, as distinct from the international, purchasing power of the United Kingdom, and of all countries, especially where gold prices do not prevail. At the same time the volume of purchasable commodities and services has contracted. The expansion of the one and the contraction of the other are the root cause of the British and the present European *malaise*.

In the light of the foregoing analysis, deflation appears as the natural antidote to inflation. There is, however, a tendency to condemn the former because its enforcement has synchronised with a period of depression, while in the days of inflation trade was, to all outward appearance, highly prosperous. But inflation is an evil which grows upon itself, and its continuance would have meant the abandonment of all hope of reverting to the gold standard, and the substitution for that standard of one almost impossible of stabilisation, and varying according to the needs, or the whim, of the Government of the day. The boom period contained within itself the seeds of its own decay, and its necessarily transient character was not appreciated then, nor is it even now, when it is looked back to as a sort of golden age, though the term paper age might be considered more appropriate.

INFLATION AND EXCHANGES.

Deflation has been pursued in the United States during the last year, with the result that Bradstreet's index-number fell from the peak of 20.8690 reached in January to 12.6631 in December. At the latter figure the general level of prices in the United States was only thirty-seven and a-half per cent. above the average for 1913. The action of the American Federal Reserve Board in rigidly contracting credits entailed, and still entails, much hardship on many legitimate interests, but, despite protests from all sides, the policy has been persevered in. That the general results have been beneficial is seen by the continued expansion in American trade, though the rate of expansion has been reduced. If inflation were persisted in here, not only would our exchanges become demoralised and our markets be gradually lost to the United States, but we should lay up a store of domestic trouble. Inflation brings high prices and dear living, and accentuates labour discontent. Further, if deflation was not advisable on these accounts, it was, from another point of view, inevitable. Inflation was going beyond the bounds of safe banking, and unless checked in time it would have swollen to unwieldy dimensions, which would have rendered a return to normal arduous, if not impossible. The action of the Court of Directors of the Bank of England was also defensible from another standpoint. Many are apt to mistake a plenitude of short money, as seen by the ease of day-to-day or weekly loans, for an abundance of capital, and imagine that the present Bank rate is equivalent to placing an artificially high value on the latter commodity. But real capital is not plentiful; it could not possibly be after the colossal destruction involved in the last six years, and the point need not be laboured further.

Deflation is defined in a subsequent article as the process by which the volume of currency and credit, used in effecting the exchange of commodities, taken in conjunction with the velocity of circulation, is made to contract at a faster rate, or increase at a slower rate, than the volume of exchangeable goods

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and services produced. It can therefore be brought about in at least two ways—by reducing the volume of credit and currency or increasing the volume of production. The latter method is, no doubt, the more desirable, but ultimately it makes no difference which method is followed, since the result—a fall in the general price-level—is the same in both cases. For the benefit of anti-deflationists it might be pointed out that, though the Government more or less openly espoused the unpopular side, which was a contraction in the currency, its own finances do not show a practice in conformity with its precepts. The floating debt, including in that term Treasury bills and Ways and Means Advances, amounted on January 10, 1920, to £1,353,955,000; on January 15, 1921, to £1,400,221,000; and on the 5th instant to £1,381,901,000. The highest point touched was £1,571,387,000 on June 30, 1919, and the stationary character of the debt for most of the subsequent period has been due to the repayments of short-term foreign debt, such as the Anglo-French Loan, and of the principal of Exchequer Bonds, together with the cancelling of Government securities surrendered in payment of excess-profits duty or death duties. The reduction in recent weeks has been mainly due to the large receipts of tax revenue. Treasury bills naturally give the holders the right to call for money on their maturity, while Ways and Means Advances by the Bank of England widen the basis of credit by ultimately increasing the balances of the various joint-stock banks with the Bank. The floating debt has therefore contracted only slightly, and that in recent weeks. Again, the volume of loans and advances by the various banks has increased. As will be seen from Table IV., for forty-two banks of the United Kingdom (exclusive of the Bank of England) the amount of bills discounted (which are not, however, shown separately in all cases) rose by 18.6 per cent. from £346,768,000 in 1919 to £411,266,000 in 1920, while advances increased by 13.7 per cent. from £1,003,152,000 to £1,140,717,000.

INCREASED BANKING CREDITS.

These items do not reveal any contraction in the volume of credit; but the exact bearing, both of these and of the figures previously quoted for the floating debt, on the question of deflation is not a subject for dogmatic inferences, as several vital factors—such as velocity of circulation and volume of production and effective demand—are either unknown or unascertainable. What we know is that, while accommodation by the banks has increased, it has not risen in proportion to the increased demand for it. Discrimination has been exercised in favour of the class of borrower who seeks credit for something more productive than the speculative buying or holding of stocks in the commodity and share markets. Any depression which this may have caused is in the last analysis due not to the bad policy of our own Government, but to the inability or unwillingness of foreign Governments to imitate our good example by endeavouring to set their financial house in order. In a word, the present depression arises more from external than from internal causes, apart from considerations of reduced consumption forced on our population by the lower standard of living and the reaction against high prices. Great Britain, more than any other country, is dependent for its prosperity on its foreign trade. There is a lack of international purchasing power, in contradistinction to a superfluity of national purchasing power, and hence the curious result arises that, though the world's production of goods is far short of its needs, it is impossible to find a market even for the diminished output.

The present trade crisis differs in this respect from all others that preceded it. It is not the result of overproduction. There is no surplus of commodities, but rather an under-consumption due to lack of buying ability. It is here that our banks might discharge a most useful function, by helping to give reality to this potential demand. Only thus can the reconstruction of our industry, which has proceeded at a faster pace than the general world recovery, and has accordingly received a temporary set-back, be resumed on a more assured and more permanent basis. If we wish to dispose of our products we must be ready to sell on credit, and the intervention of the banks becomes an important and vital necessity. They must see their way clearly ahead, as it would be inconsistent with their duty to depositors to risk their funds in advances to the Government or citizens of States that are admittedly bankrupt or practically insolvent. The strength of their position, should they decide to co-operate in some scheme of export credits to Continental countries, is shown in Table I., where the assets and liabilities of forty-two principal banks of the United Kingdom are set forth. Paid-up capital and reserves exceed £160 million, and deposit, current, and other accounts £2,486 million. They are thus amply provided with the means of financing large-scale operations.

On examination of the table, the predominance of the "Big Five" and the ruling effect they exercise on the general figures are immediately noticeable. In the order of their balance-sheet totals these banks rank as follows: London Joint City and Midland, £422,837,258; Lloyds, £388,402,879; Barclays, £361,858,296; London County Westminster and Parr's, £343,433,975; and National Provincial and Union, £301,750,997. Our first table contains in all fifteen London banks (the Bank of England being excluded), eight provincial banks, eight Scottish, nine Irish (including the National Bank), one Isle of Man, and one Guernsey bank; and of the total deposits of these forty-two institutions the five just mentioned hold £1,628,284,000, or approximately two-thirds of the whole, while their paid-up capital and reserves—£105,395,000—bear a somewhat similar proportion to the total of all the banks dealt with. Of the aggregate deposits of the five, the London Joint City and Midland accounts for 22.8 per cent., Lloyds for 21.2, Barclays for 20.1, London County Westminster and Parr's for 18.8, and the National Provincial and Union for 17.1 per cent. The comparative figures for these leading banks are set forth in the following table:—

Table II.—Position of Five Leading Banks as at December 31, 1920.

LIABILITIES.	Paid-up Capital	Reserve	Notes in Circulation.	[illegible]	[illegible]	[illegible]	[illegible]
	£	£	£	£	£	£	£
Barclays	15,592,572	8,273,000	-	10,227,554	[illegible]	[illegible]	[illegible]
Lloyds	14,137,796	[illegible]	—	17,867,530	[illegible]	[illegible]	388,[illegible]
Lond. City West. & Parr's ...	8,563,718	9,[illegible]3,718	19,025	19,034,317	305,854,631	[illegible]	[illegible]
Lond. Jt. City & Midland ...	10,859,800	10,859,800	—	27,849,904	571,841,968	1,425,786	422,[illegible]
Nat. Provincial & Union ...	9,[illegible]0	8,[illegible]4	—	[illegible]	[illegible]	[illegible]	[illegible]
	58,403,102	46,991,559	19,025	79,383,409	1,628,283,717	5,202,593	1,818,283,405

ASSETS	Cash in hand and at Bk. of England	Money at Call and Short Notice	Total Cash in hand and money at Call	Investments	Bills Discounted	Advances	[illegible]	[illegible]
	£	£	£	£	£	£	£	£
Barclays	61,[illegible]6	21,313,395	83,024,041	63,936,119	11,[illegible]	[illegible]	[illegible]	4,248,857
Lloyds	51,[illegible]6	14,747,688	65,900,764	73,376,529	76,037,123	151,079,174	227,116,297	[illegible]
Lond. County West. & Parr's ...	40,124,145	22,937,762	72,061,907	57,984,694	60,335,724	130,558,521	[illegible]	3,478,812
Lond. Jt. City & Midland ...	70,196,168	18,[illegible]	88,688,181	55,023,750	57,671,879	189,719,805	247,391,684	3,883,759
Natl. Provincial & Union ...	11,954,105	11,850,947	53,805,052	[illegible]	42,752,672	[illegible]	183,139,132	[illegible]
	274,138,140	89,341,805	363,479,945	306,758,245	281,658,203	767,585,189	1,049,243,383	19,418,423

* The asset of customers' liability under acceptances, [illegible]

TABLE I.—LIABILITIES OF 42 BANKS OF THE UNITED KINGDOM, 1920.

	Date of Latest Balance Sheet	Paid-up Capital	Reserve	Paid-up Capital and Reserve		Notes in Circulation		Deposits and Current Accounts		Profit		Total Liabilities and Assets
		£	£	£		£	%	£		£		£
Baker, Barnett & Co.	[illegible]	100,000	75,000	175,000	3·0	—	—	5,703,372	97·0	—	—	5,878,372
Bank of [illegible]	Dec. 31	2,769,231	970,000	3,739,231	7·3	10,926,457	21·4	36,355,856	71·0	158,767	·3	51,180,311
Bank of [illegible] & Martins	Dec. 31	2,348,890	1,400,000	3,748,890	4·1	—	—	6,518,293	7·1	81,206,768	88·5	313,319	·3	91,787,270
Bank of Scotland	Feb. 28	1,325,000	550,000	1,875,000	4·1	4,228,825	9·3	672,307	1·5	[illegible]	84·8	129,134	·3	45,296,918
[illegible] Bank	Dec. 31	15,592,372	8,250,000	23,842,372	6·6	—	—	10,227,554	2·8	327,229,768	90·4	565,092	·2	361,858,296
Baring Bros. & Co.	Dec. 31	1,025,000	1,000,000	2,025,000	8·3	—	—	3,731,786	15·4	18,500,885	76·2	19,500	·1	24,271,031
[illegible]	Dec. 31	500,000	550,000	1,050,000	4·9	1,661,679	7·7	—	—	[illegible]	87·1	73,854	·3	21,527,776
British Mutual	Dec. 31	70,603	52,000	122,603	18·2	—	—	—	—	545,797	80·8	6,898	1·0	675,238
Child & Co.	[illegible] 7	[illegible]	73,098	573,098	13·0	—	—	—	—	3,818,552	87·0	—	—	4,391,650
Clydesdale Bank	Dec. 31	1,000,000	1,200,000	[illegible]	4·8	3,712,881	8·1	[illegible]	1·1	39,249,163	85·5	[illegible]	·5	45,900,914
Commercial Bank of Scotland	Nov. 1	1,750,000	1,000,000	2,750,000	5·4	[illegible]	8·5	[illegible]	4·0	41,975,145	81·9	[illegible]	·2	51,241,597
Coutts & Co.	Dec. 31	[illegible]	800,000	[illegible]	6·8	—	—	[illegible]	2·6	[illegible]	90·6	—	—	[illegible]
Cox & Co.	[illegible]	[illegible]	600,000	[illegible]	5·1	—	—	[illegible]	3·4	22,237,472	91·5	—	—	24,317,409
Equitable Bank	Dec. 31	40,000	50,000	90,000	7·7	—	—	1,077,700	—	1,077,700	91·6	[illegible]	·7	1,176,093
Farrow's Bank, Ltd.	June 30	361,423	[illegible]	499,923	10·7	—	—	—	—	4,137,043	88·8	[illegible]	·5	4,657,786
Glyn, Mills, Currie & Co	Dec. 31	1,000,000	500,000	1,500,000	4·6	—	—	[illegible]	5·3	[illegible]	90·1	—	—	32,382,325
Guernsey Banking Co.	June 30	50,000	65,000	115,000	13·4	47,215	5·5	—	—	[illegible]	80·2	7,984	·9	[illegible]
Hibernian Bank	Dec. 31	500,000	180,000	680,000	4·5	—	—	—	—	14,292,422	95·2	35,288	·3	15,007,710
Hoare & Co., Chas.	[illegible] 6	485,000*	—	485,000	10·3	—	—	—	—	4,221,675	89·7	—	—	4,706,675
Isle of Man Banking	Dec. 31	30,000	88,000	118,000	5·2	90,362	4·0	—	—	2,050,026	90·5	7,555	·3	2,265,943
Lancashire & Yorkshire Bank	Dec. 31	1,006,560	875,000	1,881,560	5·7	17,245	·1	1,106,723	3·4	29,591,220	90·1	239,768	·7	32,836,516
Lloyds Bank	Dec. 31	14,137,796	10,000,000	24,137,796	6·2	—	—	17,867,530	4·6	345,028,984	88·8	1,368,569	·4	388,402,879
London County West. & Parr's	Dec. 31	8,503,718	9,003,718	17,507,436	5·1	19,025	—	19,034,317	5·5	305,854,631	89·1	1,018,566	·3	343,433,975
London Joint City & Midland	Dec. 31	10,859,800	10,859,800	21,719,600	5·2	—	—	[illegible]	6·6	371,841,988	87·9	1,425,786	·3	422,837,258
London Mercantile Bank	Dec. 31	750,000	350,000	1,100,000	26·3	—	—	2,259,618	54·1	721,375	17·3	93,838	2·3	4,174,831
Manchester and County Bank	Dec. 31	1,092,040	[illegible]	1,942,040	6·2	—	—	1,325,358	4·3	27,673,512	88·6	283,063	·9	31,223,973
Manchester & Liverpool District	Dec. 31	1,[illegible]	1,550,000	3,446,000	5·3	—	—	1,[illegible]	2·4	60,037,956	91·6	437,952	·7	65,518,567
Mercantile Bk. of Scotland, Ltd.	Mar. 31	14,070	5,000	19,070	8·5	—	—	—	—	[illegible]	91·4	[illegible]	·1	224,416
Munster & Leinster	Dec. 31	400,000	900,000	1,300,000	4·7	—	—	—	—	[illegible]	95·1	[illegible]	·2	27,709,647
National Bank	Dec. 31	1,500,000	980,000	2,480,000	5·1	3,967,729	8·1	531,000	1·1	41,706,785	85·4	[illegible]	·3	48,846,228
National Bank of Scotland	Nov. 1	1,100,000	1,000,000	2,100,000	4·8	3,798,878	8·6	[illegible]	2·0	37,057,604	84·2	187,403	·4	44,042,667
Nat. Prov. & Union Bank of Eng.	Dec. 31	[illegible]	8,878,011	18,187,457	6·0	—	—	4,104,104	1·5	278,385,366	92·2	824,070	·3	[illegible]
N. of Scot. & Town & Co. Bank	Sept. 30	[illegible]	652,000	1,304,000	4·7	[illegible]	9·5	—	—	23,719,742	85·1	[illegible]	·7	27,872,557
Northern Banking Co.	Aug. 31	600,000	480,000	1,080,000	5·1	[illegible]	12·0	[illegible]§	3·9	16,921,042	78·8	[illegible]	·2	21,463,858
Provincial Bank of Ireland	Dec. 31	540,000	450,000	990,000	4·8	2,058,690	10·2	—	—	17,[illegible]	84·7	[illegible]	·2	20,209,140
Royal Bank of Ireland	Aug. 31	300,000	80,000	380,000	8·1	—	—	—	—	[illegible]	91·6	[illegible]	3	4,704,037
Royal Bank of Scotland	Oct. 9	2,000,000	1,082,276	3,082,276	6·5	[illegible]	7·5	311,772	·6	[illegible]	85·2	[illegible]	·2	47,460,685
Ulster Bank	Nov. 30	500,000	700,000	1,200,000	4·0	3,530,334	11·9	—	—	[illegible]	83·7	[illegible]	·4	29,742,158
Union Bank of Manchester	Dec. 31	750,000	675,000	1,425,000	5·3	—	—	3,424,881	12·6	22,294,412	81·9	64,445	·2	27,208,738
Union Bank of Scotland	Apr. 1	[illegible]	1,000,000	2,000,000	5·1	[illegible]	8·8	[illegible]	2·3	[illegible]	83·3	295,576	·5	39,499,788
Williams Deacon's Bank	Dec. 31	1,875,000	1,000,000	2,875,000	6·6	—	—	1,539,191	3·6	38,870,845	89·5	[illegible]	·3	43,428,624
Yorkshire Penny Bank	[illegible] 1	[illegible]	[illegible]	[illegible]	4·8	—	—	—	—	[illegible]	95·2	—	—	[illegible]
TOTAL, 42 BANKS		90,433,919	69,662,433	160,096,352	5·7	50,647,396	1·8	110,751,569	3·9	2,486,396,696	88·3	8,718,727	·3	2,816,610,740

* Reserve not [illegible] paid capital. † Payment suspended 1 December 20, 1920. [illegible] ‡ Including £[illegible] Northampton [illegible] Bank. § Endorsement [illegible] guarantees and [illegible] bills.

The combined deposits of forty-three banks of the United Kingdom, including the Bank of England, amounted towards the end of last year to £2,676,264,000, the corresponding figure for the previous year for the same banks being £2,543,668,000. The number of banks has, of course, been continually lessening by amalgamation, and we give in the subjoined table the number for which figures have been tabulated each year since 1913, and the changes shown in the aggregate of their deposits:—

Table III.

Year	No. of Banks	Deposit, Current [illegible] Amount £	Increase on [illegible] Amount £	
1913	77	1,142,038	—	—
1914	77	[illegible]	[illegible]	15·8
1915	67	1,433,374	111,107	8·4
1916	65	1,657,705	224,331	15·7
1917	63	1,909,083	251,378	15·2
1918	54	2,274,729	365,646	[illegible]
1919	49	2,598,695	323,966	14·2
1920	43	2,676,264	[illegible]	[illegible]

* With [illegible] for the Northampton [illegible] Bank [illegible] the increase is £132,596, or 5·2 per cent.

The figures of the banks whose 1920 accounts remain to be published are unlikely to affect the results materially. The year 1920 may thus be taken as displaying on the whole a marked reduction in the rate of increase in deposits. This is a not unwelcome feature, since, as almost every country now knows to its cost, deposits rise with a decrease in the purchasing power of the currency. Where prices advance, more money will obviously be required to finance the purchase of the same volume of goods and services. Hence the remarkable result that bank deposits have risen to their highest level in countries whose currency unit has most depreciated and whose financial position is accordingly most parlous. Loans —in some instances directly and in others indirectly —make deposits, but the great increase shown in the various kinds of advances by the banks, previously mentioned, is not altogether reflected in deposits.

Capital reorganisations by British banks have not been infrequent in the last twelve months, and, in addition to the general increase in resources, the ratio of the amount paid up by the shareholders, plus reserves, to total liabilities has risen from 5.1 per cent. in 1919 (for forty-two banks, exclusive of the Bank of England) to 5.7 per cent. in 1920. This reverses the downward movement in the ratio observable all through recent years. The paid-up capital of the banks increased from £74,245,000 to £90,433,000, and the reserve funds from £62,809,000 to £69,662,000, as set out in the following table:—

Table IV.

Position of 42* Banks of the United Kingdom at December 31, 1920,† compared with 43 at December 31, 1919.

LIABILITIES.	Dec. 31, 19[illegible] £	[illegible] of Total	Dec. 31, 191[illegible] £	[illegible] Total	Inc. or Dec. in Year £	
Capital paid up	90,433,919	3.2	74,245,409	2.8	+	16,188,510
Reserve funds ...	69,662,433	2.5	62,809,673	2.3	+	6,852,760
Total	160,096,352	5.7	137,055,082	5.1	+	23,041,270
[illegible]	50,647,396	1.8	53,859,091	2.0	—	3,211,695
Acceptances	[illegible]	3.9	157,532,096	5.8	—	46,780,527
Deposits, &c. ...	2,486,396,696	88.3	2,343,804,129	86.8	+	142,592,567
Profit balance ...	8,718,727	.3	7,981,668	.3	+	737,059
[illegible]	2,816,610,740	100.0	2,700,232,066	100.0	+	116,378,674
ASSETS.						
Cash in hand, &c.	428,720,273	15.2	434,725,659	16.1	—	[illegible]
[illegible]	151,477,149	5.4	150,354,645	5.6	+	[illegible]
[illegible]	580,197,422	20.6	585,080,304	21.7	—	[illegible]
Investments	543,137,619	19.3	580,161,618	21.5	—	[illegible]
Bills discounted (*a*)	411,266,480	14.6	346,768,547	12.8	+	64,497,933
Advances ...	1,140,717,070	40.5	1,003,151,817	37.2	+	137,565,253
[illegible]	1,551,983,550	55.1	1,349,920,364	50.0	+	[illegible]
Customers' liab. for acceptances ...	110,751,569	3.9	157,532,096	5.8	—	46,780,527
Bank premises, &c.	30,540,580	1.1	27,537,684	1.0	+	3,002,896
Total Assets ...	2,816,610,740	5.0	2,700,232,066	100.0	+	[illegible]
[illegible]	—	23.33	—	24.96		—
[illegible]	—	61.97	—	57.59		—

* The Northampton [illegible] Bank, whose figures are included in the Table below, was amalgamated with the National Provincial and Union Banks of England as from the end of last year. † Where the [illegible] year does not end on December 31 the latest available figures have been taken. (*a*) Where shown separately.

TABLE I.—ASSETS OF 42 BANKS OF THE UNITED KINGDOM, 1920.

	Cash in Hand and at Bank of England	Money at Call and at Short Notice (a)	Total of Cash in Hand and Money at Call, &c.—		Investments		Bank Premises	Loans, Discounts, Advances, &c.		Liability of Customers for Acceptances, &c.		Total Assets		Capital Paid-up		Reserve Fund	
	£	£	£	%	£	%	£	£	%	£	%	£	%	£	%	£	%
Baker, Duncombe & Co.	95,415	—	95,415	1·6	557,000	9·5	5,216,362	5,000		88·9						454,516	7·9
Bank of Ireland	8,002,365	820,740	9,123,105	18·4	20,126,885	39·3		21,175,805†	21,175,805	41·4							
Bank of Liverpool & Martins	12,601,557	9,973,071	22,577,628	24·6	14,155,582	15·4	7,081,836	40,185,509	47,267,345	51·5			7·1	1,264,422	1·4		
Bank of Scotland	6,565,604		6,565,604	14·5	19,345,243	42·7	18,064,236		18,064,236	39·9			1·5		1·4		
Barclays Bank	61,710,646	21,313,395	83,024,041	22·9	63,936,119	17·7			200,421,725	55·4	10,227,554	2·8	4,248,857	1·2			
Barnett Bros. & Co.	6,639,984		6,639,984	27·4	830,131	3·4	10,468,677	2,473,153	12,941,830	53·3			15·4		·5		
Belfast Banking	3,970,972	—	3,970,972	18·5	3,038,190	14·1	1,626,737	12,825,360	14,452,097	67·1					·3		
British Mutual	62,317	—	62,317	9·2	152,391	22·6			456,340	67·6					·6		
Child & Co.	646,296	700,000	1,346,296	30·7	1,820,710	41·4		1,140,435	1,140,435	26·0					1·9		
Clydesdale Bank	7,357,432		7,357,432	16·0	15,959,341	34·8	4,447,742	17,175,705	21,623,447	47·1	512,308	1·1			1·0		
Commercial Bank of Scotland	8,227,119	5,332,423	13,559,542	26·5	13,484,567	26·3	6,465,767†	15,115,940	21,581,707	42·1		4·0			1·1		
Coutts & Co.	3,103,707	2,855,222	5,958,921	25·4	4,711,062	20·1		11,854,000	11,854,000	50·5	596,118	2·6			1·4		
Cox & Co.	7,443,942	1,600,000	9,043,942	37·2	1,132,927	4·6	5,733,373‡	6,923,663	12,657,636	52·1		3·4			2·7		
Equitable Bank	472,880	—	472,880	40·2	351,260	29·9	31,042	320,941	351,953	29·9							
Farrow's Bank, Ltd.	307,793	—	307,793	6·6	1,803,672	38·7	—	2,473,012	2,473,012	53·1					1·6		
Glyn, Mills, Currie & Co.	6,852,997	7,199,750	14,052,747	43·4	6,430,246	19·9		9,801,824	9,801,824	30·3	1,751,658	5·3	57,000		1·1		
Guernsey Banking Co.	153,283	—	153,283	17·9	425,231	49·5	30,548	242,716	273,294	31·8					·8		
Hibernian Bank	2,743,137	—	2,743,437	18·3	5,882,480	39·2	—	6,235,418	6,235,418	41·5					1·0	146,375	1·0
Hoare & Co., Chas.	751,158	300,000	1,051,158	22·4	1,318,627	28·0	—	2,236,890†	2,236,890	47·5		—	—		2·1	100,000	2·1
Isle of Man Banking	535,608	—	535,608	23·6	867,288	38·3	—	833,047	833,047	36·8			—		1·3	30,000	1·3
Lancashire & Yorkshire Bank	5,896,893	—	5,896,893	18·0	6,218,451	18·9	8,494,824†	10,714,625	19,209,449	58·5	1,106,723	3·4	405,000	1·2			
Lloyds Bank	51,153,076	14,717,688	65,900,764	17·0	75,376,529	18·9	76,037,123	151,079,174	227,116,297	58·5	17,867,530	4·6	4,141,759	1·0			
London County West. & Parr's	19,124,145	22,927,762	72,061,907	21·0	57,984,694	16·9	60,335,724	130,528,521	190,874,245	55·6	19,034,317	5·5	4,178,512	1·0			
London Joint City & Midland	70,196,168	18,492,013	88,688,181	21·0	55,023,730	13·0	57,671,879	189,719,805	247,391,684	58·5	27,810,000	6·6	3,888,000	·9			
London Merchant Bank	196,000	135,000	211,000	5·8	106,932	2·6	224,932	1,342,319	1,567,281	37·5	2,259,618	54·1					
Manchester and County Bank	5,048,014		5,048,014	16·1	4,749,579	15·2	3,915,389	15,785 633	19,701,022	63·1	1,325,358	4·3	400,000	1·3			
Manchester & Liverpool District	7,195,514	3,305,970	10,501,484	16·0	7,272,306	11·1	12,476,005†	33,172,113	45,648,118	69·7	1,596,659	2·4	500,000	1			
Mercantile Bk. of Scotland, Ltd	24,458	—	24,458	10·9	133,219	62·0	14,485†	46,052	60,537	27·0					203	1	
Munster & Leinster	2,648,123	2,618,599	5,266,722	19·0	7,356,362	26·5	4,669,537†	10 305,871	14,975,408	54·1					111,155	·4	
National Bank	6,023,068	6,268,873†	12,291,941	25·1	13,490,290	27·6	4,385,924	17,715,025	22,100,949	45·3	531,000	1·1	432,048	·9			
National Bank of Scotland	6,028,528	6,208,469	12,236,997	27·8	11,554,984	26·2	3,661,296	15,053,508	18,714,804	42·5	898,782	2·0	637,100	1·5			
Nat. Prov. & Union B. of Eng.	41,954,105	11,850,947	53,805,052	17·8	56,455,175	18·7	42,752,672	140,686,760	183,439,432	60·8	4,401,104	1·5	3,665,236	1·2			
N. of Scot. & Town & Co. Bank	1,032,149	—	4,032,149	14·5	10,227,769	36·7	—	13,385,936†	13,385,936	48·0	—		226,703	·8			
Northern Banking Co.	3,580,083	—	3,580,083	16·7	4,915,426	22·9	—	11,965,582	11,965,582	55·8	842,766§	3·9	160,000	·7			
Provincial Bank of Ireland	2,122,742	1,560,000	3,682,742	18·2	5,658,089	28·0	2,613,066	8,108,595	10,721,661	53·1	—	—	146,648	·7			
Royal Bank of Ireland	161,257	—	161,257	3·4	1,619,881	34·4	112,499	2,768,084	2,880,583	61·3	—	—	42,316	·9			
Royal Bank of Scotland	5,376,180	5,333,477	10,709,657	22·6	10,537,569	22·2	10,832,679†	14,520,549	25,352,228	53·4	311,772	·6	548,159	1·2			
Ulster Bank	5,577,857	—	5,577,857	18·7	9,716,765	32·8	—	14,282,494†	14,282,494	48·0	—	—	135,042	·5			
Union Bank of Manchester	2,416,827	—	2,416,827	8·9	3,367,106	12·4	1,489,335	16,110,589	17,599,924	64·7	3,424,881	12·6	400,000	1·4			
Union Bank of Scotland	4,258,644	4,338,481	8,597,125	21·8	9,947,705	25·2	9,872,241	9,636,515	19,508,756	49·4	907,566	2·3	538,636	1·3			
Williams Deacon's Bank	7,420,349	3,585,269	11,005,618	25·3	7,034,199	16·2	3,079,175	20,187,631	23,266,806	53·6	1,539,191	3·6	582,810	1·3			
Yorkshire Penny Bank	9,528,586	—	9,528,586	30·5	10,038,710	32·2	4,600,000†	6,550,757	11,150,757	35·8	—	—	457,633	1·5			
TOTAL, 42 BANKS	428,720,273	151,477,149	580,197,422	20·6	543,137,619	19·3	411,266,480	1,140,717,070	1,551,983,550	55·1	110,751,569	3·9	30,540 580	1·1			

† Including Treasury Bills. ‡ Made up of Bills Receivable £2,670,847, Documentary Bills negotiated £2,908,126, and Treasury Bills (British and Indian) £155,000. § See *contra*. (*a*) Where shown separately.

Cash in hand, at £428,720,000, shows a decrease of over £6 million, and money at call, at £151,477,000, an increase of over one million, the sum of the two being 20.6 per cent. of the total assets, as against 21.7 per cent. in the previous year. The increase in bills discounted and advances, from £1,349,920,000 to £1,551,983,000, more than accounts for the contraction in the cash and money at call items, and shows the greater assistance rendered to trade and commerce by the banks, despite the fact that owing to the generally lower level of prices a bigger volume of business than formerly can be financed with a given amount of money. It must not be forgotten, however, that the velocity of circulation tends to decline in time of depression. Goods move slowly, and the repayment of loans is delayed, and credits are held up or accumulated. One partial effect of this is seen in the fact that the proportion of advances and bills discounted to deposits has expanded from 57.59 per cent. in 1919 to 61.97 per cent. in 1920.

DISCOUNT HOUSES.

A summary of the accounts of the three discount houses is appended. There has been but a small rise in both deposits and loans as compared with the expansion shown twelve months ago, but the amount of bills rediscounted has increased by nearly ten millions. The rise in bills discounted evidenced by all three companies has been made possible to some extent by the realisation of investments, which are lower in the aggregate than in the previous year. The falling-off in investments of the Union Discount Company, as explained by the Chairman at their recent meeting, was due to the fact that as soon as Treasury bills were obtainable at six and a-half per cent. the holding of Exchequer Bonds and National War Bonds was reduced, the flat rate on Treasury bills being substantially higher than the five and a-half per cent. yielded by short-dated bonds. In the case of Alexanders Discount Company, investments are substantially higher, and, as the Chairman remarked at the last meeting, the Company has not suffered from depreciation under this head—that bugbear of most banking institutions—owing to its policy of holding only securities with a very early date of maturity. The net profits show a large increase in the case of Alexanders and the Union Discount Company, but those of the National have declined slightly.

LIABILITIES OF DISCOUNT COMPANIES, DECEMBER 31, 1920.

	Date of Balance Sheet 1920	Paid-up Capital	Reserve Fund	Paid-up Capital and Reserve		Loans, Deposits &c.		Bills Rediscounted		Interest on Bills Discounted		Profit		Total
		£	£	£	%	£	%	£	%	£	%	£	%	£
Alexanders	Dec.31	550,000	270,000	820,000	4·0	17,196,230	83·8	2,255,865	11·0	175,881	·9	72,321	·3	20,520,297
National	Dec.31	846,665	500,000	1,346,665	3·8	21,231,476	60·0	12,171,743	34·4	507,146	1·4	124,000	·4	35,381,030
Union of London	Dec.31	1,000,000	1,000,000	2,000,000	4·2	31,807,969	67·5	12,661,000	26·9	614,180	·9	124,044	·5	47,118,193
Total Liabilities		2,396,665	1,770,000	4,166,665	4·0	70,235,675	68·2	27,088,608	26·3	1,297,207	1·1	321,365	·4	103,019,520

ASSETS AND PROFITS OF DISCOUNT COMPANIES, DECEMBER 31, 1920.

	Cash at Bankers		Investments		Bills Discounted, &c.		Loans, &c.		Net Profit for Year		Dividends		Reserve Fund		Balance Carried Forward	
	£		£		£		£		£		£		£		£	
Alexanders	448,111	2·2	1,818,289	8·9	18,065,170	88·0	189,127	·9	119,708	21·8	84,000	15·3			20,872	
National	614,178	1·7	575,855	1·6	32,106,636	91·6	1,682,161	4·8	108,965	·3	103,965	18·7	118,000	14·0	71,430	
nion of London	1,259,557	2·7	3,019,944	6·4	41,079,451	87·2	1,658,115	3·3	240,550	·4	247,591	24 8	168,911	16·9	173,941	
Total Assets, Profits, &c.	2,321,846	2·3	5,414,088	5·2	91,249,559	88·9	3,431,403	3·3	469,284	·3	436,554	21·9	286,911	15·5	268,243	

* Subject to deduction of income tax. † Includes bonus on Preference shares of £141 [illegible] per share. ‡ Includes bonus of 2s. per share, less tax. § Includes [illegible] tax free [illegible]

AMSTERDAMSCHE BANK.

Head Office - - - AMSTERDAM.

Branches at ROTTERDAM, Almelo, Amersfoort, Apeldoorn, Appingedam, Arnhem, Assen, Bergen op Zoom, Deventer, Dordrecht, Eindhoven, Enschede, Groningen, Haarlem, The Hague, Hilversum, Leeuwarden, Leiden, Maastricht, Schiedam, Tilburg, Utrecht, Veendam, Zutfen.

Agencies and Correspondents in all towns.

CAPITAL (issued and fully paid up) Fls. 55,000,000
RESERVE - - - - - - Fls. 38,900,000

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7 rue Chauchat, PARIS.

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CAPITAL:
Authorised - Fr. 200,000,000
Issued - Fr. 150,000,000
RESERVES - Fr. 86,000,000

The Bank conducts Banking Business of every description in France and Foreign Countries.

London Correspondents: London County Westminster and Parr's Bank, Limited (Lothbury); London Joint City and Midland Bank, Limited; Swiss Bank Corporation; Credito Italiano; Banque Belge pour l'Etranger.

BANQUE FRANCO-SERBE

Capital - - Frs. 20,000,000

London Office: 30 COLEMAN STREET, LONDON, E.C. 2

Telephones—London Wall 8934, 8935. *Telegrams*—"Francoserb, Ave, London."

Manager - - H. E. EVITT.

HEAD OFFICE - - - PARIS, 16 RUE LE PELETIER

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Insurances effected through the Bank's Brokers. Applications for Terms invited.

DEN DANSKE LANDMANDSBANK

HYPOTHEK-OG VEKSELBANK

Paid-up Capital:
100 Million Kroner.

Reserves:
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COPENHAGEN (Denmark).

Telegraphic Address: Landmandsbank.

London Agents and Correspondents:—
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National Provincial and Union Bank of England, Ltd. Hambros Bank of Northern Commerce, Ltd. Lloyds Bank, Ltd.

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THE BANK IS AFFILIATED WITH

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Paid-up Capital & Reserve Fund OVER £24,000,000.

WITH WHICH BANK IS ALSO AFFILIATED

THE NATIONAL BANK OF SCOTLAND LIMITED.

Paid up Capital & Reserve Fund - £2,100,000.

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BANKING PROFITS.

WITH a high Bank rate, an increased rate for Treasury bills, and a consequent general appreciation in the rate of interest for banking accommodation, it is not surprising that profits in 1920 showed for individual institutions a rise over those of 1919. The increase was to be anticipated on account of the greater amount of paid-up capital employed, and the expansion in deposits naturally afforded greater banking resources for use in the accommodation of clients. If we take the five leading banks, the aggregate net profit in 1920 amounted to £17,055,000, as compared with £14,205,000 in 1919. In the interim the paid-up capital of these institutions had increased from £42,968,817 to £58,403,102, and their aggregate deposits from £1,548,604,000 to £1,628,284,000. For the thirty-four banks included in our table the percentage of net profits to paid-up capital was 28.4 per cent. in 1920, as compared with 29.4 per cent. for thirty-seven banks in 1919 The dividends paid, subject to deduction of income tax, were equal to 15.4 per cent., as against 15.8 per cent. in the previous year. If we restrict the comparison to the thirty-four institutions mentioned below, the paid-up capital increased by twenty-three and a-half per cent. (from £68,935,409 to £85,123,919), the net profits by eighteen per cent. (from £20,401,000 to £24,152,000), and the dividends paid by nineteen and a-half per cent. (from £10,981,000 to £13,130,000). Thus the increase in net profits was not as great as the increase in paid-up capital, though, of course, the reservation must be made that much of the extra money shown in the balance sheets at December 31 was not at the disposal of the banks for the whole of the twelve months.

The depression in trade, which commenced towards the end of the year, naturally had an unfavourable effect on profits; and, though the volume of advances and bills discounted, as indicated in the previous article, showed a material increase on the corresponding figure for the previous year, the rate of turnover probably declined. Such a decline is a phenomenon common to any prolonged period of trade inactivity.

It is impossible to determine for most of the banks the ratio of working expenses to gross profits, as neither of these items is usually given. We may note an exception in the case of Barclays, where the gross profits for 1920 are returned at £8,051,274, and the expenses at £4,515,020, or fifty-six per cent. For other representative institutions the figures of gross profits and expenses show the following relations:—Commercial Bank of Scotland—gross profits £805,803, expenses £436,264, or fifty-four per cent.; Clydesdale Bank—gross profits £721,955, expenses £384,980, or fifty-three per cent.; National Bank—gross profits £831,466, expenses £510,542, or sixty-one per cent.; Bank of Ireland—gross profits £1,098,870, expenses £444,637, or forty per cent. Comparisons between the various banks must not be pressed too far, in view of the varying character of the items included under expenses. Another factor undesirably affecting net profits has been the marked depreciation in investments, and in some instances, because of the increased number of failures, a higher allocation was called for in respect of bad and doubtful debts. A heavy loss on a section of its foreign business occurred in the case of at least one bank.

It would seem that the capital increments made during the year were not so productive as capital formerly employed, though, of course, the lateness of the date at which these increments accrued in some cases to the banks must be taken into account. It is permissible to infer further, in accordance with facts elicited in the course of the previous analysis, that the rate of turnover tended to slacken as the year wore on. A continuance of the present depression would, therefore, have a bad effect on gross earnings, and accordingly on net profits.

PROFITS OF 34 BANKS OF THE UNITED KINGDOM IN 1920.*

Name of Bank	Capital at end of Year — Subscribed	Capital at end of Year — Paid up	Paid-up Capital and General Reserve	Gross Profits	Expenses	Net Profits	% of Net Profits to Paid-up Capital	Dividends — Paid† — Amount	Dividends — Paid† — Rate	To General Reserve	To Provision for Depreciation	Other Appropriations	Carried Forward
	£	£	£	£	£	£		£	%	£	£	£	£
Bank of Ireland	2,769,231	2,769,231	3,739,231	1,090,870	444,637	646,233	23.3	332,308	12	—	310,000	—	42,459
Bank of Liverpool & Martins ...	18,791,120	2,348,890	3,748,890	—	—	735,948	31.3	376,822	16	—	350,000	—	124,414
Bank of Scotland(a)	1, 87,500	1,325,000	1,875,000	—	—	383,322	28.9	212,000	16	—	160,000	10,000	54,934
Barclays Bank, Ltd.	15,592,372	15,592,372	23,842,372	8,051,274	4,515,020	3,536,254	22.7(b)	2,029,102	(k)	—	650,000	800,000	565,603
Belfast Banking Co., Ltd. ...	2,500,000	500,000	1,050,000	—	—	140,278	28.1	59,583	(m)	—	70,000	—	73,854
British Mutual Banking Co., Ltd.	200,000	70 603(g)	122,603	—	—	7,363	12.3	5,400	9	2,000	—	—	1,498
Clydesdale Bank, Ltd.	5,000,000	1,000,000	2,200,000	721,955	384,980	336,975	33.7	180 000	18	—	125,000	30,000	46,562
Commercial Bank of Scotland‡	5,500,000	1,750,000	2,750,000	805,803	436,264	369,539	21.1(d)	225,000	(n	—	100,000	45,000	52,171
Equitable Bank	89,000	40,000	90,000	—	—	8,564	21.4	6,400	16	—	—	—	5,193
Farrow's Bank §(j) ...	700,000	361,423	499,923	172,724	126,955	45,769	12.6	23,463	6½	20,000	—	—	9,987
Guernsey Banking Co., Ltd.§ ...	250,000	50,000	115,000	30,639	5,287	25,352	50.7	10,500	21	—	16,205	1,300	1,584
Hibernian Bank, Ltd.	2,000,000	500,000	680,000	259,390	176,397	82,993	16.6	40,000	8	20,000	25,000	—	15,288
Isle of Man Banking Co., Ltd. ...	150,000	30,000	78,000	—	—	18,927	63.1	6,750	22½	—	12,000	200	3,805
Lancashire & Yorkshire Bank, Ltd.	2,013,120	1,006,560	1,881,560	—	-	231,426	23.0	191,246	19	25,000	—	—	104,046
Lloyds Bank, Ltd.	70,688,980	14,137,796	24,137,796	- -	-	3,944,583	27.9	2,356,139	16⅔	—	1,250,000	300,000	543,864
London County West. & Parr's	29,716,688	8,503,718	17,507,436	—	-	3,393,695	39.9	1,593,289	(o)	253,718	1,300,000	200,000	460,914
London Joint City & Midland ...	38,116,050	10,859 800	21,719,600	—	—	3,417,758	31.5	1,952,991	(p)	—	1,200,000	250,000	741,619
London Merchant Bank ...	1,500,000	750,000	1,100,000	100,195	40,151	60,044	8.0	45,000	6	—	—	—	67,588
Manchester & County Bank, Ltd.	5,460,200	1,092,040	1,817,040	—	—	296,077	27.1	177,456	16½	—	80,000	5,000	106,238
Manchester & Liverpool Dist. Bkg.	9,480,000	1,896,000	3,446,000	—	—	561,783	29.6	347,600	18½	—	—	85,228	264,152
Mercantile Bank of Scotland(h)	28,140	14,070	19,070	9,058	8,147	911	6.5	Nil	—	—	1,000	—	195
Munster & Leinster Bank, Ltd.	1.000,000	400,000	1,300,000	—	—	176,328	44.1	80,000	20	—	75,000	15,000	30,562
National Bank, Ltd.	7,500,000	1,500,000	2,300,000	831,466	510,542	320,924	21.4	180,000	12	—	—	140,000	27,714
Nation l Bank of Scotland,Ltd.‡	5,000,000	1,100,000	2,100,000	692,805	344,695	348,110	31.6	176,000	16	—	150,000	125,000‖	64,203
Nat. Prov. & Union Bank ...	43, 47,050	9,304,416	18,187.457	—	—	2,7 2,514	29 7(l)	1 369,302	14·7	500, 000	—	700,000	2 ,0 0
Northern Banking Co., Ltd.(b)	3,000,000	600,000	1,080,000	398,676	197,073	201,603	33.6	83,125(c)	(q)	—	75,000	35,685	47,105
N. of Scot. & Town & Co. Bk. (a)	3,260,000	652,000	1,304,000	—	—	152,645	23.4	104,320	16	—	50,000	15,000	71,785
Provincial Bank of Ireland, Ltd.	4,080,000	540,000	990,000	421,330	274,475	146,855	27.2	72,900	13½	15,000	45,000	5,000	24,780
Royal Bank of Ireland(b) ...	1,500,000	300,000	380,000	—	—	55,493	18.5	24,000	8	31,003(d)	—	—	6,883
Royal Bank of Scotland(e) ...	2,000,000	2,000,000	3,082,276	813,692	372,553	441,139	22.1	220,000	11	—	171,139	50,000	—
Ulster Bank, Ltd.(f)	3,000,000	500,000	1,200,000	—	—	242,181	48.4	106,250	21¼	—	93,000	40,000	108,806
Union Bank of Manchester ...	1,500,000	750,000	1,275,000	598,955	312,928	286,027	38.1	150,000	20	—	—	140,000	11,945
Union Bank of Scotland ...	5,000,000	1,000,000	2,000,000	657,903	347,129	310,774	31.1	160,000	16	—	140,000	30,000	35,576
Williams Deacon's Bank, Ltd.	8,125,000	1,875,000	2,575,000	—	—	463,653	24.7	234,375	12½	100,000	100,000	25,000	24,230
TOTAL, 34 BANKS	300,944,481	85,123,919	150,193,254	—	—	24,152,030	28·4	13,130,321	15·4	966,721	6,548,344	3,047,413	4,561,626

* Except where otherwise indicated, the figures relate to the year ended December 31, 1920. † Subject to deduction of income tax. ‡ Year ended November 1, 1920. § Year ended June 30, 1920. ‖ Including £100,000 credited to paid-up capital stock. (a) Year ended September 30, 1920. (b) Year ended August 31, 1920. (c) Exc uding £3,227 for interest o new shares. (d) Inc udin unspecified amount appropriated to officers' su erannuation fund. (e) Year ended October 9, 1920. (f) Year ended November 30, 1920. (g) £10,603 represents share payments in advance. (h) Year ended March 31, 1920. (i) Year ended February 28, 1920. (j) Payment suspended December 20, 1920; compulsor winding-up order made January 11, 1921. (k) " " shares, 10%; " B " and " C," 14% · equiva ent on total capital at end of year, 13·01%. (l) Calculated on capital at end of ear. (m) Old shares, 21 %; new, 8%; equiv lent on tot l capital, 11·92%. (n) " " shares, 14%; " B," 10%; equivalent on total capital at end of year, 12·86%. (o) On partly-paid shares, 20%; fully paid, 12½%; equivalent on total capital, 18·73%. (p) 9% on £10,840,112 and 9% on capital at end of year—£10,859,800. (q) On " A " shares, 17½%; on " B," 8¼%; equivalent on total capital, 13·85%.

WILLIAMS DEACON'S BANK LTD.

Total Assets at 31st December, 1920 - - £43,428,623.

DIRECTORS.

CAPTAIN GERARD POWYS DEWHURST, Chairman. BENJAMIN GEORGE WOOD, Deputy-Chairman.

PERCY ASHWORTH.
SIR WM. BARROTT MONTFORT BIRD.
WILLIAM FRANCIS COURTHOPE.
SIR KENNETH IRWIN CROSSLEY, BART.
JOHN FRANCIS WILLIAM DEACON
MAJOR E. A. J. JOHNSON-FERGUSON.
JOHN WANKLYN McCONNEL.
WILLIAM ALDAM MILNER.
HENRY GARWOOD SEAMAN.
LIEUT.-COL. SIR ALAN JOHN SYKES, BART., M.P.
COLONEL SIR ROBERT WILLIAMS, BART., M.P.
GEORGE HERVEY WOOD.

GENERAL MANAGER: REGINALD THOMAS HINDLEY. ASSISTANT GENERAL MANAGER: JOHN MOODIE.

London Office: 29 BIRCHIN LANE, E.C. 3.
Manager, J. J. MEAGHER. Sub-Manager, J. F. BEDFORD.

Manchester Office: MOSLEY STREET.
Manager, H. BRADBURN. Secretary, E. A. WILLIAMS.

And 148 OFFICES in LONDON, LANCASHIRE, CHESHIRE, YORKSHIRE, DERBYSHIRE and STAFFORDSHIRE.

The Bank are prepared to act as Trustee under Wills, Settlements, Debenture Trusteeships, etc. Trustee Departments at London and Manchester.

Special Working Arrangements for FOREIGN EXCHANGE AND SHIPPING ADVANCES.

Forward Contracts Arranged.

Agency arrangements with our Colonies and all Parts of the World.

FOREIGN EXCHANGE, SHIPPING AND AGENCY DEPARTMENT.
AGENCY OF THE ANGLO-SOUTH AMERICAN BANK, LTD.
AGENCY OF THE LONDON AND BRAZILIAN BANK, LTD.

YORK STREET (P.O. Box 356) MANCHESTER.

AGENTS FOR THE BRITISH OVERSEAS BANK, LIMITED.

THE LANCASHIRE & YORKSHIRE BANK, LTD.

ESTABLISHED 1872.

CAPITAL: Authorised, £4,000,000, in 200,000 Shares of £20 each.
Subscribed, £2,013,120. Paid up (£10 per Share), £1,006,560.
Reserve Fund and Undivided Profits, £1,004,046.

Head Office: 43 SPRING GARDENS, MANCHESTER.

BALANCE SHEET, 31st December, 1920.

LIABILITIES.			ASSETS.		
Capital (100,656 shares of £20 each, £10 paid up)	£1,006,560 0 0		Cash in hand and money at call	£5,896,892 18 2	
Reserve Fund	875,000 0 0		Investments: War Loans (at under cost) and other British, Indian, Colonial Government, Railway, Corporation, etc., Securities (at or under market prices of 31st December, 1920 *)	6,218,450 16 4	
Profit and Loss Account £320,292 14 3			Bills of Exchange (including £6,000,000 Treasury Bills)	8,494,823 9 7	
Less Interim Dividend paid July 1920 80,524 16 0	239,767 18 3			£20,610,167 4 1	
	£2,121,327 18 3		Advances on Current and other Accounts, Loans, etc.	10,714,625 5 0	
Current, Deposit, and other Accounts	29,591,219 10 10		Acceptances, Endorsements, and Contingent Liabilities, as *per contra*	1,106,723 4 1	
Acceptances, Endorsements, and other Contingent Liabilities	1,106,723 4 1		Bank Property	405,000 0 0	
Notes in Circulation in the Isle of Man	17,245 0 0		* Including £69,000 Indian Government Securities lodged against Note Circulation in the Isle of Man.		
	£32,836,515 13 2			£32,836,515 13 2	

Report of the Auditor to the Shareholders of the Lancashire and Yorkshire Bank, Limited.

On behalf of the Board,
COLWYN,
E. M. PHILIPS, } Directors.
J. M. McBURNIE, Manager.

6th January, 1921.

I have audited the above Balance Sheet and compared it with the Books and Vouchers at the Head Office and with the Certified Returns from the Branches. I have obtained all the information and explanations I have required. In my opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of my information and the explanations given to me and as shown by the books of the Company. I have also examined the securities representing the Investments of the Bank, and have found them in order.

JNO. P. GARNETT, F.C.A., Auditor
(David Smith, Garnett and Co., Chartered Accountants, Manchester).

THE BANK SHARE MARKET.

BANK shares, in common with gilt-edge securities, have been increasing in popularity, on account of the diversion of funds from industrial and other stocks and the growing caution of investors, due to the decided slump in many speculative sections. A not inconsiderable appreciation took place before the end of December and continued into the New Year, when an irregular tendency developed, some shares falling to below previous levels and others rising on favourable dividend announcements and profit statements. From the table given at the foot of the page it will be seen that the former were generally maintained at the previous year's level, the few instances of apparent divergence being explicable on other grounds. Though the figures of net profits would in many cases have permitted an enlarged dividend, a conservative policy was adhered to, and a large share of the extra net earnings was retained for strengthening the financial position. This, of course, enhances the solidarity of the security from the shareholder's point of view.

The reduction in the uncalled liability of quite a number of bank shares has further tended to popularise them amongst the investing public, but the denominations of some of the shares, as can be seen from our table, are still of rather unwieldy dimensions. As bank shares are generally well held, it requires only a small volume of inquiry to move quotations in the upward direction, and the throwing of large blocks on the market is a comparatively rare occurrence. Fluctuations are accordingly within rather narrow limits. The highest and lowest prices for 1919 and 1920, set out below, do not show any very remarkable variations, and it may be observed that current quotations are generally above the lowest in 1920, indicating that the corner of the slump in this particular section of the Share market seems to have been turned.

In a period of depression the position of a bank is much more favourable than that of any other joint-stock company, as a keen demand for money at high rates of interest is usually a concomitant of critical periods in trade or finance. Despite this, there is a current impression that the yield on bank shares is unduly low as compared with that on other shares that are also fairly well secured. From the list of approximate yields at ruling prices given in the attached table it will be seen that in not a few instances, reckoning the yield on the basis of the last annual dividend, a return of between 7.5 and 8 per cent. is obtainable. It will be found, generally speaking, that a higher return attaches to shares with an uncalled liability, and this must, of course, be taken into account by investors.

Dividend prospects for the current year are largely dependent upon the margin between deposit and lending rates. This margin tends to grow when money appreciates in value, the effect of a rise in the Bank rate being reflected immediately, if not, indeed, felt beforehand, in an increase in the Treasury-bill and short-loan rates. A higher Bank rate is at the moment out of the question: and present discussion centres mainly round its reduction. A lowering of the rate would, of course, be reflected in a downward movement in the deposit rates paid by bankers for money entrusted to them, but naturally on the credits and accommodation which they give the general rate of interest charged would also be reduced. Failing a concurrent reduction in working expenses, the percentage of net profits to gross earnings would be bound to decline, and dividends would be adversely affected. The chief items of annual outlay in a bank are salaries and establishment charges. A curtailment of the former would be difficult to bring about, even if it were desirable, in view of the opposition which it would in all likelihood arouse. Establishment expenses, consisting of rents and cost of repairs and maintenance, are also to a large extent inelastic. In other words, the main items of expense by a bank are in the nature of overhead charges which do not readily expand or contract with an increase or decrease in the volume of business. Other items, such as office equipment, stationery, &c., will probably prove less costly in the coming year, but their importance relative to total outlay is not very great. The demand for loans is, however, insistent, and by an increase in the rate of turnover in 1921 the year's profits should make a very favourable showng. Foreign business has, however, shown a marked contraction during recent weeks, according to information gathered from inquiries, and the reduced volume not only of the world's trade, but of United Kingdom exports and imports, has caused, and is still causing, reduced acceptance and discount operations.

The policy of amalgamation should now, however, be bearing fruit in the matter of effecting internal economies in administration and otherwise. The additional area of operations should also be of service in enabling more profitable use to be made of banking funds. The transference of money can more readily be brought about from depositing to lending centres. Inspection charges may be expected to undergo a reduction as separate inspectorial departments are abolished. Curtailment of outlay in these directions will help to offset diminutions in gross earnings.

BANK SHARES: DIVIDENDS, PRICES AND YIELDS.

Name of Bank	Shares: Nominal Amount £	Shares: Paid up £	Dividends 1919 %	Dividends 1920 %	Prices: 1919 Highest £	Prices: 1919 Lowest £	Prices: 1920 Highest £	Prices: 1920 Lowest £	Current Mean Price £	Approx. Yield % at Current Price £ s. d.
Bank of Liverpool & Martins	20	2½	16(a)	16	7 7/16	6½	7/0/9	5/4/6	5½	7 12 5
Barclays "A"	4	4	10	10	7 1/16	6½	7 1/16	5⅝	6	6 13 4
Do. "B"	1(b)	1	20	14	77 6(b)	67 6(b)	51/0	39/3	2 7/16	6 15 9
Lloyds Bank	5	1	20(c)	16⅔	28½(c)	25⅝(c)	49/1½	43/0	2 3/16 xd	7 12 5
London and Liverpool Bank of Commerce ...	10	10	4	4	7 1/16	6½	9 5/16	6 5/16	5	8 0 0
London County Westminster & Parr's ...	20	5	20	20	19½	15½	16 5/16	12⅞	13⅜	7 9 6
Do. Do.	1	1	6½(d)	12½	43/6	42/0	43/0	35/0	1⅞	6 13 4
London Joint City and Midland	12	2½	18	18	8 1/16	7 1/16	8 1/16	5⅞	6½xd	7 4 0
Do. Do.	2½	2½	18	18	8 1/16	7⅝	9 3/16	6	7xd	6 8 7
London Merchant Bank	20	10	6	6	8	5 7/16	5⅛	5⅛	6	10 0 0
Manchester and Liverpool District	15	3	18½	18½			8½	7⅜	7⅛	7 6 8
National Bank	50	10	12	12	21½	19 0 3	19½	15/4/0	15½	7 14 10
National Provincial and Union	25	3½	16	16	9	8½	8 1/16	6¾	7½	7 14 6
Do. Do.	20	4	16	16	10 3/32	9½	10¼	7⅞	8½	7 15 2
Do. Do	5	5	—	8(g)	—	—	—	—	11	7 5 5
Provincial of Ireland (old)	100	12½	13½	13½	24⅜	24⅜	26 1/16	18 5/16	£18 2s. 9d.	9 6 1
Do. Do. (new)	20	10	13½	13½	—	—	20	20	20	6 15 0
Williams Deacon's "A"	5	1	12½	12½	44 0	39 6	45 0	32/9	1⅜	7 2 10
Do. "B"	1	1	12½	12½	45 9	41 3	42/6	31/0	1⅜	6 13 4
DISCOUNT COMPANIES:										
Alexanders Discount Co. (Ord.)	10	5	13½	17 55(e)	9½	8½	9 1/16	8½	8½	9 18 3
National Discount Co.	25	5	12	14	8½	7 1/16	7 1/16	6½	6½	10 7 5
Union Discount Co. of London	10	5	15⅔(f)	16⅔(e)	11½	10 1/16	11⅞	9½	10½	8 4 5

* Subject to deduction of income tax, and inclusive of bonuses. (a) For financial year ending June 30, 1919. (b) Shares converted in 1920 from £2 shares £1 paid). (c) In respect of £50 shares (£8 paid). (d) Being at maximum annual rate of 12½%. (e) Including equivalent of 2% tax-free bonus. (f) Including equivalent of 1% tax-free bonus. (g) Dividend for half-year at annual rate of 16%.

GLYN, MILLS, CURRIE & CO.

ESTABLISHED 1753. REGISTERED WITH UNLIMITED LIABILITY 1855.

67 LOMBARD STREET, LONDON, E.C. 3.

CAPITAL	£1,000,000
RESERVE FUND	£500,000
CURRENT AND DEPOSIT ACCOUNTS	£29,007,505
CASH IN HAND AND AT BANK OF ENGLAND	£6,852,997
MONEY AT CALL AND SHORT NOTICE	£7,199,750
INVESTMENTS (Government Securities).	£6,430,246
ADVANCES, &c.	£9,801,824

31st December, 1920.

MANAGING PARTNERS:
The Hon. A. H. MILLS. LAURENCE CURRIE.
Lord WOLVERTON. Lord HILLINGDON.
General the Hon. Sir H. A. LAWRENCE, K.C.B.

General Manager: Brig.-General A. MAXWELL, C.M.G., D.S.O.

Secretary: ERIC GORE BROWNE, D.S.O.

Every description of British and Overseas Banking and Exchange business transacted.
The Bank undertakes the office of Executor and Trustee.

Telegraphic Address: (Inland) "SAESREVO, THREAD, LONDON." (Foreign) "SAESREVO, LONDON."

The British Overseas Bank, LIMITED.

FORMED UNDER THE AUSPICES OF THE FOLLOWING BANKS:

Anglo-South American Bank, Ltd.
Dominion Bank (Canada).
Glyn, Mills, Currie & Co.
Charles Hoare & Co.
Imperial Ottoman Bank.
Northern Banking Co. Ltd.
Union Bank of Scotland, Ltd.
Williams Deacon's Bank, Ltd.

CAPITAL - £5,000,000
Issued and paid up - £2,000,000

Foreign business of all kinds transacted. *Correspondence invited.*

31, LOMBARD STREET, LONDON, E.C.3.

TELEPHONE NUMBER: CITY 7140 (5 lines).

London Correspondents of the
BANQUE DE BRUXELLES, BRUSSELS,
with whom the British Overseas Bank, Limited, works in close association for all Belgian Business.

Affiliated Institution in Poland:
ANGLO-POLISH BANK, LIMITED (BANK ANGIELSKO-POLSKI),
Krakowskie Przedmiescie, 47/49, WARSAW.

INDEX-NUMBERS OF THE FOREIGN EXCHANGE VALUES OF THE £ STERLING.

(Copyright.)

Recognising the great importance of being able to discern the general trend of values of the £ sterling abroad amidst the multitude of daily exchange fluctuations, we have endeavoured to construct a series of index-numbers showing the changes since the Armistice in the value of our currency in terms collectively of the currencies of twenty-eight foreign countries. The results are presented in the appended tables and illustrated in the accompanying chart.

The system employed in the construction of the series of index-numbers shown below is similar to that used for index-numbers of commodity prices. The average of the daily exchange quotations for twenty-eight of the most important countries is taken for each month since the Armistice and expressed as a percentage of the old par value of the £ in terms of the foreign currency. These calculations are shown in Table A below with the series of index-numbers, which represent the weighted geometric averages of the twenty-eight percentages for each month, and show, consequently, the collective value of the £ abroad in the different periods expressed as a percentage of its collective value at the mint parities. The problem of weighting presents special difficulties. In index-numbers for wholesale prices of commodities the question is a comparatively unimportant consideration; in the construction of the series of index-numbers under discussion, however, as there is a great divergence in the relative importance of the twenty-eight countries selected, it is obvious that some form of weighting must be used in order to allow for these differences; a rise or fall in the New York exchange, for instance, denotes a much more important variation in the value of the £ than a similar movement in the exchange on some

TABLE A.—Average Monthly Values of the £ sterling Abroad Expressed as a Percentage of the Parity.

	1918		1919											
Country	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
United States ...	97·9	97·9	97·9	97·9	96·8	95·9	95·8	94·8	90·6	87·4	85·9	85·9	83·9	79·1
India	89·0	89·0	89·0	89·0	89·0	89·0	83·5	80·1	80·1	74·5	68·9	65·9	63·7	57·4
France	103·0	103·0	103·0	103·2	106·0	110·7	116·4	117·6	123·1	134·2	140·9	143·1	153·2	161·0
Australia	100·2	100·2	100·2	100·2	100·2	100·2	100·2	100·2	100·2	100·2	100·2	100·2	100·2	101·2
Argentina ...	92·3	92·0	92·8	92·6	92·5	92·2	92·1	93·4	91·5	89·2	86·2	85·9	83·2	77·2
Netherlands ...	93·8	93·4	93·5	95·3	95·6	95·2	97·1	97·7	96·6	94·5	92·4	91·3	89·5	83·4
Canada	99·7	99·3	99·8	99·8	97·4	98·1	98·5	97·6	93·7	90·9	88·2	88·9	87·9	83·6
Africa	99·4	99·4	99·4	99·4	99·4	99·4	99·4	99·4	99·4	99·4	99·4	99·4	99·4	99·1
Egypt	100·0	100·0	100·0	100·0	99·9	99·8	100·0	100·0	100·0	100·0	100·0	99·9	100·0	100·1
Belgium	100·0	100·0	107·9	105·8	110·3	116·5	120·2	122·0	127·2	139·2	141·7	141·2	144·1	156·6
Sweden	92·8	90·0	91·1	93·0	93·8	95·8	99·3	98·2	97·9	95·3	95·1	95·3	97·3	97·2
Germany	—	—	—	—	—	—	—	—	—	—	—	511·5	565·3	880·6
New Zealand ...	100·4	100·4	100·4	100·4	100·4	100·4	100·4	100·4	100·4	100·4	100·4	100·4	100·4	100·4
China	53·6	52·7	53·6	56·4	59·0	56·2	52·9	50·9	50·6	46·9	44·5	42·4	38·3	34·4
Denmark	97·8	98·4	98·7	100·5	100·7	101·1	106·4	106·3	107·9	107·2	104·7	107·0	108·8	112·6
Spain	94·6	94·3	93·8	91·7	91·1	91·2	91·6	90·7	90·9	87·9	87·2	85·5	82·7	97·9
Italy	120·2	120·2	120·2	120·2	123·4	137·3	147·8	148·6	148·0	158·7	162·1	169·7	191·3	194·0
Norway ...	95·3	93·3	94·0	95·9	98·0	99·3	101·1	100·8	102·3	101·2	99·5	100·6	101·9	103·0
Japan	90·3	92·8	94·7	95·6	96·0	93·7	93·1	92·7	92·5	87·0	84·9	84·6	83·3	78·2
Switzerland ...	93·1	91·5	91·7	91·8	91·8	91·1	93·2	97·2	96·5	95·5	93·9	93·1	89·4	83·0
Straits Settlements	99·8	99·4	100·2	99·7	100·0	99·8	99·4	99·4	99·4	99·2	98·7	99·1	98·9	99·1
Turkey	—	—	—	—	—	347·2	345·5	284·5	335·4	337·7	327·6	312·0	313·5	339·2
Brazil	119·1	116·6	121·8	120·8	120·1	117·4	110·6	109·8	109·8	116·6	109·8	111·0	96·2	91·0
Portugal	168·0	155·7	153·2	151·9	154·9	158·3	170·6	174·1	176·0	197·2	198·1	198·8	213·8	249·9
Chile	148·4	168·4	168·4	185·2	191·9	173·5	164·5	163·2	172·8	184·6	161·3	155·7	162·4	160·5
Greece	—	—	—	—	—	—	—	—	93·9	92·7	97·7	94·0	93·7	100·1
Hong-Kong ...	60·7	59·3	60·4	63·0	64·0	59·9	57·2	56·0	56·0	51·6	48·4	46·1	41·5	37·7
Uruguay	86·1	85·7	85·7	85·7	85·7	88·8	87·6	90·1	91·8	91·8	88·8	87·9	81·9	78·1
Weighted Geometric Average ...	**98.7**	**98.7**	**98.9**	**99.1**	**99·2**	**100.3**	**101.2**	**100.4**	**101.7**	**101.6**	**100.7**	**100.3**	**100.2**	**98.3**

	1920												1921
Country	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
United States	75·5	68·4	77·5	80·6	79·2	81·2	79·6	74·1	72·3	71·6	70·9	72·1	76·9
India	61·8	49·7	54·7	57·7	62·3	67·7	70·8	70·5	71·7	79·3	81·5	92·1	91·5
France	183·1	184·4	209·7	254·7	226·1	202·1	190·9	200·4	207·3	210·3	228·2	232·8	233·6
Australia	101·2	100·2	100·2	100·2	100·2	100·2	100·2	100·2	100·2	100·3	100·3	101·5	101·5
Argentina	75·2	69·6	75·9	79·3	79·1	82·0	83·4	83·4	83·1	92·7	89·5	89·3	94·9
Netherlands	80·6	75·5	84·3	88·0	87·4	90·1	91·3	90·9	92·7	92·9	93·8	93·2	93·9
Canada	82·8	80·7	86·1	88·0	87·9	92·1	90·3	83·6	79·9	78·7	79·1	83·8	87·8
Africa	99·1	77·8	96·0	93·5	91·8	92·6	96·0	99·6	100·5	101·6	102·8	104·2	102·6
Egypt	100·1	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·2
Belgium	170·7	184·5	200·6	238·5	220·0	190·2	178·3	188·0	193·0	200·2	215·4	220·9	222·2
Sweden	97·9	100·0	100·7	99·1	100·1	199·9	97·5	96·9	96·0	97·3	99·4	98·3	96·6
Germany	1,101·0	1,622·0	1,444·0	1,136·0	881·1	768·5	758·7	845·8	993·6	1,163·0	1,314·0	1,241·0	1,184·5
New Zealand	100·4	100·4	100·4	100·4	100·4	100·4	100·4	101·3	100·2	100·4	100·8	101·2	101·3
China	33·6	32·4	34·8	40·2	45·2	53·6	51·5	45·5	45·5	49·3	52·6	65·3	68·8
Denmark	115·1	126·5	119·1	121·9	126·9	129·2	130·1	134·1	138·7	137·8	141·5	129·8	115·4
Spain	77·3	77·4	84·8	89·8	92·4	94·6	96·1	95·1	94·6	96·1	105·7	106·6	110·2
Italy	203·4	247·1	286·7	357·9	295·3	264·4	268·4	297·7	318·9	352·7	376·1	387·3	418·5
Norway	105·8	107·9	113·5	109·4	115·0	123·9	129·1	133·1	139·5	138·4	141·9	130·8	117·9
Japan	76·0	71·4	80·9	82·8	76·8	79·0	77·7	72·6	70·5	70·1	69·6	70·9	80·0
Switzerland	81·6	82·3	87·9	86·6	86·4	86·0	87·4	86·2	85·7	86·7	87·7	90·3	94·1
Straits Settlements ...	99·5	99·7	101·4	101·0	100·9	100·9	100·9	101·1	101·1	101·1	101·1	101·3	101·1
Turkey	353·0	369·7	376·3	421·3	396·3	386·6	371·3	373·0	379·6	385·4	424·0	490·1	523·0
Brazil	90·8	88·6	90·8	98·1	96·6	104·9	115·3	114·8	124·3	132·0	134·7	150·6	163·4
Portugal	306·1	305·4	335·3	361·0	433·6	460·6	481·9	434·7	465·5	512·1	631·0	766·1	819·2
Chile	136·5	116·6	137·8	140·5	149·2	156·5	150·3	150·0	157·4	163·7	183·4	184·6	196·7
Greece	102·5	116·7	146·9	139·3	134·3	131·6	123·3	126·8	131·3	138·7	152·4	183·8	199·0
Hong-Kong	39·0	34·0	37·6	41·12	46·7	52·2	52·3	46·4	46·6	48·8	51·6	62·1	67·6
Uruguay	75·2	72·4	75·3	84·1	82·0	85·5	90·4	89·3	88·3	90·6	94·8	96·2	103·1
Weighted Geometric Avge.	**98.5**	**94.9**	**102.9**	**109.7**	**107.5**	**106.3**	**100.2**	**100.1**	**100.2**	**108.7**	**111.2**	**114.5**	**122.4**

BANK OF LIVERPOOL & MARTINS LIMITED.

Head Office: 7 WATER STREET, LIVERPOOL.

London Office: 68 LOMBARD STREET, LONDON, E.C. 3.

Capital Subscribed - - - -	**£18,791,120**
Capital Paid up - - - - -	**2,348,890**
Reserve Fund and Surplus Profits -	**1,524,413**
Deposits, etc., at 31st Dec., 1920 -	**81,206,767**

312 BRANCHES AND SUB-BRANCHES.

All descriptions of Banking, Trustee and Foreign Exchange Business Transacted.

THE BANK IS PREPARED TO ACT AS AGENTS FOR FOREIGN BANKS ON USUAL TERMS.

· THE · DISTRICT BANK

Established 1829

The Manchester & Liverpool District Banking Company Limited

Chairman: SIR E. TOOTAL BROADHURST, Bt.
Managing Directors: ANGUS A. G. TULLOCH, Esq., Sir D. DRUMMOND FRASER, K.B.E.

Paid-up Capital ...	**£1,896,000**	**Reserve Fund ...**	**£1,550,000**
Deposits	**£60,037,956**	**Total Assets**	**£65,518,567**

Head Office: SPRING GARDENS, MANCHESTER.

Foreign Department: 13 SPRING GARDENS, MANCHESTER. 3 WATER STREET, LIVERPOOL.

London Office: 75 CORNHILL, E.C. 3.

Liverpool Office: WATER STREET,

and 327 Branches and Sub-branches in Lancashire, Cheshire, Staffordshire, Shropshire, Yorkshire, Derbyshire, Cumberland, Westmorland, and North Wales.

Deposit Accounts opened with £1 and upwards. Interest allowed.

other centre, such as Valparaiso. The actual weights assigned to the different countries for the purposes of the index-numbers have been computed on the basis of the volume of transactions in the different exchanges. For this purpose the total volume of the trade between the United Kingdom and the different countries, including exports and imports of merchandise, gold and silver, and also an estimate of the "invisible" exports, have been taken as indicative of the relative importance of the different exchanges. Another important point to be noted is that the relative values of our trade with different countries has undergone great modification since the Armistice, and will continue to do so until the post-War international trade relationships have evolved into a more settled form. Accordingly, it would be misleading to keep a uniform system of weighting throughout, and, in order to represent more accurately the values of the £ at the different periods, it has been found necessary to change the weighting each quarter in accordance with the changes in the relative importance of the different countries. The percentages in the months of each quarter, shown in Table A, have been weighted, in order to arrive at the general average, according to the volume of trade with each country during the preceding quarter. In Table B, below, the weights allowed for the different countries are shown; they will be found instructive of the relative importance of the different countries, and also of the changes in importance that have intervened since the Armistice. Later on it may be found possible to adopt a more constant system of weighting, but at present any attempt to estimate the relative importance of the different exchanges from our point of view must take account of the comparatively rapid changes that are taking place.

A study of the series of index-numbers (see Table A) obtained by the methods here described affords subject for interesting reflection. At the time of the Armistice it will be seen that the general value of our currency abroad was below the parity, being at a discount of 1.3 per cent. In February of last year, on account of the marked fall in the exchanges on the United States, India, and Argentina, it declined to 94.9, the lowest point touched in the period covered. Subsequently, there was a recovery extending until July, when another sharp fall occurred, the index-number for that month being 100.2, as against 106.3 in June. It is satisfactory to note that since last July our currency shows a steady appreciation; for November last the index-number is 111.2, or higher than that for any previous month since the Armistice, and again in December and January it attained new high levels, the figure for the latter month being 122.4.

In the adjoining chart the series of index-numbers is presented in graphical form, and, by way of illustration, the movements of some of the fundamental determinants of the foreign exchange value of the £ are included. All the curves shown represent three months' moving averages and all are logarithmic or ratio curves; that is to say, the movements of the curves depict not *differences* but *ratios*; equal vertical distances in the chart represent equal ratios, but unequal differences. The curve showing the movement of commodity prices abroad will require some explanation. The data for this have been obtained by compounding the movements of wholesale prices in six of the leading foreign countries—the United States, Canada, France, Italy, Japan, and Sweden. For United States Bradstreet's index-numbers have been taken; for Canada, those of the Department of Labour; for France, those compiled by the Statistique Générale; for Italy, Professor Bachi's calculations; for Japan, the index-numbers of the Bank of Japan, and for Sweden, those of the Svensk Handelstidning. The six series of index-numbers have been calculated for each month since the Armistice as a percentage of their respective average levels during 1913, and the series shown in the chart represents the weighted geometric average of the percentages for each month. The weighting, based on the calculations used for the index-numbers above described, is as follows:—U.S.A., 50; France 25; Canada 10; Italy 6; Sweden 5; and Japan 4 out of a total of 100. It will be interesting to show the results obtained side by side with the THE STATIST's index-numbers for wholesale prices of commodities:

Compounded Movements of Prices Abroad—A. Movements of Commodity Prices in U.K.—B. Average for 1913=100.

	1918		1919		1920	
	A	B	A	B	A	B
Jan.			240·2	224·4	298·8	288·0
Feb.			235·0	220·6	307·5	306·3
March			254·2	217·3	315·0	308·0
April			253·2	217·2	321·0	313·1
May			238·3	228·9	307·2	305·9
June			245·7	235·0	293·2	300·8
July			258·1	242·8	288·5	299·5
Aug.			255·5	250·2	281·7	298·2
Sept.			258·5	252·7	276·7	292·6
Oct.	252·9	252·7	265·6	264·0	261·7	282·2
Nov.	256·3	229·8	274·5	272·0	237·0	263·3
Dec.	249·6	230·6	284·6	276·0	222·7	243·5

The two series should be studied rather for a comparison of price movements here with those abroad than as showing the relative increase over the 1913 level of prices here and prices abroad. A glance at the two curves will be sufficient to show how closely the movements of the two series correspond.

TABLE B.—Weighting Used in Table A.

COUNTRY	Nov. '18 to Mar. '19	Apl. to June '19	July to Sept. '19	Oct. to Dec. '19	Jan. to Mar. '20	Apl. to June '20	July to Sept. '20	Oct. to Dec. '20	Jan. to Mar. '21
United States	300	266	198	244	211	272	211	200	226
India	80	78	70	67	92	86	97	96	85
France	145	150	133	122	115	113	106	94	95
Australia	39	53	75	54	46	46	56	60	51
Argentina	57	48	45	48	44	54	62	62	50
Netherlands	16	25	46	58	56	28	38	46	55
Canada	95	56	58	64	53	34	42	57	48
Africa	45	48	48	49	53	55	64	57	47
Egypt	28	31	20	22	36	42	27	22	24
Belgium	6	20	37	33	43	35	34	31	30
Sweden	14	20	26	28	26	21	28	34	25
Germany	—	—	—	10	7	20	26	24	32
New Zealand	10	15	28	20	18	16	16	19	21
China	9	12	14	15	19	15	20	22	22
Denmark	9	12	26	17	19	17	16	19	18
Spain	19	25	21	18	19	18	21	18	22
Italy	37	37	34	31	31	24	23	21	20
Norway	13	16	20	19	15	14	16	17	15
Japan	17	23	17	14	16	18	18	18	21
Switzerland	10	10	11	10	13	12	14	14	12
Straits Settlements	11	12	15	11	14	12	12	14	11
Turkey		4	10	11	13	12	11	10	14
Brazil	12	12	11	9	9	12	12	14	14
Portugal	9	10	15	9	8	6	10	7	6
Chile	11	9	7	6	5	6	8	8	9
Greece	—	—	7	7	10	6	5	6	7
Hong-Kong	3	3	3	3	4	3	4	6	6
Uruguay	5	5	5	4	5	3	3	4	4
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

THE YOKOHAMA SPECIE BANK, LIMITED.

(REGISTERED IN JAPAN.) ESTABLISHED 1880.

Capital Subscribed and Fully Paid - Yen 100,000,000
Reserve Fund - - - - - - „ 50,000,000

Head Office : YOKOHAMA.

BRANCHES AT :—

BATAVIA.
BOMBAY.
BUENOS AYRES.
CALCUTTA.
CHANGCHUN.
DAIREN (Dalny).
FENGTIEN (Mukden).
HAMBURG.
HANKOW.
HARBIN.
HONG KONG.
HONOLULU.
KAI YUAN.
KOBE.
LONDON.
LOS ANGELES.
LYONS.
MANILA.
NAGASAKI.
NEWCHWANG.
NEW YORK.
OSAKA.
PEKIN.
RANGOON.
RIO DE JANEIRO.
SAIGON.
SAN FRANCISCO.
SEATTLE.
SHANGHAI.
SHIMONOSEKI.
SINGAPORE.
SOURABAYA.
SYDNEY.
TIENTSIN.
TOKYO.
TSINANFU.
TSINGTAU.
VLADIVOSTOK.

The Bank buys and receives for Collection Bills of Exchange, issues Drafts and Telegraphic Transfers and Letters of Credit on above places and elsewhere, and transacts General Banking Business.

Deposits received for fixed periods at rates to be obtained on application.

LONDON OFFICE:
7 BISHOPSGATE, E.C. 2.

T. OKUBO, Manager.

THE BANK OF TAIWAN, Ltd.

(REGISTERED IN JAPAN, 1899)

Capital Subscribed - - Yen 60,000,000
Capital Paid up - - „ 45,000,000
Reserve Funds - - - „ 9,680,000

Head Office - - - - - - - TAIPEH, FORMOSA (TAIWAN)
Tokyo Office - - - - - YEIRAKUCHO, KOHJIMACHI-KU, TOKYO
London Office - - - - 58 OLD BROAD STREET, LONDON, E.C. 2

BRANCHES :

Amoy	Keelung	Shanghai
Bangkok	Kiukiang	Singapore
Batavia	Kobe	Soerabaya
Bombay	Moji	Swatow
Canton	New York	Taihan
Foochow	London	Tokyo
Hankow	Osaka	Yokohama
Hongkong	Semarang	&c., &c.

CORRESPONDENTS :

Amsterdam	Dairen	Paris
Antwerp	Geneva	Peking
Bahia	Genoa	Rangoon
Bale	Hamburg	Rio de Janeiro
Berlin	Johannesburg	Rome
Berne	Lisbon	Rosario
Barcelona	Lyons	Rotterdam
Boulogne	Madrid	Saigon
Brisbane	Manila	Santos
Brussels	Marseilles	San Francisco
Buenos Ayres	Melbourne	Sao Paulo
Cairo	Milan	Seattle
Calcutta	Monteville	Stockholm
Cape Town	Montreal	Sydney
Chicago	Mukden	Winterthur
Christiania	Nagasaki	Zurich, &c.
Cologne	Nagoya	



LONDON BANKERS

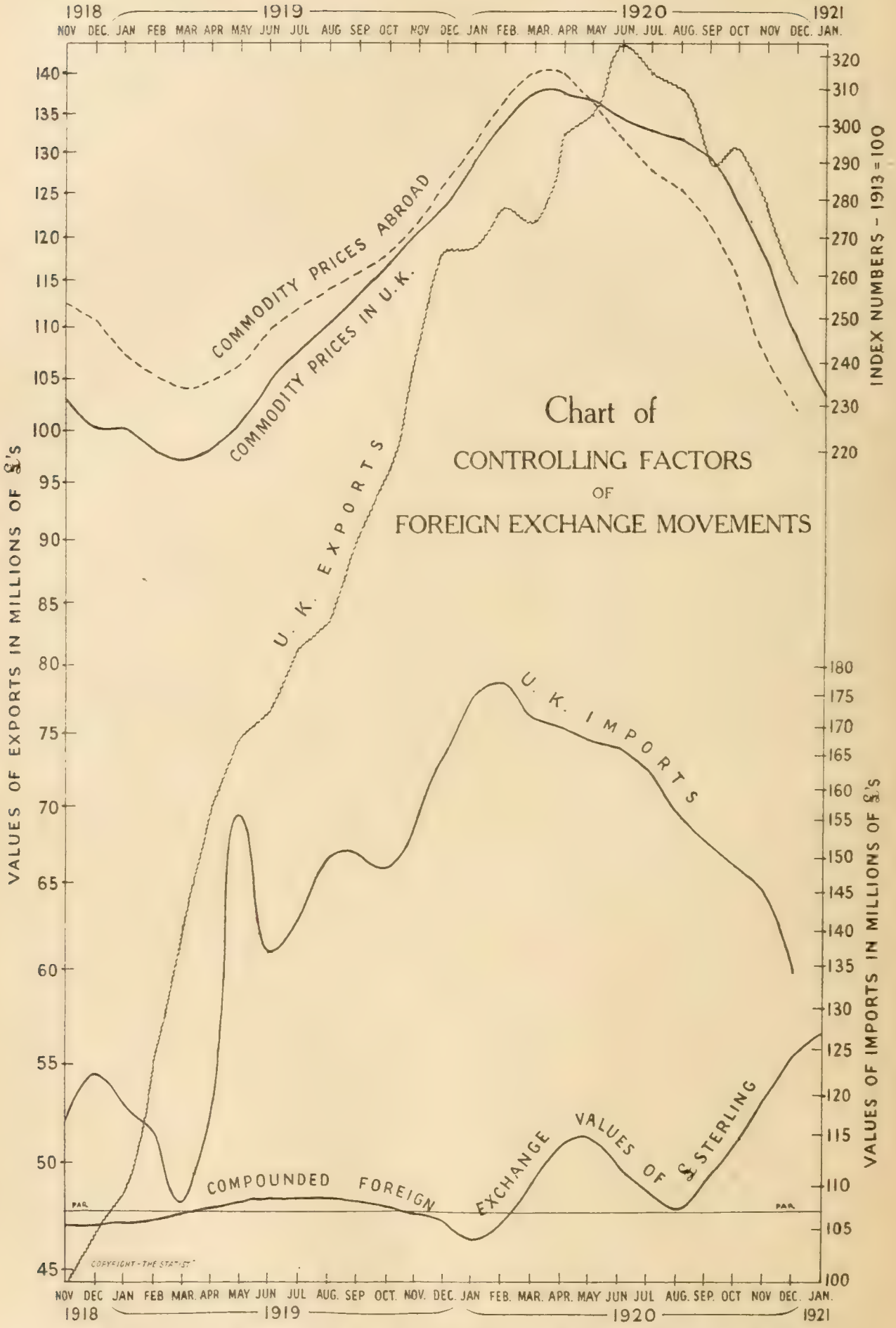
BARCLAYS BANK LIMITED.
LLOYDS BANK LIMITED.
LONDON COUNTY WESTMINSTER AND PARR'S BANK, LIMITED.

The Bank is incorporated by special charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa, being under the special supervision of the Government.

The Bank transacts General Banking and Foreign Exchange Business, undertakes Trust business and acts as Bankers' Agent for other Banks.

Special facilities are available for Exchange Business on Japan, China, Dutch East Indies, the Straits Settlements, India and Elsewhere where the Bank has special working arrangements with Cox & Co. (France), Ltd.

Deposits are received for fixed periods on terms which may be ascertained on application.



For Explanation of the Chart, see Article: "Index-Numbers of Foreign Exchange Values of the £ Sterling."

BANK OF MONTREAL

Established in 1817.

CAPITAL Paid up, $22,000,000. **Undivided Profits, $1,251,850**
Rest, $22,000,000. **Total Assets (30th October, 1920), $560,150,812.**

BOARD OF DIRECTORS.

Sir VINCENT MEREDITH, Bart., *President.*
Sir CHARLES GORDON, G.B.E., *Vice-President.*

R. B. ANGUS, Esq. — Lord SHAUGHNESSY, K.C.V.O. — C. R. HOSMER, Esq.
H. R. DRUMMOND, Esq. — D. FORBES ANGUS, Esq. — WILLIAM McMASTER, Esq.
Lt.-Col. HERBERT MOLSON, C.M.G., M.C. — HAROLD KENNEDY, Esq. — H. W. BEAUCLERK, Esq.
GEORGE B. FRASER, Esq. — Col. HENRY COCKSHUTT. — J. H. ASHDOWN, Esq.
E. W. BEATTY, Esq., K.C. — General Sir ARTHUR CURRIE, G.C.M.G., K.C.B. — Sir LOMER GOUIN, K.C.M.G.

Head Office: MONTREAL.

General Manager—Sir FREDERICK WILLIAMS-TAYLOR.

Branches and Agencies throughout Canada and Newfoundland. Also at New York, Chicago, San Francisco, and Spokane in the United States, and at Mexico City.

London Offices: 47 THREADNEEDLE STREET, E.C. 2.
9 WATERLOO PLACE, PALL MALL, S.W. 1.
Paris Agency: BANK OF MONTREAL (FRANCE), 17 PLACE VENDOME, PARIS.

LONDON COMMITTEE.

Sir THOMAS SKINNER, Bart. — Lt.-Col. F. R. S. BALFOUR.
Manager—GEORGE CYRIL CASSELS, Esq.

Financial Agents of the Government of the Dominion of Canada.

The Bank undertakes Monetary Business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico and France

UNION BANK OF CANADA

INCORPORATED 1865. Head Office—WINNIPEG.

Paid-up Capital (Nov. 30, 1920) - - $8,000,000
Rest and Undivided Profits (Nov. 30, 1920) $6,527,135
Total Assets (Nov. 30, 1920) - - - $169,205,445

The BANK has over 400 Branches in Canada, and AGENTS IN ALL THE PRINCIPAL CITIES IN AMERICA

GENERAL BANKING AND EXCHANGE BUSINESS TRANSACTED.

Letters of Credit and Travellers' Cheques Issued, available in all Parts of the World.

MONIES TRANSFERRED to and from Canada and the United States by CABLE, BANK DRAFTS, &c.

DEPOSITS RECEIVED at short notice or for fixed periods at favourable rates, which may be ascertained on application to: -

LONDON OFFICES {**6 PRINCES STREET, E.C. 2.**
26 HAYMARKET, S.W.1.

NEW YORK AGENCY: 49 Wall Street.
PARIS AGENTS : : Park-Union Foreign Banking Corporation, 1 Rue Taitbout.

TRADE BALANCES OF THE UNITED KINGDOM.

An investigation of the trading relationships between the United Kingdom and other countries during 1920 throws a most interesting light on the nature and extent of the trade balances due to or from the principal countries of the world. An examination of the table appended below will reveal that in ten instances the balance of trade is adverse; that is the value of goods imported into the United Kingdom from these centres has exceeded the value of the exports received from the United Kingdom. In the case of the remaining twelve countries, the reverse phenomenon obtains: the exports from the United Kingdom are greater in value than the imports sent thereto. Consequently, as regards these countries, the balance of trade is favourable from the standpoint of the United Kingdom.

That the United States ranks foremost amongst the adverse trade balances should create no surprise. Even in pre-War years this country was indebted on trade account to America, and in 1913 America was first in the list of adverse trade balances with a total of £82,198,841. For 1920, however, the amount of this unfavourable balance was over four times as much. In part, undoubtedly, this jump to £433,289,783 reflects the remarkable change in price-levels since 1913, which has already been discussed in dealing with the import and export trade; but it must be attributed no less to the dislocation of industry which our whole-hearted participation in the World War involved. This can best be seen by a comparison between 1913 and 1920. In the former year, out of a total adverse trade balance of £133,914,413, we owed America £82,198,841. The returns for 1920 show that our trade debt to America exceeded our total adverse trade balance by more than £51,500,000. It is satisfactory, however, to note that great as is this total of £433,289,783 for 1920 it is nearly £43,000,000 below the corresponding balance for 1919. The improvement is more genuine than appears on the surface, for whilst the imports did not increase by five per cent., the value of the exports was more than doubled.

In the case of the Argentine Republic the adverse trade balance has risen from £60,028,482 in 1919 to £84,290,421 in 1920. This was largely explained by the marked expansion in the imports from £81,730,319 in 1919 to £128,038,642 in 1920, represented primarily by a pronounced rise in the quantity and value of the import of wheat, oats, maize, and frozen beef. Moreover, owing to a more adverse rate of exchange, which itself was in part the outcome of this increase in imports, the discrepancy in value was accentuated. It is of more than passing interest to observe that the countries with the next three adverse trade balances should be Australia, Canada, and Egypt respectively. In every case there is a recovery as compared with 1919, the recovery being most marked in the case of Canada, the adverse balance for 1920 being less than half that for 1919. Again the decline in the balance is accounted for by an expansion in exports. Switzerland and Russia represent two countries with whom the United Kingdom had in 1919 a favourable trade balance, which was changed into an unfavourable one in 1920. Whilst exports to Switzerland remained practically unchanged, imports therefrom rose from £14,860,631 to £37,004,644. Similarly, the extent of the trade with Russia, in view of recent negotiations, will come as a surprise to many. The transition from a favourable balance of £1,123,690 in 1919 to an unfavourable balance of £17,447,463 in 1920 is explained by the fact that the value of the imports for 1920 was more than double the value for 1919. The expansion of our export trade at a more rapid rate than the growth in our import trade is reflected in

Table showing the Trade of the United Kingdom with Different Countries during 1920 and the Excess of Imports (−) or of Exports (+) for 1920 as compared with 1919 and 1913.

Country	Exports	Re-exports	Total Exports	Imports	Excess of Imports (−) or of Exports (+) for 1920	for 1919	for 1913
	£	£	£	£	£	£	£
United States	77,131,266	53,917,583	131,048,849	564,338,632	433,289,783	476,039,306	82,198,841
Argentine Republic	42,839,819	908,402	43,748,221	128,038,642	− 84,290,421	60,028,482	19,048,048
Australia ...	62,485,643	5,782,205	68,267,848	112,709,445	− 44,441,597	− 83,605,665	235,768
Canada	42,782,271	6,078,108	48,860,379	92,854,362	− 43,993,983	− 97,198,020	− 3,181,181
Egypt	43,662,524	1,175,473	44,837,997	69,336,448	− 24,498,451	− 40,439,623	− 11,430,833
Switzerland ..	12,641,148	2,852,921	15,494,069	37,004,644	− 21,510,575	− 359,703	− 5,982,476
Russia	11,893,380	4,842,441	16,735,821	34,183,284	− 17,447,463	+ 1,123,690	− 12,576,586
Spain	19,324,052	3,480,084	22,804,136	37,495,371	− 14,691,235	− 21,586,095	− 5,762,515
Sweden	39,332,098	5,005,627	44,377,725	56,371,883	− 12,034,158	5,893,338	− 4,978,245
Japan .	26,185,287	1,911,745	28,097,032	29,870,549	− 1,773,517	− 9,141,309	+ 10,439,664
Denmark ...	30,635,173	4,108,388	34,743,561	31,156,917	+ 3,586,644	36,192,783	− 17,487,525
Portugal	10,549,371	1,496,671	12,046,042	7,060,066	+ 4,985,976	− 3,158,359	+ 916,965
Norway	33,386,922	1,941,823	35,328,745	23,858,969	+ 11,469,776	+ 12,529,243	− 771,361
Brazil .	24,328,902	607,524	24,936,426	12,160,391	+ 12,776,035	253,541	+ 3,012,724
China . ..	43,542,101	394,770	43,936,871	26,919,081	+ 17,017,790	− 1,943,875	10,338,810
Germany	21,723,260	29,375,713	51,098,973	31,126,088	+ 19,972,885	22,209,319	− 19,911,364
Holland . .	47,914,880	14,461,129	62,376,009	39,292,302	+ 23,083,707	+ 38,942,492	3,055,810
Belgium	49,126,465	19,493,117	68,619,582	45,024,754	+ 23,594,828	+ 56,265,336	2,721,906
Italy	39,734,109	5,624,904	45,359,013	17,812,112	+ 27,546,901	+ 18,808,944	− 7,494,691
Union of S. Africa	49,108,679	2,631,419	51,740,098	19,196,087	+ 32,544,011	− 2,945,661	+ 11,744,253
India . .	181,383,867	2,705,877	184,089,744	95,678,331	+ 88,411,413	− 36,293,005	+ 23,249,741
France .. .	136,631,967	39,820,101	176,452,068	76,005,224	100,446,844	+ 134,818,948	− 5,471,011
British Possessions:							
Total	501,482,760	25,466,067	526,948,827	560,731,252	− 33,782,425	− 367,308,627	17,406,288
Foreign Countries:							
Total . .	834,086,267	196,939,890	1,031,026,157	1,376,010,868	− 344,984,711	− 295,462,908	− 151,320,701
TOTAL ..	1,335,569,027	222,405,957	1,557,974,984	1,936,742,120	− 378,767,136	− 662,771,535	− 133,914,413

Commonwealth Bank of Australia

HEAD OFFICE: SYDNEY.

Guaranteed by the Australian Commonwealth Government.

SIR DENISON MILLER, K.C.M.G., Governor. JAMES KELL, Deputy-Governor.



Head Office :
Sydney, New South Wales.

BRANCHES
IN
The Principal Cities and Towns of Australia
AND AT
36-41 New Broad Street, E.C., and Australia House, Strand, W.C.,
LONDON.

Agents and Correspondents throughout the World.

Banking and Exchange Business of Every Description Transacted.

Bankers to :
GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA.
GOVERNMENT OF THE STATE OF SOUTH AUSTRALIA.
GOVERNMENT OF THE STATE OF TASMANIA.

SAVINGS BANK DEPARTMENT.

Branches in the Chief Centres and 2,836 Agencies at Post Offices throughout Australia.

ON 30TH JUNE, 1920.

539,795 Savings Bank Depositors had balances ...	£17,982,402
General Bank balances	41,002,909
Other Items	4,694,101
Total	£63,679,412

LONDON BRANCH : 36-41 NEW BROAD STREET, E.C.
C. A. B. CAMPION, London Manager.

BANK OF NEW ZEALAND.

BANKERS TO THE NEW ZEALAND GOVERNMENT.

Capital.

Authorised £6,154,988 **Subscribed £3,904,988**

Paid Up.

Four per Cent. Guaranteed Stock	£529,988
"A" Preference Shares Issued to N.Z. Government	500,000
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the smaller totals of the adverse balances of Spain and Sweden for 1920 as compared with 1919. The smallest unfavourable trade balance in our table is recorded in the case of Japan, to whom we owe on trade account for 1920 only £1,773,517, as against £9,141,309 for 1919. *Per contra*, it appears that in 1913 Japan was indebted to the United Kingdom to a total of £10,439,664.

Twelve countries show favourable trade balances from the point of view of the United Kingdom. The lowest amount is due from Denmark, with its total of £3,586,644. This represents a decline of no less than £32,500,000 as compared with 1919, due to a great rise in the imports and a falling off in the exports. In the case of Portugal we are owed £4,985,976, whereas in 1919 we were owing £3,158,359. Here our exports were more than doubled, whilst our imports therefrom fell by more than one-third. Brazil stands out amongst the South American republics as owing us no less than £12,776,035, as against £253,541 in 1919. Whilst imports showed only a moderate increase of less than £1,500,000, exports rose by nearly £14,000,000 to £24,936,426. This helps to explain the sharp fall in the sterling value of the milreis, which was as high as 18$\frac{3}{16}$*d.* towards the close of 1919, but dropped below par in the middle of 1920, and stood as low as 9$\frac{3}{4}$*d.* at the end of 1920. The great revival of our trade in the Far East is excellently portrayed in the favourable trade balance of £17,017,790 in the case of China, whereas in 1919 we owed China £1,943,875. The expansion in British exports from £20,969,747 to £43,542,101—notably a measure of the growth in the cotton trade from £15,145,696 to £34,129,846—is not likely to be repeated during the current year, in view of the impoverished condition of that famine-stricken country at present. With two notable exceptions, which will come up for consideration subsequently, it will be observed that the countries at the latter end of the table are those which were until recently engaged in the death struggle of the world War. Holland, because of its proximity to the conflict, falls within the group. Owing to its geographical situation as regards Germany, it is difficult to determine to what extent the figures dealing with the trade of Holland reflect goods which are intended directly for German consumption, or which have been imported in the first instance by Holland, to be subsequently imported by the United Kingdom. The total imports show an increase of over £17,500,000 as compared with 1919; but, as exports have not increased to any great extent, the favourable trade balance has dropped from £38,942,492 to £23,083,707. How the cataclysm of the War affected a neutral country directly within the range of its influence can be seen from the fact that in 1913 the United Kingdom owed Holland £3,055,810. There has been a definite revival of trading relationships with Germany alike as regards imports and exports, but the expansion in imports from £993,154 to £31,126,088 was more pronounced. Accordingly the trade balance has declined from £22,209,319 in 1919 to £19,972,885. But much headway has yet to be made to get back to the position of 1913, when it was we who owed Germany £19,911,364. Belgium has undoubtedly made remarkable progress on the road of reconstruction. She has imported, it is true, over £4,000,000 more than in 1919, but she has turned these imports to good account, for her export trade with the United Kingdom has multiplied nearly fourfold. Italy alone records an increase in her trade balance, owing this country £27,546,901, as against £18,808,944. But when allowance is made for the serious internal difficulties that Italy has had to face, and for her dependence on outside sources for such essential materials as coal, as well as for her abnormally unfavourable exchange, this increase does not appear so pronounced. France, which suffered most in its industrial regions from the havoc of the War, has made an astounding recovery. Her trade balance of £134,818,948 in favour of the United Kingdom in 1919 is reduced to £100,446,844 in 1920. Not only did she reduce the value of exports taken from this country, but she increased her imports thereto from £48,498,649 to £76,005,224. To one familiar with the desolation and ruin so characteristic of the north-east of France, and with the gigantic problems which the reconstruction and return to peace conditions brought into being, these figures speak in no uncertain tone of the unconquerable soul of a great nation.

Two countries whose favourable trade balances, from the point of view of the United Kingdom, call for special comment are India and the Union of South Africa. As regards India, the fact remains that, whereas in 1919 she was owed £36,293,005 by the United Kingdom, she was indebted to that country in 1920 to the extent of £88,411,413. Whilst imports from India dropped from £108,213,961 in 1919 to £95,678,331 in 1920, exports thereto were more than doubled, the trade in British produce and manufactures rising from £70,860,991 to £181,383,867. The export of cotton piece-goods alone rose from £11,789,029 to £33,983,336, that of cotton yarns from £728,941 to £3,216,671, and that of rail locomotives from £559,652 to £3,855,687, while most sections of the iron and steel exports registered similar increases. These figures, in conjunction with the fall in the imports, go far to support the views that the recent changes in the basis of the Indian exchange rates have not been altogether favourable to that country.

The case of the Union of South Africa is on a different plane. Exports thereto have grown, whilst the imports have declined, with the net result that, instead of being owed £2,945,661 as in 1919, she owes the United Kingdom £32,544,011. But these figures as regards imports deal only with the ordinary commodities of trade, and ignore, especially as regards South Africa, the vital import of gold in connection with the great gold-mining industry of the Transvaal. For 1920 this was valued at £36,314,286, which would accordingly transform the situation, and give from the point of view of the United Kingdom an adverse trade balance of £3,770,275. A negligible import of gold is registered from Australia, and the total import of gold and silver from Canada did not reach £706,000. Consequently, no vital adjustment is needed. For other countries the treatment of the bullion imports and exports as regards their effect on the trade balance is a matter of extreme difficulty, as we would require to know whether the consignments in question were concerned with trading transactions, or whether they represented transactions of a purely financial character. Thus one could not well include as an ordinary trade export from the United Kingdom to America gold despatched to meet part of the Anglo-French loan redeemed last autumn, or gold sent here first from Germany to be consigned to America in payment of goods received or ordered. Accordingly in our table attention has been entirely confined to customary trade transactions.

In conclusion it may be pointed out that a satisfactory improvement is recorded in the trade position of the United Kingdom itself, which will bear comparison with that of any of the countries examined. As regards foreign countries it is true that the adverse balance has increased from £295,462,908 in 1919 to £344,984,711; but as regards British Possessions there has been a marked recovery, the total of £367,308,627 being replaced by the more modest sum of £33,782,425. The net result is an adverse trade balance of £378,767,136, as against £662,771,535 in 1919. This is in itself a very creditable achievement. As 1918 will be known in history as the year of the Armistice, and 1919 as the year of the Peace Treaty, so also 1920 can go down to posterity as the year in which for the first time since the dread calamity broke out the total trade of the United Kingdom, including its invisible exports in the shape of shipping services and interest on investments, resulted in a favourable balance which even the most conservative estimate does not place below £50,000,000.

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THE IMPORT TRADE.

According to the Board of Trade returns, the total value of imports into the United Kingdom during the last pre-War year, 1913, was £768,735,000. By 1919 the value had expanded to £1,626,150,000, whilst for last year there had been a still further increase to £1,936,742,000. By themselves these figures would imply a remarkable growth in the import trade, but viewed in conjunction with two other factors—the quantities imported and the difference in price levels—a much different but more accurate conclusion emerges. In the first instance, the rapid advance in price levels during the War suggests the vital necessity of studying the imports from the point of view of quantity as well as of value. For this purpose a selection has been made of representative commodities from each of the three main classes into which the imports are divided in the returns issued monthly by the Board of Trade. Placing the values for each of the years 1913, 1919, and 1920 in juxtaposition with the respective quantities, the following interesting result is secured:—

Table Showing Official Values and Official Quantities of Representative Imports for 1913, 1919, *and* 1920.

(000's omitted, both in Values and Quantities, except as regards Number of Motor-cars.)

Commodity	Official Values			Official Quantities		
	1913	1919	1920	1913	1919	1920
	£	£	£	Cwt.	Cwt.	Cwt.
Wheat	43,849	68,423	146,845	105,878	71,443	109,404
Maize	13,770	13,722	27,371	49,155	16,861	33,840
Wheatmeal and flour	6,318	25,729	21,246	11,978	17,711	11,970
Beef	18,874	52,053	51,864	9,901	9,127	10,668
Mutton	11,112	19,509	28,075	5,417	4,277	6,630
Bacon ...	17,429	73,592	50,367	4,858	8,281	5,612
Sugar	23,067	53,928	72,959	39,385	32,089	27,312
Hides	4,054	14,796	5,305	774	1,508	372
				Tons	Tons	Tons
Iron ore	7,046	11,271	16,548	7,231	5,073	6,420
				Bales of 100 Lb.	Bales of 100 Lb.	Bales of 100 Lb.
Cotton ...	70,571	190,771	254,074	21,743	19,583	18,976
Wool (sheep's and lamb's)	31,226	96,889	88,441	8,006	10,429	8,741
Rubber	20,521	24,212	24,556	1,574	2,282	2,484
				Yds.	Yds.	Yds.
Silk manufactures	7,739	11,269	17,957	80,269	58,915	63,655
				Galls.	Galls.	Galls.
Refined oils ..	10,842	36,079	66,462	186,998	713,884	876,027
				No.	No.	No.
Motor-cars	1,738	1,314	10,190	6,820	1,365	33,343

From this table it is at once evident that there is, of necessity, no direct connection between the values and the quantities of any commodity imported in these three years. Studying values only, the import of wheat shows a marked increase, from £43,849,000 in 1913 to £68,423,000 in 1919, with a still more progressive jump to £146,845,000 in 1920. On the other hand, the quantity imported in 1919 shows a decline of nearly thirty-three per cent. as compared with 1913; and in 1920, when the value has been more than trebled, the quantity had only risen from 105,878,000 cwt. to 109,404,000 cwt. In the case of maize, the quantity received in 1919 was only 16,861,000 cwt., as against 49,155,000 cwt. in 1913; whilst the value for 1919 remained practically the same as in 1913. Yet it is strange to observe that in 1920 both the value and quantity of maize imported were double the value and quantity for 1919. As regards quantity, there was very little fluctuation in the import of beef; yet the value rose from £18,874,000 in 1913 to £52,053,000 in 1919, and fell to £51,864,000 in 1920, although the quantity increased from 9,127,000 to 10,668,000 cwt. The import of mutton declined in quantity from 5,417,000 cwt. in 1913 to 4,277,000 cwt. in 1913, but advanced in 1920 to 6,630,000 cwt. Movements in value were uniform and progressive. The total in 1913 was £11,112,000, in 1919 £19,509,000, and in 1920 £28,075,000. Between 1913 and 1919 the quantity of bacon imported increased from 4,858,000 cwt. to 8,281,000 cwt., whilst the value was multiplied more than fourfold In 1920 the quantity only exceeded that of 1913 by fifteen per cent., yet the value was nearly three times as great. Sugar provides an illustration of a commodity which declined steadily in quantity and advanced more remarkably still in value. Thus, whilst the quantity fell from 39,385,000 to 32,089,000 tons between 1913 and 1919, and again to 27,312,000 tons in 1920, the value rose progressively from £23,067,000 to £53,928,000 and £72,959,000.

These variations are not confined to Class I., but abound also in Class II. and Class III. In 1919 the import of iron ore was only 5,073,000 tons, as against 7,231,000 tons in 1913, and in 1920 there was only a recovery to 6,420,000 tons. Nevertheless, the value increased steadily from £7,046,000 in 1913 to £11,271,000 in 1919 and £16,548,000 in 1920. The textile industries were no exception to the rule. In quantity our cotton import dropped from 21,743,000 bales in 1913 to 19,583,000 bales in 1919 and 18,976,000 bales in 1920. Meanwhile the value continued to grow from £70,571,000 in 1913 to £190,771,000 in 1919 and to £254,074,000 in 1920. Similarly, whilst the value of silk manufactures imported advanced continuously from £7,739,000 to £11,269,000, and then to £17,957,000, the quantity varied irregularly from 80,269,000 yards in 1913 to 58,915,000 yards in 1919 and to 63,655,000 yards in 1920. The development of the oilfields of the world is reflected in the steady increase in the quantity of refined oil imported; but it will again be noted that the expansion in value was three times as rapid. Figures dealing with rubber have a peculiar interest in view of the present depression in this industry. Imports rose in quantity from 1,574,000 bales in 1913 to 2,282,000 bales in 1919, and to 2,484,000 bales in 1920. Yet the growth in value was much slower. In 1919 the total was £20,524,000, in 1919 £24,212,000, and in 1920 £24,556,000. Proportionately the rate of expansion in quantity was much more pronounced. In other words, as the rubber producers have long maintained, rubber is the only raw material that is to-day selling at lower prices than in pre-War days. Statistics relative to the import of motor-cars show rather interesting variations. Against 6,820 cars imported in 1913 there were only 4,365 imported in 1919; but with the relaxation of import restrictions there was a pronounced rise in 1920 to 33,343. The figures dealing with value show similar movements, but the decline in 1919 is less marked, and the rise in 1920 is more marked.

This great discrepancy between the values and the quantities of the imports can be more easily seen in the following table:—

Table Showing Relative Rate of Increase of Official Values and Official Quantities of Representative Imports, the Official Value and Official Quantity for 1913 *being taken as* 100.

Commodity	Official Value			Official Quantities		
	1913	1919	1920	1913	1919	1920
Wheat	100	156	335	100	67	103
Maize	100	99·7	199	100	34	69
Wheatmeal & flour	100	405	336	100	148	100
Beef	100	275	274	100	92	108
Mutton	100	176	252	100	79	123
Bacon	100	422	289	100	170	115
Sugar .. .	100	234	316	100	81	69
Hides	100	365	131	100	195	48
Iron ore . .	100	160	235	100	70	89
Cotton	100	256	360	100	90	87
Wool	100	283	258	100	130	109
Rubber . . .	100	118	119	100	144	158
Silk manufactures	100	146	232	100	73	79
Refined oils ..	100	333	613	100	147	180
Motor-cars ...	100	76	604	100	64	489

In specific cases, such as the import of wheat, flour, bacon, and cotton, the influence of rising prices has been accentuated by the adverse New York exchange. Thus, out of a total import of 109,404,000 cwt. of wheat in 1920, America contributed no less than 45,422,000 cwt., the value of her wheat reaching £69,838,000 out of a total of £146,845,000. Similarly, our bacon imports in 1920 amounted to 5,612,000 cwt., valued at £50,367,000, and of this 3,362,000 cwt., worth £29,454,000, came from the United States. She sent us 13,903,000 bales of cotton out of a total import of 18,976,000 bales, the value being £164,916,000, as compared with the total of £254,074,000. More interesting still are the figures dealing with the French and Swiss silk exports. An unfavourable Swiss exchange rate is reflected in the cost of £7,516,000 for 15,824,000 yards, whilst the

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persistent increase in the Paris rate helps to explain the comparatively lower cost of £2,873,000 for an import of 15,412,000 yards from France. In every case the influence is seen more clearly if comparison is effected over the three years. The influence of price levels unencumbered by the intricacies of different currencies is best illustrated by imports of mutton. Here the bulk of the import comes from New Zealand and Australia respectively, with Argentina ranking third. The values and quantities from the first two sources are as follows:—

	Official Values			Official Quantities		
	1913	1919	1920	1913	1919	1920
	£	£	£	Cwt.	Cwt.	Cwt.
New Zealand	4,965,000	8,481,000	12,575,000	2,201,000	1,999,000	3,075,000
Australia	3,128,000	3,008,000	9,049,000	1,466,000	759,000	2,258,000

It is evident in both cases that the rate of increase in value has been much more pronounced.

Thus on the whole it can be said that the rise in the value of the imports into the United Kingdom in 1919 and 1920, as compared with 1913, is more fictitious than real. In the main it represents the result of the inflation of the currencies of the world during the War. Expressed in quantities it appears that the variations have been less pronounced; that in many cases the 1920 quantities, though an increase on those for 1919, fall short of those for 1913. Owing to the varied units of quantity it is not possible to express the total import trade in measures of quantity over those three years. But by adjusting the price levels for 1919 and 1920 to the basis of those in force in the last pre-War year, 1913, a more accurate comparison can be secured. Converting the official values into adjusted values in the ratio of the average annual index-number of THE STATIST, which was 85 for 1913, 206 for 1919, and 248 for 1920, we find that, reduced to 1913 price levels, there has been a decline in the value of the total imports in 1919 to £671,965,000, as against £768,735,000 for 1913, and a further decline to £663,268,000 for 1920. It will be observed that as between the three main classes the falling off is most marked in the case of manufactured goods and least marked in the case of foodstuffs. High prices and unfavourable exchanges naturally operate to reduce the import of manufactures in the first instance; foodstuffs and raw materials are so urgently required that higher price levels and more unfavourable rates of exchange should rule before they are influenced in any marked degree.

CLASS.	Values in Official Returns			Values Adjusted to 1913 Price Levels		
	1913	1919	1920	1913	1919	1920
	£	£	£	£	£	£
I. Food, Drink and Tobacco ...	295,150,000	719,119,000	767,373,000	295,150,000	297,157,000	262,799,000
II. Raw Materials and Articles Mainly Unmanufactured	269,940,000	606,784,000	711,501,000	269,940,000	250,737,000	243,665,000
III. Articles Wholly or Mainly Manufactured	201,039,000	295,955,000	454,823,000	201,039,000	122,295,000	155,761,000
Total	768,735,000	1,626,156,000	1,936,742,000	768,735,000	671,965,000	663,268,000

THE EXPORT TRADE.

A STUDY of the export trade of the United Kingdom for the years 1913, 1919, and 1920 brings to light the same phenomenon as has been encountered in the statistics as regards imports. To avoid the complication introduced by the wild fluctuations of the foreign exchanges, the influence of which has already been discussed in conjunction with imports, it is proposed to exclude the returns relating to re-exports, and to confine attention to figures dealing with the exports of produce and manufactures of the United Kingdom. The returns issued by the Board of Trade show that in 1913 the total value of such exports reached £525,254,000. For 1919 the value is recorded at £798,638,000, whilst by 1920 it had jumped up to £1,335,569,000. The extent to which this apparently rapid increase in the value of the export trade, especially between 1919 and 1920, may be explained by the sharp rise in price levels, as already discerned in our survey of the import trade, can be determined by investigating the relation between the rate of increase in value and in quantity over these years. The following table indicates the variations in quantity as well as in value of representative exports for 1913, 1919, and 1920:—

Table showing Official Values (000's omitted) and Official Quantities (000's omitted) of Representative Exports for 1913, 1919, *and* 1920.

Commodity	Official Values			Official Quantities		
	1913	1919	1920	1913	1919	1920
	£	£	£	Tons	Tons	Tons
Coal	50,727	83,214	99,627	73,400	35,250	24,932
Oils, fats and greases	2,749	11,760	11,046	98	138	119
Pig iron	4,824	4,828	10,009	1,124	357	579
Steel	3,571	7,220	11,112	251	250	364
Galvanised sheets	10,026	6,049	19,151	762	186	411
Tinned plates and sheets ..	7,215	11,079	18,954	195	290	356
Textile machinery	8,282	8,427	9,169	178	66	63
Railway locomotives	2,782	1,779	5,987	47	18	43
				Gross Tonnage	Gross Tonnage	Gross Tonnage
Ships	11,027	2,328	26,576	483	53	475
				Lb.	Lb.	Lb.
Tobacco . .	3,361	5,088	9,069	23,333	15,534	20,452
Cotton yarns .	15,006	33,908	47,825	149,099	162,617	147,543
Worsted yarns .	4,993	10,650	11,528	49,907	24,647	24,646
				Cwt.	Cwt.	Cwt.
Sodium compounds	1,788	3,757	7,022	7,267	6,545	8,673
Leather ..	5,467	4,770	8,160	256	104	270
Paper and board	5,679	4,251	12,818	3,499	937	2,352
				Proof Galls.	Proof Galls.	Proof Galls.
Spirits ...	4,188	4,474	10,049	10,090	3,302	7,328

Generally speaking, it can be said at once that the movements in value by no means coincide with the movements in quantity, and that in more than one instance they are glaringly misleading as to the movements in quantity. In Class I. there is a steady increase in the value of tobacco exported from £3,361,000 in 1913 to £5,088,000 in 1919 and to £9,069,000 in 1920, whilst the quantity exported fell from 23,333,000 lb. in 1913 to 15,534,000 lb. in 1919, and had recovered in 1920 only to 20,452,000 lb. The export of British and Irish spirits dropped from 10,090,000 gallons in 1913 to 3,302,000 gallons in 1919, whilst the value increased by seven per cent. to £4,474,000. During 1920 the quantity exported improved to 7,328,000 gallons, but the value rose sharply to £10,049,000. Class II. provides two striking instances in the case of coal and oil. In the last pre-War year our export of coal reached 73,400,000 tons. By 1919 it had fallen to less than half—viz. 35,250,000 tons—and in 1920 it was only a little over one-third—24,932,000 tons. Yet the value advanced steadily from £50,727,000 in 1913 to £83,214,000 in 1919 and to £99,627,000 in 1920. From the point of view of quantity the trade in oils, fats, and greases increased in 1919 by over forty per cent. as compared with 1913; the value jumped up from £2,749,000 to £11,760,000. By 1920 the quantity exported was only twenty-one per cent. greater than in 1913; the value was still fourfold.

Class III., however, has always constituted the backbone of the export trade, and here illustrations, many and varied, are to hand of the marked discrepancy between the rapid growth in value and the almost universal decline in quantity. The foundational steel and iron industry furnishes several striking instances. The value of the export of pig iron is represented as practically unchanged between 1913 and 1919; the quantity exported had been reduced to less than one-third. In 1920 the value had been more than doubled, the export amounting only to 579 tons, as against 1,124 tons in 1913. In 1919 the quantity of steel exported was almost the same as in 1913, and in 1920 there had been an increase

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Reserve - - - - - - - Lire 65,000,000.
Deposits and Current Accounts at 30th September, 1920, Lire 3,933,217,056.

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Extraordinary Reserve - f. 22,660,000 „ „ (£1,888,333)

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of forty-five per cent. Yet in 1919 the value was more than double, and in 1920 more than treble that of 1913. Between 1913 and 1919 the trade in textile machinery showed only a trifling increase in value, whilst the quantity dwindled to thirty-seven per cent. In 1920, when the quantity exported was only thirty-six per cent. of that for 1913, the value was £9,160,000, as against £8,282,000. As regards ships, it is necessary to state that the returns deal only with the export of ships not registered as British. Bearing this point in mind, it appears that the gross tonnage of the export in 1919 was only eleven per cent. of that in 1913, whilst the value was twenty-one per cent. of that for 1913. By 1920 the gross tonnage was only a little below the level of 1913; the value had risen by 141 per cent. The cotton trade of Lancashire and the woollen trade of Yorkshire constitute no exceptions to the rule. But here comparisons are somewhat vitiated by the adoption in 1920 of the more correct unit of "square yards" for quantity as against "yards" for 1913 and 1919. Comparing, however, the export of cotton and worsted yarns, where the unit of quantity has not been altered, it will be seen that the values have risen whilst the quantities declined or remained stationary. Thus in 1919 the export of cotton yarn was only 162,617,000 lb., as against 210,099,000 lb. in 1913, and it fell again in 1920 to 147,543,000 lb. Yet the value increased rapidly from £15,006,000 in 1913 to £33,908,000 in 1919 and to £47,828,000 in 1920. Similar movements are recorded in the chemical industry. The quantity of sodium compounds exported in 1913 was 7,267,000 cwt., and it was reduced to 6,345,000 cwt. in 1919, but rose to 8,673,000 cwt. in 1920. Meanwhile the value advanced systematically from £1,788,000 in 1913 to £3,727,000 in 1919, and to £7,022,000 in 1920.

The following table brings out more clearly the manner in which the values of these representative exports increased, whilst the quantities showed a pronounced tendency to decline:

Table showing Relative Rate of Increase of Official Values and Official Quantities of Representative Exports, the Official Value and Official Quantity for 1913 *being taken as* 100.

Commodity	Official Values			Official Quantities		
	1913	1919	1920	1913	1919	1920
Coal	100	161	136	100	48	54
Oils, fats and greases	100	427	402	100	141	121
Pig iron	100	100	207	100	52	51
Steel	100	202	311	100	100	145
Galvanised sheets	100	60	190	100	24	54
Tinned plates and sheets	100	154	262	100	59	71
Textile machinery	100	102	111	100	37	56
Railway locomotives	100	64	245	100	58	91
Ships	100	21	241	100	11	98
Tobacco	100	151	270	100	67	88
Cotton yarns	100	226	519	100	75	70
Worsted yarns	100	211	231	100	49	49
Sodium compounds	100	209	593	100	87	119
Leather	100	138	235	100	64	106
Paper and cardboard	100	115	348	100	27	67
Spirits	100	107	240	100	33	73

The steady decline in our important export of coal stands out clearly here in conjunction with the progressive increase in value. It is apparent that coal was nearly three and a-half times as costly in 1919 as in 1913; whilst in 1920 the price per unit charged to our customers had been multiplied nearly sixfold. In the light of this table it is not very difficult to understand why the Continent should reduce its purchases of English coal and should prefer the cheaper American coal when possible. The most rapid rise in value is recorded in the case of oils, fats, and greases, which increased by 327 per cent. between 1913 and 1919, and was still 302 per cent. greater in 1920. The steady and progressive rise in the value of the export of steel is interesting; but taking into account the increase in quantity, price levels do not appear to have risen considerably between 1919 and 1920. On the other hand, the table would imply that there had been a fairly marked fall in the price of pig iron between 1919 and 1920. Per unit, the cost in 1919 was more than six times that of 1913; for 1920, it was only just over four times the 1913 cost. Allowing for the variation in quantities, the price of cotton yarns increased more rapidly especially between 1919 and 1920 than that of worsted yarns. Movements as regards quantities were most pronounced in the case of the export of ships not registered as British, the sharp drop in 1919 to one-ninth the quantity for 1913 being followed by a recovery in 1920 almost to the 1913 level. In only three instances have there been a persistent decline in quantity over the whole period:—coal, textile machinery and cotton yarns. Generally speaking the tendency was to decline markedly between 1913 and 1919, with a recovery more or less pronounced between 1919 and 1920.

Of the sixteen commodities in this table twelve record increases in value in 1919 as compared with 1913 at a rate disproportionate to the movement in quantities. In three cases—galvanised sheets, railway locomotives, and ships—the values in 1919 are lower than those in 1913, but in each case the corresponding decline in quantity has been more marked. Pig iron provides the sole example in which no change in value is registered between 1913 and 1919; but the quantity exported in 1919 was only thirty-two per cent. of that exported in 1913. Turning to the quantities, in only one instance has an increase taken place in 1919 as compared with 1913, the export of oils, fats, and greases rising by forty-one per cent.; but the value was more than quadrupled. Similarly in the case of steel, where the quantity exported in 1919 was practically the same as in 1913, the value had doubled. But in all the other fourteen cases there was a definite decline in quantity. Comparing 1913 with 1920 a still more interesting result is obtained. In every case the official value is higher than in 1913, whilst in twelve cases the official quantity is lower than in 1913. Steel, oils, fats and greases, sodium compounds, and leather record higher quantities in 1920 than in 1913; but in every case the growth in value is more rapid. Taking an average for the sixteen commodities, we find that between 1913 and 1919 the average value rose from 100 to 153, whilst the average quantity dropped from 100 to less than 56. Again, in 1920 the average value jumped up to 261; whilst the average quantity recovered to 79.5. Thus it would appear that there was a real increase in our native exports in 1920 as compared with 1919. This conclusion can be verified in another manner. Converting, as in the case of the imports, the official value of the exports for 1919 and 1920 into adjusted values, as compared with 1913, on the basis of THE STATIST's index-number for these years, we secure the interesting result embodied in the table at the foot of this page.

Thus, assuming price levels to have remained at the 1913 level, the export of the produce and manufactures of the United Kingdom shows a sharp decline in 1919 to £330,016,000, as against £525,254,000 in 1913; but there is a substantial recovery to £457,386,000 in 1920. It is gratifying to note that this recovery is to be attributed almost entirely to Class III., the exports of manufactured goods working out, on this basis, at £383,212,000 in 1920, as compared with £265,076,000 only in 1919.

Class.	Values in Official Returns.			Values Adjusted to 1913 Price Levels		
	1913	1919	1920	1913	1919	1920
	£	£	£	£	£	£
I. Food, Drink and Tobacco	33,876,000	33,771,000	50,893,000	33,876,000	13,955,000	17,429,000
II. Raw Materials and Articles mainly Unmanufactured	66,173,000	111,291,000	145,655,000	66,173,000	45,988,000	49,882,000
III. Articles Wholly and Mainly Manufactured	413,820,000	641,484,000	1,120,732,000	413,820,000	265,076,000	383,812,000
Total	525,254,000	798,638,000	1,335,569,000	525,254,000	330,016,000	457,386,000

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Table I.—Steam Tonnage.

(Gross Tons.)

	June, 1914	June, 1920	
United Kingdom ...	18,892,000	18,111,000	781,000
British Dominions ...	1,632,000	2,032,000	+ 400,000
Total British Empire	20,524,000	20,143,000	— 381,000
United States —			
Seagoing	2,027,000	12,406,000	+ 10,379,000
Great Lakes ...	2,260,000	2,119,000	— 141,000
Other Countries ...	20,593,000	19,237,000	— 1,356,000
Total abroad ...	24,880,000	33,762,000	+ 8,882,000
World's total ...	45,404,000	53,905,000	+ 8,501,000

It will be seen that the world's total steam tonnage at 53,905,000 gross tons is eight and a-half million tons in excess of the 1914 figure. The outstanding changes are an increase of 10,238,000 gross tons in the United States, and a decrease of 781,000 gross tons in the United Kingdom. Though we are still the principal shipowners in the world the fleets of other countries, particularly America and Japan, have, for reasons that are well known, shown great expansion. Both American and Japanese construction has, however, fallen off rapidly of late, and though the output from our own yards is also declining the decrease is slight in comparison. Still the 1920 returns of shipping launched in the United States are 421,629 gross tons in excess of our own. In 1919 the total American launchings were 4,075,385 gross tons, and those of the United Kingdom 1,620,442 gross tons. We have, therefore, practically redressed the very heavy balance against us. We append a table giving according to *Lloyd's January Register* the tonnage of merchant vessels of 100 tons gross and upwards launched in the years 1913-20 inclusive:—

As the despatch of vessels is now much slower than at any time prior to the War the surplus of tonnage is not so acutely felt, but it is sufficiently serious to induce many owners to lay up their ships in preference to running on a non-profit basis. A loss is also, of course, incurred in respect of insurance, depreciation, &c., while ships are lying idle, and owners naturally choose the lesser of the two evils. The shipping situation at present is complicated by the fact that quite a number of Governments own and control a substantial amount of tonnage, which they are not averse to running at uneconomic rates, thus making matters more difficult for the private owner. It will be remembered that the coal export trade from Atlantic ports of the United States and grain and other exports from the Pacific ports were very active during the greater part of last year, but the United States Shipping Board met almost all demands, and where necessary lowered rates in order to secure business. British and American private shipowners suffered accordingly. Other unfavourable factors at work have been the inflation of running costs owing to the rise in bunker coal, in food, and all classes of stores, and in wages, insurance and repairs. The average cost of maintaining a steamer on active service has risen by about 300 per cent. since 1914, and, though freights have fallen, great difficulty is experienced in materially reducing the running outlay. Some relief has been afforded by an easing of insurance rates and Suez Canal charges, and by a reduction in coal and oil bunkers, but expenses are still undesirably high in view of the prevailing level of freights.

The earnings of both cargo and liner companies during last year were satisfactory, and do not altogether reflect the present dulness, as rates were generally firm at the commencement of the year. Previous to that period the rigorous official control of shipping had been relaxed, and further steps towards decontrol followed when directed rates, which had been raised in January 1920, were abolished in the following July. Subsequently, a general licence to proceed on all voyages was granted by the Shipping Controller. British vessels were, unfortunately, only free in the latter part of the boom period, and our owners have accordingly not had, except in a few instances, the opportunity to accumulate substantial reserves to the same extent as neutrals. We analyse elsewhere in the present issue the latest accounts of the leading liner companies, but the information presented in these documents is not so complete as might be desired. It is not helpful to lump the total assets of a company under a single heading, or to include the value of the fleet with investments, or to set aside undisclosed amounts for depreciation. While liner and cargo-boat companies enjoyed a fairly prosperous year in 1920, earnings per deadweight ton were lower than in the previous year. The reduction in the amount of export coal from 73,400,118 tons in 1913 and 35,249,568 tons in 1919 to 24,931,853 tons

Table II.

MERCHANT SHIP CONSTRUCTION, 1913-20.

(Gross Tons.)

		Brit. Dominions											United States		Total All Countries	
Year	United Kingdom	Coasts	Canadian Lake Ports	Belgium	Denmark	France	Germany	Holland	Italy	Japan	Norway	Spain	Sweden	Coast	Great Lakes	No.	Tons
1913	1,932,153	26,774	21,595	30,181	40,962	176,995	467,226	101,293	50,356	64,664	50,637	8,488	18,524	228,232	48,216	1,750	3,332,882
1914*	1,683,553	22,288	25,246	17,145	32,815	114,052	387,192	118,153	42,981	85,861	54,204	5,163	15,163	162,937	37,825	1,319	2,852,753
1915*	650,919	13,289	8,725	—	45,198	25,402	—	113,075	22,132	49,408	62,070	12,765	20,319	157,167	20,293	743	1 201,638
1916*	608,235	22,577	8,994	—	35,277	42,752		180,197	56,654	114,624	42,458	10,847	26,769	384,899	119,348	961	1,688,080
1917*	1,162,896	66,475	27,996		20,445	18,828		148,779	38,906	350,141	40,303	22,777	26,760	821,115	176,804	1,112	2,937,786
1918*	1,348,120	230,514	49,390		26,150	13,715		74,026	60,791	489,924	47,723	17,389	39,583	2,602,153	439,877	1,866	5,447,444
1919*	1,620,442	298,495	60,233	2,433	27,766	32,633		137,986	82,713	611,883	57 578	52,609	50,971	3,579,826	495,559	2,483	7,144,549
1920	2,055,924	174,557	29,087	8,371	60,669	93,449		183,149	133,190	456,642	38,855	15,950	63,823	2,518,725	127,528	1 759	5,861,666

* Figures subject to revision, especially as regards vessels under the flags of neutral countries.

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13/14 AUSTIN FRIARS, LONDON, E.C. 2.

Governor ... THE LORD FARINGDON. Deputy-Governor ... SIR HENRY BABINGTON SMITH, G.B.E., K.C.B., C.S.I.
Manager: A. G. M. DICKSON. London Manager: P. C. WEST. Secretary: G. DE B. BROUNLIE.

BALANCE SHEET, 31st December, 1920.

LIABILITIES.	£	s.	d.
Capital - Authorised— 1,000,000 Shares of £10 each £10,000,000			
Issued 200,000 Shares of £10 each, fully paid	2,000,000	0	0
Current Deposit and other Accounts ... ... (Including rebate of Interest on Treasury Bills and Bills discounted.)	2,478,360	12	3
Acceptances on Account of Customers	2,180,745	2	2
Profit and Loss Account— As per Account	141,901	9	0
NOTE.—There is a Contingent Liability of £366,405 14s. 8d. in respect of guarantees, of £101,348 5s. 8d. in respect of Bills rediscounted and £83,820 in respect of uncalled Capital on Investments held.			
	£6,801,007	3	5

ASSETS.	£	s.	d.
Cash in hand and at Bankers	254,441	10	6
Money at Call and Short Notice	700,000	0	0
British Treasury Bills	250,000	0	0
Investments (including £350,000 National War Bonds and £175,000 Exchequer Bonds) at or under cost	799,264	11	6
Bills Discounted, Loans, Advances and Sundry Debtors	1,977,444	15	11
Liability of Customers for Acceptances as per contra	2,180,745	2	2
Capital in Subsidiary Companies, at or under Cost ...	307,380	12	1
National Bank of Turkey, 96,810 Shares of £10 each, £2 10s. paid	243,119	11	9
Premises	64,045	4	6
Furniture, less Depreciation	4,565	15	0
Stamp Duty on unissued Capital	20,000	0	0
	£6,801,007	3	5

THE LONDON MERCHANT BANK, Ltd.

Subscribed Capital £1,500,000
Paid-up Capital 750,000
Reserve Fund 350,000

F. LUBBOCK, *Chairman.* A. HARTER, *Manager.*
F. POOLE, *Secretary.*

OFFICE - - - - 38 Lombard Street, E.C. 3.

Clearing Agents: BANK OF ENGLAND; COUTTS & CO,
Telegraphic Address: "LONDOMERCH, LONDON."

in 1920 naturally caused a big weakening in outward freights, especially as tonnage became more and more abundant owing to release from Government control and the liquidation of Government business arising out of the War. The demand for shipping is at present small because unsettled financial conditions throughout the world have been responsible for a tremendous decline in trade, and until the world's finances are restored, and the exchanges permit of a resumption of trade, tonnage will scarcely meet with anything like full employment. Time-charter rates on all routes have fallen heavily, as may be seen from the following table, for which we are indebted to the *Daily Freight Register*:—

Table III.—Time Charters.

	1920 High	1920 Low	1920 Avge.	1919 Avge.	1918 Avge.	1915 Avge.	1914 Avge.
European ..	85/0	18/0	50/7½	58/5½	—	17/3	4 11½
French Coal ..	92/6	37/6	76/3½	54/1⅜	120/0	22/4	—
General	45/0	11/0	25/3½	27/1⅜	47/1	14/4¼	3/8½
Mediterranean ...	35/0	12/6	24/6	31/10¼	—	14/8	5/2
States, Brazil & Plate	38/0	15/0	31/8¼	30/9	35/0	14/0	4/6½
States & W. Coast (S)	8/50	3/25	6/15	41/6	40/0	14/7½	3/4
States & W. Indies (S)	8/25	2	5/65	35/8½	35/0	12/6	3/8½
Trans-Atlantic ...	42/6	10/0	22/7½	29/8		15/0	4/1

The average time-charter rates for French coal rose from 54*s*. 1¾*d*. in 1919 to 76*s*. 3½*d*. in 1920, and for the States, Brazil, and the Plate from 30*s*. 9*d*. to 31*s*. 8¼*d*.; but rates fell on all the other routes, time charters Transatlantic being only 22*s*. 7½*d*., as compared with 29*s*. 8*d*. in the previous year.

There was a temporary improvement in the general market during the period of the coal strike, when vessels for immediate loading were in request, and in the last quarter also time-charter rates appreciated slightly. But American competition has been pressing rather severely. For example, the Atlantic, Gulf and Pacific Steamship Company has just announced the decision of the Transpacific lines to make the rates between the Far East and New York and New Orleans *via* Pacific Coast ports and the Panama Canal the same as those *via* the Suez Canal, in order to meet the competition of foreign shipping. According to the report of Messrs. J. C. Gould, Vogel and Company, Limited, 15*s*. to 16*s*. 6*d*. was paid in October-December 1920 for large steamers for six months. This firmness, however, was only a passing phase, and the maximum since obtained has been about 12*s*. At the close of the year tonnage was on offer at 10*s*., and since the commencement of 1921 weekly quotations have been largely nominal. The following data taken from the "Freights List" published weekly in our Tabular Appendix indicates the variations in the Charter market from August 1920 to date:—

Table IV.—Weekly Time-Charter Rates.

Aug.	13	1920	14/0	Nov.	19	1920	12/6
..	20	..	12/0	..	26	..	11/0
..	27	..	13/0	Dec.	3	..	12/0
Sept.	3	..	14/0	..	10	..	12/0
..	10	..	13/6	..	17	..	nominal
..	17	..	14/0	..	24	..	nominal
..	24	..	15/0	..	31	..	nominal
Oct.	1	..	15/0	Jan.	7	1921	10/0
..	8	..	15/0	..	14	..	nominal
..	15	..	15/0	..	21	..	nominal
..	22	..	16/0	..	28	..	nominal
..	29	..	15/6	Feb.	4	..	7/6
Nov.	5	..	15/0	..	11	..	6/6
..	12	..	14/6				

One great factor of weakness is the diminished tonnage now required to carry our overseas trade. We employ eighty tons now where 100 tons were required before the War. The proportion of foreign shipping utilised in transport to and from the United Kingdom is indeed less than before the War, but the decline in the amount of British tonnage required is considerable. Thus, according to the January returns, although 347,000 more tons entered than in January 1913, 636,000 tons less cleared. The annual report of the Liverpool Steamship Owners' Association for 1920 contains a very useful table showing variations in the total tonnage required for the service of our external trade:—

Table V.—Employment of the British and Foreign Shipping in the Ocean Oversea Trade of the United Kingdom.

(1913 *figures given as a* 100 *and subsequent figures shown in proportion to the* 100.)

Year.	British.	Foreign.	Total.
1913	**68**	**32**	**100**
1914	63	27	90
1915	56	25	81
1916	50	24	74
1917 ..	46	10	56
1918	49	8	57
1919	52	16	68
1920	**57**	**23**	**80**

At the present time it may be estimated that approximately 400 steamers with combined tonnage of over 600,000 are laid up in the United Kingdom. The weakness in the outward freight market is emphasised by the lack of demand abroad for British coal. The January exports of 1,700,106 tons represent the largest decline in volume as well as in price that occurred in our export trade during that month. It compares with 3,358,572 tons in January 1920 and 6,070,318 tons in January 1913. For the whole of 1920 all U.K. exports, so far as official figures are available, amounted only to 40,000,000 tons approximately, as compared with 93,000,000 tons in 1913—a fall of fifty-seven per cent.—and yet our merchant fleet is now practically at its pre-War strength. The decline in the weight of imports has not been so marked—45,400,000 tons in 1920, compared with 55,900,000 tons in 1913, a fall of nineteen per cent. A downward movement in freights is the only possible outcome of such a situation, the seriousness of which is accentuated by the fact that over 350,000,000 people, mainly on the continent of Europe, are precluded by a variety of reasons from affording employment to a normal amount of tonnage. Restriction of consumption has lessened imports, and restriction of production has lessened exports. Over the whole of Russia and South-Eastern Europe, and over most of Siberia, political conditions have brought about a practically complete suspension of overseas commerce.

While freights have fallen the burdens of the shipowner have not been appreciably lightened. It is true that the price of bunker coal has diminished. Tyne bunkers last month were down to 45*s*., as compared with 75*s*. in October. Through the courtesy of the Chamber of Shipping we are enabled to publish herewith a most instructive table showing the course of bunker-coal prices in 1920:—

Table VI.—Prices of Bunker Coal, 1920.

	Tyne Ordinary		S. Wales Cardiff Bunker Smalls—Class I.		Scotch Navigation unscreened f.o.b. Glasgow	
	For Neutral Shipment		For Neutral Shipment		For Neutral Shipment	
Jan.	110	31/9	95	95/–	90/–	32/9
	Foreign	Coastwise	Foreign	Coastwise	Foreign	Coastwise
Feb.	115	32	95/–	28/6	88/–	32/–
March	70	32	70/–	29/3	72/6	32/–
April ...	80/–	32/–	60/–	29/3	72/6	32/–
May	80	36/2	60/–	33/5	72/6	36/–
June	80	36/2	60	33/5	72/6	36/2
July	80	36/2	60	33/5	72/6	36/2
Aug.	70	36/2	60	33/5	72/6	36/2
Sept.	80	36/2	60/–	33/5	76	—
Oct.	80	36/2	60/–	33/5	76	—
Nov.	70		60		76	
Dec.	Highest 67/6 Lowest 52/6		60/–	—	71/–	—

While the shipowner has received some relief in this direction, the items for building, repairs, crews' wages and upkeep, light dues and port dues have not shown any tendency to contract. Delay at the ports increases the length of time taken to turn a vessel round, and thus the number of voyages is reduced—a most undesirable feature in a time of falling freights.

THE
Commercial Banking Company of Sydney,
LIMITED.

ESTABLISHED 1834.

INCORPORATED IN NEW SOUTH WALES.

Capital Paid up £2,500,000. 0. 0
Reserve Fund ...£2,220,000. 0. 0
Reserve Liability of Shareholders ...£2,500,000. 0. 0

Drafts payable on demand and Letters of Credit on Australasia are issued by the London Branch. Bills on Australasia negotiated or collected. Remittances cabled.

London Offices:

18 BIRCHIN LANE, LOMBARD STREET, E.C. 3.

F. A. SCRIVENER, *Manager.*

COMMERCIAL BANK OF SCOTLAND, LTD.

ESTABLISHED 1[illegible]

Head Office - EDINBURGH

General Manager - - ALEX. ROBB
Secretary - - MAGNUS IRVINE

Capital Subscribed - - £5,500,000
Capital Paid up - - - £1,750,000
Reserve Fund - - - £1,000,000
Deposits (1st Nov., 1920) - £41,000,000

London Office: 62 Lombard Street, E.C. 2

GEORGE S. COUTTS, *Manager.*
JOHN F. SANDEMAN, *Assist.-Manager.*

The Bank has 233 Branches and Sub-Branches throughout Scotland

General Banking and every description of Foreign Exchange business transacted, and Agency business for Foreign and Colonial Banks undertaken.

The National Bank of New Zealand,
LIMITED.

AUTHORISED CAPITAL - - £3,000,000 | PAID-UP CAPITAL - - £1,000,000
SUBSCRIBED CAPITAL - - £3,000,000 | RESERVE FUND - - - £1,020,000
UNCALLED CAPITAL - - - £2,000,000.

Directors.

HON. WILLIAM PEMBER REEVES (*Chairman*).
JAMES H. B. COATES, Esq. — HENRY F. FRESHWATER, Esq. — ROBERT LOGAN, Esq.
CHARLES ELGAR, Esq. — SIR AUSTIN E. HARRIS, K.B.E. — LINDSAY ERIC SMITH, Esq.

Head Office:—17 MOORGATE STREET, LONDON, E.C. 2.
Manager:—ARTHUR WILLIS.

Chief Office in New Zealand:—WELLINGTON.
General Manager:—D. W. DUTHIE.

Branches and Agencies throughout New Zealand and Correspondents in all parts of the World.

The National Bank of New Zealand, Limited, issues DRAFTS and LETTERS of CREDIT, makes **Telegraphic Transfers**, opens **Current Accounts, negotiates and collects Bills of Exchange.** Receives **Deposits** of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application, and conducts every other description of banking business.

THE BANK OF VICTORIA
ESTABLISHED October 1852. LIMITED. Registered under the Companies Act, 1890.

Authorised Capital	**£3,240,000**
Capital Paid up	**£1,478,010**
Capital Uncalled	**1,061,250**
Reserve Fund and Undivided Profits (Used in the business of the Bank)	**547,040**
	£3,086,300

Head Office: COLLINS STREET, MELBOURNE.
General Manager: P. C. DE CRESPIGNY.
Head Office, Melbourne: Manager, DUNCAN TAYLOR. Accountant, F. J. NIVEN.

London Office: 69 KING WILLIAM STREET, E.C. 4.
London Board: V. A. CÆSAR HAWKINS: A. E. WALLIS. Manager, A. E. WALLIS (*on leave*). Acting Manager, J. G. WATSON.
Secretary and Accountant, J. STARK

115 Branches and Agencies. **Drafts issued, Remittances Cabled, Bills negotiated or collected.**

THE COTTON INDUSTRY.

THE year 1920 bids fair to stand in history as one of the most memorable ever experienced by the cotton trade. It was a period of violent fluctuations in the price of both raw materials and finished goods. It opened with a flood-tide of prosperity, which lasted until the early summer months, when the ebb set in, and continued, with ever-increasing force, up to December. The causes of the rapid change of fortune were in the main general, and as such shared by other industries, but, as particularly affecting the cotton trade, certain factors may be noticed. The decline in the value of sterling in New York raised the price of raw cotton to the British manufacturer, and it was in part responsible for the inflation of finished goods' quotations here. In February last New York on London reached the record low level of $3.19½, but the improvement in subsequent months somewhat eased the situation. Wage advances and reduced hours, coupled with a diminution in output, led to the enhancement of production costs in all sections, including spinning, weaving, dyeing, and printing. Still, order-books at the commencement of 1920 were well filled, not only with the surplus of uncompleted orders from the previous year, but with new bookings. Despite the increased costs, remunerative selling prices were easily obtainable, and in the later stages orders were taken only for distant delivery and at very high prices. The situation, artificial in more than one respect, lacked nearly every element of permanence. Buyers became disgusted at the difficulty of trading conditions, and consumers with the apparently endless rise in prices. The result was a slackening off in the volume of business, which gradually came to reflect itself throughout all departments. The rise in the Bank rate and the restriction of credit hastened unloading by speculators. The decline was common to both the home and the export trades, and weak holders were everywhere forced to unload. The effect on exports was not evident as regards cloth shipments until July, and as regards yarn shipments until August, after which dates there was an intermittent but marked decline in both cases, as the following table shows:—

Monthly Exports of Cotton Yarns and Piece-Goods.

1920	Yarn (Lb.)	Piece-Goods (Sq. Yds.)
January	16,458,900	414,757,300
February	11,902,700	311,989,200
March	10,072,200	397,138,700
April	11,100,200	423,818,300
May	14,280,000	443,251,000
June	14,800,700	405,843,500
July	15,320,800	395,199,600
August	12,923,700	366,540,900
September	11,588,500	382,138,600
October	10,376,500	304,911,900
November	11,002,000	342,922,700
December	7,716,700	248,045,800
Total for 1920†	147,542,900	4,436,557,500
,, 1919	162,616,600	3.523,660,000*
,, 1913	210,099,000	7,075,252,000*

* Yards. † Revised figures.

The yarn shipped in 1920 shows a decrease of 15,073,700 lb., or nine per cent., on 1919, and of 62,556,100 lb. on 1913. The piece goods figures are not comparable, owing to the change in the method of compilation. The falling off in bookings was evident long before shipments decreased.

The silver situation has an intimate bearing on Lancashire's prosperity, since a large proportion of our cotton exports—over fifty per cent. normally—goes to the silver-using countries of the East. The East is, in fact, our chief piece-goods market, and the extent of its imports of British cloth in 1913 is shown herewith:—

United Kingdom Exports of Cotton Cloth to Far East.

Destination	Value of Cloth Exported	Percentage of Total Value of Cloth Exported
1913	£	%
British India	34,978,000	36
China (including Hong-kong)	11,733,000	12
Dutch East Indies	4,014,000	4
Straits Settlements	1,820,000	2
Japan	1,051,000	1
Siam	629,000	0·6
Ceylon	551,000	0·5
Philippine Islands	278,000	0·25
Total	£55,054,000	56·35
1920	£	%
British India	75,299,159	23·84
China	34,129,846	10·80
Dutch East Indies	13,856,351	4.38
Straits Settlements	7,016,245	2·20
Japan	2,172,690	·68
Siam	1,983,231	.62
Ceylon	1,710,312	·54
Philippine Islands	395,526	.12
Total	136,563,360	43·18

The purchasing power of the East naturally depends on the dearness of silver. The rupee was valued in London at the commencement of 1920 at 2*s.* 3$\frac{5}{16}$*d.*, and it rose to 2*s.* 9¼*d.* on February 4, the highest point, after which it declined to below 2*s.* in June. Its appreciation early in the year was in part due to the adoption in the first week of February of the report of the Currency Committee, which recommended the linking of the rupee with gold and fixed its value at ten to the gold sovereign, instead of fifteen to the pound sterling as before, thus making it equivalent to 2*s.* gold. Silver, however, fell steadily in value, and, despite the hopes entertained by the Committee, the effect of their action was precisely the opposite to that intended. By the end of the year the rupee had, contrary to all expectations, fallen to 1*s.* 4$\frac{3}{4}$*d.*, just a shade above the pre-War parity, and it has since remained fairly steady around this level. The result is a big decrease in the purchasing power of India and other Eastern markets, and accordingly a decline in their imports. In the following table particulars for the more important importing centres are set out, and the decline in the individual and aggregate figures for January 1921 and December 1920, as compared with November, is clearly seen:—

Cotton Goods Imported from United Kingdom.

Importing Centre	Piece-goods (in Thousands of Square Yards)		
	1920		1921
	Dec.	Nov.	Jan.
Bombay	43,110	38.950	30,206
Madras	5,620	7,859	3,140
Bengal, Assam and Behar	28,827	52.417	48,841
Burma	4,515	7,166	2,780
Straits Settlements	5,916	5,290	4,884
Total	87,988	111,682	89,851
All other countries	159.858	231,241	159,499
Grand Total	247,846	342,923	249,350

The bullion value of the rupee has now fallen so low that movements in the market price of the metal have now no effect on the exchange rate. This is a reversal of previous experience. During the War and for some time after the high value of the rupee was due as much to the increased price of silver as to the favourable character of Indian trade balances. The price of silver is not likely to recover to former levels, and, as regards trade, the insistent demand for Indian produce which characterised the period of the War and immediately after will be relaxed. Latterly, however, exports have shown a tendency to revive, and

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA,

38 BISHOPSGATE, LONDON, E.C. 2.

Incorporated by Royal Charter.

CAPITAL - - - £3,000,000
RESERVE FUND - £3,500,000

COURT OF DIRECTORS.

Sir MONTAGU CORNISH TURNER, Chairman.
Sir DUNCAN CARMICHAEL.
THOMAS CUTHBERTSON, Esq.
Sir ALFRED DENT, K.C.M.G.
Sir WILLIAM HENRY NEVILLE GOSCHEN, K.B.E.
The Right Hon. LORD GEORGE HAMILTON, G.C.S.I.
The Rt. Hon. SIR JOHN NEWELL JORDAN, G.C.I.E, K.C.B., K.C.M.G.
WILLIAM FOOT MITCHELL, Esq.
JAMES MAXWELL GRANT PROPHIT, Esq.
LEWIS ALEXANDER WALLACE, Esq.

W. E. PRESTON, *Chief Manager.* J. S. BRUCE, G. MILLER, *Managers.*

AGENCIES AND BRANCHES.

ALOR STAR (Malay States)
AMRITSAR
BANGKOK
BATAVIA
BOMBAY
CALCUTTA
CANTON
CAWNPORE
CEBU
COLOMBO
DELHI
HAIPHONG
HANKOW
HONG KONG
ILOILO
IPOH
KARACHI
KLANG
KOBE
KUALA LUMPUR
MADRAS
MANILA
MEDAN
NEW YORK
PEKING
PENANG
PUKET
RANGOON
SAIGON
SEREMBAN
SHANGHAI
SINGAPORE
SOURABAYA
TAIPING (F.M.S.)
TAVOY
TIENTSIN
YOKOHAMA

BANKERS.

THE BANK OF ENGLAND.
THE LONDON JOINT CITY AND MIDLAND BANK, LIMITED.
THE LONDON COUNTY WESTMINSTER AND PARR'S BANK LIMITED.
THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.
THE NATIONAL BANK OF SCOTLAND, LIMITED.

The Corporation buy and receive for collection Bills of Exchange, grant Drafts payable at the above Agencies and Branches, and transact general Banking business connected with the East. Deposits of Money are received for fixed periods at terms which may be ascertained on application; interest payable half-yearly, 30th June and 31st December. On Current Accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances provided they do not fall below £200.

The Eastern Bank

Limited.

Head Office:

4 Crosby Square, London, E.C. 3.

Authorised Capital - - -	£2,000,000
Called up Capital - - -	£1,000,000
Reserve Fund - - - -	£225,000
Reserve Liability of Shareholders	£1,000,000

Board of Directors:

Chairman.

The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T

Deputy-Chairman: J. S. HASKELL, Esq.

Sir JAMES LEIGH-WOOD, K.B.E., C.B., C.M.G., JAMES H. BATTY, Esq., G. BROMLEY-MARTIN, Esq., EMILE FRANCQUI, Esq., MEYER SASSOON, Esq.

Branches:

AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for one year at 6 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

The ANGLO-EGYPTIAN BANK, LIMITED.

Subscribed Capital	£1,800,000
Paid up - -	£600,000
Reserve Fund -	£720,000

Head Office: No. 27 Clement's Lane, Lombard Street, E.C. 4.

Branches:

ALEXANDRIA, CAIRO, ASSIUT, BENI-SOUEF, MANSOURAH, PORT SAID, TANTAH, ZAGAZIG, KHARTOUM, MALTA, GIBRALTAR, JAFFA, JERUSALEM, HAIFA, PORT SUDAN and OMDURMAN.

THE Bank transacts every description of Banking Business in Egypt, grants Letters of Credit, and affords facilities to Travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application.

On current accounts Interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

English, Scottish & Australian Bank, Limited.

Head Office: 5 GRACECHURCH ST., E.C. 3.

Authorised Capital - -	£3,000,000 0 0
Paid-up Capital - - -	£1,176,247 10 0
Uncalled do. - - -	£1,228,012 10 0
Reserve Fund - - - -	£635,000 0 0

Board of Directors.

A. WILLIAMSON, Esq., *Chairman.*

JOHN ANNAN BRYCE, Esq.
Hon. Sir JOHN A. COCKBURN, K.C.M.G.
The Rt. Hon. Viscount KNUTSFORD.
Hon. Sir ARTHUR LAWLEY, G.C.S.I.
JOHN PATERSON, Esq.
GEORGE SLADE, Esq.
SIDNEY M. WARD, Esq.
Sir FREDERICK W. YOUNG, M.P.

Manager—E. M. JANION.
Assistant Manager—JOS. GRIEVE.
Accountant—F. C. HOUNSFIELD.

Bankers.

BANK OF ENGLAND; LONDON COUNTY WESTMINSTER AND PARR'S BANK, LIMITED.

Letters of Credit and Drafts on the Branches and Agencies of the Bank in Australia can be obtained at the Head Office, or through the Agents of the Bank in the Chief Provincial Towns throughout the United Kingdom.

Remittances made by **Telegraphic Transfer.**

Bills Negotiated or forwarded for **Collection.**

Banking and **Exchange** Business of every description transacted with Australia.

this improvement, coupled with the curtailment of imports that followed the decline in the rupee, will help to restore to some extent the value of Indian currency.

Another large Eastern market, the Chinese, has been detrimentally affected by both economic and political influences. The fall in silver, the undermining of the authority of the Central Government in the Provinces, the setting up of successive "constitutional" Governments in Canton, and the famine in the North have impinged on China's purchasing power. The proposed loan by the consortium may put matters temporarily to rights, but, apart from its handling of the famine, there are other indications, such as mutinies by the troops—who have long been without pay—that little confidence is reposed in the Peking Administration. In the circumstances, an early revival in the Chinese demand for our cotton goods is not to be expected, though the boycott of Japan, consequent on the incursions of armed Japanese forces from Korea into Manchuria, tends to stimulate the demand for British textiles.

Next in order of importance to the Far East come, in normal times, our markets in Egypt, European and Asiatic Turkey, and South-Eastern Europe. The value of their piece-goods imports from the United Kingdom and the percentage which this value bears to the total exports may be gathered from the following table:—

United Kingdom Exports of Piece-Goods to Egypt and South-Eastern Europe.

Destination	Value £	Percentage of Total Piece-goods Exports
Turkey	4,216,881	4·25
Egypt	3,285,329	3·25
Greece	463,456	·50
Roumania	323,354	·30
Bulgaria	128,961	·12
Total	8,417,981	8·42
1920	£	%
Turkey	17,286,500	5·47
Egypt	20,980,521	6·64
Greece	3,506,133	1·11
Roumania	2,480,590	·78
Bulgaria	-	-
Total	44,253,744	14·00

Though the practical disappearance of German and Austrian competition in many of these countries affords increased openings for British exports, the depreciated condition of most of the currencies, and the consequent premium on sterling, combined with the unsettled conditions generally prevailing, operate to our disadvantage. A surer and safer outlet is at present provided by the States of Central and South America, which in pre-War days constituted the third most important group of our piece-goods markets. The takings included: Argentina, £3,103,407, or 3.20 per cent. of our total exports; Brazil, £1,650,992, or 1.70 per cent.; Chili, £948,333, or 0.97 per cent.; Colombia, £823,451, or 0.84 per cent.; Uruguay, £583,449, or 0.59 per cent.; Mexico, £401,103, or 0.40 per cent.; Peru, £389,117, or 0.40 per cent., making in all £7,899,852, or 8.10 per cent. of our total exports. The consuming capacity of these markets has become much enlarged as a result of the War, and further expansion is more than probable.

The United States in 1913 took cotton piece-goods to the value of £1,572,000, but the proposed raising of the tariffs will, if carried out, have an objectionable effect. Amongst our other chief markets were—to adopt a War classification—European neutrals, £483,000; European Allies, £1,980,000; and European enemy countries, £1,889,000. The partial elimination of German competition has been offset in the case of the Continent by the impoverishment due to the War and its subsequent effects. Last year, however, showed a considerable revival in the demand, and though, when absolutely essential needs were satisfied, the exchanges exercised a deterrent influence on further trade, any scheme of European credits that may be devised will doubtless react favourably on our cotton exports.

EXPORT CREDITS.

In this connection it is interesting to note that the Manchester Chamber of Commerce on Monday last adopted with modifications the scheme of M. Ter Meulen, but the new proposals, though well thought out, involve a rather tedious procedure in which the consent of various Governments is necessary and action by Commissions and other official bodies is required. So far, such Commissions have not even been appointed, and the allocation by foreign Governments of certain assets, as well as an appraisal of these assets at their gold value, will entail lengthy negotiations. The step is, however, welcome as indicating an earnest desire to restore such conditions as will lead to a revival of trade. Another no less necessary step towards this end is reduction of selling prices to a level at which consumers will again come forward. As tending in this direction it is satisfactory to note a reduction of from eleven to fifteen per cent. in the charges by commission piece-goods dyers. This reduction was made possible by the fall in the price of chemicals, and the latter feature in itself affords a not unwelcome relief to the cotton trade as a whole. A slump is particularly undesirable at present. The recapitalisation of many spinning and weaving concerns has made it essential to earn larger profits, if the extra capital is not to go without unremuneration. No less than three-fourths of the firms that spin and weave have written up their property to four or six times its pre-War value. The exact position of these companies is difficult to ascertain as balance sheets and profit and loss accounts are not generally published, but the dividends distributed during 1920 averaged over twenty per cent. on the paid-up capital. Spinners' margins and profits were reduced considerably in the latter part of the year, and no doubt it will be some time before the boom conditions of twelve months ago are repeated or the fortunes made by speculators in mill shares are again approached.

THE RAW COTTON MARKET.

THE depression in the raw material section of the cotton industry is now of long standing and its termination is not yet in sight. It may be said to date from the end of the first quarter of 1920, though there were earlier indications that a slump in cotton prices was inevitable. These indications were to a large extent neglected and unsound long interests were built up in hopes of ever-increasing scarcity. The Census Bureau final ginning report of 10,258,000 bales of lint cotton for the 1919-20 crop, compared with 11,906,000 bales in 1918-19, had been, indeed, anticipated; but the downward trend of the American exchange, coupled with expectations of largely increased consumption on the Continent, and of an unusually active year for trade, led to sustained buying for future delivery. On February 18, the American exchange having touched 3.19½ earlier in the month, fully middling American, February delivery, was quoted at the record high price of 32.41*d*. The violence of the reaction is shown by the fact that on December 31 last business was done in December delivery futures at 9.90*d*., while at the opening of the current month February delivery futures were 9.17*d*. To some extent the strong support accorded to the market in the early part of last year was the result of persistent covering in respect of previous commitments. There was also a marked appreciation of the basis of high-grade and long-staple varieties, which was helped by the sensational rumours circulated as regards the condition of the new crop. The first report from official sources in America, issued early in June, seemed to confirm the poor estimates previously entertained, as it showed a condition of only 62.4 per cent., the lowest ever known at that date in previous years. This official pessimism eventually proved unfounded, but it was only gradually that the true situation dawned upon the market. An important indication of the

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future course of prices was afforded by remarkably heavy hedge selling on the part of Southern American cotton interests. Crop reports improved, and an increase in the acreage sent up anticipations in regard to yield. These factors naturally told against holders of existing stocks and heavy speculators in futures. The general trade situation, marked as it was by distinct sluggishness and a tendency to decline to ever lower levels, made the position more untenable, and heavy liquidation set in through fear of a further relapse. The premium on near positions rapidly vanished, and the downward course of prices was helped by a restriction both here and in the United States of the means of financing cotton operations. The falling off in the finished goods trade restricted spinners' takings, and the decreased consumption, combined with the large carry-over, about six million bales, of American cotton from July 31, 1920, the end of previous season, proved a serious drag on the Cotton market. Clearings ex-warehouse were naturally curtailed. On the 11th inst. stocks at Liverpool, Manchester, and London, including cotton afloat for Great Britain, amounted to 1,291,640 bales, compared with 1,728,460 bales on February 13, 1920. The decline in the visible supply for the United Kingdom was caused by the reduction in stocks and shipments of American cotton, but the world's visible supply at the close of last week, 5,486,930 bales, was a little less than the corresponding figure for 1920, 5,522,570 sales, stocks at the cotton-growing centres, both across the Atlantic and in Alexandria and Bombay, having fallen. From August 1, 1920, the beginning of the cotton season, to February 11, 1921, the world's spinners' takings of American cotton, according to the Liverpool Cotton Association, were only 5,689,000 bales, as compared with 8,111,000 bales in the corresponding period of the previous season. As measuring the falling off in the activity of our own industry, figures from the same source show that deliveries to spinners in Great Britain since August 1, 1920, to the end of last week were only 1,319,582 bales of all descriptions, including American, Brazilian, Egyptian, Peruvian, West and East Indian, and African, as compared with 2,079,146 bales in the corresponding previous period.

The course of cotton quotations in the last ten years is illustrated by the following table, which gives the United States estimated average price in cents per lb. to producers for each month:—

Monthly Prices of Cotton.

Date	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911
Jan. 1	35·9	28·7	28·9	17·1	11·4	6·6	11·7	12·2	8·4	14·4
Feb. 1	36·2	24·9	29·7	16·8	11·5	7·4	11·9	11·9	9·0	14·3
Mar. 1	36·2	24·0	30·2	15·9	11·1	7·4	12·6	11·8	9·8	13·1
Apr. 1	37·3	24·5	31·8	18·0	11·5	8·1	11·9	11·8	10·1	13·9
May 1	37·7	26·0	28·5	18·9	11·5	9·1	12·2	11·6	10·9	14·2
June 1	37·2	29·5	27·4	20·2	12·2	8·6	12·4	11·5	11·0	14·6
July 1	37·4	31·1	28·6	24·7	12·5	8·6	12·4	11·6	11·2	14·4
Aug. 1	36·8	32·5	27·8	24·3	12·6	8·1	12·4	11·5	12·0	13·2
Sept. 1	31·1	30·3	32·2	23·4	14·6	8·5	8·7	11·8	11·3	11·8
Oct. 1	29·5	31·3	31·8	25·5	15·5	11·2	7·8	13·3	11·2	10·2
Nov. 1	19·4	36·5	29·3	27·3	18·0	11·6	6·3	15·0	10·9	8·9
Dec. 1	14·0	35·6	27·6	27·7	19·8	11·3	6·8	12·2	11·9	8·8

It will be observed that the lowest price to producers, 6.3 cents per lb., was reached on November 1, 1914, and the peak price, 37.7 cents, on May 1, 1920. Subsequent to the latter date prices fell intermittently, the decline in the last four months being particularly noticeable. The December figure of 14 cents is only .7 cent above the highest monthly price in 1913, 13.3 cents, reached on October 1. Complementary to this table we publish at the foot of the page a table showing the acreage, average yield, total production, and comparative prices of the American cotton crop by States in recent years. It will be observed that both acreage and yield showed a substantial increase in 1920, while production rose by over one and a-half million bales. The general average price on December 1 last showed a decline of practically sixty per cent. on the corresponding quotation for 1919. The sixth ginning report of the Census Bureau, made up to December 1, 1920, indicates an increase of 1,301,000 bales on the amount ginned to the corresponding date last year. Comparative figures for four years are given in following table, in bales:—

	1920.	1919.	1918.	1917.
Alabama	571,000	632,287	682,534	442,988
Arizona	57,000	35,415	18,845	9,430
Arkansas	813,000	605,789	721,431	789,471
California	33,000	28,426	32,276	25,225
Florida ...	16,000	15,779	21,465	43,423
Georgia	1,261,000	1,556,137	1,765,950	1,643,930
Louisiana	331,000	260,451	461,130	559,021
Mississippi	731,000	724,514	893,757	728,859
Missouri	44,000	39,980	40,677	38,533
North Carolina ...	611,000	694,640	648,921	482,521
Oklahoma	769,000	635,378	474,747	817,795
South Carolina ...	1,259,000	1,298,080	1,241,656	1,055,676
Tennessee	210,000	197,094	223,944	170,009
Texas	3,423,000	2,099,752	2,325,701	2,889,697
Virginia...	10,000	17,352	15,112	13,638
Other States	6,000	3,314	3,268	3,313
Total	10,145,000	8,844,368	9,571,414	9,713,529

Since the last report, made up on November 15, 1,225,000 bales were ginned, compared with 1,256,000 bales in the corresponding period of last year. Comparisons with a year ago show an increase of 1,323,000 bales in Texas, bringing the State's total to 3,423,000 bales, which is the second best on record, the highest having been in 1914, the bumper crop year, when 3,747,000 bales were ginned in Texas to date. Other increases are: 207,000 bales in Arkansas, 134,000 in Oklahoma, 71,000 in Louisiana, and 13,000 in Tennessee. States showing reductions are: Georgia (295,000 bales), North Carolina (84,000), Alabama (61,000), South Carolina (39,000), Arizona (22,000), and Virginia (7,000). The total includes 192,000 round bales, 1,000 bales Sea Island, and 48,000 bales American-Egyptian, comparing with 100,000, 6,000, and 24,000 bales respectively last year.

AMERICAN COTTON CROP.

State.	Acreage (000's omitted).			Yield per Acre.			Production (000/s omitted).			Price Dec. 1.		
	1920	1919	1918	1920	1919	1918	1920	1919	1918	1920 Cents per Lb.	1919 Cents per Lb.	1918 Cents per Lb
	Acres.	Acres	Acres	Lb.	Lb.	Lb.	Bales	Bales	Bales			
Virginia...	39	42	44	230	255	270	19	23	25	15·0	35·0	26·5
North Carolina	1,518	1,490	1,600	264	266	268	840	830	898	14·5	35·2	26·4
South Carolina	2,877	2,835	3,001	254	240	250	1,530	1,426	1,570	14·5	35·7	27·6
Georgia	4,958	5,220	5,341	135	152	190	1,400	1,660	2,122	15·3	35·8	27·5
Florida	101	103	167	86	74	85	18	16	29	17·0	42·0	43·0
Alabama	2,842	2,791	2,570	111	122	149	660	713	801	15·0	34·8	27·0
Mississippi	3,024	2,848	3,138	140	160	187	885	961	1,226	15·3	37·5	27·8
Louisiana	1,442	1,527	1,683	126	93	167	380	298	588	14·2	35·0	27·5
Texas	12,576	10,476	11,233	160	140	115	4,200	3,099	2,697	13·2	35·0	28·2
Arkansas	2,862	2,725	2,991	194	155	158	1,160	884	987	13·3	36·4	27·8
Tennessee	824	758	902	180	195	175	310	310	330	13·0	33·5	26·7
Missouri	148	125	148	275	257	200	85	64	62	13·5	34·0	27·0
Oklahoma	2,765	2,424	2,998	225	195	92	1,300	1,016	577	10·5	35·2	25·5
California	298	185	173	240	268	270	150	56	67	30·0	43·0	30·0
Arizona	237	107	95	222	270	280	110	60	56	30·0	51·0	48·0
Other...	21	10	12	348	250	250	15	5	6	14·0	—	—
United States	36,383	33,566	36,096	170·8	161·5	159·6	13,062	11,421	12,041	14·0	35·6	27·6

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	Pig Iron		Steel Ingots and Castings	
	1919 Tons	1920 Tons	1919 Tons	1920 Tons
January ...	661,000	665,000	718,000	754,000
February	626,000	645,000	734,000	798,000
March ...	691,000	699,000	758,000	840,000
April	647,000	671,000	668,000	794,000
May	671,000	739,000	755,000	846,000
June ...	658,000	726,000	631,000	845,000
July ...	641,000	750,600	618,000	789,900
August ...	521,000	752,000	474,000	709,200
September	581,000	741,000	718,000	884,700
October ...	445,000	533,200	433,000	544,300
November ...	624,000	403,200	695,000	505,100
December ...	632,000	675,300	692,000	745,400
Total ...	7,398,000	8,000,300	7,894,000	9,055,600

A gratifying rise is recorded in both sections, but towards the close of the year output fell away as a result of the coal strike and of a general decline in demand. This decline was due to the big advance in British quotations, coupled with a revival of production in Belgium, France, and Germany. This revival also affected the home trade. When German marks could be had for less than one penny and French and Belgian francs for fourpence it was but natural that exporters in these countries could undercut our own makers. Belgian basic iron, for example, could be bought in Great Britain at nearly £1 per ton less than the home product. The pig iron and steel imports of certain categories may be set out as follows:

	1913 Tons	1919 Tons	1920 Tons
Pig Iron -			
Forge and foundry ...	47,117	21,919	49,581
Acid	107,480	17,558	12,267
Basic	30,177	120,295	152,461
Ferro-alloys	31,934	3,689	16,116
Total ...	216,708	163,461	230,425
Steel blooms, billets, &c. other than of special steel	513,988	70,744	251,202

A big increase in all branches, except acid pig iron, is noticeable, and as regards blooms and billets the rise is the more remarkable since the figures given for 1920 exclude special steel, which was included in the returns for the previous year. The increased imports came principally from Belgium and the United States, and as Lord Furness stated recently, it has been possible to buy foreign steel joists at £17 per ton, against a British price of £24, and foreign blooms and slabs at £14 per ton, against a British price of £21. The excessive rise in our quotations has had the natural effect of restricting demand, while imports have been artificially stimulated by the exchange position. The change in the situation as compared with 1919 may be seen at a glance from the following table of imports, which differs from the above table in including semi-finished and manufactured products:—

Imports of Iron, Steel, and Manufactures thereof into the United Kingdom.

	1913	1919	1920
Quantity (tons) ...	2,230,955	509,262	1,108,524
Value (£)	15,889,963	11,613,292	29,005,826

Our imports have more than doubled in quantity and nearly trebled in value in the last year.

PRICES AND EXPORTS.

The needs of Continental and more distant markets are still far from satisfied and the openings for trade are accordingly excellent, if suitable prices could be given. The high level of quotations, the result partly of high labour and fuel costs, and partly of the premium on sterling abroad, must be reduced, and considerable "cuts" have recently been made in some sections, including certain classes of pig iron, semi-finished steel and iron, and finished products. The old differences in favour of the home as against the foreign trader are at last disappearing, and the fact that we are now the premier producer in Europe, and the second in the world, next to the United States, should enable us to recover our foothold quickly when the present anomalous position is remedied. Many home industries will benefit by price reductions. Ships' plates on the Clyde rose on the year from £19 15*s.* in December 1919, to £25 in December 1920. Similarly, Scottish hematite rose from 210*s.* to 285*s.*; Scottish No. 3 from 200*s.* to 270*s.*; No. 3 Cleveland from 160*s.* to 225*s.*; and East Coast mixed numbers from 200*s.* to 260*s.* These prices require to be further curtailed before our shipbuilders and engineers can win back the ground that has been lost. The continued rise in steel prices during the first six months of 1920 was succeeded in the later months by a fall, consequent on the activity of foreign exporters. The resumption of activity by the latter was seen not only in the increased imports into the United Kingdom, but in our decreased exports. Iron and steel shipments were at their highest in July at 368,500 tons, but by November they had declined to 237,672 tons, and in December were only 190,392 tons. On the year, however, our total exports showed a substantial increase, amounting to 3,253,225 tons, as compared with 2,232,843 tons in 1919. The 1913 figure was, indeed, 4,969,224 tons, but the appreciation in values in 1920 was very striking, the exports being returned at £128,942,618, compared with £64,423,510 in 1919 and £55,350,747 in 1913.

PIG IRON TRADE.

The Cleveland pig-iron trade suffered throughout last year from the small quantities of ironstone being raised, and though the amount raised for the twelve months, 3,730,000 tons, was somewhat above that for 1919, 3,713,000 tons, it was far below previous outputs, and compares very unfavourably with such a figure as 6,217,000 tons in 1908. It was difficult in the early part of 1920 to remedy this shortage, as the freight on foreign ore, apart altogether from the question of quality as affecting Cleveland ironstone, which produces a basic iron, was rather prohibitive. The reduction in freight rates will no doubt stimulate our imports, and fresh sources of limestone are being opened up at home. If the fuel problem were solved conditions would become appreciably easier; and more furnaces could be put into operation as demand revives. Towards the end of last year, out of a total of 496 furnaces in the United Kingdom 300 approximately were in blast, the remainder being idle, either for

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repairs or relining, or through lack of business. The result of these unfavourable conditions is seen in the output of pig iron in 1920, details of which are given in our first table. Though greater than in 1919, the output is more than 2,000,000 tons less than the 1913 figure of 10,260,000 tons. Our steel-making capacity has, of course, grown considerably since pre-War days, and the 1920 output of 9,055,600 tons compares with 7,664,000 tons in 1913, though it is far below the record figure of 9,717,000 tons reached in 1917. There is little likelihood at present of the last-named figure being repeated, as our position with regard to the Continent was completely reversed in the course of last year. Reconstruction there is not making marked progress, and the iron and steel outputs, though substantially below pre-War levels, are in excess of home requirements. There is, accordingly, in some countries a large exportable surplus, which enters into competition in various markets with British iron and steel exports. Greater freedom, indeed, now marks our export trade. Thus in April last, owing to the shortage of Cleveland foundry pig, its shipment abroad was suspended by an embargo, which was extended in the following month to all qualities of Cleveland iron. Later the prohibition was withdrawn, and its withdrawal, if somewhat tardy, was welcome, since circumstances in our ordinary markets have somewhat altered. France, one of our chief customers in recent years, has, through the accession of the Lorraine deposits, become more than self-supporting in the matter of pig iron, and similarly Belgium has recovered from the great post-War scarcity which it experienced.

BRITISH POSITION STRENGTHENED.

Despite these considerations, there is, as Sir Robert Hadfield remarked, "plenty of room in the world for all of us in this line of work, that is, the production of iron and steel," and the immense task of reconstruction that still awaits Europe will probably call for the best efforts of our iron and steel manufacturers when it comes to be properly tackled. They are now in a much better position to meet foreign competition than before the War. At that time the relatively stationary condition of the British iron and steel industry as regards production, and its decline as regards international trade, were caused by the superior organisation and efficiency of both productive and distributive methods in America and Germany. The iron and steel industries in these countries being of relatively recent growth were organised throughout for large-scale production, and small units worked by individual owners were comparatively unknown. The production of large quantities of uniform articles was aimed at rather than a variety of output, and large units especially designed for cheap and economical working were laid down. The defects from which we suffered in these islands were, however, to a large extent remedied during and since the War. Amalgamations have been common and an earnest endeavour has been made by integration to link all the processes of production. Further, a large amount of fresh capital has been put into the industry. The exact extent of the capital increase is difficult to determine, as iron, steel, coal, shipbuilding, and engineering firms overlap considerably throughout the different industries. If we include all firms identified with these trades the amount of capital which they have issued in each year from 1913 onwards is as follows: 1913, £7,587,489; 1914, £4,038,390; 1915, £245,930; 1916, £1,858,750; 1917, £1,834,272; 1918, £13,676,859; 1919, £19,791,444; 1920, £39,108,521; making in all a total of £88,141,655.

THE OUTLOOK.

Prospects are at the moment obscure, as the future course of demand cannot be forecast. The cuts that have been made in prices have not had the stimulating effect that was expected on consumption, and many manufacturers are faced with the alternative of closing down or running at a loss. It is impossible to make for stock, as the future course of prices is too uncertain. Already on the North-East Coast and elsewhere quite a number of furnaces have been damped down. Further unemployment in all the steel-making centres seems certain, as there is everywhere a conspicuous lack of confidence, which is most inimical to business. It should be recalled, however, that in the spring of 1919 a somewhat similar feeling prevailed in the trade, as dumping from abroad was then going on. It stopped, however, when foreign manufacturers had exhausted accumulated stocks. In like manner, it is probable that much of the foreign iron and steel material reaching our shores to-day is literally being forced on the market through pressure from Continental banks and otherwise. Moreover, steps are being taken to curtail production in a number of centres abroad. The difficulty of securing combined international action in the matter of curtailment is, however, almost insuperable. The United States exercise a preponderating influence in the market, as the following figures of pig-iron production show: 1918, 38,437,448 tons; 1919, 30,578,730 tons; 1920, 36,395,068 tons. American producers cannot be dictated to in the matter of policy.

The slump in the home market due to the arrival of large imports from abroad is emphasised by the restricted outlets available in the United Kingdom owing to the industrial depression, and the disposal of the surplus becomes a matter of increasing anxiety. A sliding scale arrangement has permitted the reduction of ironworkers' wages in both the Midlands and the North of England, but strong opposition has been manifested to any general move in this direction. The workers contend that action can be taken in the matter only after full deliberation between employers and employed, all information as to salaries, profits, &c., being laid on the table. Cleveland No. 3 now stands at 195*s.* for home and 200*s.* for export, and East Coast hematite, mixed numbers for home and export at 220*s.*, while foreign iron is coming into the country at 155*s.* per ton c.i.f. Tees. The need for further drastic cuts in cost of production is here obvious, and it is no less clear in other lines. Thus British bar iron is being heavily undersold by Belgian bars, while our steel rail manufacturers, who quote £21 per ton, have lost much business to Belgium, which can do rails at £13 per ton f.o.b. Antwerp. Basic and foundry iron from Luxemburg is adding to the difficulties. The present position is, however, at the worst, only temporary. Many anticipate relief from the Government's projected Bill to prevent dumping and offset the effect of the collapsed exchanges, but a more permanent remedy in the form of lower costs of production is required, and to secure this a lowering of the bills for fuel and raw materials and for wages is essential.

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NON-FERROUS METALS.

Fluctuations in the various Metal markets during 1920 were of an extreme character. The previous year had been one of great activity, and the profits to be realised attracted a large and undesirable speculative element from outside. The operations of newcomers naturally had a detrimental effect on the business of legitimate traders. Prices were forced upwards on the assumption that the demand for metals would increase in intensity while supplies would continue restricted. Speculative buying based on these considerations was for a time justified by results, but the position rapidly changed, owing to the decline in consumption, and the inability of speculators to carry high-priced stocks eventually led in many cases to forced realisations, and helped to depress prices in not a few instances to below the cost of production. The violence of the movement is best illustrated in the price of Straits tin, which, though touching £419 10*s.* per ton in February last, had by December 28 sunk as low as £195 per ton. In the previous year the extreme quotations had been £342¼ per ton and £204 per ton, and the months of the year in which they obtained were precisely the opposite to those of the high and low quotations of 1921. In the Table I. we show for standard copper, tin (including English ingots and Straits), lead (foreign), and spelter (foreign), the monthly and annual averages calculated from the data published weekly in The Statist, including also quotations so far ruling in 1921:—

Table I.
Average Monthly Price per Ton.

	Copper Standard			English Ingots			Tin. Straits			Lead (Foreign)			Spelter (Foreign)		
1920	£	*s.*	*d.*	£	*s.*	*d.*	£	*s.*	*d.*	£	*s.*	*d.*	£	*s.*	*d.*
Jan. ...	117	2	0	370	12	0	375	16	0	47	4	0	59	8	0
Feb. ...	120	5	0	390	10	0	397	7	6	51	0	0	61	10	0
March	108	12	6	363	10	0	369	5	0	46	10	0	54	17	6
April ...	102	17	0	339	8	0	343	12	0	40	6	0	48	8	0
May ...	96	6	0	288	9	0	307	10	0	38	10	0	45	0	0
June ...	86	10	0	246	0	0	262	10	0	33	15	0	40	6	0
July ...	90	8	0	262	16	0	287	15	0	35	4	0	42	0	0
Aug. ...	94	7	0	276	0	0	(Nominal)			36	2	0	41	15	0
Sept. ...	97	5	0	267	15	0	278	10	0	35	10	0	39	10	0
Oct. ...	93	0	0	257	12	0	261	4	0	34	18	0	39	12	0
Nov. ...	84	5	0	237	10	0	243	0	0	32	0	0	35	0	0
Dec. ...	75	4	0	208	16	0	215	10	0	24	0	0	27	4	0
Average	**97**	**3**	**6**	**292**	**8**	**2**	**303**	**16**	**4**	**37**	**18**	**3**	**44**	**10**	**10**
1921															
Jan. ...	70	16	3	186	5	0	206	15	0	23	7	6	24	18	9
Feb.* ...	69	15	0	161	0	0	185	0	0	22	15	0	24	5	0
Feb.‡ ...	71	7	6	165	0	0	190	0	0	21	5	0	25	0	0

* Week ended Feb. 5. ‡ Week ended Feb. 12.

It will be noticed that the average price in all cases reached its peak in February, while the December figure marked the lowest level of the year. A partial rally was made in certain sections in the second week of February, but on the whole the marking down of prices has continued. Recent cash quotations have been: Standard copper, cash £71 9*s.*, three months £71 16*s.*; fine foreign tin, cash £168 2*s.* 6*d.*, three months £172 2*s.* 6*d.*; good soft pig lead, net, £21 12*s.* 6*d.*; and spelter, £25 10*s.* per ton. The weakness, especially in the Copper market, has been largely caused by bearish sentiment in America, but the root of the present decline is the inability of industry to absorb the world's production of the non-ferrous metals. Several attempts have been made, notably by the Government of the Federated Malay States, to stay the downward trend of prices in the interests of producers, but the attempts at control have not been successful, though lately a somewhat more auspicious effort in this direction has been made. According to advices from New York, a financial syndicate, including the National City Bank and the Guaranty Trust Co., have arranged with the Copper Export Association to withdraw two-thirds of the American copper surplus, or approximately 400,000,000 lb., and assign it to the export trade. A public issue, amounting to £8,000,000 at par, is being made in connection with the transaction. A rumour is current that, in addition to this arrangement, producers are negotiating for a limitation of the total monthly output in the States to something like 70,000,000 lb. If the twofold scheme of export and restriction of output is carried into effect the result on the English standard market would be to steady quotations, as the American price might rise.

With regard to tin, the Malayan Government may further modify its policy of pegging the price. The demand from the manufacturing trades continues disappointing, and the lowering of the peg or its withdrawal is anticipated. Last week Straits tin was at a premium of £20 over standard qualities. To some extent the market has already discounted any move made towards decontrol by the Government of Malay. The abnormal "bull" account in the metal in the early part of last year has been responsible for much of the subsequent depression; and, further, consumption is very limited, owing to the closing down of many tinplate works, while the increase in the value of sterling has slightly checked the freedom of American purchases in London. Similarly spelter has declined with the falling-off in the demand for galvanised sheets; while lead has been weak, owing to the abandonment or postponement of many housing schemes, both here and in the United States, and the delays incidental to reconstruction abroad.

As illustrating the course of metal prices from 1906 onwards, we append a series of tables, showing the principal non-ferrous metals, and for No. 3 Cleveland iron, the highest and lowest prices and the average annual quotation. Where prices have been officially-regulated the fact has been noted:—

TABLE II.
STANDARD COPPER, per Ton (Cash).

	Highest		Lowest		Average Year
	£		£		£
1907 ...	112 (Mar.)		54½ (Dec.)		87 1/16
1908 ...	66¼ (Dec.)		56⅛ (July)		60
1909 ...	64 3/16 (Jan.)		54½ (Mar.)		58⅞
1910 ...	62 1/16 (Jan.)		52¾ (July)		57 3/16
1911 ...	64 (Dec.)		53 7/16 (May)		56 1/16
1912 ...	80 (June)		60⅞ (Jan.)		73 1/16
1913 ...	77 1/16 (Jan.)		61¾ (June)		68¼
1914 ...	66 13/16 (Feb.)		*49 (Nov.)		59 7/16
1915* ...	87½ (Dec.)		57½ (Jan.)		72⅝
1916* ...	153 (Dec.)		84 (Jan.)		116
1917* ...	140 (Feb.)		110 (Dec.)		125
1918* ...	122½ (July)		100 (Dec.)		115
1919 ...	117¼ (Dec.)	76¾	73½ (Feb.)		91
1920 ...	**122¼ (Feb.)**		**70 (Dec.)**		**97⅛**

* Controlled this year and subsequently during War. Control released December, 1918.

TIN (Straits), per Ton (Cash).

	Highest		Lowest		Average Year
	£		£		£
1906 ...	215 (May)		161 (Mar.)		181⅝
1907 ...	200 (July)		115 (Dec.)		174
1908 ...	147 (Mar.)		118 (Jan.)		133¼
1909 ...	156 (Dec.)		123½ (Feb.)		135¼
1910 ...	176¾ (Dec.)		143⅜ (Mar.)		157½
1911 ...	233 (June)		169¾ (Sept.)		191⅜
1912 ...	233 (Sept.)		183¼ (Jan.)		209⅜
1913 ...	232 (May)		166½ (Dec.)		201¾
1914 ...	188¼ (Feb.)		120 (Oct.)		156⅝
1915 ...	194 (Mar.)		148 (Jan.)		167
1916 ...	205 (April)		161½ (July)		182¼
1917 ...	309 (Dec.)		180¾ (Jan.)		236⅝
1918 ...	399 (Aug.)		235½ (Dec.)		329½
1919 ...	342¼ (Dec.)		204 (Feb.)		259½
1920 ...	**419½ (Feb.)**		**195 (Dec.)**		**303⅝**

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SPELTER, per Ton (Cash).

	Highest	Lowest	Average Year
	£	£	£
1906 ..	29½ (Jan.)	24 (Mar.)	27 1/16
1907	28⅛ (Jan.)	19½ (Dec.)	23 3/16
1908 .	21⅞ (Feb.)	18 (July)	20 5/16
1909	23 5/16 (Sept.)	20 15/16 (Feb.)	22⅛
1910	24 5/16 (Nov.)	21¾ (May)	23
1911	28 (Oct.)	22⅜ (Mar.)	25⅛
1912	27⅜ (Sept.)	25 (Mar.)	26 3/16
1913	26½ (Jan.)	20½ (Sept.)	22 1/16
1914	40 (Aug.)	21½ (Feb.)	23 5/16
1915	115 (June)	28 (Jan.)	66 1/16
1916	110 (Feb.)	44 (Aug.)	68⅜
1917	58½ (Mar.)	45½ (Jan.)	52⅛
1918	56 (Sept.)	50 (April)	52⅛
1919 ..	57½ (Dec.)	34½ (May)	42¾
1920 . .	**62½ (Feb.)**	**22½ (Dec.)**	**44½***

LEAD (Foreign), per Ton (Cash).

	Highest	Lowest	Average Year
	£	£	£
1906 ..	20⅛ (Oct.)	15⅜ (April)	17⅜
1907 .	22½ (June)	13 (Dec.)	19 1/16
1908 .	15¼ (Jan.)	12⅜ (June)	13½
1909 ...	13¼ (Dec.)	12 7/16 (Aug.)	13 1/16
1910 .	13⅞ (Jan.)	12 7/16 (May)	12 15/16
1911 .	16 (Nov.)	12¾ (April)	14
1912 .	23¾ (Sept.)	15⅜ (Jan.)	17 15/16
1913	21½ (June)	15⅞ (Mar.)	18 5/16
1914	24 (Aug.)	17½ (Oct.)	18 1/16
1915 .	30¼ (Dec.)	18 5/16 (Jan.)	22⅞
1916 .	36½ (April)	27½ (July)	31
1917 .	30½ Control	29½ Control	30
1918 .	40½ (Nov.)	28½ Control	30⅛
1919 .	45½ (Dec.)	22 (Feb.)	28¼
1920	**52⅜ (Feb.)**	**21 (Dec.)**	**37½***

* Average of STATIST quotations.

IRON (Cleveland No. 3), per Ton (Cash).

	Highest	Lowest	Average Year
	s. d.	s. d.	s. d.
1906 ...	63 6 (Dec.)	47 2½ (April)	53 0½
1907 . .	62 9 (May)	48 5 (Dec.)	55 6¾
1908	56 6 (May)	47 6 (Jan.)	50 4½
1909	52 7½ (Sept.)	45 7 (Mar.)	49 3½
1910 ...	53 3 (Jan.)	48 7 (July)	50 1
1911 ...	50 10 (Dec.)	45 7 (May)	47 5
1912 ...	68 4 (Nov.)	48 8 (Jan.)	58 1
1913 ...	70 6 (April)	48 6 (Nov.)	58 6
1914 ...	54 4 (Dec.)	48 3 (Oct.)	57 1
1915	78 3 (Dec.)	54 6 (Jan.)	64 10
1916 } 1917 . 1918 . 1919 }	Trade Controlled. The highest export price of 160/- per ton was reached in 1919, but the Home price highest was 95/-		
1920	... **225 0*(Feb.)**	**160 0*(Dec.)**	—

* Official.

While the average price for 1920 was, as may be seen from these tables, much in excess of the average for 1913, present prices show a more appreciable approach to pre-War levels. Thus standard copper at £71 7*s.* 6*d.* per ton compares with £119 10*s.* in February 1920, and £66 on June 30, 1914. Tin (Straits) at end of last week commanded £190 per ton, as against £392 in February 1920 and £139 10*s.* on June 30, 1914. Ordinary foreign spelter at £25 10*s.* per ton and soft foreign lead at £21 17*s.* 6*d.* also approximate to the pre-War figures of £21 7*s.* 9*d.* and £19 respectively. If demand revives metals bought in the present dull markets should show a good profit, and at any rate judicious purchase of forward positions cannot be ill-advised, as rates that represent less than the cost of production cannot be long maintained.

COAL MINE FINANCES.

FROM the first of next month Government control over pithead prices of coal and export and bunker shipments is to cease, and the State is gradually to withdraw from intervention in the finances of the industry. The change in policy is welcome as indicating the need for a reversion to private initiative to restore the impaired strength of the industry, but the period of control will leave behind it a rather burdensome legacy, not only for mine owners but for the public. The various wage advances granted under the Government régime were made irrespective of districts or of quality and value of coal produced. With the restoration of freedom the poorer areas will find it an economic impossibility to maintain the same rates as the more favoured. The situation in this respect may be gathered at a glance from the following table which shows the net costs and proceeds and the resulting debits and credits arising from the sale of coal in the various mining areas of Great Britain:—

	Net Costs £	Net Costs Per Ton	Proceeds £	Proceeds Per Ton	Credit+ or Debit—
Scotland .. .	11,735,534	35 5 55	11,602,077	35 0 69	— 133,457
Northumberland .	4,718,666	35 11 59	6,328,252	48 2 81	+1,609,586
Durham .	12,548,877	35 11 26	15,163,042	41/0 10	+2,614,165
S. Wales and Monmouth	23,810,273	43 10 06	30,121,974	55 5 51	+6,311,701
Cumberland and Westmorland . .	913,818	41 2 03	695,074	33 7 11	— 218,774
Yorkshire ..	12,375,392	28 11 70	14,178,844	33/2 37	+1,803,452
Lancashire and N. Wales .	9,142,928	37 2 48	8,283,336	33/8 46	— 860,592
Derby, Notts and Leicester . ..	9,115,197	26 4 24	11,283,733	31 6 98	—1,868,236
Staffs, Shropshire and Warwick	6,502,430	32 1 75	6,455,042	32 1 91	— 47,388
Other English Counties	1,306,444	36/2 98	1,302,433	36/1 61	— 4,001

Debits are recorded in the case of Scotland, Cumberland and Westmorland, Lancashire and North Wales and Staffordshire, Shropshire and Warwick, and in a few other English counties, mainly owing to their severance from the more profitable markets abroad and the consequent lower price per ton commanded by their products. The minimum of 31*s.* 6.98*d.* per ton is reached in the case of Derby, Notts and Leicester and the maximum for areas working at a loss is 36*s.* 1.64*d.* reached by "other English counties." How these compare with prices obtaining from coal exporting centres may be gathered from the following figures:—South Wales average price per ton, 55*s.* 5.51*d.*, Durham, 41*s.* 0.10*d.*, and Northumberland, 48*s.* 2.81*d.* For the whole of the September quarter 1920, to which these figures relate, the amount of coal disposed of commercially was 53,252,648 tons of which 9,437,465 tons were shipped for exports and foreign bunkers, chiefly from the centres above mentioned where high prices were received. The proceeds were £105,413,807, and the total net cost of production including wages, stores and timber, royalties, management and general expenses, &c., works out at £92,470,889. A credit balance of £12,942,918, or 4*s.* 10*d.* per ton, thus resulted from the quarter's operations. But out of this balance provision has to be made for depreciation, interest on debentures and other loans, capital adjustments under the Finance Acts, and profits to which owners are entitled under the Coal Mines (Emergency) Act 1920. The profits pool must in fact be maintained by the Government up to August 31 next, though Sir Robert Horne has stated that the savings of the pool out of previous profits, estimated in the middle of last year by the miners' representatives as over £50,000,000, will have disappeared at the end of next month. A heavy liability will then rest on the taxpayer unless a way out of the difficulty is found in the meantime. The item that has swollen so much as to threaten the profit balance is wages. The aggregate amount and the amount per ton disbursed under this and other heads in the first three quarters of 1920 are shown in the following table:—

	Quarter Ended March 31 £	March 31 Per Ton	June 30 £	June 30 Per Ton	September 30 £	September 30 Per Ton
Wages	63,220,756	22 8 50	66,570,490	25 5 72	69,908,316	26 2 06
Stores and Timber	12,758,171	4/6 99	13,638,605	5 2 63	14,563,512	5 5 61
Salaries, Management and General expenses ...	4,569,566	1 7 70	6,250,094	2 4 70	6,689,601	2 6 15
Royalties ...	1,747,653	0/7 53	1,662,763	0/7 64	1,690,734	0 7 62

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Condensed Statement, December 31st, 1920

ASSETS

Cash—On Hand, in Federal Reserve Bank and due from Banks and Bankers	$217,780,215
U.S. Government Bonds and Certificates	36,909,728
Public Securities	44,227,525
Other Securities	37,275,671
Bills Purchased	222,217,966
Demand Loans	169,607,581
Time Loans	109,756,940
Real Estate Bonds and Mortgages	2,804,110
Foreign Exchange	5,244,048
Credits Granted on Acceptances	57,901,984
Real Estate	8,435,705
Accrued Interest and Accounts Receivable	11,501,865
	$923,663,338

LIABILITIES

Capital	$25,000,000
Surplus Fund	25,000,000
Undivided Profits	12,075,072
Outstanding Dividend Cheques	966,400
Accrued Interest Payable and Reserves for Taxes, Expenses and other Liabilities	20,379,571
Notes, Bills and Acceptances Rediscounted with Federal Reserve Bank	74,328,844
Notes Secured by Liberty Bonds Rediscounted with Federal Reserve Bank	19,435,800
Acceptances—New York Office	44,867,543
Foreign Offices	13,034,441
Treasurer's Cheques	51,221,979
Deposits	637,353,688
	$923,663,338

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